2011 Annual report
Document de Référence

Digital billboard in Berlin

JCDecaux
showcasing the world

TABLE OF CONTENTS

Incorporation by reference

In accordance with Article 28 of EU Regulation n°809/2004 dated 29 April 2004, the reader is referred to previous "Documents de référence" containing certain information:

1. Relating to fiscal year 2010:

- The Management Discussion and Analysis and consolidated financial statements, including the statutory auditors' report, set forth in the "Document de référence" filed on 14 April 2011 under number D.11-0300 (pages 55 to 122 and 222 to 223, respectively).
- The corporate financial statements of JCDecaux SA, their analysis, including the statutory auditors' report, set forth in the "Document de référence" filed on 16 April 2010 under number D.11-0300 (pages 123 to 145 and 224 to 225, respectively).
- The statutory auditors' special report on regulated agreements with certain related parties, set forth in the "Document de référence" filed on 16 April 2010 under number D.11-0300 (pages 226 to 228).

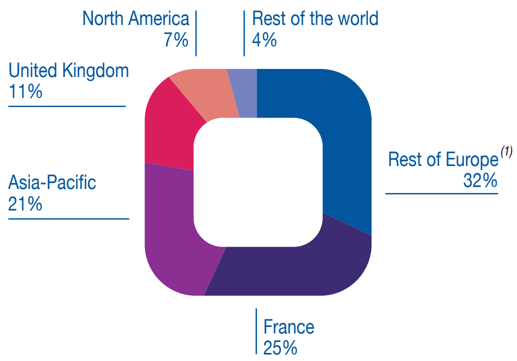
2. Relating to fiscal year 2009:

- The Management Discussion and Analysis and consolidated financial statements, including the statutory auditors' report, set forth in the "Document de référence" filed on 16 April 2010 under number D 10-0283 (pages 59 to 127 and 212, respectively).
- The corporate financial statements of JCDecaux SA, their analysis, including the statutory auditors' report, set forth in the "Document de référence" filed on 16 April 2010 under number D. 10-0283 (pages 128 to 151 and 213 to 214, respectively).
- The statutory auditors' special report on regulated agreements with certain related parties, set forth in the "Document de référence" filed on 16 April 2010 under number D. 10-0283 (page 215).

COMPANY OVERVIEW

FINANCIAL HIGHLIGHTS

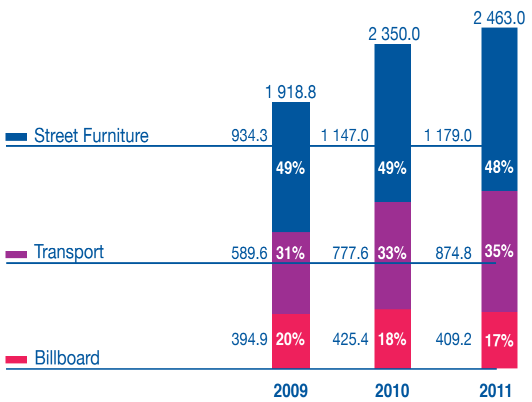
2011 REVENUES BY REGION



(1) *Excluding France and the United Kingdom.*

REVENUES BY BUSINESS

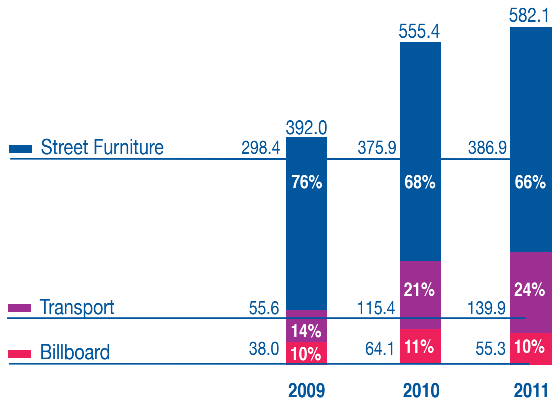
(in € million, segment's share in %)



In 2011, the Group's revenue increased by 4.8% to €2,463.0 million. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 5.7%. Street Furniture revenues were €1,179.0 million, an increase of 2.8%. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 2.3%. Transport revenues grew by 12.5% to €874.8 million. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 15.8%. Billboard revenues decreased to 3.8% to €409.2 million. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 15.8%.

OPERATING MARGIN BY BUSINESS

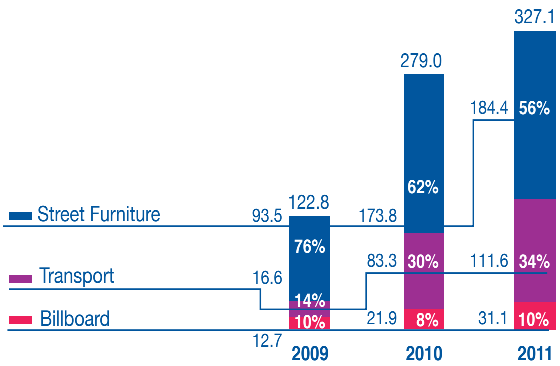
(in € million, segment's share in %)



Operating margin(*) increased by 4.8% to €582.1 million from €555.4 million in 2010. As with last year, the operating margin accounts for 23.6% of consolidated revenue.

(*) *Operating margin: Revenue less Direct operating expenses (excluding Maintenance spare parts) less SG&A expenses.*

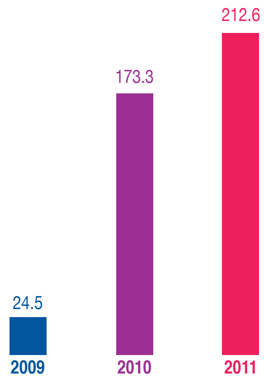
EBIT BY BUSINESS
(in € million, segment's share in %)



EBIT(*) increased by 17.2% to €327.1 million from €279.0 million in 2010. The Group's EBIT margin was 13.3% of consolidated revenues (2010: 11.9%).

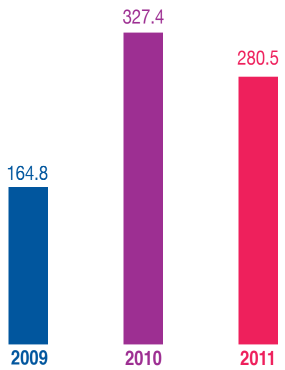
(*)EBIT: Earnings Before Interests and Taxes = Operating Margin less Depreciation, amortization and provisions, less Maintenance spare parts, less impairment charges, less other operating income and expenses.

NET INCOME GROUP SHARE
(in € million)



Net income Group increased by 22.7% to €212.6 million, compared to €173.3 million in 2010. This growth reflects principally the increase of EBIT and greater contributions from companies consolidated by the equity method, partially offset by higher taxes and minority interests.

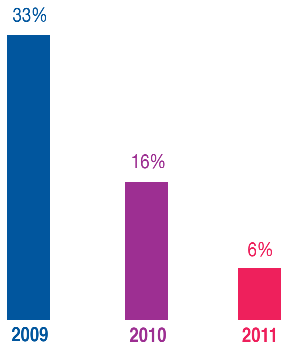
FREE CASH FLOW
(in € million)



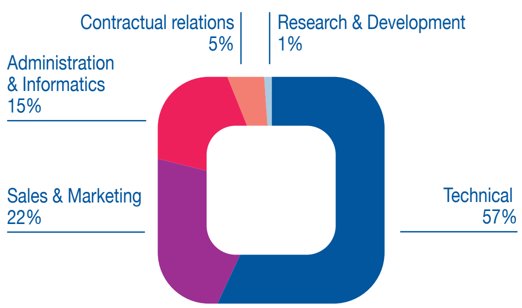
In 2011, free cash-flow(*) amounts to €280.5 million. This decrease in comparison to 2010 (€327.4 million) reflects the positive impact of a lower working capital requirement than the previous year, as well as increased investments. At 31st December 2011, net debt decreased by €211.3 million to €147.5 million compared to €358.8 million as of December 2010. It accounts for 0.3 times the 2011 operating margin.

(*) Free Cash Flow: Net cash flow from operating activities less net capital investments (tangible and intangible assets).

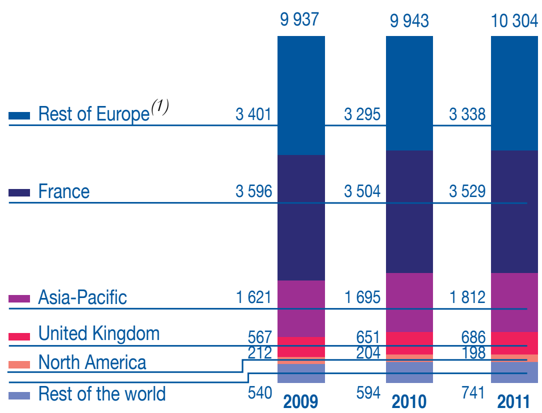
FINANCIAL NET DEBT /EQUITY RATIO



2011 EMPLOYEE BREAKDOWN BY EXPERTISE



EMPLOYEE BREAKDOWN BY REGION



(1) Excluding France and the United Kingdom.

THE YEAR 2011

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

In 2011, JCDecaux signed new contracts and renewed major contracts in its main European markets. For example, in Germany, it won outdoor advertising contracts for the towns of Lübeck and Wiesbaden and in the UK it was awarded the advertising concession for the stations on the High Speed One line. In the Netherlands we were awarded the MUPI contract for Rotterdam and the street furniture contract for the city of Amsterdam was renewed. The Group also continued its activity in the emerging markets, winning the contracts for two additional lines in the Chongqing metro and continued to rollout the self-service bicycle scheme with the start-up of two self-service bicycle contracts in Namur in Belgium and Ljubljana in Slovenia.

Finally, JCDecaux signed a contract with Presstalis, a press distributor and marketing company, for the purchase of 95% of shares in the Mediakiosk company, which currently manages the outdoor advertising for 746 newspaper kiosks throughout France.

1. OUR CONTRACTS

Europe

- **In France**, JCDecaux and Aéroports de Paris announced the creation of Média Aéroports de Paris, the new joint venture owned 50/50 by the two companies. This new entity, which received the go-ahead from the European Commission on 16 May 2011, began operating on 1st July 2011 for a period of nine and a half years, and now sells all the advertising space in Parisian airports under the brand JCDecaux Airport Paris. The new company uses leading-edge technology to deliver future-oriented advertising solutions, with digital, interactive and location-based services. This offer is the first of its kind worldwide.
- **We also won in France the following public tenders:**
  - the renewal of Street Furniture contracts for Arles, Aucamville, Le Blanc-Mesnil, Blois, Bougival, Castres, Châteauroux, Chatenay-Malabry, Clichy-sous-Bois, Creil, Douai, Dreux, Dunkerque, Epinal, Fraconville, Gennevilliers, Istres, Joinville-le-Pont, Livry-Gargan, Maromme, Montigny-le-Bretonneux, Noisy-Le-Grand, Orsay, Pérols, Le Port-Marly, Puteaux, Ris-Orangis, Roubaix, Rouen, Rueil-Malmaison, Savigny-Le-Temple, Thiais, Toulon and Viroflay;
  - new contracts in Angers, Compiègne, La Ciotat, Mennecy, Le Plessis-Trévise, Saint-Cloud, Sainte-Maxime, Villepreux and Wattignies;
  - via JCDecaux Airport, the renewal of its contract to operate the indoor and outdoor advertising space in the airports of Lyon Saint-Exupéry and Lyon Bron. This 10-year contract was awarded following a consultation process. With 50 airlines offering direct flights to 120 different destinations, Lyon Saint Exupéry airport is the second busiest regional airport in France, handling more than 8 million passengers. Lyon Bron airport, for its part, is the third largest French airport for business travellers. This contract will allow JCDecaux Airport to develop its range of advertising services. New high value-added ambient media solutions will be installed in addition to a state-of-the-art network of 70-inch HD digital screens, making Lyon airports a showcase for experiential and service-based advertising;
  - via JCDecaux Airport, following consultation, the renewal of the equipment and operation contract for Beauvais Tillé airport's advertising hoardings. With 2.9 million passengers in 2010, Beauvais Tillé airport is experiencing continued growth in its traffic. JCDecaux Airport focused its offer on innovative advertising spaces, as well as events facilities with high added value for the airport, the passengers and the brand.
- **In Germany**, we won through **Wall AG** the following public tenders:
  - a 15-year exclusive outdoor advertising contract with the City of Wiesbaden (277,000 inhabitants). This contract, awarded as a first-time tender process in this City, is for the entire outdoor advertising portfolio on public ground with 1,850 advertising panels, including 388 bus shelters, 340 columns, 75 billboards as well as other displays, which since 1951 has been operated by DSM, which was acquired by Ströer in 2004;
  - a 15-year exclusive outdoor advertising contract with the City of Lübeck (211,000 inhabitants). This contract is for the entire outdoor advertising portfolio on public ground with 1,125 advertising panels including 380 bus-shelters, 205 columns and 70 billboards which had been operated (except for the bus-shelters) for over 20 years by DSM which was acquired by Ströer in 2004.

- **In the United Kingdom**, we won the following public tenders:
  - a 5 year contract by High Speed 1 (HS1) for Outdoor advertising at St Pancras International in London, Stratford International and Ebbsfleet International stations. The 3 stations, which are owned and operated by HS1, are set to play a key role during the London 2012 Olympic and Paralympic Games, when high speed Javelin trains will transport thousands of spectators every hour to and from the Games;
  - an advertising contract by East Coast Main Line following a competitive tender. Previously held by CBS Outdoor, the contract covers outdoor, ambient and experiential advertising at 12 stations including York and Newcastle.Under the contract, JCDecaux will develop and sell outdoor advertising sites at York, Newcastle, Peterborough, Doncaster, Darlington, Wakefield Westgate, Durham, Grantham, Newark North Gate, Retford, Berwick-Upon-Tweed and Dunbar stations;
  - the contract to install 90 1.20 metre by 1.75 metre scrolling displays representing 360 advertising panels in the Southwark district of London. JCDecaux should install these displays in this district, close to the Tate Modern museum, the Globe theatre and the Southbank cultural centre, in particular. The installation is forecast for 2012, once authorisation has been received from the planning department. The Southwark has undergone numerous transformations, including the skyscraper known as the "Shard" (currently under construction) close to London Bridge, and boasts several prestigious neighbourhoods along the Thames with buildings such as the Town Hall, Shakespeare's Globe Theatre, Southwark Cathedral as well as the historical market.
- **In Netherlands**, we won the following public tenders:
  - JCDecaux has won the competitive tender for Mupi's® (citylight panels) in the city of Rotterdam. As a result, JCDecauxholds a unique position in the Dutch outdoor advertising market as of January 1st 2012. JCDecaux already holds exclusive outdoor advertising rights to all outdoor advertising formats of importance (Bus shelters, Mupi®, Billboards, Columns) in Amsterdam, The Hague and Utrecht. With the addition of Rotterdam, JCDecaux holds government contracts in all four major cities in the Netherlands. JCDecaux is now present in all of the country's fifteen largest cities. In most cases, JCDecaux holds government contracts on multiple formats;
  - the renewal of the Street Furniture contract for the City of Amsterdam. The contract, one of the largest street furniture concessions in Europe covers 1,700 bus shelters, 450 free standing advertising panels and allows the possibility of upgrading to digital displays in certain locations.
- **In Belgium,** we won following public tenders, the contract to install the self-service bicycle hire scheme in the city of Namur. The installation of 24 docking stations in Namur is scheduled for the spring of 2012. The system will include a total of 240 bicycles. It will be financed by 90 advertising structures.
- **In Slovenia,** we won following public tenders through the joint-venture company with Ankunder (Graz), Europlakat, a 15 year contract with Ljubljana, the capital city of Slovenia (300,000 inhabitants) for the provision and operation of a self-service bike program with 300 bicycles. This contract also includes 400 billboard and back-lit scrolling panels.

Asia-Pacific

- **In China**, the company's wholly-owned subsidiary JCDecaux Advertising (Shanghai) has entered into a 15-year agreement with Chongqing Rail Transit (Group) for the exclusive right to operate outdoor advertising on platforms, in concourses and corridors of Chongqing rail transit lines No.1 and No. 3 (excluding video advertising). As a result of this agreement, JCDecaux's rail transit media business in Chongqing will encompass all the city's rail transit lines, including Line 2 which is already operated by JCDecaux.

2. ACQUISITIONS AND REORGANISATIONS

France

- **JCDecaux** concluded a contract with Presstalis, a player in the press and marketing industry, regarding the acquisition of 95% of the shares of the company Mediakiosk. Presstalis remains a minority shareholder with up to 5% of the share capital. Today, Mediakiosk manages the outdoor advertising of 746 news kiosks in France and made €26 million in revenue in 2010, a significant portion of which was with newspaper publishers.
- The shareholders held an Extraordinary General Meeting on 13 December 2011 and approved the **partial asset transfer project by JCDecaux SA** of its complete and stand-alone business formed by all of the company's French operations (notably all of the technical assembly, installation, operation and marketing methods of advertising spaces as well as all of the personnel pertaining thereto) to one of its 100% owned subsidiaries, the company JCDecaux Mobilier Urbain. This business was named JCDecaux France as of 31st December 2011. At the same time, the companies AVENIR, JCDecaux Airport France, JCDecaux Artvertising, SEMUP, Decaux Publicité Extérieure and Centre de Formation, companies fully owned by JCDecaux SA, have been absorbed through merger by JCDecaux France, and the securities from the companies Cyclocity, SOMUPI and SOPACT were taken by JCDecaux SA through a capital increase by contribution in kind, to another of its fully owned subsidiaries, the company JCDecaux France Holding. This reorganisation of French legal entities owned by JCDecaux SA reinforced the consistency between the legal and operational organisation of the Group.

THE OUTDOOR ADVERTISING INDUSTRY

1. SEGMENTS OF THE OUTDOOR ADVERTISING INDUSTRY

1.1. Three main segments

Outdoor advertising consists of three principal segments: advertising on Street Furniture ('Street Furniture'), advertising on and in public transportation vehicles, stations and airports ('Transport') and advertising on billboards ('Billboard'). Billboard is the most traditional and continues to be the most utilized form of outdoor advertising. Other outdoor advertising activities, such as advertising on shopping trolleys or in gas stations, are grouped together as 'Ambient Media'.

The newest is advertising on Street Furniture: bus shelters, free-standing information panels (2m2 MUPI®), large-format advertising panels (Senior® 8m2) and multi-service columns.

There are not as many reliable and comparable sources of data for outdoor advertising as there are for other types of media. Consequently, to provide the most accurate possible data, we have used various sources. Where these sources contain inconsistent information, we have tried to harmonise it based on our knowledge of the market. Therefore, we estimate that in 2011, Billboard accounted for approximately 53% of worldwide outdoor advertising spending, Transport accounted for approximately 27% and has been growing share, particularly in Asia, and Street Furniture accounted for approximately 20% (source: JCDecaux).

1.2. The place of outdoor advertising in the advertising market

In 2011, outdoor advertising spending worldwide was approximately $31.3 billion, or 6.8% of worldwide advertising spending, which was estimated at $458.8 billion (source: ZenithOptimedia estimates, December 2011). This average market share results from variations in penetration rate in different countries. For example, outdoor advertising spending, expressed as a percentage of the overall display advertising market, is especially high in the Asia-Pacific region, because of the particularly significant market share of outdoor advertising in Japan and China, the main advertising markets in the region. In 2011, outdoor advertising accounted for 10.6% of the overall advertising market in this region, compared to only 4.7%, 6.9%, and 4.2% of the overall advertising market in North America, Europe, and South America, respectively.

2. OUTDOOR ADVERTISING: AN INCREASINGLY RELEVANT COMMUNICATION CHANNEL

In recent years there has been a major shift in the media landscape occasioned by the growing ubiquity of digital platforms and devices. This has led to people using the digital platforms to use media in entirely new ways. This structural change has for most major traditional display media caused a decline or a fracturing of audiences. For press this has mostly caused a strong readership decline. In the case of television although audiences have not always declined overall as the new digital platforms have increased choice, the balance of audiences for the mass delivery options has swung towards target groups less desirable to advertisers. Conversely the audiences to out of home are structurally increasing as the world's population becomes increasingly urban in nature and digital technology has contributed to outdoor advertising becoming a more relevant and flexible communications channel than before while retaining its broad reach of the population. The nature of outdoor advertising also means that it fits well into the changing patterns of consumer interaction with advertisers' messages. Unlike most major media the growing audience means that this relevance and interaction comes at a low cost per contact. The outdoor industry also invested in meaningful tools of accountability with respect to audience and return on investment, and generated the interest in such tools from the advertisers and their advertising agencies allowing them to quantify the contribution of the medium.

In the new socially connected world outdoor emerges as the last mass medium best positioned to work in collaboration with an increasingly urban, mobile and digitally enabled audience.

2.1. A fast-growing and changing audience

The significant growth in the out of home audience is in part driven by structural changes in populations, which are increasingly urbanised. According to the United Nations Department of Economic and Social Affairs 3.5 billion people, nearly 51% of the world's population now live in cities. In 2011, for the first time in China's history, urban population exceeded that in rural areas, reaching 680 million (source: National Bureau of Statistics China). The World Urbanization Prospects: 2009 Revision (published in 2010) states that the urban population will rise by almost one and a half billion people in the next 15 years. In fact, 70% of the world's people will be living in cities in 2050 with rural areas in all parts of the world with exception of Africa seeing declining populations and city populations growing. This trend is particularly strong in the developing world, where people are migrating in growing numbers toward large urban centres. 75% of Chinese are expected to be living in cities within 20 years (source: National

Bureau of Statistics China). The developed world already has levels of urbanisation well in excess of 50% but this structural change is evident even within Europe where more people are predicted to move to cities.

Furthermore, people are becoming more and more mobile and are spending more time outside of their homes, whether driving or walking on the street, or in trains, railway stations, or airports. Outdoor advertising displays have rapidly developed in city centres, along highly travelled roads, in airports, shopping malls, supermarkets and car parks. It is predicted that the audience for outdoor advertising will continue to grow in years to come, fuelled by people's increasing mobility.

Consequently, the average commute time between home and work has increased in most countries, which means that motorists are increasingly exposed to outdoor advertising. In 2010, the average American spent 46 minutes per day commuting, 19% of American workers spent more than an hour commuting in total (Source: Gallup-Healthways). In the UK, statistics show that most people (71%) drive to work and more than half of people working in London in 2009 took more than 30 minutes to go to work (source: Office for National Statistics). In France, the average distances travelled per person have more than doubled in the last 20 years. In many countries, the average number of vehicles per 1,000 inhabitants has been growing steadily, which means constant growth in road traffic. The emerging countries are showing the biggest growth (over 70% for Estonia and Latvia) but some developed Western European countries are also on a positive trend with Denmark +9% and Germany +8% (source: Comité des Constructeurs Français d'Automobiles). In China, although the sales of cars are slowing following the retreat of encouragement policies, the car market is still growing. Passenger car sales are reported to be up approximately 5.2% in 2011, equalling 14.4 million units, slightly more than in the United States (12.8 million light vehicle sales) (Source: China Association of Automobile Manufacturers CAAM / The Wall Street Journal).

In addition to the greater amount of time spent in cars going to work, people are spending more and more time outside their homes. Our "Daily Life study" and the third Touchpoints study by the IPA in the UK, published in 2010, have demonstrated than people spend on average 7 hours per day out of their homes, with working people spending an average of 8.5 hours per day. The proliferation of smartphones and other devices allow consumers to access internet 'on-the-move': in the UK, France, Germany, Italy and the US the proportion of mobile phone users connecting to the internet with their device to has more than doubled between 2008 and 2011 (source: Ofcom International Communications Market Report 2011). In August 2011 five global markets (Singapore, UK, US, Japan and Australia) had more than 5% of internet traffic coming from non-computer devices (source: comScore). China is following this positive trend with 65.5% of internet users currently accessing the web from their mobile phone (source: China Internet Network Information Center). Advertisers have ever-increasing opportunities to reach this mobile audience whether in city centres or retail locations and outdoor is uniquely placed to integrate with new media in engaging with this valuable group.

Tourism is also on a booming trend, giving outdoor exclusive opportunities to target travellers at airports. According to the latest UNWTO World Tourism Barometer, international tourist arrivals grew by 4.4% in 2011 to a total 980 million. Forecasts are of a continuous growth in 2012 although at a slower rate, expecting to hit one billion in 2012 and 1.8 billion by 2030. In air transport, according to ACI, (Airports Council International) growth for air passengers continues at a rate of 4.9% in 2011 compared to 2010. A substantive contributor to global growth patterns in passenger traffic can be attributed to the Asian contingent of airports. Specifically the Chinese airports have all experienced buoyant growth in 2011 with a combined total of over 200 million passengers annually, making JCDecaux a relevant outdoor partner with panels in Beijing and Shanghai airports. The same positive trend applies to business travellers as many professionals are expected to travel more often in 2012 according to the Deloitte 2011's annual Business Traveler Survey.

2.2. Growing fragmentation of traditional major media

As many studies show, outdoor advertising continues to benefit from the increasing fragmentation of "in-home" advertising, wherever more cable, satellite, and broadcast television channels, as well as internet sites, compete for of the viewer's attention.
2011 saw a further shift in advertising consumption that consolidates the position of outdoor as the only true mass medium unaffected by fragmentation. The other media are indeed negatively affected by the rise of mobile consumption whereas outdoor can benefit from it thanks to new technologies. Despite the recognised growth in internet use, individual platforms or sites struggle to achieve mass coverage (with the exception of Facebook). According to Nielsen, in the US the average duration of a web page viewed was one minute in November 2011. The impact of mobile is the most striking on the print medium: in the US consumers are now spending more time with mobile (over an hour on average per day) than with newspapers and magazines (combined 44 minutes per day on average) (source: eMarketer).

Consumers' attention remains fragmented as media multitasking is stronger than ever. As expected, it is particularly true with young demographics with almost a third of the media activity of the 16-24s in the UK happening at the same time, squeezing 9.5 hours of media consumption into just over 6.5 hours actual time (source: Ofcom International Communications Market Report 2011). However older age groups are behaving in a similar way as observed in the 2011 Social TV Trends Report from the PR and social media agency Diffusion.

Print decline
Daily newspapers and magazines are particularly affected by increasing fragmentation, especially as a result of free newspapers and the increase in themed magazines. The tendency of people to access not only news but also entertainment via the Internet, especially amongst the young, has a negative impact on the effectiveness of this medium.

According to the State of the News Media 2011 (Pew Research Center's Project for Excellence in Journalism), in 2010 in the US overall magazine circulation declined by 1.5% and paid subscriptions, which account for around 90% of magazine sales, declined for the second consecutive year (-1%). In the UK readership is declining for national press titles according to the National Readership Survey: from March 2010 to March 2011 the Guardian is the only paid-for national newspaper to grow readership (+3%). Sunday newspapers such as The Sunday Telegraph and the Independent on Sunday are also experiencing a substantial fall in the number of readers.

Even if publishers are attempting to counteract this structural decline by increasing digitalisation, these strategies haven't managed to arrest the decline in readership. Some magazines have increased their digital presence, such as People Magazine, the most-followed magazine on Twitter with three million followers in November 2011, they remain however an exception. In the UK digital editions of magazines still have a negligible impact on the market in terms of sales, accounting for less than 1% of total sales (source: ABC). The Interactive Advertising Bureau reports that the growth rate for online newspaper ad revenues remains below the rates for the online ad sector, +8% in the second quarter of 2011, compared to 24% for the online ad sector overall.

TV fragmentation

Despite the fact that time spent with TV remains almost stable in the United States in 2011 with a 10 minutes increase compared to 2010 (source: eMarketer), the ever-larger choice of TV channels as well as internet and mobile usage have changed the way viewers consume their television content.

A high-level digital penetration is now common with digital TV switchovers completed in several countries in 2011, such as France where now 93% of households have digital TV. Penetration is highest in the UK (97% of TV households) according to the Ofcom Report. In terms of growth take-up was greatest in Brazil, where penetration rose by 20% while in Spain and Australia it increased by 14%.

As a result the longest-established TV channels continue to experience falling multichannel share. In 2010 the most pronounced viewing reduction was among viewers in the US. In the UK this trend resulted in a 5% decrease in viewing for the terrestrial channels (BBC1/BBC2/ITV1/Channel 4/Channel 5) and a collective share fall of 7% in France for TF1, France 2, France 3, France 5, Canal + and M6 (source: Ofcom report 2011).

Catch-up or on-demand TV has gained further popularity in 2011 increasing the possibility for advertising avoidance and contributing to further decline in return-on-investment for this form of advertising. In the US 34% of consumers claim to use on-demand services, while these figures are up to 29% in France and 24% in the UK. DVRs are now present in nearly three in ten homes across the UK, France, Germany, Italy, the US and Japan. Year on year growth in DVR adoption was highest in the UK, increasing by 4% between 2010 and 2011 whereas in the United States, France and Germany, growth rate was 2%. A possible factor for these slowing numbers could be the increasing use of other devices replacing traditional TV sets. The web is increasingly becoming a source of entertainment content, thus diminishing the reach of TV advertising. As highlighted in the comScore report "U.S. digital future in focus 2012" the number of online video streams jumped 44% to 43.5 billion in December 2011. American online videos viewers are more and more watching long-form video content such as shows and movie-on-demand. In the UK over a quarter of UK internet users claim to access TV content over the web every week, up 3% in twelve months, driven by the popularity of online catch-up services such as BBC iPlayer, 4OD and ITV player (source: Ofcom 2011).

Another significant dynamic is the growing use of tablets to access TV content. According to a TNS research in Europe 39% of tablet users in the UK are watching TV on their tablet instead of on a television set. 35% of these tablet users regularly watch on-demand content and 40% view streamed content. With less than two years needed to reach nearly 40 million tablets in the US (source: comScore) and 82 million Americans predicted to be using a tablet by 2015 (source: Forrester Research), this new way of TV consumption is having a dramatic impact on the effectiveness of mainstream commercial television. In the UK both mobile and tablets are replacing TV sets: the BBC iPlayer has experienced 46% growth use on mobile since December 2010 while it reached 1 million downloads on the iPad in August 2011 (source: The Next Web).

The latest technological developments demonstrated at the Consumer Electronics Show 2012 edition show the coming convergence between TV and internet with connected TVs, which will accelerate this fragmentation.

In addition to consuming TV on new devices, consumers are also reducing their dedicated attention. According to the 2011 Social TV Trends Report from the PR and social media agency Diffusion, more than three quarters of viewers in the UK are surfing the web on their laptops or using their mobile phones and tablets whilst simultaneously consuming their favorite TV shows. General web-browsing is the most popular activity (62% of UK TV-viewers), followed by mobile phone use (46%) and Facebook (38%). Although this attitude prevails prevalent among the young demographics, 18-24 year-olds, with 96% admitting to media multi-tasking, it is not limited to them as 63% of those aged over 55 admitted to doing so as well.

Finally, new studies show that some consumers watch less TV because of mobile and social media. In the UK 23% of teen smartphone users claim to watch less TV. This claim is also made by 14% of UK consumers and 25% of Italians visiting social networking websites since using social media (source: Ofcom 2011). In China 40 million of internet video users watch online videos instead of traditional TV in 2010 (source: China Internet Network Information Center). As with mobile telephony, Chinese people display a tendency to leapfrog old technologies and move directly to the latest ones. Their high-level adoptions of smartphones resulted in them accessing the new online video technology in high numbers.

Radio fragmentation

Radio advertising is also increasingly subject to fragmentation: consumers have access to a much broader array of stations as well as the ability to avoid advertising. This process has been accelerated by the increasingly high levels of broadband penetration in most markets, which makes it possible for consumer to easily listen to channels broadcast anywhere in the world. France has the highest level of listening to the Radio via the Internet with 37% of people claiming to do this in Ofcom's 2011 study. In addition the increased popularity of portable digital listening devices and the integration of these platforms within mobile phones and smartphones have also allowed individuals considerable freedom to become there own schedulers. Downloads of not only music but also podcasts of radio programme material at no cost from a wide variety of sources have impacted upon audiences to commercial radio stations. In Ofcom's International Communications Report 2011 the highest level of home downloading of such material was in Italy with 46% of people doing this, while the UK was closer to the average at 38%.

As happened with television, radio is seeing an increasing number of subscription-based services without advertising. The Ofcom International Communications Report 2011 observes that satellite subscription radio has experienced the most substantial year on year increase of radio revenue components with a growth rate of 13%. In the US and in Canada where this commercial-free subscription service is available to consumers, it contributes to respectively 14% and 11% of radio revenues of these countries in 2010 (source: Ofcom 2011).

2.3. New opportunities for OOH

If the traditional media such as TV, Radio and Print are challenged by the rise of mobile, this is not the case for outdoor as mobile allows OOH to tap into new potential via innovative technologies that are already being offered to JCDecaux clients.

Smartphones have now become the standard phones in many countries thus increasing opportunities to reach consumers with campaigns combining mobile and outdoor. In the US smartphone adoption has grown more than 50% in 2010. In the period September to November 2011, 91.4 million people in the U.S. owned smartphones (source: comScore). In the UK and Germany 50% of mobile phone users have a smartphone (source: Ofcom 2011).

Thanks to smartphones advertisers can now engage with consumers in new ways as the latter are increasingly using their devices for other activities. 26 million smartphone subscribers viewed videos on their device in Q3 2011, a 62.5% growth from Q3 2010 (source: Nielsen December 2011). According to comScore 38% of smartphone owners in the US have used their phone to make a purchase at least once in the course of their device ownership. When purchasing on a smartphone in September 2011, 42% of the users were out of home.

For younger groups particularly, outdoor is well placed to be a more relevant and integral part of the conversation that advertisers will increasingly seek to have with potential customers. There are two key reasons for this. Firstly the younger and technically savvy groups are disproportionately highly exposed to out of home. Secondly this group is increasingly averse to an interrupt model of advertising and looks to a dialogue with their peer groups about brands and lifestyle choices. Outdoor is not perceived as interruptive but welcomed in the context of the urban environment as both ambient and useful. As the growth in mobile broadband gathers pace, increasing amounts of social interaction take place online but a high proportion is on mobile platforms. Outdoor is well placed to interact with, and be part of, this increasingly significant conversation style of communication between advertiser and customer. According to the Intelligence Group's Cassandra Report Spring 2011, 29% of selected American trendsetters from the Generation Y (currently aged 14 to 34) would like their favourite brands to communicate with them via outdoor ads, almost at the same level as social networking sites (32%) and TV commercials (32%).

These interactive campaigns, both powerful and targeted, have been very popular, from leisure, luxury, entertainment to FMCG advertisers. Since its launch in October 2010 in France, there has been more than 100,000 downloads of the U-Snap application and more than 500 campaigns in France. In Germany where the application has recently been implemented, the most successful campaign was a lottery for soccer tickets with 15,000 individual linking to enriched content, highlighting the ability of this type of technology to reach and engage mainstream targets.

The efficiency of the outdoor/mobile combination has been demonstrated in 2011 by a JCDecaux campaign for Google, awarded Gold at the Cannes Lions Advertising Festival. This campaign was successful in building both product and advertising awareness. The series of 13 different poster creatives were displayed nationally on billboard and transport outdoor networks, promoting Google's mobile app Voice Search. The beginning of significant uplift in internet search for information about the app coincided with the beginning of the outdoor component campaign and continued to rise throughout outdoor use. Product awareness was boosted with a third of commuters recognising the ad and 50% of the respondents now aware of Google Voice Search for Mobile (source: Google).

A recent study by Kinetic also shows that out of home formats are effective touchpoints for mobile interactivity. 38% of mobile app users have indeed searched for a brand online or a branded application at a mobile app store after seeing out of home advertising. Smartphone apps have become a form of entertainment when consumers are outside their home, giving advertisers opportunities to interact with them via outdoor.

In line with this increase of the use of mobile devices, new technologies are currently adding value to traditional outdoor advertising, QR codes and Near Field Communication technology (known as NFC), which JCDecaux is developing in several campaigns for a wide array of industries.

QR codes are a popular way for smartphone consumers to get more content from a poster or billboard. For example 28% of the Danish population has already scanned a QR code and out of them two thirds have done so from an outdoor advertisement. Using this technology in outdoor campaigns allows advertisers to reach affluent and trendsetting crowds. According to comScore, US smartphone owners who have scanned QR codes are technology aware, young (18-34) and with high household income ($100K or above). Recognising that potential, JCDecaux has successfully integrated this technology in several campaigns around the world. For a number of customers, particularly in the retail segment, JCDecaux implemented it allowing clients to reach their customers via our outdoor properties. These include HMV in the UK, Jumbo in Chile, Lam Soon in Hong Kong and Mall.cz in Czech

Republic. Some modern youth-oriented brands in entertainment such as Call of Duty in Sweden also used QR Codes to reach and engage their technophile target.

The NFC technology also establishes new communication opportunities between advertisers and consumers. Already offered by JCDecaux in early experimentation with its partners, NFC is predicted to experience a strong implementation increase in 2012 with a growth of 100% of the shipment of devices equipped with this technology (Source: Deloitte Technology, Media and Telecommunications Predictions 2012). The use of this technology for other applications than payment, such as gaming and access to work, will help increase penetration in the coming years. JCDecaux has pioneered the use of NFC for our customers in their campaigns. In 2011 it was used in Australia to gain easy access to enriched content via a smartphone by SA Lotteries to promote scratch cards and Channel 10 to increase interest in a new television show. In the Hong-Kong subway for Nokia we ran a campaign where consumers could use their NFC-enabled phone to receive special offers. In the UK NFC was trialed for the entertainment industry where consumers could access a trailer for the 20th Century Fox blockbuster X-Men First Class.

Increased interaction

Via the continued expansion of our JCDecaux Innovate concept in 2011 we continue to develop the means of generating the types of conversation our advertisers are seeking.

JCDecaux Innovate teams around the world have developed a range of products and a sophisticated understanding of how technologies from other emerging communications industries can be combined with outdoor advertising to make the outdoor medium more attractive and interactive. In doing so, we have anticipated the increasing desire from advertisers and their agencies for media that deliver engagement. Given the high volume of advertising messages to which consumers are exposed every day, new and innovative methods are required by media owners to persuade consumers to engage with the communication. Such methods will involve actual relational marketing that flourishes in an urban environment by offering the unexpected. JCDecaux Innovate teams are constantly on the lookout for new and innovative advertising concepts for our customers' product campaigns, driving interest in the medium and stimulating diversity in our customer base and, ultimately revenue growth.

Among other JCDecaux Innovate products that we have developed is "Interact", which allows a consumer to select desired information directly from the advertising medium, and "Showscreen", which involves introducing an interactive television screen into an advertising display, making it possible to transmit several messages to the consumer. These two JCDecaux Innovate products were in great demand from advertisers during 2011, and the interactive campaigns allowed us to win new advertisers in the Street Furniture segment and thereby enhance our portfolio of new clients looking for innovative solutions, over and above those that customarily use this type of campaign (mobile telephones, cinema, and television). In 2011, advertisers that invested in such campaigns included Esprit, Ford, HTC, Nike, Nivea, Volkswagen, Warner Bros, Burberry, Bacardi, DHL, Disney and Motorola.

"Showcase" also allowed us to bring in new advertising contracts. The process involved transforming MUPI® 2m² scrolling panels, bus shelters or columns into an outdoor show window exposing an advertiser's products, as in a store. This JCDecaux Innovate product was particularly attractive to advertisers in the fashion and sports equipment industry (Mango, Lacoste, Converse, Adidas), luxury goods (Mauboussin), beauty products (Guerlain, Marionnaud), mobile telephones and telephony (BlackBerry, Nokia), leisure equipment (Olympus) and drinks retailers (Spa Water, Nescafe, Absolut).

Particularly developed in outdoor in 2011 was the use of augmented reality. This feature was implemented in several ground-breaking campaigns including Ford in the UK and Unilever for their Lynx Excite brand where commuters were able to interact on JCDecaux's Transvision digital screen at Victoria station in London with moving augmented reality "angels".

All these innovative products, to which we have added sound, ultra-violet light, and modern forms of moving lights, have changed the image of outdoor advertising for advertisers, which contributes to the medium's growth.

Our largest markets have a new JCDecaux Innovate based campaign virtually every week driving in many cases new advertisers to the medium. In France JCDecaux Innovate ran 90 innovations in outdoor advertising in 2011, a significant part of which was for brands from markets that are not normally considered captive, such as food and luxury. In the United Kingdom, where the idea has been present for some time, 53 campaigns used JCDecaux Innovate technology in 2011, and we managed 41 campaigns in the USA, 31 in Spain or 29 in Belgium. This capacity for perpetual innovation allows our sales force to attract new advertisers to outdoor advertising. A significant number of JCDecaux Innovate campaigns were also launched in other parts of Europe such as 68 in China, a 20% growth compared to 2010 and 47 in Australia.

Digitally Enhanced Product

Our capacity for "product" innovation also means that we are able to offer advertisers communications media that are increasingly attractive and support the growth of outdoor advertising. Of particular note in 2011 was the continuing increased use of digital screens to deliver advertising messages, particularly in the transport sector. In airports as far apart as Shanghai, Dubai, Los Angeles, London and Frankfurt, and in the Hong Kong, Shanghai and Beijing undergrounds we have introduced digital screens making the medium more attractive and flexible in delivering our customers' advertising messages. The quality of both the screens and their locations make this a significant potential driver of revenues in the coming years. In 2011 a significant number of new digital screens became available in the new concession of Singapore Changi Airport. Our renewal of our contract for the Paris Airports provided a significant digital platform within one of the world's leading hub airports following our earlier development of these products in London Heathrow, Shanghai. Beijing, Hong Kong and major US airports. In additions we were awarded the transport contract in Norway for national rail network which will have a significant digital element and have expanded our digital screen presence to the capital city Oslo's metro system.

Finally, major new contract wins, in the Street Furniture and Transport segments, mean we can offer a more extensive and sophisticated product line.

2.4. Competitive cost per contact

In the difficult trading conditions experienced in the 2009 recession, with a relative softness in demand for all the main media, historic price levels were difficult to maintain. Advertising rates were at their cheapest for more than a decade, which led to a lower cost per contact in 2009 compared to 2008. No medium was exempt from downward pressure on pricing, even where audience was rising. In 2011 we saw a continuation in the improvement in rates for major media started in 2010, driven by a rebound in advertising demand. However given the recent economic instability in some parts of the Eurozone it is still difficult to distinguish long term trends from the severe impacts on media rates occasioned by the economic crisis.

We believe that the structural pressures present before the crisis should remerge and outdoor advertising will continue to be seen as an increasingly cost effective means to deliver a broad reach of valuable customer groups to advertisers. The progress of digital technology will negatively impact upon the ability of both free to air television and the press to provide advertisers with effective display advertising possibilities and will drive up the cost of reaching ever declining audiences. It is likely that major broadcasters will need to change their business models to a more pay to consume basis, further restricting supply. Outdoor conversely, where the advertising message is the medium, is likely to benefit from the expansion of digital technology.

In 2011, outdoor advertising continues to offer a cost per contact that is significantly lower than that of other media. This may be demonstrated by reference to the United Kingdom in 2009.

Contacts reached per €1,000 spent	United Kingdom
Outdoor advertising (Street Furniture – Billboard)	748,148
Television (broadcast, satellite, cable) – 30 sec. spot	230,456
Radio (30 sec. spot)	584,855
Daily newspaper	159,628
Cinema (30 sec. spot)	27,120
Internet	358,751

Source: *United Kingdom Magna Forecasts for television, radio, press and internet, Group M for cinema, JCDecaux for outdoor advertising*

2.5. Reliability and improvements in audience measurement

In the media world, the most advanced forms of advertising have analytical tools that allow purchasers of advertising space to plan their campaigns effectively. Outdoor advertising, unlike other major media, has traditionally lacked reliable audience measurement tools. For several years, through our subsidiary JCDecaux OneWorld, we have pioneered the development of audience measurement for outdoor advertising. In 2011, we made developments that will further enhance the attractiveness of this medium to advertisers.

We have significantly contributed to the development of a consistent approach to outdoor audience measurement in Europe, the United States and the Asia-Pacific region. Using our reputation, we developed a reference methodology, or “best practice”, in audience measurement, together with other key companies in the outdoor advertising industry.These early initiatives were strengthened in 2008 following the creation of a new research group under the aegis of the international research institute, ESOMAR, the purpose of which was to develop audience measurement standards specific to outdoor advertising, the “Global Guidelines for Out Of Home Audience Measurement”. We served on its decision-making committee and also chaired the technical committee of this research group. Other members included the World Federation of Advertisers and other participants in the advertising world. Only television and the Internet have undertaken similar audience measurement initiatives so far, and this step shows the increasing importance that advertisers attach to outdoor advertising in formulating their advertising strategy. The completed guidelines were released and referenced in 2009, to assist markets throughout the world to develop true accountability, permitting outdoor to compete more effectively with other media for advertisers’ advertising spend.

Generally speaking, regardless of the type of medium, the development of a method of audience measurement requires active participation by the various parties involved (principal vendors, advertising agencies and advertisers). They must agree on the measurement criteria to be used. This step is a fundamental prerequisite that conditions acceptance of the results of the audience measurement technique by the advertising market and the various participants. Audience measurements carried out for out of home advertising thus involve the principal parties affected and are produced by independent agencies that include the key companies in the industry.

The reference methodology used by us and other participants in the industry is built around three fundamental ideas: identifying the movements of a sample of the population over a period of one to two weeks, measuring vehicular or pedestrian traffic and measuring the visibility of the advertisement (whether the panel is backlit or not, visibility of the panel from the traffic flow position, and in relation to the direction of traffic flow, etc.). For each panel, a probability factor of being seen can be assigned, based on its potential visibility. As for television, quantitative surveys measure only "opportunities to view" the medium.

For each of these branches of the methodology, the method of data collection can vary from one country to another. Collection of information about movements, for example, can be made using GPS systems, as was the case recently in the Netherlands, Germany, Switzerland and certain major Italian cities. This GPS technique is currently also being used to update the UK study and for new studies in Austria and Turkey. The essential point is that the method makes it possible to gather reliable data about patterns of movement.

This methodology, which has been gradually implemented with success in various regions of the world, improve the level of coverage and increase the frequency of audience measurement for outdoor advertising in order to allow comparability both with other main advertising media and from one outdoor advertising segment to another. Global advertisers are thus able to develop a worldwide strategy for purchasing advertising space from one medium to another, increasing the ease of use and effectiveness of the medium. This reference methodology has already been adopted by the United Kingdom, Norway, Sweden, the Baltics, Ireland, Finland, Germany, Austria, Turkey, the USA, Australia and the Netherlands. In the United Kingdom, where the system has been in place longer than in other countries, and, more recently, in Ireland, Sweden, and in Finland, we believe that the audience-measurement methodologies have allowed us to raise our prices due to demonstrably higher audiences for high-quality panels.

In Germany, new audience measurement results were published during 2008. In this major market, as well as in Australia, our clients are able more easily to quantify the value of outdoor advertising in making their advertising choices, which should continue to support mid-term the medium's growth. Furthermore, results from a study using this GPS technology was published in 2011 in the Netherlands and is being used in a refreshed and expanded audience measurement in the United Kingdom and for which results are currently being finalised and will be published during the course of 2012.

A significant development in 2010 was the introduction during the year of a new audience measurement system in the US, Eyes-On, based upon the reference methodology. Replacing simple traffic counting it covers from the first release the major roadside elements of US outdoor in all of the over 200 Designated Marketing Areas (DMAs) which are used for media trading in the US. It is therefore a significant task for the media planners and buyers to evaluate the impact on their media strategies, providing metrics similar to those for other media traded in the market. Eyes-On permits the inclusion of out of home in media planning tools, including econometric modelling, in the US for the first time and we expect this to have significant impact on their ability to compare the value of out of home to other major media in the coming years. In 2011 work has commenced to bring the formats in transport environments into this Eyes-On system as soon as possible.

Early in 2008 we introduced our first audience measurement in China using this reference methodology. This audience measurement was carried out for all of our different types of advertising media in Shanghai. Our objective is to extend this measurement to the principal advertising markets in China, which should significantly strengthen our competitive position there. In 2009 we delivered to the market a study using this reference methodology for the metro products in Beijing and will provide consistent audience accountability for advertisers using our products in this rapidly growing market. Due to the rapid pace of change in infrastructure within Shanghai, the study of audience measurement has been updated in 2010 with results published in 2011. Similarly in emerging markets in Central and Eastern Europe this reference methodology has the potential to enhance understanding of the role outdoor can play in the media mix. In 2008 we introduced the system nationally in Slovenia, for example, and updated in 2010 for publication in January of 2011. A further update is planned for Slovenia in 2012 when it is also planned to publish the first results from Turkey, strengthening the case for outdoor in this important emerging market with significant potential for outdoor advertising.

In France, our key market, each operation is measured and, whether it involves Street Furniture or Billboard, its performance is measured by Affimétrie®, which positions the products of JCDecaux and Avenir at the top of all major indicators. Several improvements in methodology were made by Affimétrie in 2007 in particular to the effects of back-lighting and scrolling displays on the "visibility" of a display. These improvements, which are particularly useful, allow our advertisers to measure the effectiveness and the quality of our networks. A very complete measurement of the outdoor medium is now available to advertisers in France, Europe's largest outdoor advertising market.

In connection with the development of its expertise for the advertising industry, JCDecaux Airport France has conducted an on-site, single-source audience poll with Ipsos every year for the last five years. Média Aéroport Performances (MAP) is designed first and foremost to understand the media audience better by providing precise quantitative measurements of the airport audience.

This survey will also make it possible, as a result of specifically designed media software, to measure the performance of media through indicators widely used by the advertising industry, such as coverage, number of contacts, GRP (Gross Rating Point) and cost per thousand persons reached – by face or by network. This was a major innovation for this type of medium, which can now measure its impact, as do print, television, or radio media in France. In the United Kingdom, a similar audience measurement system, RADAR, has been implemented at Heathrow Airport and the revised Postar will incorporate advertising in major UK Airports into the industry study for the first time.

In most of the markets described above, the audience measurement techniques, which were previously used only in the Billboard business, have been extended to all types of outdoor advertising, including Transport advertising and, more recently, advertising structures located near points of sale. This development will soon allow advertisers to plan their campaigns more easily and purchase outdoor advertising networks more coherently.

Measuring the effect of media on sales

In many markets, we have invested significantly in studies to analyse the effectiveness of outdoor advertising campaigns which, when conducted over a broad range of campaigns, are of particular relevance to our advertisers. Since 2003, in Sweden and the Netherlands, these effectiveness studies have been enhanced by the use of the Internet to gather information. This information makes it possible to measure the effectiveness of a larger number of campaigns at lower cost and to provide the results more rapidly to our advertisers and their agencies. Similar studies conducted by traditional survey methods are periodically undertaken by all our subsidiaries.

In France, working with MarketingScan, a subsidiary of GFK, we are now in a position to measure the effect of advertising media on the sale or market share of mass-market products. The goal of these studies is to measure the difference in sales of a product between a town or city where a campaign is being conducted and a town or city where it is not. This methodology makes it possible to identify accurately the impact of outdoor advertising, including in the context of a multi-disciplinary campaign. To date, more than 65 surveys have been conducted in the food and beverage industry and health and beauty products industry, using a wide variety of strategies. They have produced the largest database available in the area of comparative effectiveness. These studies show that, used alone or together with other media, outdoor advertising very often accelerates sales whether used to support a brand or to launch a new product. Of JCDecaux and Avenir campaigns tested during the last three years, 80% generated positive short-term results in terms of sales for the brand.

In 2009 the OAA in the UK, of which we are a leading member, commissioned a meta analysis of independent return on investment research conducted by the econometric company within the Omnicom agency group, Brand Science. This study revealed considerable benefits for advertisers in a number of product sectors, particularly retail and fast moving consumer goods in diverting advertising expenditure from television or press into outdoor. They highlighted a trend in declining effectiveness in television particularly and recommended advertisers increase the proportion of outdoor used in the media mix to improve advertising return on investment. In 2010 Brand Science extended this analysis to markets outside of Europe taking in the USA, Asia and Australia. This broadening of the analysis delivered the same overall findings suggesting that increasing proportions of budget devoted to outdoor would deliver improved communication effectiveness. We believe that a number of advertisers recognise the need to do this, particularly amongst the world's largest advertisers.

3. COMPETITIVE ENVIRONMENT

Three major global players

In general, we compete for advertising revenues against other media such as television, radio, newspapers, daily, weekly and monthly magazines, cinema and the Internet.

In the area of outdoor advertising, several major international companies operate in all three principal market segments. Our major competitors worldwide are Clear Channel Outdoor and CBS Corporation, on behalf of its outdoor advertising subsidiary, CBS Outdoor.

Many local competitors

Besides, we also face competition from local competitors, especially in Billboard, the largest of which are as follows:

- **France:** Liote/Citylux (Illuminated panels), Insert (Micro-billboard), Metrobus (Transport) for which we own 33% of the shares, Védiaud Publicité (Street Furniture) and other competitors;
- **United Kingdom:** Primesight (Billboard), Ocean (Billboard);
- **Belgium:** Belgian Poster (Billboard) and Business Panel (Billboard);
- **Germany:** Ströer (Billboard, Street Furniture, and advertising in railway stations), AWK (Billboard), Degesta (Street Furniture);
- **Austria:** Epamedia (Billboard);
- **Spain:** Cemusa (Street Furniture), Instalaciones especiales de Publicidad Exterior (Street Furniture and Billboard) and Emociona Comunicación (Street Furniture and Billboard) and Redext (Billboard and Street Furniture);
- **United States:** Lamar Advertising Company (Billboard), Regency (Billboard), Adams Outdoor (Billboard), Van Wagner (Billboard and telephone call boxes), Titan Outdoor (Transport), Tri-State/PNE Media (Billboard) and Titan Outdoor (Transport);
- **China:** Clear Media (Street Furniture), majority owned by Clear Channel Outdoor, Tom Group (Billboard), AirMedia (Airport), VisionMedia (Transport) and other operators;
- **Canada:** Pattison Outdoor (Street Furniture, Billboard, and Transport), Astral Media (Street Furniture, Billboard);
- **Australia:** APN (Transport), acting in particular on behalf of Buspak (Transport), and Adshel (Street Furniture), Cody & Australian Posters (Billboard) and Eye Corporation (Transport);
- **Russia:** News Outdoor (Street Furniture, Billboard and Transport), Gallery (Billboard);
- **Poland:** AMS (Billboard and Street Furniture), Ströer (Billboard and Street Furniture);

- **Turkey:** Stroër (Billboard and Street Furniture);
- **Africa:** Continental Outdoor (Billboard and Transport), Outdoor Network (Billboard), Global Outdoor system (Billboard), Alliance Media (Billboard, Transport and Street Furniture);
- **Latin America:** Grupo Kallas, Elemidia, Grupo Eumex, Grupo Vallas, IMU, Sarmiento, Efectimedios;
- **Middle East:** Arabian Outdoor (Choueiri Group), Saudi Signs, Kassab Media.

The table below shows the 15 largest outdoor advertising groups based on 2011 revenues (published or estimated), in order of magnitude:

Company	Country of origin	Revenue *(in million of US$)*	Geographic presence
JCDecaux [(1)]	France	3,428	Europe, Asia-Pacific, North and South America, Africa and Middle East
Clear Channel Outdoor	USA	3,004	United States, Canada, Europe, Asia-Pacific, South America
CBS Outdoor	USA	1,894	United States, Canada, Europe, Asia-Pacific, South America
Lamar	USA	1,133	United States, Canada
Ströer	Germany	803	Germany, Poland, Turkey
Affichage Holding	Switzerland	352	Switzerland, Eastern Europe
Metrobus	France	312	France, Spain
News Outdoor[(2)]	Russia	290	Russia, Eastern Europe
Air Media	China	278	China
APN	Australia	272	Hong Kong, Malaisia, Indonesia, Australia, New Zealand
Titan Outdoor[(2)]	USA	190	United States
Epamedia[(2)]	Austria	136	Austria, Eastern Europe
Cemusa	Spain	189	Spain, Portugal, Italy, Mexico, South America, United States
Eye[(3)]	Australia	153	Australia, New Zealand, United Kingdom
Vision Media	China	181	China

Source: Press releases, Internet sites of the companies and JCDecaux estimates, with currency transactions based on an average annual US$/€ exchange rate of €0.7184/US$ in 2011, and an average annual US$/CHF exchange rate of CHF 0.8113/US$, a US$/HKD exchange rate of HKD 0,0923/US$ and a US$/AUD rate of AUD 0,7416/US$ in 2011.

(1) *This amount does not include revenues generated by Affichage Holding, Metrobus companies consolidate by JCDecaux under the equity method.*

(2) *JCDecaux estimate for 2011 revenues.*

(3) *As of 30 June 2011.*

ONE BUSINESS, THREE SEGMENTS

1. OUR STRATEGY

Each day, we reach about 291 million people around the world through our unique network of outdoor advertising displays. Our objective is to continue extending and strengthening our product line in areas of high population density and high living standards to continue to increase and improve our profitability, which is already among the highest in the industry.

To achieve this goal, our strategy focuses on three main objectives:

- to continue our development through organic growth by winning new advertising contracts with the cities, local governments, metros, and airports that we deem the most attractive;
- to make strategic, targeted acquisitions that enable us to gain a leadership position, or strengthen our existing position in the industry, and to increase our share of the outdoor advertising segment by developing a national network, thereby building our capacity to achieve high returns on our investments;
- to maximise the commercial potential and profitability of our advertising networks in all the countries where we do business.

1.1. Continuing organic growth

We intend to continue building the most attractive advertising network for our advertisers in each of our three lines of business. To reach this goal, we use the following methods:

- targeting cities, local governments, airports and other transport systems in countries that offer high commercial potential in order to develop a national advertising network;
- creating new products and services that meet or anticipate the needs of cities, airports and other transport systems and providing unequalled products and services to win tenders for advertising contracts in these locations;
- using proprietary market research and geomarketing research tools to build flexible advertising systems that meet the demands and budgets of our advertisers (complete national or regional coverage, targeted networks, time-share campaigns, etc.);
- offering an ever-larger audience to advertisers who can target potential customers both in city centres, through a system of street furniture unique in Europe, and on the outskirts of population centres, through a national display network in most European countries;
- developing a comprehensive international presence in each of our business segments to respond to the growing demand from international advertisers in this area;
- developing operating methods that make it possible to adapt and build networks based on the requirements of our advertisers.

1.2. Participating in the consolidation of outdoor advertising

We believe our robust financial structure, solid track record and powerful advertising network, especially in Europe and Asia-Pacific, give us a significant edge in seizing the acquisition and partnership opportunities needed to enter new markets or strengthen our leading position in existing markets.

Our acquisition strategy focuses on the following main objectives:

- acquiring or establishing alliances with companies holding strong positions in their markets;
- capitalising on our resources (products, operating expertise, commercial strength) to grow and maximise the potential of these new markets;
- developing commercial synergies;
- centralising and reducing costs.

This strategy enables us to grow through external growth in cities where Street Furniture contracts have already been awarded and capitalise on the synergies of these activities nationally, while, at the same time, extending our product range. Our partnership with Gewista, created in 2001 and strengthened in 2003 by the increase in our equity stake to 67%, enabled us to grow our Billboard and Street Furniture networks in Central Europe and become a major player in Street Furniture in Austria. In Italy, where we have had a partnership with IGP since 2001, IGPDecaux is the leader in outdoor advertising and now has a truly national presence in Billboard and Transport advertising. This national dimension has strengthened the business reach of our Group in Italy, which has been helpful in winning the Street Furniture tenders in Naples and Turin, in renewing our contract in Milan, and in signing the partnership agreement to display advertising in the Rome airports.

In 2005, we became the leader in outdoor advertising in China, by making three acquisitions, thanks to which we rapidly gained a significant presence in the metros and on the buses of major Chinese cities.

We also took our first steps into the Ukraine and Russia in 2006, signing a partnership deal with the Bigboard group, the Ukrainian market leader in outdoor advertising and a middle-ranked player in the Russian market.

In 2007, we entered into strategic partnerships in Central Asia and the Middle East.

In 2009, JCDecaux acquired an additional 49.18% equity investment in Wall AG, taking its stake at the time to 89.18% (since increased to 90.09% in April 2010). JCDecaux had taken an initial 11% stake in 2001, which was subsequently raised to 35% in 2003 then 40% in 2007. Wall is one of Germany's leading outdoor advertising companies and its incorporation has allowed JCDecaux to expand in the German outdoor advertising market.

In January 2010, JCDecaux UK has purchased certain assets of Titan Outdoor UK Advertising Ltd, including the retail and rail advertising business, subsequent to the company being placed in administration. Titan has a leading position in the railway and retail advertising sectors in the UK, following the purchase of Maiden Outdoor in March 2006. Titan has been instrumental in driving digital outdoor with its "Transvision" system and its 2 m2 digital panels installed in shopping malls and train stations.

In November 2011, JCDecaux signed a contract with Presstalis, a press distributor and marketing company, for the purchase of 95% of the shares in the Mediakiosk company, with Presstalis remaining a minority shareholder with 5% of the capital. Mediakiosk currently manages the outdoor advertising for 746 newspaper kiosks in France. In 2010, it recorded revenue of €26 million, with a signification proportion from publishers.

1.3. Maximising the potential of our advertising network

We will continue to maximise the growth and profitability potential of our network. To do so, we rely on our more than forty years of experience in outdoor advertising, our unique geographic coverage, our state-of-the-art product line and our innovative marketing and business approach.

In this way, we seek to:

- retain control of the key locations of our street furniture products and maximise visibility of faces so that we can offer networks to advertisers that ensure the success of their advertising campaigns;
- continue our product and marketing innovations and maintain a pricing policy that reflects the superior quality of our networks;
- capitalise on the synergies among our Street Furniture, Billboard and Transport businesses to build international and/or multiformat business alliances for major international advertisers;
- continue to develop outdoor market research and audience measurement techniques to reinforce the attractiveness of the outdoor medium for advertisers and enhance its use:
  - by using sophisticated socio-demographic behavioural, consumer, movement and audience studies of target audiences to build networks that meet the advertising objectives of our customers;
  - by providing quantitative audience information and data making it possible to measure the impact of our networks with respect to a specific audience.

2. STREET FURNITURE

2.1. The concept of Street Furniture

A simple but innovative idea
In 1964, Jean-Claude Decaux invented the concept of the Street Furniture advertising market with a simple but innovative idea: to provide well-maintained street Furniture free of charge to cities and towns in exchange for the right to place advertising on these structures. From the beginning, Street Furniture became a very attractive medium for advertisers, because it gave them access to advertising space in city centres in areas where advertising was generally very restricted.

State of the art products
For over 47 years, we have been designing and developing street furniture products that offer cities good design and public service and advertisers an effective medium for their campaigns. We:

- design products that are innovative and have high added-value, or offer services that enhance the quality of urban life, such as: bus shelters, free-standing information panels (MUPI®), automated public toilets, large-format advertising panels (Senior®), multi-service columns (such as the Morris columns in France), self-service bicycle schemes, kiosks for flowers or newspapers, public trash bins, benches, citylight panels, public information panels, streetlights, street signage, bicycle racks and shelters, recycling bins for glass, batteries or paper, electronic message boards and interactive computer terminals;

- develop a coordinated range of street furniture by working closely with internationally renowned architects and designers, such as Mario Bellini, Philip Cox, Peter Eisenman, Sir Norman Foster, Patrick Jouin, Philippe Starck, Robert Stern, Martin Szekely and Jean-Michel Wilmotte;
- determine, according to the advertising potential, the amount of advertising space needed to finance a city's street furniture needs;
- select advertising locations and position our products to maximise the impact of advertising.

Priority given to maintenance and service
We are recognised by cities, towns and advertisers for the quality of the maintenance service provided under our Street Furniture contracts. As of 31st December 2011, 59.1% of our Street Furniture employees were responsible for the installation, the cleaning and maintenance of our street furniture and for poster management. We put all of our maintenance staff and bill posters through a rigorous training programme in our in-house facilities to ensure they keep alive the company know-how and preserve our excellent reputation for maintaining our street furniture, a key element in our international renown.

2.2. Street Furniture contracts

Characteristics of Street Furniture contracts
Most of the Street Furniture contracts into which we enter with cities, towns and other government agencies today result from a competitive tender process specific to public procurement procedures. Street Furniture is installed primarily in city centre locations and along major commuting routes where pedestrian and automobile traffic is the highest. Street Furniture contracts generally require us to supply products which contain advertising space, such as bus shelters, free-standing information panels ($2m^2$ MUPI®), columns, etc. and may also require us to supply and install non-advertising products, such as benches, public trash bins, electronic message boards or street signage and bicycles. Contracts tend to differ depending on the needs of the local government and the volume of non-advertising street furniture desired.

Our strategy is to install and maintain street furniture at our expense in cities and towns with which we have a contractual relationship. We are granted the right to sell the advertising space placed on some of the street furniture. Some contracts also include an exclusive right to install additional street furniture and specify the conditions under which we can display advertising in the areas covered by our contracts. In general, contracts provide for installation of additional street furniture as new needs develop. The initial location of street furniture is usually the subject of mutual agreement.

Certain towns and local governments may prefer to charge a fee, instead of receiving street furniture or services. When we pay an advertising fee, the cost of such fee is generally offset, in whole or in part, by the fact that we install few or no non-advertising products. In 2011, we paid 21.5% of Street Furniture revenues to cities and towns in the form of advertising rents and fees.

Historically, almost all of our Street Furniture contracts were made with cities or towns granting us the right to install street furniture in public areas. Few Street Furniture contracts were concluded with private landowners. For several years, we have expanded our Street Furniture business to serve shopping malls, Europe, South America and Japan. Under the agreements reached with the owners of these shopping malls, we now install Street Furniture in private as well as public areas.

Street Furniture contracts for shopping malls
Shopping mall contracts for Street Furniture generally take the form of master agreements made with the operators of malls and a separate agreement made with the managing agent of each mall. The terms and conditions of the separate agreements incorporate the provisions of the master agreement and may contain specific provisions reflecting the size, design, and character of the mall. Master agreements provide that operators will afford us the opportunity to enter into individual concessions with all of the malls that they control, and that they will use their best efforts to convince the malls in which they have an investment, but do not control, to enter into individual agreements with us.

Long-term contracts
Our Street Furniture contracts have terms of 8 to 25 years. In France, the contract term is generally 10 to 20 years. As of 31st December 2011, our Street Furniture contracts had an average remaining term of 6 years and 9 months (weighted by 2011 advertising revenues and adjusted to account for projected revenues from new contracts, excluding shopping malls). In France, the average remaining term of Street Furniture contracts (weighted by 2011 advertising revenues) is 5 years and 6 months. Outside France, the average remaining term of Street Furniture contracts was 7 years and 5 months.

High rate of success in competitive tenders
We continue to renew our existing Street Furniture contracts successfully through competitive tenders and to win a high proportion of the new contracts for which we bid. In 2011, we won 83% of the competitive tenders for Street Furniture advertising contracts (renewals and new) for which we bid worldwide, in line with our historically high success rate, and 96% of the tenders in France.

2.3. Geographic presence

Number 1 worldwide in Street Furniture
We are number one worldwide in Street Furniture in terms of revenue and number of advertising faces *(source: JCDecaux)*. As of 31st December 2011, we had Street Furniture contracts in approximately 1,800 cities of more than 10,000 inhabitants, totalling 426,184 advertising faces in 46 countries. We have a portfolio of Street Furniture contracts that is unique in the world and includes

advertising contracts in 34 of the 50 largest cities in the European Union. In addition to our operations in public areas, we are also present in over 1,500 shopping malls around the world. In 2011, Street Furniture accounted for 48% of our revenues.

We believe that having Street Furniture contracts in major cities in each country is essential to being able to offer a national advertising network to advertisers. As a result of this unique presence in Europe, we are the only outdoor advertising group able to create networks that enable advertisers to run pan-European advertising campaigns.

As of 31st December 2011, the geographic coverage of our Street Furniture business was as follows:

Country	Number of advertising faces
Europe(1)	225,356
France	104,651
Asia-Pacific(2)	33,664
United Kingdom	26,280
North America(3)	14,281
Rest of World(4)	21,952
Total	**426,184**

(1) *Includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Portugal, Republic of Ireland, Slovakia, Slovenia, Spain, Sweden and Turkey. Among these countries, the majority of advertising faces are located in Austria, Germany, the Netherlands, Belgium, Spain, Sweden, Portugal and Finland.*

(2) *Includes Australia, Japan, South Korea, Singapore, Thailand, China (including Hong Kong and Macau), and India.*

(3) *Includes Canada and the United States. The majority of faces are in the United States.*

(4) *Includes Algeria, Argentina, Brazil, Cameroon, Chile, Israel, Kazakhstan, Qatar, Russia, Uruguay, Ukraine and Uzbekistan.*

A Street Furniture network unique in Europe

We have an exceptional presence in Europe thanks to our unique portfolio of contracts in Europe's most populous cities. As of 31st December 2011, we had Street Furniture contracts in 34 of the 50 largest cities of the European Union(1), as indicated in the table below.

	City	Country	Population (in million)	Principal operators of Street Furniture
1	London	UK	7.62	**JCDecaux** / Clear Channel Outdoor
2	Berlin	Germany	3.46	**WallDecaux** (2) / Ströer
3	Madrid	Spain	3.27	**JCDecaux** / Cemusa / UTE Cemusa Clear-Channel
4	Rome	Italy	2.76	Clear Channel Outdoor
5	Paris	France	2.23	**JCDecaux**
6	Bucharest	Romania	1.94	EPA
7	Hamburg	Germany	1.79	**WallDecaux** / Ströer
8	Budapest	Hungary	1.73	EPA / Mahir
9	Vienna	Austria	1.72	**JCDecaux** (3)
10	Warsaw	Poland	1.72	AMS
11	Barcelona	Spain	1.62	**JCDecaux** / Cemusa
12	Munich	Germany	1.35	**DSMDecaux** / Ströer
13	Milan	Italy	1.32	**IGPDecaux** (4) / Clear Channel
14	Prague	Czech Rep	1.27	**JCDecaux**
15	Sofia	Bulgaria	1.20	**JCDecaux** / Mediacontact
16	Brussels	Belgium	1.09	**JCDecaux**
17	Birmingham	UK	1.01	**JCDecaux** / Clear Channel Outdoor
18	Cologne	Germany	1.01	**WallDecaux** / Ströer-KAW
19	Naples	Italy	0.96	**IGPDecaux**/ Cemusa
20	Turin	Italy	0.91	**IGPDecaux**
21	Marseille	France	0.85	**JCDecaux**
22	Stockholm	Sweden	0.85	**JCDecaux** / Clear Channel Outdoor

23	Valencia	Spain	0.83	**JCDecaux** / Cemusa
24	Amsterdam	Netherlands	0.78	**JCDecaux**
25	Athens	Greece	0.76	Master
26	Krakow	Poland	0.76	AMS
27	Lodz	Poland	0.74	AMS
28	Seville	Spain	0.70	**JCDecaux** (5) / Cemusa
29	Riga	Latvia	0.70	**JCDecaux**
30	Frankfurt	Germany	0.68	Ströer
31	Zaragoza	Spain	0.67	**JCDecaux** / Cemusa / Clear Channel
32	Palermo	Italy	0.66	Damir
33	Glasgow	UK	0.64	**JCDecaux**
34	Wroclaw	Poland	0.63	AMS
35	Rotterdam	Netherlands	0.61	**JCDecaux** / CBS Outdoor
36	Genoa	Italy	0.61	Cemusa
37	Stuttgart	Germany	0.61	**WallDecaux** / Ströer
38	Düsseldorf	Germany	0.59	**WallDecaux** / Ströer
39	Helsinki	Finland	0.59	**JCDecaux** / Clear Channel Outdoor
40	Dortmund	Germany	0.58	**WallDecaux** / Ruhfus
41	Essen	Germany	0.57	Ströer
42	Malaga	Spain	0.57	Cemusa
43	Poznan	Poland	0.55	AMS
44	Bremen	Germany	0.55	**WallDecaux** / Telekom
45	Copenhagen	Denmark	0.54	**JCDecaux**
46	Vilnius	Lithuania	0.54	**JCDecaux**
47	Dublin	Ireland	0.53	**JCDecaux** / Clear Channel Outdoor
48	Dresden	Germany	0.52	**WallDecaux** / Ströer
49	Leipzig	Germany	0.52	**WallDecaux** / Ströer
50	Hannover	Germany	0.52	Ströer

Source: Government census reports and T. Brinkhof "The Principal Agglomerations of the World" (http://www.citypopulation.de).

(1) *As of 31st December 2011 the European Union consisted of the following countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, The Netherlands, and the United Kingdom.*

(2) *We are present in Berlin, Dortmund, Dusseldorf, Budapest and Sofia via our subsidiary Wall, of which we own 90.1%.*

(3) *We are present in Vienna via our subsidiary Gewista, of which we own 67%.*

(4) *JCDecaux owns 32.35% of IGPDecaux's share capital.*

(5) *We carry out our activities in Seville through El Mobiliario Urbano, a wholly-owned subsidiary.*

We also own a Street Furniture contract in Istanbul, Turkey, through our subsidiary Wall; Ströer and Clear Channel also have operations in Istanbul. With 13.3 million people as of 31st December 2011, Istanbul is the most crowded European city.

In 2011, our Street Furniture concessions in these 34 European cities accounted for approximately 34.9% of our Street Furniture advertising revenues.

In France, we have exceptional territorial coverage, with Street Furniture contracts in 640 cities and towns, including Paris, Lyon, Marseille, Bordeaux, Strasbourg, Toulouse, Nice, Grenoble, Cannes and Nantes. Although France, the birthplace of our company, remains our largest country for Street Furniture, its relative share of divisional revenues has in recent years begun to decline gradually as our international business develops.

In France the renewal cycle has stabilised for major cities but there have been a large number of smaller tenders, mostly renewals. In 2011 we renewed Street Furniture contracts for Arles, Aucamville, Le Blanc-Mesnil, Blois, Bougival, Castres, Châteauroux, Chatenay-Malabry, Clichy-sous-Bois, Creil, Douai, Dreux, Dunkerque, Epinal, Fraconville, Gennevilliers, Istres, Joinville-le-Pont, Livry-Gargan, Maromme, Montigny-le-Bretonneux, Noisy-Le-Grand, Orsay, Pérols, Le Port-Marly, Puteaux, Ris-Orangis, Roubaix, Rouen, Rueil-Malmaison, Savigny-Le-Temple, Thiais, Toulon and Viroflay.

We also gained new contracts in Angers, Compiègne, La Ciotat, Mennecy, Le Plessis-Trévise, Saint-Cloud, Sainte-Maxime, Villepreux and Wattignies.

Elsewhere in Europe we won new advertising faces in Weisbaden, Munster and Lübeck in Germany, Rotterdam in the Netherlands, Boechut in Belgium, Växjö and Jäfälla in Sweden, Vantaa in Finland, and Tallinn in Estonia.

We also renewed significant tenders for bus shelters in Milan, Bologna and Ravenna in Italy.

Outside of Europe, we gained new advertising faces in significant emerging markets like Karkhov in Ukraine, Balıkesir in Turkey and Santiago in Chile, complementing our existing Metro business in this key Latin American city.

Cyclocity®: an innovative self-service bicycle product financed by advertising, a true revolution in urban travel

We launched the self-service bicycle concept in Vienna, Austria, in 2003. This was quickly followed by schemes in Cordoba and Gijón in Spain before moving into France with the successful Lyon Vélo'v in 2005. Now, JCDecaux runs its innovative Cyclocity service in an increasing number of towns: Seville, Valencia, Gijon and Santander (Spain), Brussels (Belgium), Dublin (Ireland), Paris (including 30 suburb cities), Marseilles, Toulouse, Rouen, Besançon, Mulhouse, Amiens, Luxembourg, Nantes, Nancy and 2 Communautés d'Agglomération (La Plaine and Cergy-Pontoise). As of 31st December 2011 220 million uses have been recorded in 66 cities.

The rollout of Cyclocity has been carried out according to different economic models, based on the advertising potential of the media financing the bicycle service. When the advertising potential is large, as in Paris or Lyon, advertising revenues completely finance the fleet of bicycles. When the medium is smaller, as in Marseilles, advertising revenues partially finance the bicycles and are supplemented by a fee paid by the city, as well as by advertising on the bicycles. Finally, where the advertising medium is more modest, as in Toulouse, the system is financed by the city, partly financed by Street Furniture advertising, and we also receive revenues from advertising on the bicycles and annual subscriptions.

Self-service bicycles are now an established feature of global capitals where sustainable mobility is now a big issue in transport planning.

North America, a limited activity but dynamic niche market

We have been present in the United States since 1994, when we won our first Street Furniture contract in San Francisco. In 2001, in partnership with CBS Outdoor, we won the Street Furniture contract with Los Angeles for a term of 20 years. Then, in 2002, we won a contract with Chicago, also for a term of 20 years, as well as our first Street Furniture contract in Canada, with Vancouver, the third-largest Canadian city. Vancouver was won in partnership with CBS Outdoor.

In 2003, we acquired 50% of Wall Decaux Holdings the mother company of Wall USA, a company that holds the Street Furniture contract with Boston until 2021. In March 2007, in connection with an exchange of assets with Wall AG, our interest in Wall Decaux Holdings was increased to 60%. On 30 November 2009, we bought an additional 40% of the shares of Wall Decaux Holding, raising our shareholding to 100% of the shares.

In 2005, CBS-Decaux (a 50/50 joint venture company with CBS Outdoor) won an exclusive 10-year contract to supply and maintain street furniture in West Hollywood, a very attractive area located in the heart of Los Angeles. In 2007, we strengthened our advertising network in area by winning the Street Furniture contract for the City of Glendale, located in the wealthy outskirts of Los Angeles.

As of 31st December 2011, we held Street Furniture contracts in four of the five largest urban areas of the United States (Los Angeles, Chicago, Boston and San Francisco) and are in a position to market a unique product line to advertisers. In 2009, the US Industry published the first national audience measurement study for US outdoor advertising which was updated at the end of 2010. This will substantially improve our ability to justify the value of outdoor in the advertising media mix during the course of 2012 and beyond.

The Group extends its expertise to shopping malls

We operate in 36 shopping malls in the United States and have a 28% market share in the most prestigious shopping malls in the 20 largest American urban areas. Our contracts include some of the most prestigious malls in the United States, including The Mall at Short Hills (New Jersey), Water Tower Place in Chicago (Illinois), and Century City and Beverly Center in Los Angeles (California). Following the termination of a non profitable contract covering 60 malls operated by the company Simon, the Group has mainly focused on the higher standard malls operated by the company Taubmann.

We have also developed this business successfully in other countries. As of 31st December 2011, we were present in 1,539 shopping malls in 14 European countries (Belgium, Croatia, Estonia, Finland, France, Germany, Latvia, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom) compared to 1,304 in 2010.

We have also developed rapidly in Japan: in addition to our advertising operations with Aeon/Jusco, MCDecaux, our 60%-owned subsidiary in Japan, was awarded a 15-year exclusive contract for installation of MUPI® advertisements in shopping malls operated by Ito Yokado, which has 179 malls that cover Japan but are most heavily concentrated in the greater Tokyo area, where it has 116 malls. As of 31st December 2011, we were present in 163 shopping malls located in Japan's largest cities.

We have also successfully developed this business in Argentina, Kazakhstan, Singapore, and Hong Kong with presences in 23 further major malls.

In 2010 we developed our mall business for the first time to the Middle East through our joint venture QMedia Decaux which was awarded the significant contract for Villaggio, the largest mall in Doha, the capital of Qatar in 2009. In 2011 this business has been shown to provide a sound platform for further development in this sector in the region.

Key positions in Asia-Pacific
We believe there is significant potential to develop our Street Furniture business in the Asia-Pacific region, an area where the concept of Street Furniture is still relatively new. Present in this region since the early 1990s, we already have Street Furniture contracts among others in Sydney in Australia, Singapore, Bangkok in Thailand, Macau in China and Seoul in South Korea (taxi shelters and bus shelters).

In 2004, following a competitive tender and working through MCDecaux, our joint-venture company with Mitsubishi Corporation, we won the advertising bus shelter contract for Yokohama, the second largest city in Japan. Advertising on street furniture had previously been prohibited, but that the lift on this restriction represented a significant growth potential in this market.

In 2010 we gained new advertising faces in Tokyo via a contract with the Kokusai Kogyo bus operator. We expect further expansion of faces in Tokyo improving our presence in this key city through 2011 onwards, significantly enhancing our national offering. As of the December 31st, 2011 we are present with street furniture in all the twenty largest Japanese cities and 33 out of the top 50 Japanese cities, representing a potential resident audience of over 41 million people. In this way, we have created the first national outdoor advertising network to be offered in Japan providing a realistic alternative to television for advertisers seeking a mass audience.

In 2005, we significantly grew our footprint in China with the acquisitions of Texon Media, the leading Street Furniture advertiser in Hong Kong. Now trading as JCDecaux Cityscape, the company manages 5,100 advertising faces on Hong Kong bus shelters under long-term agreements with the three principal local bus companies. In 2006, JCDecaux Cityscape won the advertising concession for complete wrap-around ads awarded by Hong Kong Tramways Ltd for 5 years. JCDecaux Cityscape today has exclusive rights to manage advertising on the entire stock of 140 trams.

In 2009 we were awarded the contract to provide self-service bicycles in Brisbane, Australia's third largest city. In 2011 we completed the build of this new network and as of December 31st, 2011 we are marketing over 900 advertising panels in this key Australian market.

South America and the Middle East: developing markets
In South America, we have Street Furniture contracts in Salvador de Bahía in Brazil, Montevideo in Uruguay, Buenos Aires in Argentina (APSA shopping malls) and Santiago in Chile. In December 2011, JCDecaux expanded its assets portfolio in Chile by being awarded the street furniture contract of Vitacura. Vitacura is a high-end Municipality within the agglomeration of Santiago de Chile and expands JCDecaux reach to the main business district: Sector Oriente.

In Qatar, we are the exclusive operator for street furniture in the capital, Doha, through the joint venture QMedia Decaux. We operate over 1,600 faces under this contract, which is our first street furniture contract in the Middle East and allows the Group to showcase its expertise and know-how in the region.

Future public tenders: a reservoir for growth
We believe that the Street Furniture business has significant growth potential and intend to pursue international growth in coming years. New Street Furniture contracts are likely to be put out to tender in Europe, in Asia-Pacific, including certain first-tier Japanese, Chinese and Indian cities, as well as in South America and in the Middle East.

2.4. Sales and marketing

We market our Street Furniture products as a premium quality advertising medium. Grouped in networks, these spaces are sold for advertising campaigns that last between 7 days in France and the majority of European countries, to 15 days in Spain and the United Kingdom, to one month in the United States. We market and sell all of our advertising space through our own sales forces to advertisers and their advertising or media agencies. Our rates are specified on standard rate cards, and it is our policy not to offer discounts, other than volume discounts. Rates across our network may vary according to the size and quality of the network, the commercial attractiveness of the city, the time of year and the occurrence of special events, such as the Olympic Games or the Soccer World Cup.

To respond to the diversity of our customers' advertising needs, we offer both very powerful mass media networks and targeted networks built on the basis of sophisticated socio-demographic and geographic databases to offer a special appeal for precise targets. This selectivity of faces makes it possible to realise higher value from our assets.

In many markets we see increasing demands to create events within the public space, enhancing consumer engagement with our advertisers' brands. Through our think tank JCDecaux Innovate, set up to enhance the impact and originality of marketing campaigns, and expanded to 43 countries in 2011, we have been running campaigns that have since become landmarks in the outdoor advertising sector. In parallel with the innovation that saw the traditional bus shelter display turned into part of the advertised event itself, other revolutionary communication techniques were launched, such as the privatisation of advertising sites for a given period so they could be turned into Street Art on behalf of the brands.

In 2011 JCDecaux Innovate brought devices allowing customers to interact with the brand in ever greater numbers and were utilised by our largest customers such as Ford, HTC, Nike, Warner Bros, Unilever and L'Oreal to provide street level brand interaction beyond the display of an advertising message.

Of particular note in 2011 was our collaboration in the UK with Unilever in a London main railway terminus to bring and Augmented Reality version of their Lynx television campaign to our large sized digital screens. In the campaign members of the public were able to interact with the Lynx Angel characters and the resulting video of their reactions was viewed by over one million people around the world on YouTube.

In Doha, Qatar in 2010 we hosted the first Innovate exhibition in the Middle East expanding these ideas throughout the region, a practical example of how our international presence allows us to advance concepts that drive interest and growth in the outdoor industry.

In the UK we have developed the "Fast Forward" printing hub which allows us to take a client's poster design electronically, proof it and print it at regional depots so allowing us to post national campaigns within two days of receiving the campaign artwork. This innovation and increased flexibility has allowed us to compete for short term tactical campaigns, particularly from entertainment clients, that may otherwise have gone to other media.

In 2011 JCDecaux entrenched and refined its Street Furniture network in France, its relevance in the publicity market being confirmed throughout the year.

JCDecaux Street Furniture continued to develop its cutting edge expertise in territorial issues at the heart of the communication strategies of a number of brands, notably through the development of the exclusive City range.

All around the world, JCDecaux Innovate teams are forging real partnerships with advertisers and agencies to continuously push forward the boundaries of brands' urban marketing.

Because of our unique presence and advertising network in Europe, we are able to offer advertiser's pan-European, multi-display and/or multi-format campaigns. Our global sales and marketing division, JCDecaux OneWorld provides a single point of entry for international clients wishing to access our sales, research tools and JCDecaux Innovate products worldwide, further enhancing established partnerships. JCDecaux OneWorld specialise in the international coordination of advertising campaigns and have undertaken pan-European advertising campaigns for prestigious advertisers supported by unrivalled tools and research expertise to enhance our client's outdoor communication.

2.5. Contracts for the sale, lease and maintenance of Street Furniture

Principally in France and in the United Kingdom, we sell, lease and maintain street furniture, which generates revenues that are recorded in the Street Furniture segment of our financial statements. In 2010, such activities generated revenues of €123.7 million, representing 10.5% of our total Street Furniture revenues.

These non-advertising revenues also included sale of innovative technical solutions associated with innovative Street Furniture campaigns (JCDecaux Innovate).

For instance, the toilet designed by Patrick Jouin, installed under a lease and maintain contract with the City of Paris, was created to be accessible, aesthetic and eco-friendly. Eco-design has reduced its energy and water consumption (water by 26% and electricity by 28%) and it is built of 95% sustainable and recyclable materials.

Its interior has been carefully thought through to optimise accessibility for people with reduced mobility and for the comfort of all. This eco-friendly and aesthetically pleasing toilet, with its top quality design and ease of maintenance, has met with great success in Paris and is now being rolled out in other towns.

3. TRANSPORT

JCDecaux's Transport advertising business includes the world's leading airport advertising business, advertising concessions in metros, trains, buses, trams and other mass transit systems, as well as express train terminals serving international airports around the world. In addition to the 175 advertising concessions that the Goup holds in airports, JCDecaux also has advertising concessions in over 282 metro, train, bus and tram systems in Europe, Africa/Middle East, Asia Pacific and South America. Altogether, the Group manages a total of 367,770 advertising faces in transport systems across 26 countries, with over 35,411 faces in airports. This figure excludes small advertising faces on airport trolleys and inside buses, trams, trains and metros.

In 2011, the Transport business represented 35.5% of the Group's revenues. Airport advertising represented 46.8% of Transport business revenues and transit system advertising 41.9%. Other operations conducted by subsidiaries in our Transport business, such as the printing of posters, sale of non-advertising products, marketing and sale of Innovate® media, or cinema advertising, represented nearly 11.3% of Transport revenues.

Characteristics of Transport advertising contracts

Advertising contracts in airports and other transport systems vary considerably according to the extent of the role that the Transport Authority wants to play in the advertising concession granted to JCDecaux. This flexibility may mean that contracts vary with regard to term, fees, ownership of equipment, termination clauses, level of exclusivity, location and advertising content.

Some of the most common terms and conditions in the Group's Transport contracts are listed below:

- A term of between 3 and 25 years;
- Payment of a fee in proportion to revenues generated, combined with a minimum guaranteed fee in certain cases;

- Joint-venture partnerships, as is the case for Frankfurt, Rome, Shanghai and Paris airports and Beijing, Shanghai and Nanjing metros;
- Depending on the particular requirements of the grantors, JCDecaux may design, build, install, and maintain, atthe Group's expense, wall supports, digital screens, advertising panels, or any other type of furniture. In addition to this, JCDecaux also supplies certain grantors with panels dedicated to the provision of passenger information;
- With very few exceptions, the Group possesses the exclusive rights to theadvertising business in the airports where it is present. Most grantors extend these exclusive advertising rights to external bus shelters and other outdoor furniture, as well as terminal areas such as jet bridges and passenger services such as NICT charging stations;
- The initial choice regarding the location of advertising panels is generally made by mutual agreement. In certain cases, the advertising content may be subject to the grantor's approval. The Group's rights may also be limited by airlines which have sub-leased areas within an airport and may therefore have certain rights in determining the location and content of the advertising visuals in these spaces.

3.1. Airport advertising

3.1.1. Geographical presence

The Group holds advertising contracts for 175 airports in 18 countries.

July 2011 witnessed the creation, in France, of a joint venture, owned 50/50 by JCDecaux and Aéroports de Paris, with a nine and a half-year term. Through a series of competitive tenders, JCDecaux was re-entrusted with the advertising concessions at Beauvais Tillé, Lyon Saint Exupéry and Lyon Bron airports.

Under the brand name "JCDecaux Airport", the Group reaches nearly 30% of worldwide airport traffic and is present across four continents.

- In Europe, the Group manages advertising contracts for 102 airports, the three largest of which are London, Paris and Frankfurt. More specifically, JCDecaux is present in:
  - 33 airports in France, including Charles de Gaulle airport and Orly airport, through a JV with Aéroports de Paris;
  - 5 British airports including London Heathrow and London-Luton;
  - 6 airports in Germany, including Frankfurt airport, through a joint venture with Fraport;
  - Brussels International Airport in Belgium;
  - 23 airports in Spain (including Barcelona, Palma de Mallorca, Malaga and Alicante);
  - All airports in Portugal (10 concessions);
  - 5 airports in Italy, including the major hubs of Milan (Malpensa and Linate) and Rome via the IGPDecaux subsidiary;
  - 5 airports in Poland, including Warsaw;
  - 12 airports in Scandinavia (Sweden, Norway), including Stockholm-Arlanda and Bromma.
- In Asia, JCDecaux originally began operations in 1998 in Hong Kong airport (Chek Lap Kok), a major gateway for this region, followed by Macau. Then, between 2005 and 2010, the Group experienced significant expansion throughout this continent. In 2005, the Group signed a joint venture with the Shanghai Pudong and Hongqiao airport authorities. In 2006, JCDecaux acquired the advertising concession at Bangkok Suvarnabhumi airport, a major strategic hub for South Eastern Asia. In 2007, JCDecaux started operating advertising media at Beijing's new Terminal T3 for the 2008 Olympic Games, and then at Bangalore International Airport, India's fourth largest airport. In 2008, JCDecaux reinforced its presence when it was awarded the contract to manage indoor and outdoor advertising in the new Qingdao international airport in China. Finally, in 2010, the Group was awarded the advertising concession at Changi Singapore airport;
- In the United States, the Group manages advertising contracts in 26 airports, including New York (JFK, La Guardia and Newark), Houston, Miami, Orlando, Minneapolis-St. Paul, Washington D.C. (Dulles International and Washington National) and Los Angeles;
- Africa/Middle East: JCDecaux is present in 12 airports in Algeria, including the advertising concession for Algiers airport. JCDecaux also has the exclusive advertising concession for Dubai International, Dubai World Central-Al Maktoum and Sharjah airports, as well as the exclusive advertising concession for all 26 Saudi airports, representing a traffic of 45 million passengers in 2010.

JCDecaux's presence in the ten largest airport hubs worldwide in terms of passengers during 2011:

Airport	Passengers (in million)	Contract holder
London	132.6	**JCDecaux**/EyeCorp
New York	104.9	**JCDecaux**
Atlanta	92.1	Clear Channel Outdoor
Tokyo(1)	90.4	Tokyu Space Création(1)
Paris	87.4	**JCDecaux**(2)
Chicago	85.2	Clear Channel Outdoor
Beijing	76.8	**JCDecaux**/local companies
Shanghai	73.8	**JCDecaux**(2)
Los Angeles	66.3	**JCDecaux**
Dallas	65.8	**JCDecaux**/Clear Channel Outdoor

Source: ACI for the period November 2010-October 2011.

(1) *In 2004 we entered into an agreement with Tokyu Space Creation, a subsidiary of the fourth-largest Japanese advertising agency, for joint marketing of advertising space in 26 Japanese airports (including Tokyo) and our 175 airports.*

(2) *In joint venture with airport authorities.*

As of 1st January 2012, JCDecaux is operating, alone or in partnership, five advertising contracts in Asia's 10 largest airports:

Airport	Passengers (in million)	Contract holder
Beijing	76.8	**JCDecaux** (exclusivity in the international terminal T3) and other local operators for terminals T1, T2, T3
Tokyo Haneda	62.2	Tokyu Space Creation(1)
Hong Kong	52.8	**JCDecaux**
Jakarta	49.0	Local companies
Bangkok Suvarnabhumi	48.0	**JCDecaux**
Singapore	45.8	**JCDecaux**
Guangzhou	45.0	In-house sale agency
Shanghai Pudong	40.8	**JCDecaux**
Kuala Lumpur	37.3	Meru Utama
Incheon, KR	34.8	Donga Ilbo

Source: ACI Passenger traffic (November 2010-October 2011) – apart from Guangzhou, source Capa Centre for Aviation.

(1) *In 2004 we entered into an agreement with Tokyu Space Creation, a subsidiary of the fourth-largest Japanese advertising agency, for joint marketing of advertising space in 26 Japanese airports (including Tokyo) and our 175 airports.*

As of 1st January 2012, the geographic coverage of our advertising space in airports was as follows:

Country/region	Number of airports	Number of advertising spaces
France	33	7,273
United Kingdom	5	5,062
Europe(1)	61	10,411
North America(2)	26	4,702
Africa/Middle East(3)	41	3,595
Asia-Pacific(4)	9	4,368
Total	**175**	**35,411**

(1) *Germany, Belgium, Spain, Italy, Norway, Poland, Portugal and Sweden.*

(2) *USA.*

(3) *Algeria, Saudi Arabia and United Arab Emirates.*

(4) *China, India, Singapore and Tailand.*

3.1.2. Airport advertising contracts

JCDecaux prefers exclusive contracts for the operation of advertising space in airports. These contracts are subject to tender procedures and are generally awarded for a term of 8 to 15 years. As of 31st December 2011, the average remaining term (weighted for 2011 revenues) of our airport advertising contracts was 5 years and 11 months.

JCDecaux pays a percentage of its advertising revenues to airport authorities, varying on average between 50% and 70% of said revenue. However, the investment, as well as the operating costs linked to maintaining these panels, is much lower than investments for street furniture contracts.

3.1.3. Audience and traffic

Advertisers particularly value airport audiences, as they typically include a high percentage of business travellers, who are difficult to reach through traditional media. These travellers spend a considerable amount of time waiting for flights and luggage, and thus constitute a captive, targeted audience, relatively open to receiving an advertiser's message. The strengthening of security procedures in recent years has also contributed significantly to the lengthening of waiting time for travellers. Airport advertising represents one of the best ways for advertisers to reach this affluent audience that generally has little free time. This is also a very significant asset given the fragmentation of audiences observed in recent years (Internet, mobile telephony, etc.). More than ever, the airport is a strategic media for reaching this valuable audience.

Despite a difficult economic climate in Europe and a major natural disaster in Japan, the ACI reported a rise in passenger traffic in 2011 of nearly 5%. This increase was driven by the growth of international traffic +6.2% (+3.7% for domestic passenger traffic). The countries which experienced the strongest growth were, as in previous years, China, Indonesia, India and Brazil. In spite of the financial crisis, Europe experienced a marked increase in traffic of more than 7% and so became the leading region, worldwide, in terms of passenger numbers, ahead of the USA and the Asia-Pacific regions. However, it must be noted that this situation is bound to change rapidly. In fact, in its "2010 - 2029 traffic forecast" report, the ACI predicts that, at the current pace of traffic growth in Asia, in 2012, the Asia-Pacific zone will occupy the second place in terms of passenger traffic, and reach first place in 2013. By 2029, this region should represent nearly 40% of world traffic (vs. 27% in 2011).

3.1.4. Sales and Marketing

JCDecaux sells advertising packages for individual airports as well as packages that allow international advertisers to display their advertisements in multiple airports around the world. Our presence in 175 airports around the world, especially in the major airports of London, New York, Paris, Los Angeles, Frankfurt, Hong Kong, Shanghai and Dubai, is a major asset both with respect to international advertisers, for which we can design national and international campaigns, and with respect to the airport authorities that benefit from our ability to generate greater revenues and value per space as a result of marketing advertising displays nationally or globally.

Our global dimension in the area of airport advertising played a major role in the decision of the Frankfurt, Stockholm, Rome and Shanghai airports, which previously had in-house agencies, to work with us in managing their advertising over a long period to maximise their advertising revenues per passenger.

Another major advantage is that we design and position our own airport advertising structures to blend in with the overall design and architecture of airport terminals and provide advertisers with the best possible exposure and impact to reach their target audience.

Our products include a wide range of advertising structures in different formats, as well as exhibition spaces and advertising on trolleys. Panels are placed where passengers tend to congregate, such as at check-in areas, passenger lounges, gate areas, passenger corridors and baggage carousel areas, offering advertisers the opportunity to interact with their target audience close to points of sale and in commercial areas of the airport. JCDecaux also designs custom-made advertising structures for advertisers, such as 3D products or giant display panels, which have the greatest impact on botharriving and departing passengers.

Targeting and measuring the audience for airport media

A pioneer in audience measurement, JCDecaux was the first outdoor advertising group to develop audience measurement systems specifically designed for airports such as Radar in Great Britain or MAP (Media Aéroport Performances) in France.

In terms of digital technologies, the Eyetracker study conducted by JCDecaux Airport UK provides a vital understanding of the audience's behaviour when viewing digital screens in the airport environment. Conducted by the only European agency specialising in "eye tracking", this study used cutting-edge technology using glasses fitted with tiny cameras that follow wearers' field of vision so as to accurately observe where they fix their gaze. This research provides the first confirmation of the high visibility of digital media. The 20 participants who wore the Eyetracker glasses produced 1,985 unique points of impact, i.e. an average of 99.25 impacts per person. This proves that each passenger views advertising messages on digital screens an average of 100 times as they pass through the airport.

In order to improve its understanding of the role and the perception of brand names in airports, in 2010, JCDecaux, in collaboration with OpinionWay, conducted the "Airport Stories" study on Paris CDG & Orly airports. In 2011, JCDecaux decided to extend the scope of this study to the New York JFK, London Heathrow, Frankfurt, Hong Kong, Chep Lap Kok, Singapore Changi and Dubai airports. The Airport Stories study demonstrates that the airport, a unique place of exchange and mobility, makes it possible to build an unmatchable "universal" brand experience that creates mutual values. It has been shown that the airport confers a status to brands (92% of persons interviewed said that advertising in an airport confers an international status to brands and 83% said that it reinforces their prestige). Moreover, the results of the Airport Stories World study demonstrate that the perception of brands within airports has a value-enhancing effect and creates an exclusive experience for its target audience.

Digital, experiential and services: growth levers for airport media

Digital screens are a key feature of the airport environment, whether for broadcasting information, advertising messages or content aimed at entertaining passengers. Offering closed environments and extended dwell time, airports are a place where passengers are willing to interact with digital media, actively wishing to download content and get to know brands better.

Operating over 4,100 screens in airports worldwide, JCDecaux offers advertisers a rich selection of effective digital solutions which may prove useful in increasing trade for travel retail spaces. An example of this digital revolution is Media Aéroport de Paris, which has resolutely opted for digital media by replacing all small-format spaces inside terminals with 70" digital screens. In the last quarter of 2011, 320 screens were installed, and this roll out will continue in 2012 with 30 additional 70" screens, resulting in a total of 350 screens by the end of the year.

In addition to its high visibility and impact, one of digital media's most greatly appreciated advantages is its flexibility. It is possible to broadcast content in real time, as IBM does every year at London Heathrow during the Wimbledon Open Tennis Championship, or to broadcast targeted messages such as the weather at the destination airport at boarding gates etc. Another example of the flexibility of digital media is demonstrated by Omega, the Official Timekeeper for the Olympic Games. On 14th March 2011, this advertiser officially launched the 500-day countdown to the games by commandeeringall the digital screens at Heathrow airport, those installed in the corridors of the Heathrow Express shuttle, and the "Torch" (unique advertising structure) screens on the M4 motorway. This punchy events campaign enabled the company to raise the visibility of the giant clock installed in Trafalgar Square ten-fold among an international audience.

At the cutting-edge of technology, JCDecaux's digital media allow for direct interaction with its exclusive audience of airline passengers. The Airport Stories World study demonstrates the power of engagement that digital media can bring to a brand:

- 66% of those asked wanted to download entertainment;
- 61% wanted to download offers and vouchers.

Digital media can, therefore, provide brands with ample resources to communicate, as closely as possible, the expectations of their target audience.

In addition, advertisers are always looking for ways to differentiate their products to really assert their brand within the airport. JCDecaux Airport offers tailored advertising solutions to enlarge and multiply the impact of a campaign, such as giant display panels, 3D displays, interactive furniture, exhibition spaces or relationship marketing. There are numerous examples of events campaigns in airports and these are replicated all over the world. One of the most high-profile campaigns in 2012 was for Porsche which, for the first time, simultaneously showcased its most exquisite models with four podiums at Shanghai Pudong and Hongqiao airports. Another great campaign was launched by Bayer, which installed a monumental 3D logo, 4.5 m in diameter (i.e. a structure weighing nearly 300 kg, lit by LED diodes) under the glass structure of Hall B at Frankfurt airport. In airport media, brands from all sectors have found a place to express original creativity, thereby allowing them to effectively raise their awareness.

Finally, passenger service devices also serve as high added-value communications solutions, for advertisers, passengers and airport authorities. One of the most emblematic examples is the NICT (New Information and Communication Technologies) charging stations, which allow passengers to work and charge their MP3 player or mobile before boarding. This invaluable service is a fine example of how passengers can maximise their time in the airport. New-York JFK was the first to introduce this service in 2003 with the roll out of 50 charging stations designed by JCDecaux and sponsored by Samsung. In 2009, this device was rolled out in a large number of new locations with charging stations in airports in Paris, Hong Kong, Frankfurt, Milan and Dubai. New sponsors also entered the field of play; in addition to Samsung, these included Oracle, LG, Télia, Aircel, the One World air alliance and even HSBC.

Another good example is clock sponsorship by a world-renowned brand. In this respect, Rolex, which had already been present for many years in New York's JFK airport and the Hong Kong airport, chose to highlight its skills and brand design in the Paris Charles de Gaulle, Paris Orly, Shanghai Pudong and Los Angeles airports. Other brands that chose to install clocks displaying their logos included Omega, at the Nice and Brussels airports, and Ulysse Nardin at the Bangalore airport.

3.2. Metro and other transit advertising

As of 1st January 2012, we had 282 advertising contracts representing 332,359 advertising spaces in metros, trains, buses, trams and rapid transit systems serving airports around the world.

3.2.1. Geographical presence

In 2011, JCDecaux won two contracts in the UK. First in January, it won the competitive tender for the advertising concession on the High Speed One (HS1) line, at the international railway terminals at St Pancras in London, as well as at Stratford and Ebbsfleet stations. Then in April, it won the competitive tender launched by the East Coast Mainline railway (a line which runs from King's Cross station in London right up to Scotland) for the advertising concession at York, Newcastle, Peterborough, Doncaster, Darlington, Wakefield Westgate, Durham, Grantham, Newark North Gate, Retford, Berwick-Upon-Tweed and Dunbar railway stations, i.e. 12 stations in total, thereby enabling JCDecaux to consolidate its rail coverage in the north and north-east of the country.

In Asia, JCDecaux broadened its scope, on the one hand, with the exclusive operation of the on-board TV channel in the Hong Kong Airport Express shuttle, launching a new brand, "AEX Motion", and on the other, by signing an exclusive 15-year contract with the Chongqing Rail Transit group on lines 1 and 3 of the Chongqing metro.

Thanks to these developments, at the end of 2011, JCDecaux was operating in ground transportation systems in 16 countries. With a massive presence, JCDecaux is the leading outdoor transport communication company in China. The Group holds advertising contracts for more than 29,000 buses in 10 Chinese cities. In metro, JCDecaux has held the MTR (Mass Transit Railway) advertising concession and the Airport Express Line (AEL) in Hong Kong since 1977. It also manages advertising spaces in Beijing, Nanjing, Tianjin, Shanghai and Chongqing. With more than 80% of the market share, JCDecaux's advertising displays in Chinese metro systems boast a massive reach. Thanks to JCDecaux China's advertising networks, an advertiser can now purchase spaces in five different cities: in addition to simplifying the purchase process for advertisers and agencies, this unique network also offers opportunities in terms of creativity and innovation, thus improving the impact of communication in Chinese metro systems.

In metro systems outside the Asia-Pacific zone, JCDecaux holds advertising contracts in the metro in Santiago in Chile, Turin, Milan, Rome, Budapest, Vienna, Prague and Oslo. In Spain, JCDecaux manages below-the-line advertising for the entire Madrid metro system, as well as all advertising on new lines created since 2007. We have also been managing advertising concessions for the Barcelona metro (a major medium for Spanish advertisers and agencies) and the Bilbao metro since 1999. Finally, in Germany, with the acquisition of a majority stake in Wall, JCDecaux is now in the Berlin U-Bahn.

In the other transport systems, JCDecaux has advertising contracts in several countries worldwide, including in Algeria (bus), Germany (trams and trucks), Austria (trams and buses), Bulgaria (trams and buses), China (buses), Spain (buses), Finland (trains and buses), Ireland (trams), Hong Kong (trams) and Macau (buses), Norway (trams, buses and trains), the Czech Republic (trams and buses), Qatar (buses and taxis), and Italy (buses/trams, with national coverage).

3.2.2. Metro and other transit advertising contracts

As of 31st December 2011, the average remaining term (weighted for 2011 revenues) of our metro and other transit system contracts was 5 years and 6 months. The initial investment sum and the operating costs linked to maintaining advertising panels in the metro are generally lower than those for street furniture contracts. JCDecaux also pays a variable fee to grantors, in the form of a percentage of advertising revenue.

3.2.3. Audience and traffic

The metro-riding population is comparable to the one for outdoor advertising (Large-format Billboard and Street Furniture). The same geomarketing techniques are used to maximise the impact of these advertising networks on the metro audience, and the effectiveness of the Group's commercial offerings to advertisers. In China, where it is the leader in transport advertising, JCDecaux conducted the first audience measurement study (R&F) for the Shanghai metro in 2008; this study was extended to the Beijing metro in 2009. The R&F (Reach & Frequency) audience study quantifies the impact of each advertising campaign in the metro system, providing reliable and objective media-planning indicators, such as audience quantification, repetition, GRPs or contacts, which allow advertisers and agencies to make clear choices and to optimise their campaign performance. The R&F study for the Beijing metro follows the external general audience measurement principles established by the Global Guidelines on Out-of-Home Audience Measurement (GGOOHAM) industrial committee, which issues global audience measurement directives for outdoor advertising.

The R&F study for the Beijing metro reveals that a traditional advertising campaign can reach more than 58% of the adult population in Beijing in just four weeks. This means that an advertiser can make 428 GRPs or 42 million effective visual contacts with a standard network of 100 illuminated panels. The figures are even better for targeted campaigns of particular interest to young people, graduates or high earners. For example, 607 GRPs are reached among white-collar workers, 42% above the average. The study therefore confirms that JCDecaux metro advertising network not only has a high impact within a closed environment, but also facilitates highly effective contacts among the targeted public.

3.2.4. Sales and Marketing

In 2011, transit media experienced great success with advertisers as a result of certain highly original advertising events.

JCDecaux, creating a buzz in the metro
To encourage agencies and advertisers to be more creative in their use of metro media, JCDecaux China has created two major events: the Best of the Best Awards and the Innovate Festival. The aim of these awards is to create high added value for advertising spaces while creating, in collaboration with its partners, a harmonious and creative metro culture.

The Best of The Best Awards, created in 2007, aims to encourage exceptional advertising campaigns and award the best campaigns displayed in the metro systems in five large cities (Shanghai, Beijing, Nanjing, Chongqing and Tianjin). Throughout the course of the evening, widely considered the most important annual event for China's outdoor advertising sector, JCDecaux presents 32 awards in ten different categories; the most prestigious awards are the platinum "Best of the Best Awards" for the "Best use of media", "Creativity", and the "Best digital campaign", respectively. The winners are selected by a panel of experts from the media industry, advertising, multimedia design and universities. In a move to promote interaction, JCDecaux China invited metro users to participate by voting in different categories such as the "Most popular charity campaign", thus establishing a platform for communication and exchange with the public.

The Innovate Festival in Hong Kong, organised by JCDecaux Transport in collaboration with the MTR (Mass Transit Railway) Corporation, aims to promote the creative potential of MTR media. From October to December, zones with the highest passenger traffic in key stations throughout the network are dedicated to creative advertising campaigns. Advised by JCDecaux Transport experts, brands and agencies are encouraged to let their imagination run wild and design innovative campaigns, whether this be through the use of technology, interaction with MTR users or dramatic use of the space.

The Hong Kong MTR is, indisputably, a real benchmark for creative advertising. In 2011, Galaxy Macau and JCDecaux Transport launched an advertising initiative on a previously unheard of scale for a metro in China (and probably worldwide) with nearly 10,000 square metres and 20 different formats solely devoted to promoting the new Galaxy Macau tourist complex. This creativity was also recognised by the advertising industry at the Kam Fan Awards (this annual event organised since 1984 by the HK4A's association is highly prestigious in Hong Kong) where McDonald's "18-Nugget Share Box" won the gold medal in the best below-the-line outdoor advertising campaign category. This campaign consisted of an interactive gaming device where users had to press 18 buttons at the same time to obtain a coupon for the famous 18 nugget box at the nearest McDonald's. In order to win the precious nuggets, metro users had to join forces, a source of moments of great hilarity and conviviality.

The metro and other transit systems: laboratories for new technologies

As is the case with airports, the closed environment of the metro provides an ideal location for digital media. The business models are of two orders:

- 100% advertising (or a very great advertising predominance). Aimed at a mass audience that is very mobile inside the stations and whose waiting time is limited (two to three minutes), the proposed programme loops are kept short in order to optimise advertisers' visibility. This model is predominant in Asia, the UK and Germany, and even in the Milan metro. Also, the Friedrichstrasse station in Berlin, where the new format was launched in 2010 is now totally digital;
- Content media aimed at informing and entertaining passengers, with an advertising panel. For example, in Austria, JCDecaux's dynamic display network in the public transport system, called Infoscreen, was launched in 1998 with three screens in the Vienna metro. Nowadays, it reaches 52% of Vienna residents and, with expansion to the cities of Graz, Linz, Innsbruck, Klagenfurt and Eisenstadt (totalling more than 1,100 screens all over Austria), Infoscreen offers advertisers national coverage of 18.2% of the population (1.3 million people). Programme content is split between 30% advertising messages and 70% information content (international news, politics, briefs, sports and culture) updated by 12 editors and graphic designers. The non-advertising content is provided by outside partners such as the national press, online media, radio stations, television stations and Reuters. In 2012, JCDecaux will extend Infoscreen programmes to the Vienna tram network. Between 2012 and 2015, all tram lines will be fitted with five screens per platform, nearly 1,000 screens in total, thereby doubling the number of screens broadcasting Infoscreen programmes in three years time.

Moreover, new technologies and interconnection via social media, generating earned-media are a formidable springboard for significantly increasing the impact of advertising campaigns in transport systems. 2011 saw two noteworthy campaigns:

The first was the Axe Angels campaign at Victoria Station in London. Travellers were invited to stand in a circle coloured in the brand's colours. Their image was then projected onto a giant screen where they were able to interact with a superb creature which was as angelic as it was virtual. In addition to the fact that this campaign experienced huge success when it was launched in March 2011, it was then rapidly brought to video on YouTube where, in early February 2012, it had over 1.1 million hits and over 1,300 likes.

The second campaign took place in the Santiago metro in Chile, where the Chilean supermarket chain Jumbo (Cencosud) offered metro users the chance to make their purchases from a virtual store by interacting with the advertising display through their mobile phone. The "Jumbo Mobile" process involved the display of one hundred or so everyday consumer products on a succession of back-lit shelves. All users had to do was scan the product's QR code with a smartphone to select it. As soon as the virtual shopping cart was completed, consumers were invited to identify themselves on the mobile website, and were then contacted within the next half an hour by their supermarket to confirm the order and agree the time and place of delivery. All orders placed before 7pm were delivered in less than two hours. A similar campaign was also rolled out in the Prague metro by JCDecaux Czech Republic teams. Interaction with new mobile technologies and, in particular, NFC (Near Field Communication) technologies are a source of extraordinary potential for brands, transforming simple advertisements into sales outlets in their own right.

4. BILLBOARD

JCDecaux is the leading Billboard advertising company in Europe in terms of sales *(source: JCDecaux)*. In 2011, Billboard accounted for17% of our revenues.

Our billboards are generally prominently located near major city and suburban commuter routes, allowing our advertisers to reach a wide audience. Our Billboard networks are in high-visibility locations in such major cities as Paris, London, Berlin, Brussels, Vienna, Madrid and Lisbon and offer advertisers extensive territorial coverage in each country.

The Billboard activity also includes illuminated advertising (JCDecaux Artvertising), basically the creation and installation of large-format neon signs. We also offer wall wrap advertising. Present in 8 countries, with 58 neon signs, we currently cover the major

European capitals and aim to strengthen our position in Asia and Central Europe. In 2011, illuminated and wall wrap advertising generated revenues of €16.9 million, accounting for 4.1% of total Billboard revenue.

4.1. Characteristic of Billboard contracts

We lease the sites of our billboards principally from private landowners or building owners (private law contracts) and, to a lesser extent, from city authorities (public law contracts), railway authorities, universities, or real estate companies. We pay rent directly to the owners of such land or buildings. Where state or local government property is involved, billboard contracts are generally awarded after a competitive tender process. In the United Kingdom, we also own certain sites where we install billboards.

Principal terms and conditions common to most of our private billboard contracts are as follows:

- a term of six years from the date of signature, with, for France, automatic renewal from year to year after expiration of the initial term, unless terminated earlier on three months' notice prior to expiration. Terms are longer in countries where the term is not limited by law;
- free access to the location to the extent required for installation and maintenance of the installation;
- provisions relating to the type of billboard, the type and surface area of the faces that may be displayed and the rent paid to the landlord;
- landlord responsibility for ensuring that the billboards remain visible, especially with respect to vegetation.

4.2. Geographic presence

As of 31st December 2011, we had 219,498 advertising faces. These were placed in 22 countries in Europe (covering nearly 1,300 European towns and cities of more than 10,000 people), three countries in the Asia-Pacific region (China, Singapore and Thailand), in Russia, in the Ukraine, Qatar and two in Central Asia (Kazakhstan and Uzbekistan). In 2011, we continued to pursue our strategy of improving the quality of our billboards by dismantling certain low-quality panels and replacing them with more state-of-the-art displays, backlit and scrolling panels. In 2011 we also further controlled costs by the removal of uneconomic panels altogether in a number of the more mature markets.

The neon sign advertising business is located principally in France, but we also operate this business in other countries, such as Belgium, Bulgaria, Norway, Poland, Spain and the Ukraine.

As of 31st December 2011, the geographic distribution of our billboards was as follows:

Country	Number of advertising faces
Europe(1)	128,805
France	45,108
Asia-Pacific(2)	302
United Kingdom(3)	34,582
North America(4)	1
Rest of the world(5)	10,700
Total	**219,498**

(1) *Includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Italy, Latvia, Lithuania, Slovenia, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Slovakia, Spain, Sweden and Turkey.*

(2) *Includes China, Singapore and Thailand.*

(3) *Includes Telephone Kiosk panels.*

(4) *USA.*

(5) *Includes Qatar, Russia, Ukraine, Kazakhstan and Uzbekistan.*

4.3. Our product offering

Our Billboard offering includes a broad range of products, with general coverage packages offering advertisers a true mass media audience over a wide geographic area, and more targeted packages that offer contact with specific audiences having certain demographic or socio-economic characteristics.

The size and format of our billboards vary across our networks, primarily according to local regulations. In all areas, though, our billboards and neon signs are characterised by a high level of quality and visibility, which is essential to attracting our advertisers' target audience. Our premium billboards are also backlit, which we estimate increases their audience by up to 40%.

The new billboards incorporate successful Street Furniture concepts, such as backlighting and scrolling panels. The use of scrolling panels increases the number of faces that can be marketed per display and creates new marketing opportunities, such as timesharing. Since the acquisition of Avenir in 1999, we have invested significantly to improve the quality of our Billboard network, especially in the major markets of France and the United Kingdom. This qualitative improvement has enabled us to strengthen the advertising effectiveness of our networks and differentiate our product offering to advertisers. For the most visible and prestigious displays, for example, we have continued to replace fixed panels with 8, 12 and 18 m^2 backlit scrolling panels called “Vitrines®”. In 2009 in the United Kingdom we expanded our coverage of these scrolling billboard products by winning public tenders for their provision at high traffic flow locations in the important cities of Southampton and Trafford (Manchester).

As of 31st December 2011, the Billboard division had installed 4,739 Vitrines® in France, 290 in the United Kingdom, 60 in Belgium, and 310 spread across eight other European markets mostly Norway, Portugal, Germany, Sweden and Spain.

In 2011 in France, 53% of the advertising faces offered in our short-term campaigns were illuminated. This is considerably better than our French competitors' networks, which had only 41% of their billboards backlit on average. In the United Kingdom, we also invested in recent years in this segment to increase the number of backlit panels.

In 2003, we were the first national UK Company to exceed a 50% illumination level. In 2011, we offer the largest supply of illuminated billboard panels in the UK *(source: Postar, Issue 115 2009).* This should enable us to continue increasing average revenues generated per face, since these panels reach a more significant audience.

In fact, impact studies by Carat, the leading French media agency and Postar, an audience survey institute for outdoor advertising in the United Kingdom, showed that an advertising campaign posted on scrolling panels (such as “Vitrines®”) had as much impact as an advertising campaign posted on a fixed panel, even though the exposure time is shorter. The mobility of the panel attracts attention and reinforces the effectiveness of the advertising message, making this type of panel particularly attractive to advertisers.

In some markets, particularly the United Kingdom, we have continued to bring forward new, large, landmark billboards (the Première line). These are large backlit panels, both horizontal and vertical to capture synergies with street furniture creative forms, in a range of sizes from 18 to 83 m^2 and situated only at the most prestigious and highest audience flow locations. As of December 2011, we had installed 782 of these high-quality panels, compared to 753 as of 31st December 2010, and 265 as of 31st December 2004, the year the Première offering was launched. After London, we have expanded this product to key locations in the other major cities of the United Kingdom, including Manchester, Birmingham, Glasgow and Leeds. The largest Première sites, 4.6m high by 18m long, include the Cromwell Road in London (a high-traffic route from the city centre to Heathrow Airport) and a new site next to Junction 2 on the M1 motorway (London's major gateway to the north). In addition we continued to support sales in 2011 with the completion of a landmark site in Manchester, the Trafford Arch, which is the only site in the UK to span a major highway. The arch spans a full 46m and carries an $83m^2$ advertising face.

In September 2005, we added M4 Tower, the United Kingdom's tallest purpose-built advertising structure (28.5 meters tall, as high as a seven-storey building), which is positioned for maximum visibility on the main highway to Heathrow Airport from London. Designed for JCDecaux by the award-winning architects Foster and Partners, the two $50m^2$ panels on the structure reach over 1.6 million consumers every week. Through innovative design incorporating thousands of mini-LEDs, the structure can change colour to reflect the corporate identity of the advertiser. In 2006, we continued building this type of unusual advertising display in locations near major, high-density traffic arteries. Thus, we erected the Torch on the M4 motorway in London, not far from the Foster M4 Tower, as well as a similar structure on the A3 motorway.

In 2009 we continued to invest in these high profile superstructures sites, strategically placed to expand our landmark offering and reinforce our London dominance in the run up to the Olympics in 2012. Two further towers were built on the M3 motorway and the A40M motorway in London next to the new Westfield shopping centre, the largest inner city mall in Europe. A further tower on the A40M has been added in 2011 where this major thoroughfare into London enters the central London area. This development has allowed us to leverage the most sophisticated network of sites leading into the city to develop business in the run up to the Olympic Games. In 2010 we further developed the Première offer geographically, expanding our landmark tower programme to include high audience sites in Trafford, Manchester and next to the M5 Motorway in Birmingham, the major artery for the UK's second largest city. We have continued to develop this geographic spread in 2011 to enhance our national offering surrounding the Olympic Games and beyond.

In 2008, we initially introduced 20 new digital billboard displays at high-impact locations in central London. These new structures are part of the Première line and enhance the attractiveness of these high value-added systems for advertisers, which is also particularly relevant in this key period before the 2012 Olympic Games. The new billboard structures offer advertisers the best digital display in the United Kingdom and have made it possible for us to attract new clients. These $18m^2$ LED billboards enable an advertiser to see its display downloaded automatically on 20 digital screens, to send multiple messages and to change the text in real time. The advertising displays are shown 60 times per hour and more than 20,000 times in two weeks. This platform, located on prime commuting routes, gives new opportunities to develop relationships with our customers. Tapping into commuters' desire to know what is happening in the world in 2011 we continued our partnership with Sky News to uniquely bring content to roadside outdoor. This is the fourth year of this successful collaboration. Updated via a live data feed, London PrimeTime provides the latest headlines in business news, sport, show business and weather as part of the display on the 20 digital boards.

We have continued to invest in our digital roadside platform. In 2010 we completed a further upgrade of the iconic Torch site with improved digital screens giving this sight on the key route from London Heathrow airport into the city the best resolution in large format screens available in the UK, enhancing the communication for our clients and the value of this key location to our customers. In early 2011 we maintained this process with the completion of the Stratford Digital Sail, a $36m^2$ digital panel situated on the major commuting route passing the Olympic Park. Also in 2011 we have built two further large format digital screens on the Cromwell Road, part of the major route between Heathrow and central London as part of our Digital Première offering. With these developments JCDecaux remains at the forefront of roadside digital offerings in the UK and indeed Europe. Such locations can be sold in conjunction with a Street Furniture network in order to increase the visual impact of a campaign, because of the unusual size of their structures.

Of particular significance in 2011 was the rise in use of these digital products, in conjunction with digital panels in other sectors of our business, to provide interaction for advertisers' customers via mobile platforms. Indeed advertisers are increasingly recognising the volume of social media activity that is conducted on mobile devices while out of the home and the place outdoor advertising has in stimulating discourse on these platforms amongst consumers. Clients such as Europcar in 2011, and Absolute Radio and Burberry in the early months of 2012 are using outdoor digital displays to engage customers with live feeds of content and in some cases permitting interaction with the displays via Twitter. We see this as a phenomenon which will increase in importance in the coming years.

In Germany, Wall AG, the Group's German subsidiary is also pursuing a digital strategy, innovating in digital outdoor advertising units for its national market. In August 2011, JCDecaux launched the first German network of digital outdoor advertising. Having started on the streets of Berlin, the network was subsequently extended to Hamburg. As an improved version of the City Light Boards (a similar existing billboard solution), these new advertising media provide maximum flexibility for campaigns, like the private spaces that allow the Group to attract new advertisers.

In all of these developments we have consistently removed old outdated formats such as trionic panels and replaced them with modern backlit vinyl, scrolling or digital adverting opportunities, maintaining a quality differential between ourselves and our customers which we believe allows us to better maintain price of sale. In addition JCDecaux has replaced a significant quantity of its traditional billboard stock with high definition billboards which carry a one-piece completely recyclable polyethylene poster. This conversion will not only make it possible for us to reduce their environmental impact, as a result of lower consumption of paper pasted to structures, but also to speed up the posting process and improve their visibility. This commitment to raising the quality of large format advertising is recognised within the buying marketplace and we believe gives us a competitive advantage.

4.4. Sales and marketing

Our Billboard network markets itself under several brand names: Avenir in France and Spain, JCDecaux in the United Kingdom, Ireland, the Netherlands and several other European countries, Gewista in Austria, Europlakat in Central Europe, WallDecaux in Turkey, Belgoposter in Belgium, and IGPDecaux in Italy.

All advertising space is sold by our own sales forces to advertisers or to their advertising or media agencies.

A large proportion of our Billboard business comes from short-term seven- to fifteen-day advertising campaigns, although in some countries, such as France, long-term packages ranging mainly from one to three years also contribute significantly to revenue. Long-term packages tend to be purchased in order to provide directions to the location of a particular advertiser or to promote its brand or corporate image.

Because of our unique presence and advertising network in Europe, we are able to offer advertisers' pan-European, multi-display and/or multi-format campaigns. Our global sales and marketing division, JCDecaux OneWorld provides a single point of entry for international clients wishing to access our sales, research tools and JCDecaux Innovate products worldwide, further enhancing established partnerships. JCDecaux OneWorld specialise in the international coordination of advertising campaigns, has undertaken pan-European advertising campaigns for prestigious advertisers supported by unrivalled tools and research expertise to enhance our client's outdoor communication.

Unlike Street Furniture advertising, prices may be discounted from our standard rate cards, consistent with market practice. This practice led us to develop a system that allows our sales force to optimise Billboard network sales. Thanks to our Yield Management system, our sales force can follow in real time the development of supply and demand for our advertising networks and can appropriately adjust discounts offered to advertisers in order to sell each Billboard network at the highest best price.

In France, an additional strategy was introduced in 2007, with the first mixed national display associating JCDecaux 2m² and Avenir 8m² faces: NOVEO. This idea involves sale at a price net of any discount. In 2009, we extended it through the launch of our exclusive CITY networks which includes City Trade, City Life and City Move. Those networks have been built upon sophisticated geo-marketing analysis in collaboration with Experian, a global micromarketing and data processing provider. In 2011, Avenir continued to refine its French national network offerings through an optimisation of coverage aiming at improving their attractiveness.

Each Billboard network is assembled in conjunction with audience measurement studies. These audience measurements are compiled on the basis of geomarketing data and tools, such as "Geo-Logic®", a unique geomarketing tool that compiles socio-demographic data on movement, behaviour, consumption and sectors of activity on the basis of geography crossed with net worth information. We use these data to help our customers to tailor their advertising campaigns to the characteristics of their target audience, such as age, gender, income, Internet usage or the proximity of panels to particular retail stores. This tool has also helped us in optimising the placement of our panels and selecting new sites.

Constructed with the help of these geomarketing tools and audience measurement studies, our Billboard networks address the specific communication objectives of our advertisers. Advertisers can buy networks that provide them with homogenous national or regional advertising coverage, or that focus coverage in a key city, or that are located near stores, movie theatres or metro stations. Use of these tools allows us, among other things, to sell our billboard networks on a time-share basis. With the advent of scrolling billboards and remote control technology, we are now able to manage in a very precise manner the display face that appears on a billboard at a given time. We offer our advertisers the option of targeting their potential audience at the times that such audience is most likely to be in the vicinity of a given billboard. Along the Paris Peripherique (ring road), for example, we now sell separate advertising packages on our panels during the morning, afternoon and evening hours. The same is true with the Paris network Chrono Connect, involving interactive content for mobile telephones. Similarly, we developed a unique line of targeted display systems in France at the national level. Avenir, our Billboard subsidiary in France, is the only operator today able to offer this to advertisers, due in large part to the quality of its national coverage.

Since 2008 our Billboard proposition has also been supported by the introduction of the Fast Forward concept. Initially particular retail clients took advantage of the rapid posting made possible. A good example was major food retailer Morrisons who used the increased flexibility and turnaround time on posting to promote money off vouchers available in the national press. In many case clients moved money that would have been spent in the press and in some cases were still able to use outdoor even if the creative was approved late on standard campaigns. We believe that in 2011, due to the market being much more short term in nature across a wide range of product categories, the ability of our teams to take advertising copy relatively late made the our proposition more flexible and benefitted us financially.

In 2011 the UK adopted a practice, common in some parts of American media sales, of an "upfront" presentation of our offer, in this case specifically for the period leading up to and encompassing the Olympic games, due to be held in the UK in 2012. A specifically designed presentation in London's St Pancras Station allowed us to secure a majority share of business from key Olympic sponsors in the auction that immediately followed this initiative.

Our Billboard offering also benefits from the developments of our JCDecaux Innovate concept. We have been able to attract new advertisers with imaginative uses of our scrolling billboards, by adding LCD panels to large format boards and by using lens technology and special lighting techniques. Finally, in the United Kingdom, we have developed a new, innovative billboard technology called Chameleon, which makes it possible to put up two completely different displays, night and day, on a single backlit structure. We financed this innovation and own the exclusive marketing rights to use it for our customers.

At the end of 2011, JCDecaux presented its 2012 commercial and marketing strategy for France to the advertising market. In partnership with Bureau Veritas Certification, JCDecaux developed a new approach in France which allows for the formalisation of market standards, by certifying the quality of 10,000 of JCDecaux's 8m^2 clip-frame, back-lit furniture.
JCDecaux set up a Quality Committee composed of six advertisers (Auchan, Bouygues Télécom, Caisse d'Epargne, L'Oréal, Orangina Schweppes and Volkswagen), four media agencies (Havas Media, Posterconseil, Posterscope and Vivaki), one advertising agency (Fred & Farid), JCDecaux and Bureau Veritas. This Committee worked on nine criteria for furniture (five differential criteria such as isolation of the billboards, for example, and four contextual criteria), awarding marks which allowed them to reach a classification for 8m^2 furniture in four segments: Diamond, Gold, Silver and Bronze. This reference framework is open to other players in the outdoor communication market.

OUR ADVERTISERS

1. KEY ADVERTISERS

We have constantly sought to broaden and diversify our customer base. Diversification provides opportunities for growth and protection against the volatility of certain types of advertisers' budgets.

In 2011, as economic conditions continued to improve around the world, we believe that the positions we have established in emerging markets, especially in China and the Middle East region, and the long term partnerships we have fostered with leading advertisers continued to help us recover more quickly than some other media owners with a less diverse international base.

With revenues from only four advertisers accounting for more than 1% of our consolidated Group advertising revenue, JCDecaux maintained in 2011 a low dependency upon one single client. Nevertheless our leading advertisers remained remarkably stable with eight of our top ten advertisers remaining the same in 2011 as in 2010. Our established long term collaborative arrangements with leading customers on a national and international basis meant that as confidence returned, particularly in the area of branding and image, we were well positioned as a cost effective media supplier. For example, HSBC, which significantly increased its advertising spending with JCDecaux in 2010, notably increased their level of investment again with us in 2011, and remained our largest customer. The continued improvement in confidence in the luxury products area and our ability to deliver a consistent quality communication in major markets throughout the world resulted in significant increases in investment with us from L'Oreal, LVMH and Estee Lauder, who are in our leading advertiser list for the first time. The Coca-Cola Company increased spend in 2011 and remains one of our leading advertisers thanks to an ever closer international relationship based upon our unique offering. The Volkswagen Group continued with a high investment in our group in 2011. Hennes & Mauritz, Unilever and Samsung, although reducing spend from previously very high levels with us continued to invest strongly. Finally JP Morgan Chase entered our top 10 advertiser list having significantly increased their investment with us.

Our top ten advertisers in 2011 accounted for approximately 11.3% of our consolidated revenues, compared to 10.9% in 2010 and are: HSBC Group, L'Oréal, LVMH, Samsung, Volkswagen Group, Estee Lauder, Coca-Cola, Unilever, Hennes & Mauritz (H&M) and JP Morgan Chase.

Breakdown of advertisers by industry

The following table shows the breakdown of our advertising revenues by industry in 2010 and 2011:

	% of the total	
Industry	**2011**	**2010**
Retail sales	14.0	13.9
Leisure / Entertainment / Film	13.2	13.4
Banking/Finance	10.5	10.1
Luxury and beauty products	10.2	8.9
Telecom / Technology	7.9	7.5
Food and Beverage	7.4	8.3
Services	6.9	7.7
Fashion	6.5	6.5
Automobile	6.0	6.2
Travel	5.3	5.2
Wines and spirits	2.5	2.3
Restaurants	2.4	2.5
Government	2.1	3.0
Beer	1.8	1.8
Internet	1.4	0.5
Tobacco	0.7	0.8
Other	1.2	1.4
Total	**100**	**100**

Cyclicality and seasonality
Advertising spending is highly dependent on general economic conditions. In periods of sluggish economic activity, companies often cut their advertising budgets more drastically than their spending in other areas. Consequently, our advertising business is dependent on the business cycle. The location of street furniture in city centres makes it particularly attractive for advertisers, limiting its susceptibility to economic swings. This phenomenon allowed us to maintain growth in Street Furniture revenues during

the recessions that occurred in France in 1994, 1995, 1996, 2001 and 2002. In 2009 the unprecedented magnitude of the advertising recession did not enable Street Furniture to be significantly more resilient than the rest of the traditional media industry.

Traditionally, and particularly in France, our business slows down in July and August, as well as during January and February. To offset these slowdowns, we grant discounts on our advertising prices during July and August.

2. CHARACTERISTICS OF ADVERTISING CONTRACTS

Advertising contracts are generally entered into by advertising agencies hired by advertisers, but may also be entered into directly with advertisers themselves.

We sell advertising space on structures where the faces are grouped into networks. Advertising campaigns normally last from 7 to 28 days (short term), or over a period of 6 months to 3 years (long term).

Most often, contracts relate to one advertising campaign and specify the panels and week(s) reserved the unit, prices, the overall budget, and the applicable taxes. Posters are supplied by the advertisers. Each week we prepare the posters ourselves prior to distributing them to regional or local agencies for posting across the network. Once the campaign is launched, we check that the actual advertisements posted correspond to the terms of the contract. Billing for the campaign is calculated on the basis of actual advertisements posted.

3. JCDECAUX ONEWORLD: SERVING OUR INTERNATIONAL ADVERTISERS

The decision in January 2009 to merge our long established international sales and marketing divisions to form JCDecaux OneWorld has benefited us again in 2011 with a further strong increase in the revenue stream from this centralised source, following similar success in 2010. JCDecaux OneWorld has given our leading international clients a single clear point of access to the Group's international portfolio, across all business sectors, and permits us to better service and develop new business opportunities with these customers. The centralised resource simplifies the process of purchasing international campaigns for advertisers that develop their media strategy on a European, regional or international scale and we believe has allowed JCDecaux to show leadership in developing tools for our customers to improve and evaluate their outdoor communication effectiveness.

With offices located in London, Paris and New York, JCDecaux OneWorld is also responsible for developing and managing alliances with international advertisers in the more than 50 countries where we do business. Based upon their success in this respect over the last three years, driving new business growth via a streamlined international co-ordination of our international client relationships, we have expanded the resource with further new Global Client Service Directors based in Asia for 2012. Part of the OneWorld team they will also work closely with the commercial directors of the Asian markets to simplify the global interaction with our group of clients based within these markets, where burgeoning strong regional players seek to expand activities to other areas of the globe. We believe that will allow the group to deepen and broaden usage of our products throughout our global footprint for our largest clients and encourage smaller businesses in these markets to utilise JCDecaux when expanding into new territories.

Recently, JCDecaux OneWorld has successfully completed international campaigns for customers such as Calvin Klein, Dolce & Gabbana, Prada, Armani and Vans (part of the fashion VF Group). The centralised resource has allowed us to enhance our international relationship with Procter & Gamble and LVMH, with respect to our airport division particularly. Also in the resurgent luxury Products sector JCDecaux OneWorld has operated and international collaboration with Esteé Lauder, resulting in a significant expansion in their investment with us. Similarly in this sector this division has simplified the purchasing for the L'Oreal Group across our operating markets, where a consistent, premium presentation was a necessity. JCDecaux OneWorld is also instrumental in fostering relationships with various airlines and international tourist offices.

Of particular note in 2011 was a growing collaboration with digitally advanced advertiser Burberry, which was embracing out of home on an international scale for the first time in both our airport and roadside divisions including our premium digital opportunities. JCDecaux OneWorld was able to partner with this already digitally astute advertiser to leverage both our digital and non-digital assets in new and innovative ways.

JCDecaux OneWorld creates innovative campaigns by emphasizing the creative and universal aspects of a display in order to create a truly international advertisement. We have developed tools with global application such as the Outdoor Creative Optimiser, which allow clients to optimise the effectiveness of their campaign communication and have shown leadership in the development of increased outdoor industry accountability. In addition JCDecaux OneWorld manages international co-ordination of JCDecaux Innovate, a means by which the Group shares creative and innovative ideas throughout the world, and allows us to develop and attract new customers beyond individual country borders.

Our group has also continued our long term international alliances, such as the one with Unilever, which was previously renewed and extended to 41 countries around the world. We have also entered into new alliances such as that with Sony Pictures Entertainment and in the areas of finance, consumer products, technology, large-scale retail and cosmetics. These international alliances managed by JCDecaux OneWorld, enable us to strengthen the attractiveness of outdoor advertising for our major customers.

RESEARCH AND DEVELOPMENT

The success of JCDecaux within the outdoor advertising market has always been based upon an ambitious research and development policy and a unique capacity for innovation. By constantly developing new street furniture and public service supports, by expanding its offering with new and innovative products such as the self-service bicycle system or developments in digital screens, JCDecaux plays its role as Cityprovider to the full and actively contributes to creating the city of tomorrow but also to making the environment within transport infrastructures (airports, metros, etc.) more serviceable and harmonious for users.

Grouped together within the Research, Production and Operations Department, the Research and Development Department and the Design Department work together to develop new products. Quality, aesthetics, functionality and environmental performance are the main features of JCDecaux creations.

The Group therefore works with internationally recognised architects and designers. These include Philippe Starck, Lord Norman Foster, Robert A.M. Stern, Mario Bellini, Jean-Michel Wilmotte, André Poitiers and Patrick Jouin. The contracts signed guarantee exclusivity for JCDecaux over the work of its creators for the types of products defined, thus ensuring their maximum creativity.

Our teams constantly strive to incorporate more innovative services into the products they develop, with their main concern being their integration into their environment, whether this is urban or indoor.

Product design is guided by eco-design principles. We therefore incorporate eco-design strategies when creating new products. The materials used are of the highest quality and maximum strength. Reduced energy consumption, adaptation to useful life and recyclability are at the core of our design processes. A reduced ecological footprint is therefore ensured for each of our products.

The constant search for design excellence and the integration of sustainable development into our design activities has been rewarded on several occasions, through such prestigious awards as the Good Design (the world's oldest and most prestigious award) and the Green Good Design which rewards the integration of sustainable development into the design of industrial products and promotes public awareness of these eco-responsible companies.

The consistent efforts and results obtainedh in terms of mastering the design process and the commitment to sustainable development have also been recognised by the renewal of research and development activities in 2011 managed by the Research, Production and Operations Department following the external audit for ISO 9001 and ISO 14001 certifications.

In 2010, we confirmed and consolidated the changes in organisation initiated in 2009 to make them even more adaptable and more responsive to technological changes as well as to the new needs of our principals and advertisers. This strengthened our cross-disciplinary approach and activity management in Project mode.

We made significant breakthroughs in the area of acquisition of expertise and the development of products based on Digital technologies. Our R&D, Purchasing and Digital Media teams put out a full range of equipment for meeting indoor and outdoor needs. These included: LCD and PLASMA displays in formats ranging between 17" and 103", LED displays with a 20 mm to 4 mm pitch depending on use and allowing formats of several tens of square metres. These products were developed and selected after very extensive assessment procedures (tests in laboratories, tests under real-life conditions, and comparative tests in the presence of manufacturers). They ensure that JCDecaux has the most technically efficient products to create the most value for the company. These developments have been implemented via the installation of devices in Europe (The Torch and other landmarks in London, the metro in Oslo and Barcelona and Paris airports) and Asia (Shanghai and Singapore airports).

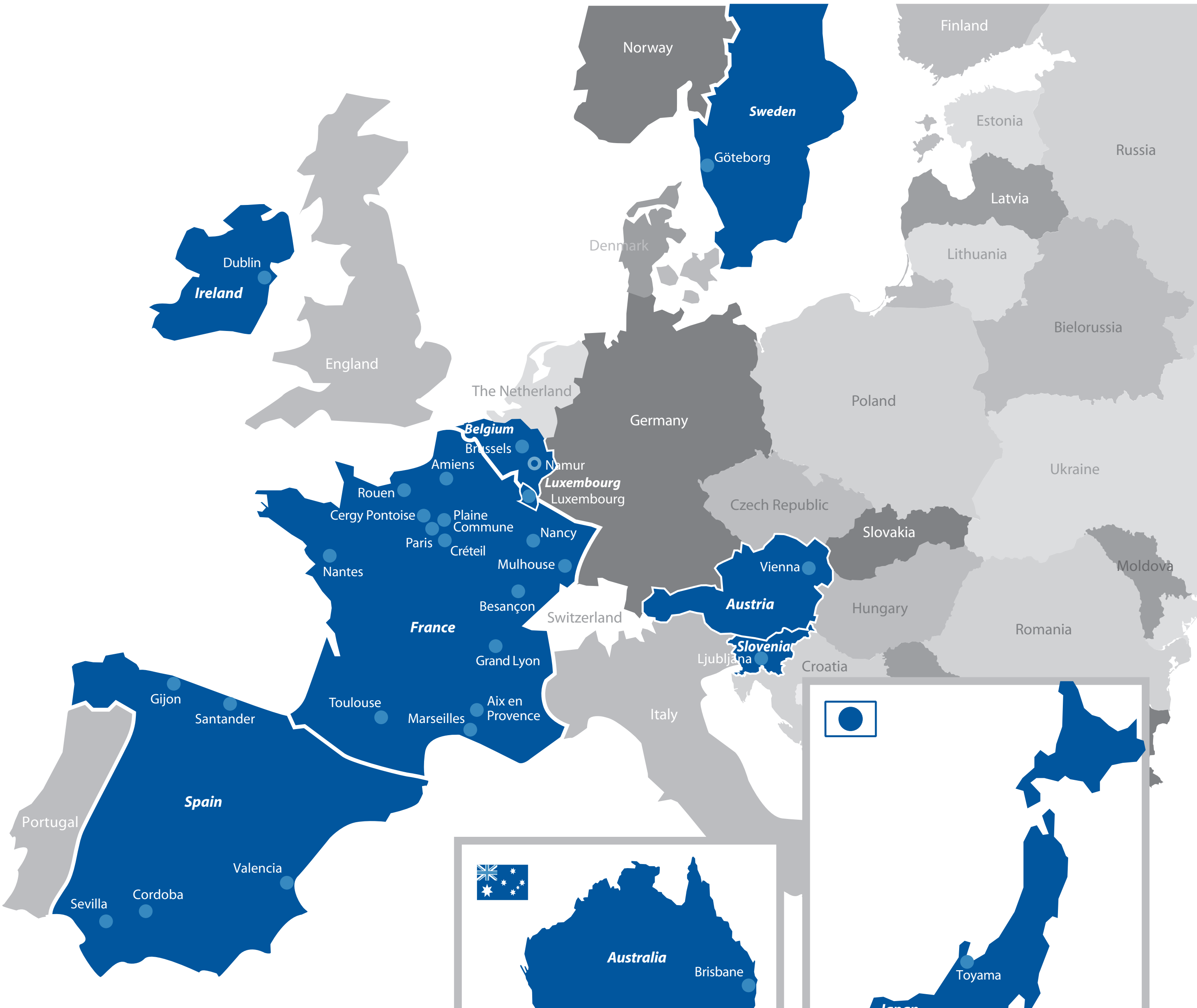
We also worked in collaboration with the IT Department to select and produce a centralised monitoring platform for the controlled and secure presentation of content on all the digital advertising units operated by the Group worldwide and also to provide technical monitoring and remote maintenance.

We also worked on innovating mobility and interactivity technologies with the development of service platforms using open source Android technologies (Intelligent Street Furniture in Paris), GPS, NFC and image recognition (USnap).

Finally, in terms of the sustainable development policy, JCDecaux's R&D teams have produced important studies on the adaptation of the existing systems for energy reduction and the use of green energy. There has been significant progress in the selection of energy efficient electronic components, the adaptation of software layers and the integration of solar energy. The teams have also validated full-scale autonomous energy prototypes.

In 2011, JCDecaux chose to continue investment in research and development, in particular in the digital field: €8.8 million has been set aside for this, representing a 5% increase on 2010 (€8.4 million).

The portfolio included 705 patents and models, thus demonstrating our commitment to this policy, as well as the creative vitality and innovative power of our teams.



CyclOcity

Country	City	Start date
Austria	Vienna	October 03
Belgium	Brussels	May 09
	Namur	March 12
France	Amiens	February 08
	Aix en Provence	June 07
	Besançon	September 07
	Cergy Pontoise	March 09
	Créteil	April 10
	Grand Lyon	May 05
	Marseilles	October 07
	Mulhouse	September 07
	Nancy	September 08
	Nantes	May 08
	Paris	July 07
	Plaine Commune	June 09
	Rouen	December 07
	Toulouse	November 07
Luxembourg	Luxembourg	May 08
Spain	Cordoba	September 03
	Gijon	July 04
	Santander	September 08
	Sevilla	July 07
	Valencia	June 10
Ireland	Dublin	September 09
Sweden	Göteborg	August 10
Australia	Brisbane	October 10
Japan	Toyama	March 10
Slovenia	Ljubljana	May 11

● Bicycle stations already in operation
○ Planned bicycle stations

SUSTAINABLE DEVELOPMENT

1. THE GROUP'S SUSTAINABLE DEVELOPMENT POLICY

In 1964, when Jean-Claude Decaux invented the concept of street furniture with advertising, his core insight was that citizens and towns could have products and services funded by advertising. From the very beginning, sustainable development has been at the heart of the economic model, which is to design and develop street furniture products that combine public service for users, good design, functionality and advertising effectiveness for advertisers. Over the years, as the business has grown, the Group's commitment has taken a more structured form, through pro-active policies on quality, the environment and more recently a comprehensive approach to corporate social responsibility that covers environmental, social and stakeholder issues.

The setting up of the Sustainable Development and Quality department in 2007 reflected a determination to create a Group-wide response to the challenges of sustainable development and to reinforce JCDecaux's CSR approach.

The creation of the department was closely followed by strong commitments, formalised in 2008 in the Sustainable Development Company Statement signed by Jean-François and Jean-Charles Decaux, and also in the Group Code of Ethics and Charter of Fundamental Social Values.
At the same time, an extra-financial reporting system was put in place to collect CSR data from subsidiaries so the Group could monitor and measure its actions and get a fully rounded view of where it stood.

JCDecaux**,** n°1 worldwide in outdoor advertising, is aware of its responsibilities and is committed to working in a responsible manner by reporting back to its stakeholders on its sustainable development policy, i.e. actions taken on environmental, social and stakeholder issues and on the progress made.

1.1. Sustainable Development and Quality Department

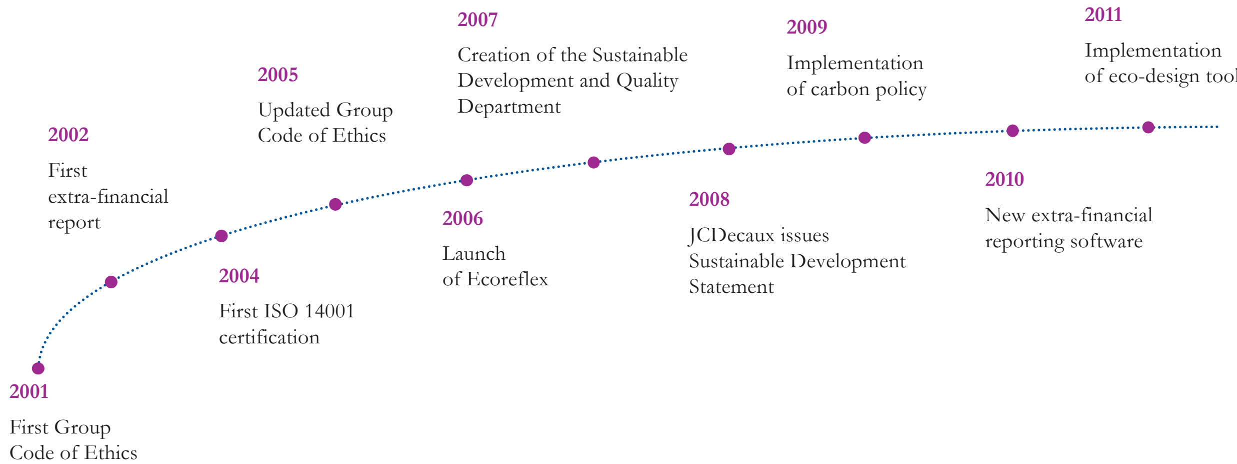
The corporate Sustainable Development and Quality Department, which is involved at all key points in the value chain and at the heart of the company's everyday activities, has a wide field of action embracing all the Group's businesses.

Its duties are to:

- Propose and implement the Group's sustainable development strategic direction;
- Bring together and support the Group's business lines and subsidiaries in implementing their sustainable development programmes in line with Group strategy;
- Manage and coordinate sustainable development action plans;
- Conduct the Group's quality policy.

The department reports directly to a member of the JCDecaux Executive Board, who is responsible for all issues related to sustainable development.

1.2. Sustainable Development Policy History



1.3. JCDecaux's commitment to Sustainable Development

In 2008, the JCDecaux Sustainable Development Statement was issued to all JCDecaux employees and to external stakeholders via the Group's website. The statement asserts the company's environmental and CSR commitments to external stakeholders and employees.

Sustainable Development Statement published in 2008

Since the beginning, JCDecaux has been committed to working proactively with cities, transport companies, airports and advertisers as well as media and advertising agencies to improve the urban environment.

The Group has become one of the world's leading outdoor media companies through developing innovative products of the highest quality whilst respecting rigorous standards of ethics.

It is JCDecaux's continued dedication to these values that will maintain its industry leading position.

JCDecaux and its subsidiaries endeavour to:

- pursue and intensify the implementation of measures aimed at reducing the impact of the company’s activities on the environment: in particular, by reducing energy and water consumption and recycling billboards and other waste, in addition to other measures;
- pursue eco-design in the re-engineering of existing products and the creation of new products; intensify the use of lifecycle analysis; and increase the development and implementation of "green" products;
- accelerate the ISO 14001 certification process;
- develop and implement a policy to reduce carbon emissions;
- proactively support, by offering our products and services, the sustainable development policies of the cities, transport companies, airports, corporate landlords, advertisers and media and advertising agencies that we work with;
- develop a specific measurement tool to monitor improvements;
- encourage and support internal professional development without discrimination;
- provide a safe, sound and efficient working environment for our employees;
- maintain our commitment to causes that the Group has chosen to support;
- involve all our teams, through local initiatives, in the Group's day to day commitment to developing sustainability.

The great challenge of the 21st century is to pursue economic development while at the same time respecting mankind and the environment; this is at the core of our company culture and values. The continued involvement of JCDecaux's teams on these subjects underlines the Group's dedication to fulfil its global corporate responsibility commitments.

1.4. Group Codes

In parallel with the Sustainable Development Statement, JCDecaux has developed Codes that formally set out its values and principles. These represent clear commitments by the management and employees, stipulating the rights and responsibilities of everyone in the Group, whatever their profession and level of responsibility.

The Group Code of Ethics lays down the rules of conduct for all employees.

The Charter of Fundamental Social Values describes the Group's commitment to Human Rights and bolsters the protection of fundamental employment rights for all its employees.

1.4.1. Code of Ethics

The Group Code of Ethics was first issued in 2001 and updated in 2005 and again in 2009. It is composed of two sets of rules:

- Fundamental Ethical Rules which apply to dealings with government agencies, shareholders and financial markets, and in particular:
  - compliance with European and national laws and regulations on free and fair competition between companies;
  - an absolute obligation to refrain from all active or passive corrupt activity;
  - compliance with the fundamental principles of labour law as established by the International Labour Organization.
- code of Good Conduct regarding relations with suppliers and customers, as well as with fellow employees within the Group. The rules it contains must be implemented in each of our companies, in accordance with applicable local laws and regulations. Compliance is the responsibility of the Group’s directors, both in France and elsewhere.

A Group Ethics Committee, consisting of the Chairman of the Audit Committee, who is an independent member of the Supervisory Board, the General Counsel and the Director of Internal Audit, is responsible for ensuring compliance with the founding ethical rules, set out in the Code of Ethics, essential to the existence and success of the Group.

The Code was signed in 2009 by all managerial staff and all those whose responsibilities would allow them to make commitments on behalf of the Group, whether to government agencies or to customers and suppliers. It has been translated into several languages and has been published on the Group's Intranet site; a public version is available under the Sustainable Development section of the Group's website. The Code is reviewed regularly.

1.4.2. The Charter of Fundamental Social Values

In 2011, JCDecaux decided to strengthen its policy on Human Rights by developing, in addition to the Code of Ethics, a Charter of Fundamental Social Values.

This Chater, which is due to be implemented during the first half of 2012, draws on the United Nations Universal Declaration of Human Rights, the International Labour Organization's Fundamental Conventions and the Organisation for Economic Cooperation and Development's Guidelines.

It sets out the corporate rules applying to all Group subsidiaries. The rights listed include the ILO's eight Fundamental Conventions as well as rights on health and safety, working time and paid leave.

1.5. Recognition by international indexes

The principles and values that govern the Group have led to JCDecaux winning international recognition for its corporate social responsibility. The Group's commitment to sustainable development underpins an approach of continuous improvement, in which initiatives are continued and intensified from year to year.

JCDecaux's commitment and performance are reviewed by extra-financial rating agencies as well as by fund managers and analysts specialising in socially responsible investment.

JCDecaux has been included in the three leading ethical investment indexes, which list the best companies according to strictly defined criteria of corporate social responsibility:

- since 2003, the ASPI Eurozone® index which consists of the 120 companies in the DJ Stoxx SM universe that achieve the highest CSR ratings from Vigeo;
- since 2007, the DJSI (Dow Jones Sustainability Index);
- since 2009, the Excellence Investment Register compiled by Forum Ethibel. This register identifies companies that are pioneering or leading the field in terms of CSR within their business sector.

This recognition reinforces JCDecaux's commitment to develop its business in accordance with ethical, human, social and environmental values.

In 2012, JCDecaux entered the Global 100 rankings of the world's 100 companies that best combine financial and CSR performance.
JCDecaux, currently number 83, is one of eight French companies selected by the Canadian Corporate Knights magazine, which specialises in sustainable capitalism.

Every year since 2008, the Group has reported publicly to the Carbon Disclosure Project, an independent non-profit making body, which works to reduce companies' greenhouse gas emissions.

1.6. Extra-financial reporting

Extra-financial reporting is overseen (except for employee data) by the Sustainable Development and Quality Department and enables JCDecaux to monitor its extra-financial data. Thus sustainable development reporting, which has been in place for several years within the Group, is reviewed annually to ensure it matches up against the best international benchmarks, such as the GRI or ISO 26000 standards.

In 2010, JCDecaux installed dedicated reporting software for the collection and compilation of data, which allows the collection and analysis of environmental and social data reported by Group subsidiaries in a quicker and more accurate way. Once consolidated, the data are used to compile the Group's extra-financial performance indicators to manage its sustainable development commitments over time.

The scope covered by extra-financial reporting was extended further in 2011, to include more than 90% of revenue and staff (FTE), and the quality and reliability of the data reported are both improving.

1.6.1. Reporting scope

All JCDecaux's activities, billboard, street furniture and transport, come within the extra-financial reporting scope. The activities of suppliers and subcontractors are not included, however.
Companies included in the reporting scope are all those owned by JCDecaux and consolidated either fully or by the proportionate consolidation method.

Data are consolidated in proportion to the Group's percentage holding in each company.

1.6.2. Reporting timetable

Reporting is annual and data are prepared as at 31st December each year to harmonise with the Group's financial reporting.

2. ENVIRONMENTAL RESPONSIBILITY

In 2007, the Group carried out a carbon audit that identified its main sources of CO_2 emissions: street furniture, vehicles and buildings.

This was followed by the Sustainable Development Statement which set priorities for environmental action, according to the results of the carbon audit. These were to:

- Reduce the environmental impact of Group activities;
- Develop the use of eco-design;
- Continue to roll out ISO 14001 certification;
- Put in place a carbon policy;
- Support the sustainable development policies of its customers;
- Develop a specific measurement tool to monitor improvements.

These environmental commitments all led to concrete action, introduced at Group level and rolled out through the subsidiaries. Policies and actions put in place have allowed the Group to control, and in some cases reduce, the different environmental impacts of its activities.

These policies are set out below, in descending order of the importance of the environmental impact they address.

2.1. Carbon policy

2.1.1. Priorities for action

The Group has developed a global approach to cutting carbon emissions: a carbon policy, put in place in major subsidiaries in 2010, which seeks to curtail CO_2 emissions, prioritising two main sources: street furniture and vehicles. Carbon reduction targets were fixed for 2013, taking 2008 emissions as the base value.

Subsidiaries have developed specific action plans based on the principles of EN 16001 (energy management system), covering all direct emissions and electricity consumption to meet internally identified and validated targets.

Concrete actions were then set in train to systematically reduce the electricity consumption of street furniture, fuel consumption and power consumption by buildings, thereby cutting the Group's overall CO_2 emissions.

Carbon emissions

in Teq CO_2	2010	2011
Street furniture*	169,388	141,841
Vehicles	24,492	25,704
Buildings*	9,786	9,069
Total carbon emissions*	**203,666**	**176,614**
Scope 1[(1)]	28,764	29,661
Scope 2[(2)]	174,902	146,953
Carbon emissions prevented by purchase of renewable electricity	12,115	39,978

* *Published figures include carbon emissions prevented by purchases of electricity from renewable sources.*
(1) *Scope 1: all direct emissions caused by the burning of fossil fuels (oil, gas, coal, peat, etc.) by resources owned or controlled by the company.*
(2) *Scope 2: all indirect emissions generated by the purchase or generation of electricity.*

Stripping out the deduction of CO_2 emissions prevented by green electricity buying, the Group's emissions rose very slightly in 2011 (+0.4%), though this is particularly accounted for by the wider scope of extra-financial reporting.

Taking account of the Group's major investment in green electricity, total emissions fell by 13% in 2011.

2.1.2. Managing impacts

2.1.2.1. *Electricity consumption of street furniture*

Electricity consumption MWh	2010	2011
Street furniture	512,468	538,237
Buildings	21,108	19,727
Total	**533,576**	**557,964**
% green electricity	**7.9%**	**21.7%**

Electricity consumed by street furniture rose by 4.6% in 2011, particularly reflecting the increased scope of extra-financial reporting and also, in part, more reliable data.

Electricity consumption has been identified as the Group's main source of environmental impacts and reducing the electricity used by its street furniture is therefore the main focus of the Group's efforts to reduce its footprint. To achieve this, the Research Department is working to optimise the energy performance of its street furniture, using lifecycle analysis to identify all environmental impacts arising from its components, manufacture, use and end-of-life treatment. Initially contracted out, lifecycle analyses are now done in-house by the Research Department using dedicated software acquired in 2011.

Technology surveys, looking into the development of new concepts and analysis of different techniques that can be applied and generalised to all Group street furniture, are also carried out regularly. Traditional and new techniques are tested against each other and durability is also a factor in the choice of technologies for incorporation in street furniture.

One of the main areas where the electricity consumption of street furniture can be reduced is in the lighting systems. Research is under way into timed lighting solutions. Light-emitting diode (LED) technology could also have a major role in outdoor advertising in the next few years. This is a very robust technology, with interesting aesthetics, which uses less electricity and has a longer life than other lighting systems.

Measures taken by the Group can reduce street furniture electricity consumption. The gradual increase in the use of electronic ballasts for light structures offers energy savings of around 25%. Use of scalable electronic ballasts should save a further 25%.

The Research Department is also working to optimise motor systems for urban street furniture, potentially saving up to 60% of power used for this application.

The design of public toilets (Patrick. Jouin model) is a good illustration of how JCDecaux seeks to cut energy usage, with the use of natural light and other electricity consumption cuts yielding a 30% reduction in the consumption of electricity compared to the previous model.

2.1.2.2. *Energy consumption by vehicles*

Reducing vehicle fuel consumption is also one of the Group's priorities. To achieve this, JCDecaux has developed a number of specific actions.

Eco-driving
In 2011, the Group continued to roll out its eco-driving programme through the Group subsidiaries. Known in France as the "Black Gold" plan, the programme is designed to change the behaviour of drivers behind the wheel. Training sessions have been very successful in France: between 2005 and 2010 fuel consumption was cut by 15%.

Logistics planning
A process to optimise transport times has been put in place for journeys to install or operate street furniture. Maintenance and display-posting schedules are grouped by type of furniture and by location to limit journey times and fuel consumption. The implementation of systems for tracking journeys is under investigation in several subsidiaries to further optimise transport, and so reduce greenhouse gas emissions.

Eco-friendly cars
The Group is overhauling its vehicle fleet to take into account environmental concerns, particularly CO_2 emissions. When renewing or developing its vehicle fleet, JCDecaux systematically reviews the best available solutions for its activities and, wherever possible, operational staff use clean vehicles (NGV, electric, etc.). Since 2009, the number of clean vehicles used by the Group has risen 30%.

To enable employees to use non-motorised travel options, bike racks have been installed at a number of sites including France and the UK.

Energy consumption

MWh	2010	2011
Street furniture	512,468	538,237
Vehicles	98,768	103,113
Buildings	44,200	39,832
Total	**655,436**	**681,182**

Total measured energy consumed by street furniture rose by 3.9% in 2011, in part reflecting the increased scope of extra-financial reporting and more reliable data.

2.1.2.3. *Renewable energy sources*

Electricity consumption

MWh	2010	2011
Street furniture	512,468	538,237
Buildings	21,108	19,727
Total	**533,576**	**557,964**
including green electricity	42,032	121,549
% green electricity	**7.9%**	**21.7%**

The Group launched an ambitious programme to source green electricity, aiming to supply at least 20% of the Group's total usage.

In practice, the proportion of green electricity purchased (supply contract for green electricity or purchases of green certificates guaranteeing that the electricity comes from renewable sources) reached 21.7% of the Group's total consumption. Green certificates bought in 2011 were subject to strict quality specifications drawn up by the Group's Sustainable Development and Quality Department.

Renewable energies are also being built into innovative street furniture. Solar panels can be used to power non-advertising shelters in regions where the climate is suitable. In 2011, nearly 1,850 shelters had been equipped with this technology worldwide.

At the same time, the Research Department continues to research and experiment with integrating renewable energy into street furniture.

The installation of solar roofs on buildings owned by the Group is also under investigation in certain subsidiaries, usually when renovations are due.

2.1.3. Carbon offset

JCDecaux has implemented a global policy for reducing its environmental impacts. In addition, where impacts are irreducible, the Group voluntarily offsets part of its carbon emissions.

In 2011, the Group offset 800 tonnes of carbon. Offsetting was mainly used for carbon emissions from the vehicle fleet responsible for maintenance and rent-a-bike control, from volumes of waste generated as well as from air travel.

2.2. Water and waste

2.2.1. Current position

Lifecycle analyses by the Research Department have highlighted other environmental impacts from the Group's activities.

The biggest of these are waste, generated through all phases of the Group's activities, and water, used to clean street furniture during the operating phase.

Specific action plans have been put in place to reduce these impacts. Progress with these and associated policies are tracked in the annual extra-financial report.

The Group has set the following targets:

- Control water consumption;
- Control and recover waste.

2.2.2. Managing impacts

2.2.2.1. *Water*

Water consumption

m³	2010	2011
Water consumption	126,021	145,875
Rainwater consumption	3,315	3,944

The Group's water consumption increased by 15.8% in 2011, mainly reflecting the increased scope of extra-financial reporting and more reliable data. At the same time, use of rainwater rose by 19%. This policy continues by:

- Reducing water consumption;
- Expanding rainwater collection capacity and use.

The Group's capacity for water collection was over 745m³ in 2011, an increase of 1% on 2010. To achieve this, two recovery methods are used:

- Rainwater is collected in tanks by agencies;
- Rainwater is collected from buildings using water butts.

Water collected in tanks by agencies goes to fill the tanks on vehicles used by the maintenance staff to clean street furniture. Because rainwater is naturally soft, it reduces the quantity of detergents and water required for cleaning structures, helping lessen the environmental impact of the Group.

The possibility of incorporating rainwater collectors into street furniture is systematically examined. Installing water butts within the advertising columns in Paris and in new toilet units also helps reduce water consumption.

2.2.2.2. *Waste*

Total waste generated

tonnes	2010	2011
Total waste generated	18,834	21,378
% of waste sorted	57%	58%

The Group's total waste volume increased by 13.5% in 2011, mainly reflecting the increased scope of extra-financial reporting and more reliable data. At the same time, the volume of waste sorted increased by 15.2%.

Waste management is a major issue for the Group as waste production occursat all stages in the lifecycle of street furniture. Specific actions have been taken to meet two targets:

- Reduce waste volumes;
- Sort and recycle waste.

Eco-design of street furniture, based on life-cycle analyses, means the Group can choose materials for durability and recyclability, reducing the volume of raw materials used and of waste generated.

For instance, long-life fluorescent tubes need replacing less often, which reduces the volume of waste for treatment.

At all phases of the street furniture lifecycle, waste is selectively sorted at all Group sites, in accordance with local regulations in each country and the options for recycling and reuse available, including recovering billboards, fluorescent tubes, waste packaging materials, iron, aluminium, glass and gravel.

Also, JCDecaux furniture is designed with an average life expectancy of more than 20 years, which means it can be recycled at the end of a contract and reinstalled where possible, if the customer agrees, under a new contract.

Renovating furniture and reusing components in good condition help minimise consumption of raw materials and reduce the volumes of waste generated.

2.2.2.3. *Office consumables*

Group employees also play an important role in preserving the environment by adopting environmentally friendly behaviours in their everyday work. JCDecaux is currently working to raise awareness among employees about responsible use of office consumables.

An internal campaign was launched in 2006 to raise awareness among employees of good environmental practices using an interactive website, media releases and targeted displays. The programme, called Ecoreflex®, encourages JCDecaux employees to build simple specific habits into their daily lives which limit consumption of paper, energy and water.

For instance, the consumption of office paper in France, which had already declined by nearly 20% between 2007 and 2009, fell by a further 7.5% between 2009 and 2011.

In 2011, JCDecaux's General Services and the Sustainable Development and Quality Department in France, in association with coffee machine vendor Caron, won the ARSEG award, presented by the Association of Heads of General Services, in the sustainable development category for an eco-friendly partnership to reuse and reduce waste coffee grounds. At the Plaisir site in Yvelines department, 250 kg of used coffee grounds, 20% of the annual volume, will be used as a natural and ecological fertiliser for rose beds on the site. Also, Caron cups will be handed out to any employees who ask for them, thus reducing the number of plastic cups binned.

2.3. ISO 14001 certification

As part of its drive to cut environmental impacts and comply with the highest international standards for preserving the environment, the Group has for years been supporting subsidiaries that want to obtain or extend the scope of ISO 14001 certification. The Sustainable Development and Quality Department has written best practice guidelines for setting up an environmental management system that is ISO 14001 compliant. These guidelines have been distributed to all subsidiaries.

By 2011, 10 subsidiaries had been certified ISO 14001 compliant: Spain (2003), Norway (2006), France (2007), Italy (2007), Portugal (2007), the UK (2008), Sweden (2009), Finland (2010), Ireland (2011) and the Netherlands (2011) which together generate more than 50% of JCDecaux's revenue.

3. SOCIAL RESPONSIBILITY

JCDecaux, with 10,000 staff, sees its social commitment as key to its success.

Through its employee and Human Resources development policies, the Group aims to allow everyone to participate actively in his or her professional development in a fast-changing work environment.

The Group's commitments in the employment field, set out in the Sustainable Development Statement, are to:

- Encourage and support the professional development of employees;
- Provide a safe, healthy and efficient working environment for our employees;
- Make sure all teams are signed up to the company's commitments.

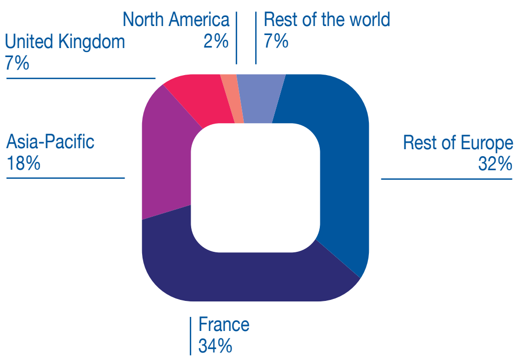
3.1. Headcount

JCDecaux has operations across five continents in more than 50 countries. Human resources are managed in a decentralised way by each subsidiary, giving the Group great flexibility to adapt its operating mode to better suit the local context and regulations, while complying with the Group Codes.

Breakdown of employees by geographic region (FTE)(1)

As of 31st December	2009	2010	2011
Rest of Europe	3,401	3,295	3,338
France	3,596	3,504	3,529
Asia-Pacific	1,621	1,695	1,812
United Kingdom	567	651	686
North America	212	204	198
Rest of World	540	594	741
Group Total	**9,937**	**9,943**	**10,304**

As of 31st December 2011



(1) *Headcounts shown above refer to all companies consolidated by full consolidation or by the proportionate consolidation method.*

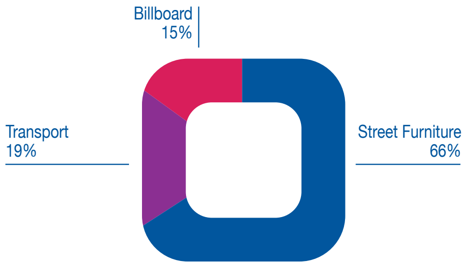
Group headcount rose 3.6% in 2011. This was mainly due to strong growth in the Group's business and the acquisition of new companies such as Mediakiosk in France.

The 3,529 employees working in France make up 34.2% of the Group's total headcount, so France's social policy is regularly cited as an example of Group policy.

Breakdown of employees by business (FTE)[1]

As of 31st December	2009	2010	2011
Street Furniture	6,631	6,591	6,788
Transport	1,722	1,769	1,929
Billboard	1,584	1,583	1,587
Group Total	**9,937**	**9,943**	**10,304**

As of 31st December 2011



(1) *Headcounts shown above refer to all companies consolidated by full consolidation or by the proportionate consolidation method.*

The Street Furniture business employed 66% of the Group's staff in 2011, a slight decline on 2010. The proportion working in Transport rose since 2010 to 19% of the headcount in 2011.

Breakdown of employees by expertise (FTE) [1]

As of 31st December	2009	2010	2011
Technical	5,836	5,785	5,927
Sales and Marketing	2,059	2,148	2,263
Administration and IT	1,472	1,408	1,500
Contractual Relations	474	515	523
Research and Development	96	87	91
Total	**9,937**	**9,943**	**10,304**

(1) *Headcounts shown above refer to all companies consolidated by full consolidation or by the proportionate consolidation method.*

The 5,927 Technical employees, 57% of the total headcount, comprising field and technical staff, show the Group's strong local footprint.

3.2. Employment, training and compensation

3.2.1. Employment

The Group has experienced strong and steady growth in its headcount since the company was first founded. Between 2001 and 2011, they went from 7,336 to 10,304, i.e. a 40% increase.

To keep pace with this development, many professional opportunities in all business lines are offered, in many different regions.

The Company has created jobs all over the world and its workforce has increased by 40% since its listing on the Stock Exchange in 2001.

Breakdown of employees by type of contract [1]

As of 31st December	2009	2010	2011
Fixed-term contract	6.8%	5.1%	4.7%
Permanent contract	93.2%	94.9%	95.3%

(1) *These employee data are based on the extra-financial reporting scope.*

As of 31st December 2011

JCDecaux gives priority to permanent employment agreements, rather than using temporary workers or subcontractors. This strategy is directly linked to the Group's quality standards, where priority is given to the transfer of know-how.

At local level, the Group's subsidiaries also run human-resources management programmes, including for example career management and induction programmes for new employees.

Evaluation tools are in place in France to develop the quality of managerial relationships between employees and their managers and implement a comprehensive career-management process called SCOPE (Supervision of Competences, Orientation, Potential and Evolution).

Encouraging learning and attracting young talent

To develop a pool of high-potential young managers, JCDecaux works closely with selected universities and institutions of higher education.

JCDecaux, with the support of the HRD, uses numerous communication channels to make the Group and its different business lines known – hosting conferences, for example, or by using young recruits as "ambassadors" to their schools. The DSI also put in place young engineer "nurseries" with partner companies to optimise recruitments.

In France in 2011, 58 "long-term" interns joined the company and more than 20% of them were employed with permanent or fixed-term contracts. These internships are an excellent way to identify future potential and represent a unique source for recruiting new talent. Engaging these young people in long-term internships (six months minimum) facilitates their integration into the company, offering them "real" operational duties and identifying a mentor to advise and help the intern in their daily work. For example, in 2011, 50% of vacancies for new graduates were filled by long-term trainees who were taken on.

3.2.2. Training

A company's performance depends on its capacity to help each employee liberate the potential that makes them unique. In this spirit, the Group has a structured, dynamic, diverse and modern training policy designed to benefit all employees, managers and non-managers alike.

Many training programmes are run each year to help employees in all areas of the business: management, operations, technical, security, languages, communication, marketing, sales, software, etc. Employee training and continuing education have been one of the Group's key focus areas.

Employee training[1]

Group	2010	2011
Hours' training	69,155	80,275
Training rate	76.2%	82.4%
France		
Hours' training	37,737	34,642
Training rate	92.3%	87.1%

(1) *These employee data are based on the extra-financial reporting scope.*

The number of hours training in the Group has risen 16% compared to 2010. Overall, in 2011, more than 8,352 employees participated in over 80,275 hours of training throughout all the Group's subsidiaries.

In France, over 34,600 hours of training were given to more than 3,250 trainees, representing an investment of more than one million euros.

The JCDecaux Media Academy is since 2004, JCDecaux's own school for sales training. The school offers modules to enhance sales effectiveness on the ground, with workshops, one-to-one coaching, team-building and 'à la carte' training programmes.

Also, the JCDecaux Management Academy encourages the implementation of the managerial standard developed in 2007, with the active participation of 16 of the company's managers representing the different business lines and the diversity of JCDecaux. Since 2007, all managers in JCDecaux's French subsidiaries have taken part in this training course on management techniques.

As part of the TOTEM project, which had the triple objective of improving the Group's ability to rapidly produce performing information systems, accompanying businesses in their strategic thinking and developing digital offers and services, the DSI, with the help of the HRD, launched an ambitious training programme involving over 500 training days. A training catalogue comprising "know-how", "personal development" and "multi-faceted" modules, responding to individual and shared performance objectives, has been developed by job sector (project manager, architects, etc.).

Every year, a large part of the training budget is invested in risk prevention, and health and safety at work. In 2011, the Group provided 21,645 hours of safety training. In France, in 2011, the budget earmarked for safety actions accounted for over 50% of training expenditure.

A programme of actions to raise awareness/training in professional risks was begun in 2007. The Ergo Production Health Programme (PEPS) which was launched for employees in display workshops during 2008, has been followed by more than 50% of the teams on the La Clé St Pierre logistics site and extended to other operational workers who work on "high" street furniture. Over the last six years nearly 800 employees have been PEPS trained. The programme was recognised in 2011 at the third Training and Professional Orientation Awards, with the "*coup de coeur*" prize for "Best training programme to encourage Corporate Social Responsibility (CSR)" for "PEPS: a global company approach". This prize honours the best project whose modules include solutions incorporating employee well-being, sustainable development, diversity, support for people with disabilities and other issues into the way work is organised.

Similarly, Cyclocity organised a preventative safe driving course in partnership with the organisations Medicine at Work (CIAMT), CRAMIF (Ile-de-France Regional Health Insurance Fund) and the INRS (National Research and Safety Institute). A total of 50 employees went through an awareness programme on the dangers of driving to encourage safer behaviour behind the wheel. As a continuation of this programme, 50 Mobile Cycle Technicians also took a practical training course in "Driving oversize vehicles in the urban environment" led by a driving school instructor.

3.2.3. Compensation

In France, employee compensation is based on objective criteria, such as job profile, qualification and experience. For managers, a strategy of variable compensation and bonuses based on individual objectives is generally used. At the same time, bonuses for 'performance quality' are awarded to field staff to encourage them and reward individual results.

JCDecaux ensures respect for the principle of professional equality in compensation, avoiding any pay gap between men and women on the same pay scale.

Profit sharing with employees is based on different systems in each subsidiary. In France, profit-sharing and benefits agreements apply to all employees.

Profit sharing and benefits paid, France:

In € thousands	**2009**	**2010**	**2011**
Profit sharing	1,945	7,131	7,778
Participation	833	1,327	1,039
Contribution(1)	87	105	
Total	**2,865**	**8,563**	**8,817**

(1) *Refers to the company's contribution of a collective profit-sharing payment to the Employee Stock Purchase Plans.*

The total paid out in profit-sharing during the fiscal year ending 31st December 2011 was €8.8 million. For the last ten years, JCDecaux has included its employees in France in the Company's performance, paying them a total of €67.7 million over this period to this effect.

3.3. Diversity and professional equality

JCDecaux works hard to create working conditions in which all employees can thrive and fulfil their potential.

3.3.1. Diversity and non-discrimination

One of JCDecaux's key aims is to encourage pluralism, pursuing diversity in the workforce through hiring and career management. Professional integration of people of diverse ethnic, social and cultural backgrounds is an opportunity to enrich the Group's values. Non-discrimination policies are an integral part of JCDecaux's Code of Ethics.

By signing the diversity charter in 2008, JCDecaux is committed to favouring equality for women, disabled workers, seniors or visible minorities.

In tandem with the various self-service bicycle schemes running in France, the Group took part in community programmes encouraging the social inclusion of vulnerable youngsters. Agreements were struck, notably, with EPIDE (public organisation for social inclusion in the La Défense district) and FACE (Foundation for action against exclusion).

3.3.2. Gender equality

The Group is committed to ensuring equal treatment of men and women at work. This means forbidding all discrimination on hiring and differences in compensation and career progression.

Breakdown of employees by gender (FTE)[1]

As of 31st December	2009	2010	2011
Women	30.0%	30.6%	30.7%
Men	70.0%	69.4%	69.3%

(1) *These employee data are based on the extra-financial reporting scope.*

Breakdown of 2011 employees by gender (FTE)
(excluding field and technical employees – FTE)

Breakdown of 2011 employees by gender (FTE)

The breakdown of men/women employees at JCDecaux is almost equally balanced, with 54% women employees, not including field and technical staff. Once these are included, the Group had 69% men on its payroll in 2011.

On 1 January 2011, a woman, Laurence Debroux, was appointed to the Executive Board alongside Jean-François Decaux, Jean-Charles Decaux and Jeremy Male. Another woman, Monique Cohen, was also appointed as an Independent on the Supervisory Board at the General Meeting of Shareholders held 11 May 2011.

In France, the Management has presented the unions with detailed and figured documents demonstrating the strictly equal treatment applied to men and women in recruitment, training, promotion, salary policy, etc.

3.3.3. Employment of people with disabilities

JCDecaux promotes non-discriminatory access to employment for people with disabilities, giving everyone an opportunity to join the workforce and achieve financial independence.

Of Group employees, 1.4% had disabilities in 2011, 1.7% in France (data based on extra-financial reporting scope).

JCDecaux's ambition is to steadily increase the number of people with disabilities working in the Group to achieve the 6% target. With this in mind, an action plan was implemented in France in partnership with Agefiph (Association for Management of Funds for Employment of People with Disabilities) to promote:

- the recruitment of people with disabilities (partnerships with the Capemploi networks, specialist internet agents, participation in local and national forums on employment for the disabled);
- helping retain disabled employees within the company (training programmes on re-evaluation in conjunction with the Services d'Aide au Maintien dans l'Emploi des Travailleurs Handicapés (Services to help keep disabled workers in employment), preventive measures to reduce the risk of developing musculoskeletal problems);
- support for disabled employees (support unit for different administrative tasks).

As part of a contest entitled "Let's change attitudes" organised by the Paris City Hall, Cyclocity was used as an example by the Aires charity (Association for successful integration in the company and in society) in a clip that demonstrated that at the workplace, disabled people could fit in on an equal footing, and carry out the same tasks, without any discrimination.

Since the end of 2008, bike repairs have been carried out by a sheltered workshop, in collaboration with ADAPEI (Regional association of friends and family of the mentally disabled) in the French Department l'Oise.

3.4. Working conditions

3.4.1. Organisation of working time

Each subsidiary is responsible for managing working time in compliance with contractual and legal provisions. Working time in Group subsidiaries varies depending on the location and populations concerned.

In France, working time at the different entities is based on Collective Agreements for the Management and Reduction of Working Time first signed in 1998 and updated in 2000 and 2002, for different Group entities. These agreements lay down that the effective working time for all itinerant staff is 35 hours. Administrative and managerial staff can claim Working Time Reduction days off.

3.4.2. Accidents at work

Accidents at work resulting in medical leave of absence by region in 2011[1]

As of 31st December	*Frequency rate* [2]	*Severity rate* [3]
Rest of Europe	34.78	1.01
France	87.05	1.82
Asia-Pacific	20.23	0.11
United Kingdom	3.14	0.04
North America	9.85	0.31
Rest of World	16.13	0.49
Group	**43.8**	**0.97**

(1) *These employee data are based on the extra-financial reporting scope.*
(2) *Number of accidents leading to medical leave of absence per million hours worked.*
(3) *Number of days' medical leave of absence per thousand hours worked.*

Continuous improvement in employee safety and working conditions is a key objective. This policy is directed by the Technical departments of each subsidiary, based on applicable legal requirements. The major risks to employees relate to working at height, road safety and electrical safety.

Some Group subsidiaries are also certified under the OHSAS 18001 system for health and safety at work or SA 8000 for CSR.

3.4.3. Absenteeism

Absenteeism rate by region in 2011 [1]

As of 31st December	*Absenteeism rate* [2]
Rest of Europe	6.45%
France	8.29%
Asia-Pacific	3.02%
United Kingdom	3.07%
North America	2.62%
Rest of World	2.57%
Group	**5.91%**

(1) *These employee data are based on the extra-financial reporting scope.*
(2) *Total number of days' absence reported as a share of total recorded days worked.*

The total absenteeism rate for the Group was 5.91%. Illness accounted for 57% of the days' absences.

3.5. State of collective agreements

JCDecaux attempts to reach formal agreements that are fair to all in all circumstances. Free expression is encouraged within the Group which is in constant dialogue with staff representatives. This contributes to the smooth running of the company and promotes compliance with regulations on employee rights.

Employee relations in 2011[1]

Unit	France	Group
Staff representatives	446	592
Meetings with staff representatives	553	675
Agreements signed in the year	21	38
Agreements in force	62	172
Percentage of employees covered by collective agreements	100	55

(1) *These employee data are based on the extra-financial reporting scope.*

In 2011, 38 collective agreements had been signed by the Group, including 21 in France. The main agreements reached with staff representatives related to compensation, health and social security and working hours.

In France, following the merger of the legal entities, employees are represented as follows:

JCDecaux SA and JCDecaux France: UES Workers' Council, comprising 15 members and 15 substitutes, well beyond the legal minimum (nine members/nine substitutes), plus 12 union representatives (two per representative trade union organisation, i.e. double what is provided for by legislation). A total of 21 establishments have Employee Representative Committees while 17 have Occupational Health and Safety Committees (CHSCT).

Professional elections took place within the company Cyclocity in 2010. The Workers' Council consists of six members and six substitutes, as well as three union representatives (one per representative trade union organisation). Two Occupational Safety and Health Committees (CHSCT) operate within Cyclocity, one in Ile de France and the other in the Rhône-Alpes region. There are also Employee Representative Committees in Paris, and in Ile-de-France, Lyon, Marseille and Toulouse.

In 2011, at Cyclocity, a new deal on salary negotiations was unanimously agreed (by CGT, SUD Solidaires and CFDT). This agreement builds on the two previous agreements and acts as a real framework for the social status of employees within the company. For example, these agreements created and then upgraded a specific classification for professions related to self-service bicycle rentals, thus increasing career development opportunities for employees. The agreements also established a system of annualised working hours for employees working on the ground. The system improved their working conditions by making them work a little bit more during the summer months so they could take days off later on, in particular during days of bad weather in the winter. They also include agreements on Company support for job skill training. All these measures were accompanied by a significant change in the compensation structure (salary grid, seniority bonus, revaluation of occupational bonuses, etc.).

In 2012 a number of issues were raised during the Mandatory Annual Negotiations (MAN) and led to constructive talks: comparative position of men and women, action plan for people with disabilities, calendar for employee relations in 2012 and annual salary review.

3.6. Managing risks

As the Group expands internationally it may find itself working in countries which present risks to Human Rights, as defined in the UN report on political rights and civil liberties based on the "Freedom in the World 2011" survey. Respect for Human Rights is of fundamental importance to JCDecaux. The Group therefore decided to strengthen its policy in this respect by developing, in additional to its Code of Ethics, a Charter of Fundamental Social Values, released in the first half of 2012. This refers to the United Nations Universal Declaration of Human Rights, the International Labour Organization's Fundamental Conventions and the Organisation for Economic Co-operation and Development's Guidelines.

Since 2011, these risks have been included in the Group's risk mapping.

4. STAKEHOLDER RESPONSIBILITY

JCDecaux deals with a wide range of groups with highly disparate concerns, not just local government and customers (advertisers and agencies), commercial partners, public bodies and associations, but also its employees and shareholders. To meet the challenge of sustainable development, the Group mobilises its teams and resources and is committed to include citizen expectations in these processes, the aim of which is:

- to unite JCDecaux teams around common ethical values;
- to provide citizens with ever more services;
- to act to promote urban safety;
- to facilitate access to urban infrastructures for people with disabilities, by means of specially adapted equipment and services;
- to support operations designed to show solidarity and develop partnerships on major issues.

4.1. Customer relations

The Group’s success is based on the recognised quality of its products and services, as well as its ability to understand and anticipate the needs of its customers, whether local governments, transport companies, corporate landlords or advertisers. To ensure long-term growth, the Group must offer innovative and high-quality products and services and help and support customers to develop sustainably.

4.1.1. Communities

JCDecaux builds trusting relationships with local communities over the long term. This vision makes it a stakeholder in the development of cities and their progress toward sustainable development and more environmentally friendly behaviour.

Improve the quality of urban life
JCDecaux has a policy of actively engaging with local communities to improve the urban environment, tackle social issues, improve quality of life and make towns more attractive places to live in.

To boost the quality of city life, JCDecaux takes actions to:

- improve the urban environment:
  - reduce the number of displays through use of scrolling billboards;
  - create street furniture that is accessible to all;
  - create innovative designs of street furniture.
- assist in waste collection: create collection bins for certain types of waste, such as batteries, glass and paper;
- raise awareness of the need for conservation: free billboard posting of information campaigns supporting environmental protection.

<u>A few examples</u>:

Promoting access to services for people with reduced mobility is one of the Group's priorities. JCDecaux develops customised street furniture for its users matching the specific design of each town. In 2011, the Group won the "2011 Autonomy Prize" from the French Paralytics Association (APF) for its automatic universal access toilets for the city of Paris.

In Ireland, Dublinbikes, the self-service bikes installed by JCDecaux, are seen as a big success for the town with a positive impact on its image according to opinion surveys run by the Dublin municipality "Your Dublin, Your Voice" in 2011.

In the Netherlands, JCDecaux and energy supplier Eneco, installed the first MUPI with a recharging point in The Hague: scooters or electric bikes can be recharged free of charge by plugging them into a MUPI. The electricity is provided by wind turbines. The aim of this pilot project is to encourage citizens to use electric two-wheeler transport (bike or scooters) rather than their car when moving around town. If successful, other charging points will be incorporated to existing MUPIs. The urban landscape will be unchanged and remain harmonious.

Self-service bicycle scheme
Increasing urbanisation and the emergence of environmental management as a social issue has led JCDecaux to develop innovative products and services that help improve the quality of city life.

Cyclocity, a self-service bicycle scheme designed and developed by JCDecaux, has established itself as a real 'personal public transport' solution.

The self-service bicycle scheme offers a non-motorised mode of transport that fits into the daily life of users and addresses the changes and issues of tomorrow's cities. Worldwide, bikes have been rented more than 228 million times under the JCDecaux schemes since they first came into service, reflecting growing enthusiasm among citizens for this mode of transport.

Taken together, the schemes now up and running in 67 European cities, including 54 in France, prevent emissions equivalent to 32,595 tonnes of CO_2 each year[1], assuming each use of a bike replaces a car journey, and there are 47,000 self-service bicycle journeys a day over an average distance of 9.5 kilometres, which totals 162,972,500 km a year[1].

In 2011, a self-service bicycle scheme was launched in Ljubljana in Slovenia.

In France, the Paris Vélib' community's website was completely overhauled in 2011 to allow on-line payment, a blog plus Facebook and Twitter sites relaying competitions and events. There is also Vélibienne, a popular event making use of the Vélib' bikes which attracted 2,000 cyclists in 2011.

A survey by the Mayor of Paris's office showed that since Velib' was launched in July 2007, 88% of users were satisfied, 97% of subscribers said they would resubscribe and 98% would recommend the scheme to their friends[2].

Imagining the city of the future

Since 2006, JCDecaux has led many discussions on the future of cities and transport in France in specialist publications.

Also, because the city is a universe of constant change, since 2008, JCDecaux has had a city monitoring and forecasting tool. '*Tendances Mobilités*' deals with topics as diverse as new technologies and brand creativity in cities worldwide, with a bimonthly special focus on a specific theme. The newsletter can be found on a dedicated blog site: <u>www.tendances-mobilites.fr</u>.

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(1) *ADEME estimates. The current vehicle fleet operating in urban environments generates on average 200g CO_2 equivalent per kilometre.*
(2) *Satisfaction survey of 500 users by TNS Sofres, carried out online between 3 and 7 October 2011.*

4.1.2. Advertising customers

One of the Group’s core aims is to encourage loyalty among customers by continuously providing stand-out value in a fiercely competitive market. The Group’s constant adaptation to customer needs through marketing, commercial, or “contractual relations” teams is supplemented by periodic customer satisfaction surveys conducted at the initiative of each subsidiary with principal advertisers and local governments.

ISO 9001 certification of certain subsidiaries in France, Spain, Italy, Portugal, Hong Kong and Ireland testify to JCDecaux’s unstinting effort to satisfy customers and partners and its ability to deliver products and services that meet customer needs.

JCDecaux OneWorld

JCDecaux OneWorld is an entity within JCDecaux which facilitates relationships with the biggest international advertisers, creates global partnerships and offers transversal expertise in marketing and research in the field of outdoor advertising.

Created in 2009, it offers customers a simple way of accessing the whole range of international services. The tools that are made available to international customers are there to promote high-quality lasting relationships and customer satisfaction.

In 2011, two new positions were created with a view to getting the Group closer to its advertising customers and making sure their issues were fully understood, a vital first step to getting the right solutions for the specific needs of each customer and boosting international development: Head of Marketing for International Client Services USA and Head of Marketing for International Client Services - France. The creation of these two positions and the closer cooperation between French and US teams allowed the Group to offer an ideal quality of service to its existing international partners.

Local initiatives

Locally, the Group's subsidiaries are providing offers that are ever-better suited to the needs and expectations of advertisers, such as:

- To differentiate its product and highlight the quality of its assets, thus guaranteeing advertisers get an unequalled service and striking media impacts, JCDecaux has perfected – in France – a methodology that provides a new benchmark in the quality of outdoor advertising. The aim is to respond to all brand strategies by offering an increasingly customised market, guaranteeing the effectiveness and competitiveness of its networks;
- JCDecaux Airport Paris has developed some one-off methods, mixing cutting edge digital media and forms of expression to meet the aims of brands. Its aim is to make the Paris Airports some of the top-performing and most innovative theatres for advertising and communications;
- In 2011, JCDecaux responded, on behalf of one of its advertising customers, to the Carbon Disclosure Project Supply Chain, providing specific information on the Group's environmental strategy and carbon emissions, in support of its customer's own environmental policy.

Otherwise, the professionalism, know-how and creativity of the Group’s teams have often been recognised and rewarded. The awards obtained underline its long-term commitment to building confidence among customers.

JCDecaux Advertising India, for instance, won the gold medal in the prestigious "Media Company of the Year" category of the OAC 2011 awards. The award is given to the outdoor advertising specialist who introduces the highest number of innovations in media format during the year.

For many years now, reflecting its concern to meet the requirements of local communities, corporate landlords and the wider public, JCDecaux has had an Advertising Ethics Committee in France, made up of the heads of the Legal, Marketing, Asset Management, Sales and Sustainable Development and Quality Departments. This committee makes sure that particularly sensitive forms of visual advertising comply with regulations, ethics, public sensibilities and the Group image. In 2011, 929 displays went before the Committee and 31 were rejected.

In 2012, the display control procedure, including ethical considerations, was strengthened to take account of the changing market in outdoor communications.

4.1.3. Cyclocity users

JCDecaux attaches great importance to good relations with customers using the self-service bicycle schemes. To improve its continuous consultation with customers, on 1 October 2011 the Group set up the VLS Mediator France Department, an ombudsman service that seeks to broker amicable settlement of disputes between customers and JCDecaux self-service bicycle schemes.

The Mediator is committed to impartiality, neutrality and independence. He can be called in by any customer who has exhausted the avenues for remedies at the scheme's Customer Service Department. His work must comply with the quality procedures defined in the Mediation Code. Since being set up, JCDecaux VLS Mediation France has received 40 cases.

4.2. Supplier relations

In 2009, JCDecaux set up a Group-wide Purchasing Department to procure components and sub-assemblies for street furniture. The department sources and distributes the main items of furniture as well as some spare parts and consumables used in the repair and maintenance of street furniture on behalf of subsidiaries.

Corporate Purchasing applies the Code of Ethics for Suppliers, updated in 2009, which sets out the principles governing supplier relations. These are based on quality, honouring commitments, transparency, as well as compliance with regulations (social, environmental, etc.), unfair competition and integrity. The Group's strategic suppliers, managed by the Purchasing Department, have signed up to the Code and all new suppliers are sent a copy. The Code and all technical documents and specifications can be found by JCDecaux suppliers on the dedicated Extranet site.

In the past three years, the Purchasing Department has developed and upgraded an annual rating tool to measure the financial, quality, logistics, sales and engineering performance of JCDecaux's main suppliers. This tool is also used to identify and track the efficiency and progress focuses of these suppliers. In 2010 and 2011, the tool was extended to cover environmental and social criteria.

Otherwise, the Group is increasingly looking to collaborate with its suppliers to encourage the social inclusion of disabled or vulnerable persons. The repair of street furniture or certain elements of advertising campaigns are therefore entrusted to people with disabilities.

4.3. Investor relations

It is essential to JCDecaux's credibility that it is quick to answer questions about the market and maintains good relations with analysts and investors.

To improve relations with all its stakeholders, the JCDecaux Investor Relations Department is responsible for developing relationships of trust and continuous dialogue with its analysts, shareholders and investors.

The Group also seeks to respond to the rise of Socially Responsible Investment funds and the multiplication of extra-financial indexes, in the interests of transparency, by informing investors about its approach to sustainable development.

To this end, JCDecaux regularly takes part in events such as conferences and roadshows, where companies and investors can meet and talk, and run site visits and shareholder days at the Plaisir site in France or meetings with the General Management of certain large subsidiaries (China).

4.4. JCDecaux's contribution to local communities

4.4.1. Local presence

JCDecaux has operations in many countries and its business means it is inevitably closely involved with towns and community bodies. The quality of products and services on offer in towns and airports requires a huge range of professions and skills. The Group therefore creates jobs wherever it operates and contributes to local economic development.

Maintenance of street furniture and the introduction of self-service bicycle schemes in many towns and cities across the world create a wide range of local jobs. Regular maintenance is essential to keep street furniture and bikes in good condition. This means a large number of specific jobs. All JCDecaux employees are trained.

The Group's international presence means that it is also able to mobilise resources when countries are hit by one-off problems, such as natural disasters. In 2011, for instance, when a dyke gave way to the north of Bangkok, 15 employees from the Operations and City Relations Departments of JCDecaux Thailand went to help the local population get walls and sandbags in place to protect against flooding and avoid the need to evacuate. The Governor and First Secretary of Thailand warmly thanked the staff of JCDecaux Thailand for their solidarity and quick mobilisation.

4.4.2. Actions to support major causes

Outdoor advertising is a medium that reaches a huge number of people around the world and is a prime medium for mounting awareness-raising campaigns. Since its creation, JCDecaux has been actively involved in many humanitarian and charitable activities to support major causes such as the fight against disease, support for the disadvantaged, protection of the environment and road safety. Every year, the Group offers real support either in the form of free space on its networks or by making available staff and vehicles.

Each Group subsidiary can choose its own causes to support. In 2011, 22 subsidiaries took action to support major causes, mostly in the areas of child protection, medical research and environmental conservation.

Focus on China
In 2011, JCDecaux China continued its cooperation with the Climate Group, an international NGO that provides governments and businesses with support in achieving global growth compatible with environmental concerns. It linked up with the company Baidu and Climate Group to launch the Million Forest 2011 campaign. This event aims to raise awareness about environmental protection issues and encourage people to adopt a less energy-intensive lifestyle.

For the third year in a row, JCDecaux China, as a partner of the WWF, sponsored the Earth Hour, when customers and individuals are invited to take energy saving actions to help the planet. It made available a set of advertising networks throughout China for the event. As well as providing free advertising space, JCDecaux China changed the thermostats in all its Chinese offices to one degree warmer in summer and one degree colder in winter.

In 2012, the company was given the Foundation One red ribbon medal, for its effective support for the foundation's projects since 2009, looking to encourage the development of the social sector in partnership with the Red Cross.

4.4.3. Anti-corruption

The Group can only maintain its reputation and the trust of its partners if it applies stringent ethical standards and codes of conduct.

As it expands internationally, JCDecaux may be active in countries with a high risk of corruption. To head off this risk of corruption, the Group has created a number of specific internal documents. The Group Code of Ethics, setting out all the rules to comply with in the conduct of its business, ensures the Group works in a responsible and sustainable way toward its employees, customers, suppliers, local and regional communities and competitors. All the themes addressed by the Code are subject to internal audit and incorporated within the risk management process.

4.4.4. Consumer health and safety

Product reliability
JCDecaux has always founded its reputation on the quality of its service and equipment. This is one of the Group's core values.

The parent company JCDecaux has its own research unit at Plaisir near Paris. This research unit is ISO 9001 certified, guaranteeing that products designed comply with standards for access and safety and have all necessary approvals (notably EC approval). To achieve this, the Research Department has a range of tools that allow it to incorporate different aspects such as resilience, performance and appearance, into the early design phase of street furniture. Many tests are run, including digital modelling of how street furniture will stand up to different stresses: temperature, bending, flux, etc. All research and design work is subject to design reviews and tests as well as quality control at each stage of the production cycle. This guarantees high-quality products that pose no danger to users.

JCDecaux also allows for exceptional usage conditions in product design, including resilience to collapse when people climb on top of bus shelters.

Data protection
In October 2010, JCDecaux created a role of IT and Freedom Correspondent in France. This unit aims to ensure that personal data of users of the self-service bicycle schemes, customers or employees are collected, used and stored in compliance with the recommendations of the national Commission for IT and Freedom (*Commission Nationale de l'Informatique et des Libertés* or CNIL).

All automated processing is subject to internal controls and procedures designed to ensure compliance with the CNIL principles, mainly upstream of the introduction of any new automated process.

Specifically, measures for the protection and conservation of data were introduced in France, in consultation with the CNIL, to guarantee the security of personal data from self-service bicycle scheme users. In this way, we seek to guarantee that the personal data of all scheme users will remain confidential.

4.4.5. Biodiversity

To raise awareness among stakeholders and combat the disappearance of bees and erosion of biodiversity, JCDecaux has created, at its Plaisir Saint-Appoline site in France, a park of melliferous (capable of being used for honey production) plants and shrubs, and installed 15 hives, home to nearly a million bees. The project is designed both to help preserve the species and to inform visitors to the site. 200 kg of honey are harvested each year. A gift pack with three pots of honey and a sachet of bee-friendly flower seeds as well as an educational pack will be given to customers visiting the site.

With this project, JCDecaux shows that it can help promote biodiversity, notably by planting bee-friendly species and avoiding the use of pesticides.

FINANCIAL STATEMENTS

MANAGEMENT DISCUSSION AND ANALYSIS OF GROUP CONSOLIDATED FINANCIAL STATEMENTS

I. DISCUSSION OF THE FINANCIAL STATEMENTS

The following discussion of the Group's financial position and results of operations should be read in conjunction with the audited consolidated financial statements and the related notes thereto, as well as the other financial information included elsewhere in this Reference Document. As required by European Union Regulation no. 1606/2002, dated July 19, 2002, the consolidated financial statements for 2011 have been prepared in accordance with international accounting standards ("IAS/IFRS") adopted by the European Union and applicable on the balance sheet date, i.e. as of December 31st, 2011, and presented with comparative financial information for 2010 prepared in accordance with the same standards.

Introduction

Group revenues mainly consist of the sale of advertising space for the following three activities: street furniture advertising ("Street Furniture"), transport advertising ("Transport") and large-format billboard advertising ("Billboard"). Non-advertising revenues relate to the sale, leasing and maintenance of street furniture, as well as to the marketing of innovative technical solutions for street furniture advertising campaigns.

From 1964, when it was created, to 1999, the Group's expansion was mainly due to organic growth, and Street Furniture was the principal business of JCDecaux. In 1999, JCDecaux acquired Havas Média Communication Publicité Extérieure (also known as Avenir) from the Havas group, thereby expanding the outdoor advertising business into Billboard and Transport advertising. Since 2001, the Group has continued to grow organically and externally, successfully completing acquisitions and entering into partnership agreements in several European countries. It has also ventured into new geographical areas, namely China in 2005 and the Middle East beginning in 2008. By the end of December 2009, JCDecaux had become the majority shareholder of Wall AG, number two in outdoor advertising in Germany and Turkey. In January 2010, JCDecaux acquired certain advertising assets of Titan Outdoor UK Ltd in the retail and rail sectors. In December 2011, JCDecaux strengthened its Street Furniture activity in France with the acquisition of Médiakiosk.

Summary of operations for the 2011 period

The Group's revenues climbed by 4.8% to €2,463.0 million in 2011. Excluding the acquisitions and foreign exchange impact, revenues were up by 5.7%. The Group's operating margin totaled €582.1 million, up by 4.8% and accounted for 23.6% of revenues, as was the case in 2010. In 2011, the Group's EBIT jumped by 17.2% to €327.1 million and accounted for 13.3% of revenues, compared to 11.9% in 2010.

As of December 31st, 2011, the Group had a headcount of 10,304 employees, an increase of 361 employees compared to the 2010 year-end.

The following table summarizes revenues, operating margin, EBIT, and operating margin and EBIT as a percentage of revenues for each of the Group's three business segments in 2010 and 2011.

Fiscal year ended December 31st

In million euros, except for percentages	2011	2010
STREET FURNITURE		
Revenues		
- Advertising	1,055.3	1,033.0
- Sale, rental and maintenance	123.7	114.0
Total revenues	**1,179.0**	**1,147.0**
Operating margin	**386.9**	**375.9**
Operating margin / revenues	*32.8%*	*32.8%*
EBIT	**184.4**	**173.8**
EBIT/ revenues	*15.6%*	*15.2%*
TRANSPORT		
Revenues	**874.8**	**777.6**
Operating margin	**139.9**	**115.4**
Operating margin / revenues	*16.0%*	*14.8%*
EBIT	**111.6**	**83.3**
EBIT/ revenues	*12.8%*	*10.7%*
BILLBOARD		
Revenues	**409.2**	**425.4**
Operating margin	**55.3**	**64.1**
Operating margin / revenues	*13.5%*	*15.1%*
EBIT	**31.1**	**21.9**
EBIT/ revenues	*7.6%*	*5.1%*
TOTAL GROUP		
Revenues	**2,463.0**	**2,350.0**
Operating margin	**582.1**	**555.4**
Operating margin / revenues	*23.6%*	*23.6%*
EBIT	**327.1**	**279.0**
EBIT/ revenues	*13.3%*	*11.9%*

Where Group companies are active in several business segments, they are grouped according to their dominant segment. Where minority operations are significant, the revenues, operating margin and EBIT of the companies involved are allocated to the various activities carried out. Changes in the portfolio of activities may result in an adjustment to the income allocations for the three business segments.

1. REVENUES

1.1. Definitions

The amount of advertising revenues generated by the Group advertising networks depends on two principal factors:

Networks
The Group sells networks that include advertising faces located on street furniture and other outlets and charges advertisers according to the size and quality of these advertising networks. Although the pricing of networks is impacted by an increase in the number of faces resulting from the installation of new advertising displays as part of new contracts or the installation of scrolling panels, or, conversely, a reduction in the number of faces due to the loss of one or more concessions, there is no direct correlation between the change in the number of advertising faces in a network and revenue growth, because of the specific characteristics of each network.

Prices
The Group endeavors to charge prices that reflect the superior quality of its advertising displays, which are generally located at the best locations in city centers and come in network packages that enable advertisers to maximize the launch of their advertising campaigns. The pricing policy thus depends on the quality of displays, their location, the size of the network, and the general state of the advertising sector and the economy.

1.1.1. Organic and reported growth

Group organic growth reflects growth in revenues excluding acquisitions, equity interests and asset disposals, at a constant foreign exchange rate, but including revenues from new concessions. Reported growth reflects organic growth increased by revenues generated by acquired companies and by companies recently included within the scope of consolidation (in connection with partnership arrangements) and decreased by the negative impact on revenues arising from asset disposals, increased or decreased by the foreign exchange impact.

1.1.2. Advertising revenues

Revenues resulting from the sale of advertising spaces are recorded on a net basis after deduction of commercial rebates. For the Billboard segment and in some countries, commissions are paid by the Group to advertising agencies and buying groups when they act as intermediaries between the Group and advertisers. These commissions are then deducted from revenue. In agreements where the Group pays variable fees or revenue sharing, the Group classifies gross advertising revenue as revenue and books variable fees and revenue sharing as operating charges, insofar as the Group is not dealing as an agent but bears the risks and rewards incidental to the activity. Discount charges are deducted from revenue.

1.1.3. Non-advertising revenues

In addition to the sale of advertising space on street furniture, the Group also generates revenues from the sale, rental, and maintenance of street furniture, principally in France and the United Kingdom, the revenues being recorded under the Street Furniture segment. The Group also generates non-advertising revenues from its self-service bicycle business and the marketing of innovative technical solutions for Street Furniture advertising campaigns, under the name "JCDecaux Innovate".

1.2. Revenue growth

In 2011, Group revenues totaled €2,463.0 million, compared to €2,350.0 million in 2010. Acquisitions, disposals of long term investments and partnership transactions in 2011 had a positive impact of €0.4 million on revenues. Foreign exchange fluctuations between 2010 and 2011 had a negative impact of -€21.2 million on revenues. Excluding the acquisitions and foreign exchange impact, organic revenue increased by 5.7% in 2011. This reflects the performance of the three Group divisions - Street Furniture, Transport and Billboard - which posted organic growth of +2.3%, +15.8% and -3.7%, respectively.

1.2.1. Revenues by segment

Street Furniture
Street Furniture revenues totaled €1,179.0 million in 2011, compared to €1,147.0 million in 2010, up +2.8%.

Changes in scope had a positive impact of +€8.9 million. Foreign exchange fluctuations between 2010 and 2011 generated an annual negative impact of -€3.6 million on Street Furniture revenues, essentially related to the US dollar, the British pound and the Turkish lira.

▪ *Advertising revenues*

Advertising revenues increased by 2.2% in 2011.

Excluding the acquisitions and foreign exchange impact, Street Furniture advertising revenue increased by 1.7% in 2011. Germany and France reported satisfactory growth, despite a difficult economic environment. North America also generated strong organic growth on a like-for-like basis (excluding the impact of the non-renewal of a low-profitability contract covering 60 US shopping malls at the end of 2010), and began to benefit from the solid results obtained by the networks in connection with the new Eyes On audience measurement system. These respectable performances were partially offset by the weakness of Southern Europe and the slight decline of the United Kingdom. Among emerging countries, Turkey, India and Kazakhstan posted double-digit growth.

▪ *Non-advertising revenues*

Non-advertising revenues totaled €123.7 million in 2011, compared to €114.0 million in 2010, an increase of 8.5%. Excluding the acquisitions and foreign exchange impact, non-advertising revenue was up by 8.3%. This growth was primarily driven by France.

Transport
Transport revenues totaled €874.8 million in 2011, compared to €777.6 million in 2010, for an increase of 12.5%.

Changes in scope in 2011 had a negative impact of -€9.7 million as did foreign exchange fluctuations for -€15.7 million, primarily relating to the Hong Kong and US dollars, the British pound and the United Arab Emirates dirham.

Excluding the acquisitions and foreign exchange impact, Transport revenues rose by 15.8% in 2011, continuing to benefit from worldwide passenger traffic. Hence, the Group's metro activity in China profited from the extension of current lines, the construction of new lines and the development of the audience, as executives are increasingly using this mode of transport. North America posted solid revenue growth, whereas Asia-Pacific, the Rest of the World, and the United Kingdom reported double-digit growth. This growth was further reinforced by the contracts signed with Changi airport in Singapore and with the Saudi Arabia airports, whose operation began in 2011.

Billboard

Billboard revenues amounted to €409.2 million in 2011, compared to €425.4 million in 2010, a decrease of 3.8%.

Changes in scope in 2011 had a positive impact of +€1.2 million. Foreign exchange fluctuations between 2010 and 2011 generated a negative impact of -€1.9 million, essentially related to the British pound.

Excluding acquisitions and the impact of foreign exchange, revenues decreased by 3.7% in 2011. Activity declined in France, the United Kingdom and the rest of Europe, due to a difficult environment and the completion of the fleet rationalization program in France and Southern Europe.

Revenues by region

Fiscal year ended December 31st	**2011**		**2010**	
In million euros,	**Revenues**	**% total**	**Revenues**	**% total**
Except for percentages				
Europe(1)	792.6	32.2	787.6	33.4
France	607.8	24.7	598.2	25.5
Asia-Pacific	504.3	20.5	420.6	17.9
United Kingdom	272.1	11.0	271.9	11.6
North America	179.2	7.3	187.8	8.0
Rest of the world (2)	107.0	4.3	83.9	3.6
Total	**2,463.0**	**100.0**	**2,350.0**	**100.0**

(1) *Excluding France and the United Kingdom.*
(2) *Rest of the World included South America, Russia, Ukraine, Central Asia, Middle-East and Africa.*

- Revenues in France totaled €607.8 million in 2011, up 1.6% compared to 2010.

  Excluding acquisitions, France revenues rose 2.6%.
- United Kingdom revenues represented €272.1 million in 2011, up 0.1% compared to 2010.

  There were no changes in scope for the United Kingdom in 2011. Excluding foreign exchange impacts, United Kingdom revenues rose 1.2%.
- Europe revenues, excluding France and the United Kingdom, amounted to €792.6 million, up 0.6% compared to 2010.

  Excluding the acquisitions and foreign exchange impact, revenues rose by 0.8%.
- Asia-Pacific revenues represented €504.3 million, up 19.9% compared to 2010.

  Excluding the acquisitions and foreign exchange impact, revenues rose 19.2% compared to 2010, driven by double-digit growth in China, Hong Kong, South Korea, Singapore, India and Macao.
- Revenues from North America amounted to €179.2 million, down 4.6% compared to 2010.

  Excluding the acquisitions and foreign exchange impact, revenues for North America rose 0.8%.
- Rest of the World revenues totaled €107.0 million, up 27.5% compared to 2010.

  Excluding the acquisitions and foreign exchange impact, Rest of the World revenues increased by 31.5%, due to a new contract with the Saudi Arabia airports and the solid performance of the Dubai airport.
- Regarding the relative weight of each geographic region within the Group, the strong growth of the Asia-Pacific region in 2011 boosted its contribution to Group consolidated revenues from 17.9% in 2010 to 20.5% in 2011. The Rest of the World's contribution also rose, from 3.6% in 2010 to 4.3% in 2011. Conversely, and despite revenue growth, the relative weight of France, the United Kingdom and Europe respectively decreased from 25.5% to 24.7%, from 11.6% to 11.0% and from 33.4% to 32.2% North America's contribution decreased from 8.0% to 7.3%, due to changes in scope and US dollar foreign exchange impacts.

1.3. Impact of acquisitions on Group revenues

The impact of acquisitions, disposals of long term investments and partnership arrangements on Group consolidated revenues represented a positive impact of €0.4 million in 2011, including +€8.9 million in Street Furniture, -€9.7 million in Transport and +€1.2 million in Billboard.

This impact resulted mainly from the following transactions:

- Adbooth in Australia and JCDecaux in South Korea, previously proportionately consolidated, have been fully consolidated since January 2011, in the first case due to a change in the governance rules and in the second due to an increase in the stake from 50% to 100%.
- In June 2011, JCDecaux acquired 50% of the KOOH group (renamed JCDecaux Bulgaria EOOD) in Bulgaria and the consolidation percentage of Wall Sofia in Bulgaria fell from 100% to 50%, following the acquisition of this interest.
- In July 2011, JCDecaux and Aéroports de Paris created a joint venture, Média Aéroports de Paris. The entity is consolidated at 50%.
- In October 2011, the JCDecaux group increased its financial interests in the BigBoard group in Russia and in the Ukraine; the entities now being consolidated at 55%.
- In December 2011, JCDecaux became the majority shareholder of Médiakiosk at 95%, thereby strengthening its presence on French territory, with the acquisition of a network of over 700 newspaper kiosks.
- In April 2010, Immobiliengesellschaft Oranienburger Tor GmbH and Ilg Aussenwerbung GmbH were sold in Germany.

2. OPERATING MARGIN

2.1. Definitions

The Group measures its performance using a certain number of indicators. With respect to the monitoring of operations, the Group uses two indicators:

- Operating margin;
- EBIT.

Using this structure, the Group is able to direct the two components of its financial model, namely the advertising space and asset management activities.

The operating margin is defined as revenue less direct operating and SG&A expenses, excluding consumption of spare parts used for maintenance, inventory write-downs, 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 revenue and cash discounts received from suppliers deducted from direct operating expenses, as well as stock option expenses recognized in "Selling, general and administrative expenses".

When the Group expands its network, the level of fixed operating expenses – such as fixed fees paid to concession grantors, rent, and maintenance expenses – increases, but not in direct proportion to the increase in advertising revenues. The principal costs that vary as a function of advertising revenues are variable rent and fees paid in connection with advertising contracts and the subcontracting of certain operations relating to the posting of advertising panels. The proportion of variable operating expenses is structurally weaker in the Billboard and Street Furniture activities than in Transport.

Since operating expenses are mostly fixed, the level of revenues is the principal factor that determines the analysis of the operating margin as a percentage of revenues. As a result, any major revenue increase has a significant influence over the operating margin as a percentage of revenues. On the other hand, a decline or stagnation in revenues has the effect of reducing the operating margin as a percentage of revenues.

The Group nevertheless strives to control costs as much as possible by taking advantage of synergies among its various businesses, and maximizing the productivity of its technical teams and its purchasing and operating methods.

2.2. Change in the operating margin

The Group operating margin stood at €582.1 million in 2011, compared to €555.4 million in 2010, for an increase of 4.8%. The operating margin represented 23.6% of revenues, as was the case in 2010.

Street Furniture: The operating margin rose by 2.9% to €386.9 million and represented 32.8% of revenues, as was the case in 2010.

Transport: The operating margin amounted to €139.9 million, up 21.2% compared to 2010, and represented 16.0% of revenues compared to 14.8% in 2010. The increase is related to the double-digit revenue growth.

Billboard: The operating margin declined by 13.7% to €55.3 million and represented 13.5% of revenues, compared to 15.1% in 2010. The decrease is primarily attributable to lower revenues.

3. EBIT

3.1. Definitions

EBIT is determined based on the operating margin less consumption of spare parts used for maintenance, net charges to depreciation, amortization and provisions (net), goodwill impairment losses, and other operating income and expenses. Inventory write-downs are recognized in the line item "Maintenance spare parts". Other operating income and expenses include gains and losses on disposal of property, plant and equipment, intangible assets, gains and losses on disposals linked to the loss of control in fully consolidated or proportionately consolidated holdings, together with any profit or loss arising from the re-measurement of the share retained at fair value, any profit or loss arising from the re-measurement at fair value of the previously-held interest in the event of a business combination with acquisition of control, as well as any negative goodwill, direct costs linked to acquisition and non-recurring items. The net charges related to impairment tests performed on property, plant and equipment and intangible assets are recognized in the line item, "Depreciation, amortization, and provisions (net)".

Street furniture is depreciated over the average term of the contracts, between 8 and 20 years.

Billboards are depreciated according to the methods prevailing in the relevant countries, in accordance with local regulations and economic conditions. The main method of depreciation is straight-line, with a term of between 2 and 10 years.

3.2. Changes in EBIT

In 2011, EBIT stood at €327.1 million, compared to €279.0 million in 2010, an increase of 17.2%. EBIT represented 13.3% of revenues in 2011, compared to 11.9% in 2010. The €48.1 million increase over 2010 can be explained by the €26.7 million increase in the operating margin and the €21.4 million decrease in other expense items, namely, depreciation, amortization and provisions, maintenance spare parts and other operating income and expenses.

Depreciation and amortization net of reversals amounted to €228.9 million in 2011, compared to €231.6 million in 2010.

Provisions in 2011 represented a net reversal of €21.0 million, compared to a net reversal of €8.0 million in 2010.

Goodwill impairment amounted to €0 in 2011, compared to €0.5 million in 2010.

The "Maintenance spare parts" line item stood at €37.9 million in 2011, compared to €39.8 million in 2010, a decrease of €1.9 million.

The "Other operating income and expenses" line time represents an expense of €9.2 million en 2011, compared to a net expense of €12.5 million in 2010.

Street Furniture
EBIT for Street Furniture rose by 6.1% in 2011, amounting to €184.4 million, compared to €173.8 million in 2010. It represented 15.6% of revenues in 2011, compared to 15.2% in 2010.

Depreciation and amortization net of reversals amounted to €173.3 million in 2011, compared to €163.9 million in 2010, for an increase of €9.4 million.

Provisions in 2011 represented a net reversal of €13.0 million, compared to a net reversal of €9.2 million in 2010.

The "Maintenance spare parts" line item represented an expense of €35.3 million in 2011, compared to €37.5 million in 2010. The decrease of €2.2 million is essentially related to France.

The "Other operating income and expenses" line time represented an expense of €6.9 million in 2011, compared to an expense of €9.9 million in 2010.

Transport
Transport generated EBIT of €111.6 million in 2011, compared to €83.3 million in 2010. Transport EBIT represented 12.8% of this activity's revenues in 2011, compared to 10.7% in 2010.

The higher EBIT for this segment is attributable to the €24.5 million increase in the operating margin.

Depreciation and amortization (excluding exceptional asset write-downs) for the Transport activity are substantially lower than those of Street Furniture and Billboard activities. They represented €30.6 million in 2011, or 3.5% of revenues. The low level of depreciation and amortization compared to the two other segments reflects the fact that transport contracts, which have shorter terms than urban furniture contracts and generate higher fees, generally require less investment.

Billboard
Billboard EBIT amounted to €31.1 million in 2011, compared to €21.9 million in 2010. It represented 7.6% of this activity's revenues in 2011, compared to 5.1% in 2010.

Billboard EBIT increased by €9.2 million, despite an €8.8 million decrease in the operating margin. Depreciation and amortization in fact decreased by €13.1 million, in part due the optimization of the panel fleet and a partial reversal of exceptional asset write-downs. In addition, the "Other operating income and expenses" line time posted a favorable difference of €4.2 million compared to 2010, primarily due to negative goodwill recorded at the time of the change in consolidation percentage of BigBoard in Ukraine and Russia.

Depreciation and amortization (excluding exceptional asset write-downs) represented €28.8 million in 2011, compared to €30.5 million in 2010.

4. NET FINANCIAL INCOME / (LOSS)

In 2011, net financial income amounted to -€32.3 million, representing a favorable change of €2.5 million compared to 2010. This can be primarily explained by an €8.7 million decrease in discounting expenses, the sale of a non-controlling interest in Asia for €8.6 million, and a €3.9 million decrease in financial interest largely attributable to the drop in average net financial debt. These positive impacts are partially offset by a -€7.5 million change in the foreign exchange impact and a -€9.7 million 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 to a Group company.

5. INCOME TAX

In 2011, consolidated income taxes totaled €93.7 million, compared to €78.8 million in 2010. The €14.9 million increase in taxes can be explained by the surge in EBIT.

The 2011 effective tax rate, excluding goodwill impairment losses and the Group's share of net profit of associates, stood at 31.8% in 2011, compared to 32.2% in 2010. Excluding the discounting impact of debts on commitments to purchase non-controlling interests, the 2011 effective tax rate stands at 31.2%, which is steady year on year.

6. NET INCOME

Net income (Group share) amounted to €212.6 million in 2011, compared to €173.3 million in 2010. The increase in 2011 net income, Group share, can mainly be explained by the increase in EBIT and by the change in the net profits of associates, the impact of which was mitigated by higher income tax resulting from the expansion of the taxable base.

7. CASH FLOW

As of December 31st, 2011, Group net debt (excluding commitments to purchase non-controlling interests, as described in greater detail in Note 2.16 to the Consolidated Financial Statements) stood at €147.5 million, compared to €358.8 million as of December 31st, 2010, for a decrease of €211.3 million.

7.1. Net cash provided by operating activities

Net cash provided by operating activities amounted to €562.0 million in 2011, compared to €561.8 million in 2010. The improvement in the margin was offset by a change in the working capital requirement that was less positive than in 2010. The 2011 cash flows were primarily generated by the €582.1 million operating margin less maintenance spare parts and excluding inventory write-downs for €35.0 million and other management income and expenses for €11.9 million, added to which the change in working capital requirement which generated a positive cash flow of €21.5 million, breaking down as follows:

- a decrease in inventories for €3.9 million;
- a decrease in trade and other receivables for €0.7 million due to tight control over collection periods and despite revenue growth;
- an increase in trade and other payables for €16.9 million.

Net financial interest paid represented €12.0 million, compared to €16.3 million in 2010, down due to the decline of average financial net debt.

Income taxes paid represented €101.7 million, compared to €62.9 million in 2010, for an increase of €38.8 million mainly relating to France for €13.1 million and the United States for €12.3 million.

Net cash from operating activities in 2011 represented €448.3 million, compared to €482.6 million in 2010.

7.2. Net cash used in investing activities

Net cash used in investing activities in 2011 consisted of €167.8 million worth of net capital expenditures for property, plant and equipment and intangible assets, €56.1 million to acquire long-term investments less net cash acquired, €13.9 million to acquire other financial assets, less €0.2 million in changes in payables on financial investments, €8.9 million in disposals of long-term investments and €6.3 million in disposals of financial assets.

Net of the change in payables, acquisitions of property, plant and equipment and intangible assets amounted to €180.6 million, while disposals totaled €12.8 million, generating a net flow of €167.8 million. Group acquisitions of property, plant and equipment amounting to €161.2 million, include €143.9 million for new street furniture and billboards and €17.3 million for general investments, consisting mainly of tooling, vehicles, computer equipment and software, real estate, and improvements. Group acquisitions of intangible assets amounting to €19.4 million include €8.3 million in new advertising rights and capitalized development costs, as well as €11.1 million in general investments, essentially comprising software.

In 2010, the Group recorded €129.4 million for acquisitions of new street furniture and billboards, new advertising rights and capitalized development costs, and €29.1 million for general investments.

Street Furniture accounted for 79% of the Group's acquisitions of property, plant and equipment, amounting to €128.1 million in 2011 (€107.2 million in 2010). Acquisitions of intangible assets, primarily comprising capitalized software, amounted to €12.1 million in 2011.

Transport acquisitions of property, plant and equipment totaled €20.3 million in 2011, while acquisitions of intangible assets amounted to €6.1 million. Total investments for the Transport activity amounted to €23.0 million in 2010.

In 2011, Billboard acquisitions of property, plant and equipment totaled €12.8 million, while acquisitions of intangible assets amounted to €1.2 million. Total investments for the Billboard activity amounted to €16.4 million in 2010.

Acquisitions of long-term investments less net cash acquired and net of changes in payables on financial investments amounted to €56.1 million in 2011 and primarily corresponded to the acquisition of Médiakiosk in France, as well as the acquisition of 50% the K. Out of Home group in Bulgaria and the acquisition of an additional interest conferring control of JCDecaux Korea Inc. (South Korea).

Disposals of long-term investments represented €8.9 million and primarily concerned the disposal of a non-controlling interest in Tulip (Hong Kong).

Acquisitions of other financial assets net of disposals amounted to €7.6 million, of which €3.3 million in loans granted to joint venture partners, €1.5 million concerning the non-eliminated portion of the additional loans granted to proportionately consolidated companies and €1.5 million concerning the loan granted by JCDecaux SA to Metrobus.

7.3. Net cash used in financing activities

7.3.1. Net cash from financing activities

The Group decreased its net debt by €211.3 million in 2011. This decrease breaks down as follows:

- an €114.2 million drop in the gross financial debt on the balance sheet,
- a €2.0 million decrease in net financial derivative liabilities;
- an €89.6 million increase in net cash; and
- a €5.5 million increase in loans relating to proportionately consolidated companies.

The change in gross financial debt on the balance sheet and hedging instruments stood at -€116.2 million and breaks down as follows:

- -€134.2 million of repayment flows net of financing;
- +€18.0 million linked to foreign exchange impacts, the net impact of IAS 39 on debt and derivatives, to changes in scope and various reclassifications.

7.3.2. Net cash used in acquisitions of non-controlling interests

In 2011, acquisitions of non-controlling interests amounted to €1.9 million and mainly comprised the acquisition of 50% of the remaining capital in Chengdu MPI Public Transportation Adv. Co Ltd in China.

7.3.3. Shareholders' equity and dividends

In 2011, JCDecaux SA did not pay any dividends.

Certain JCDecaux SA subsidiaries, in which there are minority shareholders, made dividend payments amounting to €8.1 million.

The €4.0 million increase in shareholders' equity is linked to the issue of 3.9 million new shares by JCDecaux SA as a result of the exercise of stock options.

8. FINANCIAL MANAGEMENT

The type of financial risks arising from the activity conducted by the Group and its risk management policy, as well as an analysis of the management of such risks in 2011, are described in the Notes to the Consolidated Financial Statements (pages 110 to 113 of this document).

9. COMMITMENTS OTHER THAN THOSE RELATING TO FINANCIAL MANAGEMENT

The Group's material off-balance sheet commitments as of December 31st, 2011 are listed and analyzed in Note 6 to the Consolidated Financial Statements.

II. RECENT DEVELOPMENTS AND OUTLOOK

Since December 31st, 2011, the Group's business and financial position has not experienced any material change requiring discussion in this document. Any revenue forecast for 2012 would be premature.
JCDecaux continues to invest selectively in projects that promote the Group's development.

III. INVESTMENT POLICY

1. MAIN INVESTMENTS COMPLETED

Most of the Group's capital expenditures relate to the construction and installation of street furniture and advertising panels in connection with renewals and new contracts, as well as recurring investments necessary for ongoing business operations (vehicles, computers, tooling and buildings).

In 2011, the Group devoted €152.2 million in investments linked to new contracts or renewal of existing contracts, compared to €133.5 million in 2010.

The Group also spent €28.4 million, versus €25.0 million in 2010, on building improvements, tooling, vehicles and computer systems, aside from projects for new contracts or renewal of existing contracts.

2. MAIN FUTURE INVESTMENTS

Investments in 2012 will primarily be devoted to furthering the development of street furniture installation programs in connection with new or renewed contracts.

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

	Equity attributable to owners of the parent company										
	Share Capital	Additional paid-in capital	Retained earnings	Other components of equity					Total	Non-controlling interests	Total
In million euros				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).

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 31st, 2011, compared to €211.5 million and €(22.1) million, respectively, as of December 31st, 2010.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. 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 31st, 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 31st, 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 Prepayments 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 31st, 2011:

- Standards and amendments adopted by the European Union but which are not yet in force for the year ended December 31st, 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 st, 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 1st, 2004 transition date, the December 31st, 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 1st, 2004. Business combinations that occurred before January 1st, 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 1st, 2004. As a result, any profits and losses realized on the subsequent sale of foreign activities exclude the exchange differences existing before January 1st, 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 1st, 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 1st, 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.................................. 5 to 10 years
  (excluding street furniture and billboards)
- 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 1st, 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 1st, 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 1st, 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 1st, 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 31st, 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 1st, 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 1st, 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 1st, 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 Fair value through profit or loss	Available-for-sale assets	Loans & receivables	Liabilities at amortized cost	Total net carrying amount	Fair value	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
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 31st, 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 31st, 2011 and 2010.*

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

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

In million euros	12/31/2011 Gross value	12/31/2011 Depreciation or provision	12/31/2011 Net value	31/12/2010 Net value
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 31st, 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 31st, 2011.

As of December 31st, 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 31st, 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 31st, 2011, other financial investments had increased by €8.5 million compared to December 31st, 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 31st, 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 31st, 2011, compared to €240.1 million as of December 31st, 2010. 7.3% of non-provided trade receivables were past due by more than 90 days as of December 31st, 2011, compared to 6.9% as of December 31st, 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 31st, 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 31st, 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 31st, 2011, compared to €26.7 million as of December 31st, 2010.

2.14. Equity

Breakdown of share capital

As of December 31st, 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 1st, 2011 and December 31st, 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 31st, 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 31st, 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 31st, 2011 and December 31st, 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 31st, 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 31st, 2011 against €6.5 million as of December 31st, 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 31st, 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 31st, 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 31st, 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 31st, 2010.*

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

As of December 31st, 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 31st, 2011 amounted to €(10.7) million and are mainly related to the French companies.

As of December 31st, 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 31st, 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 31st, 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 31st, 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 31st, 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:

	12/31/2011			12/31/2010		
In million euros	Minimum future lease payments	Interest	Principal	Minimum future lease payments	Interest	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 31st, 2011, compared to €86.5 million as of December 31st, 2010.

The item primarily comprises a purchase commitment given to the partner company Progress, for its interest in Gewista Werbe GmbH, exercisable between January 1st, 2019 and December 31st, 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 31st, 2010 and December 31st, 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 31st, 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 31st, 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 31st, 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 31st, 2011, the market values of these financial instruments amounts to €(0.1) million, against €(0.2) million as of December 31st, 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 31st, 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 31st, 2011, the market value of these financial instruments amounts to €(0.1) million, compared to €(0.5) million as of December 31st, 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 31st, 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 31st, 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 31st, 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)]:

		2011		2010	
In million euros	% of consolidation	Net Income	Net Revenues	Net Income	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 31st, 2011, the Group had 10,304 employees, compared to 9,943 employees as of December 31st, 2010.

The Group's share of employees of proportionately consolidated companies is 821 as of December 31st, 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 31st, 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 31st, 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 31st, 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 31st, 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 31st, 2011	-90bp	+100bp	+146bp	+246bp

As of December 31st, 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.

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

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.

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 31st, 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 31st, 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 31st, 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 31st, 2010.

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.

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

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 31st, 2010.

As of December 31st, 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 1st, 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 31st, 2011, commitments on securities received by the Group comprise the following options:

- regarding the Metrobus group, a put option, valid from April 1st, 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 1st, 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 31st, 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 31st, 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 31st, 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 31st, 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 31st, 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 31st, 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 31st, 2011 and as of December 31st, 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 31st, 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 31st, 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 31st, 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.

MANAGEMENT DISCUSSION AND ANALYSIS OF JCDECAUX SA CORPORATE FINANCIAL STATEMENTS

1. COMMENTS ON ACTIVITY, EARNINGS, PROGRESS MADE AND DIFFICULTIES ENCOUNTERED DURING THE FISCAL YEAR

- JCDecaux SA revenues rose by 9% in 2011, reflecting a steady advertising market following the recovery of 2010 and the momentum of its non-advertising activity. The company pursued a rigorous control policy over operating costs and investments during the year;
- in 2011, the Company's activities covered the following areas:
- Marketing of advertising space for the JCDecaux France companies (formerly JCDecaux Mobilier Urbain), SOPACT and SOMUPI;
- installation, maintenance, repair and removal of street and sidewalk furniture;
- supply of street furniture and spare parts for Group subsidiaries;
- assistance and consulting services covering administrative, technical, IT, legal, real estate, employee relations and industrial issues for the various JCDecaux Group subsidiaries;
- investment management;
- on December 31st, 2011, the Company conducted an internal restructuring of its activities in France by means of:
- a partial asset transfer to its wholly owned subsidiary JCDecaux France (formerly JCDecaux Mobilier Urbain) of the business line partly comprising the group's French operating facilities. The net assets contributed amounted to €94.3 million;
- a merger within JCDecaux France of its subsidiaries Avenir, SEMUP, DPE, JCDecaux Airport France, JCDecaux Artvertising and the SARL Centre de Formation JCDecaux CE;
- a transfer of the shares held in SOPACT, SOMUPI and Cyclocity to its subsidiary JCDecaux France Holding;
- a capital increase for the subsidiary JCDecaux France via the capitalization of a receivable for €220 million;
- Following this restructuring, all operational activities were transferred to JCDecaux France and, as of January 1st, 2012, JCDecaux SA only carries out its holding and subsidiary support activities. The December 31st, 2011 balance sheet was prepared following the recognition of these restructuring operations. However, the income statement reflects all the operational and holding activities of fiscal year 2011.

2. COMMENTS ON THE FINANCIAL STATEMENTS

2.1. Revenue

Revenue stood at €647.2 million in 2011, compared to €594.0 million in 2010, for an increase of 9%.

Advertising revenue increased by 4.7%, standing at €341.0 million in 2011, compared to €325.6 million in 2010, representing 52.7% of revenues in 2011, compared to 54.8% in 2010.

Sales of street furniture and other goods surged by 23.0% and amounted to €92.9 million in 2011, compared to €75.6 million in 2010, representing 14.3% of revenues in 2011, compared o 12.7% in 2010. The increase is explained by contract renewals or new contract wins in the group's foreign and French subsidiaries.

Revenue from other company services essentially covering the assembly, maintenance, and display of street furniture and all the assistance and consulting services for Group subsidiaries amounted to €213.3 million in 2011, compared to €192.8 million in 2010. The change is mainly explained by an increase in amounts billed to the French subsidiaries for billboard and dismantling services following price adjustments as of January 1st, 2011.

Inventories of goods amounted to €1.3 million, compared to -€8.8 million in 2010. Year-end inventories were up slightly to meet the needs of ongoing projects.

The €6.9 million decrease in reversals on depreciation, amortization, provisions and expense reclassifications is primarily due to a significant contingency provision reversal in 2010 following a litigation win involving a supplier.

Other revenue rose by €2.9 million in 2011 due to the increase in brand licensing fees billed to subsidiaries based on their 2010 earnings, up sharply compared to 2009.

Total revenue amounted to €681.3 million, compared to €619.8 million in 2010.

2.2. Operating expenses

Operating expenses amounted to €661.8 million in 2011, compared to €614.8 million in 2010, for a €47.0 million increase representing 7.6%.

The increase is essentially due to greater purchases of raw materials and other supplies for €16.9 million, in line with higher street furniture sales.

Other purchases and external charges stood at €396.1 million in 2011, compared to €365.9 million in 2010, an 8.3% increase.

The main impacts are:

- a €10 million rise in advertising space purchases due to the greater number of Avenir windows used by JCDecaux SA;
- a €5.6 million increase in subcontracted manufacturing and related purchases and a €1.3 million rise in transport costs in line with higher street furniture sales;
- a €4.1 million increase in IT subcontracting due to numerous IT projects in 2011;
- an international seminar in May 2011.

In 2011, employee-related expenses amounted to €145.9 million, compared to €144.0 million in 2010, for an increase of 1.3%.

Depreciation, amortization and provisions were lower, amounting to €18.1 million, compared to €20.7 million in 2010, primarily due to the -€1.2 million decrease in amortization and the -€1.2 million decline in provisions for impairment of trade receivables.

Non-deductible expenses, as provided under Article 223 quater of the French Tax Code, amounted to €54,326, generating an estimated tax charge of €19,612.

2.3. Net financial income

Net financial income stood at €45.2 million in 2011, compared to €209.8 million in 2010, for a decrease of €164.6 million primarily explained by:

- the net change in equity investment impairment for -€97.3 million, relating to net reversals of €37.8 million in 2011, compared to net reversals of €135.2 million in 2010;
- a €21.5 million decrease in foreign exchange gains net of foreign exchange losses;
- a €1 million increase in interest paid on borrowings;
- a €1.3 million increase in interest received;
- a €51.8 million decrease in revenue from equity investments;
- impairment reversals of €5.7 million in 2011 regarding other long-term investments.

2.4. Non-recurring income/loss

A non-recurring loss of €4.8 million was recognized in 2011, compared to an income of €0.3 million in 2010.

Non-recurring income and expenses were primarily impacted by:

- Recognition of the removal of the SOPACT, SOMUPI and Cyclocity shares transferred to JCDecaux France Holding, recorded in Net carrying amount of financial assets sold for €31.2 million, and offset by the increase in JCDecaux France Holding shares recorded for the same amount in Proceeds on disposal of long-term investments;
- Recognition of the exceptional impairment reversal on these shares for €23.3 million, as an offset to the capital loss in the same amount recognized in Non-recurring charges on shares at the time these shares were cancelled, following the merger of JCDecaux Airport France and JCDecaux Artvertising with JCDecaux France.

2.5. Net income

Net income totaled €52 million in 2011, compared to €211.3 million in 2010.

3. RECENT DEVELOPMENTS AND OUTLOOK

As of January 1st, 2012, JCDecaux SA only carries out group holding and subsidiary support activities and has no operating activity.

4. 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 by a 5-year €600 million credit facility maturing in February 2017.

JCDECAUX SA CORPORATE FINANCIAL STATEMENTS AND NOTES

BALANCE SHEET ASSETS

(In million euros)		2011	2010
Intangible assets	Gross value	68.8	62.8
	Amortization	(56.4)	(53.1)
	Net value	12.4	9.7
Property, plant and equipment	Gross value	14.7	160.7
	Depreciation	(13.5)	(143.3)
	Net value	1.2	17.4
Long-term investments	Gross value	3,118.9	2,984.5
	Impairment	(57.8)	(124.4)
	Net value	3,061.1	2,860.1
FIXED ASSETS		**3,074.7**	**2,887.2**
Inventories	Gross value	0.0	51.0
	Impairment	0.0	(13.4)
	Net value	0.0	37.6
Trade receivables	Gross value	13.8	176.7
	Impairment	0.0	(4.3)
	Net value	13.8	172.4
Other receivables	Gross value	29.7	26.7
	Impairment	0.0	0.0
	Net value	29.7	26.7
Miscellaneous	Cash and cash equivalents	33.9	106.0
Prepaid expenses		1.7	8.0
CURRENT ASSETS		**79.1**	**350.7**
	Deferred charges	0.5	1.8
	Unrealized translation losses	8.6	5.1
TOTAL		**3,162.9**	**3,244.8**

BALANCE SHEET LIABILITIES AND EQUITY

(In million euros)		2011	2010
Share capital		3.4	3.4
Premium on share issues, mergers and contributions		1,149.9	1,145.4
Reserves		908.1	696.9
Retained earnings			0.5
Net income/(loss) for the year		52.0	211.3
Tax-driven provisions		8.9	7.0
EQUITY		**2,122.3**	**2,064.5**
PROVISIONS FOR CONTINGENCIES AND LOSSES		**3.9**	**17.7**
Long-term debt	Other bonds	294.0	293.9
	Bank borrowings	5.2	121.1
	Miscellaneous facilities and other financial debt	641.1	545.8
Operating liabilities	Trade payables and related accounts	17.7	99.5
	Tax and social security liabilities	27.4	65.9
Miscellaneous liabilities	Amounts due on fixed assets and related accounts	0.0	1.9
	Other liabilities	45.5	19.2
Deferred income		0.0	10.1
LIABILITIES		**1,030.9**	**1,157.4**
	Unrealized translation gains	5.8	5.2
TOTAL		**31,262.9**	**3,244.8**

INCOME STATEMENT

(In million euros)	2011	2010
NET REVENUES	**647.2**	**594.0**
Change in inventories of finished goods and work-in-progress	1.3	(8.8)
Self-created assets	6.1	3.9
Reversals of amortization, depreciation, provisions and expense reclassifications	5.6	12.5
Other revenue	21.1	18.2
TOTAL OPERATING INCOME	**681.3**	**619.8**
Purchase of raw materials and other supplies	68.3	51.4
Other purchases and external charges	396.1	365.9
Taxes	10.9	9.8
Wages and salaries	101.8	100.5
Social security contributions	44.1	43.5
Amortization, depreciation and provisions	18.1	20.7
Other charges	22.5	23.0
TOTAL OPERATING CHARGES	**661.8**	**614.8**
NET OPERATING INCOME	**19.5**	**5.0**
NET FINANCIAL INCOME/(LOSS)	**45.2**	**209.8**
CURRENT INCOME/(LOSS) BEFORE TAXES	**64.7**	**214.8**
Non-recurring income	58.3	3.6
Non-recurring charges	63.1	3.3
NON-RECURRING INCOME/(CHARGES)	**(4.8)**	**0.3**
Employee profit-sharing	(0.6)	(0.2)
Income taxes	(7.3)	(3.6)
NET INCOME/(LOSS)	**52.0**	**211.3**

NOTES TO THE CORPORATE FINANCIAL STATEMENTS

The corporate financial statements of JCDecaux SA for the year ended December 31st, 2011 were approved by the Executive Board on March 5, 2012 and show revenues of €647.2 million, net income of €52.0 million and total assets of €3,162.9 million.

1. MAJOR EVENTS OF THE YEAR

The Company conducted an internal restructuring of its activities in France effective December 31st, 2011 for accounting and tax purposes. The restructuring breaks down as follows:

- a partial asset contribution to its wholly owned subsidiary JCDecaux France (formerly JCDecaux Mobilier Urbain) of the business line partly comprising the group's French operating facilities. The net assets contributed amounted to €94.3 million. Following the operation, JCDecaux SA maintains its holding and subsidiary support activity;
- merger within JCDecaux France of its subsidiaries Avenir, SEMUP, DPE, JCDecaux Airport France, JCDecaux Artvertising and the SARL Centre de Formation JCDecaux CE;
- a transfer of the shares held in SOPACT, SOMUPI and Cyclocity to its subsidiary JCDecaux France Holding;
- a capital increase for the subsidiary JCDecaux France via the capitalization of a receivable for €220 million.

All these transactions took place on December 31st, 2011 and had no impact on the income statement for 2011.

2. ACCOUNTING POLICIES AND METHODS

2.1. General principles

The corporate financial statements for the twelve-month period ended December 31st, 2011 have been prepared in accordance with current laws and regulations and with generally accepted accounting principles:

- going concern;
- consistency;
- accrual basis.

The items recorded in the accounts are valued according to the historical cost method.

2.2. Main methods used

2.2.1. Fixed assets

Fixed assets are valued at acquisition cost in accordance with accounting standards. There has been no change in valuation methods.

2.2.1.1. *Intangible assets*

Intangible assets consist mainly of software. They are amortized on a straight-line basis, over a period of 3 to 5 years.

Expenses incurred, both internal and external, to develop significant software (core business line IT applications) are carried in intangible assets and amortized on a straight-line basis over 5 years. In accordance with current accounting regulations, only expenses incurred in the detailed design, programming and configuration, testing and acceptance phases are recorded under intangible assets.

In order to benefit from tax provisions, the Company records the difference between accounting and tax depreciation in accelerated depreciation (12 months).

Any research and development expenditure incurred over the year is booked as an expense.

2.2.1.2. *Property, plant and equipment*

Depreciation methods and periods are as follows:

▪ Buildings	straight-line - 20 years
▪ Fixtures and fittings in buildings	straight-line - 5 or 10 years
▪ Technical installations, tools and equipment	straight-line or declining balance - 5 or 10 years
▪ Vehicles	straight-line - 4 or 5 years
▪ Office and other equipment	straight-line or declining - 3 or 5 years
▪ Furniture	straight-line - 10 years

2.2.1.3. *Long-term investments*

Equity investments are presented on the balance sheet at acquisition cost. An impairment loss is recognized when their value in use is less than the acquisition cost.

Value in use is calculated based on discounted future cash flows, less net debt.

When equity investments are sold, the FIFO method is applied.

2.2.2. Current assets

2.2.2.1. *Inventories and work-in-progress*

Inventories of raw materials are valued at purchase price. Semi-finished and finished goods are valued at cost, including direct and indirect production costs.
A provision is recognized on the basis of value in use and the probability of future use.

2.2.2.2. *Receivables*

Provisions are recognized based on the risk of non-recovery for disputed debt or bad debt due to age.

2.2.2.3. *Marketable securities*

Marketable securities are valued at acquisition cost. An impairment loss is recognized if the year-end carrying value is lower than cost.

2.2.2.4. *Prepaid expenses*

In accordance with the accrual basis principle, expenses relating to 2012 and thereafter are recorded in this account.

2.2.3. Liabilities and equity

2.2.3.1. *Provisions for contingencies and losses*

Provisions are recognized to meet legal or implicit obligations, arising from past events existing at the balance sheet date and for which an outflow of resources is expected.

2.2.3.2. *Provisions for retirement and similar benefits*

JCDecaux SA's obligations resulting from defined benefit plans, as well as their cost, are determined using the actuarial 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, Company-wide agreements or current legal rights.

For post-employment defined benefits, actuarial gains or losses exceeding the greater of 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 long-term benefits, actuarial gains or losses and past service costs are recognized as an income or expense when they occur.

2.2.3.3. *Deferred income*

In accordance with the accrual basis principle, income relating to 2012 and thereafter is recorded in this account.

2.2.4. Foreign currency transactions and financial instruments

2.2.4.1. *Foreign currency transactions*

Payables, receivables and cash denominated in foreign currencies are shown on the balance sheet at their euro equivalent value using year-end exchange rates. Any difference resulting from the revaluation of these foreign currency payables and receivables is recorded in the balance sheet under unrealized translation gains or losses.

Unrealized foreign exchange losses that are not hedged are covered by a foreign exchange loss provision.

2.2.4.2. *Financial instruments*

The purpose of interest rate hedging is to limit the impact of fluctuations in short-term interest rates on loans secured by the Company.

Items are hedged by means of over-the-counter instruments with leading banking counterparties. The financial instruments used are mainly swaps, forward-rate agreements and interest rate options.

The purpose of foreign exchange hedging is to protect the Company against foreign currency fluctuations affecting the euro. The instruments used are mainly forward purchases and sales of foreign currencies against the euro and foreign exchange options.

3. NAME AND ADDRESS OF THE CONSOLIDATING PARENT COMPANY

Although the Company publishes consolidated financial statements, its corporate financial statements are fully consolidated into the consolidated financial statements of the following company:

JCDecaux Holding
17, Rue Soyer
92200 Neuilly sur Seine

4. INTANGIBLE ASSETS

(In million euros)	Amount as of 01/01/2011	Increase	Decrease	Partial asset contribution	Amount as of 12/31/2011
Gross value	62.8	10.0	4.0	(0.1)	68.7
Amortization and impairment	(53.1)	(3.5)	(0.2)	0.0	(56.4)
Net value	**9.7**	**6.5**	**3.8**	**(0.1)**	**12.3**

Gross value *(In million euros)*	Amount as of 01/01/2011	Increase	Decrease	Partial asset contribution	Amount as of 12/31/2011
Patents, licenses and software	60.5	4.7	0.2	0.0	65.0
Purchased goodwill	0.1	0.0	0.0	(0.1)	0.0
Intangible assets under development	2.2	5.3	3.8	0.0	3.7
Total	**62.8**	**10.0**	**4.0**	**(0.1)**	**68.7**

Amortization and impairment *(In million euros)*	Amount as of 01/01/2011	Increase	Decrease	Partial asset contribution	Amount as of 12/31/2011
Patents, licenses and software	(53.1)	(3.5)	(0.2)	0.0	(56.4)
Total	**(53.1)**	**(3.5)**	**(0.2)**	**0.0**	**(56.4)**

5. PROPERTY, PLANT AND EQUIPMENT

(In million euros)	Amount as of 01/01/2011	Increase	Decrease	Partial asset contribution	Amount as of 12/31/2011
Gross value	160.7	4.5	3.4	(147.1)	14.7
Amortization and impairment	(143.3)	(5.9)	(3.0)	132.7	(13.5)
Net value	**17.4**	**(1.4)**	**0.4**	**(14.4)**	**1.2**

Gross value *(In million euros)*	**Amount as of 01/01/2011**	**Increase**	**Decrease**	**Partial asset contribution**	**Amount as of 12/31/2011**
Land	0.2	0.0	0.0	(0.2)	0.0
Buildings	24.2	0.1	0.0	(24.3)	0.0
Street furniture	1.5	0.0	0.0	0.0	1.5
Technical installations, machinery and equipment	33.3	0.8	0.0	(32.6)	1.5
Fixtures and fittings	36.8	0.3	0.0	(37.1)	0.0
Vehicles	42.0	2.3	3.1	(40.5)	0.7
Office and other equipment	21.9	0.6	0.1	(11.4)	11.0
Other	0.1	0.0	0.0	(0.1)	0.0
PPE under construction	0.7	0.4	0.2	(0.9)	0.0
Advances and payments on account	0.0	0.0	0.0	0.0	0.0
TOTAL	**160.7**	**4.5**	**3.4**	**(147.1)**	**14.7**

Depreciation and impairment *(In million euros)*	**Amount as of 01/01/2011**	**Increase**	**Decrease**	**Partial asset contribution**	**Amount as of 12/31/2011**
Buildings	(18.7)	(0.8)	(0.0)	19.5	0.0
Street furniture	(1.3)	0.0	(0.0)	0.0	(1.3)
Technical installations, machinery and equipment	(30.8)	(1.2)	0.0	30.7	(1.3)
Fixtures and fittings	(34.5)	(0.6)	(0.0)	35.1	0.0
Vehicles	(37.6)	(2.2)	(2.9)	36.3	(0.6)
Office and other equipment	(20.0)	(1.1)	(0.1)	10.7	(10.3)
Other	(0.1)	(0.0)	(0.0)	0.1	0.0
PPE under construction	(0.3)	(0.0)	(0.0)	0.3	0.0
TOTAL	**(143.3)**	**(5.9)**	**(3.0)**	**132.7**	**(13.5)**

The technical facilities for assembly, installation, use and marketing relating to operations were transferred to JCDecaux France for a net value of €14.4 million.

6. LONG-TERM INVESTMENTS

(In million euros)	**Amount as of 01/01/2011**	**Increase**	**Decrease**	**Merger /partial asset contribution**	**Amount as of 12/31/2011**
Equity investments	2,582.9	251.8	33.5	70.9	2,872.1
Loans to affiliates	210.1	256.4	371.6	0.0	94.9
Loans and other long-term investments	191.5	148.0	186.3	(1.3)	151.9
Gross value	**2,984.5**	**656.2**	**591.4**	**69.(**	**3,118.9**
Impairment	(124.4)	(28.5)	(71.8)	(23.3)	(57.8)
Net value	**2,860.1**	**627.7**	**519.6**	**92.9**	**3,061.1**

Changes in equity investments mainly involve:

- the transfer of SOMUPI, SOPACT and CYCLOCTY shares to the sub-holding company JCDecaux France Holding wholly owned by the company. This contribution was carried out at the net carrying amount, i.e. €31.2 million;
- the increase in JCDecaux France shares received in compensation for the partial asset transfer to JCDecaux France and in compensation for contributions arising from the merger of Avenir, SEMUP, DPE, JCDecaux Airport France, JCDecaux Artvertisingand SARL Centre de Formation JCDecaux CE, offset by a corresponding decrease in the shares held in the merged companies, for a net impact of €70.9 million;
- the JCDecaux France €220 million capital increase as of December 31st, 2011, paid up by offsetting a receivable owed by the company;
- the sale of shares held in JCDecaux SALVADOR S.A. to its wholly owned subsidiary JCDecaux Amériques Holding.

The reversals of equity investment impairment essentially concern the North American continent and reflect the steadiness of the advertising market following the 2010 recovery. The impairment recorded over the year corresponds to a decline in the advertising market in certain Eurozone countries, namely Italy.

The increase or decrease in "Loans to affiliates" corresponds to new loans and to the repayment of loans granted to subsidiaries.

7. INVENTORIES

(In million euros)	**2011**	**2010**
Raw materials and supplies	0.0	28.0
Work-in-progress	0.0	0.2
Semi-finished goods	0.0	12.6
Finished goods	0.0	10.2
Gross value	**0.0**	**51.0**
Impairment	0.0	(13.4)
Net value	**0.0**	**37.6**

Inventories with a net value of €39.3 million as of December 31st, 2011 were transferred to JCDecaux France as part of the partial asset transfer.

8. MARKETABLE SECURITIES AND OTHER FINANCIAL INSTRUMENTS

As of December 31st, 2011, JCDecaux SA did not hold any marketable securities in its portfolio.

9. CASH AND CASH RECEIVABLES

(In million euros)	**2011**	**2010**
Bank	33.9	11.9
Cash	NM	NM
Total	**33.9**	**11.9**

10. DEFERRED CHARGES

(In million euros)	**2011**	**2010**
Loan issuing costs	0.5	1.8
Total	**0.5**	**1.8**

Loan issuing costs relate to the 2003 private placement issue in the United States and the renewal of the revolving credit line in 2005, which was subsequently amended in 2006. These costs are expensed over the respective term of each loan. In 2008, the Club

Deal loan was extended. Related costs for €568,000 were spread over the remaining term of the credit line, i.e. 5 years. A new loan was secured on March 31st, 2010. The issuing costs relating to a €100 million loan contracted in March 2010 were spread over the full year in 2011 (for €0.8 million), following the loan's early repayment.

11. MATURITY OF RECEIVABLES AND PAYABLES

(In million euros)	Total	Less than 1 year	More than 1 year but less than 5 years	More than 5 years
Receivables	291.9	62.9	221.2	7.8
Payables	1,030.9	140.5	890.4	

The amounts shown in receivables include loans to affiliates, loans, other long-term investments, as well as trade receivables and related accounts, other receivables and prepaid expenses.

The amounts appearing in payables include bond debt, bank debt and other long-term debt with respect to subsidiaries, as well as trade payables and related accounts, other liabilities and deferred income.

Payables due in less than one year comprise payables to JCDecaux France for a total of €54.7 million.

JCDecaux SA's long-term debt with respect to companies that are not directly or indirectly owned subsidiaries consists of:

- a private placement issued for USD 150 million and €150 million in 2003 in the United States, repayable between 2013 and 2015, and valued at €292.2 million as of December 31st, 2011, hedging included;
- €100 million credit facility set up in March 2010 and maturing in March 2014 for €20 million and March 2015 for €80 million. This credit line was repaid in advance for the full amount in 2011;
- a credit facility set up in March 2005 and amended in 2006 and 2008. This committed credit facility for €850 million matures in June 2012 for €140 million and June 2013 for €710 million. As of December 31st, 2011, this facility had not been used, leaving the Company with available committed credit facilities amounting to €850 million. On February 15, 2012, this committed revolving credit facility was replaced by a €600 million 5-year credit facility maturing in February 2017.

While JCDecaux SA financing sources are confirmed, they impose compliance with a number of covenants. As of December 31st, 2011, the Group was compliant with all covenants, with values significantly distant from required limits.

12. PREPAID EXPENSES AND DEFERRED INCOME

(In million euros)	2011	2010
Leasing of advertising sites	0.0	5.2
Miscellaneous costs (maintenance, leasing, etc.)	1.7	2.8
Prepaid expenses	**1.7**	**8.0**
Sales of advertising space	0.0	10.1
Miscellaneous	0.0	NM
Deferred income	**0.0**	**10.1**

The significant decrease in prepaid expenses and deferred income is attributable to the transfer of the operational activity (specifically sales of advertising space) to JCDecaux France.

13. EQUITY

(In million euros)	01/01/2011	Allocation of 2010 income	Change 2011	Partial asset contribution	12/31/2011
Share capital	3.4		NM		3.4
Additional paid-in capital	742.4		4.4		746.8
Merger premium	159.1				159.1
Contribution premium	244.0				244.0
Legal reserve	0.3				0.3
Other reserves	696.5	211.8	(0.5)		907.8
Retained earnings	0.5	(0.5)			0.0
Net income for the period	211.3	(211.3)	52.0		52.0
Net worth	**2,057.5**	**0.0**	**55.9**	**0.0**	**2,113.4**
Tax-driven provisions	7.0		1.9	(0.1)	8.8
Total equity	**2,064.5**	**0.0**	**57.8**	**(0.1)**	**2,122.2**

As of December 31st, 2011, share capital amounted to €3,382,240.96, consisting of 221,860,303 fully paid-up shares.

During the year, 237,000 shares were created following the exercise of stock options, and 21,188 shares were created in accordance with the bonus share allotment plan of February 23, 2009.

As part of the share subscription option plan authorized by the General Meeting of Shareholders of May 13, 2009, the Executive Board granted 76,039 and 934,802 options during fiscal years 2010 and 2011. As of December 31st, 2011, a total of 4,035,019 options, broken down as follows, were allocated under the stock option plans authorized by the General Meetings of Shareholders of May 23, 2002, May 11, 2005, May 10, 2007 and May 13, 2009.

Date of issuance	03/05/2004	03/04/2005	02/20/2006	02/20/2007	02/15/2008	02/23/2009	12/01/2010	02/17/2011
Number of options issued	678,711	690,365	70,758	763,892	719,182	101,270	76,039	934,802
Option strike price	€15.29	€19.81	€20.55	€22.58	€21.25	€11.15	€20.20	€23.49
Expiry date	03/05/2011	03/04/2012	02/20/2013	02/20/2014	02/15/2015	02/23/2016	12/01/2017	02/17/2018

As of December 31st, 2011, JCDecaux Holding held 70.33% of the Company's share capital (i.e. 156,030,573 shares).

Tax-driven provisions consist of accelerated depreciation.

14. PROVISIONS FOR CONTINGENCIES AND LOSSES

(In million euros)	Amount as of 01/01/11	Charges 2011	Reversals 2011	Partial asset contribution	Amount as of 12/31/11
Provisions for contingencies					
Litigation	1.7	0.3	1.1	(0.9)	0.0
Foreign exchange losses	0.1	0.1	0.1	(0.1)	0.0
Other	0.2	0.0	0.1	0.0	0.1
Provisions for losses					
Provisions for retirement benefits and long-service bonuses	15.7	2.0	0.0	(13.9)	3.8
Total	**17.7**	**2.4**	**1.3**	**(14.9)**	**3.9**

Reversals of provisions for contingencies break down as follows:

(In million euros)	**Provisions used**	**Provisions unused**	**Total**
Provisions for contingencies	1.0	0.3	1.3

JCDecaux SA's commitments in respect of defined-benefit plans for employees are mainly made up of retirement benefits pursuant to the applicable collective bargaining agreement and long-service bonuses.

Liabilities contributed to JCDecaux France comprise commitments covering transferred employees for €25.5 million. The provision for retirement and similar benefits transferred amounts to €13.9 million.

Provisions are calculated according to the following assumptions:

As of December 31st,	**2011**
Discount rate	4.30%
Salary revaluation rate	2.70%
Expected return on plan assets	4.50%
Average remaining working lives of employees	16 years

Retirement and other long-term benefits break down as follows:

(In million euros)	**Retirement benefits**	**Other commitments**	**Total**
Change in benefit obligations			
Opening balance	25.4	2.0	27.4
Service cost	1.5	0.1	1.6
Interest cost	1.1	0.1	1.2
Actuarial gains/losses	1.3	(0.1)	1.2
Benefits paid	(0.7)	(0.1)	(0.8)
Partial asset transfer	(23.7)	(1.8)	(25.5)
Benefit obligation at the end of the period	**4.9**	**0.2**	**5.1**
Change in plan assets			
Opening balance	5.1	-	5.1
Expected return on plan assets	0.2	-	0.2
Actuarial gains/losses	(0.1)	-	(0.1)
Benefits paid by the fund	-	-	-
Employer contribution to the fund	-	-	-
Partial asset transfer	(5.2)	-	(5.2)
Fair value of assets at the end of the period	**-**	**-**	**-**
Provision			
Funded status	4.9	0.2	5.1
Actuarial gains or losses to be amortized	(1.0)	-	(1.0)
Past service cost to be amortized	(0.3)	-	(0.3)
Closing provision	**3.6**	**0.2**	**3.8**
Net periodic pension cost			
Service cost	1.5	0.1	1.6
Interest cost	1.1	0.1	1.2
Expected return on plan assets	(0.2)	-	(0.2)
Amortization of actuarial gains or losses	0.2	(0.1)	0.1
Amortization of past service cost	0.1	-	0.1
Charge for the year	**2.7**	**0.1**	**2.8**

Net changes during the year were as follows:

(In million euros)	2011
As of 01/01/2011	**15.7**
Cost based on the income statement	2.8
Benefits paid	(0.8)
Partial asset contribution	(13.9)
As of 12/31/2011	**3.8**

15. UNRECOGNIZED TAX ASSETS OR LIABILITIES

Decrease (+) and increase (-) in the future tax debt

(In million euros)	2011	2010
Retirement benefits	3.6	13.7
Other provisions	0.4	0.4
Social security tax	0.7	0.6
Unrealized foreign exchange gains/losses	0.1	0.1
Provisions for NER receivables	0.0	0.4
Total	**4.8**	**15.2**

16. REAKDOWN OF REVENUE

(In million euros)	2011	2010
France	565.2	529.2
Export	82.0	64.8
Total	**647.2**	**594.0**

(In million euros)	France	Export
Sales of advertising space	315.4	25.6
Sales of street furniture and other assets	55.2	37.7
Other services	194.6	18.7
Total	**565.2**	**82.0**

Revenue includes the sale of advertising space for the street furniture business in France, services rendered to non-advertiser clients (local authorities), the sale of street furniture to French and foreign subsidiaries, as well as assistance and consulting services provided to the various JCDecaux group subsidiaries covering administrative, technical, IT and legal, real estate, labor relations and industrial issues.

17. NET FINANCIAL INCOME

Net financial income stood at €45.2 million in 2011, compared to €209.8 million in 2010, for a decrease of €164.6 million, primarily explained by:

- the net change in equity investment impairment for €(97.3) million relating to €37.8 million in net reversals in 2011, compared to €135.2 million in net reversals in 2010;
- a €21.5 million decrease in foreign exchange gains net of foreign exchange losses;
- a €1.0 million increase in interest paid on borrowings;
- a €1.3 million increase in interest received;
- a €51.8 million decrease in revenue from equity investments;
- impairment reversals on other financial assets for €5.7 million in 2011.

18. NON-RECURRING INCOME AND CHARGES

(In million euros)	2011
Net carrying amount of PP&E and intangible assets sold	0.2
Net carrying amount of financial assets sold	33.5
Accelerated depreciation charge	5.5
Non-recurring charges on shares	23.3
Other	0.6
Total non-recurring charges	**63.1**

(In million euros)	2011
Price of PP&E and intangible assets sold	0.3
Proceeds on disposal of long-term investments	31.2
Reversal of accelerated depreciation	3.5
Reversal of exceptional impairment on shares	23.3
Total non-recurring income	**58.3**

Non-recurring income and charges were marked by:

- Recognition of the removal of the SOPACT, SOMUPI and Cyclocity shares transferred to JCDecaux France Holding, recorded in Net carrying amount of financial assets sold for €31.2 million, and offset by the increase in JCDecaux France Holding shares recorded for the same amount in Proceeds on disposal of long-term investments;
- Recognition of the exceptional impairment reversal on these shares for €23.3 million, as an offset to the capital loss in the same amount recognized in Non-recurring charges on shares at the time these shares were cancelled, following the merger of JCDecaux Airport France and JCDecaux Artvertising with JCDecaux France.

19. ACCRUED INCOME AND EXPENSES

(In million euros)	2011	2010
ACCRUED EXPENSES		
Long-term debt		
Other bonds	1.7	1.6
Bank borrowings	-	-
Other borrowings and long-term debt	1.8	1.1
Operating liabilities		
Trade payables and related accounts	13.6	54.0
Tax and social security liabilities	11.3	32.3
Miscellaneous liabilities		
Amounts due on non-current assets and related accounts	-	0.4
Other liabilities	7.7	11.3

(In million euros)	2011	2010
ACCRUED INCOME		
Long-term investments		
Loans to affiliates	0.8	0.7
Loans	1.5	1.3
Operating receivables		
Trade receivables and related accounts	1.0	17.2
Other receivables	0.6	2.0
Miscellaneous receivables		
Cash instruments	4.6	4.6
Cash and cash equivalents	0.5	0.5

20. BREAKDOWN OF INCOME TAX

(In million euros)	Income before taxes	Taxes	Income after taxes
Current income	64.7	9.5	55.2
Non-recurring income	(4.8)	(2.0)	(2.8)
Employee profit-sharing	(0.6)	(0.2)	(0.4)
Net income	59.3	7.3	52.0

A tax consolidation agreement, under which JCDecaux SA is the head company, came into effect as of January 1st, 2002 and comprised the following companies:

- JCDecaux Mobilier Urbain;
- Avenir;
- JCDecaux Airport France;
- JCDecaux Artvertising;
- SEMUP;
- DPE.

As of January 1st, 2006, SOPACT joined the consolidation group as a consolidated company.

As of January 1st, 2007, Cyclocity, JCDecaux Asie Holding, JCDecaux Amériques Holding and JCDecaux Europe Holding joined the consolidation group as consolidated companies.

As of January 1st, 2009, International Bike Technology joined the consolidation group as a consolidated company.

As of January 1st, 2011, JCDecaux France Holding joined the consolidation group as a consolidated company.

Pursuant to the provisions of this agreement and in accordance with prevailing regulations, each tax-consolidated company determines its taxable income and calculates its corporate income tax as if there were no tax consolidation. The tax expense is recorded by the tax-consolidated company, and the corporate income tax is paid by the consolidating company. In the event of a tax loss for the consolidated company, the tax saving represents an immediate gain for the consolidating company. Should one of the Group's subsidiaries leave the consolidated tax group, the parties shall meet to analyze the consequences.

Given the merger within JCDecaux France effective as of December 31st, 2011, JCDecaux Airport France, JCDecaux Artvertising, DPE and SEMUP were removed from the tax consolidation group effective as of January 1st, 2011.

21. OFF-BALANCE SHEET COMMITMENTS AND OTHER FINANCIAL INSTRUMENTS

(In million euros)	12/31/2011	12/31/2010
COMMITMENTS GIVEN		
Business guarantees (1)	79.6	71.2
Other guarantees (2)	101.9	141.3
Pledges, mortgages and collateral	-	-
Commitments given on shares (3)	15.9	15.9
Total	**245.4**	**228.4**
COMMITMENTS RECEIVED		
Commitments received on shares (4)		-
Available credit facility	850.0	850.0
Debt waiver (financial recovery clause)	20.8	20.8
Total	**870.8**	**870.8**

(1) *Business guarantees correspond to guarantees issued whereby the Company guarantees, either directly or through counter–guarantees with respect to banks or insurance companies, the performance of concession agreements by subsidiaries.*

(2) *The "Other guarantees" line item consists of the guarantees issued in respect of settlement of lease payments, long-term debt, and vehicle rental for certain subsidiaries or counter-guarantees to banks within the scope of collateral security granted to certain subsidiaries. It should be noted that the amount of the guarantees with regard to long-term debt (credit facilities and bank overdrafts) and collateral security corresponds to the actual amount as of the closing date.*

Commitments given and received on shares are primarily related to acquisition transactions.

(3) *Commitments given on shares comprise:*

- *A put option exercisable from April 1st, 2014 to September 30, 2014. This option concerns the 34% interest held by the Group's partner Publicis in Somupi, and the exercise price will be determined by investment banks. It is estimated at €15.9 million as of December 31st, 2011.*

(4) *Commitments received on shares comprise:*

- *A put option exercisable from April 1st, 2014 to September 30, 2014. This option concerns the 33% interest held by the Group in the Metrobus group, and the exercise price will be determined by investment banks.*

In addition, as part of their binding cooperation agreement, JCDecaux SA and Affichage Holding have granted each other reciprocal calls in the event of non-compliance with contractual clauses, transfers of certain assets or a change in control.

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

The available credit facility comprises the JCDecaux SA committed revolving credit line.

22. FINANCIAL INSTRUMENTS

The Company uses derivative instruments solely for interest rate and foreign exchange rate hedging purposes.

a) Financial instruments related to bond issues

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

	Tranche B	Tranche C	Tranche D	Tranche E
Amount before hedging	USD 100 million	EUR 100 million	USD 50 million	EUR 50 million
Maturity date	April 2013	April 2013	April 2015	April 2015
Repayment	On maturity	On maturity	On maturity	On maturity
Interest rate before hedging	USD fixed	Euribor	USD fixed	Euribor
Amount after hedging	EUR 94.8 million	EUR 100 million	EUR 47.4 million	EUR 50 million
Interest rate after hedging	Euribor	Euribor	Euribor	Euribor

The market value of the financial instruments portfolio as of December 31st, 2011 (theoretical cost of liquidation) is €(17.6) million.

Tranche A (USD 100 million) and the related hedge matured in April 2010.

b) Hedging of foreign exchange risk

The Company is exposed to foreign exchange rate risk on the activities of its foreign subsidiaries.

Such risks are primarily related to:

- Commercial transactions;
- Financial transactions
  - refinancing and transfer of cash flows of foreign subsidiaries, hedged by foreign exchange swaps (the latest maturity of these agreements is January 2012);
  - loans denominated in US dollars and converted into euros, hedged through issue swaps with the same maturity as the loans (see paragraph a).

As of December 31st, 2011, the Company had entered into the following hedging agreements:

(In million euros)	Financial and commercial assets	Financial and commercial liabilities	Assets – Liabilities	Off-balance sheet [1]	Contingent positions	Difference
USD	10.4	(153.7)	(143.3)	144.4		1.1
CAD	2.5	-	2.5	(2.5)		0.0
GBP	22.3	(22.4)	(0.1)	(2.8)		(2.9)
SGD	6.8	(3.8)	3.0	(3.4)		(0.4)
SEK	0.3	(5.9)	(5.6)	5.7		0.1
AUD	0.3	(10.5)	(10.2)	10.4		0.2
NOK	0.8	(0.6)	0.2	2.8		3.0
DKK	0.2	(0.2)	0.0	0.0		0.0
JPY	18.1	(0.4)	17.7	(17.6)		0.1
HKD	1.2	(79.3)	(78.1)	78.6		0.5
THB	0.2	(0.1)	0.1	(0.2)		(0.1)
CZK	0.4	(0.5)	(0.1)	0.1		0.0
CNY	0.0	(0.2)	(0.2)	0.0		(0.2)
SAR	2.2	(8.3)	(6.1)	4.5		(1.6)
CHF	0.5	(0.5)	0.0	0.0		0.0
ILS	26.0	(0.7)	25.3	(25.0)		0.3
AED	0.5	(13.9)	(13.4)	13.5		0.1
TRY	20.8	(0.0)	20.8	(20.7)		0.1
PLN	0.4	(0.0)	0.4	(0.6)		(0.2)
Total	**113.9**	**(301.0)**	**(187.1)**	**187.2**		**0.1**

(1) Issue swaps and short-term foreign exchange swaps. Issue swaps are valued at the hedging rate in the same way as the corresponding financial liabilities. The other swaps are valued at the year-end rate.

The market value of the short-term financial instrument portfolio (foreign exchange swaps, excluding issue swaps covered above) as of December 31st, 2011 (theoretical cost of liquidation) was €(0.1) million.

c) Hedging of interest rate risk

The Company is exposed to interest rate risk on:

- bonds issued directly at a floating or fixed rate but converted into a floating rate upon issue of the bonds, throughout their term;
- bank loans indexed to a floating interest rate.

Thus, the loans subscribed by the Company are mainly indexed to money market rates. In order to protect itself against a rise in rates, the Company has entered into hedges in the form of purchases of straight caps, or caps financed by sales of caps or floors.

As of December 31st, 2011, the Company had generated €100 million from spread caps and the sale of floors maturing in 2014. These hedges could not be exercised as of December 31st, 2011.

The market value of these financial instruments as of December 31st, 2011 (theoretical cost of liquidation) was €(0.1) million).

23. COMPENSATION OF SENIOR EXECUTIVES

Attendance fees paid in 2011 to members of the Supervisory Board amounted to €152,500.

Compensation and benefits paid in 2011 to members of the Executive Board, with respect to their terms of office, amounted to €2,178,327.

24. HEADCOUNT

The headcount breakdown by employee category is as follows:

Category	2011	2010
Executives	447	406
Supervisors	731	742
Employees	1,380	1,407
Total	**2,554**	**2,555**

As part of the partial asset transfer, 2,360 employees were assigned to JCDecaux France on December 31st, 2011.

25. TRANSACTIONS CARRIED OUT WITH RELATED COMPANIES

(In million euros)

Balance sheet items (gross value)	**2011**	**2010**
Long-term investments		
Equity investments	2,721.1	2,432.0
Loans to affiliates	89.8	206.5
Loans	151.9	190.1
Deposits and sureties paid	-	0.9
Receivables		
Trade receivables and related accounts	13.1	61.5
Other receivables	22.2	7.0
Prepaid expenses	-	5.2
Liabilities		
Miscellaneous loans and long-term debt	599.2	544.4
Trade payables and related accounts	8.4	61.6
Other liabilities	79.6	4.4
Amounts due on non-current assets and related accounts		0.1
Deferred income	-	NM

Income statement items	2011	2010
Total operating charges	**283.1**	**273.0**
Total operating income	**301.0**	**263.0**
Interest expense		
Interest and similar charges	7.5	3.9
Interest income		
Income from equity investments	7.7	59.5
Interest	11.1	8.9
Non-recurring income		
Income from the disposal of non-current assets	NM	0.1

In addition to companies likely to be fully consolidated, related companies include companies that are proportionately consolidated in the JCDecaux Group financial statements.

During the year, there were no related-party agreements, within the meaning of Article R 123-198 of the French Commercial Code and of a material amount, which would not have been entered into under normal market terms and conditions.

26. SUBSEQUENT EVENTS

On February 15, 2012, the JCDecaux SA committed revolving credit facility for €850.0 million maturing in June 2012 and June 2013 was replaced by a 5-year €600 million credit facility maturing in February 2017.

27. SUBSIDIARIES AND EQUITY INVESTMENTS AS OF 12/31/2011

COMPANIES	Share capital in K€	Other equity [(1)] in K€	Share capital in %	Net carrying amount of shares held in K€ Gross	Net carrying amount of shares held in K€ Net	Loans and advances granted by the Company and not repaid in K€	Amount of guarantees and securities given by the Company in K€	Net revenues excluding tax for 2011 in K€	Net income (loss) for 2011 in K€	Dividends received by the Company during the year in K€
A – SUBSIDIARIES in France Held at over 50%										
JCDecaux France	7,023	585,982	100	1,304,941	1,304,941	0		225,642	13,022	
JCDecaux Asie Holding	6,525	42,602	100	54,691	54,691				29,335	
JCDecaux Amériques Holding	297,000	(79,883)	100	297,000	276,654				57,666	
JCDecaux Afrique Holding	37	0	100	37	37				(11)	
JCDecaux Europe Holding	581,922	171,368	100	622,224	622,224				16,700	
International Bike Technology (non-consolidated)	37	(21)	100	37	37				(6)	
JCDecaux France Holding (ex JCDecaux Newco)	31,204	561	100	0.5	31,769	53,200			(561)	
B – EQUITY INVESTMENTS in France held at between 10% and 50%										
METROBUS	1,840	(5,796)	33	17,886	13,298	5,115		152,791	1,868	

[(1)] *Equity excluding share capital and net income for the year.*

COMPANIES	Share capital in K€	Other equity [1] in K€	Share capital in %	Net carrying amount of shares held in K€		Loans and advances granted by the Company and not repaid in K€	Amount of guarantees and securities given by the Company in K€	Net revenues excluding tax for 2011 in K€	Net income (loss) for 2011 in K€	Dividends received by the Company during the year in K€
				Gross	Net					
C – Foreign subsidiaries held at over 50%										
JCDecaux Belgium Publicité SA	EUR 269	EUR 364,403	100	355,493	355,493			31,212	6,969	
JCDecaux Eesti	EUR 3	EUR 11,901	100	10,838	10,838			4,050	1,424	
JCDecaux MESTSKY MOBILIAR Spool Sro	CZK 120,000	CZK 12,000	96.20	3,092	3,092			7,040	2,135	1,878
JCDecaux Korea Inc (formerly IP DECAUX Inc)	KRW 1,000,000	KRW 11,916,138	50	1,424	1,424			11,085	2,824	
AFA JCDecaux A/S	DKK 7,200	DKK 82,987	50	2,209	2,209	24		20,464	2,717	1,320
JCDecaux UZ	UZS 2,998,861	UZS 1,195,233	70.10	1,197	983			474	(27)	
JCDecaux ISRAEL	ILS 109	ILS (47,023)	100	19	19	25,036		7,389	(2,204)	
UDC-JCDecaux Airport (non consolidated)			50	772	0	92				
D – Foreign equity investments held at between 10% and 50%										
Affichage Holding	CHF 7,800	CHF 76,922	30	133,084	133,084			252,956	33,901	
IGP Decaux Spa	EUR 11,086	EUR 69,051	20.48	34,861	6,541			111,619	(4,977)	
E – Other foreign equity investments held at less than 10% but whose gross value exceeds 1% of the company's capital										
JCDecaux Artvertising Belgium	EUR 1,735	EUR 10	9.29	274	274			104	(9)	
JCDecaux PORTUGAL Lda	EUR 1,247	EUR 4,135	0.15	253	253			29,687	6,231	71

[1] *Equity excluding share capital and net income for the year.*

28. FIVE-YEAR FINANCIAL SUMMARY

Type of data	2007	2008	2009	2010	2011
I –CAPITAL AT THE END OF THE FISCAL YEAR					
a) Share capital (in euros)	3,400,558	3,373,251	3 374,765	3,378,305	3,382,240
b) Number of commons shares	223,061,788	221,270,597	221,369,929	221,602,115	221,860,303
c) Maximum number of future shares to be created (stock options)					
II - OPERATIONS AND INCOME FOR THE FISCAL YEAR (in euros)					
a) Revenue excluding taxes	764,462,923	764,931,112	710,923,182	593,984,646	647,157,771
b) Income before taxes, profit-sharing and calculated charges (depreciation, amortization and provisions)	107,404,556	163,734,757	140,508,118	89,778,731	8,329,823
c) Income tax	17,522,262	604,470	445,202	3,593,281	7,293,436
d) Employee profit-sharing	291,890	379,224	443,987	248,830	632,005
e) Income after taxes, profit-sharing and calculated charges (depreciation, amortization and provisions)	67,151,154	130,410,809	(48,000,020)	211,277,392	51,991,226
f) Dividends paid	97,655,886	-	-	-	(1)
III – EARNING PER SHARE (in euros)					
a) Income after taxes and profit-sharing but before calculated charges	0.40	0.74	0.63	0.39	0.002
b) Income after taxes, profit-sharing and calculated charges	0.30	0.59	(0.22)	0.95	0.23
c) Net dividend allocated to each share	0.44	-	-	-	(1)
IV – PERSONNEL					
a) Average headcount during the fiscal year	2,642	2,693	2,646	2,555	2,554
b) Total payroll for the fiscal year (in euros)	94,987,691	98,112,159	92,682,118	100,540,064	101,776,288
c) Total amounts paid during the fiscal year for employee-related benefits (social security, welfare organizations, etc.) (in euros)	41,389,650	43,159,848	42,487,982	43,473,119	44,121,751

(1) *Subject to approval of the 2011 proposed income allocation by the General Meeting of Shareholders.*

LEGAL INFORMATION

CORPORATE GOVERNANCE, INTERNAL CONTROL AND RISK MANAGEMENT

1. REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD ON CORPORATE GOVERNANCE, INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

This report was approved by the Supervisory Board on 7 March 2012.

The Company refers to the AFEP-MEDEF Corporate Governance Code of December 2008 for drawing up this report pursuant to Article L.225-68 of the French Commercial Code in accordance with the Law of 3 July 2008 and the Poupart-Lafarge report on the Audit Committee.

Any points of divergence from this Code are, where applicable, stated and explained within said report.

Since 2000, our Company has been organised as a French corporation (*Société Anonyme*) with an Executive Board and a Supervisory Board.

1.1. Corporate governance

1.1.1. Composition, preparation and organisation of the Executive Board's work

Composition

At 31st December 2011, the Executive Board was composed of four members appointed by the Supervisory Board: Jean-François Decaux (Chairman of the Executive Board), Jean-Charles Decaux (Chief Executive Officer), Laurence Debroux and Jeremy Male. Their term of office is for three years.

The Chairman is appointed for one year (annual rotation between Jean-François Decaux and Jean-Charles Decaux). By means of the articles of association, the CEO has the same authority to represent the Company as the Chairman of the Executive Board.

Operation

The Executive Board manages the Company, pursuant to the law and to the articles of association.

The Executive Board's role is to define the Company's broad strategic direction, to implement it and to monitor proper performance. It relies on the overall coordination and implementation of the strategy of the Management Committees in each geographic area or, for larger countries, in each country.

The Executive Board meets at least once a month for an entire day.

Each Executive Board meeting results in the drafting of a preparatory file covering the points on the agenda. Employees or third parties are invited to participate in Executive Board meetings. The Statutory Auditors are also heard during meetings held to review the financial statements. Executive Board meetings are recorded in a summary of decisions. The Executive Board reports to the Supervisory Board on a quarterly basis.

The Executive Board does not have by-laws.

Work

In 2011, the Executive Board met 14 times with a 98% attendance rate of its members.

The Executive Board's work covers in particular:

- the Company's business and affairs (the level of commercial activity, outlook for the year, and trends in operating results);
- organic or external growth operations, new bids, and proposed acquisitions;
- periodic subjects, such as the presentation of the results of audits, budgets, review and approval of half-yearly and annual financial statements, the results of the reviews and audits by Statutory Auditors, financing of the Group, coverage of Group risks, guarantees and other forms of security and sureties, stock options and bonus shares allocation as well as related capital increases, the terms and conditions of compensation of the Group's senior executives, preparation of all documents issued for the General Meeting of Shareholders and the half-yearly review of disputes involving the Group;
- specific subjects such as the impact of the new IFRS standards on the Group, updates to the internal audit and risk management policy, the strengthening of the sustainable development policy, the implementation of new IT projects with the creation of a new computerised platform for information sharing between the Group's operational personnel, approval of the plans to spin off all of the Company's operational activities to one of its subsidiaries.

1.1.2. Composition, preparation and organisation of the Supervisory Board's work

Composition

At 31st December 2011, the Supervisory Board was composed of six members appointed for three years by the General Meeting of Shareholders: Jean-Claude Decaux (Chairman), Jean-Pierre Decaux (Vice Chairman), Monique Cohen, Pierre Mutz, Pierre-Alain Pariente and Xavier de Sarrau.

Members are chosen for their abilities, integrity, independence and determination to take account of the shareholders' interests.

- **Independence of members of the Supervisory Board**

Pursuant to AFEP-MEDEF recommendations, integrated in the Corporate Governance Code of December 2008, and under the terms of the Supervisory Board's by-laws, the Board applied AFEP-MEDEF criteria to assess the independence of its members, these criteria being as follows:

- not being or having been an employee or director of JCDecaux SA; employee or director of a company that it consolidates or of JCDecaux Holding over the past five years;
- not being an employee or director of a company in which JCDecaux SA or one of its employees or directors is a director or member of the Supervisory Board;
- not having business relations with the JCDecaux Group representing a significant proportion of the activity of the member of the Supervisory Board under consideration;
- not having a close family tie with a member of JCDecaux SA's Executive Board;
- not having been an auditor of JCDecaux SA over the past five years;
- not having been a member of JCDecaux SA's Supervisory Board for more than 12 years.

Each year the Compensation and Nominating Committee reviews whether each member of the Supervisory Board meets the independence criteria, and reports on it to the Supervisory Board.

Following this review, the Supervisory Board deemed that four of the six members that form it are independent: Monique Cohen, Pierre Mutz, Pierre-Alain Pariente and Xavier de Sarrau.

In practice, the Company exceeds its by-laws, which stipulate that the proportion of independent members must be at least a third.

- **Change in the composition of the Supervisory Board**

The General Meeting of Shareholders held on 11 May 2011, appointed Monique Cohen as a member of the Supervisory Board for a three-year term on the recommendation of the Supervisory Board.

- **Operation**

The Supervisory Board's role, defined by law and the Company's articles of association, is the continuous supervision of the Company's management by the Executive Board.

The Board meets as often as required by the Company and at least once per quarter.

By-laws set out the guiding principles concerning operating rules: the holding of meetings (number of meetings, participation by videoconference) and the creation of committees (tasks, operating rules).

Each Board meeting results in the drafting of a preparatory file covering the points on the agenda and sent several days before the meeting. During the meeting, a detailed presentation of the points on the agenda is made by the Chairman of the Executive Board and the other members of the Executive Board as well as by the Board's Secretary.

Presentations are questioned and debated before the resolutions are voted on, where applicable. Supervisory Board meetings are recorded in detailed and written minutes. These minutes are then sent to Supervisory Board members for review and comments before approval by the Supervisory Board during the next meeting.
The Statutory Auditors are also heard during meetings held to review the financial statements.

Representatives of the Workers' Council attend meetings of the Supervisory Board, on a purely advisory basis.

Assessment of the Supervisory Board

The Board annually assesses its composition, organisation and operation as well as that of its Committees, using individual questionnaires filled out by members. The questionnaire includes a section, specific to each Committee, enabling members of these Committees to assess the operation of the latter. This assessment, which focuses on the Board's operating procedures, also checks that important questions are suitably prepared and debated.

Action proposals (if required) are drawn up from the summary of the answers given, for adoption by the Board. The Board discusses this subject once a year.

- **By-laws of the Supervisory Board**

Under the terms of the Company's by-laws:

- members of the Supervisory Board are required to disclose any transactions undertaken in respect of the Company's shares under terms and conditions prescribed by law, and, in accordance with legal requirements, must refrain from such transactions during certain periods. In practice, Board members are advised of the periods during the year when they may not trade in shares, based on the dates for making public disclosure of financial information;
- each member of the Supervisory Board must own at least 1,000 of the Company's shares, registered in a nominative form.

Work

In 2011, the Supervisory Board met five times, with a 97% attendance rate of its members.

During each Supervisory Board meeting, Executive Board members reported on Group activity, its results and financial position, proposed competitive tenders and major external growth projects and, more generally, implementation of Group strategy and possible changes to it.

Moreover, the following subjects were discussed:

- periodic subjects, such as the review of Company documents and all the documents prepared for the Annual General Shareholders' Meeting (review of the Executive Board's draft annual report, draft agendas, distribution of profits, draft resolutions submitted to the General Meeting of Shareholders and preparation of the report to the General Meeting of Shareholders), prior authorisation of sureties and guarantees for competitive tenders, the appointment of the Chairman of the Executive Board and CEO and the review of minutes from meetings of the Audit Committee and Compensation and Nominating Committee;
- more specific subjects such as approval of regulated agreements pertaining to certain components of the remuneration provided to company officers as set out in their employment contracts, the motion for appointment of a new member of the Supervisory Board, approval of the spin-off of all of the Company's French operational activities to one of its subsidiaries and the calling of an Extraordinary General Meeting of Shareholders.

1.1.3. Committees

The Supervisory Board is assisted by two Committees.

The Audit Committee

Composition

At 31st December 2011, the Audit Committee is composed of three members: Xavier de Sarrau (Chairman) and Monique Cohen, both independent members, who possess broad financial expertise thanks to their experience and the positions they currently hold or have held in the past in other entities, and Pierre Mutz, also an independent member.

Operation

The Audit Committee is reported to, jointly or separately, by the Corporate Financial Services, Legal, and Internal Audit Departments and by external auditors. By calling on the professional experience of its members, it monitors the preparation of financial information, the legal control of financial statements (including consolidated financial statements), and the accounting methods used, as well as the existence, organisation, operation and application of internal control procedures and risk management ensuring any major risks incurred are reasonably identified and planned for. The Audit Committee also reviews the choice of external auditors: it reviews their selection procedure, gives its opinion on their choices and examines the nature of their work and the amount of their fees.

The Audit Committee meets at least four times a year, and systematically before the Supervisory Board meetings that review the annual or half-yearly financial statements.

The Audit Committee can call on outside experts. A memo on the Company's accounting, financial and operational particularities is organised on request for any member of the Audit Committee.

Each meeting results in the drafting of a preparatory file sent several days before it takes place. At the meeting, each point on the agenda is presented, as applicable, by the Director of Corporate Financial Services, the Chief Financial and Administrative Officer, the General Counsel, the Director of Internal Audit and/or the Statutory Auditors and is subsequently discussed.

Audit Committee meetings are recorded in written minutes. Minutes are read out to the Supervisory Board after each Audit Committee meeting.

Work
In 2011, the Audit Committee met six times, with a 94% attendance rate of its members.

The following subjects were discussed:

- periodic subjects such as the annual and half-yearly Company and consolidated financial statements, the financial development of the group, the Statutory Auditors' planned projects relating to the auditing of accounts, pending Group litigation, review of risks, planned projects and actions of the Internal Audit Department, measures guaranteeing the independence of the Company in relation to its controlling shareholder, the review of the independence of the Statutory Auditors and the review of fees paid to external auditors for the previous fiscal year;
- more specific subjects such as approval of the financial aspects of the spin-off of all of the Company's French operational activities to one of its subsidiaries, the impact of the elimination of proportionate consolidation once the new IFRS standards take effect, review of the internal control and risk management policy and monitoring of correspondence with the AMF.

The Compensation and Nominating Committee

Composition
At 31st December 2011, the Compensation and Nominating Committee was composed of two members: Jean-Claude Decaux (Chairman) and Pierre Mutz.

The Company meets the recommendations of the AFEP-MEDEF Corporate Governance Code, which stipulates that this Committee must not include any corporate officer. Furthermore, one in two members is an independent director.

Operation
The Committee submits to the Supervisory Board the conditions for the compensation and terms of office of members of the Executive Board and Supervisory Board. These proposals include allocations of share options and bonus shares. Its purpose is also to periodically review changes in the Supervisory Board and to submit candidates for new members to be approved by the General Meeting of Shareholders.

The Compensation and Nominating Committee meets at least twice a year.

Each meeting results in the drafting of a preparatory file sent several days before it takes place. At the meeting, each point on the agenda is presented and discussed.

The Compensation and Nominating Committee meeting can be attended by specialist external advisors.

Compensation and Nominating Committee meetings are recorded in written minutes. Minutes are read out to the Supervisory Board after each Compensation and Nominating Committee meeting.

Work
In 2011, the Compensation and Nominating Committee met twice, with a 100% attendance rate of its members.

The following subjects were discussed:

- periodic subjects, such as the review of the independence of members of Board, creation of the questionnaire relating to the operation and composition of the Board and its processing, the fixed and variable compensation of members of the Executive Board, the determination of targets for variable compensation and the Directors' fees for members of the Board. The Committee then proposed to the Board the principles for the distribution of the Directors' fees between the Board and the Committees;
- more specific subjects, such as the recommendation made to the Supervisory Board to make a motion at the General Meeting of Shareholders to appoint Monique Cohen as a new member of the Supervisory Board and to subsequently increase the total amount of Directors' fees.

The principles and regulations finalised by the Supervisory Board to determine the compensation and any benefits granted to members of the Executive Board and Supervisory Board are set out in the compensation report below on pages 158 to 171; they are part of this report.

1.2. Internal control and risk management procedures introduced by the Company

The Chairman of the Supervisory Board has assigned the Director of Internal Audit and the General Counsel to collect the information to compile the report on internal control and risk management procedures introduced by the Company.

The Company's internal control process refers to the reference framework on the internal control plan, supplemented by the Application Guide drawn up under the aegis of the *Autorité des Marchés Financiers* (French Financial Markets Authority).

This information has been presented to the Executive Board, which considers it compliant with the existing plans in the Group. It has also sent it to the Statutory Auditors for them to draw up their own report as well as the Audit Committee and Supervisory Board.

Objectives of the internal control system
Policies in place within the Group aim to ensure that its activities and the behaviour of its members comply with laws and regulations, the internal standards and good practices applicable, as part of the objectives set out by the Company, in order to preserve Group assets, that the financial and accounting information sent both internally and externally provide a true picture of the situation of Group activity and comply with current accounting standards.

Generally, the Group's internal control system must contribute to controlling its activities, the efficiency of its transactions and the effective use of its resources.

As with any control system, it cannot, however, provide an absolute guarantee that such risks have been completely eliminated.

Our internal control procedures apply to companies that are fully and proportionally consolidated in the consolidated financial statements of JCDecaux SA, and do not apply to companies that are accounted for by the equity method. These procedures are the result of an analysis of the principal financial and operating risks arising from the Company's business.

They are circulated to the personnel concerned and their implementation rests on the Group's operational departments. The Internal Audit Department is responsible for verifying compliance with the procedures adopted and identifying any weaknesses in such procedures.

Risk management
To ensure continuity in the development of its business, the Group must permanently monitor the prevention and strict control of risks (principally financial and operating risks linked to the business) to which it is exposed.

In 2011 the Group continued its existing actions, which include the implementation of appropriate procedures and controls in order to manage these risks and to limit their financial impact.

The Executive Board, as well as the Audit Committee, regularly monitors this risk management policy, and they report on it to the Supervisory Board.

The risk identification area concerns the Company, its direct and indirect subsidiaries as well as the companies in which the Company holds a non majority stake but has managerial control.

Risk management is based on risk mapping. The mapping lists the main risks faced by the Group and its subsidiaries.

It is organised around six actions:

- Identify: a working group composed of the Director of Internal Audit, Director of Corporate Financial Services, General Counsel, Director of Quality Control and Sustainable Development and Manager of Investor Relations and led by the Chief Financial and Administrative Officer regularly reviews the risk mapping identified and makes the necessary adaptations. En 2011, this working group completed a detailed review and update of the Group's risk mapping; the project was approved by the Executive Board and several presentations were made to the Audit Committee;
- Quantify: the risks are assessed according to probability and impact at the Group and subsidiary levels, resulting in a risk percentage being shown;
- Validate: the working group validates the risks assessed and sends them to the operating teams for comments. Any amendment suggestion made by the operating teams is then analysed and incorporated by the working group;
- Formalise: all risks defined as "significant" are listed on a detailed sheet. This sheet validated by the working group sets out the risk and the key elements that have enabled the risk level to be reached. It includes the controls to be introduced, the person in charge, the actions and monitoring to undertake. Each sheet is then sent to the operating teams, which are then invited to ensure that the appropriate solutions are introduced at the local level;
- Ensure the consistency of the processes: the review of the risk mapping is included in the procedures for preparing the Annual Report, the Internal Audit Plan and updates to the control lists within the Internal Control System;
- Review annually: each year the working group reviews the elements to amend the risk mapping in order to ensure its exhaustiveness and validity and the opportunity for control points for each risk. The control points are determined thanks to the Internal Control and Self-Evaluation Manual set out on page 156.

Control environment
The control environment is an important factor in the management of the risks of the Group.

This control environment rests on the Operational Departments (Asset Management, Sales and Marketing, Operations) and the Internal Audit, Legal, Corporate Financial Services, IT, and Quality Control and Sustainable Development Department.

Since the initial public offering in 2001, the Company has sought to strengthen the internal control system and develop a culture of risk management. Thus, the Internal Audit Department was created on 1st April 2004. The Internal Audit Department reports directly to the CEO. Members of the Audit Committee and the Chairman of the Supervisory Board have direct access, outside normal reporting lines, to the Internal Audit Department and may assign specific tasks to it.

The Internal Audit Department checks the compliance, relevance and effectiveness of the internal control procedures as part of audits that it performs in Group companies according to a schedule presented to the Group's Audit Committee. This schedule is monitored by this Audit Committee. The Internal Audit Department's work rests on audits and operating methods that are constantly reviewed and improved. The audits' conclusions are sent to the Executive Board and systematically followed up with corrective action plans if necessary. This work and the conclusions are communicated to and exchanged with the Statutory Auditors.

The Legal Department takes an inventory of all Group companies and litigation (type, amounts, proceedings, level of risk) and tracks and monitors it on a regular basis, comparing this information with the information held by the Corporate Financial Services Department and reports on any major cases to the Executive Board, the Audit Committee and the Statutory Auditors twice a year.

The Corporate Financial Services Department tracks the trend in performance of the French and foreign subsidiaries on the basis of the information they report, prepares comparisons among subsidiaries, and carries out specific analyses of costs and investments. Within the Corporate Financial Services Department, a group of controllers is responsible for the financial monitoring of our foreign subsidiaries. The Finance Directors of the subsidiaries meet on a regular basis to analyse and discuss technical and ethical developments and their responsibilities in terms of controls.

The IT Department works, with regard to the internal control system, according to four strategies: safeguarding data and information, standardising systems, hosting systems and a business recovery plan.

The Department of Quality Control and Sustainable Development constantly monitors any changes to standards and regulations within its scope of competence and advises the Group's subsidiaries with a special focus, in France, on its industrial activities and the operation of ISO 14001-certified facilities.

This control environment is supplemented by:

▪ **the Group Code of Ethics**

Since 2001 the Group has formalised the rules of conduct that have been integral to its success from its inception. There was a first update in 2005 and a second in 2009.

The Code is composed of two series of rules:

▪ fundamental Ethical Rules which apply to dealings with government agencies, shareholders, financial markets and compliance with free competition rules; a Group Ethics Committee is responsible for ensuring compliance with these rules, which are essential to the Group's existence and success and which include the absolute prohibition of any form of corruption, active or passive;

▪ a Code of Good Conduct regarding Group relations with Suppliers and Customers, as well as the rights and responsibilities of fellow employees within the Company. The rules it contains must be implemented in each company of the Group, in accordance with applicable national regulations. Compliance with them is the responsibility of the Group's local general managers, both in France and elsewhere.

This latest version of the Code of Ethics took effect during the second quarter of 2009. It has been widely circulated inside the entire Group to bring employees up to date with the Group's ethical rules and the importance of complying with these rules (and has been individually accepted by the Group's executive staff who are authorised to make binding decisions on behalf of the Group when dealing with third parties, representing approx. 25% of the salaried employees within the Group).

The Code of Ethics is accessible via JCDecaux's Intranet and on request from the Human Resources Department of each of the Group companies. Furthermore, each new employee (executive) receives a copy of the Code of Ethics when hired.

When the financial statements are closed, the General Managers and Finance Directors of the subsidiaries are asked to sign letters confirming that new employees have been made aware of the Code of Ethics and indicating any discrepancy.

The Group Ethics Committee consists of three members: the Chairman of the Audit Committee, the Group General Counsel and the Director of Internal Audit. These persons are members of the Committee in as much as they exercise their functions in their official capacity within JCDecaux SA.

Its purpose is to deal with questions in relation to the Fundamental Ethical Rules of the JCDecaux Group, to provide the Executive Board with any recommendation that it deems necessary to handle any situation that is contrary to the Fundamental Ethical Rules that could be brought in good faith to its attention by an employee or by a third party, to put forward any amendment to the Code of Ethics and to prepare any response to claims against, or questions to, the Group made in good faith relating to the Fundamental Ethical Rules.

It meets as often as required, has the widest powers to obtain the facts related to a situation contrary to Fundamental Ethical Rules and can be assisted by specialist external advisors. It gives an account of its work to the Chairman of the Executive Board and the Supervisory Board. It was approached only once in 2011 and declared that it lacked jurisdiction.

▪ **a system of delegations**

Since the Group's operating structure is based on fully operational subsidiaries in France and in other countries where it operates, the general management of these companies is vested by law with the appropriate authority.

Nevertheless, the Executive Board adopted a system of more specific delegations of authority by function. This system is constantly reviewed and updated to adopt it to changes in the Group's organisation.

In three areas of particular sensitivity for the Group, the Executive Board has limited the authority of its French and foreign subsidiaries (responses to bids, opening and operation of bank accounts, obligations other than bank transactions).

- **a uniform Group procedure for signing and validating private and public contracts**

A new Group procedure was established at the beginning of fiscal year 2011. The aim of this procedure is to reinforce and harmonise controls concerning certain contracts (so-called "qualified" contracts) to which the Group is committed. Qualified contracts now need to be signed off by two specified people, from among a very limited number of identified persons, thus ensuring that these contractual commitments have been inspected and validated by different competencies.

In any event, other contracts must be signed by two persons.

This procedure applies to all subsidiaries and joint ventures managed by JCDecaux SA. When the financial statements are closed, the General Managers and Finance Directors of the subsidiaries are asked to sign letters confirming compliance with these procedures and indicating any discrepancy.

- **an Internal Control Manual and Self-Evaluation**

Since 2003, the Group has prepared an Internal Control Manual with the assistance of an outside consultant. This Manual was presented to all of the Group's Finance Directors in June 2003 and sent to all subsidiaries. The preparation of this Manual enabled them to identify the principal decision-making processes and to define their major risks.

On the basis of the Internal Control Manual, the Group developed a self-evaluation questionnaire to obtain feedback from the Finance Directors of the subsidiaries regarding the administrative processes and the related risks for which they were responsible.

This questionnaire was used to identify certain weak points in the internal control over certain administrative cycles with respect to which corrective actions have been included in action plans implemented in 2004. These weaknesses are not considered to be material deficiencies in the internal control system.

Lastly, beginning on the same date, the Group reviewed the various stages of each of the processes identified to define the most appropriate points of control. With respect to each of these points, the subsidiaries were asked to describe the internal controls they applied and evaluate the suitability and adequacy of such controls. Between 2005 and 2007, six principal processes were covered: the sales cycle (from placing the order to billing), purchasing cycle (from dispatch of the order to payment), asset management cycle (leases, town contracts, etc.), information systems (security, availability and business continuity), fixed assets cycle (registration, depreciation, dismantling) and financial and treasury controls. The responses from the subsidiaries, although they did not expose major deficiencies in the internal control system, helped identify corrective actions that are now being implemented.

In 2008, the subsidiaries updated their responses based on the 24 control points considered to be the most important. Exchanges with subsidiaries will thus be even more dynamic and will facilitate the identification and sharing of best practices in the area of internal control.

The work undertaken with the subsidiaries, which are asked to describe and evaluate the adequacy and appropriateness of control points, has continued since then.

In 2011, following the review of the Group's risk mapping, the list of control points considered to be the most important was updated. In early 2012 this list was sent to the subsidiaries, which must communicate to the Internal Audit Department a self-assessment questionnaire describing how they will follow these points.

- **a process for producing financial and accounting information**

This process for producing JCDecaux SA's financial and accounting information is intended to provide members of the Executive Board and operating management with the information they need to manage the Company and its subsidiaries, to permit accounting consolidation, to manage the business through reporting and the budget and to ensure the Group's financial communications.

This process of producing financial and accounting information is organised around three cycles: budget, reporting and consolidation. These three cycles apply to all legal entities and follow an identical format (scope, definitions, treatment) set out in the "Finance Manual". This manual contains all the current accounting and management principles, rules and procedures applicable within the Group.

- The budget is prepared in the autumn and covers closing forecasts for the end of the fiscal year then pending, the budget for the year Y+1. Approved by the Executive Board in December, it is sent out to the subsidiaries before the start of the year under consideration. In addition to information, which is strategic and commercial, the budget includes an operating income account and a table of source and application of funds prepared according to the same format as the consolidated financial statements;
- The reporting prepared monthly, except for January and July, includes several sections: an operating income account, monitoring of investments, treasury and cash flow reporting, and monitoring of headcount. In addition to the usual comparisons with prior periods and budget, the reports include an updated forecast of the closing forecasts;
- The consolidated financial statements are prepared monthly, except for the months of January and July, and distributed on a half-yearly basis. They include a profit and loss account, balance sheet and a cash flow statement and appendices. Consolidation is centralised (no consolidation cut-off).

All of these cycles are under the responsibility of the following Departments within the Corporate Finance and Administration Department:

- the Corporate Financial Services Department, made up of a Consolidation Group, a Planning and Control Department — in charge of the budget, reporting and international management control — and a Treasury Department and an administration and management department for the Group's reporting system;
- the Tax Department.

The Executive Officers that head these Departments have global and interdivisional responsibility for all subsidiaries. The Chief Financial and Administrative Officer has operational authority over the Finance Directors of all of the subsidiaries. This structure is strengthened by the aforementioned delegations of authority.

When the financial statements are closed mid-year and at the end of the year, the General Managers and Finance Directors of the subsidiaries prepare "letters of confirmation" signed jointly and sent to the Director of Corporate Financial Services.

The financial statements are audited twice a year by the Statutory Auditors, in connection with the annual closing (full audit) and half-year closing (limited review) of the consolidated financial statements and company accounts of JCDecaux SA.

In connection with the annual closing, subsidiaries within the scope of consolidation are audited. For the half-year closing, targeted audits are conducted on key subsidiaries.

The Group believes that it has a strong and coherent internal control system, well adapted to the business. However, it will continue to evaluate the system on a regular basis and make any changes that appear necessary.

- **the control bodies**

The Supervisory Board exercises its control over the Group's management by referring to quarterly reports of the Executive Board's activity that are sent to it and the work of the Audit Committee according to the terms already set out (minutes, reports, etc.).

The Executive Board is closely involved in the internal control system. It exercises its control as part of its monthly meetings. It also refers to existing reports (particularly the work of the Corporate Finance and Administration Department).

1.3. Matters that could be relevant in case of a public offering and regarding the structure of the Company's capital

The structure of the Company's capital
These items are listed in the "Shareholders" paragraph on page 179 and in the "Share Capital" paragraph on page 186 herein.

Direct or indirect shareholding in the Company's capital of which it is aware by virtue of Articles L.233-7 and L.233-12 of the French Commercial Code.

This information is given in the "Distribution of share capital over the past three fiscal years" paragraph on page 180 herein.

The control mechanisms provided for in any employee shareholding system, when the control rights have not been exercised by the latter.

None to the Company's knowledge.

Agreements stipulating indemnities for members of the Executive Board or the employees, if they resign or are made redundant without just cause or if their job comes to an end due to a public offering.

Termination indemnities for members of the Executive Board are stipulated in the paragraph "Compensation for members of the Executive Board" on page 158 herein.

The rules applicable for the nomination and replacement of members of the Executive Board as well as the amendment of the Company's articles of association.

These rules comply with the regulations in force. The rules applicable to the composition, operation and powers and responsibilities of members of the Executive Board are listed in the paragraph "Composition, preparation and organisation of the Executive Board's work" on page 150 herein.

The rules applicable to the amendment of the Company's articles of association comply with the regulations in force, with the amendment of the articles of association falling within the exclusive remit of the Extraordinary General Meeting of Shareholders, except in the cases expressly stipulated by law.

The powers and responsibilities of the Executive Board, in particular share issues or repurchases.

The powers and responsibilities granted to the Executive Board with regard to the issue or repurchase of shares stated on pages 188 and 189.

The statutory restrictions on the exercising of voting rights and transfers of shares or clauses of agreement brought to the attention of the Company pursuant to Article L.233-11 of the French Commercial Code; the list of holders of any title including special control rights and the description of them; agreements between shareholders of which the Company is aware and which can lead to restrictions in share transfers and the exercise of voting rights.

There is no restriction in the articles of association concerning the exercise of voting rights or share transfers, or shares with special control rights.

To the best of the Company's knowledge, there is no agreement between shareholders that may lead to restrictions on the transfer of shares and the exercise of voting rights.

Agreements signed by the Company that are amended or come to an end in the event of a change in control of the Company, unless this disclosure seriously affects its interests.

The Company has not signed any agreement that would be amended or may be terminated in the event of a change in control of the Company or that could have a material impact on the Company if it were modified or terminated.

Terms relating to the participation of shareholders in the General Meeting
The terms relating to the participation of shareholders in the General Meeting are set out in the articles of association on page 191 to 198; they are part of this report.

2. COMPENSATION, STOCK OPTIONS AND BONUS SHARES

2.1. Report on compensation for members of the Executive Board and Supervisory Board (Article L.225-102 of the French Commercial Code)

The Company has decided to comply fully with the AFEP-MEDEF recommendations of October 2008 such as incorporated into the AFEP-MEDEF Corporate Governance Code of December 2008 regarding its legal representatives, Jean-François Decaux and Jean-Charles Decaux, who alternatively have the authority to represent the Company with regard to third parties, as Chairman of the Executive Board and Chief Executive Officer. Both have a compensation structure that fully complies with AFEP-MEDEF recommendations.

Regarding Laurence Debroux and Jeremy Male, both members of the Executive Board without being legal representatives, the Supervisory Board considers that the level of compliance with AFEP-MEDEF recommendations is sufficient to meet the objectives sought through these recommendations.

In fact, the purpose of the corporate governance rules is to define the terms for exercising and distributing the authority to guarantee that the Company is managed in accordance with the corporate interest and that of its shareholders.

In a family group such as JCDecaux, more than 70% held by JCDecaux Holding, and for which the principal shareholders are legal representatives of the Company, the ability to ensure that the interests of members of the Executive Board are fully in line with the interests of the shareholders is already effectively assured within the Company by the composition of its shareholders and its corporate bodies.

Furthermore, the specific position of Laurence Debroux, as Chief Financial and Administrative Officer, and Jeremy Male, as Chief Executive Officer for the United Kingdom and Northern Europe, demonstrates that it is mainly in their capacity as employees and under their operational duties that they have served or serve the interests of the Company and Group. Therefore, the internal rules for hierarchical subordination, inherent in an employment contract, guarantee continuous and effective control of their performance.

The information on the components of the compensation received for fiscal year 2011 by all members of the Executive Board (Jean-François Decaux, Jean-Charles Decaux, Laurence Debroux and Jeremy Male) is provided in this annual report in accordance with the AMF recommendations of 22 December 2008 relating to the information to be set out in the annual reports on compensation for corporate officers.

2.1.1. Compensation for members of the Executive Board

Principles and rules for determination

Criteria for calculating base salary and bonus (variable portion)
The amounts shown are those paid by JCDecaux SA together with those paid by JCDecaux Holding, JCDecaux SA's controlling shareholder, and those paid by JCDecaux SA's foreign subsidiaries. The members of the Executive Board receive no compensation from the French subsidiaries.

For compensation paid in pounds sterling, the exchange rate used for the base salary is the average of the exchange rates at the end of each month in 2011, equal to 1 pound sterling to 1.148254 euros, and the exchange rate for the variable portion is the exchange rate at the end of the month during which the variable portion was paid, i.e. an exchange rate of 1 pound sterling to 1.197175 euros at the end of December 2011.

The bonuses paid in 2011 correspond to the results of operations for fiscal year 2010. The bonuses paid in 2012 correspond to the results of operations for fiscal year 2011. As an exception, the bonuses paid in the United Kingdom to Jean-François Decaux and Jeremy Male in 2011 correspond to their performance throughout fiscal year 2011.

The compensation of members of the Executive Board and their evolutions, their bonuses and any benefits are approved by the Supervisory Board, on the recommendation of the Compensation and Nominating Committee, after analysis by this Committee of the Group's performance during the year.

Bonuses correspond to a percentage of fixed annual base salary.

For Jean-François Decaux and Jean-Charles Decaux, their bonuses may reach 150% of their annual base salary. For fiscal year 2011, this bonus may be broken down as follows: 50% for financial objectives tied to EBIT and Free Cash Flow and 100% for achievement of one-off strategic objectives by Group management (for example, signing new contracts and acquisition of new companies). In connection with particularly major contracts, a special bonus may be awarded. On 6 December 2011, on recommendation of the Compensation and Nominating Committee, the Supervisory Board modified the criteria for calculation of the bonuses awarded to Jean-François Decaux and Jean-Charles Decaux. Thus, beginning in fiscal year 2012, the bonus for each may reach 150% according to the following breakdown: 100% for financial objectives tied to EBIT growth and the achievement of operating margin objectives by segment and 50% for achievement of one-off strategic objectives (for example, signing new contracts and acquisition of new companies).

For Jeremy Male, based on his employment contract, his bonus may be as high as 125% of his annual base salary based on financial objectives tied to EBIT. On 6 December 2011, on recommendation of the Compensation and Nominating Committee, the Supervisory Board modified the criteria for calculation of the bonus awarded to Jeremy Male. Thus, beginning in fiscal year 2012, Jeremy Male's bonus, pursuant to his employment contract, may be as high as 125% of his annual base salary, based on financial objectives tied to growth in the operating income of his area of responsibility and involvement in one-off strategic achievements or the achievement of personal or specific objectives tied to the country under Jeremy Male's responsibility and determined by Jean-François Decaux.

According to Laurence Debroux's employment contract, her bonus may be as high as 60% of her annual base salary, 20% of which corresponds to financial objectives linked to EBIT and Free Cash-Flow and 40% of which corresponds to her involvement in one-off strategic achievements or the achievement of personal or specific objectives tied to the departments under Laurence Debroux's responsibility and determined by the co-Chief Executive Officers. On 6 December 2011, on recommendation of the Compensation and Nominating Committee, the Supervisory Board modified the criteria for calculation of the bonus awarded to Laurence Debroux. Thus, beginning in fiscal year 2012, Laurence Debroux's bonus, pursuant to her employment contract, may be as high as 60% of her annual base salary, based on financial objectives tied to EBIT growth and operating margin objectives by segment and her involvement in one-off strategic achievements or the achievement of personal or specific objectives tied to the departments under Laurence Debroux's responsibility and determined by the co-Chief Executive Officers.

As regards the achievement level required for the financial objectives underlying the variable portions mentioned above, the Company may not provide greater detail in the interest of confidentiality.

Termination indemnities

Jean-François Decaux and Jean-Charles Decaux are not entitled to receive any special compensation upon termination of their responsibilities.

If Jeremy Male’s employment contract is terminated by JCDecaux UK Ltd, he will be entitled to receive compensation from it equal to one year's salary and the average of his performance bonuses paid for the preceding two years.

If Laurence Debroux's employment contract is terminated, she will be entitled to receive a non-competition indemnity from the Company equal to no more than two years of her base salary.

Fringe benefits

Fringe benefits correspond to the company cars provided in the United Kingdom for Jean-François Decaux and Jeremy Male and in France for Laurence Debroux.

Life insurance/special retirement

An annual contribution equal to 15% of Jeremy Male's annual base salary plus his performance bonus, the payment of which is contingent upon the achievement of objectives set by the Supervisory Board, is made on his behalf to a retirement fund. This contribution cannot exceed 150,000 pounds sterling.

Stock options and bonus shares

Jean-François Decaux and Jean-Charles Decaux do not receive stock options or bonus shares, since they have waived their right to do so, since the IPO in 2001.

Under his employment contract, Jeremy Male receives the equivalent of 100% of his annual base salary in stock options, unconditional on performance.

Laurence Debroux is eligible for the stock option plans established, where applicable, within the Group, based on the annual consolidated objectives set by the Executive Board. The equivalent value of the stock options that Laurence Debroux may receive cannot be more than 150% of her annual base salary.

Jeremy Male receives the equivalent of 50% of his annual base salary in bonus shares, unconditional on performance, in accordance with his employment contract.

The impact of the valuation of the stock options and bonus shares awarded to Jeremy Male in 2010 and 2011 and that of the stock options awarded to Laurence Debroux in 2011 are set out in the tables below. The assessment criteria for the calculation of these values are presented in the appendices to the consolidated financial statements on pages 104 and 105.

Amounts paid

Jean-François Decaux – Chairman of the Executive Board

1. Summary of the compensation and options and bonus shares granted (in euros)

	2010	2011
Compensation paid for the fiscal year (listed in table 2)	2,079,604	2,297,796
Valuation of options granted during the year	0	0
Valuation of shares granted during the year	0	0
TOTAL	**2,079,604**	**2,297,796**

2. Summary of compensation (in euros)

	2010		2011	
	Amounts paid in 2011 and 2010 for 2010	Amounts paid in 2010 for 2010	Amounts paid in 2012 and 2011 for 2011	Amounts paid in 2011 for 2011
Fixed compensation	**1,119,510**	**1,119,510**	**1,171,473**	**1,171,473**
- JCDecaux Holding	96,075	96,075	148,038	148,038
- JCDecaux SA and controlled companies	1,023,435	1,023,435	1,023,435	1,023,435
Variable compensation	**839,632**	**0**	**1,023,435***	**491,400**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	839,632	0	1,023,435	491,400
Non-recurring compensation	**0**	**0**	**0**	**0**
Directors' fees	**70,605**	**70,605**	**53,722**	**53,722**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	37,500	37,500	37,500	37,500
- Affichage Holding (Switzerland)	19,166	19,166	9,881	9,881
- Société Générale d'Affichage (Switzerland)	13,939	13,939	6,341	6,341
Fringe benefits	**33,126**	**33,126**	**32,538**	**32,538**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	33,126	33,126	32,538	32,538
- Affichage Holding (Switzerland)	0	0	0	0
Life insurance/specific pension	**16,731**	**16,731**	**16,628**	**16,628**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	16,731	16,731	16,628	16,628
TOTAL	**2,079,604**	**1,239,972**	**2,297,796**	**1,765,761**

* *66.66% of the maximum bonus.*

3. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
	✓		✓		✓		✓

Jean-Charles Decaux – Chief Executive Officer – Member of the Executive Board

1. Summary of the compensation and options and bonus shares granted (in euros)

	2010	2011
Compensation paid for the fiscal year (listed in table 2)	1,975,842	2,211,505
Valuation of options granted during the year (listed in table 3)	0	0
Valuation of shares granted during the year	0	0
TOTAL	**1,975,842**	**2,211,505**

2. Summary of compensation (in euros)

	2010		2011	
	Amounts paid in 2011 and 2010 for 2010	Amounts paid in 2010 for 2010	Amounts paid in 2012 and 2011 for 2011	Amounts paid in 2011 for 2011
Fixed compensation	**1,119,510**	**1,119,510**	**1,171,473**	**1,171,473**
- JCDecaux Holding	96,075	96,075	148,038	148,038
- JCDecaux SA and controlled companies	1,023,435	1,023,435	1,023,435	1,023,435
Variable compensation	**839,632**	**0**	**1,023,435***	**0**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	839,632	0	1,023,435	0
Non-recurring compensation	**0**	**0**	**0**	**0**
Directors' fees	**0**	**0**	**0**	**0**
Fringe benefits	**0**	**0**	**0**	**0**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	0	0	0	0
Life insurance/specific pension	**16,700**	**16,700**	**16,597**	**16,597**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	16,700	16,700	16,597	16,597
TOTAL	**1,975,842**	**1,136,210**	**2,211,505**	**1,188,070**

* *66.66% of the maximum bonus.*

3. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
	✓		✓		✓		✓

Laurence Debroux - Member of the Executive Board

1. Summary of the compensation and options and bonus shares granted (in euros)

	2011
Compensation paid for the fiscal year (listed in table 2)	653,521
Valuation of options granted during the year (listed in table 3)	51,075
Valuation of shares granted during the year	0
TOTAL	**704,596**

2. Summary of compensation (in euros)

	2011	
	Amounts paid in 2012 and 2011 for 2011	Amounts paid in 2011 for 2011
Fixed compensation	**400,000**	**400,000**
- JCDecaux Holding	0	0
- JCDecaux SA and controlled companies	400,000	400,000
Variable compensation	**240,000***	**0**
- JCDecaux Holding	0	0
- JCDecaux SA and controlled companies	240,000	0
Non-recurring compensation	**10,977****	**10,977****
Directors' fees	**0**	**0**
- JCDecaux Holding	0	0
- JCDecaux SA and controlled companies	0	0
- Affichage Holding (Switzerland)	0	0
Fringe benefits	**2,544**	**2,544**
- JCDecaux Holding	0	0
- JCDecaux SA and controlled companies	2,544	2,544
- Affichage Holding (Switzerland)	0	0
Life insurance/specific pension	**0**	**0**
TOTAL	**653,521**	**413,521**

* *100% of the maximum bonus.*
** *corresponds to 1/10th of paid leave.*

3. Stock or share purchase options granted in 2011

Date of the plan	Type of options	Valuation of the options according to the method chosen for consolidated financial statements in 2011 (in euros)*	Number of options granted during the year	Exercise price (in euros)	Period of exercise
17/02/2011	Stock options	51,075	12,772	23.49	From 17/02/2012 to 17/02/2018

* *corresponds to the impact of the valuation of the options on the consolidated financial statements.*

4. Stock or share purchase options exercised during the year

None.

5. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
✓			✓	✓		✓	

Jeremy MALE – Member of the Executive Board

1. Summary of the compensation and options and bonus shares granted (in euros)

	2010	2011
Compensation due for the fiscal year (listed in table 2)	3,650,281	2,191,093
Valuation of options granted during the year (listed in table 3)	8,555	104,586
Valuation of shares granted during the year (listed in table 5)	7,453	64,221
TOTAL	**3,666,289**	**2,359,900**

2. Summary of compensation (in euros)

	2010		2011	
	Amounts paid in 2011 and 2010 for 2010	Amounts paid in 2010 for 2010	Amounts paid in 2012 and 2011 for 2011	Amounts paid in 2011 for 2011
Fixed compensation	**616,071**	**616,071**	**861,191**	**861,191**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	616,071	616,071	861,191	861,191
Variable compensation	**2,840,547**	**2,381,645**	**1,122,352***	**1,122,352**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	2,840,547	2,381,645	1,122,352	1,122,352
Non-recurring compensation	**0**	**0**	**0**	**0**
Directors' fees	**0**	**0**	**0**	**0**
Fringe benefits	**22,494**	**22,494**	**22,394**	**22,394**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	22,494	22,494	22,394	22,394
Life insurance/specific pension	**171,169**	**171,169**	**185,156**	**185,156**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	171,169	171,169	185,156	185,156
TOTAL	**3,650,281**	**3,191,379**	**2,191,093**	**2,191,093**

* *100% of the maximum bonus.*

3. Stock or share purchase options granted in 2010 and 2011

Date of the plan	Type of options	Valuation of the options according to the method chosen for consolidated financial statements in 2011 (in euros)*	Number of options granted during the year	Exercise price (in euros)	Period of exercise
17/02/2011	Stock options	104,586	26,153	23.49	From 17/02/2012 to 17/02/2018

Date of the plan	Type of options	Valuation of the options according to the method chosen for consolidated financial statements in 2010 (in euros)*	Number of options granted during the year	Exercise price (in euros)	Period of exercise
01/12/2010	Stock options	8,555	29,257	20.20	From 01/12/2011 to 01/12/2017

* *corresponds to the impact of the valuation of the options on the consolidated financial statements.*

4. Stock or share purchase options exercised during the year

Date of the plan	Number of options exercised during the year	Exercise price (in euros)
05/03/2004	10,000	15.29
Total	**10,000**	

5. Bonus shares granted in 2010 and 2011

Date of the plan	Number of shares granted during the year	Valuation of the options according to the method chosen for consolidated financial statements in 2011 (in euros)*	Acquisition date	Availability date	Performance conditions
17/02/2011	13,076	64,221	17/02/2015	17/02/2015	None

Date of the plan	Number of shares granted during the year	Valuation of the options according to the method chosen for consolidated financial statements in 2010 (in euros)*	Acquisition date	Availability date	Performance conditions
01/12/2010	19,211	7,453	01/12/2014	01/12/2014	None

* *corresponds to the impact of the valuation of the shares on the consolidated financial statements.*

6. Bonus shares that became available during the year

Date of the plan	Number of shares that became available during the year	Purchase conditions
-	-	four-year holding period after allocation

7. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
✓		✓		✓			✓

2.1.2. Compensation for members of the Supervisory Board

Principles and rules for determination

The amount of the Directors' fees, set at €200,000 since 1st January 2011 (authorisation granted by the General Meeting of Shareholders of 11 May 2011) is distributed as follows in accordance with the by-laws:

Supervisory Board (per member - four meetings)			Audit Committee (four meetings)		Compensation and Nominating Committee (two meetings)	
Base portion	Variable portion	Additional meeting	Variable portion Chairman	Variable portion Member	Variable portion Chairman	Variable portion Member
14,000	13,000	2,050	15,000	7,500	6,000	5,000

The amounts awarded in respect of the fixed base amount are pro-rated when terms of office begin or end during the course of a fiscal year. Directors' fees are paid to members of the Board and committees quarterly, in arrears.

Beyond four meetings, any Board meeting gives rise to an additional payment when the meeting is not held by conference call.

Members of the Supervisory Board do not have stock options or bonus shares.

Gross amounts paid (in euros)

Jean-Claude Decaux - Chairman of the Supervisory Board

	Amounts paid in 2010	Amounts paid in 2011
Directors' fees*	0	0
Other compensation:		
SOPACT	46,969	46,969
JCDecaux Holding	198,549	229,610
Including fringe benefits (car)	10,670	10,670
TOTAL	**245,518**	**276,579**

* *Jean-Claude Decaux waived his Directors' fees as a member of the Supervisory Board and Chairman of the Compensation and Nominating Committee.*

Monique Cohen – (since 11 May 2011) Independent Member of the Supervisory Board

	Amounts paid in 2011
Directors' fees:	
Supervisory Board	20,250
Audit Committee	3,750
Compensation and Nominating Committee	-
Other compensation	-
TOTAL	**24,000**

Jean-Pierre Decaux – Member of the Supervisory Board

	Amounts paid in 2010	Amounts paid in 2011
Directors' fees:		
Supervisory Board	23,750	27,000
Audit Committee	-	-
Compensation and Nominating Committee	-	-
Other compensation	-	-
TOTAL	**23,750**	**27,000**

Pierre Mutz – Independent Member of the Supervisory Board

	Amounts paid in 2010	Amounts paid in 2011
Directors' fees:		
Supervisory Board	27,000	27,000
Audit Committee	7,500	7,500
Compensation and Nominating Committee	5,000	5,000
Other compensation	-	-
TOTAL	**39,500**	**39,500**

Pierre-Alain Pariente – Independent Member of the Supervisory Board

	Amounts paid in 2010	Amounts paid in 2011
Directors' fees:		
Supervisory Board	27,000	27,000
Audit Committee	-	-
Compensation and Nominating Committee	-	-
Other compensation	-	-
TOTAL	**27,000**	**27,000**

Xavier de Sarrau – Independent Member of the Supervisory Board

	Amounts paid in 2010	Amounts paid in 2011
Directors' fees:		
Supervisory Board	27,000	23,750
Audit Committee	15,000	11,250
Compensation and Nominating Committee	-	-
Other compensation	-	-
TOTAL	**42,000**	**35,000**

The aggregate amount provisioned or recorded by the Company and its subsidiaries for payment of pensions, retirement benefits or other benefits to members of the Executive Board and Supervisory Board is shown on page 117 of this Annual Report.

2.1.3. Transactions on JCDecaux SA shares carried out by executives or persons stipulated in Article L.621-18-2 of the French Monetary and Financial Code during 2011 (Article 223-26 of the AMF's General Regulations)

In 2011 Jeremy Male, member of the Executive Board, and Xavier de Sarrau, member of the Supervisory Board, declared the following transactions involving shares of the Company:

Member	Type of transaction	Date of transaction	Price per share (in euros)	Amount of transaction (in euros)
Jeremy Male	Exercise of 1,999 stock options	02/02/2011	15.29	30,564.71
	Exercise of 50,492 stock options	02/02/2011	15.29	772,022.68
	Sale of 1,999 shares	03/02/2011	23.00	45,977.00
	Sale of 50,492 shares	04/02/2011	23.0609	1 164,390.96
	Sale of 10,000 shares	05/04/2011	23.8382	238,382.00
Xavier de Sarrau	Purchase of 5,900 shares	18/08/2011	16.604	97,963.60
	Purchase of 1,827 shares	19/10/2011	18.2675	33,374.81
	Purchase of 447 shares	19/10/2011	18.2418	8,154.12
	Purchase of 1,610 shares	19/10/2011	18.25189	29,385.55
	Purchase of 1,616 shares	19/10/2011	18.2432	29,481.02

No other person pursuant to Article L.621-18-2 of the French Monetary and Financial Code has declared a transaction on Company shares.

2.1.4. Stock options as of 31st December 2011

Summary of the principal terms for allocation of the stock option plans

Under the authority granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 23 May 2002, 1,369,076 options were granted by the Executive Board to 140 employees during fiscal years 2004 and 2005.

Under the authority granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 11 May 2005, 834,650 options were granted by the Executive Board to 182 employees during fiscal years 2006 and 2007.

Under the authority granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 10 May 2007, 820,452 options were granted by the Executive Board to 167 employees during fiscal years 2008 and 2009.

Under the authority granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 13 May 2009, 1,010,841 options were granted by the Executive Board to 222 employees during fiscal years 2010 and 2011.

At the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 11 May 2011, the Executive Board was authorised to grant stock up to a limit of 4% of the Company's share capital for a period expiring 26 months from the date of the Shareholders' Meeting, to all or some Group employees or executives.

This authority replaced the authority granted at the General Meeting of Shareholders held on 13 May 2009.

Acting under the authority granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 11 May 2011, no options were granted by the Executive Board during fiscal year 2011.

	2002 Plan	2005 Plan	2007 Plan	2009 Plan
Dates of Extraordinary Shareholders' Meetings authorising the stock option plans	23 May 2002	11 May 2005	10 May 2007	13 May 2009
Dates of option grants and number of options per date of grant	5 March 2004: 678,711 options 4 March 2005: 690,365 options	20 February 2006: 70,758 options 20 February 2007: 763,892 options	15 February 2008: 719,182 options 23 February 2009: 101,270 options	1 December 2010: 76,039 options 17 February 2011: 934,802 options
Total number of beneficiaries under all grants	140	182	167	222
Types of options	Stock options	Stock options	Stock options	Stock options
Total options granted	1,369,076	834,650	820,452	1,010,841
to Executive Board members:				
. Laurence Debroux*	-	-	-	12,772
. Jeremy Male	111,239	65,965	91,090	55,410
. Gérard Degonse **	62,923	38,274	63,553	46,782
. Robert Caudron***	72,484	29,229	-	-
Top ten employees	222,466	114,717	113,576	124,600
Number of shares subscribed at 31/12/2011	747,743	22,530	7,976	0
Total number of shares cancelled or become null and void at 31/12/2011	181,478	148,894	115,564	32,727
Options remaining at 31/12/2011	439,855	663,226	696,912	978,114
Expiry Date	Seven years from date of grant	Seven years from date of grant	Seven years from date of grant	Seven years from date of grant
Exercise price for options granted :	5 March 2004: 15.29 euros 4 March 2005: 19.81 euros	20 February 2006: 20.55 euros 20 February 2007: 22.58 euros	15 February 2008: 21.25 euros 23 February 2009: 11.15 euros	1 December 2010: 20.20 euros 17 February 2011: 23.49 euros

* *Laurence Debroux joined the Executive Board on 1st January 2011.*
** *Gérard Degonse resigned from the Executive Board on 31st December 2010.*
*** *Robert Caudron resigned from the Executive Board on 16 July 2007.*

At 31st December 2011, 778,249 options had been exercised. Taking into consideration the options exercised and options cancelled, there remained as of that date 2,778,107 options to be exercised. If all such options are exercised, the employees of our Company and its subsidiaries and of JCDecaux Holding will own 1.24% of our Company's shares (excluding FCPE), taking into consideration the options exercised at 31st December 2011.

Features of the stock options

- no option may be exercised before the first anniversary of the date of the meeting of the Executive Board at which these options were granted;
- each beneficiary may exercise up to one third of the options granted beginning on the first anniversary of the date of the meeting of the Executive Board at which these options were granted;
- each beneficiary may exercise up to two thirds of the options granted beginning on the second anniversary of the date of the meeting of the Executive Board at which these options were granted;
- each beneficiary may exercise all of the options granted from and after the third anniversary and until the seventh anniversary of the date of the meeting of the Executive Board at which these options were granted;
- for employees receiving these stock options under an employment contract with a French company, the shares thus acquired may not be transferred before the fourth anniversary of the date of the Executive Board meeting that granted the stock options.

Special report of the Executive Board on transactions carried out under the provisions of Articles L.225-177 to L.225-186 of the French Commercial Code (Article L.225-184 of the French Commercial Code)

1. Options granted

Options granted to members of the Executive Board

The number, maturity dates and price of stock or share purchase options which, during the 2011 fiscal year and due to the terms of office and directorships exercised within the Company, were granted to each of the members of the Executive Board by the Company are set out in the Report on Compensation, on page 158.

During the 2011 fiscal year no stock or share purchase option was granted to members of the Executive Board of the Company by companies that are linked within the meaning of Article L.225-197-2 of the French Commercial Code or by companies controlled by the Company within the meaning of Article L.233-16 of the French Commercial Code.

Members of the Executive Board must retain a number of shares issued from exercising options as specified on page 171.

Members of the Supervisory Board do not benefit from the granting of stock options.

Options granted to non-members of the Executive Board

During the 2011 fiscal year, 895,877 stock or share purchase options were granted to non-executive employees of the Company by the Company or by companies or groupings that are linked to it within the meaning of Article L.225-197-2 of the French Commercial Code.

Granting of stock purchase options to non-executive employees	Number of options	Average weighted price in euros	Maturity date	Date of grant	Date authorised by the General Meeting of Shareholders
Options granted during the fiscal year to the ten employees of the Company and any other Company included in the stock option plan for whom the number of shares granted was highest	124,600	23.49	17/02/2018	17/02/2011	13/05/2009

2. Options exercised

Options exercised by members of the Executive Board

The number and price of shares purchased by exercising one or several options, during the fiscal year, by each of the members of the Company's Executive Board are shown in the Report on Compensation, on page 158.

Options exercised by non-members of the Executive Board

The number and price of shares purchased by exercising one or several options, during the year, by each of the ten non-members of the Executive Board of the Company and for whom the number of shares thus purchased was the highest are shown below.

Members	Number of options exercised during the year	Average weighted price (in euros)
Karl Javurek	9,516	22.98
Isabelle Schlumberger	8,973	23.00
Patrick Mannion	8,145	23.34
François-Guy Sambron	6,867	22.98
Stéphane Prigent	6,815	22.81
Emmanuel Russel	6,751	23.40
Jean-François Nion	6,540	22.42
Philippe Lecuyer	5,751	22.93
Patrick Gourdeau	5,608	23.00
Oyvind Markussen	5,297	21.20

The Executive Board.

Stock options held by members of the Executive Board as of 31st December 2011

Members	Number of options	Date of grant
Jean-François Decaux	None	-
Jean-Charles Decaux	None	-
Laurence Debroux	12,772	17/02/2011
Total	**12,772**	
Jeremy Male	52,491	05/03/2004
	48,748	04/03/2005
	33,528	20/02/2006
	32,437	20/02/2007
	32,197	15/02/2008
	58,893	23/02/2009
	29,257	01/12/2010
	26,153	17/02/2011
Total	**313,704**	

2.1.5. Bonus shares as of 31st December 2011

Summary of the principal terms for allocation of the bonus shares plans:

Acting under the authority granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 11 May 2005, the Executive Board allotted 9,987 bonus shares to two of its Members during fiscal year 2007.

Acting under the authority granted at the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 10 May 2007, the Executive Board allotted 93,127 bonus shares to two of its Members during fiscal years 2007, 2008 and 2009.

Acting under the authority granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 13 May 2009, the Executive Board allotted 59,343 shares to two of its Members during fiscal year 2010 and to one of its Members during fiscal year 2011.

At the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 11 May 2011, the Executive Board was authorised to grant existing or future bonus shares (to the exclusion of preferential shares) up to a limit of 0.5% of the Company's share capital for a period expiring 26 months from the date of such Shareholders' Meeting, for Group employees or executives, or certain of them.

This authority replaced the authority granted at the General Meeting of Shareholders held on 13 May 2009.

Acting under the authority granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 11 May 2011, no bonus shares were granted by the Executive Board during fiscal year 2011.

	2005 Plan	2007 Plan	2009 Plan
Date of Extraordinary General Meetings of Shareholders authorising grants of bonus shares	11 May 2005	10 May 2007	13 May 2009
Date of grant of bonus shares and number of shares per date of grant	20 February 2007: 9,987 shares	10 May 2007: 15,807 shares 15 February 2008: 26,686 shares 23 February 2009: 50,634 shares	1 December 2010: 46,267 shares 17 February 2011: 13,076 shares
Total number of beneficiaries under all grants	2	2	2
Types of shares	to be issued	to be issued	to be issued
Total bonus shares granted	9,987	93,127	59,343
- Number of corporate officers involved	*2*	*2*	*2*
- Number of employees involved (excluding corporate officers)	*0*	*0*	*0*
Total bonus shares granted and not yet acquired as of 31st December 2011	0	82,539	59,343
*- to Gérard Degonse**	*0*	*21,188*	*27,056*
- to Jeremy Male	*0*	*61,351*	*32,287*
Expiry Date	grant of 20 February 2007: 20 February 2011	grant of 10 May 2007: 10 May 2011 grant of 15 February 2008: 15 February 2012 grant of 23 February 2009: 23 February 2013	grant of 1 December 2010: 1 December 2014 grant of 17 February 2011: 17 February 2015
Price	20 February 2007: 22.58 euros	10 May 2007: 23.06 euros 15 February 2008: 21.25 euros 23 February 2009: 11.15 euros	1 December 2010: 20.20 euros 17 February 2011: 23.49 euros

* *Gérard Degonse resigned from the Executive Board on 31st December 2010.*

Features of the bonus shares

- beneficiaries: employees or members of the Executive Board of the Group, or certain of them;
- requirement of employment by the Group on the purchase date;
- two-year acquisition period and two-year lock-up period. The acquisition period is four years for beneficiaries residing abroad who do not qualify for the special tax treatment set out in Articles 80 quaterdecies and 200A, 6 bis of the French General Tax Code without a lock-up period.

Special report of the Executive Board on transactions carried out under the provisions of Articles L.225-197-1 to L.225-197-5 of the French Commercial Code (*Article L.225-197-4 of the French Commercial Code*)

1. Bonus shares granted to members of the Executive Board

The number and value of the shares which, during the 2011 fiscal year and due to the terms of office and Directorships exercised within the Company, were granted free of charge to one member of the Executive Board by the Company are set out in the Report on Compensation, on page 158.

No bonus shares were granted to members of the Executive Board of the Company by companies that are linked or by companies controlled by the Company within the meaning of Article L.223-16 of the French Commercial Code.

Members of the Executive Board must hold shares in their name as stated on page 171.

Members of the Supervisory Board do not benefit from the granting of bonus shares.

2. Bonus shares granted to employees who are non-members of the Executive Board

No bonus shares were granted to non-executive employees of the Company by companies or groupings that are linked within the meaning of Article L.225-197-2 of the French Commercial Code.

The Executive Board.

2.1.6. Terms and conditions for holding stock options and bonus shares by members of the Executive Board

On 7 December 2007 the Supervisory Board decided that members of the Executive Board must hold in their name all of the allocations made from 1st January 2008:

- a number of shares from the exercising of options corresponding to 25% of the gross capital gain released by the interested party during the exercising of said options;
- 10% of the total number of shares granted free of charge.

This decision was reiterated by the Supervisory Board on 6 December 2011.

2.1.7. Number of shares that can be created

As of 31st December 2011, taking account of all of the various securities outstanding that could give rise to dilution (stock options and bonus shares), the maximum potential percentage of dilution is 1.31%.

3. EMPLOYEE PROFIT SHARING AND BENEFIT PLANS

In France, a shared three-year agreement was signed for the companies JCDecaux SA, JCDecaux France (formerly JCDecaux Mobilier Urbain), Avenir, JCDecaux Airport France and JCDecaux Artvertising. This new agreement covers the years 2011, 2012 and 2013 and will serve to make employees feel more involved in their entity's performance going forward on a nationwide level throughout France. This agreement also anticipated the merger of the companies Avenir, JCDecaux Airport France and JCDecaux Artvertising into JCDecaux France (formerly JCDecaux Mobilier Urbain), which took effect on 31st December 2011, thus establishing the groundwork for common articles of association. A collective profit-sharing supplement was also paid on an exceptional basis.

A collective profit-sharing agreement was signed for the company Cyclocity covering the years 2011, 2012 and 2013.

A collective profit-sharing agreement was also signed for the company Media Aéroports de Paris covering the years 2011, 2012 and 2013.

In France, a Group benefit plan was adopted in 2001 providing for a profit pooling agreement among its parties (JCDecaux SA, JCDecaux Airport France, Avenir and JCDecaux Artvertising). This agreement applies to all employees having served at least three months with our Group during the fiscal year giving rise to the benefit. The calculation of the benefit is made pursuant to the provisions of Article L.3324-1 of the French Labour Code.

The amounts of the profit sharing and benefits paid for France for the last three fiscal years is set out on page 50 of the Annual Report.

The companies JCDecaux SA, JCDecaux France (formerly JCDecaux Mobilier Urbain) and JCDecaux Holding (and Avenir, JCDecaux Airport France and JCDecaux Artvertising until 31st December 2011, the date on which they were absorbed by JCDecaux France) each have a Company Savings Plan, and each Plan was renewed in 2002; payments of sums from the profit sharing are supplemented by the employer. The employees of these companies, including employees of absorbed companies whose employment contracts were transferred to the acquiring company, i.e., JCDecaux France (formerly JCDecaux Mobilier Urbain), can make voluntary contributions to a fund consisting of JCDecaux SA shares, allowing employees to invest in JCDecaux SA's share capital.

4. INFORMATION ON MEMBERS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

All of the offices and directorships held by members of the Executive Board in 2011 were in direct or indirect subsidiaries of JCDecaux SA or in companies in the area of outdoor advertising in which the Group held a significant stake. The other offices or directorships are held in family investment companies not active in the area of outdoor advertising.

4.1. Terms of office of the Executive Board

Jean-François Decaux – Chairman of the Executive Board

Aged 53

Chairman of the Executive Board since 11 May 2011 (annual rotation with Jean-Charles Decaux), for a term of one year, in accordance with the Company's principle of alternating Group management responsibilities.

Member of the Executive Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	Brentford, 991 Great West Road, TW8 9DN Middlesex (United Kingdom)

Jean-François Decaux joined the Company in 1982 and started and developed our German subsidiary. He also oversaw the development of all of the subsidiaries in Northern and Eastern Europe and then successfully managed the Company's moves into North America and Australia.

The list of the other terms of office and directorships exercised, in 2011, in all Group companies, is as follows:

Metrobus (France)	Director (first appointment: 18 November 2005)
Europlakat International Werbe (Austria)	Member of the Supervisory Board (until 23 May 2011)
Gewista Werbegesellschaft MbH (Austria)	Vice Chairman of the Supervisory Board (first appointment: 9 August 2003)
Affichage Holding (publicly traded company (Switzerland)	Chairman of the Board of Directors (first appointment: 26 May 2010) Director (first appointment: 7 February 2002)
Société Générale d'Affichage (Switzerland)	Chairman of the Board of Directors and Director (until 14 April 2011)
Media Frankfurt GmbH (Germany)	Vice Chairman of the Supervisory Board (first appointment: 3 April 2001)
WALL AG (Germany)	Vice Chairman of the Supervisory Board and Member of the Supervisory Board (first appointment: 20 January 2004)
JCDecaux Bulgaria Holding (Netherlands)	Director (first appointment: 6 June 2011).

The list of other terms of office and directorships exercised, in 2011 and during the past five years, in companies outside the Group, is the following:

JCDecaux Holding (France)	Director - Chief Executive Officer (first appointment: 15 June 1998)
SCI Congor (France)	Managing Director (first appointment: 17 January 2000)
Decaux Frères Investissements (France)	Chief Executive Officer (first appointment: 24 October 2007)
DF Real Estate (Luxembourg)	Chairman (first appointment: 17 December 2007)

No term of office or directorship was exercised, over the past five years, in other companies.

Jean-Charles Decaux – Chief Executive Officer

Aged 42

Chief Executive Officer since 11 May 2011, for a term of one year, in accordance with the Company's principle of alternating Group management responsibilities.

Member of the Executive Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Jean-Charles Decaux joined the Group in 1989. He created and developed the Spanish subsidiary and then set up all of the subsidiaries in Southern Europe, Asia, South America, the Middle East and Africa.

The list of the other terms of office and directorships exercised, in 2011, in all Group companies, is as follows:

Avenir (France)	Chairman (until 31st December 2011)
Metrobus (France)	Director (first appointment: 18 November 2005)
SCI du Mare (France)	Managing Director (first appointment: 14 December 2007)
JCDecaux France (France)	Chairman (first appointment: 31st December 2011)
Médiakiosk (France)	Chairman of the Supervisory Board (first appointment: 30 November 2011)
Média Aéroport de Paris (France)	Member of the Management Committee (first appointment: from 14 June 2011 to 7 September 2011) Director (1st appointment: 7 September 2011)
JCDecaux España SLU (Spain)	Chairman of the Board of Directors - Acting Director - Director (until 1st May 2011)
El Mobiliario Urbano SLU (Spain)	Chairman of the Board of Directors (first appointment: 14 March 2003) Acting Director and Director (until 1st May 2011)
JCDecaux Atlantis (Spain)	Chairman of the Board of Directors - Acting Director- Director (until 1st May 2011)
IGPDecaux Spa (Italy)	Vice Chairman of the Board of Directors (first appointment: 1st December 2001)

The list of other terms of office and directorships exercised, in 2011 and during the past five years, in companies outside the Group, is the following:

JCDecaux Holding (France)	Director – Chief Executive Officer (first appointment: 22 June 1998)
Decaux Frères Investissements (France)	Chief Executive Officer (first appointment: 24 October 2007)
HLD (France)	Permanent Representative of Decaux Frères Investissements, member of the Supervisory Board (first appointment: 25 March 2011)

No term of office or directorship was exercised, over the past five years, in other companies.

Jeremy Male – Member of the Executive Board

Aged 54

Member of the Executive Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	Summit House, 27 Sale Place, W2 1YR, London, United Kingdom

Jeremy Male, Chief Executive Officer for the UK and Northern Europe, joined the Group in August 2000.

Previously, he was Managing Director of European Operations for Viacom Affichage and held management positions with companies in the food and beverage industry such as Jacobs Suchard and Tchibo.

The list of the other terms of office and directorships exercised, in 2011, in all Group companies, is as follows:

JCDecaux Sverige AB (Sweden)	Chairman of the Board of Directors (first appointment: 31st December 2001)
JCDecaux Sverige Forsaljningsaktiebolag AB (Sweden)	Chairman of the Board of Directors (first appointment: 16 April 2009)
AFA JCDecaux A/S (Denmark)	Chairman of the Board of Directors (first appointment: 5 March 2002)
JCDecaux UK Ltd. (United Kingdom)	Director (first appointment: 1st September 2000)

No term of office or directorship was exercised, over the past five years, in companies outside the Group.

Laurence Debroux - Member of the Executive Board

Aged 42

Member of the Executive Board since:	1st January 2011
Expiry date of the term of office:	30 June 2014
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Laurence Debroux joined the Company in July 2010.

Prior to this position, she had spent 14 years at Sanofi in various functions. After having occupied the position of Treasury and Finance Director, and then Director of the Strategic Plan, Laurence Debroux was promoted to Finance Director of the Group in 2007 before becoming Chief Strategic Officer and member of the Sanofi Aventis Executive Committee in 2009.

Prior to joining Sanofi, Laurence Debroux had worked for the Merrill Lynch and the Finance Division of Elf Aquitaine.

The list of the other terms of office and directorships exercised, in 2011, in all Group companies, is as follows:

Média Aéroport de Paris (France)	Member of the Management Committee (first appointment: from 14 June 2011 to 7 September 2011) Director (first appointment: 7 September 2011)
Médiakiosk (France)	Member of the Supervisory Board (first appointment: 30 November 2011)

The list of terms of office and directorships exercised, in 2011 and during the past five years, in companies outside the Group, is the following:

Natixis (France)	Director (first appointment: 1st April 2010)
Merial Ltd (The United Kingdom)	Director (until 19 May 2010)
ZENTIVA N.V. (The Netherlands)	Director (until 22 September 2009)
SANOFI 4 (France)	Managing Director (until 11 September 2009)
SANOFI Pasteur Holding (France)	Director (until 11 September 2009)
SANOFI AVENTIS Europe (France)	Chief Executive Officer (until 28 July 2009)
SANOFI AVENTIS Amérique du Nord (France)	Managing Director (until 24 July 2009)
SANOFI 1 (France)	Chairman (until 24 July 2009)
SANOFI AVENTIS Participations (France)	Chief Executive Officer (until 24 July 2009)
SANOFI 3 (France)	Managing Director (until 29 May 2007)
BIOCITECH SAS (France)	Chairman (until 23 March 2007)

4.2. Terms of office of members of the Supervisory Board

Jean-Claude Decaux - Chairman of the Supervisory Board

Aged 74

Chairman of the Supervisory Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Jean-Claude Decaux is the founder of JCDecaux.

The list of the other terms of office and directorships exercised, in 2011, in all Group companies, is as follows:

SOPACT (France)	Chairman (first appointment: 18 February 1972)

The list of terms of office and directorships exercised, during the past five years, in companies outside the Group, is the following:

JCDecaux Holding (France)	Chairman (first appointment: 19 September 1994)
S.C.I. Troisjean (France)	Managing Director (first appointment: 9 April 1984)
S.C.I. Clos de la Chaîne (France)	Managing Director (first appointment: 31st December 1969)
Bouygues Télécom (France)	Representative of JCDecaux Holding, Director (first appointment: 19 February 2004)

Jean-Pierre Decaux – Vice Chairman of the Supervisory Board

Aged 68

Vice Chairman of the Supervisory Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92000 Neuilly-sur-Seine, France

Throughout his career with the Group, which he joined at its founding in 1964, Jean-Pierre Decaux has held several offices, in particular:

- from 1975 to 1988: Chairman and Chief Executive Officer of SOPACT (*Société de Publicité des Abribus et des Cabines Téléphoniques*);
- from 1980 to 2001: Chairman and Chief Executive Officer of RPMU (*Régie Publicitaire de Mobilier Urbain*);
- from 1989 to 2000: Chief Executive Officer of Decaux SA (*now JCDecaux SA*);
- from 1995 to 2001: Chairman and Chief Executive Officer of SEMUP (*Société d'Exploitation du Mobilier Urbain Publicitaire*).

No other term of office or directorship was exercised, in 2011, in any Group company.

The list of terms of office and directorships exercised, during the past five years, in companies outside the Group, is the following:

SCI de la Plaine St-Pierre (France)	Managing Director (first appointment: 14 October 1981)
SC Bagavi (France)	Managing Director (first appointment: nc)
S.C.I. CRILUCA (France)	Managing Director (first appointment: nc)
Assor (France)	Member of the Supervisory Board (first appointment: nc)
RMA	Chairman (first appointment: nc)
Société Foncière de Joyenval (France)	Director (until 2008)

Monique Cohen – Independent Member of the Supervisory Board (since 11 May 2011)

Aged 55

Member of the Supervisory Board since:	11 May 2011
Date of first appointment:	11 May 2011
Expiry date of the term of office:	30 June 2014
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Monique Cohen is a former student of France's *Ecole Polytechnique* (x76) and she holds a master's degree in mathematics and business law.

Since June 2000, she has held the position of Associate Director with Apax Partners in France. She is in charge of investments in the Business and Financial Services sector and oversees the "origination" division. Monique Cohen also serves as Acting Chief Executive Officer of Altami Amboise. She has also been a member of the board of the *Autorité des Marchés Financiers* (French Financial Markets Authority) since June 2011.

Previously she worked at BNP Paribas, where she held the position of Global Head of Equities until June 2000. Earlier, she also served as a Senior Banker at Paribas, managing global sales follow-up for a large number of French key accounts.

No other term of office or directorship was exercised, in 2011, in any other Group company.

The list of terms of office and directorships exercised, during the past five years, in companies outside the Group, is the following:

Apax Partners & Cie Gérance SA (France)	Acting Chief Executive Officer (first appointment: 2003)
Apax Partners MidMarket SAS (France)	Director (first appointment: 2008)
Financière MidMarket SAS (France)	Director (first appointment: 2009)
B*Capital SA (France)	Director (first appointment: 2008)
Equalliance SA (France)	Director (until 2011)
Finalliance SAS (France)	Director (until 2011)
Société Civile Equa (France)	Managing Director (until 2011)
Global Project SAS (France)	Member of the Supervisory Board (first appointment: 2009)
Financière Famax SAS (France)	Chairman of the Supervisory Board (until 2008)
Global Project SA (France)	Director (until 2009)
Faceomanagement SAS (France)	Chairman (until 2008)
Faceoteam SAS (France)	Chairman (until 2008)
Financière Famax SAS (France)	Chairman (until 2007)
Financière Famax SAS (France)	Member of the Supervisory Board (until 2010)
ACG Holding SAS (France)	Member of the Supervisory Board (until 2007)

Faceo SA (France)	Member of the Supervisory Board (until 2008)
Unilog (France)	Member of the Supervisory Board (until 2008)
Apax Partners et Compagnie Gérance II SAS	Chief Executive Officer (until 2007)
Wallet SA (Belgium)	Chairman of the Board of Directors (first appointment: 2010)
Wallet Investissement 1 SA (Belgium)	Chairman of the Board of Directors (first appointment: 2010)
Wallet Investissement 2 SA (Belgium)	Chairman of the Board of Directors (first appointment: 2010)
Buy Way Personal Finance Belgium SA (Belgium)	Director (first appointment: 2010)
Santemedia Group Holding Sarl (Luxembourg)	Manager (class C) (first appointment: 2002)

Pierre Mutz – Independent Member of the Supervisory Board

Aged 69

Member of the Supervisory Board since:	13 May 2009
Date of first appointment:	13 May 2009
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

A graduate from the military academy in Saint-Cyr, Pierre Mutz began his career in the Army in 1963, then joined the Prefectural Corps in 1980, where he was Chief of Cabinet to the Commissioner of Police in Paris, Executive Civil Servant, Staff Sub-Manager of the Police Headquarters and Director of Cabinet to the Commissioner of Police in Paris.

He also served as the Prefect of Essonne, from 1996 to 2000, Prefect of the Limousin region and Prefect of Haute-Vienne (administrator) from 2000 to 2002, Director General of the National Gendarmerie from 2002 to 2004 as well as the Commissioner of Police from 2004 to 2007.

Then he held the office of Prefect of the Ile-de-France region and Prefect of Paris between May 2007 and October 2008. Lastly, Pierre Mutz was appointed Prefect (administrator) on 9 October 2008.

Pierre Mutz is a Commandeur de la Légion d'honneur and Commandeur de l'Ordre national du Mérite.

No other term of office or directorship was exercised, in 2011, in any Group company.

The list of terms of office and directorships exercised, during the past five years, in companies outside the Group, is the following:

Thalès (France) (listed company)	Director (first appointment: June 2009)
Eiffage (France) (listed company)	Advisor to the Chairman (first appointment: December 2008)
Groupe Logement Français (France)	Chairman of the Supervisory Board (first appointment: December 2008)
Axa France IARD (France)	Director (first appointment: December 2008)
CIS (France)	Director (until 31st May 2011)
Ecole Normale Supérieure (France)	Director (first appointment: December 2010)
RATP (France) (listed company)	Director (until 30 October 2008)
Agence de l'eau Seine-Normandie (France)	Chairman of the Supervisory Board (until 30 October 2008)

Pierre-Alain Pariente – Independent Member of the Supervisory Board

Aged 76

Member of the Supervisory Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Pierre-Alain Pariente held various positions in our Company from 1970 to 1999, in particular Sales and Marketing Director of RPMU (Régie Publicitaire de Mobilier Urbain).

No other term of office or directorship was exercised, in 2011, in any Group company.

The list of terms of office and directorships exercised, during the past five years, in companies outside the Group, is the following:

SCEA La Ferme de Chateluis (France)	Managing Director (first appointment: 23 July 2001)
Arthur SA (France)	Director (first appointment: nc)

Xavier de Sarrau – Independent Member of the Supervisory Board

Aged 61

Member of the Supervisory Board since:	13 May 2009
Date of first appointment:	14 May 2003
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Xavier de Sarrau, an attorney, specialises in advising private companies and family businesses. He began his career in 1973 as a lawyer with Arthur Andersen in their Legal and Tax Department.

He has also held the following positions:

- from 1989 to 1993: Managing Partner of Arthur Andersen – Tax and Legal for France;
- from 1993 to 1997: Chairman of Arthur Andersen for all operations in France;
- from 1997 to 2000: Chairman of Arthur Andersen for Europe, Middle East, India, and Africa. Based in London;
- from 2000 to 2002: Managing Partner – Global Management Services. Based in London and in New York. He also served multiple terms on the Board of Directors of Arthur Andersen.

All of this experience has enabled him to acquire expertise in the areas of international taxation, ownership structures and management of private assets, complex financial instruments, mergers and reorganisations. He has also written several books and articles on international tax law and lectured at the World Economic Forum.

Xavier de Sarrau is a Chevalier de la Légion d'Honneur and a former member of the National Bar Council (Conseil National des Barreaux).

No other term of office or directorship was exercised, in 2011, in any other Group company.

The list of terms of office and directorships exercised, during the past five years, in companies outside the Group, is the following:

Lagardère SCA (France)	Chairman of the Supervisory Board (first appointment: 2010)
Bernardaud (France)	Member of the Supervisory Board (first appointment: 2009)
Financière Atlas (France)	Member of the Supervisory Board (until 2010)
Continental Motors Inns SA (Luxembourg)	Member of the Board (first appointment: 2008)
Thala SA (Switzerland)	Chairman of the Board (first appointment: 2008)
Dombes SA (Switzerland)	Member of the Board (first appointment: 2010)
FCI Holding SAS (France)	Member of the Board (first appointment: 2011)

4.3. Nature of family ties between members of the Executive Board and Supervisory Board

Jean-Claude and Jean-Pierre Decaux, Chairman and Vice Chairman, respectively, of the Supervisory Board, are brothers.

Jean-François Decaux and Jean-Charles Decaux, Chairman of the Executive Board and Chief Executive Officer, respectively, are sons of Jean-Claude Decaux.

4.4. Convictions, penalties and conflicts of interest of members of the Executive Board and the Supervisory Board

No judgement for fraud has been entered against any member of the Executive Board or the Supervisory Board during the past five years.

No official citation or penalty has been entered against any of them by any legal or regulatory authority. Amongst other things, none of them has been prevented or prohibited by a court from acting as a member of a corporate governance body or from participating in the management or conduct of the business and affairs of a company during the past five years.

No member of the Executive Board or of the Supervisory Board has been associated as a member of a corporate governance body with any insolvency or bankruptcy or receivership or liquidation proceeding of a company during the past five years.

4.5. Assets belonging directly or indirectly to members of the Executive Board and the Supervisory Board

Real Estate Assets

Some premises belong to companies controlled by JCDecaux Holding, which owns approximately 70.33% of the Company's shares. Thus, the premises situated in France, in Neuilly-sur-Seine, Plaisir, Maurepas and Puteaux, in London in the United Kingdom, in Brussels in Belgium and in Madrid in Spain belong to SCI Troisjean, a subsidiary of JCDecaux Holding.

The Group occupies these premises under commercial leases that have been entered into based on market conditions. The amount of rent paid is stated on page 202.

Intellectual property
The Group protects intellectual property necessary for the business (trademarks, designs and models, patents, domain names) by exclusive rights both in France and in the principal countries where it operates.

The majority of the trademarks belong to JCDecaux SA. Certain trademarks belong to JCDecaux France (formerly JCDecaux Mobilier Urbain), which is a wholly owned subsidiary of JCDecaux SA.

The trademark "JEAN-CLAUDE DECAUX" belongs to Jean-Claude Decaux, who agreed, in an agreement dated 8 February 2001, not to use it in the same line of business as the Group's. This trademark is kept for defensive purposes, in France, to prevent use of it by third parties, but it is not used by the Group, which uses the trademark JCDecaux.

Under this agreement, JCDecaux SA and its subsidiaries have the exclusive right, royalty-free, to use and file on an unlimited basis JCDecaux trademarks, as well as any trademark containing the words "JCDecaux", in the operations relating to use and sale of advertising space on street furniture, billboards, and illuminated advertising.

The trademark "JCDecaux" is thus protected in 97 countries.

All the other intellectual property rights used by the group belong to JCDecaux SA, with the exception of several secondary rights that belong to JCDecaux SA subsidiaries.

As of 31st December 2011, the Group owns more than 319 secondary trademarks. Over 628 designs and models registered in France and abroad protect products such as bus shelters, columns, billboards, interactive kiosks, bicycles, automatic public toilet, some of which are designed by internationally renowned architects. Patents protect technical innovations such as the computer system that regulates the provision of bicycle rentals or the automatic public toilets.

As of 31st December 2011, the Group owns 77 patents in France and abroad.

4.6. Agreements with related parties, loans and guarantees granted by our Company

The agreements signed during and after the fiscal year, governed by Article L.225-86 and L.225-87 of the French Commercial Code and mentioned on page 220 of the statutory auditors' special report are as follows:

The Supervisory Board meeting of 8 March 2011 decided:

- to approve the performance conditions linked to the retirement commitment that the Company is to pay Jeremy Male;
- to approve the performance conditions linked to the severance pay that the Company could pay to Jeremy Male.

On 10 February 2012, the Supervisory Board decided to approve the signing of a credit revolving agreement between the Company and a banking pool that includes the bank Natixis, for which Laurence Debroux serves as a director.

There are no service agreements between the Company and any corporate officers conferring a benefit at the end of such agreement. During the fiscal year just ended, no loan or guarantee was made or granted by the Company to members of the Executive Board or Supervisory Board.

SHAREHOLDERS AND TRADING INFORMATION

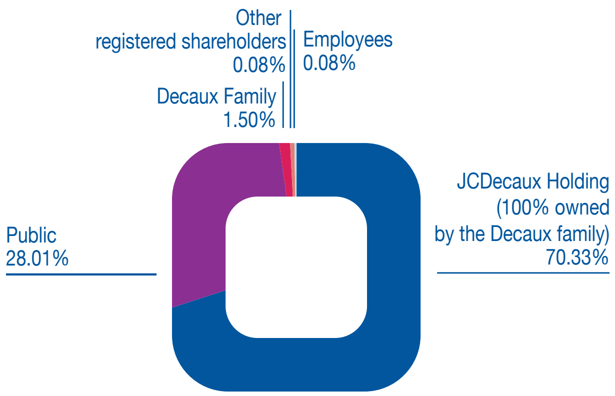
1. SHAREHOLDERS AS OF 31ST DECEMBER 2011

1.1. Distribution between registered shares and bearer shares

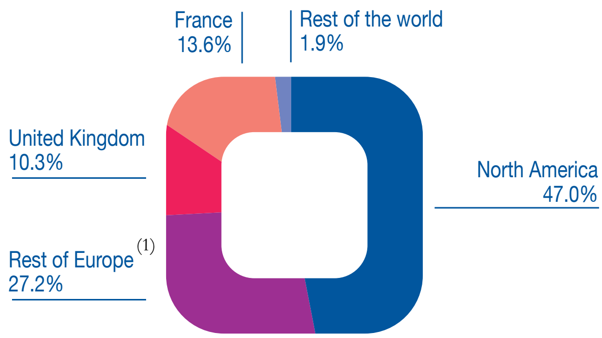
At 31st December 2011, the share capital was €3,382,240.96 divided amongst 221,860,303 shares, distributed as follows:

- registered shares: 159,716,961 held by 150 shareholders;
- bearer shares: 62,143,342 shares.

1.2. Principal shareholders



1.3. Distribution of publicly-traded floating shares by geographic area



Source: Thomson Financial/Euroclear
(on the basis of identified shares (99% of the publicly-traded floating shares))

(1) *Excluding France and the United Kingdom.*

2. TREND IN SHAREHOLDERS

Distribution of the share capital over the past three years

Shareholders		31st December 2009			31st December 2010			31st December 2011		
		Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
	JCDecaux Holding	156,030,573	70.484%	70.484%	156,030,573	70.410%	70.410%	156,030,573	70.328%	70.328%
Members of the Executive Board and Supervisory Board	Jean-Charles Decaux	1,712,210	0.773%	0.773%	1,712,210	0.773%	0.773%	1,712,210	0.772%	0.772%
	Jean-François Decaux	1,156,179	0.522%	0.522%	1,156,179	0.522%	0.522%	1,156,179	0.521%	0.521%
	Jeremy Male	16,788	0.008%	0.008%	16,788	0.008%	0.008%	6,788	0.003%	0.003%
	Jean-Claude Decaux	8,175	0.004%	0.004%	8,175	0.004%	0.004%	8,175	0.004%	0.004%
	Jean-Pierre Decaux	1,574	0.001%	0.001%	1,574	0.001%	0.001%	1,574	0.001%	0.001%
	Pierre Mutz	1,000	-	-	1,000	0.000%	0.000%	1,000	0.000%	0.000%
	Pierre-Alain Pariente	1,020	-	-	1,020	0.000%	0.000%	1,020	0.000%	0.000%
	Xavier de Sarrau	11,000	0.005%	0.005%	11,000	0.005%	0.005%	22,400	0,010%	0.010%
	Monique Cohen	-	-	-	-	-	-	1,000	0.000%	0.000%
Other registered shares	Jean-Sébastien Decaux	435,000	0.197%	0.197%	435,000	0.196%	0.196%	435,000	0.198%	0.198%
	Danielle Decaux	3,059	0.001%	0.001%	3,059	0.001%	0.001%	3,059	0.001%	0.001%
	Annick Piraud	18,572	0.008%	0.008%	18,572	0.008%	0.008%	18,572	0.008%	0.008%
	Gérard Degonse	19,173	0.009%	0.009%	32,274	0.015%	0.015%	34,289	0.015%	0.015%
	FCPE JCDecaux Développement	207,300	0.094%	0.094%	186,400	0.084%	0.084%	188,300	0.085%	0.085%
	Others	169,008	0.076%	0.076%	73,278	0.033%	0.033%	96,822	0.044%	0.044%
Subtotal registered shares	Total	159,790,631	72.183%	72.183%	159,687,102	72.060%	72.060%	159,716,961	71.990%	71.990%
Shareholders having filed a declaration of crossing a threshold	ING *	13,427,377	6.066%	6.066%	13,427,377	6.059%	6.059%	13,427,377	6.052%	6.052%
	Shares held in the Treasury	0	0.000%	0.000%	0	0.000%	0.000%	0	0.000%	0.000%
	Public	48,151,921	21.752%	21.752%	48,487,636	21.880%	21.880%	48,715,965	21.958%	21.958%
TOTAL		**221,369,929**	**100.000%**	**100.000%**	**221,602,115**	**100.000%**	**100.000%**	**221,860,303**	**100.000%**	**100.000%**

* *according to the latest declaration of threshold crossing dated 07.14.08.*

Share capital and voting rights at 31st December 2011

The number of voting rights at 31st December 2011 was 221,860,303 shares equal to the number of shares forming the capital. At 31st December 2011, in the absence of own shares held by the Company and in the absence of double voting rights, there is no difference between the percentage of share capital and percentage of voting rights.

To the Company's knowledge, there are no shareholder agreements or concerted actions.

At 31 st December 2011, the percentage held by the personnel directly or by the intermediary of specialist investment organisations was 0.085%.

At 31st December 2011, certain members of the Executive Board and of the Supervisory Board, listed above owned 2,910,346 of the Company's shares, accounting for approximately 1.31% of the share capital and voting rights.

At 31st December 2011, certain members of the Executive Board (Jean-François and Jean-Charles Decaux) and the Supervisory Board (Jean-Claude and Jean-Pierre Decaux) listed on page 181, owned in full legal title and bare legal title 1,299,965 shares of JCDecaux Holding (accounting for approximately 67% of the capital and voting rights of that company), which, in turn, owns approximately 70.33% of our Company's shares.

At 31st December 2011, certain members of the Executive Board, listed on page 166 held securities granting access to the Company's share capital.

At 31st December 2011, no material pledges, security interests or guarantees in respect of shares of our Company existed.

Dividends
For the past three fiscal years, no dividend has been paid.

Unclaimed dividends will revert to the French State five years from the payment date.

3. COMPANIES THAT OWN A CONTROLLING INTEREST IN THE COMPANY

The Company's principal shareholder is JCDecaux Holding, Société par Actions Simplifiée, which is majority owned by the Decaux family, and the corporate purpose of which is principally to give strategic direction to companies in which it directly or indirectly holds interests.

As of 31st December 2011, the share capital of JCDecaux Holding was held as follows:

Shareholders	Number of shares		% of share capital
	Full legal title	Bare legal title	
Jean-François Decaux	45,435		2.330%
Jean-Charles Decaux and his children	45,435	604,500 (1)	33.331%
Jean-Claude Decaux	31		0.002%
Jean-Pierre Decaux	64		0.003%
JFD Investissement	175,500		9.000%
JFD Participations		429,000 (1)	22.001%
Open 3 Investimenti	45,435		2,330%
Jean-Sébastien Decaux		604,500	31.001%
Danielle Decaux	35	(1)	0.002%
Subtotal	**311,935**	**1,638,000**	**100.000%**
Total	**1,949,935**		**100.000%**

(1) *Jean-Claude Decaux has the beneficial ownership of these shares.*

JCDecaux Holding controls the Company within the following limitations:

Neither the articles of association, nor the Internal By-Laws of the Board contain provisions that delay, defer or prevent a change of the control presently held by JCDecaux Holding.

No double voting rights or other advantages, such as awards of free shares, have been granted to the controlling shareholder, JCDecaux Holding.

With regard to JCDecaux SA's corporate governance bodies, more than half of the members of the Supervisory Board are independent. Half of the Compensation and Nominating Committee consists of independent members. The Audit Committee is fully independent.

The agreements with JCDecaux Holding or with family companies, especially leases and benefits services, as set out on page 196 of this Annual Report, were made under normal market terms and conditions.

Lastly, it should be noted that the compensation of the corporate officers, who are members of the Decaux family, is reviewed annually by JCDecaux SA's Compensation and Nominating Committee. The compensation of members of the Decaux family who have positions within the Group, but are not members of management, is set out in a manner that is identical to that of persons who perform similar roles within the Group.

4. CONDITIONAL OR UNCONDITIONAL CALL OPTION OR AGREEMENT ON SHARES OF GROUP COMPANIES

Such options or agreements are listed in the Appendices to the Consolidated Financial Statements 100, 113 and 114 of this Annual Report.

5. JCDECAUX STOCK PERFORMANCE IN 2011

JCDecaux shares are traded on Euronext Paris by NYSE Euronext (Section A), and only on that market.

JCDecaux shares have been among the shares on the SBF 120 index since 26 November 2001, and the Euronext 100 index since 2 January 2004.

Since 3 January 2005, JCDecaux has also joined a new stock index, called the CAC Mid100 index. This index consists of the Mid100 first market capitalisations that follow the 60 largest stocks that make up the CAC 40 and CAC Next20.

Since 22 September 2003, JCDecaux has also been part of the ASPI Eurozone Index, a European index used by investors who wish to invest in companies committed to sustainable development and social responsibility.

Lastly, since 6 September 2007 the Group has been included among the new companies that are part of the Dow Jones Sustainability (DJSI) index, another index of socially responsible companies.

As of 31st December 2011, the number of shares outstanding was 221,860,303 and the share capital included no shares held in the Treasury. The weighted average number of shares outstanding in fiscal year 2011 was 221,723,424 shares. On average 180,077 shares were traded per day.

JCDecaux shares closed the year 2011 at €17.80 down 23% compared to 31st December 2010.

6. TREND IN TRADING PRICE AND TRADING VOLUME

Since 1st January 2010, the trading price and trading volumes of JCDecaux shares have been as follows:

	PRICES			VOLUMES		
	Highest *(in euros)*	Lowest *(in euros)*	Closing price *(in euros)*	Number of shares traded	Average of shares traded	Stock market capitalisation(1) *(in € million)*
2010						
January	19.27	16.71	18.60	4,226,474	211,324	4,117.48
February	19.20	17.42	18.33	3,292,159	173,272	4,057.71
March	20.87	18.61	20.69	4,197,517	182,501	4,580.14
April	22.69	20.65	21.66	3,673,121	183,656	4,793.76
May	22.03	17.73	19.43	6,294,753	299,750	4,300.31
June	22.10	18.88	19.23	4,607,430	209,429	4,257.14
July	20.69	18.29	19.71	4,054,759	184,307	4,363.41
August	21.10	17.80	18.86	4,156,184	188,917	4,174.13
September	20.60	18.41	19.37	4,704,657	213,848	4,287.03
October	22.20	18.81	21.05	3,656,788	174,133	4,658.95
November	22.11	19.20	19.35	4,232,650	192,393	4,282.60
December	24.04	19.41	23.03	3,064,981	133,260	5,097.28
2011						
January	24.44	21.82	23.37	3,563,387	169,685	5,178.83
February	25.14	22.10	23.40	2,853,839	142,692	5,184.37
March	24.10	21.28	23.68	3,327,044	144,654	5,247.53
April	24.38	22.55	23,59	2,455,243	129,223	5,227.59
May	23.88	21.74	22.34	2,503,089	113,777	4,949.49
June	22.72	20.72	22.11	2,723,353	123,789	4,898.98
July	23.57	19.06	19.23	4,586,396	218,400	4,261.80
August	19.68	15.10	17.26	5,851,565	254,416	3,824.10
September	19.71	14.63	18.68	6,457,055	293,503	4,138.80
October	20.59	17.35	19.37	4,661,984	221,999	4,291.72
November	19.95	17.12	19.31	4,490,487	204,113	4,279.54
December	19.98	17.07	17.80	2,806,378	133,637	3,943.78
2012						
January	19.69	17.13	19.39	3,884,643	176,575	4,300.75
February	20.86	19.21	20.83	2,890,416	137,639	4,621.34

(1) *Source: Thomson Financial (on the basis of the last closing trading price of the month).*

Stock information

ISIN Code	FR 0000077919
SRD/PEA Eligibility	Yes/Yes
Reuters Code	JCDX.PA
Bloomberg Code	DEC FP

2011 trading data

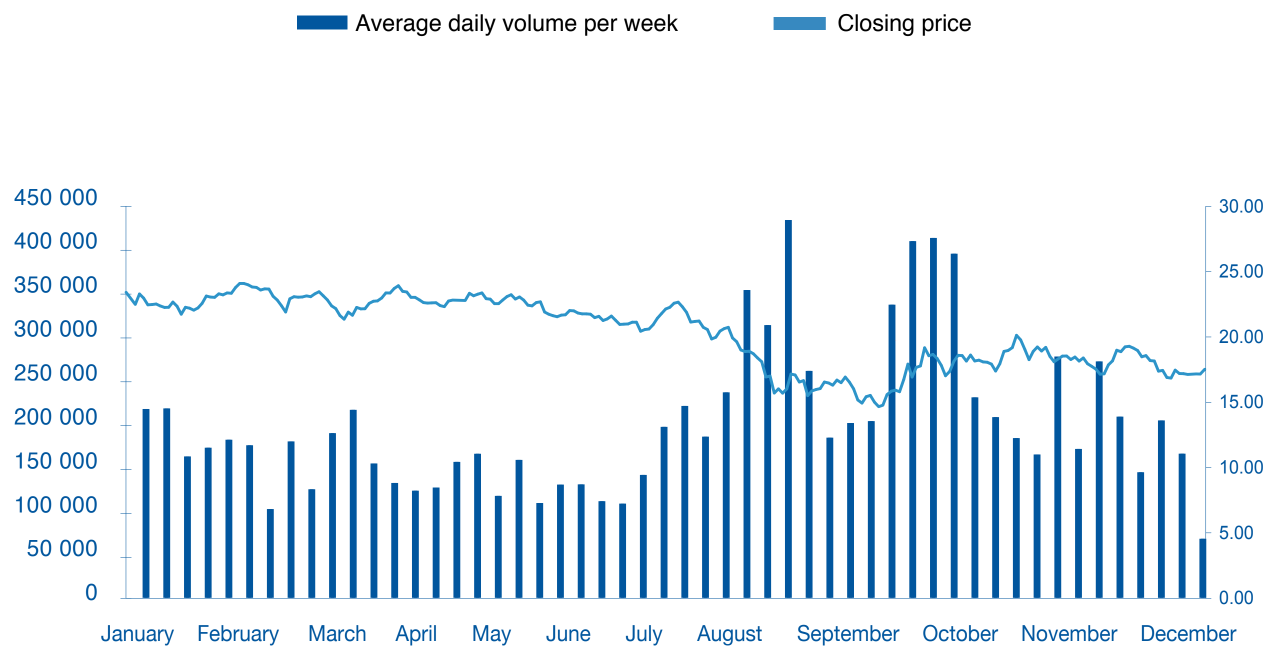
Highest price (02/10/11) (1)	24.41
Lowest price (09/12/11) (1)	15.00
Stock market capitalisation (2)	3,943.78
Number of shares as of 12/31/2011	221,860,303
Average daily volume	180,077

Source: Thomson Financial.

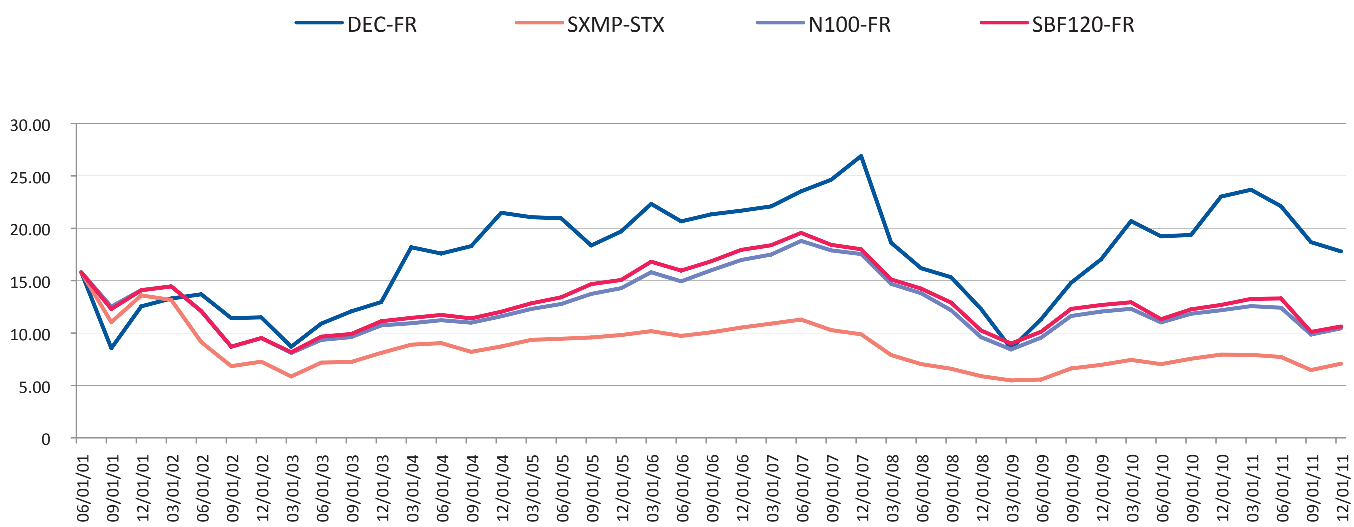
(1) *In euros, closing price.*

(2) *In million of euros, as of 31st December 2011.*

Change in JCDecaux share price and trading volumes in 2011



Performance in JCDecaux share price since the IPO on 21st June 2001 compared to the SBF 120, Euronext 100, and DJ Euro Stoxx Media indices



7. SHAREHOLDERS INFORMATION

Nicolas BURON

Manager of Financial Communications and Investor Relations

Tel.: 33 (0)1 30 79 44 86

Fax: 33 (0)1 30 79 77 91

E-mail: investor.relations@jcdecaux.fr.

Market Information is available to shareholders at the following website: www.jcdecaux.com.

Provisional financial communications calendar

Date	Event
9 May 2012	First quarter 2012 revenues and quarterly information
15 May 2012	Annual General Meeting of Shareholders
30 July 2012	Second quarter 2012 revenues and half-year 2012 results of operations Half-year financial report
7 November 2012	Third quarter 2012 revenues and quarterly information

SHARE CAPITAL

1. GENERAL INFORMATION

1.1. Amount of share capital

As of 31st December 2011, the Company's share capital totalled €3,382,240.96, divided into 221,860,303 shares, all of the same class and fully paid up. The breakdown of the shareholding structure is set out on pages 179 and 180 of this Annual Report.

1.2. Provisions in the articles of association relating to changes in the share capital and voting rights attached to shares

Any changes in the share capital or voting rights are subject to applicable law. The articles of association do not provide for any other restrictions.

1.3. Change in the share capital over the past three years

Date	Transaction	Number of shares issued/cancelled	Nominal amount of the increase/reduction in share capital *in euros*	Issue premium per share *in euros*	Total amount of the issue premium *in euros*	Successive amounts of share capital *in euros*	Total number of shares	Nominal value
31-Dec-08	Capital increase in connection with exercises of stock options	289,559	4,414.30	16.29	4,718,324.38	3,373,250.96	221,270,597	(1)
7-May-09	Increase in capital by the allocation of bonus shares	9,987	152.25	10.58	105,709.95	3,373,403.21	221,280,584	(1)
31-Dec-09	Capital increase in connection with exercises of stock options	89,345	1,362.06	10.77	962,176.12	3,374,765.27	221,369,929	(1)
6-May-10	Increase in capital by the allocation of bonus shares	10,588	161.41	17.13	181,422.79	3,374,926.68	221,380,517	(1)
31-Dec-10	Capital increase in connection with exercises of stock options	221,598	3,378.24	16	3,545,502.06	3,378,304.92	221,602,115	(1)
7-Jun-11	Increase in capital by the allocation of bonus shares	21,188	323.00	21.75	460,516.00	3,378,627.92	221,623,303	(1)
31-Dec-11	Capital increase in connection with exercises of stock options	237,000	3,613.04	16.76	3,972,562.91	3,382,240.96	221,860,303	(1)

(1) *When the share capital was converted into euros in June 2000, the reference to the nominal value of the shares was deleted from the articles of association.*

1.4. Outstanding delegations of authority granted to the Executive Board to increase share capital, used and valid, during the financial year

Date of Shareholders' Meeting	Description of authority delegated to Executive Board	Maximum amount authorised	Authority expiry date	Beneficiaries	Use made of delegation by the Executive Board in 2011
13 May 2009	To increase the Company's share capital, on one or more occasions, by issuing shares and/or other securities carrying the right to acquire shares immediately or in the future – with shareholders' preferential subscription rights maintained – up to a limit of a maximum amount and to set the terms and conditions thereof. The same authority was granted with a provision eliminating the preferential subscription right.	€2.3 million	12.07.2011	Shareholders	Not used
13 May 2009	To issue shares or negotiable securities convertible into shares without a preferential subscription right, in consideration for contributions in kind consisting of equity securities or securities convertible into shares.	10% of the share capital	12.07.2011	Shareholders	Not used
13 May 2009	To increase the Company's share capital, on one or more occasions, through capitalisation of bonuses, reserves or earnings.	€2.3 million	12.07.2011	Shareholders	Not used
13 May 2009	To increase the number of securities to be issued (over-allocation option) in the event of a capital increase with or without preferential subscription rights.	Maximum of 15% of the initial issue and within the maximum threshold set forth for the initial issue of shares or securities.	12.07.2011	Beneficiaries of the initial transaction	Not used
13 May 2009	To increase the Company's share capital for the benefit of employees (acquisition under a Company Savings Plan, apart from stock options).	Maximum nominal amount of €20,000 (issue price corresponding to average share price during last 20 trading days, discounted 20% or 30%).	12.07.2011	Subscribers to Company Savings Plans	Not used
13 May 2009	To grant Company stock and share purchase options.	4% of the share capital (issue price corresponding to average share price during last 20 trading days).	12.07.2011	Employees or Company officers or certain of them	The Executive Board granted 76,039 stock options on 1 December 2010 and 934,802 stock options on 17 February 2011.
13 May 2009	To grant bonus shares, from shares outstanding or to be issued.	0.5% of the share capital (issue price corresponding to average share price during last 20 trading days).	12.07.2011	Employees or Company officers or certain of them	The Executive Board granted 46,267 bonus shares on 1 December 2010 and 13,076 bonus shares on 17 February 2011.
11 May 2011	To decide on a capital increase, through the issue – with preferential subscription rights – of shares and/or securities giving access to the Company's capital and/or securities giving the right to the allotment of debt securities.	€2.3 million	10.07.2013	Shareholders	Not used
11 May 2011	To decide on a capital increase, through the issue – without preferential subscription rights – of shares and/or securities giving access to the Company's capital and/or securities giving the right to the allotment of debt securities. The same authority was delegated for the allotment of debt securities without preferential subscription rights through private investment.	€2.3 million	10.07.2013	Shareholders	Not used

11 May 2011	To issue shares or negotiable securities convertible into shares without a preferential subscription right, in consideration for contributions in kind consisting of equity securities or securities convertible into shares.	10% of the share capital	10.07.2013	Shareholders	Not used
11 May 2011	To increase the Company's share capital, on one or more occasions, through capitalisation of bonuses, reserves or earnings.	€2.3 million	10.07.2013	Shareholders	Not used
11 May 2011	To increase the number of securities to be issued (over-allocation option) in the event of a capital increase with or without preferential subscription rights.	Maximum of 15% of the initial issue and within the maximum threshold set forth for the initial issue of shares or securities.	10.07.2013	Beneficiaries of the initial transaction	Not used
11 May 2011	To increase the Company's share capital for the benefit of employees (acquisition under a Company Savings Plan, apart from stock options).	Maximum nominal amount of €20,000 (issue price corresponding to average share price during last 20 trading days, discounted 20% or 30%).	10.07.2013	Subscribers to Company Savings Plans	Not used
11 May 2011	To grant Company stock and share purchase options.	4% of the share capital (issue price corresponding to average share price during last 20 trading days).	10.07.2013	Employees or Company officers or certain of them	Not used
11 May 2011	To grant bonus shares, from shares outstanding or to be issued.	0.5% of the share capital (issue price corresponding to average share price during last 20 trading days).	10.07.2013	Employees or Company officers or certain of them	Not used

2. BUYBACK OF THE COMPANY'S OWN SHARES

2.1. Buyback by the Company of its own shares during the fiscal year

The Combined Extraordinary and Ordinary General Meeting of Shareholders held on 19 May 2010 granted the Executive Board the authority, for a period of 18 months, to buyback the Company's shares on the market up to a limit of €25 per share and up to an aggregate maximum amount of €553,424,800, with a view to cancelling said shares.

This delegation was not used during the 2011 fiscal year by the Executive Board.

The Combined Extraordinary and Ordinary General Meeting of Shareholders held on 11 May 2011 granted the Executive Board the authority, for a period of 18 months, to buyback the Company's shares on the market up to a limit of €30 per share and up to an aggregate maximum amount of €664,806,330, with a view to cancelling said shares.

This delegation was not used during the 2011 fiscal year by the Executive Board.

2.2. New share buyback programme

A new share buyback programme, together with a resolution authorising cancellation of the shares repurchased, will be submitted to the Shareholders for their authorisation at the Combined Extraordinary and Ordinary General Meeting of Shareholders to be held on 15 May 2012.

The main features of this programme are as follows:

- Affected shares: the Company's shares;
- Maximum percentage authorised to be repurchased by the General Meeting of Shareholders: 10% of the shares of the Company's share capital outstanding at any time, this percentage applying to an amount of adjusted share capital based on the transactions affecting it subsequent to the General Meeting of Shareholders to be held on 15 May 2012, or, for indicative purposes, 22,186,030 shares as of 31st December 2011;
- Maximum unit price authorised: €25;
- Maximum amount of the programme: €554,650,750 for 22,186,030 shares;
- Objectives of such programme:
  - implementation of any Company stock option plan under the provisions of Articles L.225-177 *et seq.* of the French Commercial Code; or

- the granting or sale of shares to employees to reward them for contributing to the Company's growth and implementation of any employee savings plan under the terms and conditions provided by law and particularly under Articles L.3332-1 *et seq.* of the French Labour Code; or
- the granting of bonus shares as provided under the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code; or
- the delivery of shares upon exercise of rights attached to securities carrying the right to acquire shares by redemption, conversion, exchange, presentation of a coupon, or in any other manner; or
- the cancellation of all or part of the shares thereby acquired, subject to approval at the Combined Extraordinary and Ordinary General Meeting of Shareholders to be held on 15 May 2012 and according to the terms indicated therein; or
- the delivery of shares in respect of an exchange, payment, or otherwise in connection with external growth transactions, mergers, spin-offs or contribution transactions, under applicable law and regulations; or
- support for a secondary market or for the liquidity of JCDecaux SA shares by an investment service provider in connection with a liquidity contract that complies with the ethical standards of the *Autorité des Marchés Financiers* (French Financial Markets Authority).

This authority would also allow the Company to conduct transactions for any other authorised purpose or transactions that may be authorised by applicable law or regulations. In such case, the Company would advise the shareholders by means of a press release.

- Length of the programme: this programme would expire 18 months from the date on which the General Meeting of Shareholders is held, scheduled for 15 May 2012, that is, until 14 November 2013.

OTHER LEGAL INFORMATION

1. GENERAL INFORMATION

Company name	JCDecaux SA
Registered office	17 rue Soyer 92200 Neuilly-sur-Seine
Principal administrative office	Sainte Apolline 78378 Plaisir Cedex
Telephone number	33 (0)1 30 79 79 79
Companies' Register	307 570 747 (Nanterre)
Legal form	French corporation with an Executive Board and Supervisory Board
Governing law	French law
Date of formation	5 June 1975
Expiry Date	5 June 2074 (except in the event of early dissolution or extension)
Fiscal year	from 1st January to 31st December

2. HISTORY

1964:	Jean-Claude Decaux invents the concept of street furniture and forms JCDecaux. First street furniture concession in Lyon.
1970s:	The Group invests in Portugal and Belgium.
1972:	First free-standing information panels (MUPI®). Street furniture contract for Paris.
1973:	Launch of the short-term (seven-day) advertising campaign.
1980s:	Expansion in Europe, Germany (Hamburg), the Netherlands (Amsterdam) and Northern Europe.
1980:	Installation of the first automatic public toilets in Paris.
1981:	First electronic information panels.
1988:	Creation of "Senior®", the first large format billboard and street furniture, measuring 8 sq.m.
1990s:	JCDecaux is present on three continents: in Europe, the United States and Asia-Pacific.
1994:	First street furniture contract in San Francisco.
1998:	JCDecaux extends the concept of street furniture to shopping malls in the United States.
1999:	Acquisition of Avenir and diversification of the business into billboard and transport advertising. JCDecaux becomes a world leader in outdoor advertising.
2001:	Partnership with Gewista in Central Europe and IGPDecaux in Italy. JCDecaux becomes the leading Billboard company in Europe. JCDecaux wins contracts for Los Angeles and Chicago, in the United States.
2002:	JCDecaux signs the Chicago contract in the United States and, in partnership with CBS Outdoor, wins the tender for the city of Vancouver in Canada.
2003:	JCDecaux increases its stake in Gewista, a leader in outdoor advertising in Austria, to 67%.
2004:	JCDecaux renews the street furniture contract for Lyon. In Asia-Pacific, the Group signs the first exclusive bus shelter advertising contracts in Yokohama, the second largest city in Japan, and wins the contract to manage advertising space in Shanghai's airports, in partnership with the latter.
2005:	JCDecaux makes three major acquisitions in China and becomes number one in outdoor advertising in this fast-growing market. The Group simultaneously pursues its growth in Japan.
2006:	JCDecaux makes several acquisitions in order to penetrate new high-growth markets or to consolidate positions in mature markets. JCDecaux thus acquires VVR-Berek, the leading outdoor advertiser in Berlin, and invests in Russia and the Ukraine. The Group accelerates its growth in Japan.
2007 and 2008:	JCDecaux renews a number of major contracts, particularly in France, and introduces self-service advertising-financed bicycle systems, including the Vélib' programme in Paris. The Street Furniture business accelerates its expansion in Japan, adding four new contracts, and the Group pursues its growth in India and China, with the renewal and extension of the advertising contract for the Shanghai underground. JCDecaux

makes acquisitions and alliances to penetrate new high-growth markets, particularly in the Middle East and Central Asia.

2009: JCDecaux reinforces its market position in Germany by becoming a majority shareholder of Wall AG.

2010: JCDecaux acquired certain rail and retail advertising assets of Titan Outdoor UK Ltd in the United Kingdom.

2011: JCDecaux acquires from Presstalis, a press distributor and marketing company, 95% of the shares in the company Mediakiosk.

3. ARTICLES OF ASSOCIATION

The text of the Company's articles of association is stated below. They can be amended in accordance with applicable laws and regulations.

ARTICLE 1 - FORM

The Company is in the form of a limited liability company.

ARTICLE 2 - PURPOSE

The Company's purpose in France and abroad is:

- the study, invention, development, manufacture, repair, assembly, maintenance, leasing and sale of all articles or equipment destined for industrial or commercial use, and especially the manufacture, assembly, maintenance, sale and operation of all types of street furniture, whether advertising or not, and the provision of all services, including advisory and public relations services;
- the transport of goods, directly or indirectly, by road and leasing of vehicles for transport of such goods;
- advertising, marketing of advertising space on all types of street furniture, billboards, as well as on any other media, including neon signs, façades, television, radio, the Internet and all other media, and the undertaking on behalf of third parties of all sales, leasing, display, installation and maintenance of advertising displays and street furniture;
- the management of investments in negotiable securities, particularly relating to advertising and especially billboards, and use of its resources to invest in securities, especially through acquisition of, or subscription for, shares, equity interests, bonds, bills and notes, or other securities issued by French or foreign companies and relating particularly to advertising;

and more generally, any financial, commercial, business or real estate transactions that may be related, directly or indirectly, to the corporate purposes or likely to extend or develop them more easily;

In particular, the Company may organise a centralised treasury management system with all companies in which it has a direct and/or indirect equity interest, for the purpose of optimising its credit, such as by investing its surplus cash, in any manner permitted by law at that time.

ARTICLE 3 - COMPANY NAME

The name of the Company is: **JCDecaux SA**

ARTICLE 4 - REGISTERED OFFICE

The registered office is located at NEUILLY-SUR-SEINE (Hauts de Seine), 17 rue Soyer.

It may be transferred pursuant to the legal provisions in force.

ARTICLE 5 - TERM

The term of the Company is 99 years from 5 June 1975; it will expire on 5 June 2074, except in the event of early dissolution or extension.

ARTICLE 6 - CAPITAL

The share capital totals €3,382,240.96 (three million, three hundred and eighty two thousand, two hundred and forty euros, ninety-six cents) divided into 221,860,303 (two hundred and twenty one million, eight hundred and sixty thousand, three hundred and three) shares of the same category and fully paid-up.

ARTICLE 7 - CALL ON SHARES

Any share subscription in cash must be accompanied by a payment of at least a quarter of the nominal amount of the shares subscribed to and, where applicable, the entirety of the issue premium. The balance is payable in one or several instalments at the times and in the proportions that will be determined by the Executive Board, in accordance with the law. Notice of calls shall in each case be served on shareholders fifteen days at least before the time fixed for such payment, either by registered letter with acknowledgement of receipt, or by a notice published in legal notices publications at the place of the registered office.

If the sums called in respect of a share are not paid on expiry of the period determined by the Executive Board, interest shall fall due on the sums by operation of law without the need for legal action or formal notice, for each late day calculated from the due date, at the legal interest rate increased by two points, all without prejudice to enforcement measures provided by the law.

ARTICLE 8 - RIGHTS AND OBLIGATIONS ATTACHED TO EACH SHARE

Each share shall carry the right to a share in the Company's assets, a share in the profits and in the liquidation surplus, proportional to the number of existing shares.

Each time that it is necessary to hold a certain number of shares to exercise a right, holders who do not hold this number must group together the required shares.

Each shareholder has as many votes as shares he holds or represents.

ARTICLE 9 - FORM OF SHARES

1) Identification of shareholders

Shares are in registered or bearer form, at the shareholder's choosing, under the conditions provided for in the legal provisions in force. These shares, whatever their form, must be registered in the account in the name of their holder.

However, when their holder does not reside on French territory, within the meaning of Article 102 of the French Civil Code, any intermediary can be registered on behalf of this owner. This registration can be in the form of a group account or in several individual accounts each corresponding to one owner.

The intermediary registered must, at the time of opening his account with either the issuing Company, or the authorised financial intermediary account holder, declare, under the conditions decreed, his capacity as an intermediary holding shares on behalf of others.

In view of identifying holders of bearer shares, the Company can request at any time from the central custodian which is the account holder for issuing its shares, depending on the case, the name, nationality, year of birth or formation and the address of the shareholders granting immediately or in the future a right to vote in its own meetings as well as the quantity of shares held by each of them and, where applicable, any restrictions that apply to the shares.

The Company shall have the right to request, in view of the list provided by the aforementioned organisation, either by the intervention of this organisation or directly, under the same conditions and under penalty of sanctions provided for in Article L.228-3-2 of the French Commercial Code, from persons named on this list and whom the Company deems to be registered on behalf of third parties, information concerning the holders of the shares. These persons must, when they have the status of an intermediary, disclose the identity of the holders of these shares. The information is provided directly to the financial intermediary holding the account, in order that the latter send it, depending on the case, to the Company or the aforementioned organisation.

If it involves shares in registered form, granting immediate or future access to the capital, the intermediary shall register them under the conditions stipulated in Article L.228-1 of the French Commercial Code and must, within a time period decreed, disclose the identity of the holders of these shares, as well as the quantity of shares held by each of them on first request of the Company or its agent, which can be made at any time.

As long as the Company deems that certain holders whose identity has been disclosed to it are holders on behalf of third parties, it has the right to request that these holders disclose the identity of the third parties, as well as the quantity of the shares held by each of them, under conditions stipulated in Articles L.228-2 II and L.228-3 of the French Commercial Code.

At the end of these transactions, and without prejudice to the obligations to declare major shareholdings pursuant to Articles L.233-7, L.233-12 and L.233-13 of the French Commercial Code, the Company can request that any company holding its shares and holding shares exceeding $1/40^{th}$ of the capital or voting rights, disclose the identity of the persons holding more than one third of its capital or voting rights either directly or indirectly.

An intermediary that meets the requirements set out in paragraphs 7 and 8 of Article L.228-1 of the French Commercial Code, acting under general authority to manage securities, may transmit the vote or warrant of a shareholder for any General Meeting as set out in paragraph 3 of the same Article.

Prior to transmitting the warrants or votes to the General Meeting of Shareholders, the intermediary registered in accordance with Article L.228-1 of the French Commercial Code, is required to supply a list of the non-resident shareholders with respect to which the voting rights are attached as well as the shares held by each of them, at the request of the Company or its representative. This list is provided under the terms and conditions set out in Articles L.228-2 or L.228-3, as appropriate, of the French Commercial Code.

The vote or warrant issued by an intermediary that either has not registered as such or has not disclosed the shareholder's name, may not be counted.

The breach of the obligations resulting from the aforementioned paragraphs is sanctioned in accordance with the provisions of Article L.228-3-3 of the French Commercial Code.

2) Crossing certain thresholds

In addition to the filings for crossing thresholds expressly provided for under the paragraphs 1 and 2 of Article L.233-7 of the French Commercial Code, any individual or entity acting alone or in unison with others who becomes the owner, directly or indirectly, through one or more companies that it controls within the meaning of Article L.233-3 of the French Commercial Code, of a number of shares representing 2% or more of the share capital or the voting rights, must notify the Company by registered letter with acknowledgement of receipt within five trading days of crossing such threshold of the total number of shares and voting rights the individual then owns, as well as of any securities convertible into shares or voting rights which may potentially be attached. The same notice requirement applies each time a change of more than 1% in shareholding occurs in respect of such threshold.

Such notice must also be given to the Company when a shareholder's ownership of shares or voting rights falls below one of the aforementioned thresholds.

The legal penalties in the event of the non-observation of the obligation to declare the crossing of the legal thresholds also applies in the event of the non-declaration of the thresholds stipulated in these articles of association, upon the request at the General Meeting of Shareholders of one or more shareholders holding at least 5% of the Company's share capital or voting rights.

ARTICLE 10 - TRANSFER AND INDIVISIBILITY OF SHARES

Shares can be traded freely.

Shares are transferred from one account to another on the signed instructions of the assignor or his authorised representative.

ARTICLE 11 - ADMINISTRATION OF THE COMPANY

The Company is managed by an Executive Board, which carries out its duties under the control of a Supervisory Board.

ARTICLE 12 - EXECUTIVE BOARD - COMPOSITION

The Executive Board is composed of at least two members and at most seven members appointed by the Supervisory Board.

Members of the Executive Board must be individuals and need not be chosen from among the shareholders.

No acting member of the Supervisory Board can be part of the Executive Board.

A member of the Executive Board can only be appointed to the Executive Board or as the sole Chief Executive Officer of another company under the conditions stipulated by the French Commercial Code.

Furthermore, a member of the Executive Board cannot be appointed as a legal representative of a company that JCDecaux SA does not directly or indirectly control without having been authorised by the Chairman of the Supervisory Board.

In one case or the other, the member of the Executive Board who has not complied with the provisions stipulated in the previous two paragraphs must resign either from his duties as a member of the Executive Board, or his unauthorised duties, within a period of three months from his appointment to the unauthorised duties.

ARTICLE 13 - TERMS OF OFFICE OF MEMBERS OF THE EXECUTIVE BOARD - COMPENSATION

The Executive Board is appointed for a term of three years. The terms of office of its members expire at the end of the General Meeting of Shareholders ruling on the financial statements for the fiscal year just ended and held during the year in which such term of office is due to expire. In the event of a vacancy due to death, resignation or removal, the Supervisory Board must, within a period of two months from the vacancy arising, fill the vacant position, for the time left to run until renewal by the Executive Board.

The acceptance and exercise of the term of office of a member of the Executive Board results in the undertaking, for each interested party, that at all times he meets the conditions and obligations required by current laws, particularly concerning the number of terms of office.

Any member of the Executive Board is eligible for re-election.

No one over the age of 70 may serve on the Executive Board. Any Executive Board member who reaches that age is deemed to have retired at the close of the meeting of the Supervisory Board following the date on which he reaches that age, unless the Supervisory Board decides to allow the member to serve out the balance of his term.

The Supervisory Board sets out in the appointment contract the method and the amount of compensation for each member of the Executive Board.

Members of the Executive Board or the sole Chief Executive Officer may be removed by the General Meeting of Shareholders or the Supervisory Board. If the removal is decided without just cause, it can give rise to damages and interest. In the event that the interested party has signed an employment contract with the Company, the removal of his duties as a member of the Executive Board will not terminate this contract.

ARTICLE 14 - ORGANISATION AND OPERATION OF THE EXECUTIVE BOARD

The Supervisory Board confers on one of the members of the Executive Board the office of Chairman and fixes the term of his duties. It can also confer on one of the members of the Executive Board the office of Vice Chairman.

The Executive Board meets as often as the Company's interests require, at the registered office or at any other place indicated in the notice of meeting.

It is convened by the Chairman or, in the event he is hindered in so doing, by at least half of its members.

Notifications are made by all means, even verbally.

Meetings of the Executive Board are chaired by its Chairman or, in his absence, by the Vice Chairman or, in his absence, by a member of the Executive Board chosen at the beginning of the meeting. The Executive Board may also appoint a Secretary who may or may not be chosen from among its members.

If the Executive Board has two members, both must be present for business to be validly conducted, if it has more than two members, at least half of the members must be present.

A member of the Executive Board can authorise another member to represent him at an Executive Board meeting by means of a letter, fax or telegram. Each member of the Executive Board may only represent one other member.

An attendance register is kept at the registered office and is signed by all the members participating in each Executive Board meeting.

If the Executive Board is comprised of two members, decisions are made by a unanimous vote. If it has more than two members, decisions are made based on a majority of the votes of members present or represented; in the event that the votes are evenly split, the Chairman's vote shall be decisive. The Executive Board can draw up internal by-laws setting out its organisation or operating method.

Deliberations are recorded in minutes signed by the Chairman and one member of the Executive Board or, in the event the Chairman is absent, by two members of the Executive Board.

These minutes are either reproduced on a special register or collated.

The copies or extracts of these minutes are certified by the Chairman of the Executive Board or by one of its members, and during liquidation by a liquidator.

Members of the Executive Board who participate in the meeting by means of videoconference or telecommunications, the nature and conditions of application of which are stipulated by the French Commercial Code, which enables the identification of the members and which guarantees their actual participation are deemed to be present for calculating quorum and majority.

The Chairman of the Executive Board represents the Company in its relations with third parties.

The Supervisory Board can attribute the same power of representation to one or several members of the Executive Board who then bear(s) the title of "Chief Executive Officer".

ARTICLE 15 - POWERS AND DUTIES OF THE EXECUTIVE BOARD

The Executive Board has the broadest possible authority to act in all circumstances on behalf of the Company with regard to third parties, subject to the powers expressly granted at Shareholders' Meetings and by the Supervisory Board, under the law and the articles of association, particularly concerning the operations set out in paragraphs 4 and 5 of this Article and Article 18 below.

The Executive Board has the option to delegate part of its authority when it deems it suitable.

Members of the Executive Board can, with the authorisation of the Supervisory Board, distribute the management tasks between them. However, this distribution can in no case have the effect of removing from the Executive Board its purpose as a body collectively carrying out the Company's general management.

The Executive Board carries out its duties under the control of the Supervisory Board. It must notably present to the Supervisory Board:

- at least once a quarter, a report on the Company's business and affairs;
- within three months following the end of each fiscal year, the financial statements for review and approval.

Guarantees and security deposits for third parties can only be granted by the Executive Board after authorisation by the Supervisory Board.

The Supervisory Board can set, for a maximum period of one year, an overall sum or a sum below which an authorisation shall not be necessary. Non-compliance with these provisions is only binding on third parties in cases stipulated by law.

The sale of real properties, the full or partial sale of shareholdings, the forming of sureties must be authorised beforehand by the Supervisory Board. The Board can determine by transaction a sum below which an authorisation shall not be necessary. Non-compliance with these provisions is only binding on third parties in cases stipulated by law.

ARTICLE 16 - COMPOSITION OF THE SUPERVISORY BOARD

The ongoing control of the Company’s management by the Executive Board is exercised by the Supervisory Board composed of a minimum of three members and a maximum of eighteen members, subject to the exemptions provided for under Article L.225-95 of the French Commercial Code.

Members of the Supervisory Board are appointed by the General Shareholders' Meeting for a maximum term of four (4) years. However, the term of office of members of the Supervisory Board shall continue until the end of the General Shareholders' Meeting approving the financial statements for the past fiscal year and held in the year during which this member of the Supervisory Board's term of office expires.

The term of office of a member of the Supervisory Board expires at the end of the General Shareholders' Meeting that considers and acts on the financial statements of the fiscal year just ended and that is held during the year in which such term of office is due to expire.

Members of the Supervisory Board are eligible for re-election.

They may be removed by the General Meeting of Shareholders.

The number of members of the Supervisory Board over the age of 75 may not be greater than one-third of the serving members. Any appointment contrary to this provision shall be null and void. When this limit is passed, the oldest member is deemed to have left office. In addition, starting at age 75, the term of office is annual.

A legal entity can be appointed as member of the Supervisory Board. During its appointment, it must name a permanent representative.

In the event of a vacancy arising due to death, age limit or resignation, the Supervisory Board can make interim appointments between two General Meetings of Shareholders. These appointments are subject to ratification at the next General Shareholders' Meeting.

A member of the Supervisory Board appointed as a replacement for another, whose term of office has not expired, only remains in office for the remainder of his predecessor's term of office.

If the number of members of the Supervisory Board falls below the legal minimum, the Executive Board, or failing this the Supervisory Board, must immediately convene a General Shareholders' Meeting with a view to adding to the members of the Supervisory Board.

A member of the Supervisory Board can only be appointed to the Supervisory Board of another company, under the conditions stipulated by the French Commercial Code.

ARTICLE 17 - ORGANISATION AND OPERATION OF THE SUPERVISORY BOARD

The Supervisory Board elects from among its members a Chairman and a Vice Chairman in charge of convening the Board and chairing discussions. The Board determines the amount of their compensation. The Chairman and Vice Chairman must be individuals rather than legal entities. They are elected for a term that is equal in length to their term of office on the Supervisory Board. They are always eligible to be re-elected.

The Supervisory Board may appoint a secretary who can be chosen from outside the shareholders.

The Supervisory Board meets at the registered office or at such other location indicated in the notice of meeting, on convening by its Chairman or Vice Chairman, as often as the Company's interests require and at least once every quarter to hear the Executive Board's report.

The Chairman or Vice Chairman must convene the Board to a meeting, the date of which can be no more than 15 days later when at least one member of the Executive Board or at least a third of the members of the Supervisory Board presents it with a justified request for this purpose. If the request goes unheeded, its authors may convene the meeting, by stating the meeting's agenda.

Notifications are made by all means, even verbally.

Any member of the Supervisory Board can authorise another member to represent him at a Supervisory Board meeting by means of a letter, fax or telegram. Each member of the Supervisory Board can only have during the same meeting one proxy; these provisions are applicable to the representative of a legal entity member of the Supervisory Board.

At least half of the Board members must be present for the Supervisory Board to transact business validly.

Meetings of the Supervisory Board are chaired by the Chairman of the Supervisory Board or, in his absence, by the Vice Chairman or, otherwise by any member chosen by the Supervisory Board.

Decisions must be made by a majority of the members present in person or represented by proxy.

In the event of a tie, the person chairing the meeting has the deciding vote.

Members of the management can assume a consultative role at the meetings of the Supervisory Board on the Chairman's initiative.

An attendance register is kept at the registered office and is signed by all the members participating in each Supervisory Board meeting.

Minutes are drawn up and the copies or extracts of the deliberations are delivered and certified in accordance with the applicable legal and regulatory provisions.

The Supervisory Board may draw up Internal By-Laws stipulating the creation of one or more committees within it, whose duties it will define as well as the fact that for the calculation of the quorum and majority, members of the Supervisory Board who participate in the meetings by means of videoconference or telecommunications under the conditions stipulated by the French Commercial Code are deemed present.

Members of the Supervisory Board, as well as any other person attending the Supervisory Board meetings, must exercise discretion concerning the deliberations of the Board and regarding information of a confidential nature or presented as such by the Chairman.

ARTICLE 18 - RESPONSIBILITIES OF THE SUPERVISORY BOARD

The Supervisory Board oversees the management of the Company by the Executive Board.

The Supervisory Board may review or investigate the Company's operations at any time it deems appropriate and may obtain any document that it believes is necessary for this purpose.

At least once every quarter, the Executive Board must report to the Supervisory Board on the Company's business and affairs.

Within three months following the end of each fiscal year, the Executive Board must present to the Supervisory Board, for its review and approval, the financial statements for the period.

The Supervisory Board must present its report to the Annual General Meeting of Shareholders on the report of the Executive Board, as well as on the financial statements for the fiscal year.

The Supervisory Board appoints a Chairman from among the members of the Executive Board, whose length of term and compensation it determines. It attributes, where applicable, the authority to represent the Company to one or more members of the Executive Board and authorises their accumulation of terms of office as a member of the Executive Board or as the sole Chief Executive Officer of another company.

It can convene the General Meeting of Shareholders.

The Supervisory Board – under the conditions stipulated in Article 15 of the articles of association – grants its prior authorisation to the Executive Board for guarantees and security deposits for third parties, on the one hand, the sale of properties by accounting item, the full or partial sale of shareholdings and the forming of sureties, on the other hand, and sets the limits below which this authorisation is not required.

It authorises the agreements set out in Article 20 below.

It can move the registered office within the same French department or in a neighbouring department, subject to ratification, in accordance with the aforementioned Article 4.

It can confer on one or several of its members all special terms of office for one or several definite purposes.

ARTICLE 19 – COMPENSATION FOR MEMBERS OF THE SUPERVISORY BOARD

An annual sum, in terms of Directors' fees, can be allocated to members of the Supervisory Board, in compensation for their work, the amount of which is charged to the Company's operating expenses and determined by the General Meeting of Shareholders. This amount remains in effect until a contrary decision is made by the Meeting. The Supervisory Board freely distributes this allocation between its members.

Furthermore, the Board can allocate to certain members non-recurring payments for work or offices entrusted to them.

ARTICLE 20 – AGREEMENTS WITH A RELATED PARTY

Any agreement taking place directly or by means of a person intervening between the Company and one of the members of the Executive Board or Supervisory Board, a shareholder holding a proportion of the voting rights greater than 10% or, if it involves a shareholder company, the company controlling it, within the meaning of Article L.233-3 of the French Commercial Code, must be subject to the Supervisory Board's prior authorisation.

The same applies to agreements in which one of the persons cited in the previous paragraph is indirectly involved.

Agreements taking place between the Company and another company are also subject to prior authorisation, if one of the members of the Executive Board or the Supervisory Board of the Company is an owner, partner with unlimited liability, manager, director, member of the Supervisory Board or, generally, executive of this company.

The interested party cannot take part in the vote on the authorisation sought.

These agreements are subject to the approval of the General Meeting of Shareholders under the conditions stipulated in the French Commercial Code.

These provisions are not applicable to agreements relating to day-to-day management operations and agreed under normal conditions. However, these agreements, with the exception of those, which, due to their purpose or their financial implications, are not significant for any of the parties, are sent by the interested party to the Chairman of the Supervisory Board. The Chairman sends the list and the purpose to members of the Supervisory Board and to the Statutory Auditors. Any shareholder has the right to obtain a copy of it.

Members of the Executive Board and members of the Supervisory Board other than legal entities are prohibited from contracting, in any form whatsoever, loans from the Company, from being granted an overdraft in a current account or other account by it, or from having it stand surety or guarantee their obligations towards third parties. The same ban applies to permanent representatives of legal entities that are members of the Supervisory Board.

It also applies to spouses, descendants and ascendants of persons cited in the previous paragraph as well as any other intermediate person.

ARTICLE 21 - STATUTORY AUDITORS

The General Shareholders' Meeting determines, for the term, under the conditions and with the responsibilities stipulated by law, one or more statutory auditors and one or more alternate statutory auditors.

ARTICLE 22 - GENERAL MEETINGS OF SHAREHOLDERS

1. General Meetings of Shareholders are held and transact business under the terms and conditions provided by law. They may be held at the registered office or at any other location in France.

2. General Meetings of Shareholders are open to all shareholders, regardless of the number of shares they hold, as long as their shares have been fully paid up, to the extent that payment is due.

The right to be present in person or represented by proxy at the Shareholders' Meeting is subject to the shareholder being registered either in the books and records of registered shareholders kept by the Company, or in accounts for bearer shares held in registered form by an authorised broker or agent, under the terms and conditions and subject to the deadlines provided under applicable law and regulations.

An intermediary that meets the requirements set out in paragraphs 7 and 8 of Article L.228-1 of the French Commercial Code, acting under general authority to manage securities, may transmit the vote or proxy of a shareholder for any General Meeting of Shareholders as set out in paragraph 3 of the same article.

3. Shareholders may participate in a Shareholders' Meeting by videoconference or any other means of telecommunication permitted by applicable law and regulation and be deemed present for quorum purposes and determination of required majorities at such Shareholders' Meeting, upon a decision allowing such participation made by the Executive Board and published in the notice of the meeting.

4. The Workers' Council of the Company may propose resolutions for inclusion in the agenda of Shareholders' Meetings.

It can also request that the courts appoint a representative in charge of convening a General Meeting of Shareholders in the event of an emergency.

Two members of the Workers' Council, one from the category of technicians and skilled employees (shop stewards), the other from the category of employees and workers, or, if applicable, the persons indicated in the third and fourth paragraphs of Article L.432-6 of the French Labour Code, may be appointed by the Workers' Council to attend General Meetings of Shareholders. They have the right to be heard, upon request, in respect of any matter requiring unanimity that may come before the meeting.

5. Shareholders' Meetings are chaired by the Chairman of the Supervisory Board or, in his absence, by the Vice Chairman of the Supervisory Board or, in his absence, by a member of the Supervisory Board specially delegated for such purpose by the Supervisory Board. Otherwise, the shareholders may elect their own person to chair the Meeting.

ARTICLE 23 - FISCAL YEAR

The fiscal year begins on 1st January and ends on 31st December of each year.

ARTICLE 24 - DISTRIBUTION OF PROFITS

The Shareholders may allocate any amount of net distributable income that they choose to retained earnings, any special reserve fund, or any other special or ordinary purpose. The remainder is to be distributed among all shareholders, in proportion to their equity interest in the share capital.

ARTICLE 25 - LIQUIDATION

1. Subject to compliance with the legal regulations in force, liquidation of the Company shall comply with the regulations below, with the observation made that Articles L.237-14 to L.237-31 of the French Commercial Code shall not be applicable.

2. Shareholders at Extraordinary General Shareholders' Meetings appoint under conditions of quorum and majority stipulated in the Ordinary General Shareholders' Meetings, from among them or from outside, one or more liquidators whose duties and compensation they will determine.

This appointment brings to an end the terms of office of members of the Executive Board and Supervisory Board and, unless the Meeting decides otherwise, those of the Statutory Auditors.

The Ordinary General Shareholders' Meeting can still remove or replace the liquidators and extend or restrict their powers.

The liquidators' term of office is, unless otherwise stipulated, assigned for the entire term of the liquidation.

3. The liquidators have, jointly or separately, the widest powers to realise, at the price, charges and conditions that they deem suitable, any Company asset and discharge its liabilities.

The liquidator(s) can, during the liquidation, distribute payments and, at the end of the liquidation, distribute the balance available without the need for any advertising formality or deposit of funds.

Sums due to associates or creditors and not claimed by them shall be paid to the *Caisse des Dépôts et Consignations* (French Deposit and Consignment Office) within the year that follows the termination of the liquidation.

The liquidators have, even separately, the capacity to represent the Company with regard to third parties, particularly public or private authorities, as well as to bring legal proceedings before any courts both as applicant or defendant.

4. During the liquidation, General Meetings of Shareholders are held as often as required in the Company's interest without it being necessary to comply with the stipulations of Articles L.237-23 *et seq.* of the French Commercial Code.

General Meetings of Shareholders are legally convened by a liquidator or by shareholders representing at least a tenth of the share capital.

Meetings are chaired by one of the liquidators or, in his absence, by the shareholder with the greatest number of votes. They deliberate under the same conditions of quorum and majority as before the dissolution.

5. At the end of the liquidation, the shareholders meet in a General Shareholders' Meeting ruling on the final account of the liquidation, the discharge of the liquidators' management and their term of office.

They record, under the same conditions, the termination of the liquidation.

If the liquidators neglect to convene the Meeting, the presiding judge of the commercial court, ruling by summary order can, at the request of any shareholder, appoint an agent to carry out this notification.

If the closing meeting cannot deliberate or if it refuses to approve the liquidation accounts, it is ruled on by a decision of the commercial court, at the request of the liquidator or any interested party.

6. The amount of shareholders' equity remaining, after reimbursement of the nominal amount of the shares, is shared equally between all the shares.

During reimbursement of the share capital, the burden of any taxes that the Company must deduct at source will be distributed between the shares indistinctly in proportion uniformly to the capital reimbursed to each of them without it having to take account of the different issue dates nor the origin of the various shares.

ARTICLE 26 - DISPUTES

Any disputes that could arise during the operation of the Company or its liquidation, either between the shareholders, or between the Company and the shareholders themselves concerning the interpretation or performance of these articles of association or generally on the subject of corporate affairs will be submitted to the competent courts under the conditions of general law.

4. RISK FACTORS

The Company's internal control procedures describe the organisation and procedures introduced within the Group to manage risks, page 153.

4.1 Risks related to advertising business activities

In the event of a worldwide recession, the advertising and communications sector is quite susceptible to business fluctuations as many advertisers may cut their advertising budgets. The Group must deal with the cyclical nature of the advertising market. The geographical distribution of the Group lets it minimise the effects of any general decline in the sector since reactions are disparate and occur at different times in the various countries in which it operates.

4.2 Risks run as part of the business

The Group relies on its legal teams to ensure the application of regulations in each country and monitor related changes.

The Group's reputation

Our business is closely linked to the quality and integrity of the relations we have with local governmental authorities, essentially with respect to our Street Furniture business. Our reputation for, and our history of, integrity are essential factors that help us to procure contracts with local governments.

Beginning in 2001, we developed ethical rules applicable to our entire business. These rules were revised in 2005 and in 2009 and have been broadly distributed throughout the Group. They have been clarified with terms and conditions of application adapted to our lines of business in order to avoid any misunderstanding as to their interpretation.

Reliance on key executive officers

We depend to a large extent on the continued services of the key executive officers. The loss of the services of any of the key executive officers could have an adverse effect upon the business.

Risks related to public procurement procedures
Concluding contracts with local governments in France and elsewhere is subject to complex statutory and regulatory provisions.

Over time the Group has accrued teams of lawyers with specialised knowledge in public and administrative law to manage bids in France and elsewhere. These teams analyse the content of the public tenders and ensure strict compliance with procedures and standard specifications issued by the procurement authority.

The preparation of responses to public tenders follows a precise process that includes all of the relevant departments of our Company, under the supervision of a member of the Executive Board. Responses to tenders that don't meet certain criteria or that exceed certain limits are systematically referred to the Executive Board for approval.

The complexity of the procedures and the multiplicity of the existing paths of recourse, before and after signing the contract, increase the possibility of the Group being involved in litigation.

Furthermore, if a public procurement contract is voided by a court decision, compensation is awarded to the counterparty, but it does not necessarily cover the full amount of the loss.

Lastly, in certain countries where the Group exercises its business, including France, any local authority that is part of a contract under public law can terminate it at any time, in whole or in part, for reasons in the general interest. The scope of the compensation due to offset the loss of the counterparty remains in this case up to the court's assessment.

Risks related to the change in applicable regulations

- **Risks related to regulations applicable to billboards**

The outdoor advertising industry is subject to significant governmental regulation at both the national and local level, in the majority of countries in which the Group operates, relating to the luminosity, nature, density, size and location of billboards and street furniture in urban and other areas, and regulation of the content of outdoor advertising (including bans and/or restrictions in certain countries on tobacco and alcohol advertising). Local regulations, however, are generally moving in the direction of reducing the total number of advertising outlets, and/or a reduction in their size, and local authorities are becoming stricter in applying existing law and regulations. Part of the advertising outlets, in particular in the area of billboards, could therefore, in the future, have to be removed or relocated in certain countries.

By way of illustration, in France, the Environmental Code has been changed as part of the global environmental project called "Grenelle 2", initiated by the law of 12 July 2010. The implementing decree relating to advertising, signs and advance signs was published on 31st January 2012 in the Official Gazette, for entry into force on 1st July 2012.

It is intended to constitute the new national regulations, which will be susceptible to more restrictive adaptations by local governments. In the absence of local regulations in force, operators have until July 2014 to apply the new text. In other cases, they will have two years as of the revision of the local regulations, which the local authorities should bring into effect by July 2020 at the latest.

Pursuant to the balances desired by law, the text confers a common regulatory basis to new outlets likely to be implemented by order of the Town Council: hoardings on scaffolding, which could accommodate advertising on up to 50% of their surface, and for which the ceiling may be lifted in the case of work labelled BBC renovation; vinyl banners on blind walls, which must have a distance of 100 metres between them; exceptionally large outlets to advertise temporary events, which can accommodate advertising of up to 50 sq.m. in the case of digital outlets.

The decree also fixes regulations applicable in specific economic zones, in particular in airports that could house advertising outlets, including digital, of up to 50 sq.m. when the annual passenger flow is three million passengers per year.

Finally, the economic model for street furniture is maintained in full. Given its specific function, it is not subject to extinction or density regulations (unless otherwise stated in a decision under local advertising regulations). It is modernised with the possibility of a digital format of up to 8 sq.m.

The overall estimated impact, which will materialise gradually during the period of implementation of the decree, should not be significant at Group level.

Risks related to regulations applicable to advertising content

- ***Risks related to regulations applicable to alcoholic beverage advertising***

The European Directive dated 30 June 1997 regulates the advertising of alcoholic beverages. Laws and regulations in this area vary considerably from one European country to another, from complete prohibition of advertising to permission only at points of sale or within a certain zone. However, the majority of the European Union States have adopted laws that restrict the content, presentation and/or timing of such advertising.

In China, "Regulatory Rules on Alcoholic Beverages Advertising" is subject to regulation under the Regulatory Rules on Alcoholic Beverage Advertising, dated 17 November 1995, in particular submitting it to a prior health certificate.

An extension to these restrictions may have a negative impact on the revenue from the relevant countries.

In 2011, alcohol advertising accounted for 4.3% of the Group's consolidated revenue, compared to 3.1% in 2010.

- ***Risks related to regulations applicable to tobacco advertising***

Anti-tobacco campaigns have become a major priority in the European Union, and European countries have taken steps to harmonise the legislation against advertising tobacco products, in particular EU Directive 89/552 EEC, as amended by Directive 97/36/EC, on Television without Frontiers, which harmonises the ban on advertising tobacco products.

Tobacco advertising on billboards is banned in Saudi Arabia, Australia, Belgium, Denmark, Spain, Finland, France, Norway, Ireland, Iceland, Italy, Luxembourg, Uzbekistan, The Netherlands, Poland, Portugal, UK, Slovakia and Sweden, as well as the majority of the States in the US. Tobacco products advertising is permitted, subject to restrictions, in Germany, Austria and China.

An extension to these restrictions may have a negative impact on the revenues from the relevant countries.

In 2011, tobacco advertising accounted for 0.7% of our consolidated revenue, compared to 0.8% in 2010.

- ***Other risks related to regulations applicable to advertising content***

Local regulations may decide to temporarily or permanently ban certain advertising content that may be against public interest. For example, the local government of Beijing in China decided in March 2011 to ban advertisements on outdoor advertising displays that extol overly hedonistic or upscale lifestyles as a response to the population's concerns about the widening gap between the rich and the poor in the country.

The content of the advertisements must adhere to principles of decency, morality and truthfulness, notions which can differ from one country to another. There are also restrictions on advertisements for pharmaceuticals or drug companies.

- **Risks related to regulations applicable to other media**

The application in France of the EU Television without Frontiers Directive (*Télévision sans Frontières*), dated 3 October 1989, has involved a gradual opening of media to all industries. In France, the Decree dated 7 October 2003 provides for gradual access for large retailers to television advertising, and all televised media (local channels, cable, satellite and broadcast channels) became open to large retailer advertising from 1st January 2007. This access has had an unfavourable impact on outdoor advertising since 2007.

- **Counterparty risks related to dependence on customers and suppliers**

The Group has a diversified customer portfolio and as presented on page 35, does not depend on a single customer or a group of specific customers to achieve its revenues. Similarly, the Group uses a large number of suppliers for both finished products and services and its strategic supplies are not concentrated on a limited number of suppliers in such a way as would lead to excessive dependence on them.

4.3. Risks related to regulation of competition

An element of our growth strategy involves acquisitions of additional outdoor advertising companies, many of which are likely to require the prior approval of national or European competition authorities.

The European Commission or national competition authorities could prevent us from making certain acquisitions or impose conditions limiting such acquisitions.

In connection with our business, we bring actions and other proceedings with national competition authorities, or are the subject of actions and proceedings brought by our competitors, due to our prominence within the market.

4.4. Legal risks

The JCDecaux Group is involved in several disputes, such as those relating to the terms of implementation of some of its agreements with its licensors and to relations with suppliers.

Moreover, its business activities with local governmental authorities, in France and abroad, can lead to specific legal proceedings. Thus, the JCDecaux Group is implicated in disputes concerning the attribution or termination of street furniture and/or billboard contracts, as well as disputes relating to the taxation of its business.

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

4.5. Risks covered by insurance

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

This strategy enables us both to obtain a significant level of coverage on the basis of worldwide premium rates, but also to ensure that the degree of coverage applicable to our companies, both in France and elsewhere, is consistent with the potential risks that have been identified and with our Group strategy for risk coverage.

The group may also obtain local and/or specific coverage to comply with locally applicable laws and regulations or to meet specific requirements. Purely local risks, such as covering risks associated with motor vehicles, are covered by each country, under its responsibility.

For essential risks, our worldwide coverage applies where there are differences or gaps in the terms and conditions or limits of coverage under local policies.

Implementation
The insurance management policy is to identify major catastrophic risks by assessing those which would have the most significant consequences for third parties, employees and for the Group.

All material risks are covered under a worldwide Group insurance programme, with self-insurance (deductibles) provided only in respect of frequent risks. Accordingly, to obtain the most value for insurance costs and have full control over risks, the Group self-insures, under insurance deductibles, for recurring operating risks and mid-range or low-level risks, essentially through Business Interruption/Casualty, Third-party Liability and Automobile Fleet policies.

The aggregate amount of premiums paid in 2011 totalled €2,195,000.

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

All of these insurance programmes include levels of deductibles, which include levels of coverage that, in light both of the Group's past risk history, in particular the severe storms of 1999 in Europe, and the appraisals of the essential industrial facilities, have the objective of insuring major risks that are exceptional in character.

Principal Group policies

The main coverage provided by the Group's policies is as follows:

- **Civil liability**

The Group self-insures risks in unit amounts below or equal to €3,000 in general, the deductible being higher for operations in France and the UK (deductible of €10,000), in Spain (deductible of €5,000) and in the United States (deductible of $7,500).

Above these deductibles, the Group has put in place successive levels of coverage, the amounts of which have been determined after analysis of risk factors specific to the Group's business and their possible consequences. These levels cover all the global subsidiaries.

The basic deductible of these Group policies is €1 million; below that level, specific policies have been taken out in each country. In 2011, there were no major claims.

- **Property damage - Business interruption**

The single insurance programme implemented for the principal European countries (a "free servicing agreement") was continued in 2011. The Group's other main foreign subsidiaries are covered under a worldwide programme that provides reinsurance of local policies (including in the United States, Hong Kong, Thailand, Singapore, Japan, Cameroon etc.).

The smaller foreign subsidiaries are insured outside the network, locally, and the Group policy provides coverage of losses under different conditions and/or limits.

Advertising structures are covered up to €15 million per claim.

Operating facilities, especially facilities where posters are prepared, are insured up to €100 million per claim. Coverage limitations include business interruption losses as a result of a covered event.

An absolute deductible of €50,000 applies to each claim. This deductible was reduced to €15,000 for the smallest subsidiaries.

In terms of business interruption, the applicable deductible of 10% of the amount of the claim, with a minimum of €15,000 and a maximum of €1,000,000, has been continued.

The strategy described above is provided as an illustration of a situation over a given period and should not be considered as representative of a permanent situation.

Our insurance strategy may change at any time – and particularly when the Group's major policies are renewed, as will occur in July of 2012 – depending on the occurrence of insurable events, the appearance of new risks or market conditions.

4.6. Market risks

Market risks are discussed in the Note to the Consolidated Financial Statements on page 110 of this Annual Report.
The Group's medium and long term debt is rated "Baa2" by Moody's and "BBB" by Standard and Poor's (Moody's last rating was on 5 April 2011, and Standard and Poor's on 22 December 2011), each of these ratings had a "stable outlook", as in 31st December 2010.

4.7. IT risks

The Group uses complex information systems to support its commercial, industrial and management activities. A failure of the protective measures put in place, together with the occurrence of a risk such as a security breach within the systems or a natural disaster that damages the IT infrastructure, can result in the loss or alteration of data, a loss of traceability or an impact on business continuity. The Group regularly assesses the risks that may affect the information systems, develops protective measures to combat attempted breaches, data loss or alteration and loss of traceability, and maintains technological solutions and business recovery plans to guarantee business continuity.

5. RELATIONS WITH THE CONTROLLING SHAREHOLDER AND WITH THE PRINCIPAL SUBSIDIARIES AND AFFILIATES

5.1. Relations with JCDecaux Holding

JCDecaux Holding provides JCDecaux SA with services in the areas of conception and implementation of strategic plans, alliances, financing and organisation under an Agreement dated 21st January 2000.

In 2011, JCDecaux Holding billed JCDecaux SA €762,245 under this agreement. This amount has not changed since 2000 and is not indexed.

Furthermore, JCDecaux SA provides support to JCDecaux Holding in the area of finances and management control, legal and tax services, human resources, management and administration. In 2011, JCDecaux SA billed JCDecaux Holding €132,885 under this agreement.

These agreements, having been signed for a fixed price in accordance with market conditions, have not been considered agreements with related parties (*convention réglementée*).

5.2. Transactions by our Company with affiliates

With respect to the rental of premises, the total amount of rent the Group paid to JCDecaux Holding, JCDecaux SA's parent company, to SCI TroisJean, a subsidiary of JCDecaux Holding, and to JCDecaux Frères Real Estate, a subsidiary of JCDecaux Holding was €11.8 million in 2011, with SCI TroisJean having waived applying the contractual indexing clause for rents during the 2010 fiscal year in order to take account of advertising market conditions.

This rent is consistent with market prices, which was confirmed by an independent appraiser. The leases are commercial leases conforming to market standards. This rent represents the largest amount of the operating expenses incurred with related parties in 2011, or 55.9% of such expenses.

Comments on transactions with related parties in respect of fiscal year 2011 are set out in the Notes to the Consolidated Financial Statements and on page 116 of this Annual Report.

5.3. Principal subsidiaries and affiliates

A simplified organisation chart of companies owned by JCDecaux SA at 31st December 2010 appears on page 204 and 205. A list of companies controlled by JCDecaux SA is set out in the "Notes to the Consolidated Financial Statements", shown on page 118. None of these companies own an equity interest in JCDecaux SA.

We are not aware of minority interests that pose, or could pose, a risk to our Group's structure. The Group has subsidiaries in 50 countries: these subsidiaries conduct most of their operations locally (including sales to advertisers and local operating expenses, etc.). Thus, there exists little in the way of operating expenses and income that flows between and among the various countries where the Group does business. The Group's principal subsidiaries are located in France (24.7% of revenue in 2011), the United Kingdom (11.0% of revenue in 2011), Europe(1) (32.2% of revenue in 2011) and in Asia Pacific (20.5% of revenue in 2011). The

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(1) *Excluding France and the United Kingdom.*

financial information by principal groups of subsidiaries is set out in the Notes to the Consolidated Financial Statements on page 114 of this Annual Report (segment information).

JCDecaux SA provides its French and non-French subsidiaries with support in the areas of finance and control, legal affairs and insurance services, management and administration. Such services are billed to the subsidiaries in proportion to the gross margin of revenue that they represent, when they involve general assistance, and based on key factors of the type of service actually rendered to such subsidiaries when they involve pooling of resources. In 2011, JCDecaux SA billed €7.3 million to its subsidiaries.

In addition, JCDecaux SA invoices the use by its subsidiaries of intellectual property rights belonging to it. The amount billed in this respect in 2011 was €19.9 million.

JCDecaux SA, in addition to its role as a parent company, had also until 31st December 2011, its own business operations in France (sale of advertising space on Street Furniture, services to non-advertising clients (local governments), sale of street furniture to the Group's subsidiaries and technical and administrative services provided to all of the Group's French companies).

6. SIMPLIFIED GLOBAL ORGANISATION CHART(1) AS OF 31ST DECEMBER 2011

JCDECAUX HOLDING

70.33%

JCDECAUX SA

France

Company	Country	%	Activity	Note
JCDECAUX FRANCE HOLDING:	France	100.00	SF *	
- MEDIAKIOSK	France	95.00	SF	
- SOPACT	France	100.00	SF	
- CYCLOCITY	France	100.00	SF	
- SOMUPI	France	66.00	SF	
JCDECAUX FRANCE (formerly JCDECAUX STREET FURNITURE)	France	100.00	SF	
- MEDIA AEROPORTS DE PARIS	France	50.00	T	
METROBUS	France	33.00	T	

Europe

Company	Country	%	Activity	Note
JCDECAUX EUROPE HOLDING:	France	100.00	SF *	
- JCDECAUX ESPANA SLU	Spain	100.00	B	
• EL MOBILIARIO URBANO SLU	Spain	100.00	SF	
- RED PORTUGUESA PUBLICIDADE EXTERIOR SA	Portugal	94.86	B	(2)
- JCDECAUX LUXEMBOURG SA	Luxembourg	100.00	SF	(3)
- JCDECAUX FINLAND Oy	Finland	100.00	SF	(4)
- JCDECAUX SVERIGE AB	Sweden	100.00	SF	
- JCDECAUX NORGE AS	Norway	97.69	T	(5)
- JCDECAUX NEDERLAND BV	The Netherlands	100.00	SF	
- JCDECAUX UK Ltd	United-Kingdom	100.00	SF	
- JCDECAUX CENTRAL EASTERN EUROPE GmbH	Austria	100.00	B *	
• GEWISTA WERBEGESELLSCHAFT mbH	Austria	67.00	B	
· EUROPLAKAT INTERNATIONAL WERBE GmbH	Austria	100.00	B *	
·· EUROPLAKAT- PROREKLAM Doo	Croatia	51.00	B	
·· PROREKLAM- EUROPLAKAT Doo	Slovenia	41.13	B	
· EUROPLAKAT Spol Sro	Rep. Czech	100.00	B	
·· RENCAR PRAHA AS	Rep. Czech	70.67	T	
• BIGBOARD Co., Ltd	Russia	50.00	B	
• BIGBOARD GROUP	The Ukraine	50.00	B	
- JCDECAUX LATVIJA SIA	Latvia	100.00	SF	
- JCDECAUX LIETUVA UAB	Lituania	100.00	SF	
- JCDECAUX SLOVAKIA Sro	Slovakia	100.00	SF	
- JCDECAUX DEUTSCHLAND GmbH	Germany	100.00	SF	
• DSM DECAUX GmbH	Germany	50.00	SF	
• WALL AG	Germany	90.09	SF	
· VVR WALL GmbH	Germany	100.00	SF	
· WALL SEHIR DIZAYNI VE TICARET LTD SIRKETI	Turkey	99.58	SF	
· JCDECAUX BULGARIA OOD (formerly KOOH)	Bulgaria	50.00	B	

JCDECAUX AIRPORT ESPANA SA	Spain	100.00	T	(6)
JCDECAUX PORTUGAL MOBILIARO URBANO Lda	Portugal	100.00	SF	(7)
IGP DECAUX Spa:	Italy	32.35	T	(8)
- AEROPORTI DI ROMA ADVERTISING Spa	Italy	24.10	T	
AFA JCDECAUX A/S:	Denmark	50.00	SF	
- AFA JCDECAUX ICELAND ehf	Iceland	100.00	SF	
EUROPOSTER BV	The Netherlands	100.00	B *	(6)
AFFICHAGE HOLDING	Switzerland	30.00	B	
JCDECAUX IRELAND Ltd	Ireland	100.00	B	(6)
JCDECAUX AIRPORT UK Ltd	United-Kingdom	100.00	T	(6)
JCDECAUX BELGIUM PUBLICITE SA	Belgium	100.00	SF	
JCDECAUX BILLBOARD	Belgium	100.00	B	(9)
JCDECAUX AIRPORT BELGIUM	Belgium	100.00	T	
MEDIA FRANKFURT GmbH	Germany	39.00	T	(10)
JCDECAUX AIRPORT POLSKA Sp zoo	Poland	100.00	T	(6)
JCDECAUX EESTI OU	Estonia	100.00	SF	
JCDECAUX MESTSKY MOBILIAR Spol Sro	Rep. Czech	100.00	SF	(11)

SF	Street Furniture
B	Billboard
T	Transport
*	Holding Companies

(1) For ease of reference, this simplified organization chart does not feature all of consolidated companies, a list of which is included in the notes to the consolidated financial statements.
(2) 94.86 % of which 60.66 % owned by JCDecaux Europe Holding and 34.20 % owned by Europoster BV.
(3) 100% of which 99.995 % owned by JCDecaux Europe Holding and 0.005 % owned by JCDecaux Belgium Publicité SA.
(4) 100% of which 89.89 % owned by JCDecaux Europe Holding and 10.11 % owned by JCDECAUX FRANCE.
(5) JCDecaux Norge AS capital is as follows: 75.38 % owned by JCDecaux Europe Holding, 4.62 % owned by AFA JCDecaux A/S and 20,00% owned by JCDecaux Sverige AB.
(6) 100% owned by JCDECAUX FRANCE.
(7) 100% of which 99% owned by JCDECAUX FRANCE and 1% owned by JCDecaux SA.
(8) 32.35% of which 20.48 % owned by JCDecaux SA and 11.87 % owned by Europoster BV.
(9) 100% owned by Europoster BV.
(10) 39% owned by JCDECAUX FRANCE.
(11) 100% of which 96.20% owned by JCDecaux SA and 3.80% owned by JCDecaux Europe Holding.
(12) 100% owned by JCDecaux Belgium Publicité SA .
(13) 100% of which 99.9 % owned by JCDecaux Amériques Holding and 0.1% owned by JCDecaux Argentina SA.
(14) JCDECAUX France branch.

Asia - Pacific - Middle East - Africa

Company	Country	%	Activity	Note
JCDECAUX ASIE HOLDING:	France	100.00	SF *	
- RTS DECAUX JSC	Kazakhstan	50.00	SF	
- JCDECAUX MIDDLE EAST FZ-LLC:	United Arab Emirates	99.98	SF *	
• JCDECAUX ATA SAOUDI LLC	Saoudi Arabia	60.00	T	
• Q. MEDIA DECAUX WLL	Qatar	49.00	SF	
• JCDECAUX ALGERIE sarl	Algeria	80.00	T	
• JCDECAUX - JCDDICON FZCO	United Arab Emirates	75.00	T	
- MCDECAUX Inc.	Japan	60.00	SF	
- JCDECAUX MEDIA Sdn Bhd	Malaysia	100.00	B	
- JCDECAUX THAÏLAND Co., Ltd	Thailand	49.50	SF	
- JCDECAUX ADVERTISING INDIA PVT LTD	India	100.00	SF	
- JCDECAUX OUT OF HOME ADVERTISING Pte Ltd	Singapore	100.00	T	
- JCDECAUX AUSTRALIA Pty Ltd	Australia	100.00	SF	
JCDECAUX AFRIQUE HOLDING:	France	100.00	SF *	
- JCDECAUX BOLLORE HOLDING	France	50.00	SF *	
• JCDECAUX CAMEROUN	Cameroon	50.00	SF	
JCDECAUX (CHINA) HOLDING Ltd:	Hong Kong	100.00	T *	(12)
- JCDECAUX CITYSCAPE HONG KONG Ltd	Hong Kong	100.00	SF	
- JCDECAUX PEARL & DEAN Ltd	Hong Kong	100.00	T	
• SHANGHAI SHENTONG JCDECAUX METRO ADV.Co. Ltd	China	51.00	T	
• JCDECAUX ADVERTISING (BEIJING) Co. Ltd	China	100.00	T	
• NANJING METRO JCDECAUX ADVERTISING Co.Ltd	China	98.00	T	
- MEDIA PARTNERS INTERNATIONAL Ltd	Hong Kong	100.00	T *	
• JCD MOMENTUM SHANGHAI AIRPORT ADV. Co. Ltd	China	35.00	T	
• JCDECAUX ADVERTISING (SHANGHAI) Co. Ltd	China	100.00	T	
• NANJING MPI TRANSPORTATION ADVERTISING	China	87.60	T	
- BEIJING TOP RESULT METRO ADV. Co. Ltd	China	38.00	T	
- JCDECAUX MACAU Limitada	Macao	80.00	SF	
JCDECAUX KOREA Inc. (formerly IPDECAUX Inc.)	South Corea	100.00	SF	
JCDECAUX UZ	Uzbekistan	50.00	SF	

Americas

Company	Country	%	Activity	Note
JCDECAUX AMERIQUES HOLDING:	France	100.00	SF *	
- JCDECAUX ARGENTINA SA	Argentina	99.82	SF	
- JCDECAUX DO BRASIL SA	Brazil	100.00	SF	
- JCDECAUX CHILE SA	Chile	100.00	T	(13)
- JCDECAUX NORTH AMERICA, Inc.	United States	100.00	SF *	
• JCDECAUX SAN FRANCISCO, LLC	United States	100.00	SF	
• JCDECAUX CHICAGO, LLC	United States	100.00	SF	
• JCDECAUX MALLSCAPE, LLC	United States	100.00	SF	
• CBS DECAUX STREET FURNITURE, LLC	United States	50.00	SF	
• JCDECAUX BOSTON, Inc.	United States	100.00	SF	
• CBS OUTDOOR JCD. STREET FURNITURE CANADA, Ltd.	Canada	50.00	SF	
• JCDECAUX AIRPORT, Inc.	United States	100.00	T	
· MIAMI AIRPORT CONCESSION, LLC	United States	50.00	T	
· JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT LAWA, LLC	United States	92.50	T	
JCDECAUX URUGUAY	Uruguay	100.00	SF	(14)

7. PUBLICLY AVAILABLE DOCUMENTS

During the entire time this Annual Report is outstanding, the following documents may be consulted at the registered office at 17 rue Soyer in Neuilly-sur-Seine (92200) and, where applicable, on the Internet (www.jcdecaux.fr):

- the articles of association;
- all reports, letters, evaluations, statements prepared by an expert at the Company's request which are included, in whole or in part, in this Annual Report;
- historical financial information of the JCDecaux Group for the past three fiscal years;
- as well as the Annual Information Document.

COMBINED GENERAL MEETING OF SHAREHOLDERS OF 15 MAY 2012

AGENDA

I. ORDINARY SESSION

1. Approval of the 2011 corporate financial statements.
2. Approval of the 2011 consolidated financial statements.
3. Allocation of corporate income.
4. Expenses and charges described in Article 39-4 of the French General Tax Code.
5. Agreement with related parties.
6. Statutory auditors' special report; approval of transactions set out in Articles L.225-86 *et seq*. of the French Commercial Code.
7. Renewal of the term of a member of the Supervisory Board.
8. Renewal of the term of a member of the Supervisory Board.
9. Renewal of the term of a member of the Supervisory Board.
10. Renewal of the term of a member of the Supervisory Board.
11. Renewal of the term of a member of the Supervisory Board.
12. Renewal of the term of a primary Co-Statutory Auditor.
13. Renewal of the term of a primary Co-Statutory Auditor.
14. Renewal of the term of an alternate Co-Statutory Auditor.
15. Nomination of an alternate Co-Statutory Auditor.
16. Authorisation to the Executive Board to conduct transactions in the Company shares.

II. EXTRAORDINARY SESSION

17. Delegation of authority to the Executive Board to decrease the share capital by cancellation of treasury shares.
18. Authority with respect to formalities.

SUMMARY OF PROPOSED RESOLUTIONS

I. ORDINARY SESSION

In the *first* and *second resolutions*, we request that you approve the corporate and consolidated financial statements for the fiscal year ended 31st December 2011, as they have been presented to you.

The *third resolution* moves that you allocate the profit for the year of €51,991,226.26 to other reserves.

The *fourth resolution* takes note of the amount of expenses and charges described in Article 39-4 of the French General Tax Code.

The *fifth* and *sixth resolutions* pertain to the approval of regulated agreements with related parties.

The *seventh, eighth, ninth, tenth* and *eleventh resolutions* pertain to the renewal of the terms of five members of the Supervisory Board for different lengths of time to ensure a rotation in the terms of the members of the Supervisory Board.

The *twelfth and thirteenth resolutions* pertain to the renewal of the term of the primary Co-Statutory Auditors for six fiscal years.

The *fourteenth resolution* pertains to the renewal of the term of the alternate Co-Statutory Auditors for six fiscal years.

The 15th resolution involves the nomination of a new alternate Co-Statutory Auditor for a term of six fiscal years.

With the *sixteenth resolution* we request that you renew, for a period of 18 months, the authority granted to the Executive Board by the General Meeting of Shareholders on 11 May 2011 to conduct transactions involving the Company's share capital under the following conditions:

- the number of shares that the Company may purchase or hold at any time under this resolution may not exceed 10% of the share capital. For the record, as at 31st December 2011, this represented 22,180,030 shares, with the understanding that (i) the number of shares acquired with a view to retention and future delivery in connection with a merger, spin-off or contribution may not exceed 5% of its share capital and (ii) in the event of share buybacks made to promote market liquidity under the terms and conditions defined by the general regulations of the French market regulator, the Autorité des Marchés Financiers (French Financial Markets Authority), the number of shares taken into account to calculate the 10% threshold will correspond to the number of shares bought, less the number of shares resold during the duration of the authority;
- the maximum purchase price per share will be €25;
- the overall maximum amount to repurchase the Company's shares may not exceed €554,650,750.

Authorisation granted to the Executive Board includes that of sub-delegating, implementing this decision by placing all stock exchange orders, and completing all formalities and filings.

II. EXTRAORDINARY SESSION

The *seventeenth resolution* authorises the Executive Board to reduce share capital by cancellation of treasury shares, up to 10% of the share capital over a period of 24 months. Based on the share capital as at 31st December 2011, this represents €338,224. This authority would be granted for a period of 18 months.

The *eighteenth resolution* grants all authority to undertake and complete the required formalities.

PROPOSED RESOLUTIONS

I. ORDINARY SESSION

FIRST RESOLUTION

(Approval of 2011 corporate financial statements)

The General Meeting of Shareholders, having reviewed the reports of the Chairman of the Supervisory Board, the Executive Board, the Supervisory Board and the Statutory Auditors, hereby approves, as presented to them, the corporate financial statements for the fiscal year ended 31st December 2011,, including the balance sheet, the profit and loss account and notes, showing a net income of €51,991,226.21.

Accordingly, they approve the transactions reflected in such financial statements and summarised in such reports and grant a discharge to the members of the Executive Board and the Supervisory Board in connection with the performance of their respective offices during such period.

SECOND RESOLUTION

(Approval of 2011 consolidated financial statements)

The General Meeting of Shareholders, having reviewed the reports of the Chairman of the Supervisory Board, the Executive Board, the Supervisory Board and the reports of the Statutory Auditors, hereby approves, as presented to them, the consolidated financial statements for the fiscal year ended 31st December 2011, including the balance sheet, the profit and loss account and the notes.

Accordingly, they approve the transactions reflected in such financial statements and summarised in such reports.

THIRD RESOLUTION

(Allocation of corporate income)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, notes that:

▪ the net income for fiscal year terminating on 31st December 2011 amounts to:	€51,991,226.21
▪ the retained earnings amount to:	€0
▪ the other provisions amount to:	€907,819,796.54

The General Meeting of Shareholders decides to allocate:

▪ payment of dividends in the amount of:	€97,618,533.32

All of the profits from the fiscal year ended, i.e. €51,991,226.21 and €45,627,307.11 by deducting from the "other reserves" line item, thus bringing the amount from €907,819,796.54 to €862,192,489.43.

Consequently, each of the 221,860,303 shares comprising the share capital will be paid a €0.44 dividend on 31st December 2011. This dividend will be paid on 22 May 2012.

It is specified that, in the event where the Company holds certain of its own shares when the dividends are paid, the amounts corresponding to the unpaid dividends for these shares will be allocated to retained earnings.

For individual beneficiaries who are French tax residents, this dividend will be considered in full rights to determine their overall revenue subject to the progressive income tax scale, and will be eligible for a 40% abatement of the gross amount received (article 158-3-2° of the French General Tax Code). However, this dividend may be subject to a 21% flat-rate withholding tax if the beneficiary wishes (article 117 quater of the French General Tax Code). All of the Company's shares are eligible under this regime.

It is recalled, in accordance with the law, that for the last three fiscal years, the Company made the following dividend payments:

Fiscal year 2008: no dividend.

Fiscal year 2009: no dividend.

Fiscal year 2010: no dividend.

FOURTH RESOLUTION

(Expenses and charges described in Article 39-4 of the French General Tax Code)

As required under Article 223 quater of the French General Tax Code, the General Meeting of Shareholders hereby approves the expenses and charges described in Article 39-4 of this Code, which totalled €54,325 during fiscal year 2011 and generated a tax charge estimated at €19,612.

FIFTH RESOLUTION

(Agreement with related parties)

The General Meeting of Shareholders, having reviewed the statutory auditors' special report on the conclusion and performance, during and after the 2011 fiscal year, of the agreements mentioned under Article L.225-86 of the French Commercial Code, approves the report as well as the signing of a finance contract between JCDecaux SA and, in particular, Natixis, a company for which Laurence Debroux, member of the Executive Board of JCDecaux SA, also serves as a director.

SIXTH RESOLUTION

(Statutory auditors' special report; approval of transactions set out in Articles L.225-86 et seq. of the French Commercial Code)

The General Meeting of Shareholders, having reviewed the Statutory Auditor's special report on the agreements and commitments which are subject to the provisions of Articles L.225-86 *et seq.* of the French Commercial Code, approves the report in its entirety, as well as the new agreements that are the object of said report, which were approved by the Supervisory Board during the year ended 31st December 2011 and subsequent to it.

SEVENTH RESOLUTION

(Renewal of the term of a member of the Supervisory Board)

The General Meeting of Shareholders, having reviewed the Executive Board's report and noting that the term of Jean-Claude Decaux, member of the Supervisory Board, expires this day, decides to renew this term for a period of one year, which will expire at the end of the General Shareholders' Meeting to be held in 2013 in order to review and approve the financial statements for the fiscal year ending 31st December 2012.

Jean-Claude Decaux has stated that he accepts the renewal of his term of office and that he is not affected by any measure likely to prevent him from performing it.

EIGHTH RESOLUTION

(Renewal of the term of a member of the Supervisory Board)

The General Meeting of Shareholders, having reviewed the Executive Board's report and noting that the term of Pierre-Alain Pariente, member of the Supervisory Board, expires this day, decides to renew this term for a period of one year, which will expire at the end of the General Shareholders' Meeting to be held in 2013 in order to review and approve the financial statements for the fiscal year ending 31st December 2012.

Pierre-Alain Pariente has stated that he accepts the renewal of his term of office and that he is not affected by any measure likely to prevent him from performing it.

NINTH RESOLUTION

(Renewal of the term of a member of the Supervisory Board)

The General Meeting of Shareholders, having reviewed the Executive Board's report and noting that the term of Jean-Pierre Decaux, member of the Supervisory Board, expires this day, decides to renew this term for a period of two years, which will expire at the end of the General Shareholders' Meeting to be held in 2014 in order to review and approve the financial statements for the fiscal year ending 31st December 2013.

Jean-Pierre Decaux has stated that he accepts the renewal of his term of office and that he is not affected by any measure likely to prevent him from performing it.

TENTH RESOLUTION

(Renewal of the term of a member of the Supervisory Board)

The General Meeting of Shareholders, having reviewed the Executive Board's report and noting that the term of Xavier de Sarrau, member of the Supervisory Board, expires this day, decides to renew this term for a period of three years, which will expire at the end of the General Shareholders' Meeting to be held in 2015 in order to review and approve the financial statements for the fiscal year ending 31st December 2014.

Xavier de Sarrau has stated that he accepts the renewal of his term of office and that he is not affected by any measure likely to prevent him from performing it.

ELEVENTH RESOLUTION

(Renewal of the term of a member of the Supervisory Board)

The General Meeting of Shareholders, having reviewed the Executive Board's report and noting that the term of Pierre Mutz, member of the Supervisory Board, expires this day, decides to renew this term for a period of three years, which will expire at the end of the General Shareholders' Meeting to be held in 2015 in order to review and approve the financial statements for the fiscal year ending 31st December 2014.

Pierre Mutz has stated that he accepts the renewal of his term of office and that he is not affected by any measure likely to prevent him from performing it.

TWELFTH RESOLUTION

(Renewal of the term of a primary Co-Statutory Auditor)

The General Meeting of Shareholders renews the term of the company Ernst & Young et Autres as primary Co-Statutory Auditor for a period of six fiscal years, i.e. until the General Shareholders' Meeting to be held in 2018 in order to review and approve the financial statements for the fiscal year ending 31st December 2017.

Ernst & Young et Autres informed the Company in advance that it would accept this new term.

THIRTEENTH RESOLUTION

(Renewal of the term of a primary Co-Statutory Auditor)

The General Meeting of Shareholders renews the term of the company KPMG as primary Co-Statutory Auditor for a period of six fiscal years, i.e. until the General Shareholders' Meeting to be held in 2018 in order to review and approve the financial statements for the fiscal year ending 31st December 2017.

KPMG informed the Company in advance that it would accept this new term.

FOURTEENTH RESOLUTION

(Renewal of the term of an alternate Co-Statutory Auditor)

The General Meeting of Shareholders renews the term of the company Auditex as alternate Co-Statutory Auditor for a period of six fiscal years, i.e. until the General Shareholders' Meeting to be held in 2018 in order to review and approve the financial statements for the fiscal year ending 31st December 2017.

Auditex informed the Company in advance that it would accept this new term.

FIFTEENTH RESOLUTION

(Nomination of an alternate Co-Statutory Auditor)

The General Meeting of Shareholders, noting that the term of the company SCP Jean-Claude ANDRE & Autres as alternate Co-Statutory Auditor is expiring, has decided not to renew its term of office and has decided to appoint the company KPMG Audit IS as its replacement for a duration of six fiscal years, i.e. until the General Shareholders' Meeting to be held in 2018 to approve the financial statements for the fiscal year ending 31st December 2017.

SIXTEENTH RESOLUTION

(Authorisation to the Executive Board to conduct transactions in the Company's shares)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Ordinary General Shareholders' Meetings and having reviewed the Executive Board's report, authorises the Executive Board to sub-delegate its authority under the conditions stipulated by the law, pursuant to Articles L.225-209 *et seq.* of the French Commercial Code, to purchase, or cause to be purchased, Company shares for the following purposes in particular:

- implementation of any Company stock option plan under Articles 225-177 et seq. of the French Commercial Code or any similar plan; or
- the granting or sale of shares to employees in respect of their contribution to the results of the Company's growth or the implementation of any employee or group savings plan (or related plan) under the terms and conditions provided by law, in particular Articles L.3332-1 et seq. of the French Labour Code; or
- the granting of bonus shares under Articles L.225-197-1 et seq. of the French Commercial Code; or
- generally, the fulfilment of all obligations related to stock options or other share allotments to employees or company officers of the issuer or a related company; or
- the delivery of shares upon exercise of rights attached to securities convertible into shares by redemption, conversion, exchange, or presentation of a coupon, or in any other manner; or
- the cancellation of all or part of the equity securities so acquired, subject to the adoption by the Extraordinary General Shareholders' Meeting of the seventeenth resolution set forth below and under the terms and conditions set forth therein; or
- the delivery of shares (in connection with an exchange, payment, or otherwise) in respect of external growth transactions, merger, spin-off, or contribution transactions; or
- support for a secondary market or for the liquidity of JCDecaux SA shares by an investment service provider in the framework of a liquidity contract that complies with the ethical standards approved by the Autorité des Marchés Financiers (French Financial Markets Authority).

The plan is also intended to permit the implementation of any market practice that may be approved by the *Autorité des Marchés Financiers* and, generally, the performance of any other transaction that complies with applicable regulations. In such case, the Company will advise shareholders through a press release.

The acquisition of Company shares may involve a number of shares, such that:

- the number of shares that the Company buys during the share buyback programme does not exceed 10% of the shares of the Company's share capital outstanding at any time, this percentage applying to an amount of adjusted share capital based on the transactions affecting it subsequent to the General Meeting of Shareholders or, for indicative purposes, 22,186,030 shares as of 31st December 2011, with the understanding that (i) the number of shares acquired with a view to their retention and future delivery in connection with a merger, spin-off or contribution may not exceed 5% of its share capital and (ii) where the shares are acquired to favour market liquidity under the terms and conditions defined by the general regulations of the Autorité des Marchés Financiers, the number of shares taken into account in calculating the 10% limit as provided in the first paragraph, corresponds to the number of shares bought less the number of shares resold during the duration of the authorisation;
- the number of shares that the Company holds at any time shall not exceed, in any event, 10% of the shares constituting the Company's share capital on the relevant date.

Shares may be acquired sold or transferred at any time, except during a public offering period, within the limits authorised by applicable laws and regulations, and by any means, on regulated markets, multilateral trading systems, with systematic internalisers or over-the-counter markets, including by acquisition or sale of block shares (without limiting the portion of the buyback programme that may be made by this means), by public offering or exchange, or by use of stock options or other forward financial instruments traded on regulated markets, multilateral trading systems, with systematic internalisers or over-the-counter markets, or by delivery of shares following an issuance of securities convertible into Company shares by conversion, exchange, redemption, exercise of a coupon, or otherwise, either directly or indirectly through an investment services provider.

The maximum purchase price of shares in connection with this resolution shall be €25 per share (or the equivalent thereof in any other currency on the same date), this maximum price only applies to acquisitions decided as from the date of the present Meeting of Shareholders and not to transactions finalised under an authorisation granted by a previous General Meeting of Shareholders and providing for the acquisition of shares following the date of the present Meeting of Shareholders.

The General Meeting of Shareholders hereby delegates to the Executive Board, in the event of a change in the nominal value of the shares, a capital increase through capitalisation of reserves, grants of bonus shares, stock splits or amalgamations, distribution of reserves or any other assets, amortisation of the share capital or any other transaction involving the shareholders' equity, the power to adjust the price set forth above to reflect the impact of such transactions on the value of the shares.

The overall amount allocated to the share buyback programme authorised above may not exceed €554,650,750.

This authorisation shall replace and supersede as of the date hereof the unused portion of any previous delegation of authority granted to the Executive Board to conduct transactions in the Company's shares. This authorisation shall be granted for a period of eighteen months from the date hereof.

The General Meeting of Shareholders hereby grants full powers to the Executive Board, who may further delegate this authority as permitted by law, to implement this authority, to specify the terms and conditions, if necessary, to complete the buyback programme, including, but not limited to, placing any order on a market, entering into any agreement, allocating or reallocating the shares purchased to the various objectives pursued in compliance with applicable legal and regulatory conditions, determining the terms and conditions ensuring, as the case may be, the preservation of rights of holders of marketable securities or options, in accordance with legal, regulatory and contractual provisions, making any declaration and carrying out any other formality with the *Autorité des Marchés Financiers* and with any other competent authority and, generally doing whatever may be necessary.

II. EXTRAORDINARY SESSION

SEVENTEENTH RESOLUTION

(Delegation of authority to the Executive Board to decrease the share capital by cancellation of treasury shares)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Shareholders' Meetings and having reviewed the Executive Board's report and the statutory auditors' special report, hereby decides to authorise the Executive Board to decrease the share capital, in one or more times, in the proportions and at the times it may decide, by cancelling any number of treasury shares that it may decide, within the limits authorised by the law and as provided for in Articles L.225-209 *et seq.* of the French Commercial Code.

The maximum number of shares that may be cancelled by the Company pursuant to this authorisation during a period of twenty-four months shall be ten percent (10%) of the Company's issued and outstanding shares, at any time, i.e. for indicative purposes, on 31st December 2011, 22,186,030 shares, provided, however, that this limit shall apply to an amount of the Company's share capital as adjusted to take into account transactions affecting the share capital that are subsequent to this General Meeting of Shareholders.

This authorisation shall replace and supersede, as of the date hereof the unused portion of any previous delegation of authority granted to the Executive Board for the purpose of decreasing the share capital by cancellation of treasury shares. This authorisation shall be granted for a period of 18 months from the date hereof.

The General Meeting of Shareholders hereby decides to grant to the Executive Board any and all authority, with power of delegation, to complete such transaction(s) cancelling or decreasing the share capital that may be made under this authorisation and to amend the articles of association accordingly and complete any formalities.

EIGHTEENTH RESOLUTION

(Authority with respect to formalities)

The General Meeting of Shareholders grants all authority to the bearer of an original, copy or extract of the minutes of their deliberations to carry out any filings and formalities required by the law.

OTHER INFORMATION

REPORT OF STATUTORY AUDITORS ON CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' general meeting, we hereby report to you, for the year ended December 31st, 2011, on:

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

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

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31st, 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

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

- tangible and intangible fixed assets, goodwill and investments in associates are subject to impairment tests based on the prospects of future profitability following the method described in notes 1.11 and 1.12 to the financial statements. We have assessed the appropriateness of the methodology applied and of the data and assumptions used by the group to perform these valuations. On these bases, we carried out the assessment of the reasonableness of these estimates;
- note 1.21 to the financial statements describes the accounting treatment of purchase commitments for minority interests, which is not specifically described in IFRS as adopted by the European Union. We have assessed that this note gives the relevant information as to the method used by your group.

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

III. SPECIFIC VERIFICATION

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

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

Paris-La Défense, March 7, 2012

The statutory auditors
French original signed by

KPMG Audit *Département de KPMG SA*	ERNST & YOUNG et Autres
Frédéric Quélin	Pierre Jouanne

REPORT OF STATUTORY AUDITORS ON CORPORATE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The statutory auditor's report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.
This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.
This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,
In compliance with the assignment entrusted to us by your shareholders' general meeting, we hereby report to you, for the year ended December 31st, 2011, on:

- the audit of the accompanying financial statements of JCDecaux SA;
- the justification of our assessments;
- the specific verifications and information required by law.

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

I. OPINION ON THE FINANCIAL STATEMENTS

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

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31st, 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code ("Code de commerce"), we bring to your attention the following matter:

- Equity investments are subject to impairment tests based on the prospects of future profitability following the method described in the notes to the financial statements. We have assessed the appropriateness of the methodology applied and of the data and assumptions used by the group to perform these valuations. On these bases, we carried out the assessment of the reasonableness of these estimates;
- These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Executive Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code ("Code de commerce") relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris-La Défense, March 7, 2012

The Statutory auditors
French original signed by

KPMG Audit	ERNST & YOUNG et Autres
Département de KPMG SA	
Frédéric Quélin	Pierre Jouanne
Partner	*Partner*

SPECIAL REPORT OF STATUTORY AUDITORS ON REGULATED AGREEMENTS AND THE COMMITMENTS WITH RELATED PARTIES ("*CONVENTIONS ET ENGAGEMENTS RÉGLEMENTÉS*")

This is a free translation into English of a Statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and is construed in accordance with French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on the regulated agreements and commitments with related parties.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, without expressing an opinion on their usefulness and their merit or searching for other agreements and commitments. It is your responsibility, pursuant to Article R.225-58 of the French Commercial Code ("Code de commerce"), to assess the interest of entering into these agreements and commitments with a view to approving them.

Where applicable, it is our responsibility to report to you the information pursuant to Article R.225-58 of the French Commercial Code, relating to the continuing agreements and commitments previously approved by the Shareholders.

We conducted the procedures we deemed necessary in accordance with professional standards applicable in France; those standards require that we verify that the information provided to us agrees with the underlying documentation from which it was extracted.

I. AGREEMENTS AND COMMITMENTS TO BE APPROVED BY THE SHAREHOLDERS' GENERAL MEETING

Agreements and commitments authorized during fiscal year ended December 31st, 2011

Pursuant to Article L.225-86 of the French Commercial Code, we have not been advised of any agreement or commitment entered into by the Company, to be submitted for the approval of the Shareholders' general meeting.

Agreements and commitments that were authorized since fiscal year ended December 31st, 2011

We have been advised of the following agreements and commitments entered into by the Company which have received prior authorization from your Supervisory Board, since last fiscal year end.

Revolving credit agreement

- *Member concerned*
  Mrs Laurence Debroux, member of the Executive Board and administrator of Natixis.
- *Nature, purpose and conditions*
  The Supervisory Board held on February 10, 2012 authorized the conclusion of a financing contract between the Company and a banking pool, including Natixis bank, under which a revolving credit line of a maximum principal amount of €600 million would be made available to the Company with the purpose of financing the general needs of the Company and its subsidiaries.

II. AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' GENERAL MEETING

Continuing agreements and commitments with no effect during the year

Pursuant to Article R.225-57 of the French Commercial Code ("Code de Commerce"), we have been advised that the following continuing agreement and commitment, approved by the Shareholders' general meeting in previous years, did not have any effect during the year.

Non-competion clause

- *Member concerned*
  Mrs Laurence Debroux, member of the Executive Board.
- *Nature, purpose and conditions*
  The Supervisory Board held on December 7, 2010 authorized a grant to Mrs. Laurence Debroux, in case of termination of her employment contract by the Company, with a non-competition indemnity, that would represent 200% of her fixed salary, to be paid over a twenty-four month period.

No payment has occurred under this agreement for the year ended December 31st, 2011.

With the Company SOMUPI

- *Nature, purpose and conditions*
  Your Supervisory Board authorized a debt waiver on December 4, 2009, including a redemption provision clause, to the company SOMUPI. The debt waiver was concluded on December 30, 2009 for a total amount of € 20.77 million.

No refund was held under the redemption clause during the year ended December 31st, 2011.

Agreements and commitments approved during fiscal year ended December 31st, 2011

We have also been informed of the execution, during fiscal year ended December 31st, 2011, of the following agreements and commitments, which were already approved by the Shareholders' general meeting held on May 11, 2011, based on the statutory auditors' report on the regulated agreements and commitments dated March 8, 2011.

Termination and special retirement benefit

The Supervisory Board held on March 8, 2011 authorized a grant to Mr. Jeremy Male, subject to the realization of specific performance conditions, of:

- a termination benefit equivalent to one year of fixed salary increased by the average bonus on results obtained over the past two years;
- a special retirement contribution to be paid annually to a pension fund for a total amount representing 15% of his fixed salary increased by his bonus on results.

Under this agreement and for fiscal year 2011, an amount of €172,238.15 has been paid to the retirement fund of Mr Jeremy Male.

Paris La Défense, March 7, 2012

The Statutory auditors
French original signed by

KPMG Audit	Ernst & Young et Autres
Départment de KPMG SA	
Frédéric Quélin	Pierre Jouanne
Partner	*Partner*

STATUTORY AUDITOR'S REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ('CODE DE COMMERCE'), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD OF JCDECAUX S.A.

To the shareholders,

In our capacity as Statutory Auditors of JCDecaux SA, and in accordance with Article L. 225-235 of the French Commercial Code ("*Code de commerce*"), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L. 225-68 of the French Commercial Code ("*Code de commerce*"), for the year ended December 31st, 2011.

It is the Chairman's responsibility to prepare and submit for the Supervisory Board approval a report on internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-68 of the French Commercial Code (*"Code de commerce"*) particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report also includes the other disclosures required by Article L. 225-68 of the French Commercial Code (*"Code de commerce"*), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

INFORMATION ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

These professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with Article L. 225-68 of the French Commercial Code ("*Code de commerce"*).

OTHER INFORMATION

We confirm that the report prepared by the Chairman of the Supervisory Board also contains the other information required by Article L. 225-68 of the French Commercial Code ("*Code de commerce*").

Paris-La Défense, March 7, 2012

The Statutory auditors
French original signed by

KPMG Audit	Ernst & Young et Autres
Département de KPMG SA	
Frédéric Quélin	Pierre Jouanne
Partner	*Partner*

PERSON RESPONSIBLE FOR THE ANNUAL REPORT AND PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

1. PERSON RESPONSIBLE FOR THIS DOCUMENT

Mr Jean-François Decaux
Chairman of the Executive Board of JCDecaux SA.

2. CERTIFICATE OF THE PERSON RESPONSIBLE FOR THIS DOCUMENT AND THE ANNUAL FINANCIAL REPORT

"I hereby certify, after taking every reasonable step for such purpose, that the information contained in this Annual Report is, to my knowledge, true to reality and does not omit any information required to make it not misleading.

I certify, to the best of my knowledge, that the accounts have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the management report presents a fair review of the development and performance of the business and financial position of the Company and all the undertakings included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained from persons legally responsible for auditing the financial statements a "*lettre de fin de travaux*" in which they state that they have conducted an audit of the information relating to the financial condition and accounting data in this Annual Report, as well as having read the entire Annual Report.

The historical financial information presented in this annual report has been the subject of the reports of the statutory auditors included on pages 216, 217, 218 and 219 of this annual report, as well as those incorporated by reference for the 2010 and 2009 fiscal years on, respectively, pages 222, 223, 224 and 225 of the 2010 Annual Report (a French-language version of which was filed with the *Autorité des Marchés Financiers* on 14 April 2011 under no. D.11-0300) and pages 212 to 214 of the 2009 Annual Report (a French-language version of which was filed with the *Autorité des Marchés Financiers* on 16 April 2010 under no. D.10-0283).

April 23, 2012

Jean-François Decaux
Chairman of the Executive Board

3. PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE INVESTOR INFORMATION

PRINCIPAL STATUTORY AUDITORS

Ernst & Young et Autres
41, rue Ybry
92200 Neuilly-sur-Seine
represented by Mr. Pierre Jouanne,
appointed on 20 June 2000, the engagement of which, renewed by the General Meeting of Shareholders of 10 May 2006, will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31st December 2011.

KPMG SA
1, cours Valmy
92923 Paris La Défense Cedex
represented by Mr. Frédéric Quélin,
appointed on 10 May 2006, the engagement of which will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31st December 2011.

ALTERNATE STATUTORY AUDITORS

AUDITEX,
11, allée de l'Arche - Faubourg de l'Arche
92400 Courbevoie
appointed on 10 May 2006, the engagement of which will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31st December 2011.

SCP Jean-Claude ANDRE & Autres
2 bis, rue de Villiers
92300 Levallois Perret
appointed on 10 May 2006, the engagement of which will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31st December 2011.

PERSON RESPONSIBLE FOR SHAREHOLDER AND INVESTOR INFORMATION

Nicolas BURON
Manager of Financial Communications and Investor Relations
Telephone: +33 (0)1 30 79 44 86
Fax: +33 (0)1 30 79 77 91

This Annual Report was filed with the French Autorité des Marchés Financiers (AMF) on 23 April 2012, as stipulated in Article 212-13 of the rules and regulations of the AMF.
It may not be used to support a financial transaction unless it is supplemented with an operation note approved by the AMF. This document was prepared by the issuer and is binding upon its signatories.

This document has been designed and produced by
the Corporate Finance Department/Financial Communication Department
and JCDecaux SA Investor Relations.

JCDecaux SA
17, rue Soyer
92523 Neuilly-sur-Seine Cedex
Tel.: +33 (0)1 30 79 79 79
www.jcdecaux.com

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