JCDecaux

# Full-Year 2011 Results

Out of Home Media

Algeria
Argentina
Australia
Austria
Belgium
Brazil
Bulgaria
Cameroon
Canada
Chile
China
Croatia
Czech Republic
Denmark
Estonia
Finland
France
Germany
Hungary
Iceland
India
Ireland
Israel
Italy
Japan
Kazakhstan
Korea
Latvia
Lithuania
Luxembourg
Malaysia
Norway
Oman
Poland
Portugal
Qatar
Russia
Saudi Arabia
Singapore
Slovakia
Slovenia
South Africa
Spain
Sweden
Thailand
The Netherlands
Turkey
Ukraine
United Arab Emirates
United Kingdom
United States
Uruguay
Uzbekistan

- **Revenues up 4.8% to €2,463.0 million, organic revenues up 5.7%**
- **Operating margin increases by 4.8% to €582.1 million**
- **EBIT increases by 17.2% to €327.1 million**
- **Net income group share up 22.7% to €212.6 million**
- **Strong free cash flow at €280.5 million**
- **Dividend of €0.44 per share proposed for the year**
- **Expected organic revenue growth around 3% in Q1 2012**

**Paris, 8 March 2012** - JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, announced today its results for the year ended December 31, 2011. The accounts are audited and certified.

Commenting on the 2011 results, **Jean-François Decaux, Chairman of the Executive Board and Co-CEO**, said:

*"2011 was a record year for JCDecaux with our strongest operating margin achievement despite the challenging environment. We were also able to further enhance our number one position in the global outdoor advertising industry and gain market share in all our key geographies. These results continue to illustrate the good performance of our teams, the strength of our diversified geographic mix and our high quality product offering, generating sound growth in revenues and profits for the year.*

*Our strong cash flow generation has enabled JCDecaux to invest for future growth while also further reducing our leverage. This balance sheet flexibility will allow us to continue to develop our business through both organic growth and value accretive acquisitions as they arise and we are also pleased to recommend a dividend of 0.44 euro per share to the AGM in May.*

*As far as Q1 2012 is concerned, while the macro-economic environment remains difficult in some European countries, we expect to deliver organic revenue growth of around 3%.*

*Finally, we remain confident in our capacity to outperform the media industry through our emerging market exposure, digital development and selective acquisition strategy."*

## Revenues

As reported on 26 January 2012, consolidated revenues increased by 4.8% to €2,463.0 million in 2011. Excluding foreign exchange variations and change in perimeter effects, organic revenues increased by 5.7% and were mainly driven by the strong growth of the Transport division in Asia-Pacific, and the solid performance of the Street Furniture division in key markets such as France and Germany.

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## Operating Margin[1]

Group operating margin increased by 4.8% to €582.1 million from €555.4 million in 2010. The operating margin as a percentage of consolidated revenues was 23.6%, in line with the previous year.

| | 2011 | | 2010 | | Change 11/10 | |
|---|---|---|---|---|---|---|
| | (€m) | % of revenues | (€m) | % of revenues | Value (%) | Margin rate (bp) |
| **Street Furniture** | 386.9 | 32.8% | 375.9 | 32.8% | +2.9% | = |
| **Transport** | 139.9 | 16.0% | 115.4 | 14.8% | +21.2% | 120bps |
| **Billboard** | 55.3 | 13.5% | 64.1 | 15.1% | -13.7% | -160bps |
| **Total** | **582.1** | **23.6%** | **555.4** | **23.6%** | +4.8% | **=** |

**Street Furniture:** Operating margin increased by 2.9% to €386.9 million. As a percentage of revenues, the operating margin was stable compared to 2010 at 32.8% as a direct consequence of the organic revenue increase.

**Transport:** Operating margin strongly improved in 2011, with a 21.2% year-on-year increase to €139.9 million. As a percentage of revenues, the operating margin improved 120bps to 16.0% reflecting the strong and profitable revenue increase in Asia-Pacific.

**Billboard:** Operating margin decreased by 13.7% to €55.3 million. As a percentage of revenues, operating margin declined 160bps to 13.5%, compared to 15.1% in 2010. This reflects the impact of the 3.8% decline in reported revenues in part due to the completion of inventory rationalization in France and Southern Europe.

## EBIT[2]

EBIT increased by 17.2% to €327.1 million, up from €279.0 million in 2010. The Group's EBIT margin improved to 13.3% of consolidated revenues (2010: 11.9%). Consumption of maintenance spare parts showed a slight decrease, whilst charges associated with depreciation and provisions also decreased, partly due to lower depreciation of tangible assets.

## Net financial income[3]

Net financial income was almost flat at -€26.9 million compared to -€27.0 million in 2010. This includes a -€9.7 million one-off impact following the reintegration of a consolidated company's debt towards a minority partner.

## Equity affiliates

Share of net profit from equity affiliates increased by €10.7 million to €14.6 million, from €3.9 million in 2010. This increase is essentially due to the stronger performance of Affichage Holding in 2011 following the implementation of a number of strategic decisions.

## Net income Group share

Net income Group share increased by 22.7% to €212.6 million, compared to €173.3 million in 2010. This increase mainly reflects the higher EBIT and the improved share of net profit from equity affiliates, partially offset by higher tax and minority interests.

## Capital expenditure

Net capex (acquisition of property, plant and equipment and intangible assets, net of disposals of assets) was €167.8 million, compared to €155.2 million in 2010.

## Free Cash flow[4]

Free cash flow remains strong at €280.5 million in 2011 compared to €327.4 million in 2010. This decrease reflects a lower positive impact from change in working capital and higher capital expenditure.

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## Net debt[(5)]

Net debt as of 31 December 2011 decreased by €211.3 million to €147.5 million compared to €358.8 million as of 31 December 2010. Net debt as of 31 December 2011 represented 0.3 times 2011 operating margin. In February 2012, the Group renewed its 5-year committed credit line for €600 million.

## Dividend

At the next Annual General Meeting of Shareholders on 15 May, 2012, the Supervisory Board will recommend the payment of a dividend of €0.44 per share for the 2011 financial year.

**(1)** **Operating Margin** = Revenues less Direct Operating Expenses (excluding Maintenance spare parts) less SG&A expenses

**(2)** **EBIT = Earnings Before Interests and Taxes** = Operating Margin less Depreciation, amortization and provisions (net) less Impairment of goodwill less Maintenance spare parts less Other operating income and expenses

**(3)** **Net financial income = E**xcluding the impact of put on minorities actualization (-€5.4 million and -€7.8 million in 2011 and 2010 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 net cash including the non-cash impact of IAS39 (on both debt and derivatives) and excluding the non-cash impact of IAS 32 (debt on commitments to purchase minority interests)

**Next information**:
Q1 2012 revenues: 9 May 2012 (after market)
Annual General Meeting of Shareholders: 15 May 2012

**Key Figures for the Group:**

- *2011 revenues: €2,463m*
- *JCDecaux is listed on the Eurolist of Euronext Paris and is part of the Euronext 100 and Dow Jones Sustainability indexes*
- *No.1 worldwide in street furniture (426,184 advertising panels)*
- *No.1 worldwide in transport advertising with 175 airports and 282 contracts in metros, buses, trains and tramways (367,770 advertising panels)*
- *No.1 in Europe for billboards (208,495 advertising panels)*
- *No.1 in outdoor advertising in the Asia-Pacific region (246,819 advertising panels)*
- *No.1 worldwide for self-service bicycle hire*
- *1,013,510 advertising panels in more than 50 countries*
- *Present in 3,688 cities with more than 10,000 inhabitants*
- *10,304 employees*

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# CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

## STATEMENT OF FINANCIAL POSITION

### Assets

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| Goodwill | 1 377,9 | 1 342,6 |
| Other intangible assets | 328,8 | 318,9 |
| Property, plant and equipment | 1 139,4 | 1 137,7 |
| Investments in associates | 158,2 | 141,2 |
| Financial investments | 1,4 | 2,1 |
| Other financial investments | 23,8 | 17,8 |
| Deferred tax assets | 23,6 | 15,3 |
| Income tax receivable | 0,9 | 1,9 |
| Other receivables | 37,5 | 49,5 |
| **NON-CURRENT ASSETS** | **3 091,5** | **3 027,0** |
| Other financial investments | 14,2 | 11,7 |
| Inventories | 94,9 | 97,4 |
| Financial derivatives | 0,0 | 0,0 |
| Trade and other receivables | 738,0 | 712,6 |
| Income tax receivable | 3,6 | 3,7 |
| Cash and cash equivalents | 288,7 | 211,5 |
| **CURRENT ASSETS** | **1 139,4** | **1 036,9** |
| **TOTAL ASSETS** | **4 230,9** | **4 063,9** |

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## Liabilities and Equity

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| Share capital | 3,4 | 3,4 |
| Additional paid-in capital | 1 010,0 | 1 001,6 |
| Consolidated reserves | 1 235,5 | 1 063,4 |
| Consolidated net income (Group share) | 212,6 | 173,3 |
| Other components of equity | 32,5 | 5,7 |
| **EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY** | **2 494,0** | **2 247,4** |
| Non-controlling interests | (24,3) | (24,7) |
| **TOTAL EQUITY** | **2 469,7** | **2 222,7** |
| Provisions | 198,8 | 195,8 |
| Deferred tax liabilities | 111,8 | 106,7 |
| Financial debt | 357,8 | 459,3 |
| Debt on commitments to purchase non-controlling interests | 78,6 | 73,6 |
| Other payables | 20,4 | 14,3 |
| Financial derivatives | 17,7 | 19,3 |
| **NON-CURRENT LIABILITIES** | **785,1** | **869,0** |
| Provisions | 29,9 | 36,0 |
| Financial debt | 71,1 | 83,8 |
| Debt on commitments to purchase non-controlling interests | 13,3 | 12,9 |
| Financial derivatives | 0,1 | 0,5 |
| Trade and other payables | 822,5 | 788,0 |
| Income tax payable | 29,5 | 28,9 |
| Bank overdrafts | 9,7 | 22,1 |
| **CURRENT LIABILITIES** | **976,1** | **972,2** |
| **TOTAL LIABILITIES** | **1 761,2** | **1 841,2** |
| **TOTAL LIABILITIES AND EQUITY** | **4 230,9** | **4 063,9** |

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# STATEMENT OF COMPREHENSIVE INCOME

## INCOME STATEMENT

| *In million euros* | 2011 | 2010 |
|---|---|---|
| **NET REVENUES** | **2 463,0** | **2 350,0** |
| Direct operating expenses | (1 500,8) | (1 432,1) |
| Selling, general and administrative expenses | (380,1) | (362,5) |
| **OPERATING MARGIN** | **582,1** | **555,4** |
| Depreciation, amortization and provisions (net) | (207,9) | (223,6) |
| Impairment of goodwill | 0,0 | (0,5) |
| Maintenance spare parts | (37,9) | (39,8) |
| Other operating income | 8,7 | 2,3 |
| Other operating expenses | (17,9) | (14,8) |
| **EBIT** | **327,1** | **279,0** |
| Financial income | 16,7 | 11,9 |
| Financial expenses | (49,0) | (46,7) |
| **NET FINANCIAL INCOME (LOSS)** | **(32,3)** | **(34,8)** |
| Income tax | (93,7) | (78,8) |
| Share of net profit of associates | 14,6 | 3,9 |
| **PROFIT OF THE YEAR FROM CONTINUING OPERATIONS** | **215,7** | **169,3** |
| Gain or loss on discontinued operations | | |
| **CONSOLIDATED NET INCOME** | **215,7** | **169,3** |
| *- Including non-controlling interests* | *3,1* | *(4,0)* |
| **CONSOLIDATED NET INCOME (GROUP SHARE)** | **212,6** | **173,3** |
| Earnings per share (in euros) | 0,959 | 0,782 |
| Diluted Earnings per share (in euros) | 0,958 | 0,782 |
| Weighted average number of shares | 221 723 424 | 221 489 982 |
| Weighted average number of shares (diluted) | 221 914 884 | 221 707 844 |

## STATEMENT OF OTHER COMPREHENSIVE INCOME

| *In million euros* | 2011 | 2010 |
|---|---|---|
| **CONSOLIDATED NET INCOME** | **215.7** | **169.3** |
| Translation reserve adjustments on foreign operations (1) | 29.1 | 35.7 |
| Translation reserve adjustments on net foreign investments | (3.6) | 3.3 |
| Available-for-sale securities | 0.0 | 0.1 |
| Revaluation reserves | 0.0 | 0.0 |
| Share of other comprehensive income of associates | 2.2 | 4.2 |
| - Translation reserve adjustments of associates | 2.0 | 4.0 |
| - Available-for-sale securities of associates | 0.0 | -0.1 |
| - Gains and losses on disposal of treasury shares of associates | 0.2 | 0.3 |
| **Other comprehensive income before tax** | **27.7** | **43.3** |
| **Tax on other comprehensive income (2)** | **(0.1)** | **0.0** |
| **TOTAL COMPREHENSIVE INCOME** | **243.3** | **212.6** |
| *- Including non-controlling interests* | *3.9* | *(3.5)* |
| **TOTAL COMPREHENSIVE INCOME - GROUP SHARE** | **239.4** | **216.1** |

(1) *In 2010, the translation reserve adjustments on foreign operations were related to changes in foreign exchange rates, of which €17.1 million in Hong Kong, €9.9 million in Australia and €4.2 million in Argentina. The item also included a € (1.4) million transfer to profit and loss following the acquisition of control of RTS Decaux JSC (Kazakhstan).*
*In 2011, the translation reserve adjustments on foreign operations were related to changes in foreign exchange rates, of which €11.8 million in Hong Kong, €4.6 million in Brazil and €3.9 million in China. The item also included a transfer to profit and loss following the acquisition of control of Adbooth Pty Ltd for €(0.1) million, JCDecaux Korea Inc. (South Korea) for €0.2 million and Garmoniya (Ukraine) for €0.1 million.*

(2) *No other comprehensive income item had a tax impact in 2010. In 2011, the deferred tax impact on the translation reserve adjustments on net foreign investments amounted to €(0.1) million.*

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## STATEMENT OF CHANGES IN EQUITY

| *In million euros* | Equity attributable to owners of the parent company | | | | | | | | | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share Capital | Additional paid-in capital | Retained earnings | Other components of equity | | | | | Total | | |
| | | | | Available-for-sale securities | Translation reserve adjustment | Revaluation reserves | Other | Total Other components | | | |
| **Equity as of December 31, 2009** | **3.4** | **996.3** | **1,067.3** | **(0.1)** | **(38.4)** | **0.9** | **0.3** | **(37.3)** | **2,029.7** | **(21.6)** | **2,008.1** |
| Capital increase (1) | | 3.7 | (0.2) | | | | | 0.0 | 3.5 | 1.4 | 4.9 |
| Distribution of dividends | | | | | | | | 0.0 | 0.0 | (5.8) | (5.8) |
| Share-based payments | | 1.6 | | | | | | 0.0 | 1.6 | | 1.6 |
| Debt on commitments to purchase non-controlling interests (2) | | | | | | | | 0.0 | 0.0 | 3.4 | 3.4 |
| Change in consolidation scope (3) | | | (3.2) | | | | | 0.0 | (3.2) | 0.9 | (2.3) |
| Consolidated net income | | | 173.3 | | | | | 0.0 | 173.3 | (4.0) | 169.3 |
| Other comprehensive income | | | | | 42.5 | | 0.3 | 42.8 | 42.8 | 0.5 | 43.3 |
| **Total comprehensive income** | **0.0** | **0.0** | **173.3** | **0.0** | **42.5** | **0.0** | **0.3** | **42.8** | **216.1** | **(3.5)** | **212.6** |
| Other | | | (0.5) | | 0.2 | | | 0.2 | (0.3) | 0.5 | 0.2 |
| **Equity as of December 31, 2010** | **3.4** | **1,001.6** | **1,236.7** | **(0.1)** | **4.3** | **0.9** | **0.6** | **5.7** | **2,247.4** | **(24.7)** | **2,222.7** |
| Capital increase (1) | | 4.4 | (0.5) | | | | | 0.0 | 3.9 | 2.5 | 6.4 |
| Distribution of dividends | | | | | | | | 0.0 | 0.0 | (8.1) | (8.1) |
| Share-based payments | | 4.0 | | | | | | 0.0 | 4.0 | | 4.0 |
| Debt on commitments to purchase non-controlling interests (2) | | | | | | | | 0.0 | 0.0 | | 0.0 |
| Change in consolidation scope (3) | | | (0.6) | | | | | 0.0 | (0.6) | 2.0 | 1.4 |
| Consolidated net income | | | 212.6 | | | | | 0.0 | 212.6 | 3.1 | 215.7 |
| Other comprehensive income | | | | | 26.6 | | 0.2 | 26.8 | 26.8 | 0.8 | 27.6 |
| **Total comprehensive income** | **0.0** | **0.0** | **212.6** | **0.0** | **26.6** | **0.0** | **0.2** | **26.8** | **239.4** | **3.9** | **243.3** |
| Other | | | (0.1) | | | | | 0.0 | (0.1) | 0.1 | 0.0 |
| **Equity as of December 31, 2011** | **3.4** | **1,010.0** | **1,448.1** | **(0.1)** | **30.9** | **0.9** | **0.8** | **32.5** | **2,494.0** | **(24.3)** | **2,469.7** |

*(1) Increase in JCDecaux SA's additional paid-in capital related to the exercise of stock options and bonus shares and part of non-controlling interests in capital increase of controlled entities.*

*(2) In 2010, impact of the additional acquisition of Wall AG's shares and exercise of the put option on ERA Reklam AS' shares by Emre Kamçili. Discounting impacts were recorded in the income statement in "Consolidated net income" under the line item "Non-controlling interests" for €(5.4) million in 2011 against €(7.8) million in 2010. The changes are explained in Note 2.17 "Debt on commitments to purchase non-controlling interests".*

*(3) In 2010, changes in consolidation scope due to the additional acquisition of Wall AG's shares, the put option exercised on ERA Reklam AS' shares and the acquisition of control of RTS Decaux JSC (Kazakhstan).*
*In 2011, changes in consolidation scope due to the acquisitions of Adbooth Pty Ltd (Australia) and Médiakiosk (France) and the additional acquisition of interests in Chengdu MPI Public Transportation Adv. Co. Ltd (China).*

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## STATEMENT OF CASH FLOWS

| *In million euros* | 2011 | 2010 |
| --- | --- | --- |
| Net income before tax | 309,4 | 248,1 |
| Share of net profit of associates | (14,6) | (3,9) |
| Dividends received from non-consolidated subsidiaries (1) | - | (0,1) |
| Dividends received from associates (1) | 1,3 | - |
| Expenses related to share-based payments | 4,0 | 1,6 |
| Depreciation, amortization and provisions (net) | 208,5 | 221,8 |
| Capital gains and losses | (11,5) | 7,0 |
| Discounting expenses (income) | 11,1 | 19,8 |
| Net interest expense | 22,1 | 16,3 |
| Financial derivatives and translation adjustments | 10,2 | (1,6) |
| **Change in working capital** | **21,5** | **52,8** |
| Change in inventories | 3,9 | 16,6 |
| Change in trade and other receivables | 0,7 | (63,7) |
| Change in trade and other payables | 16,9 | 99,9 |
| **CASH PROVIDED BY OPERATING ACTIVITIES** | **562,0** | **561,8** |
| Interest paid | (19,6) | (24,6) |
| Interest received | 7,6 | 8,3 |
| Income taxes paid | (101,7) | (62,9) |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | **448,3** | **482,6** |
| Acquisitions of intangible assets and property, plant & equipment | (180,8) | (164,9) |
| Acquisitions of long-term investments | (56,1) | 0,3 |
| Acquisitions of other financial assets | (13,9) | (18,3) |
| Change in payables on intangible assets and property, plant & equipment | 0,2 | 6,4 |
| Change in payables on financial investments | 0,2 | (0,8) |
| **Total investments** | **(250,4)** | **(177,3)** |
| Proceeds on disposal of intangible assets and property, plant & equipment | 5,7 | 20,7 |
| Proceeds on disposal of long-term investments | 8,9 | 0,0 |
| Proceeds on disposal of other financial assets | 6,3 | 14,6 |
| Change in receivables on intangible assets and property, plant & equipment | 7,1 | (17,4) |
| **Total asset disposals** | **28,0** | **17,9** |
| **NET CASH USED IN INVESTING ACTIVITIES** | **(222,4)** | **(159,4)** |
| Dividends paid | (8,1) | (5,8) |
| Acquisitions of non-controlling interests | (1,9) | (4,2) |
| Repayment of long-term debt | (163,4) | (368,2) |
| Repayment of debt (finance lease) | (2,7) | (2,6) |
| **Cash outflow from financing activities** | **(176,1)** | **(380,8)** |
| Dividends received (1) | - | 1,1 |
| Proceeds on partial disposal of interests without loss of control | 0,3 | 0,0 |
| Capital increase | 4,0 | 4,9 |
| Increase in long-term borrowings | 31,9 | 153,2 |
| **Cash inflow from financing activities** | **36,2** | **159,2** |
| **NET CASH USED IN FINANCING ACTIVITIES** | **(139,9)** | **(221,6)** |
| Effect of exchange rate fluctuations and other movements | 3,6 | 8,3 |
| **CHANGE IN NET CASH POSITION** | **89,6** | **109,9** |
| **Net cash position beginning of period** | **189,4** | **79,5** |
| **Net cash position end of period (2)** | **279,0** | **189,4** |

*(1) In 2011, the dividends received which were previously classified under the line item "Net cash used in financing activities" are now classified under the line item "Net cash provided by operating activities." There was no reclassification 2010, as the €1.1 million impact was non-material.*
*(2) Including €288.7 million in cash and cash equivalents and €(9.7) million in bank overdrafts as of December 31, 2011, compared to €211.5 million and €(22.1) million, respectively, as of December 31, 2010.*

# CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

## STATEMENT OF FINANCIAL POSITION

### Assets

| *In million euros* | | 12/31/2011 | 12/31/2010 |
|---|---|---|---|
| Goodwill | § 2.4 | 1,377.9 | 1,342.6 |
| Other intangible assets | § 2.4 | 328.8 | 318.9 |
| Property, plant and equipment | § 2.5 | 1,139.4 | 1,137.7 |
| Investments in associates | § 2.6 | 158.2 | 141.2 |
| Financial investments | | 1.4 | 2.1 |
| Other financial investments | § 2.7 | 23.8 | 17.8 |
| Deferred tax assets | § 2.13 | 23.6 | 15.3 |
| Income tax receivable | § 2.12 | 0.9 | 1.9 |
| Other receivables | § 2.8 | 37.5 | 49.5 |
| **NON-CURRENT ASSETS** | | **3,091.5** | **3,027.0** |
| Other financial investments | § 2.7 | 14.2 | 11.7 |
| Inventories | § 2.9 | 94.9 | 97.4 |
| Financial derivatives | § 2.18 | 0.0 | 0.0 |
| Trade and other receivables | § 2.10 | 738.0 | 712.6 |
| Income tax receivable | § 2.12 | 3.6 | 3.7 |
| Cash and cash equivalents | § 2.11 | 288.7 | 211.5 |
| **CURRENT ASSETS** | | **1,139.4** | **1,036.9** |
| **TOTAL ASSETS** | | **4,230.9** | **4,063.9** |

## Liabilities and Equity

| *In million euros* | | 12/31/2011 | 12/31/2010 |
|---|---|---|---|
| Share capital | | 3.4 | 3.4 |
| Additional paid-in capital | | 1,010.0 | 1,001.6 |
| Consolidated reserves | | 1,235.5 | 1,063.4 |
| Consolidated net income (Group share) | | 212.6 | 173.3 |
| Other components of equity | | 32.5 | 5.7 |
| **EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY** | | **2,494.0** | **2,247.4** |
| Non-controlling interests | | (24.3) | (24.7) |
| **TOTAL EQUITY** | **§ 2.14** | **2,469.7** | **2,222.7** |
| Provisions | § 2.15 | 198.8 | 195.8 |
| Deferred tax liabilities | § 2.13 | 111.8 | 106.7 |
| Financial debt | § 2.16 | 357.8 | 459.3 |
| Debt on commitments to purchase non-controlling interests | § 2.17 | 78.6 | 73.6 |
| Other payables | | 20.4 | 14.3 |
| Financial derivatives | § 2.18 | 17.7 | 19.3 |
| **NON-CURRENT LIABILITIES** | | **785.1** | **869.0** |
| Provisions | § 2.15 | 29.9 | 36.0 |
| Financial debt | § 2.16 | 71.1 | 83.8 |
| Debt on commitments to purchase non-controlling interests | § 2.17 | 13.3 | 12.9 |
| Financial derivatives | § 2.18 | 0.1 | 0.5 |
| Trade and other payables | § 2.19 | 822.5 | 788.0 |
| Income tax payable | § 2.12 | 29.5 | 28.9 |
| Bank overdrafts | § 2.16 | 9.7 | 22.1 |
| **CURRENT LIABILITIES** | | **976.1** | **972.2** |
| **TOTAL LIABILITIES** | | **1,761.2** | **1,841.2** |
| **TOTAL LIABILITIES AND EQUITY** | | **4,230.9** | **4,063.9** |

## STATEMENT OF COMPREHENSIVE INCOME

## INCOME STATEMENT

| *In million euros* | | 2011 | 2010 |
|---|---|---|---|
| **NET REVENUES** | | **2,463.0** | **2,350.0** |
| Direct operating expenses | § 3.1 | (1,500.8) | (1,432.1) |
| Selling, general and administrative expenses | § 3.1 | (380.1) | (362.5) |
| **OPERATING MARGIN** | | **582.1** | **555.4** |
| Depreciation, amortization and provisions (net) | § 3.1 | (207.9) | (223.6) |
| Impairment of goodwill | § 3.1 | 0.0 | (0.5) |
| Maintenance spare parts | § 3.1 | (37.9) | (39.8) |
| Other operating income | § 3.1 | 8.7 | 2.3 |
| Other operating expenses | § 3.1 | (17.9) | (14.8) |
| **EBIT** | | **327.1** | **279.0** |
| Financial income | § 3.2 | 16.7 | 11.9 |
| Financial expenses | § 3.2 | (49.0) | (46.7) |
| **NET FINANCIAL INCOME (LOSS)** | | **(32.3)** | **(34.8)** |
| Income tax | § 3.3 | (93.7) | (78.8) |
| Share of net profit of associates | § 3.5 | 14.6 | 3.9 |
| **PROFIT OF THE YEAR FROM CONTINUING OPERATIONS** | | **215.7** | **169.3** |
| Gain or loss on discontinued operations | | | |
| **CONSOLIDATED NET INCOME** | | **215.7** | **169.3** |
| *- Including non-controlling interests* | | *3.1* | *(4.0)* |
| **CONSOLIDATED NET INCOME (GROUP SHARE)** | | **212.6** | **173.3** |
| Earnings per share (in euros) | | 0.959 | 0.782 |
| Diluted Earnings per share (in euros) | | 0.958 | 0.782 |
| Weighted average number of shares | § 3.4 | 221,723,424 | 221,489,982 |
| Weighted average number of shares (diluted) | § 3.4 | 221,914,884 | 221,707,844 |

## STATEMENT OF OTHER COMPREHENSIVE INCOME

| *In million euros* | 2011 | 2010 |
|---|---|---|
| **CONSOLIDATED NET INCOME** | **215.7** | **169.3** |
| Translation reserve adjustments on foreign operations (1) | 29.1 | 35.7 |
| Translation reserve adjustments on net foreign investments | (3.6) | 3.3 |
| Available-for-sale securities | 0.0 | 0.1 |
| Revaluation reserves | 0.0 | 0.0 |
| Share of other comprehensive income of associates | 2.2 | 4.2 |
| - Translation reserve adjustments of associates | 2.0 | 4.0 |
| - Available-for-sale securities of associates | 0.0 | -0.1 |
| - Gains and losses on disposal of treasury shares of associates | 0.2 | 0.3 |
| **Other comprehensive income before tax** | **27.7** | **43.3** |
| **Tax on other comprehensive income (2)** | **(0.1)** | **0.0** |
| **TOTAL COMPREHENSIVE INCOME** | **243.3** | **212.6** |
| *- Including non-controlling interests* | *3.9* | *(3.5)* |
| **TOTAL COMPREHENSIVE INCOME - GROUP SHARE** | **239.4** | **216.1** |

(1) *In 2010, the translation reserve adjustments on foreign operations were related to changes in foreign exchange rates, of which €17.1 million in Hong Kong, €9.9 million in Australia and €4.2 million in Argentina. The item also included a € (1.4) million transfer to profit and loss following the acquisition of control of RTS Decaux JSC (Kazakhstan).*
*In 2011, the translation reserve adjustments on foreign operations were related to changes in foreign exchange rates, of which €11.8 million in Hong Kong, €4.6 million in Brazil and €3.9 million in China. The item also included a transfer to profit and loss following the acquisition of control of Adbooth Pty Ltd for €(0.1) million, JCDecaux Korea Inc. (South Korea) for €0.2 million and Garmoniya (Ukraine) for €0.1 million.*

(2) *No other comprehensive income item had a tax impact in 2010. In 2011, the deferred tax impact on the translation reserve adjustments on net foreign investments amounted to €(0.1) million.*

# STATEMENT OF CHANGES IN EQUITY

| In million euros | Share Capital | Additional paid-in capital | Retained earnings | Other components of equity: Available-for-sale securities | Other components of equity: Translation reserve adjustment | Other components of equity: Revaluation reserves | Other components of equity: Other | Other components of equity: Total Other components | Total (Equity attributable to owners of the parent company) | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Equity as of December 31, 2009** | **3.4** | **996.3** | **1,067.3** | **(0.1)** | **(38.4)** | **0.9** | **0.3** | **(37.3)** | **2,029.7** | **(21.6)** | **2,008.1** |
| Capital increase (1) | | 3.7 | (0.2) | | | | | 0.0 | 3.5 | 1.4 | 4.9 |
| Distribution of dividends | | | | | | | | 0.0 | 0.0 | (5.8) | (5.8) |
| Share-based payments | | 1.6 | | | | | | 0.0 | 1.6 | | 1.6 |
| Debt on commitments to purchase non-controlling interests (2) | | | | | | | | 0.0 | 0.0 | 3.4 | 3.4 |
| Change in consolidation scope (3) | | | (3.2) | | | | | 0.0 | (3.2) | 0.9 | (2.3) |
| Consolidated net income | | | 173.3 | | | | | 0.0 | 173.3 | (4.0) | 169.3 |
| Other comprehensive income | | | | | 42.5 | | 0.3 | 42.8 | 42.8 | 0.5 | 43.3 |
| **Total comprehensive income** | **0.0** | **0.0** | **173.3** | **0.0** | **42.5** | **0.0** | **0.3** | **42.8** | **216.1** | **(3.5)** | **212.6** |
| Other | | | (0.5) | | 0.2 | | | 0.2 | (0.3) | 0.5 | 0.2 |
| **Equity as of December 31, 2010** | **3.4** | **1,001.6** | **1,236.7** | **(0.1)** | **4.3** | **0.9** | **0.6** | **5.7** | **2,247.4** | **(24.7)** | **2,222.7** |
| Capital increase (1) | | 4.4 | (0.5) | | | | | 0.0 | 3.9 | 2.5 | 6.4 |
| Distribution of dividends | | | | | | | | 0.0 | 0.0 | (8.1) | (8.1) |
| Share-based payments | | 4.0 | | | | | | 0.0 | 4.0 | | 4.0 |
| Debt on commitments to purchase non-controlling interests (2) | | | | | | | | 0.0 | 0.0 | | 0.0 |
| Change in consolidation scope (3) | | | (0.6) | | | | | 0.0 | (0.6) | 2.0 | 1.4 |
| Consolidated net income | | | 212.6 | | | | | 0.0 | 212.6 | 3.1 | 215.7 |
| Other comprehensive income | | | | | 26.6 | | 0.2 | 26.8 | 26.8 | 0.8 | 27.6 |
| **Total comprehensive income** | **0.0** | **0.0** | **212.6** | **0.0** | **26.6** | **0.0** | **0.2** | **26.8** | **239.4** | **3.9** | **243.3** |
| Other | | | (0.1) | | | | | 0.0 | (0.1) | 0.1 | 0.0 |
| **Equity as of December 31, 2011** | **3.4** | **1,010.0** | **1,448.1** | **(0.1)** | **30.9** | **0.9** | **0.8** | **32.5** | **2,494.0** | **(24.3)** | **2,469.7** |

*(1) Increase in JCDecaux SA's additional paid-in capital related to the exercise of stock options and bonus shares and part of non-controlling interests in capital increase of controlled entities.*

*(2) In 2010, impact of the additional acquisition of Wall AG's shares and exercise of the put option on ERA Reklam AS' shares by Emre Kamçili. Discounting impacts were recorded in the income statement in "Consolidated net income" under the line item "Non-controlling interests" for €(5.4) million in 2011 against €(7.8) million in 2010. The changes are explained in Note 2.17 "Debt on commitments to purchase non-controlling interests".*

*(3) In 2010, changes in consolidation scope due to the additional acquisition of Wall AG's shares, the put option exercised on ERA Reklam AS' shares and the acquisition of control of RTS Decaux JSC (Kazakhstan).*
*In 2011, changes in consolidation scope due to the acquisitions of Adbooth Pty Ltd (Australia) and Médiakiosk (France) and the additional acquisition of interests in Chengdu MPI Public Transportation Adv. Co. Ltd (China).*

## STATEMENT OF CASH FLOWS

| *In million euros* | | 2011 | 2010 |
|---|---|---|---|
| Net income before tax | | 309.4 | 248.1 |
| Share of net profit of associates | | (14.6) | (3.9) |
| Dividends received from non-consolidated subsidiaries (1) | | - | (0.1) |
| Dividends received from associates (1) | | 1.3 | - |
| Expenses related to share-based payments | | 4.0 | 1.6 |
| Depreciation, amortization and provisions (net) | | 208.5 | 221.8 |
| Capital gains and losses | | (11.5) | 7.0 |
| Discounting expenses (income) | | 11.1 | 19.8 |
| Net interest expense | | 22.1 | 16.3 |
| Financial derivatives and translation adjustments | | 10.2 | (1.6) |
| **Change in working capital** | | **21.5** | **52.8** |
| Change in inventories | | 3.9 | 16.6 |
| Change in trade and other receivables | | 0.7 | (63.7) |
| Change in trade and other payables | | 16.9 | 99.9 |
| **CASH PROVIDED BY OPERATING ACTIVITIES** | | **562.0** | **561.8** |
| Interest paid | | (19.6) | (24.6) |
| Interest received | | 7.6 | 8.3 |
| Income taxes paid | | (101.7) | (62.9) |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | **§ 4.1** | **448.3** | **482.6** |
| Acquisitions of intangible assets and property, plant & equipment | | (180.8) | (164.9) |
| Acquisitions of long-term investments | | (56.1) | 0.3 |
| Acquisitions of other financial assets | | (13.9) | (18.3) |
| Change in payables on intangible assets and property, plant & equipment | | 0.2 | 6.4 |
| Change in payables on financial investments | | 0.2 | (0.8) |
| **Total investments** | | **(250.4)** | **(177.3)** |
| Proceeds on disposal of intangible assets and property, plant & equipment | | 5.7 | 20.7 |
| Proceeds on disposal of long-term investments | | 8.9 | 0.0 |
| Proceeds on disposal of other financial assets | | 6.3 | 14.6 |
| Change in receivables on intangible assets and property, plant & equipment | | 7.1 | (17.4) |
| **Total asset disposals** | | **28.0** | **17.9** |
| **NET CASH USED IN INVESTING ACTIVITIES** | **§ 4.2** | **(222.4)** | **(159.4)** |
| Dividends paid | | (8.1) | (5.8) |
| Acquisitions of non-controlling interests | | (1.9) | (4.2) |
| Repayment of long-term debt | | (163.4) | (368.2) |
| Repayment of debt (finance lease) | | (2.7) | (2.6) |
| **Cash outflow from financing activities** | | **(176.1)** | **(380.8)** |
| Dividends received (1) | | - | 1.1 |
| Proceeds on partial disposal of interests without loss of control | | 0.3 | 0.0 |
| Capital increase | | 4.0 | 4.9 |
| Increase in long-term borrowings | | 31.9 | 153.2 |
| **Cash inflow from financing activities** | | **36.2** | **159.2** |
| **NET CASH USED IN FINANCING ACTIVITIES** | **§ 4.3** | **(139.9)** | **(221.6)** |
| Effect of exchange rate fluctuations and other movements | | 3.6 | 8.3 |
| **CHANGE IN NET CASH POSITION** | | **89.6** | **109.9** |
| **Net cash position beginning of period** | | **189.4** | **79.5** |
| **Net cash position end of period (2)** | | **279.0** | **189.4** |

(1) *In 2011, the dividends received which were previously classified under the line item "Net cash used in financing activities" are now classified under the line item "Net cash provided by operating activities." There was no reclassification 2010, as the €1.1 million impact was non-material.*

(2) *Including €288.7 million in cash and cash equivalents and €(9.7) million in bank overdrafts as of December 31, 2011, compared to €211.5 million and €(22.1) million, respectively, as of December 31, 2010.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## MAJOR EVENTS OF THE YEAR

In 2011, JCDecaux pursued its strategy of organic and external growth. The principal partnerships and acquisitions are detailed in Note 2.1 *Changes in the consolidation scope in 2011*.

## 1. ACCOUNTING METHODS AND PRINCIPLES

### 1.1. General principles

The JCDecaux SA consolidated financial statements for the year ended December 31, 2011 include JCDecaux SA and its subsidiaries (hereinafter referred to as the "Group") and the Group's share in associates or companies under joint control.

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the 2011 consolidated financial statements were prepared in accordance with IFRS, as adopted by the European Union. They were approved by the Executive Board and were authorized for release by the Supervisory Board on March 7, 2012. These financial statements shall only be definitive upon the approval of the General Meeting of Shareholders.

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

- All standards and interpretations adopted by the European Union and in force as of December 31, 2011. 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 standards published by the IASB;
- Accounting treatments adopted by the Group when no guidance is provided by current standards.

These various options and positions break down as follows:

The Group has implemented the following standards, amendments to standards and interpretations adopted by the European Union and applicable from January 1, 2011:

- IAS 24 Revised *Related Party Disclosures;*
- Amendment to IAS 32 *Classification of Rights Issues*;
- Amendment to IFRIC 14 P*repayments of a Minimum Funding Requirement;*
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments;*
- 2010 IFRS annual improvements.

The adoption of these standards did not have a material impact on the consolidated financial statements.

In the absence of specific IFRS provisions on the accounting treatment of debts on commitments to purchase non-controlling interests, the 2010 accounting positions have been maintained. In particular, subsequent changes in the fair value of the debt arising from such commitments are recognized 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 not opted for the early adoption of the following new standards, amendments to standards and interpretations which have not been endorsed by the European Union, or which are not yet in force for the year ended December 31, 2011:

- Standards and amendments adopted by the European Union but which are not yet in force for the year ended December 31, 2011
  - Amendment to IFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets;*
- Standards and amendments not adopted by the European Union
  - IFRS 9 *Financial Instruments;*
  - IFRS 10 *Consolidated Financial Statements;*
  - IFRS 11 *Joint Arrangements;*

- IFRS 12 *Disclosure of Interests in Other Entities;*
- IFRS 13 *Fair Value Measurement;*
- IAS 27 (2011) *Separate Financial Statements;*
- IAS 28 (2011) *Investments in Associates;*
- Amendment to IFRS 1 *Severe Hyper-Inflation and Removal of Fixed Dates for First-Time Adopters*;
- Amendment to IAS 1 *Presentation of Items of Other Comprehensive Income;*
- Amendment to IAS 12 *Deferred tax: Recovery of Underlying Assets;*
- Amendment to IAS 19 *Defined Benefit Plans.*

The analysis of the impacts of these standards is being processed and at this stage, except for IFRS 11, Management believes that the application of these standards will not have a material impact on the consolidated financial statements. Based on the financial statements for the year ended December 31, 2011, the amendment to IAS 19 should increase liability provisions in the statement of financial position by approximately €13 million, with no material impact in the income statement.

Future application of IFRS 11, under which companies under joint control are accounted for using the equity method, should decrease the net revenues, operating margin and EBIT in the IFRS Consolidated Income Statement by approximately 10%, with no effect on the Net Income (Group Share). However, and in order to reflect the business reality of the Group's entities, operating data of the companies under the Group's joint control will continue to be proportionately integrated in the operating management reporting used by the Executive Board, the Chief Operating Decision-Maker (CODM), to monitor the activity, allocate resources and measure performances. Pursuant to IFRS 8, Segment Reporting presented in the financial statements shall be compliant with the Group's internal information, and the Group's external financial communication will rely on this operating financial information, which will be reconciled with the IFRS Financial Statements.

## 1.2. First-time adoption of IFRS

With a January 1, 2004 transition date, the December 31, 2005 financial statements were the first to be prepared by the Group in compliance with IFRS. IFRS 1 provided for exceptions to the retrospective application of IFRS on the transition date. The Group adopted the following options:

- The Group decided to apply IFRS 3 *Business combinations* on a prospective basis starting from January 1, 2004. Business combinations that occurred before January 1, 2004 were therefore not restated;
- The Group decided not to apply the provisions of IAS 21 *The effects of changes in foreign exchange rates* for the cumulative amount of foreign exchange differences existing at the date of transition to IFRS. Accordingly, the cumulative amount of foreign exchange differences for all foreign activities is considered to be zero as of January 1, 2004. As a result, any profits and losses realized on the subsequent sale of foreign activities exclude the exchange differences existing before January 1, 2004, but include any subsequent differences;
- The Group, in connection with IAS 19 *Employee benefits*, decided to recognize in equity all cumulative actuarial gains and losses existing as of the date of transition to IFRS. This option for the opening statement of financial position does not call into question the use of the "corridor" method used for cumulative actuarial gains and losses generated subsequently;
- The Group applied IFRS 2 *Share-based Payment* to stock option plans granted on or after November 7, 2002, but not yet vested as of January 1, 2005;
- The Group decided not to apply the option allowing property, plant and equipment to be remeasured at fair value at the date of transition.

## 1.3. 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. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Companies that are jointly controlled by the Group are consolidated using the proportionate method.

Companies over which the Group exercises a significant influence on the operating and financial policies are accounted for under the equity method.

All transactions between Group fully consolidated companies are eliminated upon consolidation. Transactions with companies consolidated under the proportionate method are eliminated up to the percentage of consolidation.

Inter-company results are also eliminated. Capital gains or losses on inter-company sales realized by an associate are eliminated up to the percentage of ownership and offset by the value of the assets sold.

## 1.4. 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 that 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. In the opposite case, exchange differences are recorded in the income statement.

## 1.5. Translation of the financial statements of subsidiaries

The Group consolidated financial statements are prepared in 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, translation adjustments accumulated in equity are reclassified in the income statement. At the time of a partial disposal without loss of control, the share of translation adjustments accumulated in equity relating to the portion sold is reclassified in the income statement.

## 1.6. Use of estimates

As part of the process for the preparation of the consolidated financial statements, the assessment of some assets and liabilities requires the use of judgments, assumptions and estimates. This primarily involves the valuation of property, plant and equipment and intangible assets, the valuation of investments in associates, determining the amount of provisions for employee benefits and dismantling, and the valuation of commitments on securities. These judgments, assumptions and estimates are made on the basis of information available or situations existing at the financial statement preparation date, which could differ from future reality. Valuation methods are more specifically described, mainly in Note 1.11 *Impairment of intangible assets, property, plant and equipment and goodwill* and in Note 1.23 *Dismantling provision*. The results of sensitivity tests are provided in Note 2.4 *Goodwill and other intangible assets* for the valuation of goodwill, property, plant and equipment and other intangible assets, in Note 3.5 *Share of net profit of associates* for the valuation of investments in associates and in Note 2.15 *Provisions* for the valuation of provisions for employee benefits and dismantling.

## 1.7. 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.

## 1.8. Intangible assets

### 1.8.1. Development costs

According to IAS 38, development costs must be capitalized 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;
- the existence of a market;
- and that the cost of the asset can be measured reliably.

Development costs capitalized in the statement of financial position from January 1, 2004 onwards primarily include all costs related to the development, modification or improvement to street furniture ranges 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 capitalize 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 group JCDecaux in its responses to street furniture bids, the Group believes that these costs represent development activities that can be capitalized under the aforementioned criteria. Indeed, these costs are directly related to a given contract, and are incurred to obtain it. Amortization, spread out over the term of the contract, begins when the project is awarded. Should the bid be lost, the amount capitalized would be expensed.

Development costs carried in assets are recognized at cost less accumulated amortization and impairment losses.

### 1.8.2. Other intangible assets

Other intangible assets primarily involve Street Furniture, Billboard and Transport contracts, which are amortized over the contract term.

Only individualized and clearly identified software (such as ERP) is capitalized and amortized over a maximum period of 5 years. Other software is recognized in expenses for the period.

## 1.9. Business combinations

IFRS 3 Revised requires the application of the acquisition method to business combinations, which consists of measuring at fair value all identifiable assets, liabilities and contingent liabilities of the entity acquired.

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

Negative goodwill, if any, is recognized immediately against income.

When determining the fair value of assets, liabilities and contingent liabilities of the acquired entity, the Group assesses contracts at fair value and recognizes them as intangible assets. When an onerous contract is identified, a provision is recognized.

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

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

For step acquisitions, any gain or loss arising from the fair value remeasurement of the previously held equity interest is recorded in the income statement, under other operating income and expenses at the time control is acquired.

Furthermore, in application of IAS 27 revised, for acquisitions of non-controlling interests in controlled companies and sales of shares to non-controlling interests without loss of control, the difference between the acquisition cost or disposal cost and the carrying value of non-controlling interests is recognized in changes in equity attributable to JCDecaux SA. For every partial or complete disposal with loss of control, the remeasurement of any previously held share in connection with the acquisition or loss of control is recorded in the income statement, under other operating income and expenses.

Goodwill is not amortized. 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. When justified by particular circumstances (significant changes in the technical, legal or market environment, insufficient profitability, etc.), a goodwill impairment loss is recognized in accordance with the methodology detailed in Note 1.11 *Impairment of intangible assets, property, plant and equipment and goodwill.* When recognized, such a loss cannot be reversed at a later period.

Cash flows from the acquisition of an additional interest in a controlled subsidiary and cash flows from changes in the level of ownership interest in a controlled subsidiary that do not result in a loss of control are presented under the line item *Net cash used in financing activities* of the statement of cash flows.

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

Property, plant and equipment (PP&E) are presented on 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 average term of the contracts (between 8 and 20 years).

Street furniture maintenance costs are recognized as expenses.

The discounted dismantling costs expected to be paid at the end of the contract are recorded in assets, with the corresponding provision, and amortized over the term of the contract.

**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 10 years.

Depreciation charges are calculated over the following normal useful lives:

**DEPRECIATION PERIOD**

*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 10 years |
| ▪ Computer equipment | 3 to 5 years |
| ▪ Furniture | 5 to 10 years |

## 1.11. 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 annually.

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

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

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

**Methodology followed**

- Level of testing
  - For items of PP&E and intangible assets, impairment tests are carried out at the CGU level corresponding to the 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 level of synergies expected 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, or 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 activity 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 ranging from 7.4% to 19.4%, for the area presenting the most risk. An after-tax rate of 7.4%, used in 2011 compared to 7.1% in 2010, was determined for areas such as Western Europe (excluding Spain, Portugal, Italy and Ireland), North America, Japan, Singapore and Australia, where the Group conducts nearly 66% of its activity.

- Recoverable amounts

They are determined on the basis of the business plan for which the procedures for determining future cash flows depend on the business segment considered, with a time horizon usually exceeding 5 years owing to the nature and activity of the Group, characterized by long-term contracts with a strong probability of renewal. In general:

- for the Street Furniture and Transport segments, future cash flows are computed over the remaining term of contracts, taking into account the likelihood of renewal after term, the business plans being realized over the duration of the contract, generally between 5 and 20 years, with a maximum term of 24 years;
- for the Billboard segment, future cash flows are computed over a five-year period with a perpetual projection using a yearly growth rate of between 2% and 3%.

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

### 1.12. Investments in associates

Goodwill recognized on acquisition is included in the value of the investments.

The share of the asset impairment recognized on acquisition or the fair value adjustment of existing assets is presented under the heading "Share of net profit of associates."

Investments in associates 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 associates," is calculated from the values in use 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 1.11 *Impairment of intangible assets, property, plant and equipment and goodwill.*

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

This heading includes investments in non-consolidated entities.

These assets are initially recognized at their fair value, generally represented by their acquisition price. In the absence of an active market, they are then measured at fair value or the value in use, which takes into account the share of equity and the probable recovery amount.

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

### 1.14. Other financial investments

This heading includes loans to long-term investments, current account advances granted to joint ventures' partners, associates or non-consolidated entities, the non-eliminated portion of loans to proportionately consolidated companies, 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 amortized cost.

A loss in value is offset in the income statement when the recovery amount of these loans and receivables is less than their carrying amount.

### 1.15. Treasury shares

Treasury shares are recognized at their acquisition cost and deducted from equity. Gains or losses on disposals are also recorded in equity and do not contribute to profit or loss for the year.

### 1.16. Inventories

Inventories mainly consist of:

- parts necessary for the maintenance of installed street furniture;
- 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 realizable value when the net realizable value is less than cost.

### 1.17. Trade and other receivables

Trade receivables are recorded at fair value, which corresponds to their nominal invoice value, unless there is any significant discounting effect. After initial recognition, they are measured at amortized cost. An impairment loss is recognized when their recovery amount is less than their carrying amount.

### 1.18. Cash and cash equivalents

Cash in the assets of the statement of financial position comprises cash at bank and in hand. Cash equivalents in the assets of the statement of financial position comprise short-term investments and short-term deposits.

Short-term investments are easily convertible into a known cash amount and subject to little risk of change in value. They are measured at fair value and changes in fair value are recorded in net financial income.

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

### 1.19. Financial debt

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

### 1.20. Financial derivatives

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

- an underlying item that changes the value of the contract (in particular, the interest rate or the foreign exchange rate);
- little or no initial net investment;
- settlement at a future date.

Derivatives are recognized in the statement of financial position at fair value. Changes in subsequent values are offset in the income statement, unless they have been qualified as cash flow hedge or as 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 to two types of hedges for financial assets and liabilities:

- Fair Value Hedge, the purpose of which 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. Included in this category are, for example, receive-fixed pay-floating interest rate swaps used to transform a fixed-rate liability into a floating-rate liability. From an accounting point of view, the change in the fair value of the hedging instrument is recorded in profit or loss. 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, the purpose of which is to limit changes in cash flows attributable to existing assets and liabilities or highly probable forecasted transactions. Included in this category are, for example, pay-fixed receive-floating interest rate swaps used to lock in the cost of a floating-rate loan. From an accounting point of view, 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 as profit or loss. The amount recorded in other comprehensive income is reclassified to profit or loss when the hedged item itself has an impact on profit or loss.

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualified for hedge accounting. At that point in time, any cumulative gain or loss on a cash flow hedge as part of the hedging of a highly probable forecasted transaction recognized 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 recognized 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 that of the related underlying item.

### 1.21. Commitments to purchase non-controlling interests

In the absence of specific IFRS provisions on the accounting treatment of commitments to purchase non-controlling interests, the accounting positions taken in the 2010 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 recognized in non-controlling interests (reclassified in liabilities), but also for the excess resulting from the present value of the commitment. This excess portion is deducted from non-controlling interests in the statement of financial position liabilities. Subsequent changes in the fair value of the liability are recognized 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."

### 1.22. Provision 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 in 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, branch agreements or prevailing legal rights.

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, their assets being managed by an entity legally separate from the Group, or partially funded or unfunded, the Group's obligations being covered by a provision in the statement of financial position.

For post-employment defined benefits, actuarial gains or losses exceeding 10% of the present value of the defined benefit obligation or the fair value of the related plan assets are amortized over the remaining average working lives of employees within the Group. Past service costs are amortized on a straight-line basis, over the average period until the benefits become vested.

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

## 1.23. Dismantling provision

Costs for dismantling street furniture at the end of a contract are recorded in provisions, where a contractual dismantling obligation exists. 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 amortized over the term of the contract. The discounting charge is recorded as a financial expense.

## 1.24. Share purchase or subscription plans at an agreed price and bonus shares

### 1.24.1. Share purchase or subscription plans at an agreed price

In accordance with IFRS 2 *Share-based payment*, employee stock options 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 Group has decided to apply IFRS 2 with respect to option exercise rights that were not fully vested as of January 1, 2005 for all stock option plans granted on or after November 7, 2002.

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 is used based on the assumptions described in Note 3.1 *Net operating expenses* hereafter.

The right to exercise options is vested over successive thirds over a period of three years (graded vesting). All plans are exclusively settled in shares.

The cost of services rendered is recognized 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 considered plan 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 attributed on a basis of individual objectives and Group results. The exercise of stock options is subject to years of continuous presence in the company.

### 1.24.2. 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 based on 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 recognized in the income statement via an offsetting entry in an equity heading, following a pattern that reflects the procedures for granting bonus shares. The acquisition period begins from the time the Executive Board grants the bonus shares.

## 1.25. Revenues

Group revenues mainly consist in sales of advertising spaces on street furniture equipment, billboards and advertising in transport systems.

Advertising space revenues, rentals and services provided are recorded as revenues on a straight-line basis over the realization period of the transaction. The triggering event for the sale of advertising space is the launch of the advertising campaign, which has a duration ranging from 1 week to 6 years.

Revenues resulting from the sale of advertising spaces are 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 revenues.

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 recognizes all gross advertising revenues as revenues and books fees and the portion of revenues repaid as operating expenses.

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

## 1.26. Operating margin

The operating margin is defined as revenues less direct operating and selling, general and administrative expenses, excluding consumption of spare parts used for maintenance, inventory impairment loss, depreciation, amortization and provisions (net), goodwill impairment losses, and other operating income and 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 revenues, and cash discounts received from suppliers deducted from direct operating expenses. It also includes stock option expenses recognized in the line item "Selling, general and administrative expenses".

## 1.27. EBIT

EBIT is determined based on the operating margin less consumption of spare parts used for maintenance, depreciation, amortization and provisions (net), goodwill impairment losses, and other operating income and expenses. Inventory impairment losses are recognized in the line item "Maintenance spare parts".

Other operating income and expenses include the gains and losses generated on the disposal of property, plant and equipment, and intangible assets, the gains and losses generated on the loss of control of shares of companies fully or proportionately consolidated, any resulting gain or loss resulting from the fair value re-measurement of a previously held equity interest not sold, any resulting gain or loss resulting from the fair value re-measurement of a previously held equity interest in a business combination with acquisition of control, as well as any negative goodwill, acquisition-related costs, and non-recurring items.

Net charges related to impairment tests performed on property, plant and equipment and intangible assets are included in the line item "Depreciation, amortization and provisions (net)".

## 1.28. Current and deferred income tax

Deferred taxes are recognized on the basis of timing differences between the accounting value and the tax base of assets and liabilities. They mainly stem from consolidation restatements (standardization of Group accounting principles and amortization/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 realized 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 recognized when it is probable that the Group will generate future taxable profits against which those tax losses may be offset. Forecasts are prepared using a 3-year time horizon based on the specificities of each country.

The 2010 Finance Act abolished the business license tax for French tax entities in favor of two new contributions: a local property tax based on property rental values (known as the *Cotisation Foncière des Entreprises* (CFE)), and a local tax based on corporate added value (known as the *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE).

Following this taxation change and in accordance with IFRS, the Group determined that the CVAE was 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 subject to the CVAE. Moreover, as the CVAE can be deducted from the corporate tax, its recognition generates a deferred tax asset.

## 1.29. Finance lease and operating lease

Finance leases, which transfer to the Group substantially all the risks and rewards associated with the ownership of the leased item, are capitalized in the statement of financial position assets at the 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 recognized directly in profit and loss.

Capitalized 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 incident to ownership of the asset are considered as operating leases. Operating lease payments are recognized as an expense in the income statement.

### 1.30. Earnings per share

Earnings per share are calculated based on the weighted average number of outstanding shares adjusted for treasury shares. The calculation of diluted earnings per share takes into account the dilutive effect of the issuance and buyback of shares and the exercise of stock options.

## 2. COMMENTS ON THE STATEMENT OF FINANCIAL POSITION

### 2.1. Changes in the consolidation scope in 2011

The main changes that took place in the consolidation scope during 2011 are as follows:

**Acquisitions (exclusive and joint control)**

As of January 1, 2011, Adbooth Pty Ltd (Australia), which was previously proportionately consolidated, is now fully consolidated with a financial interest of 50%, due to a change in the shareholders' agreement.

On January 14, 2011, JCDecaux Out of Home Advertising Pte Ltd (Singapore) purchased a 50% additional interest in JCDecaux Korea Inc. (previously IPDecaux Inc – South Korea). This company, which was previously proportionately consolidated at 50%, is now fully consolidated.

On March 1, 2011, Wall AG (Germany) purchased 50% of VBM Kft (Hungary). This company is now held at 100% and fully consolidated.

On June 9, 2011, JCDecaux Bulgaria Holding BV, a new company held at 50% by Wall AG purchased from a third party the K. Out of Home EOOD group (renamed JCDecaux Bulgaria EOOD), which operates in Bulgaria. It also purchased the company Wall Sofia EOOD from Wall AG. These entities are now proportionately consolidated at 50%.

On November 30, 2011, JCDecaux group purchased from Presstalis, a press distribution and promotion player, 95% of Mediakiosk (France) which operates a kiosk network in the major French cities. This company is fully consolidated.

**Other entries into the consolidation scope**

On July 1, 2011, Média Aéroports de Paris started its activity of commercializing the advertising spaces in Parisian airports. This company, proportionately consolidated, is held at 50% by Aéroports de Paris and the Group.

**Change in holding percentages**

On September 13, 2011, JCDecaux Central Eastern Europe GmbH (Austria) increased by 5% its financial rights in the BigBoard group (Russia/Ukraine) by abandoning the cross calls between both companies. The BigBoard group is now proportionately consolidated at 55%, with no change in the joint control.

On November 14, 2011, JCDecaux Advertising (Shanghai) Co. Ltd purchased 50% of Chengdu MPI Public Transportation Adv. Co. Ltd (China)'s non-controlling interests. The company was already fully consolidated.

**Mergers**

In France, on December 31, 2011, the companies Avenir, Centre de Formation, JCDecaux Artvertising, Semup, JCD Airport France and DPE merged into JCDecaux France (formerly JCDecaux Mobilier Urbain).

In Germany, ACM GmbH, JCDecaux Stadtmöblierung GmbH, JCDecaux GmbH and Staudenraus Aussenwerbung GmbH, previously fully consolidated were absorbed by JCDecaux Deutschland GmbH with retroactive effect to January 1, 2011.

In Belgium, ACM SA was absorbed by JCDecaux Belgium Publicité SA and HDE Investissement was absorbed by JCDecaux Billboard with retroactive effect to January 1, 2011.

### 2.2. Impact of acquisitions (exclusive and joint control)

The main acquisitions achieved in 2011 and relating to Mediakiosk (France), JCDecaux Korea Inc. (South Korea), Adbooth Pty Ltd (Australia), 50% of K. Out of Home EOOD group renamed JCDecaux Bulgaria EOOD (Bulgaria) and VBM Kft (Hungary) had the following impacts on the Group's consolidated financial statements:

| *In million euros* | **Fair value at the date of acquisition** |
|---|---|
| Non-current assets | 49.3 |
| Current assets | 29.8 |
| **Total assets** | **79.1** |
| Non-controlling participating interests | 2.7 |
| Non-current liabilities | 9.8 |
| Current liabilities | 23.9 |
| **Total liabilities** | **36.4** |
| **Fair value of net assets (Group share)** | **42.7** |
| **Goodwill (1)** | **33.5** |
| **Total consideration transferred** | **76.2** |
| *- of which fair value of the share previously held (2)* | *11.4* |
| *- of which purchase price (3)* | *64.8* |

| | |
|---|---|
| **Purchase price** | **(64.8)** |
| Net cash acquired | 8.2 |
| **Acquisitions of financial assets (long-term investments)** | **(56.6)** |

*(1) Mainly due to Médiakiosk. The option of the full goodwill calculation method was not used for any of the acquisitions.*
*(2) Mainly due to JCDecaux Korea Inc and to Adbooth Pty Ltd.*
*(3) Amounts before deduction of the net cash acquired.*

As a result of these acquisitions, the Group recorded a net profit of €4.4 million in the income statement with respect to the revaluation of the shares previously held.

The intangible assets and residual goodwill values relating to these operations are determined on a temporary basis and are likely to change during the period necessary to allocate the goodwill, which can extend to 12 months following the acquisition date.

The impacts of these acquisitions on revenues and net income (Group share) are respectively €11.5 million and €0.5 million. Had the acquisitions taken place as of January 1, 2011, the impacts on revenues and net income (Group share) would have been increases of respectively €25.7 million and €3.5 million.

## 2.3. Financial assets and liabilities by category

| *In million euros* | | 12/31/2011 | | | | | | 12/31/2010 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Fair value through profit or loss | Available-for-sale assets | Loans & receivables | Liabilities at amortized cost | Total net carrying amount | Fair value | Fair value through profit or loss | Available-for-sale assets | Loans & receivables | Liabilities at amortized cost | Total net carrying amount | Fair value |
| Financial investments | | | 1.4 | | | 1.4 | 1.4 | | 2.1 | | | 2.1 | 2.1 |
| Financial derivatives (assets) | (2) | | | | | 0.0 | 0.0 | | | | | 0.0 | 0.0 |
| Other financial assets | | | | 38.0 | | 38.0 | 38.0 | | | 29.5 | | 29.5 | 29.5 |
| Trade and other receivables (non-current) | (4) | | | 7.4 | | 7.4 | 7.4 | | | 7.4 | | 7.4 | 7.4 |
| Trade, miscellaneous and other operating receivables (current) | (4) | | | 661.7 | | 661.7 | 661.7 | | | 618.4 | | 618.4 | 618.4 |
| Cash | | | | 70.0 | | 70.0 | 70.0 | | | 60.1 | | 60.1 | 60.1 |
| Cash equivalents | (1) | 218.7 | | | | 218.7 | 218.7 | 94.2 | | 57.2 | | 151.4 | 151.4 |
| **Total financial assets** | | **218.7** | **1.4** | **777.1** | **0.0** | **997.2** | **997.2** | **94.2** | **2.1** | **772.6** | **0.0** | **868.9** | **868.9** |
| Financial debt | | | | | (428.9) | (428.9) | (425.9) | | | | (543.1) | (543.1) | (540.0) |
| Debt on commitments to purchase minority interests | (3) | (92.0) | | | | (92.0) | (92.0) | (86.5) | | | | (86.5) | (86.5) |
| Financial derivatives (liabilities) | (2) | (17.8) | | | | (17.8) | (17.8) | (19.8) | | | | (19.8) | (19.8) |
| Trade and other payables and other operating liabilities (current) | (4) | | | | (552.3) | (552.3) | (552.3) | | | | (528.0) | (528.0) | (528.0) |
| Other payables (non-current) | (4) | | | | (16.4) | (16.4) | (16.4) | | | | (12.0) | (12.0) | (12.0) |
| Bank overdrafts | | | | | (9.7) | (9.7) | (9.7) | | | | (22.1) | (22.1) | (22.1) |
| **Total financial liabilities** | | **(109.8)** | **0.0** | **0.0** | **(1,007.3)** | **(1,117.1)** | **(1,114.1)** | **(106.3)** | **0.0** | **0.0** | **(1,105.2)** | **(1,211.5)** | **(1,208.4)** |

*(1) The fair value measurement of these financial assets refers to an active market for €0.3 million (Level 1 category in accordance with IFRS 7) and uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 7) for €218.4 million.*

*(2) 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 7).*

*(3) 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 7).*

*(4) Employee and tax-related receivables and payables, advance 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.*

## 2.4. Goodwill and other intangible assets

2010 changes in gross value and net carrying amount:

| *In million euros* | Goodwill | Development costs | Patents, licences, advertising contracts, ERP(1) | Leasehold rights, payments on account, other | Total |
|---|---|---|---|---|---|
| **Gross value as of January 1, 2010** | **1,365.0** | **22.6** | **479.6** | **45.2** | **1,912.4** |
| Acquisitions/Increases | 2.3 | 3.4 | 21.4 | 4.0 | 31.1 |
| Decreases | (2.8) | | (20.7) | (1.5) | (25.0) |
| Changes in scope | | | 2.5 | | 2.5 |
| Translation adjustments | 8.6 | 0.1 | 21.3 | 2.9 | 32.9 |
| Reclassifications (2) | | 0.2 | 17.4 | (16.7) | 0.9 |
| **Gross value as of December 31, 2010** | **1,373.1** | **26.3** | **521.5** | **33.9** | **1,954.8** |
| **Amortization / Impairment loss as of January 1, 2010** | **(30.0)** | **(9.2)** | **(191.6)** | **(17.2)** | **(248.0)** |
| Amortization charge | | (2.2) | (39.2) | (1.3) | (42.7) |
| Impairment loss | (0.5) | | (4.8) | | (5.3) |
| Decreases | | | 10.3 | 1.3 | 11.6 |
| Changes in scope | | | (1.0) | | (1.0) |
| Translation adjustments | | (0.2) | (7.5) | (0.1) | (7.8) |
| Reclassifications (2) | | 0.1 | (0.2) | | (0.1) |
| **Amortization / Impairment loss as of December 31, 2010** | **(30.5)** | **(11.5)** | **(234.0)** | **(17.3)** | **(293.3)** |
| **Net value as of January 1, 2010** | **1,335.0** | **13.4** | **288.0** | **28.0** | **1,664.4** |
| **Net value as of December 31, 2010** | **1,342.6** | **14.8** | **287.5** | **16.6** | **1,661.5** |

*(1) Includes the valuation of contracts recognized in connection with business combinations.*
*(2) The net impact of reclassifications is not nil, as some reclassifications have an impact on other statement of financial position items.*

2011 changes in gross value and net carrying amount:

| *In million euros* | Goodwill | Development costs | Patents, licences, advertising contracts, ERP(1) | Leasehold rights, payments on account, other | Total |
|---|---|---|---|---|---|
| **Gross value as of January 1, 2011** | **1,373.1** | **26.3** | **521.5** | **33.9** | **1,954.8** |
| Acquisitions/Increases | 33.5 | 2.6 | 7.1 | 9.9 | 53.1 |
| Decreases | (1.0) | (0.4) | (11.6) | 0.0 | (13.0) |
| Changes in scope | | | 49.8 | 0.5 | 50.3 |
| Translation adjustments | 2.8 | (0.1) | 10.4 | 1.0 | 14.1 |
| Reclassifications (2) | | | 8.2 | (3.5) | 4.7 |
| **Gross value as of December 31, 2011** | **1,408.4** | **28.4** | **585.4** | **41.8** | **2,064.0** |
| **Amortization / Impairment loss as of January 1, 2011** | **(30.5)** | **(11.5)** | **(234.0)** | **(17.3)** | **(293.3)** |
| Amortization charge | | (2.5) | (43.1) | (0.7) | (46.3) |
| Impairment loss | | | 4.2 | | 4.2 |
| Decreases | | 0.4 | 10.7 | | 11.1 |
| Changes in scope | | | (24.8) | | (24.8) |
| Translation adjustments | | | (4.6) | (0.1) | (4.7) |
| Reclassifications (2) | | | (3.5) | | (3.5) |
| **Amortization / Impairment loss as of December 31, 2011** | **(30.5)** | **(13.6)** | **(295.1)** | **(18.1)** | **(357.3)** |
| **Net value as of January 1, 2011** | **1,342.6** | **14.8** | **287.5** | **16.6** | **1,661.5** |
| **Net value as of December 31, 2011** | **1,377.9** | **14.8** | **290.3** | **23.7** | **1,706.7** |

*(1) Includes the valuation of contracts recognized in connection with business combinations.*
*(2) The net impact of reclassifications is not nil, as some reclassifications have an impact on other statement of financial position items.*

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

| *In million euros* | 31/12/2011 Goodwill | 31/12/2011 PP&E / intangible assets (1) | 31/12/2011 Total | 31/12/2010 Goodwill | 31/12/2010 PP&E / intangible assets (1) | 31/12/2010 Total |
|---|---|---|---|---|---|---|
| Street Furniture Europe (excluding France and United Kingdom) | 364.1 | 444.9 | 809.0 | 357.8 | 471.5 | 829.3 |
| Billboard Europe (excluding France and United Kingdom) | 259.9 | 79.1 | 339.0 | 259.6 | 85.6 | 345.2 |
| Airports World | 159.4 | 36.3 | 195.7 | 159.4 | 27.3 | 186.7 |
| Billboard United Kingdom | 156.6 | 46.7 | 203.3 | 156.5 | 48.5 | 205.0 |
| Billboard France | 138.9 | 13.2 | 152.1 | 138.9 | 16.1 | 155.0 |
| Other | 299.0 | 807.6 | 1,106.6 | 270.4 | 768.2 | 1,038.6 |
| **Total** | **1,377.9** | **1,427.8** | **2,805.7** | **1,342.6** | **1,417.2** | **2,759.8** |

*This table takes into account the impairment losses recognized on intangible assets and property, plant and equipment and goodwill.*

*(1) Intangible assets and property, plant and equipment are presented net of provisions for onerous contracts, for respective amounts of €3.8 million and €3.2 million as of December 31, 2011 and 2010, and net of deferred tax liabilities relating to the recognition of intangible assets acquired, for respective amounts of €36.6 million and €36.2 million as of December 31, 2011 and 2010.*

Impairment tests conducted as of December 31, 2011 resulted in the recognition in EBIT of a €1.3 million net impairment reversal for intangible assets and property, plant and equipment, and a net reversal of a provision for losses on completion for €0.6 million.

Impairment tests conducted as of December 31, 2011 for goodwill, intangible assets and property, plant and equipment have a negative impact of €(1.6) million on net income, Group share.

The discount rate and the growth rate of the operating margin are considered to be the Group's key assumptions with respect to impairment testing.

Sensitivity tests demonstrate that an increase of 50 basis points in the discount rate would result in an impairment loss of €(1.1) million on intangible assets and property, plant and equipment and of €(10.7) million on the Billboard Europe CGU's goodwill (excluding France and the United Kingdom).

Sensitivity tests demonstrate that a decrease of 50 basis points in the normative growth rate of the operating margin would result in an impairment loss of €(2.6) million on intangible assets and property, plant and equipment and of €(10.5) million on the Billboard Europe CGU's goodwill (excluding France and the United Kingdom).

The results of impairment tests conducted on associates are described in Note 3.5 *Share of net profit of associates.*

**Other intangible assets**

As of December 31, 2011, other net intangible assets, excluding goodwill, amounted to €328.8 million, compared to €318.9 million as of December 31, 2010.

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

| In million euros | Gross value (12/31/2011) | Depreciation or provision (12/31/2011) | Net value (12/31/2011) | Net value (31/12/2010) |
|---|---|---|---|---|
| Land | 23.8 | (0.9) | 22.9 | 22.3 |
| Buildings | 82.7 | (59.7) | 23.0 | 25.5 |
| Technical installations, tools and equipment | 2,582.1 | (1,598.3) | 983.8 | 988.9 |
| Vehicles | 128.4 | (84.4) | 44.0 | 43.8 |
| Other | 139.1 | (120.9) | 18.2 | 18.4 |
| Assets under construction and advance payments | 48.6 | (1.1) | 47.5 | 38.8 |
| **Total** | **3,004.7** | **(1,865.3)** | **1,139.4** | **1,137.7** |

2010 changes in gross value and net carrying amount:

| *In million euros* | Land | Buildings | Technical installations, tools & equipment | Other | Total |
|---|---|---|---|---|---|
| **Gross value as of January 1, 2010** | **26.9** | **81.1** | **2,344.4** | **311.8** | **2,764.2** |
| *- including finance lease* | | *4.3* | *5.4* | *9.7* | *19.4* |
| *- including dismantling cost* | | | *100.2* | | *100.2* |
| Acquisitions | 0.1 | 1.1 | 86.4 | 58.9 | 146.5 |
| *- including acquisitions under finance lease* | | | | *1.0* | *1.0* |
| *- including dismantling cost* | | | *9.4* | | *9.4* |
| Decreases | (0.1) | (1.0) | (66.1) | (11.7) | (78.9) |
| *- including disposals under finance lease* | | | | *(1.2)* | *(1.2)* |
| *- including dismantling cost* | | | *(11.8)* | | *(11.8)* |
| Changes in scope | (4.1) | | 1.1 | (0.7) | (3.7) |
| Reclassifications | (0.3) | 0.2 | 36.3 | (61.8) | (25.6) |
| Translation adjustments | 0.6 | 0.5 | 53.6 | 4.6 | 59.3 |
| **Gross value as of December 31, 2010** | **23.1** | **81.9** | **2,455.7** | **301.1** | **2,861.8** |
| **Depreciation as of January 1, 2010** | **(1.0)** | **(53.4)** | **(1,344.6)** | **(193.4)** | **(1,592.4)** |
| *- including finance lease* | | *(2.8)* | *(3.5)* | *(5.8)* | *(12.1)* |
| *- including dismantling cost* | | | *(51.3)* | | *(51.3)* |
| Depreciation charge net of reversals | | (3.5) | (173.5) | (16.7) | (193.7) |
| *- including finance lease* | | *(0.4)* | *(0.5)* | *(1.4)* | *(2.3)* |
| *- including dismantling cost* | | | *(9.1)* | | *(9.1)* |
| Impairment loss | | | 9.6 | | 9.6 |
| Decreases | | 0.8 | 48.8 | 11.0 | 60.6 |
| *- including finance lease* | | | | *1.1* | *1.1* |
| *- including dismantling cost* | | | *8.4* | | *8.4* |
| Changes in scope | | | (0.1) | 0.7 | *0.6* |
| Reclassifications | 0.3 | | 21.9 | 0.4 | 22.6 |
| Translation adjustments | (0.1) | (0.3) | (28.9) | (2.1) | (31.4) |
| **Depreciation as of December 31, 2010** | **(0.8)** | **(56.4)** | **(1,466.8)** | **(200.1)** | **(1,724.1)** |
| **Net value as of January 1, 2010** | **25.9** | **27.7** | **999.8** | **118.4** | **1,171.8** |
| **Net value as of December 31, 2010** | **22.3** | **25.5** | **988.9** | **101.0** | **1,137.7** |

The net impact of reclassifications amounted to €(3.0) million as of December 31, 2010.

2011 changes in gross value and net carrying amount:

| *In million euros* | Land | Buildings | Technical installations, tools & equipment | Other | Total |
|---|---|---|---|---|---|
| **Gross value as of January 1, 2011** | **23.1** | **81.9** | **2,455.7** | **301.1** | **2,861.8** |
| *- including finance lease* | | *4.3* | *5.4* | *9.6* | *19.3* |
| *- including dismantling cost* | | | *100.3* | | *100.3* |
| Acquisitions | 0.7 | 0.7 | 100.4 | 78.8 | 180.6 |
| *- including acquisitions under finance lease* | | | | *4.1* | *4.1* |
| *- including dismantling cost* | | | *15.3* | | *15.3* |
| Decreases | (0.4) | (0.1) | (58.8) | (14.8) | (74.1) |
| *- including disposals under finance lease* | | | | *(3.2)* | *(3.2)* |
| *- including dismantling cost* | | | *(11.6)* | | *(11.6)* |
| Changes in scope | | | 37.1 | 5.0 | 42.1 |
| Reclassifications | | | 36.1 | (55.1) | (19.0) |
| Translation adjustments | 0.4 | 0.2 | 11.6 | 1.1 | 13.3 |
| **Gross value as of December 31, 2011** | **23.8** | **82.7** | **2,582.1** | **316.1** | **3,004.7** |
| **Depreciation as of January 1, 2011** | **(0.8)** | **(56.4)** | **(1,466.8)** | **(200.1)** | **(1,724.1)** |
| *- including finance lease* | | *(3.2)* | *(4.0)* | *(6.2)* | *(13.4)* |
| *- including dismantling cost* | | | *(52.8)* | | *(52.8)* |
| Depreciation charge net of reversals | (0.1) | (3.2) | (163.7) | (16.9) | (183.9) |
| *- including finance lease* | | *(0.5)* | *(0.5)* | *(1.6)* | *(2.6)* |
| *- including dismantling cost* | | | *(9.1)* | | *(9.1)* |
| Impairment loss | | | (2.7) | (0.2) | (2.9) |
| Decreases | | | 49.0 | 13.5 | 62.5 |
| *- including finance lease* | | | *0.0* | *2.8* | *2.8* |
| *- including dismantling cost* | | | *6.3* | | *6.3* |
| Changes in scope | | | (22.1) | (2.5) | *(24.6)* |
| Reclassifications | | | 14.5 | 0.1 | 14.6 |
| Translation adjustments | | (0.1) | (6.5) | (0.3) | (6.9) |
| **Depreciation as of December 31, 2011** | **(0.9)** | **(59.7)** | **(1,598.3)** | **(206.4)** | **(1,865.3)** |
| **Net value as of January 1, 2011** | **22.3** | **25.5** | **988.9** | **101.0** | **1,137.7** |
| **Net value as of December 31, 2011** | **22.9** | **23.0** | **983.8** | **109.7** | **1,139.4** |

The net impact of reclassifications amounted to €(4.4) million as of December 31, 2011.

As of December 31, 2011, the net value of property, plant and equipment under finance lease amounted to €7.0 million, compared to €5.9 million as of December 31, 2010, and breaks down as follows:

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| Buildings | 0.6 | 1.1 |
| Panels | 0.9 | 1.4 |
| Vehicles | 5.2 | 3.4 |
| Other property, plant and equipment | 0.3 | 0.0 |
| **Total** | **7.0** | **5.9** |

Over 80% of the Group's property, plant and equipment is comprised of street furniture, and other advertising structures. These assets represent a range of very diverse products (Seniors, MUPIs®, columns, flag poles, bus shelters, public toilets, benches, bicycles, public litter bins, etc.). These assets are fully owned and the Group revenues represent the sale of advertising spaces present in some of these structures. The net book value of buildings is €23.0 million. Buildings comprise administrative offices and warehouses, mainly in Germany and in France respectively for €8.7 million and €5.6 million. The Group owns 97% of these buildings, the remaining 3% is owned under finance lease.

## 2.6. Investments in associates

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| **Germany** | | |
| Stadtreklame Nürnberg GmbH | 11.1 | 9.6 |
| **Austria** | | |
| Werbeplakat Soravia GmbH | 0.6 | 0.8 |
| **China** | | |
| Shanghai Zhongle Vehicle Painting Co. Ltd | 0.2 | 0.2 |
| **France** | | |
| Metrobus | 12.6 | 10.8 |
| **Hong Kong** | | |
| Bus Focus Ltd | 1.1 | 0.6 |
| Poad | 4.6 | 3.3 |
| **Switzerland** | | |
| Affichage Holding | 127.9 | 115.9 |
| **Macau** | | |
| CNDecaux Airport Media Co. Ltd | 0.1 | 0.0 |
| **Total** | **158.2** | **141.2** |

The items representative of the statement of financial position of these associates are as follows (*):

| | 12/31/2011 | | | | 12/31/2010 | | | |
|---|---|---|---|---|---|---|---|---|
| *In million euros* | % of consolida-tion | Total assets | Total liabilities (excluding equity) | Total equity | % of consolida-tion | Total assets | Total liabilities (excluding equity) | Total equity |
| **Germany** | | | | | | | | |
| Stadtreklame Nürnberg GmbH | 35% | 15.1 | 5.5 | 9.6 | 35% | 14.7 | 5.5 | 9.2 |
| **Austria** | | | | | | | | |
| Werbeplakat Soravia GmbH | 33% | 6.2 | 5.3 | 0.9 | 33% | 6.4 | 4.8 | 1.6 |
| **China** | | | | | | | | |
| Shanghai Zhongle Vehicle Painting Co. Ltd | 40% | 0.6 | 0.3 | 0.3 | 40% | 0.7 | 0.4 | 0.3 |
| **France** | | | | | | | | |
| Metrobus | 33% | 64.0 | 66.5 | (2.5) | 33% | 58.5 | 66.5 | (8.0) |
| **Hong Kong** | | | | | | | | |
| Bus Focus Ltd | 40% | 3.5 | 0.7 | 2.8 | 40% | 2.1 | 0.6 | 1.5 |
| Poad | 49% | 16.6 | 7.1 | 9.5 | 49% | 13.4 | 6.8 | 6.6 |
| **Switzerland** | | | | | | | | |
| Affichage Holding (1) | 30% | 258.6 | 108.5 | 150.1 | 30% | 224.1 | 113.9 | 110.2 |
| **Macau** | | | | | | | | |
| CNDecaux Airport Media Co. Ltd | 30% | 0.3 | 0.1 | 0.2 | 30% | 0.6 | 0.5 | 0.1 |

*(*) On a 100% basis restated according to IFRS.*

*(1) The valuation of 30% of Affichage Holding at the December 30, 2011 share price amounts to €100.7 million.*

Changes in investments in associates for 2011 are as follows:

| *In million euros* | 12/31/2010 | Income/ (loss) | Dividends | Translation adjustments | Other | 12/31/2011 |
|---|---|---|---|---|---|---|
| Stadtreklame Nürnberg GmbH | 9.6 | 0.6 | (0.5) | | 1.4 | 11.1 |
| Werbeplakat Soravia GmbH | 0.8 | 0.1 | (0.3) | | | 0.6 |
| Shanghai Zhongle Vehicle Painting Co. Ltd | 0.2 | 0.0 | | 0.0 | | 0.2 |
| Metrobus | 10.8 | 1.8 | | | | 12.6 |
| Bus Focus Ltd | 0.6 | 0.5 | | 0.0 | | 1.1 |
| Poad | 3.3 | 1.6 | (0.5) | 0.2 | | 4.6 |
| Affichage Holding | 115.9 | 10.0 | | 1.8 | 0.2 | 127.9 |
| CNDecaux Airport Media Co. Ltd | 0.0 | 0.0 | | 0.1 | | 0.1 |
| **Total** | **141.2** | **14.6** | **(1.3)** | **2.1** | **1.6** | **158.2** |

## 2.7. Other financial investments (current and non-current)

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| Loans | 23.6 | 19.4 |
| Loans to participating interests | 5.8 | 4.5 |
| Other financial investments | 8.6 | 5.6 |
| **Total** | **38.0** | **29.5** |

Other financial investments are mainly comprised of current account advances granted to joint ventures' partners, associates or non-consolidated companies, the non-eliminated portion of loans to proportionately consolidated companies, as well as deposits and guarantees.

As of December 31, 2011, other financial investments had increased by €8.5 million compared to December 31, 2010. This change is mainly attributable to the increase in the loans granted to joint ventures' partners for €3.6 million, the non-eliminated portion of the loan granted to the proportionately consolidated companies for €2.2 million and the loan granted by JCDecaux SA to Metrobus for €1.5 million.

The maturity of other financial investments breaks down as follows:

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| ≤ 1 year | 14.2 | 11.7 |
| > 1 year & ≤ 5 years | 21.1 | 16.2 |
| > 5 years | 2.7 | 1.6 |
| **Total** | **38.0** | **29.5** |

## 2.8. Other receivables (non-current)

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| - Miscellaneous receivables | 9.6 | 9.5 |
| *Write-down for miscellaneous receivables* | (2.2) | (2.1) |
| - Tax receivables | 0.8 | 0.8 |
| - Prepaid expenses | 29.3 | 41.3 |
| **Total other receivables (non-current assets)** | **39.7** | **51.6** |
| ***Total write-down for other receivables (non-current)*** | **(2.2)** | **(2.1)** |
| **Total** | **37.5** | **49.5** |

## 2.9. Inventories

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| Gross value of inventories | 119.6 | 122.2 |
| *Raw materials, supplies and goods* | *80.6* | *84.4* |
| *Finished and semi-finished goods* | *39.0* | *37.8* |
| Write-down | (24.7) | (24.8) |
| *Raw materials, supplies and goods* | *(16.4)* | *(17.6)* |
| *Finished and semi-finished goods* | *(8.3)* | *(7.2)* |
| **Total** | **94.9** | **97.4** |

## 2.10. Trade and other receivables

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| - Trade receivables | 631.9 | 595.6 |
| *Write-down for trade receivables* | (27.5) | (26.2) |
| - Miscellaneous receivables | 14.2 | 12.6 |
| *Write-down for miscellaneous receivables* | (1.4) | (1.3) |
| - Other operating receivables | 26.6 | 13.6 |
| *Write-down for other operating receivables* | (0.5) | (1.0) |
| - Miscellaneous tax receivables | 25.5 | 38.6 |
| - Receivables on disposal of intangible assets and PP&E | 10.8 | 17.5 |
| - Receivables on disposal of financial investments | 7.6 | 7.6 |
| - Advance payments | 7.1 | 8.8 |
| - Prepaid expenses | 43.7 | 46.8 |
| **Total trade and other receivables** | **767.4** | **741.1** |
| ***Total write-down for trade and other receivables*** | **(29.4)** | **(28.5)** |
| **Total** | **738.0** | **712.6** |

As of December 31, 2011, trade and other receivables had increased by €25.4 million year on year, primarily attributable to higher Group revenue and foreign exchange gains.

The balance of past due trade receivables that have not been provided amounted to €242.0 million as of December 31, 2011, compared to €240.1 million as of December 31, 2010. 7.3% of non-provided trade receivables were past due by more than 90 days as of December 31, 2011, compared to 6.9% as of December 31, 2010. No provision was recorded for impairment since these trade receivables do not present a risk of non-recovery.

## 2.11. Cash and cash equivalents

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| Cash | 70.0 | 60.1 |
| Cash equivalents | 218.7 | 151.4 |
| **Total** | **288.7** | **211.5** |

As of December 31, 2011, the Group had €288.7 million in cash and cash equivalents, of which €10.3 million invested in guarantees, compared to €9.5 million invested in guarantees as of December 31, 2010. Cash equivalents mainly comprise short-term deposits and money market funds.

## 2.12. Current income tax receivable and payable

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| Income tax receivable | 4.5 | 5.6 |
| Income tax payable | (29.5) | (28.9) |
| **Total** | **(25.0)** | **(23.3)** |

## 2.13. Net deferred taxes

### 2.13.1. Deferred taxes recorded

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| Deferred tax assets | 23.6 | 15.3 |
| Deferred tax liabilities | (111.8) | (106.7) |
| **Total** | **(88.2)** | **(91.4)** |

Breakdown of deferred taxes:

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| PP&E and intangible assets | (121.4) | (123.1) |
| Tax losses carried forward | 3.9 | 6.0 |
| Dismantling provision | 16.0 | 15.5 |
| Other | 13.3 | 10.2 |
| **Total** | **(88.2)** | **(91.4)** |

### 2.13.2. Unrecognized deferred tax assets on tax losses carried forward

Deferred tax assets on losses carried forward that have not been recognized amounted to €26.0 million as of December 31, 2011, compared to €26.7 million as of December 31, 2010.

## 2.14. Equity

**Breakdown of share capital**

As of December 31, 2011, share capital amounted to €3,382,240.96 divided into 221,860,303 shares of the same class and fully paid up.

**Reconciliation of the number of outstanding shares as of January 1, 2011 and December 31, 2011**

| | |
|---|---|
| Number of outstanding shares as of January 1, 2011 | 221,602,115 |
| Shares issued following the granting of bonus shares | 21,188 |
| Shares issued following the exercise of options | 237,000 |
| **Number of outstanding shares as of December 31, 2011** | **221,860,303** |

As of December 31, 2011, the Group did not hold any treasury shares.

### 2.15. Provisions

Provisions break down as follows:

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| Provisions for dismantling cost | 160.9 | 156.3 |
| Provisions for retirement and other benefits | 38.6 | 36.6 |
| Provisions for litigation | 7.8 | 14.8 |
| Other provisions | 21.4 | 24.1 |
| **Total** | **228.7** | **231.8** |

Provisions consist mainly of provisions for dismantling costs in respect of street furniture. They are calculated at the end of each accounting period and based on the street furniture asset pool and their unitary dismantling cost (labor, cost of destruction and restoration of ground surfaces). As of December 31, 2011, the average residual contract term used to calculate the dismantling provision is 7 years.

Provisions for dismantling are discounted at a rate of 3.90% as of December 31, 2011 and December 31, 2010. The use of a 3.65% discount rate (change of 25 basis points) would have generated an additional financial expense of approximately €3.8 million, while the use of a 3.40% discount rate (change of 50 basis points) would have generated an additional financial expense of approximately €7.7 million.

Provisions for litigation amounted to €7.8 million as of December 31, 2011. Provisions for risk set in other provisions are reclassified directly from "Other provisions" to "Provisions for litigation" on initiation of proceedings.

The JCDecaux Group is a party to several legal disputes regarding the terms and conditions of application for certain contracts with its concession grantors and the terms and conditions governing supplier relations. In addition, the specificity of its activity (contracts with government authorities in France and abroad) may generate specific contentious procedures. The JCDecaux Group is thus party to litigation over the awarding or cancellation of street furniture and/or billboard contracts, as well as taxation litigation.

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

The other provisions for €21.4 million comprise contingency provisions regarding contractual relations with partners or concession grantors not subject to proceedings for €5.9 million, provisions for tax risks for €3.7 million, provisions for losses on completion for €3.8 million, primarily in Finland and China, and other miscellaneous provisions for €8.0 million.

**Change in provisions**

| *In million euros* | 12/31/2010 | Charges | Discount | Reversals Used | Reversals Not used | Reclassifi-cations | Translation adjustments | Change in Scope | 12/31/2011 |
|---|---|---|---|---|---|---|---|---|---|
| Provisions for dismantling cost | 156.3 | 15.3 | 5.9 | (9.7) | (9.6) | | 1.3 | 1.4 | 160.9 |
| Provisions for retirement and other benefits | 36.6 | 5.5 | | (1.3) | (3.3) | 0.8 | 0.1 | 0.2 | 38.6 |
| Provisions for litigation | 14.8 | 1.6 | | (5.5) | (0.4) | (2.4) | (0.5) | 0.2 | 7.8 |
| Other provisions | 24.1 | 5.4 | | (5.4) | (2.0) | (1.1) | 0.3 | 0.1 | 21.4 |
| **Total** | **231.8** | **27.8** | **5.9** | **(21.9)** | **(15.3)** | **(2.7)** | **1.2** | **1.9** | **228.7** |

**Contingent assets and liabilities**

Subsequent to a risk analysis, the Group deemed that it was not necessary to recognize a contingency provision with respect to ongoing procedures, tax risks or the terms and conditions governing the implementation or awarding of contracts.

In the absence of a contractual obligation to dismantle panels of the Billboard activity, no provision for dismantling costs is recognized in the Group financial statements. However, certain companies (in France, Austria, and the United Kingdom) operate large format panels similar to street furniture for which the unitary dismantling cost is material. Accordingly, the overall non-discounted dismantling cost is estimated at €6.6 million as of December 31, 2011 against €6.5 million as of December 31, 2010.

**Provision for retirement and other benefits**

The Group's defined employee benefit obligations mainly consist in retirement benefits (contractual termination benefits, pensions and other retirement benefits for executive officers of certain Group subsidiaries) and other long-term benefits paid during the working life such as long service awards.

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

In France, the termination benefits paid at the retirement date 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 in a pension plan previously open to some employees of JCDecaux UK Ltd. In December 2002, the related vested rights were frozen. In 2011, the change in pension indexation for certain beneficiaries of defined benefits lead to a decrease of the commitment.

In Austria, the obligations mainly comprise termination benefits.

In the Netherlands, the pension plan was converted into a defined contribution plan following its settlement with an insurance company in 2011.

Contributions paid for defined contribution plans represented €30.1 million in 2011 (including €0.7 million for the contributions paid for the defined contribution multi-employer plan in Finland), compared to €28.6 million in 2010 (including €0.7 million for the contributions paid for the defined contribution multi-employer plan in Finland).

The Group takes part in three multi-employer defined benefit plans covered by assets in Sweden (ITP Plan). The benefit obligation of the company JCDecaux Sverige AB cannot be determined separately to date. As of December 31, 2010, these three plans were in a surplus position for a total amount of €7.7 billion, at the national level, according to local evaluations specific to these commitments. The expense recognized in the consolidated financial statements for these three plans is the same as the contributions paid in 2011, i.e. €0.3 million. Of the three plans, only one increased the level of contributions in 2011, the financing policy of the two other plans calling for the creation of a reserve.

Provisions are calculated according to the following assumptions:

| | 2011 | 2010 |
|---|---|---|
| **Discount rate** (1) | | |
| Euro Zone | 4.30% | 4.50% |
| United Kingdom | 4.90% | 5.40% |
| **Estimated annual rate of increase in future salaries** | | |
| Euro Zone | 2.59% | 2.55% |
| United Kingdom (2) | NA | NA |
| **Estimated annual rate of increase in post-employment benefits** | | |
| Euro Zone | 1.50% | 1.94% |
| United Kingdom | 3.50% | 3.70% |

*(1) The discount rates for the Euro Zone and the United Kingdom are determined based on the yield rate of bonds issued by leading companies (rated AA).*
*(2) As the UK plan was frozen, no salary increase was taken into account.*

The Group determined the discount rate based on public indices that provided assurance regarding the quality of the reference bonds. For example, in 2011, the Group relied on the Iboxx index for the Euro Zone, adjusted for bonds whose issuers no longer had top ratings as of December 31, which was considered to be more pertinent than the data issued from other indices previously used (for example, the Bloomberg index was used at the end of 2010 for the Euro Zone).

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

In 2010:

| *In million euros* | Retirement benefits unfunded | Retirement benefits funded | Other long-term benefits | Total |
|---|---|---|---|---|
| **Change in benefit obligation** | | | | |
| Opening balance | 13.4 | 64.8 | 4.7 | 82.9 |
| Service cost | 0.7 | 2.1 | 0.4 | 3.2 |
| Interest cost | 0.7 | 3.5 | 0.2 | 4.4 |
| Amendments to plans | (0.1) | (0.4) | | (0.5) |
| Actuarial gains/losses (1) | 1.5 | 0.8 | 0.2 | 2.5 |
| Benefits paid | (0.8) | (3.3) | (0.4) | (4.5) |
| Other (foreign exchange gains/losses) | 0.1 | 1.3 | | 1.4 |
| **Benefit obligation at the end of the year** | **15.5** | **68.8** | **5.1** | **89.4** |
| *including France* | *10.6* | *25.4* | *2.5* | *38.5* |
| *including other countries* | *4.9* | *43.4* | *2.6* | *50.9* |
| **Change in plan assets** | | | | |
| Opening balance | | 37.4 | | 37.4 |
| Expected return on plan assets (2) | | 2.2 | | 2.2 |
| Actuarial gains/losses (3) | | 2.3 | | 2.3 |
| Employer contributions | | 2.5 | | 2.5 |
| Benefits paid | | (3.3) | | (3.3) |
| Other (foreign exchange gains/losses) | | 1.0 | | 1.0 |
| **Fair value of assets at the end of the year** | | **42.1** | | **42.1** |
| *including France* | | *5.1* | | *5.1* |
| *including other countries* | | *37.0* | | *37.0* |
| **Provision** | | | | |
| Funded status | 15.5 | 26.7 | 5.1 | 47.3 |
| Unamortized actuarial gains/losses | (3.6) | (5.2) | | (8.8) |
| Unamortized past service cost | (0.6) | (1.5) | | (2.1) |
| Assets unrecognized | | 0.2 | | 0.2 |
| **Provision at the end of the year** | **11.3** | **20.2** | **5.1** | **36.6** |
| *including France* | *7.5* | *13.7* | *2.5* | *23.7* |
| *including other countries* | *3.8* | *6.5* | *2.6* | *12.9* |
| **Periodic pension cost** | | | | |
| Service cost | 0.7 | 2.1 | 0.4 | 3.2 |
| Interest cost | 0.7 | 3.5 | 0.2 | 4.4 |
| Expected return on plan assets | | (2.2) | | (2.2) |
| Amortization of actuarial gains/losses | 0.1 | 1.2 | 0.2 | 1.5 |
| Amortization of past service cost | 0.1 | 0.2 | | 0.3 |
| Other | | 0.2 | | 0.2 |
| **Charge for the year** | **1.6** | **5.0** | **0.8** | **7.4** |
| *including France* | *1.1* | *2.5* | *0.4* | *4.0* |
| *including other countries* | *0.5* | *2.5* | *0.4* | *3.4* |

*(1) Including €5.3 million related to changes in assumptions and €(2.8) million related to experience gains and losses.*
*(2) The rates of return on pension funds were determined in each country concerned, based on the allocation of assets observed for each fund as of December 31, 2009.*
*(3) Actuarial gains or losses generated by hedging assets are experience gains and losses.*

In 2011:

| In million euros | Retirement benefits unfunded | Retirement benefits funded | Other long-term benefits | Total |
|---|---|---|---|---|
| **Change in benefit obligation** | | | | |
| Opening balance | 15.5 | 68.8 | 5.1 | 89.4 |
| Service cost | 0.7 | 2.5 | 0.4 | 3.6 |
| Interest cost | 0.7 | 3.3 | 0.2 | 4.2 |
| Acquisitions / sales / transfer of plans (1) | 0.5 | 1.7 | 0.3 | 2.5 |
| Amendments / settlements of plans (2) | 0.3 | (8.8) | 1.5 | (7.0) |
| Actuarial gains/losses (3) | (0.2) | 2.1 | | 1.9 |
| Benefits paid | (0.7) | (2.0) | (0.4) | (3.1) |
| Other (foreign exchange gains/losses) | | 1.1 | | 1.1 |
| **Benefit obligation at the end of the year** | **16.8** | **68.7** | **7.1** | **92.6** |
| *including France* | *11.0* | *29.8* | *4.3* | *45.1* |
| *including other countries* | *5.8* | *38.9* | *2.8* | *47.5* |
| **Change in plan assets** | | | | |
| Opening balance | | 42.1 | | 42.1 |
| Expected return on plan assets (4) | | 2.4 | | 2.4 |
| Acquisitions / sales / transfer of plans (1) | | 1.5 | | 1.5 |
| Settlements of plans (2) | | (5.8) | | (5.8) |
| Actuarial gains/losses (5) | | (0.8) | | (0.8) |
| Employer contributions | | 2.9 | | 2.9 |
| Benefits paid | | (2.0) | | (2.0) |
| Other (foreign exchange gains/losses) | | 1.0 | | 1.0 |
| **Fair value of assets at the end of the year** | | **41.3** | | **41.3** |
| *including France* | | *6.4* | | *6.4* |
| *including other countries* | | *34.9* | | *34.9* |
| **Provision** | | | | |
| Funded status | 16.8 | 27.4 | 7.1 | 51.3 |
| Unamortized actuarial gains/losses | (3.2) | (7.5) | | (10.7) |
| Unamortized past service cost | (0.6) | (1.4) | | (2.0) |
| Assets unrecognized | | | | 0.0 |
| **Provision at the end of the year** | **13.0** | **18.5** | **7.1** | **38.6** |
| *including France* | *8.3* | *15.7* | *4.2* | *28.2* |
| *including other countries* | *4.7* | *2.8* | *2.9* | *10.4* |
| **Periodic pension cost** | | | | |
| Service cost | 0.7 | 2.5 | 0.4 | 3.6 |
| Interest cost | 0.7 | 3.3 | 0.2 | 4.2 |
| Expected return on plan assets | | (2.4) | | (2.4) |
| Amortization of actuarial gains/losses | 0.2 | 0.1 | 0.0 | 0.3 |
| Amortization of past service cost | 0.3 | (1.2) | 1.5 | 0.6 |
| Settlements of plans | | (1.1) | | (1.1) |
| Curtailments of plans | (0.2) | | | (0.2) |
| Surplus limitation | | (0.1) | | (0.1) |
| **Charge for the year** | **1.7** | **1.1** | **2.1** | **4.9** |
| *including France* | *1.1* | *2.7* | *1.7* | *5.5* |
| *including other countries* | *0.6* | *(1.6)* | *0.4* | *(0.6)* |

*(1) Including a €0.8 million provision for retirement reclassification, €0.5 million in actuarial liabilities and financial assets transferred to the English fund, and as a consequence of the acquisition of Médiakiosk, €1.2 million in actuarial liabilities hedged by €1.0 million in assets.*

*(2) Including a €(1.4) million amendment to the UK pension plan (change of the benchmark index for pension revaluations (from the RPI to the CPI) following a decision from the UK government), €1.5 million in actuarial liabilities for the medical coverage of certain French retirees, €(7.4) million with respect to the settlement of the actuarial liability of the Dutch pension plan and €(5.8) million with respect to the settlement of plan assets for this same plan.*

*(3) Including €2.2 million related to changes in assumptions and €(0.3) million related to experience gains and losses.*

*(4) The rates of return on pension funds were determined in each country concerned, based on the allocation of assets observed for each fund as of December 31, 2010.*

*(5) Actuarial gains or losses generated by hedging assets are experience gains and losses.*

As of December 31, 2011 the Group's benefit obligation amounted to €92.6 million and mainly involved three countries: France (49% of the total obligation), United Kingdom (36%) and Austria (7%).

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 €5.7 million increase in the amount of the obligation's present value.

The variances observed do not call into question the rates adopted for the preparation of the financial statements, as they are considered the rates that most closely match the market.

Unamortized actuarial losses as of December 31, 2011 amounted to €(10.7) million and are mainly related to the French companies.

As of December 31, 2011, unamortized past service cost amounted to €(2.0) million and corresponds on the one hand to the surplus resulting from application of the 2003 French law on retirement benefits ("*loi Fillon*") and on the other hand to the profit resulting from application of the 2010 French law ("*loi Fillon*") on the progressive raising of the lawful age of retirement (from 61 to 62) for the non-executive staff. This amount is amortized over the average employee working period until the benefits are vested.

Net movements in retirement and other benefits are as follows:

| *In million euros* | 2011 | 2010 |
|---|---|---|
| **January 1** | **36.6** | **32.7** |
| Charge for the year | 4.9 | 7.4 |
| Translation adjustments | 0.1 | 0.2 |
| Contributions paid | (2.9) | (2.5) |
| Benefits paid | (1.1) | (1.2) |
| Other [1] | 1.0 | 0.0 |
| **December 31** | **38.6** | **36.6** |

*(1) Of which a €0.8 million reclassification of the pension provision and €0.2 million for the pension provision covering the entry of Médiakiosk in the Group.*

The breakdown of the related plan assets is as follows:

| | 2011 | | | | 2010 | | | |
|---|---|---|---|---|---|---|---|---|
| | Breakdown of the plan assets at closing | | Expected return of the plan assets for the year [1] | | Breakdown of the plan assets at closing | | Expected return of the plan assets for the year [1] | |
| | In M€ | % | Euro Zone | United Kingdom | In M€ | % | Euro Zone | United Kingdom |
| Shares | 17.6 | 43% | 6.5% | 7.2% | 17.9 | 43% | 6.5% | 7.2% |
| Bonds | 18.7 | 45% | 4.1% | 4.2% | 14.9 | 35% | 4.1% | 4.7% |
| Real Estate | 1.9 | 5% | 4.7% | | 0.6 | 1% | 4.7% | |
| Other | 3.1 | 7% | 4.5% | 7.2% | 8.7 | 21% | 4.8% | 7.2% |
| **Total** | **41.3** | **100%** | **4.5%** | **5.6%** | **42.1** | **100%** | **4.7%** | **6.1%** |

*(1) The expected long-term returns on plan assets are determined based on historical performances and current and long-term outlooks for pension fund assets.*

Future contributions to pension funds for fiscal year 2012 are estimated at €1.1 million.

Retrospective information on post-employment benefits is as follows:

| *In million euros* | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|
| Benefit obligation at the end of the year | 92.6 | 89.4 | 82.9 | 71.4 | 80.0 |
| Fair value of assets at the end of the year | 41.3 | 42.1 | 37.4 | 31.7 | 43.0 |
| Funded status | 51.3 | 47.3 | 45.5 | 39.7 | 37.0 |
| Actuarial experience gains / losses on the benefit obligation | (0.3) | (2.8) | (0.4) | 0.1 | 1.0 |
| *in % of the benefit obligation* | *(0.3)%* | *(3.1)%* | *(0.5)%* | *0.1%* | *1.3%* |
| Actuarial experience gains / losses on the assets | (0.8) | 2.3 | 2.8 | (8.2) | (1.8) |
| *in % of the assets* | *(1.9)%* | *5.5%* | *7.5%* | *(25.9)%* | *(4.2)%* |

## 2.16. Net financial debt

| In million euros | | 12/31/2011 Current portion | Non-current portion | Total | 12/31/2010 Current portion | Non-current portion | Total |
|---|---|---|---|---|---|---|---|
| **Gross financial debt** | **(1)** | **71.1** | **357.8** | **428.9** | **83.8** | **459.3** | **543.1** |
| Financial derivatives (assets) | | | | 0.0 | | | 0.0 |
| Financial derivatives (liabilities) | | 0.1 | 17.7 | 17.8 | 0.5 | 19.3 | 19.8 |
| **Hedging financial instruments** | **(2)** | **0.1** | **17.7** | **17.8** | **0.5** | **19.3** | **19.8** |
| Cash and cash equivalents | | 288.7 | | 288.7 | 211.5 | | 211.5 |
| Overdrafts | | (9.7) | | (9.7) | (22.1) | | (22.1) |
| **Net cash** | **(3)** | **279.0** | **0.0** | **279.0** | **189.4** | **0.0** | **189.4** |
| Restatement of the loans related to the proportionately consolidated companies (*) | (4) | 13.3 | 6.9 | 20.2 | 9.1 | 5.6 | 14.7 |
| **Net financial debt (excluding non-controlling interest purchase commitments)** | **(5)=(1)+(2)-(3)-(4)** | **(221.1)** | **368.6** | **147.5** | **(114.2)** | **473.0** | **358.8** |

*(*) The net financial debt is restated for the loans related to the proportionately consolidated companies when their funding is shared between the different shareholders.*

The debt on commitments to purchase non-controlling interests is recorded separately and therefore is not included in financial debt, as described in Note 2.17 *Debt on commitments to purchase non-controlling interests.*

Financial derivatives and debt characteristics before and after hedging are described in Note 2.18 *Financial derivatives.*

The debt analyses presented hereafter are based on the economic financial debt which is determined on the debt carrying amount (gross financial debt in the statement of financial position) and adjusted for the fair value revaluation arising from hedging and amortized cost (IAS 39 restatements):

| In million euros | | 12/31/2011 Current portion | Non-current portion | Total | 12/31/2010 Current portion | Non-current portion | Total |
|---|---|---|---|---|---|---|---|
| **Gross financial debt** | **(1)** | **71.1** | **357.8** | **428.9** | **83.8** | **459.3** | **543.1** |
| Impact of amortized cost | | | 0.5 | 0.5 | | 1.8 | 1.8 |
| Impact of fair value hedge | | | 18.0 | 18.0 | | 19.6 | 19.6 |
| **IAS 39 remeasurement** | **(2)** | **0.0** | **18.5** | **18.5** | **0.0** | **21.4** | **21.4** |
| **Economic financial debt** | **(3)=(1)+(2)** | **71.1** | **376.3** | **447.4** | **83.8** | **480.7** | **564.5** |

As of December 31, 2011, the economic financial debt breaks down as follows:

| In million euros | 12/31/2011 Current portion | Non-current portion | Total | 12/31/2010 Current portion | Non-current portion | Total |
|---|---|---|---|---|---|---|
| Bonds | | 292.3 | 292.3 | | 292.3 | 292.3 |
| Bank borrowings | 45.2 | 47.2 | 92.4 | 69.3 | 165.5 | 234.8 |
| Miscellaneous facilities and other financial debt | 20.3 | 31.5 | 51.8 | 9.5 | 18.6 | 28.1 |
| Finance lease liabilities | 2.9 | 5.3 | 8.2 | 2.3 | 4.3 | 6.6 |
| Accrued interest | 2.7 | | 2.7 | 2.7 | | 2.7 |
| **Economic financial debt** | **71.1** | **376.3** | **447.4** | **83.8** | **480.7** | **564.5** |

In 2011, the Group repaid in advance a credit facility for €100 million maturing in 2014 and 2015.

The Group's main financial debts are held by JCDecaux SA, and mainly comprise the bond debt detailed as follows:

| *In million euros* | Economic value | Carrying amount | Market value | Issuing date | Maturity date |
|---|---|---|---|---|---|
| Bond debt (US private placement) | 292.3 | 274.3 | 271.3 | April 2003 | April 2013 and April 2015 |

*These financial debts are not quoted on an active market, the values mentioned have been estimated based primarily on information communicated by banks. The use of different assumptions or valuation methods could result in values that vary from those mentioned.*

In addition, as of December 31, 2011, the Group has a €850.0 million committed revolving credit facility, carried by JCDecaux SA and maturing in June 2012 and June 2013. This facility, undrawn as of December 31, 2011, was replaced in February 2012 by a new €600 million 5 years facility.

These funding sources held by JCDecaux SA are committed, but they require compliance with various restrictive covenants, based on the consolidated financial statements.

They require the Group to maintain specific financial ratios:

- Interest coverage ratio: operating margin / net financial expenses strictly greater than 3.5;
- Net debt coverage ratio: net financial debt / operating margin strictly less than 3.5.

As of December 31, 2011, the Group is compliant with these covenants, with values significantly distant from required limits, and respective ratios of 44.8 and 0.3.

The average effective interest rate of these debts after interest rate hedging was approximately 2.6% for 2011.

Financial debt also includes:

- bank loans held by JCDecaux SA's subsidiaries, for a total amount of €92.4 million;
- finance lease liabilities for €8.2 million described in the final section of this note;
- miscellaneous facilities and other financial debt for €51.8 million, comprising shareholder loans subscribed by subsidiaries not wholly owned by JCDecaux SA and granted by the other shareholders of such entities;
- accrued interest for €2.7 million.

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

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| Less than one year | 71.1 | 83.8 |
| More than one year and less than 5 years | 367.0 | 469.3 |
| More than 5 years | 9.3 | 11.4 |
| **Total** | **447.4** | **564.5** |

### Breakdown of financial debt by currency

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

| | 12/31/2011 | | 12/31/2010 | |
|---|---|---|---|---|
| | In M€ | In % | In M€ | In % |
| Euro | 373.9 | 84% | 460.8 | 82% |
| Chinese yuan | 34.2 | 8% | 39.5 | 7% |
| Israeli shekel | 25.0 | 6% | 23.4 | 4% |
| Japanese yen | 24.3 | 5% | 22.9 | 4% |
| Pound sterling | 24.1 | 5% | 16.0 | 3% |
| Turkish lira | 20.4 | 5% | 0.0 | 0% |
| Indian rupee | 12.8 | 2% | 13.6 | 3% |
| Chilean peso | 10.5 | 2% | 10.2 | 2% |
| US dollar | 7.6 | 2% | 18.6 | 3% |
| Thai baht | 7.2 | 2% | 18.0 | 3% |
| Canadian dollar | 3.7 | 1% | 5.1 | 1% |
| Singapore dollar | 3.4 | 1% | (8.6) | -2% |
| Australian dollar (1) | (8.6) | -2% | (17.6) | -3% |
| Emirati dirham (1) | (13.5) | -3% | (5.8) | -1% |
| Hong Kong dollar (1) | (79.2) | -18% | (36.9) | -7% |
| Other | 1.6 | 0% | 5.3 | 1% |
| **Total** | **447.4** | **100%** | **564.5** | **100%** |

*(1) Negative amounts correspond to lending positions.*

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

*Breakdown of debt by interest rate (before committed and optional interest rate derivatives)*

| ***In million euros*** | **12/31/2011** | **12/31/2010** |
|---|---|---|
| Fixed rate | 172.7 | 163.3 |
| Floating rate | 274.7 | 401.2 |
| **Total** | **447.4** | **564.5** |

*Breakdown of debt by interest rate (after committed and optional interest rate derivatives)*

| | 12/31/2011 | | 12/31/2010 | |
|---|---|---|---|---|
| | In M€ | In % | In M€ | In % |
| Fixed rate | 30.5 | 7% | 21.0 | 4% |
| Floating rate hedged with options | 105.0 | 23% | 105.0 | 19% |
| Floating rate | 311.9 | 70% | 438.5 | 77% |
| **Total** | **447.4** | **100%** | **564.5** | **100%** |

**Finance lease liabilities**

Finance lease liabilities break down as follows:

| *In million euros* | 12/31/2011 Minimum future lease payments | 12/31/2011 Interest | 12/31/2011 Principal | 12/31/2010 Minimum future lease payments | 12/31/2010 Interest | 12/31/2010 Principal |
|---|---|---|---|---|---|---|
| Less than one year | 2.8 | 0.1 | 2.9 | 2.2 | 0.1 | 2.3 |
| More than one year and less than 5 years | 5.1 | 0.2 | 5.3 | 4.2 | 0.1 | 4.3 |
| More than 5 years | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **7.9** | **0.3** | **8.2** | **6.4** | **0.2** | **6.6** |

## 2.17. Debt on commitments to purchase non-controlling interests

The debt on commitments to purchase non-controlling interests amounted to €91.9 million as of December 31, 2011, compared to €86.5 million as of December 31, 2010.

The item primarily comprises a purchase commitment given to the partner company Progress, for its interest in Gewista Werbe GmbH, exercisable between January 1, 2019 and December 31, 2019, for a present value in the statement of financial position liabilities of €64.1 million.

The €5.4 million increase in the debt on commitments to purchase non-controlling interests between December 31, 2010 and December 31, 2011 represents the discounting loss recorded in the period.

## 2.18. Financial derivatives

The Group uses derivatives solely for interest rate and foreign exchange rate hedging purposes. The use of these derivatives primarily concerns JCDecaux SA.

### 2.18.1. Hedging derivative instruments related to bond issues

In connection with the issuance of its bond debt (US private placement) in the United States in 2003, JCDecaux SA raised funds, a significant portion of which (US$250 million) were denominated in US dollars and carried a fixed coupon. As the Group did not generate US dollar funding needs in such an amount and in compliance with its policy to have its medium and long-term debt indexed to floating rates, JCDecaux SA entered into swap transactions combined with its bond issue to hedge against the change in fair value of the debt.

As of December 31, 2011, the bond debt (USPP), before and after hedging, is as follows:

| | Tranche B | Tranche C | Tranche D | Tranche E |
|---|---|---|---|---|
| Principal amount before hedging | US$100 million | €100 million | US$50 million | €50 million |
| Maturity date | April 2013 | April 2013 | April 2015 | April 2015 |
| Repayment | At maturity | At maturity | At maturity | At maturity |
| Interest rate before hedging | US$ Fixed rate | Euribor | US$ Fixed rate | Euribor |
| Hedging instrument | interest rate swaps combined with basis swaps: receiving fixed rate (USD) / paying floating rate (Euribor) | NA | interest rate swaps combined with basis swaps: receiving fixed rate (USD) / paying floating rate (Euribor) | NA |
| Principal amount after hedging | €94.8 million | €100 million | €47.4 million | €50 million |
| Interest rate after hedging | Euribor | Euribor | Euribor | Euribor |

The interest rate hedging on Tranche A and the underlying debt matured in April 2010.

These basis swaps meet the conditions required to be qualified as fair value hedges within the meaning of IAS 39. The features of the hedged debt and the hedging instrument being identical, the hedge is effective.

As the debt is measured at fair value, the changes in value of the hedged debt are offset by symmetrical changes in value of the derivatives. The impacts on the income statement are therefore cancelled out.

The market values of these derivatives were determined by discounting the future cash flow differential based on zero coupon rates prevailing as of the closing date of the statement of financial position:

| *In million euros* | IAS 39 treatment | Market value as of 12/31/11 | Market value as of 12/31/10 |
|---|---|---|---|
| Interest rate swap | hedging of changes in fair value of debt relating to changes in interest rate | 8.7 | 10.9 |
| Basis swap | hedging of changes in fair value of debt relating to changes in foreign exchange rate | (26.3) | (30.0) |
| **Total** | | **(17.6)** | **(19.1)** |

### 2.18.2. Other interest rate derivative instruments

As of December 31, 2011, the Group held €100 million in interest rate hedges in the form of spread caps and the sale of floors maturing in 2014 and €5 million in the form of a cap maturing in 2012. These hedges are not in the money as of December 31, 2011.

In accordance with the definitions of IAS 39, the effectiveness of these financial instruments in relation to the hedged items is not demonstrated. The Group currently does not wish to apply hedge accounting to these instruments. Consequently, only the market value of these instruments is recorded in the assets or liabilities of the statement of financial position, with changes in fair value recorded in the income statement.

The market values used for this type of derivative are the valuations communicated by banks.

As of December 31, 2011, the market values of these financial instruments amounts to €(0.1) million, against €(0.2) million as of December 31, 2010.

#### 2.18.3. Foreign exchange rate instruments (excluding financial instruments related to bond issues)

The foreign exchange risk exposure of the Group is 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 solely 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 deposits with foreign subsidiaries pursuant to the Group's cash centralization policy). The Group hedges this risk mainly with short-term currency swaps.

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

As of December 31, 2011, the net positions contracted by the Group are as follows:

| ***In million euros*** | **12/31/2011** | **12/31/2010** |
|---|---|---|
| ***Forward purchases against the Euro*** | | |
| Hong Kong dollar | 79.2 | 33.4 |
| Emirati dirham | 13.5 | 5.6 |
| Australian dollar | 10.4 | 17.6 |
| US dollar | 8.4 | 0.0 |
| Swedish krone | 5.7 | 3.6 |
| Saudi riyal | 4.5 | 0.0 |
| Norwegian krone | 2.8 | 1.5 |
| Singapore dollar | 0.0 | 8.6 |
| Other | 0.2 | 0.4 |
| ***Forward sales against the Euro*** | | |
| Israeli shekel | 25.0 | 23.8 |
| Pound sterling | 22.3 | 19.6 |
| Turkish lira | 20.7 | 0.0 |
| Japanese yen | 17.6 | 17.1 |
| Singapore dollar | 3.4 | 0.0 |
| Canadian dollar | 2.5 | 3.4 |
| US dollar | 0.0 | 17.2 |
| Other | 0.6 | 2.9 |

As of December 31, 2011, the market value of these financial instruments amounts to €(0.1) million, compared to €(0.5) million as of December 31, 2010.

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

| ***In million euros*** | **12/31/2011** | **12/31/2010** |
|---|---|---|
| Trade payables | 307.1 | 283.3 |
| Tax and employee-related liabilities | 171.6 | 170.9 |
| Other operating liabilities | 198.6 | 200.3 |
| Payables on the acquisition of PP&E and intangible assets | 16.1 | 15.5 |
| Payables on the acquisition of financial investments | 14.4 | 14.2 |
| Other liabilities | 16.1 | 14.7 |
| Payments on account received | 23.0 | 14.4 |
| Deferred income | 75.6 | 74.7 |
| **Total** | **822.5** | **788.0** |

The €34.5 million increase in current liabilities as of December 31, 2011 is primarily related to the growth of Group activity and the foreign exchange gains.

Operating liabilities have a maturity of one year or less.

# 3. NOTES TO THE INCOME STATEMENT

## 3.1. Net operating expenses

| *In million euros* | 2011 | 2010 |
|---|---|---|
| Rent and fees | (901.8) | (857.1) |
| Other net operational expenses | (479.3) | (456.1) |
| Taxes and duties | (6.1) | (7.0) |
| Staff costs | (493.7) | (474.4) |
| **Direct operating expenses & Selling, general & administrative expenses (1)** | **(1,880.9)** | **(1,794.6)** |
| **Provision charge net of reversals** | **21.0** | **8.0** |
| **Depreciation and amortization net of reversals** | **(228.9)** | **(231.6)** |
| **Impairment of goodwill** | **0.0** | **(0.5)** |
| **Maintenance spare parts** | **(37.9)** | **(39.8)** |
| **Other operating income** | **8.7** | **2.3** |
| **Other operating expenses** | **(17.9)** | **(14.8)** |
| **Total** | **(2,135.9)** | **(2,071.0)** |

*(1) Including €(1,500.8) million of "Direct operating expenses" and €(380.1) million of "Selling, general & administrative expenses" in 2011 (compared to respectively €(1,432.1) million and €(362.5) million in 2010).*

**Rent and fees**

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

In 2011, rent and fees paid for the right to advertise totaled €901.8 million:

| *In million euros* | Total | Fixed expenses | Variable expenses |
|---|---|---|---|
| Fees associated with Street Furniture and Transport contracts | (761.2) | (482.2) | (279.0) |
| Rent related to Billboard locations | (140.6) | (111.2) | (29.4) |
| **Total** | **(901.8)** | **(593.4)** | **(308.4)** |

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 four main cost categories:

- Subcontracting costs for certain maintenance operations;
- Billboard advertising stamp duties and taxes;
- Operating lease expenses;
- Fees and operating costs, excluding staff costs, for different Group services.

Operating lease expenses, amounting to €42.8 million in 2011, are fixed expenses.

**Research and development costs**

Research costs and non-capitalized development costs are included in "Other net operational expenses" and in "Staff costs" and amounted to €7.6 million in 2011, compared to €5.0 million in 2010.

**Taxes and duties**

This item includes taxes and similar charges other than income taxes. 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 profit-sharing and investment plans and related expenses for French employees.

| *In million euros* | 2011 | 2010 |
|---|---|---|
| Compensation and other benefits | (388.6) | (375.1) |
| Social security contributions | (101.1) | (97.7) |
| Share-based payment expenses | (4.0) | (1.6) |
| **Total** | **(493.7)** | **(474.4)** |

Staff costs in respect of post-employment benefits break down as follows:

| *In million euros* | 2011 | 2010 |
|---|---|---|
| Retirement benefits and pensions | (2.8) | (6.6) |
| Other long-term benefits | (2.1) | (0.8) |
| **Total** (1) | **(4.9)** | **(7.4)** |

*(1) Including €(0.9) million of expenses related to retirement benefits and pensions and other long-term benefits included in the line item "Provision charge net of reversals" in 2011, against €(4.5) million in 2010.*

Share-based payment expenses recognized pursuant to IFRS 2 totaled €4.0 million in 2011, compared to €1.6 million in 2010.

Breakdown of bonus share plans:

| | 2011 Plan | 2010 Plan | |
|---|---|---|---|
| Grant date | 02/17/2011 | 12/01/2010 | 12/01/2010 |
| Number of beneficiaries | 1 | 1 | 1 |
| Acquisition date | 02/17/2015 | 12/01/2012 | 12/01/2014 |
| Number of bonus shares | 13,076 | 27,056 | 19,211 |
| Risk-free interest rate (%) | 2.27 | 1.06 | 1.69 |
| Value at grant date (in €) | 24.00 | 19.93 | 19.93 |
| Dividend / share expected Y+1 (in €) (1) | 0.00 | 0.16 | 0.16 |
| Dividend / share expected Y+2 (in €) (1) | 0.40 | 0.27 | 0.27 |
| Dividend / share expected Y+3 (in €) (1) | 0.55 | - | 0.31 |
| Dividend / share expected Y+4 (in €) (1) | 0.70 | - | 0.48 |
| Fair value of bonus shares (in €) | 22.64 | 19.53 | 18.89 |

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

Breakdown of stock option plans:

| | 2011 Plan | 2010 Plan | 2009 Plan | 2008 Plan | 2007 Plan | 2006 Plan | 2005 Plan |
|---|---|---|---|---|---|---|---|
| Grant date | February 17, 2011 | December 01, 2010 | February 23, 2009 | February 15, 2008 | February 20, 2007 | February 20, 2006 | March 4, 2005 |
| Vesting date | February 17, 2014 | December 01, 2013 | February 23, 2012 | February 15, 2011 | February 20, 2010 | February 20, 2009 | March 4, 2008 |
| Expiry date | February 17, 2018 | December 01, 2017 | February 23, 2016 | February 15, 2015 | February 20, 2014 | February 20, 2013 | March 4, 2012 |
| Number of beneficiaries | 220 | 2 | 2 | 167 | 178 | 4 | 140 |
| Number of options | 934,802 | 76,039 | 101,270 | 719,182 | 763,892 | 70,758 | 690,365 |
| Strike price | € 23.49 | € 20.20 | € 11.15 | € 21.25 | € 22.58 | € 20.55 | € 19.81 |

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

| Period | 2011 | Average share price on the date of exercise | Average strike price in euros | 2010 | Average share price on the date of exercise | Average strike price in euros |
|---|---|---|---|---|---|---|
| **Number of options outstanding at the beginning of the period** | **2,208,451** | | **€ 20.35** | **2,433,433** *(1)* | | **€ 19.84** |
| Options granted during the period | 934,802 | | € 23.49 | 76,039 | | € 20.20 |
| Options forfeited during the period | 120,146 | | € 22.15 | 44,146 | | € 21.21 |
| Options exercised during the period | 237,000 | € 22.94 | € 16.78 | 221,598 | € 20.97 | € 16.01 |
| Options expired during the period | 2,666 | | € 21.25 | 35,277 | | € 10.78 |
| Number of options outstanding at the end of the period | 2,783,441 | | € 21.63 | 2,208,451 | | € 20.35 |
| **Number of options exercisable at the end of the period** | **1,796,917** | | **€ 20.93** | **1,843,838** | | **€ 20.59** |

*(1) The number of options outstanding at the beginning of the period was increased by 993 options declared lost in 2009. A retiring beneficiary had been declared as a resignation.*

Option plans outstanding as of December 31, 2011 and 2010 were as follows:

| | 12/31/2011 | | | 12/31/2010 | | |
|---|---|---|---|---|---|---|
| **Plan / Grant date** | **In number of options** | **Residual term in years** | **Average strike price in euros** | **In number of options** | **Residual term in years** | **Average strike price in euros** |
| 2004 | | | | 166,285 | 0.18 | 15.29 |
| 2005 | 439,855 | 0.18 | 19.81 | 494,650 | 1.18 | 19.81 |
| 2006 | 52,413 | 1.14 | 20.55 | 70,758 | 2.14 | 20.55 |
| 2007 | 610,813 | 2.14 | 22.58 | 653,879 | 3.14 | 22.58 |
| 2008 | 600,976 | 3.14 | 21.25 | 645,570 | 4.13 | 21.25 |
| 2009 | 101,270 | 4.15 | 11.15 | 101,270 | 5.15 | 11.15 |
| 2010 | 76,039 | 5.92 | 20.20 | 76,039 | 6.92 | 20.20 |
| 2011 | 902,075 | 6.13 | 23.49 | | | |
| **Total** | **2,783,441** | | **21.63** | **2,208,451** | | **20.35** |

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

| | Plans | | | | | | |
|---|---|---|---|---|---|---|---|
| **Assumptions** | **2011** | **2010** | **2009** | **2008** | **2007** | **2006** | **2005** |
| - Price of underlying at grant date | €24.00 | €19.93 | €9.99 | €20.46 | €22.86 | €20.70 | €19.70 |
| - Estimated volatility | 36.71% | 36.56% | 31.74% | 24.93% | 28.66% | 29.43% | 32.84% |
| - Risk-free interest rate | 2.27% | 1.69% | 2.31% | 3.37% | 4.02% | 3.11% | 2.96% |
| - Estimated option life (in years) | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 |
| - Estimated turnover | 3.33% | 0.00% | 0.00% | 2.00% | 5.00% | 0.00% | 5.00% |
| - Dividend payment rate *(1)* | 1.20% | 1.08% | 2.41% | 2.56% | 2.00% | 1.90% | - |
| - Fair value options | (2) €7.45 | €5.82 | €2.00 | €3.77 | €5.76 | €5.11 | €6.21 |

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

*(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 2005 to 2011 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 September 11, 2001.

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

**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* | 2011 | 2010 |
|---|---|---|
| Gain on disposal of financial assets and gain on changes in scope | 7.5 | 0.0 |
| Gain on disposal of PP&E and intangible assets | 0.8 | 0.3 |
| Other management income | 0.4 | 2.0 |
| **Other operating income** | **8.7** | **2.3** |
| Loss on disposal of financial assets and loss on changes in scope | (1.0) | (1.5) |
| Loss on disposal of PP&E and intangible assets | (4.6) | (5.7) |
| Other management expenses | (12.3) | (7.6) |
| **Other operating expenses** | **(17.9)** | **(14.8)** |
| **Total** | **(9.2)** | **(12.5)** |

In 2011, the gains on disposal of financial assets and changes in scope for €7.5 million were attributable to the revaluation of the previously held interest on the acquisition of JCDecaux Korea, Inc. (South Korea) in January 2011 and to the negative goodwill related to the change in the Bigboard consolidation percentage in Ukraine and Russia.

The losses on disposal of financial assets and changes in scope for €(1.0) million in 2011 are related to the revaluation following the acquisition of Adbooth Pty Ltd in Australia and Garmoniya in Ukraine.

Other management expenses in 2011 for €(12.3) million are mainly related to the litigation settlement in Asia. These expenses are compensated by a provision reversal in the line item "Depreciation, amortization and provisions (net)". They also include penalties and restructuring costs.

## 3.2. Net financial income / loss

| *In million euros* | 2011 | 2010 |
|---|---|---|
| Interest income | 7.3 | 7.9 |
| Interest expense | (29.4) | (24.2) |
| **Net interest expense (1)** | **(22.1)** | **(16.3)** |
| **Dividends** | **0.0** | **0.1** |
| **Net foreign exchange gains (losses)** | **(5.1)** | **3.0** |
| Impact of IAS 39 - foreign exchange | 0.4 | (0.2) |
| Impact of IAS 39 - interest rate | 0.0 | 0.0 |
| Change in fair value of derivatives not qualified as hedges | 0.0 | 1.0 |
| Amortized cost impact | (1.3) | (0.6) |
| **Impact of IAS 39** | **(0.9)** | **0.2** |
| **Net discounting income (losses)** | **(11.1)** | **(19.8)** |
| **Bank guarantee costs** | **(1.0)** | **(1.1)** |
| Charge to provisions for financial risks | (1.2) | (0.2) |
| Reversal of provisions for financial risks | 0.6 | 0.1 |
| **Provisions for financial risks - Net charge** | **(0.6)** | **(0.1)** |
| **Net income (loss) on the sale of financial investments** | **8.8** | **0.0** |
| **Other** | **(0.3)** | **(0.8)** |
| **Other net financial expenses (2)** | **(10.2)** | **(18.5)** |
| **Net financial income (loss) (3) = (1)+(2)** | **(32.3)** | **(34.8)** |
| *Total financial income* | *16.7* | *11.9* |
| *Total financial expenses* | *(49.0)* | *(46.7)* |

Net financial income totaled €(32.3) million in 2011, compared to €(34.8) million in 2010 representing a favorable change of €2.5 million.

This change in net financial income is primarily explained by the decrease of net discounting losses for €8.7 million and the sale of the non-controlling interest in the company Tulip (Hong Kong) for €8.6 million. These two impacts are offset by a negative change in foreign exchange gains and losses of €(7.5) million and a €5.8 million increase in the net interest expense.

The evolution of net interest expense is explained by an expense representing the discounted value of the future reimbursements related to the claw-back provision of a debt waiver granted by a non-controlling interest in favor of a Group company for €(9.7) million, offset by a €3.9 million decrease of net interest expense due to the decrease of the average net financial debt.

A net discounting loss of €(11.1) million was recorded in 2011, of which €(5.9) million for the dismantling provision and €(5.4) million for discounting losses on debts on commitments to purchase non-controlling interests.

## 3.3. Income tax

**Breakdown between deferred and current taxes**

| *In million euros* | 2011 | 2010 |
|---|---|---|
| Current taxes | (100.4) | (81.7) |
| Local tax ("CVAE") | *(6.9)* | *(6.2)* |
| Other | *(93.5)* | *(75.5)* |
| Deferred taxes | 6.7 | 2.9 |
| Local tax ("CVAE") | *0.5* | *0.6* |
| Other | *6.2* | *2.3* |
| **Total** | **(93.7)** | **(78.8)** |

The effective tax rate before impairment of goodwill and the share of net profit of associates was 31.8% in 2011 against 32.2% in 2010. Excluding the discounting impact of debts on commitments to purchase non-controlling interests, the effective tax rate was 31.2% in 2011, stable compared to 2010.

### Breakdown of deferred tax charge

| *In million euros* | 2011 | 2010 |
|---|---|---|
| Intangible assets and PP&E | 5.0 | 5.7 |
| Tax losses carried forward | (1.7) | (4.6) |
| Dismantling provision | (0.1) | 0.7 |
| Other | 3.5 | 1.1 |
| **Total** | **6.7** | **2.9** |

### Tax proof

| *In million euros* | 2011 | 2010 |
|---|---|---|
| **Consolidated net income** | **215.7** | **169.3** |
| Income tax charge | (93.7) | (78.8) |
| **Consolidated income before tax** | **309.4** | **248.1** |
| Impairment of goodwill | 0.0 | 0.5 |
| Share of net profit of associates | (14.6) | (3.9) |
| Taxable dividends received from subsidiaries | 4.8 | 2.9 |
| Other non-taxable income | (17.4) | (5.5) |
| Other non-deductible expenses | 12.2 | 23.5 |
| **Net income before tax subject to the standard tax rate** | **294.4** | **265.6** |
| Weighted Group tax rate | 28.72% | (2) 28.30% |
| **Theoretical tax charge** | **(84.6)** | **(75.2)** |
| Deferred tax on unrecognized tax losses | (5.9) | (4.1) |
| Capitalization or use of unrecognized prior year tax losses carried forward | 5.4 | 7.5 |
| Other unrecognized deferred tax assets | (0.5) | 0.0 |
| Other (1) | (1.7) | (1.4) |
| **Income tax recorded** | **(87.3)** | **(73.2)** |
| Net CVAE (local tax on added value) | (6.4) | (5.6) |
| **Income tax recorded** | **(93.7)** | **(78.8)** |

(1) *Including €(3.6) million of tax credits in 2011.*
(2) *A reclassification was made between "Other taxes" and "Non-deductible expenses" in the 2010 tax proof*

## 3.4. Number of shares for the earnings per share (EPS) / diluted EPS computation

| | 2011 | 2010 |
|---|---|---|
| **Weighted average number of shares for the purposes of earnings per share** | **221,723,424** | **221,489,982** |
| Weighted average number of stock options | 885,931 | 1,004,546 |
| Weighted average number of stock options issued at the market price | (694,471) | (786,684) |
| **Weighted average number of shares for the purposes of diluted earnings per share** | **221,914,884** | **221,707,844** |

As of December 31, 2011, the February 17, 2011, December 1, 2010, February 15, 2008 and February 20, 2007 stock option plans are excluded from the calculation, since they have an anti-dilutive effect.

## 3.5. Share of net profit of associates

| *In million euros* | 2011 | 2010 |
|---|---|---|
| Stadtreklame Nürnberg GmbH | 0.6 | 0.9 |
| Werbeplakat Soravia GmbH | 0.1 | 0.2 |
| Shanghai Zhongle Vehicle Painting Co. Ltd | 0.0 | 0.0 |
| Metrobus | 1.8 | 1.0 |
| Bus Focus Ltd | 0.5 | 0.5 |
| Poad | 1.6 | 1.3 |
| Affichage Holding | 10.0 | 0.0 |
| CNDecaux Airport Media Co. Ltd | 0.0 | 0.0 |
| **Total** | **14.6** | **3.9** |

The €10.7 million increase in the share of net profit of associates mainly consists in the €10.0 million improvement in the Affichage Holding net income.

Impairment tests on associates gave rise to an €1.8 million impairment reversal for Metrobus.

No impact was recognized following the impairment test of the listed company Affichage Holding. The value in use determined on the basis of future discounted cash flows less net debt, and exceeding the stock market valuation mentioned in Note 2.6 "Investments in associates," was deemed to be the most representative of the real value of the company and was adopted as the recoverable amount.

Sensitivity tests demonstrate that an increase of 50 basis points in the discount rate would not result in an impairment loss on the share of net profit of associates and that a decrease of 50 basis points in the normative growth rate of the operating margin would not result in an impairment loss on the share of net profit of associates.

Key income statement items of associates are as follows [(1)]:

| *In million euros* | % of consolidation | 2011 Net Income | 2011 Net Revenues | 2010 Net Income | 2010 Net Revenues |
|---|---|---|---|---|---|
| **Germany** | | | | | |
| Stadtreklame Nürnberg GmbH | 35% | 1.8 | 10.8 | 2.4 | 10.8 |
| **Austria** | | | | | |
| Werbeplakat Soravia GmbH | 33% | 0.2 | 3.7 | 0.5 | 4.9 |
| **China** | | | | | |
| Shanghai Zhongle Vehicle Painting Co. Ltd | 40% | (0.1) | 0.7 | 0.0 | 0.6 |
| **France** | | | | | |
| Metrobus | 33% | 5.5 | 224.4 | 3.0 | 218.0 |
| **Hong Kong** | | | | | |
| Bus Focus Ltd | 40% | 1.1 | 4.4 | 1.2 | 4.6 |
| Poad | 49% | 3.3 | 32.0 | 2.7 | 30.7 |
| **Switzerland** | | | | | |
| Affichage Holding | 30% | 33.4 | 253.0 | 0.0 | 220.5 |
| **Macau** | | | | | |
| CNDecaux Airport Media Co. Ltd | 30% | 0.1 | 0.3 | 0.1 | 0.4 |

*(1) On a 100% basis restated according to IFRS.*

## 3.6. Headcount

As of December 31, 2011, the Group had 10,304 employees, compared to 9,943 employees as of December 31, 2010.

The Group's share of employees of proportionately consolidated companies is 821 as of December 31, 2011, included in the above total of 10,304 employees.

The breakdown of employees by function for 2011 and 2010 is as follows:

| | 2011 | 2010 |
|---|---|---|
| Technical | 5,927 | 5,785 |
| Sales and marketing | 2,263 | 2,148 |
| IT and administration | 1,500 | 1,408 |
| Contract business relations | 523 | 515 |
| Research and development | 91 | 87 |
| **Total** | **10,304** | **9,943** |

## 4. COMMENTS ON THE STATEMENT OF CASH FLOWS

### 4.1. Net cash provided by operating activities

In 2011, net cash provided by operating activities for €448.3 million comprised:

- operating cash flows generated by EBIT and other financial income and expenses, adjusted for non-cash items, for a total of €540.5 million;
- a change in the working capital for €21.5 million, the favorable impacts of which are mainly related to a strict control of the terms of payment of the receivables and payables during the year;
- and the payment of net financial interest and tax for €(12.0) million and €(101.7) million, respectively.

### 4.2. Net cash used in investing activities

In 2011, net cash used in investing activities for €(222.4) million comprised:

- acquisitions of intangible assets and PP&E net of the change in payables on intangible assets and PP&E for €(180.6) million;
- sales of intangible assets and PP&E net of the change in receivables on intangible assets and PP&E for €12.8 million;
- acquisitions of long-term investments and other financial assets, after deduction of net cash acquired and net of disposals and the change in payables on financial investments, for a total of €(54.6) million. This amount mainly comprised the acquisition of control of Médiakiosk (France) and JCDecaux Korea Inc. (South Korea), the acquisition of the group K. Out Of Home EOOD (renamed JCDecaux Bulgaria EOOD) in Bulgaria and the sale of the share in the non-consolidated company Tulip (HongKong).

In 2010, net cash used in investing activities for €(159.4) million included the acquisitions of intangible assets and PP&E net of disposals and net of the change in payables and receivables on intangible assets and PP&E, for a total of €(155.2) million and the acquisitions of long-term investments and other financial assets, net of disposals and net of the change in payables on financial investments for €(4.2) million.

### 4.3. Net cash used in financing activities

In 2011, net cash used in financing activities for €(139.9) mainly comprised:

- net cash flows on borrowings for €(134.2) million, including the repayment in advance of a bank loan for €(100.0) million in France;
- the payment of dividends by Group companies to their minority shareholders for €(8.1) million;
- capital increases for €4.0 million, including €3.9 million for the exercise of stock options in JCDecaux SA;
- the purchase of additional interests in some Group subsidiaries for €(1.9) million, which mainly concerned the acquisition of the 50% remaining interest in the share capital of Chengdu MPI Public Transportation Adv. Co. Ltd in China;
- the partial disposals of interests without loss of control in China and the Czech Republic for €0.3 million.

In 2010, the item amounted to €(221.6) million, and mainly concerned the net cash flows on borrowings for €(217.6) million.

### 4.4. Cash flows of proportionately consolidated companies

Cash flows of proportionately consolidated companies break down as follows:

- Net cash provided by operating activities was €60.7 million in 2011 compared to €55.9 million in 2010;
- Net cash used in investing activities was €(23.9) million in 2011 compared to €(12.3) million in 2010;
- Net cash used in financing activities was €(32.3) million in 2011 compared to €(29.4) million in 2010.

### 4.5. Non-cash transactions

The increase in property, plant & equipment and liabilities related to finance lease contracts amounted to €4.1 million in 2011, compared to €1.0 million in 2010.

## 5. FINANCIAL RISKS

As a result of its operations, the Group is exposed to varying degrees of financial risk (notably liquidity and financing risk, interest rate risk, foreign exchange rate risk, and risks related to financial management, in particular, counterparty risk). The Group objective is to minimize such risks by pursuing appropriate financial strategies. 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.

### 5.1. Risks relating to operations and strategy for managing such risks

**Liquidity and financing risk**

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

| *In million euros* | Carrying amount | Contractual cash flows | 01/01/2012 to 06/30/2012 | 07/01/2012 to 12/31/2012 | 01/01/2013 to 12/31/2014 | 01/01/2015 to 12/31/2016 | > 12/31/2016 |
|---|---|---|---|---|---|---|---|
| Bonds | 274.3 | 286.7 | 5.2 | 5.2 | 186.5 | 89.8 | 0.0 |
| Bank borrowings at floating rate | 82.5 | 86.4 | 56.8 | 9.8 | 12.1 | 7.2 | 0.5 |
| Bank borrowings at fixed rate | 9.9 | 10.7 | 1.9 | 2.5 | 6.3 | 0.0 | 0.0 |
| Miscelleanous facilities and other financial debt | 51.8 | 52.8 | 32.9 | 8.0 | 1.9 | 8.6 | 1.4 |
| Finance lease liabilities | 8.2 | 8.2 | 1.5 | 1.5 | 2.6 | 2.7 | 0.0 |
| Accrued interest | 2.7 | 2.7 | 2.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Overdrafts | 9.7 | 9.8 | 9.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total financial liabilities excluding derivatives** | **439.1** | **457.3** | **110.8** | **27.0** | **209.4** | **108.3** | **1.9** |
| | | | | | | | |
| Swaps on bonds | (17.6) | (6.2) | (1.5) | (1.5) | (2.8) | (0.4) | 0.0 |
| Interest rate hedges | (0.1) | (0.1) | (0.1) | 0.0 | 0.0 | 0.0 | 0.0 |
| Foreign exchange hedges | (0.1) | (0.1) | (0.1) | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total derivatives** | **(17.8)** | **(6.4)** | **(1.7)** | **(1.5)** | **(2.8)** | **(0.4)** | **0.0** |

*For revolving debt, the nearest maturity is indicated. This is the case for the committed revolving credit facility of Somupi for €15 million maturing in December 2012.*

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

The Group's financing strategy consists of:

- centralizing financing at the parent company level. 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 situation (withholding tax, etc.); (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 (i) that are diversified; (ii) having a term consistent with the maturity of its assets and (iii) flexible, in order to cover Group development and the investment and activity cycles;
- having permanent access to a liquidity reserve in the form of committed credit facilities;
- minimizing the risk of non-renewal of financing sources, by staggering annual installments;
- optimizing financing margins, through early renewal of loans that are approaching maturity, or by re-financing certain financing sources when market conditions are favorable;
- optimizing the cost of net debt, by recycling excess cash flow generated by different Group companies as much as possible, in particular by repatriating the cash to JCDecaux SA through loans or dividend payments.

Group medium and long-term debt is rated "Baa2" by Moody's and "BBB" by Standard and Poor's (last Moody's rating on April 5, 2011, and Standard and Poor's on December 22, 2011), with a stable outlook for both ratings.

As of December 31, 2011, the net financial debt (excluding non-controlling interest purchase commitments) is €147.5 million, representing a debt/equity attributable to owners of the parent company ratio of 6%, compared to €358.8 million and a debt/equity (Group share) ratio of 16% as of December 31, 2010. This debt is described in Note 2.16 *Net financial debt.*

66% of Group financial debt is carried by JCDecaux SA and has an average maturity of around 2.0 years.

As of December 31, 2011, the Group has cash of €288.7 million (see Note 2.11 *Cash and cash equivalents*) and unused committed credit facilities of €850 million. This committed credit facility of JCDecaux SA maturing in June 2012 and June 2013 was replaced in February 2012 by a new €600 million facility with a maturity of 5 years.

JCDecaux SA financing sources are confirmed but they require compliance with a number of covenants, based on consolidated financial statements. The breakdown and the amounts of the ratios are described in Note 2.16 *Net financial debt*.

**Interest rate risk**

The Group is exposed to interest rate fluctuations as a result of its debt, including the euro, the Chinese yuan , the Israeli shekel, the Japanese yen and the pound sterling. Given the high correlation between the advertising market and the level of general economic activity of the countries where the Group operates, it is Group policy to secure primarily floating-rate financing. Hedging operations are mainly centralized at the JCDecaux SA level. The split between fixed rate and floating rate is described in Note 2.16 *Net financial debt* and the hedging information is available in Note 2.18 *Financial derivatives*.

The following table breaks down financial assets and liabilities by interest rate as of December 31, 2011:

| *In million euros* | | ≤ 1 year | > 1 year & ≤ 5 years | > 5 years | Total |
|---|---|---|---|---|---|
| JCDecaux SA borrowings | | (150.0) | (142.3) | 0.0 | (292.3) |
| Other borrowings | | (136.2) | (18.9) | 0.0 | (155.1) |
| **Financial liabilities** | **(1)** | **(286.2)** | **(161.2)** | **0.0** | **(447.4)** |
| **Financial assets** | **(2)** | **38.0** | **0.0** | **0.0** | **38.0** |
| **Net position before hedging** | **(3)=(1)+(2)** | **(248.2)** | **(161.2)** | **0.0** | **(409.4)** |
| Issue swaps on USPP | **(4)** | 0.0 | 142.3 | 0.0 | 142.3 |
| Other interest rate hedging | **(4)** | 105.0 | 0.0 | 0.0 | 105.0 |
| **Net position after hedging** | **(5)=(3)+(4)** | **(143.2)** | **(18.9)** | **0.0** | **(162.1)** |

*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-month. The maturity indicated is therefore less than one year regardless of the maturity date. This is particularly the case for the Somupi committed revolving credit line for €15 million.*

In the event of change in the Euribor rates, the cost of the JCDecaux SA gross debt (after taking into account hedging) would be impacted over 2011 as follows:

| **Euribor rates** | **-100bp vs. rates as of Dec. 31, 2011** | **+100bp vs. rates as of Dec. 31, 2011** | **+200bp vs. rates as of Dec. 31, 2011** | **+300bp vs. rates as of Dec. 31, 2011** |
|---|---|---|---|---|
| Impact in basis points on the cost of gross debt vs. rates as of December 31, 2011 | -90bp | +100bp | +146bp | +246bp |

As of December 31, 2011, 7% of total Group economic financial debt, all currencies combined, was at fixed rates, 23.5% was hedged against an increase in short-term interest rates in the currencies concerned; 2% of total Group euro-denominated[1] economic gross debt was at fixed rates, and 27% was hedged against an increase in Euribor rates.

**Foreign exchange risk**

In 2011, net income generated in currencies other than the euro accounted for 64% of the Group consolidated net income.

Despite its presence in more than 50 countries, the Group is relatively immune to currency fluctuations in terms of cash flows, as the subsidiaries in each country do business solely in their own country and inter-company services and purchases are relatively insignificant.

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

Based on the 2011 actual data, Group exposure to the pound sterling, Chinese yuan, US dollar and Hong Kong dollar is as follows:

The portion of the consolidated net income denominated in Chinese yuan represents 19.1% of the Group consolidated net income. A variance of -5% in the Chinese yuan exchange rate would have an impact of -1.0% and 0.0%, respectively, on the Group's consolidated net income and total equity.

1 *Euro-denominated debt after adjustment for currency swaps and basis swaps.*

The portion of the consolidated net income denominated in US dollars represents 11.7% of the Group consolidated net income. A variance of -5% in the US dollar exchange rate would have an impact of -0.6% and +0.1%, respectively, on the Group's consolidated net income and total equity.

The portion of the consolidated net income denominated in pounds sterling represents 9.1% of the Group consolidated net income. A variance of -5% in the pound sterling exchange rate would have an impact of -0.5% and -0.1%, respectively, on the Group's consolidated net income and total equity.

The portion of the consolidated net income denominated in Hong Kong dollars represents 6.7% of the Group consolidated net income. A variance of -5% in the Hong Kong dollar exchange rate would have an impact of -0.3% and -0.3%, respectively, on the Group's consolidated net income and total equity.

In 2011, the Group mainly held foreign currency hedges of financial transactions:

- pursuant to the application of its centralized financing policy and its multi-currency excess cash position, and in order to hedge inter-company loan transactions, the Group has implemented short-term currency swaps. The Group does not hedge positions generated by inter-company loans when hedging arrangements are (i) too costly (ii) not available or (iii) when the loan amount is limited;
- the Group has implemented basis swaps covering the full term of the operation, for the portion of its long-term debt denominated in US dollars(1) not used to finance the current expansion of activities in the United States. The hedging information is available in Note 2.18 *Financial derivatives*.

As of December 31, 2011, the Group considers that its financial position and earnings would not be materially affected by exchange rate fluctuations.

**Management of excess cash positions**

As of December 31, 2011, the Group's excess cash and cash equivalents position totaled €288.7 million, including €218.7 million as cash equivalents and €10.3 million as guarantees.

**Management of capital and the net debt/equity ratio**

The Group is not subject to any externally imposed capital requirement. The Group Financial policy is to optimize the net debt/equity balance.

Net debt refers to net financial debt as disclosed in the Note 2.16 *Net financial debt* (excluding non-controlling interest purchase commitments). Total equity corresponds to the equity attributable to owners of the parent company disclosed in the statement of financial position adjusted of IAS 39 items (cash flow hedges and financial investments available for sale).

As of December 31, 2011, the debt/operating margin ratio stood at 0.3 and the debt/equity ratio at 6%, compared to, respectively, 0.7 and 16% as of December 31, 2010.

*(1) Bond debt issued in the United States in 2003*

### 5.2. Risks related to financial management

**Risks related to interest rate and foreign exchange derivatives**

The Group uses derivatives solely to hedge foreign exchange and interest rate risks, which is done centrally.

**Risks related to credit rating**

The Group 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 Group’s principal financing sources (financing raised by the parent company), as well as principal hedging arrangements are not subject to early termination in the event of a downgrade of the Group’s credit rating.

**Bank counterparty risk**

Group counterparty risks relate to the investment by the subsidiaries of their excess cash balances with banks and to other financial transactions principally involving JCDecaux SA (via unused committed credit facilities and hedging commitments). The Group strategy is to minimize this risk by (i) reducing excess cash within the Group by centralizing the subsidiaries’ available cash at JCDecaux SA level as much as possible, (ii) obtaining the prior authorization of the Group finance department for the opening of bank accounts, and (iii) selecting banks in which the Group and its subsidiaries can make deposits.

**Customer counterparty risk**

The counterparty risk in respect of trade receivables is covered by the necessary provisions if needed.

**Risk related to securities and term deposits**

In order to generate interests on its excess cash position, the Group may subscribe short-term investments and short term deposits. The investments consist of money market securities (mutual funds and money-market funds; certificates of deposit; short-term government securities, etc.). These instruments are invested on a short-term basis, earn interest at money market benchmark rates, are liquid, and involve only limited counterparty risk.

Group policy is not to own marketable shares or securities other than money market securities and treasury shares. As such, the Group considers its risk exposure arising from marketable shares and securities to be very low.

## 6. COMMENTS ON OFF-BALANCE SHEET COMMITMENTS

### 6.1. Security and other commitments

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| **Commitments given [(1)]** | | |
| Business guarantees | 140.8 | 123.9 |
| Other guarantees | 6.5 | 18.7 |
| Pledges, mortgages and collateral | 26.6 | 25.0 |
| Commitments on securities | 1.2 | 16.7 |
| **Total** | **175.1** | **184.3** |
| **Commitments received** | | |
| Securities, endorsements and other guarantees | 1.2 | 0.4 |
| Commitments on securities | 1.6 | 17.1 |
| Credit facilities | 850.0 | 850.0 |
| **Total** | **852.8** | **867.5** |

*(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. As such, JCDecaux SA guarantees 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 payments under building lease agreements and car rentals of certain subsidiaries; (ii) JCDecaux SA's counter-guarantees for guarantee facilities granted by banks to certain subsidiaries; and (iii) other commitments such as claw-back provisions on debt waivers.

"Pledges, mortgages and collateral" mainly comprise the mortgage of a building in Germany, and cash amounts given in guarantee.

Securities, endorsements and other guarantees mainly relate to the representations and warranties received.

Commitments on securities are mainly granted and received in the context of acquisitions.

The changes on the commitments on securities are mainly due to the abandon of the cross-call options between JCDecaux SA and BigBoard group against an increase of 5% of Bigboard group's financial rights. These call options concerned 50% of each partner's share and were valued at €15.6 million as of December 31, 2010.

As of December 31, 2011, commitments on securities given in favor of different partners comprise the following options:

- Regarding the company JCDecaux Bulgaria BV (Bulgaria) a put option granted to Limited Novacorp, exercisable from June 9, 2016 to June 9, 2017 and giving rights on 50% of the equity. The price of the option will be determined by an investment bank or under particular conditions, valued with a contractual calculation formula.
- Regarding the company Proreklam-Europlakat Doo (Slovenia), a put option granted to the local partner of the Group exercisable from January 1, 2012, on 8.13% of this company's shares. The contractual calculation formula values this commitment at approximately €1.2 million.
- Regarding the Wall group, a call option of a Group partner covering a share of the capital of Nextbike GmbH.

As of December 31, 2011, commitments on securities received by the Group comprise the following options:

- Regarding the Metrobus group, a put option, valid from April 1, 2014 to September 30, 2014. The option covers the Group's 33% interest in the Metrobus group. The exercise price will be determined by investment banks.
- Regarding the company Proreklam-Europlakat Doo (Slovenia), a call option that can be exercised beginning January 1, 2014 by Europlakat International Werbe GmbH over the partner of the Group covering 8.13% of the share capital of this company. A contractual calculation formula values this commitment at approximately €1.2 million.
- Regarding the Wall group, a call option that can be exercised by Wall AG for a maximum of 24.8% of the share capital of Nextbike GmbH, bringing the Group's interest to 50% plus one vote. A contractual calculation formula values this commitment at €0.4 million.

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

In addition, as part of their agreement between shareholders, JCDecaux SA and Affichage Holding have granted reciprocal calls should contractual clauses not be respected or in the event of a transfer of certain assets or change in control.

Finally, the Group benefits from pre-emptive rights under certain partnership agreements, and can provide for emptive or option rights, which are not considered as commitments given or received.

Credit facilities comprise the committed revolving credit line secured by JCDecaux SA for €850.0 million.

### 6.2. Commitments relating to lease, rent and minimum franchise payments given in the ordinary course of business

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

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

Such commitments given in the ordinary course of business break down as follows (amounts are not 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 | 501.2 | 1,613.9 | 1,293.5 | 3,408.6 |
| Rent related to Billboard locations | 92.0 | 168.7 | 35.5 | 296.2 |
| Operating leases | 35.1 | 79.4 | 26.8 | 141.3 |
| **Total** | **628.3** | **1,862.0** | **1,355.8** | **3,846.1** |

*(1) Until 2036.*

### 6.3. Commitments to purchase assets

Commitments to purchase property, plant and equipment and intangible assets totaled €248.1 million and €7.4 million, respectively, as of December 31, 2011.

### 6.4. Commitments relating to employee benefits

Pursuant to IAS 19 *Employee benefits*, and in accordance with the Group decision to apply the corridor method, a portion of actuarial gains and losses, and past service costs, is not recognized as provisions. A breakdown is provided in Note 2.15 *Provisions*.

## 7. SEGMENT REPORTING

The information communicated to the Executive Board is based on the business segment, as adopted pursuant to the application of IFRS 8 *Operating segments*. No aggregation of operating segments is realized.

Companies under joint control are proportionately consolidated in the segment reporting, as is the case in the Group's operating management reporting, which is used by the Executive Board, the Chief Operating Decision Maker (CODM).

### 7.1. 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 centers, 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, including 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-type activity.

***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 2011 segment reporting by operating segment is as follows:

| *In million euros* | Street Furniture | Transport | Billboard | Total |
|---|---|---|---|---|
| **Net revenues** | **1,179.0** | **874.8** | **409.2** | **2,463.0** |
| **Operating margin** | **386.9** | **139.9** | **55.3** | **582.1** |
| **EBIT** | **184.4** | **111.6** | **31.1** | **327.1** |
| Acquisitions of intangible assets and PP&E net of disposals (1) | 130.7 | 24.9 | 12.2 | 167.8 |

(1) *Including sales of intangible assets and PP&E and changes in payables and receivables on fixed assets.*

The breakdown of the 2010 segment reporting by operating segment is as follows:

| *In million euros* | Street Furniture | Transport | Billboard | Total |
|---|---|---|---|---|
| **Net revenues** | **1,147.0** | **777.6** | **425.4** | **2,350.0** |
| **Operating margin** | **375.9** | **115.4** | **64.1** | **555.4** |
| **EBIT** | **173.8** | **83.3** | **21.9** | **279.0** |
| Acquisitions of intangible assets and PP&E net of disposals (1) | 117.4 | 22.4 | 15.4 | 155.2 |

(1) *Including sales of intangible assets and PP&E and changes in payables and receivables on fixed assets.*

### 7.2. Other information

The 2011 information by geographical area breaks down as follows:

| *In million euros* | France | United Kingdom | Europe (2) | North America | Pacific-Asia | Rest of the world | Total |
|---|---|---|---|---|---|---|---|
| Net revenues | 607.8 | 272.1 | 792.6 | 179.2 | 504.3 | 107.0 | 2,463.0 |
| Acquisitions of intangible assets and PP&E net of disposals (1) | 52.0 | 7.5 | 75.3 | (4.4) | 22.0 | 15.4 | 167.8 |

(1) *Including sales of intangible assets and PP&E and changes in payables and receivables on fixed assets.*
(2) *Excluding France and United Kingdom.*

The 2010 information by geographical area breaks down as follows:

| *In million euros* | France | United Kingdom | Europe (2) | North America | Pacific-Asia | Rest of the world | Total |
|---|---|---|---|---|---|---|---|
| Net revenues | 598.2 | 271.9 | 787.6 | 187.8 | 420.6 | 83.9 | 2,350.0 |
| Acquisitions of intangible assets and PP&E net of disposals (1) | 35.9 | 16.5 | 60.0 | 2.3 | 26.3 | 14.2 | 155.2 |

(1) *Including sales of intangible assets and PP&E and changes in payables and receivables on fixed assets.*
(2) *Excluding France and United Kingdom.*

No single client represents more than 10% of Group revenues.

## 8. RELATED PARTIES

### 8.1. Definitions

Related party transactions break down into the following five categories:

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

### 8.2. Related party transactions

Loans granted to related parties as of December 31, 2011 totaled €20.2 million, primarily including a loan of €7.0 million to MC Decaux Inc. (Japan), a loan of €4.2 million to Proreklam-Europlakat Doo (Slovenia), a loan of €5.1 million to Metrobus (France), a loan of €1.7 million to Média Aéroports de Paris (France), as well as a loan of €1.2 million to CBS Outdoor JCDecaux Street Furniture Canada, Ltd.

Receivables on related parties as of December 31, 2011 totaled €13.1 million, primarily including €1.6 million from Média Aéroports de Paris (France), €1.3 million from Beijing Press JCDecaux Media Advertising Co. Ltd. (China) and €1.1 million from Shanghai Shentong JCDecaux Metro Advertising Co. Ltd. (China).

Borrowings secured from related parties and debt on commitments to purchase non-controlling interests as of December 31, 2011 totaled €113.4 million, primarily including €64.0 million in purchase commitments given to the partner Progress, €14.5 million in purchase commitments given to Média Régies and €13.3 million in purchase commitments given to a partner in Germany, a debt representing the discounted value of the future reimbursements related to the exercise of the claw-back provision of a debt waiver granted by a non-controlling interest in favor of a Group company for €9.7 million and a borrowing for €4.0 million from Média Régies concerning the co-financing of Somupi.

Liabilities to related parties as of December 31, 2011 totaled €10.9 million, including €7.3 million with Affichage Holding and €0.6 million with Q Media Decaux WLL (Qatar).

Operating income generated with related parties amounted to €20.6 million in 2011, primarily including €7.4 million with Média Aéroports de Paris (France) and €4.4 million with Shanghai Shentong JCDecaux Metro Advertising Co. Ltd. (China).

Operating expenses with related parties represented €21.1 million in 2011, of which €11.8 million in rent charges with SCI Troisjean, JCDecaux Holding, and Decaux Frères Real Estate.

In 2011, financial expenses with related parties represented €15.5 million, including €9.7 million related to the discounted value of the future reimbursements related to the exercise of the claw-back provision of a debt waiver granted by a non-controlling interest in favor of a Group company and €4.4 million in discounting losses regarding the commitment to purchase the non-controlling interests of Gewista Werbe GmbH.

Financial income with related parties represented €0.3 million in 2011.

The off-balance sheet commitments granted to related parties totaled €23.1 million and represented the business guarantee granted to Metrobus.

The commitments on securities granted with related parties mainly concerned Metrobus and Proreklam-Europlakat Doo and are described in note 6.1 "Security and other commitments".

### 8.3. Executive officer compensation

Compensation owed to members of the Executive Board in respect of 2011 and 2010 breaks down as follows:

| ***In million euros*** | **2011** | **2010** |
|---|---|---|
| Short-term benefits | 7.0 | 8.0 |
| Non-current compensation and retirement benefits (1) | | 1.2 |
| Fringe benefits | 0.1 | 0.1 |
| Directors' fees | 0.1 | 0.1 |
| Life insurance/special pension | 0.2 | 0.2 |
| Share-based payments | 0.6 | 1.3 |
| **Total** | **8.0** | **10.9** |

(1) *At the end of his term of office as at December 31, 2010 due to retirement, an Executive Board member received compensation covering retirement benefits and the recognition of his performance for the Group since 2000.*

In addition, two Executive Board members received a termination benefit, potentially representing for the first, a maximum of two years' fixed compensation and, for the second, a benefit equal to one year's salary and the average of the performance bonuses paid for the preceding two years. The latter will be paid in the event the member's employment contract is terminated at the Group's initiative.

Post-employment benefits booked in the statement of financial position liabilities amounted to €0.4 million as of December 31, 2011 and as of December 31, 2010.

Directors' fees of €0.1 million were owed to members of the Supervisory Board in respect of 2011.

## 9. PROPORTIONATELY CONSOLIDATED COMPANIES

The Group holds a number of investments which are proportionately consolidated.

The Group's share in the assets, liabilities and earnings of these joint ventures (included in the consolidated financial statements) is as follows as of December 31, 2011 and 2010:

| *In million euros* | 12/31/2011 | 12/31/2010 |
|---|---|---|
| Non-current assets | 34.0 | 50.5 |
| Current assets | 133.4 | 115.1 |
| **Total assets** | **167.4** | **165.6** |
| Non-current liabilities | 22.4 | 27.4 |
| Current liabilities | 96.5 | 91.1 |
| **Total liabilities (excluding net equity)** | **118.9** | **118.5** |
| **Net equity** | **48.5** | **47.1** |
| **including net income** | **34.0** | **36.2** |
| *including profits* | *267.5* | *238.8* |
| *including losses* | *(233.5)* | *(202.6)* |

The €1.4 million increase in net equity is mainly attributable to:

- the net profit of €34.0 million of the proportionately consolidated companies;
- dividend distributions of €(33.3) million;
- foreign exchange positive impacts for €5.8 million, mainly in Ukraine and in Asia;
- scope changes of €(5.1) million, mainly JCDecaux Korea Inc. (South Korea).

# 10. SCOPE OF CONSOLIDATION

## 10.1. Identity of the parent company

As of December 31, 2011, 70.33% of the share capital of JCDecaux SA is held by JCDecaux Holding.

## 10.2. List of consolidated companies

| COMPANIES | | Country | % interest | Consolidation Method | % control |
|---|---|---|---|---|---|
| **STREET FURNITURE** | | | | | |
| JCDECAUX SA | | France | 100.00 | F | 100.00 |
| JCDECAUX FRANCE (previously JCDECAUX MOBILIER URBAIN) | (2) | France | 100.00 | F | 100.00 |
| SOPACT | | France | 100.00 | F | 100.00 |
| SEMUP | (2) | France | 100.00 | F | 100.00 |
| DPE - DECAUX PUBLICITE EXTERIEURE | (2) | 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 SAS | (3) | France | 100.00 | F | 100.00 |
| JCDECAUX BOLLORE HOLDING | (3) | France | 50.00 | P | 50.00 |
| CENTRE DE FORMATION | (2) & (3) | France | 100.00 | F | 100.00 |
| JCDECAUX FRANCE HOLDING | (3) | France | 100.00 | F | 100.00 |
| MEDIAKIOSK | (4) | France | 95.00 | F | 95.00 |
| SOCIETE VERSAILLAISE DES KIOSQUES (SVK) | (4) | France | 95.00 | F | 100.00 |
| ACM GmbH | (5) | Germany | 100.00 | F | 100.00 |
| JCDECAUX STADTMOBLIERUNG GmbH | (5) | Germany | 100.00 | F | 100.00 |
| JCDECAUX DEUTSCHLAND GmbH | (5) | Germany | 100.00 | F | 100.00 |
| DSM DECAUX GmbH | | Germany | 50.00 | P | 50.00 |
| JCDECAUX GmbH | (5) | Germany | 100.00 | F | 100.00 |
| STADTREKLAME NÜRNBERG GmbH | | Germany | 35.00 | E | 35.00 |
| WALL AG | | Germany | 90.09 | F | 90.09 |
| GEORG ZACHARIAS GmbH | | Germany | 90.09 | F | 100.00 |
| VVR WALL GmbH | (1) | Germany | 90.09 | F | 100.00 |
| DIE DRAUSSENWERBER GmbH | | Germany | 90.09 | F | 100.00 |
| WALL MOBILIARE GmbH | | Germany | 90.09 | F | 100.00 |
| SKY HIGH TG GmbH | | Germany | 90.09 | F | 100.00 |
| STAUDENRAUS AUSSENWERBUNG GmbH | (5) | Germany | 100.00 | F | 100.00 |
| REMSCHEIDER GESELLSCHAFT FÜR STADTVERKEHRSANLAGEN GbR. | (3) | Germany | 45.05 | P | 50.00 |
| JCDECAUX UK Ltd | (1) | United Kingdom | 100.00 | F | 100.00 |
| JCDECAUX ARGENTINA SA | | Argentina | 99.82 | F | 99.82 |
| JCDECAUX STREET FURNITURE Pty Ltd | | Australia | 100.00 | F | 100.00 |
| JCDECAUX AUSTRALIA Pty Ltd | | Australia | 100.00 | F | 100.00 |
| ADBOOTH Pty Ltd | (6) | Australia | 50.00 | F | 50.00 |
| JCDECAUX CITYCYCLE AUSTRALIA Pty Ltd | | Australia | 100.00 | F | 100.00 |
| AQMI GmbH | | Austria | 67.00 | F | 100.00 |
| ARGE AUTOBAHNWERBUNG | | Austria | 33.50 | P | 50.00 |

| COMPANIES | | Country | % interest | Consolidation Method | % control |
|---|---|---|---|---|---|
| WERBEPLAKAT SORAVIA GmbH | | Austria | 22.11 | E | 33.00 |
| JCD BAHRAIN HOLDING SPC | | Bahrain | 99.98 | F | 100.00 |
| JCDECAUX BELGIUM PUBLICITE SA | (7) | Belgium | 100.00 | F | 100.00 |
| ACM SA | (7) | Belgium | 100.00 | F | 100.00 |
| JCDECAUX DO BRASIL SA | | Brazil | 100.00 | F | 100.00 |
| JCDECAUX SALVADOR SA | | Brazil | 100.00 | F | 100.00 |
| WALL SOFIA EOOD | (8) | Bulgaria | 45.05 | P | 50.00 |
| JCDECAUX CAMEROUN SA | (3) | Cameroon | 50.00 | P | 50.00 |
| CBS OUTDOOR JCDECAUX STREET FURNITURE CANADA Ltd. | | Canada | 50.00 | P | 50.00 |
| JCD P&D OUTDOOR ADVERTISING Co. Ltd | | China | 100.00 | F | 100.00 |
| BEIJING JCDECAUX TIAN DI ADVERTISING Co. Ltd (previously TOP RESULT KIOSK (SHANGHAI) DEVELOPMENT Co. Ltd) | | China | 100.00 | F | 100.00 |
| BEIJING GEHUA JCD ADVERTISING Co. Ltd | | China | 50.00 | P | 50.00 |
| BEIJING PRESS JCDECAUX MEDIA ADVERTISING Co. Ltd | | China | 50.00 | P | 50.00 |
| JCDECAUX KOREA Inc. (previously IPDECAUX Inc.) | (9) | South Korea | 100.00 | F | 100.00 |
| AFA JCDECAUX A/S | | Denmark | 50.00 | F | 50.00 |
| JCDECAUX MIDDLE EAST FZ-LLC | | United Arab Emirates | 99.98 | F | 99.98 |
| JCDECAUX STREET FURNITURE | | United Arab Emirates | 99.98 | F | 100.00 |
| EL MOBILIARIO URBANO SLU | | Spain | 100.00 | F | 100.00 |
| JCDECAUX ATLANTIS SA | | Spain | 85.00 | F | 85.00 |
| 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 |
| CBS DECAUX STREET FURNITURE, LLC | | United States | 50.00 | P | 50.00 |
| JCDECAUX NORTH AMERICA, Inc. | | United States | 100.00 | F | 100.00 |
| JCDECAUX BOSTON, Inc | | United States | 100.00 | F | 100.00 |
| JCDECAUX FINLAND Oy | (1) | Finland | 100.00 | F | 100.00 |
| JCDECAUX CITYSCAPE HONG KONG LTD | | Hong Kong | 100.00 | F | 100.00 |
| INTELLECT WORLD INVESTMENTS LTD | | Hong Kong | 100.00 | F | 100.00 |
| BUS FOCUS Ltd | | Hong Kong | 40.00 | E | 40.00 |
| VBM VAROSBUTOR ES MEDIA Kft. (VBM Kft) | (3) | Hungary | 90.09 | F | 100.00 |
| JCDECAUX ADVERTISING INDIA PVT LTD | (1) | India | 100.00 | F | 100.00 |
| AFA JCDECAUX ISLAND ehf | | Iceland | 50.00 | F | 100.00 |
| JCDECAUX ISRAEL Ltd | | Israel | 92.00 | F | 92.00 |
| MCDECAUX Inc. | (10) | Japan | 60.00 | P | 60.00 |
| 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 | | Luxembourg | 100.00 | F | 100.00 |
| JCDECAUX GROUP SERVICES SARL | | Luxembourg | 100.00 | F | 100.00 |
| JCDECAUX MACAO | (1) | Macau | 80.00 | F | 80.00 |
| JCDECAUX UZ | | Uzbekistan | 70.25 | F | 70.25 |
| JCDECAUX NEDERLAND BV | | The Netherlands | 100.00 | F | 100.00 |
| VERKOOP KANTOOR MEDIA (V.K.M) BV | | The Netherlands | 100.00 | F | 100.00 |

| COMPANIES | | Country | % interest | Consolidation Method | % control |
|---|---|---|---|---|---|
| JCDECAUX PORTUGAL - MOBILIARO URBANO Lda | | Portugal | 100.00 | F | 100.00 |
| PURBE PUBLICIDADE URBANA & GESTAO Lda | | Portugal | 100.00 | F | 100.00 |
| Q. MEDIA DECAUX WLL | (1) | Qatar | 49.99 | P | 49.00 |
| JCDECAUX MESTSKY MOBILIAR Spol Sro | | Czech Rep. | 100.00 | F | 100.00 |
| JCDECAUX – BIGBOARD AS | | Czech Rep. | 50.00 | P | 50.00 |
| RENCAR MEDIA | (3) | Czech Rep. | 47.35 | F | 100.00 |
| CLV CR Spol | (3) | Czech Rep. | 23.67 | P | 50.00 |
| JCDECAUX SINGAPORE Pte Ltd | | Singapore | 100.00 | F | 100.00 |
| JCDECAUX SLOVAKIA Sro | | Slovakia | 100.00 | F | 100.00 |
| JCDECAUX SVERIGE AB | (1) | Sweden | 100.00 | F | 100.00 |
| OUTDOOR AB | | Sweden | 48.50 | P | 48.50 |
| JCDECAUX THAÏLAND Co., Ltd | (1) | Thailand | 95.15 | F | 49.50 |
| ERA REKLAM AS | | Turkey | 89.76 | F | 100.00 |
| WALL SEHIR DIZAYNI LS | | Turkey | 89.72 | F | 99.58 |
| JCDECAUX URUGUAY | (11) | Uruguay | 100.00 | F | 100.00 |
| **TRANSPORT** | | | | | |
| JCDECAUX AIRPORT FRANCE | (2) | France | 100.00 | F | 100.00 |
| METROBUS | | France | 33.00 | E | 33.00 |
| MEDIA AEROPORTS DE PARIS | (3) | France | 50.00 | P | 50.00 |
| MEDIA FRANKFURT GmbH | | Germany | 39.00 | P | 39.00 |
| JCDECAUX AIRPORT MEDIA GmbH | | Germany | 100.00 | F | 100.00 |
| TRANS – MARKETING GmbH | | Germany | 70.60 | F | 78.36 |
| JCDECAUX AIRPORT UK Ltd | | United Kingdom | 100.00 | F | 100.00 |
| JCDECAUX ALGERIE Sarl | | Algeria | 79.98 | F | 80.00 |
| JCDECAUX AIRPORT ALGER | | Algeria | 79.98 | F | 100.00 |
| 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 |
| SOFIA AIRPORT ADVERTISING DZZD | (12) & (13) | Bulgaria | 45.05 | P | 50.00 |
| JCDECAUX CHILE SA | (1) | Chile | 100.00 | F | 100.00 |
| JCD MOMENTUM SHANGHAI AIRPORT ADVERTISING Co. Ltd | | China | 35.00 | P | 35.00 |
| JCDECAUX ADVERTISING (BEIJING) Co. Ltd | | China | 100.00 | F | 100.00 |
| BEIJING TOP RESULT METRO ADV. Co. Ltd | (10) | China | 90.00 | P | 38.00 |
| JCDECAUX ADVERTISING (SHANGHAI) Co. Ltd | | China | 100.00 | F | 100.00 |
| NANJING MPI METRO ADVERTISING Co. Ltd | | China | 70.00 | F | 70.00 |
| GUANGZHOU YONG TONG METRO ADV. Ltd | | China | 32.50 | P | 32.50 |
| NANJING MPI TRANSPORTATION ADVERTISING | | China | 50.00 | F | 87.60 |
| CHONGQING MPI PUBLIC TRANSPORTATION ADVERTISING Co. Ltd | | China | 100.00 | F | 100.00 |
| CHENGDU MPI PUBLIC TRANSPORTATION ADV. Co. Ltd | (14) | China | 100.00 | F | 100.00 |
| SHANGHAI ZHONGLE VEHICLE PAINTING Co. Ltd | | China | 40.00 | E | 40.00 |
| JINAN CHONGGUAN SHUNHUA PUBLIC TRANSPORT ADV. Co. Ltd | | China | 30.00 | P | 30.00 |
| SHANGHAI SHENTONG JCDECAUX METRO ADVERTISING Co. Ltd | | China | 65.00 | P | 51.00 |
| JCDECAUX XINCHAO ADV. (XIAMEN) LIMITED Co | | China | 80.00 | F | 80.00 |

| COMPANIES | | Country | % interest | Consolidation Method | % control |
|---|---|---|---|---|---|
| NANJING METRO JCDECAUX ADVERTISING Co., Ltd | | China | 98.00 | F | 98.00 |
| JCDECAUX ADVERTISING CHONGQING Co., Ltd | (3) | China | 80.00 | F | 80.00 |
| JCDECAUX-DICON FZCO | | United Arab Emirates | 74.99 | F | 75.00 |
| JCDECAUX ADVERTISING AND MEDIA | | United Arab Emirates | 79.98 | F | 49.00 |
| JCDECAUX AIRPORT ESPANA SA | | Spain | 100.00 | F | 100.00 |
| JCDECAUX & CEVASA SA | | Spain | 50.00 | P | 50.00 |
| JCDECAUX ESPANA SL Y PUBLIMEDIA SISTEMAS PUBLICITARIOS - METRO DE BARCELONA | | Spain | 70.00 | F | 70.00 |
| JCDECAUX TRANSPORT, SLU | | Spain | 100.00 | F | 100.00 |
| JCDECAUX AIRPORT, Inc. | | United States | 100.00 | F | 100.00 |
| JCDECAUX TRANSPORT INTERNATIONAL, LLC | | United States | 100.00 | F | 100.00 |
| JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT LAWA, LLC | | United States | 92.50 | F | 92.50 |
| JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT SAN DIEGO, LLC | (13) | United States | 100.00 | F | 100.00 |
| JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT DALLAS, LLC | | United States | 100.00 | F | 100.00 |
| MIAMI AIRPORT CONCESSION LLC | (3) | United States | 50.00 | P | 50.00 |
| JCDECAUX PEARL & DEAN Ltd | | Hong Kong | 100.00 | F | 100.00 |
| JCDECAUX OUTDOOR ADVERTISING HK Ltd | (1) | 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 |
| TOP RESULT PROMOTION Ltd | | Hong Kong | 100.00 | F | 100.00 |
| MEDIA PARTNERS INTERNATIONAL Ltd | | Hong Kong | 100.00 | F | 100.00 |
| DIGITAL VISION (MEI TI BO LE GROUP) | | Hong Kong | 100.00 | F | 100.00 |
| IGPDECAUX Spa | (1) | Italy | 32.35 | P | 32.35 |
| AEROPORTI DI ROMA ADVERTISING Spa | | Italy | 24.10 | P | 32.35 |
| CNDECAUX AIRPORT MEDIA Co. Ltd | | Macau | 30.00 | E | 30.00 |
| JCDECAUX NORGE AS | (1) | Norway | 97.69 | 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 | (15) | Czech Rep. | 47.35 | F | 70.67 |
| 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 |
| XPOMERA AB | (16) | Sweden | 100.00 | F | 100.00 |

| **BILLBOARD** | | | | | |
|---|---|---|---|---|---|
| AVENIR | (2) | France | 100.00 | F | 100.00 |
| JCDECAUX ARTVERTISING | (2) | France | 100.00 | F | 100.00 |
| JCDECAUX MEDIA SERVICES Ltd | | United Kingdom | 100.00 | F | 100.00 |
| MARGINHELP Ltd | | United Kingdom | 100.00 | 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 |

| COMPANIES | | Country | % interest | Consolidation Method | % control |
|---|---|---|---|---|---|
| EXCEL OUTDOOR MEDIA Ltd | | United Kingdom | 100.00 | F | 100.00 |
| GEWISTA WERBEGESELLSCHAFT mbH | (1) | Austria | 67.00 | F | 67.00 |
| EUROPLAKAT INTERNATIONAL WERBE GmbH | | Austria | 67.00 | F | 100.00 |
| PROGRESS AUSSENWERBUNG GmbH | | Austria | 67.00 | F | 100.00 |
| PROGRESS WERBELAND WERBE. GmbH | | Austria | 34.17 | F | 51.00 |
| ISPA WERBEGES.mbH | | Austria | 67.00 | F | 100.00 |
| USP UNI SERVICE PLAKAT GmbH | | Austria | 50.25 | F | 75.00 |
| JCDECAUX INVEST HOLDING GmbH | | Austria | 100.00 | F | 100.00 |
| JCDECAUX SUB INVEST HOLDING GmbH | | Austria | 100.00 | F | 100.00 |
| JCDECAUX CENTRAL EASTERN EUROPE GmbH | | Austria | 100.00 | F | 100.00 |
| GEWISTA SERVICE GmbH | | Austria | 67.00 | F | 100.00 |
| AUSSENW.TSCHECH.-SLOW.BETEILIGUNGS GmbH | | Austria | 67.00 | F | 100.00 |
| PSG POSTER SERVICE GmbH | | Austria | 32.83 | P | 49.00 |
| ROLLING BOARD OBERÖSTERREICH WERBE GmbH | | Austria | 25.13 | P | 50.00 |
| KULTURPLAKAT | | Austria | 46.90 | F | 70.00 |
| JCDECAUX BILLBOARD | (17) | Belgium | 100.00 | F | 100.00 |
| JC DECAUX ARTVERTISING BELGIUM | | Belgium | 100.00 | F | 100.00 |
| CITY BUSINESS MEDIA | | Belgium | 100.00 | F | 100.00 |
| HDE INVESTISSEMENT | (17) | Belgium | 100.00 | F | 100.00 |
| JCDECAUX BULGARIA EOOD (previously K OUT OF HOME EOOD) | (12) | Bulgaria | 45.05 | P | 50.00 |
| GRANTON ENTERPRISES LIMITED | (12) | Bulgaria | 45.05 | P | 50.00 |
| AGENCIA PRIMA AD | (12) | Bulgaria | 40.54 | P | 50.00 |
| MARKANY LINE EOOD | (12) | Bulgaria | 45.05 | P | 50.00 |
| RA INTERREKLAMA EOOD | (12) | Bulgaria | 45.05 | P | 50.00 |
| A TEAM EOOD | (12) | Bulgaria | 45.05 | P | 50.00 |
| EASY DOCK EOOD | (12) | Bulgaria | 45.05 | P | 50.00 |
| OUTDOOR MEDIA SYSTEMS | (18) | Cyprus | 55.00 | P | 50.00 |
| CEE MEDIA HOLDING | (18) | Cyprus | 55.00 | P | 50.00 |
| DROSFIELD ENTERPRISES | (18) | Cyprus | 55.00 | P | 50.00 |
| FEGPORT INVESTMENTS | (18) | Cyprus | 55.00 | P | 50.00 |
| EUROPLAKAT-PROREKLAM Doo | | Croatia | 34.17 | F | 51.00 |
| METROPOLIS MEDIA Doo (CROATIA) | | Croatia | 34.17 | F | 100.00 |
| FULLTIME Doo | | Croatia | 34.17 | F | 100.00 |
| JCDECAUX ESPANA SLU | (1) | Spain | 100.00 | F | 100.00 |
| JCDECAUX PUBLICIDAD LUMINOSA SL | (13) | Spain | 100.00 | F | 100.00 |
| POAD | | Hong Kong | 49.00 | E | 49.00 |
| DAVID ALLEN HOLDINGS Ltd | (19) | Ireland | 100.00 | F | 100.00 |
| DAVID ALLEN POSTER SITES Ltd | | Ireland | 100.00 | F | 100.00 |
| SOLAR HOLDINGS Ltd | | Ireland | 100.00 | F | 100.00 |
| JCDECAUX IRELAND Ltd | | Ireland | 100.00 | F | 100.00 |
| N.B.S.H. PROREKLAM-EUROPLAKAT PRISHTINA | | Kosovo | 20.67 | P | 41.13 |
| JCDECAUX MEDIA Sdn Bhd | | Malaysia | 100.00 | F | 100.00 |
| EUROPOSTER BV | | The Netherlands | 100.00 | F | 100.00 |
| MAG INTERNATIONAL BV | (13) | The Netherlands | 67.00 | F | 100.00 |
| BIGBOARD B.V. | (18) | The Netherlands | 55.00 | P | 50.00 |
| JCDECAUX BULGARIA HOLDING BV | (3) | The Netherlands | 45.05 | P | 50.00 |
| JCDECAUX NEONLIGHT Sp zoo | (20) | Poland | 100.00 | F | 100.00 |

| COMPANIES | | Country | % interest | Consolidation Method | % control |
|---|---|---|---|---|---|
| RED PORTUGUESA – PUBLICIDADE EXTERIOR SA | | Portugal | 94.86 | F | 94.86 |
| PLACA Lda | | Portugal | 100.00 | F | 100.00 |
| CENTECO - PUBLICIDADE EXTERIOR Lda | | Portugal | 70.00 | F | 70.00 |
| AUTEDOR - PUBLICIDADE EXTERIOR Lda | | Portugal | 51.00 | F | 51.00 |
| GREEN - PUBLICIDADE EXTERIOR Lda | | Portugal | 54.02 | F | 55.00 |
| RED LITORAL - PUBLICIDADE EXTERIOR Lda | | Portugal | 71.14 | F | 75.00 |
| JCDECAUX NEONLIGHT (PORTUGAL) | (13) | Portugal | 67.04 | F | 67.04 |
| AVENIR PRAHA Spol Sro | | Czech Rep. | 100.00 | F | 100.00 |
| EUROPLAKAT Spol Sro | | Czech Rep. | 67.00 | F | 100.00 |
| WALL GUS | (18) | Russia | 55.00 | P | 50.00 |
| BIG – MEDIA Ltd. | (18) | Russia | 55.00 | P | 50.00 |
| BIGBOARD Co., Ltd. | (18) | Russia | 55.00 | P | 50.00 |
| X – FORMAT PLUS, Ltd. | (18) | Russia | 55.00 | P | 50.00 |
| PETROVIK KRASNODAR | (18) | Russia | 55.00 | P | 50.00 |
| ISPA BRATISLAVA Spol Sro | | Slovakia | 67.00 | F | 100.00 |
| EUROPLAKAT INTERWEB Spol Sro | | Slovakia | 67.00 | F | 100.00 |
| INREKLAM PROGRESS Doo | | Slovenia | 27.56 | P | 41.13 |
| PROREKLAM-EUROPLAKAT Doo | | Slovenia | 27.56 | P | 41.13 |
| PLAKATIRANJE Doo | | Slovenia | 27.56 | P | 41.13 |
| SVETLOBNE VITRINE | | Slovenia | 27.56 | P | 41.13 |
| MADISON Doo | | Slovenia | 27.56 | P | 41.13 |
| METROPOLIS MEDIA Doo (SLOVENIA) | | Slovenia | 27.56 | P | 41.13 |
| INTERFLASH doo LJUBLJANA | | Slovenia | 27.56 | P | 41.13 |
| AFFICHAGE HOLDING | | Switzerland | 30.00 | E | 30.00 |
| BIGBOARD GROUP | (18) | Ukraine | 55.00 | P | 50.00 |
| BIGBOARD KIEV | (18) | Ukraine | 55.00 | P | 50.00 |
| BIGBOARD KHARKHOV | (18) | Ukraine | 55.00 | P | 50.00 |
| BIGBOARD DONETSK | (18) | Ukraine | 55.00 | P | 50.00 |
| BIGBOARD KRIVOY ROG | (18) | Ukraine | 55.00 | P | 50.00 |
| BIGBOARD SIMFEROPOL | (18) | Ukraine | 55.00 | P | 50.00 |
| BIGBOARD NIKOLAEV | (18) | Ukraine | 55.00 | P | 50.00 |
| BIGBOARD VYSHGOROD | (18) | Ukraine | 55.00 | P | 50.00 |
| AUTO CAPITAL | (18) | Ukraine | 55.00 | P | 50.00 |
| BIGBOARD LVIV | (18) | Ukraine | 55.00 | P | 50.00 |
| POSTER GROUP | (18) | Ukraine | 55.00 | P | 50.00 |
| POSTER KIEV | (18) | Ukraine | 55.00 | P | 50.00 |
| POSTER DNEPROPETROVSK | (18) | Ukraine | 55.00 | P | 50.00 |
| POSTER ODESSA | (18) | Ukraine | 55.00 | P | 50.00 |
| REKSVIT UKRAINE | (18) | Ukraine | 55.00 | P | 50.00 |
| ALTER – V | (18) | Ukraine | 55.00 | P | 50.00 |
| UKRAYINSKA REKLAMA | (18) | Ukraine | 55.00 | P | 50.00 |
| BOMOND | (18) | Ukraine | 27.50 | P | 50.00 |
| GARMONIYA | (18) & (21) | Ukraine | 55.00 | P | 50.00 |
| BIG MEDIA | (18) | Ukraine | 55.00 | P | 50.00 |
| MEDIA CITY | (18) | Ukraine | 55.00 | P | 50.00 |

(1) *Companies spread over each of the three activities for segment reporting purposes, but listed here according to their historical activity.*

(2) *On December 31, 2011, the companies SEMUP, DPE - Decaux Publicité Extérieure, Centre de Formation, Avenir, JCDecaux Artvertising and JCDecaux Airport France were absorbed by JCDecaux France (previously JCDecaux Mobilier Urbain).*

(3) *Companies consolidated in 2011.*

(4) *Companies purchased by JCDecaux France Holding on November 30, 2011.*

*(5)* *The companies ACM GmbH, JCDecaux Stadtmöblierung GmbH, JCDecaux GmbH and Staudenraus Aussenwerbung GmbH were absorbed by JCDecaux Deutschland GmbH.*

*(6)* *In 2011, the acquisition of control of Adbooth Pty Ltd by the Group led to the full consolidation of this company without any change in the percentage of interest.*

*(7)* *ACM SA was absorbed by JCDecaux Belgium Publicité SA.*

*(8)* *The sale of Wall Sofia EOOD to JCDecaux Bulgaria Holding BV which is proportionately consolidated led to the loss of the control of Wall Sofia EOOD.*

*(9)* *In 2011, the purchase of an additional 50% interest in JCDecaux Korea Inc. led to the full consolidation of this company with a 100% interest.*

*(10)* *MCDecaux Inc. (Japan) and Beijing Top Result Metro Adv. Co Ltd (China) are proportionately consolidated due to joint control over management with the Group's partner.*

*(11)* *This company is a representative office of JCDecaux France (previously JCDecaux Mobilier Urbain).*

*(12)* *Companies acquired by JCDecaux Bulgaria Holding BV on June 9, 2011.*

*(13)* *Companies liquidated in 2011.*

*(14)* *Acquisition of 50% of non-controlling interests in the share capital of Chengdu MPI Public Transportation Adv. Co. Ltd; this company is now 100% held.*

*(15)* *Sale of 2 Rencar Praha shares to the partner.*

*(16)* *Acquisition of 21% of non-controlling interests in the share capital of Xpomera AB, which is now 100% held.*

*(17)* *HDE Investissement was absorbed by JCDecaux Billboard.*

*(18)* *On September 13, 2011, the percentage of interest of the companies included in the BigBoard group changed from 50% to 55%, without acquisition of control.*

*(19)* *Company incorporated under UK law and operating in Northern Ireland.*

*(20)* *Acquisition of 40% of non-controlling interests in the share capital of JCDecaux Neonlight Sp Zoo; this company is now 100% held.*

*(21)* *Acquisition of 50% of non-controlling interests in the share capital of Garmoniya in Ukraine.*

*Note: F = Full consolidation P = Proportionate consolidation E = Equity accounted*

*The percentage of control corresponds to the portion of the direct ownership in the share capital of the companies except for the companies proportionately consolidated which are held by a company which is also proportionately consolidated. For these companies, the percentage of control corresponds to the percentage of control of its owner.*

## 11. SUBSEQUENT EVENTS

On February 15, 2012, the JCDecaux SA committed revolving credit facility for €850 million maturing in June 2012 and June 2013 was replaced with a 5-year €600 million credit facility maturing in February 2017.

On March 7, 2012, the Supervisory Board decided to offer, in respect of 2011, a €0.44 dividend distribution per share at the General Meeting of Shareholders planned in May 2012.