JCDecaux

H1 2012 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 6.0% to €1,240.2 million, organic revenues up 1.6%**
- **Operating margin increases by 3.9% to €270.2 million**
- **EBIT at €133.3 million, down 2.3%**
- **Net income Group share at €82.4 million, down 13.4%**
- **Strong free cash flow of €150.3 million**
- **Record low debt level**
- **Organic revenue growth for Q3 expected to be broadly in line with Q2**

Paris, 30 July 2012 - JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, announced today its 2012 half year financial results.

Commenting on the 2012 first half results, **Jean-Charles Decaux, Chairman of the Executive Board and Co-CEO**, said:

"Our first-half year results reflect the strength of our presence in fast-growing markets and of our expanding digital portfolio, enabling us to increase revenues and operating margin despite the financial crisis in Europe and the slowdown of the global economy. After a solid Q1, Q2 organic growth was slightly lower than expected with most European markets in decline while Asia-Pacific and the Rest of the World continued to post double-digit growth. Our Transport division which is strongly exposed to fast growing economies continued to outperform in H1 with an increased contribution from digital, while Street Furniture was flat and Billboard down.

Despite the positive impact of the Olympic Games in the UK and a slight improvement expected in France, we anticipate Q3 organic revenue growth to be broadly in line with Q2, reflecting a revenue decline affecting Germany and some Northern/Eastern European countries.

We remain convinced that JCDecaux's unique industry positioning, with strong exposure to fast growing markets and our high quality outdoor advertising portfolio leaves us well placed to outperform our competitors. Our innovation capabilities, the acceleration of our digital transformation, the strength of our balance sheet with a record low net debt level and the high quality of our teams across the world are, more than ever, key competitive advantages."

JCDecaux SA
United Kingdom: 991 Great West Road, Brentford - Middlesex TW8 9DN - Tel.: +44 (0) 208 326 7777
Head Office: 17, rue Soyer - 92200 Neuilly-sur-Seine - France - Tel.: +33 (0)1 30 79 79 79
www.jcdecaux.com

A public limited corporation with an Executive Board and Supervisory Board
Registered capital of 3,382,240.96 euros - # RCS: 307 570 747 Nanterre - FR 44307570747

REVENUES

Revenues for the six months ending 30 June 2012 rose 6.0% to €1,240.2 million from €1,170.0 million in the same period last year. Organic growth was 1.6%, the difference with reported growth being mainly due to foreign exchange variations. Core advertising revenues, excluding revenues relating to the sale, rental and maintenance of street furniture products grew 1.3% organically over the period.

In the second quarter, consolidated revenues increased by 5.8% to €671.2 million with organic revenue growth of 0.2% compared to the same period last year. Core advertising revenues decreased 0.1% organically in the second quarter.

Reported revenues

€m	2012			2011			Change 12/11		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Street Furniture	265.5	306.7	**572.2**	261.7	304.4	**566.1**	1.5%	0.8%	**1.1%**
Transport	203.5	248.7	**452.2**	181.3	220.7	**402.0**	12.2%	12.7%	**12.5%**
Billboard	100.0	115.8	**215.8**	92.3	109.6	**201.9**	8.3%	5.7%	**6.9%**
Total	**569.0**	**671.2**	**1,240.2**	**535.3**	**634.7**	**1,170.0**	**6.3%**	**5.8%**	**6.0%**

Organic growth [(a)]

	Change 12/11		
	Q1	Q2	H1
Street Furniture	0.5%	-0.7%	**-0.1%**
Transport	10.2%	4.8%	**7.3%**
Billboard	-2.2%	-6.9%	**-4.7%**
Total	**3.3%**	**0.2%**	**1.6%**

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

Revenues by geographic area

€m	H1 2012	H1 2011	Reported growth	Organic growth[(a)]
Europe[(b)]	379.6	391.5	-3.0%	-4.2%
France	302.3	298.8	1.2%	-0.8%
Asia-Pacific	271.0	223.2	21.4%	10.7%
United Kingdom	141.0	128.3	9.9%	3.2%
North America	82.9	81.3	2.0%	-3.4%
Rest of the World	63.4	46.9	35.2%	26.2%
Total	**1,240.2**	**1,170.0**	**6.0%**	**1.6%**

a. Excluding acquisitions/divestitures and the impact of foreign exchange
b. Excluding France and the United Kingdom

Street Furniture

Revenues for the first half of 2012 increased by 1.1% to €572.2 million from €566.1 million in the first half of last year (-0.1% on an organic basis). Core advertising revenues decreased by 0.9% organically.

France and the UK delivered single digit-growth while Germany, after two years of double/high-single digit growth, reported a mid-single digit decline. Most other geographies delivered either flattish or declining organic revenues, with Southern Europe posting a double-digit decrease due to the continued deterioration of the macro environment in this region.

North America showed a double-digit growth and fast-growing markets delivered a high-single digit growth.

In the second quarter, revenues increased by 0.8% to €306.7 million (-0.7% on an organic basis) compared to the same period last year. Core advertising revenues decreased by 1.6% organically.

Transport

Revenues for the first half 2012 increased by 12.5% (+7.3% on an organic basis) to €452.2 million.

In Asia Pacific, we were once again able to post double digit growth in spite of difficult comparables and a softening in the economic environment. This was helped by the steady increase in passenger traffic, with the Hong Kong MTR, Chinese metros and Singapore Airport being particularly strong. In addition, it is to be noted that China revenue growth was negatively affected by a new tax system implemented in Shanghai with the introduction of VAT and the suppression of business tax. We estimate the total impact on organic growth to be 1.4% on Asia-Pacific as a whole, with no impact on the operating margin or below.

In the Rest of the World, we continued to see a strong growth at Dubai Airport. This, along with the progress of the Saudi Airports also led to strong double digit growth in the region.

France and the UK posted high single digit growth whilst the situation in Southern Europe remained tough. North America showed a double digit decline following the non-renewal of certain long-term advertising campaigns.

In the second quarter, revenues increased by 12.7% to €248.7 million (+4.8% on an organic basis).

Billboard

Revenues for the first half of 2012 increased by 6.9% (-4.7% on an organic basis) to €215.8 million against €201.9 million in the same period last year. The difference between reported and organic growth is mainly due to the redistribution of certain panels into the Billboard segment following a legal reorganization in the French business.

Advertising demand for Billboard was particularly soft in most European geographies. In particular, organic revenues showed a single digit decline in France and a double digit decline in Southern Europe. This was due to both the completion of inventory rationalizations in these countries and the increasing pressure on price in most geographies, especially in Q2.

In the second quarter, revenues increased by 5.7% to €115.8 million (-6.9% on an organic basis).

OPERATING MARGIN(1)

In the first half of 2012, Group operating margin increased by 3.9% to €270.2 million from €260.0 million in the same period last year. The operating margin as a percentage of consolidated revenues was 21.8%, 40 basis points below the previous year, reflecting difficult conditions in most European countries and the continuous evolution of the mix towards Transport.

	H1 2012		H1 2011		Change 12/11	
	(€m)	% of revenues	(€m)	% of revenues	Value	Margin rate (bp)
Street Furniture	174.9	30.6%	177.9	31.4%	-1.7%	-80bps
Transport	70.4	15.6%	55.2	13.7%	+27.5%	+190bps
Billboard	24.9	11.5%	26.9	13.3%	-7.4%	-180bps
Total	**270.2**	**21.8%**	**260.0**	**22.2%**	+3.9%	**-40bps**

Street Furniture: Operating margin decreased by 1.7% to €174.9 million. As a percentage of revenues, the operating margin was 80bps below H1 2011 level at 30.6%, reflecting difficult conditions in the Rest of Europe, especially in Southern Europe.

Transport: Operating margin strongly improved in the first half of 2012, with a 27.5% year-on-year increase to €70.4 million. As a percentage of revenues, the operating margin improved 190bps to 15.6% reflecting the steady and profitable growth in Asia-Pacific.

Billboard: Operating margin decreased by 7.4% to €24.9 million. As a percentage of revenues, operating margin declined 180bps to 11.5%, compared to 13.3% in the first half of 2011. This reflects the impact of the 4.7% decline in organic revenues.

EBIT(2)

EBIT decreased by 2.3% to €133.3 million, down from €136.5 million in the first half of 2011. The Group's EBIT margin was 10.7% of consolidated revenues (H1 2011: 11.7%). Consumption of maintenance spare parts was broadly flat, whilst charges associated with depreciation and provisions increased compared to H1 2011.

NET FINANCIAL INCOME(3)

In H1 2012, net financial income was significantly lower than last year, at -€14.6 million compared to -€2.7 million in H1 2011. This is notably due to the €8.6 million positive one-off impact in H1 2011 due to the financial divestiture of a minority stake in a Chinese company.

EQUITY AFFILIATES

Share of net profit from equity affiliates slightly increased to €6.5 million compared to €6.1 million in the same period last year. This increase is essentially due to Metrobus.

NET INCOME GROUP SHARE

Net income Group share decreased to €82.4 million, compared to €95.1 million in the first half of 2011. This decrease mainly reflects the slightly lower EBIT and the much lower net financial income, partially offset by lower tax and higher equity affiliates. Excluding the one-off impact mentioned in the Net financial income section above, the decrease in Net income Group share was 4.7%.

CAPITAL EXPENDITURE

Net capex (acquisition of property, plant and equipment and intangible assets, net of disposals of assets) was €69.6 million, compared to €56.9 million in the same period last year. It is worth mentioning that the H1 2011 figure was positively impacted by asset disposals following the non-renewal of a low-profitability shopping mall contract in the United Stated at the end of 2010.

FREE CASH FLOW(4)

Free cash flow was especially strong at €150.3 million in H1 2012 compared to €106.9 million in H1 2011 (+40.6%).

NET DEBT(5)

Net debt as of 30 June 2012 decreased to €114.1 million compared to €264.2 million as of 30 June 2011 and €147.5 million as of 31 December 2011. At the end of the first half of 2012, net debt represented 0.2 times the trailing 12 months operating margin as of 30 June 2012. In February 2012, the Group renewed its 5-year committed credit line for €600 million.

DIVIDEND

The dividend of €0.44 per share for the 2011 financial year, approved at the Annual General Meeting of Shareholders on 15 May, 2012, was paid on 22 May, 2012, for a total amount of €97.6 million.

(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** **=** Excluding the impact of put on minorities actualization (-€4.7 million and -€2.2 million in H1 2012 and H1 2011 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)

JCDecaux

MATERIAL EVENTS THAT OCCURRED IN THE FIRST HALF OF THE YEAR 2012

Key contracts wins

EUROPE

- **Portugal.** JCDecaux Portugal announced in January he renewal of its street furniture contract with Cascais at the end of a long selection process involving all the national operators in the Portuguese outdoor advertising industry.
- **France.** JCDecaux renewed its advertising street furniture contracts with the city of **Reims** and **Metz**.
- **Latvia**. JCDecaux Latvia and **Riga** Airport RIX entered at the end of February into an exclusive agreement for advertising at the airport following a competitive tender process. Advertising sales have been managed by the airport itself until now. Riga airport is one of the fastest growing airports in northern Europe. Passenger numbers increased from 500,000 in 2000 to 5.1 million passengers in 2011.
- **Norway.** JCDecaux announced in March that JCDecaux Norway has signed a 5+3 year agreement for advertising on Norwegian Railway System with ROM Eiendom (Real-estate company owned by National Rail Company – NSB), following a competitive tender.
- **United Kingdom.** JCDecaux also announced the gain of a 7 year contract with the Trinity mall in **Leeds**, for digital panels.

MIDDLE EAST

- **Sultanate of Oman.** JCDecaux announced in February that its subsidiary JCDecaux Middle East has signed a 20-year exclusive street furniture contract with Muscat Municipality to provide the City of **Muscat**, the capital of the Sultanate of Oman, with a wide range of world-class advertising street furniture. This contract covers the installation, maintenance, and upkeep of a full range of advertising street furniture including bus shelters, street name poles, benches and litter bins (from the Arum furniture line, specially created for this contract) along with city information panels and automatic public toilets (disabled friendly) designed by the internationally renowned French designer Patrick Jouin, representing a total of 640 advertising panels.
- **United Arab Emirates.** JCDecaux SA and Dubai Airports announced in May that JCDecaux Dicon was awarded the exclusive advertising contract for Concourse 3 in **Dubai** International, extending its partnership with Dubai Airports to 2020. Scheduled for completion at the end of 2012 and due to open in the first quarter of 2013, Concourse 3 will comprise 11 floors and an annual capacity of 19 million passengers, boosting the airport's total capacity to 75 million passengers each year. Designed for the exclusive use of Emirates airline, it will become the world's first Airbus purpose-built A380 concourse. Taking up a total built-up area of 528,000sqm, Concourse 3 will feature 33 aircraft access points (20 of which will be jetbridge contact gates), two luxury hotels and 11,000 sqm of retail space.

EURASIE – ASIE DU SUD

- **Azerbaijan.** JCDecaux has installed its first advertising columns with integrated phone/internet in **Baku**, just in time for the 2012 Eurovision (the most popular music show in the world) starting tomorrow in Azerbaijan's capital. Azerbaijan is one of the fastest growing economies in the world and Baku, with 5 million people on the Caspian sea, is booming.
- **India.** JCDecaux announced in June that JCDecaux India has signed a new contract with Delhi Transport Infrastructure Development Corporation Limited (DTIDC) for the installation, upgrade, operations, maintenance & marketing of 419 advertising bus shelters in Delhi (16 million inhabitants).

Other

- Following the publication of the 2012 Institutional Investor Awards, JCDecaux is included in the Top 3-All Europe Executive Team ranking with a nomination in the Media category. The CEOs awarded 1st place in the Media category are Jean- François Decaux et Jean-Charles Decaux, for JCDecaux.
- Jean-Charles Decaux et Jean-François Decaux won the award for « Top Family Business Leader », rewarding the outstanding family business leader in Europe.

RELATED PARTIES

Please refer to the relating section in the notes to the interim consolidated financial statements.

DESCRIPTION OF MAIN RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF THE YEAR

During the second half of 2012, JCDecaux will be exposed to the usual risk factors and business uncertainties, which are inherent to the Group's activity. For a more detailed risk description, please refer to the "Risk factors" chapter in the English version of JCDecaux's 2011 Annual Report (pages 198-202). Regarding market risks, credit notations are presented in section 2.5 of the consolidated half-year financial statements.