



# 2016 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

**JCDecaux**



# JCDECAUX AT A GLANCE

## HIGHLIGHTS 2016

### 2016 financial performance

- Record revenue driven by M&A, TfL and Digital with a slowdown in H2
- Margins impacted by CEMUSA and TfL, as anticipated
- Costs, working capital requirements and capex under control
- Solid free cash flow & strengthened financial flexibility
- Dividend per share for 2016 proposed at €0.56

### Investments for future growth

- Pursue the Street Furniture's digitisation in premium locations
- On-going organic growth
- Further consolidation opportunities

## GROUP PROFILE

- JCDecaux is the number one outdoor advertising company worldwide, with a total of 1.1 million advertising panels in more than 75 countries. The company's revenue were €3,392.8 million in 2016.
- JCDecaux operates 3 different business segments detailed below:

### STREET FURNITURE



N°1 WORLDWIDE

### TRANSPORT



N°1 WORLDWIDE

### BILLBOARD

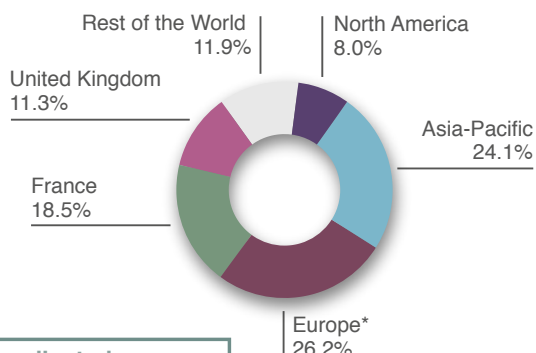


N°1 IN EUROPE

## KEY FIGURES

- JCDecaux is listed on the Eurolist of Euronext Paris and is part of the Euronext 100 and Euronext Family Business indexes
- JCDecaux is part of the FTSE4Good and Dow Jones Sustainability Europe indexes
- N°1 worldwide in Street Furniture (559,070 advertising panels)
- N°1 worldwide in Transport advertising with more than 220 airports and 260 contracts in metros, buses, trains and tramways (354,680 advertising panels)
- N°1 in Europe for Billboard (169,860 advertising panels)
- N°1 in outdoor advertising in Europe (721,130 advertising panels)
- N°1 in outdoor advertising in Asia-Pacific (219,310 advertising panels)
- N°1 in outdoor advertising in Latin America (70,680 advertising panels)
- N°1 in outdoor advertising in Africa (29,820 advertising panels)
- N°1 in outdoor advertising in the Middle-East (16,230 advertising panels)
- N°1 worldwide for self-service bike rental scheme: pioneer in eco-friendly mobility
- 1,117,890 advertising panels in more than 75 countries
- Present in 4,280 cities with more than 10,000 inhabitants
- Daily audience: more than 410 million people
- 13,027 employees

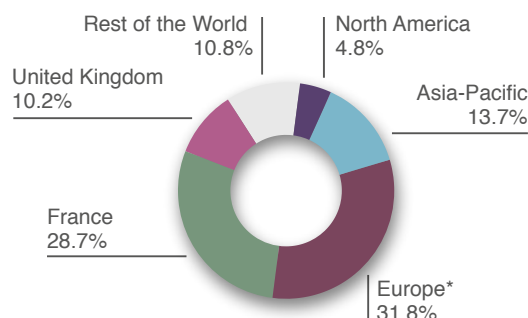
## ADJUSTED REVENUE BY REGION



**Group adjusted revenue:**  
€3,392.8m

\* Excluding France and the United Kingdom

## ENERGY CONSUMPTION BY REGION

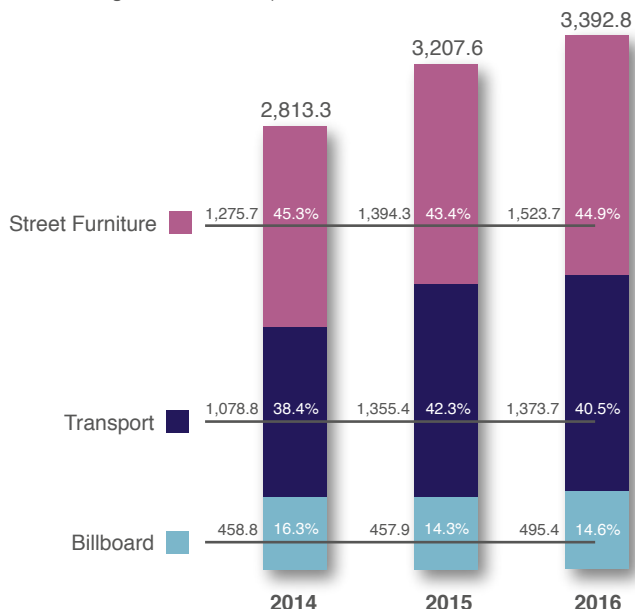


**Group energy consumption:**  
821,096MWh

\* Excluding France and the United Kingdom

## ADJUSTED REVENUE BY BUSINESS

(in € million, segment's share in %)



In 2016, the Group's adjusted revenue increased by +5.8% to €3,392.8 million. Excluding perimeter effects and the impact of foreign exchange, adjusted organic revenue growth was +3.3%.

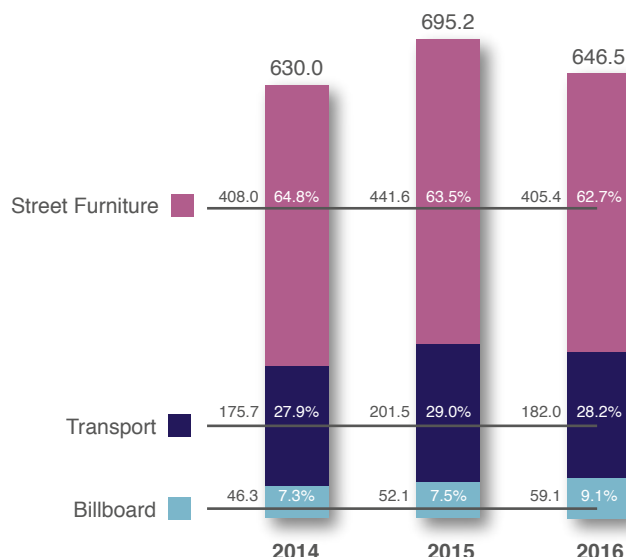
Street Furniture adjusted revenue were €1,523.7 million, an increase of +9.3%. Excluding perimeter effects and the impact of foreign exchange, the increase was +5.2%.

Transport adjusted revenue were €1,373.7 million, an increase of +1.4%. Excluding perimeter effects and the impact of foreign exchange, the increase was +2.1%.

Billboard adjusted revenue were €495.4 million, an increase of +8.2%. Excluding perimeter effects and the impact of foreign exchange, the increase was +0.9%.

## ADJUSTED OPERATING MARGIN BY BUSINESS

(in € million, segment's share in %)



In 2016, Group's adjusted operating margin<sup>(1)</sup> decreased by -7.0% to €646.5 million from €695.2 million in 2015. It accounts for 19.1% of adjusted consolidated revenue.

<sup>(1)</sup> Operating Margin: Revenues less Direct Operating Expenses (excluding Maintenance spare parts) less SG&A expenses.

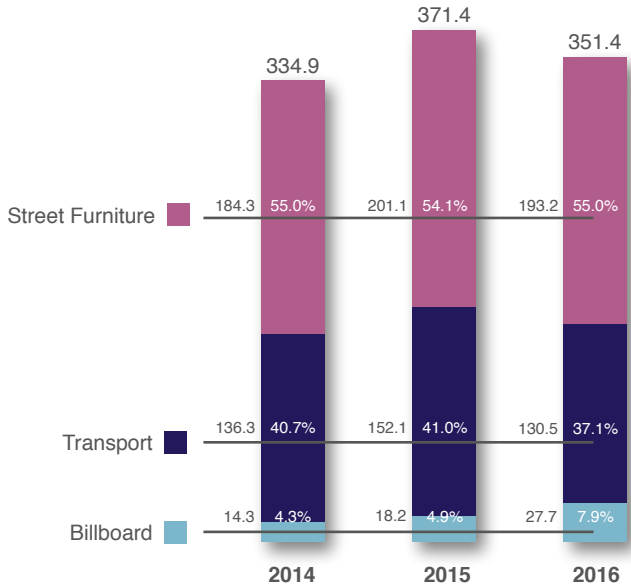
### Adjusted data

Following the adoption of IFRS 11 from January 1<sup>st</sup>, 2014, the operating data presented is adjusted to include our prorata share in companies under joint control, and therefore is comparable with historical data.

Please refer to the note 3 "Segment reporting" of the Notes to the consolidated financial statements of this registration document for the definition of adjusted data and reconciliation with IFRS.

ADJUSTED EBIT BY BUSINESS, BEFORE IMPAIRMENT CHARGES

(in € million, segment's share in %)



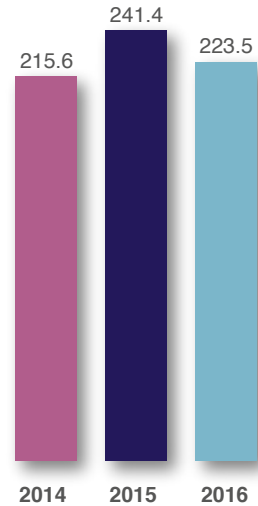
Adjusted EBIT<sup>(1)</sup> before net impairment charges<sup>(2)</sup> decreased by -5.4% to €351.4 million in 2016, compared to €371.4 million in 2015. It accounts for 10.4% of adjusted consolidated revenue (2015: 11.6%).

<sup>(1)</sup> EBIT = Earnings Before Interests and Taxes: operating margin less depreciation, amortization and provisions (net) less impairment of goodwill less maintenance spare parts less other operating income and expenses.

<sup>(2)</sup> The reversal resulting from the impairment test conducted for goodwill, intangible assets, property, plant and equipment and net assets of joint-controlled entities amounts to +€1.7 million in 2016 (net impairment charges of €(13.9) million in 2015 and €(31.8) million in 2014).

NET INCOME GROUP SHARE BEFORE IMPAIRMENT CHARGES

(in € million)

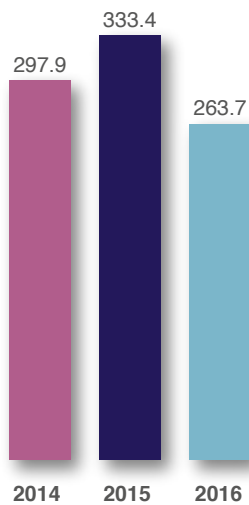


Net income Group share before net impairment charges<sup>(1)</sup> decreased by -7.4% to €223.5 million in 2016, compared to €241.4 million in 2015.

<sup>(1)</sup> The reversal resulting from the impairment test conducted for goodwill, intangible assets, property, plant and equipment and investments under the equity method amounts to +€1.2 million in 2016 (net impairment charge of €(7.5) million in 2015 and €(21.3) million in 2014).

ADJUSTED FREE CASH FLOW

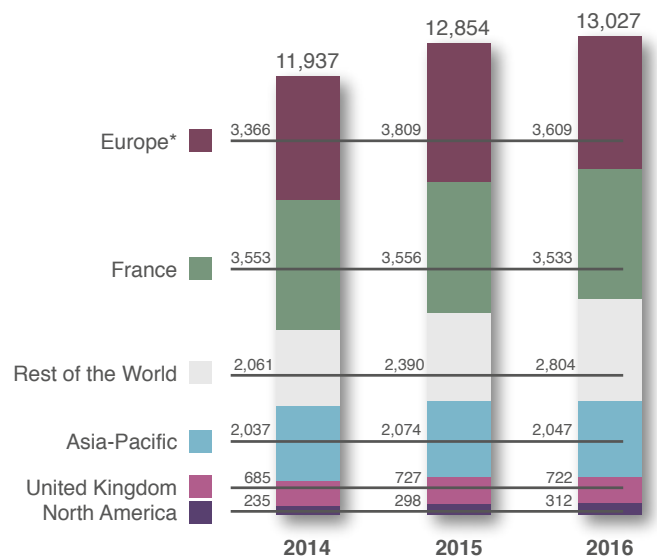
(in € million)



In 2016, adjusted free cash-flow<sup>(1)</sup> was €263.7 million compared to €333.4 million in 2015.

<sup>(1)</sup> Free cash flow: net cash flow from operating activities less capital investments (property, plant and equipment and intangible assets) net of disposals.

EMPLOYEE BREAKDOWN BY REGION (ADJUSTED)



\* Excluding France and the United Kingdom

This document is interactive  
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2016 REGISTRATION DOCUMENT  
FINANCIAL ANNUAL REPORT  
JCDecaux SA



This Annual Report was filed with the French Autorité des Marchés Financiers (AMF) on 20 April 2017, 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.



*Jean-Claude Decaux (1937-2016),  
Founder of JCDecaux, Inventor of the advertising bus shelter and the concept of advertising Street Furniture*

#### **Incorporation by reference**

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

##### **1. Relating to fiscal year 2015:**

- The management discussion and analysis and consolidated financial statements, including the statutory auditors' report, set forth in the Registration Document filed on 27 April 2016 under number D. 16-0414 (pages 77 to 155 and 250/251, respectively)
- The corporate financial statements of JCDecaux SA, their analysis, including the statutory auditors' report, set forth in the Registration Document filed on 27 April 2016 under number D. 16-0414 (pages 156 to 177 and 252/253, respectively)
- The statutory auditors' special report on regulated agreements with certain related parties, set forth in the Registration Document filed on 27 April 2016 under number D. 16-0414 (pages 254 to 256)

##### **2. Relating to fiscal year 2014:**

- The management discussion and analysis and consolidated financial statements, including the statutory auditors' report, set forth in the Registration Document filed on 22 April 2015 under number D.15-0390 (pages 73 to 151 and 242/243, respectively)
- The corporate financial statements of JCDecaux SA, their analysis, including the statutory auditors' report, set forth in the Registration Document filed on 22 April 2015 under number D.15-0390 (pages 152 to 173 and 244/245, respectively)
- The statutory auditors' special report on regulated agreements with certain related parties, set forth in the Registration Document filed on 22 April 2015 under number D.15-0390 (pages 246 to 249)

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## MESSAGE FROM THE CO-CEOS

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*Madam, Sir, Dear Shareholders,*

*In 2016, the solid revenue growth across all our business segments and the majority of our geographies around the globe, as well as a growing contribution from our premium digital portfolio, enabled JCDecaux to reach another year of record revenue.*

*We are particularly proud of the many contracts the company won, renewed or extended, including the street furniture contract in Tokyo: the last iconic metropolis missing from our portfolio, as well as the first national bus-shelter advertising contract in the Republic of Ireland, newsstands in Paris and the airports of Hong Kong, Singapore, Nice-Côte d'Azur, Milan and Dallas-Fort Worth and, of course, the Carrefour supermarkets in Belgium, all in line with our long-established strategy of organic growth. Therefore, in 2016, we strengthened our presence in the most influential cities in the world such as Paris, London, New York and Tokyo, as well as our global network in the transport sector (more than 220 airports, including 7 of the 10 largest hubs, covering more than 2 billion passengers annually and more than 260 transit contracts).*

*We are also delighted to have finalised the acquisition of OUTFRONT Media's Latin American business, strengthening our group's number one position in outdoor advertising in the world and successfully continuing our external growth strategy. This year has also been a highly successful one in terms of integrating teams that have recently joined the Group in Latin America, Africa, the United States and Europe. We have been able to unify our values, expertise and diversity to maximise our performance in these regions.*

*JCDecaux remains the natural consolidator in the outdoor advertising industry. Our financial strength is a major advantage that will allow us to continue to take advantage of targeted growth opportunities as they arise in 2017 and beyond.*

*Furthermore, our digital revenue, which now account for c.13% of total revenue with nearly 51,000 screens in 38 countries, are also now beginning to benefit from the growth in our premium digital Street Furniture business. In 2017, our digital transformation will continue to gather pace, with an increased presence in airports, railway stations, metros, shopping malls, billboards and street furniture. This is driven by our flagship networks in New York and above all, London, our global digital showcase with its 600 – soon to be 1,000 – 84-inch screens offering unrivalled display quality, now supported by our digital creative hub, "JCDecaux Dynamic".*

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*Smart cities are flourishing and we are a creative and agile partner in this development. Smart street furniture, connectivity and mobility, as well as interactive, user-friendly and contextual communication channels are all areas in which we are pioneers. It is now not unusual for an advertiser to have multiple different digital designs which are broadcast depending on the day and hour, geo-location, mobility of the target audience or even depending on the events of the day. This is a new value proposition for JCDecaux that we call "audience selling". Concepts such as "SmartBRICS", and "SmartCONTENT" have been gradually rolled out globally to provide a whole new service to our advertiser customers and also our city partners. As such, in 2016 we won the bid to provide free high-speed Wi-Fi on the Champs-Élysées in Paris and were awarded the contract for smart street furniture in Nice. We also signed a national contract with Verizon Wireless in the United States to roll out small cells in our street furniture.*

*In 2016, we continued to deploy our sustainable development strategy in all of our activities and operations. This is in line with the group's desire to pursue a sustainable business respecting both people and the environment and confirming our on-going commitment towards the 10 principles of the United Nations' Global Compact on Human Rights, labour rights, the protection of the environment and anti-corruption, as well as our support of the newly introduced sustainable development goals of the United Nations. Our actions, transparency and results were acknowledged in 2016 with our inclusion in the prestigious Dow Jones Sustainability Index which recognises the best performing companies in the area of sustainable development.*

*As we move towards 2017, our future looks bright. Although the world economy remains fragile we have made substantial investments to drive our digital transformation. Therefore, more than ever, we continue to demonstrate our ability to be creative, determined, committed and agile in order to contribute further to the strengthening our corporate business model.*

*In an increasingly fragmented media landscape we are convinced that out-of-home retains its strength and attractiveness. Moreover, we believe we are well positioned to outperform the advertising market and increase our leadership position in the outdoor advertising industry. We remain focused on organic growth and selective value accretive acquisitions.*

*Finally, we would like to take the opportunity to thank all of our stakeholders for the trust you have placed in us since our IPO in June 2001.*

**Jean-Charles Decaux**

Chairman of the Executive Board  
Co-CEO

**Jean-François Decaux**

Co-CEO

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 Digital LED screen of 40sqm, called Digital slider, in Changi airport, Singapore

# COMPANY OVERVIEW

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**2016 was for JCDecaux another year of record revenue at €3,392.8 million despite the significant slowdown in Greater China. While our free cash flow generation remains solid, our overall profitability declined due to both the integration of CEMUSA and the contract structure of the world's largest bus shelter advertising franchise with TfL in London. These two strategic decisions are paving the way to accelerate the growth of our premium digital portfolio which now represents 12.9% of our total revenue. New York City and London are now a digital showcase for JCDecaux and this will help us to gain market share in the largest and fourth largest advertising markets worldwide.**

2016 was marked by a number of important contracts wins and renewals in all the geographies where JCDecaux operates. A selection is presented below.

## 1. DEVELOPMENT OF OUR PORTFOLIO OF CONTRACTS

### Europe

- In France, JCDecaux renewed a large number of tenders. JCDecaux renewed with SNCF Réseau, following a competitive tender, the occupancy agreement relating to “non-station” advertising space for a period of eight years. JCDecaux also renewed a new 10 year advertising concession with Aéroports de la Côte d’Azur and its subsidiaries, following a successful bid process. The new contract, which includes Nice Côte d’Azur airport (covering its business passenger and helicopter terminals), as well as the Cannes-Mandelieu, Saint-Tropez airports and Sky Valet terminal at Le Bourget, starts from January 2017 (January 2018 for Saint-Tropez Airport). JCDecaux also announced that MédiaKiosk, its subsidiary specializing in the installation and management of newsstands, of which it is the majority shareholder (82.5%) alongside Presstalis (5%) and three publishing groups – Le Figaro (5%), Le Monde (5%) and Altice Media (2.5%) – has renewed the contract to design, supply, install, maintain and operate news and other types of kiosks in Paris. This will include managing kiosk advertising and the Paris kiosk staff network for a period of 15 years, beginning on 1 July 2016. Eventually, JCDecaux renewed and extended its street furniture contract with the city of Nice (340,000 inhabitants) for 12 years. This exclusive contract covers the installation, upkeep, operation and maintenance of over 194 street furniture units that have either 2 m<sup>2</sup> or 8 m<sup>2</sup> advertising faces (which may increase to 358 units) and 16 non-advertising street furniture units.

- In the United Kingdom, JCDecaux has been awarded the bus shelter advertising contract for the Royal Borough of Kensington and Chelsea for 15 years with premium digital locations (Sloane Street, Kensington High Street).
- In Ireland, JCDecaux has been awarded 5-year bus shelter advertising contract with the National Transport Authority (NTA), following a competitive tender process.

### Asia-Pacific

- In Japan, JCDecaux has announced its Japanese subsidiary, MCDecaux (85% owned by JCDecaux and 15% by Mitsubishi Corporation) has won the competitive tender for advertising bus shelter contract awarded by the Bureau of Transportation, Tokyo Metropolitan Government, for a minimum duration of 15 years. This exclusive contract is the largest bus shelter contract in Japan and covers the design, installation, maintenance and operation of advertising bus shelters. At least 400 shelters, featuring more than 800 2m<sup>2</sup> advertising panels, will be installed before the 2020 Olympic and Paralympic Games.

MCDecaux has also won the bus shelter advertising contracts by Tokyo bus operators Fuji Express and Tokyu Bus Corporation, for 20 years. MCDecaux now holds contracts with 10 of the 11 main private bus operators in Tokyo, which represents a potential of more than 600 advertising bus shelters in the heart of the Japanese capital, in addition to the minimum of 400 proposed in the contract signed with the Tokyo Metropolitan Government on June 29<sup>th</sup>, 2016.

- In Hong Kong, JCDecaux has successfully renewed the competitive tender to operate the advertising concession at Hong Kong International Airport for a period of 5 years starting from April 9, 2016.
- In Singapore, JCDecaux announced the extension of its advertising concession with Singapore Changi Airport for 5 years, from 2018 until 2022, including Terminal 4 from H2 2017 onwards.

### Rest of the World

- In Uruguay, JCDecaux has announced that it has been awarded the Montevideo advertising smart clocks contract in Uruguay, for a period of 15 years.
- In United Arab Emirates, JCDecaux has partnered with TECOM group to pioneer state-of-the-art digital advertising solutions, at Dubai Media City, Dubai Internet City and Dubai Knowledge Park. This community transformation project will include the installation of smart digital outdoor solutions as part of a wider initiative across TECOM Business Parks. TECOM group said that it intends to reimagine its business communities, while spurring creativity through the installation of smart infrastructure which will enhance those innovative ecosystems.

## North America

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

## 2. ACQUISITIONS AND MERGERS

- In April 2016, JCDecaux announced that its subsidiaries JCDecaux Latin America/Corameq, which are 85% owned by JCDecaux SA, have today finalised the acquisition of 100% of the Latin America business of OUTFRONT Media Inc, a group which operates in the large format and bus advertising segment, as well as in street furniture.
- In June 2016, JCDecaux and Caracol Televisión the number one in TV audience in Colombia, announced they have formed a strategic alliance. Caracol Televisión is acquiring a 25% stake of the capital of the Colombian subsidiary, Euacol.
- In June 2016, JCDecaux announced that it has unfortunately had to decide not to pursue to increase its stake in Metrobus group from 33% to 100%. In an advertising market that is experiencing a major digital transformation, the economic and strategic interests of the transaction were undermined by the excessive commitments required by the French Competition Authority, despite the significant undertakings which were offered by JCDecaux and confirmed by the market test.
- In December 2016, JCDecaux SA and Top Media, leader in the outdoor advertising sector in Central America, announced they have signed an agreement to merge their activities. The new venture, JCDecaux-Top Media, of which 71% of the capital is owned by JCDecaux and 29% owned by Top Media, operates in Panama, Guatemala, Costa Rica, El Salvador, Honduras and Nicaragua.

## 3. OTHER ACTIVITIES

- JCDecaux announced the opening of a new JCDecaux OneWorld office in San Francisco in order to cover the West coast of the USA, with a particular focus on the nest of Tech companies and start-ups within San Francisco and the Silicon Valley. This opening comes after London in 2009, Paris and New York in 2011 and Shanghai in 2013. This is a new location created within JCDecaux OneWorld, the division that provides international sales and marketing support for clients, media and advertising agencies in more than 75 markets where the group operates.
- In June, JCDecaux announced on the eve of UEFA Euro 2016 and following a consultation by the Champs-Élysées Committee, JCDecaux is deploying an outdoor Wi-Fi network that will be available along the length of the avenue between the Place de l'Etoile and the Champs-Élysées roundabout. Wi-Fi Champs-Élysées benefits from an optimal coverage resulting from the combined density of Wi-Fi access points in businesses (boutiques, cafés and restaurants) and the JCDecaux Morris® columns, ideally positioned along the Avenue.

- JCDecaux announced that following an evaluation by RobecoSAM (a company specializing in sustainable investing) and in partnership with S&P Dow Jones Indices (one of the largest providers of stock indices in the world), the group has been included among the 24 European companies joining the Dow Jones Sustainability Europe Index on 19 September 2016.
- JCDecaux and Verizon Wireless, the operator of America's most reliable wireless network with 108.6 million retail connections nationwide, announced that they have signed a multi-year contract to deploy Verizon's 4G LTE small cells integrated in JCDecaux's USA street furniture assets.

## 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 in transit networks and airports ("Transport") and advertising on billboards ("Billboard").

Billboard is the most traditional and continues to be the most utilized form of outdoor advertising: advertising on street furniture (bus shelters, free-standing information panels MUPI® 2sqm or Senior® 8sqm), large-format advertising panels and multi-service columns. The incorporation of digital technologies (new screens) is the most recent form of outdoor advertising.

This document contains a number of estimates. We have used various sources to provide the most accurate possible data hereafter. Where these sources contain inconsistent information, we have tried to harmonise it based on our knowledge of the market. Therefore, we estimate that in 2016, Billboard accounted for approximately 46% of worldwide outdoor advertising spending, Transport accounted for approximately 32% and has been growing share, particularly in Latin America, and Street Furniture accounted for around 22% (source: JCDecaux).

### 1.2. The place of outdoor advertising in the advertising market

In 2016, outdoor advertising spending worldwide stood at approximately \$35.7 billion, an increase on 2015. It represents 6.7% of worldwide advertising investment, which was estimated at \$523 billion (source: ZenithOptimedia estimates, December 2016). This average market share results from variations in penetration rates 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 strong market share of outdoor advertising in Japan and China, the main advertising markets in the region. In 2016, outdoor advertising accounted for 9.3% of the overall advertising market in this region, compared to only 4.7%, 6.5%, 7.7% and 4.3% of the overall advertising market in North America, Western Europe, Central & Eastern Europe and Latin America, respectively.

## 2. OUTDOOR ADVERTISING: AN INCREASINGLY RELEVANT COMMUNICATION CHANNEL

In recent years, there has been a major shift in the media landscape driven by the growth of various digital platforms and devices. This has led to people using digital platforms in consuming media in entirely new ways. This structural change has for most major traditional forms of display media caused a decline or a

fragmentation of audiences. For press this has mostly caused a strong readership decline. In terms of television, although the overall audience may not have decreased, new digital platforms have provided more choice. The balance of audience for mass communication has shifted slightly in favour of target groups in whom certain advertisers seem less interested. Conversely, outdoor advertising audiences are structurally on the rise, as the world's population naturally becomes increasingly urban.

We believe that in the future, advertising expenditure as a percentage of total will correlate with share of consumer time spent. Currently, both television and press are overweight in terms of advertising spend. A recent report produced by Route, the independent audience measurement body in the UK, showed that television and press accounted for 45% and 19% of total advertising expenditure in 2015. However, consumers spend around 21% and 17% of their media consumption time exposed to these media. In our view, outdoor is underweight, accounting for 6.7% of 2016 advertising expenditure whilst consumers spend c. 28% of their media time in the presence out of home according to the report. Similar disparities are reported in the US and consistently elsewhere in the world. We expect outdoor as a percentage of total advertising spend to increase over time.

Additionally, digital technology has contributed to outdoor advertising becoming a more relevant and flexible communications channel than before, while retaining its broad reach. 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 has also invested in meaningful tools of accountability with respect to audience and return on investment. This has generated interest from advertisers and their advertising agencies allowing them to quantify the contribution of the medium.

Beyond this, in a 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. 2016 has seen continuous growth in the number of clients exploiting the potential of new interactions between a burgeoning mobile marketing sector and outdoor advertising vehicles.

### 2.1. A fast-growing and mobile audience

The significant growth in the out of home audience is in part driven by structural changes in populations, which are increasingly urbanised. The United Nations Department of Economic and Social Affairs report in 2015 reconfirmed and updated projections suggesting that over half of the world's population now live in cities. By 2050, it predicts that the total urban world population will be 9.7 billion (World Urbanisation Prospects 2015) with 66% of the population living in cities. This trend is particularly strong in the developing world, where people are migrating in growing numbers toward large urban centres. The World Urbanization Prospects (2014) predicts that 76% of the Chinese population will be living in cities within 33 years and Asia's urban population will exceed 50% by the end of this decade.

This is also expected to be the case in Africa by 2035. It is worth noting that although Asia has lower levels of urban population than the developed areas it still contains 53% of the world's urban population. The developed world already has levels of urbanisation well in excess of 50% but this structural change continues even within Europe where more people are predicted to move to cities. It is also interesting to note that the GDP of city-dwellers tends to be higher than that of their non-urban counterparts in the country they live in.

In addition, people are becoming more and more mobile and are spending more time outside of their homes, be it by driving, walking on the street, in trains, railway stations, or airports. Outdoor advertising displays have rapidly developed in city centres, along highly travelled roads, in airports, shopping centres and supermarkets. It is predicted that the audience for outdoor advertising will continue to grow in years to come.

Consequently, the average commute time between home and work has increased in most countries, which means that consumers are increasingly exposed to outdoor advertising. Many individuals in the world are travelling further and for longer in their everyday activities. In 2016, China saw an increase of 4.9% in passenger kilometres travelled compared to the previous year (National Bureau of Statistics of China).

The proliferation of smartphones and other devices continued unabated allowing consumers to access internet "on-the-move". In Q3 2016, almost 80% of new mobile phones sold were smartphones and mobile smartphone subscriptions made up 55% of the total market surpassing those for more basic mobile phones. There are 3.9 billion smartphone subscriptions globally and this figure is predicted to almost double to 6.8 billion subscriptions by 2022 (Ericsson Mobility Report, 2016). Greater device affordability and young consumers mean that this phenomena is also gathering pace in relatively underdeveloped markets; the penetration of mobile broadband will grow by 3 times in the Middle East and Africa for example in the same period.

In the US, smartphone penetration is at 81% (Source: ComScore US 2016 Mobile App Report). With people increasingly using their smartphones as their primary computing devices, it is forecast 90% of mobile data traffic will come from smartphones by the end of this decade (Ericsson Mobility Report, 2016 pp.12). 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 this new media in engaging with this valuable audience.

In air transport, according to ACI (Airports Council International), growth in air passengers continued at a rate of about 5% in 2015 compared to 2014. The annual global growth rate is predicted to remain around 4% for the next two decades. The global growth in passenger traffic can in particular be attributed to the Asian contingent of airports which counted the volume of largest air passenger traffic in 2014. The Asian market grew by over 7% in 2015, led by Chinese airports which have all experienced buoyant growth; JCDecaux is ideally positioned in outdoor advertising, with a presence in Beijing, Shanghai and Hong Kong airports.

## 2.2. Growing fragmentation of all major media

As many studies show, outdoor advertising continues to benefit from the increasing fragmentation of "in-home" advertising, be it more cable, satellite, and broadcast television channels, along with internet sites, competing for of the viewer's attention.

2016 saw a continued shift in advertising consumption that consolidates the position of outdoor as the only true mass medium unaffected by fragmentation. Despite the recognized growth in internet use, individual platforms or sites struggle to achieve mass coverage (with the exception of Facebook). The mobile revolution precipitated by mass smartphone and tablet ownership has led to different patterns of usership for online access, with shorter and "in the moment" browsing activity becoming much more common. New portals and access methods can rise and fall very rapidly on the web, making planning coherent campaigns somewhat problematic for advertisers. Outdoor is a natural partner in this fragmented digital world to direct consumers on the move towards relevant promotional messages.

## 2.3. New opportunities for OOH

### Convergence of Outdoor and Mobile Marketing

Shipments of smartphones hit a record 1.5bn in 2016, up 3% on 2015 (Source: Strategy Analytics, January 2017). Smartphones, of which a high proportion are NFC enabled (all are QR capable), are an important driver of future growth for our medium helped by the combination of mobile devices, mobile Wi-Fi and mobile enabled outdoor creatives.

In this context, outdoor is well placed to be a more relevant and integral part of the conversation that advertisers will seek to have with potential customers. There are two key reasons for this. First, the younger and technically savvy groups are disproportionately highly exposed to out of home. Second, this group is increasingly averse to an interrupt model of advertising and looks for 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.



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Fueling this growth in social interaction *via* mobile is the growth in mobile broadband penetration. The Ericsson Mobility Report states that mobile broadband subscriptions are growing by around 25 percent year-on-year, increasing by approximately 190 million in Q3 2016 alone. The total number of mobile broadband subscriptions is now around 4.1 billion.

As growth in mobile broadband gathers pace, increasing amounts of online social interaction will take place 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 "in the moment".

## Increased interaction and new forms augmented reality

Through the continued expansion of our JCDecaux Creative Solutions concept, in 2016, the group continued to develop solutions enabling this new type of conversation to be offered, an area sought after by our advertisers.

JCDecaux Creative Solutions 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 Creative Solutions 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.

In 2016 this desire by clients and by their customers for brand interaction has led to an expansion of this JCDecaux Creative Solutions concept in our major markets. By combining experiential activity and innovation along with digital formats and editorial content, JCDecaux Creative Solutions is driving further growth in sales and attracting new advertisers to our media offering. The dominant trend of interaction has therefore continued and expanded in 2016. New forms of interaction combining mobile devices with experiential spaces offer unprecedented communication opportunities for advertisers.

A notable example of this in 2016 was the Sony Pictures campaign that took place in July. To promote the release of the latest Ghostbusters film, JCDecaux and Sony Pictures teamed up to transform London's Waterloo station into a scene from one of the Ghostbusters' raids.

In addition to the stickers, wraps and banners all over the station, the unmissable giant special build Stay Puft Marshmallow Man crashing through the concourse floor and the slime-covered CCTV cameras made commuters feel like they were in a scene from the film.

Commuters were encouraged to take and share photos on social media with the hashtag #GhostbustersWaterloo. They could also use a specially designed Snapchat filter geo-localised for Waterloo only, and JCDecaux Dynamic's SmartContent allowed Sony Pictures to feature a pick of the best Instagram and Twitter shares live on the giant Motion@Waterloo screen.

Additionally, people could stop by the special-build pop-up kiosk, made to look like a Manhattan subway station, and buy tickets for the film. A range of merchandise included Ghostbusters business cards featuring a functional phone number that you could call in case of a ghost emergency and hear a surprise message.

Meanwhile in the passageways, commuters were fully immersed into a scene from New York, but with a ghostly twist. The walls were covered in full vinyl wraps, digital screens showed scenes of New York and unique sounds of the city could be heard thanks to ambient sound integration.

The campaign was a great success, thousands of photos were taken and shared with the Stay Puft Marshmallow Man and word of mouth spread, resulting in over 7,000 social shares in the first two days alone. People of all ages had fun experiencing Ghostbusters first-hand and the on-site pop-up store made it easy for them to buy tickets.

2016 also saw an increase in the number of product dispensing/sampling campaigns. An innovative and immediate way to interact with the consumers by placing the product into their hands. This type of innovative took different forms around the world. Italy for example, converted a MUPI® into a fragrance dispenser for Narciso Rodriguez and invited passers-by to place their wrist within the panel and get a spray of the fragrance. In Latin America, Nestlé's popular chocolate biscuit bar, Kit Kat, were dispensed by the bus-shelter in exchange for a 'little dance' (part of a dance competition for the public) thanks to a movement sensor that was installed into bus shelter digital panels. JCDecaux Netherlands in collaboration with Domino's Pizza also took part in a sampling experience by transforming one of the MUPI® panel into a pop-up restaurant. By pressing a red button, a Marguerita pizza was delivered just a few seconds later. Passers-by were then able to enjoy a pizza, served by two kind servers, in the middle of the streets of Amsterdam.

Experiential campaigns also took place in several markets, allowing passers-by a unique brand experience. In JCDecaux Airport Paris, the PUIG Jean Paul Gaultier fragrances orchestrated an unprecedented campaign, by placing a spectacular 3D display towering over an exhibition space at the heart of the premium environment of Paris Charles de Gaulle 2F shopping area. Passengers had the opportunity to virtually discover Jean-Paul Gaultier perfumes thanks to Oculus Rift technology. A 360° immersive campaign, driving social engagement & people to store, within the airport environment.

Advertisers see a great opportunity in this form of Creative solutions as it helps them to reach a high audience, drive to social and achieve high levels of product trial.

## Other Creative Solutions products

Creative Solutions products that don't involve any interaction are still a good means of bringing in new clients in a simple and effective way. Showcase sites that turn a MUPI® into a window showing an advertiser's products, as in a store, remains a popular way of exposing products to consumers. All these innovative products have sound, special lighting effects, modern forms of moving lights and even scent.

Less technologically demanding innovative solutions remain an important part of our JCDecaux offering worldwide driving interest in our medium. Advertisers continue to utilise the physical properties of our furniture to emphasise brand messaging. A good example was the Warner Bros. campaign for the release of the movie *Batman v Superman: Dawn of Justice* which introduced the film by featuring real size 3D models of the two heroes on top of a bus shelter.

JCDecaux's 360° Station Domination solutions (Transport) provide another way of giving advertisers the opportunity to own an entire station and immerse high frequency commuters in their brand messaging. For a whole month, one of Chile's key stations, Baquedano, was dominated by one of Unilever's laundry brands range, OMO. Within the station, the walls, the columns and the floor were all covered by OMO's pale blue colour and additionally, a special build was implemented within one of the large displays. A giant 3D OMO laundry power box was sticking out of the wall, as well as 300 hanging t-shirts. As these were just above the entrance to one of the platforms, this made it unmissable for the commuters, and promoted the brand successfully.

These creatively engaging approaches have helped change the perception of the outdoor advertising for advertisers, greatly contributing to the growth of the medium.

Our largest markets have a new JCDecaux Creative Solutions based campaign virtually every week.

In 2016, there were 2,556 Creative Solutions campaigns conducted by clients of JCDecaux worldwide.

The markets with the largest number of such campaigns are the UK, France and China, which accounted for over 656 campaigns in 2016, and this augmentation of clients regular media messaging occurred in 62 of our countries in 2016. Most of the Creative Solutions campaigns in China are in the Transport category, in the metros of Shanghai, Beijing and Hong Kong.

Our expertise in this area is a driver for sales across our business with smaller markets such as with smaller markets such as Panama, Chile, Colombia, Estonia and also the USA also extremely active in this augmentation of advertisers' messaging. In Europe Germany, Spain and Austria are also particularly creative in terms of innovation, and this innovative approach is particularly attractive to our customers and drives business. This capacity for perpetual innovation allows our sales force to attract new advertisers to outdoor advertising and to retain existing advertisers by offering them new ideas.

## Digitally enhanced product

The continued expansion of the Creative Solutions platform in 2017 will, we believe, attract new potential sources of income, in particular in the digital area of our business.

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. In airports as far apart as Shanghai, Dubai, Los Angeles, New York, London, Paris and Frankfurt, and in the Hong Kong, Shanghai and Beijing undergrounds, we have expanded the use of 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 coming years. Of particular note in 2016 was the further increased a use of digital screens to deliver advertising messages, particularly in the transport sector.

In addition, we were awarded the transport contract in Madrid metro in 2013, which has a significant digital element. Digital penetration is extending beyond the largest Airports and transport hubs to smaller rail and metro systems and regional airports, particularly in France and the UK. A particular feature of 2015 and 2016 was the expansion of this digital product in Street Furniture with contracts highly digitised like London and New York as well as major capitals and significant cities such as Stockholm, Hamburg, Sydney...

In 2016 we launched in Sweden the first national street furniture digital network in Europe. The top 12 cities in this country, including the capital Stockholm, have street furniture digital screens in the city centres and close to the most attractive shopping locations

Earlier, when we were awarded the street furniture contract for the La Défense business district in Paris, we achieved several world firsts: technological innovations specifically with the outdoor installation of 50 LED screens in 2sqm format with a pitch of 4.8 mm, "product" innovation with the deployment of five new Giant MUPI® 8sqm digital furniture items and media innovation with new logics in terms of campaign scheduling and dynamic content. In 2016 we added to this a digital network of 2sqm in Neuilly-sur-Seine, an upscale area of greater Paris, and more generally we continued to bring this expertise to enhanced digital roadside products throughout the world.

## 2.4. 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.

JCDecaux has significantly contributed to the development of a consistent approach to outdoor audience measurement in Europe, the United States, South Africa, LatAm and the Asia-Pacific region. Using our reputation, we have developed a “reference methodology” 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 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 the 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.

The method of data collection can vary from one country to another for each of these branches of the methodology. 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 continually update the

UK study and for new studies in Austria. The aim is to gather reliable data about patterns of movement across a wide range of outdoor formats.

This methodology, which has gradually been 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, the USA, Australia and the Netherlands. In the United Kingdom, the system has been in place longer than in other countries, and, more recently, has been implemented in Ireland, Sweden, and in Finland. We believe that these audience-measurement methodologies have allowed us to improve the performance of our media due to demonstrably higher audiences for high-quality panels.

We believe that the arrival of such a credible measurement technique has allowed outdoor to grow its share of display advertising spend. In Austria the tool was released to agencies in 2012 and was used for trading in 2013 for the first time.

A significant development in 2010 was the introduction during that year of a new audience measurement system in the US, now called “GeoPath”. It permits the use of similar analysis tools to those used for other media and makes it possible to integrate outdoor advertising in media planning tools, including econometric modelling, for the first time in the US. We believe that this has had significant impact on the ability to compare the value of out of home to other major media. Modelling has been significantly refined, allowing the industry to bring transport environments into this system for the first time in 2014 and significantly improve the sensitivity of the model in 2015 to the measurement of digital bulletin boards, such as those we had developed in Chicago. An ongoing programme instigated by the GeoPath members in 2015, Measurement, Optimization and Ratings Enhancement, or M.O.R.E., continues this important development in accountability and gathered pace in 2016 ensuring the relevance of the medium can be demonstrated in the increasingly digital age. The results of these enhancements are expected in the second half of 2017 and will significantly improve the planning and buying of OOH in this important market. Advertisers will for the first time have access to hourly audience information which has particularly relevance to the attractiveness of our digital offering in the streets of Chicago and New York.

In China, we introduced our first audience measurement using this reference methodology in 2008. This audience measurement was carried out for all of our different types of advertising media in Shanghai and was then extended to metro products in Beijing in 2009. Our objective is to extend this measurement to the principal advertising markets in China, which should significantly strengthen our competitive position there. Due to the rapid pace of change in infrastructure within Shanghai, the study of audience measurement carried out in 2008 was updated in 2010 with results published in 2011. Similarly the model for Beijing was updated in 2015. In other markets such as Brazil work is well advanced on a study following the reference model with results expected early

in 2017. A new study in South Africa was also launched in 2016, following our acquisition of Continental Outdoor.

Similarly in other emerging markets such as in Central and Eastern Europe, this reference methodology has the potential to enhance the understanding of the role outdoor can play in the media mix.

In France, the reference institute for measuring outdoor advertising audiences is Affimétrie. Each quarter, the institute measures and delivers outdoor advertising network performance across all regions and formats for the advertising market. With regard to the performance of the Street Furniture and Billboard businesses, Affimétrie places JCDecaux and Avenir products and networks at the top of all major indicators (audience, number of contacts delivered, coverage, repetition and GRP). Several improvements in methodology have been made by Affimétrie since 2007, in particular relating to the effects of back-lighting and scrolling displays on the “visibility” of a display. A regular programme of surveys, prepared and run in close collaboration with the CESP, (Centre d’Etudes des Supports de Publicité) enables mobility behaviour to be updated, on which basis the networks’ performances are calculated. Since 2015, Affimétrie launched MOOHV (Mediaplanning Out Of Home Value), the new outdoor advertising audience in France. MOOHV, based on the complete reorganization of Affimétrie’s information systems, provides a powerful and practical media planning tool for the French market. Data on population, mobility and assets have been completely updated. These improvements, which are particularly useful, allow our advertisers to measure the effectiveness and the quality of our networks.

In the United Kingdom, the new audience measurement system, Route, in 2014 incorporated advertising in UK airports into the industry study for the first time. It added further outdoor environments such as Cinema in 2015. In 2016 Taxis were added for the first time and work commenced on a new phase of this world leading measurement which, as with the US, will bring greater sensitivity to the model allowing enhanced planning and measurement of the new digital formats.

In most of the markets described above, the audience measurement techniques, which were previously limited to 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 has allowed advertisers in many markets 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 analyze the effectiveness of outdoor advertising campaigns which, when conducted over a broad range of campaigns, are of particular relevance to our advertisers. In France, this approach is at the heart of the new study and data programme called Smarter and launched in October 2015. The scale of this programme is unprecedented. It connects accurately brands to their audience to evaluate the effectiveness of JCDecaux media with high-performance tools. Smarter provides new actions levers:

- 1/ deciphering the city and its uses, in order to connect brands to their audience with increasing accuracy and relevance
- 2/ analyzing data to better qualify the devices, to adapt the geo-marketing approaches, to contextualise the advertising campaigns and to create marketing solutions based on the relevant points of contact
- 3/ demonstrating the effectiveness of advertising campaigns for brands and their ability to participate in the purchase trajectory of consumers
- 4/ proving the impact of campaigns supported by JCDecaux media in terms of recognisability and action-taking
- 5/ confirming the influence of JCDecaux media and its ability to meet its commitments

In 2016, four major Smarter studies were conducted by JCDecaux in partnership with reference institutes and media agencies. They proved the ability of the media to accelerate short-term sales for a brand (with Kantar WorldPanel), to contribute significantly to the increase in traffic through its website (with Dentsu Aegis D2D), to develop advertising impact of its messages (with Ipsos Connect) and finally to activate the right levers of influence (with Publicis Media).

Data on the Smarter programme is available on our website [www.jcdecaux.fr/smarter](http://www.jcdecaux.fr/smarter), as well as in our regular brochure publications “Smarter every day”.

Of particular note in 2015 was work conducted with GfK in Belgium to demonstrate the positive effect of OOH on sales of customers products and on overall ROI.

Since 2003, in Sweden and the Netherlands, 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 low 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 2009, the major media owners in the UK, of which we are the most significant, commissioned a meta analysis of independent return on investment research conducted by Brand Science, an econometric company within the Omnicom agency group. 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 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 such as in the USA, Asia and Australia. This broadening of the analysis delivered broadly consistent findings suggesting that increasing proportions of budget devoted to outdoor would deliver improved communication effectiveness. We believe that a number of advertisers recognize the need to do this, particularly amongst the world’s largest advertisers.



## 3. COMPETITIVE ENVIRONMENT

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. Since the disposal by OUTFRONT Media of its European activities (rebranded Exterior Media) to a Private Equity fund, JCDecaux's main international competitor is Clear Channel Outdoor.

### Many local competitors

We also face competition from local competitors, the largest of which are as follows:

- France: Exterior Media (Billboard and Street Furniture), Liote/Citylux (Illuminated panels), Insert (Micro-Billboard), Védiaud Publicité (Street Furniture), Giraud Media (Street Furniture), Oxialive (Digital Billboard), Athem (Wall wrap advertising), Métropole (Wall wrap advertising), Abri Service (Street Furniture), Pisoni (Street Furniture and Billboard)
- United Kingdom: Exterior Media (Transport), Primesight (Transport and Billboard), Ocean (Billboard) and Outdoorplus (Billboard)
- Austria: JOJ Media House/EPA Media (Billboard)
- Belgium: Belgian Poster (Billboard) and Think Media Outdoor (Billboard)
- Germany: Ströer (Billboard, Street Furniture and Transport), AWK (Billboard), Schwarz Gruppe (Street Furniture and Billboard) and Plakat Union (Billboard)
- Poland: AMS (Billboard and Street Furniture), Ströer (Billboard and Transport), Cityboard (Billboard)
- Spain: In-Store Media (Street Furniture), Exterior Media (Billboard), Espacio (Billboard), Promedios (Street Furniture and Transport), IEPE (Billboard), Impursa & Sistemas e Imagen Publicitaria (Street furniture and Billboard)
- Turkey: Ströer (Billboard, Street Furniture and Transport), Square group (Billboard and Transport) and Core Out of Home (Street Furniture, Transport and Billboard)
- Canada: OUTFRONT Media (Billboard and Street Furniture), Pattison Outdoor (Street Furniture, Billboard and Transport) and Bell Media/Astral Media (Street Furniture, Transport and Billboard)
- United States: OUTFRONT Media (Billboard, Transport and Street Furniture), Lamar Advertising Company (Billboard and Transport), Eye Media (Malls), Regency (Billboard), Adams Outdoor (Billboard) and Titan/Intersection (Street Furniture and Transport)
- Australia: oOh!Media (Billboard, Transport and Malls), APN (Billboard and Transport), Adshel (Street Furniture and Transport), QMS (Billboard)
- China: Focus Media (Digital screens), Clear Media (Street Furniture) majority owned by Clear Channel Outdoor, AirMedia (Transport), Asiaray (Transport and Billboard), C-King (Transport), Dian (Transport), various cities and provincial newspapers, and other operators
- Pan-Africa: Alliance Media (Billboard, Transport and Street Furniture), Primedia (Billboard, Transport and Street Furniture), Global Outdoor System (Billboard and Transport), Provantage/Outdoor Network (Brand Activation, Transport, Billboard and Street Furniture)
- Latin America: Rentable (Billboard), ISA (Transport), GPO Vallas (Street Furniture and Billboard), IMU (Street Furniture), Otima (Street Furniture), Girola (Billboard), Efectimedios (Transport and Billboard), PC Via Publica (Street Furniture and Billboard), Publicidad Sarmiento (Street Furniture and Billboard), Wall Street (Street Furniture and Billboard), 5M2 (Street Furniture and Transport), Punto Visual (Billboard), Pol IFC (Billboard), Massiva (Billboard, Transport and Malls), Elemidia (DOOH), Eletromidia (Transport and DOOH)
- Middle East: Al Arabia Outdoor (Street Furniture), Arabian Outdoor (Street Furniture), Backlite (Billboard), Kassab Media (Transport), Rotana Hypermedia (Street Furniture) and Saudi Signs (Street Furniture and Billboard)
- Russia: Gallery (Billboard and Street Furniture), Vera Olimp (Billboard and Street Furniture), TRK (Billboard) and other operators

The table below shows the 15 largest outdoor advertising groups based on 2016 revenue (published or estimated), in order of magnitude:

| COMPANY                       | COUNTRY OF ORIGIN | REVENUE IN MILLION OF \$ | GEOGRAPHIC PRESENCE  |
|-------------------------------|-------------------|--------------------------|--|
| JCDecaux <sup>(1)</sup>       | France            | 3,756                    | Europe, Asia-Pacific, North America, Latin America, Africa and Middle East |
| Clear Channel Outdoor         | United States     | 2,702                    | United States, Canada, Europe, Asia-Pacific, Latin America                 |
| OUTFRONT Media                | United States     | 1,514                    | United States, Canada, Latin America                                       |
| Lamar                         | United States     | 1,500                    | United States, Canada  |
| Focus Media <sup>(3)</sup>    | China             | 1,377                    | China  |
| Ströer <sup>(4)</sup>         | Germany           | 1,275                    | Germany, Poland, Turkey  |
| Exterion Media <sup>(3)</sup> | United States     | 500                      | Europe   |
| APG SGA                       | Switzerland       | 320                      | Switzerland, Serbia  |
| Metrobus <sup>(2)</sup>       | France            | 251                      | France   |
| oOh!Media                     | Australia         | 250                      | Australia, New Zealand, United States, Indonesia                           |
| Intersection <sup>(3)</sup>   | United States     | 247                      | United States  |
| APN Outdoor                   | Australia         | 246                      | Australia, New Zealand   |
| Clear Media                   | China             | 242                      | China  |
| Asiaray                       | China             | 187                      | China  |
| Russ Outdoor                  | Russia            | 138                      | Russia   |

Sources: Press releases, Internet sites of the companies and JCDecaux estimates. Currency conversions are based on an annual average exchange rate \$/€ of 0.9034, CHF/€ of 0.9173, HKD/€ of 0.1164, AUD/€ of 0.6719 and RUB/€ of 0.0135.

<sup>(1)</sup> This amount does not include revenues generated by APG|SGA, Metrobus companies consolidate by JCDecaux under the equity method.

<sup>(2)</sup> Metrobus is active in France only in the ground passenger transport activity, on which JCDecaux is not present in France.

<sup>(3)</sup> JCDecaux estimate for 2016 revenue.

<sup>(4)</sup> Ströer's revenue are split into Ströer Digital (\$570m) and Ströer Germany and International (\$705m).

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## But also competition with the entire Media sector

Within the advertising and media market, all operators are now competing to contribute to defining high impact and efficient brand resource strategies.

In addition to competition within its own sector, the media now have to contend with a wider range of competition. Television, Internet, Press or even any kind of non-media operations make up a media landscape in which advertisers and their boards are going to choose the most powerful levers. Global advertising giants like Google, Facebook... have the same targets as traditional media.

This is why JCDecaux is significantly investing in marketing research and surveys. At all times, it is essential to provide advertisers with proof of a return on investment in their campaigns using our media.

The table below shows the 30 world largest media owners based on 2015 revenue in order of magnitude:

| #  | MEDIA OWNER                  | COUNTRY       | #  | MEDIA OWNER              | COUNTRY       | #  | MEDIA OWNER              | COUNTRY        |
|----|------------------------------|---------------|----|--------------------------|---------------|----|--------------------------|----------------|
| 1  | Alphabet                     | United States | 11 | Advance Publications     | United States | 21 | JCDecaux                 | France         |
| 2  | The Walt Disney Company      | United States | 12 | iHeartMedia Inc.         | United States | 22 | Axel Springer            | Germany        |
| 3  | Comcast                      | United States | 13 | Discovery Communications | United States | 23 | Mediaset                 | Italy          |
| 4  | 21 <sup>st</sup> Century Fox | United States | 14 | Grupo Globo              | Brazil        | 24 | ITV plc                  | United Kingdom |
| 5  | Facebook                     | United States | 15 | Yahoo!                   | United States | 25 | Fuji Media Holdings      | Japan          |
| 6  | Bertelsmann                  | Germany       | 16 | Time Warner              | United States | 26 | Hubert Burda Media       | Germany        |
| 7  | Viacom                       | United States | 17 | Microsoft                | United States | 27 | Gannett                  | United States  |
| 8  | CBS Corporation              | United States | 18 | Asahi Shimbun Company    | Japan         | 28 | ProSiebenSat.1           | Germany        |
| 9  | Baidu                        | China         | 19 | CCTV                     | China         | 29 | Yomiuri Shimbun Holdings | Japan          |
| 10 | News Corp                    | United States | 20 | Hearst Corporation       | United States | 30 | Time Inc.                | United States  |

Source: ZenithOptimedia Top 30 Global Media Owners 2016





## 1. OUR BUSINESS MODEL

In 1964, Jean-Claude Decaux invented an economic model that is more relevant than ever: providing cities with products and services offering a public service for users funded by advertising, a creator of economic and stakeholder value. Available now in all of the group's activities (cities, airports, transport services, shopping centres, etc.), our economic model, in particular in its service dimension, offers numerous advantages:

- It offers citizens and users products and services without any impact on local finances or on tax-payers
- It helps improve the quality of urban life with the development of more and more services available for citizens (accessibility, soft mobility, connectivity, etc.)
- It is part of the service economy: JCDecaux provides high quality furniture designed to last, which remains most of the time its property, is maintained by JCDecaux teams and may be renovated and reused as part of a new contract
- It contributes to beautifying the environments in which the furniture is installed thanks to aesthetically pleasing furniture and innovative, high-added value solutions

Advertising on street furniture:

- allows the financing of services provided by street furniture and the development of new public service solutions
- contributes to the development of local economic players and strengthens the reach of brands

## 2. OUR FOUNDING VALUES

For over 50 years, JCDecaux has developed its activities around its founding values: Passion, Quality and Innovation:

- Passion expresses itself in the entrepreneurial mindset and the desire shared by JCDecaux employees to make the city more attractive and more accessible, in order to meet the challenges of the 21<sup>st</sup> century
- Quality is reflected in the standards of excellence which all JCDecaux products and services conform with
- Innovation pushes us to constantly seek out new solutions, whether for the design of street furniture, their ability to integrate into the urban space or their cutting-edge functionality, in response to new uses and consumption patterns

JCDecaux's innovative business model, combined with these strong values, make it a dynamic company focused on continuous improvement and an international showcase of French know-how.

## 3. OUR STRATEGY

Each day, we reach more than 410 million people around the world through our unique network of outdoor advertising displays. Our objective is to continue expanding 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 to be the most attractive
- to make strategic, targeted acquisitions that enable us to gain a leadership position, or strengthen our existing position in the industry, by developing a national network, thereby building our capacity to achieve better returns on our investments and compet with other media
- to maximise the commercial potential and profitability of our advertising networks in all the countries where we do business

JCDecaux's strategy in faster-growth economies centres around both organic growth and strategic acquisitions. This should lead to an increase in our share of revenue coming from fast growing countries. In 2016, 36% of the group's total revenue came from these markets, up from 8% in 2004.

Another growth driver is to selectively roll out digital technologies, initially in airports and metros which target a captive and growing audience, but increasingly in Street Furniture, mainly thanks to the digitisation of London and New York as well as the main European cities. In 2016, digital revenue accounted for 12.9% of the group's total revenue, 19.7% in the Transport business and roughly 9% in Street Furniture vs. 4.9% in 2015

\* "Faster-growth countries" include Central & Eastern Europe (excl. Austria), Baltic countries, Russia, Turkey, Ukraine, Latin America, Asia (China incl. Hong Kong and Macau, Mongolia, Thailand, South Korea, Singapore, India), Africa, Middle East and Central Asia.

### 3.1. 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:

- target cities, local governments, airports and other transport systems that offer high commercial potential in each country in order to develop a national advertising network

- create new products and services that meet or anticipate the needs of cities, airports and other transport systems and providing unrivalled products and services to win tenders for advertising contracts in these locations
- use 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.)
- offer 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
- develop a comprehensive international presence in each of our business segments to respond to the growing demand from international advertisers in this area
- develop operating methods that make it possible to adapt and build networks based on the requirements of our advertisers

### 3.2. Participating in the consolidation of outdoor advertising

We believe our robust financial structure, solid track record and powerful advertising network give us a significant edge in seizing 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:

- acquire or establish alliances with companies holding strong positions in their markets
- capitalise on our resources (products, operating expertise, commercial strength) to grow and maximise the potential of these new markets
- develop commercial synergies mainly thanks to the digitisation of our networks
- centralise and reduce costs

This strategy enables us to grow through external growth in cities where Street Furniture contracts have already been awarded, as well as transit networks, and capitalise on the synergies of these activities nationally, while, at the same time, extending our product range.

### 3.3. Maximising the potential of our advertising network

We will continue to maximise the growth and profitability potential of our network. We rely on our 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, notably in through the selective use of digital, and maintain a pricing policy that reflects the superior quality of our networks
- capitalise on the synergies between our Street Furniture, Billboard and Transport businesses to build international and/or multi-format business offers for major international advertisers
- continue to develop outdoor market research and audience surveys to enhance the attractiveness of this medium for advertisers and to increase 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

### 3.4. Investing and developing the Smart city

The now rapid growth of our digital assets across the globe offers incredibly promising prospects to enhance our model.

Firstly, many cities consider digital street furniture as a necessity in the modern world of communication in which we live. To have a significant share of broadcasting time enables them to transmit real-time and relevant messages to their residents.

At the same time, brands see in it a new form of urban media perfectly in tune with advertising targeted in time and in space. Digital advertising spaces in fact allow unrivalled flexibility in terms of content and are an effective complement to the incomparable power of billboard campaigns. It is now not unusual for an advertiser to have multiple different digital designs which are broadcast depending on the day and hour, geo-location, mobility of the target audience or even depending on the events of the day.

This is a new value proposition for JCDecaux that we call “audience selling”. The customer’s precise request will drive the details of the street furniture used in its campaign. Thus, each advertiser will have a greater degree of bespoke design, thanks to the multiple data analysis and construction tools that we have developed. Concepts such as “SmartBRICS” and “SmartCONTENT” have been gradually rolled out globally to provide a whole new service to our Advertiser customers and also our city partners.

# ONE BUSINESS, THREE SEGMENTS

At the same time, within the rich sphere of mobility, we are developing a new connectivity product range. JCDecaux is proposing to roll out and manage Wi-Fi products based on our historic model of financing through advertising. The service is free for our partner (local authority, airports...) and we benefit from advertising on the home page as well as through targeting each individual who registers to use the service. This gives JCDecaux revenue from the mobile dimension of the internet.

Again, the prospects are very attractive because now one of the primary expectations in a city is network connectivity.

It is within this context that we have developed the JCDecaux Link business which offers telephone operators the ability to improve their reception quality in high demand areas. All operators are in fact looking to increase their capacity in certain sectors which are poorly covered by the large antennas installed on roofs. With our concept of small, low-emission antennas installed in street furniture, we bring a simple, efficient and lasting response to ensure high speed broadband within an 80-metre radius around the equipped street furniture. In exchange for this service, the operator pays us an annual rent, thus contributing to the virtuous dimension of our model.

## 4. STREET FURNITURE

### 4.1. The concept of Street Furniture

#### A simple but innovative idea

In 1964, Jean-Claude Decaux came up with the concept of Street Furniture advertising based on a simple but innovative idea: to provide cities and local authorities with bus shelters, and maintain them free of charge, in exchange for the right to sell the advertising space these shelters contained. From its inception Street Furniture became a very attractive marketing medium for advertisers because it enabled them to conduct advertising campaigns in the heart of the city.

#### State of the art products

For over 50 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.

JCDecaux:

- creates innovative and high value-added services that seek to enhance the quality of urban life such as bus shelters (Atribus®), freestanding information panels (MUPI®) equipped with local maps, automated public toilets, large-format advertising panels (Senior®), multi-service columns (e.g. Morris® columns in France), Self-Service Bicycle schemes, kiosks for flowers or newspapers, public rubbish bins, benches, public information or citylight panels, streetlights, static/dynamic street signage, recycling bins for glass/batteries/paper, electronic message boards, and interactive terminals equipped with information touch screens and services

- develops 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, Jean-Michel Wilmotte and Marc Aurel
- determines, according to the advertising potential of a given area, the amount of advertising space needed to finance a city's street furniture needs
- selects advertising locations and positions advertising faces so as to maximize their impact while optimizing their service value and the accessibility of the public spaces they occupy

#### At the service of sustainable and intelligent cities and mobility services

Improving the quality of life in urban areas and public transport represents a major objective shared by all: users of public spaces, local authorities and all economic players. Developing long-term solutions to respond to urban changes and supporting cities in their sustainable development strategies is a historic commitment of JCDecaux.

JCDecaux contributes to the efficiency of cities by proposing high quality and energy-efficient furniture designed to last, and which can be renovated at the end of a contract and reused for a new contract.

JCDecaux uses digital technologies to bring more services to users, through the creation of furniture featuring innovative and interactive concepts (touch screens, USB sockets,...) and making available to the largest number of people possible telephony and internet access thanks to the integration of small cells, Wi-Fi services and other technologies (optic fibres,...) in JCDecaux's furniture. These services increase users' autonomy in cities by providing up-to-date and real-time useful information, such as guidance and mobility support, information on local services, etc.

JCDecaux favours the creation of furniture accessible to all. This is particularly true for the automatic public toilet accessible to all designed by Patrick Jouin for which JCDecaux was awarded the "2011 Autonomy Prize" by the "Association des Paralysés de France". Self-service bicycle systems are also a way of developing soft mobility shared by the largest number of people possible in cities. Accessibility for all is also favoured in customer relationships. By way of example, Cyclocity® (JCDecaux's subsidiary in charge of self-service bicycle systems), put in place a free service enabling hearing-impaired users to contact, in a fully autonomous manner, the Customer Relations Centres thanks to video communication by phone.

JCDecaux also contributes to the beautifying of urban spaces and well-being in cities by designing innovative and stylish furniture, and by "un-densifying" the city thanks to a qualitative furniture location selection strategy and with the use of scrolling panels or digital screens. JCDecaux's activity favours the use of public transport *via* bus shelters, and soft means of transport – bikes, walking – *via* self-service bicycle systems and signage. JCDecaux also contributes to efforts to bring nature back to the city in areas that are markedly mineral-dominated by adorning the roofs of bus shelters with vegetation, allowing at the same time to fight against the phenomena of urban heat islands and favouring the return of biodiversity in cities.

### Priority given to maintenance and service

JCDecaux is recognized by cities, local authorities and advertisers for the quality of its services. Beyond their design quality and excellent urban performance, quality relies heavily on the maintenance provided through Street Furniture contracts. As of 31 December 2016, 50.8% of our Street Furniture employees were responsible for the installation, 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 reputation. Training content and methods are constantly evolving alongside new street furniture, especially digital platforms, to help employees gain new skills and expertise.

## 4.2. 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 (MUPI® 2 m<sup>2</sup>), 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 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 benefiting from additional street furniture or services. In this case, the cost of such a fee is generally offset, in whole or in part, by the fact that we install few or no non-advertising products. We pay advertising Rent & Fees which can represent more than 20% of Street Furniture revenues to cities and towns.

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 centres in Europe, the Middle East, Latin America, USA and Japan. Under the agreements reached with owners of these shopping centres, we now install Street Furniture in private as well as public areas.

### Street Furniture contracts for shopping centres

Shopping centre contracts for Street Furniture generally take the form of master agreements made with operators of shopping centres and a separate agreement made with the managing agent of each shopping centre. Separate agreements contain the same general provisions as the master agreement along with specific provisions reflecting the size, design, and character of the shopping centre. Master agreements provide that operators will afford us the opportunity to enter into individual concessions with all of the centres that they control, and that they will undertake their best efforts to convince the shopping centres 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 10 to 30 years. In France, the contract term is generally 10 to 20 years. As of 31 December 2016, our Street Furniture contracts had an average remaining term of 6 years and 6 months (weighted by 2016 advertising revenues and adjusted to account for projected revenues from new contracts).

### 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 2016, JCDecaux won 75% of the competitive tenders for Street Furniture advertising contracts (renewals and new) for which it bid worldwide, in line with its historically high success rate.



## 4.3. 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 31<sup>st</sup> December 2016, we had Street Furniture contracts in approximately 2,330 cities which have more than 10,000 inhabitants, totaling 559,066 advertising faces in 68 countries. In addition to our operations in public areas, we are also present in over 1,800 shopping malls and supermarkets around the world. In 2016, Street Furniture accounted for 44.9% 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 our 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 31<sup>st</sup> December 2016, the geographic coverage of our Street Furniture advertising faces was as follows:

| COUNTRY                      | NUMBER OF ADVERTISING FACES |
|------------------------------|-----------------------------|
| Europe <sup>(1)</sup>        | 259,686                     |
| France                       | 117,118                     |
| Rest of World <sup>(2)</sup> | 100,667                     |
| UK                           | 36,896                      |
| Asia Pacific <sup>(3)</sup>  | 30,124                      |
| North America <sup>(4)</sup> | 14,575                      |
| <b>TOTAL</b>                 | <b>559,066</b>              |

<sup>(1)</sup> Includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Republic of Ireland, Slovakia, Slovenia, Spain, Sweden, Turkey.

<sup>(2)</sup> Includes, Azerbaijan, Brazil, Cameroon, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Israel, Kazakhstan, Mexico, Oman, Panama, Peru, Qatar, Russia, South Africa, Uruguay, Uzbekistan,

<sup>(3)</sup> Includes Australia, China (Incl. Hong Kong & Macau), India, Japan, Mongolia, South Korea, Thailand

<sup>(4)</sup> Includes Canada and the United States. The majority of faces are in the United States.

### 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 31<sup>st</sup> December 2016, we had Street Furniture contracts in 35 of the 50 largest cities of the European Union, as shown in the table below.

In 2016, our Street Furniture concessions in these 35 European cities accounted for approximately 33% of our advertising revenues, in our group's Street Furniture segment.

|    | CITY       | COUNTRY     | POPULATION<br>IN MILLIONS | MAIN STREET FURNITURE OPERATORS         |
|----|------------|-------------|---------------------------|---|
| 1  | London     | UK          | 8.75                      | JCDecaux                                |
| 2  | Berlin     | Germany     | 3.52                      | WallDecaux/Ströer                       |
| 3  | Madrid     | Spain       | 3.17                      | JCDecaux/Clear Channel                  |
| 4  | Paris      | France      | 2.22                      | JCDecaux                                |
| 5  | Vienna     | Austria     | 1.84                      | JCDecaux <sup>(2)</sup>                 |
| 6  | Hamburg    | Germany     | 1.79                      | WallDecaux/Ströer                       |
| 7  | Budapest   | Hungary     | 1.76                      | JCDecaux/Mahir                          |
| 8  | Barcelona  | Spain       | 1.61                      | JCDecaux/Clear Channel                  |
| 9  | Munich     | Germany     | 1.45                      | DSMDecaux/Ströer/Schwarz                |
| 10 | Milan      | Italy       | 1.35                      | IGPDecaux <sup>(4)</sup> /Clear Channel |
| 11 | Prague     | Czech Rep.  | 1.27                      | JCDecaux                                |
| 12 | Sofia      | Bulgaria    | 1.23                      | JCDecaux/Mediacontact/Reklamna Mreža 5  |
| 13 | Brussels   | Belgium     | 1.17                      | JCDecaux/Clear Channel                  |
| 14 | Cologne    | Germany     | 1.06                      | WallDecaux/Ströer                       |
| 15 | Naples     | Italy       | 0.97                      | IGPDecaux/Clear Channel                 |
| 16 | Stockholm  | Sweden      | 0.92                      | JCDecaux/Clear Channel                  |
| 17 | Turin      | Italy       | 0.89                      | IGPDecaux <sup>(4)</sup>                |
| 18 | Marseille  | France      | 0.86                      | JCDecaux                                |
| 19 | Amsterdam  | Netherlands | 0.83                      | JCDecaux                                |
| 20 | Valencia   | Spain       | 0.79                      | JCDecaux                                |
| 21 | Seville    | Spain       | 0.69                      | JCDecaux/Clear Channel                  |
| 22 | Zaragoza   | Spain       | 0.66                      | JCDecaux/Clear Channel                  |
| 23 | Riga       | Latvia      | 0.64                      | JCDecaux/Clear Channel                  |
| 24 | Rotterdam  | Netherlands | 0.63                      | JCDecaux/Exterion                       |
| 25 | Helsinki   | Finland     | 0.63                      | JCDecaux/Clear Channel                  |
| 26 | Stuttgart  | Germany     | 0.62                      | WallDecaux/Ströer                       |
| 27 | Düsseldorf | Germany     | 0.61                      | WallDecaux/Schwarz                      |
| 28 | Copenhagen | Denmark     | 0.59                      | AFA JCDecaux                            |
| 29 | Genova     | Italy       | 0.59                      | IGPDecaux <sup>(4)</sup>                |
| 30 | Dortmund   | Germany     | 0.59                      | WallDecaux/Ruhfus                       |
| 31 | Málaga     | Spain       | 0.57                      | JCDecaux/Clear Channel                  |
| 32 | Leipzig    | Germany     | 0.56                      | WallDecaux/Ströer                       |
| 33 | Bremen     | Germany     | 0.56                      | WallDecaux/Ströer                       |
| 34 | Dublin     | Ireland     | 0.55                      | JCDecaux                                |
| 35 | Lisbon     | Portugal    | 0.55                      | JCDecaux/Cemusa                         |

Source Population: T. Brinkhoff "The principle agglomerations of the world" ([www.citypopulation.de](http://www.citypopulation.de))

Notes:

<sup>(1)</sup> As of 31 December 2016, the European Union consists of 28 countries: Austria, Belgium, Bulgaria, Croatia, 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.

<sup>(2)</sup> We are present in Vienna *via* our subsidiary Gewista, of which we own 67%.

<sup>(3)</sup> Deutsche Städte Medien Decaux (DSM Decaux) is jointly owned by Stroer and JCDecaux

<sup>(4)</sup> JCDecaux owns 60% of IGPDecaux's share capital

# ONE BUSINESS, THREE SEGMENTS

JCDecaux has an outstanding network in France, guaranteeing dense and homogeneous cover of almost 700 municipal areas including Paris, Lyon, Marseille, Bordeaux, Strasbourg, Toulouse, Nice, Metz, Grenoble, Montpellier, Nantes and Cannes. 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, in 2014, JCDecaux renewed the 2,000 bus shelters in Paris. These installations signal a new generation of advertising bus shelters, proposing innovative services: more comfort with, for instance, more seating, an extended roof for better shelter. User information has been completely overhauled: waiting time for buses visible from outside the shelter, maps of the district specific to pedestrians, voice announcements on request for the partially sighted, etc. Finally, 100 items of street furniture were fitted with touch screens with information and e-Village® services, [100] with photovoltaic panels, 50 bus shelters have a "green" roof and all the shelters will propose a USB socket to recharge mobile devices for city users.

In 2016, the group won 31 contracts in France, among which the contract for Nice renewed and extended for 12 years with both classic and digital formats, as well as the contracts for two major Greater Paris boroughs, Levallois and Neuilly, equipped with full HD digital assets in both large (8sqm) and small (84") formats.

In United Kingdom, in 2015 the group made a significant win with the award of the contract for London, comprising nearly 12,000 advertising faces and with a significant new digital element this is the largest contract of its type in the world. 2016 saw the build out of this contract with digital product based in landmark retail locations for the first time. Also important in 2015 was the installation in Edinburgh, the capital of Scotland, of the product under an exclusive contract for small and large format panels on public land. This is the first time that such a large British city granted this type of contract and is a showcase for the possibilities afforded by media partnership with local authorities in both classic and digital formats.

In Europe, where there were only a limited number of competitive tenders this year, the group won or renewed several competitive tenders for Street Furniture. Significant among these was the award of the national bus shelter contract in the Republic of Ireland by the National Transport Authority (NTA). Commencing 1<sup>st</sup> January 2017, JCDecaux will take over the advertising rights and maintenance related to 1,843 existing bus shelters reaching 80% of the adult population through the JCDecaux portfolio across every city (including the capital Dublin) and all of the major towns nationwide. JCDecaux will also install and maintain an estimated 500 new bus shelters and this contract includes the scope to install the first network of roadside digital advertising screens in the country.

## North America, a dynamic niche market

We have been present in the United States since 1994, when we won our first Street Furniture contract in San Francisco. As of 31<sup>st</sup> December 2016, we held Street Furniture contracts in all of the five largest urban areas of the United States (New York, Los Angeles, Chicago, Boston and San Francisco) and are in a position to market a unique product line to advertisers. The acquisition of

Cemusa in 2015 provides advertisers the opportunity to reach all of the major markets with a coordinated street furniture product. In 2016 we developed the product in New York with significant investment in digital at key locations in the heart of Manhattan, including 5<sup>th</sup> Avenue for the first time, which, as with London, will increase flexibility and bring new advertisers to the medium. We also expanded our offering in Los Angeles in 2015 winning the Long Beach contract.

In 2009, the US Industry published the first national audience measurement study for US outdoor advertising, which was updated at the end of 2010. The sector substantially integrated this new audience measurement system as a vital element in its marketing strategy in 2012 and 2013 and started to implement this experimentation on transit media. The results of this new phase were published in 2014. In 2016 the US industry committed to significantly updating and expanding this measurement, now named GeoPath. This will substantially improve our ability to justify the value of outdoor in the advertising media mix from 2017 and beyond.

## Key positions in Asia-Pacific

We believe that 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 a number of Street Furniture contracts in Sydney in Australia, Bangkok in Thailand, Hong Kong and Macau in China, New Delhi in India and Seoul in South Korea (taxi shelters and bus shelters).

In 2004, following a competitive tender and working through MCDcaux, 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 the removal of this restriction represented a significant growth potential in this market. In 2010 we gained new advertising faces in Tokyo with a contract with the Kokusai Kogyo bus operator. In 2016 we further expanded this significant presence with the award of the contract for more than 400 advertising bus shelters for the Tokyo Bureau of Transportation and for the Fuji Express and Tokyu Bus Corporation bus shelters Tokyo which significantly enhances our Tokyo and national offering. As of 31<sup>st</sup> December 2016, we are present with street furniture in the 20 largest Japanese cities and 41 out of the top 50 Japanese cities, representing a potential audience of over 50 million people. We have continued to expand our state-of-the-art street furniture offering under long-term agreements and now have a base around 5,800 advertising faces which will continue to grow in coming years. In this way, we have created the first national outdoor advertising network to be offered in Japan, providing a credible alternative to television for advertisers seeking a mass audience.

In China, we significantly grew our footprint with the acquisitions of Texon Media, the leading Street Furniture advertiser in Hong Kong. Now trading as JCDecaux Cityscape, the company manages 5,694 advertising faces on Hong Kong bus shelters under long-term agreements with the three principal local bus companies. JCDecaux Cityscape also holds the advertising concession for 5 years to complete wrap-around ads awarded by Hong Kong Tramways Ltd. and today has exclusive rights to manage advertising on 140 trams.

In 2009 in Australia, we were awarded the contract to provide self-service bicycles in Brisbane, Australia's third largest city. In 2011 we completed the installation of this new network and since 31<sup>st</sup> December 2014, we are marketing over 900 advertising panels in this key market of Australia.

In 2014, we extended our presence in strongly-growing markets when we were awarded a 30-year street furniture contract in Ulan-Bator, the capital of Mongolia.

### **Latin America, the Middle East and Central Asia: developing markets**

In Latin America, we were awarded in 2012 a significant contract for advertising faces on clocks in São Paulo, which is the major economic city for Brazil and the fifth largest metropolitan area in the world. Following the "Clean City" policy of the mayor of São Paulo, most street advertising and outdoor advertising equipment were removed. The contract offers very high growth potential due to the size of the metropolitan area and a regulatory framework well suited to the quality products installed by JCDecaux.

In 2013, we installed 1,000 advertising clocks which update city dweller in real time about events in the city. This contract has provided an exceptional platform for the further development of our Latin American business.

Furthermore, we finalised in March 2014 the acquisition of 85% of Eumex, the leader in Latam for Street Furniture, and the recent merger with Top Media, placing us in a very good position to take advantage of the high growth levels that ZenithOptimedia anticipates for the region. With a presence in 11 countries, including six of the ten agglomerations that generate the highest GDP per person in Latin America (São Paulo, Mexico, Santiago, Bogota and Monterrey), JCDecaux is marketing 43,681 advertising faces and has thus become the leader in outdoor advertising in Latin America.

In the Middle East, in Qatar, we are the exclusive operator for street furniture in the capital, Doha, through our joint venture Elan Decaux (formerly QMedia Decaux). We operate over 3,252 faces under this contract, which was our first Street Furniture contract in the Middle East and permitted the group to showcase its expertise and know-how in the region. In 2012, we capitalised on this and expanded our operations in this region with the award of the contract for 20 years to provide street furniture in Muscat, the capital of the Sultanate of Oman.

We also further grew our business in Central Asia (after Uzbekistan and Kazakhstan) with the award in 2013 of a street furniture contract in Baku (5 million inhabitants), the capital city of Azerbaijan, to provide advertising columns with integrated telephone and Internet services.

### **Cyclocity: an innovative free bicycle service financed by advertising – a real urban revolution**

JCDecaux launched the concept of self-service bicycles in Vienna (Austria) in 2003, and then successfully developed the project in France with the launch of Vélo'v in Lyon in 2005. The group has launched Cyclocity in a growing number of cities: Seville, Valencia, Gijón and Santander in Spain; Brussels and Namur in Belgium; Luxembourg; Dublin in Ireland; Toyama in Japan; Brisbane in Australia; Gothenburg in Sweden; Ljubljana in Slovenia; Vilnius in Lithuania; and Paris (including 30 districts), Marseilles, Toulouse, Rouen, Besançon, Mulhouse, Amiens, Nantes, Nancy and the urban community of Cergy-Pontoise in France. At 31 December 2016, more than 500 million uses were recorded in 70 cities.

Cyclocity has been introduced according to different economic models depending on the advertising potential that finance the free bicycle service. When the advertising potential is large, as in Paris or Lyon, advertising revenues completely finance the fleet of bicycles. In areas with medium potential, such as Marseille, 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, when the advertising potential is smaller, as in Toulouse, the service is largely funded by the city and partially financed by street furniture advertising. In this case, JCDecaux receives the revenues from advertising on the bicycles, and annual subscriptions.

Free bicycle services now represent an irreversible trend, as sustainable mobility is considered to be a major focus of the transport and mobility plans in many cities around the world. In 2012, Cyclocity won several awards for its innovative responses to urban challenges: the Ingenuity Award (infrastructure category) from the Financial Times and Citi for Vélib' in Paris; the Responsible Tourism trophy (eco-mobility category), also for Vélib'; and the Strawberry Information prize for the best public initiative (information society category) for Bicikelj in Slovenia. In 2015 and again in 2016, Cyclocity France's customer relations centre was voted Customer Service of the Year.

Urban cycling is a booming market across the world and the self-service bike or bike-rental concept has spread to hundreds of cities. The group anticipated changes in this dynamic market by developing a range of self-service electric bikes and significantly expanding the services and functionalities offered to users *via* digital interfaces, mobile applications and enhanced customisation of the cycling experience. These developments will mark the rise of a new generation of self-service bikes in response to new competitive tenders and contract renewals.

### **Development of interactive digital services in public spaces**

Since 2011, the group has been developing digital service solutions that provide the general public with relevant information and services in public spaces. Because these services are accessible to everyone, the initiative helps foster digital inclusion, while complementing the digital mobile potential embodied in personal digital devices.



## ONE BUSINESS, THREE SEGMENTS

These services are made available *via* large-scale touch screens attached to street furniture, notably to bus shelters or totems. This approach, whose first deployments in France and abroad saw the light of day in 2014, gained momentum in 2015 with the installation of 100 e-Village® screens, as part of the renewal of bus shelters in Paris. These 100 interactive 32-inch screens, spread out across the Paris region, host content produced by the City of Paris, as well as services offered through an app contest piloted by the city and by JCDecaux, with the aim of inciting the creation of new services in the digital ecosystem on a local, national and international level.

Since the first screens were rolled out in 2014 in Annecy, Aix-en-Provence, Barcelona and Paris, among other cities, followed by others in 2015 and 2016, such as the recent installation in the Val d'Isère ski resort (France), they have come into daily use by the public beyond a novelty effect. The most-used services are for orientation and urban travel purposes, finding nearby points of interest along with practical information and more playful applications such as games.

The e-Village® solution created by JCDecaux is designed to be adaptive and is based on mobile technology (android), making it an open platform that can host content from the web, social media and mobile apps.

### **Broadband connectivity, a strategic challenge for cities throughout the world**

The quality of a city's mobile broadband connectivity is one of the leading factors of urban attractiveness. In a context of exponential growth in connectivity needs (data, video, mobile usage, etc.) worldwide, meeting demands from the public, businesses and other stakeholders is an important challenge for both telecom operators and cities. At the same time, connected city projects (one of the dimensions of the Smart City) require an urban connectivity infrastructure in order to deploy new services, in particular in the public space.

Small Cells are low power antennas that have a range of up to several hundred metres. Their purpose is to improve 3G, 4G and future 5G network coverage, as well as to offer additional connectivity options, directly where they are needed most.

The unique density and coverage of street furniture in city centres makes it an ideal platform on which Small Cells can be integrated. After the successful initial roll-out in 2014, aimed at improving the performance of the Amsterdam network, where approximately 200 Small Cells were installed in JCDecaux bus shelters, thus meeting Vodafone's need to improve cover and bandwidth for its customers, JCDecaux finalised a strategic international partnership with Vodafone that same year as well as technical collaborations with Huawei and Alcatel-Lucent to develop the technology's field of application. In early 2016, JCDecaux and Verizon Wireless signed a national agreement to deploy Small Cells on JCDecaux's street furniture assets in the United States. Other deals followed in 2016, in particular with the first Small Cells contract in South America and continued progress in the European market with contracts signed in France and Italy.

These collaborations help support JCDecaux's operational entities providing connected city solutions to grantors and solutions to improve network coverage to telecom operators. Thanks to these successes, JCDecaux has created a corporate structure dedicated to connectivity whose role is to drive Small Cells and Wi-Fi solutions. JCDecaux Link is there to help subsidiaries implement their connectivity projects. JCDecaux Link also seeks to develop all types of networks, particularly Wi-Fi, by leveraging the density of the group's street furniture, and to take part in developing a range of connectivity services for cities and monetizing these networks and services, in particular *via* the complementary nature of online and offline advertising products and services. Thus in 2016 the group set up the first high-speed Wi-Fi network on the Champs-Élysées in Paris, offering visitors free, high-quality Wi-Fi entirely managed and monetized by JCDecaux.

In short, JCDecaux Link actively meets connectivity needs through a comprehensive approach based on JCDecaux's traditional business model. In June 2015, JCDecaux Link's approach received an award in the "Small cell technology and deployment enablers" category at the Small Cell World Summit award ceremony.

### **The group extends its expertise to shopping malls**

We operate in 23 shopping malls in the United States and have a 19% market share in the most prestigious shopping malls in the 20 largest American urban areas. Our contracts include some of the centres in the United States, including The Mall at Short Hills (New Jersey), Water Tower Place in Chicago (Illinois), and Beverly Center in Los Angeles (California). Our US shopping centre business is mainly focused on the higher standard shopping centres operated by the company Taubmann.

We have also developed this business successfully in other countries. As of 31<sup>st</sup> December 2016, we were present in 1,800 shopping malls and supermarkets with, in addition to the US, presence in 16 European countries (Belgium, Croatia, Denmark, Finland, France, Germany, Hungary, Norway, Poland, Portugal, Republic of Ireland, Slovakia, Slovenia, Spain, Sweden, UK).

Furthermore, the group rapidly extended its presence in Japan: in addition to the Aeon/Jusco chain's advertising operations, MCDecaux, an 85% owned subsidiary of JCDecaux in Japan, was also entrusted with the 15-year exclusive installation of MUPI® advertising in the Ito Yokado shopping centres, distributed all over Japan with a very high concentration in the greater Tokyo region. At 31<sup>st</sup> December 2016, MCDecaux was therefore present in 161 shopping centres throughout Japan, with a total of 1,418 advertising faces.

This activity was also developed in Singapore, with 8 shopping centres.

In 2010, we developed our shopping centre business for the first time in the Middle East through our joint venture Elan Decaux which was awarded the significant contract for Villaggio, the largest shopping centre in Doha, the capital of Qatar in 2009, which was followed in 2013 with a contract with City Center.

After our significant expansion in Latin America in 2014, we had a platform to develop this activity even further. In 2016 we expanded this presence to Peru and Uruguay.

We are also present in Botswana in Africa.

### 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, in Latin America, as well as in Africa and in the Middle East.

#### 4.4. Sales and marketing

We market our Street Furniture products as a state-of-the-art quality advertising medium. grouped in networks, these spaces are sold for advertising campaigns that last between seven days in France and the majority of European countries, to 15 days in Spain and the United Kingdom, and one month in the United States. We market and sell all of our advertising space through our own sales force 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 Football World Cup or the Olympic Games.

To respond to the diversity of our customers' advertising needs, the group offers both coverage and power networks and targeted networks built on the basis of sophisticated socio-demographic, behavioural and geographic databases to offer special affinity for precise targets. This selectivity of faces makes it possible to realise higher value from our assets.

In France, the marketing of advertising spaces for the Street Furniture business operates according to two modes, opening up new media planning possibilities for advertisers. JCDecaux Power Store® ensures simple and direct access to the reference networks in the catalogue. A new data visualisation web app, developed with the Paris-based start-up Toucan Toco, now provides a better interactive and dynamic navigation experience for this service. Today JCDecaux Planning Lab® stands out as the tailor-made solutions platform for brand communication.

With a research expertise recognized over the past ten years in France (180 supported advertisers and over 500 studies conducted over the last five years), JCDecaux relies for its Study and data Smarter programme on top-ranked partners such as Ipsos Connect, of whom JCDecaux France is the leading customer in the advertising market, Experian Marketing Services, Kantar Worldpanel, MarketingScan and the BVA Institute.

In the UK, the rapid development of digital products, particularly in conjunction for the retail sector, has allowed us to compete for short term tactical and promotional investments. We have established an innovative use of the digital platform, SmartScreen, developed with our partner Tesco at their largest stores throughout the UK. Developed initially in 2013, this new approach allows advertisers to programme advertising screens on specific days

and times to maximize their sales. A dedicated management tool specially developed at this time, now known as SmartBrics, permits SmartScreens to use Dunhumby data, drawn from Tesco Clubcard holders' sales data. It will automatically increase or reduce the frequency of display according to the data in order to show creatives at optimal times. This is the first in a series of initiatives taken by our teams to move away from traditional fixed display periods to a more flexible use of the medium. SmartBrics SmartScreen preliminary research found that the sales uplift by digital screens is 9% in 2016 higher than non-digital posters at these supermarkets. Further, the development of our Dynamic division also permits advertisers to vary their message at each store according to, for example, real time sales data which has been shown to boost sales performance by an additional 8%.

In many markets, we are seeing increasing demand for the creation of events within public spaces, enhancing consumer engagement with our advertisers' brands. The JCDecaux Creative Solutions think tank, set up to enhance the impact and originality of marketing campaigns and currently present in over 60 countries, has run advertising campaigns that have 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 privatization of advertising sites for a given period so they could be turned into street art on behalf of the brands.

In France within JCDecaux Innovate, the JCDecaux Live department is now responsible for all events and promotional activities that are not related to the group's physical assets (e.g. major events, street marketing and roadshows).

#### 4.5. 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 2016, such activities generated revenues of €147.3 million, representing 9.7% of our total Street Furniture revenues.

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 95%-composed of sustainable and recyclable materials. Its interior has been carefully thought through to optimize 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.

## 5. TRANSPORT BUSINESS

The advertising business in Transport activities includes, on the one hand, advertising concessions in airports and, on the other hand, advertising concessions in transit systems (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 222 advertising concessions that the group holds in airports, JCDecaux also has advertising concessions in 257 metro, train, bus and tram systems in Europe, Africa/Middle East, Asia-Pacific and Latin America. The group's Transport business totals over 354,680 advertising faces in 47 countries, of which 40,577 are in airports. This figure excludes small advertising faces on airport trolleys and inside buses, trams, trains and metros.

In 2016, the Transport business represented 40.5% of the group's revenues. The airport advertising business represented 44.5% of Transport revenues and transit system advertising accounted for 44.8%. Almost 10.7% of Transport revenues came from other operations undertaken by subsidiaries in our Transport business, such as printing of posters, sale of non-advertising products or cinema advertising.

### 5.1. Characteristics of Transport advertising contracts

Advertising contracts in airports and other transport systems vary considerably. This variety reflects the extent of the role sought by the grantor in the management of the advertising space they are granting. 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 3 to 25 years; payment of a fee in proportion to revenues generated, combined with a minimum guaranteed fee in certain cases
- a joint-venture partnership, similar to those for the Frankfurt, Shanghai and Paris airports or the Beijing, Shanghai and Nanjing metros. Depending on the particular requirements of the grantors, JCDecaux may design, build, install and maintain, at the group's expense, wall panels, digital screens, advertising panels or any other type of furniture. It also supplies certain grantors with information and advertising panels or displays such as maps. The group enjoys exclusive rights, except for some very rare exceptions, to carry on its airport advertising business. The majority of grantors extend the group's rights to bus shelters and other outside street furniture as well as to terminal platforms and boarding bridges, and also to passenger services such as recharging terminals. The choice of initial location for the display panels is generally mutually agreed. In certain cases, 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

## 5.2. Advertising in airports

### 5.2.1. Geographic presence

At 1 January 2017, the group held advertising contracts in 222 airports in 37 countries. Grouped under the "JCDecaux Airport" brand, the group's advertising business in airports represents 28% of worldwide traffic with a presence on four continents.

In Europe, the group manages the advertising contracts for 101 airports, including the 3 largest which are London, Paris and Frankfurt. More specifically, JCDecaux is present in:

- 27 airports in France, including Charles de Gaulle and Orly through a joint venture with Aéroports de Paris
- 4 British airports, including Heathrow
- 1 airport in the Republic of Ireland
- 3 airports in Germany, including Frankfurt through a joint venture with Fraport
- 3 airports in the Belux region: Brussels International, Charleroi and Luxembourg
- 41 airports in Spain, including Madrid Barajas, Barcelona and Palma de Mallorca
- 8 airports in Portugal including Lisbon, Porto and Faro
- 5 airports in Italy including Milan
- 5 airports in Denmark
- 5 airports in Eastern Europe: Warsaw and Krakow in Poland as well as Riga in Latvia and Prague in the Czech Republic. In 2016, through its joint venture with Russ Outdoor, JCDecaux expanded its presence to St Petersburg's Pulkovo airport

In Asia, JCDecaux originally began operations in 1998 in Hong Kong airport (Chek Lap Kok), a major gateway for this region, followed by Macau. In recent years, the group has developed substantially on this continent, where it now manages the advertising concession in 11 airports, 5 of which are among the Top 10 airports in Asia: Beijing (Terminals 2 and 3), Hong Kong, Bangkok, Singapore and Shanghai. Furthermore, JCDecaux is present in China in Chengdu, Chongqing and Shenyang and in India in Bangalore. In total, JCDecaux reaches 20% of the passenger traffic in the Asia-Pacific region.

In the United States, the group manages advertising contracts in 16 airports, including New York (JFK, La Guardia and Newark), Los Angeles, Dallas Fort Worth (new contract won in March 2016 through competitive tender), Miami and Houston.

In the Middle-East, JCDecaux is present:

- in Saudi Arabia, where it holds the exclusive advertising concession from the airport authorities with a contract covering 26 airports
- in the United Arab Emirates, where it holds the exclusive advertising concession for the airports of Dubai International, Dubai World Central - Al Maktoum and Sharjah; and airports owned by the Abu Dhabi Airports Company (Abu Dhabi International Airport, Al Bateen Executive Airport and Al Ain International Airport)
- in the Sultanate of Oman, through an exclusive contract to operate all the advertising space in the airports of Muscat and Salalah

Thanks to its presence in 34 airports in this fast-expanding region, JCDecaux offers advertisers and their agencies a premium network reaching an annual audience of more than 200 million high-end passengers, i.e. almost 60% of the total Middle East air passenger traffic.

In Africa, JCDecaux is present in 7 Algerian airports, including Algiers' Houari Boumediene airport and in 30 airports in the rest of Africa and more specifically:

- in South Africa: 8 airports, including Johannesburg, Cape Town and Durban
- in Angola: 7 airports including Luanda
- in Mozambique: 7 airports including Maputo
- in Zambia: 3 airports including Lusaka
- in Lesotho, Madagascar, Malawi, Swaziland and Tanzania (in the airport serving the capital city of each country)

In Latin America and the Caribbean, JCDecaux now operates in 22 airports. Following the merger of its businesses with Top Media, the group expanded its presence to Panama airport and more marginally to El Salvador International airport. The other airports are:

- in Brazil: Rio Galeão, Brasilia, Natal and Salvador
- in Peru, the Jorge Chávez international airport in Lima and 12 airports situated in the north of the country
- in the Dominican Republic, JCDecaux operates the advertising spaces on the outside of the airport terminals in Santo Domingo, Samana and Puerto Plata

At 1 January 2017, the geographic distribution of the advertising faces in airports was the following:

| COUNTRY/REGION                    | NUMBER OF AIRPORTS | NUMBER OF ADVERTISING FACES |
|-----------------------------------|--------------------|-----------------------------|
| Europe <sup>(1)</sup>             | 71                 | 11,186                      |
| Africa/Middle East <sup>(2)</sup> | 71                 | 6,117                       |
| France                            | 27                 | 6,218                       |
| Latin America <sup>(3)</sup>      | 22                 | 1,093                       |
| North America <sup>(4)</sup>      | 16                 | 6,173                       |
| Asia-Pacific <sup>(5)</sup>       | 11                 | 6,408                       |
| United Kingdom                    | 4                  | 3,382                       |
| <b>TOTAL</b>                      | <b>222</b>         | <b>40,577</b>               |

<sup>(1)</sup> Includes: Germany, Belgium, Denmark, Spain, Italy, Latvia, Luxembourg, the Republic of Ireland, Poland, Portugal, the Czech Republic and Russia.

<sup>(2)</sup> Includes for the Middle East: Saudi Arabia, the United Arab Emirates and Oman. And for Africa: Algeria, South Africa, Angola, Lesotho, Madagascar, Malawi, Mozambique, Swaziland, Tanzania and Zambia.

<sup>(3)</sup> Includes Brazil, Peru, Panama, Salvador and the Dominican Republic.

<sup>(4)</sup> Includes the United States.

<sup>(5)</sup> Includes China, India, Singapore and Thailand.

## 5.2.2. 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 3 to 15 years. At 31 December 2016, the average remaining term (weighted by 2016 revenue) of the group's airport contracts was 4 years and 4 months.

JCDecaux pays on average 50-70% of its advertising revenues to the airport authorities. However, the investment and operating costs linked to maintaining these panels are much lower than for street furniture contracts.

## 5.2.3. Audience and traffic

Advertisers particularly value airport passengers, as they typically include a high percentage of business travelers, who are difficult to reach through traditional media. These travelers spend a considerable amount of time waiting for flights and luggage, and thus constitute a captive, target 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 travelers. 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, airports are a strategic medium for reaching this valuable audience.

On a year-to-date basis up to November 2016, the ACI reports that global passenger traffic has risen by +5.4% year over year.

The Middle East (+8.9%) and Asia (+8.8%) continue to lead the passenger traffic growth. Latin America and the Caribbean; after a robust +5.8% growth in 2015 experienced a slowdown with modest +2.2% growth in 2016. With regard to the two most mature air transport markets, passenger traffic grew by +4.6% in Europe and +4.1% in North America. Lastly, Africa was the only regional to experience a negative growth at -3.1%.

The high growth in Europe testified to the recovery in certain markets of international passenger traffic which had been adversely affected by the terrorist attacks in Paris in November 2015 and Bruxelles in March 2016.

## 5.2.4. 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. As such, the group considers that its presence in over 222 airports across the world – particularly in major hubs such as London, New York, Paris, Los Angeles, Frankfurt, Hong Kong, Shanghai, Singapore and Dubai – is a major advantage for international advertisers for whom the group is in a position to carry out national or international campaigns as well as for airport authorities which benefit from the group's capacity to generate greater revenue and face value arising from the marketing of advertising panels in national or global networks.

## ONE BUSINESS, THREE SEGMENTS

JCDecaux's global dimension in the field of airport advertising played a major role in the decision of the Frankfurt, Paris and Shanghai airports to work with the group in managing their advertising over a long period to maximize their advertising revenues per passenger. Another major advantage is that

JCDecaux designs and places its own advertising media to blend in with the overall design and architecture of airport terminals and provides advertisers with the best possible exposure and impact to reach their target audience.

In 2016, JCDecaux had a presence in 12 of the Top 20 global airports and reached over 60% of passengers in these strategic airports for delivering brand communication.

| AIRPORT              | PASSENGERS IN MILLIONS | CONTRACT HOLDER                                       |
|----------------------|------------------------|---|
| Atlanta              | 104.2                  | Clear Channel Outdoor                                 |
| Beijing              | 94.4                   | JCDecaux/local companies                              |
| Dubai                | 83.6                   | JCDecaux  |
| Los Angeles          | 80.9                   | JCDecaux  |
| Tokyo Haneda         | 79.8                   | Dentsu, Hakuhodo, Tokyu Space Création <sup>(1)</sup> |
| Chicago O'Hare       | 77.9                   | Clear Channel Outdoor                                 |
| London Heathrow      | 75.7                   | JCDecaux  |
| Hong Kong            | 70.5                   | JCDecaux  |
| Paris CDG            | 65.9                   | JCDecaux <sup>(2)</sup>                               |
| Dallas Fort Worth    | 65.7                   | JCDecaux  |
| Amsterdam            | 63.6                   | In house  |
| Frankfurt            | 60.8                   | JCDecaux <sup>(2)</sup>                               |
| Shanghai Pudong      | 60.6                   | JCDecaux <sup>(2)</sup>                               |
| Istanbul Ataturk     | 60.1                   | Various local companies                               |
| Guangzhou            | 59.8                   | Various local companies                               |
| New York JFK         | 58.9                   | JCDecaux  |
| Singapore            | 58.7                   | JCDecaux  |
| Denver               | 58.1                   | Clear Channel Outdoor                                 |
| Seoul Incheon        | 57.7                   | Local company   |
| Bangkok Suvarnabhumi | 55.4                   | JCDecaux  |
| <b>TOTAL</b>         | <b>1,392.3</b>         |   |

Source: Airport Authorities 2016 Preliminary Traffic.

<sup>(1)</sup> In 2004, the group signed a cooperation agreement with Tokyu Space Creation, a subsidiary of the fourth-largest Japanese advertising agency, for the joint marketing of advertising space in 26 Japanese airports (including Tokyo) and the group's 231 airports.

<sup>(2)</sup> In a joint venture with the airport authorities.

The group's products include a wide range of advertising media 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. Furthermore, JCDecaux designs custom-made advertising media such as 3D replicas and giant display screens which have the greatest impact on both arriving and departing passengers.



In 2016, JCDecaux had a presence in 7 out of the 10 airports generating the largest international traffic. JCDecaux reached over 73% of international passengers in these strategic airports for delivering brand communication.

| AIRPORT         | INTERNATIONAL PASSENGERS<br>IN MILLIONS | CONTRACT HOLDER         |
|-----------------|---|-------------------------|
| Dubai           | 83.1                                    | JCDecaux                |
| London Heathrow | 71.0                                    | JCDecaux                |
| Hong Kong       | 70.1                                    | JCDecaux                |
| Amsterdam       | 63.5                                    | In house                |
| Paris CDG       | 60.4                                    | JCDecaux <sup>(1)</sup> |
| Singapore       | 58.2                                    | JCDecaux                |
| Frankfurt       | 53.7                                    | JCDecaux <sup>(1)</sup> |
| Seoul Incheon   | 57.2                                    | Local company           |
| Bangkok         | 45.3                                    | JCDecaux                |
| Taipei          | 41.9                                    | Local company           |
| <b>TOTAL</b>    | <b>604.4</b>                            |                         |

Source: Airport Authorities 2016 Preliminary Traffic.

<sup>(1)</sup> In a joint venture with the airport authorities.

## 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.

JCDecaux also regularly commissions qualitative studies at both global and local levels. As the only company operating in airport media on four continents, JCDecaux leverages this competitive advantage by delivering global marketing data to its customers. The "Airport Stories" studies (2011) on the impact and perception of brands in airports and the Global Shopper Connection survey (2013) analyzing how passengers associate travel and shopping experiences are widely used by the group's subsidiaries to demonstrate the effectiveness of airport media.

In 2016, the group appointed m1ndset, a global research institute specializing in travel retail, to update the Global Shopper survey. Expanded to 12 markets (France, Germany, the UK, Russia, China, Hong Kong, Japan, South Korea, the United Arab Emirates, Saudi Arabia, Brazil and the United States) and 6 key segments (fashion, fragrances, cosmetics, shoes/leather goods, designer sunglasses/watches/jewelery and electronics), "Global Shopper Connections2" analyzes the importance of shopping in the destination selection process and in the travel experience, in both cities and airports.

The "Global Shopper Connections2" study shows that this qualitative audience is in constant contact with outdoor advertising during travel abroad. Considered as a source of useful information, outdoor advertising in cities and airports is viewed favorably.

## Digital, events and passenger experience: growth levers for airport media

Digital screens are a key feature of the airport environment, be it for broadcasting information, advertising messages or content aimed at entertaining passengers. Offering closed environments and extended dwell times, airports are a place where passengers are willing to interact with digital media; they want to download content and get to know brands better. The Airport Stories World study demonstrates the power of engagement that digital media can bring to a brand:

- 66% of persons interviewed wanted to be able to download entertainment
- 61% wanted to download offers and discount vouchers

Operating more than 6,000 digital advertising panels in airports worldwide, JCDecaux offers advertisers a rich selection of effective digital solutions which may prove useful in increasing trade for travel retail spaces.

In addition to its high visibility and impact, one of digital media's most greatly appreciated advantages is its ability to broadcast personalized and contextualized content. For example, in September 2016 JCDecaux Airport Paris launched its Dynamic Content Solution offering. Thus on the JCDecaux Airport Paris screens – connected in real time to information on Paris airport flights and relevant external data flows – varied and adapted content depending on the origin or destination of passengers is broadcast in different languages and in zones customized to the airport. Real-time advertising maximizes the impact and relevance of digital campaigns. Among the brands which have immediately adopted this innovation are:

- Hello Bank! which sent humorous and personalized messages to passengers according to their destinations in several major cities in France, Italy and Spain
- Boucheron, which wanted to welcome arriving passengers by featuring its designs in their language according to the terminal and flight schedules

Furthermore, JCDecaux's digital media offer added possibilities both for advertisers and passengers. 2015 saw the first major roll out of Beacons at Shanghai airport. This development continued in 2016 with the installation of Beacons in Singapore and Hong Kong airports. Beacons are miniature devices installed in advertising furniture in all terminals to detect passengers' electronic devices such as smartphones and tablets as long as their Bluetooth and location functions are enabled. Beacons are able to send information or personalized advertising to these devices. They also allow interaction with passengers who wish to download more detailed content about a brand.

Advertising events, which enable advertisers to create a brand domain within airports, continue to be a resounding success. 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 event campaigns in airports and their instances are spreading all over the world.

As part of Euro 2016 for example, JCDecaux Airport Paris worked with Coca-Cola to rebroadcast the matches live to all the terminals in Paris CDG and Paris Orly on 260 screens in the brand's colors, thus offering fans the chance to share a fun moment together. For the same event, JCDecaux Luxembourg and Turkish Airlines partnered to offer a live-scoring campaign showing passengers the match scores in real time. These examples show that airports are unquestionably ideal places to share highlights with all passengers.

Passenger service devices also serve as high value-added communication solutions for advertisers, passengers and airport authorities. In 2016, JCDecaux Airport Paris continued to market the sponsorship of Wi-Fi services in all Paris airport terminals. This year Axa is sponsoring the multilingual interface (French, English, Italian), thus optimizing users' online experience. It includes a customized login page featuring the sponsor's brand followed by a promotional video before passengers can access the internet. The login page also has an opt-in feature allowing Axa to contact those passengers who have agreed to receive its offers or those from its partners. Axa has furthermore extended its sponsorship of this service for the year 2017. At Abu Dhabi International Airport, Etihad Guest has for the first time sponsored the Wi-Fi service by offering travelers the chance to join its frequent flyer loyalty programme and earn miles. Wi-Fi sponsorship is testimony to the unique role airports play in the dialogue between brands and increasingly connected passengers.

In the beginning of 2016, JCDecaux proposed a new service by installing 50 SmartClocks in Terminal 2 of Shanghai Pudong. These digital screens combine location services for passengers by showing the time, weather forecasts and even distances between terminals while giving brands the option to broadcast targeted messages.

JCDecaux is firmly committed to bringing new services, always aesthetic and ergonomic, to passengers and to airport authorities. For example, JCDecaux installed 270 Smart Stations in Dubai International Airport. Developed by JCDecaux's R&D department, this unique furniture mixes advertising and services: each Smart Station includes a 70" digital screen, charging points and interactive tablets.

### 5.3. Advertising in the metros and other transit systems

At 1 January 2017, the group had 257 advertising contracts representing 314,103 advertising faces in metros, trains, buses, trams, taxis and rapid transit systems serving airports in 29 countries.

#### Geographic presence

With a very strong presence, JCDecaux is the leading outdoor transport communication company in China.

In fact, the group holds advertising contracts for almost 30,000 buses in ten Chinese cities, representing nearly 74,000 advertising panels.

In addition, in metro systems, JCDecaux has held since 1977 the advertising concession contract for the MTR (Mass Transit Railway) and Airport Express Line (AEL) in Hong Kong and manages the advertising spaces of the Beijing, Guangzhou, Nanjing, Tianjin, Shanghai and Chongqing metros. With considerable market share, JCDecaux's advertising displays in Chinese metro systems boasts strong reach. By means of the JCDecaux China advertising networks, an advertiser can simultaneously buy space in eight different cities: apart from making the act of purchasing easier for advertisers and agencies, this unique network offers opportunities in terms of creativity and innovation which increase the impact of the message in the Chinese metros.

In Asia, JCDecaux also holds the exclusive contract for managing the Delhi Airport Metro Express advertising network.

Outside the Asia-Pacific zone, JCDecaux holds advertising contracts in the metros in Santiago de Chile, Brussels, Lima, Turin, Milan, Rome, Naples, Helsinki, Berlin, Vienna and Prague. In Spain, JCDecaux has the exclusive management of all the advertising supports for the Madrid metro, as well as the advertising concessions for the Barcelona metro (a major medium for the advertisers and agencies in Spain) and the Bilbao metro.

JCDecaux runs a large number of advertising contracts in other transport systems all over the world, in particular:

- In MEA: Algeria, Bostwana, Cameroon, Mozambique, Namibia, Qatar, South Africa
- In Asia/Pacific: Hong Kong and Australia
- In Europe: Austria, Belgium, Denmark, Germany, Italy, Ireland, Finland, Netherlands, Norway, Portugal, Russia, Spain, United Kingdom
- In America: Chile, Peru, United States, Uruguay

### 5.3.1. Metro and other transit system advertising contracts

At 31 December 2016, the average remaining term (weighted by 2016 revenue) of the group's contracts in metros and other transit systems was 4 years and 5 months. The initial investment and operating costs linked to maintaining advertising panels in metros are generally lower than those for Street Furniture contracts.

JCDecaux pays a variable fee back to grantors in the form of a percentage of its advertising revenue.

### 5.3.2. Audience and traffic

For its metro and transit systems, the group use the same geo-marketing techniques as for its street furniture and large format activities to maximize 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 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. According to reliable media-planning indicators, established objectives such as audience quantification, repetition, GRP or contacts, these data enable advertisers and agencies to make informed decisions, and so maximize their campaigns' 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 (GGOHAM) 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 64.5% of the adult population in Beijing in just four weeks. This means that an advertiser can make 541 GRPs or 53 million effective visual contacts with a standard network of 100 illuminated panels.

In 2015, JCDecaux launched "Global Metro Stories", the very first international study to analyze the interactions between urban passengers and the metro environment and its advertising.

JCDecaux started by commissioning Lawes Gadsby Semiotics, a leader in the field, to undertake an unprecedented worldwide semiotic study on the relations between passengers and their metro environment. On the basis of these results, a vast qualitative and quantitative study was conducted internationally in partnership with GfK, a world leader in market studies. The results of these two studies, consolidated into Global Metro Stories, deliver valuable lessons on the relevance of metro advertising in the urban environment, confirming the unique opportunity it presents to communicate effectively with city dwellers.

The study reveals, for example, that passengers consider advertising to be a "bonus" that makes up an integral part of the metro environment, allowing brands to grow and become better known to potential customers. Indeed, 95% of persons interviewed see the advertisements during their metro trip. Users become familiar with the brands that are regularly found in the metro, and 50% of them state that advertising in the metro strengthens a brand's prestige. As one passenger in Santiago (Chile) explained, travelers actively seek a close relationship with the brands found in the metro: "The brands become part of our

everyday life...you start to look for them and want to learn more about them". Advertising in the metro therefore offers brands a real opportunity to create stronger relationships with their audience.

### 5.3.3. Sales and marketing

In 2016, the group's transit media achieved considerable success with advertisers thanks to particularly original advertising events.

#### Creating the buzz in the metro

To encourage the creativity of agencies and advertisers in their use of metro media, JCDecaux China created two major events: the Best of the Best Awards and the Innovate Festival. The aim of these awards is to greatly increase the value of advertising spaces managed by the group while creating, in collaboration with its partners, a harmonious and creative metro culture.

The Best of the Best Awards, started in 2002 by JCDecaux Transport in Hong Kong, was duplicated in 2007 in Shanghai. This competition aims to encourage exceptional advertising campaigns and give awards to the best campaigns displayed in the Hong Kong and Shanghai metros. In Shanghai, the JCDecaux team sets a central theme for the event each year according to the trends and interest areas of the Chinese media market. In recent years, to match changes in how metro passengers use their mobiles, the central theme has been targeted at improving their experience through interactive digital technologies.

In Shanghai, JCDecaux presents 30 awards in 10 categories. The major prizes are platinum "Best of the Best Awards", respectively in the "Best Media Use" and "Creativity" categories. Two prizes are also awarded by users, through an online vote on WeChat, for the "most popular campaign" and the "most popular digital campaign".

In addition to the best campaign awards, in 2017 JCDecaux Shanghai launched the Media Agency of the Year and the Best Creation by a Media Agency prizes.

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. Every year, from October to December, zones with the highest passenger traffic in key stations are dedicated to creative advertising campaigns contributing to the passenger experience. 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 and dramatic use of the space. In 2016, on the theme "Innovation Connecting Life", JCDecaux Transport opened the competition to university students by creating the "Emerging Talents" award. This highly innovative position, enhances the reputation of JCDecaux Transport Hong Kong as the leading company in terms of out-of-home advertising in Hong Kong.

## The metro and other transit systems: laboratories for new technologies

As with airports, metros are ideal spaces for digital media. There are two business models:

- 100% advertising (or predominately advertising). 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 optimize advertisers' visibility. This is the predominant model in Asia, the UK, Germany and Italy
- content media aimed at informing and entertaining passengers with an advertising panel such as the Infoscreen channel in the metros, trams and buses of Vienna, Graz, Linz, Innsbruck, Klagenfurt and Eisenstadt (all in Austria), the Canal Metro in Madrid and MOUTV in the Barcelona metro, and Broadcast TV in the Shanghai metro

In addition, new technologies increasingly offer opportunities to interact with passengers for entertainment or to help them make the most of their travel time by giving them access to promotional offers. Around the world, JCDecaux teams assist advertisers wishing to add an interactive element to their campaigns, whether by distributing coupons, implementing campaigns using augmented reality or by using QR Codes or NFC Tags and Beacons that make it possible to access dedicated content on mobile platforms or social networks.

For example, JCDecaux Austria offers campaigns based on location services. In Vienna, the digital screens adapt their message based on the station in which the tram arrives to broadcast, for example, the advertising message of a brand located near the station. These targeted campaigns enable not only information but also promotions benefiting local businesses to be offered to passengers during their journeys.

Finally, the world of advertising in public transportation offers many clear examples of the convergence of off-line and online media.

In June 2016, at the Milanofiori Nord station of the Milan metro (the neighborhood where media agencies are located), Twitter sponsored Wi-Fi access for all passengers at the station.

Twitter also advertised on all of the station's offline media to promote the free Wi-Fi access. In another example, in the Madrid metro in Spain, Twitter and JCDecaux partnered to broadcast the most popular tweets on television screens to entertain passengers waiting for their train

Finally, advertising campaigns enhanced by e-commerce opportunities continue to grow. In the Shanghai metro, Carrefour proposed an innovative campaign to promote its new e-commerce site. A large selection of wine was placed in front of a window, with passengers having the chance to scan a QR code to receive a discount on online purchases from the site.

These examples are testimony to a true synergy between offline and online media which enables the creation of richer communication solutions in a process of continual improvement in the passenger experience.

## 6. BILLBOARD

JCDecaux the leader in large-format Billboard in Europe in terms of revenue (source: JCDecaux). In 2016, large-format Billboards provided 14.6% of the group's revenue.

Generally installed at major traffic intersections in cities and their built-up areas, the group's large-format media enable advertisers to reach a very large number of people. The JCDecaux billboard networks include very high-quality sites, in terms of visibility, in large cities such as Paris, London, Berlin, Brussels, Chicago, Vienna, Madrid, Lisbon, Moscow, Johannesburg and Mexico and offer advertisers wide regional cover in each country. In a number of markets these displays are increasingly being converted to digital displays.

The Billboard activity also includes illuminated advertising which basically consists of the design and installation of very large advertising neon signs and event banners. JCDecaux covers the major European capital cities and aims at increasing its presence in Latin America, in Africa, in Central Europe and in Asia.

### 6.1. Characteristic of Billboard contracts

Within the scope of the billboard contracts, JCDecaux leases sites on which its supports are installed, generally from the owners of land or private buildings (private law contracts) and, to a lesser but increasing degree, from the local authorities (public contracts), from railway companies, universities or real estate companies. JCDecaux pays rent to the owners of these sites or buildings. To occupy the private domain belonging to the State or the regional communities, the billboard contracts are generally signed after a competitive tender. In the UK, the group owns a certain number of sites on which its billboard panels are installed.

The following are the main clauses in the private law billboard contracts:

- for France, a term of six years, starting with the date of signature, with, yearly tacit renewal as from the initial expiry date unless terminated within three months prior to expiry These durations may be longer in countries where the terms is not limited by law
- free access to the site insofar as is needed to install and maintain the supports
- stipulations on the type of billboard, the nature and size of the billboards which may be installed on the site as well as the rent to be paid to the lessor
- responsibility of the corporate landlord as regards panel visibility, in particular with respect to vegetation



## 6.2. Geographic presence

At 31 December 2016, the group had 204,139 advertising faces distributed over 25 European countries (covering 2,592 European towns with more than 10,000 inhabitants), one Asia-Pacific country (Singapore), Russia, Ukraine, Qatar, Uzbekistan, Brazil, Chile, Costa Rica, Dominican Republic, Guatemala, Mexico, the United States, South Africa and thirteen other Sub Saharan African markets. In 2016, the group continued with its policy of improving the quality of the large-format billboard panels by removing some panels and replacing them with state-of-the-art backlit panels, scrolling or digital, while in some mature countries, removing the less profitable panels to optimize costs.

As of 31<sup>st</sup> December 2016, the geographic distribution of our billboards was as follows:

| COUNTRY                       | NUMBER OF ADVERTISING FACES |
|-------------------------------|-----------------------------|
| Europe <sup>(1)</sup>         | 101,699                     |
| France                        | 39,479                      |
| Rest of World <sup>(2)</sup>  | 33,916                      |
| United Kingdom <sup>(3)</sup> | 28,677                      |
| North America                 | 350                         |
| Asia-Pacific <sup>(4)</sup>   | 18                          |
| <b>TOTAL</b>                  | <b>204,139</b>              |

<sup>(1)</sup> Includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Hungary, Italy, Latvia, Lithuania, Luxemburg, Norway, Poland, Portugal, Republic of Ireland, Slovakia, Slovenia, Spain, Sweden, Turkey

<sup>(2)</sup> Includes Angola, Botswana, Chile, Costa Rica, Dominican Republic, Guatemala, Lesotho, Madagascar, Malawi, Mauritius, Mexico, Mozambique, Namibia, Qatar, Russia, South Africa, Swaziland, Tanzania, UAE, Uganda, Ukraine, Uzbekistan, Zambia, Zimbabwe

<sup>(3)</sup> Includes advertising space in telephone boxes.

<sup>(4)</sup> Includes Singapore

## 6.3. Our product offering

JCDecaux large-format Billboards include a wide range of products intended to enable advertisers either to reach a wide public (networks with a very large and high impact geographic coverage) or target a specific public (affinity networks built on sociodemographic, behavioural and geographic criteria).

The size and format of the billboard supports vary depending on the networks, mainly in accordance with local regulations. Nevertheless, in all regions, the group's billboard supports and illuminated signs meet high standards of quality and visibility, vital elements to attract the attention of the advertisers' target public. The group therefore has a large number of state-of-the-art backlit billboard supports, which enables them to increase their audience by up to 40%.

The group's new billboard supports use the same concepts that made Street Furniture successful, such as backlighting and scrolling panels. Since the acquisition of Avenir in 1999, the

group has made significant investments to improve the quality of its large-format Billboard network, particularly in its main markets of France and the UK. JCDecaux also has the largest range of backlit billboard panels in the UK. This improved quality enabled it to increase the advertising effectiveness of its networks and to differentiate its product offering with advertisers. Hence, the group replaced fixed panels with backlit scrolling panels of 8, 12 and 18sqm called "Vitrines" on the most visible and most prestigious sites.

Digital products continued to grow strongly in 2016, thus contributing to the digitization of outdoor advertising. JCDecaux is developing a new brand communication experience in this area. It is based on themed affinity messages which are targeted in real time. The boundaries of time and space are disappearing to make way for contextual communication, enabling live interaction with city dwellers, consumers and social networks

Furthermore, impact studies carried out by Carat (Aegis Media), and by Postar, the institute responsible for audience measurement for outdoor advertising in the UK, showed that an advertising campaign displayed on a scrolling billboard support, such as the Vitrines, has as much impact as an advertising campaign displayed on a fixed panel, despite the campaign having less exposure time. The billboard's mobility attracts attention and increases the effectiveness of the advertising message, which makes this type of panel particularly attractive for advertisers.

Within the scope of all these developments, JCDecaux systematically converted all its obsolete former billboard supports such as the trionics to replace them with more modern, backlit, scrolling or digital panels, which have enabled the group to maintain a quality differential with its customers and, consequently, competitive selling prices. Furthermore, JCDecaux replaced a large proportion of its stock of traditional billboards with high-definition billboard supports with an entirely recyclable polyethylene poster. Thanks to this transformation, not only did the group reduce its impact on the environment by decreasing its consumption of paper glued to the supports, but the billboard posting process and visibility were also improved. The market has recognized this commitment made by the group to increasing the quality of its billboard advertising and, according to JCDecaux, contributes to the group's competitive advantage.

In the UK, for many years, the group has been developing new state-of-the-art, large-format billboard supports. This is expanding to other markets including Austria, Germany, the US and South Africa. The group has made considerable investment in the highest quality digital large format screens supported by enhanced display management platforms.

For a significant number of key locations or "gateways" covering major entrances and exits to the main cities advertisers are consequently no longer limited by fixed two-week periods and therefore buy all the digital faces in the offering by segments or one or more days, in this way taking advantage of total exclusivity to this high added-value audience. This exclusivity concept, initially set up by the group in environments such as airports, metros and stations, has every chance of developing in the coming years and enables JCDecaux to increase its ability to attract late reservations and strategic advertising revenues. This offering has been highly successful since, for example, it prompted several Olympic sponsors to invest in supports of this type of environment and the positive impact has continued up to

now. In this programme we continued to extend the digitisation process by converting large formats on premium sites at key gateways towards the capital, London, and other major cities in the UK. These sites include the digitization of the Trafford Arch and the conversion of our symbolic asset in Old Street in London, which is the entry point to the financial district and runs along the new Silicon Valley village in the east of London. The value of this development was recognized by Google, which bought the whole site for a long duration and continues to do so. In the UK this type of key gateway development continued in 2016 with, for example, the conversion to digital of the key gateway site at Wandsworth roundabout in south London, similar in scale to our Old Street asset. In addition, with the growing deployment of portrait small format digital in 2016 in the UK following the award of street furniture contracts in key cities such as Edinburgh and London, we have further enhanced our gateway proposition to major cities with the conversion of a number large format portrait sites to digital. This permits our advertisers to utilise the same creative content developed for the street furniture digital format on the large format gateway sites, covering city centre and gateway entry points simultaneously due to the “in proportion” nature of both offerings, greatly amplifying impact.

Outside Europe, the deployment of our new digital billboard panels in Chicago was a significant development. This new form of public partnership in the United States enabled us to erect the most visible billboard panels in the Chicago DMA, on public sites close to the city of Chicago itself. The industry’s data on the audience measurement of outdoor advertising and the GeoPath (formally TAB) assessments confirm that these panels are the most attractive on the market. We believe that this form of partnership for large formats on premium public sites may be adopted by other major cities in the United States.

### 6.4. Sales and marketing

The group markets its large-format Billboard networks under several brands, namely: JCDecaux Large and Avenir in France, Avenir in Spain, JCDecaux in the UK, Ireland, the Netherlands and several other European countries, Gewista in Austria, Europlakat in central Europe, Wall in Germany and Turkey, Belgoposter in Belgium, IGPDecaux in Italy, Continental in Africa, Russ Outdoor in Russia and Vendor in Mexico.

A large part of the JCDecaux Billboard business comes from short-stay advertising campaigns, lasting from 7 to 15 days, with the exception of certain countries, such as France, where long-stay billboards, generally lasting from one to three years, provide a significant share of revenue.

As such, in the French market, JCDecaux launched Easyway ([www.easyway.jcdecaux.com](http://www.easyway.jcdecaux.com)), its portal dedicated to the sale of long-duration advertising spaces. Designed to show all the eligible JCDecaux locations in France, the website enables an advertiser or its agency to very simply, in a matter of a few clicks, identify the most relevant spaces thanks to a powerful geolocation tool and simulate its campaign through a virtual image of its billboard. This launch represents a major innovation in the market for so-called permanent outdoor advertising.

Built thanks to geo-marketing tools and audience measurement studies, temporary billboard networks meet advertisers’ specific communication objectives. They offer the possibility of national, regional, or local (city to city) cover and, for some urban areas, district.

Unlike advertising on Street Furniture, discounts may be granted on the group’s catalogue price, in accordance with market practices. This practice led JCDecaux to develop a sales aid tool enabling the sales teams to optimize the marketing of the large-format Billboard networks. Thanks to a “Yield Management” software, the sales teams can monitor, in real time, how the supply and demand for billboard networks is evolving and, in this way, to adjust any discounts granted to advertisers so as to get the best price for each billboard network sold.

In France, similarly to the Street Furniture business, these products and services are marketed at a price net of any discount. Two complementary strategies were implemented to anchor the Vitrines® large-format product into a high added-value position.

On the one hand, the creation of an exclusive UbiCity range, a national product combining 2sqm Street Furniture and 8sqm Vitrines®, made it possible to devise affinity services which make precise use of the diversity of the regions covered by the group.

On the other hand, for the last 5 years, JCDecaux developed and operated a quality control approach unique to France for the 8sqm street furniture under backlit glass. This standard enables advertisers to see the exact level of quality and visibility of the JCDecaux billboard supports.

Billboard advertising in France also benefited from the study and data programme known as Smarter, which delivers high precision tools and objective evidence of advertising effectiveness regarding campaigns booked with JCDecaux.



## 1. KEY ADVERTISERS

JCDecaux is constantly endeavouring to widen its customer base. This diversification is an opportunity for growth and a strong protection against the certain categories of advertisers' volatile advertising budgets.

Although trading conditions in 2016, as in the previous three years, remained difficult the improving global economic environment, particularly in North America and Southern Europe, well established positions in emerging markets, particularly China and Latin America, as well as long-term partnerships created with major advertisers, enabled the group to record revenue, with growth greater than that of other media with less international activity. In this context, for the first time since 2010, all three of our business segments posted an annual positive organic growth.

One of the factors that made the greatest contribution towards these relations was the strategic investment the group made in digital platforms on various activities corresponding to fast-growing expenditure categories.

In 2016, the group maintained a very diversified advertiser base. Only five advertisers represented more than 1% of the group's consolidated revenue, and none more than 2%. This top 10 remained extremely stable in 2016, with eight of the main advertisers already present in 2015. The ten leading JCDecaux advertisers represent 11.2% of the group's consolidated revenue in 2016 (11.2% in 2015).

The following table shows the 2016 revenue generated by the largest sectors in the group's activity:

| SECTOR                        | % OF TOTAL |
|-------------------------------|------------|
| Retail                        | 15.3%      |
| Entertainment, Leisure & Film | 11.6%      |
| Personal Care & Luxury Goods  | 10.2%      |
| Finance                       | 9.2%       |
| Food and Beverage             | 8.2%       |
| Telecom & Technology          | 6.2%       |
| Automobile                    | 6.2%       |
| Services                      | 5.8%       |
| Travel                        | 5.6%       |
| Fashion                       | 5.3%       |
| Internet                      | 4.8%       |

Of particular note is the continued growth of spending with us by the burgeoning digital and online sector, including online platforms and e-commerce, such that this now a significant revenue sector for us. These customers have direct feedback as to the effectiveness of their advertising with us and continue to grow their investment, now 4.8% of our advertising revenues compared with 4.2% in 2015.

## Cyclical and seasonality

Advertising spend 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 allow Street Furniture to be significantly more resilient than the rest of the traditional media industry.

## 2. CHARACTERISTICS OF ADVERTISING CONTRACTS

Contracts for the purchase of advertising space are generally initiated by the space central purchasing units appointed by the advertisers, but also may be entered into directly by the advertisers themselves.

The group markets advertising space which can be grouped together in networks, mainly in street furniture. Billboard campaigns lasting 7 to 28 days (short stay) or over a longer period generally lasting from 6 months to 3 years (long stay).

Frequently, contracts entered into with advertisers are for a single billboard campaign and concern the supports and the week(s) reserved, the unit prices, the total budget as well as the amount of the applicable taxes. The advertisements are supplied by the advertisers. Each week, JCDecaux itself prepares these billboards prior to their being sent out to the regional or local agencies, and installs them over the whole network. Once the campaign is over, the group checks that the faces displayed on the site are those which were provided for in the contract. The advertising campaign invoices are issued according to what was actually displayed.

The increasing digitisation of the various environments in which we conduct our activities has offered scope to compete with sources of revenue previously reserved to media in a better position to benefit from last-minute advertising campaigns. Short-term tactical campaigns often carried out for events increasingly generate the purchase of our digital products for short and tactical campaigns in addition to their normal advertising campaign periods.

### 3. JCDECAUX ONEWORLD: SERVING OUR INTERNATIONAL ADVERTISERS

Thanks to a presence and an advertising network second to none in the world, JCDecaux is in a position to offer JCDecaux advertisers the ability to carry out pan-regional, multi-support and/ or multi-format campaigns. JCDecaux OneWorld, the JCDecaux world sales and marketing department, is a single portal for international customers who would like to have access to our product worldwide and to JCDecaux Creative Solutions, which makes it possible to intensify partnerships established by our sales teams.

The growth of our geographical coverage has made this division of heightened importance to large global customers seeking a simple access to our consistent quality product offering in diverse regions and, through its improved co-ordination, was of benefit to the group's local markets. Established in London, Paris, New York, Madrid, San Francisco and Shanghai, JCDecaux OneWorld offers the group's main international customers a single and clearly identified contact point for international assets, covering all divisions, and therefore enables customers to be served better and to develop and co-ordinate setting up partnerships with international advertisers in countries where the group operates. This centralisation makes the purchasing of advertising campaigns simpler for customers seeking to develop a media strategy on a pan-regional or worldwide scale. This also enabled JCDecaux to prove its leadership in the development, for its customers, of tools to improve and assess the effectiveness of the outdoor advertising campaigns.

Recently, JCDecaux OneWorld carried out international campaigns for customers such as Huawei, Nissan, Unilever, and a number of film industry customers. Centralising resources also enabled the group to improve international collaborations with Total, L'Oreal, Estée Lauder and LVMH, particularly in airports where travel retail customers seek consistent, high quality media delivery internationally. In 2016, JCDecaux OneWorld, with the benefit of the JCDecaux international network, continued to collaborate closely with a number of companies in the film industry to make it simpler to launch products in a large number of countries at the same time. Centralisation also permitted, where relevant, the access to a centrally co-ordinated Creative Solutions offering, intensifying the advertisers launch activity in multiple countries *via* single central discussion.

Capitalising on the continued successes over eight years by simplifying the worldwide coordination of relations with its international customers, the group benefited from new resources on a geographic basis in 2016 with the establishment of sales representation in San Francisco. JCDecaux OneWorld teams work in close collaboration with the marketing teams in the United States, to simplify interactions with the group's customers established in this area. JCDecaux believes that the growing use by digital customers of the outdoor medium to promote online interaction will mean that this office is strategically placed to link the concentration of digitally based customers in this area to our global offering.

JCDecaux feels that our OneWorld division has enabled international customers to have better access to the worldwide range of its products, and that this will also encourage smaller customers to use JCDecaux services when expanding in new markets.

The continued collaboration with Burberry was one of the highlights of 2016. This advertiser, a pioneer in the digital domain, undertook outdoor advertising campaigns internationally, following a successful experience since the beginning of their use of our medium with us in 2011 on our state-of-the-art digital supports, as part of the digital convergence media strategy. In 2016, JCDecaux OneWorld was able to continue the partnership with this advertiser very familiar with digital trends. In addition in 2016 JCDecaux established a new multi-region relationship with Total facilitating a simpler purchase of our media.

The campaigns carried out by JCDecaux OneWorld are innovative as they benefit from the whole creative and international aspect of an advertisement, whose language is universal. The group developed tools that can be used all over the world such as the Outdoor Creative Optimiser. Enabling customers to optimize the effectiveness of their advertising campaigns, these solutions have taken over as essential measurement tools with the outdoor advertising sector.

In 2016, JCDecaux continued the international deployment of the 3D Full Motion version of its creative pre-test application: Créaction®. At the end of 2016, 15 countries where the group operates are already equipped, with teams trained and a dedicated community intranet area. At the end of 2016, reflecting the growing importance of digital in our business, a module was added allowing the same improvement in creativity for digital advertising to be undertaken within this tool. Thanks to these advances in ensuring that the visuals are legible and effective, national and international customers have a unique solution for improving the impact of their advertising on the group's supports.



## 1. JCDECAUX'S APPROACH TO R&D

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.

Recent product and service developments have confirmed this strategy such as, in particular, our Self-Service Bicycle scheme, which has become a world reference.

With its new digital products, digital broadcasting and service screens, JCDecaux plays its role as City provider to the fullest and actively contributes to creating the city of tomorrow and to making the environment within transport infrastructures (airports, metros, etc.) more serviceable and harmonious for users.

The year 2016 has above all been one of massive roll-outs of 2sqm outdoor digital screens in London's bus shelters in the United Kingdom and in New York following the purchase of Cemusa. With the finalisation and large scale roll-out of this product, in line with the group's exacting image quality standards, JCDecaux has set a new standard for digital Street Furniture advertising, completed for the New York kiosks by very high resolution outdoor LED screens, which set a new DOOH standard (digital-out-of-home) on 5<sup>th</sup> Avenue in New York.

In 2015 JCDecaux also finished deploying 2,000 new bus shelters in Paris, which should in turn prove to be milestones in the world of street furniture due to the numerous innovations they include, both in terms of the lighting quality of the advertising faces and service components and in terms of energy consumption - a 35% drop compared to previous bus shelters, with numerous additional services - as well as being accessible for people with reduced mobility, with an audible waiting time signal and redesigned access, and finally through the 100 interactive e-Village<sup>®</sup> screens that provide the town with a real platform for exchange with residents and visitors.

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.

JCDecaux associates architects and internationally reputed designers with its developments. Among them, Philippe Starck, Lord Norman Foster, Robert A.M. Stern, Mario Bellini, Jean-Michel Wilmotte, André Poitiers, Patrick Jouin, Mathieu Lehanneur, Carlos Bratke, Ruy Ohtake and also Marc Aurel, who designed the Paris bus shelters.

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

Eco-design principles are incorporated into the product designs. The materials used are of the highest quality and maximum strength to ensure the furniture has a long lifespan and can be maintained over several decades. 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 organisation is constantly evolving to ensure it is even more adaptable and more responsive to technological changes for the new needs of our principals and advertisers. This strengthened our cross-disciplinary approach and activity management in project mode, as well as upstream research activities. JCDecaux's R&D organisation is also changing to become more open to the outside world to allow new partnerships such as start ups or research centres to be directly integrated into the innovation process.

The organisation of R&D evolved in 2015 and 2016 to structure furniture industrialisation activities - a key axis for progress due to the growing complexity of devices, especially digital ones - around the coordination teams. The renewal of components accelerated, as the product lifespan does. This requires ongoing integration and qualification capabilities.

The constant search for design excellence and the integration of sustainable development into our design activities has been rewarded on several occasions, through prestigious awards such as the Good Design award (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.

In December 2012, in New York, JCDecaux was presented with the "Ingenuity Award", an international award organized by the Financial Times and Citi, for the "Infrastructure" category for its Vélib' Self-Service Bicycle scheme that has been operating in Paris since 2007. This award, under the theme of "Urban ideas in Action", recognizes companies, teams and organisations that have developed innovative solutions to deal with urban challenges. This distinction rewards the pioneering spirit of JCDecaux which, in 2003, launched the first Self-Service Bicycle scheme in Vienna, Austria. Since then, 70 cities across the world have successfully adopted our Self-Service Bicycle scheme.

In October 2014, JCDecaux won the digital services prize of the year for its Marc Aurel Design connected bus shelters installed in Paris. This trophy, organized by Usine Nouvelle, honours the implementation of a service which significantly improves the added value provided to customers, partners and employees.

In June 2015, JCDecaux was awarded the "Grand Prix Design de la Réussite" for its commitment to promoting France's success abroad through design.

In July 2015, JCDecaux received the "JANUS de la Cité 2015" from the Institut Français du Design for its new bus shelter designed by Marc Aurel for the city of Paris.

## 2. NUMEROUS AWARDS AND CERTIFICATIONS

The consistent efforts and results obtained in terms of mastering the design process and the commitment to sustainable development have also been recognized by the renewal in 2015 of research and development activities managed by the Research, Production and Operations Department following the external audit for ISO 9001 and ISO 14001 certifications.

### 3. RECENT INNOVATIONS

We made significant breakthroughs in the area of acquisition of expertise and the development of products based on digital technologies. Our GRPOD (General Research, Production and Operations Direction) teams put out a full range of equipment for meeting indoor and outdoor needs. These included: LCD and LED displays in formats ranging between 32" (in the case of digital escalators) and 98", such as those deployed in the Shanghai airports, LED displays with a 20 mm to 2.5 mm pitch depending on use. These screens are accompanied by interactive e-Village® solutions using Android architecture and currently deployed in such diverse contexts as US airports, Paris bus shelters and the Brussels metro. These products have been developed and selected after extensive evaluation procedures (laboratory tests, field trials, comparative tests with the manufacturers), ensuring that JCDecaux has the technically best performing products and those which create the best 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 Barcelona, the Paris airports) and in Asia (Shanghai and Singapore airports), as well as in other continents, for example the Digital Clocks in São Paulo and the large-format digital billboards in Chicago.

JCDecaux took advantage of the arrival of COP21 in Paris in December 2015 to show and to allow users to try out the next generation of its Self-Service Bicycle scheme, by setting up a bike station in the square outside the Hôtel de Ville in Paris:

- completely self-sufficient in energy and installed without structural engineering works in order to enable rapid roll-outs without disturbing local residents
- equipped with electric bikes powered by a lightweight portable battery designed by JCDecaux, allowing electric-powered travel with minimal constraints for cities

The feedback from the 468 individuals who tested the bike on an urban circuit was very positive overall, with an average score reflecting the appreciation of the experience of 8.6/10.

Current competitive tenders for Self-Service Bicycle schemes will be the opportunity to translate and adapt this technology to the different needs of the cities, by completely redesigning the User Experience to modernise and fully integrate it in a seamless, "mobile-first" and omni-channel environment.

We are also continuing to devote time to innovating in interactivity technologies, with the development of service and advertising platforms using open source Android technologies, GPS, NFC and integration of social networks. Furthermore, we are stepping up our research into new technical solutions around the themes of Smart City, Big data and Open data adapted to the urban environment. For example, most of the street furniture in Paris was equipped in fall 2015 with Bluetooth Low Energy beacons, which are now used to facilitate data entry by JCDecaux field teams and which may be enriched with additional functionalities in the coming years.

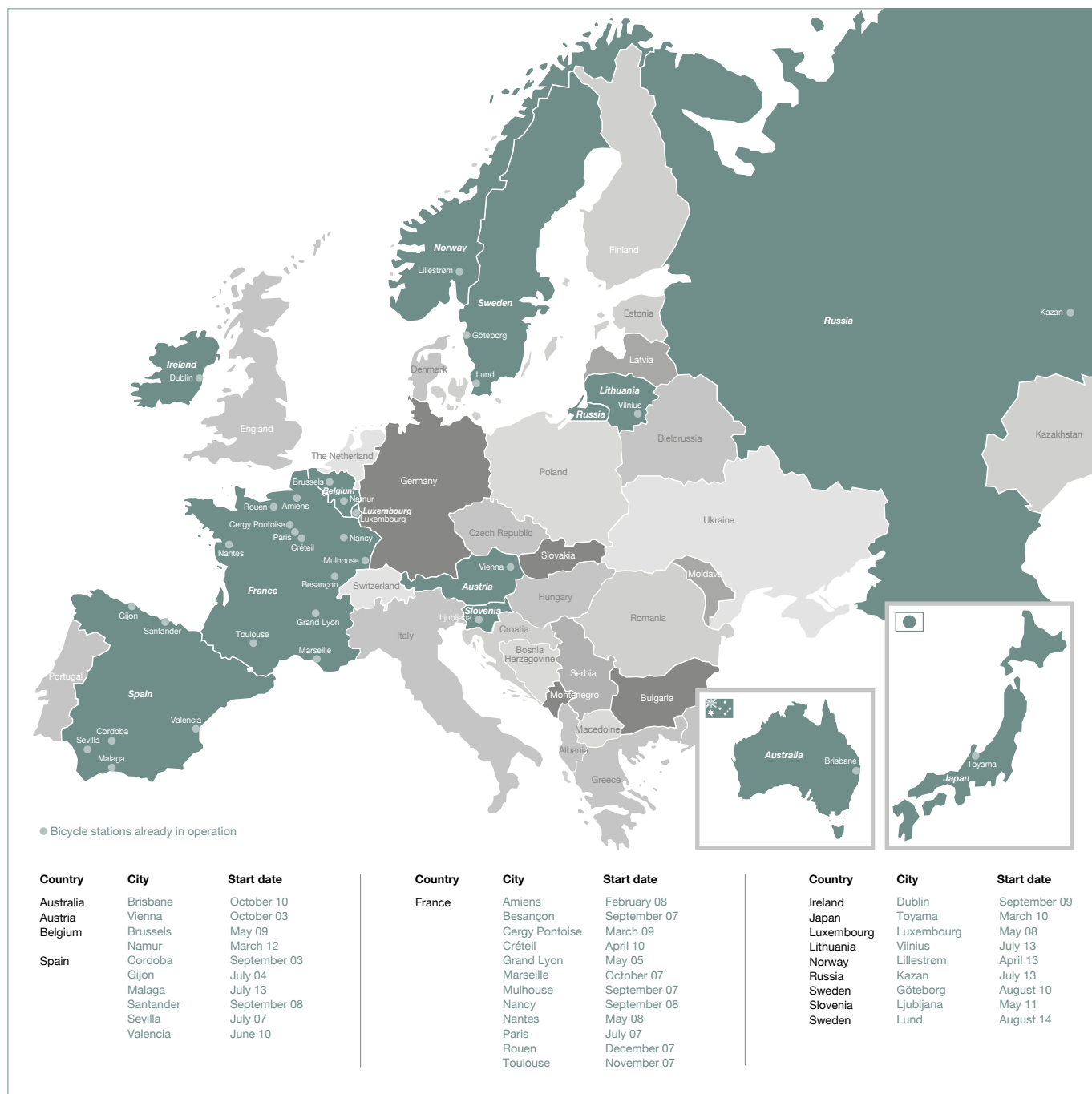
The Digital Signage Platform, under development since 2010 and responding to all of the challenges relating to the group's digital supply chain, has also been enriched, in particular with new monitoring function that are gradually being introduced into the countries and that will allow the operational teams to watch over the quality of the service provided to the advertisers, corporate landlords and cities. The teams in charge of the platform, under the internal supervision of the International Operations Department, continue to develop the integrated tools in order to ensure the control and integrity of digital content to be disseminated, to programme content ('scheduling') in an elaborate and adaptable way for each digital installation, and to secure the dissemination of information.

Already widely deployed, the platform will continue to support the group's digital development. At 31 December 2016, more than 11,000 screens were managed by the platform's intermediary.

Finally, in terms of the sustainable development policy, JCDecaux's R&D teams have produced important studies on the adaptation of 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 continue to validate full-scale autonomous energy prototypes.

The portfolio included about 1,884 patents and models, thus demonstrating our commitment to this policy, as well as the creative vitality and innovative power of our teams.


## International footprint of JCDecaux's self-service bicycle schemes









 Digital bus shelter on 5<sup>th</sup> Avenue in New York, United States.



# SUSTAINABLE DEVELOPMENT

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## NOTE ON THE SUSTAINABLE DEVELOPMENT SECTION:

- The scope covered by the extra-financial data represents 96.3% of the group's consolidated revenues and workforce (in FTEs), unless otherwise indicated in the text accompanying the data presented
- In accordance with Decree no. 2012-557 of 24 April 2012, the social, environmental and stakeholder information in relation to the application of article 225 of the Grenelle 2 law is included in the JCDecaux SA Management Report, available on the group's website in the Investors section, in the Extra-financial information sub-section
- A limited assurance report attesting to the presence and fairness of the 2016 information was prepared by audit firm EY, and is also available in the JCDecaux SA Management Report. The information contained in the Management Report is identified by the symbol ✓ in this report
- Topics identified by the symbol 🔍 are the subject of a specific focus
- GRI G4 (core criteria): a content index table mapping GRI G4 indicators with JCDecaux's extra-financial information as presented in this Annual Report, is available on the group's website in the Investors section, in the Extra-financial information sub-section

## 1. OUR VISION: FOR INTELLIGENT AND RESPONSIBLE CITIES AND MOBILITY SERVICES

### 1.1. Governance (cf. chapter page 192)

### 1.2. Perspectives for intelligent and responsible cities and mobility services

The transversal approach of Sustainable Development allows the company to anticipate future changes that may impact its business and to study the risks and market opportunities. For JCDecaux, the integration of Sustainable Development in the company's strategy facilitates the management of risks related to environmental and social challenges and is a driver of innovation and an asset to medium and long-term economic development.



#### ACCELERATING GLOBAL URBANISATION AND DEVELOPMENT OF TRANSPORT

##### CONTEXT AND OUTLOOK

**66 %** of the world's population will live in urban areas by 2050 <sup>1</sup>

**90 %** of the increase in the number of city dwellers will be in Africa and Asia <sup>1</sup>

The number of air passengers will **double** by 2035 (compared with 2014) <sup>2</sup>

- Emergence of more and more "global cities" in developing countries; they will be keen to offer residents more services: greater accessibility, connectivity, mobility, etc.
- Growth of the outdoor advertising audience in cities
- Increased environmental impact of cities and transport systems and search for low-carbon solutions

##### OPPORTUNITIES AND RISKS FOR JCDECAUX

- Faster urbanisation strengthens JCDecaux's international development strategy, particularly in emerging countries
- This development offers new opportunities for technological, societal or environmental innovations through new products and services that meet or even anticipate the needs of these "global cities" and major airports of tomorrow
- Increased urbanisation and global presence provide a wider audience for advertisers *via* global, national and local networks



#### CLIMATE CHANGE

##### CONTEXT AND OUTLOOK

Global greenhouse gas emissions will have to be reduced by between **40 %** and **70 %** by 2050 (from their 2010 level) to limit global warming to 2°C by 2100 <sup>3</sup>

Cities are responsible for **70 %** of CO<sub>2</sub> emissions <sup>4</sup>

**70 %** of natural disasters are climate-related, almost twice as many as 20 years ago <sup>5</sup>

- Companies must align their targets for reducing greenhouse gas emissions with the two-degree trajectory set out in the Paris Agreement (COP 21)
- Companies need to adapt their products and services to the new climate context (higher temperatures and rising sea levels, increased number of extreme events, greater scarcity of water resources, etc.)
- Cities are anxious to find solutions to mitigate their environmental impact and help them adapt to climate change

##### OPPORTUNITIES AND RISKS FOR JCDECAUX

- The reduction of JCDecaux's energy consumption to align with the two-degree trajectory is a major challenge for the group, and an opportunity to further strengthen its competitive advantage
- Significant opportunities exist to develop new services around climate change adaptation for cities: pollution measurement sensors to alert on pollution spikes, extreme climate events warnings, participation in the development of biodiversity in cities (e.g. revegetation of street furniture), etc.



## DIGITAL TRANSFORMATION

### CONTEXT AND OUTLOOK

**80** billion objects connected worldwide by 2020, up from 15 billion in 2012 <sup>6</sup>

By 2020, the majority of the business activity of

**50 %** of the “Global 2000” companies will depend on their ability to create improved digital products, services and experiences <sup>7</sup>

**14 %** yearly increase in the global smart city market, from \$507 billion in 2012 to \$1,300 billion in 2019 <sup>8</sup>

- ➔ Continued growth of the Internet of Things (IoT) and proliferation of communication channels, causing the fragmentation of traditional media offers
- ➔ Increased data generation (big data) and greater need to master and exploit “smart data”
- ➔ Search by advertisers for innovative solutions enabling them to better target a more mobile and more connected audience eager for interactivity
- ➔ Increased need for smart urban services to facilitate information and transit flows in cities
- ➔ Need to rein in energy consumption

### OPPORTUNITIES AND RISKS FOR JCDECAUX

- Outdoor advertising is the only real mass media not affected by the fragmentation of media offers, because the use of cities and transport systems continues to grow
- Digital transformation offers prospects for the development of new services for JCDecaux – digitisation of media, development of interactive content and connectivity services (small cells, Wi-Fi, etc.) – serving cities, transport companies and advertisers alike
- This transformation also reinforces the need for greater control of energy consumption and the implementation of ever more sophisticated data security and data protection systems



## CHANGING CONSUMPTION PATTERNS

### CONTEXT AND OUTLOOK

The number of cloud-based collaborative platforms is set to **triple** by 2018 to 450 <sup>7</sup>

The number of members of shared mobility solutions is set to multiply by **15** between 2010 and 2020 <sup>9</sup>

Humanity consumes the renewable natural resources of **1,6** planets each year <sup>10</sup>

- ➔ New business models offering collaborative platforms and new information channels are emerging
- ➔ People increasingly want services that meet their constantly changing needs, and to have access to these services without owning the objects in question
- ➔ Cities want to provide their residents with shared service solutions (soft mobility, concierge services, etc.)

### OPPORTUNITIES AND RISKS FOR JCDECAUX

- This trend reinforces the pertinence of JCDecaux’s business model based on the functionality economy – the company retains ownership of the furniture it makes available to cities and transport companies, and can refurbish it when the contract expires
- This changes increase the prospects to create new opportunities for the development of new services (kiosks offering concierge services, etc.) serving cities and residents and for the development of JCDecaux’s self-service bicycle systems



## CHANGING EXPECTATIONS REGARDING CORPORATE SOCIAL RESPONSIBILITY

### CONTEXT AND OUTLOOK

Companies are faced with mounting public expectations calling for greater transparency and accountability in the fields of ethics, human rights, responsible marketing, etc.

In 2016, the implementation of a responsible marketing approach improved stakeholder relations for **65 %** of the marketing directors of 44 brands with a strong worldwide reputation (gain of 17 points vs 2014) <sup>11</sup>

- ➔ Expansion of soft law, which takes corporate responsibility beyond its traditional scope to include subsidiaries, joint ventures, business partners, subcontractors and suppliers
- ➔ Increased stakeholder expectations in terms of respect for the environment, human rights, ethics and responsible marketing
- ➔ Social responsibility of the media in respect of content broadcast and its impact on audiences

### OPPORTUNITIES AND RISKS FOR JCDECAUX

- The integration of these developments provides JCDecaux with capacity for strategic differentiation, an enrichment of its relations with its stakeholders and a lever for environmental, social and societal innovation
- JCDecaux’s concept of extended supplier responsibility translates into a proactive, responsible purchasing approach that ensures reliable and quality supplies
- The management of advertising content is an essential part of JCDecaux’s stakeholder policy: it is vital to ensure that content follow regulations, offend public sensibilities or fail to live up to public expectations

<sup>1</sup> United Nations World News Centre, World Urbanisation Prospects, 2014

<sup>2</sup> IATA, Air Passenger Forecasts, 2014

<sup>3</sup> IPCC, Fifth Report on Climate Change and Future Developments, 2015

<sup>4</sup> UN Habitat, Global Report on Human Settlement, 2011

<sup>5</sup> WWF, Reinventing cities as a new ecosystem, 2015

<sup>6</sup> Idate, The Internet of Things Market, 2013

<sup>7</sup> International Data Corporation, IDC FutureScape Report, 2016

<sup>8</sup> UN Habitat, Urbanization as a Transformative Force, 2016

<sup>9</sup> Interministerial Centre for Prospective and Anticipated Economic Change (Pipame), Innovative Uses of the Car and New Mobility, 2015

<sup>10</sup> Global Footprint Network, WWF, Living Planet Report, 2016

<sup>11</sup> ADEME et al, Succeeding with Responsible Marketing, 2016

# JCDECAUX'S SUSTAINABLE DEVELOPMENT POLICY

The analysis of these perspectives, their impacts and associated opportunities and risks, makes it possible to anticipate the consequences of economic, social and environmental issues on JCDecaux's business activities and, to provide concrete operational responses. The main points raised by this analysis were integrated into the development process of JCDecaux's materiality matrix. The matrix helps identify and classify the company's priority issues with regard to its understanding of the expectations of its stakeholders.

## 2. OUR SUSTAINABLE DEVELOPMENT STRATEGY

### 2.1. The reflection of the issues we face: JCDecaux's materiality matrix

In 2013, JCDecaux set up its materiality matrix internally, which combines the group's environmental, social and stakeholder issues with the main expectations of its stakeholders. To identify and classify the priority issues for the group and its stakeholders, different tools were used:

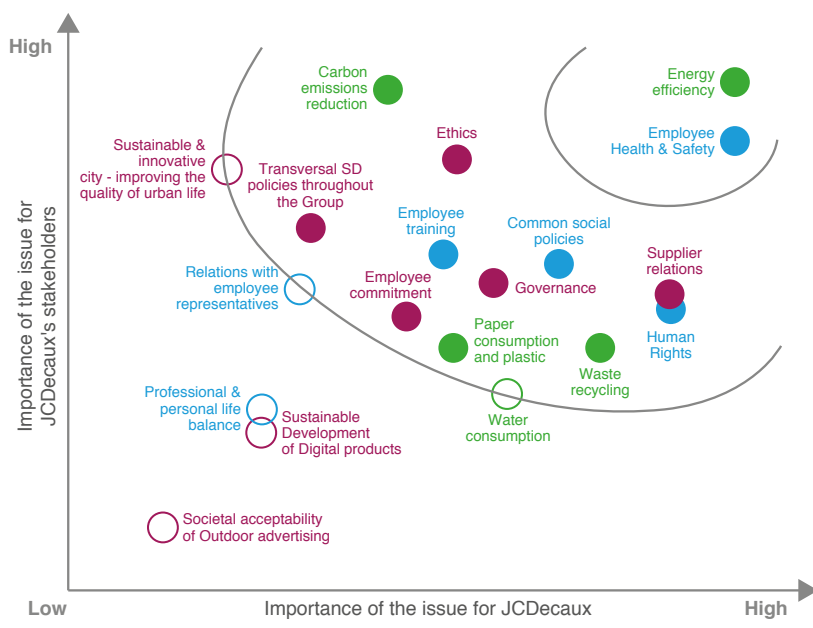
- the study of macro-issues and the risks and opportunities arising from them
- internal mapping of JCDecaux's stakeholders (the individuals or groups of individuals who have an impact on or are impacted by the company), and identification of their key expectations

- internal interviews with JCDecaux managers in contact with stakeholders: regional directors (Europe, Asia, North America, Latin America, etc.), operational and functional directors (Strategy, Research and Marketing, Advertising, Finance, Sales and Development, City Relations, Human Resources, Public Affairs, etc.)

- media monitoring

This information was then combined in a materiality matrix, which helped to highlight the most important issues for both JCDecaux and its stakeholders.

#### JCDecaux's materiality matrix:



#### Major challenges

Challenges at the heart of the evolution of JCDecaux's economic model

#### Important challenges

Challenges contributing to the creation of value in the short, medium and long term

#### Emerging challenges

Challenges that may eventually constitute a risk or an opportunity for JCDecaux

- Environmental issue
- Social issue
- Stakeholder issue

Once the strategic challenges were identified in the materiality matrix, JCDecaux was able to define its Sustainable Development Strategy in line with its business strategy, the business activities of its subsidiaries and the expectations of its stakeholders.
























This strategy, which sets out priority actions for the group and its subsidiaries, is deliberately operational, based on six priorities, with associated action plans and qualitative and quantitative targets.






In view of the changes in its business and in the expectations of its stakeholders, JCDecaux plans to carry out a new materiality study in 2018 in order to reassess its priorities and update its Sustainable Development Strategy with new long-term objectives.

### 2.2. Strategy and objectives

The Sustainable Development Strategy comprises six priorities, balanced between the three pillars of sustainable development: environment, social and stakeholder. The objective of this Strategy is to coordinate the group's action in the field of sustainable development.

## Summary table on strategic priorities, objectives and results:

| OUR STRATEGIC PRIORITIES  | OUR COMMITMENTS   | OBJECTIVES  | RESULTS  |   |  |   |
|---|---|---|--|---|--|---|
|   |   |   | 2015   | 2016                                      | Indicator  |   |
|  <b>REDUCE OUR ENERGY CONSUMPTION</b>                                      | Reduce furniture electricity consumption                          | Achieve a 15% reduction in energy consumed by analogue furniture by 2020 (vs. 2012)   | (0.8%)   | (0.2%)                                    |   |   |
|   |   | Offer digital furniture with energy consumption reduced by 50% for LCD screens and 15% for LED screens by 2020  | (66%) <sup>(1)</sup><br>(25%) <sup>(2)</sup>   | (23%) <sup>(3)</sup>                      |   |   |
|   | Reduce vehicle energy consumption                                 | Cover 100% of the group's electricity consumption with renewable electricity by 2022  | 37 %   | 47 %                                      |   |   |
|   |   | Reduce fuel consumption per 100 km by 20% by 2020 (vs 2012)   | (16.8%)  | (13.5%)                                   |   |   |
|  <b>REDUCE OUR OTHER ENVIRONMENTAL IMPACTS</b>                             | Improve the use and recycling of paper posters                    | 100% of the paper posters printed by JCDecaux should carry a PEFC, FSC or equivalent label by the end of 2015   | 78.6%  | 83.3%                                     |   |   |
|   |   | 90% of paper posters to be recycled by 2018   | 72.6%  | 74.3%                                     |   |   |
|   | Increase waste recycling  | Improve recycling of PVC  | 100% of canvas containing PVC to be recycled in the European Union by the end of 2016  | 31.4%                                     | 40.5%  |    |
|   |   | 90% of waste to be recycled by 2020   | Reduce unsorted waste per m <sup>2</sup> of advertising space by 50% by 2018 (vs 2012) | 59.3%                                     | 61.6%  |    |
|   |   |   |  |   | 21.2%  | 0.6%  |
|  <b>DEPLOY A GROUP-WIDE HEALTH &amp; SAFETY POLICY</b>                   | Establish a Health & Safety Policy                                | 100% of countries to have established a Health & Safety risk identification and assessment procedure by 2018  | -  | 51%                                       |    |   |
|   |   | 100% of employees identified in the training matrix to be trained in Health & Safety by 2018  | 61% <sup>(4)</sup>   | 74% <sup>(4)</sup>                        |   |   |
|   |   | 100% of countries where the group operates to have developed an action plan and a Health & Safety manual in accordance with the group's recommendations by 2019 | -  | ... <sup>(5)</sup>                        |  |   |
|  <b>IMPLEMENT AN AMBITIOUS GROUP-WIDE SOCIAL POLICY</b>                  | Deploy JCDecaux's Charters  | 100% of countries to comply with the principles set out in the International Charter of Fundamental Social Values by 2015                                       | 99%  | 100%                                      |   |   |
|   |   | Employee training on the Charters to be deployed in 100% of the countries where the group is in charge of management by 2016                                    | -  | 100% <sup>(6)</sup><br>24% <sup>(7)</sup> | <br> |   |
|  <b>REINFORCING SUSTAINABLE DEVELOPMENT IN THE PURCHASING POLICY</b>     | Deploy the Code of Conduct of Suppliers                           | 90% of JCDecaux suppliers to have signed JCDecaux's Supplier Code of Conduct by 2018  | 64% <sup>(8)</sup>   | 58% <sup>(8)</sup>                        |   |   |
|   |   | Evaluate suppliers  | 100% of key suppliers to be assessed annually by 2015                                  | 29%                                       | 39%  |  |
|   |   |   | 100% of key suppliers to be audited every three years by 2017                          | -   | 15%  |  |
|  <b>STRENGTHEN EMPLOYEES' COMMITMENT TOWARDS SUSTAINABLE DEVELOPMENT</b> | Deploy an employee awareness raising programme on the environment | Programme to raise employee awareness on the environment to be deployed in 100% of countries by 2015  | 31%  | 38%                                       |   |   |

 Achieved    
  On track    
  Point of vigilance    
  Partially achieved    
  Not achieved

(1) LCD indoor  
 (2) LED indoor  
 (3) LED outdoor  
 (4) % of countries which have established a matrix

(5) Reporting scheduled for 2017  
 (6) Anti-corruption training  
 (7) Training on Charters  
 (8) % of key suppliers

Detailed and descriptive reporting of each of the strategic priorities is presented in the following chapters: "Our environmental commitment", "Our social commitment" and "Our stakeholder commitment". Objectives not achieved or partially achieved will be reviewed in 2017 so as to analyse the causes of their non-achievement, draw up new action plans and set new targets.



## 2.3. JCDecaux's support of the Sustainable Development Goals and the United Nations Global Compact

Through the Sustainable Development Strategy and its priorities, and the group's contribution to the emergence of smart and sustainable cities, JCDecaux plays a particular role in 9 of the 17 Sustainable Development Goals laid down by the United Nations:



JCDecaux's commitment to supporting smart and sustainable cities is described in the "Our stakeholder commitment" chapter.

JCDecaux further confirmed its commitment to human rights, labour law, environmental protection and the fight against corruption by signing the United Nations Global Compact in November 2015. The vision of the United Nations Global Compact is to make the world economy more stable and inclusive, in order to benefit people, local communities and markets.

As a signatory of the UN Global Compact, and in line with its Sustainable Development Strategy, JCDecaux is committed to supporting and implementing the ten principles of the Global Compact and to publishing an annual "Communication on Progress" setting out its internal efforts to apply their ten principles. This report is available on the JCDecaux website in the Investors section, Extra-financial information sub-section.

## 3. ORGANISATION AND MANAGEMENT OF THE SUSTAINABLE DEVELOPMENT STRATEGY

### 3.1. Sustainable Development and Quality Department

The field of action of the Sustainable Development and Quality Department covers all the group's activities. It reports directly to a member of the Executive Board and provides an update on JCDecaux's extra-financial performance to the Executive Board three times a year, describing progress on the priorities of the Sustainable Development Strategy in the group's countries and suggesting new initiatives. Its main tasks are to:

- propose and ensure the facilitation and coordination of the Sustainable Development Strategy
- bring together and support the business lines and subsidiaries to define and implement their sustainable development programmes in line with the group's Sustainable Development Strategy
- validate and consolidate the group's extra-financial data
- respond to internal and external stakeholders' expectations regarding issues related to sustainable development
- lead JCDecaux's Quality Policy

For the deployment of the Strategy, the Sustainable Development and Quality Department relies on "sponsors" and a network of Sustainable Development correspondents.

### 3.2. Sponsors

The sponsors provide the operational and technical expertise necessary to manage the strategic priorities. This selection of senior operational managers as sponsors shows the importance the group attaches to everyone's ownership of sustainable development issues and the degree to which they are integrated into the everyday work of the group.

They are tasked with steering and monitoring their strategic priorities, assisting the Sustainable Development Department in setting objectives and monitoring results, and supporting any subsidiaries that request help to roll out action plans.

### 3.3. Sustainable Development networks

**Sustainable Development correspondents** are appointed in all subsidiaries where the Sustainable Development Strategy is deployed. They are members of their country's Management Committee, and serve to raise awareness on the subject and to circulate information locally. They are responsible for implementing and monitoring the action plans of the Sustainable Development Strategy within the subsidiaries.

For the reporting of extra-financial information, one or more **reporting correspondents** are appointed by country. They collect, analyse and consolidate the extra-financial information of their countries before reporting it to the group.

### 3.4. Deployment of the Sustainable Development Strategy

In 2016, the Sustainable Development Strategy was deployed in eight new countries of the group, namely South Africa, Costa Rica, Guatemala, Italy, Panama, Peru, Dominican Republic and El Salvador. At the end of 2016, this Strategy covers 94% of the group's revenues.

Throughout the year, the Strategy is managed by the Sustainable Development and Quality Department, the sponsors, the Operational Departments of the countries and the sustainable development and reporting correspondents locally. This monitoring involves the quarterly review of extra-financial data and regular exchanges for the monitoring of action plans.

The Executive Board reviews progress on the Strategy several times a year. During these reviews, the priorities, their content and objectives set may be revised in light of progress made, changes in the business or the context.

The monitoring indicators for each priority are presented yearly in the Annual Report.

### 3.5. Methodological note on extra-financial reporting

#### Reporting scope

All of the group's activities – street furniture, transport and billboards – are included in the scope of extra-financial reporting, excluding the activities of suppliers and subcontractors.

In 2016, the extra-financial reporting scope was extended to include three new countries, Peru, El Salvador and South Africa, as well as the activities of Cemusa, an entity acquired by JCDecaux in 2015, which operates in Brazil, the United States, Spain and Italy. The social data of 13 countries in sub-Saharan Africa have also been included in the extra-financial reporting scope.

The scope covered by extra-financial reporting in 2016 represents 96.3% of the group's revenues and FTEs.

#### Reporting process

In 2010, JCDecaux launched an online IT solution for extra-financial reporting that covers the three pillars of the Sustainable Development Strategy (environmental, social and stakeholder). This application enables the capture, control and consolidation of the indicators, the publishing of reports and the provision of the necessary documentation for data collection and for the control of information feedback.

The feedback of data from group subsidiaries is based on the network of reporting correspondents charged with collecting, monitoring and validating extra-financial data at the subsidiary level.

Extra-financial data collection campaigns are conducted quarterly for "flow" indicators (e.g. energy consumption, generated waste, etc.) and annually for "stock" indicators (e.g. breakdown of employees). Quarterly data collection makes the information communicated by the subsidiaries more reliable. Data correction is ended as at 31 December each year.

Once the data has been entered into the application, it is controlled by the Sustainable Development and Quality Department, which performs consistency checks and reviews discrepancies. The validated data is then consolidated according to the accounting consolidation method, called "adjusted", in order to ensure coherence with the financial reporting.

Since 2012, the group's extra-financial data has also been audited annually by an independent third-party in accordance with the requirements of Article 225 of the French Law of 12 July 2010 on the national commitment to the environment.

Thus, despite the diversity of the group's activities and constant evolution of its operational scope, JCDecaux is continuing its efforts to have audited, and increasingly reliable data to help steer the Sustainable Development Strategy.

#### Use of reporting

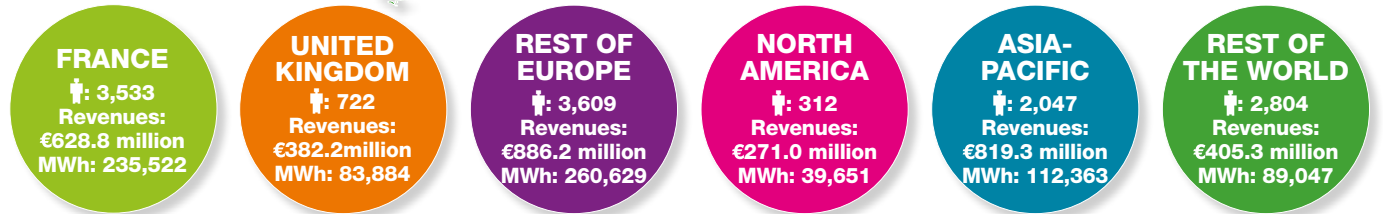
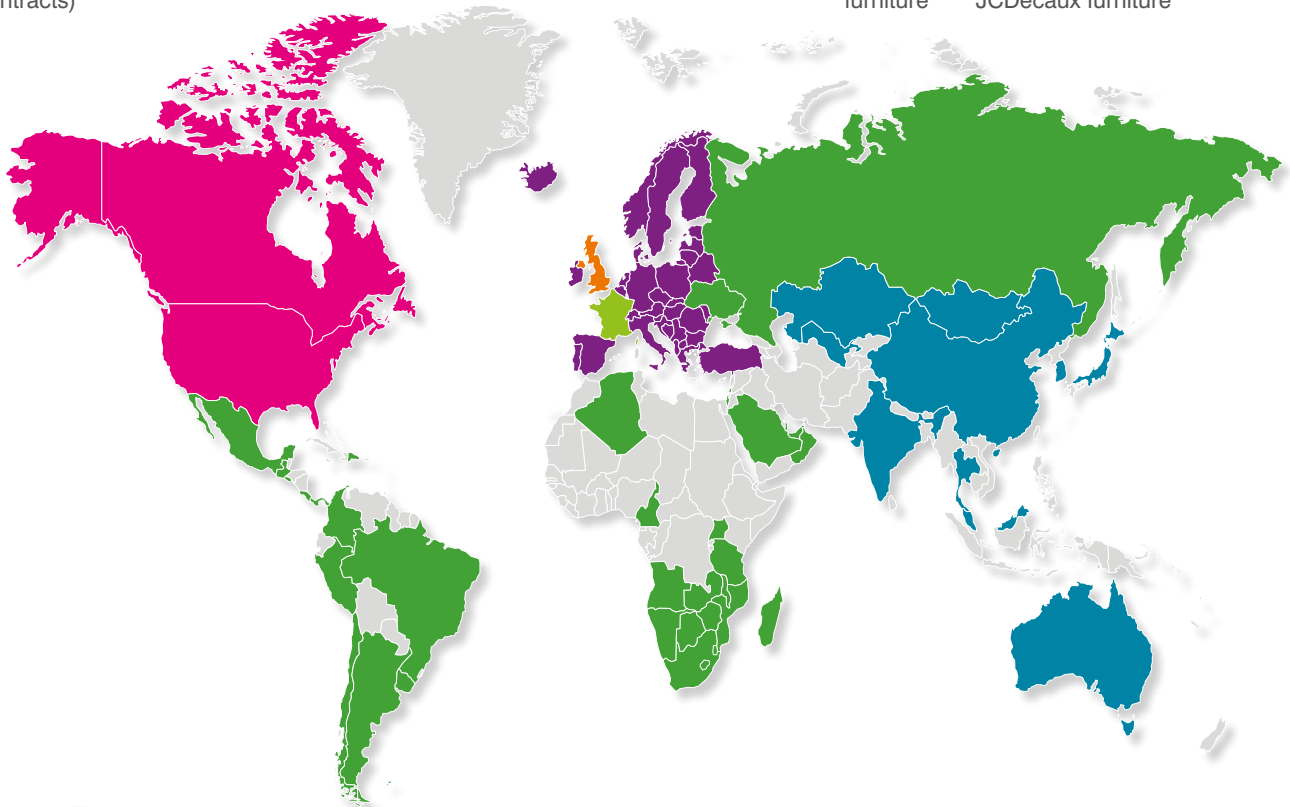
In order to fully exploit the data gathered, the Sustainable Development and Quality Department produces scoreboards several times a year to chart the extra-financial performance and review action plans and results of its main subsidiaries.

The data is also included in the Annual Report, and further serve to respond to the requirements of extra-financial rating agencies and socially responsible investors.

A methodological note, setting out the specificities of the reporting process and giving details on certain indicators, is included in the Management Report on JCDecaux's website in the Sustainable Development section, Extra-financial information sub-section.

4. JCDECAUX IN 2016 – KEY FIGURES

|  |                                     |  |                         |  |   |   |  |
|--|-------------------------------------|--|-------------------------|--|---|---|--|
| <b>13,027</b><br>employees<br>in FTE<br>(93.5% with<br>permanent<br>contracts) | <b>€3,392.8</b><br>million revenues | <b>821,096</b><br>MWh of energy<br>consumption | <b>+75</b><br>countries | <b>4,435</b><br>cities with more than<br>10,000 inhabitants<br>equipped with<br>JCDecaux furniture | <b>220</b><br>airports<br>equipped<br>with<br>JCDecaux<br>furniture | <b>260</b><br>transport<br>concessions<br>(excluding airports)<br>equipped with<br>JCDecaux furniture | <b>+390</b><br>million<br>people<br>in daily<br>audience |
|--|-------------------------------------|--|-------------------------|--|---|---|--|



5. OUR ENVIRONMENTAL COMMITMENT

The Life Cycle Analyses (LCA) and greenhouse gas emissions' assessments regularly carried out by JCDecaux have led to the identification of the main environmental impacts of the company: energy consumption from the operation of its furniture, the materials used for posting campaigns (paper and plastics) and waste management. The reduction of these impacts is a priority for JCDecaux.



## 5.1. Reduce our energy consumption

### Our impact

#### ENERGY CONSUMPTION ✓

Includes electricity, natural gas, district heating, heating oil and fuels

| IN MWH       | 2014           | 2015           | 2016           |
|--------------|----------------|----------------|----------------|
| Furniture    | 599,808        | 605,372        | 653,335        |
| Vehicles     | 113,132        | 114,813        | 120,104        |
| Buildings    | 44,539         | 44,484         | 47,658         |
| <b>TOTAL</b> | <b>757,479</b> | <b>764,668</b> | <b>821,096</b> |

#### ELECTRICITY CONSUMPTION

| IN MWH                  | 2014           | 2015           | 2016           |
|-------------------------|----------------|----------------|----------------|
| Furniture               | 599,808        | 605,372        | 653,335        |
| Buildings               | 24,707         | 23,064         | 25,667         |
| <b>TOTAL</b>            | <b>624,515</b> | <b>628,436</b> | <b>679,001</b> |
| % renewable electricity | 32.1%          | 37.0%          | 47.1%          |

JCDecaux's energy consumption increased by 7% in 2016, mainly due to the increase in furniture consumption because of the expansion of the reporting scope and the addition of the TfL (Transport for London) contract, the world's largest bus shelter advertising concession. Excluding new entities and the TfL contract, electricity consumption dropped by 2%. The increase in energy consumption from vehicles and buildings is also due in large part to the expansion of the reporting scope. The entities integrated in 2016 represent 69% of the increase in consumption from buildings and vehicles.

### Commitment no.1: reduce furniture electricity consumption

#### Our challenges

#### More than a million furniture installations worldwide

#### Our actions

JCDecaux defined **lighting standards** for new furniture installed under new contracts. Consumption thresholds by furniture type have been determined, in terms of power, intensity and light uniformity. The use of LED technology offers energy savings of over 60% compared to the consumption of ferromagnetic tubes and 50% compared to electronic tubes. By linking LED technology to a system modulating lighting intensity according to the lighting schedule, the reduction in electricity consumption is even more significant.

JCDecaux also develops **solutions to improve the energy efficiency of furniture already installed**. In 2016, 57% of the countries in which JCDecaux operates had partially renewed the lighting technologies in their existing furniture, by replacing the existing lighting with LED lighting.

#### GREENHOUSE GAS EMISSIONS ✓

JCDecaux's greenhouse gas emissions come from its energy consumption

| IN TEQ CO <sub>2</sub>                                   | 2014           | 2015           | 2016           |
|--|----------------|----------------|----------------|
| Furniture*   | 142,224        | 128,510        | 110,945        |
| Vehicles   | 27,834         | 28,278         | 29,574         |
| Buildings*   | 9,825          | 8,861          | 9,368          |
| <b>TOTAL EMISSIONS</b>                                   | <b>179,883</b> | <b>165,649</b> | <b>149,887</b> |
| Scope 1**  | 31,132         | 31,772         | 33,278         |
| Scope 2***   | 148,751        | 133,877        | 116,609        |
| Emissions prevented by purchase of renewable electricity | 70,576         | 84,407         | 109,460        |

\*These figures include carbon emissions avoided through the purchase of electricity from renewable sources

\*\* Scope 1: All direct emissions, from the combustion of fossil fuels (petrol, natural gas, fuel oil, etc.) from resources owned or controlled by the company

\*\*\* Scope 2: All indirect emissions generated by the purchase of electricity and district heating

The total greenhouse gas emissions from JCDecaux's activities continued to drop in 2016 mainly due to the policy of purchasing renewable electricity which covered 47% of the group's electricity consumption in 2016 (vs. 37% in 2015).

Excluding the deduction of CO<sub>2</sub> emissions avoided through the purchase of renewable electricity, the group's emissions increased by 4% due to the expansion of the reporting scope.

#### Furniture energy consumption represents 79% of JCDecaux's energy consumption

**Digital furniture is installed according to a selective and premium strategy** and is selected on the basis of strict quality and energy efficiency criteria.

JCDecaux also pursued an ambitious **renewable energy purchasing policy**, to cover 100% of electricity consumption by 2022. The renewable-source guarantee certificates meet a stringent set of specifications: purchased electricity must have been produced in the year it was purchased, locally if possible, and exclude large-scale hydraulic works (+10MW). JCDecaux also proposes to integrate renewable energy solutions to supply street furniture. In 2016, 2,167 JCDecaux street furniture installations in 18 group countries incorporated solar panels.

# OUR ENVIRONMENTAL COMMITMENT

## Strategic objectives and results

| OBJECTIVES  | INDICATORS  | 2014  | 2015                         | 2016                          | COMMENTS AND NEXT STEPS  |
|---|---|-------|------------------------------|-------------------------------|--|
| Achieve a 15% reduction in energy consumed by analogue furniture by 2020 (reference year 2012, at constant scope) | % change in electricity consumed by analogue furniture (vs. 2012)           | 0.5%  | (0.8%)                       | (0.2%)                        | <p>Energy consumption from analogue street furniture did not decrease mainly due to the new TfL (Transport for London) contract in 2016, the world's largest bus shelter advertising concession. JCDecaux does not have operational control of the analogue street furniture from this contract to impose an LED lighting standard. Excluding TfL, consumption from analogue furniture dropped by 4.5%.</p> <p>Next steps:</p> <ul style="list-style-type: none"> <li>Continue to convert analogue furniture to LED lighting</li> <li>Establish a new objective which takes into account external growth and new consumption reduction drivers</li> <li>Establish a dialogue with TfL to reduce energy consumption related to this contract</li> </ul> |
| Propose digital furniture with reduced energy consumption by 50% for LCD screens and 15% for LED screens by 2020* | Evolution of LCD screens' theoretical energy consumption per m <sup>2</sup> |       | (66%) (LCD indoor, vs. 2012) |                               | <p>Objective reached for indoor LCD screens.</p> <p>Next step:</p> <ul style="list-style-type: none"> <li>Reduce electricity consumption by 50% for outdoor LCD screens.</li> </ul>  |
|   | Evolution of LCD screens' theoretical energy consumption per m <sup>2</sup> |       | (25%) (LED indoor, vs. 2012) | (23%) (LED outdoor, vs. 2014) | Objective reached  |
| Cover 100% of the group's electricity consumption with energy from renewable sources by 2022                      | % of electricity consumption covered by renewable sources**                 | 32.1% | 37.0%                        | 47.1%                         | Continue to cover increasing amounts of energy consumption with from renewable sources to reach 100% by 2022   |

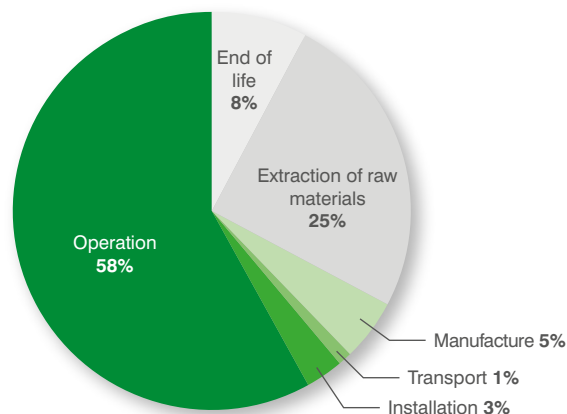
\* Change in the theoretical electricity consumption of new screens by m<sup>2</sup> (given that the size of the screens has evolved since 2012)

\*\* Calculated on the basis of total electricity consumption (furniture and buildings)

### LCA FOCUS

JCDecaux uses Life Cycle Analyses (LCA) to quantify the main environmental impacts (use of resources, climate change, human health and eco-system quality) related to furniture main life cycle stages, from the extraction of its component raw materials through to their disposal at the end of its useful life. Therefore this is a multi-stage and multiple-criteria analysis which enables JCDecaux's Research & Development department to guide the choices made by engineers to eco-design furniture (reduce their environmental impact wherever possible) and, to provide justifications for environmentally-friendly technical choices in responses to competitive tenders. At the end of 2016, 8 furniture families had undergone an LCA. These families represent approximately 74% of the furniture operated by JCDecaux.

An LCA enables the significant areas of greenhouse gas emissions (GHG) to be identified. For example, the breakdown of greenhouse gas emissions from a Foster bus shelter (opaque roof) assembled and installed in France for a 15-year contract term is shown in the following diagram.



The operations phase, which mainly includes street furniture lighting and the posting, cleaning and maintenance carried out by field employees in vehicles, is responsible for the majority of greenhouse gas emissions. In general, this phase is the most significant for contracts longer than 10 years (the most common contract term), regardless of the site and the furniture type - free-standing information panels (MUPIs®), 2m<sup>2</sup> LCD Screens, 8m<sup>2</sup> LED Screens, Self-Service Bicycles and Public Toilets.



## Commitment no. 2: reduce energy consumption of vehicles

### Our challenges

JCDecaux entities worldwide have a fleet of more than 5,300 vehicles mainly used for cleaning, posting and maintenance and for transporting furniture

Fuel consumption represents 15% of the group's energy consumption

### Our actions

From 2006, JCDecaux has developed its own **eco-driving** programme intended for all employees using a company car. This regularly renewed training programme consists in changing drivers' behaviour for a gentler style of driving, in order to reduce both fuel consumption and the number of accidents. Eco-driving is deployed in 59% of group countries.


At the end of 2016, 7% of the vehicles used by JCDecaux were "clean" vehicles.

A process of **logistics rounds optimisation** has been put in place when installing or operating furniture. Maintenance and posting schedules are grouped by type of furniture and by location to limit journey times and fuel consumption.

When renewing and developing its vehicle fleet, JCDecaux promotes the **selection of vehicles with the least environmental impact** (fuel consumption and CO<sub>2</sub> emissions) based on the available solutions and the needs of the activity. Wherever possible, operational employees are equipped with clean vehicles (electric, NGV, LPG, flexifuel and hybrid).

In addition to these actions, certain subsidiaries implemented a process to **offset carbon emissions** resulting from fuel consumption. This is the case in France, Australia, Norway and Sweden.

### Strategic objective and results

| OBJECTIVE   | INDICATOR                                 | 2014    | 2015    | 2016    | COMMENT AND NEXT STEPS  |
|---|---|---------|---------|---------|---|
| A 20% reduction in fuel consumption per 100 km by 2020 (vs. 2012) | Evolution of fuel consumption per 100 km* | (14.7%) | (16.8%) | (13.5%) |  Slight decrease compared to 2015 due in particular to the expansion of the reporting scope.<br>Next steps:<br>» Continue the deployment of eco-driving training across the group<br>» Continue the renewal of the vehicle fleet favouring vehicles with less environmental impact |

\* In 2014, data on the number of km travelled was not available for some countries (Croatia, Turkey, Ukraine, Kazakhstan, Hungary and Italy), therefore the fuel consumption of these countries is not represented in the litre/km indicator in 2014.

## Commitment no.3: reduce energy consumption of buildings

### Our challenges

Buildings' energy consumption represents 6% of the group's energy consumption


JCDecaux owns 11% of the buildings occupied by the group

### Our actions

For the buildings owned by JCDecaux, subsidiaries must carry out an energy audit to identify possible energy consumption reduction measures. For rented buildings, discussions are held with the owners to assess energy consumption and means to reduce it.

When seeking new offices, the buildings' energy performance is systematically reviewed.

### Strategic objective and results

| OBJECTIVE  | INDICATOR  | 2014 | 2015  | 2016  | COMMENT AND NEXT STEP   |
|--|--|------|-------|-------|---|
| Conduct energy audits of buildings owned by JCDecaux by 2015 | % of buildings having undergone an energy audit* | 4.4% | 25.0% | 28.4% |  Next step:<br>» Finalise the energy audits of buildings owned by JCDecaux in subsidiaries not having reached this objective by 2019 |

\* Calculated on the basis of the number of buildings owned by JCDecaux

# OUR ENVIRONMENTAL COMMITMENT



## 5.2. Reduce our other environmental impacts

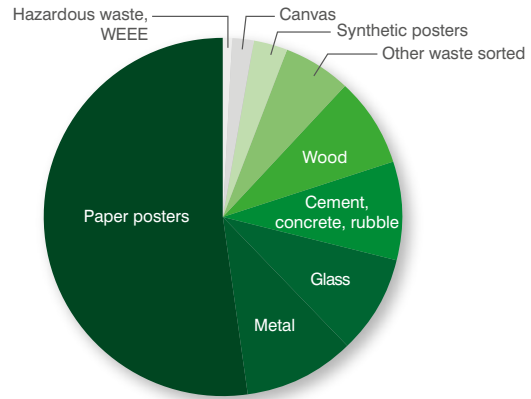
### Our impact

| WASTE GENERATED ✓                 |        |        |        |
|-----------------------------------|--------|--------|--------|
| IN TONNES                         | 2014   | 2015   | 2016   |
| Total waste generated*            | 20,773 | 22,508 | 21,649 |
| % of waste sorted for recycling** | 60.4%  | 59.3%  | 61.6%  |

\* Hazardous waste only represents 0.9% of the total waste generated  
 \*\* The recycling rate also includes other forms of recovery

The volume of waste generated decreased by 859 tonnes in 2016 despite the expansion of the reporting scope. At the same time, the recycling rate increased and reached 62% (vs. 59% in 2015) mainly due to group countries deploying the Sustainable Development Strategy. The waste recycling rate reached by these countries in 2016 is 64%.

### BREAKDOWN OF RECYCLED WASTE SORTED BY TYPE



### Commitment no.1: increase the use and recycling of paper posters

#### Our challenges

Paper posters are at the heart of JCDecaux's business, as the majority of furniture is non-digital

Paper represents more than half the waste sorted by JCDecaux

#### Our actions

For posters printed by JCDecaux, the paper used must be **labelled PEFC, FSC or equivalent**. These third-party certifications guarantee a responsible management process of the forest from

which the wood used to manufacture posters is taken. **All paper posters must be recycled.**

#### Strategic objectives and results

| OBJECTIVES   | INDICATORS                           | 2015  | 2016  | COMMENTS AND NEXT STEPS  |
|--|--------------------------------------|-------|-------|--|
| 100% of the paper posters printed by JCDecaux will carry an FSC, PEFC label or equivalent by the end of 2015 | % of labelled ordered paper posters* | 78.6% | 83.3% | Objective not reached notably due to the difficulty in sourcing locally labelled paper in certain countries<br>Next step:<br>» Continue the deployment of this objective to reach 100% by 2018                                 |
| 90% of the paper posters will be recycled by the end of 2018   | % of paper posters recycled          | 72.6% | 74.3% | Excluding countries not having deployed the Sustainable Development Strategy, the poster recycling rate was 76%<br>Next step:<br>» Strengthen paper poster recycling in the countries which have not yet deployed the Strategy |

\* This indicator does not include volumes of posters ordered by France and Spain. For these countries, although the purchase of labelled paper posters has been set up, volume data were not available.

### Commitment no. 2: increase PVC recycling

#### Our challenges

PVC is a plastic material used in some billboard furniture and large format canvases

PVC canvasses represent more than half the total volume of canvas

#### Our actions

JCDecaux is committed to reducing where possible the use of PVC for canvases, by using **alternative plastics or less-polluting materials**, as long as they meet the operating requirements,

in particular regarding quality and longevity. If no satisfactory substitution solution can be found, PVC advertising canvasses have to be **recycled**.

#### Strategic objective and results

| OBJECTIVE  | INDICATOR  | 2015  | 2016  | COMMENT AND NEXT STEP   |
|--|--|-------|-------|---|
| 100% of PVC canvases recycled in European Union countries by the end of 2016 | % of PVC canvases recycled or reused in the European Union countries | 31.4% | 40.5% | Objective not reached in particular due to the lack of PVC recycling channels in some countries<br>Next step:<br>» Revise the objective due to the difficulties group entities have experienced in finding recycling facilities for PVC and continue to look for substitution materials or recycling channels for this material |

**Commitment no. 3: increase other waste recycling**

**Our challenges**

**21,649 tonnes of waste generated in 2016**

**Our actions**

JCDecaux's objective is to strengthen waste management by **reducing the quantities of waste generated and maximising waste sorting and recycling**. To reduce the quantities of waste generated, the products lifespan is prolonged wherever possible. Thus, in 2016, 50% of the countries in which JCDecaux operates re-used furniture in new contracts or renewed the furniture in ongoing contracts.

**More than 15 types of waste generated and recycled**

This was made possible by the fact that JCDecaux owns the furniture used in its contracts with municipalities and transport companies.

Recycling practices are also regularly reviewed to improve the waste recycling rate. JCDecaux ensures that all hazardous waste and WEEE (waste of electric and electronic equipment) are processed in specialised facilities.

**Strategic objectives and results**

| OBJECTIVES   | INDICATORS   | 2014  | 2015  | 2016  | COMMENTS AND NEXT STEPS   |
|--|--|-------|-------|-------|---|
| Reach 90% of recycled waste by 2020  | % of waste sorted for recycling  | 60.4% | 59.3% | 61.6% | <p>No substantial improvement in the recycling rate mainly due to the expansion of the extra-financial reporting scope and the diffuse nature of JCDecaux's activity. The spread of activities over a very large number of sites in more than 75 countries with very diverse recycling practices makes waste management centralisation and optimisation complicated.</p> <p>Next step:</p> <ul style="list-style-type: none"> <li>Continue the improvement of recycling practices in all countries</li> </ul> |
| Reduce by 50% unsorted waste per m <sup>2</sup> of advertising space by the end of 2018 (vs. 2012) | Change in quantity of waste not sorted by m <sup>2</sup> of advertising space (vs. 2012) | 10.4% | 21.2% | 0.6%  | <p>Stability of the rate of non-sorted waste compared to 2012 and net improvement compared to 2014 and 2015. The countries having deployed the Sustainable Development Strategy registered an 8.5% reduction compared to 2012.</p> <p>Next steps:</p> <ul style="list-style-type: none"> <li>Continue the improvement of recycling practices in all countries</li> <li>Review the objective to better take into account the external growth of the group</li> </ul>   |

**Commitment no. 4: encourage the deployment of the ISO 14001 certification**

**Our actions**

JCDecaux encourages the deployment of the **ISO 14001** certification in all group subsidiaries. At the end of 2016, 15 countries were certified ISO 14001 – Spain, Norway, France, Italy, Portugal, the United Kingdom, Sweden, Finland, Ireland, the Netherlands, Belgium, the United States, Australia, Denmark and Hungary – representing 53% of JCDecaux's revenues.

A good practices guide to set up an environmental management system complying with ISO 14001 was drawn up by the Sustainable Development and Quality Department, together with the certified subsidiaries, and made available to all the group's subsidiaries.

5.3. Water management

**Our impact**

| WATER CONSUMPTION ✓             |         |         |         |
|---------------------------------|---------|---------|---------|
| IN M <sup>3</sup>               | 2014    | 2015    | 2016    |
| Total water consumption         | 148,773 | 143,098 | 155,825 |
| Including rainwater consumption | 6,142   | 6,064   | 4,524   |

The volume of water consumed in 2016 increased by 9% mainly due to the expansion of the reporting scope. These new countries are responsible for three-quarters of the increase in 2016.

The number of countries having implemented a rainwater recovery process remained stable.

**Our actions**

The cleaning methods of furniture and vehicles are regularly reviewed **to reduce the quantity of water used** whilst ensuring high quality washing. To further save water resources, JCDecaux uses two methods to **recover rainwater**:

- rainwater is collected in tanks by agencies and transferred to reservoirs in field employees' vehicles to clean furniture
- rainwater is collected in the street furniture to have water for cleaning directly available (e.g. Patrick Jouin public toilets, columns)

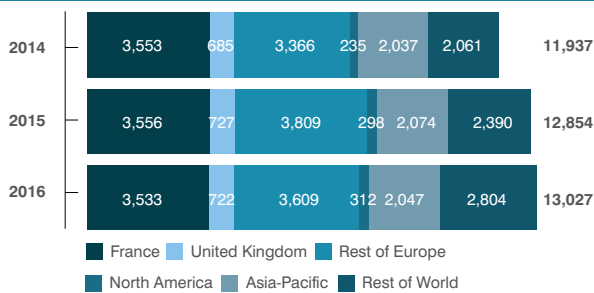
Rainwater, naturally without minerals, requires less detergent and water for each cleaning. In 2016, JCDecaux's rainwater recovery capacity reached 785 m<sup>3</sup>.

## 6. OUR SOCIAL COMMITMENT

JCDecaux, with 13,027 employees, sees its social commitment as key to its success. The diversity of its products and services requires a large range of skills and competencies within the company. There are more than 200 different expertises within JCDecaux, from the design of furniture to the marketing of advertising space, not forgetting furniture's upkeep and maintenance. Thus, JCDecaux creates different jobs, locally, wherever the group is located, in more than 75 countries, 4,435 cities of more than 10,000 inhabitants, 230 airports and 280 transport contracts in metros, buses, trains and tramways.

The group's subsidiaries monitor their social policies and manage their human resources locally through the local human resources departments or managers. This organisation allows JCDecaux to adapt to the needs and characteristics of each country in which the group is present whilst deploying the two social priorities set out in the Sustainable Development Strategy: deploy a group-wide Health & Safety Policy and implement an ambitious Social Policy across the group.

### BREAKDOWN OF EMPLOYEES BY REGION (FTE)\* ✓



The group's total headcount increased by 173 (+1.3% vs. 2015), mainly due to the integration of new entities in Latin America: Outfront Latam and Top Media. At constant scope, the group's headcount dropped by 248 (-1.9% vs. 2015) mainly explained by an internal reorganisation following the acquisition of Cemusa in 2015.



### 6.1. Deploy a group-wide Health & Safety Policy

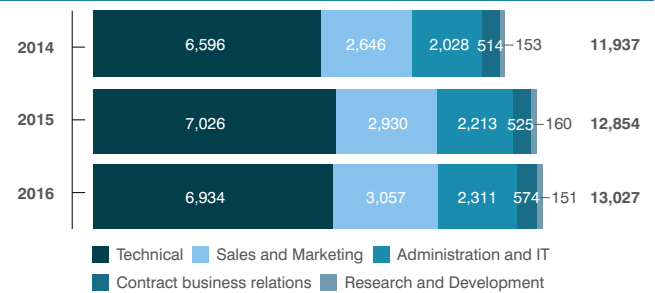
#### Our impact

**Summary of the accidents at work resulting in medical leave of absence by region:** The frequency rate of accidents at work dropped substantially in 2016, standing at 23.2, confirming the efficiency of the group's Health & Safety Policy deployed since 2014. This reduction is mainly due to the drop in the number of accidents at work in France, Portugal, Australia and Chile. The increase in the frequency rate in North America is mainly due to an increase in the number of road accidents.

\*\* Accidents at work resulting in a medical leave of absence (including commuting accidents) per million theoretical hours worked

\*\*\* Working days lost due to an accident at work resulting in a medical leave of absence (including commuting accidents) per thousand theoretical hours worked

### BREAKDOWN OF EMPLOYEES BY EXPERTISE (FTE)\* ✓



\* The data on the breakdown of the FTE by region and by expertise is based on the group's financial reporting, with a coverage rate of 100% of the group's workforce (FTE)

In 2016, technical jobs dropped slightly (-1.3% vs. 2015). At the same time, JCDecaux continued to integrate new skills: +5% growth in the Sales and Marketing, IT and Administration and Contract Business Relations categories, to support the transformation of the group's skills towards digital technologies and the development of the service dimension of products.

### BREAKDOWN OF EMPLOYEES BY TYPE OF CONTRACT ✓

|      | FIXED-TERM CONTRACT | PERMANENT CONTRACT |
|------|---------------------|--------------------|
| 2014 | 5.6%                | 94.4%              |
| 2015 | 5.9%                | 94.1%              |
| 2016 | 6.5%                | 93.5%              |

The proportion of employees on fixed term contracts increased slightly, notably in France, Germany and Spain, and is higher than the group average in newly integrated entities (Cemusa Spain and Peru).

### OCCUPATIONAL ACCIDENTS RESULTING IN MEDICAL LEAVE ✓

| 31 DECEMBER       | FREQUENCY RATE** |             |             | SEVERITY RATE*** |            |            |
|-------------------|------------------|-------------|-------------|------------------|------------|------------|
|                   | 2014             | 2015        | 2016        | 2014             | 2015       | 2016       |
| France            | 58.8             | 52.8        | 43.7        | 1.9              | 1.7        | 1.9        |
| United Kingdom    | 4.7              | 2.4         | 2.4         | 0.0              | 0.0        | 0.2        |
| Rest of Europe    | 24.5             | 26.6        | 25.1        | 0.6              | 0.6        | 0.5        |
| North America     | 7.0              | 8.5         | 15.2        | 0.0              | 0.2        | 0.5        |
| Asia-Pacific      | 5.6              | 9.9         | 6.9         | 0.3              | 0.3        | 0.3        |
| Rest of the World | 11.3             | 20.2        | 14.9        | 0.2              | 0.3        | 0.2        |
| <b>GROUP</b>      | <b>26.9</b>      | <b>27.7</b> | <b>23.2</b> | <b>0.8</b>       | <b>0.7</b> | <b>0.8</b> |

## Commitment: deploy a group-wide Health & Safety Policy

Guaranteeing employees' and users' health and safety is a priority for JCDecaux, which has developed a Health & Safety Policy and implemented a **Health and Safety management system** in each of its subsidiaries whose principles are:

- setting up a local health & safety organisation and related tools
- defining objectives on the reduction of the number of accidents at work
- managing risk, product and equipment safety
- training
- investigations accidents and incidents at work
- ongoing control, audit and improvement of the Health & Safety management system
- management of subcontractors

This Policy, managed locally in each country, is based on a **local action plan and a Health & Safety manual**, according to measures determined by the group and in compliance with local laws.

**Risk management** relies on the identification of risks in a matrix and the implementation of appropriate action plans, particularly concerning working at height, road safety and electrical safety, which are considered the most salient risks.

To prevent and effectively reduce incidents and accidents at work, JCDecaux employees attend **training courses adapted to their business line**. Thus in 2016, 31% of JCDecaux's employees received Health & Safety training.

A **Health & Safety Committee**, steered by the International Operations Director and composed of Regional or local Health & Safety managers and the Sustainable Development and Quality Director, is responsible for defining the guidelines of the group's Health & Safety Policy, and gives assistance to subsidiaries implementing the Health & Safety Policy where needed. In 2016, the members of the Health & Safety Committee reviewed and updated all the group's Health & Safety procedures and prepared the launch, planned for 2017, of an awareness-raising campaign on the eight fundamental safety rules.

An internal **audit procedure** to assess the maturity of the Health & Safety management system in the countries was launched in 2014 and continued in 2015 and 2016. In total, at the end of 2016, 38 group countries or subsidiaries had been audited. At the end of 2017, almost all of the group countries will have been audited.

To further strengthen the deployment of the Health & Safety Policy in each of the group's subsidiaries, the variable compensation of regional and country managers will include Health & Safety objectives from 2017.

Some subsidiaries decided to implement an **OHSAS 18001 certification** process. This is the case for six group subsidiaries - Australia, Finland, Hong Kong Transport, Ireland, the Netherlands and the United Kingdom. Singapore received the Bizsafe certification which is the local equivalent of the OHSAS 18001 standard. All certified subsidiaries together represent 11% of the group's revenues in 2016.

Please refer to section 7.5 for more information on users' health and safety.



## » HEALTH & SAFETY FOCUS IN FRANCE

The deployment of the Health & Safety Policy has been strengthened in France since September 2015 with the appointment of a Health, Safety & Environment Director. The improved accident monitoring, reinforced training and improved communication have strengthened the Health & Safety system and reduced the frequency rate in France, which moved from 52.8 in 2015 to 43.7 in 2016.

Training courses have been reviewed and expanded to better adapt them to the JCDecaux business lines, and specific training on the management of conflicted relation with the public was introduced in 2016. The exchange of experiences and best practices was also promoted in 2016 with the Operations Department (organisation of a good ideas forum, "DefiDEX", on Safety...) and Posters Preparation Workshops.

## Strategic objectives and results

| OBJECTIVES  | INDICATORS   | 2015 | 2016 | COMMENTS AND NEXT STEPS  |
|---|--|------|------|--|
| 100% of the countries where the group operates will have set up a Health & Safety risk identification procedure and a risk assessment matrix by the end of 2018   | % of countries having set up a risk identification and assessment system   |      | 51%  | Main subsidiaries have implemented a risk management system. The 49% which have not yet deployed this process are smaller subsidiaries or those recently integrated within JCDecaux.<br>Next step:<br>» Continue the deployment of risk identification and assessment systems in those subsidiaries which have not yet done so |
| 100% of employees identified in the training matrix to be trained in Health & Safety by the end of 2018   | % of countries which have implemented a training matrix in Health & Safety | 61%  | 74%  | In 2016, 11 new countries implemented a training matrix in Health & Safety.<br>Next step:<br>» Continue the implementation of training matrices in those group subsidiaries which have not yet done so   |
| 100% of countries where the group operates will have developed an action plan and a Health & Safety manual in accordance with the group's recommendations by 2019 | Reporting planned for 2017   |      |      | Next step:<br>» Continue to establish local action plans and Health & Safety manuals in all countries  |





## 6.2. Implement an ambitious group-wide Social Policy

### Our challenges

JCDecaux operates in more than 75 countries through entities of varying size, from over 3,000 employees in France down to a few dozen employees in “small” subsidiaries

26 % of the group's headcount are located in "Not free" or "Partially free" countries according to the 2016 Freedom in the World index

### Commitment no.1: deploy JCDecaux’s Charters

#### Our actions

JCDecaux created a **common social base** for its employees formalised by the group’s Charters, which set out employees’ rights and responsibilities worldwide.

The group’s **Code of Ethics** sets out the rules of conduct for all employees and is deployed in all the countries where JCDecaux operates (see part 7. Focus on business ethics).

JCDecaux’s **International Charter of Fundamental Social Values** describes the group’s commitment to respecting human rights, and strengthens the protection of fundamental social rights for all employees, particularly regarding Health & Safety, length of working time and paid holidays, and condemnation of all forms of forced or compulsory labour, child labour, discrimination at work, harassment or violence. Through this Charter, JCDecaux formalises its commitment to supporting the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organization’s Fundamental Conventions and the Organisation for Economic Cooperation and Development’s Guidelines for Multinational Enterprises. The Charter is deployed in the majority of group countries (covering 97% of the group’s revenue).

A member of the Executive Board has direct responsibility for communicating all the Charters and the social values stated therein throughout the group. The local management in each country in which JCDecaux operates is responsible for ensuring compliance and enforcing the principles and standards set out in the Charters. Each new employee is given a copy of all the Charters when joining the company. These Charters are available on the JCDecaux’s website and the intranet in each country.

To promote the understanding of the principles set out in these two Charters, JCDecaux developed **practical guides** showing concrete examples, key points and best practices related to the principles presented in the Charters. The practical guide to the Code of Ethics has been included in the internal version of the Code of Ethics since 2014. The practical guide to the International Charter of Fundamental Social Values will be deployed in 2017.

**Training** is also offered to employees to further facilitate the implementation of the Charters. In 2016, e-learning training on corruption prevention was deployed in all group subsidiaries. Some subsidiaries have also used locally-specific training on the Charters (see the table below).

Every two years, a **compliance assessment** of the local practices with the principles set out in the International Charter of Fundamental Social Values is carried out through reports based on the “Human Rights Compliance Assessment” of the Danish Institute for Human Rights. This report requires subsidiaries to give information on the local practices related to the principles set out in the Charter. Where local practices are non-compliant, the subsidiary concerned must implement a corrective action plan. A first assessment was conducted in 2013, resulting in the establishment of 23 action plans in 2014. At the end of 2015, a new assessment enabled non-compliances to be identified on non-discrimination principles and the right to protection on the arrival of a new child. Corrective action plans were implemented in 2016 in four group entities.

The Internal Audit Department and the Sustainable Development and Quality Department work together to ensure compliance with all the Charters in the group’s subsidiaries. This is part of the checks undertaken by the internal auditors when they audit subsidiaries.

### Strategic objectives and results

| OBJECTIVES  | INDICATORS   | 2015  | 2016   | COMMENT AND NEXT STEP  |
|---|--|-------|--------|--|
| 100% of countries conform to the principles set forth in JCDecaux’s International Charter of Fundamental Social Values at the end of 2015 | % of compliance of countries with the International Charter of Fundamental Social Values | 99% * | 100% * | ✓ Implementation in 2016 of corrective action plans in four group entities               |
| Deploy employee training on the two Charters in 100% of the countries where JCDecaux had management oversight at the end of 2016          | % of countries having deployed anti-corruption training                                  |       | 100%   | ✓ Next step:<br>» Develop a common training programme on the two Charters at group level |
|   | % of countries having implemented local training programmes on both Charters             |       | 24%    |  |

\* Scope covered by the International Charter of Fundamental Social Values, i.e. 97% of revenues

**Commitment no.2: Development of employees**

**Our actions**


To develop its human capital and to ensure its employees' well-being, initiatives were implemented locally by JCDecaux subsidiaries. JCDecaux has capitalised on these initiatives and in 2016 deployed a **good social practices guide** based on a mapping carried out between 2014 and 2015. This guide notably contains recommendations on: the **welcome and integration of new employees, conducting satisfaction surveys, the re-integration of employees after leaves of absence, and the prevention of resignations** by conducting departure interviews and analysing them. In 2016, 11 group countries carried out employee satisfaction surveys.

**Training** is also an essential component of employee development and a key factor in the company's success.

To support the digital transformation of the company and strengthen its operational excellence, a broad range of training courses is made available to employees by the group and its subsidiaries. Please refer to paragraph 6.3 "Training" for details on training courses and results in 2016.

Individualised and transparent **career management** is also part of employee development. It enables short or medium-term needs to be anticipated in terms of skills and types of positions, in line with the company's development and employees' career paths. In 2016, 77% of group countries implemented a career management system. For example, in France, the human resources team supports employees in their professional path by implementing a series of programmes such as TOP (Objective Theme Action Plans), Spots (personalised monitoring of guidance and talents) and Scopes (Monitoring of skills and guidance on potential development).

**Strategic objective and result**

| OBJECTIVE   | INDICATOR  | 2016 | NEXT STEP  |
|---|--|------|--|
| Mapping and assessing the subsidiaries' local initiatives for employees to deploy the best initiatives across the group | A best social practices guide is made available in 100% of group countries | 100% | Next step:<br> Monitor the deployment of best practices proposed in the guide and continue mapping new local practices and their sharing across the group |

6.3. Training

**Our results**

| EMPLOYEES TRAINING ✓ |        |        |        |
|----------------------|--------|--------|--------|
| GROUP                | 2014   | 2015   | 2016   |
| Training hours       | 70,801 | 84,818 | 96,591 |
| Training rate*       | 51.6 % | 46.5 % | 50.8%  |
| FRANCE 🔍             |        |        |        |
| Training hours       | 24,937 | 29,599 | 27,483 |
| Training rate*       | 59.2 % | 38.5 % | 36.5%  |

\* Number of employees having received at least one training course in the year/ registered headcount

Despite the drop in the number of training hours and the training rate in France, the number of training hours and the training rate for the group increased at constant scope (+13% in training hours) and with the integration of the new entities.

**Our actions**

JCDecaux offers training:

- accessible to the largest number of employees
- adapted to the company's needs, the group's evolution and, its social, stakeholder and environmental commitments
- with more innovative, fun and engaging teaching approaches
- offering interactive training pathways adapted to the learner's profile

Thus, a large number of training courses are run each year in all fields covered by the group's activities: management, operations, technical, security, marketing, etc. Each subsidiary is locally responsible for managing training in line with the needs and evolution of the local business.

group training available to subsidiaries:

- International Operations Training  
Training courses are organised several times a year by internal trainers from the Operations and Installations Department with the goal of training field employees on the maintenance of specific furniture: Digital furniture, public toilets and scrolling panels.
- Sustainable Development Training  
A training programme has been developed to strengthen the integration of sustainable development into the company's practices. It covers:
  - Training of Executive Management deployed in 18 group countries since 2015
  - Training of the largest number of employees through e-learning modules on sustainable development issues, JCDecaux's Sustainable Development Strategy and advice on best workplace practices accessible to all employees with a computer. In 2016, this training was deployed in France and made available to subsidiaries for local deployment
  - Training for buyers in the group's main subsidiaries on the integration of sustainable development into purchasing (webinar or presentation). At the end of 2016, 65 buyers or persons responsible for purchasing locally were trained
- Training via mandatory e-learning on preventing corrupt practices (see part 7. Focus on business ethics).



» FOCUS ON THE TRAINING POLICY IN FRANCE:

• Training in sales occupations

The JCDecaux Media Academy is JCDecaux’s own sales training centre. Intended for all of the sales teams, it allows development of media expertise and standardisation of sales cycle practices. The training content of the Academy is offered in a “multimodal” format, where an online preparation phase is followed by in-person training sessions. An in-house training course on “off-the-shelf” business computing tools (customer management, public relations, sales promotion...) is also available.

• Management courses

Based on the group's Managerial Standard designed by a representative group of managers in different business lines, the course offers, under evolving teaching formats, development of nine talents in the three fields (COACH, LEADER and PIONEER) which make up this standard. Since 2012, 658 managers have been trained using this system. In 2016, training workshops offered in 100% on-site format were revised to include a digital learning component.

In 2016, a training programme certifying "Local Managers" was launched for 48 supervisors. This 21-day training programme taking place over 12 months, co-developed with the training organisation CESI Entreprise, enables those trained to obtain the level III certification recognised by the Répertoire National des Certifications Professionnelles (French national body of professional certifications).

• Disability training

A disability training course, initiated in 2014, is today accessible to all employees connected to JCDecaux in France and includes three modules on the following themes: "Representations and Reality", "Inclusion" and "Managing Positions and Staying in Work".

• Training in Health & Safety

Each year, more than 1,000 employees are trained in safety, professional risk prevention, ergonomics, movements and postures. This area represents nearly 50% of training investments.

In 2016, the Health & Safety training courses were reviewed and expanded to be better adapted to JCDecaux occupations. In addition to traditional training done to prevent health & safety risks, new training was deployed in September 2016 on the management of conflicted relation with the public to help field employees manage antisocial behaviour. "Movements and posture" training will be deployed during 2017.

• Eco-driving Training

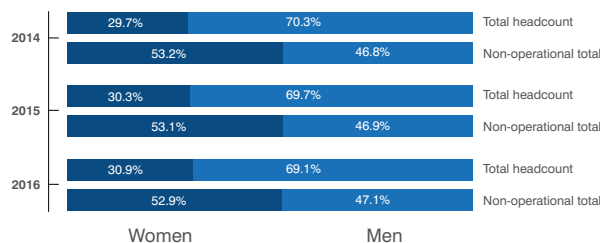
Since 2003, JCDecaux employees with a vehicle must complete an eco-driving training course consisting of a theory part and a practical part during which the employee uses eco-driving moves and compares the fuel consumption of the vehicle in eco-drive and traditional modes. This training, which is repeated every five years for all employees with a vehicle, enables both fuel consumption and driving accidents to be reduced.

6.4. Diversity and professional equality

Our results

BREAKDOWN OF EMPLOYEES BY GENDER ✓

As a % of total workforce



The men/women breakdown in total headcount excluding operational staff remained stable in 2016. The predominant share of men amongst operational staff is mainly explained by the nature of the operational activities, which implies moving heavy loads for mounting and dismounting activities, and working alone, out of doors and outside of traditional office hours (very early morning/very late at night) for posting and cleaning activities.

Our actions

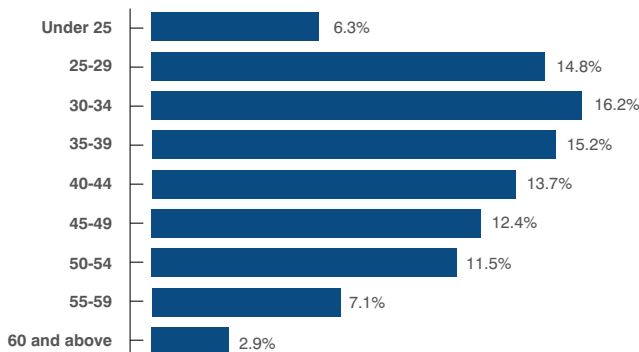
Diversity and non-discrimination

The mixing of cultures, languages and any form of diversity is an opportunity for JCDecaux. It is a performance and innovation driver and also a requirement to attract and retain talents. Respect for the values of non-discrimination is an integral part of JCDecaux’s International Charter of Fundamental Social Values, in which the group commits to respecting the ILO’s Fundamental Conventions No. 100 and 111 on non-discrimination and remuneration equality.

Thus, JCDecaux is focused on creating working conditions in which all employees can thrive and fulfil their potential. This means a policy of non-discrimination in hiring, compensation, access to training and career management.

BREAKDOWN OF HEADCOUNT BY AGE ✓

As a % of total workforce



### Examples

In France, by signing the Diversity Charter in 2008, JCDecaux committed to favouring equality for women, disabled workers, seniors and visible minorities. With this Charter, JCDecaux notably committed to raising the awareness of and training employees on diversity, respecting and promoting the principle of non-discrimination, and communicating and explaining the results of this commitment.



Cyclocity®, the self-service bicycle subsidiary of JCDecaux France, has since 2013 developed an innovative programme for detainees with the objective of preparing them for their professional re-integration at the end of their detention. With the approval of the Prison Administration, Cyclocity® therefore set up prison workshops for the integration through economic activity (by repairing Vélib', Vélo'v and Vélo'Toulouse bicycles) of detainees. The aim of these workshops is to teach a new skill to those involved with a view to their possible recruitment in the company.

In South Africa, JCDecaux is also committed to promoting diversity through its support for the government initiative B-BBEE (Broad-Based Black Economic Empowerment) promoting the economic empowerment of disadvantaged people from ethnic minorities. JCDecaux's South African entity reaches level 4 on the B-BBEE scale, with a grade of 83.88% due in particular to its efforts in supporting the creation of 25 subcontracting companies employing 140 people from historically disadvantaged groups.

### Gender equality

The group is committed to ensuring equal treatment of men and women at work, in regard to hiring, compensation and career progression.

To further facilitate access to employment for women, JCDecaux also supports family leave with the support of ILO Convention No. 103, the right to protection on the arrival of a new child, and measures promoting work-life balance.

### Examples

To promote access to employment for women in the Middle-East, JCDecaux entities located in this region - Saudi Arabia, the United Arab Emirates, Oman and Qatar - extended the length of maternity leave from 45 days to 12 weeks in 2016, above the local legislative requirements and to comply with ILO Convention No. 103.

In France, negotiations on professional gender equality, started at the end of 2014, led to the conclusion of a three-year agreement on 22 April 2015. Under the agreement, the Executive Board and social partners reaffirm their commitment to non-discriminatory access to employment, diversity in employment, occupational training, professional promotion and career development, working conditions, compensation and work-life balance.

### Employment of people with disabilities

JCDecaux commits to promoting non-discriminatory access to employment for people with disabilities and to creating favourable conditions for their recruitment and integration. In 2016, 1.6% of the group's employees had a disability and 3.3% in France.

### Examples

In France, the Disability Policy is based on four priorities:

- raising awareness among and providing information for all employees with regards to the employment of people with disabilities
- recruitment and integration of employees with disabilities
- implementation of a policy on, and procedures for, incapacity prevention and management, staying in work and reclassification
- development of a specific training programme

During the National Week for the Employment of People with Disabilities, held from 16 to 20 November 2016, JCDecaux continued its employee training, awareness-raising and information actions: publication of an internal press release on a dedicated space on its training portal, organisation of lunchtime conferences led by athletes with disabilities, etc.

To support the recruitment and integration of employees with disabilities, JCDecaux participated in several specialised recruitment forums. Since 2013, 33 employees with disabilities have been hired.

To further strengthen JCDecaux's commitments regarding employees with disabilities, management invited unions to negotiate an agreement on this issue which should be completed in 2017.

## 6.5. Working conditions

### Compensation

The compensation policy is established in each subsidiary according to the principles of internal fairness and external competitiveness defined by the group. Profit sharing with employees is also based on different systems in each subsidiary.

Through its International Charter of Fundamental Social Values, JCDecaux is also committed to providing a decent wage which at a minimum meets the basic needs of employees where there is no local legal minimum wage or where the minimum wage is exceedingly low.

### Example

In France, JCDecaux ensures respect for the principle of professional equality in compensation, avoiding any pay gap between men and women on the same pay scale. Employee compensation is based on pay scales that take into account 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 incentivise them and reward individual results.

## OUR SOCIAL COMMITMENT

### PROFIT SHARING AND BENEFITS PAID IN FRANCE\*

| IN THOUSANDS OF EUROS   | 2014          | 2015          | 2016       |
|-------------------------|---------------|---------------|------------|
| Profit sharing          | 9,812         | 8,445         | 10,110     |
| Employee profit-sharing | 1,162         | 1,340         | 1,898      |
| Company contribution**  | 259           | 318           | N/A        |
| <b>TOTAL</b>            | <b>11,233</b> | <b>10,103</b> | <b>N/A</b> |

\* Profit sharing agreements cover 100% of employees, except for Médiakiosk employees, as the company kept its own agreements in this area

\*\* Payment of collective profit-sharing into the company savings plan

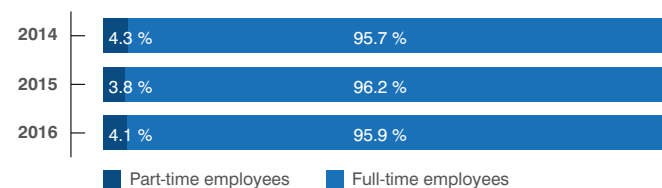
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### Organisation of work time

Each subsidiary is responsible for managing the working time of its employees in compliance with contractual and legal provisions, as well as with the principles set out in the International Charter of Fundamental Social Values. Working time in group subsidiaries varies depending on the location and populations concerned.

### BREAKDOWN OF EMPLOYEES IN FULL/PART TIME ✓

As a % of total workforce



### BREAKDOWN OF EMPLOYEES WITH ATYPICAL WORK SCHEDULES ✓

| AS A % OF TOTAL WORKFORCE                       | 2014 | 2015 | 2016 |
|---|------|------|------|
| Employees alternating 2x8 or 3x8 work schedules | 8.1% | 8.3% | 7.7% |
| Employees working nights                        | 8.2% | 9.4% | 8.5% |
| Employees working weekends and/or holidays      | 9.0% | 8.6% | 7.4% |

In 2016, 18 group countries used alternating schedules. The share of employees working nights and weekends and/or holidays fell mainly due to decreases in the United States and Russia. 32 group countries used night work and 24 group countries used weekend and/or holiday work in 2016.

### BREAKDOWN OF EMPLOYEES WORKING FROM HOME ✓

| AS A % OF TOTAL WORKFORCE                                  | 2014 | 2015 | 2016 |
|--|------|------|------|
| Employees authorised to work from home at least 1 day/week | 0.6% | 0.6% | 0.7% |

The share of employees working from home increased in 2016, mainly in France and the United Kingdom. In 2016, working from home was done in 8 group countries (Austria, Denmark, Finland, France, the United States, the Netherlands, the United Kingdom and Russia). After the establishment in 2013 of a work-from-home test phase with volunteer employees from JCDecaux France, an agreement was signed on 22 October 2015, with the social partners which allows to sustain this new organisation of work within JCDecaux SEU.

### Employees joining and leaving, and length of service

Since its creation, JCDecaux has experienced strong growth of its workforce. Between 2001 and 2016, headcount increased 78%, an average annual growth of 4%.

### RECRUITMENT RATE\* BY REGION ✓

| AT DECEMBER 31    | 2014         | 2015         | 2016         |
|-------------------|--------------|--------------|--------------|
| France            | 6.1%         | 6.0%         | 8.3%         |
| UK                | 23.5%        | 24.9%        | 27.5%        |
| Rest of Europe    | 6.0%         | 7.4%         | 6.1%         |
| North America     | 25.4%        | 25.8%        | 20.9%        |
| Asia-Pacific      | 20.9%        | 23.6%        | 21.9%        |
| Rest of the World | 13.1%        | 19.4%        | 18.4%        |
| <b>GROUP</b>      | <b>10.8%</b> | <b>12.8%</b> | <b>12.9%</b> |

\* The recruitment rate takes into account the recruitment of employees on permanent contracts divided by the total headcount.

### DEPARTURE RATE\*\* BY REGION ✓

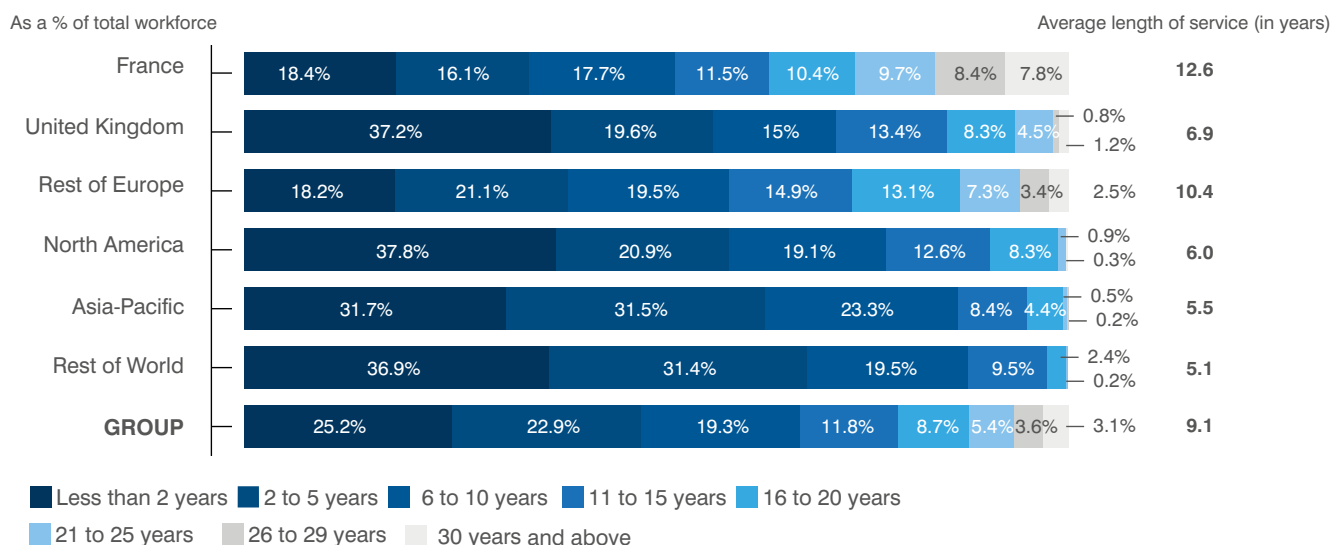
| AT DECEMBER 31    | 2014         | 2015         | 2016         |
|-------------------|--------------|--------------|--------------|
| France            | 6.0%         | 6.3%         | 6.8%         |
| UK                | 20.3%        | 20.0%        | 26.8%        |
| Rest of Europe    | 8.9%         | 12.1%        | 15.5%        |
| North America     | 13.2%        | 17.8%        | 16.6%        |
| Asia-Pacific      | 25.0%        | 25.9%        | 22.6%        |
| Rest of the World | 29.8%        | 23.8%        | 21.1%        |
| <b>GROUP</b>      | <b>14.2%</b> | <b>15.0%</b> | <b>15.6%</b> |

\*\* The departure rate takes into account resignations and redundancies of employees on permanent contracts divided by the total headcount.

The departure rate increased in 2016, mainly in the United Kingdom and as a result of the reorganisation of the Spanish subsidiary following the Cemusa integration.



## BREAKDOWN OF EMPLOYEES BY LENGTH OF SERVICE ✓



The average length of service in the group in 2016 remained high, at more than 9 years as a group average and 12 years for France.

## Absenteeism

JCDecaux monitors the rate of absenteeism by cause to assess and ensure the proper deployment of the Health & Safety and Social priorities of the Sustainable Development Strategy.

| BREAKDOWN OF ABSENTEEISM BY CAUSE AND REGION ✓ |   | 2014        | 2015        | 2016        |
|--|---|-------------|-------------|-------------|
| France   | Breakdown of absenteeism for illnesses and accidents* | 7.3%        | 7.2%        | 8.0%        |
|  | Breakdown of absenteeism for other reasons**          | 2.0%        | 2.0%        | 1.7%        |
| United Kingdom                                 | Breakdown of absenteeism for illnesses and accidents* | 1.6%        | 1.5%        | 2.2%        |
|  | Breakdown of absenteeism for other reasons**          | 0.9%        | 1.0%        | 1.2%        |
| Rest of Europe                                 | Breakdown of absenteeism for illnesses and accidents* | 4.9%        | 5.0%        | 6.0%        |
|  | Breakdown of absenteeism for other reasons**          | 2.5%        | 2.3%        | 2.5%        |
| North America                                  | Breakdown of absenteeism for illnesses and accidents* | 1.4%        | 1.5%        | 1.6%        |
|  | Breakdown of absenteeism for other reasons**          | 6.1%        | 1.0%        | 0.9%        |
| Asia-Pacific                                   | Breakdown of absenteeism for illnesses and accidents* | 1.6%        | 1.8%        | 1.9%        |
|  | Breakdown of absenteeism for other reasons**          | 1.4%        | 1.7%        | 1.7%        |
| Rest of World                                  | Breakdown of absenteeism for illnesses and accidents* | 2.7%        | 1.5%        | 1.6%        |
|  | Breakdown of absenteeism for other reasons**          | 3.0%        | 2.4%        | 2.2%        |
| <b>GROUP</b>                                   | Breakdown of absenteeism for illnesses and accidents* | <b>4.5%</b> | <b>4.2%</b> | <b>4.8%</b> |
|  | Breakdown of absenteeism for other reasons**          | <b>2.2%</b> | <b>2.0%</b> | <b>2.0%</b> |

\* Includes illnesses, work-related illnesses, disability, accidents at work and commuting accidents.

\*\* Includes maternity leave, conventional leaves of absence, parental leave and other absences.

The rate of absenteeism for illnesses and accidents increased in 2016 mainly due to an increase in leaves of absence for illnesses (excluding work-related illnesses) in France, the United Kingdom, Spain and Germany. For the United Kingdom, this is due to an increase in the number of long-term illnesses.

## Employee relations

JCDecaux commits to promoting the right to collective bargaining and the freedom of association, as stated in ILO Conventions No. 87 and No. 98. In all circumstances, the group commits to creating conditions for favourable employee relations and to reach formal agreements which are fair to all. Free expression within the group and constant dialogue with staff representatives contribute to the smooth running of the company and promote compliance with regulations on employee rights.

| STAFF REPRESENTATIVES, MEETINGS AND AGREEMENTS ✓ |       |       |       |        |      |      |
|--|-------|-------|-------|--------|------|------|
|  | GROUP |       |       | FRANCE |      |      |
|  | 2014  | 2015  | 2016  | 2014   | 2015 | 2016 |
| Staff representatives                            | 575   | 597   | 619   | 432    | 436  | 437  |
| Meetings with staff representatives              | 582   | 633   | 631   | 480    | 508  | 493  |
| Agreements signed in the year                    | 36    | 42    | 53    | 17     | 13   | 9    |
| Agreements in force                              | 174   | 180   | 197   | 63     | 55   | 67   |
| % of employees covered by collective agreements  | 50.9% | 49.8% | 48.9% | 100%   | 100% | 100% |

In 2016, 53 collective agreements were signed and 197 agreements were in force in 19 group countries. Social dialogue is particularly active in France, Germany, Belgium, Italy and Spain. The agreements signed mainly covered topics related to employment, working hours, compensation, health and training.

### Examples

#### JCDecaux SEU

The company JCDecaux SA, together with JCDecaux France, is a Social and Economic Unit (SEU), combining 3,008 employees (in FTE). It is comprised of 12 Central Trade Union Representatives and assistants, and 67 Establishment Trade Union Representatives. The JCDecaux SEU benefits from staff consultation bodies, common to both companies: a Workers' Council, which meets once a month or more frequently if necessary, 21 Personnel Representatives (PR), who meet once a month or more frequently if necessary, and 17 Occupational Health & Safety and Working Conditions Committees (CHSCT), which meet once every three months, or more frequently if necessary. In 2016, there were 14 negotiation meetings, 12 meetings of the Workers' Council, 247 employee representatives meetings, 99 CHSCT meetings and 8 ICCHST meetings. Eight collective agreements and a Pre-Electoral Protocol Agreement were signed on the following topics: compensation, group profit sharing, employee relations, healthcare expense reimbursement and additional retirement benefits.

#### Cyclocity®

In 2016, the Management of Cyclocity and the CFDT trade union signed a new agreement incorporating an increase of basic salaries, the implementation of a new salary scale for all employees, an increase in the amount of quarterly bonuses, the introduction of a "presenteeism" bonus, an improvement in the Time Savings Account, an increase in restaurant vouchers and reimbursement for laundering work clothes. Even if this agreement did not fulfil the representativeness criteria, these provisions were applied.

#### Média Aéroports de Paris

For Média Aéroports de Paris, 2016 was marked by the signing of three agreements covering compensation, group profit-sharing and professional gender equality.

#### MédiaKiosk

In 2016, MédiaKiosk implemented an action plan promoting professional gender equality (signed on 1 March 2016), an action plan related to the "generations contract" (signed on 20 December 2016) and an agreement on working hours and managing working time.

7. OUR STAKEHOLDER COMMITMENT

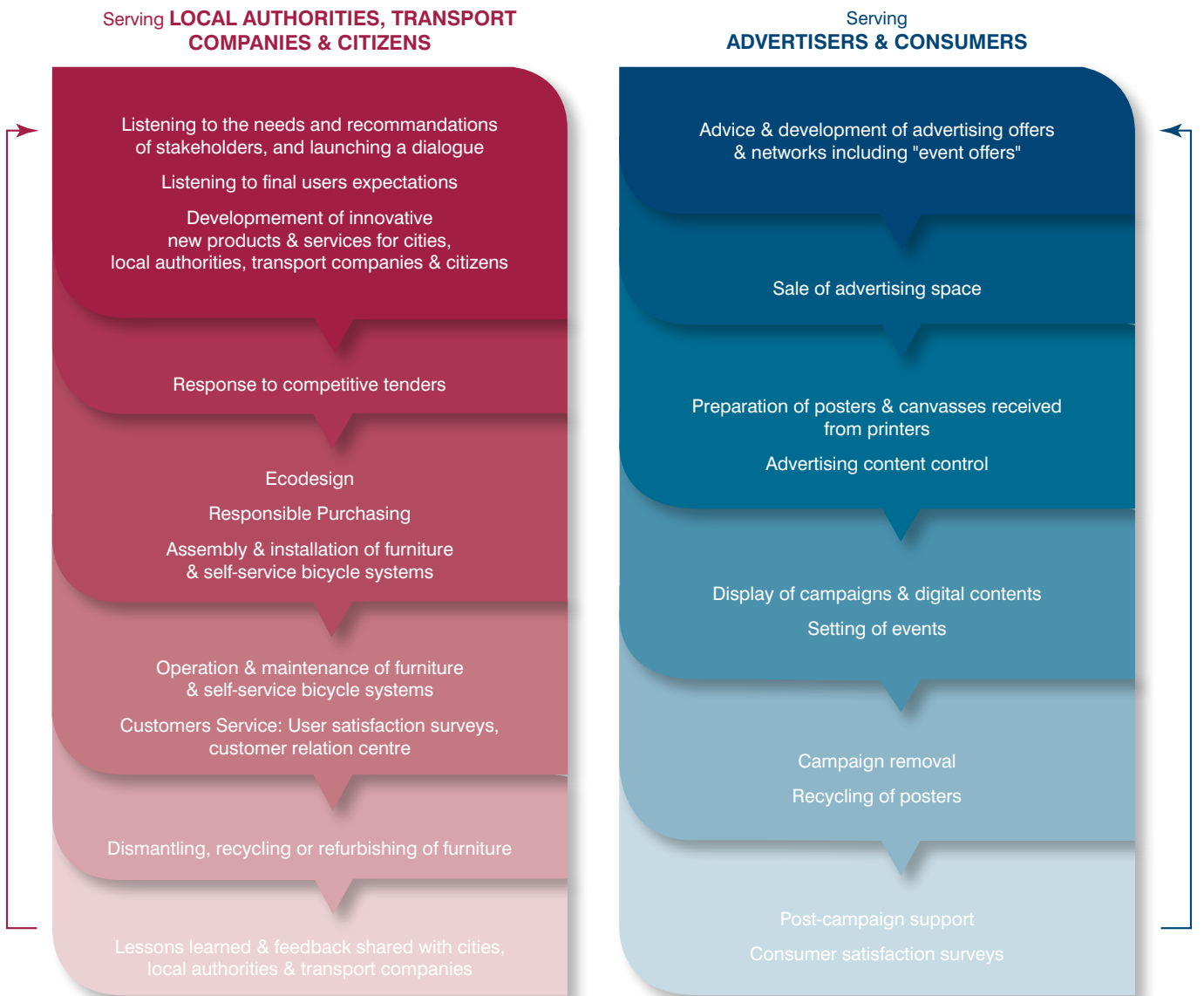
JCDecaux interacts with a myriad of players – local authorities and city councils, airports and transport companies, advertisers and media agencies, the general public and street furniture users, suppliers and sub-contractors, associations and so on. They have widely varying requirements and JCDecaux aims to satisfy them all as best as possible while respecting the rules of ethical business.

The dialogue between JCDecaux and its stakeholders is led locally, mainly by the Regional Management of the countries where the group operates. This approach enables the group to get as close as possible to its stakeholders and consequently to better identify their expectations and requirements.

JCDecaux's economic model is to provide cities and transport companies with products and services tailored to their needs financed by advertising space. City councils, transport companies and the general public consequently benefit from infrastructures without any impact on public finance, and advertisers have a unique means of communication enabling them to interact with their consumers.

The value-chain presented below illustrates JCDecaux's determination to be as close as possible to its stakeholders. There are more than 200 different expertises within JCDecaux, ranging from the design of furniture, to the marketing of advertising space, not forgetting upkeep and maintenance. The Control of all steps of the value-chain helps ensure optimal quality of the products and services offered by JCDecaux.

JCDecaux's value-chain

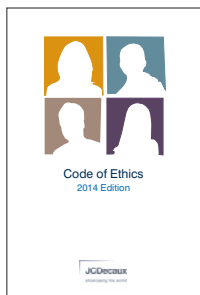


As part of its Sustainable Development Strategy, JCDecaux has also set itself two stakeholder priorities to prioritise its actions based on two stakeholders considered as strategic by the company: its suppliers and employees.



## » FOCUS ON BUSINESS ETHICS

JCDecaux committed itself years ago to conduct itself in an ethical manner. The main principles of this are formalised in the group's **Code of Ethics** (available on JCDecaux's website), initially published in 2001 and updated in 2005, 2009 then 2014 in order to bring it increasingly closer to the operational issues which JCDecaux's employees may face.



This Code sets out all the rules and principles of ethical conduct which must be respected when doing business to operate in a responsible and sustainable manner vis-à-vis its employees, customers, suppliers, local governments and competitors. There is a **practical guide**, in the company's internal version of this Code, to go with each rule and principle to help employees understand it. Since 2014, the Code of Ethics has been completed by a **procedure for the appointment and management of "Advisers"** which defines the measures that must be taken in order to avoid any form of corruption which may be committed by these third parties, in particular in countries considered to present a risk, where conducting an in-depth survey is compulsory before hiring an "Adviser". "Adviser" in this case refers to any third parties used to guide, influence, promote, assist and support the group's development of the group's strategy, revenue or marketing positioning.

The Code and procedure for the appointment and management of "Advisers" are made available to employees on JCDecaux's intranet. All new employees must sign the group's Code of Ethics and the employees identified as having responsibilities which could bind JCDecaux, towards public authorities, customers and suppliers, must electronically sign the Code of Ethics and the procedure for the appointment and management of "Advisers".

JCDecaux is aware that the portion of its business located in countries considered sensitive, from the corruption point of view, is increasing both due to its organic growth and its external growth. As a result, the **group's risk mapping** and management process includes risks linked to corruption, in particular with regard to managing contracts, bidding for competitive tenders, acquisition transactions and sales management. All of these risks are the subject of monitoring by Internal Audit.

Guaranteeing business ethics is therefore a crucial and strategic issue for the group. The **group's Ethics Committee**, which is made up of the Chairman of the Audit Committee, the Chairman of the Compensation and Nominating Committee and the Audit Director, is entrusted with ensuring compliance with the fundamental ethical rules and may propose any amendment to the Code. It also examines all situations potentially contrary to the fundamental ethical rules brought to its attention via an alert system, open to all JCDecaux's employees, and which ensures issuers remain anonymous.

Special corruption prevention **training** began in 2016 and is still being conducted. All employees identified as having responsibilities which may be binding for JCDecaux, including in the entities where the group is a minority shareholder, must undertake this training by means of e-learning followed by a test. The training mainly includes concrete cases and role playing scenarios on the following themes: legal framework, risks, gifts and invitations, facilitation payments and management of third-parties. At the end of February 2017, 82.5% of the targeted employees had followed this training, which will continue during the year.

Further details concerning ethical rules can be found in the "Control environment" chapter p.183.



## 7.1. Reinforcing sustainable development in the Purchasing Policy

### Our challenges

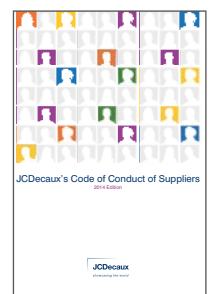
**Suppliers are at the heart of JCDecaux's products quality processes, as they make the furniture designed by JCDecaux engineers**

**JCDecaux has over 22,000 suppliers and sub-contractors throughout the world**

### Our actions

Our priority is to develop long-term trust-based relationships and ensure that our suppliers share our values and commit themselves, alongside us, to promote sustainable development. This approach allows us to control risks, strengthen our relationships with our suppliers and promote the sharing of innovation. The role of the group's Purchasing Department, created in 2009, is consequently to undertake the sourcing and distribution of furniture components and sub-assemblies on behalf of the subsidiaries for all projects exceeding a certain amount of investment and for all digital projects. For these group purchases and the purchasing conducted locally by subsidiaries, the pre-selection, assessment and supplier monitoring methodology was reviewed in 2013 with the goal of reinforcing the use of sustainable development criteria.

The new **Supplier Code of Conduct** was deployed in 2014. It makes clear what JCDecaux expects from its suppliers on social, ethical, health and safety and environmental topics. This Code is based on the main internationally recognised standards, the guidelines of the Organisation for Economic Co-operation and Development (OECD), the Universal Declaration of Human Rights of the United Nations Organisation (UNO), and the eight Fundamental Conventions of the International Labour Organization (ILO). In order to facilitate the dissemination of the Code of Conduct, it was included in the General Terms and Conditions of Purchase in 2017.



An **annual assessment questionnaire**, put in place in 2014 to measure suppliers' financial, technical, sustainable development, quality and logistics performances, enables the group to identify and monitor performance levels and areas for improvement for JCDecaux suppliers. It is carried out as a priority for **key suppliers**: all suppliers identified as being (i) difficult to replace and whose replacement would lead to a long and costly transition period, or would have a significant impact on company business, and/or (ii) which would engage JCDecaux's reputation (social and/or environmental risks).

The annual assessment of key suppliers is complemented by **audits** conducted every three years to ensure the correct application of the principles set out in the Code of Conduct of Suppliers. A "pre-audit" document is sent to the supplier a few weeks prior to the actual audit to facilitate discussions during the audit.

A rigorous pre-selection of potential suppliers, including criteria on sustainable development (human rights, working conditions,

the environment and ethics) was also added to the **management of the panel of suppliers**. This pre-selection tool makes it possible to determine if a supplier meets the requirements laid down by JCDecaux to join the panel of suppliers for the group or a country where the group operates.

The successful integration of sustainable development into the Purchasing Policy requires that the persons in charge of purchasing, at group level and locally in the countries where the group operates, fully understand it and support it. As a result, a **training course on how to reinforce sustainable development into the purchasing processes** was put in place in 2016.

In order to complete this approach, prevent supply chain risks, and, in response to new legislations concerning supply chain due diligence, such as the UK Modern Slavery Act, **risk mapping** was conducted in 2016 for five purchasing categories considered as strategic or presenting a particular risk – digital screens, circuit boards, composite material, work clothes and printing. Using these risks maps, risk mitigation will be started in 2017.

## Strategic objectives and results

| OBJECTIVES  | INDICATORS   | 2014 | 2016 | 2016 | COMMENTS AND NEXT STEPS  |
|---|--|------|------|------|--|
| 90% of suppliers have signed the Code of Conduct of Suppliers by the end of 2018                      | % of countries which have implemented the Code of Conduct of Suppliers | 51%  | 62%  | 69%  | <p>In 2016, six new countries deployed the Code of Conduct of Suppliers. The reduced percentage of key suppliers having signed the Code of Conduct is mainly due to a revision of the classification of key suppliers in China (fewer suppliers identified as "key" in China where 100% of key suppliers had already signed the Code of Conduct in 2015).</p> <p>Next steps:</p> <ul style="list-style-type: none"> <li>Continue to deploy the Code of Conduct in all of the group entities, with the priority being key suppliers and new suppliers</li> <li>Review the group's objective based on a risks analysis of suppliers by typology</li> </ul> |
|   | % of key suppliers having signed the Code of Conduct of Suppliers      | 40%  | 64%  | 58%  |  |
| Evaluate annually all key suppliers by the end of 2015  | % of key suppliers which have been evaluated                           |      | 29%  | 39%  | <p>In 2016, six new countries deployed the evaluation process of key suppliers.</p> <p>Next step:</p> <ul style="list-style-type: none"> <li>Continue to deploy the key supplier assessment process including sustainable development criteria in entities which have not yet deployed it and achieve the objective by 2020</li> </ul>   |
| Audit key suppliers every three years by the end of 2017  | % of key suppliers audited (combining 2015 and 2016)                   |      |      | 15%  | <p>Next step:</p> <ul style="list-style-type: none"> <li>Continue to deploy the key supplier audit procedures and achieve the objective in 2017</li> </ul>   |
| 100% of buyers trained in the integration of sustainable development in purchasing by the end of 2016 | % of buyers trained  |      |      | 100% | <p>At end 2016, 100% of buyers or people in charge of local purchasing followed the Responsible Purchasing training course covering 26 group countries representing 87% of revenue.</p> <p>Next step:</p> <ul style="list-style-type: none"> <li>Train new buyers or people responsible for local purchasing</li> </ul>  |



### » FOCUS ON THE UK MODERN SLAVERY ACT

In August 2016, JCDecaux UK published its first report in compliance with the "UK Slavery Act", adopted in 2015, to reinforce the role of companies in the prevention of the violation of Human Rights in their supply chains. In accordance with the

provisions of this Act, JCDecaux UK's report is accessible to the general public on the JCDecaux United Kingdom website. It describes the processes put in place by the company to prevent Human Rights related risks in its supply chain.





## 7.2. Strengthen employees' commitment to sustainable development

### Our challenges

13,027 employees working in over 75 countries

JCDecaux is a family company, founded over 50 years ago, based on an innovative business model and strong values

### Commitment no.1: deploy an employee awareness-raising programme on the environment

#### Our actions

For JCDecaux's commitment towards sustainable development to be a success, it is vital that all its employees support it. In their occupations, through their actions and their daily behaviour, they give meaning to the commitment and values conveyed by the group. Each country where the group operates must put in place an awareness-raising programme for its employees at local level. A dedicated guide explaining how to put in place this type of programme has been developed and communicated to all the countries.

#### Example

In France, Australia and Spain, internal awareness-raising programmes for employees concerning good environmental practices have been put in place, under the names:



### Strategic objective and results

| OBJECTIVE   | INDICATOR  | 2014 | 2015 | 2016 | COMMENT AND NEXT STEP  |
|---|--|------|------|------|--|
| 100% of countries have a programme in place to raise employees awareness on the environment by 2015 | % of countries where the group operates which have set up an awareness-raising programme | 32%* | 31%  | 38%  | <p>In 2016, 21 countries where the group operates put in place an awareness-raising programme, including 70% of the countries of the Top 20 in terms of revenue.</p> <p>Next step:</p> <p>» Continue to deploy awareness-raising programmes, particularly in the Top 20 subsidiaries that have not deployed a programme.</p> |

\* The figure presented in 2014 only covers countries that have deployed JCDecaux's Sustainable Development Strategy.

### Commitment no.2: improve knowledge and understanding of sustainable development

#### Our actions

In order to achieve objectives set by the group for its Sustainable Development Strategy, employees' commitment is crucial.

Employees must therefore be **made aware** and **trained** in sustainable development so that they fully participate in deploying the Strategy and in the company's success in the long term.

### Strategic objective and results

| OBJECTIVE   | INDICATORS  | 2016 | COMMENTS AND NEXT STEPS  |
|---|---|------|--|
| Train the group's Executive Management in sustainable development by the end of 2016  | % of countries having put in place a sustainable development training course for Executive Management | 31%  | <p>17 group countries have put in place a sustainable development training course for Executive Management</p> <p>Next step:</p> <p>» Continue the deployment of these courses in 2017 to reach 100% in 2018</p> |
| Raise employees awareness by means of an on-line training course (e-learning) on sustainable development by the end of 2016 | % of countries having deployed online sustainable development training                                | 9%   | <p>The training course was made available to the countries at the end of 2016 and was deployed by five countries before the end of the year</p> <p>Next step:</p> <p>» Continue deployment in 2017</p>           |
| Train all employees on sustainable development by the end of 2018   | Reporting planned for 2017  |      |  |

### Commitment no. 3: improve knowledge on the business model, history and values of JCDecaux

#### Our actions

It is important that each employee of the group fully understands the business model, history and values of JCDecaux, to make them ambassadors of the company. **Each new employee is therefore made aware of JCDecaux's business model** when he or she joins the group (integration sessions, welcome booklet etc.).

A note presenting the company's business model is also made available to all employees on the group's intranet.



## » FOCUS ON JCDECAUX'S BUSINESS MODEL

In 1964, Jean-Claude Decaux invented an economic model that is more relevant than ever: providing cities with products and services offering a public service for users funded by advertising, a creator of economic and stakeholder value. Available now in all of the group's activities (cities, airports, transport services, shopping centres, etc.), our economic model, in particular in its service dimension, offers numerous advantages:

- It offers citizens and users products and services without any impact on local finances or on tax-payers
- It helps improve the quality of urban life with the development of more and more services available for citizens (accessibility, soft mobility, connectivity, etc.)
- It is part of the service economy: JCDecaux provides high quality furniture designed to last, which remains its property, is maintained by JCDecaux teams and may be renovated and reused as part of a new contract
- It contributes to beautifying the environments in which the furniture is installed thanks to aesthetically pleasing furniture and innovative, and high-added value solutions

## 7.3. Relations with cities, local government and transport companies

The success of JCDecaux is based on the acknowledged quality of its products and services as well as its ability to understand and anticipate the needs of city councils, local authorities, airports or transport companies. To ensure long-term growth, the group must offer them innovative, high-quality products and services along with support to their own sustainable development programmes. Improving the quality of life in urban areas and public transport represents a major goal shared by all: users of public spaces, local authorities, mobility operators, and all economic players.

Inventing long-lasting solutions to keep pace with urban changes is therefore a historic undertaking on the part of JCDecaux. From bus shelters to self-service bicycle systems, automatic public toilets and connected objects for smart cities, JCDecaux anticipates and explores the new dimensions that will furnish urban spaces: open cities, connected cities and smart cities.

### JCDecaux is at the service of sustainable and intelligent cities and mobility services:

#### Examples



#### By contributing to the efficiency of cities

- » JCDecaux proposes energy-efficient analogue furniture thanks to eco-efficient technologies and cutting-edge lighting management systems
- » Furniture are designed to last and can be refurbished and reused within the framework of new contracts
- » Certain JCDecaux furniture enable the selective collection of waste (batteries, glass, paper...) thus contributing to raising user awareness on environmental protection
- » See part 5, "Our environmental commitment", for further details



#### Using digital to provide more services

- » JCDecaux, through the creation of furniture featuring innovative and interactive concepts – touch screens (e-Village® totems...) and USB sockets – provides the latest technologies to urban communities. These innovations increase user autonomy in cities thanks to up-to-date and real-time useful information such as guidance and mobility support, information on local services, etc. For example: the MyVizito application proposes users the most suitable means of transport based on their profile and centres of interest, and the 2kids1bag application facilitates journeys by enabling users to hire a pushchair, scooter or a wheelchair
- » By making telephony and the Internet accessible to the largest number of people possible through the development of small cells, Wi-Fi services and other technologies (optic fibre, etc.), JCDecaux proposes that cities and transport companies embrace the process of digital inclusion. Free access to the Internet has been a fundamental right according to the UN since 2012. These developments also make it possible to anticipate issues concerning the quality of mobile connectivity
- » The provision of these new technologies is systematically accompanied by the right to anonymity and the protection of personal data (see section 7.6. Protection of the personal data of employees, customers and users)
- » Thanks to the opportunities provided by digital resources to update information in real time, furniture can also be used as communication media for public interest messages, such as warnings regarding natural catastrophes, kidnappings, peaks of pollution, etc. This use of digital resources is currently proposed by JCDecaux USA, China, and Portugal, and is currently being rolled out in seven other group countries
- » JCDecaux facilitates the consultation and involvement of all by making a user an actor and enabling them to give their opinion in satisfaction surveys concerning self-service bicycles or as part of the implementation of pilot projects and experiments



#### By providing products and services accessible to everyone

- » JCDecaux promotes the creation of furniture accessible to all. This is particularly true for the automatic public toilet accessible to all designed by Patrick Jouin for which JCDecaux was awarded the "2011 Autonomy Prize" by the "Association of the Paralyzed in France". Following on from this achievement, JCDecaux signed a partnership with the French federation of the blind in order to develop greater accessibility in cities for visually-impaired and blind people
- » Self-service bicycle systems are also a way of developing soft mobility shared by the largest number of people possible in cities
- » Accessibility for all is also favoured in customer relationships. In 2015, Cyclocity® (JCDecaux's subsidiary in charge of self-service bicycle systems) put in place a free service enabling hearing-impaired users to contact, in a fully autonomous manner, by phone, the Customer Relations Centres thanks to video communication

## Examples



**By contributing to the beautifying of urban spaces and well-being in cities**

- » Designing innovative and stylish furniture is a historic commitment of JCDecaux. By way of example, the company was awarded the Janus de la Cité Prize for Paris' bus shelters in November 2016, by the "Institut français du Design" (French design institute) which recognises companies combining style, financial success and the enhancement of city dwellers daily lives
- » JCDecaux's approach is to "un-densify" the city by installing furniture based on a qualitative location selection strategy and by using scrolling panels or digital screens
- » JCDecaux favours the use of public transport *via* bus shelters, and soft means of transport - bikes, walking - *via* self-service bicycle systems and signage
- » Whenever there is sufficient space, JCDecaux adds seating to its furniture to provide greater comfort and create a touch of warmth in urban areas (seating around trees, rear benches...). This is the case for shelters in Paris in particular
- » JCDecaux also contributes to efforts to bring nature back to the city in areas that are markedly mineral-dominated by adorning the roofs of bus shelters with plants and at the same time fighting against the phenomena of urban heat islands and favouring the return of biodiversity to cities. JCDecaux has put this type of furniture in place in Paris, in four Swedish cities, in Bogota and in Manchester

JCDecaux also supports cultural and artistic initiatives as well as local associations by making free space available to them. Further details can be found in Part 7.7. JCDecaux's contribution to local communities.

Developing solutions for smart sustainable cities not only involves private and public players working together, but also partnerships being forged between companies and, in particular, large companies and start-ups. That is why JCDecaux supports and invests in innovative start-ups capable of providing solutions for the city of tomorrow. For example, the Diduenjoy start-up was chosen by JCDecaux to jointly create a ground breaking approach in the field of "Place Research", in other terms the ability to conduct surveys with the general public in mobility. In

the two experiments already conducted – feedback from users of the self-service bicycle systems and Wi-Fi users – Diduenjoy proposed a solution enabling users to give their opinion in under ten seconds while remaining mobile. JCDecaux is also a partner of organisations working with start-ups such as Cap Digital, Paris&Co, Innov&Connect and Grands Prix de l'Innovation of the City of Paris, a fundamental event providing support to the players of the ecosystem of innovation and the showcase of economic and technological dynamism in Paris.



## » FOCUS ON SOFT AND SHARED MOBILITY THROUGH SELF-SERVICE BICYCLES

A genuine supplement to public transport, self-service bicycles are a means of improving city life and optimising moving around while keeping with current environmental and public health concerns. They are also part of a shift in consumption patterns towards the sharing of goods and services between users.

A pioneer in soft mobility with the installation of the first self-service bikes in Vienna in 2003, JCDecaux was able to develop and advance its self-service bicycle systems to reach record bike rental levels today, while maintaining a close relationship with users.

**14 years of international experience**

**700,000 long-term subscribers and 3.2 million occasional users each year**

**Over 52,000 bicycles made available in 70 cities and 13 countries**

**More than 570 million journeys since 2003**

**91% of Vélib's users, JCDecaux's self-service bicycle system deployed in Paris and the surrounding area which comprises 23,600 bicycles, said they were satisfied with the service as a whole in 2016<sup>(1)</sup>**

The success of JCDecaux's self-service bicycle systems is based on the determination, from the outset, to make this service as accessible and user-friendly as possible in order to increase the modal role of bicycles in cities: tailored pricing, payment by bank card, combining with transport tickets, easy subscriber access

(*via* the Internet), instructions in foreign languages at the docking stations, regular communication campaigns to develop the clientele and build loyalty... This success is also the result of the comprehensive networks in cities, the reliability of the facilities, the quality of the maintenance and customer relations. The France Customer Department has been "Customer Relations" NF Services certified since July 2014 and chosen as "2017 Customer Service Provider" in the "Individual Transport for People" category for the second consecutive year.

In April 2015, JCDecaux launched the self-service electric-assisted bicycles with portable chargers. With this electric-assisted self-service bicycle, JCDecaux is revolutionising riding bicycles in urban areas by increasing power and comfort for users, and providing solutions to overcome the main obstacles for the massive development of electric-assisted bicycles: purchase cost and maintenance, theft and the complex nature of the electric recharging.

Compatible with the existing station infrastructure, this new enhanced and connected mobility concept required three years of research and development to transform a complex system into a simple and efficient solution featuring numerous patented innovations: a lightweight, removable battery, an automatic warning if the user forgets to remove the battery and smartphone connectivity *via* a dedicated app. The battery developed by JCDecaux can cover 10 kilometres - four times the average distance travelled on self-service bikes.

Examples of self-service bicycle systems:



<sup>(1)</sup> Study conducted online by the TNS Sofres institute from 22 to 30 November among 509 year-long subscribers and occasional users.

## 7.4. Relations with advertising customers

In this "all virtual" era, the JCDecaux medium is the sole point of contact in real urban life between consumers and brands. Through its furniture networks - on an international, national and local scale - JCDecaux aims to coordinate encounters between brands and consumers in urban areas thanks to well-targeted and powerful campaigns.

The phenomenal growth of digital enables JCDecaux to develop even more solutions for brands and consumers: interactive and innovative content enabling to better target consumers who are more mobile, connected and showing a greater demand for interactivity. As a result, advertisers can build their programmatic campaign and calibrate the target and subject of messages, in real time.

### JCDecaux OneWorld, worldwide access point for brands

OneWorld is a centralised entity of JCDecaux, present in major cities in the world (Paris, New York, San Francisco, Madrid, London and Shanghai) which aims to facilitate relations with major international advertising customers, create global partnerships and propose cross-cutting skills in marketing and studies, in the field of outdoor advertising.

With Oneworld, JCDecaux provides its international customers with international networks and innovative impact studies about the relationships between the advertiser and its audience. These studies represent a distinguishing aspect of JCDecaux's marketing expertise compared with its competitors. By way of example, "Global Shopper Connections" is one of these studies. Unveiled by JCDecaux in October 2016, this international survey thoroughly analyses the purchasing behaviour of the wealthiest Global Shoppers, and their preferences in terms of brands and motivations when travelling abroad. This survey provides detailed information about twelve markets in Europe, Asia, the Middle-East, North America and Africa and six key segments (fashion, fragrance, cosmetics, shoes/leather goods, sunglasses/watches/jewellery and electronic goods). It follows Global Shoppers during their trips abroad analysing the role of shopping in the process of choosing their destinations, their favourite channels of communication and the importance of shopping in their travelling experience.

### JCDecaux contributes to the dynamism of national economies and small local businesses

At a national level, JCDecaux enables economic players to increase their visibility across their respective countries through national furniture networks. In order to further favour this influence, JCDecaux's national entities also put in place surveys and data analysis programmes enabling advertisers to better know consumers and measure the effectiveness of campaigns. This was the case of JCDecaux France through the launch of the "Smarter" programme in 2015. This high precision resource provides brands with the possibility of optimising the context of their campaigns, generating richer interaction with their audiences and speeding up efficient and effective advertising.

At local level, JCDecaux also promotes local and regional posting campaigns *via* open and scalable platforms. This is the case of Monaffiche.be in Belgium and the EasyWay solution in France. Thanks to these sites, JCDecaux enables local businesses to choose and assess the best locations for their communication.

### Environmentally-friendly offers and JCDecaux Live awareness-raising campaigns adapted to advertisers' sustainable development strategies

For their posting campaigns, advertisers have the choice of having their posters printed on recycled paper or paper made with pulp sourced from sustainably managed forests, as well as using vegetable ink guaranteed to be free of GMOs. JCDecaux also proposes an option to fully offset the electricity used by the furniture during a campaign with renewable energy.

**JCDecaux Live** is the name given to the JCDecaux events and diversification activities in the different countries of the group. Through JCDecaux Live, special initiatives and events can be organised to raise the awareness of the general public on social and environmental causes. By way of example, during the summer of 2016 and following a request by the New South Wales Cancer Institute (Australia), JCDecaux transformed the bus shelters situated close to beaches into sun cream machines to encourage holidaymakers to protect themselves from the sun.

### Recognition of the creativity and excellence of the JCDecaux services

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 in building confidence among customers.

- In February 2016, JCDecaux Australia won the Collective Creation prize of the Outdoor Media Association for the "Best use of a specific site"
- In March 2016, JCDecaux Airport Paris won first prize in the "Best Concourse Advertising Campaign" category at the Moodies Awards, for its Wi-Fi experience
- In August 2016, JCDecaux Hong Kong won nine prizes at the "Sparks Awards 2016" for its ground breaking advertising campaigns
- In August 2016, JCDecaux Singapore was awarded the "Best Use of Out-of-Home" prize at the "Singapore Media Award 2016"
- In September 2016, at the eighth annual MOST Awards ceremony which rewards the performance of services delivered across the whole of Africa, JCDecaux Africa was awarded the "Media Owner Africa" prize, all sectors included (TV, Press, Radio, etc.)
- In October 2016, JCDecaux Hong Kong Cityscape finished first "Out-of-Home" media in the annual media survey conducted by Marketing Magazine
- In November 2016, JCDecaux France received two prizes and a mention at the "Grand Prix de la Communication Extérieure 2016", thanks to the event campaigns conducted by JCDecaux Creative Solutions and JCDecaux Live
- In November 2016, and for the fifth year running, JCDecaux Spain was chosen as "Best Outdoor Advertising Company" by the Control review
- In December 2016, JCDecaux Singapore won the "Media Company of the Year" prize for the ninth time and also won the "Singapore Media Awards 2016" in the "Out of home" category



## 7.5. Relations with users

JCDecaux gives great importance to its relations with the end users of its products and services. In order to maintain their long-term trust and, as a result, the societal acceptability of its business activities, JCDecaux ensures above all, the safety of its installations, and puts in place advertising content control procedures and mediation with users (in addition to the satisfaction surveys undertaken, as described in section 7.3. Relations with cities, local governments and transport companies).

### Users' health and safety

JCDecaux built its reputation on the quality of its services and equipment. This is one of the group's core values. JCDecaux has its own R&S department. This research unit is ISO 9001 and ISO 14001 certified, guaranteeing that products designed comply with standards for access and safety and have all necessary approvals. In this respect, numerous simulations (resistance, performance, ...) and tests (thermal resistance...) are conducted enabling the integration of different criteria at the furniture design stage in order to guarantee the safety of furniture. Quality inspections are then conducted at each stage of the production cycle thus guaranteeing high-quality products without any danger for users.

After being installed, all furniture is subject to regular on-site checks, in addition to stricter and deeper and more systematic checks at varying intervals of electrical installations.

Self-service bicycle systems are checked and maintained twice a week by on-site cycle technicians. When necessary, bicycles are repaired in the workshop by cycle mechanics. Brakes are replaced as a preventive measure every twenty-four months, and the sheaths and cables every six months, by mechanics and technicians trained at the Cyclocity® school workshop, internal to JCDecaux.

Awareness-raising operations on road safety among self-service bicycle systems users are also conducted. Since 2014, JCDecaux has organised events to introduce young children to riding bicycles. During these events, small bicycles designed by JCDecaux are made available to children to enable them to familiarise themselves with road safety rules on a closed circuit. In 2016, these events were organised in seven cities of France: Paris, Marseille, Lyon, Nantes, Besançon, Mulhouse and Nancy.

### Monitoring advertising content

Advertising content has been monitored by JCDecaux for several years in order to respect local regulations and to avoid posting advertisements that might offend the public. The company has established a compliance procedure for monitoring advertising displays.

Each JCDecaux entity must put in place a procedure ensuring that advertisements are compliant with applicable laws and regulations and that the advertisements concerning certain specific themes (alcohol, nudity lingerie, violence, indirect pornography, ecological virtues of products, tobacco...) are very carefully examined.

In 2016, nineteen of the group's countries had an advertising control procedure taking into account the sensitivity of the general public in addition to the verification of legal compliance when approving advertising displays.

In total, 3,450 advertisements were rejected or had to be revised in 2016 due to their non-compliance with the relevant laws, the group's Code of Ethics, or the possibility of the advertisement to disturb certain members of the general public (taking into account public sensitivity). A significant proportion of the advertisements rejected or revised were in China.

In France, advertisements are submitted to the Legal Department, which verifies their compliance with applicable laws and regulations. If an advertisement is identified by the Legal Department as potentially undermining public morality or public sensibilities, the advertisement is submitted to the Advertising Ethics Committee, made up of the heads of the Legal Department, Marketing, Communications, Asset Management, Sales, and Sustainable Development and Quality Departments. In the event of rejection, the advertisement must be revised and submitted again for the approval of the Advertising Ethics Committee.

### Mediation with users of self-service bicycle systems

JCDecaux attaches great importance to good relations with its customers using the self-service bicycle systems. A France Mediation Unit was set up in 2011 to favour amicable settlements of disputes between users and JCDecaux. Since 2012, the JCDecaux France mediation process is referenced by the Consumer Mediation Commission and is part of the "Association Nationale des Médiateurs" (National Association of Mediators). This body is completely independent and impartial and works in compliance with the provisions of the Mediation Commission's Mediation Charter. This body is made up of a mediator supported by two employees and covers all the self-service bicycle systems in France.

In 2016, six European JCDecaux subsidiaries also put in place procedures to facilitate mediation with self-service bicycle system users.

### 2016 review of mediation in France

Among the 759 cases referred to the mediator in 2016, 587 of them were dealt with and filed, 35 are in the process of being handled and 137 were transferred to the appropriate departments (insurance, customer relations centre, supervision, regulations).

In 2016, 92 people aged under 18 took part in the "you break, you fix it" initiative within the framework of repair measures associated with penal procedures. These measures put in place in 2013, and which today cover Vélib', Vélo'v and VéloToulouse, enable first-time offenders who have damaged bicycle systems to work in the Cyclocity® workshops, in order to carry out their remedial measure of repairing the bicycle. The aim of these measures is to work towards an educational and pedagogical goal in order to prevent the same offences being committed again and avoid situations of social rupture. On 15 January 2016, these measures were extended to adults thanks to the signing of a national agreement with the Ministry of Justice concerning the offer of doing community work and remedial work for damages associated with penal procedures.

In order to continue to improve the mediation process, a satisfaction survey was conducted in 2016 in partnership with the University of Lyon among self-service bicycle users. This survey, sent in the form of an anonymous questionnaire, made it possible to measure the satisfaction of customers before and after the mediation process. In 2017 the mediation survey will be further developed with the introduction of different questionnaires to be sent at different stages of the mediation process in order to obtain systematic monitoring at each stage of the mediation process.



## 7.6. Protection of personal data and respect of private life

JCDecaux guarantees the **respect of the privacy of all persons and the confidentiality of their personal data.**

In France, through the publication, at the start of 2017, of its Personal Data Protection and Privacy Policy (available on [www.jcdecaux.com](http://www.jcdecaux.com)), JCDecaux confirms its commitment to respecting, in particular, the five fundamental principles of the "Loi Informatique et Libertés" (French Data Protection Act):

- the purpose of all processing is specific, explicit and legitimate
- the data collected is adequate, relevant and not excessive
- the data-storing period does not exceed the duration required for the purpose in question
- the persons concerned by the processing of their data are informed, and their rights (access, rectification, deletion, objection) are respected
- special measures to protect and make personal data secure are implemented

More broadly, these fundamental principles are respected by the group companies in Europe, for all processing of personal data relating to customers, partners, candidates, suppliers, Internet users,...

Outside Europe, each subsidiary undertakes to comply with its local regulations concerning the protection of personal data.

More specifically in France, a "Correspondant Informatique et Libertés" (shared CIL), Data Protection Agent, ensures the compliance of all processing for the French entities of the group, with the support of its network of twenty-one "Relais Informatique et Libertés" (RIL), Data Protection Relays. Personal Data Protection Contact Persons are also present in each of the group's European subsidiaries.

In 2016, the CIL, with the support of the RIL network, continued its employee awareness-raising actions and the process of ensuring the compliance of data processing (self-service bicycle systems, CRM, SIRH, Wi-Fi networks...). In-depth compliance audits were conducted on some processing after implementation. Recommendations were also made to the international subsidiaries (EU and non-EU), upon request, within the framework of an exchange of good practices. An action plan was also drawn up with a view to preparing the group for the new European Regulations coming into force in May 2018 concerning the protection of personal data.

In order to ensure the security of the Information Systems, an Information Systems Security Manager (RSSI), assisted by a network of regional "Hub Managers" and IT Managers present in each of the group's countries, deploys JCDecaux's IT Security Policy. This network also organises the active watch and regular audits (internal and external) of JCDecaux's Information Systems, as well as those of the group's key suppliers.

No leaks or theft of personal data were recorded in 2016.

## 7.7. JCDecaux's contribution to local communities

### Local presence

JCDecaux operates in over 75 countries, 4,435 cities of more than 10,000 inhabitants, 230 airports and 280 transport contracts in underground systems, buses, trains and tram networks. JCDecaux consequently contributes to economic development and creates jobs where the company has its operations. JCDecaux's activities and businesses are, by nature, rooted in the regions closest to furniture implementation: JCDecaux therefore employs local field personnel and works with local sub-contractors. Whenever possible, furniture is made by local suppliers. Lastly, through its Policy of responsible taxation, JCDecaux has undertaken to ensure that income tax is paid in each country where the group operates in compliance with the laws and regulations in force (see Taxation Policy chapter p.87 for further details), thus contributing to the creation of value locally.

### Actions to support major causes

Outdoor advertising is a medium that reaches a large 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 activities to support major causes such as the fight against disease, support for the disadvantaged, protection of the environment, and road safety. Every year, JCDecaux proves its support by displaying posters on advertising spaces free of charge across its networks or by providing financial support.

In 2016, thirty of the group's countries put in place actions supporting major causes, mainly in the fields of child protection, health, medical research, equal opportunities, environmental protection and culture, as well as other fields. The total economic value of these subsidiaries actions in support of major causes, whether through free advertising faces or donations, was 27 million euros in 2016.

In terms of culture, JCDecaux continued its support of two major graphic design events: the Graphic Design Festival from 11 January to 22 February 2016 and the Fête du Graphisme in Paris and Brussels from 6 January to 16 February 2016.

On the occasion of the Graphic Design Festival, JCDecaux made available 1,600 furniture in Paris and digital screens in London and in New York, for an exhibition displaying nineteen graphic creations on the theme of "Creative Sport". This international campaign arrangement deployed simultaneously by JCDecaux provided outstanding urban visibility for JCDecaux's graphic designers and their creations.

As a founding partner of the Graphic Design Festival, JCDecaux made available 1,800 furniture in Paris and Brussels which provided outstanding urban visibility for graphic designers and their creations on the theme of "Celebrate the City". JCDecaux also created a temporary urban exhibition featuring twenty-three totems (forty-six faces) to "Celebrate the City" on the Champs-Élysées and thus showcased thirty-nine works on the most beautiful avenue in the world. Following these two events the displays created by famous designers became part of the collections of the Municipal Contemporary Art Collection of the City of Paris.

## OUR STAKEHOLDER COMMITMENT

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JCDecaux supports France's bid to host two major international events: the 2025 Universal Exhibition and the 2024 Olympic Games. With these partnerships, JCDecaux wishes to support France and Paris with two unique opportunities to welcome the world and use all its know-how to promote Paris, a showcase of the group's innovations for over forty years.



A few other examples of initiatives to support implementation by different JCDecaux subsidiaries:

In the field of health and the fight against poverty, JCDecaux Spain has been supporting several associations for many years – Doctors without borders (MSF), the Red Cross and UNICEF – by offering free use of advertising space.

In terms of the environment, JCDecaux China, the first company to have supported the WWF's Earth Hour initiative in China, renewed its support in 2016 through displays on 602 furniture as part of the Earth Hour campaign in Shanghai, Beijing, Chongqing, Guangzhou and Ningbo. In this way, JCDecaux China participates in the campaign to raise awareness on environmental issues in the country. JCDecaux China also supported the fight against the traffic of wild animals in 2016 by promoting the "Say No To Illegal Wildlife Trade" initiative from September to October 2016 on JCDecaux furniture in the Shanghai metro.

### 7.8. Relations with financial and extra-financial investors

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Responding to the market's questions and maintaining good relations with analysts and investors is essential for the credibility of JCDecaux on the market.

To further improve the quality of these relations, JCDecaux's Investor Relations Department is responsible for developing relationships of trust and continuous dialogue with its analysts, shareholders and investors.

In order to address questions raised by investment funds in relation to SRI (Socially Responsible Investment) and non-financial indices criteria, JCDecaux provides access to information about its sustainable development approach and regularly participates in events such as conferences and road-shows where companies and investors can meet one another.

## 8. JCDECAUX'S PRESENCE IN INTERNATIONAL EXTRA-FINANCIAL RATING INDICES

At the end of 2016, JCDecaux was included in several leading ethical investment indices, which list the best companies according to strictly defined criteria of corporate social responsibility:

### Dow Jones Sustainability Index Europe (DJSI)

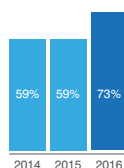


In 2016, JCDecaux joined the DJSI and obtained the "Bronze Class 2017" and "Industry Mover 2017" prizes for the group's commitment, transparency and results regarding sustainable development.

#### Our best performance achieved in 2016

73/100

(Industry average: 40)



### FTSE4Good index series



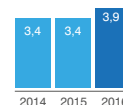
FTSE4Good

Since 2014, the overall score obtained by JCDecaux has been improving, notably with regard to social criteria and governance.

#### Our best performance achieved in 2016

3,9/5

(Sector average not available)



### Carbon Disclosure Project (CDP) Climate Change



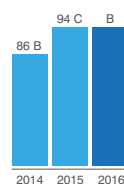
Since 2011, JCDecaux responds to CDP and maintains its performance in terms of transparency and managing its greenhouse gas emissions.

#### A performance maintained in 2016

B

(Industry average: C)

(CDP changed its rating methodology in 2016 and merged the transparency rating and the performance rating in order to give a single rating)



### MSCI ESG\*



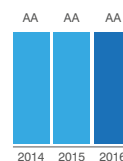
2017 Constituent MSCI Global Sustainability Indexes

Since 2013, JCDecaux has obtained an AA rating, a position maintained across all the environmental, social and governance criteria.

#### A rating maintained in 2016

AA

(Sector average not available)



### STOXX Global ESG Leaders indices



In 2016, JCDecaux joined the STOXX® Global ESG Leaders indices. It was successfully introduced in these indices with a transparency score much higher than the sector average.

#### Successful introduction in 2016

94C

(Sector average: 76 C)

### Euronext Vigeo Eiris indices



In 2016, JCDecaux joined the World 120 Index of Vigeo Eiris, in addition to being present in the Europe 120 and Eurozone 120 indices for many years. This inclusion underlines the good performance of JCDecaux in particular with regard to the environmental, social, human rights and involvement-in-local-communities criteria.

(Overall rating not available)

### Ethibel Pioneer Ethibek Excellence Investment



Since 2009, JCDecaux has been part of the Ethibel PIONEER and Ethibel EXCELLENCE Investment registers. This selection shows that the company is above the average for its sector in terms of corporate social responsibility.

(Overall rating not available)

### Oekom research Corporate Responsibility



Oekom Research classified JCDecaux in its "Prime" list. This classification confirms that JCDecaux is among the 15% of companies having attained "Prime" status in the rating world.

(Overall rating not available)

\* "The inclusion of JCDecaux SA in any MSCI index, and the use of MSCI logos, trademarks, service marks or index herein, do not constitute a sponsorship, endorsement or promotion of JCDecaux SA by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI names and logos are trademarks or service marks of MSCI or its affiliates."





Bus shelter in the city center of Tokyo, Japan

# FINANCIAL STATEMENT

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# MANAGEMENT DISCUSSION AND ANALYSIS OF GROUP CONSOLIDATED FINANCIAL STATEMENTS

## 1. 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 Registration Document. As required by European Union Regulation no. 1606/2002, dated 19 July 2002, the consolidated financial statements for 2016 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 31 December 2016, and presented with comparative financial information for 2015 prepared in accordance with the same standards.

### Introduction

group revenues mainly stem from the sale of advertising space for the following three business segments: street furniture advertising ("Street Furniture"), transport advertising ("Transport") and 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 Media 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. In 2009, JCDecaux became the majority shareholder of Wall AG, number two in outdoor advertising in Germany and Turkey. At the end of 2011, JCDecaux strengthened its Street Furniture activity in France with the acquisition of Médiakiosk. In February 2013, JCDecaux acquired 25% of Russ Outdoor, Russia's leading outdoor advertising company, operating in 47 cities. In March 2014, JCDecaux acquired 85% of Eumex, and became the leading outdoor advertising company in Latin America. In June 2015, JCDecaux acquired Continental Outdoor Media, the number one outdoor advertising company in Africa. In November 2015, JCDecaux acquired the Cemusa group and strengthened its positions in Spain, Italy, Brazil and the United States. In 2016, JCDecaux acquired the Outfront Media businesses in Mexico and in Latin America, then JCDecaux formed a strategic alliance with Caracol Television the number one in TV audience in Colombia, while selling to Caracol a 25% stake of the capital of the Colombian subsidiary, Eucol, and finally JCDecaux created a partnership with the Top Media group, in Panama and Central America, confirming its leadership in this region.

### Summary of operations in 2016

In accordance with IFRS 11, applicable from 1 January 2014, companies under joint control, previously consolidated using the proportional consolidation method, must now be consolidated using the equity method. Operational data from companies under joint control continue to be proportionately consolidated in the group's operating management reporting on which Managers base their decision-making. This is why the operational data reported below are adjusted in order to recognize the proportional impact of companies under joint control and so continue to be consistent with historical data. For the income statement, this means all aggregates up to EBIT. For the cash flow statement, this means all aggregates up to free cash flow. Adjusted revenues, operating margin, EBIT and free cash flow data are reconciled with IFRS data in Annex 1 of this document.

group revenues were up by 5.8% to €3,392.8 million in 2016, including 12.9% from digital displays. Excluding the acquisitions and foreign exchange impact, revenues were up by 3.3%. The group's operating margin totaled €646.5 million, down by 7.0%, and accounted for 19.1% of revenues, compared with 21.7% in 2015. Before impairment charges and write-backs, the group's EBIT amounted to 10.4% of revenues in 2016, compared to 11.6% in 2015. After recognition of impairment charges and write-backs, the group's EBIT amounted to €353.1 million in 2016, i.e. 10.4% of revenues compared to 11.1% in 2015.

At 31 December 2016, the group had 13,027 employees (1,286 of whom are the group's share of joint ventures' headcount), i.e. 173 more than at the end of 2015, mainly due to the consolidation of the Outfront Media and Top Media groups in 2016.

The table opposite summarizes revenues, operating margin and EBIT, as well as operating margin and EBIT as a percentage of revenues for each of the group's three business segments in 2016 and 2015.

Fiscal year ended 31 December (adjusted data<sup>(1)</sup>)

| IN MILLION EUROS, EXCEPT PERCENTAGES                           | 2016           | 2015           |
|--|----------------|----------------|
| <b>STREET FURNITURE</b>  |                |                |
| <b>Revenues</b>  |                |                |
| - Advertising  | 1,376.4        | 1,249.1        |
| - Sale, rental and maintenance                                 | 147.3          | 145.2          |
| <b>Total Revenues</b>  | <b>1,523.7</b> | <b>1,394.3</b> |
| <b>Operating margin</b>  | <b>405.4</b>   | <b>441.6</b>   |
| <i>Operating margin/Revenues</i>                               | 26.6%          | 31.7%          |
| <b>EBIT before impairment charges and write-backs</b>          | <b>193.2</b>   | <b>201.1</b>   |
| <i>EBIT before impairment charges and write-backs/Revenues</i> | 12.7%          | 14.4%          |
| <b>EBIT after impairment charges and write-backs</b>           | <b>194.8</b>   | <b>184.7</b>   |
| <i>EBIT after impairment charges and write-backs/Revenues</i>  | 12.8%          | 13.2%          |
| <b>TRANSPORT</b>   |                |                |
| <b>Revenues</b>  | <b>1,373.7</b> | <b>1,355.4</b> |
| <b>Operating margin</b>  | <b>182.0</b>   | <b>201.5</b>   |
| <i>Operating margin/Revenues</i>                               | 13.2%          | 14.9%          |
| <b>EBIT before impairment charges and write-backs</b>          | <b>130.5</b>   | <b>152.1</b>   |
| <i>EBIT before impairment charges and write-backs/Revenues</i> | 9.5%           | 11.2%          |
| <b>EBIT after impairment charges and write-backs</b>           | <b>130.6</b>   | <b>154.6</b>   |
| <i>EBIT after impairment charges and write-backs/Revenues</i>  | 9.5%           | 11.4%          |
| <b>BILLBOARD</b>   |                |                |
| <b>Revenues</b>  | <b>495.4</b>   | <b>457.9</b>   |
| <b>Operating margin</b>  | <b>59.1</b>    | <b>52.1</b>    |
| <i>Operating margin/Revenues</i>                               | 11.9%          | 11.4%          |
| <b>EBIT before impairment charges and write-backs</b>          | <b>27.7</b>    | <b>18.2</b>    |
| <i>EBIT before impairment charges and write-backs/Revenues</i> | 5.6%           | 4.0%           |
| <b>EBIT after impairment charges and write-backs</b>           | <b>27.7</b>    | <b>18.2</b>    |
| <i>EBIT after impairment charges and write-backs/Revenues</i>  | 5.6%           | 4.0%           |
| <b>GROUP TOTAL</b>   |                |                |
| Revenues   | 3,392.8        | 3,207.6        |
| Operating margin   | 646.5          | 695.2          |
| <i>Operating margin/Revenues</i>                               | 19.1%          | 21.7%          |
| EBIT before impairment charges and write-backs                 | 351.4          | 371.4          |
| <i>EBIT before impairment charges and write-backs/Revenues</i> | 10.4%          | 11.6%          |
| EBIT after impairment charges and write-backs                  | 353.1          | 357.5          |
| <i>EBIT after impairment charges and write-backs/Revenues</i>  | 10.4%          | 11.1%          |

<sup>(1)</sup> The adjusted data recognize the proportional impact of joint ventures under joint control. These data are reconciled with IFRS data in Annex 1 of this document.

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.

# MANAGEMENT DISCUSSION AND ANALYSIS OF GROUP CONSOLIDATED FINANCIAL STATEMENTS

## 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 revenues 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 and the targeting of the network, and the general state of the advertising market and the economy.

#### 1.1.1. Organic and reported growth

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

#### 1.1.2. Advertising revenues

Revenue resulting from the sale of advertising space is recorded on a net basis after deduction of commercial rebates. In some countries, commissions are paid by the group to advertising agencies and media brokers when they act as intermediaries between the group and advertisers. These commissions are then deducted from revenue. In agreements where the group pays variable fees or revenues sharing, the group classifies gross advertising revenues as revenues and books variable fees and revenues 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 revenues.

Furthermore, the group followed up distinctly the digital revenue. Digital revenue represents the sale of advertising spaces through all digital or electronic displays, installed for longer than six months. These digital advertising supports may be of varying technologies and sizes, either physical (LED or LCD screens), or intangible (Internet or Wi-Fi).

#### 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" and services ancillary to its digital revenue.

### 1.2. Revenue growth

group revenue stood at €3,392.8 million in 2016 (including 12.9% in digital revenue) versus €3,207.6 million in 2015, and 10.5% in digital revenue. Acquisitions, disposals of long term investments and partnership transactions had a positive impact of +€170.0 million on 2016 revenues. Foreign exchange fluctuations between 2015 and 2016 had a negative impact of €89.1 million on revenues. Excluding the acquisitions and foreign exchange impact, organic revenues increased by 3.3% in 2016. The organic growth of the three segments, Street Furniture, Transport and Billboard, was respectively +5.2%, +2.1% and +0.9%.

#### 1.2.1. Revenues by segment

##### Street Furniture

Street Furniture revenues totaled €1,523.7 million in 2016 (including 8.5% in digital revenue), compared to €1,394.3 million in 2015 (including 4.9% in digital revenue), up by 9.3%.

Change in consolidation scope had a positive impact of €83.4 million primarily due to the full-year effect of the Cemusa group, the change in the consolidation rate of IGP Decaux and the acquisition of the Outfront Media group. Foreign exchange fluctuations between 2015 and 2016 had a negative impact of €26.1 million on Street Furniture revenues, due to the depreciation of the pound sterling, the Kazakh tenge and the Turkish pound against the euro, which compensated for the appreciation of the Japanese yen.

- Advertising revenues

Advertising revenues rose by 10.2% in 2016.

Excluding acquisitions and the impact of foreign exchange, Street Furniture advertising revenues rose by 5.7% in 2016. Europe (including France and the United Kingdom) showed good growth due to the digitalization of the world's largest network of bus shelter advertising in London where the majority of the 500 screens have been installed in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2016. Asia Pacific showed good revenue growth. Revenues in North America increased slightly. The Rest of World showed an increase.

- Non-advertising revenues

Non-advertising revenues totaled €147.3 million in 2016, compared to €145.2 million in 2015, a growth of 1.4%. Excluding the acquisitions and foreign exchange impact, non-advertising revenues improved by 0.6%.

### Transport

Transport revenues totaled €1,373.7 million in 2016 (including 19.7% in digital revenue), compared to €1,355.4 million in 2015 (including 17.5% in digital revenue), an increase of 1.4%.

In 2016, changes in consolidation scope had a positive impact of €35.5 million, primarily due to the full-year effect of the Cemusa group acquisition and of the increase in the consolidation rate of IGP Decaux. Foreign exchange fluctuations between 2015 and 2016 had a negative impact of €45.2 million, mainly attributable to the rise in the euro versus the Chinese yuan and the British pound.

Excluding acquisitions and the impact of foreign exchange, Transport business revenues grew by 2.1% in 2016. Asia Pacific was stable because of a significant slowdown in China (including

Hong Kong and Macau). Europe (including France and the United Kingdom) showed good revenue growth. Revenues in North America decreased slightly. The Rest of the World experienced strong revenue growth.

### Billboard

Billboard revenues amounted to €495.4 million in 2016 (including 7.5% in digital revenue), compared to €457.9 million in 2015 (including 6.5% in digital revenue), an increase of 8.2%.

Changes in consolidation scope had a positive impact of €51.1 million, mainly attributable to the acquisition of Outfront Media in 2016 and the full-year effect of the consolidation of Continental group. Foreign exchange fluctuations between 2015 and 2016 had a negative impact of €17.9 million, mainly attributable to the depreciation of the British pound and the devaluation in the Russian rouble and the South African rand.

Excluding acquisitions and the impact of foreign exchange, revenues increased by 0.9% in 2016. Revenues were stable in Europe (including France and the United Kingdom). Revenues showed good growth in the Rest of the World, thanks to Russia.

## 1.2.2. Adjusted Revenues by region

Fiscal year ended 31 December

| IN MILLION EUROS, EXCEPT PERCENTAGES | 2016           |              | 2015           |              |
|--------------------------------------|----------------|--------------|----------------|--------------|
|                                      | REVENUES       | % OF TOTAL   | REVENUES       | % OF TOTAL   |
| Europe <sup>(1)</sup>                | 886.2          | 26.2         | 829.8          | 25.9         |
| Asia-Pacific                         | 819.3          | 24.1         | 832.6          | 26.0         |
| France                               | 628.8          | 18.5         | 613.5          | 19.1         |
| Rest of the World <sup>(2)</sup>     | 405.3          | 11.9         | 335.0          | 10.4         |
| United Kingdom                       | 382.2          | 11.3         | 369.6          | 11.5         |
| North America                        | 271.0          | 8.0          | 227.1          | 7.1          |
| <b>TOTAL</b>                         | <b>3,392.8</b> | <b>100.0</b> | <b>3,207.6</b> | <b>100.0</b> |

<sup>(1)</sup> Excluding France and the United Kingdom.

<sup>(2)</sup> Rest of the World includes Central and South America, Russia, Ukraine, Central Asia, Middle-East and Africa.

- Revenues in Europe (excluding France and the United Kingdom) amounted to €886.2 million, up 6.8% compared to 2015. Excluding acquisitions and the impact of foreign exchange, revenues dropped slightly by 0.3% compared to 2015.
- Revenues in Asia Pacific totaled €819.3 million, a decrease of 1.6% compared to 2015. Excluding acquisitions and the impact of foreign exchange, revenues rose by 1.1%.
- Revenues in France totaled €628.8 million in 2016, up 2.5% compared to 2015. There was no change in scope in 2016.
- Revenues from the Rest of the World totaled €405.3 million, up 21.0% compared to 2015. Excluding acquisitions and the impact of foreign exchange, the Rest of the World recorded growth of 6.3% in revenues.
- United Kingdom revenues amounted to €382.2 million in 2016, up 3.4% compared to 2015. Excluding acquisitions and the impact of foreign exchange, United Kingdom revenues rose by 16.4%.
- Revenues from North America amounted to €271.0 million, up 19.3% compared to 2015. Excluding acquisitions and the impact of foreign exchange, revenues for North America increased by 0.3%.

# MANAGEMENT DISCUSSION AND ANALYSIS OF GROUP CONSOLIDATED FINANCIAL STATEMENTS

- Regarding the relative weight of each geographic region within the group, the integration of the Continental group and Outfront Media boosted the growing contribution of the Rest of the World to the group's consolidated revenues in 2016, which grew from 10.4% of consolidated revenues in 2015 to 11.9% in 2016. North America, driven by the full-year effect of consolidation of the Cemusa group, grew from 7.1% to 8.0%. The Rest of Europe also saw its contribution to group revenues in 2016 increase, moving from 25.9% in 2015 to 26.2% in 2016. Despite the growth in their revenues, the relative weight of France and the United Kingdom fell, respectively, from 19.1% to 18.5% and from 11.5% to 11.3%. Finally, the drop in Asia Pacific revenues was reflected by a drop in its contribution to group revenues, which fell from 26.0% to 24.1%.

## 1.3. Impact of acquisitions on group revenues

In 2016, acquisitions (exclusive or joint control) and disposals had a positive impact of €170.0 million on the group's consolidated revenues.

This impact resulted mainly from the following transactions:

- the full-year effect of the acquisition, in June 2015, of 70% of Continental Outdoor Media, a group specialized in Billboard advertising in Africa. Continental Outdoor Media is fully consolidated
- the full-year effect of the acquisition, at the end of June 2015, of an additional 27.65% interest in IGPDecaux (Italy). This company, which was previously 32.35% proportionately consolidated, is now 60% proportionately consolidated
- the full-year effect of the acquisition, at the end of August 2015, of 70% of the Eye Catcher group in Peru, operating in the Street Furniture and Transport segments. Eye Catcher is fully consolidated
- the full-year effect of the acquisition, at the beginning of November 2015, of In Focus in the United Kingdom. In Focus is fully consolidated
- the full-year effect of the acquisition, in November 2015, of 100% of the Cemusa group (Spain, Italy, the United States and Brazil)
- the acquisition, in April 2016, of 85% of the Outfront Media group in Mexico and Latin America, operating in the Billboard and Street Furniture segments. Outfront Media is fully consolidated
- the acquisition, at the end of June 2016, of 73% of the DOOH group in Belgium, operating in the Street Furniture segment. DOOH is fully consolidated
- the acquisition, at the end of December 2016, of the Top Media group in Panama had no revenue impact

External acquisitions had an impact of +€83.4 million on Street Furniture, +€35.5 million on the Transport segment and +€51.1 million on the Billboard segment.

## 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

As mentioned above, these two key group performance indicators, the operating margin and EBIT, are adjusted for the proportional contribution of companies under joint control.

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 selling, general and administrative expenses. It includes charges to provisions net of reversals relating to trade receivables.

The operating margin is impacted by cash discounts granted to customers deducted from revenues 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, rents, and maintenance expenses – increases, but not in direct proportion to the increase in advertising revenues. The main costs that vary as a function of advertising revenues are variable rents 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 segment 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 revenues 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. Nevertheless, the group strives to control costs as much as possible by taking advantage of synergies among its various businesses, by maximizing the productivity of its technical teams and its purchasing and operating methods, and by adapting its cost structures to reflect the economic conditions in various regions.

### 2.2. Change in the operating margin

The group operating margin stood at €646.5 million in 2016, compared to €695.2 million in 2015, a decrease of 7.0%. It accounted for 19.1% of revenues in 2016, compared to 21.7% in 2015.



Street Furniture: the operating margin decreased by 8.2% to €405.4 million and represented 26.6% of revenues, compared to 31.7% in 2015.

Transport: The operating margin stood at €182.0 million, down by 9.7% compared to 2015, and accounted for 13.2% of revenues compared to 14.9% in 2015.

Billboard: the operating margin increased by 13.4% to €59.1 million and represented 11.9% of revenues, compared to 11.4% in 2015.

### 3. Ebit

#### 3.1. Definitions

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 write-downs are recognized in the line item "Maintenance spare parts". Other operating income and expenses include gains and losses on disposals (property, plant and equipment or intangible assets, joint ventures or company shares), profits or losses arising from the re-measurement at fair value of the previously-held (or retained) interest in the event of a business combination with acquisition of control (within the context of a loss of control), price adjustments resulting from post-acquisition events, negative goodwill, direct costs linked to acquisitions and non-recurring items.

The net charges related to impairment tests performed on companies under joint control, as well as property, plant and equipment and intangible assets are recognized in the line item "Depreciation, amortization and provisions (net)". Goodwill impairment is recognized in the line item "Impairment of Goodwill".

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

The digital screens are depreciated over a 5 to 10 year period; their economic lifetime can be shorter than the term of the contracts.

Billboards are depreciated according to the method of depreciation prevailing in the relevant countries in accordance with local regulations and economic conditions. The main method of depreciation is the straight-line method over a period of 2 to 20 years.

#### 3.2. Changes in EBIT

Before impairment charges and write-backs, EBIT amounted to €351.4 million in 2016, compared to €371.4 million in 2015, i.e. a decrease of 5.4%. It accounted for 10.4% of revenues in 2016, compared to 11.6% in 2015. This €20.0 million decrease breaks down as follows: a decrease of €48.7 million in operating margin and a €28.7 million decrease in other expenses, i.e. depreciation, amortization and provisions, maintenance spare parts and other operating income and expenses.

Net depreciation and amortization charges (excluding write-downs recorded after the impairment test on the net assets of companies under joint control, goodwill, PP&E and intangible assets and excluding intangible asset amortization and reversals of provisions on onerous contracts related to the accounting treatment of acquisitions) amounted to €261.9 million in 2016 compared to €250.0 million in 2015. Intangible asset amortization charge and reversals of provisions on onerous contracts related to the accounting treatment of acquisitions have changed favorably from €(22.7) million in 2015 to €29.6 million in 2015.

Net provisions in 2016 represented a net reversal (excluding provisions for onerous contracts) of €16.5 million, compared to a net reversal of €11.3 million in 2015.

The «maintenance spare parts» item stood at €46.1 million in 2016, versus €46.8 million in 2015.

The "Other operating income and expenses" line item represented a net expense of €33.2 million in 2016. This item represented a net expense of €15.6 million in 2015. This increase is mainly due to restructuring costs following the acquisitions of Cemusa and Outfront Media.

After impairment charges and write-backs, EBIT amounted to €353.1 million, compared to €357.5 million in 2015. Impairments and write-backs had a positive impact on EBIT of €1.7 million in 2016. They consisted primarily of a net reversal of provisions for onerous contracts of €1.2 million and a write-back of an impairment loss on PP&E and intangible assets of €0.5 million.

#### Street Furniture

Before impairment charges and write-backs, Street Furniture EBIT amounted to €193.2 million in 2016, down by 3.9% from €201.1 million in 2015. It represented 12.7% of this activity's revenues in 2016, compared to 14.4% in 2015.

Net depreciation and amortization charges (excluding asset write-downs recorded after the impairment test and excluding intangible asset amortization and net reversals of provisions on onerous contracts related to the accounting treatment of acquisitions) amounted to €182.3 million in 2016 compared to €178.1 million in 2015, i.e. an increase of €4.2 million. They represented 12.0% of revenues. Intangible asset amortization charge and reversals of provisions on onerous contracts related to the accounting treatment of acquisitions amounted to an income of €17.4 million (versus an expense of €16.6 million in 2015).

Net provisions represented a net reversal (excluding provisions for onerous contracts) of €14.6 million in 2016, compared to a net reversal of €5.7 million in 2015.

The "Maintenance spare parts" line item represented an expense of €40.9 million in 2016, compared to €42.5 million in 2015.

The "Other operating income and expenses" line item represented a net expense of €21.0 million, compared to an expense of €9.0 million in 2015.

# MANAGEMENT DISCUSSION AND ANALYSIS OF GROUP CONSOLIDATED FINANCIAL STATEMENTS

Reversals of provisions on onerous contracts of €1.2 million and write-backs to PP&E and intangible assets of €0.4 million impacted Street Furniture EBIT which stood at €194.8 million in 2016, compared to €184.7 million in 2015 (vs. impairments of €12.3 million and €4.1 million).

## Transport

Before impairment charges and write-backs, Transport EBIT amounted to €130.5 million in 2016, compared to €152.1 million in 2015, i.e. a fall of 14.2%. It represented 9.5% of this activity's revenues in 2016, compared to 11.2% in 2015.

In Transport, depreciation and amortization charges (excluding asset write-downs recorded after the impairment test and excluding intangible asset amortization and reversals of provisions on onerous contracts related to the accounting treatment of acquisitions) amounted to €48.1 million in 2016, i.e. 3.5% of revenues. The low level of amortization in this segment compared to Street Furniture reflects the fact that transport contracts, which have shorter terms than street furniture contracts and generate higher fees, generally require less investment. Intangible asset amortization charge and reversals of provisions on onerous contracts related to the accounting treatment of acquisitions amounted to income of €7.0 million in 2016 versus an expense of €2.7 million in 2015.

Net provisions in 2016 represented a net expense (excluding provisions for onerous contracts) of €1.4 million, compared to a net reversal of €0.2 million in 2015.

The "Maintenance spare parts" line item represented an expense of €1.6 million in 2016, compared to an expense of €0.9 million in 2015.

The "Other operating income and expenses" line item represented a net expense of €7.3 million, compared to an expense of €2.3 million in 2015.

Impairment charges and write-backs had a positive impact of €0.1 million on Transport EBIT which stood at €130.6 million in 2016, compared to €154.6 million in 2015 (vs. a reversal of €2.5 million).

## Billboard

Before impairment charges and write-backs, Billboard EBIT amounted to €27.7 million in 2016, compared to €18.2 million in 2015, i.e. a rise of 52.2%. It represented 5.6% of this activity's revenues in 2016, compared to 4.0% in 2015.

Depreciation and amortization charges (excluding asset write-downs recorded after the impairment test and excluding intangible asset amortization related to the accounting treatment of acquisitions) amounted to €31.5 million in 2016, compared to €28.2 million in 2015. Intangible asset amortization charge and reversals of provisions on onerous contracts related to the accounting treatment of acquisitions amounted to income of €5.3 million (versus an expense of €3.4 million in 2015).

Net provisions represented a net reversal (excluding provisions for onerous contracts) of €3.3 million in 2016, compared to a net reversal of €5.3 million in 2015.

The "Maintenance spare parts" line item represented an expense of €3.6 million in 2016, compared to an expense of €3.3 million in 2015.

The "Other operating income and expenses" line item represented a net expense of €4.9 million, compared to an expense of €4.3 million in 2015.

No impairment or write-back was recorded in 2016. EBIT amounted to €27.7 million in 2016, compared to €18.2 million in 2015. In 2015, the situation remained the same; no allocation to, nor reversal of, impairment losses has been recognized.

## Contribution of companies under joint control and switch from adjusted EBIT to IFRS EBIT

In 2016, the contribution of companies under joint control to EBIT stood at €100.8 million. After elimination of this contribution, EBIT fell from €353.1 million to €252.3 million in 2016.

In 2015, the contribution of companies under joint control to EBIT stood at €87.4 million. After elimination of this contribution, EBIT fell from €357.5 million to €270.1 million in 2015.

## 4. Net financial income (loss)

In 2016, net financial income amounted to -€18.8 million, up €14.9 million compared to 2015. This change was mainly due to €10.1 of net discounting and revaluation income for debts on commitments to purchase non-controlling interests in 2016 and from a €2.9 million increase in financial interest expenses related to a new bond issued in June 2016 and the reduction in investment income.

## 5. Income tax

In 2016, consolidated income taxes totaled €73.6 million, compared to €72.9 million in 2015.

The effective tax rate, excluding goodwill impairment and the share of net profit of companies under the equity method, stood at 31.5% in 2016, compared to 30.8% in 2015. After restatement of the discounting and revaluation impact of debts on commitments to purchase non-controlling interests, the 2016 effective tax rate stood at 32.9%, compared to 30.1% in 2015.

## 6. Share of net profit of companies under the equity method

In 2016, the share of net profit of companies under the equity method stood at €95.2 million, up €13.8 million compared to 2015. This change was mainly due to the €9.3 million improvement in joint-ventures' performance compared to 2015.

## 7. Net income

Net income (group share), before impairment, amounted to €223.5 million, down €17.9 million compared to 2015, due to the decrease in EBIT and despite the improvement in the share of net profit of companies under the equity method.

After impairment, net income (group share) amounted to €224.7 million in 2016, compared to €233.9 million in 2015, i.e. a €9.2 million decrease. This reduction was limited due to the favorable change in impairments, which positively impacted the net income (group share) by €1.2 million in 2016 versus -€7.5 million in 2015.

## 8. Cash flow

As of 31 December 2016, the group had a net debt of €418.6 million (according to the definition of group net debt, excluding commitments to purchase non-controlling interests as defined and described in paragraph 4.13 of the Notes to the consolidated financial statements) compared to a net debt of €400.5 million at 31 December 2015, i.e. an increase of €18.1 million.

### 8.1. Free cash flow

Free cash flow operational data described in detail and commented in this paragraph are adjusted in order to recognize the proportional impact of companies under joint control. Data are reconciled with IFRS data in Annex 1 of this document.

#### 8.1.1. Net cash provided by operating activities

Cash provided by operating activities amounted to €631.7 million in 2016, compared to €698.4 million in 2015. This €66.7 million reduction was essentially due to a lower operating margin, other operating cash flows and financial cash flows and despite the favorable variation of the change in working capital requirement of €21.7 million compared to 2015. The 2016 cash flows were primarily generated by the €646.5 million operating margin and -€4.9 million financial cash flows, less "maintenance spare parts" excluding inventory write-downs for €41.8 million, increased by the change in working capital requirement which generated a positive cash flow of €47.9 million, breaking down as follows:

- an increase in inventories of €15.7 million
- a decrease in trade receivables and other receivables of €8.1 million
- an increase of €55.5 million in trade payables and other payables

Net interest expense paid in 2016 amounted to €15.7 million compared to €17.9 million in 2015.

Income taxes paid in 2016 represented €110.0 million compared to €117.7 million in 2015, i.e. a decrease of €7.7 million.

Net cash from operating activities in 2016 represented €506.0 million, compared to €562.8 million in 2015.

#### 8.1.2. Acquisitions of intangible assets and PP&E net of disposals

Cash payments on acquisitions of property, plant and equipment and intangible assets amounted to €248.8 million, while cash receipts on disposals totaled €6.5 million, generating a net flow of €242.3 million, of which 42% are related to digital media. group acquisitions of PP&E totaling €223.1 million include €204.0 million for new street furniture and billboards and general investments of €19.0 million, consisting mainly of tooling, vehicles, computer equipment, real estate, and improvements. group acquisitions of intangible assets amounting to €25.7 million, included €9.2 million in new advertising rights and capitalized development costs and €16.5 million for general investments essentially comprising software.

Cash payments on acquisitions of property, plant and equipment and intangible assets amounted to €236.7 million in 2015, while cash receipts on disposals totaled €7.3 million, generating a net flow of €229.4 million. group acquisitions of PP&E totaling €211.8 million included €179.1 million for new street furniture and billboards and €32.7 million for general investments, consisting mainly of tooling, vehicles, computer equipment, real estate, and improvements. group acquisitions of intangible assets amounting to €24.9 million included €10.6 million in new advertising rights and capitalized development costs, as well as €14.3 million in general investments, essentially comprising software.

Street Furniture accounted for 72% of the group's acquisitions of property, plant and equipment in 2016, amounting to €159.8 million. Acquisitions of intangible assets, primarily comprising software and capitalized development costs, amounted to €23.5 million in 2016. In 2015, Street Furniture had accounted for 64% of the group's acquisitions of property, plant and equipment, amounting to €136.3 million. Acquisitions of intangible assets, primarily comprising software and capitalized development costs, had amounted to €21.8 million in 2015.

Transport acquisitions of property, plant and equipment totaled €36.0 million in 2016, while acquisitions of intangible assets amounted to €1.0 million. In 2015, Transport acquisitions of property, plant and equipment had totaled €43.9 million, while acquisitions of intangible assets had amounted to €1.6 million.

In 2016, Billboard acquisitions of property, plant and equipment totaled €27.2 million, while acquisitions of intangible assets amounted to €1.3 million. In 2015, Billboard acquisitions of property, plant and equipment had totaled €31.6 million, while acquisitions of intangible assets had amounted to €1.5 million.

Free cash flow, net cash provided by operating activities less acquisitions of property, plant and equipment and intangible assets net of disposals stood at €263.7 million in 2016, compared to €333.4 million in 2015.

The change from the proportionate to the equity consolidation method for the joint-controlled companies has had an impact on the free cash flow of -€34.2 million in 2016 compared to +€1.5 million in 2015. After taking this impact into account, the free cash flow amounts to €229.5 million in 2016 compared to €334.9 million in 2015.

## 8.2. Cash payments on acquisitions of long-term investments and other financial assets net of cash receipts

Cash payments on acquisitions of long-term investments less net cash acquired amounted to €84.2 million in 2016. These acquisitions mainly represent the takeovers of the Outfront Media group in Latin America and DOOH in Belgium, as well as increases in the capital held in companies under the equity method.

Cash receipts on proceeds on disposal of long-term investments, net of cash sold, represented €7.8 million in 2016.

Acquisitions of other financial assets net of disposals stood at €0.8 million.

## 8.3. Net cash used in financing activities

### 8.3.1. Net cash from financing activities

In 2016, the group's net financial debt increased by €18.1 million. This increase breaks down as follows:

- an increase of €686.2 million in gross financial debt on the balance sheet is mainly due to the bond issued for €750 million
- a €672.6 million increase in cash managed
- a €4.5 million increase in net financial derivative liabilities

The change in gross financial debt on the balance sheet and hedging instruments stood at €690.7 million and breaks down as follows:

- a €667.2 million net increase in financing flows
- +€23.5 million linked to foreign exchange impacts, the net impact of IAS 39 on debt and derivatives, changes in scope and various reclassifications

### 8.3.2. Net cash from acquisitions/disposals of non-controlling equity investments

In 2016, cash payments on acquisitions of non-controlling equity investments stood at €21.3 million. Cash receipts on proceeds on disposal of interests without loss of control represented €8.8 million.

### 8.3.3. Net cash from shareholders' equity and dividends

JCDecaux SA paid dividends during 2016 totaling €118.9 million.

Some JCDecaux SA subsidiaries, in which there are minority shareholders, made dividend payments amounting to €14.2 million.

Net capital increases represented €0.5 million.

## 9. 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 2016, are described in the Notes to the consolidated financial statements (from page 138 to 140 of this document).

## 10. Commitments other than those relating to financial management

The group's material off-balance sheet commitments as of 31 December 2016 are listed and analyzed in Note 8 to the Consolidated Financial Statements.

## 2. RECENT DEVELOPMENT AND OUTLOOK

The group's business and financial position has not experienced any material change requiring discussion in this document. Any annual revenue forecast for 2017 would be premature. JCDecaux continues to invest selectively in projects that promote the group's development.

### 3. INVESTMENT POLICY

#### 3.1. 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 2016, the group devoted €213.2 million to investments linked to new contracts or the renewal of existing contracts, compared to €189.7 million in 2015. More than 80% of our growth investments were dedicated to the digitisation of our patrimony. The group also spent €35.6 million, versus €47.0 million in 2015, on building improvements, tooling, vehicles and computer systems, aside from projects for new contracts or renewal of existing contracts.

#### 3.2. Main future investments

Investments in 2017 will primarily be devoted to furthering the development of street furniture installation programs in connection with new or renewed contracts, with a significant part of digital media.

### 4. TAX POLICY

As a global corporation with over 13,000 employees worldwide, JCDecaux has activities in 75 countries where taxable income is naturally located.

Our objective is to ensure that tax is paid and tax returns are filed on time in each jurisdiction in compliance with the governing laws and rules. The JCDecaux Tax Department, which reports directly to the group Chief Financial and Administration Officer, a member of JCDecaux's Executive Board, is involved in all relevant aspects of our business, partnering closely with management to provide guidance and ensure efficient and compliant operations.

We practice transparency to build trust in our relationships with the tax authorities and we have been fully compliant with the BEPS<sup>(1)</sup> recommendations (OECD<sup>(2)</sup> guidelines) even before they were issued. We fully understand the purpose of the country-by-country reporting and we consider it as an opportunity to promote international transparency and strengthen the dialogue and cooperation with local tax authorities.

<sup>(1)</sup> Base erosion and profit shifting

<sup>(2)</sup> Organization for Economic Co-operation and Development



# MANAGEMENT DISCUSSION AND ANALYSIS OF GROUP CONSOLIDATED FINANCIAL STATEMENTS

## ANNEX 1

### EBIT – Reconciliation of Adjusted data with IFRS data

| IN MILLION EUROS   | 2016           |                          |                | 2015           |                          |                |
|--|----------------|--------------------------|----------------|----------------|--------------------------|----------------|
|  | ADJUSTED       | IMPACT OF JOINT-VENTURES | IFRS           | ADJUSTED       | IMPACT OF JOINT-VENTURES | IFRS           |
| <b>Revenues</b>  | <b>3,392.8</b> | <b>(418.3)</b>           | <b>2,974.5</b> | <b>3,207.6</b> | <b>(400.5)</b>           | <b>2,807.1</b> |
| Direct operating expenses                                      | (2,206.3)      | 244.8                    | (1,961.5)      | (2,002.4)      | 234.2                    | (1,768.2)      |
| Selling, general and administrative expenses                   | (540.0)        | 55.1                     | (484.9)        | (510.0)        | 53.8                     | (456.2)        |
| <b>Operating margin</b>  | <b>646.5</b>   | <b>(118.4)</b>           | <b>528.1</b>   | <b>695.2</b>   | <b>(112.5)</b>           | <b>582.7</b>   |
| Net amortization, depreciation and provisions                  | (215.8)        | 16.6                     | (199.2)        | (261.4)        | 22.9                     | (238.5)        |
| Maintenance spare parts  | (46.1)         | 1.0                      | (45.1)         | (46.8)         | 1.4                      | (45.4)         |
| Other operating income   | 8.2            | (0.1)                    | 8.1            | 9.0            | (0.1)                    | 8.9            |
| Other operating expenses                                       | (41.4)         | 0.1                      | (41.3)         | (24.6)         | 0.9                      | (23.7)         |
| <b>EBIT (before impairment loss)</b>                           | <b>351.4</b>   | <b>(100.8)</b>           | <b>250.6</b>   | <b>371.4</b>   | <b>(87.4)</b>            | <b>284.0</b>   |
| Net depreciation of PP&E, intangible assets and joint-ventures | 1.7            | 0.0                      | 1.7            | (13.9)         | 0.0                      | (13.9)         |
| Goodwill impairment  | 0.0            | 0.0                      | 0.0            | 0.0            | 0.0                      | 0.0            |
| <b>EBIT (after impairment loss)</b>                            | <b>353.1</b>   | <b>100.8</b>             | <b>252.3</b>   | <b>357.5</b>   | <b>(87.4)</b>            | <b>270.1</b>   |

### Free cash flow – Reconciliation of Adjusted data with IFRS data

| IN MILLION EUROS   | 2016         |                          |              | 2015         |                          |              |
|--|--------------|--------------------------|--------------|--------------|--------------------------|--------------|
|  | ADJUSTED     | IMPACT OF JOINT-VENTURES | IFRS         | ADJUSTED     | IMPACT OF JOINT-VENTURES | IFRS         |
| <b>Cash flows provided by operating activities</b>               | <b>631.7</b> | <b>(75.4)</b>            | <b>556.3</b> | <b>698.4</b> | <b>(51.6)</b>            | <b>646.8</b> |
| Of which, Change in activity-related working capital requirement | 47.9         | (29.9)                   | 18.0         | 26.2         | (4.4)                    | 21.8         |
| - Change in inventory  | (15.7)       | (0.2)                    | (15.9)       | 8.2          | 0.4                      | 8.6          |
| - Change in trade receivables and other receivables              | 8.1          | (21.3)                   | (13.2)       | (18.9)       | 12.8                     | (6.1)        |
| - Change in suppliers and other liabilities                      | 55.5         | (8.4)                    | 47.1         | 36.9         | (17.6)                   | 19.3         |
| Net interest paid  | (15.7)       | 4.0                      | (11.7)       | (17.9)       | 5.4                      | (12.5)       |
| Income tax paid  | (110.0)      | 22.5                     | (87.5)       | (117.7)      | 20.2                     | (97.5)       |
| <b>Net cash flows provided by operating activities</b>           | <b>506.0</b> | <b>(48.9)</b>            | <b>457.1</b> | <b>562.8</b> | <b>(26.0)</b>            | <b>536.8</b> |
| Acquisitions of PP&E and intangible assets                       | (248.8)      | 14.9                     | (233.9)      | (236.7)      | 27.7                     | (209.0)      |
| Proceeds from disposals of PP&E and intangible assets            | 6.5          | (0.2)                    | 6.3          | 7.3          | (0.2)                    | 7.1          |
| Acquisition of intangible assets and PP&E net of disposals       | (242.3)      | 14.7                     | (227.6)      | (229.4)      | 27.5                     | (201.9)      |
| <b>FREE CASH FLOW</b>  | <b>263.7</b> | <b>(34.2)</b>            | <b>229.5</b> | <b>333.4</b> | <b>1.5</b>               | <b>334.9</b> |



## STATEMENT OF FINANCIAL POSITION

## Assets

| IN MILLION EUROS                    |        | 31/12/2016     | 31/12/2015     |
|-------------------------------------|--------|----------------|----------------|
| Goodwill                            | § 4.1  | 1,360.8        | 1,271.6        |
| Other intangible assets             | § 4.1  | 312.7          | 300.2          |
| Property, plant and equipment       | § 4.2  | 1,150.7        | 1,173.1        |
| Investments under the equity method | § 4.4  | 510.2          | 489.3          |
| Financial investments               | § 4.5  | 0.7            | 0.8            |
| Other financial assets              | § 4.5  | 103.7          | 108.5          |
| Deferred tax assets                 | § 4.10 | 134.9          | 48.6           |
| Current tax assets                  |        | 1.1            | 1.2            |
| Other receivables                   | § 4.6  | 30.2           | 32.9           |
| <b>Non-current assets</b>           |        | <b>3,605.0</b> | <b>3,426.2</b> |
| Other financial assets              | § 4.5  | 5.1            | 10.3           |
| Inventories                         | § 4.7  | 112.9          | 99.9           |
| Financial derivatives               | § 4.15 | 0.9            | 3.4            |
| Trade and other receivables         | § 4.8  | 907.8          | 887.1          |
| Current tax assets                  |        | 19.1           | 17.0           |
| Treasury financial assets           | § 4.9  | 281.0          | 77.7           |
| Cash and cash equivalents           | § 4.9  | 693.1          | 233.2          |
| <b>Current assets</b>               |        | <b>2,019.9</b> | <b>1,328.6</b> |
| <b>TOTAL ASSETS</b>                 |        | <b>5,624.9</b> | <b>4,754.8</b> |

## Equity and liabilities

| IN MILLION EUROS  |               | 31/12/2016     | 31/12/2015     |
|---|---------------|----------------|----------------|
| Share capital   |               | 3.2            | 3.2            |
| Additional paid-in capital                                |               | 596.7          | 587.0          |
| Consolidated reserves                                     |               | 1,583.1        | 1,492.6        |
| Consolidated net income (group share)                     |               | 224.7          | 233.9          |
| Other components of equity                                |               | 5.3            | 25.7           |
| Equity attributable to owners of the parent company       |               | 2,413.0        | 2,342.4        |
| Non-controlling interests                                 |               | 21.0           | (18.2)         |
| <b>TOTAL EQUITY</b>                                       | <b>§ 4.11</b> | <b>2,434.0</b> | <b>2,324.2</b> |
| Provisions  | § 4.12        | 408.9          | 302.4          |
| Deferred tax liabilities                                  | § 4.10        | 75.7           | 80.0           |
| Financial debt  | § 4.13        | 1,303.0        | 524.3          |
| Debt on commitments to purchase non-controlling interests | § 4.14        | 78.2           | 86.9           |
| Other payables  |               | 16.1           | 9.9            |
| Financial derivatives                                     | § 4.15        | 0.0            | 0.0            |
| <b>Non-current liabilities</b>                            |               | <b>1,881.9</b> | <b>1,003.5</b> |
| Provisions  | § 4.12        | 83.0           | 41.2           |
| Financial debt  | § 4.13        | 83.0           | 175.5          |
| Debt on commitments to purchase non-controlling interests | § 4.14        | 32.0           | 33.8           |
| Financial derivatives                                     | § 4.15        | 2.2            | 0.2            |
| Trade and other payables                                  | § 4.16        | 1,058.2        | 1,118.8        |
| Income tax payable  |               | 45.2           | 42.8           |
| Bank overdrafts   | § 4.13        | 5.4            | 14.8           |
| <b>Current liabilities</b>                                |               | <b>1,309.0</b> | <b>1,427.1</b> |
| <b>TOTAL LIABILITIES</b>                                  |               | <b>3,190.9</b> | <b>2,430.6</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       |               | <b>5,624.9</b> | <b>4,754.8</b> |

## STATEMENT OF COMPREHENSIVE INCOME

## Income statement

| IN MILLION EUROS   |       | 2016          | 2015          |
|--|-------|---------------|---------------|
| <b>REVENUE</b>   | § 5.1 | 2,974.5       | 2,807.1       |
| Direct operating expenses                                | § 5.2 | (1,961.5)     | (1,768.2)     |
| Selling, general and administrative expenses             | § 5.2 | (484.9)       | (456.2)       |
| <b>OPERATING MARGIN</b>                                  |       | <b>528.1</b>  | <b>582.7</b>  |
| Depreciation, amortisation and provisions (net)          | § 5.2 | (197.5)       | (252.4)       |
| Impairment of goodwill                                   | § 5.2 | 0.0           | 0.0           |
| Maintenance spare parts                                  | § 5.2 | (45.1)        | (45.4)        |
| Other operating income                                   | § 5.2 | 8.1           | 8.9           |
| Other operating expenses                                 | § 5.2 | (41.3)        | (23.7)        |
| <b>EBIT</b>  |       | <b>252.3</b>  | <b>270.1</b>  |
| Financial income   | § 5.3 | 13.2          | 7.8           |
| Financial expenses                                       | § 5.3 | (32.0)        | (41.5)        |
| <b>NET FINANCIAL INCOME (LOSS)</b>                       |       | <b>(18.8)</b> | <b>(33.7)</b> |
| Income tax   | § 5.4 | (73.6)        | (72.9)        |
| Share of net profit of companies under the equity method | § 5.5 | 95.2          | 81.4          |
| <b>PROFIT OF THE YEAR FROM CONTINUING OPERATIONS</b>     |       | <b>255.1</b>  | <b>244.9</b>  |
| Gain or loss on discontinued operations                  |       |               |               |
| <b>CONSOLIDATED NET INCOME</b>                           |       | <b>255.1</b>  | <b>244.9</b>  |
| - Including non-controlling interests                    |       | 30.4          | 11.0          |
| <b>CONSOLIDATED NET INCOME (GROUP SHARE)</b>             |       | <b>224.7</b>  | <b>233.9</b>  |
| Earnings per share (in euros)                            |       | 1.057         | 1.071         |
| Diluted earnings per share (in euros)                    |       | 1.056         | 1.069         |
| Weighted average number of shares                        | § 5.7 | 212,495,553   | 218,317,778   |
| Weighted average number of shares (diluted)              | § 5.7 | 212,691,910   | 218,862,616   |



## Statement of other comprehensive income

| IN MILLION EUROS   | 2016         | 2015         |
|--|--------------|--------------|
| <b>CONSOLIDATED NET INCOME</b>   | <b>255.1</b> | <b>244.9</b> |
| Translation reserve adjustments on foreign transactions <sup>(1)</sup>                   | (23.1)       | 50.4         |
| Translation reserve adjustments on net foreign investments <sup>(2)</sup>                | 1.9          | (8.4)        |
| Cash flow hedges   | (0.2)        | (0.6)        |
| Tax on the other comprehensive income subsequently released to net income                | 1.4          | 0.2          |
| Share of other comprehensive income of companies under the equity method (after tax)     | 12.2         | 0.4          |
| Other comprehensive income subsequently released to net income                           | (7.8)        | 42.0         |
| Change in actuarial gains and losses on post-employment benefit plans and assets ceiling | (13.7)       | 1.8          |
| Tax on the other comprehensive income not subsequently released to net income            | 3.0          | (0.7)        |
| Share of other comprehensive income of companies under the equity method (after tax)     | (0.8)        | (2.9)        |
| Other comprehensive income not subsequently released to net income                       | (11.5)       | (1.8)        |
| Total other comprehensive income   | (19.3)       | 40.2         |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | <b>235.8</b> | <b>285.1</b> |
| - Including non-controlling interests  | 31.2         | 11.2         |
| <b>TOTAL COMPREHENSIVE INCOME - GROUP SHARE</b>  | <b>204.6</b> | <b>273.9</b> |

<sup>(1)</sup> In 2016, the translation reserve adjustments on foreign transactions were related to changes in foreign exchange rates, of which €(37.1) million in the United Kingdom, €(10.0) million in Mexico, €7.0 million in Hong Kong, €6.0 million in Brazil, €6.0 million in South Africa and €7.3 million in Guatemala. The item also included a €0.1 million transfer in the income statement related to the changes in scope.

In 2015, the translation reserve adjustments on foreign transactions were related to changes in foreign exchange rates, of which €36.6 million in Hong Kong, €14.5 million in the United Kingdom, €(12.3) million in Brazil and €11.3 million in Belgium. The item also included a €0.1 million transfer in the income statement related to the changes in scope.

<sup>(2)</sup> In 2016, the translation reserve adjustments on net foreign investments included a €0.4 million transfer in the income statement related to loans previously qualified as net foreign investments.

In 2015, the translation reserve adjustments on net foreign investments included a €(5.8) million transfer in the income statement related to loans previously qualified as net foreign investments.

STATEMENT OF CHANGES IN EQUITY

| IN MILLION EUROS   | EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY |                            |                 |                   |                  |                               |                                 |                      |   |       |                        | NON-CONTROLLING INTERESTS | TOTAL  |         |
|--|---|----------------------------|-----------------|-------------------|------------------|-------------------------------|---------------------------------|----------------------|---|-------|------------------------|---------------------------|--------|---------|
|  | SHARE CAPITAL   | ADDITIONAL PAID-IN CAPITAL | TREASURY SHARES | RETAINED EARNINGS | CASH FLOW HEDGES | AVAILABLE-SECURITIES FOR SALE | OTHER COMPONENTS OF EQUITY      |                      |   |       | TOTAL OTHER COMPONENTS |                           |        | TOTAL   |
|  |   |                            |                 |                   |                  |                               | TRANSLATION RESERVE ADJUSTMENTS | REVALUATION RESERVES | ACTUARIAL GAINS AND LOSSES/ASSETS CEILING | OTHER |                        |                           |        |         |
| <b>EQUITY AS OF 1 JANUARY 2015 RESTATED</b>                              | 3.4   | 1,064.7                    | 0.0             | 1,608.9           | 0.9              | (0.1)                         | 27.1                            | 0.9                  | (43.6)                                    | 0.8   | (14.0)                 | 2,663.0                   | (23.6) | 2,639.4 |
| Capital increase <sup>(1)</sup>  | 0.0   | 19.2                       |                 | (0.3)             |                  |                               |                                 |                      |   |       | 0.0                    | 18.9                      | 0.6    | 19.5    |
| Treasury shares <sup>(2)</sup>   |   |                            |                 |                   |                  |                               |                                 |                      |   |       |                        |                           |        |         |
| Purchase   |   |                            | (502.8)         |                   |                  |                               |                                 |                      |   |       | 0.0                    | (502.8)                   |        | (502.8) |
| Cancellation   | (0.2)   | (499.8)                    | 502.8           | (2.8)             |                  |                               |                                 |                      |   |       | 0.0                    | 0.0                       |        | 0.0     |
| Distribution of dividends  |   |                            |                 | (112.0)           |                  |                               |                                 |                      |   |       | 0.0                    | (112.0)                   | (12.7) | (124.7) |
| Share-based payments   |   | 2.9                        |                 |                   |                  |                               |                                 |                      |   |       | 0.0                    | 2.9                       |        | 2.9     |
| Debt on commitments to purchase non-controlling interests <sup>(3)</sup> |   |                            |                 |                   |                  |                               |                                 |                      |   |       | 0.0                    | 0.0                       | 3.2    | 3.2     |
| Change in consolidation scope <sup>(4)</sup>                             |   |                            |                 | (1.1)             |                  |                               |                                 |                      | (0.4)                                     |       | (0.4)                  | (1.5)                     | 3.0    | 1.5     |
| Consolidated net income  |   |                            |                 | 233.9             |                  |                               | 42.4                            |                      | (1.8)                                     |       | 0.0                    | 233.9                     | 11.0   | 244.9   |
| Other comprehensive income   |   |                            |                 |                   | (0.6)            |                               |                                 |                      |   |       | 40.0                   | 40.0                      | 0.2    | 40.2    |
| Total comprehensive income   | 0.0   | 0.0                        | 0.0             | 233.9             | (0.6)            | 0.0                           | 42.4                            | 0.0                  | (1.8)                                     | 0.0   | 40.0                   | 273.9                     | 11.2   | 285.1   |
| Other  |   |                            |                 | (0.1)             |                  |                               | 0.1                             |                      |   |       | 0.1                    | 0.0                       | 0.1    | 0.1     |
| <b>EQUITY AS OF 31 DECEMBER 2015</b>                                     | 3.2   | 587.0                      | 0.0             | 1,726.5           | 0.3              | (0.1)                         | 69.6                            | 0.9                  | (45.8)                                    | 0.8   | 25.7                   | 2,342.4                   | (18.2) | 2,324.2 |
| Capital increase <sup>(1)</sup>  | 0.0   | 5.8                        |                 |                   |                  |                               |                                 |                      |   |       | 0.0                    | 5.8                       | (5.3)  | 0.5     |
| Distribution of dividends  |   |                            |                 | (118.9)           |                  |                               |                                 |                      |   |       | 0.0                    | (118.9)                   | (14.2) | (133.1) |
| Share-based payments   |   |                            |                 |                   |                  |                               |                                 |                      |   |       | 0.0                    | 3.9                       |        | 3.9     |
| Debt on commitments to purchase non-controlling interests <sup>(3)</sup> |   |                            |                 |                   |                  |                               |                                 |                      |   |       | 0.0                    | 0.0                       | 0.4    | 0.4     |
| Change in consolidation scope <sup>(4)</sup>                             |   |                            |                 | (24.2)            |                  |                               | (0.3)                           |                      |   |       | (0.3)                  | (24.5)                    | 27.2   | 2.7     |
| Consolidated net income  |   |                            |                 | 224.7             |                  |                               |                                 |                      |   |       | 0.0                    | 224.7                     | 30.4   | 255.1   |
| Other comprehensive income   |   |                            |                 |                   | (0.2)            |                               | (8.6)                           |                      | (11.3)                                    |       | (20.1)                 | (20.1)                    | 0.8    | (19.3)  |
| Total comprehensive income   | 0.0   | 0.0                        | 0.0             | 224.7             | (0.2)            | 0.0                           | (8.6)                           | 0.0                  | (11.3)                                    | 0.0   | (20.1)                 | 204.6                     | 31.2   | 235.8   |
| Other  |   |                            |                 | (0.3)             |                  |                               |                                 |                      |   |       | 0.0                    | (0.3)                     | (0.1)  | (0.4)   |
| <b>EQUITY AS OF 31 DECEMBER 2016</b>                                     | 3.2   | 596.7                      | 0.0             | 1,807.8           | 0.1              | (0.1)                         | 60.7                            | 0.9                  | (57.1)                                    | 0.8   | 5.3                    | 2,413.0                   | 21.0   | 2,434.0 |

<sup>(1)</sup> Increase in JCDecaux SA's additional paid-in capital related to the exercise of stock options and the delivery of bonus shares and share of non-controlling interests in capital increases of controlled entities.

<sup>(2)</sup> In 2015, following the simplified public tender offer: buyback of treasury shares for a total of €502.8 million (of which €2.8 million of costs after tax related to the offer), then cancellation of these shares via a €(0.2) million capital decrease and a €(499.8) million deduction of additional paid-in capital.

<sup>(3)</sup> In 2016, exercise of a commitment to purchase non-controlling interests and new commitments. In 2015, exercise of a commitment to purchase non-controlling interests. Revaluation and discounting effects are recorded in the income statement under the line item "Consolidated net income" in "Non-controlling interests" for €10.1 million in 2016 compared to €(5.5) million in 2015.

<sup>(4)</sup> In 2016, changes in consolidation scope are mainly related to the asset swap with Top Media and to the purchase of the non-controlling interests in the company Wall AG. In 2015, changes in consolidation scope, primarily following the acquisition of 70% of Continental Outdoor Media group (Africa), the purchase of the non-controlling interests in the company Megaboard Soravia GmbH (Austria) and the acquisition of Cemusa group (Spain, USA, Brazil, Italy).

## STATEMENT OF CASH FLOWS

| IN MILLION EUROS   | 2016              | 2015           |
|--|-------------------|----------------|
| <b>NET INCOME BEFORE TAX</b>   | <b>328.7</b>      | <b>317.8</b>   |
| Share of net profit of companies under the equity method   | \$ 5.5            | (95.2)         |
| Dividends received from companies under the equity method  | \$ 10.4 & \$ 11.3 | 93.2           |
| Expenses related to share-based payments   | \$ 5.2            | 3.9            |
| Depreciation, amortisation and provisions (net)  | \$ 5.2 & \$ 5.3   | 192.2          |
| Capital gains and losses and net income (loss) on changes in scope                                 | \$ 5.2 & \$ 5.3   | 1.1            |
| Net discounting expenses   | \$ 5.3            | (5.7)          |
| Net interest expense   | \$ 5.3            | 15.0           |
| Financial derivatives, translation adjustments and other   |                   | 5.1            |
| Change in working capital  |                   | 18.0           |
| - Change in inventories  |                   | (15.9)         |
| - Change in trade and other receivables  |                   | (13.2)         |
| - Change in trade and other payables   |                   | 47.1           |
| <b>CASH PROVIDED BY OPERATING ACTIVITIES</b>   | <b>556.3</b>      | <b>646.8</b>   |
| Interest paid  |                   | (17.6)         |
| Interest received  |                   | 5.9            |
| Income tax paid  |                   | (87.5)         |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>   | <b>\$ 6.1</b>     | <b>457.1</b>   |
| Cash payments on acquisitions of intangible assets and property, plant and equipment               |                   | (233.9)        |
| Cash payments on acquisitions of financial assets (long-term investments) net of cash acquired     |                   | (84.2)         |
| Acquisitions of other financial assets   |                   | (14.1)         |
| Total investments  |                   | (332.2)        |
| Cash receipts on proceeds on disposal of intangible assets and property, plant and equipment       |                   | 6.3            |
| Cash receipts on proceeds on disposal of financial assets (long-term investments) net of cash sold |                   | 7.8            |
| Proceeds on disposal of other financial assets   |                   | 13.3           |
| Total asset disposals  |                   | 27.4           |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>   | <b>\$ 6.2</b>     | <b>(304.8)</b> |
| Dividends paid   |                   | (133.1)        |
| Capital decrease   |                   | (5.5)          |
| Cash payments on acquisitions of non-controlling interests   |                   | (21.3)         |
| Purchase of treasury shares  |                   | -              |
| Repayment of long-term borrowings  |                   | (88.8)         |
| Repayment of finance lease debt  |                   | (7.8)          |
| Acquisitions and disposals of treasury financial assets  |                   | (201.0)        |
| Cash outflow from financing activities   |                   | (457.5)        |
| Cash receipts on proceeds on disposal of interests without loss of control                         |                   | 8.8            |
| Capital increase   |                   | 6.0            |
| Increase in long-term borrowings   |                   | 763.8          |
| Cash inflow from financing activities  |                   | 778.6          |
| <b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>   | <b>\$ 6.3</b>     | <b>321.1</b>   |
| <b>CHANGE IN NET CASH POSITION</b>   | <b>473.4</b>      | <b>(576.3)</b> |
| Net cash position beginning of period  | \$ 4.13           | 218.4          |
| Effect of exchange rate fluctuations and other movements   |                   | (4.1)          |
| Net cash position end of period <sup>(1)</sup>   | \$ 4.13           | 687.7          |

<sup>(1)</sup> Including €693.1 million in cash and cash equivalents and €(5.4) million in bank overdrafts as of 31 December 2016, compared to €233.2 million and (14.8) million, respectively, as of 31 December 2015.



|   |            |
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## SIGNIFICANT EVENTS OF THE YEAR

On 1 April 2016, the group finalised through its subsidiaries JCDecaux Latin America and Corameq the acquisition of 100% of the Latin America business of Outfront Media Inc (with a percentage of financial interest of 85%), a group which operates in the large format and bus advertising segment, as well as in street furniture. From now on with more than 62,000 advertising displays in 12 Latin American countries, JCDecaux has strengthened its positioning in the region's 3 largest advertising markets which are Brazil, Mexico and Argentina, as well as in Chile and Uruguay.

On 26 May 2016, JCDecaux announced that it had successfully placed 7-year notes for a principal amount of €750 million, maturing on 1 June 2023. The proceeds of these notes will be dedicated to general corporate purposes and particularly in anticipation of the maturity of the current bond issue in February 2018 for €500 million.

On 23 December 2016, the group announced that it had signed an agreement to merge its activities with Top Media, leader in the outdoor advertising sector in Central America. The new venture, JCDecaux-Top Media, of which 71% of the capital is owned by JCDecaux and 29% owned by Top Media, operates in Panama, Guatemala, Costa Rica, El Salvador, Honduras and Nicaragua. This merger reinforces JCDecaux's presence in Panama, Guatemala, Costa Rica and El Salvador, adding new assets in the large format and transport sectors that complement its street furniture and hoarding activities, as well as introducing the group in Honduras and Nicaragua. With 15,700 advertising panels and a presence in 6 Central American countries, JCDecaux-Top Media will offer advertisers a full and diversified regional presence coupled with unrivalled visibility in Panama.

The primary partnerships and acquisitions from 2016 are detailed in Note 2.1 "Major changes in the consolidation scope in 2016".

- Accounting treatments adopted by the group when no guidance is provided by current standards

These various options and positions can be broken down as follows:

The group has implemented the following standards, amendments to standards and interpretations adopted by the European Union and applicable from 1 January 2016:

- Amendment to IAS 1 "Disclosure initiative"
- Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"
- Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"
- Annual Improvements to IFRS: 2010-2012 cycle
- Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"
- Annual Improvements to IFRS: 2012-2014 cycle

Impacts due to the application of these amendments and annual improvements are not significant.

In the absence of specific IFRS provisions on the accounting treatment of debts on commitments to purchase non-controlling interests, the accounting principles used in the previous consolidated financial statements were maintained and are explained under Note 1.19 "Commitments to purchase non-controlling interests". In particular, subsequent revaluation and discounting effects of the debt arising from such commitments are recognised in net financial income and allocated to non-controlling interests in the income statement, with no impact on the net income (group share).

In addition, the group has opted not to apply in advance the new standards, amendments to standards and interpretations, endorsed or not by the European Union, which are not yet in force for the year ended 31 December 2016.

Regarding IFRS 15 on revenue recognition, the group has detected impacts on specific transactions. The estimate of these impacts is being analysed.

The impacts of other standards and amendments applicable after 31 December 2016 are being analysed; in particular, the expected impacts of the application of IFRS 16 "Leases" are significant in the group's financial statements as they will lead globally to a classification as assets of a substantial part of group's commitments relating to lease, rent, and minimum and fixed franchise payment given in the ordinary course of business, in counterpart of debt.

## 1.2. Scope and methods of consolidation

The financial statements of companies controlled by the group are included in the consolidated financial statements from the date control is acquired to the date control ceases.

The equity method is adopted for joint ventures, companies under joint control, and for associates, companies over which the group exercises a significant influence on the operating and financial policies.

## 1. ACCOUNTING METHODS AND PRINCIPLES

### 1.1. General principles

The JCDecaux SA consolidated financial statements for the year ended 31 December 2016 include JCDecaux SA and its subsidiaries (hereinafter referred to as the "group") and the group's share in associates and joint ventures.

Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the 2016 consolidated financial statements were prepared in accordance with IFRS, as adopted by the European Union. They were approved by the Executive Board and were authorised for release by the Supervisory Board on 1 March 2017. These financial statements shall only be considered final upon approval by the General Meeting of Shareholders.

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

- All standards and interpretations adopted by the European Union and in force as of 31 December 2016. These are available on the European Commission website: [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](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

All transactions between fully consolidated group companies are eliminated upon consolidation.

Inter-company results are also eliminated. Capital gains or losses on inter-company sales realised by a company consolidated under the equity method are eliminated up to the percentage of ownership and offset by the value of the assets sold.

### 1.3. Recognition of foreign currency transactions in the functional currency of entities

Transactions denominated in foreign currencies are translated into the functional currency at the rate prevailing on the transaction date. At the period-end, monetary items are translated at the closing exchange rate and the resulting gains or losses are recorded in the income statement.

Long-term monetary assets held by a group entity in a foreign subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future are a part of the entity's net investment in a foreign operation. Accordingly, pursuant to IAS 21 "The Effects of Changes in Foreign Exchange Rates", exchange differences on these items are recorded in other comprehensive income until the investment's disposal or disqualification. Otherwise, exchange differences are recorded in the income statement.

### 1.4. Translation of the financial statements of subsidiaries

The group's consolidated financial statements are prepared using the Euro, which is the parent company's presentation and functional currency.

Assets and liabilities of foreign subsidiaries are translated into the group's presentation currency at the year-end exchange rate, and the corresponding income statement is translated at the average exchange rate of the period. Resulting translation adjustments are directly allocated to other comprehensive income.

At the time of a total or partial disposal, with loss of control, or the liquidation of a foreign entity, or a step acquisition giving control, translation adjustments accumulated in equity are reclassified in the income statement.

### 1.5. Use of estimates

As part of the process of preparing the consolidated financial statements, the valuation of some assets and liabilities requires the use of judgments, assumptions and estimates. This primarily involves the valuation of property, plant and equipment and intangible assets, the valuation of investments under the equity method, determining the amount of provisions for employee benefits and dismantling, and the valuation of commitments on securities. These judgments, assumptions and estimates are based on information available or situations existing at the financial statement preparation date, which in the future could differ from reality. Valuation methods are described in more detail, mainly in

Note 1.10 "Impairment of intangible assets, property, plant and equipment and goodwill", in Note 1.11 "Investments under the equity method", in Note 1.20 "Provisions for retirement and other long-term benefits" and in Note 1.21 "Dismantling provisions". The results of sensitivity tests are provided in Note 4.3 "Goodwill, Property, plant and equipment (PP&E), and Intangible assets impairment tests" for the valuation of goodwill, property, plant and equipment and other intangible assets, in Note 4.4 "Investments under the equity method and impairment tests" for the valuation of investments under the equity method, in Note 4.17 "Financial assets and liabilities by category" for the valuation of the debt on commitments to purchase non-controlling interests and in Note 4.12 "Provisions" for the valuation of dismantling provisions and provisions for employee benefits.

### 1.6. Current/non-current distinction

With the exception of deferred tax assets and liabilities which are classified as non-current, assets and liabilities are classified as current when their recoverability or payment is expected no later than 12 months after the year-end closing date; otherwise, they are classified as non-current.

### 1.7. Intangible assets

#### 1.7.1. Development costs

According to IAS 38, development costs must be capitalised as intangible assets if the group can demonstrate:

- its intention, and financial and technical ability, to complete the development project
- the existence of probable future economic benefits for the group
- the high probability of success for the group
- and that the cost of the asset can be measured reliably

Development costs capitalised in the statement of financial position from 1 January 2004 onwards primarily include all costs related to the development, modification or improvement to the array of street furniture offerings in connection with contract proposals having a strong probability of success. Development costs also include the design and construction of models and prototypes.

The group considers that it is legitimate to capitalise tender response preparation costs. Given the nature of the costs incurred (design and construction of models and prototypes), and the statistical success rate of the JCDecaux Group in its responses to street furniture bids, the group believes that these costs represent development activities that can be capitalised under the aforementioned criteria. Indeed, these costs are directly related to a given contract, and are incurred to obtain it. Amortisation, spread out over the term of the contract, begins when the project is awarded. Should the bid be lost, the amount capitalised is expensed.

Development costs carried in assets are recognised at cost less accumulated amortisation and impairment losses.

## 1.7.2. Other intangible assets

Other intangible assets primarily involve Street Furniture, Billboard and Transport contracts recognised in business combinations, which are amortised over the contract term. They also include upfront payments, amortised over the contract term, and software. Only individualised and clearly identified software (ERP in particular) is capitalised and amortised over a maximum period of five years. Other software expenses are recognised in expenses for the period.

## 1.8. Business combinations, acquisition of non-controlling interests and disposals

IFRS 3 revised requires the application of “the acquisition method” to business combinations.

Goodwill represents the fair value of the consideration transferred (including the acquisition-date fair value of the acquirer’s previously held equity interest in the company acquired), plus the amount recognised for any non-controlling interest in the acquired company, minus the net of the amounts of the identifiable assets acquired and the liabilities measured at their fair value and assumed on the acquisition date.

Goodwill is not amortised. The group conducts impairment tests at least once a year at each statement of financial position date and at any time when there are indicators of impairment. Following these impairment tests, performed in accordance with the methodology described in Note 1.10 “Impairment of intangible assets, property, plant and equipment and goodwill”, a goodwill impairment loss is recognised if necessary. When recognised, such a loss cannot be reversed at a later period.

Negative goodwill, if any, is immediately recognised directly in the income statement.

When determining the fair value of assets and liabilities of the acquired entity, the group assesses contracts at fair value and recognises them as intangible assets. When an onerous contract is identified, a liability is recognised.

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

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

For staged acquisitions, any gain or loss arising from the fair value revaluation of the previously held equity interest is recorded in the income statement, under other operating income and expenses, at the time control is acquired. The fair value of this revaluation is estimated on the basis of the purchase price less the control premium.

For every partial or complete disposal with loss of control, any gain or loss on the disposal as well as the re-measurement of retained interest are recorded in the income statement, under other operating income and expenses.

Furthermore, in application of IFRS 10, for acquisitions of non-controlling interests in controlled companies and the sale of interests without loss of control, the difference between the acquisition price or sale price and the carrying value of non-controlling interests is recognised in changes in equity attributable to the shareholders of the parent company. The corresponding cash inflows and outflows are presented under the line item “Net cash used in financing activities” of the statement of cash flows.

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

Property, plant and equipment (PP&E) are presented in the statement of financial position at historical cost less accumulated depreciation and impairment losses.

### Street furniture

Street furniture (Bus shelters, MUPIs®, Seniors, Electronic Information Boards (EIB), Automatic Public Toilets, Morris® Columns, etc.) is depreciated on a straight-line basis over the term of the contracts between 8 and 20 years. The digital screens are depreciated over a 5 to 10 year-period; their economic lifetime can be shorter than the term of the contracts. Street furniture maintenance costs are recognised as expenses.

The expected discounted dismantling costs at the end of the contract are recorded in assets, with the corresponding provision, and amortised over the term of the contracts.

### Billboards

Billboards are depreciated according to the method of depreciation prevailing in the relevant countries in accordance with local regulations and economic conditions.

The main method of depreciation is the straight-line method over a period of 2 to 20 years.

Depreciation charges are calculated over the following normal useful lives:

### Depreciation periods

*Property, plant and equipment:*

- Buildings and constructions 10 to 50 years
- Technical installations, tools and equipment (Excluding street furniture and billboards) 5 to 10 years
- Street furniture and billboards 2 to 20 years

*Other property, plant and equipment:*

- Fixtures and fittings 5 to 10 years
- Transport equipment 3 to 15 years
- Computer equipment 3 to 5 years
- Furniture 5 to 10 years

### 1.10. Impairment of intangible assets, property, plant and equipment and goodwill

Items of property, plant and equipment, intangible assets as well as goodwill are tested for impairment at least once a year.

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

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

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

**Adopted methodology**

- Level of testing
  - For PP&E and intangible assets, impairment tests are carried out at the CGU-level corresponding to the operational entity
  - For goodwill, tests are carried out at the level of each group of CGUs determined according to the operating segment considered (Street Furniture, Billboard, and Transport) and taking into account the expected level of synergies between the CGUs. Thus, tests are generally performed at the level where the operating segments and the geographical area meet, which is the level where commercial synergies are generated, and even beyond this level if justified by the synergy
- Discount rates used

The values in use taken into account for impairment testing are determined based on expected future cash flows, discounted at a rate based on the weighted average cost of capital. This rate reflects management's best estimates regarding the time value of money, the risks specific to the assets or CGUs and the economic situation in the geographical areas where the business relating to these assets or CGUs is carried out.

The countries are broken down into five areas based on the risk associated with each country, and each area corresponds to a specific discount rate.

- Recoverable amounts

They are determined based on budgeted values for the first year following the closing of the accounts and growth and change assumptions specific to each market and which reflect the expected future outlook. The recoverable values are based on business plans for which the procedures for determining future cash flows differ for the various business segments, with a time horizon usually exceeding five years owing to the nature and business activity of the group, which is characterised by long-term contracts with a strong probability of renewal. In general:

- for the Street Furniture and Transport segments, future cash flows are calculated over the remaining term of contracts, taking into account the likelihood of renewal after term, the business plans being realised over the duration of the contract, generally between 5 and 20 years, with a maximum term of 25 years
- for the Billboard segment, future cash flows are calculated over a 5-year period with a perpetual projection using a 2% yearly growth rate for European countries, whose markets seem mature to us, and a 3% rate for other countries, where large format billboard activity seems to be experiencing more favourable market conditions

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

### 1.11. Investments under the equity method

Goodwill recognised on acquisition is included in the value of the investments under the equity method.

The share of amortisation of the assets recognised at the time of acquisition or the fair value adjustment of existing assets is presented under the heading "Share of net profit of companies under the equity method."

If the group's share of losses of an equity-accounted entity equals or exceeds its interest in that entity, its share is reduced to zero. If the group considers itself as involved in losses, a provision is recognised under provisions for contingencies for the share of losses exceeding the initial investment.

Investments under the equity method are subject to impairment tests on an annual basis, or when existing conditions suggest a possible impairment. When necessary, the related loss, which is recorded in "Share of net profit of companies under the equity method," is calculated on the asset's recoverable value which is defined as the higher of (i) the fair value of the asset less costs of disposal and (ii) its utility value based on the expected future cash flows less net debt. The method used to calculate the values in use is the same one applied for PP&E and intangible assets as described in Note 1.10 "Impairment of intangible assets, property, plant and equipment and goodwill".



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

This heading includes investments in non-consolidated entities.

These assets are initially recognised at their fair value, related to their acquisition price. In the absence of a listed price on an active market, they are then measured at the fair value that is close to the utility value, which takes into account the share of equity and the probable recovery amount.

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

## 1.13. Other financial assets

This heading mainly includes loans and loans to participating interests granted to companies under the equity method or non-consolidated entities, as well as deposits and guarantees.

On initial recognition, they are measured at fair value (IAS 39, Loans and receivables category).

After initial recognition, they are measured at amortised cost.

An impairment loss is recognised in the income statement when the recovery amount of these loans and receivables is less than their carrying amount.

## 1.14. Inventories

Inventories mainly consist of:

- parts required for the maintenance of installed street furniture, and
- street furniture and billboards in kit form or partially assembled

Inventories are valued at weighted average cost, and may include production, assembly and logistic costs.

Inventories are written down to their net realisable value when the net realisable value is lower than cost.

## 1.15. Trade and other receivables

Trade receivables are recorded at fair value, which corresponds to their nominal invoice value, unless there is any significant discounting effect. After initial recognition, they are measured at amortised cost. A provision for depreciation is recognised when their recovery amount is less than their carrying amount.

## 1.16. Managed Cash

The managed cash includes cash, cash equivalents and treasury financial assets. Those items are measured at fair value and changes in fair value are recognised in net financial income (loss).

Cash recognised as assets in the statement of financial position includes cash at bank and cash in hand. Cash equivalents consist of short-term investments and short-term deposits. Short-term investments and short-term deposits are easily convertible into a known cash amount and are subject to low risk of change in value, in accordance with IAS 7.

Treasury financial assets are short-term liquid investments and cash owned by the group but held in escrow accounts in connection with the execution of contracts. These assets have the main characteristics of cash equivalents but do not strictly comply with all the criteria to be qualified as such, according to IAS 7. They are included in the calculation of net debt of the group.

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

## 1.17. Financial debt

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

## 1.18. Financial derivatives

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

- an underlying item that changes the value of the contract
- little or no initial net investment, and
- settlement at a future date

Derivatives are recognised in the statement of financial position at fair value in assets or liabilities. Changes in subsequent values are offset in the income statement, unless they have been qualified as part of an effective cash flow hedge or as a foreign net investment.

Hedge accounting may be adopted if a hedging relationship between the hedged item (the underlying) and the derivative is established and documented from the time the hedge is set up, and its effectiveness is demonstrated from inception and at each period-end. The group currently limits itself mainly to two types of hedges for financial assets and liabilities:

- Fair Value Hedge, which purpose is to limit the impact of changes in the fair value of assets, liabilities or firm commitments at inception, due to changes in market conditions. The change in the fair value of the hedging instrument is recorded in the income statement. However, this impact is cancelled out by symmetrical changes in the fair value of the hedged risk (to the extent of hedge effectiveness)



- Cash Flow Hedge, which purpose is to limit changes in cash flows attributable to existing assets and liabilities or highly probable forecasted transactions. The effective portion of the change in fair value of the hedging instrument is recorded directly in other comprehensive income, and the ineffective portion is maintained in the income statement. The amount recorded in other comprehensive income is reclassified to profit or loss when the hedged item itself has an impact on profit or loss

The hedging relationship involves a single market parameter, which 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 qualifies for hedge accounting. Any cumulative gain or loss on a cash flow hedge as part of the hedging of a highly probable forecasted transaction recognised in other comprehensive income is maintained in equity until the forecasted transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to net financial income (loss) 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 (loss) for the year.

The accounting classification of derivatives in current or non-current items is determined by the related underlying item's accounting classification.

## 1.19. Commitments to purchase non-controlling interests

In the absence of any position from the IASB on the accounting treatment of commitments to purchase non-controlling interests, the accounting positions taken in the previous consolidated financial statements have been maintained for all group commitments.

The application of IAS 32 results in the recognition of a liability relating to commitments to purchase shares held by non-controlling interests in the group's subsidiaries, not only for the portion already recognised in non-controlling interests (reclassified in liabilities), but also for the excess resulting from the present value of the commitment. The amount of this excess portion is deducted from non-controlling interests in the liabilities of the statement of financial position.

In the absence of any position from the IASB on the accounting treatment of commitments to purchase non-controlling interests, subsequent changes in the fair value of the liability are recognised in net financial income and allocated to non-controlling interests in the income statement, with no impact on consolidated net income (group share).

Commitments recorded in this respect are presented under the statement of financial position heading "Debt on commitments to purchase non-controlling interests".

## 1.20. Provisions for retirement and other long-term benefits

The group's obligations resulting from defined benefit plans, as well as their cost, are determined using the projected unit credit method.

This method consists of measuring the obligation based on the projected end-of-career salary and the rights vested at the valuation date, determined in accordance with collective trade union agreements, company agreements or the legal rights in effect.

The actuarial assumptions used to determine the obligations vary according to the economic conditions prevailing in the country of origin and the demographic assumptions specific to each company.

These plans are either funded, with their assets being managed by an entity legally separate and independent from the group, or partially funded or not funded, with the group's obligations being covered by a provision in the statement of financial position. The income from the plan's assets is estimated based on the discount rate used for the benefit obligation.

For the post-employment benefit plans, the actuarial gains and losses are immediately and entirely recognised in other comprehensive income with no possibility of recycling in the income statement. Past service costs are immediately and fully recorded in the income statement on acquired rights as well as on future entitlements.

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

The effects of discounting of the provision for employee benefits are presented in the net financial income (loss).

## 1.21. Dismantling provisions

Costs for dismantling street furniture at the end of a contract are recorded in provisions, when a contractual dismantling obligation exists at a foreseeable date. These provisions represent the entire estimated dismantling cost from the contract's inception and are discounted. Dismantling costs are offset under assets in the statement of financial position and amortised over the term of the contract. The discounting charge is recorded as a financial expense.

## 1.22. Share-based payment

### 1.22.1. Share purchase or subscription plans at an agreed unit price

In accordance with IFRS 2 "Share-based payment", stock options granted to employees are considered to be part of compensation in exchange for services rendered over the period extending from the grant date to the vesting date.

The fair value of services rendered is determined by reference to the fair value of the financial instruments granted.

The fair value of options is determined at their grant date by an independent actuary, and any subsequent changes in the fair value are not taken into account. The Black & Scholes valuation model used is based on the assumptions described in Note 5.2 "Net operating expenses" hereafter.

The cost of services rendered is recognised in the income statement and offset under an equity heading on a basis that reflects the vesting pattern of the options. This entry is recorded at the end of each accounting period until the date at which all vesting rights of the plan in question have been fully granted.

The amount stated in equity reflects the extent to which the vesting period has expired and the number of options granted that, based on management's best available estimate, will ultimately vest.

Stock option plans are granted based on individual objectives and group results. The exercise of stock options is subject to years of continuous presence in the company.

## 1.22.2. Bonus shares

The fair value of bonus shares is determined at their grant date by an independent actuary. The fair value of the bonus share is determined according to the price on the grant date less discounted future dividends.

All bonus shares are granted after a defined number of years of continuous presence in the group, based on the plans.

The cost of services rendered is recognised in the income statement via an offsetting entry in an equity heading, following a pattern reflecting the procedures for granting bonus shares. The acquisition period begins from the time the Executive Board grants the bonus shares.

## 1.22.3. Cash-settled share subscription and purchase plans

The share subscription and purchase plans, which will be settled in cash, are assessed at their fair value, recorded in the income statement by offsetting with a liability. This liability is measured at each closing date up to its settlement.

## 1.23. Revenue

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The group's revenue mainly comes from sales of advertising spaces on street furniture equipment, billboards and advertising in transport systems.

Advertising space revenue, rentals and provided services are recorded as revenue on a straight-line basis over the period over which the service is performed. The trigger event for advertising space revenue recognition is the execution of the advertising campaign, which has a duration ranging from 1 week to 6 years.

Advertising space revenue is recorded on a net basis after deduction of commercial rebates. In some countries, commissions are paid by the group to advertising agencies and media brokers when they act as intermediaries between the group and advertisers. These commissions are then deducted from revenue.

In agreements where the group pays variable fees or revenue sharing, and insofar as the group bears the risks and rewards incidental to the activity, the group recognises all gross advertising revenue as revenue and books fees and the portion of revenue repaid as operating expenses.

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

## 1.24. Operating margin

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The operating margin is defined as revenue less direct operating and selling, general and administrative expenses.

It includes charges to provisions net of reversals relating to trade receivables.

The operating margin is impacted by cash discounts granted to customers deducted from revenue, and cash discounts received from suppliers deducted from direct operating expenses. It also includes stock option or bonus share expenses recognised in the line item "Selling, general and administrative expenses".

## 1.25. EBIT

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

Other operating income and expenses include the gains and losses generated by the disposal of property, plant and equipment, intangible assets, joint ventures and associates, the gains and losses generated by the loss of control of companies, any resulting gain or loss resulting from the fair value revaluation of a retained interest, any resulting gain or loss resulting from the fair value revaluation of a previously held equity interest at the time control is acquired with staged acquisitions, potential price adjustments resulting from events subsequent to the acquisition date, as well as any negative goodwill, acquisition-related costs, and non-recurring items.

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

## 1.26. Current and deferred income tax

Deferred taxes are recognised based on timing differences between the accounting value and the tax base of assets and liabilities. They mainly stem from consolidation restatements (standardisation of group accounting principles and amortisation/depreciation periods for property, plant and equipment and intangible assets, finance leases, recognition of contracts as part of the purchase method, etc.). Deferred tax assets and liabilities are measured at the tax rate expected to apply for the period in which the asset is realised or the liability is settled, based on the tax regulations that were adopted at the year-end closing date.

Deferred tax assets on tax losses carried forward are recognised when it is probable that the group will have future taxable profits against which these tax losses may be offset. Forecasts are prepared on the basis of a 3 to 5 year time frame adapted to the specific characteristics of each country.

In accordance with IFRS, the group determined that the CVAE (French tax known as the *Cotisation sur la Valeur Ajoutée des Entreprises*) is an income tax expense. This qualification as an income tax gives rise to the recognition of a deferred tax liability calculated based on the depreciable assets of the companies subject to the CVAE. Moreover, as the CVAE can be deducted from the corporate tax, its recognition generates a deferred tax asset.

## 1.27. Finance lease and operating lease

Finance leases, which transfer to the group almost all of the risks and rewards associated with the ownership of the leased item, are capitalised as assets in the statement of financial position upon inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to obtain a constant interest rate on the remaining balance of the liability. Finance charges are recognised directly in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and rewards incidental to ownership of the asset are considered as operating leases. Operating lease payments are recognised as an expense in the income statement.

## 2. CHANGES IN THE CONSOLIDATION SCOPE

### 2.1. Major changes in the consolidation scope in 2016

The main changes in the consolidation scope during 2016 are as follows:

#### Acquisitions (with acquisition of control)

On 1 April 2016, the subsidiaries JCDecaux Latin America and Corameq each acquired 50% of the Latin America business of OUTFRONT Media Inc. The Outfront Media group is fully consolidated.

On 5 July 2016, JCDecaux street furniture Belgium acquired 73.36% of DOOH, renamed JCDecaux Malls (Belgium) which operates mainly digital contracts in shopping malls. This company is fully consolidated.

On 23 December 2016, JCDecaux and Top Media have merged their activities. The new set-up, JCDecaux-Top Media, of which 71% of the capital is owned by JCDecaux and 29% owned by Top Media, operates in Panama, Guatemala, Costa Rica, El Salvador, Honduras and Nicaragua. This new set-up is fully consolidated.

#### Other variances

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

## 2.2. Impact of acquisitions

The acquisitions made in 2016 giving control of the Latin America business of Outfront Media, DOOH, Top Media and the purchase price allocation of Cemusa (acquired at the end of 2015) within the 12-month period granted, had the following impacts on the group's consolidated financial statements:

| IN MILLION EUROS  | FAIR VALUE AT THE DATE OF ACQUISITION |              |
|---|---------------------------------------|--------------|
| Non-current assets  |                                       | 76.5         |
| Current assets  |                                       | 18.1         |
| <b>Total assets</b>   |                                       | <b>94.6</b>  |
| Non-current liabilities   |                                       | 123.3        |
| Current liabilities   |                                       | (22.6)       |
| <b>Total liabilities</b>  |                                       | <b>100.7</b> |
| <b>FAIR VALUE OF NET ASSETS AT 100%</b>                             | <b>(A)</b>                            | <b>(6.1)</b> |
| - of which non-controlling interests                                | (B)                                   | 1.3          |
| <b>TOTAL CONSIDERATION TRANSFERRED</b>                              | <b>(C)</b>                            | <b>102.3</b> |
| - of which assets contributed <sup>(2)</sup>                        |                                       | 17.3         |
| - of which purchase price   |                                       | 85.0         |
| <b>GOODWILL</b>   | <b>(D)=(C)-(A)+(B)</b>                | <b>109.7</b> |
| - including Goodwill allocated to companies under the equity method | (E)                                   | 0.2          |
| <b>GOODWILL IFRS<sup>(1)</sup></b>                                  | <b>(F)=(D)-(E)</b>                    | <b>109.5</b> |
| Purchase price  |                                       | (85.0)       |
| Net cash acquired   |                                       | 4.6          |
| Acquisitions of long-term investments over the period               |                                       | (80.4)       |

<sup>(1)</sup> The option of the full goodwill calculation method was not used for any of the 2016 acquisitions

<sup>(2)</sup> Due to the asset swap with Top Media

Impacts due to the purchase price allocation of Cemusa within the 12-month period granted are not significant on the 2015 income statement; this non-material impact is recorded in the consolidated income statement 2016. The main impacts in the consolidated income statement due to the recognition of the period of assets and contracts at fair value at the acquisition date of Cemusa are mainly related to the line item "Provision charge net of reversal" and are disclosed in the Note 5.2 "Net operating expenses".

The value of assets and liabilities acquired and goodwill relating to these acquisitions is determined on a temporary basis, with the exception of the purchase price allocation of Cemusa which is definitive, and is likely to change during the period required to finalise the allocation of the goodwill, which can be extended to a maximum of 12 months following the acquisition date.

The impact of these acquisitions on revenue and net income (group share) is respectively €33.8 million and €(2.2) million. Had the acquisitions taken place as of 1 January 2016, the additional impact would have been an increase of €28.3 million on revenue and a decrease of €1.3 million on net income (group share).

## 3. SEGMENT REPORTING

In segment reporting, the data related to joint ventures, companies under joint control, is proportionately consolidated as in the group's operating management reporting used by the Executive Board – the Chief Operating Decision Maker (CODM) – in order to monitor the activity, allocate resources and measure performances. Consequently, pursuant to IFRS 8, operating data presented hereafter, in line with internal communication, is "adjusted" to take into consideration the joint ventures proportionately consolidated. The "adjusted" data is reconciled with the IFRS financial statements for which IFRS 11 leads to consolidation of the joint ventures under the equity method.

### 3.1. Information related to operating segments

#### Definition of operating segments

##### Street Furniture

The Street Furniture operating segment covers, in general, the advertising agreements relating to public property entered into with cities and local authorities. It also includes advertising in shopping malls, as well as the renting of street furniture, the sale and rental of equipment, cleaning and maintenance and other various services.

##### Transport

The Transport operating segment covers advertising in public transport systems, such as airports, subways, buses, tramways and trains.

##### Billboard

The Billboard operating segment covers, in general, advertising on private property, including either traditional large format or back-light billboards. It also includes neon-light billboards and advertising wraps.

#### Transactions between operating segments

Transfer prices between operating segments are equal to prices determined on an arm's length basis, as in transactions with third parties.

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

| IN MILLION EUROS   | STREET FURNITURE | TRANSPORT | BILLBOARD | TOTAL   |
|--|------------------|-----------|-----------|---------|
| Revenue  | 1,523.7          | 1,373.7   | 495.4     | 3,392.8 |
| Operating margin   | 405.4            | 182.0     | 59.1      | 646.5   |
| EBIT <sup>(1)</sup>  | 194.8            | 130.6     | 27.7      | 353.1   |
| Acquisitions of intangible assets and PP&E net of disposals <sup>(2)</sup> | 178.2            | 36.4      | 27.7      | 242.3   |

<sup>(1)</sup> Including a net reversal related to impairment tests for €1.7 million: €1.6 million in Street Furniture and €0.1 million in Transport.

<sup>(2)</sup> Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposal of intangible assets and property, plant and equipment.

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

| IN MILLION EUROS  | ADJUSTED DATA | JOINT VENTURES' IMPACT <sup>(1)</sup> | IFRS DATA |
|---|---------------|---------------------------------------|-----------|
| Revenue   | 3,392.8       | (418.3)                               | 2,974.5   |
| Operating margin  | 646.5         | (118.4)                               | 528.1     |
| EBIT  | 353.1         | (100.8)                               | 252.3     |
| Acquisitions of intangible assets and PP&E net of disposals | 242.3         | (14.7)                                | 227.6     |

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

The impact of €(418.3) million resulting from IFRS 11 (change from the proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(439.2) million of revenue made by the joint ventures – See Note 10 “Information on the joint ventures” – and +€20.9 million of non-eliminated part of intercompany revenue made by group fully consolidated companies with joint ventures, under IFRS 11, leaving IFRS revenue at €2,974.5 million.

The breakdown of the 2015 segment reporting by operating segment is as follows:

| IN MILLION EUROS   | STREET FURNITURE | TRANSPORT | BILLBOARD | TOTAL   |
|--|------------------|-----------|-----------|---------|
| Revenue  | 1,394.3          | 1,355.4   | 457.9     | 3,207.6 |
| Operating margin   | 441.6            | 201.5     | 52.1      | 695.2   |
| EBIT <sup>(1)</sup>  | 184.7            | 154.6     | 18.2      | 357.5   |
| Acquisitions of intangible assets and PP&E net of disposals <sup>(2)</sup> | 152.0            | 44.9      | 32.5      | 229.4   |

<sup>(1)</sup> Including a net depreciation related to impairment tests for €(13.9) million: €(16.4) million in Street Furniture and €2.5 million in Transport.

<sup>(2)</sup> Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposal of intangible assets and property, plant and equipment.

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

| IN MILLION EUROS  | ADJUSTED DATA | JOINT VENTURES' IMPACT <sup>(1)</sup> | IFRS DATA |
|---|---------------|---------------------------------------|-----------|
| Revenue   | 3,207.6       | (400.5)                               | 2,807.1   |
| Operating margin  | 695.2         | (112.5)                               | 582.7     |
| EBIT  | 357.5         | (87.4)                                | 270.1     |
| Acquisitions of intangible assets and PP&E net of disposals | 229.4         | (27.5)                                | 201.9     |

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

The impact of €(400.5) million resulting from IFRS 11 (change from the proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(413.5) million of revenue made by the joint ventures – See Note 10 “Information on the joint ventures” – and +€13.0 million of non-eliminated part of intercompany revenue made by group fully consolidated companies with joint ventures, under IFRS 11, leaving IFRS revenue at €2,807.1 million.



## 3.2. By geographical area

The 2016 information by geographical area breaks down as follows:

| IN MILLION EUROS | EUROPE <sup>(1)</sup> | ASIA-PACIFIC | FRANCE | REST OF THE WORLD | UNITED KINGDOM | NORTH AMERICA | TOTAL   |
|------------------|-----------------------|--------------|--------|-------------------|----------------|---------------|---------|
| Revenue          | 886.2                 | 819.3        | 628.8  | 405.3             | 382.2          | 271.0         | 3,392.8 |

<sup>(1)</sup> Excluding France and the United Kingdom.

The 2015 information by geographical area breaks down as follows:

| IN MILLION EUROS | EUROPE <sup>(1)</sup> | ASIA-PACIFIC | FRANCE | REST OF THE WORLD | UNITED KINGDOM | NORTH AMERICA | TOTAL   |
|------------------|-----------------------|--------------|--------|-------------------|----------------|---------------|---------|
| Revenue          | 829.8                 | 832.6        | 613.5  | 335.0             | 369.6          | 227.1         | 3,207.6 |

<sup>(1)</sup> Excluding France and the United Kingdom.

No single customer reaches the 10% threshold of group revenue.

## 3.3. Other information

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

| IN MILLION EUROS   | ADJUSTED DATA | JOINT VENTURES' IMPACT <sup>(1)</sup> | IFRS DATA    |
|--|---------------|---------------------------------------|--------------|
| Net cash provided by operating activities                                  | 506.0         | (48.9)                                | 457.1        |
| - Including Change in working capital                                      | 47.9          | (29.9)                                | 18.0         |
| Acquisitions of intangible assets and PP&E net of disposals <sup>(2)</sup> | (242.3)       | 14.7                                  | (227.6)      |
| <b>FREE CASH FLOW</b>  | <b>263.7</b>  | <b>(34.2)</b>                         | <b>229.5</b> |

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

<sup>(2)</sup> Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposal of intangible assets and property, plant and equipment.

The reconciliation of the free cash flow from Adjusted to IFRS for the year 2015 is as follows:

| IN MILLION EUROS   | ADJUSTED DATA | JOINT VENTURES' IMPACT <sup>(1)</sup> | IFRS DATA    |
|--|---------------|---------------------------------------|--------------|
| Net cash provided by operating activities                                  | 562.8         | (26.0)                                | 536.8        |
| - Including Change in working capital                                      | 26.2          | (4.4)                                 | 21.8         |
| Acquisitions of intangible assets and PP&E net of disposals <sup>(2)</sup> | (229.4)       | 27.5                                  | (201.9)      |
| <b>FREE CASH FLOW</b>  | <b>333.4</b>  | <b>1.5</b>                            | <b>334.9</b> |

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

<sup>(2)</sup> Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposal of intangible assets and property, plant and equipment.

## 4. COMMENTS ON THE STATEMENT OF FINANCIAL POSITION

## 4.1. Goodwill and other intangible assets

## 4.1.1. Goodwill

2016 and 2015 changes in net carrying amount:

| IN MILLION EUROS            | 2016    | 2015    |
|-----------------------------|---------|---------|
| NET VALUE AS OF 1 JANUARY   | 1,271.6 | 1,170.8 |
| Impairment loss             | 0.0     | 0.0     |
| Decreases                   | (5.0)   | (0.2)   |
| Changes in scope            | 109.6   | 95.6    |
| Translation adjustments     | (15.4)  | 5.4     |
| NET VALUE AS OF 31 DECEMBER | 1,360.8 | 1,271.6 |

## 4.1.2. Other intangible assets

2016 changes in gross value and net carrying amount:

| IN MILLION EUROS                                    | DEVELOPMENT COSTS | PATENTS, LICENCES, ADVERTISING CONTRACTS, ERP <sup>(1)</sup> | LEASEHOLD RIGHTS, PAYMENTS ON ACCOUNT, OTHER | TOTAL   |
|---|-------------------|--|--|---------|
| GROSS VALUE AS OF 1 JANUARY 2016                    | 54.5              | 736.9  | 36.1   | 827.5   |
| Acquisitions/Increases                              | 5.3               | 8.5  | 11.8   | 25.6    |
| Decreases   |                   | (47.8)   | (6.6)  | (54.4)  |
| Changes in scope <sup>(2)</sup>                     |                   | 15.8   |  | 15.8    |
| Translation adjustments                             | 0.9               | (9.4)  | 0.3  | (8.2)   |
| Reclassifications <sup>(3)</sup>                    | (0.2)             | 25.8   | (15.3)                                       | 10.3    |
| Goodwill allocation                                 | (2.7)             | (2.5)  | (0.3)  | (5.5)   |
| GROSS VALUE AS OF 31 DECEMBER 2016                  | 57.8              | 727.3  | 26.0   | 811.1   |
| AMORTISATION/IMPAIRMENT LOSS AS OF 1 JANUARY 2016   | (29.7)            | (478.1)  | (19.5)                                       | (527.3) |
| Amortisation charge                                 | (4.9)             | (48.3)   | (0.5)  | (53.7)  |
| Impairment loss                                     |                   | 0.1  |  | 0.1     |
| Decreases   |                   | 46.7   | 6.6  | 53.3    |
| Changes in scope <sup>(2)</sup>                     |                   | 23.9   |  | 23.9    |
| Translation adjustments                             | (0.3)             | 4.4  | (0.4)  | 3.7     |
| Reclassifications <sup>(3)</sup>                    | (0.1)             | (2.8)  | 0.8  | (2.1)   |
| Goodwill allocation                                 | 2.0               | 1.7  |  | 3.7     |
| AMORTISATION/IMPAIRMENT LOSS AS OF 31 DECEMBER 2016 | (33.0)            | (452.4)  | (13.0)                                       | (498.4) |
| NET VALUE AS OF 1 JANUARY 2016                      | 24.8              | 258.8  | 16.6   | 300.2   |
| NET VALUE AS OF 31 DECEMBER 2016                    | 24.8              | 274.9  | 13.0   | 312.7   |

<sup>(1)</sup> Includes the valuation of contracts recognised in connection with business combinations.<sup>(2)</sup> Those amounts are linked to the entities acquisitions and liquidations over the period.<sup>(3)</sup> The net impact of reclassifications is not nil, as some reclassifications have an impact on other items in the statement of financial position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2015 changes in gross value and net carrying amount:

| IN MILLION EUROS                                    | DEVELOPMENT COSTS | PATENTS, LICENCES, ADVERTISING CONTRACTS, ERP <sup>(1)</sup> | LEASEHOLD RIGHTS, PAYMENTS ON ACCOUNT, OTHER | TOTAL   |
|---|-------------------|--|--|---------|
| GROSS VALUE AS OF 1 JANUARY 2015                    | 47.5              | 686.6  | 31.1   | 765.2   |
| Acquisitions/Increases                              | 5.5               | 9.0  | 9.4  | 23.9    |
| Decreases   |                   | (2.3)  | (0.1)  | (2.4)   |
| Changes in scope                                    | 2.4               | 27.3   | 1.9  | 31.6    |
| Translation adjustments                             | (0.9)             | 13.8   | 0.3  | 13.2    |
| Reclassifications <sup>(2)</sup>                    |                   | 2.5  | (6.5)  | (4.0)   |
| GROSS VALUE AS OF 31 DECEMBER 2015                  | 54.5              | 736.9  | 36.1   | 827.5   |
| AMORTISATION/IMPAIRMENT LOSS AS OF 1 JANUARY 2015   | (23.0)            | (422.3)  | (20.3)                                       | (465.6) |
| Amortisation charge                                 | (4.9)             | (47.9)   | (0.6)  | (53.4)  |
| Impairment loss                                     | (0.2)             | (0.1)  |  | (0.3)   |
| Decreases   |                   | 2.1  | 0.1  | 2.2     |
| Changes in scope                                    | (1.8)             | (2.4)  | (1.2)  | (5.4)   |
| Translation adjustments                             | 0.2               | (9.1)  | (0.1)  | (9.0)   |
| Reclassifications <sup>(2)</sup>                    |                   | 1.6  | 2.6  | 4.2     |
| AMORTISATION/IMPAIRMENT LOSS AS OF 31 DECEMBER 2015 | (29.7)            | (478.1)  | (19.5)                                       | (527.3) |
| NET VALUE AS OF 1 JANUARY 2015                      | 24.5              | 264.3  | 10.8   | 299.6   |
| NET VALUE AS OF 31 DECEMBER 2015                    | 24.8              | 258.8  | 16.6   | 300.2   |

<sup>(1)</sup> Includes the valuation of contracts recognised in connection with business combinations.

<sup>(2)</sup> The net impact of reclassifications is not nil, as some reclassifications have an impact on other items in the statement of financial position.

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

| IN MILLION EUROS                             | 31/12/2016  |                           |           | 31/12/2015 |
|--|-------------|---------------------------|-----------|------------|
|  | GROSS VALUE | DEPRECIATION OR PROVISION | NET VALUE | NET VALUE  |
| Land   | 27.1        | (1.4)                     | 25.7      | 26.8       |
| Buildings                                    | 109.7       | (70.4)                    | 39.3      | 21.1       |
| Technical installations, tools and equipment | 2,974.3     | (2,035.8)                 | 938.5     | 991.2      |
| Vehicles                                     | 141.0       | (76.2)                    | 64.8      | 68.9       |
| Other property, plant and equipment          | 163.0       | (142.1)                   | 20.9      | 22.6       |
| Assets under construction and down payments  | 62.3        | (0.8)                     | 61.5      | 42.5       |
| TOTAL  | 3,477.4     | (2,326.7)                 | 1,150.7   | 1,173.1    |

2016 changes in gross value and net carrying amount:

| IN MILLION EUROS                                     | LAND  | BUILDINGS | TECHNICAL<br>INSTALLATIONS,<br>TOOLS &<br>EQUIPMENT | OTHER   | TOTAL     |
|--|-------|-----------|---|---------|-----------|
| GROSS VALUE AS OF 1 JANUARY 2016                     | 28.2  | 89.4      | 2,991.7   | 351.8   | 3,461.1   |
| - of which finance lease                             |       | 2.4       | 5.4   | 42.7    | 50.5      |
| - of which dismantling cost                          |       |           | 152.5   |         | 152.5     |
| Acquisitions   | 0.1   | 1.4       | 144.1   | 88.8    | 234.4     |
| - of which acquisitions under finance lease          |       |           |   | 5.6     | 5.6       |
| - of which dismantling cost                          |       |           | 18.9  |         | 18.9      |
| - of which effect of rate change on dismantling cost |       |           | 0.9   |         | 0.9       |
| Decreases  | (0.1) | (1.1)     | (135.3)   | (19.9)  | (156.4)   |
| - of which disposals under finance lease             |       |           |   | (4.9)   | (4.9)     |
| - of which dismantling cost                          |       |           | (10.4)  |         | (10.4)    |
| Changes in scope                                     | 1.6   | 17.8      | 3.3   | 2.8     | 25.5      |
| Reclassifications <sup>(1)</sup>                     |       | 0.3       | 38.0  | (54.0)  | (15.7)    |
| Goodwill allocation                                  |       | 3.8       | (67.3)  | (2.8)   | (66.3)    |
| Translation adjustments                              | (2.7) | (1.9)     | (0.2)   | (0.4)   | (5.2)     |
| GROSS VALUE AS OF 31 DECEMBER 2016                   | 27.1  | 109.7     | 2,974.3   | 366.3   | 3,477.4   |
| DEPRECIATION AS OF 1 JANUARY 2016                    | (1.4) | (68.3)    | (2,000.5)   | (217.8) | (2,288.0) |
| - of which finance lease                             |       | (2.3)     | (5.4)   | (18.5)  | (26.2)    |
| - of which dismantling cost                          |       |           | (90.6)  |         | (90.6)    |
| Depreciation charge net of reversals                 |       | (3.4)     | (183.5)   | (21.4)  | (208.3)   |
| - of which finance lease                             |       |           |   | (7.5)   | (7.5)     |
| - of which dismantling cost                          |       |           | (15.7)  |         | (15.7)    |
| Impairment loss                                      |       |           |   | 0.4     | 0.4       |
| Decreases  |       | 1.0       | 130.5   | 18.1    | 149.6     |
| - of which finance lease                             |       |           |   | 4.1     | 4.1       |
| - of which dismantling cost                          |       |           | 8.0   |         | 8.0       |
| Changes in scope                                     |       |           | 6.9   | 0.3     | 7.2       |
| Reclassifications <sup>(1)</sup>                     |       | (0.1)     | 14.0  | (1.2)   | 12.7      |
| Goodwill allocation                                  |       |           | (5.6)   | 2.0     | (3.6)     |
| Translation adjustments                              |       | 0.4       | 2.4   | 0.5     | 3.3       |
| DEPRECIATION AS OF 31 DECEMBER 2016                  | (1.4) | (70.4)    | (2,035.8)   | (219.1) | (2,326.7) |
| NET VALUE AS OF 1 JANUARY 2016                       | 26.8  | 21.1      | 991.2   | 134.0   | 1,173.1   |
| NET VALUE AS OF 31 DECEMBER 2016                     | 25.7  | 39.3      | 938.5   | 147.2   | 1,150.7   |

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2015 changes in gross value and net carrying amount:

| IN MILLION EUROS                            | LAND  | BUILDINGS | TECHNICAL<br>INSTALLATIONS,<br>TOOLS &<br>EQUIPMENT | OTHER   | TOTAL     |
|---|-------|-----------|---|---------|-----------|
| <b>GROSS VALUE AS OF 1 JANUARY 2015</b>     | 26.6  | 85.7      | 2,634.4   | 340.6   | 3,087.3   |
| - of which finance lease                    |       | 4.3       | 5.4   | 41.2    | 50.9      |
| - of which dismantling cost                 |       |           | 134.8   |         | 134.8     |
| Acquisitions                                | 0.1   | 1.9       | 101.3   | 106.3   | 209.6     |
| - of which acquisitions under finance lease |       |           |   | 5.3     | 5.3       |
| - of which dismantling cost                 |       |           | 20.1  |         | 20.1      |
| Decreases                                   |       | (3.2)     | (131.7)   | (26.6)  | (161.5)   |
| - of which disposals under finance lease    |       | (1.9)     |   | (4.4)   | (6.3)     |
| - of which dismantling cost                 |       |           | (9.1)   |         | (9.1)     |
| Changes in scope                            | 0.4   | 4.7       | 295.5   | 11.2    | 311.8     |
| Reclassifications <sup>(1)</sup>            |       | 0.1       | 82.1  | (82.3)  | (0.1)     |
| Translation adjustments                     | 1.1   | 0.2       | 10.1  | 2.6     | 14.0      |
| <b>GROSS VALUE AS OF 31 DECEMBER 2015</b>   | 28.2  | 89.4      | 2,991.7   | 351.8   | 3,461.1   |
| <b>DEPRECIATION AS OF 1 JANUARY 2015</b>    | (1.4) | (66.1)    | (1,784.1)   | (213.1) | (2,064.7) |
| - of which finance lease                    |       | (4.2)     | (5.4)   | (14.1)  | (23.7)    |
| - of which dismantling cost                 |       |           | (80.0)  |         | (80.0)    |
| Depreciation charge net of reversals        |       | (2.2)     | (172.5)   | (21.7)  | (196.4)   |
| - of which finance lease                    |       |           |   | (7.3)   | (7.3)     |
| - of which dismantling cost                 |       |           | (13.2)  |         | (13.2)    |
| Impairment loss                             |       |           | (3.6)   | 1.2     | (2.4)     |
| Decreases                                   |       | 2.8       | 128.3   | 22.9    | 154.0     |
| - of which finance lease                    |       | 1.9       |   | 3.3     | 5.2       |
| - of which dismantling cost                 |       |           | 7.9   |         | 7.9       |
| Changes in scope                            |       | (2.7)     | (156.1)   | (5.5)   | (164.3)   |
| Reclassifications <sup>(1)</sup>            |       |           |   | (0.2)   | (0.2)     |
| Translation adjustments                     |       | (0.1)     | (12.5)  | (1.4)   | (14.0)    |
| <b>DEPRECIATION AS OF 31 DECEMBER 2015</b>  | (1.4) | (68.3)    | (2,000.5)   | (217.8) | (2,288.0) |
| <b>NET VALUE AS OF 1 JANUARY 2015</b>       | 25.2  | 19.6      | 850.3   | 127.5   | 1,022.6   |
| <b>NET VALUE AS OF 31 DECEMBER 2015</b>     | 26.8  | 21.1      | 991.2   | 134.0   | 1,173.1   |

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



As of 31 December 2016, the net value of property, plant and equipment under finance lease amounted to €21 million, compared to €24.3 million as of 31 December 2015. It breaks down as follows:

| IN MILLION EUROS                    | 31/12/2016  | 31/12/2015  |
|-------------------------------------|-------------|-------------|
| Buildings                           | 0.1         | 0.1         |
| Vehicles                            | 20.9        | 23.9        |
| Other property, plant and equipment | 0.0         | 0.3         |
| <b>TOTAL</b>                        | <b>21.0</b> | <b>24.3</b> |

Over 80% of the group's property, plant and equipment are comprised of street furniture and other advertising structures. These assets represent a range of very diverse products (Seniors, MUPIs®, digital screens, columns, flag poles, bus shelters, public toilets, benches, bicycles, public litter bins, etc.). These assets are fully owned (controlled by the group) and group advertising revenue represents the sale of advertising spaces present in some of these structures. The net book value of buildings amounted to €39.3 million. The group owns 99% of these buildings, the remaining is owned under finance lease. Buildings comprise administrative offices and warehouses, mainly in Mexico for €13.8 million, in Spain for €7.4 million, in Germany for €6.4 million and in France for €4.0 million.

### 4.3. Goodwill, Property, plant and equipment (PP&E), and Intangible assets impairment tests

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

| IN MILLION EUROS   | 31/12/2016     |  |                | 31/12/2015     |  |                |
|--|----------------|--|----------------|----------------|--|----------------|
|  | GOODWILL       | PP&E/<br>INTANGIBLE<br>ASSETS <sup>(1)</sup> | TOTAL          | GOODWILL       | PP&E/<br>INTANGIBLE<br>ASSETS <sup>(1)</sup> | TOTAL          |
| Street Furniture Europe<br>(excluding France and United Kingdom) | 387.6          | 358.6  | 746.2          | 358.5          | 399.6  | 758.1          |
| Billboard Europe<br>(excluding France and United Kingdom)        | 141.9          | 45.6   | 187.5          | 141.8          | 45.3   | 187.1          |
| Airports World <sup>(2)</sup>                                    | 123.5          | 71.6   | 195.1          | 122.5          | 60.3   | 182.8          |
| Billboard United Kingdom   | 149.6          | 52.4   | 202.0          | 173.8          | 54.0   | 227.8          |
| Billboard France   | 115.4          | 7.4  | 122.8          | 115.4          | 9.1  | 124.5          |
| Street Furniture France  | 86.4           | 354.1  | 440.5          | 86.4           | 385.5  | 471.9          |
| Other <sup>(3)</sup>   | 356.4          | 459.2  | 815.6          | 273.2          | 463.6  | 736.8          |
| <b>TOTAL</b>   | <b>1,360.8</b> | <b>1,348.9</b>                               | <b>2,709.7</b> | <b>1,271.6</b> | <b>1,417.4</b>                               | <b>2,689.0</b> |

This table takes into account the impairment losses recognised on property, plant and equipment, intangible assets and goodwill. The goodwill, intangible assets and property, plant and equipment recognised in connection with the acquisition in 2016 of Outfront and Top Media, presented on the line "Other", were not subject of impairment tests (Top Media is in the process of allocation).

<sup>(1)</sup> Intangible assets and property, plant and equipment are presented net of provisions for onerous contracts, for €128.3 million and €26.8 million respectively as of 31 December 2016 and 31 December 2015, and less net deferred tax liabilities related to the contracts and provisions for onerous contracts recognised in connection with business combinations, for €(13.8) million and €29.1 million respectively as of 31 December 2016 and 31 December 2015.

<sup>(2)</sup> Intangible assets and property, plant and equipment for €71.6 million related to the CGU Airports World include €29.3 million belonging to the geographical area Rest of the World.

<sup>(3)</sup> The amount of €356.4 million of goodwill and the amount of €459.1 million of intangible assets and property, plant and equipment on the line "Other" include respectively €151.3 million and €183.3 million related to the geographical area Rest of the World and for which the impairment and sensitivity tests were performed at the level of each group of CGUs of this geographical area.

Impairment tests carried out as of 31 December 2016 resulted in a €0.5 million net impairment reversal on intangible assets and property, plant and equipment, as well as a €1.2 million net reversal of provision for onerous contracts, both being recorded in the EBIT.

Impairment tests conducted for intangible assets and property, plant and equipment had a positive impact of €1.2 million on net income (group share) compared to €(7.5) million in 2015.

The discount rate, the operating margin ratio and the perpetual growth rate for the Billboard business are considered to be the group's key assumptions with respect to impairment testing.

The countries are broken down into five areas based on the risk associated with each country, and each area corresponds to a specific discount rate ranging from 7.0% to 19.0%, for the area presenting the highest risk. The after-tax rate of 7.0%, used in 2016 (as well as in 2015) was used particularly in Western Europe (excluding Spain, Portugal, Italy and Ireland), North America, Japan, Singapore, South Korea, Australia and Chile where the group generates 59.0% of its adjusted revenue. The average discount rate for the group came to 9.3% in 2016.

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

- In France, the United Kingdom, Europe (excluding France and United Kingdom) and Asia-Pacific, three sensitivity tests were performed; on the one hand, by increasing the discount rate by 50 basis points, and on the other hand, by decreasing by 50 basis points both the operating margin ratio and the perpetual growth rate of the discounted cash flows for the Billboard business
- In the geographical area Rest of the World where there are countries much more exposed to economical and political volatility, three sensitivity tests were performed; on the one hand, by increasing the discount rate by 200 basis points, and on the other hand, by decreasing by 200 basis points both the operating margin ratio and the perpetual growth rate of the discounted cash flows for the Billboard business

The results of the sensitivity tests demonstrate that:

- an increase of 50 basis points in the discount rate for the geographical areas France, United Kingdom, Europe (excluding France and United Kingdom) and Asia-Pacific would result in an additional impairment loss of €(2.9) million on the Billboard Europe (excluding France and United Kingdom) goodwill. It would not lead to any additional impairment loss on intangible assets and property, plant and equipment of each of the CGUs of these geographical areas
- an increase of 200 basis points in the discount rate for the geographical area Rest of the World would result in an impairment loss of €(4.1) million on goodwill. It would result in an additional impairment loss of €(2.4) million on intangible assets and property, plant and equipment of this geographical area
- a decrease of 50 basis points in the operating margin ratio for the geographical areas France, United Kingdom, Europe (excluding France and United Kingdom) and Asia-Pacific would result in an additional impairment loss of €(1) million on Europe (excluding France and United Kingdom) intangible

assets and property, plant and equipment and €(2) million on Asia-Pacific. It would not lead to any additional impairment loss on goodwill of each of the CGUs of these geographical areas

- a decrease of 200 basis points in the operating margin ratio for the geographical area Rest of the World would result in an additional impairment loss of €(4.3) million on intangible assets and property, plant and equipment. It would not lead to any additional impairment loss on goodwill of each CGUs of this geographical area
- a decrease in the perpetual growth rate of the discounted cash flows by 50 basis points for the geographical areas France, United Kingdom, Europe (excluding France and United Kingdom) would result in an additional impairment loss of €(16) million on goodwill (without any additional loss on intangible assets and property, plant and equipment). A decrease in the perpetual growth rate of the discounted cash flows by 200 basis points for the geographical area Rest of the World would not lead to any additional impairment loss on intangible assets and property, plant and equipment or on goodwill of each of the CGUs of this geographical area

## 4.4. Investments under the equity method and impairment tests

| IN MILLION EUROS            | 31/12/2016   | 31/12/2015   |
|-----------------------------|--------------|--------------|
| Joint ventures              | 328.7        | 310.0        |
| Associates                  | 181.5        | 179.3        |
| <b>TOTAL <sup>(1)</sup></b> | <b>510.2</b> | <b>489.3</b> |

<sup>(1)</sup> Including €70.2 million related to the Rest of the World area as of 31 December 2016 compared to €61.4 million as of 31 December 2015.

The information related to the joint ventures and associates is provided in application of IFRS 12 "Disclosure of Interests in Other Entities" and is detailed in Note 10 "Information on the joint ventures" and in Note 11 "Information on associates".

No impairment loss was booked in 2016 as in 2015.

For companies consolidated under the equity method in France, the United Kingdom, Europe (excluding France and the United Kingdom) and Asia-Pacific areas, varying the three key assumptions of the group would not lead to any impairment loss: an increase of 50 basis points in the discount rate, reduction of 50 basis points applied, respectively, to the operating margin ratio and the perpetual growth rate of the discounted cash flows for the Billboard business.

For investments under the equity method belonging to the geographical area Rest of the World, the results of the sensitivity tests demonstrate that:

- a 200 basis point increase in the discount rate would lead to an impairment loss of €(6.1) million on the share of net profit of companies consolidated under the equity method
- a 200 basis point decrease in the operating margin ratio would lead to an impairment loss of €(1.7) million on the share of net profit of companies consolidated under the equity method

- a 200 basis point decrease in the perpetual growth rate of the discounted cash flows would not lead to an impairment loss on the share of net profit of companies consolidated under the equity method for which future cash flows are calculated based on a perpetual projection

#### 4.5. Financial investments and other financial assets (current and non-current)

| IN MILLION EUROS                 | 31/12/2016   | 31/12/2015   |
|----------------------------------|--------------|--------------|
| <b>FINANCIAL INVESTMENTS</b>     | <b>0.7</b>   | <b>0.8</b>   |
| Loans                            | 63.7         | 66.5         |
| Loans to participating interests | 9.1          | 9.0          |
| Other financial investments      | 36.0         | 43.3         |
| <b>OTHER FINANCIAL ASSETS</b>    | <b>108.8</b> | <b>118.8</b> |
| <b>TOTAL</b>                     | <b>109.5</b> | <b>119.6</b> |

The decrease in other financial assets for €10.0 million as of 31 December 2016 was mainly related to the repayments of the guarantee deposits for the execution of operational contracts that have expired.

The maturity of other financial assets breaks down as follows:

| IN MILLION EUROS     | 31/12/2016   | 31/12/2015   |
|----------------------|--------------|--------------|
| ≤ 1 year             | 5.1          | 10.3         |
| > 1 year & ≤ 5 years | 103.0        | 100.3        |
| > 5 years            | 0.7          | 8.2          |
| <b>TOTAL</b>         | <b>108.8</b> | <b>118.8</b> |

#### 4.6. Other receivables (non-current)

| IN MILLION EUROS  | 31/12/2016   | 31/12/2015   |
|---|--------------|--------------|
| - Prepaid expenses  | 21.0         | 28.5         |
| - Miscellaneous receivables                                 | 11.2         | 6.4          |
| <i>Write-down for miscellaneous receivables</i>             | <i>(2.0)</i> | <i>(2.0)</i> |
| <b>Total Other receivables (non-current)</b>                | <b>32.2</b>  | <b>34.9</b>  |
| <b>Total Write-down for other receivables (non-current)</b> | <b>(2.0)</b> | <b>(2.0)</b> |
| <b>TOTAL</b>  | <b>30.2</b>  | <b>32.9</b>  |

#### 4.7. Inventories

| IN MILLION EUROS           | 31/12/2016    | 31/12/2015    |
|----------------------------|---------------|---------------|
| Gross value of inventories | 142.6         | 128.6         |
| <i>Write-down</i>          | <i>(29.7)</i> | <i>(28.7)</i> |
| <b>TOTAL</b>               | <b>112.9</b>  | <b>99.9</b>   |

#### 4.8. Trade and other receivables

| IN MILLION EUROS   | 31/12/2016    | 31/12/2015    |
|--|---------------|---------------|
| - Trade receivables  | 762.7         | 772.2         |
| <i>Write-down for trade receivables</i>                                | <i>(33.0)</i> | <i>(34.8)</i> |
| - Miscellaneous receivables  | 36.9          | 18.8          |
| <i>Write-down for miscellaneous receivables</i>                        | <i>(1.6)</i>  | <i>(1.8)</i>  |
| - Other operating receivables  | 20.8          | 27.3          |
| <i>Write-down for other operating receivables</i>                      | <i>(0.1)</i>  | <i>(0.2)</i>  |
| - Miscellaneous tax receivables  | 45.9          | 46.5          |
| - Receivables on disposal of assets and equipment grant to be received | 0.8           | 1.3           |
| - Down payments  | 7.6           | 7.6           |
| - Prepaid expenses   | 67.8          | 50.2          |
| <b>Total Trade and other receivables</b>                               | <b>942.5</b>  | <b>923.9</b>  |
| <b>Total Write-down for trade and other receivables</b>                | <b>(34.7)</b> | <b>(36.8)</b> |
| <b>TOTAL</b>   | <b>907.8</b>  | <b>887.1</b>  |

Changes in consolidation scope and in exchange rates contributed for respectively €23.6 million and for €(13.3) million to the €20.7 million increase in trade and other receivables as of 31 December 2016.

The balance of past-due trade receivables that had not been written down amounted to €240.2 million as of 31 December 2016, compared to €287.2 million as of 31 December 2015. 5.2% of non-written down trade receivables were past-due by more than 90 days as of 31 December 2016, compared to 7.4% as of 31 December 2015. These trade receivables are related to media agency and international groups that do not present a risk in terms of recovery.

#### 4.9. Managed cash

| IN MILLION EUROS                       | 31/12/2016   | 31/12/2015   |
|--|--------------|--------------|
| Cash                                   | 128.0        | 157.5        |
| Cash equivalents                       | 565.1        | 75.7         |
| <b>Total cash and cash equivalents</b> | <b>693.1</b> | <b>233.2</b> |
| Treasury financial assets              | 281.0        | 77.7         |
| <b>TOTAL MANAGED CASH</b>              | <b>974.1</b> | <b>310.9</b> |

As of 31 December 2016, the group has €693.1 million of cash and cash equivalents (compared to €233.2 million as of 31 December 2015) and €281.0 million of treasury financial assets (compared to €77.7 million as of 31 December 2015). This increase of the managed cash is mainly explained by the issuance of a €750 million bond in June 2016.

Cash equivalents mainly includes short-term deposits and money market funds. €10.1 million of the total of cash and cash equivalents is invested in guarantees as of 31 December 2016, compared to €7.3 million as of 31 December 2015.

As of 31 December 2016 treasury financial assets were made of €243.4 million of short-term liquid investments (compared to €42.3 million as of 31 December 2015) and €37.6 million held in escrow account by the group in connection with operational contracts, where the cash belongs to the group (compared to €35.4 million as of 31 December 2015). These financial assets have the main characteristics of cash equivalents but do not strictly comply with all the criteria which must be satisfied according to IAS 7.

## 4.10. Net deferred taxes

### 4.10.1. Deferred taxes recorded

Breakdown of deferred taxes:

| IN MILLION EUROS   | 31/12/2016  | 31/12/2015    |
|--|-------------|---------------|
| PP&E, intangible assets and provisions for onerous contracts | (56.2)      | (108.3)       |
| Tax losses carried forward                                   | 11.1        | 8.0           |
| Provisions for dismantling costs                             | 27.1        | 22.4          |
| Provisions for retirement and other benefits                 | 22.2        | 19.3          |
| Deferred rent  | 45.1        | 21.5          |
| Other  | 9.9         | 5.7           |
| <b>TOTAL</b>   | <b>59.2</b> | <b>(31.4)</b> |

The €90.6 million increase of deferred tax assets net of the deferred tax liabilities is mainly due to the recognition of deferred tax on the fair value revaluation on tangible and intangible assets and on the provision for onerous contracts recognised following the purchase price allocation of Cemusa.

### 4.10.2. Net deferred tax variation

| IN MILLION EUROS         | 31/12/2015    | NET EXPENSE | DT ON ACTUARIAL GAINS AND LOSSES | TRANSLATION ADJUSTMENTS | CHANGES IN SCOPE | 31/12/2016  |
|--------------------------|---------------|-------------|----------------------------------|-------------------------|------------------|-------------|
| Deferred tax assets      | 48.6          | 5.9         | 0.4                              | 4.9                     | 75.1             | 134.9       |
| Deferred tax liabilities | (80.0)        | 6.2         | 2.5                              | 2.4                     | (6.8)            | (75.7)      |
| <b>TOTAL</b>             | <b>(31.4)</b> | <b>12.1</b> | <b>2.9</b>                       | <b>7.3</b>              | <b>68.3</b>      | <b>59.2</b> |

### 4.10.3. Unrecognised deferred tax assets on tax losses carried forward

Deferred tax assets on losses carried forward that had not been recognised amounted to €87.9 million as of 31 December 2016, compared to €64.7 million as of 31 December 2015.

## 4.11. Equity

### Breakdown of share capital

As of 31 December 2016, share capital amounted to €3,240,270.51 divided into 212,547,655 shares of the same class and fully paid up.

### Reconciliation of the number of outstanding shares as of 1 January 2016 and 31 December 2016:

|  |                    |
|--|--------------------|
| NUMBER OF OUTSTANDING SHARES AS OF 1 JANUARY 2016          | 212,299,238        |
| Shares issued following the exercise of options            | 248,417            |
| <b>NUMBER OF OUTSTANDING SHARES AS OF 31 DECEMBER 2016</b> | <b>212,547,655</b> |

As of 31 December 2016, JCDecaux SA did not hold any treasury shares.

As of 17 February 2016, 866,903 stock options were granted, with an exercise price of €34.01. The cost related to all the current plans amounted to €3.9 million in 2016.

At the General Meeting held on 19 May 2016, the decision was made to pay a dividend of €0.56 to each of the 212,299,238 shares making up the share capital as of 31 December 2015. This distribution is subject to the payment of a 3% dividend tax recorded under the line item "Income tax" in the income statement.

The non-controlling interests do not represent a significant portion of the 2015 and 2016 group consolidated financial statements.

## 4.12. Provisions

Provisions break down as follows:

| IN MILLION EUROS                                | 31/12/2015   | ALLOCATIONS | DISCOUNT <sup>(2)</sup> | REVERSALS     |              | ACTUARIAL<br>GAINS AND<br>LOSSES/ASSETS<br>CEILING | RECLASSIFICATIONS | TRANSLATION<br>ADJUSTMENTS | CHANGE<br>IN SCOPE | 31/12/2016   |
|---|--------------|-------------|-------------------------|---------------|--------------|--|-------------------|----------------------------|--------------------|--------------|
|   |              |             |                         | USED          | NOT<br>USED  |  |                   |                            |                    |              |
| Provisions for dismantling cost                 | 210.9        | 18.9        | 4.2                     | (9.4)         | (5.6)        |  |                   | (0.1)                      | 17.0               | 235.9        |
| Provisions for onerous contracts <sup>(1)</sup> | 26.8         |             |                         | (48.4)        |              |  |                   | 3.4                        | 146.5              | 128.3        |
| Provisions for retirement and other benefits    | 70.8         | 4.9         | 1.6                     | (6.8)         |              | 13.5   |                   | (1.1)                      | 1.1                | 84.0         |
| Provisions for litigation                       | 12.9         | 3.4         |                         | (0.4)         | (1.8)        |  | 2.7               | 1.8                        | 2.7                | 21.3         |
| Other provisions                                | 22.2         | 4.3         |                         | (6.2)         | (0.5)        |  | 2.3               | 0.2                        | 0.1                | 22.4         |
| <b>TOTAL</b>                                    | <b>343.6</b> | <b>31.5</b> | <b>5.8</b>              | <b>(71.2)</b> | <b>(7.9)</b> | <b>13.5</b>  | <b>5.0</b>        | <b>4.2</b>                 | <b>167.4</b>       | <b>491.9</b> |

<sup>(1)</sup> Changes in scope include provisions for onerous contracts related to Cemusa and Oufront for respectively €136.9 million and €9.6 million.

<sup>(2)</sup> Including €0.9 million recognised versus PP&E.

## 4.12.1. Provisions for dismantling costs

Provisions consist mainly of provisions for dismantling costs regarding advertising assets in respect of Street Furniture and Transport businesses. They are calculated at the end of each accounting period and are based on the assets pool and their unitary dismantling cost (labour, cost of destruction and restoration of ground surfaces). As of 31 December 2016, the average residual contract term used to calculate the provision for dismantling costs is 8.9 years.

Provisions for dismantling are discounted at a rate of 1.5% as of 31 December 2016, the same as 31 December 2015. The use of a 1.0% discount rate (change of 50 basis points) would have generated an additional provision of approximately €10.6 million.

## 4.12.2. Provisions for retirement and other benefits

## 4.12.2.1. Characteristics of the defined benefits plans

The group's defined employee benefit obligations mainly consist of retirement benefits (contractual termination benefits, pensions and other retirement benefits for senior executives of certain group subsidiaries) and other long-term benefits paid throughout the employee's career, such as long service awards or jubilees.

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

In France, termination benefits paid at retirement are calculated in accordance with the "Convention Nationale de la Publicité" (Collective Bargaining Agreement for Advertising). A portion of the obligation is covered by contributions made to an external fund by the French companies of JCDecaux Group.

In the United Kingdom, retirement obligations mainly consist of a pension plan previously opened to some employees of JCDecaux UK Ltd. In December 2002, the vesting rights for this plan were frozen.

In Austria, the obligations mainly comprise mandatory termination benefits.

## 4.12.2.2. Financial information

Provisions are calculated according to the following assumptions:

|  | 2016  | 2015  |
|--|-------|-------|
| Discount rate <sup>(1)</sup>                         |       |       |
| Euro Zone  | 1.50% | 2.10% |
| United Kingdom                                       | 2.60% | 3.70% |
| Estimated annual rate of increase in future salaries |       |       |
| Euro Zone  | 2.00% | 1.90% |
| United Kingdom <sup>(2)</sup>                        | NA    | NA    |
| Inflation rate                                       |       |       |
| Euro Zone  | 1.75% | 1.75% |
| United Kingdom                                       | 2.50% | 2.40% |

<sup>(1)</sup> The discount rates for the Euro Zone and the United Kingdom are taken from the Iboxx data and are determined based on the yield rate of bonds issued by highly rated companies (rated AA).

<sup>(2)</sup> As the UK plan was frozen, no salary increase was taken into account.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

• *In 2015:*

| IN MILLION EUROS  | RETIREMENT BENEFITS |        | OTHER LONG-TERM BENEFITS | TOTAL |
|---|---------------------|--------|--------------------------|-------|
|   | UNFUNDED            | FUNDED |                          |       |
| <b>CHANGE IN BENEFIT OBLIGATION</b>                                 |                     |        |                          |       |
| Benefit obligation at the beginning of the year                     | 15.4                | 100.7  | 7.7                      | 123.8 |
| Service cost  | 1.5                 | 2.8    | 0.4                      | 4.7   |
| Interest cost   | 0.4                 | 3.0    | 0.1                      | 3.5   |
| Settlements of plans  | (0.8)               |        |                          | (0.8) |
| Acquisitions/disposals of plans                                     |                     |        | 0.2                      | 0.2   |
| Actuarial gains/losses <sup>(1)</sup>                               | (0.4)               | (0.4)  |                          | (0.8) |
| Employee contributions  |                     | 0.1    |                          | 0.1   |
| Benefits paid   | (1.3)               | (2.7)  | (0.4)                    | (4.4) |
| Translation adjustments   | 0.1                 | 2.7    |                          | 2.8   |
| Other   | 0.3                 |        |                          | 0.3   |
| Benefit obligation at the end of the year                           | 15.2                | 106.2  | 8.0                      | 129.4 |
| <i>including France</i>   | 9.6                 | 48.2   | 4.7                      | 62.5  |
| <i>including other countries</i>                                    | 5.6                 | 58.0   | 3.3                      | 66.9  |
| <b>CHANGE IN PLAN ASSETS</b>  |                     |        |                          |       |
| Assets at the beginning of the year                                 |                     | 51.8   |                          | 51.8  |
| Interest income   |                     | 1.9    |                          | 1.9   |
| Return on plan assets excluding amounts included in interest income |                     | 1.0    |                          | 1.0   |
| Employer contributions  |                     | 4.2    |                          | 4.2   |
| Employee contributions  |                     | 0.1    |                          | 0.1   |
| Benefits paid   |                     | (2.7)  |                          | (2.7) |
| Translation adjustments   |                     | 2.3    |                          | 2.3   |
| Other   |                     |        |                          | 0.0   |
| Assets at the end of the year                                       |                     | 58.6   |                          | 58.6  |
| <i>including France</i>   |                     | 7.4    |                          | 7.4   |
| <i>including other countries <sup>(2)</sup></i>                     |                     | 51.2   |                          | 51.2  |
| <b>PROVISIONS</b>   |                     |        |                          |       |
| Funded status   | 15.2                | 47.6   | 8.0                      | 70.8  |
| Assets ceiling  |                     |        |                          | 0.0   |
| Provisions at the end of the year                                   | 15.2                | 47.6   | 8.0                      | 70.8  |
| <i>including France</i>   | 9.6                 | 40.8   | 4.7                      | 55.1  |
| <i>including other countries</i>                                    | 5.6                 | 6.8    | 3.3                      | 15.7  |
| <b>PENSION COST</b>   |                     |        |                          |       |
| Interest cost   | 0.4                 | 3.0    | 0.1                      | 3.5   |
| Interest income   |                     | (1.9)  |                          | (1.9) |
| Service cost  | 1.5                 | 2.8    | 0.4                      | 4.7   |
| Amortisation of actuarial gains/losses on other long-term benefits  |                     |        |                          | 0.0   |
| Settlements of plans  | (0.8)               |        |                          | (0.8) |
| Other   |                     |        |                          | 0.0   |
| Charge for the year   | 1.1                 | 3.9    | 0.5                      | 5.5   |
| <i>including France</i>   | 0.8                 | 3.2    | 0.2                      | 4.2   |
| <i>including other countries</i>                                    | 0.3                 | 0.7    | 0.3                      | 1.3   |

<sup>(1)</sup> Including €0.1 million related to experience gains and losses, €(1.4) million related to change in financial assumptions and €0.5 million related to demographic assumptions.

<sup>(2)</sup> Mainly the United Kingdom.

## • In 2016:

| IN MILLION EUROS  | RETIREMENT BENEFITS |        | OTHER LONG-TERM BENEFITS | TOTAL |
|---|---------------------|--------|--------------------------|-------|
|   | UNFUNDED            | FUNDED |                          |       |
| <b>CHANGE IN BENEFIT OBLIGATION</b>                                 |                     |        |                          |       |
| Benefit obligation at the beginning of the year                     | 15.2                | 106.2  | 8.0                      | 129.4 |
| Service cost  | 1.2                 | 3.3    | 0.4                      | 4.9   |
| Interest cost   | 0.4                 | 2.9    | 0.1                      | 3.4   |
| Acquisitions/disposals of plans                                     | 0.9                 |        | 0.2                      | 1.1   |
| Plans amendments  | (0.4)               | 0.4    | (0.1)                    | (0.1) |
| Actuarial gains/losses <sup>(1)</sup>                               | 1.5                 | 12.8   | (0.2)                    | 14.1  |
| Employee contributions  |                     | 0.2    |                          | 0.2   |
| Benefits paid   | (1.4)               | (3.4)  | (0.7)                    | (5.5) |
| Translation adjustments   |                     | (7.6)  |                          | (7.6) |
| Other <sup>(3)</sup>  |                     | 3.2    |                          | 3.2   |
| Benefit obligation at the end of the year                           | 17.4                | 118.0  | 7.7                      | 143.1 |
| <i>including France</i>   | 10.9                | 52.0   | 4.6                      | 67.5  |
| <i>including other countries</i>                                    | 6.5                 | 66.0   | 3.1                      | 75.6  |
| <b>CHANGE IN PLAN ASSETS</b>  |                     |        |                          |       |
| Assets at the beginning of the year                                 |                     | 58.6   |                          | 58.6  |
| Interest income   |                     | 1.8    |                          | 1.8   |
| Return on plan assets excluding amounts included in interest income |                     | 1.1    |                          | 1.1   |
| Employer contributions  |                     | 4.2    |                          | 4.2   |
| Employee contributions  |                     | 0.2    |                          | 0.2   |
| Benefits paid   |                     | (3.4)  |                          | (3.4) |
| Translation adjustments   |                     | (6.5)  |                          | (6.5) |
| Other <sup>(3)</sup>  |                     | 3.5    |                          | 3.5   |
| Assets at the end of the year                                       |                     | 59.5   |                          | 59.5  |
| <i>including France</i>   |                     | 7.3    |                          | 7.3   |
| <i>including other countries <sup>(2)</sup></i>                     |                     | 52.2   |                          | 52.2  |
| <b>PROVISIONS</b>   |                     |        |                          |       |
| Funded status   | 17.4                | 58.5   | 7.7                      | 83.6  |
| Assets ceiling  |                     | 0.4    |                          | 0.4   |
| Provisions at the end of the year                                   | 17.4                | 58.9   | 7.7                      | 84.0  |
| <i>including France</i>   | 10.9                | 44.7   | 4.6                      | 60.2  |
| <i>including other countries</i>                                    | 6.5                 | 14.2   | 3.1                      | 23.8  |
| <b>PENSION COST</b>   |                     |        |                          |       |
| Interest cost   | 0.4                 | 2.9    | 0.1                      | 3.4   |
| Interest income   |                     | (1.8)  |                          | (1.8) |
| Service cost  | 1.2                 | 3.3    | 0.4                      | 4.9   |
| Amortisation of actuarial gains/losses on other long-term benefits  |                     |        | (0.1)                    | (0.1) |
| Plans amendments  | (0.4)               | 0.4    | (0.1)                    | (0.1) |
| Other <sup>(3)</sup>  |                     | (0.3)  |                          | (0.3) |
| Charge for the year   | 1.2                 | 4.5    | 0.3                      | 6.0   |
| <i>including France</i>   | 0.8                 | 3.3    | 0.2                      | 4.3   |
| <i>including other countries</i>                                    | 0.4                 | 1.2    | 0.1                      | 1.7   |

<sup>(1)</sup> Including €(1.3) million related to experience gains and losses, €15.4 million related to change in financial assumptions and no impact related to demographic assumptions.

<sup>(2)</sup> Mainly the United Kingdom.

<sup>(3)</sup> Following a change in Belgium's legislation, defined contribution plans had been qualified as defined benefits plans.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of 31 December 2016 the group's benefit obligation amounted to €143.1 million and mainly involved three countries: France (47% of the total benefit obligation), United Kingdom (38%) and Austria (5%).

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 €10.2 million increase in the benefit obligation's present value
- an increase of 50 basis points in the annual rate of increase in future salaries would lead to a €4.3 million increase in the benefit obligation's present value
- an increase of 50 basis points in the inflation rate would lead to a €2.4 million increase in the benefit obligation's present value

The variances observed during the sensitivity tests do not call into question the rates adopted for the preparation of the financial statements, deemed to be the rates that most closely match the market.

The breakdown of the related plan assets is as follows:

|                     | 31/12/2016  |             | 31/12/2015  |             |
|---------------------|-------------|-------------|-------------|-------------|
|                     | IN M€       | IN%         | IN M€       | IN%         |
| Shares              | 22.2        | 36%         | 26.3        | 45%         |
| Bonds               | 24.8        | 42%         | 24.8        | 42%         |
| Corporate bonds     | 1.7         | 3%          | 1.3         | 2%          |
| Real Estate         | 2.3         | 4%          | 2.8         | 5%          |
| Insurance contracts | 8.1         | 14%         | 3.2         | 6%          |
| Other               | 0.4         | 1%          | 0.2         | 0%          |
| <b>TOTAL</b>        | <b>59.5</b> | <b>100%</b> | <b>58.6</b> | <b>100%</b> |

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

#### 4.12.2.3. Information about the future cash flows

Future contributions to pension funds for the year 2017 are estimated at €2.4 million.

The average weighted duration is respectively 11 years and 19 years for the Euro Zone and the United Kingdom.

The JCDecaux UK Ltd pension plan in the United Kingdom has been closed since December 2002. Today only the deferred or retirees remain in this plan. «Funding» evaluations are carried out every three years in order to determine the level of the plan's deficit with the agreement of the Trustees and the employer in compliance with the regulations. A schedule of contributions is determined up to 2024.

#### 4.12.2.4. Defined contribution plans

Contributions paid for defined contribution plans represented €35.0 million in 2016 compared to €34.7 million in 2015.

Net movements in provisions for retirement and other benefits are as follows:

| IN MILLION EUROS   | 2016        | 2015        |
|--|-------------|-------------|
| 1 January  | 70.8        | 72.0        |
| Charge for the year  | 6.0         | 5.5         |
| Translation adjustments  | (1.1)       | 0.5         |
| Contributions paid   | (4.2)       | (4.2)       |
| Benefits paid  | (2.1)       | (1.7)       |
| Change in actuarial gains and losses on post-employment benefit plans and assets ceiling | 13.5        | (1.8)       |
| Other  | 1.1         | 0.5         |
| <b>31 December</b>   | <b>84.0</b> | <b>70.8</b> |
| Which are recorded:  |             |             |
| - In EBIT  | 1.9         | 2.0         |
| - In Financial income (loss)   | (1.6)       | (1.6)       |
| - In Other comprehensive income  | (13.5)      | 1.3         |

#### 4.12.2.5. Multi-employer defined benefit plans

The group takes part in three multi-employer defined benefit plans covered by assets in Sweden (ITP Plan). An evaluation is performed according to the local standards each year. The benefit obligation of the company JCDecaux Sverige AB cannot currently be determined separately. As of 31 December 2015, the three plans were in a surplus position for a total amount of €2,568.0 million, at the national level, according to local evaluations specific to these commitments. The expense recognised in the consolidated financial statements for these three plans is the same as the contributions paid in 2016, i.e. €0.3 million. The future contributions of the three plans will be steady in 2017.

#### 4.12.3. Provisions for litigation

Provisions for litigation amounted to €21.3 million as of 31 December 2016. Provisions for risks in "Other provisions" are reclassified directly from "Other provisions" to "Provisions for litigation" once proceedings begin.

The JCDecaux Group is party to several legal disputes regarding the terms and conditions of application for some of its contracts with its concession grantors and the terms and conditions governing supplier relations. In addition, the specific nature of its business (contracts with public authorities) may generate specific contentious procedures. The JCDecaux Group is party to litigation over the awarding or cancellation of street furniture and/or billboard contracts, as well as tax litigation.

The group's Legal Department identifies all 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 recognised for litigation is analysed case by case, based on the positions of the plaintiffs, the assessment of the group's legal advisors and any decisions handed down by a court.

#### 4.12.4. Other provisions

Other provisions of €22.4 million comprised provisions for tax risks of €2.5 million, €2.3 million of provisions to hedge the share of the accumulated losses of companies under the equity method exceeding the original investment and other miscellaneous provisions of €17.6 million

#### 4.12.5. Contingent assets and liabilities

Subsequent to a risk analysis, the group deemed that it was not necessary to recognise a provision with respect to on-going proceedings, tax risks or the terms and conditions governing the implementation or awarding of contracts.

Subject to exceptions, no provision for dismantling costs regarding panels in respect of the Billboard business is recognised in the group financial statements. Indeed, the group deems that the dismantling obligation of the Billboard business corresponds to a contingent liability as either the obligation is hardly probable or it cannot be estimated with sufficient reliability due to the uncertainty of the probable dismantling date that influences the discounting impact. Regarding panels that resemble street furniture and most spectacular advertising structures, whose unitary dismantling cost is more significant than for dismantling traditional panels, as well as for dismantling programs related to panels for which a high probability of dismantling exists in a short term and at our initiative, the group had estimated the overall non-discounted dismantling cost at €11.6 million as of 31 December 2016, compared to €7.7 million as of 31 December 2015. In exceptional cases where a short-term dismantling obligation is identified the group may recognise a provision for dismantling costs regarding panels of the Billboard business.

### 4.13. Financial debt

| IN MILLION EUROS   | 31/12/2016      |                     |         | 31/12/2015      |                     |        |
|--|-----------------|---------------------|---------|-----------------|---------------------|--------|
|  | CURRENT PORTION | NON-CURRENT PORTION | TOTAL   | CURRENT PORTION | NON-CURRENT PORTION | TOTAL  |
| GROSS FINANCIAL DEBT (1)   | 83.0            | 1,303.0             | 1,386.0 | 175.5           | 524.3               | 699.8  |
| Financial derivatives assets   | (0.9)           |                     | (0.9)   | (3.4)           |                     | (3.4)  |
| Financial derivatives liabilities  | 2.2             |                     | 2.2     | 0.2             |                     | 0.2    |
| Hedging financial instruments (2)  | 1.3             | 0.0                 | 1.3     | (3.2)           | 0.0                 | (3.2)  |
| Cash and cash equivalents (*)  | 693.1           |                     | 693.1   | 233.2           |                     | 233.2  |
| Bank overdrafts  | (5.4)           |                     | (5.4)   | (14.8)          |                     | (14.8) |
| Net cash (3)   | 687.7           | 0.0                 | 687.7   | 218.4           | 0.0                 | 218.4  |
| Treasury financial assets (**)   | 281.0           |                     | 281.0   | 77.7            |                     | 77.7   |
| Net financial debt (excluding non-controlling interest purchase commitments) (5) = (1) + (2) - (3) - (4) | (884.4)         | 1,303.0             | 418.6   | (123.8)         | 524.3               | 400.5  |

(\*) As of 31 December 2016, the group had €693.1 million of cash and cash equivalents (compared to €233.2 million as of 31 December 2015) and €281.0 million of treasury financial assets (compared to €77.7 million as of 31 December 2015). Cash equivalents mainly included short-term deposits and money market funds. €10.1 million of the total of cash and cash equivalents are invested in guarantees as of 31 December 2016, compared to €7.3 million as of 31 December 2015.

(\*\*) As of 31 December 2016 treasury financial assets were made of €243.4 million of short-term liquid investments (compared to €42.3 million as of 31 December 2015) and €37.6 million held in escrow account by the group in connection with operational contracts, where the cash belongs to the group (compared to €35.4 million as of 31 December 2015). These financial assets have the main characteristics of cash equivalents but do not strictly comply with all the criteria to be qualified as such according to IAS 7.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The debt on commitments to purchase non-controlling interests is recorded separately and therefore is not included in the financial debt. They are described in Note 4.14 "Debt on commitments to purchase non-controlling interests".

Hedging financial instruments are described in Note 4.15 "Financial instruments".

The reconciliation of the cash flow variance with the change in financial debt is detailed in Note 6.4 "Reconciliation between the cash flows and the change in the net financial debt".

The debt analysis presented hereafter are based on the economic financial debt, which is equal to the gross financial debt on the statement of financial assets adjusted by the impact of the amortised cost:

| IN MILLION EUROS                                | 31/12/2016      |                     |         | 31/12/2015      |                     |       |
|---|-----------------|---------------------|---------|-----------------|---------------------|-------|
|   | CURRENT PORTION | NON-CURRENT PORTION | TOTAL   | CURRENT PORTION | NON-CURRENT PORTION | TOTAL |
| Gross financial debt                            | 83.0            | 1,303.0             | 1,386.0 | 175.5           | 524.3               | 699.8 |
| Impact of amortised cost (IAS 39 remeasurement) | 2.1             | 5.5                 | 7.6     |                 | 5,5                 | 5.5   |
| Economic financial debt                         | 85.1            | 1,308.5             | 1,393.6 | 175.5           | 529.8               | 705.3 |

The economic financial debt breaks down as follows:

| IN MILLION EUROS               | 31/12/2016      |                     |                | 31/12/2015      |                     |              |
|--------------------------------|-----------------|---------------------|----------------|-----------------|---------------------|--------------|
|                                | CURRENT PORTION | NON-CURRENT PORTION | TOTAL          | CURRENT PORTION | NON-CURRENT PORTION | TOTAL        |
| Bonds                          |                 | 1,250.0             | 1,250.0        |                 | 500.0               | 500.0        |
| Bank borrowings                | 29.4            | 21.8                | 51.2           | 127.4           | 0.3                 | 127.7        |
| Miscellaneous borrowings       | 35.2            | 21.0                | 56.2           | 31.4            | 11.6                | 43.0         |
| Finance lease debts            | 6.8             | 15.7                | 22.5           | 7.7             | 17.9                | 25.6         |
| Accrued interest               | 13.7            |                     | 13.7           | 9.0             |                     | 9.0          |
| <b>ECONOMIC FINANCIAL DEBT</b> | <b>85.1</b>     | <b>1,308.5</b>      | <b>1,393.6</b> | <b>175.5</b>    | <b>529.8</b>        | <b>705.3</b> |

As of 31 December 2016 the group's financial debt mainly comprises two bonds held by JCDecaux SA of €500 million issued in February 2013 maturing in February 2018 and €750 million issued in June 2016 maturing in June 2023.

The financial debt also includes:

- bank borrowings held by JCDecaux SA's subsidiaries, for a total amount of €51.2 million
- miscellaneous borrowings for €56.2 million, mainly comprising borrowings from JCDecaux SA and its subsidiaries towards the joint ventures of the group
- finance lease debts for €22.5 million described in the last section of this Note
- accrued interest for €13.7 million

The average effective interest rate of JCDecaux SA's debts is approximately 1.5% for 2016.

As of 31 December 2016, JCDecaux SA had a €825.0 million unused committed revolving credit facility. The maturity of this credit facility has been extended to July 2021 following the exercise of a first extension option in May 2016. The contract includes a second extension option of one year, exercisable in 2017.

This facility requires to be compliant with the following ratio: net financial debt/operating margin strictly lower than 3.5.

As of 31 December 2016, JCDecaux SA complies with this covenant, with a ratio significantly under required limit.

JCDecaux SA is rated "Baa2" by Moody's and "BBB" by Standard and Poor's (last Moody's rating on 4 July 2016 and Standard and Poor's on 29 November 2016), with a stable outlook for both ratings.

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

| IN MILLION EUROS                         | 31/12/2016     | 31/12/2015   |
|--|----------------|--------------|
| Less than one year                       | 85.1           | 175.5        |
| More than one year and less than 5 years | 553.0          | 529.1        |
| More than 5 years                        | 755.5          | 0.7          |
| <b>TOTAL</b>                             | <b>1,393.6</b> | <b>705.3</b> |



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

|                                 | 31/12/2016     |             | 31/12/2015   |             |
|---------------------------------|----------------|-------------|--------------|-------------|
|                                 | IN M€          | IN%         | IN M€        | IN%         |
| Euro                            | 1,378.4        | 99%         | 711.7        | 101%        |
| US dollar                       | 185.7          | 13%         | 115.8        | 16%         |
| Chinese yuan                    | 56.1           | 4%          | 26.7         | 4%          |
| Israeli shekel                  | 44.6           | 3%          | 40.4         | 6%          |
| South African rand              | 24.7           | 2%          | 27.3         | 4%          |
| Emirati dirham <sup>(1)</sup>   | (49.0)         | (4)%        | (63.2)       | (9)%        |
| Hong Kong dollar <sup>(1)</sup> | (229.6)        | (16)%       | (185.1)      | (26)%       |
| Others <sup>(1)</sup>           | (17.3)         | (1)%        | 31.7         | 4%          |
| <b>TOTAL</b>                    | <b>1,393.6</b> | <b>100%</b> | <b>705.3</b> | <b>100%</b> |

<sup>(1)</sup> Negative amounts correspond to lending positions.

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

|               | 31/12/2016     |             | 31/12/2015   |             |
|---------------|----------------|-------------|--------------|-------------|
|               | IN M€          | IN%         | IN M€        | IN%         |
| Fixed rate    | 1,295.1        | 93%         | 537.0        | 76%         |
| Floating rate | 98.5           | 7%          | 168.3        | 24%         |
| <b>TOTAL</b>  | <b>1,393.6</b> | <b>100%</b> | <b>705.3</b> | <b>100%</b> |

**Finance lease debts**

Finance lease debts are detailed in the following table:

| IN MILLION EUROS                         | 31/12/2016                                   |                 |                     | 31/12/2015                                   |                 |                     |
|--|--|-----------------|---------------------|--|-----------------|---------------------|
|  | NON DISCOUNTED MINIMUM FUTURE LEASE PAYMENTS | DISCOUNT IMPACT | FINANCE LEASE DEBTS | NON DISCOUNTED MINIMUM FUTURE LEASE PAYMENTS | DISCOUNT IMPACT | FINANCE LEASE DEBTS |
| Less than one year                       | 7.3  | (0.5)           | 6.8                 | 8.2  | (0.5)           | 7.7                 |
| More than one year and less than 5 years | 15.8   | (0.8)           | 15.0                | 18.4   | (0.9)           | 17.5                |
| More than 5 years                        | 0.7  | 0.0             | 0.7                 | 0.4  | 0.0             | 0.4                 |
| <b>TOTAL</b>                             | <b>23.8</b>                                  | <b>(1.3)</b>    | <b>22.5</b>         | <b>27.0</b>                                  | <b>(1.4)</b>    | <b>25.6</b>         |

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

The debt on commitments to purchase non-controlling interests amounted to €110.2 million as of 31 December 2016, compared to €120.7 million as of 31 December 2015.

The €(10.5) million decrease in the debt on commitments to purchase non-controlling interests between 31 December 2015 and 31 December 2016 corresponds mainly to the exercising of a purchase commitment, the revaluation and discounting effects and the accounting of new purchases commitments.

#### 4.15. Financial instruments

The group uses financial instruments mainly for foreign exchange rate hedging purposes. These instruments are primarily held by JCDecaux SA.

**Foreign exchange rate financial instruments**

The group's foreign exchange risk exposure is mainly generated by its business in foreign countries. However, because of its operating structure, the JCDecaux Group is not very vulnerable to currency fluctuations in terms of cash flows, as the subsidiaries in each country do business in their own country and inter-company services and purchases are relatively insignificant. Accordingly, most of the foreign exchange risk stems from the translation of local-currency-denominated accounts to the euro-denominated consolidated accounts.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The foreign exchange risk on flows is mainly related to financial activities (refinancing and recycling of cash with foreign subsidiaries pursuant to the group's cash centralisation policy). The group hedges this risk mainly with short-term currency swaps.

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

As of 31 December 2016, the main financial instruments contracted by the group are as follows (net positions):

| IN MILLION EUROS                              | 31/12/2016 | 31/12/2015 |
|---|------------|------------|
| <b>Forward purchases against euro:</b>        |            |            |
| Hong Kong dollar                              | 193.9      | 174.0      |
| Emirati dirham                                | 47.4       | 61.6       |
| Australian dollar                             | 17.7       | 14.3       |
| Singaporean dollar                            | 10.0       | 7.5        |
| Norwegian krone                               | 8.8        | 6.5        |
| Saudi riyal                                   | 4.5        | 6.3        |
| American dollar                               | 0.0        | 71.1       |
| Others  | 13.0       | 12.9       |
| <b>Forward sales against euro:</b>            |            |            |
| American dollar                               | 111.0      | 0.0        |
| Israeli shekel                                | 44.7       | 40.8       |
| Brazilian real                                | 27.0       | 1.3        |
| South African rand                            | 24.5       | 27.3       |
| Danish krone                                  | 19.1       | 4.5        |
| Japanese yen                                  | 12.3       | 12.6       |
| British pound sterling                        | 11.8       | 29.9       |
| Others  | 14.8       | 45.6       |
| <b>Forward purchase against Chinese yuan:</b> |            |            |
| Hong Kong dollar                              | 45.5       | 0.0        |
| American dollar                               | 0.0        | 19.9       |

As of 31 December 2016, the market value of the foreign exchange rate financial instruments amounted to €(1.3) million compared to €3.2 million as of 31 December 2015.

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

| IN MILLION EUROS                               | 31/12/2016     | 31/12/2015     |
|--|----------------|----------------|
| Trade payables and other operating liabilities | 698.2          | 741.9          |
| Tax and employee-related liabilities           | 199.3          | 198.7          |
| Deferred income                                | 105.8          | 110.6          |
| Payables on the acquisition of assets          | 8.1            | 10.0           |
| Other payables                                 | 46.8           | 57.6           |
| <b>TOTAL</b>                                   | <b>1,058.2</b> | <b>1,118.8</b> |

Operating liabilities have a maturity of one year or less.

The variance over the period is mainly explained by the changes in consolidation scope and in exchange rates that are partially compensated by flows with cash impacts.

## 4.17. Financial assets and liabilities by category

| IN MILLION EUROS   |     | 31/12/2016                          |                          |                           |                     |                               |                           |                  |
|--|-----|-------------------------------------|--------------------------|---------------------------|---------------------|-------------------------------|---------------------------|------------------|
|  |     | FAIR VALUE THROUGH INCOME STATEMENT | CASH FLOW HEDGES AND NIH | AVAILABLE FOR SALE ASSETS | LOANS & RECEIVABLES | LIABILITIES AT AMORTISED COST | TOTAL NET CARRYING AMOUNT | FAIR VALUE       |
| Financial derivatives (assets)                                     | (1) | 0.8                                 | 0.1                      |                           |                     |                               | 0.9                       | 0.9              |
| Financial investments  | (2) |                                     |                          | 0.7                       |                     |                               | 0.7                       | 0.7              |
| Other financial assets   |     |                                     |                          |                           | 108.8               |                               | 108.8                     | 108.8            |
| Trade and other receivables (non-current)                          | (3) |                                     |                          |                           | 8.4                 |                               | 8.4                       | 8.4              |
| Trade, miscellaneous and other operating receivables (current)     | (3) |                                     |                          |                           | 786.3               |                               | 786.3                     | 786.3            |
| Cash   |     | 128.0                               |                          |                           |                     |                               | 128.0                     | 128.0            |
| Cash equivalents   | (4) | 565.1                               |                          |                           |                     |                               | 565.1                     | 565.1            |
| Treasury financial assets  | (1) | 281.0                               |                          |                           |                     |                               | 281.0                     | 281.0            |
| <b>TOTAL FINANCIAL ASSETS</b>                                      |     | <b>974.9</b>                        | <b>0.1</b>               | <b>0.7</b>                | <b>903.5</b>        | <b>0.0</b>                    | <b>1,879.2</b>            | <b>1,879.2</b>   |
| Financial debt   | (5) |                                     |                          |                           |                     | (1,386.0)                     | (1,386.0)                 | (1,411.0)        |
| Debt on commitments to purchase minority interests                 | (2) | (110.2)                             |                          |                           |                     |                               | (110.2)                   | (110.2)          |
| Financial derivatives (liabilities)                                | (1) | (1.7)                               | (0.5)                    |                           |                     |                               | (2.2)                     | (2.2)            |
| Trade and other payables and other operating liabilities (current) | (3) |                                     |                          |                           |                     | (738.8)                       | (738.8)                   | (738.8)          |
| Other payables (non-current)                                       | (3) |                                     |                          |                           |                     | (12.6)                        | (12.6)                    | (12.6)           |
| Bank overdrafts  |     | (5.4)                               |                          |                           |                     |                               | (5.4)                     | (5.4)            |
| <b>TOTAL FINANCIAL LIABILITIES</b>                                 |     | <b>(117.3)</b>                      | <b>(0.5)</b>             | <b>0.0</b>                | <b>0.0</b>          | <b>(2,137.4)</b>              | <b>(2,255.2)</b>          | <b>(2,280.2)</b> |

(1) The fair value measurement of these financial assets and liabilities uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b)) except the cash held in escrow account for €37.6 million that are disclosed in the Treasury financial assets line and for which the change in fair value refers to quoted prices in an active market (Level 1 category in accordance with IFRS 13 (§93a and b)).

(2) The fair value measurement of these financial assets and liabilities uses valuation techniques that are based on non-observable market data (Level 3 category in accordance with IFRS 13 (§93a and b)). The main assumption impacting their fair value is the discounting rate, being at 1.5% as of 31 December 2016. A decrease of 50 bps of the discounting rate would lead to an increase of €4.6 million of the debt on commitments to purchase non-controlling interests.

(3) Employee and tax-related receivables and payables, down payments, deferred income and prepaid expenses that do not meet the IAS 32 definition of a financial asset or a financial liability are excluded from these items.

(4) The fair value measurement of these financial assets refers to quoted prices in an active market for €263.5 million (Level 1 category in accordance with IFRS 13 (§93a and b)) and uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b)) for €301.6 million.

(5) The fair value measurement of these financial liabilities refers to quoted prices in an active market for the bond for which the fair value amounts to €1,275.0 million (Level 1 category in accordance with IFRS 13 (§93a and b)) and uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b)) for €136.0 million.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| IN MILLION EUROS   | 31/12/2015                          |                  |                           |                     |                               |                           |                  |
|--|-------------------------------------|------------------|---------------------------|---------------------|-------------------------------|---------------------------|------------------|
|  | FAIR VALUE THROUGH INCOME STATEMENT | CASH FLOW HEDGES | AVAILABLE FOR SALE ASSETS | LOANS & RECEIVABLES | LIABILITIES AT AMORTISED COST | TOTAL NET CARRYING AMOUNT | FAIR VALUE       |
| Financial derivatives (assets) (1)                                     | 2.9                                 | 0.5              |                           |                     |                               | 3.4                       | 3.4              |
| Financial investments (2)  |                                     |                  | 0.8                       |                     |                               | 0.8                       | 0.8              |
| Other financial assets   |                                     |                  |                           | 118.8               |                               | 118.8                     | 118.8            |
| Trade and other receivables (non-current) (3)                          |                                     |                  |                           | 4.0                 |                               | 4.0                       | 4.0              |
| Trade, miscellaneous and other operating receivables (current) (3)     |                                     |                  |                           | 782.8               |                               | 782.8                     | 782.8            |
| Cash   | 157.5                               |                  |                           |                     |                               | 157.5                     | 157.5            |
| Cash equivalents (4)   | 75.7                                |                  |                           |                     |                               | 75.7                      | 75.7             |
| Treasury financial assets (1)  | 77.7                                |                  |                           |                     |                               | 77.7                      | 77.7             |
| <b>TOTAL FINANCIAL ASSETS</b>  | <b>313.8</b>                        | <b>0.5</b>       | <b>0.8</b>                | <b>905.6</b>        | <b>0.0</b>                    | <b>1,220.7</b>            | <b>1,220.7</b>   |
| Financial debt (5)   |                                     |                  |                           |                     | (699.8)                       | (699.8)                   | (717.5)          |
| Debt on commitments to purchase minority interests (2)                 | (120.7)                             |                  |                           |                     |                               | (120.7)                   | (120.7)          |
| Financial derivatives (liabilities) (1)                                |                                     | (0.2)            |                           |                     |                               | (0.2)                     | (0.2)            |
| Trade and other payables and other operating liabilities (current) (3) |                                     |                  |                           |                     | (798.4)                       | (798.4)                   | (798.4)          |
| Other payables (non-current) (3)                                       | (0.4)                               |                  |                           |                     | (5.9)                         | (6.3)                     | (6.3)            |
| Bank overdrafts  | (14.8)                              |                  |                           |                     |                               | (14.8)                    | (14.8)           |
| <b>TOTAL FINANCIAL LIABILITIES</b>                                     | <b>(135.9)</b>                      | <b>(0.2)</b>     | <b>0.0</b>                | <b>0.0</b>          | <b>(1,504.1)</b>              | <b>(1,640.2)</b>          | <b>(1,657.9)</b> |

<sup>(1)</sup> The fair value measurement of these financial assets and liabilities uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b) except the cash held in escrow account for €35.4 million that are disclosed in the Treasury financial assets line and for which the change in fair value refers to quoted prices in an active market (Level 1 category in accordance with IFRS 13 (§93a and b)).

<sup>(2)</sup> The fair value measurement of these financial assets and liabilities uses valuation techniques that are based on non-observable market data (Level 3 category in accordance with IFRS 13 (§93a and b)). The main assumption impacting their fair value is the discounting rate, being at 1.5% as of 31 December 2015. A decrease of 50 bps of the discounting rate would lead to an increase of €1.5 million of the debt on commitments to purchase non-controlling interests.

<sup>(3)</sup> Employee and tax-related receivables and payables, down payments, deferred income and prepaid expenses that do not meet the IAS 32 definition of a financial asset or a financial liability are excluded from these items.

<sup>(4)</sup> The fair value measurement of these financial assets refers to quoted prices in an active market for €45.0 million (Level 1 category in accordance with IFRS 13 (§93a and b)) and uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b)) for €30.7 million.

<sup>(5)</sup> The fair value measurement of these financial liabilities refers to quoted prices in an active market for the bond for which the fair value amounts to €515.7 million (Level 1 category in accordance with IFRS 13 (§93a and b)) and uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b)) for €201.8 million.

## 5. COMMENTS ON THE INCOME STATEMENT

### 5.1. Revenue

IFRS revenue increases by 6.0% from €2,807.1 million in 2015 to €2,974.5 million in 2016.

### 5.2. Net operating expenses

| IN MILLION EUROS  | 2016             | 2015             |
|---|------------------|------------------|
| Rent and fees   | (1,301.4)        | (1,135.9)        |
| Other net operational expenses  | (516.1)          | (495.4)          |
| Taxes and duties  | (6.7)            | (5.4)            |
| Staff costs   | (622.2)          | (587.7)          |
| Direct operating expenses & Selling, general & administrative expenses <sup>(1)</sup> | (2,446.4)        | (2,224.4)        |
| Provision charge net of reversals   | 64.4             | 0.1              |
| Depreciation and amortisation net of reversals  | (261.9)          | (252.5)          |
| Impairment of goodwill  | 0.0              | 0.0              |
| Maintenance spare parts   | (45.1)           | (45.4)           |
| Other operating income  | 8.1              | 8.9              |
| Other operating expenses  | (41.3)           | (23.7)           |
| <b>TOTAL</b>  | <b>(2,722.2)</b> | <b>(2,537.0)</b> |

<sup>(1)</sup> Including €(1,961.5) million in "Direct operating expenses" and €(484.9) million in "Selling, general & administrative expenses" in 2016 (compared to €(1,768.2) million and €(456.2) million in 2015, respectively).

#### Rent and fees

This item includes rent and fees that the group pays for the right to advertise to landlords, municipal public authorities, airports, transport companies and shopping malls.

In 2016, rent and fees totalled €1,301.4 million:

| IN MILLION EUROS  | TOTAL            | FIXED EXPENSES | VARIABLE EXPENSES |
|---|------------------|----------------|-------------------|
| Fees associated with Street Furniture and Transport contracts | (1,147.0)        | (866.8)        | (280.2)           |
| Rent related to Billboard locations                           | (154.4)          | (118.3)        | (36.1)            |
| <b>TOTAL</b>  | <b>(1,301.4)</b> | <b>(985.1)</b> | <b>(316.3)</b>    |

Variable expenses are determined based on contractual terms and conditions: rent and fees that fluctuate according to revenue levels are considered as variable expenses. Rent and fees that fluctuate according to the number of furniture items are treated as fixed expenses.

#### Other net operational expenses

This item includes five main cost categories:

- subcontracting costs for certain maintenance operations
- cost of services and supplies relating to operations
- fees and operating costs, excluding staff costs, for different group services
- operating lease expenses
- billboard advertising stamp duties and taxes

Operating lease expenses, amounting to €54.9 million in 2016, are fixed expenses.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Research and development costs

Research costs and non-capitalised development costs are included in "Other net operational expenses" and in "Staff costs" and amount to €10.5 million in 2016, compared to €9.1 million in 2015.

## Taxes and duties

This item includes taxes and similar charges other than income tax. The principal taxes recorded under this item are property taxes.

## Staff costs

This item includes salaries, social security contributions, share-based payments and employee benefits, including furniture installation and maintenance staff, research and development staff, the sales team and administrative staff.

It also covers the expenses associated with profit-sharing and investment plans for French employees.

| IN MILLION EUROS                    | 2016           | 2015           |
|-------------------------------------|----------------|----------------|
| Compensation and other benefits     | (501.1)        | (473.2)        |
| Social security contributions       | (117.5)        | (112.0)        |
| Share-based payments <sup>(1)</sup> | (3.6)          | (2.5)          |
| <b>TOTAL</b>                        | <b>(622.2)</b> | <b>(587.7)</b> |

<sup>(1)</sup> Including equity settled share-based payments for €(3.9) million and cash settled share-based payments in some of the group's subsidiaries for €0.3 million in 2016 compared to €(2.9) million of equity settled share-based payments and cash settled share-based payments in some of the group's subsidiaries for €0.4 million in 2015.

The group did not grant any bonus share plan in 2015 and in 2016.

## Breakdown of stock option plans <sup>(1)</sup>:

|  | 2016 PLAN  | 2015 PLAN  | 2014 PLAN  | 2012 PLAN  | 2011 PLAN  |
|--|------------|------------|------------|------------|------------|
| Grant date   | 17/02/2016 | 16/02/2015 | 17/02/2014 | 21/02/2012 | 17/02/2011 |
| Vesting date   | 17/02/2019 | 16/02/2018 | 17/02/2017 | 21/02/2015 | 17/02/2014 |
| Expiry date  | 17/02/2023 | 16/02/2022 | 17/02/2021 | 21/02/2019 | 17/02/2018 |
| Number of beneficiaries  | 270        | 173        | 237        | 215        | 220        |
| Number of options granted                                      | 866,903    | 546,304    | 780,392    | 1,144,734  | 934,802    |
| Strike price before adjustment <sup>(2)</sup>                  | €34.01     | €31.29     | €31.69     | €19.73     | €23.49     |
| Strike price after adjustment <sup>(2)</sup>                   | N/A        | €31.12     | €31.51     | €19.62     | €23.36     |
| Repricing - Adjustment of the number of options <sup>(2)</sup> | N/A        | 3,145      | 3,992      | 2,437      | 1,015      |
| Number of options outstanding at the end of the period         | 851,538    | 494,773    | 601,637    | 229,434    | 130,698    |

<sup>(1)</sup> The group did not grant any stock-option plans in 2013.

<sup>(2)</sup> Following the simplified public tender offer (OPAS) launched by JCDecaux SA in June 2015 at a unit price of €40, 12,500,000 shares were repurchased on 17 July 2015, and then subsequently cancelled. As a result, the number of options previously granted and still outstanding at the date of the OPAS was adjusted by an adjustment coefficient of 1.0056. The exercise price of the options was also adjusted to ensure that the effects of the OPAS on the rights of option holders would be neutral.

The adjustment related to the OPAS had no impact on the IFRS 2 «Share-based payment» charge.

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

| PERIOD  | 2016             | AVERAGE SHARE PRICE AT THE DATE OF EXERCISE | AVERAGE STRIKE PRICE | 2015             | AVERAGE SHARE PRICE AT THE DATE OF EXERCISE | AVERAGE STRIKE PRICE |
|---|------------------|---|----------------------|------------------|---|----------------------|
| Number of options outstanding at the beginning of the period  | 1,746,633        |   | €28.02               | 2,159,097        |   | €24.82               |
| Options granted during the period                             | 866,903          |   | €34.01               | 546,304          |   | €31.29               |
| Repricing <sup>(1)</sup>                                      | -                |   | -                    | 10,589           |   | €27.88               |
| Options forfeited during the period                           | 57,039           |   | €30.98               | 107,328          |   | €24.09               |
| Options exercised during the period                           | 248,417          | €36.70                                      | €23.48               | 851,828          | €34.78                                      | €22.23               |
| Options expired during the period                             | -                |   | -                    | 10,201           |   | €21.25               |
| Number of options outstanding at the end of the period        | 2,308,080        |   | €30.81               | 1,746,633        |   | €28.02               |
| <b>NUMBER OF OPTIONS EXERCISABLE AT THE END OF THE PERIOD</b> | <b>1,575,464</b> |   | <b>€29.60</b>        | <b>1,166,834</b> |   | <b>€26.41</b>        |

<sup>(1)</sup> According to legislation, the number of options previously granted and still outstanding at the date of the OPAS was adjusted in July 2015 by the adjustment coefficient of 1.0056.

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

| ASSUMPTIONS                            | 2016    | 2015    | 2014   | 2012   | 2011   |
|--|---------|---------|--------|--------|--------|
| - Price of underlying at grant date    | €34.90  | €31.75  | €31.57 | €20.21 | €24.00 |
| - Estimated volatility                 | 25.56%  | 25.51%  | 27.46% | 38.41% | 36.71% |
| - Risk-free interest rate              | (0.24)% | (0.03)% | 0.80%  | 1.35%  | 2.27%  |
| - Estimated option life (in years)     | 4.5     | 4.5     | 4.5    | 4.5    | 4.5    |
| - Estimated turnover                   | 4.70%   | 4.70%   | 4.70%  | 3.33%  | 3.33%  |
| - Dividend payment rate <sup>(1)</sup> | 1.77%   | 1.77%   | 1.42%  | 2.16%  | 1.20%  |
| - Fair value of options <sup>(2)</sup> | €6.09   | €5.51   | €6.42  | €5.72  | €7.45  |

<sup>(1)</sup> Consensus of financial analysts on future dividends (source: Bloomberg).

<sup>(2)</sup> The fair value does not include the impact of turnover.

The option life retained represents the period from the grant date to Management's best estimate of the most likely date of exercise.

As the group had more historical data for the valuation of the 2011 to 2016 plans, it was able to refine its volatility calculation assumptions. Therefore, the first year of listing was not included in the volatility calculation, as it was considered abnormal due primarily to the sharp movements in share price inherent to the IPO and the effect of 11 September 2001.

Furthermore, based on observed behaviours, the group considered at the issuance of the plans that the options would be exercised 4.5 years on average after the grant date.

#### Depreciation, amortisation and provisions net of reversals

Net reversals of provisions increased by €64.3 million and depreciation and amortisation net of reversals increased by €(9.4) million. The net reversals of provisions mainly correspond to the reversals of provisions for onerous contracts related to the purchase price allocation for €47.2 million including €38.1 million for Cemusa and €8.1 million for Outfront.

In 2016, this item includes a reversal of depreciation following the impairment tests for €1.7 million of which a reversal of provision for onerous contract for €1.2 million and a reversal of amortisation for €0.5 million.

In 2015, this item comprised a depreciation following the impairment tests for €(13.9) million including a net amortisation for €(2.7) million and a net depreciation of provisions for onerous contracts for €(11.2) million.

#### Maintenance spare parts

The item comprises the cost of spare parts for street furniture as part of maintenance operations for the advertising network, excluding glass panel replacements and cleaning products, and inventory impairment losses.

## Other operating income and expenses

Other operating income and expenses break down as follows:

| IN MILLION EUROS  | 2016          | 2015          |
|---|---------------|---------------|
| Gain on disposal of financial assets and gain on changes in scope | 2.0           | 4.9           |
| Gain on disposal of PP&E and intangible assets                    | 4.1           | 1.3           |
| Other management income   | 2.0           | 2.7           |
| Other operating income  | 8.1           | 8.9           |
| Loss on disposal of financial assets and loss on changes in scope | (5.9)         | (1.2)         |
| Loss on disposal of PP&E and intangible assets                    | (2.7)         | (1.6)         |
| Other management expenses   | (32.7)        | (20.9)        |
| Other operating expenses  | (41.3)        | (23.7)        |
| <b>TOTAL</b>  | <b>(33.2)</b> | <b>(14.8)</b> |

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

In 2015, the gains on disposal of financial assets and changes in scope for €4.9 million were mainly related to the revaluation of the interests previously held for €3.1 million and to a price adjustment of €1.4 million.

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

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

In 2015, other management expenses for €(20.9) million were mainly related to acquisition costs for €(9.5) million and to restructuring costs for €(8.5) million.

## 5.3. Net financial income (loss)

| IN MILLION EUROS                                       | 2016                   | 2015          |
|--|------------------------|---------------|
| Interest income  | 7.1                    | 7.3           |
| Interest expense                                       | (22.1)                 | (19.4)        |
| Net interest expense                                   | (15.0)                 | (12.1)        |
| Amortised cost impact                                  | (2.1)                  | (2.1)         |
| Cost of net financial debt                             | (1)                    | (17.1)        |
| Net foreign exchange gains (losses) and hedging costs  | (4.3)                  | (4.7)         |
| Change in fair value of derivatives and hedged items   | 0.0                    | 0.0           |
| Net discounting losses                                 | 5.7                    | (12.9)        |
| Bank guarantee costs                                   | (1.8)                  | (1.7)         |
| Charge to provisions for financial risks               | (0.2)                  | (0.3)         |
| Reversal of provisions for financial risks             | 0.2                    | 0.5           |
| Provisions for financial risks - Net charge            | 0.0                    | 0.2           |
| Net income (loss) on the sale of financial investments | 0.0                    | 0.0           |
| Other  | (1.3)                  | (0.4)         |
| Other net financial expenses                           | (2)                    | (1.7)         |
| <b>NET FINANCIAL INCOME (LOSS)</b>                     | <b>(3) = (1) + (2)</b> | <b>(33.7)</b> |
| Total financial income                                 | 13.2                   | 7.8           |
| Total financial expenses                               | (32.0)                 | (41.5)        |

Net financial income totalled €(18.8) million in 2016, compared to €(33.7) million in 2015, an improvement of €14.9 million.

The changes are mainly due to a decrease of €18.6 million of net discounting losses following the change in the fair value of debts on commitments to purchase non-controlling interests, offset by an increase of net interest expense for €(2.9) million related to the bond issuance of €750.0 million in June 2016.

## 5.4. Income tax

**Breakdown between deferred and current taxes**

| IN MILLION EUROS     | 2016          | 2015          |
|----------------------|---------------|---------------|
| Current tax          | (85.7)        | (92.5)        |
| - Local tax ("CVAE") | (6.8)         | (6.2)         |
| - Other              | (78.9)        | (86.3)        |
| Deferred taxes       | 12.1          | 19.6          |
| - Local tax ("CVAE") | 0.5           | 0.5           |
| - Other              | 11.6          | 19.1          |
| <b>TOTAL</b>         | <b>(73.6)</b> | <b>(72.9)</b> |

The effective tax rate before impairment of goodwill and the share of net profit of companies under the equity method was 31.5% in 2016 and 30.8% in 2015. The effective tax rate was 32.9% in 2016 and 30.1% in 2015 excluding the discounting and revaluation impacts of debts on commitments to purchase non-controlling interests.

**Breakdown of deferred tax charge**

| IN MILLION EUROS  | 2016        | 2015        |
|---|-------------|-------------|
| Intangibles assets, PP&E and provisions for onerous contracts | (4.6)       | 9.4         |
| Tax losses carried forward                                    | 1.2         | (2.2)       |
| Provisions for dismantling costs                              | (0.6)       | 0.4         |
| Provisions for retirement and other benefits                  | 0.2         | (0.1)       |
| Deferred rent   | 9.4         | 1.6         |
| Other   | 6.5         | 10.5        |
| <b>TOTAL</b>  | <b>12.1</b> | <b>19.6</b> |

**Tax proof**

| IN MILLION EUROS   | 2016          | 2015          |
|--|---------------|---------------|
| <b>CONSOLIDATED NET INCOME</b>   | <b>255.1</b>  | <b>244.9</b>  |
| Income tax charge  | (73.6)        | (72.9)        |
| <b>CONSOLIDATED INCOME BEFORE TAX</b>  | <b>328.7</b>  | <b>317.8</b>  |
| Share of net profit of companies under equity method                         | (95.2)        | (81.4)        |
| Taxable dividends received from subsidiaries                                 | 11.1          | 18.1          |
| Other non-taxable income   | (38.2)        | (41.3)        |
| Other non-deductible expenses  | 55.4          | 38.5          |
| <b>NET INCOME BEFORE TAX SUBJECT TO THE STANDARD TAX RATE</b>                | <b>261.8</b>  | <b>251.7</b>  |
| Weighted group tax rate <sup>(1)</sup>                                       | 24.70%        | 25.40%        |
| <b>THEORETICAL TAX CHARGE</b>  | <b>(64.7)</b> | <b>(63.9)</b> |
| Deferred tax on unrecognised tax losses                                      | (20.5)        | (7.9)         |
| Capitalization and use of unrecognised prior year tax losses carried forward | 2.9           | 2.3           |
| Other deferred tax (temporary differences and other restatements)            | 13.7          | 11.7          |
| Tax credits  | 4.7           | 6.3           |
| Withholding tax  | (6.1)         | (6.1)         |
| Tax on dividends   | (4.7)         | (5.9)         |
| Other  | 7.4           | (3.7)         |
| <b>INCOME TAX CALCULATED</b>   | <b>(67.3)</b> | <b>(67.2)</b> |
| Net Local tax ("CVAE")   | (6.3)         | (5.7)         |
| <b>INCOME TAX RECORDED</b>   | <b>(73.6)</b> | <b>(72.9)</b> |

<sup>(1)</sup> National average tax rates weighted by taxable income.



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

In 2016, the share of net profit of associates totalled €23.1 million compared to €18.6 million in 2015, and the share of net profit of joint ventures under the equity method totalled €72.1 million in 2016 compared to €62.8 million in 2015.

In 2016 and in 2015, no impairment loss was booked.

The information related to joint ventures and to associates is provided in application of IFRS 12 “Disclosure of Interests in Other Entities” and are described in Note 10 “Information on joint ventures” and in Note 11 “Information on associates”.

## 5.6. Headcount

As of 31 December 2016, the group had 11,741 employees, compared to 11,550 employees as of 31 December 2015. These figures do not include the share of employees of joint ventures which represents 1,286 employees and 1,304 employees respectively as of 31 December 2016 and 31 December 2015.

The breakdown of employees for the years 2016 and 2015 is as follows:

|                             | 2016          | 2015          |
|-----------------------------|---------------|---------------|
| Technical                   | 6,323         | 6,377         |
| Sales and marketing         | 2,687         | 2,586         |
| IT and administration       | 2,039         | 1,934         |
| Contract business relations | 541           | 492           |
| Research and development    | 151           | 161           |
| <b>TOTAL</b>                | <b>11,741</b> | <b>11,550</b> |

The breakdown of employees of joint ventures for the years 2016 and 2015 is as follows:

|                             | 2016         | 2015         |
|-----------------------------|--------------|--------------|
| Technical                   | 611          | 648          |
| Sales and marketing         | 370          | 344          |
| IT and administration       | 272          | 279          |
| Contract business relations | 33           | 33           |
| Research and development    | 0            | 0            |
| <b>TOTAL</b>                | <b>1,286</b> | <b>1,304</b> |

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

|  | 2016               | 2015               |
|--|--------------------|--------------------|
| <b>WEIGHTED AVERAGE NUMBER OF SHARES FOR THE PURPOSES OF EARNINGS PER SHARE</b>                      | <b>212,495,553</b> | <b>218,317,778</b> |
| Weighted average number of stock options potentially convertible                                     | 2,514,156          | 2,344,970          |
| Weighted average number of stock options which would not be exercised at strike price <sup>(1)</sup> | (2,317,799)        | (1,800,132)        |
| <b>WEIGHTED AVERAGE NUMBER OF SHARES FOR THE PURPOSES OF DILUTED EARNINGS PER SHARE</b>              | <b>212,691,910</b> | <b>218,862,616</b> |

<sup>(1)</sup> This average number reflects the number of stock options which would not be exercised due to a strike price granted greater than the market price.

Earnings per share are calculated based on the weighted average number of outstanding shares. The calculation of diluted earnings per share takes into account the dilutive effect from the exercise of stock options.

## 5.8. Fees of the auditors

The amount of the audit fees for EY is €1,997 thousand for 2016 compared to €1,633 thousand for 2015, and for KPMG is €1,839 thousand for 2016 compared to €1,791 thousand for 2015.

The non-audit services provided by the auditors of the group for EY amount to €224 thousand for 2016 compared to €306 thousand for 2015 and for KPMG amount to €188 thousand for 2016 compared to €282 thousand for 2015.

## 6. COMMENTS ON THE STATEMENT OF CASH FLOWS

### 6.1. Net cash provided by operating activities

In 2016, net cash provided by operating activities for €457.1 million comprised:

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

In 2015, net cash provided by operating activities of €536.8 million included the operating cash flows generated by EBIT and other financial income and expenses, adjusted for non-cash items, for a total of €625.0 million, the change in the working capital of €21.8 million, the payment of net financial interest of €(12.5) million and the payment of tax of €(97.5) million.

### 6.2. Net cash used in investing activities

In 2016, net cash used in investing activities for €(304.8) million comprised:

- cash payments on acquisitions of intangible assets and PP&E for €(233.9) million (including €0.7 million of change in payables and receivables on intangible assets and PP&E)
- cash receipts on proceeds on disposal of intangible assets and PP&E for €6.3 million
- cash payments on acquisitions of long-term investments net of cash receipts and net of cash acquired and sold for a total of €(76.4) million (including a €(0.8) million change in payables and receivables on financial investments). This amount mainly comprised the acquisitions of control of the Outfront Media group (Latin America) and the company DOOH (Belgium) as well as the increases in capital in companies under the equity method. The amount related to the acquisitions of control represents €(80.2) million including €4.6 million of cash acquired and a €0.2 million change in payables and receivables on financial investments
- acquisitions of other financial assets net of disposals for a total of €(0.8) million

In 2015, net cash used in investing activities for €(336.1) million included the cash payments on acquisitions of intangible assets and PP&E net of cash receipts for a total of €(201.9) million (including €1.1 million of change in payables and receivables on intangible assets and PP&E) and the cash payments on acquisitions of long-term investments net of cash receipts and net of cash acquired (for €26.0 million) for €(93.6) million (including €1.8 million of change in payables and receivables on financial investments) and acquisitions of other financial assets net of disposals for €(40.6) million.

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

In 2016, net cash provided by financing activities for €321.1 million comprised:

- net cash flows on borrowings of the controlled entities for € 667.2 million, including the implementation of the bond issue for €750.0 million
- acquisitions of treasury financial assets for €(201.0) million,
- dividends paid to the JCDecaux SA's shareholders for €(118.9) million and the payment of dividends by controlled companies of the group to their minority shareholders for €(14.2) million
- cash payments on acquisitions of non-controlling interests net of cash receipts for €(12.5) million
- capital increase net of capital decrease for €0.5 million

In 2015, net cash used in financing activities amounted to €(777.0) million, and concerned the purchase by JCDecaux SA of its treasury shares for €(500.0) million and costs related to the offer for €(2.8) million, payment of dividends for €(124.7) million, net cash flows on borrowings for €(165.8) million, capital increases for €19.5 million and the cash payments on acquisitions of non-controlling interests for €(3.2) million.

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

| IN MILLION EUROS   |                       | 2016            | 2015    |
|--|-----------------------|-----------------|---------|
| NET FINANCIAL DEBT AS OF 1 JANUARY   | (1)                   | § 4.13<br>400.5 | (83.5)  |
| Net cash provided by operating activities  | (2)                   | (457.1)         | (536.8) |
| Net cash used in investing activities before cash acquired and/or sold <sup>(*)</sup>  | (3)                   | 308.5           | 362.0   |
| Net cash used in financing activities excluding changes in financial debts and treasury financial assets <sup>(**)</sup>   | (4)                   | 145.1           | 611.2   |
| Total net cash flows   | (5) = (2) + (3) + (4) | (3.5)           | 436.4   |
| Translation differences. net impact of IAS39. consolidation scope variations. increase in finance lease debts and miscellaneous reclassifications on the net financial debt <sup>(***)</sup> | (6)                   | 25.3            | 73.5    |
| Net cash acquired and/or sold  | (7)                   | (3.7)           | (25.9)  |
| Change in the net financial debt   | (8) = (5) + (6) + (7) | 18.1            | 484.0   |
| NET FINANCIAL DEBT AS OF 31 DECEMBER   | (9) = (1) + (8)       | § 4.13<br>418.6 | 400.5   |

<sup>(\*)</sup> Including €227.6 million related to the net cash flows used in intangible assets and PP&E and €80.9 million related to the net cash flows used in financial investments (excluding net cash acquired and /or sold and net cash payments on acquisitions and disposals of non-controlling interests) in 2016, compared to €201.9 million and €160.1 million, respectively, in 2015.

<sup>(\*\*)</sup> Including €12.5 million related to the net cash payments on acquisitions and disposals of non-controlling interests in 2016, compared to €3.2 million in 2015.

<sup>(\*\*\*)</sup> Mainly including €11.1 million of consolidation scope variations, €5.6 million of increase in finance lease debts and €5.4 million of translation differences in 2016 compared to €114.1 million, €5.3 million and €(9.0) million, respectively, in 2015.

## 6.5. Non-cash transactions

The increase in property, plant & equipment and financial debts related to finance lease contracts amounted to €5.6 million in 2016, compared to €5.3 million in 2015.

Non-cash transactions related to the asset swaps of the period represented €(17.3) million in the net cash used in investing activities and €17.3 million in the net cash provided by financing activities.

## 7. FINANCIAL RISKS

As a result of its business, the group may be more or less exposed to varying degrees of financial risks (especially liquidity and financing risk, interest rate risk, foreign exchange rate risk and risks related to financial management, in particular, counterparty risk). The group's objective is to minimise such risks by choosing appropriate financial policies. However, the group may need to manage residual positions. This strategy is monitored and managed centrally, by a dedicated team within the group Finance Department. Risk management policies and hedging strategies are approved by group management.

### 7.1. Risks relating to the business and management policies for these risks

#### Liquidity and financing risk

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

| IN MILLION EUROS   | CARRYING AMOUNT | CONTRACTUAL CASH FLOWS <sup>(*)</sup> | 2017         | 2018         | 2019        | 2020        | > 2020       |
|--|-----------------|---------------------------------------|--------------|--------------|-------------|-------------|--------------|
| Bonds  | 1,245.3         | 1,322.5                               | 17.5         | 517.5        | 7.5         | 7.5         | 772.5        |
| Bank borrowings at floating rate                         | 40.9            | 47.1                                  | 23.0         | 2.0          | 2.0         | 15.2        | 4.9          |
| Bank borrowings at fixed rate                            | 7.4             | 7.5                                   | 7.5          | 0.0          | 0.0         | 0.0         | 0.0          |
| Miscellaneous borrowings                                 | 56.2            | 58.2                                  | 48.2         | 0.8          | 6.7         | 0.2         | 2.3          |
| Finance lease debts                                      | 22.5            | 22.5                                  | 6.8          | 3.8          | 3.7         | 3.8         | 4.4          |
| Accrued interests <sup>(*)</sup>                         | 13.7            | 0.0                                   | 0.0          | 0.0          | 0.0         | 0.0         | 0.0          |
| Bank overdrafts  | 5.4             | 5.4                                   | 5.4          | 0.0          | 0.0         | 0.0         | 0.0          |
| <b>TOTAL FINANCIAL LIABILITIES EXCLUDING DERIVATIVES</b> | <b>1,391.4</b>  | <b>1,463.2</b>                        | <b>108.4</b> | <b>524.1</b> | <b>19.9</b> | <b>26.7</b> | <b>784.1</b> |
| Foreign exchange hedges                                  | (1.3)           | (1.3)                                 | (1.3)        | 0.0          | 0.0         | 0.0         | 0.0          |
| <b>TOTAL FINANCIAL INSTRUMENTS <sup>(**)</sup></b>       | <b>(1.3)</b>    | <b>(1.3)</b>                          | <b>(1.3)</b> | <b>0.0</b>   | <b>0.0</b>  | <b>0.0</b>  | <b>0.0</b>   |

For revolving debt, the nearest maturity is indicated.

<sup>(\*)</sup> The interest's amounts are included in the contractual cash flows in each type of borrowing.

<sup>(\*\*)</sup> A positive amount represents a cash flow to be received.

The group generates enough operating cash flows to self-finance its organic growth. In the group's opinion, external growth opportunities could lead it to temporarily increase this net debt.

The group's financing strategy consists of:

- centralising financing at the parent company level JCDecaux SA. Subsidiaries are therefore primarily financed through direct or indirect loans granted by JCDecaux SA. However, the group may use external financing for certain subsidiaries, (i) depending on the tax or currency or regulatory environment: (ii) for subsidiaries that are not wholly owned by the group; or (iii) for historical reasons (financing already in place when the subsidiary joined the group)
- having financing resources available that (i) are diversified; (ii) have a term consistent with the maturity of its assets and (iii) are flexible, in order to cover the group's growth and the investment and business cycles
- having permanent access to a liquidity reserve such as committed credit facilities

- minimising the risk of renewal of financing sources, by staggering instalments
- optimising financing margins, through early renewal of loans that are approaching maturity, or by re-financing certain financing sources when market conditions are favourable, and
- optimising the cost of net debt by recycling excess cash flow generated by different group entities as much as possible, in particular by repatriating the cash to JCDecaux SA through loans or dividend payments

JCDecaux SA is rated "Baa2" by Moody's and "BBB" by Standard and Poor's (last Moody's rating on 4 July 2016, and Standard and Poor's on 29 November 2016), with a stable outlook for both ratings.

As of 31 December 2016, the net financial debt (excluding debt on commitments to purchase non-controlling interests) was €418.6 million compared to €400.5 million as of 31 December 2015.

JCDecaux SA carries 92% of group financial debt which has an average maturity of approximately 4.3 years.

As of 31 December 2016, the group has €974.1 million of cash, cash equivalents and treasury financial assets (see Note 4.9 "Managed Cash") and €852.9 million in unused committed credit facilities.

JCDecaux SA financing sources are committed, and some of them require compliance with covenant for which the calculation is based on the consolidated financial statements. The nature of the ratio is described in Note 4.13 "Financial debt".

The group holds cash in some countries where the funds cannot be immediately repatriated from, mainly because of regulatory restrictions. Nevertheless, the group receives dividends on a regular basis from most of its subsidiaries located in these countries, and the cash is used for local purposes.

### Interest rate risk

The group is exposed to interest rate fluctuations as a result of its debt. Given the high correlation between the advertising market and the level of general economic activity of the countries where the group operates, the group's policy is to secure primarily floating-rate financing except when the interest rates are considered particularly low. The split between fixed rate and floating rate is described in Note 4.13 "Financial debt" and the hedging information is available in Note 4.15 "Financial instruments".

The following table breaks down financial assets and liabilities by interest rate maturity as of 31 December 2016:

| IN MILLION EUROS             | 31/12/2016             |                   |                | TOTAL            |
|------------------------------|------------------------|-------------------|----------------|------------------|
|                              | ≤ 1 YEAR               | 1 YEAR TO 5 YEARS | > 5 YEARS      |                  |
| JCDecaux SA borrowings       | (26.1)                 | (500.0)           | (750.0)        | (1,276.1)        |
| Other borrowings             | (100.0)                | (15.4)            | (2.1)          | (117.5)          |
| Bank overdrafts              | (5.4)                  |                   |                | (5.4)            |
| <b>FINANCIAL LIABILITIES</b> | <b>(1)</b>             | <b>(131.5)</b>    | <b>(752.1)</b> | <b>(1,399.0)</b> |
| Cash and cash equivalents    | 693.1                  |                   |                | 693.1            |
| Treasury financial assets    | 281.0                  |                   |                | 281.0            |
| Other financial assets       | 108.8                  |                   |                | 108.8            |
| <b>FINANCIAL ASSETS</b>      | <b>(2)</b>             | <b>1,082.9</b>    | <b>0.0</b>     | <b>1,082.9</b>   |
| <b>NET POSITION</b>          | <b>(3) = (1) + (2)</b> | <b>951.4</b>      | <b>(515.4)</b> | <b>(316.1)</b>   |

For fixed-rate assets and liabilities, the maturity indicated is that of the asset and the liability.

The interest rates on floating-rate assets and liabilities are adjusted every one, three or six months. The maturity indicated is therefore less than one year regardless of the maturity date.

As of 31 December 2016, 93% of the group's total economic financial debt, all currencies considered, was at fixed rate.

### Foreign exchange risk

In 2016, net income generated in currencies other than the euro accounted for 58% of the group's consolidated net income.

Despite its presence in more than 75 countries, the JCDecaux Group is relatively immune to currency fluctuations in terms of cash flows, as the subsidiaries in each country do business solely in their own country and inter-company services and purchases are relatively insignificant.

However, as the presentation currency of the group is the Euro, the group's consolidated financial statements are affected by the conversion of financial statements denominated in local currencies into euros.

Based on the 2016 actual data, the table below details the group's consolidated net income and reserves exposure to a (10) % change in the foreign exchange rates of each of the most represented currencies in the group which are the Chinese yuan, the Swiss franc, the British pound sterling and the American dollar:

|  | CHINESE YUAN | SWISS FRANC | BRITISH POUND STERLING | AMERICAN DOLLAR |
|--|--------------|-------------|------------------------|-----------------|
| Share of the currencies in the consolidated net income | 28.8%        | 7.3%        | 5.5%                   | (6.7%)          |
| Impact on consolidated income                          | (2.9%)       | (0.7%)      | (0.5%)                 | (0.7%)          |
| Impact on consolidated reserves                        | (0.8%)       | (0.2%)      | (0.9%)                 | (0.4%)          |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of 31 December 2016, the group mainly holds foreign exchange currency hedges on financial transactions.

Pursuant to its centralised financing policy, the group implemented primarily short-term currency swaps to hedge intercompany loans and borrowings transactions. The group can decide not to hedge some of the foreign exchange risks generated by intercompany loans when hedging arrangements are (i) too costly, (ii) not available, or (iii) when loan amounts are too small.

As of 31 December 2016, the group considers that its earnings and financial position would not be materially affected by foreign exchange currency fluctuations.

## Management of cash and treasury financial assets

As of 31 December 2016, the group has €974.1 million of cash, cash equivalents and treasury financial assets, which included €693.1 million of cash and cash equivalents (including €565.1 million in cash equivalents) and €281.0 million of treasury financial assets. €10.1 million of the total of cash and cash equivalents are invested in guarantees.

## Management of equity and gearing ratio

The group is not subject to any external requirements in terms of management of its equity.

## 7.2. Risks related to financial management

### Risks related to interest rate and foreign exchange financial instruments

The group uses financial instruments solely to hedge foreign exchange risk.

### Risks related to credit rating

JCDecaux SA is rated “Baa2” by Moody’s and “BBB” by Standard & Poor’s as of the date of publication of these Notes, with a stable outlook for both ratings.

The €500 million bond issued in February 2013 and the €750 million bond issued in June 2016 both include in its terms and conditions a clause of change of control giving bond holders the possibility to demand early repayment in the event of a change of control when accompanied by a downgrade of the credit rating in speculative grade or credit rating exit. The group’s other primary financing sources (financing raised by the parent company), as well as principal hedging arrangements, are not subject to early termination in the event of a downgrade of the group’s credit rating.

### Bank counterparty risk

group counterparty risks relate to the investment of the excess cash balances of the group with banks and to other financial transactions mainly involving JCDecaux SA (via unused committed credit facilities and hedging commitments). The group’s policy is to minimise this risk by (i) reducing excess cash in the group by

centralising the subsidiaries’ available cash at the JCDecaux SA level as much as possible, (ii) obtaining prior authorisation from the group’s Finance Department when opening bank accounts, (iii) selecting banks in which JCDecaux SA and its subsidiaries can make deposits (iv) and monitoring this counterparty risk on a regular basis.

### Customer counterparty risk

The counterparty risk in respect of trade receivables is covered by the necessary provisions if needed. The net book value of the trade receivables is detailed in Note 4.8 “Trade and other receivables”. The group maintains a low level of dependence towards any particular client, as no client represents more than 2.1% of the group’s revenue.

### Risk related to securities and term deposits

In order to generate interests on its excess cash position, the group mainly subscribes short-term investments and makes short term deposits. The investments consist of money market securities. These instruments are invested on a short-term basis, earn interest at money market benchmark rates, are liquid, and involve only limited counterparty risk.

The group’s policy is not to own marketable shares or securities other than money market securities and treasury shares. Therefore the group considers its risk exposure arising from marketable shares and securities to be very low.

## 8. COMMENTS ON OFF-BALANCE SHEET COMMITMENTS

### 8.1. Commitments on securities and other commitments

| IN MILLION EUROS                                  | 31/12/2016   | 31/12/2015   |
|---|--------------|--------------|
| <b>Commitments given <sup>(1)</sup></b>           |              |              |
| Business guarantees                               | 436.2        | 427.3        |
| Other guarantees                                  | 9.5          | 7.3          |
| Pledges, mortgages and collateral                 | 11.4         | 10.1         |
| Commitments on securities (put options granted)   | 0.4          | 0.6          |
| <b>TOTAL</b>                                      | <b>457.5</b> | <b>445.3</b> |
| <b>Commitments received</b>                       |              |              |
| Securities, endorsements and other guarantees     | 0.0          | 0.0          |
| Commitments on securities (call options received) | 2.3          | 0.6          |
| Credit facilities                                 | 852.9        | 870.6        |
| <b>TOTAL</b>                                      | <b>855.2</b> | <b>871.2</b> |

<sup>(1)</sup> Excluding commitments relating to lease, rent and minimum franchise payments, given in the ordinary course of business.

“Business guarantees” are granted mainly by JCDecaux SA and JCDecaux North America Inc. As such, JCDecaux SA and JCDecaux North America Inc. guarantee the performance of contracts entered into by subsidiaries, either directly to third parties, or by counter-guaranteeing guarantees granted by banks or insurance companies.

“Other guarantees” include securities, endorsements and other guarantees such as (i) guarantees covering lease payments, (ii) JCDecaux SA’s counter-guarantees of credit facilities granted by banks, and (iii) other commitments such as guarantees covering payments to suppliers.

“Pledges, mortgages and collateral” mainly comprise cash amounts given in guarantee, and the mortgage of land and buildings in Germany.

“Commitments on securities” are granted and received primarily as part of external growth transactions. As of 31 December 2016, commitments on securities also include the following options which are not estimated:

- A commitment given regarding the company JCDecaux Bulgaria BV (Bulgaria), a put option granted to Limited Novacorp, exercisable from 9 June 2016 to 9 June 2017 on 50% of capital. The price of this option will be determined by an investment bank or under certain conditions, valued using a contractual calculation formula;
- A commitment received regarding an Austrian company, in favour of Gewista Werbegesellschaft.mBH (Austria), which will benefit from a call enabling it to acquire an additional 8.4% interest in this company. The exercise price has not been set.

Moreover, under certain advertising contracts, JCDecaux North America Inc., directly and indirectly through its subsidiaries, and its joint venture partners have granted, under the relevant

agreements, reciprocal put/call options in connection with their respective ownership in their shared companies.

Lastly, as part of agreements between shareholders, JCDecaux SA can grant, or receive, calls in the event either party’s contractual clauses are breached. Under partnership agreements, the group and its partners benefit from pre-emptive rights, and sometimes rights to purchase, tag along or drag along, which the group does not consider as commitments given or received. Moreover, the group does not mention the commitments which are subject to exercise conditions which limit their probability of occurring.

Credit facilities include the committed revolving credit facility secured by JCDecaux SA for €825.0 million and the committed credit facilities granted to subsidiaries for €27.9 million.

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

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

- contracts with cities, airports and transport companies, which entitle the group to operate its advertising business and collect the related revenue, 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)

These commitments given in the ordinary course of business break down as follows (amounts are neither inflated nor discounted):

| IN MILLION EUROS   | ≤ 1 YEAR     | > 1 & ≤ 5 YEARS | > 5 YEARS <sup>(1)</sup> | TOTAL          |
|--|--------------|-----------------|--------------------------|----------------|
| Minimum and fixed franchise payments associated with Street Furniture or Transport contracts | 866.6        | 2,503.4         | 1,248.9                  | 4,618.9        |
| Rent related to Billboard locations  | 89.6         | 154.1           | 74.9                     | 318.6          |
| Operating leases   | 40.2         | 95.0            | 69.4                     | 204.6          |
| <b>TOTAL</b>   | <b>996.4</b> | <b>2,752.5</b>  | <b>1,393.2</b>           | <b>5,142.1</b> |

<sup>(1)</sup> Until 2041.

The amount related to these commitments amounted to €5,095.3 million as of 31 December 2015.

The increase, in 2016, compared to the amount of €5,095.3 million reported as of 31 December 2015 is mainly due to the gains and renewals of contracts and the effect of acquisitions partially offset by the rents due for the year.

## 8.3. Commitments to purchase assets

Commitments to purchase property, plant and equipment and intangible assets totalled €271.5 million as of 31 December 2016 compared to €244.1 million as of 31 December 2015.

## 9. RELATED PARTIES

## 9.1. Definitions

The following four categories are considered related party transactions:

- the portion of transactions with jointly-controlled companies and with associates not eliminated in the consolidated financial statements
- transactions carried out between JCDecaux SA and its parent JCDecaux Holding
- transactions carried out with the significant non-controlling interests
- transactions with key management personnel and companies held by such personnel and over which they exercise a control

## 9.2. Details regarding related party transactions

| IN MILLION EUROS   | 2016                                  |                                 |              |              | 2015                                  |                                 |              |              |
|--|---------------------------------------|---------------------------------|--------------|--------------|---------------------------------------|---------------------------------|--------------|--------------|
|  | COMPANIES UNDER THE EM <sup>(1)</sup> | PARENT COMPANIES <sup>(2)</sup> | OTHER        | TOTAL        | COMPANIES UNDER THE EM <sup>(1)</sup> | PARENT COMPANIES <sup>(2)</sup> | OTHER        | TOTAL        |
| <b>STATEMENT OF FINANCIAL POSITION</b>   |                                       |                                 |              |              |                                       |                                 |              |              |
| <b>Assets</b>  |                                       |                                 |              |              |                                       |                                 |              |              |
| Loans and loans to participating interests <sup>(*)</sup>                                    | 70.0                                  | 0.1                             | 0.2          | 70.3         | 71.3                                  |                                 | 0.2          | 71.5         |
| Other receivables  | 47.4                                  | 0.8                             | 3.5          | 51.7         | 22.4                                  | 0.2                             | 3.3          | 25.9         |
| <b>TOTAL ASSETS</b>  | <b>117.4</b>                          | <b>0.9</b>                      | <b>3.7</b>   | <b>122.0</b> | <b>93.7</b>                           | <b>0.2</b>                      | <b>3.5</b>   | <b>97.4</b>  |
| <b>Liabilities</b>   |                                       |                                 |              |              |                                       |                                 |              |              |
| Financial debts and debt on commitments to purchase non-controlling interests <sup>(3)</sup> | 46.3                                  | 111.4                           |              | 157.7        | 39.6                                  | 121.6                           |              | 161.2        |
| Other debts  | 7.7                                   | 5.4                             | 0.3          | 13.4         | 9.5                                   | 4.3                             | 0.2          | 14.0         |
| <b>TOTAL LIABILITIES</b>   | <b>54.0</b>                           | <b>116.8</b>                    | <b>0.3</b>   | <b>171.1</b> | <b>49.1</b>                           | <b>125.9</b>                    | <b>0.2</b>   | <b>175.2</b> |
| <b>Income Statement</b>  |                                       |                                 |              |              |                                       |                                 |              |              |
| <b>EBIT</b>  |                                       |                                 |              |              |                                       |                                 |              |              |
| Income   | 62.5                                  | 0.8                             | 3.2          | 66.5         | 46.2                                  | 0.8                             | 3.3          | 50.3         |
| Expenses   | (9.2)                                 | (6.2)                           | (12.8)       | (28.2)       | (14.9)                                | (5.9)                           | (12.4)       | (33.2)       |
| <b>EBIT</b>  | <b>53.3</b>                           | <b>(5.4)</b>                    | <b>(9.6)</b> | <b>38.3</b>  | <b>31.3</b>                           | <b>(5.1)</b>                    | <b>(9.1)</b> | <b>17.1</b>  |
| <b>Net financial income (loss)</b>   |                                       |                                 |              |              |                                       |                                 |              |              |
| Income <sup>(4)</sup>  | 2.0                                   | 10.1                            |              | 12.1         | 2.6                                   |                                 |              | 2.6          |
| Expenses <sup>(5)</sup>  | (1.2)                                 | (0.1)                           |              | (1.3)        | (1.6)                                 | (5.6)                           |              | (7.2)        |
| <b>Net financial income (loss)</b>   | <b>0.8</b>                            | <b>10.0</b>                     | <b>0.0</b>   | <b>10.8</b>  | <b>1.0</b>                            | <b>(5.6)</b>                    | <b>0.0</b>   | <b>(4.6)</b> |

(\*) Including accrued interests.

(1) Portion of transactions with joint ventures and with associates not eliminated.

(2) Transactions carried out between JCDecaux SA and its parent JCDecaux Holding and transactions carried out with the significant non-controlling interests.

(3) The debt on commitments to purchase non-controlling interests amounted to €110.2 million as of 31 December 2016 compared to €120.7 million as of 31 December 2015.

(4) Including €10.1 million in 2016 of net income of revaluation and discounting on debt on commitments to purchase non-controlling interests.

(5) Including €(5.5) million in 2015 of net expenses of revaluation and discounting on debt on commitments to purchase non-controlling interests.

Following the simplified public tender offer (OPAS) realised in 2015, JCDecaux SA had paid to its parent, JCDecaux Holding, and to key management personnel, an amount of €379.0 million recorded in deduction of the Equity, in relation with the share buyback.

The off-balance sheet commitments with related parties amount to €95.3 million as of 31 December 2016, primarily including commitments relating to rents for buildings held by related parties for €56.5 million and the commitments given as business guarantees with associates for €23.1 million.

### 9.3. Management compensation

Compensation owed to members of the Executive Board for the years 2016 and 2015 breaks down as follows:

| IN MILLION EUROS               | 2016       | 2015       |
|--------------------------------|------------|------------|
| Short-term benefits            | 8.9        | 8.6        |
| Fringe benefits                | 0.2        | 0.2        |
| Directors' fees                | 0.0        | 0.1        |
| Life insurance/special pension | 0.2        | 0.2        |
| Share-based payments           | 0.2        | 0.2        |
| <b>TOTAL <sup>(*)</sup></b>    | <b>9.5</b> | <b>9.3</b> |

<sup>(\*)</sup> Compensations received from associates are excluded.

In addition, since 31 December 2015, two Executive Board members have been entitled to receive a non-competition indemnity, potentially paid during a two year period and representing 33% of their fixed and variable compensation and calculated on the average of the last twelve months preceding the date of termination of contractual relations, if the members' employment contract were to be terminated.

Post-employment benefits booked in liabilities in the statement of financial position amounted to €2.8 million as of 31 December 2016, compared to €2.5 million as of 31 December 2015.

Directors' fees in the amount of €0.3 million were owed to members of the Supervisory Board for the year 2016.

## 10. INFORMATION ON THE JOINT VENTURES

The following information related to the joint ventures is provided by operating segment in application of IFRS 12 "Disclosure of Interests in Other Entities".

### 10.1. Income statement items

#### 10.1.1. For the year 2016

##### 10.1.1.1. Net income

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

| IN MILLION EUROS                                | STREET FURNITURE | TRANSPORT   | BILLBOARD    | TOTAL       |
|---|------------------|-------------|--------------|-------------|
| Net Income <sup>(1)</sup>                       | 31.6             | 128.5       | (8.8)        | 151.3       |
| Impact of application of the holding percentage | (15.3)           | (70.9)      | 7.0          | (79.2)      |
| Impairment of joint ventures                    |                  |             |              | 0.0         |
| <b>SHARE OF NET PROFIT OF JOINT VENTURES</b>    | <b>16.3</b>      | <b>57.6</b> | <b>(1.8)</b> | <b>72.1</b> |

<sup>(1)</sup> IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

##### 10.1.1.2. Revenue

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

| IN MILLION EUROS   | REVENUE      |
|--|--------------|
| Street Furniture   | 117.9        |
| Transport  | 567.4        |
| Billboard  | 179.2        |
| <b>TOTAL <sup>(1)</sup></b>  | <b>864.5</b> |
| Impact of application of the holding percentage                                | (424.2)      |
| Elimination of the transactions inter-activities & with controlled entities    | (1.1)        |
| <b>CONTRIBUTION OF THE JOINT VENTURES IN THE CONSOLIDATED ADJUSTED REVENUE</b> | <b>439.2</b> |

<sup>(1)</sup> IFRS data on a 100% basis before elimination of transactions made between the different activities and before elimination of transactions made with the controlled entities.

## 10.1.1.3. Other items of the income statement

The other items of the income statement for 2016 that are characteristic of the joint ventures are as follows <sup>(1)</sup>:

| IN MILLION EUROS                                | STREET FURNITURE | TRANSPORT | BILLBOARD |
|---|------------------|-----------|-----------|
| Depreciation, amortisation and provisions (net) | (8.7)            | (12.8)    | (18.1)    |
| Cost of net financial debt                      | 0.6              | 2.4       | (20.3)    |
| Income tax                                      | (7.0)            | (43.9)    | (4.7)     |

<sup>(1)</sup> IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

## 10.1.2. For the year 2015

### 10.1.2.1. Net income

The net income in 2015 of the joint ventures and reconciliation with the income statement of the consolidated financial statements for 2015 are as follows:

| IN MILLION EUROS                                | STREET FURNITURE | TRANSPORT   | BILLBOARD    | TOTAL       |
|---|------------------|-------------|--------------|-------------|
| Net Income <sup>(1)</sup>                       | 29.8             | 119.2       | (27.9)       | 121.1       |
| Impact of application of the holding percentage | (14.1)           | (65.9)      | 21.7         | (58.3)      |
| Impairment of joint ventures                    |                  |             |              | 0.0         |
| <b>SHARE OF NET PROFIT OF JOINT VENTURES</b>    | <b>15.7</b>      | <b>53.3</b> | <b>(6.2)</b> | <b>62.8</b> |

<sup>(1)</sup> IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

### 10.1.2.2. Revenue

The revenue in 2015 of the joint ventures and reconciliation with their contribution in the consolidated adjusted revenue for 2015 are as follows:

| IN MILLION EUROS   | REVENUE      |
|--|--------------|
| Street Furniture   | 130.0        |
| Transport  | 554.1        |
| Billboard  | 158.9        |
| <b>TOTAL <sup>(1)</sup></b>  | <b>843.0</b> |
| Impact of application of the holding percentage                                | (425.3)      |
| Elimination of the transactions inter-activities & with controlled entities    | (4.2)        |
| <b>CONTRIBUTION OF THE JOINT VENTURES IN THE CONSOLIDATED ADJUSTED REVENUE</b> | <b>413.5</b> |

<sup>(1)</sup> IFRS data on a 100% basis before elimination of transactions made between the different activities and before elimination of transactions made with the controlled entities.

### 10.1.2.3. Other items of the income statement

The other items of the income statement for 2015 that are characteristic of the joint ventures are as follows <sup>(1)</sup>:

| IN MILLION EUROS                                | STREET FURNITURE | TRANSPORT | BILLBOARD |
|---|------------------|-----------|-----------|
| Depreciation, amortisation and provisions (net) | (13.5)           | (17.0)    | (22.1)    |
| Cost of net financial debt                      | 0.4              | 3.6       | (25.7)    |
| Income tax                                      | (5.0)            | (40.2)    | 4.3       |

<sup>(1)</sup> IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.



## 10.2. Statement of other comprehensive income

## 10.2.1. For the year 2016

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

| IN MILLION EUROS  | STREET FURNITURE | TRANSPORT    | BILLBOARD   | TOTAL       |
|---|------------------|--------------|-------------|-------------|
| Other comprehensive income <sup>(1)</sup>                           | 3.9              | 1.5          | 0.1         | 5.5         |
| Impact of application of the holding percentage                     | (1.9)            | (0.9)        | (0.1)       | (2.9)       |
| Translation reserve adjustments on impairment of joint ventures     | 0.0              | 0.0          | 0.4         | 0.4         |
| Translation reserve adjustments on goodwill & elimination of shares | 0.1              | (1.9)        | 10.7        | 8.9         |
| <b>SHARE OF OTHER COMPREHENSIVE INCOME OF THE JOINT VENTURES</b>    | <b>2.1</b>       | <b>(1.3)</b> | <b>11.1</b> | <b>11.9</b> |

<sup>(1)</sup> IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

## 10.2.2. For the year 2015

Other comprehensive income for 2015 of the joint ventures and reconciliation with the statement of other comprehensive income of the consolidated financial statements for 2015 are as follows:

| IN MILLION EUROS  | STREET FURNITURE | TRANSPORT    | BILLBOARD    | TOTAL        |
|---|------------------|--------------|--------------|--------------|
| Other comprehensive income <sup>(1)</sup>                           | 6.5              | (8.5)        | 0.1          | (1.9)        |
| Impact of application of the holding percentage                     | (3.2)            | 4.9          | (0.5)        | 1.2          |
| Translation reserve adjustments on impairment of joint ventures     | 0.0              | 0.0          | 1.9          | 1.9          |
| Translation reserve adjustments on goodwill & elimination of shares | (1.1)            | 3.0          | (5.5)        | (3.6)        |
| <b>SHARE OF OTHER COMPREHENSIVE INCOME OF THE JOINT VENTURES</b>    | <b>2.2</b>       | <b>(0.6)</b> | <b>(4.0)</b> | <b>(2.4)</b> |

<sup>(1)</sup> IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

## 10.3. Statement of financial position items

## 10.3.1. As of 31 December 2016

## 10.3.1.1. Net assets

Net assets <sup>(1)</sup> as of 31 December 2016 of the joint ventures and reconciliation with the statement of financial position of the consolidated financial statements as of 31 December 2016 are as follows:

| IN MILLION EUROS  | STREET FURNITURE | TRANSPORT    | BILLBOARD    | TOTAL        |
|---|------------------|--------------|--------------|--------------|
| Non-current assets  | 92.2             | 93.0         | 232.7        | 417.9        |
| Current assets  | 133.6            | 344.3        | 69.9         | 547.8        |
| Non-current liabilities                                   | (17.1)           | (6.6)        | (249.0)      | (272.7)      |
| Current liabilities                                       | (79.1)           | (215.3)      | (54.4)       | (348.8)      |
| <b>NET ASSETS <sup>(1)</sup></b>                          | <b>129.6</b>     | <b>215.4</b> | <b>(0.8)</b> | <b>344.2</b> |
| Impact of application of the holding percentage           | (64.3)           | (101.5)      | 3.0          | (162.8)      |
| Impairment of joint ventures                              | 0.0              | (0.4)        | (10.0)       | (10.4)       |
| Goodwill and elimination of shares held by joint ventures | 12.9             | 75.2         | 58.4         | 146.5        |
| Negative Net Equity limitation                            |                  |              | 11.2         | 11.2         |
| <b>INVESTMENTS UNDER THE EQUITY METHOD</b>                | <b>78.2</b>      | <b>188.7</b> | <b>61.8</b>  | <b>328.7</b> |

<sup>(1)</sup> IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

## 10.3.1.2. Other items of the statement of financial position

The items related to the net financial debt as of 31 December 2016 characteristic of the joint ventures are as follows <sup>(1)</sup>:

| IN MILLION EUROS                                 | STREET FURNITURE | TRANSPORT | BILLBOARD |
|--|------------------|-----------|-----------|
| Cash and cash equivalents net of bank overdrafts | (12.8)           | 207.5     | 19.7      |
| Financial debt (non-current)                     | (0.7)            | (0.1)     | (238.2)   |
| Financial debt (current)                         | (0.2)            | (1.4)     | (1.2)     |

<sup>(1)</sup> IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

**10.3.2. As of 31 December 2015****10.3.2.1. Net assets**

Net assets <sup>(1)</sup> as of 31 December 2015 of the joint ventures and reconciliation with the statement of financial position of the consolidated financial statements as of 31 December 2015 are as follows:

| IN MILLION EUROS  | STREET FURNITURE | TRANSPORT    | BILLBOARD   | TOTAL        |
|---|------------------|--------------|-------------|--------------|
| Non-current assets  | 81.3             | 90.1         | 215.6       | 387.0        |
| Current assets  | 118.8            | 297.7        | 60.5        | 477.0        |
| Non-current liabilities                                   | (13.5)           | (5.8)        | (205.1)     | (224.4)      |
| Current liabilities                                       | (61.8)           | (177.1)      | (49.2)      | (288.1)      |
| <b>NET ASSETS <sup>(1)</sup></b>                          | <b>124.8</b>     | <b>204.9</b> | <b>21.8</b> | <b>351.5</b> |
| Impact of application of the holding percentage           | (62.2)           | (95.9)       | (10.1)      | (168.2)      |
| Impairment of joint ventures                              | 0.0              | (0.4)        | (10.4)      | (10.8)       |
| Goodwill and elimination of shares held by joint ventures | 12.8             | 77.1         | 47.6        | 137.5        |
| <b>INVESTMENTS UNDER THE EQUITY METHOD</b>                | <b>75.4</b>      | <b>185.7</b> | <b>48.9</b> | <b>310.0</b> |

<sup>(1)</sup> IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

**10.3.2.2. Other items of the statement of financial position**

The items related to the net financial debt as of 31 December 2015 characteristic of the joint ventures are as follows <sup>(1)</sup>:

| IN MILLION EUROS                                 | STREET FURNITURE | TRANSPORT | BILLBOARD |
|--|------------------|-----------|-----------|
| Cash and cash equivalents net of bank overdrafts | (4.2)            | 153.9     | 9.9       |
| Financial debt (non-current)                     | (0.8)            | (0.1)     | (197.9)   |
| Financial debt (current)                         | (0.2)            | (1.8)     | (0.7)     |

<sup>(1)</sup> IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

**10.4. Other items**

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

| IN MILLION EUROS   | STREET FURNITURE | TRANSPORT | BILLBOARD |
|--------------------|------------------|-----------|-----------|
| Dividends received | 16.1             | 54.4      | 1.2       |

The dividends received from the joint ventures for the year 2015 break down as follows:

| IN MILLION EUROS   | STREET FURNITURE | TRANSPORT | BILLBOARD |
|--------------------|------------------|-----------|-----------|
| Dividends received | 16.4             | 46.7      | 1.6       |

## 11. INFORMATION ON ASSOCIATES

### 11.1. Income statement items

Income statement items of the significant entity APG|SGA SA and the reconciliation with the income statement of the consolidated financial statements are as follows:

|   | 2016        | 2015        |
|---|-------------|-------------|
| IN MILLION EUROS                                | APG SGA SA  | APG SGA SA  |
| Revenue   | 289.3       | 293.1       |
| Net income <sup>(1)</sup>                       | 62.1        | 47.8        |
| Impact of application of the holding percentage | (43.5)      | (33.5)      |
| Impairment of associates                        | 0.0         | 0.0         |
| <b>SHARE OF NET PROFIT OF ASSOCIATES</b>        | <b>18.6</b> | <b>14.3</b> |

<sup>(1)</sup> IFRS data on a 100 % basis.

The contribution of the other companies in the share of net profit of associates totalled €4.5 million in 2016 and €4.3 million in 2015.

### 11.2. Statements of financial position items

Statements of financial position items<sup>(1)</sup> of the significant entity APG|SGA SA and the reconciliation with the statement of financial position of the consolidated financial statements as of 31 December 2016 and as of 31 December 2015 are as follows:

|   | 2016         | 2015         |
|---|--------------|--------------|
| IN MILLION EUROS                                | APG SGA SA   | APG SGA SA   |
| Assets  | 286.6        | 280.2        |
| Liabilities                                     | (158.6)      | (149.4)      |
| Equity  | 128.0        | 130.8        |
| Impact of application of the holding percentage | (89.6)       | (91.6)       |
| Impairment of associates                        | 0.0          | 0.0          |
| Goodwill  | 82.9         | 82.9         |
| <b>INVESTMENTS IN ASSOCIATES</b>                | <b>121.3</b> | <b>122.1</b> |

<sup>(1)</sup> IFRS data on a 100 % basis.

The contribution of the other companies in investments in associates in the statement of financial position totalled €60.2 million and €57.2 million as of 31 December 2016 and as of 31 December 2015.

The valuation of 30 % of APG|SGA SA at the 30 December 2016 share price amounts to €374.6 million.

### 11.3. Other items

The dividends received from associates for the years 2016 and 2015 break down as follows:

|                    | 2016       |                 |       | 2015       |                 |       |
|--------------------|------------|-----------------|-------|------------|-----------------|-------|
| IN MILLION EUROS   | APG SGA SA | OTHER COMPANIES | TOTAL | APG SGA SA | OTHER COMPANIES | TOTAL |
| Dividends received | 19.4       | 2.1             | 21.5  | 16.3       | 3.8             | 20.1  |

## 12. SCOPE OF CONSOLIDATION

## 12.1. Identity of the parent company

As of 31 December 2016, JCDecaux Holding holds 64.01% of the share capital of JCDecaux SA.

## 12.2. List of consolidated companies

| COMPANIES   |                    | COUNTRY    | %<br>INTEREST | CONSOL.<br>METHOD | %<br>CONTROL* |
|---|--------------------|------------|---------------|-------------------|---------------|
| <b>STREET FURNITURE</b>                                   |                    |            |               |                   |               |
| JCDecaux SA   |                    | France     | 100.00        | F                 | 100.00        |
| JCDecaux FRANCE   | (1)                | France     | 100.00        | F                 | 100.00        |
| SOPACT  |                    | France     | 100.00        | F                 | 100.00        |
| SOMUPI  |                    | France     | 66.00         | F                 | 66.00         |
| JCDecaux ASIE HOLDING                                     |                    | France     | 100.00        | F                 | 100.00        |
| JCDecaux EUROPE HOLDING                                   |                    | France     | 100.00        | F                 | 100.00        |
| JCDecaux AMERIQUES HOLDING                                |                    | France     | 100.00        | F                 | 100.00        |
| CYCLOCITY   |                    | France     | 100.00        | F                 | 100.00        |
| JCDecaux AFRIQUE HOLDING                                  |                    | France     | 100.00        | F                 | 100.00        |
| JCDecaux BOLLORE HOLDING                                  |                    | France     | 50.00         | E*                | 50.00         |
| JCDecaux FRANCE HOLDING                                   |                    | France     | 100.00        | F                 | 100.00        |
| MEDIAKIOSK  |                    | France     | 87.50         | F                 | 82.50         |
| MEDIA PUBLICITE EXTERIEURE                                |                    | France     | 100.00        | F                 | 100.00        |
| WALL GmbH (previously JCDecaux DEUTSCHLAND GmbH)          | (1) & (26)         | Germany    | 100.00        | F                 | 100.00        |
| DSM DECAUX GmbH   |                    | Germany    | 50.00         | E*                | 50.00         |
| STADTREKLAME NÜRNBERG GmbH                                |                    | Germany    | 35.00         | E                 | 35.00         |
| WALL AG   | (14) & (26)        | Germany    | 100.00        | F                 | 100.00        |
| GEORG ZACHARIAS GmbH                                      | (14) & (26)        | Germany    | 100.00        | F                 | 100.00        |
| VVR WALL GmbH   | (1) (14)<br>& (26) | Germany    | 100.00        | F                 | 100.00        |
| DIE DRAUSSENWERBER GmbH                                   | (14)               | Germany    | 100.00        | F                 | 100.00        |
| SKY HIGH TG GmbH  | (14)               | Germany    | 100.00        | F                 | 100.00        |
| REMSCHIEDER GESELLSCHAFT FÜR<br>STADTVERKEHRSANLAGEN GbR. | (14)               | Germany    | 50.00         | E*                | 50.00         |
| JCDecaux ARGENTINA SA                                     |                    | Argentina  | 100.00        | F                 | 100.00        |
| JCDecaux STREET FURNITURE Pty Ltd                         |                    | Australia  | 100.00        | F                 | 100.00        |
| JCDecaux AUSTRALIA Pty Ltd                                |                    | Australia  | 100.00        | F                 | 100.00        |
| ADBOOTH Pty Ltd   |                    | Australia  | 50.00         | F                 | 50.00         |
| JCDecaux CITYCYCLE AUSTRALIA Pty Ltd                      |                    | Australia  | 100.00        | F                 | 100.00        |
| ARGE AUTOBAHNWERBUNG GmbH                                 |                    | Austria    | 67.00         | F                 | 100.00        |
| JCDecaux AZERBAIJAN LLC                                   |                    | Azerbaijan | 100.00        | F                 | 100.00        |
| JCD BAHRAIN SPC   |                    | Bahrain    | 100.00        | F                 | 100.00        |
| JCDecaux STREET FURNITURE BELGIUM                         | (1)                | Belgium    | 100.00        | F                 | 100.00        |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| COMPANIES  |      | COUNTRY       | % INTEREST | CONSOL. METHOD | % CONTROL* |
|--|------|---------------|------------|----------------|------------|
| CITY BUSINESS MEDIA  |      | Belgium       | 100.00     | F              | 100.00     |
| JCDecaux DO BRASIL S.A.  | (1)  | Brazil        | 100.00     | F              | 100.00     |
| JCDecaux SALVADOR S.A.   |      | Brazil        | 100.00     | F              | 100.00     |
| JCDecaux LATAM SERVICIOS DE MANAGEMENT LTDA (previously JCDecaux SÃO PAULO S.A.)                                 |      | Brazil        | 100.00     | F              | 100.00     |
| CONCESSIONARIA A HORA DE SÃO PAULO S.A.  | (1)  | Brazil        | 100.00     | F              | 80.00      |
| CEMUSA DO BRASIL LTDA  |      | Brazil        | 100.00     | F              | 100.00     |
| CEMUSA BRASILIA S.A.   |      | Brazil        | 100.00     | F              | 100.00     |
| CEMUSA AMAZONIA S.A.   |      | Brazil        | 100.00     | F              | 100.00     |
| CEMUSA RIO S.A.  |      | Brazil        | 100.00     | F              | 100.00     |
| CEMUSA SALVADOR S.A.   | (19) | Brazil        | 100.00     | F              | 100.00     |
| WALL SOFIA EOOD  |      | Bulgaria      | 50.00      | E*             | 50.00      |
| OUTFRONT JCDecaux STREET FURNITURE CANADA, Ltd   |      | Canada        | 50.00      | E*             | 50.00      |
| STAND OFF S.A.   | (1)  | Chile         | 85.00      | F              | 100.00     |
| JCDecaux PEARL&DEAN OUTDOOR ADVERTISING (CHINA) Co. Ltd  |      | China         | 100.00     | F              | 100.00     |
| BEIJING JCDecaux TIAN DI ADVERTISING Co., Ltd  | (2)  | China         | 100.00     | F              | 100.00     |
| BEIJING PRESS JCDecaux MEDIA ADVERTISING Co. Ltd   |      | China         | 50.00      | E*             | 50.00      |
| NINGBO JCDecaux Pearl & Dean ADVERTISING Co. Ltd (previously JCDecaux NINGBO Pearl & Dean ADVERTISING Co. Ltd)   |      | China         | 100.00     | F              | 100.00     |
| BEIJING JCDecaux PEARL & DEAN Advertising Co.,Ltd (previously JCDecaux BEIJING PEARL & DEAN Advertising Co.,Ltd) |      | China         | 100.00     | F              | 100.00     |
| EQUIPAMIENTOS URBANOS NACIONALES DE COLOMBIA Ltda  | (21) | Colombia      | 63.75      | F              | 75.00      |
| LLEGA S.A.S.   | (21) | Colombia      | 63.75      | F              | 100.00     |
| JCDecaux KOREA Inc.  |      | South Korea   | 80.00      | F              | 80.00      |
| EQUIPAMIENTOS URBANOS DE COSTA RICA S.A.   | (27) | Costa Rica    | 60.97      | F              | 100.00     |
| JCDecaux COTE D'IVOIRE   | (3)  | Ivory Coast   | 50.00      | E*             | 50.00      |
| AFA JCDecaux A/S   |      | Denmark       | 50.00      | F              | 50.00      |
| EL MOBILIARIO URBANO SLU   |      | Spain         | 100.00     | F              | 100.00     |
| JCDecaux ATLANTIS SA   |      | Spain         | 85.00      | F              | 85.00      |
| JCDecaux LATIN AMERICA INVESTMENTS HOLDING S.L.  |      | Spain         | 100.00     | F              | 100.00     |
| CORPORACION AMERICANA DE EQUIPAMIENTOS URBANOS SRL   |      | Spain         | 70.00      | F              | 70.00      |
| CEMUSA CORPORACION EUROPEA DE MOBILIARIO URBANO S.A. EL MOBILIARIO URBANO, S.L.U.                                |      | Spain         | 100.00     | F              | 100.00     |
| CORPORACION EUROPEA DE MOBILIARIO URBANO S.A.  | (1)  | Spain         | 100.00     | F              | 100.00     |
| JCDecaux EESTI OU  |      | Estonia       | 100.00     | F              | 100.00     |
| JCDecaux NEW YORK, Inc.  |      | United States | 100.00     | F              | 100.00     |
| JCDecaux SAN FRANCISCO, LLC  |      | United States | 100.00     | F              | 100.00     |
| JCDecaux MALLSCAPE, LLC  |      | United States | 100.00     | F              | 100.00     |
| JCDecaux CHICAGO, LLC  |      | United States | 100.00     | F              | 100.00     |
| JCDecaux NEW YORK, LLC   |      | United States | 100.00     | F              | 100.00     |



| COMPANIES  |             | COUNTRY       | % INTEREST | CONSOL. METHOD | % CONTROL* |
|--|-------------|---------------|------------|----------------|------------|
| OUTFRONT DECAUX STREET FURNITURE, LLC  |             | United States | 50.00      | E*             | 50.00      |
| JCDecaux NORTH AMERICA, Inc.   |             | United States | 100.00     | F              | 100.00     |
| JCDecaux BOSTON, Inc.  |             | United States | 100.00     | F              | 100.00     |
| JCDecaux SREET FURNITURE, Inc.   |             | United States | 100.00     | F              | 100.00     |
| JCDecaux STREET FURNITURE GREATER BOSTON, LLC                                  |             | United States | 100.00     | F              | 100.00     |
| JCDecaux STREET FURNITURE NEW YORK, LLC  |             | United States | 100.00     | F              | 100.00     |
| JCDecaux FINLAND Oy  | (1)         | Finland       | 100.00     | F              | 100.00     |
| JCDecaux GABON   | (3)         | Gabon         | 50.00      | E*             | 50.00      |
| JCDecaux GUATEMALA, S.A. (previously EQUIPAMIENTOS URBANOS DE GUATEMALA, S.A.) | (27)        | Guatemala     | 60.97      | F              | 100.00     |
| PUBLIVALLAS DE GUATEMALA, S.A.   | (2)         | Guatemala     | 84.98      | F              | 99.98      |
| VISTA CENTROAMERICANA S.A.   | (27)        | Guatemala     | 60.97      | F              | 100.00     |
| JCDecaux CITYSCAPE HONG KONG Ltd   |             | Hong Kong     | 100.00     | F              | 100.00     |
| JCDecaux CITYSCAPE Ltd   |             | Hong Kong     | 100.00     | F              | 100.00     |
| IMMENSE PRESTIGE   |             | Hong Kong     | 100.00     | F              | 100.00     |
| BUS FOCUS Ltd  | (13)        | Hong Kong     | 40.00      | E              | 40.00      |
| VBM VAROSBUTOR ES MEDIA Kft.   | (14) & (16) | Hungary       | 67.00      | F              | 100.00     |
| JCDecaux HUNGARY Zrt   | (1)         | Hungary       | 67.00      | F              | 100.00     |
| JCDecaux ADVERTISING INDIA PVT Ltd   | (1)         | India         | 100.00     | F              | 100.00     |
| AFA JCDecaux ICELAND ehf   |             | Iceland       | 50.00      | F              | 100.00     |
| JCDecaux ISRAEL Ltd  |             | Israel        | 92.00      | F              | 92.00      |
| CEMUSA ITALIA Srl  | (29)        | Italy         | 60.00      | E*             | 60.00      |
| MCDECAUX Inc.  |             | Japan         | 85.00      | F              | 85.00      |
| CYCLOCITY Inc.   |             | Japan         | 100.00     | F              | 100.00     |
| RTS DECAUX JSC   |             | Kazakhstan    | 50.00      | F              | 50.00      |
| JCDecaux LATVIJA SIA   |             | Latvia        | 100.00     | F              | 100.00     |
| JCDecaux LIETUVA UAB   |             | Lithuania     | 100.00     | F              | 100.00     |
| JCDecaux LUXEMBOURG SA   | (1)         | Luxembourg    | 100.00     | F              | 100.00     |
| JCDecaux GROUP SERVICES SARL   |             | Luxembourg    | 100.00     | F              | 100.00     |
| JCDecaux MONGOLIA LLC  |             | Mongolia      | 51.00      | F              | 51.00      |
| JCDecaux MACAU   | (1)         | Macau         | 80.00      | F              | 80.00      |
| EQUIPAMIENTOS URBANOS DE MEXICO, S.A. DE C.V.                                  |             | Mexico        | 85.00      | F              | 100.00     |
| PASCONA, S.A. DE C.V.  | (25)        | Mexico        | 85.00      | F              | 100.00     |
| SERVICIOS DE COMERCIALIZACION DE PUBLICIDAD, S.A. DE C.V.                      |             | Mexico        | 85.00      | F              | 100.00     |
| SERVICIO Y TECNOLOGIA ESPECIALIZADA, S.A. DE C.V.                              |             | Mexico        | 85.00      | F              | 100.00     |
| TENEDORA DE ACCIONES DE MOBILIARIO, S.A. DE C.V.                               | (25)        | Mexico        | 85.00      | F              | 100.00     |
| MEDIOS DE PUBLICIDAD S.A. DE C.V.  |             | Mexico        | 85.00      | F              | 100.00     |
| EQUIPAMIENTOS URBANOS DE LA PENINSULA, S.A. DE C.V.                            |             | Mexico        | 85.00      | F              | 100.00     |
| JCDecaux OUT OF HOME MEXICO SA de CV   | (3)         | Mexico        | 85.00      | F              | 100.00     |
| JCDecaux OMAN  | (1) & (5)   | Oman          | 100.00     | F              | 100.00     |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| COMPANIES  |             | COUNTRY         | % INTEREST | CONSOL. METHOD | % CONTROL* |
|--|-------------|-----------------|------------|----------------|------------|
| JCDecaux UZ  |             | Uzbekistan      | 70.25      | F              | 70.25      |
| JCDecaux PANAMA, S.A.  | (1) & (27)  | Panama          | 60.97      | F              | 100.00     |
| JCDecaux CENTRAL AMERICA HOLDINGS S.A.   |             | Panama          | 85.00      | F              | 100.00     |
| JCDecaux CENTROAMERICA HOLDING S.A.  | (27)        | Panama          | 60.97      | F              | 100.00     |
| JCDecaux NEDERLAND BV  |             | The Netherlands | 100.00     | F              | 100.00     |
| JCDecaux PORTUGAL - MOBILIARIO URBANO Lda                                      |             | Portugal        | 100.00     | F              | 100.00     |
| PURBE PUBLICIDADE URBANA & GESTAO Lda  |             | Portugal        | 100.00     | F              | 100.00     |
| ELAN DECAUX W.L.L  | (1)         | Qatar           | 50.00      | E*             | 49.00      |
| JCDecaux DOMINICANA, S.A. (previously EQUIPAMIENTOS URBANOS DOMINICANOS, S.A.) |             | Dominican Rep.  | 85.00      | F              | 100.00     |
| JCDecaux MESTSKY MOBILIAR Spol Sro   | (1)         | Czech Rep.      | 100.00     | F              | 100.00     |
| RENCAR MEDIA Spol Sro  |             | Czech Rep.      | 46.90      | F              | 100.00     |
| CLV CR Spol Sro  |             | Czech Rep.      | 23.45      | E*             | 50.00      |
| JCDecaux UK Ltd  | (1)         | United Kingdom  | 100.00     | F              | 100.00     |
| JCDecaux SMALL CELLS Ltd   |             | United Kingdom  | 70.00      | F              | 70.00      |
| IN FOCUS PUBLIC NETWORKS LIMITED   |             | United Kingdom  | 100.00     | F              | 100.00     |
| JCDecaux EL SALVADOR, S.A. DE C.V.   | (27)        | Salvador        | 60.97      | F              | 100.00     |
| PUBLIVALLAS DE EL SALVADOR, S.A. DE C.V.                                       |             | Salvador        | 85.00      | F              | 100.00     |
| JCDecaux SINGAPORE Pte Ltd   |             | Singapore       | 100.00     | F              | 100.00     |
| JCDecaux SLOVAKIA Sro  |             | Slovakia        | 100.00     | F              | 100.00     |
| JCDecaux SVERIGE AB  |             | Sweden          | 100.00     | F              | 100.00     |
| OUTDOOR AB   |             | Sweden          | 48.50      | E*             | 48.50      |
| JCDecaux SVERIGE FORSALJNINGSAKTIEBOLAG  |             | Sweden          | 100.00     | F              | 100.00     |
| JCDecaux CORPORATE SERVICES GmbH   |             | Switzerland     | 100.00     | F              | 100.00     |
| ERA REKLAM AS  | (14) & (35) | Turkey          | 100.00     | F              | 100.00     |
| WALL SEHIR DIZAYNI LS  | (14)        | Turkey          | 100.00     | F              | 100.00     |
| JCDecaux URUGUAY   | (6)         | Uruguay         | 100.00     | F              | 100.00     |
| JCDecaux URUGUAY SA  |             | Uruguay         | 100.00     | F              | 100.00     |
| OUTFRONT MEDIA URUGUAY S.A.  | (20)        | Uruguay         | 85.02      | F              | 100.00     |
| PUBLIBUS SA  | (20)        | Uruguay         | 85.02      | F              | 100.00     |
| <b>TRANSPORT</b>   |             |                 |            |                |            |
| MEDIA AEROPORTS DE PARIS   |             | France          | 50.00      | E*             | 50.00      |
| METROBUS   |             | France          | 33.00      | E              | 33.00      |
| CONTINENTAL SPG OUTDOOR ADVERTISING (Pty Ltd)                                  |             | South Africa    | 35.00      | E*             | 50.00      |
| JCDecaux ALGERIE SARL  |             | Algeria         | 80.00      | F              | 80.00      |
| JCDecaux AIRPORT ALGER EURL  |             | Algeria         | 80.00      | F              | 100.00     |
| JCDecaux AIRPORT CENTRE SARL   |             | Algeria         | 49.00      | E              | 49.00      |
| MEDIA FRANKFURT GmbH   |             | Germany         | 39.00      | E*             | 39.00      |
| JCDecaux AIRPORT MEDIA GmbH  |             | Germany         | 100.00     | F              | 100.00     |
| TRANS-MARKETING GmbH   | (14)        | Germany         | 87.82      | F              | 87.82      |
| JCDecaux ATA SAUDI LLC   |             | Saudi Arabia    | 60.00      | F              | 60.00      |

| COMPANIES  |      | COUNTRY              | % INTEREST | CONSOL. METHOD | % CONTROL* |
|--|------|----------------------|------------|----------------|------------|
| INFOSCREEN AUSTRIA GmbH  |      | Austria              | 67.00      | F              | 100.00     |
| JCDecaux AIRPORT BELGIUM   |      | Belgium              | 100.00     | F              | 100.00     |
| JCDecaux PUBLICIADE INNOVATE Ltda  | (3)  | Brazil               | 100.00     | F              | 100.00     |
| JCDecaux CAMEROUN  |      | Cameroon             | 50.00      | E*             | 50.00      |
| JCDecaux CHILE SA  | (1)  | Chile                | 85.00      | F              | 100.00     |
| JCDecaux MOMENTUM SHANGHAI AIRPORT ADVERTISING Co. Ltd   |      | China                | 35.00      | E*             | 35.00      |
| JCDecaux ADVERTISING (BEIJING) Co. Ltd   |      | China                | 100.00     | F              | 100.00     |
| BEIJING TOP RESULT METRO Advertising. Co. Ltd  | (24) | China                | 90.00      | E*             | 38.00      |
| JCDecaux ADVERTISING (SHANGHAI) Co. Ltd  |      | China                | 100.00     | F              | 100.00     |
| NANJING MPI Public TRANSPORTATION ADVERTISING. Co.,Ltd   | (2)  | China                | 50.00      | F              | 87.60      |
| CHONGQING MPI PUBLIC TRANSPORTATION ADVERTISING Co. Ltd  |      | China                | 60.00      | F              | 60.00      |
| CHENGDU MPI PUBLIC TRANSPORTATION Advertising. Co. Ltd   |      | China                | 100.00     | F              | 100.00     |
| JINAN ZHONGGUAN XUNHUA PUBLIC TRANSPORT Advertising. Co. Ltd                                   | (23) | China                | 30.00      | E              | 30.00      |
| SHANGHAI SHENTONG JCDecaux METRO ADVERTISING Co. Ltd   |      | China                | 65.00      | E*             | 51.00      |
| NANJING METRO JCDecaux ADVERTISING Co., Ltd  |      | China                | 100.00     | F              | 100.00     |
| JCDecaux ADVERTISING CHONGQING Co., Ltd  |      | China                | 80.00      | F              | 80.00      |
| SUZHOU JCDecaux METRO ADVERTISING Co.Ltd (previously JCDecaux SUZHOU METRO ADVERTISING Co.Ltd) |      | China                | 80.00      | F              | 65.00      |
| NANJING JCDecaux BUS ADVERTISING Co., Ltd  |      | China                | 100.00     | F              | 100.00     |
| GUANGZHOU METRO JCDecaux ADVERTISING Co., Ltd  | (3)  | China                | 49.00      | E*             | 49.00      |
| JCDecaux DICON FZ CO   |      | United Arab Emirates | 75.00      | F              | 75.00      |
| JCDecaux ADVERTISING AND MEDIA LLC   |      | United Arab Emirates | 80.00      | F              | 49.00      |
| JCDecaux MIDDLE EAST FZ-LLC  |      | United Arab Emirates | 100.00     | F              | 100.00     |
| JCDecaux OUT OF HOME FZ-LLC (ABU DHABI)  |      | United Arab Emirates | 55.00      | F              | 55.00      |
| JCDecaux AIRPORT ESPANA S.A.U  | (2)  | Spain                | 100.00     | F              | 100.00     |
| JCDecaux TRANSPORT, S.L.U.   |      | Spain                | 100.00     | F              | 100.00     |
| JCDecaux AIRPORT, Inc.   |      | United States        | 100.00     | F              | 100.00     |
| JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT LAWA, LLC                     |      | United States        | 92.50      | F              | 92.50      |
| JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT DALLAS, LLC                   | (2)  | United States        | 100.00     | F              | 100.00     |
| MIAMI AIRPORT CONCESSION, LLC  |      | United States        | 50.00      | E*             | 50.00      |
| JCDecaux AIRPORT CHICAGO, LLC  |      | United States        | 100.00     | F              | 100.00     |
| THE JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT HOUSTON AIRPORTS, LLC     |      | United States        | 99.00      | F              | 99.00      |
| JCDecaux AIRPORT BOSTON, LLC   |      | United States        | 98.00      | F              | 98.00      |
| JCDecaux AIRPORT SPONSORSHIPS, LLC   |      | United States        | 50.00      | E*             | 50.00      |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| COMPANIES   |            | COUNTRY        | % INTEREST | CONSOL. METHOD | % CONTROL* |
|---|------------|----------------|------------|----------------|------------|
| JCDecaux AIRPORT DALLAS FORT WORTH, LLC   | (3)        | United States  | 97.50      | F              | 100.00     |
| JCDecaux PEARL & DEAN Ltd   |            | Hong Kong      | 100.00     | F              | 100.00     |
| JCDecaux OUTDOOR ADVERTISING HK Ltd   |            | Hong Kong      | 100.00     | F              | 100.00     |
| JCDecaux INNOVATE Ltd   |            | Hong Kong      | 100.00     | F              | 100.00     |
| MEDIA PRODUCTION Ltd  |            | Hong Kong      | 100.00     | F              | 100.00     |
| JCDecaux CHINA HOLDING Ltd  |            | Hong Kong      | 100.00     | F              | 100.00     |
| BERON Ltd   | (13)       | Hong Kong      | 100.00     | F              | 100.00     |
| TOP RESULT PROMOTION Ltd  | (1)        | Hong Kong      | 100.00     | F              | 100.00     |
| MEDIA PARTNERS INTERNATIONAL Ltd  | (1)        | Hong Kong      | 100.00     | F              | 100.00     |
| MPI PRODUCTION Ltd  |            | Hong Kong      | 100.00     | F              | 100.00     |
| JCDecaux DIGITAL VISION (HK) Ltd.   |            | Hong Kong      | 100.00     | F              | 100.00     |
| IGPDECAUX Spa   | (1)        | Italy          | 60.00      | E*             | 60.00      |
| CNDECAUX AIRPORT MEDIA Co. Ltd  |            | Macau          | 30.00      | E              | 30.00      |
| JCDecaux NIGERIA OUTDOOR ADVERTISING Ltd  | (3) & (28) | Nigeria        | 49.00      | F              | 70.00      |
| JCDecaux NORGE AS   | (1)        | Norway         | 97.69      | F              | 100.00     |
| AEROTOP, S.A.   | (3) & (27) | Panama         | 60.97      | F              | 100.00     |
| CITY BUS STOP, S.A.   | (3) & (27) | Panama         | 48.78      | F              | 100.00     |
| JCDecaux AEROPUERTO DE LIMA SAC   |            | Peru           | 100.00     | F              | 100.00     |
| EYE CATCHER MEDIA S.A.C.  | (1)        | Peru           | 70.00      | F              | 70.00      |
| JCDecaux AIRPORT POLSKA Sp zoo  |            | Poland         | 100.00     | F              | 100.00     |
| JCDecaux AIRPORT PORTUGAL SA  |            | Portugal       | 85.00      | F              | 85.00      |
| RENCAR PRAHA AS   |            | Czech Rep.     | 46.90      | F              | 70.00      |
| JCDecaux AIRPORT UK Ltd   |            | United Kingdom | 100.00     | F              | 100.00     |
| CONCOURSE INITIATIVES Ltd   | (2)        | United Kingdom | 100.00     | F              | 100.00     |
| JCDecaux ASIA SINGAPORE Pte Ltd   |            | Singapore      | 100.00     | F              | 100.00     |
| JCDecaux OUT OF HOME ADVERTISING Pte Ltd  | (1)        | Singapore      | 100.00     | F              | 100.00     |
| JCDecaux THAILAND Co., Ltd  |            | Thailand       | 98.00      | F              | 49.50      |
| <b>BILLBOARD</b>  |            |                |            |                |            |
| JCDecaux SOUTH AFRICA HOLDINGS (PROPRIETARY) LIMITED  |            | South Africa   | 100.00     | F              | 100.00     |
| JCDecaux SOUTH AFRICA OUTDOOR ADVERTISING (PROPRIETARY) LIMITED                               | (22)       | South Africa   | 49.00      | F              | 70.00      |
| JCDecaux SUB-SAHARAN AFRICA (Pty) Ltd (previously CONTINENTAL OUTDOOR MEDIA AFRICA (Pty) Ltd) |            | South Africa   | 70.00      | F              | 100.00     |
| MERAPE RAIL   |            | South Africa   | 70.00      | F              | 100.00     |
| MERAPE OUTDOOR  |            | South Africa   | 70.00      | F              | 100.00     |
| CORPCOM OUTDOOR   |            | South Africa   | 70.00      | F              | 100.00     |
| SUBURBAN INDUSTRIAL SIGN DESIGN   |            | South Africa   | 70.00      | F              | 100.00     |
| RENT A SIGN LEBOWA  |            | South Africa   | 35.00      | E*             | 50.00      |
| JCDecaux SOUTH AFRICA (PTY) Ltd (previously CONTINENTAL OUTDOOR MEDIA (Pty) Ltd)              |            | South Africa   | 70.00      | F              | 100.00     |
| OUTDOOR Co (Pty) Ltd  |            | South Africa   | 70.00      | F              | 100.00     |

| COMPANIES   |             | COUNTRY      | % INTEREST | CONSOL. METHOD | % CONTROL* |
|---|-------------|--------------|------------|----------------|------------|
| BDEYE DESIGNS (Pty) Ltd   |             | South Africa | 70.00      | F              | 100.00     |
| KCF INVESTMENTS (Pty) Ltd   |             | South Africa | 70.00      | F              | 100.00     |
| NEWSHELF1001 (Pty) Ltd (Lease Co)   |             | South Africa | 70.00      | F              | 100.00     |
| SIYENZA GRAPHIC DESIGN (Pty) Ltd  |             | South Africa | 70.00      | F              | 100.00     |
| INTER OUTDOOR AFRICA (Pty) Ltd  |             | South Africa | 70.00      | F              | 100.00     |
| JCDecaux SUBSAHARAN AFRICA HOLDINGS (Pty) Ltd<br>(previously CONTINENTAL OUTDOOR MEDIA HOLDING) |             | South Africa | 70.00      | F              | 100.00     |
| CONTINENTAL OUTDOOR MEDIA (ANGOLA) Lda  |             | Angola       | 70.00      | F              | 100.00     |
| URBANMEDIA ARGENTINA S.A.   | (18)        | Argentina    | 85.69      | F              | 100.00     |
| CBS OUTDOOR ARGENTINA SA renamed JCDecaux<br>Argentina OOH S.A.                                 | (20) & (34) | Argentina    | 100.00     | F              | 100.00     |
| GEWISTA WERBEGESELLSCHAFT.mBH   | (1)         | Austria      | 67.00      | F              | 67.00      |
| PROGRESS AUSSENWERBUNG GmbH   |             | Austria      | 42.34      | F              | 51.00      |
| PROGRESS WERBELAND WERBE. GmbH  |             | Austria      | 34.17      | F              | 51.00      |
| ISPA WERBEGES.mBH   |             | Austria      | 42.34      | F              | 51.00      |
| USP WERBEGESELLSCHAFT.mBH   |             | Austria      | 50.25      | F              | 75.00      |
| JCDecaux CENTRAL EASTERN EUROPE GmbH  |             | Austria      | 100.00     | F              | 100.00     |
| GEWISTA SERVICE GmbH  |             | Austria      | 67.00      | F              | 100.00     |
| ROLLING BOARD OBERÖSTERREICH WERBE GmbH   |             | Austria      | 25.13      | E*             | 50.00      |
| KULTURPLAKAT  |             | Austria      | 67.00      | F              | 100.00     |
| MEGABOARD SORAVIA GmbH  |             | Austria      | 67.00      | F              | 100.00     |
| ANKÜNDER GmbH   |             | Austria      | 16.68      | E              | 24.90      |
| JCDecaux BILLBOARD BELGIUM  |             | Belgium      | 100.00     | F              | 100.00     |
| JCDecaux ARTVERTISING BELGIUM   |             | Belgium      | 100.00     | F              | 100.00     |
| INSERT BELGIUM SA   |             | Belgium      | 100.00     | F              | 100.00     |
| DOOH renamed JCDecaux MALLS   | (3)         | Belgium      | 73.36      | F              | 100.00     |
| JCDecaux BOTSWANA (PTY) LIMITED   |             | Botswana     | 70.00      | F              | 100.00     |
| OUTFRONT MEDIA EXTERIOR Ltda  | (20)        | Brazil       | 72.71      | F              | 80.00      |
| EPPAR - EMPRESA DE PANEIS A PARTICIPACOES<br>LIMITADA   | (20)        | Brazil       | 68.01      | F              | 80.00      |
| OUTFRONT MEDIA BRASIL Ltda renamed JCDecaux MIDIA<br>BRASIL Ltda                                | (20)        | Brazil       | 84.13      | F              | 100.00     |
| TECHMIDIA PUBLICIDADE EXTERIOR SA renamed<br>JCDecaux GRANDES FORMATOS MIDIA EXTERIOR SA        | (20)        | Brazil       | 84.53      | F              | 100.00     |
| JCDecaux OUTDOOR Ltda   | (3)         | Brazil       | 100.00     | F              | 100.00     |
| JCDecaux BULGARIA HOLDING BV  | (11)        | Bulgaria     | 50.00      | E*             | 50.00      |
| JCDecaux BULGARIA EOOD  |             | Bulgaria     | 50.00      | E*             | 50.00      |
| AGENCIA PRIMA AD  |             | Bulgaria     | 45.00      | E*             | 50.00      |
| MARKANY LINE EOOD   |             | Bulgaria     | 50.00      | E*             | 50.00      |
| A TEAM EOOD   |             | Bulgaria     | 50.00      | E*             | 50.00      |
| EASY DOCK EOOD  |             | Bulgaria     | 50.00      | E*             | 50.00      |
| PRIME OUTDOOR OOD   |             | Bulgaria     | 50.00      | E*             | 50.00      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| COMPANIES  |             | COUNTRY              | % INTEREST | CONSOL. METHOD | % CONTROL* |
|--|-------------|----------------------|------------|----------------|------------|
| INTERNATIONAL OUTDOOR ADVERTISING HOLDING COMPANY  | (20)        | Cayman Islands       | 85.02      | F              | 100.00     |
| IOAHC INVESTMENTS URUGUAY COMPANY  | (20)        | Cayman Islands       | 85.02      | F              | 100.00     |
| IOAHC INVESTMENTS COMPANY  | (20)        | Cayman Islands       | 85.02      | F              | 100.00     |
| IOA PROLIX COMPANY   | (20)        | Cayman Islands       | 68.01      | F              | 80.00      |
| OUTFRONT MEDIA CHILE S.A. renamed JCDecaux OOH CHILE S.A.  | (20)        | Chile                | 85.02      | F              | 100.00     |
| CEE MEDIA HOLDING LIMITED  |             | Cyprus               | 50.00      | E*             | 50.00      |
| DROSFIELD ENTERPRISES LIMITED  |             | Cyprus               | 50.00      | E*             | 50.00      |
| OUTDOOR MEDIA SYSTEMS LIMITED  |             | Cyprus               | 50.00      | E*             | 50.00      |
| FEGPORT INVESTMENTS Ltd  |             | Cyprus               | 25.00      | E*             | 25.00      |
| ELACORP LIMITED  |             | Cyprus               | 18.75      | E*             | 25.00      |
| PUBLIVALLAS S.A.   | (17) & (27) | Costa Rica           | 60.97      | F              | 100.00     |
| TOP MEDIA COSTA RICA, S.A.   | (3) & (27)  | Costa Rica           | 60.97      | F              | 100.00     |
| EUROPLAKAT Doo   |             | Croatia              | 42.34      | F              | 51.00      |
| METROPOLIS MEDIA Doo   |             | Croatia              | 42.34      | F              | 100.00     |
| FULL TIME Doo  |             | Croatia              | 42.34      | F              | 100.00     |
| JCDecaux STREET FURNITURE FZ LLC   |             | United Arab Emirates | 100.00     | F              | 100.00     |
| JCDecaux ESPANA S.L.U.   | (1)         | Spain                | 100.00     | F              | 100.00     |
| CLEAR CHANNEL ESPANA, S.L.U. y CEMUSA - CORPORACION EUROPEA DE MOBILIARIO URBANO, S.A.             |             | Spain                | 50.00      | E*             | 50.00      |
| INTERSTATE JCDecaux LLC  |             | United States        | 49.00      | E*             | 49.00      |
| JV INTELLIGENT SIGN NETWORK (ISN)  | (2)         | United States        | 51.00      | E*             | 51.00      |
| OUTFRONT MEDIA IOA HOLDINGS LLC renamed JCDecaux CARTELERA HOLDINGS LLC                            | (20) & (2)  | United States        | 85.00      | F              | 100.00     |
| TM OUTDOOR, LCC  | (3) & (27)  | United States        | 60.97      | F              | 100.00     |
| TOP MEDIA GUATEMALA, S.A.  | (3) & (27)  | Guatemala            | 60.97      | F              | 100.00     |
| TOP MEDIA HONDURAS, S.A.   | (3) & (27)  | Honduras             | 60.97      | F              | 100.00     |
| POAD   |             | Hong Kong            | 49.00      | E              | 49.00      |
| DAVID ALLEN HOLDINGS Ltd   | (10)        | Ireland              | 100.00     | F              | 100.00     |
| DAVID ALLEN POSTER SITES Ltd   |             | Ireland              | 100.00     | F              | 100.00     |
| SOLAR HOLDINGS Ltd   |             | Ireland              | 100.00     | F              | 100.00     |
| JCDecaux IRELAND Ltd   |             | Ireland              | 100.00     | F              | 100.00     |
| BRAVO OUTDOOR ADVERTISING Ltd  |             | Ireland              | 100.00     | F              | 100.00     |
| JCDecaux LESOTHO (PTY) LTD   |             | Lesotho              | 70.00      | F              | 100.00     |
| JCDecaux MADAGASCAR SA   |             | Madagascar           | 56.00      | F              | 80.00      |
| JCDecaux MEDIA Sdn Bhd   |             | Malaysia             | 100.00     | F              | 100.00     |
| JCDecaux OUTDOOR ADVERTISING LTD   |             | Malawi               | 70.00      | F              | 100.00     |
| JCDecaux (MAURITIUS) Ltd   |             | Mauritius            | 70.00      | F              | 100.00     |
| JCDecaux (Mauritius) Ltd (previously CONTINENTAL OUTDOOR MEDIA MANAGEMENT COMPANY (MAURITIUS) Ltd) |             | Mauritius            | 70.00      | F              | 100.00     |
| VENDOR PUBLICIDAD S DE R.L. DE C.V.  | (20)        | Mexico               | 85.00      | F              | 100.00     |



| COMPANIES  |            | COUNTRY         | % INTEREST | CONSOL. METHOD | % CONTROL* |
|--|------------|-----------------|------------|----------------|------------|
| FUSIONANTE VENDOR S DE R.L DE C.V.                   | (20)       | Mexico          | 85.00      | F              | 100.00     |
| SERVICIOS ADMINISTRATIVOS S DE R.L DE C.V.           | (20)       | Mexico          | 85.02      | F              | 100.00     |
| JCDecaux MOZAMBIQUE LDA                              |            | Mozambique      | 70.00      | F              | 100.00     |
| JCDecaux NAMIBIA OUTDOOR ADVERTISING (Pty) Limited   |            | Namibia         | 70.00      | F              | 100.00     |
| TOP MEDIA NICARAGUA, S.A.                            | (3) & (27) | Nicaragua       | 60.97      | F              | 100.00     |
| CONTINENTAL OUTDOOR MEDIA UGANDA Ltd                 |            | Uganda          | 70.00      | F              | 100.00     |
| TOP MEDIA, S.A.                                      | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| COSMO PUBLICIDAD COMPANY, S.A.                       | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| CENTRAL AMERICAN TOWER, S.A.                         | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| PUBLITOP DE PANAMA, S.A.                             | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| DIGITAL TOP, S.A.                                    | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| PUENTES TOP, S.A.                                    | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| TRANSTOP, S.A.                                       | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| PANAMERICAN OUTDOOR ADVERTISING INC                  | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| SHOP TOP, S.A.                                       | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| TOP MEDIA PANAMA, S.A.                               | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| EUROPOSTER BV  | (2)        | The Netherlands | 100.00     | F              | 100.00     |
| OUTDOOR SYSTEMS AMERICAS NETHERLANDS NEWCO BV        | (20)       | The Netherlands | 85.02      | F              | 100.00     |
| OUTFRONT MEDIA PP BV renamed JCDecaux CARTELERA B.V. | (20)       | The Netherlands | 85.02      | F              | 100.00     |
| JCDecaux NEONLIGHT Sp zoo                            |            | Poland          | 100.00     | F              | 100.00     |
| GIGABOARD POLSKA Sp zoo Poland                       |            | Poland          | 67.00      | F              | 100.00     |
| RED PORTUGUESA - PUBLICIDADE EXTERIOR SA             |            | Portugal        | 96.38      | F              | 96.38      |
| AUTEDOR - PUBLICIDADE EXTERIOR Lda                   |            | Portugal        | 49.15      | F              | 51.00      |
| RED LITORAL - PUBLICIDADE EXTERIOR Lda               |            | Portugal        | 72.29      | F              | 75.00      |
| DISTRIBUIDORA DE VALLAS DOMINICANA, S.A.             | (17)       | Dominican Rep.  | 85.00      | F              | 100.00     |
| EUROPLAKAT Spol Sro                                  |            | Czech Rep.      | 67.00      | F              | 100.00     |
| JCDecaux Ltd   |            | United Kingdom  | 100.00     | F              | 100.00     |
| JCDecaux UNITED Ltd                                  |            | United Kingdom  | 100.00     | F              | 100.00     |
| ALLAM GROUP Ltd                                      |            | United Kingdom  | 100.00     | F              | 100.00     |
| EXCEL OUTDOOR MEDIA Ltd                              |            | United Kingdom  | 100.00     | F              | 100.00     |
| RUSS OUT OF HOME BV (RUSS OUTDOOR)                   | (8)        | Russia          | 25.00      | E*             | 25.00      |
| ADVANCE GROUP LLC (previously ADVANCE HOLDING LLC)   |            | Russia          | 12.75      | E*             | 25.00      |
| ALMACOR UNDERGROUND LLC                              | (33)       | Russia          | 21.25      | E*             | 25.00      |
| ANZH LLC   | (32)       | Russia          | 25.00      | E*             | 25.00      |
| APR CITY/TVD LLC                                     |            | Russia          | 25.00      | E*             | 25.00      |
| BIG - MEDIA LLC (previously BIG - MEDIA LTD)         |            | Russia          | 25.00      | E*             | 25.00      |
| BIGBOARD LLC   |            | Russia          | 25.00      | E*             | 25.00      |
| DISPLAY LLC  |            | Russia          | 18.75      | E*             | 25.00      |

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|--|------------|---------|------------|----------------|------------|
| EDINY GOROD LLC  | (2)        | Russia  | 12.75      | E*             | 25.00      |
| EKRAN LLC  | (33)       | Russia  | 25.00      | E*             | 25.00      |
| EUROPEAN OUTDOOR COMPANY Inc.                            | (9)        | Russia  | 25.00      | E*             | 25.00      |
| EXPOMEDIA LLC  |            | Russia  | 25.00      | E*             | 25.00      |
| FREGAT LLC   |            | Russia  | 25.00      | E*             | 25.00      |
| HARDLINK SOLUTIONS LLC                                   |            | Russia  | 25.00      | E*             | 25.00      |
| JSC MOSCOW CITY ADVERTISING                              | (2)        | Russia  | 24.67      | E*             | 25.00      |
| WALL CIS LLC   |            | Russia  | 25.00      | E*             | 25.00      |
| KIWI SERVICES LIMITED                                    | (9) & (30) | Russia  | 25.00      | E*             | 25.00      |
| KRASNOGORSK SOUZ REKLAMA LLC                             | (33)       | Russia  | 15.00      | E*             | 25.00      |
| MARS ART LLC   | (31)       | Russia  | 25.00      | E*             | 25.00      |
| MEDIA INFORM LLC   | (31)       | Russia  | 12.75      | E*             | 25.00      |
| MEDIA SUPPORT SERVICES Ltd                               | (9)        | Russia  | 25.00      | E*             | 25.00      |
| MERCURY OUTDOOR DISPLAYS Ltd                             | (9)        | Russia  | 25.00      | E*             | 25.00      |
| RUSS OUT OF HOME GmbH (previously NEWS OUT OF HOME GmbH) | (7)        | Russia  | 25.00      | E*             | 25.00      |
| NIZHNOVREKLAMA LLC                                       | (32)       | Russia  | 25.00      | E*             | 25.00      |
| NORTH WEST FACTORY LLC                                   | (31)       | Russia  | 25.00      | E*             | 25.00      |
| NORTHERN OUTDOOR DISPLAYS Ltd                            | (9)        | Russia  | 25.00      | E*             | 25.00      |
| OMS LLC  |            | Russia  | 25.00      | E*             | 25.00      |
| OUTDOOR LLC  |            | Russia  | 25.00      | E*             | 25.00      |
| OUTDOOR MARKETING LLC                                    |            | Russia  | 25.00      | E*             | 25.00      |
| OUTDOOR MEDIA MANAGEMENT LLC                             |            | Russia  | 25.00      | E*             | 25.00      |
| OUTDOOR SYSTEMS LIMITED                                  | (9)        | Russia  | 25.00      | E*             | 25.00      |
| PETROVIK LLC   |            | Russia  | 25.00      | E*             | 25.00      |
| PRESTIGE SERVICE LLC                                     | (31)       | Russia  | 25.00      | E*             | 25.00      |
| PRIMESITE LLC  |            | Russia  | 25.00      | E*             | 25.00      |
| PRIMESITE Ltd  | (9)        | Russia  | 25.00      | E*             | 25.00      |
| PUBLICITY XXI LLC  | (33)       | Russia  | 25.00      | E*             | 25.00      |
| RCMO JSC   |            | Russia  | 12.50      | E*             | 25.00      |
| REKART INTERNATIONAL LIMITED                             | (9) & (2)  | Russia  | 25.00      | E*             | 25.00      |
| REKART MEDIA LLC   |            | Russia  | 25.00      | E*             | 25.00      |
| REKTIME LLC  |            | Russia  | 25.00      | E*             | 25.00      |
| RIM NN LLC   | (32)       | Russia  | 25.00      | E*             | 25.00      |
| RIVER AND SUN LLC  | (32)       | Russia  | 25.00      | E*             | 25.00      |
| ROSSERV LLC  | (32)       | Russia  | 25.00      | E*             | 25.00      |
| RT VERSHINA LLC  | (33)       | Russia  | 25.00      | E*             | 25.00      |
| RUSS INDOOR LLC  |            | Russia  | 25.00      | E*             | 25.00      |
| RUSS OUTDOOR LLC   |            | Russia  | 25.00      | E*             | 25.00      |
| RUSS OUTDOOR MEDIA LLC                                   |            | Russia  | 25.00      | E*             | 25.00      |
| SCARBOROUGH ASSOCIATED SA                                | (9)        | Russia  | 25.00      | E*             | 25.00      |

| COMPANIES   |            | COUNTRY     | % INTEREST | CONSOL. METHOD | % CONTROL* |
|---|------------|-------------|------------|----------------|------------|
| SCROPE TRADE & FINANCE SA   | (9)        | Russia      | 25.00      | E*             | 25.00      |
| SENROSE FINANCE LIMITED   | (9)        | Russia      | 25.00      | E*             | 25.00      |
| SOLVEX Ltd  | (9)        | Russia      | 25.00      | E*             | 25.00      |
| STOLITSA M CJCS   | (2)        | Russia      | 25.00      | E*             | 25.00      |
| TECHNO STROY LLC  | (32)       | Russia      | 24.75      | E*             | 25.00      |
| TERMOTRANS LLC  |            | Russia      | 25.00      | E*             | 25.00      |
| TRINITY NEON LLC  | (31)       | Russia      | 25.00      | E*             | 25.00      |
| UNITED OUTDOOR HOLDING Inc.   | (9)        | Russia      | 25.00      | E*             | 25.00      |
| VIVID PINK LIMITED  | (9) & (30) | Russia      | 25.00      | E*             | 25.00      |
| WILD PLUM LIMITED   | (9) & (30) | Russia      | 25.00      | E*             | 25.00      |
| TOP MEDIA EL SALVADOR, S.A. de C.V.   | (3) & (27) | Salvador    | 60.97      | F              | 100.00     |
| ISPA BRATISLAVA Spol Sro  |            | Slovakia    | 67.00      | F              | 100.00     |
| EUROPLAKAT INTERWEB Spol Sro  | (15)       | Slovakia    | 67.00      | F              | 100.00     |
| EUROPLAKAT Doo  |            | Slovenia    | 27.56      | E*             | 41.13      |
| PLAKATIRANJE Doo  |            | Slovenia    | 27.56      | E*             | 41.13      |
| SVETLOBNE VITRINE   |            | Slovenia    | 27.56      | E*             | 41.13      |
| MADISON Doo   |            | Slovenia    | 27.56      | E*             | 41.13      |
| METROPOLIS MEDIA Doo (SLOVENIA)   |            | Slovenia    | 27.56      | E*             | 41.13      |
| APG SGA SA  |            | Switzerland | 30.00      | E              | 30.00      |
| JCDecaux SWAZILAND (PTY) LTD  |            | Swaziland   | 70.00      | F              | 100.00     |
| JCDecaux TANZANIA LTD (previously CONTINENTAL OUTDOOR MEDIA (TANZANIA) Ltd) |            | Tanzania    | 70.00      | F              | 100.00     |
| BIGBOARD B.V.   | (12)       | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD GROUP LLC  |            | Ukraine     | 50.00      | E*             | 50.00      |
| ALTER-V LLC   |            | Ukraine     | 50.00      | E*             | 50.00      |
| AUTO CAPITAL LLC  |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIG MEDIA LLC   |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD KHARKOV  |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD KIEV LLC   |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD LVIV   |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD SIMFEROPOL   | (2)        | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD VYSHGOROD  |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD ZAPOROZHIE   |            | Ukraine     | 50.00      | E*             | 50.00      |
| BOMOND LLC  |            | Ukraine     | 25.00      | E*             | 50.00      |
| GARMONIYA LLC   |            | Ukraine     | 50.00      | E*             | 50.00      |
| MEDIA PARTNER - O   |            | Ukraine     | 50.00      | E*             | 50.00      |
| OUTDOORAUTO   |            | Ukraine     | 50.00      | E*             | 50.00      |
| POSTER DNEPROPETROVSK   |            | Ukraine     | 50.00      | E*             | 50.00      |
| POSTER DONETSK  |            | Ukraine     | 50.00      | E*             | 50.00      |
| POSTER GROUP LLC  |            | Ukraine     | 50.00      | E*             | 50.00      |
| POSTER LLC KIEV   |            | Ukraine     | 50.00      | E*             | 50.00      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| COMPANIES                   | COUNTRY     | % INTEREST | CONSOL. METHOD | % CONTROL* |
|-----------------------------|-------------|------------|----------------|------------|
| POSTER ODESSA               | Ukraine     | 50.00      | E*             | 50.00      |
| REKSVIT UKRAINE LLC         | Ukraine     | 50.00      | E*             | 50.00      |
| UKRAIYINSKA REKLAMA LLC     | Ukraine     | 50.00      | E*             | 50.00      |
| VULITCHNI MEBLI             | (2) Ukraine | 50.00      | E*             | 50.00      |
| JCDecaux ZAMBIA LTD         | Zambia      | 70.00      | F              | 100.00     |
| JCDecaux ZIMBABWE (PVT) LTD | Zimbabwe    | 70.00      | F              | 100.00     |

(1) Companies spread over two or three activities for segment reporting purposes, but listed in the above table according to their historical business activity.

(2) Companies liquidated in 2016.

(3) Companies consolidated in 2016.

(4) Companies sold in 2016.

(5) This company is a representative office of JCDecaux Bahrain SPC.

(6) This company is a representative office of JCDecaux France.

(7) Company incorporated under Austrian law and operating in Russia.

(8) Company incorporated under Dutch law and operating in Russia.

(9) Company incorporated under British Virgin Islands law and holding interests in Russia.

(10) Company incorporated under British law and operating in Northern Ireland.

(11) Company incorporated under Dutch law and operating in Bulgaria.

(12) Company incorporated under Dutch law and operating in Ukraine.

(13) Company incorporated under British Virgin Islands law and holding interests in Hong Kong.

(14) Acquisition of the non-controlling interests of Wall AG (Germany) to our partner by JCDecaux Deutschland GmbH (Germany). This transaction changes the percentage of financial interests in the companies held by Wall AG in Germany, Hungary and Turkey.

(15) Europlakat Interweb Spol Sro (Slovakia) was absorbed by Ispa Bratislava Spol Sro (Slovakia) on 1 January 2016.

(16) Sale of Vbm Varosbutor Es Media Kft (Hungary) held by Wall AG (Germany) to Gewista Werbegesellschaft mbH (Austria) on 19 February 2016; leading to a percentage of financial interests of 67%.

(17) The main activity of Distribuidora De Vallas Dominicana, S.A. (Dominican Republic) and Publivalas S.A. (Costa Rica) is Billboard from now on.

(18) Urbanmedia Argentina S.A. (Argentina), held by JCDecaux Argentina S.A. (Argentina) and Equipamientos Urbanos De Mexico, S.A. de C.V. (Mexico) had a capital increase entirely subscribed by Equipamientos Urbanos De Mexico, S.A. de C.V. (Mexico) leading to a percentage of financial interests of 85.69%.

(19) On 20 April 2016 acquisition of the non-controlling interests of Cemusa Salvador S.A. (Brazil) by JCDecaux Do Brasil S.A. (Brazil) leading to a percentage of financial interests of 100%.

(20) On 1 April 2016, the subsidiaries JCDecaux Latin America and Corameq each acquired 50% of the Latin America business of OUTFRONT Media Inc. (85% of interest). The Outfront Media group is fully consolidated.

(21) Sale without loss of control of 25% of Equipamientos Urbanos Nacionales De Colombia Ltda (Colombia) leading, for it and the company that it holds (Llega S.A.S.), to a percentage of financial interests of 63.75% and a percentage of control of 75%.

(22) Sale of JCDecaux South Africa Outdoor Advertising (Proprietary) Limited held by JCDecaux South Africa Holdings (Proprietary) Limited to JCDecaux South Africa (Pty) Ltd (previously Continental Outdoor Media (Pty) Ltd) leading to a percentage of financial interests of 49%.

(23) Change of the consolidation method, from now on under equity method (under significant influence).

(24) Beijing top result metro adv. Co. Ltd (China) is accounted for under equity method as a result of the joint control with the group's partner in the Management.

(25) Pascone, S.A. de C.V. (Mexico) and Tenedora De Acciones De Mobiliario, S.A. de C.V. (Mexico) were absorbed by Equipamientos Urbanos De Mexico, S.A. de C.V. (Mexico) on 1 July 2016.

(26) Wall AG (Germany), Georg Zacharias GmbH (Germany) and Wall Vvr GmbH (Germany) were absorbed by JCDecaux Deutschland GmbH (Germany) with a retroactive effect starting on 1 January 2016.

(27) In December 2016, JCDecaux and Top Media merged their activities. The new entity, JCDecaux-Top Media, of which 71.73% of the capital is owned by JCDecaux and 28.27% owned by Top Media, operates in Panama, Guatemala, Costa Rica, El Salvador, Honduras and Nicaragua. In the course of this transaction, the group brought to the Top Media group the companies located in Panama, Guatemala, Costa Rica and Salvador leading to a percentage of financial interests of 60.97%.

(28) JCDecaux Nigeria Outdoor Advertising Ltd (Nigeria) is held at 70 % by JCDecaux Subsaharan Africa (Pty) Ltd (South Africa) and at 30 % by a partner.

(29) Sale of Cemusa Italia Srl (Italy) to IGPDecaux (Italy) leading the percentage of financial interests to 60%; from now on the company is accounted for under equity method (under joint control).

(30) In Russia: Vivid Pink Limited, Wild Plum Limited and Kiwi Services Limited were absorbed by Scrope Trade & Finance SA in March 2016.

(31) In Russia: North West Factory LLC, Trinity Neon LLC, Prestige Service LLC, Media Inform LLC and Mars Art LLC were absorbed by Russ Indoor LLC in July 2016.

(32) In Russia: Rim Nn LLC, Techno Stroy LLC, Anzh LLC, Nizhnovreklama LLC, Rosserv LLC and River and Sun LLC were absorbed by Revertime LLC in September 2016.

(33) In Russia: Ekran LLC, Publicity XXI LLC, Almacor Underground LLC, Krasnogorsk Souz Reklama LLC and RT Verzhina LLC were absorbed by Rekart Media LLC in October 2016.

(34) CBS Outdoor Argentina SA renamed JCDecaux Argentina OOH S.A. (Argentina), entity of Outfront Media, was sold internally to JCDecaux Amériques Holding (France) and JCDecaux Asie Holding (France) in December 2016.

(35) Sale of Era Reklam As (Turkey) in January 2017.

Note:

F = Full consolidation

E\* = Under the equity method (joint control)

E = Under the equity method (significant influence)

\* The percentage of control corresponds to the portion of direct ownership in the share capital of the companies except for the companies held by a company under joint control. For these companies, the percentage of control corresponds to the percentage of control of its owner.

### 13. SUBSEQUENT EVENTS

On 1<sup>st</sup> March 2017, the Supervisory Board decided to propose a €0.56 per share dividend distribution for 2016 at the General Meeting of Shareholders in May 2017, subject to the payment of a 3% dividend tax.

## 1. DISCUSSION OF ACTIVITIES

On 19 October 2015, JCDecaux and Publicis group agreed an increase in JCDecaux's stake in Metrobus from 33% to 100% subject to approval by the French Competition Authority. On 1 June 2016, JCDecaux decided to withdraw from the deal as its strategic and economic benefits had been undermined by the overly strict demands of the French Competition Authority.

On 26 May 2016, JCDecaux SA issued €750 million in seven-year bonds maturing on 1 June 2023. Proceeds from the issue will be used for general financing purposes and in particular to repay the €500 million of bonds due in February 2018.

## 2. DISCUSSION OF THE FINANCIAL STATEMENTS

### 2.1. Operating income

Revenue in 2016 amounted to €73.7 million compared with €73.6 million in 2015 and mainly covered services charged back to the group's various subsidiaries:

- tax, legal and financial assistance and advice
- IT services
- research

Capitalised production costs amounted to €5.3 million and related to the IT projects carried out during the year and booked to intangible assets. They amounted to €6.4 million in 2015.

Reversals of amortisation, depreciation and provisions and expense reclassifications stood at €3.5 million versus €2 million in 2015 as a result of deferred charges from new bond issue costs of €3 million.

Other revenue came to €44.9 million compared with €41.6 millions in 2015 and mostly covered royalties from intangible assets (trademarks, patents, know-how and other rights) invoiced to subsidiaries.

Total operating income stood at €127.4 million compared with €123.6 million in 2015.

### 2.2. Operating charges

Operating charges amounted to €144.4 million compared with €147 million in 2015, down 1.8% (€2.6 million).

Other purchases and external charges stood at €73 million compared with €79.7 million in 2015, down 8.4% (€6.7 million), and mainly consisted of:

- €30.9 million in IT subcontracting and maintenance compared with €31 million in 2015

- €7.1 million in fees, compared with €16.7 million in 2015, down €9.6 million, explained by a decrease in planned acquisitions and by fees related to specific transactions in 2015, the Simplified Public Tender Offer (OPAS) for €4.2 million and the extension of the revolving credit line for €1.5 million

- €6.2 million in administrative costs charged by certain subsidiaries compared with €5.2 million in 2015

- €4 million in management fees charged by certain subsidiaries compared with €3.9 million in 2015

Taxes came to €4.7 million in 2016 compared with €5.2 million in 2015.

Staff costs amounted to €46.5 million compared with €45.7 million in 2015, up 1.8% (€0.8 million).

Depreciation, amortisation and provisions totalled €11.7 million and were principally made up of €8.2 million in depreciation and amortisation, €1.6 million in provisions for deferred charges, €1.8 million in provisions for retirement benefits, and €0.1 million in provisions.

Other expenses amounted to €7.7 million, and were mainly made up of brand licensing fee paid to JCDecaux France.

### 2.3. Net financial income (loss)

A net financial loss of €43.2 million was recorded in 2016 compared with a profit of €29.3 million in 2015, a drop of €72.5 million mainly explained by:

- provisions for investment impairments net of reversals for €45.8 million in 2016 compared with net reversals in 2015 of €1 million which mainly concerned shares in the subsidiary JCDecaux Amériques Holding
- provisions on loans to subsidiaries net of reversals for €12.3 million in 2016 compared with €3.7 million in 2015
- other net provisions for €3.8 million in 2016, compared with €0.9 million in 2015
- an increase in net interest expense of €5.8 million, including €4.4 million from the new bonds
- a drop in income from equity investments of €11.7 million
- a €3.3 million increase in net foreign exchange gains

### 2.4. Non-recurring income

Non-recurring income came to a loss of €2.5 million. It was made up of net accelerated depreciation and amortisation of €2.5 million.



## 2.5. Net income

After recognition of a €9 million income tax credit, net income in 2016 amounted to a loss of €53.8 million.

### 3. SUPPLIER PAYMENT TERMS

In accordance with the provisions of article L.441-6-1 of the French Commercial Code, information on supplier payment terms is as follows:

| IN MILLION EUROS      | POSITION<br>AS OF<br>31.12.2016 | POSITION<br>AS OF<br>31.12.2015 |
|-----------------------|---------------------------------|---------------------------------|
| NOT YET DUE           | 15.7                            | 16.3                            |
| Due from 0 to 30 days | 0.9                             | 0.4                             |
| Due from 0 to 60 days | 0.2                             | 0.1                             |
| Due 60+ days          | 0.2                             | 0.5                             |
| <b>TOTAL</b>          | <b>17.0</b>                     | <b>17.3</b>                     |

### 4. NON-DEDUCTIBLE EXPENSES

Expenses that are not tax-deductible, referred to in article 223c of the French General Tax Code, stood at €109,615 and generated an estimated income tax expense of €36,535.

### 5. RECENT DEVELOPMENT AND OUTLOOK

In 2017, JCDecaux SA will continue its group holding and subsidiary support activity.

| <b>BALANCE SHEET ASSETS</b>        |                             |                |                |
|------------------------------------|-----------------------------|----------------|----------------|
| <b>IN MILLION EUROS</b>            |                             | <b>2016</b>    | <b>2015</b>    |
| Intangible assets                  | Gross value                 | 97.4           | 91.3           |
|                                    | Amortisation and impairment | (78.5)         | (73.2)         |
|                                    | Net value                   | 18.9           | 18.1           |
| Property, plant and equipment      | Gross value                 | 52.3           | 50.6           |
|                                    | Amortisation and impairment | (20.8)         | (18.1)         |
|                                    | Net value                   | 31.5           | 32.5           |
| Equity investments                 | Gross value                 | 3,587.4        | 3,261.1        |
|                                    | Write-downs                 | (112.8)        | (54.7)         |
|                                    | Net value                   | 3,474.6        | 3,206.4        |
| <b>FIXED ASSETS</b>                |                             | <b>3,525.0</b> | <b>3,257.0</b> |
| Trade receivables                  | Gross value                 | 53.9           | 58.3           |
|                                    | Write-downs                 | (0.1)          | (0.1)          |
|                                    | Net value                   | 53.8           | 58.2           |
| Other receivables                  | Gross value                 | 179.3          | 155.7          |
|                                    | Write-downs                 | 0.0            | 0.0            |
|                                    | Net value                   | 179.3          | 155.7          |
| Cash and cash equivalents          |                             | 859.2          | 187.4          |
| Deferred income                    |                             | 2.1            | 2.1            |
| <b>CURRENT ASSETS</b>              |                             | <b>1,094.4</b> | <b>403.4</b>   |
| Deferred charges                   |                             | 5.7            | 4.2            |
| Bond repayment premiums            |                             | 1.5            | 1.1            |
| Unrealised foreign exchange losses |                             | 18.5           | 27.5           |
| <b>TOTAL ASSETS</b>                |                             | <b>4,645.2</b> | <b>3,693.2</b> |

| BALANCE SHEET EQUITY AND LIABILITIES               |  |                |                |
|--|--|----------------|----------------|
| IN MILLION EUROS                                   |  | 2016           | 2015           |
| Share capital                                      |  | 3.2            | 3.2            |
| Premium on share issues, mergers and contributions |  | 718.7          | 712.9          |
| Reserves   |  | 406.9          | 514.4          |
| Retained earnings                                  |  | 0.0            | 0.0            |
| Net income for the period                          |  | (53.8)         | 11.4           |
| Tax-driven provisions                              |  | 13.0           | 10.4           |
| <b>EQUITY</b>                                      |  | <b>1,088.1</b> | <b>1,252.3</b> |
| <b>PROVISIONS FOR CONTINGENCIES AND LOSSES</b>     |  | <b>15.3</b>    | <b>10.4</b>    |
| Long-term debt                                     | Other bonds  | 1,263.3        | 508.9          |
|  | Bank borrowings  | 1.0            | 1.2            |
|  | Miscellaneous facilities and other financial debt      | 2,192.9        | 1,830.2        |
| Operating liabilities                              | Trade payables and related accounts                    | 31.3           | 31.8           |
|  | Tax, personnel and other social liabilities            | 21.5           | 21.2           |
| Miscellaneous liabilities                          | Amounts due on non-current assets and related accounts | 0.5            | 1.2            |
|  | Other liabilities                                      | 19.1           | 27.3           |
| Deferred income                                    |  | 0.1            | 0.0            |
| <b>LIABILITIES</b>                                 |  | <b>3,529.7</b> | <b>2,421.8</b> |
|  | Unrealised translation gains                           | 12.0           | 8.7            |
| <b>TOTAL EQUITY AND LIABILITIES</b>                |  | <b>4,645.2</b> | <b>3,693.2</b> |

| INCOME STATEMENT  |               |               |
|---|---------------|---------------|
| IN MILLION EUROS  | 2016          | 2015          |
| <b>NET REVENUE</b>  | <b>73.7</b>   | <b>73.6</b>   |
| Self-created assets   | 5.3           | 6.4           |
| Reversals of amortisation, depreciation, provisions and expense reclassifications | 3.5           | 2.0           |
| Other revenues  | 44.9          | 41.6          |
| <b>TOTAL OPERATING INCOME</b>   | <b>127.4</b>  | <b>123.6</b>  |
| Other purchases and external charges  | 73.0          | 79.7          |
| Taxes   | 4.7           | 5.2           |
| Wages and salaries  | 32.4          | 31.0          |
| Social security contributions   | 14.8          | 14.7          |
| Amortisation, depreciation and provisions   | 11.7          | 8.9           |
| Other charges   | 7.7           | 7.5           |
| <b>TOTAL OPERATING CHARGES</b>  | <b>144.4</b>  | <b>147.0</b>  |
| <b>OPERATING INCOME OR LOSS</b>   | <b>(17.0)</b> | <b>(23.4)</b> |
| <b>NET FINANCIAL INCOME</b>   | <b>(43.2)</b> | <b>29.3</b>   |
| <b>CURRENT INCOME/(LOSS) BEFORE TAXES</b>   | <b>(60.2)</b> | <b>5.9</b>    |
| Non-recurring income  | 3.7           | 3.4           |
| Non-recurring charges   | 6.2           | 8.5           |
| <b>NON-RECURRING INCOME/(CHARGES)</b>   | <b>(2.5)</b>  | <b>(5.1)</b>  |
| Employee profit-sharing   | 0.0           | 0.0           |
| Income taxes (income +/charges -)   | (9.0)         | (10.6)        |
| <b>NET INCOME/(LOSS)</b>  | <b>(53.8)</b> | <b>11.4</b>   |

|  |            |
|--|------------|
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The corporate financial statements of JCDecaux SA for the financial year ended 31 December 2016 were approved by the Executive Board on 28 February 2017 with revenue of €73.7 million, net loss of €53.8 million and total assets of €4,645.2 million.

## 1. SIGNIFICANT EVENTS OF THE YEAR

In May 2016, the group issued €750 million in seven-year bonds maturing on 1 June 2023.

## 2. ACCOUNTING PRINCIPLES, STANDARDS AND POLICIES

### 2.1. General principles

The corporate financial statements for the 12-month period ended 31 December 2016 were prepared in accordance with current laws and regulations and with generally accepted accounting principles:

- going concern
- accrual basis
- consistent accounting policies

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

### 2.2. Main policies

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 mainly consist of software. They are amortised on a straight-line basis over a three to five year duration.

Expenses incurred, both internal and external, to develop significant software (core business line IT applications) are carried in intangible assets and amortised on a straight-line basis over three or five 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).

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

#### 2.2.1.2 Property, plant and equipment

The depreciation methods and amortisation durations applied are as follows:

- Street furniture..... straight-line 5 to 10 years
- Technical installations, tools and equipment ..... straight-line or reducing 5 or 10 years
- Vehicles ..... straight-line 4 years or 15 years
- Office, IT and other equipment..... straight-line or reducing 3,5 or 10 years

#### 2.2.1.3 Equity investments

Equity investments are included on the balance sheet at the purchase price and are written down when their recoverable value is lower than the acquisition cost.

The recoverable value corresponds to the highest value between the sale price of financial assets and their utility value.

The utility value is calculated based on the expected discounted cash flows, less net debt. Future cash flows are determined from business plans established using budget data for the first year following the closing of accounts then on the basis of assumptions for growth and changes specific to each market, reflecting expected future outlooks. The forecast horizon differs according to the business activities of the subsidiary concerned:

- for Street Furniture and Transport, future cash flows are calculated over the remaining duration of the contract taking into consideration a probability of renewal at term
- for Billboard, they are calculated over a period of five years with a perpetual projection on the basis of a 2% annual growth rate in Europe and a 3% annual growth rate in the rest of the world

When the financial assets are disposed of, the FIFO method is applied.

#### 2.2.2. Current assets

##### 2.2.2.1. Receivables

Disputed or bad debts, or those which are doubtful due to age, are written down according to the risk of non-recovery.

##### 2.2.2.2. Marketable securities

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

##### 2.2.2.3. Prepaid expenses

In accordance with the accrual basis principle, expenses relating to 2017 and thereafter are recorded in this account.



**2.2.3. Liabilities****2.2.3.1. Provisions for contingencies and losses**

Provisions are recognised 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 according to the actuarial projected unit credit method.

This method consists of measuring the obligation based on the projected end-of-career salary and the rights vested at the valuation date, determined in accordance with collective trade union agreements, company agreements or the legal rights in effect.

In compliance with ANC recommendation No. 2013-02, actuarial gains/losses are immediately and fully recognised in income during the year they are made. The normal cost and the cost of past services are recognised in income.

**2.2.3.3. Deferred income**

In accordance with the accrual basis principle, income relating to 2017 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 potential difference resulting from the revaluation of these foreign currency payables, receivables and cash is recorded in the balance sheet under "unrealised translation gains or losses".

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

**2.2.4.2. Financial instruments**

JCDecaux SA uses financial instruments mainly for foreign exchange hedging purposes.

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

**2.2.5. Research tax credit - Competitiveness and Employment tax credit**

The research tax credit is recorded as a reduction of the corporate income tax.

The Competitiveness and Employment tax credit is recorded as a reduction of staff charges. The Competitiveness and employment tax credit for 2015 was €284,374 and was used to fund research and innovation projects in 2016.

**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            | VALUE ON<br>01/01/2016 | INCREASE    | REDUCTION  | VALUE ON<br>31/12/2016 |
|-----------------------------|------------------------|-------------|------------|------------------------|
| Gross value                 | 91.3                   | 13.4        | 7.3        | 97.4                   |
| Depreciation and impairment | (73.2)                 | (5.3)       | -          | (78.5)                 |
| <b>NET VALUE</b>            | <b>18.1</b>            | <b>8.10</b> | <b>7.3</b> | <b>18.9</b>            |

| GROSS VALUE<br>(IN MILLION EUROS)   | VALUE ON<br>01/01/2016 | INCREASE    | REDUCTION  | VALUE ON<br>31/12/2016 |
|-------------------------------------|------------------------|-------------|------------|------------------------|
| Patents, licences and software      | 85.8                   | 8.1         |            | 93.9                   |
| Intangible assets under development | 5.5                    | 5.3         | 7.3        | 3.5                    |
| <b>TOTAL</b>                        | <b>91.3</b>            | <b>13.4</b> | <b>7.3</b> | <b>97.4</b>            |

| DEPRECIATION AND IMPAIRMENT<br>(IN MILLION EUROS) | VALUE ON<br>01/01/2016 | INCREASE     | REDUCTION | VALUE ON<br>31/12/2016 |
|---|------------------------|--------------|-----------|------------------------|
| Patents, licences and software                    | (73.2)                 | (5.3)        | -         | (78.5)                 |
| <b>TOTAL</b>                                      | <b>(73.2)</b>          | <b>(5.3)</b> | <b>-</b>  | <b>(78.5)</b>          |

## 5. PROPERTY, PLANT AND EQUIPMENT

| IN MILLION EUROS            | VALUE ON<br>01/01/2016 | INCREASE     | REDUCTION  | VALUE ON<br>31/12/2016 |
|-----------------------------|------------------------|--------------|------------|------------------------|
| Gross value                 | 50.6                   | 2.3          | 0.6        | 52.3                   |
| Depreciation and impairment | (18.1)                 | (2.9)        | (0.2)      | (20.8)                 |
| <b>NET VALUE</b>            | <b>32.5</b>            | <b>(0.6)</b> | <b>0.4</b> | <b>31.5</b>            |

| GROSS VALUE<br>(IN MILLION EUROS)                   | VALUE ON<br>01/01/2016 | INCREASE   | REDUCTION  | VALUE ON<br>31/12/2016 |
|---|------------------------|------------|------------|------------------------|
| Street furniture                                    | 1.8                    | 0.3        | 0.1        | 2.0                    |
| Technical installations, machinery<br>and equipment | 3.9                    | 0.7        | -          | 4.6                    |
| Transport equipment                                 | 29.4                   | -          | 0.1        | 29.3                   |
| Office, IT and other equipment                      | 15.0                   | 1.2        | -          | 16.2                   |
| Assets under construction                           | 0.5                    | 0.1        | 0.4        | 0.2                    |
| <b>TOTAL</b>  | <b>50.6</b>            | <b>2.3</b> | <b>0.6</b> | <b>52.3</b>            |

| DEPRECIATION AND IMPAIRMENT<br>(IN MILLION EUROS)   | VALUE ON<br>01/01/2016 | INCREASE     | REDUCTION    | VALUE ON<br>31/12/2016 |
|---|------------------------|--------------|--------------|------------------------|
| Street furniture                                    | (1.4)                  | (0.1)        | (0.1)        | (1.4)                  |
| Technical installations, machinery<br>and equipment | (2.3)                  | (0.4)        | -            | (2.7)                  |
| Transport equipment                                 | (1.0)                  | (1.4)        | (0.1)        | (2.3)                  |
| Office, IT and other equipment                      | (13.4)                 | (1.0)        | -            | (14.4)                 |
| <b>TOTAL</b>  | <b>(18.1)</b>          | <b>(2.9)</b> | <b>(0.2)</b> | <b>(20.8)</b>          |

## 6. FINANCIAL ASSETS

| IN MILLION EUROS                                       | VALUE ON<br>01/01/2016 | INCREASE      | REDUCTION    | VALUE ON<br>31/12/2016 |
|--|------------------------|---------------|--------------|------------------------|
| Equity investments                                     | 2,922.1                |               |              | 2,922.1                |
| Loans to affiliates                                    | 254.2                  | 237.7         | 9.1          | 482.8                  |
| Loans and other long-term investments                  | 84.8                   | 191.8         | 94.1         | 182.5                  |
| <b>GROSS VALUE</b>                                     | <b>3,261.1</b>         | <b>429.5</b>  | <b>103.2</b> | <b>3,587.4</b>         |
| Write-downs on equity investments                      | (23.8)                 | (51.3)        | (5.5)        | (69.6)                 |
| Write-downs of receivables from subsidiaries and loans | (30.9)                 | (12.4)        | (0.1)        | (43.2)                 |
| <b>WRITE-DOWNS</b>                                     | <b>(54.7)</b>          | <b>(63.7)</b> | <b>(5.6)</b> | <b>(112.8)</b>         |
| <b>NET VALUE</b>                                       | <b>3,206.4</b>         | <b>365.8</b>  | <b>97.6</b>  | <b>3,474.6</b>         |

The increase or decrease in loans corresponds to new loans and to the repayment of loans granted to subsidiaries. The main increases in receivables from subsidiaries and loans concern Corporación Americana de Equipamientos Urbanos SRL for €55 million, JCDecaux Amériques Holding for €178 million and JCDecaux Afrique Holding for €38 million.

Write-downs recognised in 2016 mainly concerned shares in the subsidiary JCDecaux Amériques Holding.

## 7. CASH AND CASH EQUIVALENTS

| IN MILLION EUROS                   | 2016         | 2015         |
|------------------------------------|--------------|--------------|
| Marketable securities              | 306.5        | 86.9         |
| Bank                               | 62.7         | 100.5        |
| Term deposits for more than a year | 200.0        |              |
| Term deposits for less than a year | 290.0        | -            |
| <b>TOTAL</b>                       | <b>859.2</b> | <b>187.4</b> |

## 8. DEFERRED CHARGES

| IN MILLION EUROS   | 2016       | 2015       |
|--------------------|------------|------------|
| Loan issuing costs | 5.7        | 4.2        |
| <b>TOTAL</b>       | <b>5.7</b> | <b>4.2</b> |

Bond issue costs relate to:

- the setting up in February 2012 of an unused revolving credit line amended three times (in February 2014, July 2015 and May 2016) and maturing in June 2021
- the issue in February 2013 of a €500 million bond maturing in February 2018
- the issue in June 2016 of a €750 million bond maturing in June 2023

These costs are expensed over the respective term of each loan.

## 9. MATURITY OF RECEIVABLES AND PAYABLES

| IN MILLION EUROS | TOTAL   | LESS THAN ONE YEAR | MORE THAN ONE YEAR UP TO FIVE YEARS | MORE THAN FIVE YEARS |
|------------------|---------|--------------------|-------------------------------------|----------------------|
| Receivables      | 900.5   | 258.3              | 642.2                               |                      |
| Liabilities      | 3,529.7 | 354.3              | 3,175.4                             |                      |

The amounts shown in receivables include receivables from equity investments, loans, other financial assets, 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 financial debt with respect to subsidiaries, as well as trade payables and related accounts, other liabilities and deferred income.

**Financial debt**

JCDecaux SA's debt in relation to entities that are not its direct or indirect subsidiaries is made up for the most part of the €500 million bond issued in February 2013 maturing in February 2018, and the €750 million bond issued in June 2016 maturing in June 2023.

As of 31 December 2016, JCDecaux SA had a €825 million unused committed revolving credit facility. The maturity of this credit facility has been extended to July 2021 following the exercise of its first extension option in May 2016. The contract provides for a second one-year extension option exercisable in 2017. This revolving line of credit is conditional on maintaining a ratio of net debt to operating margin strictly below 3.5. As of 31 December 2016, JCDecaux SA complied with this covenant with a ratio significantly under required limits.

## 10. PREPAID EXPENSES AND DEFERRED INCOME

| IN MILLION EUROS        | 2016       | 2015       |
|-------------------------|------------|------------|
| Miscellaneous           | 2.1        | 2.1        |
| <b>PREPAID EXPENSES</b> | <b>2.1</b> | <b>2.1</b> |
| Miscellaneous           | 0.1        | 0.0        |
| <b>DEFERRED INCOME</b>  | <b>0.1</b> | <b>0.0</b> |

## 11. EQUITY

| IN MILLION EUROS           | 01/01/2016     | ALLOCATION OF<br>2015 INCOME | CHANGES 2016  | 31/12/2016     |
|----------------------------|----------------|------------------------------|---------------|----------------|
| Share capital              | 3.2            |                              | -             | 3.2            |
| Additional paid-in capital | 309.8          |                              | 5.8           | 315.6          |
| Merger premium             | 159.1          |                              |               | 159.1          |
| Contribution premium       | 244.0          |                              |               | 244.0          |
| Legal reserve              | 0.3            |                              |               | 0.3            |
| Other reserves             | 514.1          | (118.9)                      | 11.4          | 406.6          |
| Retained earnings          | 0.0            |                              |               | 0.0            |
| Net income for the period  | 11.4           | (11.4)                       | (53.8)        | (53.8)         |
| <b>NET POSITION</b>        | <b>1,241.9</b> | <b>(130.3)</b>               | <b>(36.6)</b> | <b>1,075.1</b> |
| Tax-driven provisions      | 10.4           |                              | 2.6           | 13.0           |
| <b>TOTAL EQUITY</b>        | <b>1,252.3</b> | <b>(130.3)</b>               | <b>(34.0)</b> | <b>1,088.1</b> |

As of 31 December 2016, the share capital amounted to €3,240,270.51 made up of 212,547,655 fully paid-up shares of the same category.

During the year, 248,417 shares were created following the exercise of stock options.

As part of the stock option plan authorised by the General Meeting of Shareholders of 13 May 2015, the Executive Board granted 866,903 options during the course of 2016. No bonus share plan was granted in 2016.

Details of stock options plans <sup>(1)</sup>:

|  | 2016 Plan  | 2015 Plan  | 2013 Plan  | 2012 Plan  | 2011 Plan  |
|--|------------|------------|------------|------------|------------|
| Date of grant  | 17/02/2016 | 16/02/2015 | 17/02/2014 | 21/02/2012 | 17/02/2011 |
| End date for acquiring rights  | 17/02/2016 | 16/02/2018 | 17/02/2017 | 21/02/2015 | 17/02/2014 |
| Expiry date  | 17/02/2023 | 16/02/2022 | 17/02/2021 | 21/02/2019 | 17/02/2018 |
| Number of beneficiaries  | 270        | 173        | 237        | 215        | 220        |
| Number of options granted  | 866,903    | 546,304    | 780,392    | 1,144,734  | 934,802    |
| Strike price before adjustment <sup>(2)</sup>                        | €34.01     | €31.29     | €31.69     | €19.73     | €23.49     |
| Strike price after adjustment <sup>(2)</sup>                         | N/A        | €31.12     | €31.51     | €19.62     | €23.36     |
| Repricing – Adjustment of the number of stock options <sup>(2)</sup> | N/A        | 3,145      | 3,992      | 2,437      | 1,015      |
| Number of outstanding options at the end of the period               | 851,538    | 494,773    | 601,637    | 229,434    | 130,698    |

<sup>(1)</sup> JCDecaux SA did not grant a stock option plan in 2013.

<sup>(2)</sup> Following the simplified tender offer (OPAS) launched by JCDecaux SA in June 2015 at a unit price of €40, 12.5 million shares were repurchased on 17 July 2015, and then cancelled. As a result, the number of previously granted and outstanding options at the date of the OPAS was adjusted by an adjustment factor of 1.0056. The option exercise price was also adjusted so that the OPAS is neutral on the rights of beneficiaries of options.

As of 31 December 2016, JCDecaux Holding held 64.01% of the Company's share capital (i.e. 136,048,127 shares).

In accordance with the Combined Extraordinary and Ordinary General Meeting of Shareholders of 19 May 2016, the Company paid a total of €118.9 million in dividends.

Tax-driven provisions consist of accelerated depreciation.



## 12. PROVISIONS FOR CONTINGENCIES AND LOSSES

| IN MILLION EUROS  | VALUE ON<br>01/01/16 | PROVISIONS 2016 | CHARGES 2016 | VALUE ON<br>31/12/16 |
|---|----------------------|-----------------|--------------|----------------------|
| <b>PROVISIONS FOR CONTINGENCIES</b>                               |                      |                 |              |                      |
| Provision for litigation  | 0.4                  | 0.1             | 0.2          | 0.3                  |
| Provision for foreign exchange losses                             | 0.3                  | 3.6             | 0.3          | 3.6                  |
| Other   | 0.6                  | 0.1             |              | 0.7                  |
| <b>PROVISIONS FOR LOSSES</b>                                      |                      |                 |              |                      |
| Provision for retirement benefits<br>and other long-term benefits | 9.1                  | 1.8             | 0.2          | 10.7                 |
| <b>TOTAL</b>  | <b>10.4</b>          | <b>5.6</b>      | <b>0.7</b>   | <b>15.3</b>          |

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.

Provisions are calculated according to the following assumptions:

| AT 31 DECEMBER          | 2016     |
|-------------------------|----------|
| Discount rate           | 1.50 %   |
| Salary revaluation rate | 2.00 %   |
| Duration                | 13 years |

The discount rate is determined by reference to the yield of bonds issued by leading companies on the date of valuation and whose maturity corresponds to the duration of the commitments to update.

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

| IN MILLION EUROS                                 | SUPPLEMENTARY<br>PENSION SCHEMES | OTHER<br>COMMITMENTS | TOTAL       |
|--|----------------------------------|----------------------|-------------|
| <b>CHANGE IN BENEFIT OBLIGATION</b>              |                                  |                      |             |
| Opening balance                                  | 8.8                              | 0.3                  | 9.1         |
| Service cost                                     | 0.6                              | 0.0                  | 0.6         |
| Interest cost                                    | 0.2                              | 0.0                  | 0.2         |
| Impact of acquisitions on interest cost          | 0.0                              | 0.0                  | 0.0         |
| Actuarial gains/losses                           | 1.0                              | 0.0                  | 1.0         |
| Benefits paid                                    | (0.2)                            | 0.0                  | (0.2)       |
| <b>BENEFIT OBLIGATION AT THE END OF THE YEAR</b> | <b>10.4</b>                      | <b>0.3</b>           | <b>10.7</b> |

**13. UNRECOGNISED TAX ASSETS OR LIABILITIES**

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

| IN MILLION EUROS                         | 2016        | 2015        |
|--|-------------|-------------|
| Provision for retirement benefits        | 10.4        | 8.8         |
| Other provisions                         | 3.7         | 0.7         |
| Social security tax                      | 0.2         | 0.2         |
| Provisions for loan write-downs          | 43.1        | 30.9        |
| Unrealised foreign exchange gains/losses | (3.1)       | (0.1)       |
| <b>TOTAL</b>                             | <b>54.3</b> | <b>40.5</b> |

**14. BREAKDOWN OF REVENUE**

| IN MILLION EUROS | 2016        | 2015        |
|------------------|-------------|-------------|
| France           | 37.2        | 39.8        |
| Export           | 36.5        | 33.8        |
| <b>TOTAL</b>     | <b>73.7</b> | <b>73.6</b> |

Revenue includes support and consulting services provided to JCDecaux subsidiaries covering administrative, technical, IT and legal, real estate, labour relations and industrial issues.

**15. NET FINANCIAL INCOME**

| IN MILLION EUROS  | 2016          | 2015        |
|---|---------------|-------------|
| Income from equity investments                            | 28.0          | 39.7        |
| Revenue from other receivables and other financial income | 11.2          | 10.0        |
| Interest charges and similar charges                      | (21.7)        | (14.7)      |
| Net foreign exchange gains/losses                         | 1.2           | (2.1)       |
| Reversals of provisions and expense reclassifications     | 6.2           | 8.5         |
| Amortisation, depreciation and provisions                 | (68.1)        | (12.1)      |
| <b>NET FINANCIAL INCOME</b>                               | <b>(43.2)</b> | <b>29.3</b> |

Amortisation and provisions mainly concern shares in the subsidiary JCDecaux Amériques Holding.

**16. NON-RECURRING INCOME AND EXPENSES**

| IN MILLION EUROS                                       | 2016       |
|--|------------|
| Net carrying amount of PP&E and intangible assets sold | 0.0        |
| Net carrying amount of financial assets sold           | 0.0        |
| Accelerated depreciation charge                        | 6.2        |
| <b>TOTAL NON-RECURRING INCOME</b>                      | <b>6.2</b> |

| IN MILLION EUROS                              | 2016       |
|---|------------|
| Price of PP&E and intangible assets sold      | 0.0        |
| Proceeds on disposal of long-term investments | 0.0        |
| Reversal of accelerated depreciation          | 3.7        |
| <b>TOTAL NON-RECURRING INCOME</b>             | <b>3.7</b> |

## 17. ACCRUED INCOME AND EXPENSES

| IN MILLION EUROS                                       | 2016 | 2015 | IN MILLION EUROS                       | 2016 | 2015 |
|--|------|------|--|------|------|
| Accrued expenses                                       |      |      | Accrued income                         |      |      |
| Long-term debt   |      |      | Equity investments                     |      |      |
| Other bonds  | 13.3 | 8.9  | Loans to affiliates                    | 0.5  | 0.3  |
| Bank borrowings  | -    | -    | Loans                                  | 1.3  | 1.2  |
| Other borrowings and long-term debt                    | 0.8  | 0.3  | Operating receivables                  |      |      |
| Operating liabilities                                  |      |      | Trade receivables and related accounts | 5.8  | 7.7  |
| Trade payables and related accounts                    | 14.5 | 14.7 | Other receivables                      | 0.8  | 0.3  |
| Tax, personnel and other social liabilities            | 14.7 | 13.5 | Miscellaneous receivables              |      |      |
| Miscellaneous liabilities                              |      |      | Cash instruments                       | 10.7 | 7.8  |
| Amounts due on non-current assets and related accounts | 0.1  | 1.0  | Cash and cash equivalents              | 3.5  | 0.1  |
| Other liabilities                                      | 15.9 | 26.3 |  |      |      |

## 18. BREAKDOWN OF INCOME TAX

| IN MILLION EUROS          | INCOME BEFORE TAXES | INCOME TAX | INCOME AFTER TAXES |
|---------------------------|---------------------|------------|--------------------|
| Current income            | (60.2)              | 1.9        | (58.3)             |
| Non-recurring income      | (2.5)               | 0.9        | (1.6)              |
| Tax consolidation bonus   |                     | 9.8        | 9.8                |
| Contribution on dividends |                     | (3.6)      | (3.6)              |
| Net income                | (62.8)              | 9.0        | (53.8)             |

A tax consolidation agreement, under which JCDecaux SA is the head company, came into effect as of 1 January 2002 and was signed with JCDecaux France.

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

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

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

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

As of 1 January 2012, JCDecaux Afrique Holding and Média Publicité Extérieure joined the consolidation group as consolidated companies.

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 analyse the consequences.

**19. OFF-BALANCE SHEET COMMITMENTS,  
OTHER THAN FINANCIAL INSTRUMENTS**

| IN MILLION EUROS            | 31/12/2016   | 31/12/2015   |
|-----------------------------|--------------|--------------|
| <b>COMMITMENTS GIVEN</b>    |              |              |
| Business guarantees         | 117.7        | 108.6        |
| Other guarantees            | 209.8        | 242.3        |
| Commitments on securities   | -            | -            |
| <b>TOTAL</b>                | <b>327.5</b> | <b>350.9</b> |
| <b>COMMITMENTS RECEIVED</b> |              |              |
| Commitments on securities   | -            | -            |
| Available credit facility   | 825.0        | 825.0        |
| <b>TOTAL</b>                | <b>825.0</b> | <b>825.0</b> |

Business guarantees correspond to guarantees issued whereby the Company guarantees, either directly or through counterguarantees, the performance of agreements by its subsidiaries.

The “Other guarantees” line item consists of the guarantees issued in respect of settlement of lease payments, financial debt, for certain subsidiaries or counter-guarantees to banks within the scope of collateral security granted to certain subsidiaries. The amount of debt guarantees (credit facilities and bank overdrafts) and bank line guarantees corresponds to the actual amount used as of the closing date.

Commitments on securities are mainly granted and received in the context of external growth transactions.

As part of the shareholders agreements, JCDecaux SA may grant or be granted purchase agreements (calls) should contractual clauses not be respected. The group and its partners benefit from pre-emptive rights under certain partnership agreements and can provide for preemptive or option rights which the group does not consider as commitments given or received. Moreover, the group does not record commitments subject to exercise conditions that limit the likelihood of their occurrence.

**20. FINANCIAL INSTRUMENTS**

JCDecaux SA uses financial instruments mainly for foreign exchange hedging purposes.

JCDecaux SA is exposed to foreign exchange rate risk particularly from the business activities of its subsidiaries in other countries.

Such risks are primarily related to:

- financial transactions: refinancing and transfer of cash flows of foreign subsidiaries hedged by foreign exchange swaps
- commercial transactions

As of 31 December 2016, the Company had entered into the following transactions:

| IN MILLION EUROS | FINANCIAL AND<br>COMMERCIAL<br>ASSETS | FINANCIAL AND<br>COMMERCIAL<br>LIABILITIES | ASSETS/LIABILITIES | OFF-BALANCE<br>SHEET <sup>(1)</sup> | DIFFERENCE  |
|------------------|---------------------------------------|--|--------------------|-------------------------------------|-------------|
| AED              | 7.6                                   | 53.9                                       | (46.3)             | 48.7                                | 2.4         |
| AUD              | 14.0                                  | 18.9                                       | (4.9)              | 5.4                                 | 0.5         |
| BHD              | 0.0                                   | 2.8  | (2.8)              | 2.8                                 | 0.0         |
| BRL              | 0.5                                   | 0.1  | 0.4                | 2.8                                 | 3.2         |
| CNY              | 1.9                                   | 0.0  | 1.9                | (1.5)                               | 0.4         |
| CZK              | 5.4                                   | 5.3  | 0.1                | (0.1)                               | 0.0         |
| DKK              | 18.1                                  | 0.0  | 18.1               | (17.4)                              | 0.7         |
| GBP              | 8.9                                   | 9.3  | (0.4)              | (5.0)                               | (5.4)       |
| HKD              | 31.0                                  | 195.8                                      | (164.8)            | 165.3                               | 0.5         |
| HUF              | 4.2                                   | 4.0  | 0.2                | (0.1)                               | 0.1         |
| ILS              | 45.3                                  | 0.0  | 45.3               | (44.7)                              | 0.6         |
| JPY              | 16.9                                  | 2.2  | 14.7               | (14.5)                              | 0.2         |
| MXN              | 1.6                                   | 34.0                                       | (32.4)             | 33.6                                | 1.2         |
| NOK              | 9.2                                   | 9.0  | 0.2                | (0.1)                               | 0.1         |
| OMR              | 0.6                                   | 1.7  | (1.1)              | 1.4                                 | 0.3         |
| PEN              | 4.6                                   | 0.0  | 4.6                | (4.5)                               | 0.1         |
| PLN              | 1.8                                   | 0.0  | 1.8                | (1.8)                               | 0.0         |
| QAR              | 1.0                                   | 0.0  | 1.0                | (0.9)                               | 0.1         |
| SAR              | 2.2                                   | 6.9  | (4.7)              | 4.9                                 | 0.2         |
| SEK              | 5.7                                   | 5.0  | 0.7                | (0.3)                               | 0.4         |
| SGD              | 10.5                                  | 10.6                                       | (0.1)              | (0.2)                               | (0.3)       |
| TRY              | 8.1                                   | 0.0  | 8.1                | (0.1)                               | 8.0         |
| USD              | 149.3                                 | 116.6                                      | 32.7               | (16.3)                              | 16.4        |
| ZAR              | 25.2                                  | 0.0  | 25.2               | (24.5)                              | 0.7         |
| Others           | 2.9                                   | 0.6  | 2.3                | (0.4)                               | 1.9         |
| <b>TOTAL</b>     | <b>376.5</b>                          | <b>476.7</b>                               | <b>(100.2)</b>     | <b>132.5</b>                        | <b>32.3</b> |

<sup>(1)</sup> Forward purchases and sales and short-term foreign exchange swaps at the closing rate.

As of 31 December 2016, the market value of these financial instruments (theoretical cost of liquidation) was €0.7 million.

## 21. MANAGEMENT COMPENSATION

Directors' fees paid in 2016 to members of the Supervisory Board amounted to €299,500.

Compensation and benefits paid in 2016 to members of the Executive Board with respect to their terms of office amounted to €3,238,013.

## 22. HEADCOUNT

The headcount breakdown by employee category is as follows:

| CATEGORY     | 2016       | 2015       |
|--------------|------------|------------|
| Managers     | 1          | 2          |
| Executives   | 306        | 307        |
| Supervisors  | 84         | 86         |
| Employees    | 39         | 30         |
| <b>TOTAL</b> | <b>430</b> | <b>425</b> |

## 23. TRANSACTIONS CARRIED OUT WITH RELATED COMPANIES

| BALANCE SHEET ITEMS<br>(GROSS VALUE)<br>(IN MILLION EUROS) | 2016    | 2015    |
|--|---------|---------|
| <b>Equity investments</b>                                  |         |         |
| Equity investments   | 2,771.1 | 2,771.1 |
| Loans to affiliates  | 482.8   | 245.9   |
| Loans  | 182.3   | 84.6    |
| Deposits and securities paid                               | 0.1     | 0.1     |
| <b>Receivables</b>   |         |         |
| Trade receivables and related accounts                     | 53.8    | 57.4    |
| Other receivables  | 160.1   | 99.2    |
| Prepaid expenses   | -       | -       |
| <b>Liabilities</b>   |         |         |
| Miscellaneous loans and long-term debt                     | 2,192.7 | 1,802.7 |
| Trade payables and related accounts                        | 16.9    | 14.9    |
| Other liabilities  | 3.3     | 1.0     |
| Amounts due on non-current assets and related accounts     | -       | 0.2     |
| Deferred income  | -       | -       |

| INCOME STATEMENT ITEMS                         | 2016  | 2015  |
|--|-------|-------|
| Operating charges                              | 25.7  | 23.4  |
| Operating income                               | 118.6 | 114.8 |
| <b>Interest expense</b>                        |       |       |
| Interest and similar charges                   | 1.9   | 1.5   |
| <b>Interest income</b>                         |       |       |
| Income from equity investments                 | 27.9  | 15.2  |
| Interest and similar income                    | 8.5   | 6.5   |
| Other financial income                         | 0.0   | 4.7   |
| <b>Non-recurring income</b>                    |       |       |
| Income from the disposal of non-current assets | -     | -     |

In addition to companies likely to be fully consolidated, related companies included companies that are joint-ventures consolidated in the JCDecaux Group financial statements using the equity method.

During the year, there were no related-party agreements, within the meaning of article R.123-198 of the French Commercial Code, of a material amount which would not have been entered into under normal market terms and conditions.

## 24. SUBSEQUENT EVENTS

None



## 25. SUBSIDIARIES AND EQUITY INVESTMENTS AS OF 31/12/2016

| COMPANIES   | SHARE CAPITAL<br>(IN €K) | OTHER EQUITY <sup>(1)</sup><br>(IN €K) | CAPITAL INTEREST<br>IN % | CARRYING VALUE OF SHARES HELD<br>(IN €K) | LOANS AND ADVANCES GRANTED BY THE COMPANY AND NOT REPAID (IN €K) | GUARANTEES AND SECURITY DEPOSITS GIVEN BY THE COMPANY (IN €K) | REVENUES EX-TAX FOR 2016 (IN €K) | NET PROFIT (LOSS) FOR 2016 (IN €K) | DIVIDENDS RECEIVED BY THE COMPANY IN 2016 (IN €K) | NET   |     |
|---|--------------------------|--|--------------------------|--|--|---|----------------------------------|------------------------------------|---|-------|-----|
|   |                          |  |                          |  |  |   |                                  |                                    |   | GROSS | NET |
| A – SUBSIDIARIES in France over 50% owned                 |                          |  |                          |  |  |   |                                  |                                    |   |       |     |
| JCDecaux France   | 7,023                    | 799,980                                | 100                      | 1,304,941                                | 1,304,941  |   | 702,396                          | 49,332                             |   |       |     |
| JCDecaux Asie Holding                                     | 6,525                    | 131,143                                | 100                      | 54,691                                   | 54,691   |   | -                                | 48,755                             |   |       |     |
| JCDecaux Amériques Holding                                | 297,000                  | 4,169                                  | 100                      | 297,000                                  | 281,305  |   | -                                | (63,141)                           |   |       |     |
| JCDecaux Afrique Holding                                  | 50,000                   | (349)                                  | 100                      | 50,000                                   | 37,858   |   | -                                | 720                                |   |       |     |
| JCDecaux Europe Holding                                   | 581,922                  | 328,444                                | 100                      | 622,224                                  | 77,000   |   | -                                | 30,560                             |   |       |     |
| JCDecaux France Holding                                   | 31,204                   | 29,922                                 | 100                      | 31,769                                   | 12,864   |   | -                                | 5,780                              |   |       |     |
| International Bike Technology (not consolidated)          | 1                        | 1                                      | 100                      | 37                                       | 37   |   | -                                | -                                  |   |       |     |
| B – EQUITY INVESTMENTS in France between 10 and 50% owned |                          |  |                          |  |  |   |                                  |                                    |   |       |     |
| METROBUS (parent company financial statements)            | 1,840                    | 1,781                                  | 33                       | 17,886                                   | 8,250  |   | 157,058                          | 4,850                              |   |       | 557 |

<sup>(1)</sup> Equity excluding share capital and net income for the year.

| COMPANIES   | SHARE CAPITAL (IN €K) | OTHER PROMISION EQUITY (1) (IN €K) | CAPITAL INTEREST IN % | CARRYING VALUE OF SHARES HELD (IN €K) | LOANS AND ADVANCES GRANTED BY THE COMPANY AND NOT REPAID (IN €K) | GUARANTEES AND SECURITY DEPOSITS GIVEN BY THE COMPANY (IN €K) | REVENUES EX. TAX FOR 2016 (IN €K) | NET PROFIT (LOSS) FOR 2016 (IN €K) | DIVIDENDS RECEIVED BY THE COMPANY IN 2016 (IN €K) | NET   |        |
|---|-----------------------|------------------------------------|-----------------------|---------------------------------------|--|---|-----------------------------------|------------------------------------|---|-------|--------|
|   |                       |                                    |                       |                                       |  |   |                                   |                                    |   | GROSS | NET    |
| <b>C – Foreign SUBSIDIARIES over 50% owned</b>  |                       |                                    |                       |                                       |  |   |                                   |                                    |   |       |        |
| JCDecaux Street Furniture Belgium (Belgium)   | 269 EUR               | 558,826 EUR                        | 100                   | 355,493                               |  |   | 49,473                            | 74,246                             |   |       |        |
| JCDecaux Eesti OU (Estonia)   | 3 EUR                 | 2,527 EUR                          | 100                   | 10,838                                |  |   | 5,932                             | 720                                |   |       | 4,000  |
| JCDecaux Mestisky Mobiliar Spol Sro (Czech Republic)  | 120,000 CZK           | (29,509) CZK                       | 96.20                 | 3,092                                 | 5,319  |   | 7,582                             | (688)                              |   |       |        |
| JCDecaux Korea Inc (South Korea)  | 1,000,000 KRW         | 6,958,156 KRW                      | 50                    | 1,424                                 |  |   | 15,330                            | 3,861                              |   |       | 3,947  |
| AFA JCDecaux A/S (Denmark)  | 7,200 DKK             | 71,288 DKK                         | 50                    | 2,209                                 | 17,393   |   | 21,342                            | 231                                |   |       |        |
| JCDecaux UZ (Uzbekistan)  | 2,998,861 UZS         | 3,131,311 UZS                      | 70.25                 | 1,197                                 |  |   | 855                               | 198                                |   |       | 81     |
| JCDecaux Israel Ltd (Israel)  | 109 ILS               | (96,315) ILS                       | 92                    | 19                                    | 44,641   |   | 9,047                             | 1,221                              |   |       |        |
| JCDecaux Small Cells (UK)   | NS EUR                | (3,168) EUR                        | 70                    | n/a                                   | 2,896  |   | 151                               | (1,021)                            |   |       |        |
| JCDecaux Monaco (not consolidated) (2015 figures)   | 15 EUR                | (36) EUR                           | 100                   | 15                                    |  |   | 56                                | (13)                               |   |       |        |
| UDC-JCDecaux Airport (not consolidated) (Mexico)  | n/a                   | n/a                                | 50                    | 772                                   | 114  |   | n/a                               | n/a                                |   |       |        |
| <b>D – Foreign EQUITY INVESTMENTS between 10 and 50% owned</b>  |                       |                                    |                       |                                       |  |   |                                   |                                    |   |       |        |
| APG/SGA SA (Switzerland) (corporate financial statements)   | 7,800 CHF             | 155,432 CHF                        | 30                    | 133,084                               |  |   | 86,958                            | 82,679                             |   |       | 18,829 |
| IGP Decaux Spa (Italy)  | 11,086 EUR            | 50,122 EUR                         | 20.48                 | 34,861                                |  |   | 120,797                           | 6,269                              |   |       | 512    |
| <b>E – Other foreign EQUITY INVESTMENTS less than 10% owned but the gross value of which is more than 1% of the company's capital</b> |                       |                                    |                       |                                       |  |   |                                   |                                    |   |       |        |
| JCDecaux Artvertising Belgium (Belgium)   | 1,735 EUR             | 291 EUR                            | 9.29                  | 274                                   |  |   | 66                                | (6)                                |   |       |        |
| JCDecaux Portugal Mobiliario Urbano Lda (Portugal)  | 1,247 EUR             | 4,135 EUR                          | 0.15                  | 253                                   |  |   | 26,216                            | 6,406                              |   |       | 54     |

(1) Equity excluding share capital and net income for the year.


## 26. NET FINANCIAL INCOME OF THE COMPANY OVER THE PAST FIVE YEARS

| NATURE OF INFORMATION   | 2012         | 2013         | 2014        | 2015         | 2016         |
|---|--------------|--------------|-------------|--------------|--------------|
| <b>I - SHARE CAPITAL AT END OF YEAR</b>   |              |              |             |              |              |
| a) Share capital (in euros)   | 3,386,793    | 3,407,037    | 3,413,859   | 3,236,483    | 3,240,271    |
| b) Number of ordinary shares  | 222,158,884  | 223,486,855  | 223,934,334 | 212,299,238  | 212,547,655  |
| <b>II - TRANSACTIONS AND RESULTS FOR THE FISCAL YEAR (EN EUROS)</b>   |              |              |             |              |              |
| a) Revenue excluding taxes  | 48,970,404   | 64,841,301   | 73,727,961  | 73,601,300   | 73,748,553   |
| b) Income before taxes, profit sharing and calculated expenses (amortisation and provisions)                | (13,184,768) | (5,424,035)  | 6,507,809   | 14,390,330   | 13,085,959   |
| c) Income taxes   | (1,360,663)  | 1,528,323    | (4,002,013) | (10,572,740) | (9,038,359)  |
| d) Employee profit-sharing  | 85,874       | -            | -           | -            | -            |
| e) Income after taxes, profit sharing and calculated expenses (amortisation and provisions)                 | (16,692,762) | (16,156,445) | 6,302,519   | 11,385,314   | (53,758,194) |
| f) Income distributed   | 97,749,909   | 107,273,690  | 111,967,167 | 118,887,573  | (1)          |
| <b>III - EARNINGS PER SHARE (IN EUROS)</b>  |              |              |             |              |              |
| a) Income after taxes and profit sharing but before calculated expenses                                     | (0.05)       | (0.03)       | 0.05        | 0.12         | 0.10         |
| b) Income after taxes, profit sharing and calculated expenses   | (0.08)       | (0.07)       | 0.03        | 0.05         | (0.25)       |
| c) Net dividend per share   | 0.44         | 0.48         | 0.50        | 0.56         | (1)          |
| <b>IV - PERSONNEL</b>   |              |              |             |              |              |
| a) Average headcount during the year  | 344          | 368          | 395         | 425          | 430          |
| b) Payroll expenditure for the year (in euros)  | 22,613,835   | 26,889,440   | 29,268,640  | 30,925,910   | 32,405,855   |
| c) Total paid out in social benefits during the year (social security, welfare activities, etc.) (in euros) | 11,434,157   | 12,894,458   | 14,474,829  | 14,682,804   | 14,821,675   |

<sup>(1)</sup> Subject to approval by the General Meeting of Shareholders of the proposed allocation of 2016 earnings





 Digital clock on Paulista avenue, São Paulo, Brazil

# LEGAL INFORMATION

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## 1. GENERAL AND LEGAL INFORMATION

**Company name**

JCDecaux SA

**Registered office**

17 rue Soyer 92200 Neuilly-sur-Seine

**Principal administrative office**

Sainte Apolline 78378 Plaisir Cedex

**Phone number**

+33 (0)1 30 79 79 79

**Companies' Register**

307 570 747 (Nanterre)

**Legal form**

French corporation (Société Anonyme) with an Executive Board and a Supervisory Board

**Governing law**

French law

**Date of incorporation**

5 June 1975

**Expiry date**

5 June 2074 (except in the event of early dissolution or extension)

**Financial year**

from 1 January to 31 December

**Company 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 specifically, 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.

**Crossing thresholds set out in the articles of association**

In accordance with Article 9 of the articles of association, in addition to the declarations 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 giving access to the capital or voting rights which may potentially be attached. The same notice requirement applies each time a change of more than 1% in shareholding occurs beyond the initial 2% 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 apply in the event of the non-declaration of the thresholds stipulated in these articles of association, at the request, recorded in the minutes of the General Meeting of Shareholders, of one or more shareholders holding at least 5% of the Company's share capital or voting rights.

**General Meeting of Shareholders**

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.

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.

There are no preference shares.

For more detailed information, please see article 22 of the Articles of Association.

**Functioning of the Corporate bodies**

The Executive Board and the Supervisory Board operate in accordance with French regulations, as detailed in the "Corporate Governance" section of this Annual Report.

**Consultation of legal documents**

The Articles of Association and other documents relating to the Company can be viewed on its website ([www.jcdecaux.com](http://www.jcdecaux.com)) and/or at its registered office at 17 rue Soyer 92200 Neuilly-sur-Seine.



## 2. HISTORY

### 1964

Jean-Claude Decaux invents the concept of street furniture and forms JCDecaux. First street furniture concession in Lyon.

### 1970s

The group becomes established 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 acquires 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 MédiaKiosk.

### 2012

In October 2012, JCDecaux announces the acquisition of 25% of Russ Outdoor, the largest outdoor advertising company in Russia. The acquisition is completed in February 2013.

### 2013

In November 2013, JCDecaux announced the acquisition of 85% of Eumex, the Street Furniture leader in Latin America. The transaction has been finalised in March 2014. As a consequence, JCDecaux becomes the number one outdoor advertising company in Latam.

### 2014

JCDecaux celebrated its 50 year anniversary. Since 1964, the concept has both strengthened and globalised over all continents and has been enriched by a wide range of street furniture, including digital, that is offered to brands and local authorities.

### 2015

In June 2015, JCDecaux finalised the acquisition of 70% of Continental Outdoor Media in Africa. JCDecaux becomes the number one outdoor advertising company in Africa.

JCDecaux also realised the acquisition of CEMUSA, an outdoor advertising Spanish company having assets in Brazil, in Spain, in Italy and in the United States, with notably the Street Furniture contract of New York City. The transaction has been finalised in November 2015.

### 2016

In July 2016, 17 years after first coming to Japan, a country where public outdoor advertising was banned until 2003, JCDecaux won the bus shelter advertising contract from the Tokyo Metropolitan Bureau of Transportation for a minimum period of 15 years.

### 3. PUBLICLY AVAILABLE DOCUMENTS

Throughout the validity of this Annual Report, the following documents may be viewed at the Company's registered office at 17 rue Soyer in Neuilly-sur-Seine (92200) or on its website at [www.jcdecaux.com](http://www.jcdecaux.com):

- the Articles of Association
- all reports, letters, valuations and statements prepared by an expert at the Company's request and included or referred to in part in this Annual Report
- historical financial information of the JCDecaux Group



## 1. REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON CORPORATE GOVERNANCE, INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

This report was submitted to the Audit Committee and the Statutory Auditors and was approved by the Supervisory Board at its meeting of 1 March 2017.

### **Governance structure**

Since 2000, our Company has been organised as a French corporation (Société Anonyme) with an Executive Board and a Supervisory Board. The selection of the dual board structure was agreed prior to the Company's initial public offering to better manage, as in any family-owned company, the handover of responsibility between Jean-Claude Decaux, Founder of the Company, and his sons Jean-François Decaux, Jean-Charles Decaux and Jean-Sébastien Decaux. This structure was also chosen over a unitary board structure, in particular, to grant the Company's Executive Board the necessary ability and reactivity to conduct the current course of business and to respond to the numerous tenders issued by administrations and public authorities throughout the year. The adaptation of this governance structure to the group's reality has been completely confirmed by the necessity for the governance body to get the necessary flexibility to direct the activities in multiples countries in which the group operates.

## 1.1. AFEP-MEDEF Code of Corporate Governance

The Company referred to the AFEP-MEDEF Code of Corporate Governance, revised in November 2016 (The “AFEP-MEDEF Code”), when drawing up this report in accordance with Article L. 225-68 of the French Commercial Code. The Code can be viewed on the website of the MEDEF at [www.medef.com](http://www.medef.com).

In line with the “Comply or explain” principle set out in Article L. 225-68 of the French Commercial Code and referred to in Article 27.1 of the AFEP-MEDEF Code, the Company points out that it applies all of the recommendations of said Code except for the recommendations below which were altered slightly in light of the governance structure and specific nature of the Company:

| Recommendation of the AFEP-MEDEF Code  | Explanation  |
|--|--|
| <p><i>Article 24-3-3:</i></p> <p><i>These plans, whose granting must be proportional to the annual fixed and variable portion, must contain strict performance conditions to be met over a period of several consecutive years.</i></p>    | <p>At the recommendation of the Compensation and Nominating Committee at its meeting of 8 February 2016, the Supervisory Board at its meeting of 15 February 2016 noted that:</p> <ul style="list-style-type: none"> <li>- on the one hand, the granting of stock options to members of the Executive Board is conditional of reaching group profit objectives and personal objectives assessed over a year; and</li> <li>- on the other hand, the exercise by members of the Executive Board of their stock options was tied to strict performance conditions to be met over an additional year: corporate officers must meet all of these conditions over a period of two consecutive years.</li> </ul> <p>Moreover, the Chairman of the Executive Board and the Chief Executive Officer, who have declined their stock options since the Company has been listed on the stock market and hold the majority of the shares of the Company via JCDecaux Holding, monitor the achievement of the targets set for members of the Executive Board who receive stock options; as a result the Supervisory Board deemed that the Company’s long-term interests were served.</p> <p>This decision will remain valid for stock option grants in 2017.</p> |
| <p><i>Article 24-3-3:</i></p> <p><i>The resolution for authorising the award plan submitted to a vote at the meeting of shareholders must mention this maximum percentage in the form of an award sub-ceiling for company Officers</i></p> | <p>The Company has temporarily waived this recommendation for the following reasons:</p> <ul style="list-style-type: none"> <li>- the Chairman of the Executive Board and the Chief Executive Officer have declined their stock options since the Company has been listed on the stock market. Only Jean-Sébastien Decaux, David Bourg, Emmanuel Bastide and Daniel Hofer are eligible for the stock options plans, if any. For information, during the 2016 fiscal year, 49,479 stock options were granted to the members of the Executive Board, representing only 0.6% of the threshold amounting to 4% of the share capital on the day of the decision of the Board of Directors as provided by the 2015 General Meeting of Shareholders;</li> <li>- no bonus shares were granted to members of the Executive Board since the start of their mandates.</li> </ul> <p>The Company will be compliant with this recommendation in 2018.</p>   |

In a letter dated 27 July 2016, the AFEP-MEDEF High Committee for Corporate Governance drew the Company’s attention to the fact that 40% of its Supervisory Board should have consisted of women by the end of the 2016 General Meeting of Shareholders in accordance with Article 6.4 of the AFEP-MEDEF Code in force until November 2016. Subject to the approval by the 2017 General Meeting of Shareholders of changes to the composition of the Supervisory Board, the Company will comply with Law 2011-103 of 27 January 2011 at the end of said General Meeting.

## 1.2. Corporate governance

### 1.2.1. The Executive Board

#### Duties

The Executive Board manages the Company, pursuant to the law and to the articles of association.

The Executive Board defines and implements the Company's broad strategic direction and monitors proper performance. For the overall coordination and implementation of the strategy, it relies on Management Committees in each geographic area or, for larger countries, in each country.

#### Composition

At 31 December 2016, the Executive Board consisted of six members appointed by the Supervisory Board: Jean-Charles Decaux (Chairman of the Executive Board), Jean-François Decaux (Chief Executive Officer), Jean-Sébastien Decaux, Emmanuel Bastide, David Bourq and Daniel Hofer.

Their term of office is three years.

The Chairman is appointed for one year by the Supervisory Board following the Annual General Meeting (annual rotation between Jean-François Decaux and Jean-Charles Decaux). In accordance with 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 meets at least once a month for an entire day.

For each Executive Board meeting, a preparatory file is drawn up covering the main items on the agenda. Employees or third parties may be invited to attend Executive Board meetings if necessary. The Statutory Auditors are also heard during meetings held to review the half-yearly and annual financial statements. A summary of decisions is drawn up to record the proceedings of Executive Board meetings. The Executive Board reports to the Supervisory Board on a quarterly basis.

The Executive Board does not have internal rules of procedure.

#### Work

In 2016, the Executive Board met 14 times, with a 91.67% attendance rate of its members.

The Executive Board's work regularly covers the Company's business development (the level of commercial activity, outlook for the year, and trends in operating results), the financial results, review and approval of half-yearly and annual financial statements, the reviews of by the Statutory Auditors, organic or external growth transactions and projects, new competitive tenders, the sustainable development strategy, the IT strategy, business development strategy and research and development projects.

Other matters are covered, as necessary, but in any event, at least once a year, such as communication (e.g. internet, social networks etc.), group financing, half-yearly coverage of group risks and litigation, budget, internal audit review,

changes in governance in the Company and its subsidiaries, granting of stock options, the terms and conditions of the group's senior executive compensation, and preparation of all the documents issued for the General Meeting of Shareholders.

### 1.2.2. The Supervisory Board

#### Duties

The Supervisory Board's role is the continuous supervision of the Company's management by the Executive Board.

#### Composition

At 31 December 2016, the Supervisory Board is composed of nine members: Gérard Degonse (Chairman), Jean-Pierre Decaux (Vice Chairman), Michel Bleitrach, Monique Cohen, Alexia Decaux-Lefort, Pierre Mutz, Xavier de Sarrau, appointed by the General Meeting of Shareholders for three years, Pierre-Alain Pariente, appointed by the General Meeting of the Shareholders for one year in accordance with the provisions of the articles of association related to the maximum age limit, and Sylvie Lelouarn, appointed by the Workers' Council for three years.

Jean-Claude Decaux was Honorary Chairman of the Supervisory Board until his passing on 27 May 2016.

Terms of office are spread out so as to avoid (re)appointing members of the Supervisory Board all at once and instead facilitate (re)appointing them in a staggered manner.

The quality of Supervisory Board deliberations is guaranteed by the competence of its members based on their experience and grasp of the group's business and the interests of shareholders and employees, their integrity, the complementary nature of their qualifications, and their involvement.

#### *Member of the Supervisory Board representing employees*

By virtue of Article L. 225-79-2 of the French Commercial Code, the Supervisory Board includes a member representing employees who is appointed for a term of up to four years by the Workers' Council.

The member of the Supervisory Board representing employees has the same rights, obligations and responsibilities as other members of the Supervisory Board.

Sylvie Lelouarn was appointed as the member of the Supervisory Board representing employees by the Workers' Council on 29 October 2015 for a term of three years in replacement of Maurice Ducrocq who passed away in August 2015.

Pursuant to the provisions of Article L. 2323-65 of the French Labour Code, since the appointment of a member of the Supervisory Board representing the employees, only one representative of the Workers' Council is appointed and may attend the sessions of the Supervisory Board, on a purely advisory basis.



**Balanced representation between men and women**

At 31 December 2016, the Supervisory Board had two women out of a total of eight members (the member of the Supervisory Board representing employees is not factored in the proportion of women on the Board).

Subject to the approval by the 2017 General Meeting of Shareholders of changes to the composition of the Supervisory Board, the Company will comply with Law no. 2011-103 of 27 January 2011 at the end of said Meeting.

**Independence of the Supervisory Board members**

The Supervisory Board applies the AFEP-MEDEF criteria to assess the independence of its members, namely:

- not be or have been in the past five years an employee or executive corporate officer of JCDecaux SA or an employee, executive corporate officer or director of an entity consolidated by JCDecaux SA or of JCDecaux Holding or of an entity consolidated by JCDecaux Holding
- not be an executive corporate officer of an entity of which JCDecaux SA is a director, whether directly or indirectly, or of which an employee or executive corporate officer of JCDecaux SA is a director or was so less than five years ago
- not be a major customer, supplier, commercial or investment banker of JCDecaux SA or its group or for which JCDecaux SA or its group accounts for a significant portion of its business;
- not have any close family ties with a corporate officer
- not have been a statutory auditor of the Company in the past five years
- not be a member of the Supervisory Board of JCDecaux SA for more than 12 years

The Compensation and Nominating Committee annually verifies that each member of the Supervisory Board meets the independence criteria and reports on its findings to the Supervisory Board.

In 2016, the Supervisory Board noted that three of its eight members, i.e. over one-third, were independent and had no commercial ties with the Company (the member of the Supervisory Board representing employees is not factored in the proportion of independent members on the Board).

The three Supervisory Board members deemed independent are Monique Cohen, Michel Bleitrach and Pierre Mutz.

**Training**

When appointed, each member of the Supervisory Board receives a presentation of the Company and its business lines and activities.

Likewise, during their terms of office, members of the Supervisory Board regularly receive various presentations, at Board meetings, of the Company's business, changes in IFRS and changes in laws and regulations applying to the Company, among other things.

The member of the Supervisory Board representing employees receives training provided for in Article L. 225-30-2 of the French Commercial Code.

**Operation**

The Supervisory Board meets as often as it is in the interests of the Company and at least four times a year.

Each Supervisory 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 items on the agenda is made by the Chairman of the Executive Board, the Chief Executive Officer and the member of the Executive Board in charge of finance.

Presentations are followed by questions and discussions before the resolutions are voted on, where applicable. The minutes of the Supervisory Board meetings are recorded in writing and are approved at the next meeting.

The Statutory Auditors are also heard during meetings held to review the financial statements.

**Rules of Procedure of the Supervisory Board**

The Supervisory Board adopted Rules of Procedure that specify its powers, remit and duties, as well as those of its special Committees, and that lay out the principles underlying its operating rules.

More specifically, the Rules of Procedure require the Supervisory Board to approve any major transactions outside the Company's stated strategy. It is also informed of the Company's strategic decisions (e.g. the budget or major growth initiatives), financial position, cash position and commitments falling under the Company's stated strategy, in particular those involving acquisitions or disposals, large organic growth investments, or external restructurings.

The Supervisory Board's Rules of Procedure were last revised on 7 December 2016 to reflect updates to the AFEP-MEDEF Code published in November 2016, various legislative changes since its last version, and best market practices.

The Rules of Procedure can be viewed on the Company's website at [www.jcdecaux.com](http://www.jcdecaux.com).

**Work**

In 2016, the Supervisory Board met six times, two times by conference call in accordance with the legal provisions and articles of association, with a member attendance rate of 92.59%.

During each Supervisory Board meeting, Executive Board members reported on group activity, its results and financial situation, on competitive tenders and major external growth projects and, more generally, on the implementation of the group's strategy and possible changes to it.

Moreover, the following subjects were discussed:

- recurring matters such as examining corporate documents, preparing the General Meeting of Shareholders (review of the agenda, draft resolutions and distribution of earnings, and drafting of the report to the General Meeting), setting the annual budget limits of authorisations given to the Executive Board as well as specific authorisations given outside the budget limits (to guarantee the operational commitments of the group's

subsidiaries and the group's acquisitions), re-examining previously concluded and authorised regulated agreements executed in the course of the last financial year, evaluating the Board's operation, appointing the Chairman of the Executive Board and the Chief Executive Officer, and examining the oral reports of the meetings of the Audit Committee and the Compensation and Nominating Committee

- specific matters such as appointing a new secretary to the Supervisory Board, reappointing the Chairman of the Supervisory Board and a member of the Executive Board and two members of the Compensation and Nominating Committee, discussing the training of the member of the Supervisory Board representing employees, discussing newly-acquired equity interests in group subsidiaries, discussing the EU audit reform, and updating the Rules of Procedure

#### *Assessment of the Supervisory Board*

In accordance with the AFEP-MEDEF Code, each year the Supervisory Board devotes an item of the agenda at one of its meetings to a debate on its composition, structure and operation on the basis of a report summarising the responses of each of its members to an individual assessment questionnaire put together by the Compensation and Nominating Committee.

The detailed questionnaire is divided into five themes and comprises open-ended questions, allowing members of the Supervisory Board to explain their answers and make suggestions for improvement, as well as a section specific to each Committee allowing their members to assess how they operate.

The questionnaire also comprises a self-assessment section. Since 2016, members of the Supervisory Board have also assessed the Chairman of the Supervisory Board and the Chairs of each Committee.

All Supervisory Board members completed their questionnaire for the 2016 fiscal year and returned it to the Company.

Overall, answers to the questionnaire confirmed the positive view members of the Supervisory Board had of the structure and operation of the Board and its Committees. Board members emphasized the quality, accuracy and transparency of the information provided to them, which facilitated their oversight of the Company's business and their understanding of its risks.

They also expressed their satisfaction with the existing assessment system, and did not consider it necessary to involve an external body.

Members of the Supervisory Board suggested that, in future, material presented at Supervisory Board and Committee meetings be digitised for practical and confidentiality reasons.

Suggestions made by members of the Supervisory Board as part of the 2015 assessment were taken into account in 2016.

### **1.2.3. The Committees**

The Supervisory Board is assisted by two committees comprised of persons selected from among its members.

#### **Audit Committee**

##### **Duties**

The Audit Committee, relying the professional experience of its members, monitors the preparation of financial information and ensures the relevance and consistency of accounting policies, especially when dealing with major transactions.

It also monitors the effectiveness of internal control and risk management systems and, where applicable, of internal audit procedures relating to the preparation and processing of accounting and financial information.

It examines risks and significant off-balance sheet commitments.

It monitors the conditions under which the Statutory Auditors perform their mission by:

- recommending the (re)appointment of the Statutory Auditors to the Supervisory Board for approval by the General Meeting of Shareholders in line with the provisions of Article 16 of Regulation (EU) No. 537/2014
- monitoring the performance by the Statutory Auditors of their mission
- ensuring that the Statutory Auditors comply with the applicable independence criteria

Since 17 June 2016, the Audit Committee has approved the provision, by the Statutory Auditors or their network, of services other than certification of accounts, mentioned in Article L. 822-11-2 of the French Commercial Code.

##### **Composition**

At 31 December 2016, the Audit Committee is composed of three members: Xavier de Sarrau (Chair) and Monique Cohen (independent member), who have, based on their experience and the roles they currently hold or held in other entities, considerable financial expertise, and Pierre Mutz (independent member).

In accordance with the requirements of the AFEP-MEDEF Code, two-thirds of the Committee members are independent.

The terms of office of members of the Audit Committee coincide with their terms as members of the Supervisory Board.

##### **Operation**

The Audit Committee meets at least twice a year and habitually two days before the Supervisory Board meetings that review the annual or half-yearly financial statements.

To conduct its work, the Audit Committee may call on the assistance of external experts and hear the group heads of finance, accounting, treasury and internal audit, as well as the Statutory Auditors, outside the presence of the corporate officers.

For each meeting, a preparatory file is drawn up and sent out several days before the meeting takes place.

At the meeting, each item on the agenda is presented, as applicable, by the Group Chief Financial and Administrative Officer, the Corporate Finance Director, the Consolidation Director, the Group General Counsel, the Director of Internal Audit and/or the Statutory Auditors and is subsequently discussed.

Written minutes are drawn up to record the proceedings of Audit Committee meetings. An oral account of the Audit Committee's work is given by its Chair to the Supervisory Board after each Committee meeting.

### Work

In 2016, the Audit Committee met four times, with a 100% attendance rate by its members.

The following subjects were discussed:

- recurring matters such as examining the annual financial statements and the consolidated annual and half-yearly financial statements, examining the group's accounting policies, examining changes in the group's financial position, discussing the Statutory Auditors' planned audit of the financial statements, reviewing litigation and significant legal risks, discussing the planned audits of the Internal Audit Department, discussing risk mapping and the internal control system, assessing internal measures guaranteeing the independence of the Company in relation to its controlling shareholder, reviewing the independence of the Statutory Auditors, reviewing the fees paid to external auditors for the previous fiscal year, and approving the provision of services other than certifying the financial statements
- specific matters such as discussing the EU audit reform, analysing agreements between a subsidiary of the Company and a subsidiary of the controlling shareholder, replacing the secretary to the Committee, and presenting changes in IFRS and new tax reporting requirements by country

## The Compensation and Nominating Committee

### Duties

The Compensation and Nominating Committee studies all aspects relating to compensation and benefits paid to executive corporate officers, on the basis of which it makes recommendations to the Supervisory Board, and makes recommendations on the amount and terms of Directors' fees to be paid to members of the Supervisory Board.

It also periodically reviews changes in the Supervisory Board's composition so as to propose candidates for new members in line with the AFEP-MEDEF Code.

It also draws up a succession plan for members of the Executive Board.

### Composition

At 31 December 2016, the Compensation and Nominating Committee is composed of four members: Pierre Mutz (Chair and independent member), Michel Bleitrach (independent member), Gérard Degonse, and Sylvie Lelouarn

(member of the Supervisory Board representing employees) who was appointed by the Supervisory Board at its meeting of 2 March 2016 at the recommendation of the Compensation and Nominating Committee.

In accordance with the AFEP-MEDEF Code, no executive corporate officer sits on the Committee and the majority of its members are independent.

The terms of office of members of the Compensation and Nominating Committee coincide with their terms as members of the Supervisory Board.

### Operation

The Compensation and Nominating Committee meets at least once a year.

For each meeting, a preparatory file is drawn up and sent out several days before the meeting takes place. At the meeting, each item on the agenda is presented and discussed.

The Compensation and Nominating Committee may be assisted by specialist external advisors.

Except for the Executive Board's Chairman, or the Chief Executive Officer and the Group Chief Financial and Administrative Officer if necessary, who submits to the Compensation and Nominating Committee how each of the other members of the Executive Board reached their qualitative and quantitative targets, as well as the proposals, where applicable, of changes in their fixed and variable compensation for the next fiscal year, no other member of the Executive Board attends the Committee meeting pertaining to compensation.

Written minutes are drawn up to record the proceedings of Compensation and Nominating Committee meetings. An oral account of the Compensation and Nominating Committee's work is given by its Chair to the Supervisory Board after each Committee meeting.

### Work

In 2016, the Compensation and Nominating Committee met three times, with a 100% attendance rate by its members.

The following subjects were discussed:

- recurring matters such as the review of the independence of members of the Supervisory Board, the questionnaire relating to the operation and composition of the Supervisory Board and its processing, fixed and variable compensation of Executive Board members, the determination of targets for certain compensation components, the directors' fees for Supervisory Board members and the review of the principles for dividing directors' fees between the Supervisory Board and the Committees
- specific matters such as replacing the secretary to the Committee, examining the appointment of the member of the Supervisory Board representing employees to the Committee, examining gender parity on the Supervisory Board, recruiting new members to the Supervisory Board, discussing the succession plan of members of the Executive Board, and discussing information about the compensation policy for non executive corporate officers

### 1.3. Internal control and risk management procedures introduced by the Company

The Director of Internal Audit, together with the group General Counsel, compiled the report on internal control and risk management procedures introduced by the Company, and reported on it to the Audit Committee and to the Chairman of the Supervisory Board.

The Company's internal control process refers to the reference framework applicable to 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 was presented to the Executive Board which considered it compliant with the plans existing in the group. It has also sent it to the Statutory Auditors for them to draw up their own report as well as to the Audit Committee and Supervisory Board.

#### 1.3.1. Objectives of the internal control

Policies in place within the group aim to ensure that its activities and the behaviour of its members comply with laws and regulations, internal standards and applicable best practices, 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 should help to control 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.

Internal control procedures apply to controlled entities and joint ventures and do not apply to noncontrolling interests. 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 lies with 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.

#### 1.3.2. 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 2016 the group continued its efforts by implementing appropriate procedures and controls to manage these risks and putting corresponding measures in place to limit their financial impact.

The scope of risk identification includes the Company, its direct and indirect subsidiaries, and entities in which the Company holds a minority stake but has managerial control. Risk management is based on risk mapping which lists the main risks faced by the group and its subsidiaries.

The Executive Board and Audit Committee regularly monitor

the group's risk management policy and report on it to the Supervisory Board.

It is organised around six actions:

- **Identify:** a working group comprising the Director of Internal Audit, Corporate Finance Director, group General Counsel, Finance Director for France, Director of Quality Control and Sustainable Development, Head of Investor Relations, and three Administrative and Finance Directors of foreign subsidiaries, led by the group Chief Financial and Administrative Officer, regularly reviews the risk mapping identified and makes the necessary adaptations
- **Quantify:** the risks are assessed according to their probability and impact at group and subsidiary levels, enabling a risk percentage to be calculated
- **Validate:** the working group validates the risks assessed and sends them to the operating teams for comments. Any amendment suggested 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 asked to ensure that appropriate solutions are applied at the local level
- **Ensure the consistency of the processes:** the risk mapping review 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 key elements enabling the risk mapping to be amended to ensure its completeness, validity and the appropriateness of control points for each risk. The control points are determined thanks to the Internal Control and Self-Assessment Manual described on page 198

#### 1.3.3. Control environment

The control environment is an important factor in the management of the group's risks.

##### The main Departments involved in the internal control system

This control environment is based on the Operational Departments (Asset Management, Sales and Marketing, Operations) and Functional Departments (Internal Audit, Legal, Corporate Financial Services, IT, and Quality Control and Sustainable Development).

Since its initial public offering in 2001, the Company has sought to strengthen the internal control system and develop a culture of risk management. The Internal Audit Department was created in 2004 and reports directly to the Chairman of the Executive Board.



The Internal Audit Department checks the compliance, relevance and effectiveness of the internal control procedures as part of the audits that it performs in group companies according to a schedule presented to the group's Audit Committee. This schedule is monitored by the Audit Committee. The Internal Audit Department's work is based on audits and operating methods that are constantly reviewed and improved. The audits' conclusions are sent to the Executive Board and systematically followed up on where necessary. This work and the conclusions are communicated to and exchanged with the Statutory Auditors.

The Legal Department identifies all significant litigation and legal risks for all of the group companies (type, amounts, proceedings, level of risk) and tracks and monitors these on a regular basis, comparing this information with the information held by the Corporate Financial Services Department and reporting back 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 contributes to the internal control system in four areas: security of data and information, harmonisation of systems, hosting of systems and business recovery plan.

The Quality Control and Sustainable Development Department constantly monitors any changes to standards and regulations within its scope of competence and advises the group's subsidiaries, particularly in France, with regard to industrial activities and the operation of ISO 14001 certified facilities.

### The group Code of Ethics

Since 2001, the group has set down the ethical principles and rules to be followed in the conduct of its business in a Code of Ethics. It was last updated in 2014.

The Code of Ethics is made up of two sets of rules:

- fundamental Ethical Rules which prohibit any form of corruption, active or passive, and prescribe compliance with the rules of the free market and of financial and accounting information. A group Ethics Committee is responsible for ensuring compliance with these rules which are essential to the group's existence and success
- a Code of Good Conduct which sets out how the group ought to relate to the authorities and its suppliers and customers and specifies the rights and responsibilities of its employees. The rules it contains must be implemented by each group company, in accordance with applicable national regulations. Compliance with them is the responsibility of the senior management of each group company, both in France and elsewhere

The Code of Ethics is accompanied by a group procedure on hiring and managing consultants.

These ethical rules are widely distributed throughout the group so that employees are made aware of them.

In 2016 they were the subject of a training course, which will be repeated in 2017, held for 5,000 employees who also signed the Code of Ethics; by the end of February 2017, 82.5% of targeted employees had undergone the training.

It can be accessed *via* JCDecaux's Intranet in the group's 15 main working languages or upon request from the Human Resources Department of each of the group's companies. Furthermore, each new employee (executive) receives a copy of the Code of Ethics when hired.

When the financial statements are closed, the CEOs and Finance Directors of the subsidiaries are asked to sign letters confirming that new employees have been made aware of these ethical rules or to explain why this is not the case.

### The Ethics Committee

The purpose of the group Ethics Committee is to deal with any matter relating to the Fundamental Ethical Rules of the JCDecaux Group, to make any recommendation it deems necessary to the Executive Board, to examine any situation contrary to the Fundamental Ethical Rules that may be brought in good faith to its attention, and to put forward any amendment to the Code of Ethics. Any employee of a group entity can refer a matter to the Ethics Committee if they suspect a violation of the Fundamental Ethical Rules.

The group Ethics Committee is composed of three members: the Audit Committee's Chair, the Compensation and Nominating Committee's Chair 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. The group General Counsel and Deputy General Counsel are entrusted with the group Ethics Committee's secretariat.

It meets as often as necessary, and at least once a year, has extensive powers to investigate the facts connected with a situation contrary to the Fundamental Ethical Rules, and may be assisted by specialist external advisors. It reports on its work to the Chairman of the Executive Board and the Supervisory Board. Its operation is defined by Rules of Procedure.

In 2016 the Ethics Committee met once and no matters were referred to it.

### The JCDecaux Group International Charter of Fundamental Social Values

In 2012 the group put in place a Charter referring to international standards such as the Universal Declaration of Human Rights, the International Labour Organization's Fundamental Conventions, and the Organisation for Economic Cooperation and Development's Guidelines for Multinational Enterprises. In a context of strong international growth, the group expressed its steadfast commitment to fundamental social values by formalising this in this Charter, which provides clear guidelines and principles of conduct within the group while respecting the diversity of commercial and cultural practices that co-exist in the group's different entities.

Updated in 2013, the Charter applies to all group employees who also undertake to promote its values among all stakeholders, namely JCDecaux SA's subsidiaries and their suppliers, subcontractors and partners.

The commitments adopted by the group concern the following areas: right to collective bargaining and freedom of association, condemnation of all forms of forced or compulsory labour, condemnation of child labour, no discrimination at work, health and safety of workers, working time, right to a decent wage, right to paid leave, right to training, condemnation of all forms of harassment or violence, priority redeployment of employees in the event of restructuring, respect for private life and right to personal data protection, right to participate in public life, right to social security, balance between private and professional life, family leave, right to protection when a new child arrives. The implementation of the Charter is extremely important for the group: a member of the Executive Board, as well as the group Chief Financial and Administrative Officer, have taken direct responsibility for ensuring that it is correctly distributed within the group.

JCDecaux Group's International Charter of Fundamental Social Values 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 Charter when hired.

## **A system of delegations**

The group's operating structure is based on fully operational subsidiaries in France and in other countries where it operates, whose general management is vested by law with all the necessary powers.

Nevertheless, the Executive Board has adopted a system of delegating more specific powers according to function. This system is constantly reviewed and updated to adapt it to changes in the group's organisation.

In areas of particular sensitivity for the group, the Executive Board has limited the commitment powers of its French and foreign subsidiaries.

## **A uniform group procedure for signing and validating private and public contracts**

A group procedure established at the beginning of fiscal year 2011 and updated in 2015 in order to strengthen controls and harmonise the handling of certain contracts (so-called "qualified" contracts) binding the group. 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 people with different competencies and good knowledge of contractual commitments. In any event, other contracts must be signed by two persons. This procedure applies to all subsidiaries and joint ventures managed by JCDecaux SA or which JCDecaux SA is responsible for managing. When the financial statements are closed, the CEOs and Finance Directors of the subsidiaries are asked to sign letters confirming that this procedure has been applied or to explain why this is not the case.

## **An Internal Control and Self-Assessment Manual**

In 2003, the group prepared an Internal Control Manual with the assistance of an outside consultant. This Manual is applied by all of the group's Finance Directors. It identifies the principal decision-making processes and defines their major risks.

On the basis of the Internal Control Manual, the group developed a self-assessment questionnaire to obtain feedback from the Finance Directors of the subsidiaries regarding the administrative processes and the related risks for which they were responsible.

The group has reviewed the various stages of each of the processes identified to define the most appropriate control points. For each of these points, the subsidiaries were asked to describe the internal controls they applied and evaluate the suitability and adequacy of such controls.

In conjunction with the group's risk mapping review, the list of control points considered the most important (sales cycle, purchasing cycle, asset management cycle, financial and cash audits, capital expenditure, human resources, information systems) is regularly updated and sent to subsidiaries which every year return their answers to a self-assessment questionnaire issued by the Internal Audit Department describing how they follow these points. A summary of answers is presented to the Executive Board and to the Audit Committee.

## **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 managers with the information they need to manage the Company and its subsidiaries, to enable statutory accounting consolidation, to manage the business through reporting and the budget and to ensure the group's financial communications.

This process is organised around three cycles: budget, reporting and consolidation. These three cycles apply to all group 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 in progress, and the budget for year Y+1. Pre-approved by the Executive Board in December and validated in April Y+1, it is sent out to the subsidiaries following this final validation. In addition to strategic and commercial information, the budget includes an operating income account and a use-of-funds statement prepared according to the same format as the consolidated financial statements
- the monthly report, except for the months of January and July, covers several aspects: an operating income account, investment tracking, treasury report and workforce monitoring. 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 those of each semester are circulated to the market. They include a profit and loss account, balance sheet and a cash flow statement and notes. 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, consisting of a Consolidation group, a Planning and Control Department, in charge of the budget, reporting and international management control, a Treasury Department and an Administration and Management Unit 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 group Chief Financial and Administrative Officer has functional authority over the Finance Directors of all of the subsidiaries.

When the financial statements are closed mid-year and at the end of the year, the CEOs 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.

#### 1.3.4. Internal control bodies

The Executive Board is heavily 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).

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 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 deemed necessary.

### 1.4. Other disclosures

The information below and the sections of this Annual Report to which it refers are an integral part of the report of the Chairman of the Supervisory Board on corporate governance and internal control and risk management procedures.

#### 1.4.1. Principles and rules for determining compensation and benefits granted to corporate officers

The principles and rules approved by the Supervisory Board to determine the compensation and fringe benefits paid to members of the Executive Board and Supervisory Board are set out in the "Compensation and benefits" section on page 200 of this Annual Report.

#### 1.4.2. Special terms relating to the participation of shareholders in the General Meeting

The terms relating to the participation of shareholders in the General Meeting of Shareholders are set out in the Articles of Association and summarised on page 186 of this Annual Report.

#### 1.4.3. Matters that could be relevant in case of a public offering (Article L. 225-100-3 of the French Commercial Code)

##### Structure of the Company's share capital

These items are listed in the "Shareholding" section on page 248 and the "Share capital" section on page 254 of this Annual Report.

##### Restrictions laid down in the Articles of Association on the exercise of voting rights and transfers of shares or in clauses of agreements brought to the attention of the Company pursuant to Article L. 233-11 of the French Commercial Code/List of holders of any security containing special control rights and their description

There is no restriction in the articles of association concerning the exercise of voting rights or share transfers, or shares with special control rights.

##### Direct or indirect holdings of the Company's share 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 on page 249 of this Annual Report.

##### Control mechanisms provided for in any employee shareholding system when control rights have not been exercised by the latter

To the Company's knowledge, there are no such mechanisms.

##### Agreements between shareholders of which the Company is aware and which can lead to restrictions in share transfers and the exercise of voting 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.

##### Rules applicable to the appointment and replacement of members of the Executive Board as well as the amendment of the Company's Articles of Association

The rules governing the appointment and replacement of members of the Executive Board comply with the law and regulations in force and are listed on page 191 of this Annual Report.

The rules applicable to the amendment of the Company's articles of association comply with the regulations in force, 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.

**Powers of the Executive Board to issue or repurchase shares**

The powers granted to the Executive Board to issue or repurchase shares are stated on page 255 of this Annual Report.

**Agreements signed by the Company that are amended or come to an end in the event of a change in control of the Company**

A financing agreement agreed between the Company and a banking syndicate on 15 February 2012, as amended on 14 February 2014 and on 10 July 2015, for an amount of €825 million, is likely to be terminated in the event of a change in control of the Company.

The €500 million bond issued in February 2013 and the €750 million bond issued in June 2016 contain a change of control clause providing the bondholders with the opportunity to request early repayment in case of a change of control accompanied by a rating downgrade to speculative grade or a withdrawal of the credit rating.

**Agreements providing for compensation for Executive Board members or employees, if they resign or are made redundant without just cause or if their job comes to an end due to a takeover bid**

Severance pay for members of the Executive Board in case of termination of their employment is mentioned in the "Compensation for members of the Executive Board" section on page 200 of this Annual Report. There is no specific commitment to pay an indemnity in the event of a takeover bid.

**1.4.4. Financial risks related to the effects of climate change and measures taken by the Company to reduce them by implementing a low-carbon strategy in every aspect of its business**

These factors are dealt with in the "Other legal information" section on page 262 of this Annual Report.

**2. COMPENSATION AND BENEFITS****2.1. Compensation for corporate officers**

With respect to its legal representatives, Jean-François Decaux and Jean-Charles Decaux, empowered to represent the Company in dealings with third parties in their respective and alternating capacity as Chairman of the Executive Board and Chief Executive Officer, receive compensation by virtue of their office.

Jean-Sébastien Decaux, CEO Southern Europe and Belux, CEO Africa and Israel, is also a member of the Executive Board although not a legal representative and receives compensation by virtue of his office.

Emmanuel Bastide, Chief Executive Officer, Asia, David Bourg, group Chief Financial and Administrative Officer, and Daniel Hofer, Chief Executive Officer, Germany, Austria, Eastern Europe and Central Asia, are members of the Executive Board and receive different forms of compensation in their capacity as employees and in respect of their operational roles and specific functions distinct of their corporate office. Therefore, the internal rules for

hierarchical subordination, inherent in an employment contract, guarantee continuous and effective control of their performance.

Information on the forms of compensation received in 2016 by all members of the Executive Board, Jean-Charles Decaux, Jean-François Decaux, Jean-Sébastien Decaux, Emmanuel Bastide, David Bourg and Daniel Hofer, as well as the compensation policy for 2017, is provided in this Annual Report.

The amounts given further below are those paid by JCDecaux SA, by JCDecaux Holding, the controlling shareholder of JCDecaux SA, and by JCDecaux SA's foreign subsidiaries. Executive Board members receive no compensation from JCDecaux SA's French subsidiaries.

- For compensation paid in pound sterling, the exchange rate applied is the 2016 average of the sterling exchange rates, or €1.220281 to the pound
- For compensation paid in Swiss franc, the exchange rate applied is the 2016 average of the Swiss franc exchange rates, or €0.917301 to the Swiss franc
- For compensation paid in Singapore dollar, the exchange rate applied is the 2016 average of the Singapore dollar exchange rate, or €0.654648 to the Singapore dollar

**2.1.1. Principles and rules of determination****2.1.1.1. Fixed compensation**

The fixed compensation of members of the Executive Board is set and reviewed annually by the Supervisory Board at the recommendation of the Compensation and Nominating Committee.

Such recommendation is made on the basis of experience, the level and difficulty of responsibility, years of service at the group, and practices noted in the group or entities conducting similar business.

For 2016, the Supervisory Board at its meeting of 3 December 2015 decided at the recommendation of the Compensation and Nominating Committee to:

- maintain the fixed compensation of Jean-François Decaux, Jean-Charles Decaux and Daniel Hofer at 2015 levels
- raise by 5% the fixed salaries of Emmanuel Bastide and Jean-Sébastien Decaux, on account of the growth in business in countries within their spheres of responsibility, to €420,000 and €406,097, respectively
- raise by 23% the fixed salary of David Bourg to €400,000 in view of his success in his new position since 15 January 2015, his increased responsibilities and the group's subsequent development abroad

### 2.1.1.2 Annual variable compensation

The criteria for determining the variable compensation of members of the Executive Board are set and reviewed annually by the Supervisory Board at the recommendation of the Compensation and Nominating Committee.

The variable compensation of members of the Executive Board is set on an individual and conditional basis in light of strict quantifiable and qualitative criteria.

With regard to quantifiable criteria, the required level of achievement of financial targets is measured and assessed each year by the Supervisory Board at the recommendation of the Compensation and Nominating Committee. The Supervisory Board considers these criteria, which are closely linked to the Company's strategy, to be too confidential to warrant a more detailed description.

The variable compensation of members of the Executive Board may not exceed a percentage of their fixed annual salary.

Variable compensation due for 2015 was paid in 2016. Likewise, variable compensation due for 2016 will be paid in 2017.

#### *Variable compensation due for 2016 to Jean-Charles Decaux and Jean- François Decaux:*

✓ Determination and payment criteria:

Their variable compensation can reach 150% of their annual fixed salary as follows:

- 50% on the basis of a quantifiable criterion related to consolidated EBIT (\*) for the period in question
- 50% on the basis of a quantifiable criterion related to target ratios of operating margin to revenue by segment (\*)
- 50% on the basis of qualitative targets such as specific strategic achievements (e.g. new contracts or acquisitions)

(\*) Given the possible impact of certain organic growth projects (e.g. the TFL contract) and planned acquisitions (e.g. Cemusa) on short-term margins without undermining the group's medium-term profitability, these quantifiable criteria are assessed in terms of the restated normative aggregates of such short-term nonrecurring items.

✓ Achievement level:

For 2016, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, decided to pay Jean-Charles Decaux and Jean-François Decaux variable compensation amounting to 124% of their annual fixed salary broken down as follows:

- 74% for reaching quantifiable targets
- 50% for reaching qualitative targets

#### *Variable compensation due for 2016 to Jean-Sébastien Decaux:*

✓ Determination and payment criteria:

His variable compensation can reach 100% of his annual fixed salary as follows:

- 50% for quantifiable targets related to EBIT (\*) in the countries in his sphere of responsibility for the period in question
- 50% for qualitative targets, such as his participation in strategic achievements or achievement of specific targets as set by Jean-Charles Decaux and linked to the countries in his region during the reference year

(\*) Changes in EBIT include the impact of changes in exchange rates but exclude management fees and any amortisation of goodwill (which is not allocated by country). Given the possible impact of certain organic growth projects and planned acquisitions (e.g. Cemusa) on short-term margins without undermining the group's medium-term profitability, these quantifiable criteria are assessed in terms of the restated normative EBIT of such short-term nonrecurring items.

✓ Achievement level:

For 2016, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, decided to pay Jean-Sébastien Decaux variable compensation amounting to 100% of his annual fixed salary broken down as follows:

- 50% for reaching quantifiable targets
- 50% for reaching qualitative targets

#### *Variable compensation due for 2016 to Emmanuel Bastide:*

✓ Determination and payment criteria:

His variable compensation can reach 100% of his annual fixed salary as follows:

- 50% for quantifiable targets related to EBIT (\*) in the countries in his sphere of responsibility for the period in question
- 50% for qualitative targets, such as his participation in strategic achievements or achievement of specific targets as set by Jean-Charles Decaux and linked to the countries in his region during the reference year

(\*) Changes in EBIT include the impact of changes in exchange rates but exclude management fees and any amortisation of goodwill (which is not allocated by country).

✓ Achievement level:

For 2016, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, decided to pay Emmanuel Bastide variable compensation amounting to 50% of his annual fixed salary broken down as follows:

- 0% for reaching quantifiable targets
- 50% for reaching qualitative targets

**Variable compensation due for 2016 to David Bourg:**

✓ Determination and payment criteria:

His variable compensation can reach 100% of his annual fixed salary as follows:

- 50% for quantifiable targets related to consolidated EBIT (\*)
- 50% for quantifiable targets related to target ratios of operating margin to revenue by segment (\*)

In addition, and up to a maximum total variable compensation of 100% of his fixed annual salary, David Bourg may receive additional variable compensation for his involvement in specific strategic achievements or reaching specific targets linked to the departments under his responsibility and set by the co-Chief Executive Officers.

(\*) Given the possible impact of certain organic growth projects (e.g. the TFL contract) and planned acquisitions (e.g. Cemusa) on short-term margins without undermining the group's medium-term profitability, these quantifiable criteria are assessed in terms of the restated normative aggregates of such short-term nonrecurring items.

✓ Achievement level:

For 2016, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, decided to pay David Bourg variable compensation amounting to 100% of his annual fixed salary broken down as follows:

- 74% for reaching quantifiable targets
- 26% for reaching qualitative targets

**Variable compensation due for 2016 to Daniel Hofer:**

✓ Determination and payment criteria:

His variable compensation can reach 130% of his annual fixed salary as follows:

- 100% for quantifiable targets linked to consolidated EBIT – as defined by IFRS (\*) – in the countries in his sphere of responsibility and APG/SGA (accounted for in the calculation up to JCDecaux's share in the share capital) and
- 30% for qualitative targets, such as his participation in strategic achievements or achievement of specific targets as set by Jean-François Decaux and linked to the countries in his region during the reference year

(\*) Changes in EBIT include the impact of changes in exchange rates but exclude management fees and any amortisation of goodwill (which is not allocated by country).

✓ Achievement level:

For 2016, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, decided to pay Daniel Hofer variable compensation amounting to 130% of his annual fixed salary broken down as follows:

- 100% for reaching quantifiable targets
- 30% for reaching qualitative targets

**2.1.1.3. Nonrecurring compensation**

The Supervisory Board, at the recommendation of the Compensation and Nominating Committee, may decide to award nonrecurring compensation to members of the Executive Board on particular grounds (e.g. winning major new contracts, strategic acquisitions, successful restructuring).

In 2016, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, decided to award non-recurring compensation of €210,000 to Emmanuel Bastide on account of the contracts won in Tokyo.

David Bourg also received additional compensation in line with the rule of one-tenth of paid leave.

**2.1.1.4. Directors' fees**

Members of the Executive Board receive no Directors' fees from JCDecaux SA but may receive them from subsidiaries of JCDecaux SA in their capacity as directors thereof.

In 2016, no member of the Executive Board received Director's fees, except for Jean François Decaux.

**2.1.1.5. Bonus shares**

The Executive Board may award bonus shares to its members.

In 2016, no bonus shares were awarded by the Executive Board.

**2.1.1.6. Stock options**

✓ Granting

The Executive Board may grant stock options to its members.

In 2016, the Executive Board granted stock options to Jean-Sébastien Decaux, David Bourg, Emmanuel Bastide and Daniel Hofer.

Jean-François Decaux and Jean-Charles Decaux receive no stock options, having waived their right to do so since the Company's IPO in 2001.

Stock options granted by the Company provide the right to subscribe to shares issuance at a price defined at the time of grant.

The granting of stock options is subject to performance conditions relating to group financial results and individual targets achieved in a given fiscal year.

✓ Fiscal year

The exercise of stock options is subject to performance conditions set by the Supervisory Board at the recommendation of the Compensation and Nominating Committee.

At first, the Supervisory Board at its meeting of 15 February 2016 had set the following performance conditions for exercising stock options, namely, reaching consolidated EBIT in line with the 2016 budget and reaching personal targets in 2016 relating to the departments for which members of the Executive Board are responsible and set by the co-Chief Executive Officers.

On 1 March 2017, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, decided to change the first of these performance conditions to account for exceptional circumstances, namely, certain organic growth projects (TFL contract) and planned acquisitions (Cemusa) having a material impact on the group's scope in 2016.

Consequently, the exercise of stock options granted in 2016 to Jean-Sébastien Decaux, Emmanuel Bastide, David Bourg and Daniel Hofer was subject to meeting the following performance conditions:

- (i) increasing consolidated EBIT compared with 2015 (excluding the impact of TFL and Cemusa); and
- (ii) reaching personal targets in 2016 relating to the departments for which members of the Executive Board are responsible and set by the co-Chief Executive Officers.

On 1 March 2017, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, noted that these performance conditions had been met by all members of the Executive Board who were beneficiaries of stock options.

The impact of the valuation of the stock options granted to Jean-Sébastien Decaux, Emmanuel Bastide, David Bourg and Daniel Hofer in 2016 is set out in the tables below.

The valuation assumptions are presented in the notes to the consolidated financial statements on pages 130 and 131.

#### **2.1.1.7. Fringe benefits**

Fringe benefits relate to the provision of company vehicles to Jean-François Decaux in the UK, Jean-Charles Decaux and David Bourg in France, Jean-Sébastien Decaux in Italy, and Emmanuel Bastide in Singapore.

In Singapore, Emmanuel Bastide also has the use of company housing and his children's school fees are paid for.

#### **2.1.1.8. Supplementary pension**

Daniel Hofer also benefits from an annual supplementary retirement pension contribution. This contribution corresponds to 16% of his annual fixed compensation increased by the variable compensation up to the contractual limit of a CHF 110,139.60 contribution for a full year. Besides, according to applicable Swiss regulations, the contribution's base is capped.

However, within the regulatory limit, Daniel Hofer has the option to deduct a part of his variable compensation to be converted into a retirement pension contribution.

The payment of this pension contribution is subject to meeting performance conditions set by the Supervisory Board at the recommendation of the Compensation and Nominating Committee.

For fiscal year 2016, Daniel Hofer chose an additional payment on his pension fund to be withdrawn from his variable compensation.

#### **2.1.1.9. Severance pay**

If Emmanuel Bastide's and David Bourg's employment contracts are terminated, they are entitled to receive a non-compete indemnity from the Company, for two years, corresponding to 33% of their variable and fixed salary, calculated on the average of the last twelve months before the date when the contract is terminated.

The Company has the right of discharging the concerned persons from their commitment in case of termination of employment, and not pay the related compensation.

The total amount provisioned or recorded by the Company and its subsidiaries to pay retirement or other benefits to corporate officers is given on page 143 of this Annual Report.



## 2.1.2. Compensation received (in euros) for fiscal year 2016

## Jean-Charles DECAUX – Chairman of the Executive Board/Member of the Executive Board

## 1. Summary of the compensation and options and bonus shares granted (in euros) by JCDecaux SA and controlled entities

|  | 2015             | 2016             |
|--|------------------|------------------|
| Compensation due for the fiscal year (listed in table 2) | 2,223,895        | 2,313,691        |
| Valuation of options granted during the year             | 0                | 0                |
| Valuation of shares granted during the year              | 0                | 0                |
| Valuation of other long-term compensation plans          | 0                | 0                |
| <b>TOTAL</b>   | <b>2,223,895</b> | <b>2,313,691</b> |
| <i>Change</i>  | +5.5%            | +4%              |

## 2. Summary of compensation (in euros) due or paid by JCDecaux SA and controlled entities

|                                   | 2015                     |                          | 2016                     |                          |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                   | Amounts due for 2015     | Amounts paid in 2015     | Amounts due for 2016     | Amounts paid in 2016     |
| Fixed Compensation                | 1,023,435                | 1,023,435                | 1,023,435                | 1,023,435                |
| Annual Variable Compensation      | 1,176,950 <sup>(1)</sup> | 1,065,233 <sup>(2)</sup> | 1,265,620 <sup>(3)</sup> | 1,176,950 <sup>(1)</sup> |
| Long Term Variable Compensation   | 0                        | 0                        | 0                        | 0                        |
| Non recurring compensation        | 0                        | 0                        | 0                        | 0                        |
| Director's fees                   | 0                        | 0                        | 0                        | 0                        |
| Fringe benefits <sup>(4)</sup>    | 6,563                    | 6,563                    | 6,564                    | 6,564                    |
| Life insurance/Special retirement | 16,947                   | 16,947                   | 18,072                   | 18,072                   |
| <b>TOTAL</b>                      | <b>2,223,895</b>         | <b>2,112,178</b>         | <b>2,313,691</b>         | <b>2,225,021</b>         |

<sup>(1)</sup> Variable compensation paid in 2016 for 2015, i.e. 115% of the fixed annual salary (the variable compensation of Jean-Charles Decaux could not exceed 150% of his annual fixed compensation for the 2015 fiscal year).

<sup>(2)</sup> Variable compensation paid in 2015 for 2014, i.e. 104% of the fixed annual salary (the variable compensation of Jean-Charles Decaux could not exceed 150% of his annual fixed compensation for the 2014 fiscal year).

<sup>(3)</sup> Variable compensation paid in 2017 for 2016, i.e. 124% of the fixed annual salary (the variable compensation of Jean-Charles Decaux could not exceed 150% of his annual fixed compensation for the 2016 fiscal year).

<sup>(4)</sup> Company vehicle.

## 3. Summary of compensation (in euros) granted by JCDecaux Holding

JCDecaux Holding has granted to Mr. Jean-Charles Decaux, by virtue of his executive duties within this company, the following amounts :

- for the 2015 fiscal year : a fixed compensation of €200,000 €
- for the 2016 fiscal year : a fixed compensation of €200,000 € as well as a non recurring compensation of €1,375,000

## 4. Other disclosures

| Employment contract |    | Supplementary pension schemes |    | Compensation or benefits due or likely to be due for ceasing or changing duties |    | Compensation relating to a non-competition clause |    |
|---------------------|----|-------------------------------|----|---|----|---|----|
| yes                 | no | yes                           | no | yes   | no | yes   | no |
|                     | ✓  |                               | ✓  |   | ✓  |   | ✓  |



**Jean-François DECAUX – Chief Executive Officer/Member of the Executive Board**

## 1. Summary of the compensation and options and bonus shares granted (in euros) by JCDecaux SA and controlled entities

|  | 2015             | 2016             |
|--|------------------|------------------|
| Compensation due for the fiscal year (listed in table 2) | 2,333,530        | 2,395,338        |
| Valuation of options granted during the year             | 0                | 0                |
| Valuation of shares granted during the year              | 0                | 0                |
| Valuation of other long-term compensation plans          | 0                | 0                |
| <b>TOTAL</b>   | <b>2,333,530</b> | <b>2,395,338</b> |
| <i>Change</i>  | <i>+5.5%</i>     | <i>+2.6%</i>     |

## 2. Summary of compensation (in euros) due or paid by JCDecaux SA and controlled entities

|                                   | 2015                     |                          | 2016                     |                          |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                   | Amounts due for 2015     | Amounts paid in 2015     | Amounts due for 2016     | Amounts paid in 2016     |
| Fixed Compensation                | 1,023,435                | 1,023,435                | 1,023,435                | 1,023,435                |
| Annual Variable Compensation      | 1,176,950 <sup>(1)</sup> | 1,065,233 <sup>(2)</sup> | 1,265,620 <sup>(3)</sup> | 1,176,950 <sup>(1)</sup> |
| Long Term Variable Compensation   | 0                        | 0                        | 0                        | 0                        |
| Non recurring Compensation        | 0                        | 0                        | 0                        | 0                        |
| Director's fees                   | 50,000 <sup>(4)</sup>    | 50,000 <sup>(5)</sup>    | 25,000 <sup>(6)</sup>    | 50,000 <sup>(4)</sup>    |
| Fringe benefits <sup>(7)</sup>    | 66,166                   | 66,166                   | 63,178                   | 63,178                   |
| Life insurance/Special retirement | 16,979                   | 16,979                   | 18,105                   | 18,105                   |
| <b>TOTAL</b>                      | <b>2,333,530</b>         | <b>2,221,813</b>         | <b>2,395,338</b>         | <b>2,331,668</b>         |

<sup>(1)</sup> Variable compensation paid in 2016 for 2015, i.e. 115% of the fixed annual salary (the variable compensation of Jean-François Decaux could not exceed 150% of his annual fixed compensation for the 2015 fiscal year).

<sup>(2)</sup> Variable compensation paid in 2015 for 2014, i.e. 104% of the fixed annual salary (the variable compensation of Jean-François Decaux could not exceed 150% of his annual fixed compensation for the 2014 fiscal year).

<sup>(3)</sup> Variable compensation paid in 2017 for 2016, i.e. 124% of the fixed annual salary (the variable compensation of Jean-François Decaux could not exceed 150% of his annual fixed compensation for the 2016 fiscal year).

<sup>(4)</sup> Directors' fees due for 2015 and paid in 2016.

<sup>(5)</sup> Directors' fees due for 2014 and paid in 2015.

<sup>(6)</sup> Directors' fees due for 2016 and paid in 2017.

<sup>(7)</sup> Two company vehicles.

## 3. Summary of compensation (in euros) granted by JCDecaux Holding

JCDecaux Holding has granted to Mr. Jean-François Decaux, by virtue of his executive duties within this company, the following amounts :

- for the 2015 fiscal year : a fixed compensation of €200,000
- for the 2016 fiscal year : a fixed compensation of €200,000

## 4. Other disclosures

| Employment contract |    | Supplementary Pension |    | Compensation or benefits due or likely to be due for ceasing or changing duties |    | Compensation relating to a non-competition clause |    |
|---------------------|----|-----------------------|----|---|----|---|----|
| yes                 | no | yes                   | no | yes   | no | yes   | no |
|                     | ✓  |                       | ✓  |   | ✓  |   | ✓  |

**Jean-Sébastien DECAUX – Member of the Executive Board**

## 1. Summary of the compensation and options and bonus shares granted (in euros) by JCDecaux SA and controlled entities

|  | 2015           | 2016           |
|--|----------------|----------------|
| Compensation due for the fiscal year (listed in table 2)             | 778,923        | 817,518        |
| Valuation of long-term variable compensation awarded during the year | 0              | 0              |
| Valuation of options granted during the year                         | 36,237         | 36,798         |
| Valuation of shares granted during the year                          | 0              | 0              |
| <b>TOTAL</b>   | <b>815,160</b> | <b>854,316</b> |
| <i>Change</i>  | <i>-2.1%</i>   | <i>+4.8%</i>   |

## 2. Summary of compensation (in euros) due or paid by JCDecaux SA and controlled entities

|                                   | 2015                   |                        | 2016                   |                        |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                   | Amounts due for 2015   | Amounts paid in 2015   | Amounts due for 2016   | Amounts paid in 2016   |
| Fixed Compensation                | 386,759                | 386,759                | 406,097                | 406,097                |
| Annual Variable Compensation      | 386,759 <sup>(1)</sup> | 386,759 <sup>(2)</sup> | 406,097 <sup>(3)</sup> | 386,759 <sup>(1)</sup> |
| Long Term Variable Compensation   | 0                      | 0                      | 0                      | 0                      |
| Non recurring Compensation        | 0                      | 0                      | 0                      | 0                      |
| Director's fees                   | 0                      | 0                      | 0                      | 0                      |
| Fringe benefits <sup>(4)</sup>    | 5,405                  | 5,405                  | 5,324                  | 5,324                  |
| Life insurance/Special retirement | 0                      | 0                      | 0                      | 0                      |
| <b>TOTAL</b>                      | <b>778,923</b>         | <b>778,923</b>         | <b>817,518</b>         | <b>798,180</b>         |

<sup>(1)</sup> Variable compensation paid in 2016 for 2015, i.e. 100% of the fixed annual salary (the variable compensation of Jean-Sébastien Decaux could not exceed 100% of his annual fixed compensation for the 2015 fiscal year).

<sup>(2)</sup> Variable compensation paid in 2015 for 2014, i.e. 100% of the fixed annual salary (the variable compensation of Jean-Sébastien Decaux could not exceed 100% of his annual fixed compensation for the 2014 fiscal year).

<sup>(3)</sup> Variable compensation paid in 2017 for 2016, i.e. 100% of the fixed annual salary (the variable compensation of Jean-Sébastien Decaux could not exceed 100% of his annual fixed compensation for the 2016 fiscal year).

<sup>(4)</sup> Company vehicle.

## 3. Summary of compensation (in euros) granted by JCDecaux Holding

JCDecaux Holding has granted to Mr. Jean-Sébastien Decaux, by virtue of his executive duties within this company, the following amounts :

- for the 2015 fiscal year : a fixed compensation of €200,000 €
- for the 2016 fiscal year : a fixed compensation of €200,000

## 4. Stock or share purchase options granted in 2016

| Date of grant | Type of options                 | Valuation of the options according to the method chosen for the consolidated financial statements in 2016 (in euros) | Number of options granted in 2016 | Grant price (in euros) | Exercise period               |
|---------------|---------------------------------|--|-----------------------------------|------------------------|-------------------------------|
| 17/02/2016    | Options to subscribe for shares | 36,798   | 11,372                            | 34.01                  | From 17/02/2017 to 17/02/2023 |

## 5. Stock or share purchase options exercised in 2016

Nil.

## 6. Other disclosures

| Employment contract |    | Supplementary pension schemes |    | Compensation or benefits due or likely to be due for ceasing or changing duties |    | Compensation relating to a non-competition clause |    |
|---------------------|----|-------------------------------|----|---|----|---|----|
| yes                 | no | yes                           | no | yes   | no | yes   | no |
|                     | ✓  |                               | ✓  |   | ✓  |   | ✓  |

**Emmanuel BASTIDE - Member of the Executive Board**

## 1. Summary of the compensation and options and bonus shares granted (in euros) by JCDecaux SA and controlled entities

|  | 2015           | 2016             |
|--|----------------|------------------|
| Compensation due for the fiscal year (listed in table 2)             | 950,262        | 990,366          |
| Valuation of long-term variable compensation awarded during the year | 0              | 0                |
| Valuation of options granted during the year                         | 38,174         | 38,060           |
| Valuation of shares granted during the year                          | 0              | 0                |
| <b>TOTAL</b>   | <b>988,436</b> | <b>1,028,426</b> |
| <i>Change</i>  | <i>N/A</i>     | <i>+4%</i>       |

## 2. Summary of compensation (in euros) due or paid by JCDecaux SA and controlled entities

|                                   | 2015                   |                        | 2016                   |                        |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                   | Amounts due for 2015   | Amounts paid in 2015   | Amounts due for 2016   | Amounts paid in 2016   |
| Fixed Compensation                | 400,000 <sup>(1)</sup> | 400,000 <sup>(1)</sup> | 420,000 <sup>(1)</sup> | 420,000 <sup>(1)</sup> |
| Annual Variable Compensation      | 400,000 <sup>(2)</sup> | 55,467 <sup>(3)</sup>  | 210,000 <sup>(4)</sup> | 400,000 <sup>(2)</sup> |
| Long Term Variable Compensation   | 0                      | 0                      | 0                      | 0                      |
| Non recurring Compensation        | 0                      | 0                      | 210,000 <sup>(5)</sup> | 0                      |
| Director's fees                   | 0                      | 0                      | 0                      | 0                      |
| Fringe benefits <sup>(6)</sup>    | 150,262                | 150,262                | 150,366                | 150,366                |
| Life insurance/Special retirement | 0                      | 0                      | 0                      | 0                      |
| <b>TOTAL</b>                      | <b>950,262</b>         | <b>605,729</b>         | <b>990,366</b>         | <b>970,366</b>         |

<sup>(1)</sup> Emmanuel Bastide, as an expatriate, is entitled under his employment contract to a covering exchange rate.

As for 2015 and considering the appreciation of the Singapore dollar in comparison with the euro, we acknowledge a negative adjustment of – 27,698 Singapore dollars. As for 2016 and considering the appreciation of the Singapore dollar in comparison with the euro, we acknowledge a negative adjustment of -916 Singapore dollars.

<sup>(2)</sup> Variable compensation paid in 2016 for 2015, i.e. 100% of the fixed annual salary (the variable compensation of Emmanuel Bastide could not exceed 100% of his annual fixed compensation for the 2015 fiscal year).

<sup>(3)</sup> Variable compensation paid in 2015 for 2014, i.e. 41.6% of the fixed annual salary over four months (the variable compensation of Emmanuel Bastide could not exceed 100% of his annual fixed compensation for the 2014 fiscal year, pro-rated from the date of his appointment).

<sup>(4)</sup> Variable compensation paid in 2017 for 2016, i.e. 50% of the fixed annual salary (the variable compensation of Emmanuel Bastide could not exceed 100% of his annual fixed compensation for the 2016 fiscal year).

<sup>(5)</sup> Nonrecurring compensation following contracts won in Tokyo.

<sup>(6)</sup> Company vehicle, company housing and the school fees of Emmanuel Bastide's children.

## 3. Summary of compensation (in euros) granted by JCDecaux Holding

No compensation has been paid by JCDecaux Holding to Mr. Emmanuel Bastide during the 2015 fiscal year, nor in 2016.

## 4. Stock or share purchase options granted in 2016

| Date of grant | Type of options                 | Valuation of the options according to the method chosen for the consolidated financial statements in 2016 (in euros) | Number of options granted in 2016 | Grant price (in euros) | Exercise period               |
|---------------|---------------------------------|--|-----------------------------------|------------------------|-------------------------------|
| 17/02/2016    | Options to subscribe for shares | 38,060   | 11,762                            | 34.01                  | From 17/02/2017 to 17/02/2023 |

## 5. Stock or share purchase options exercised in 2016

Nil.

## 6. Other disclosures

| Employment contract |    | Supplementary pension schemes |    | Compensation or benefits due or likely to be due for ceasing or changing duties |    | Compensation relating to a non-competition clause |    |
|---------------------|----|-------------------------------|----|---|----|---|----|
| yes                 | no | yes                           | no | yes   | no | yes   | no |
| ✓                   |    |                               | ✓  |   | ✓  | ✓   |    |

**David BOURG - Member of the Executive Board**

## 1. Summary of the compensation and options and bonus shares granted (in euros) by JCDecaux SA and controlled entities

|  | 2015           | 2016           |
|--|----------------|----------------|
| Compensation due for the fiscal year (listed in table 2)             | 639,013        | 807,134        |
| Valuation of long-term variable compensation awarded during the year | 0              | 0              |
| Valuation of options granted during the year                         | 16,182         | 30,925         |
| Valuation of shares granted during the year                          | 0              | 0              |
| <b>TOTAL</b>   | <b>655,195</b> | <b>838,059</b> |
| <i>Change</i>  | <i>N/A</i>     | <i>+28%</i>    |

## 2. Summary of compensation (in euros) due or paid by JCDecaux SA and controlled entities

|                                   | 2015                   |                      | 2016                   |                        |
|-----------------------------------|------------------------|----------------------|------------------------|------------------------|
|                                   | Amounts due for 2015   | Amounts paid in 2015 | Amounts due for 2016   | Amounts paid in 2016   |
| Fixed Compensation                | 312,916                | 312,916              | 400,000                | 400,000                |
| Annual Variable Compensation      | 325,000 <sup>(1)</sup> | 0 <sup>(2)</sup>     | 400,000 <sup>(3)</sup> | 325,000 <sup>(1)</sup> |
| Long Term Variable Compensation   | 0                      | 0                    | 0                      | 0                      |
| Non recurring Compensation        | 0                      | 0                    | 3,560 <sup>(4)</sup>   | 3,560 <sup>(4)</sup>   |
| Director's fees                   | 0                      | 0                    | 0                      | 0                      |
| Fringe benefits <sup>(5)</sup>    | 1,097                  | 1,097                | 3,574                  | 3,574                  |
| Life insurance/special retirement | 0                      | 0                    | 0                      | 0                      |
| <b>TOTAL</b>                      | <b>639,013</b>         | <b>314,013</b>       | <b>807,134</b>         | <b>732,134</b>         |

<sup>(1)</sup> Variable compensation paid in 2016 for 2015, i.e. 100% of the fixed annual salary (over a full year) (the variable compensation of David Bourg could not exceed 100% of his annual fixed compensation for the 2015 fiscal year).

<sup>(2)</sup> David Bourg has been member of the Executive Board since 15/01/2015.

<sup>(3)</sup> Variable compensation paid in 2017 for 2016, i.e. 100% of the fixed annual salary (the variable compensation of David Bourg could not exceed 100% of his annual fixed compensation for the 2016 fiscal year).

<sup>(4)</sup> Rule of one-tenth of paid leave.

<sup>(5)</sup> Company vehicle.

## 3. Summary of compensation (in euros) granted by JCDecaux Holding

No compensation has been paid by JCDecaux Holding to Mr. David Bourg during the 2015 fiscal year, nor in 2016.

## 4. Stock or share purchase options granted in 2016

| Date of grant | Nature of options               | Valuation of the options according to the method chosen for the consolidated financial statements in 2016 (in euros) | Number of options granted in 2016 | Grant price (in euros) | Exercise period               |
|---------------|---------------------------------|--|-----------------------------------|------------------------|-------------------------------|
| 17/02/2016    | Options to subscribe for shares | 30,925   | 9,557                             | 34.01                  | From 17/02/2017 to 17/02/2023 |

## 5. Stock or share purchase options exercised in 2016

| Date of grant | Number of options exercised in 2016 | Grant price (in euros)* |
|---------------|-------------------------------------|-------------------------|
| 17/02/2014    | 1,774                               | 31.51                   |
| 16/02/2015    | 1,851                               | 31.12                   |
| <b>TOTAL</b>  | <b>3,625</b>                        |                         |

## 6. Other disclosures

| Employment contract |    | Supplementary pension schemes |    | Compensation or benefits due or likely to be due for ceasing or changing duties |    | Compensation relating to a non-competition clause |    |
|---------------------|----|-------------------------------|----|---|----|---|----|
| yes                 | no | yes                           | no | yes   | no | yes   | no |
| ✓                   |    |                               | ✓  |   | ✓  | ✓   |    |

**Daniel HOFER - Member of the Executive Board**

Daniel Hofer's compensation is set and paid in Swiss franc. The amounts shown in the tables below were converted into euros for information purposes.

## 1. Summary of the compensation and options and bonus shares granted (in euros) by JCDecaux SA and controlled entities

|  | 2015             | 2016             |
|--|------------------|------------------|
| Compensation due for the fiscal year (listed in table 2)             | 1,441,313        | 1,401,516        |
| Valuation of long-term variable compensation granted during the year | 0                | 0                |
| Valuation of options granted during the fiscal year                  | 15,678           | 54,324           |
| Valuation of shares granted during the fiscal year                   | 0                | 0                |
| <b>TOTAL</b>   | <b>1,456,991</b> | <b>1,455,840</b> |
| <i>Change</i>  | <i>N/A</i>       | <i>-0.1%</i>     |

## 2. Summary of compensation (in euros) due or paid by JCDecaux SA and controlled entities

|                                   | 2015                   |                        | 2016                   |                        |
|-----------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                   | Amounts due for 2015   | Amounts paid in 2015   | Amounts due for 2016   | Amounts paid in 2016   |
| Fixed Compensation                | 570,944                | 570,944                | 559,266                | 559,266                |
| Annual Variable Compensation      | 742,228 <sup>(1)</sup> | 210,727 <sup>(2)</sup> | 739,490 <sup>(3)</sup> | 742,228 <sup>(1)</sup> |
| Long Term Variable Compensation   | 0                      | 0                      | 0                      | 0                      |
| Non recurring Compensation        | 0                      | 0                      | 0                      | 0                      |
| Director's fees                   | 25,000                 | 0                      | 0                      | 0                      |
| Fringe benefits <sup>(4)</sup>    | 0                      | 0                      | 0                      | 0                      |
| Life insurance/Special retirement | 103,141 <sup>(5)</sup> | 30,226                 | 102,760 <sup>(6)</sup> | 103,141                |
| <b>TOTAL</b>                      | <b>1,441,313</b>       | <b>811,897</b>         | <b>1,401,516</b>       | <b>1,404,635</b>       |

<sup>(1)</sup> Variable compensation paid in 2016 for 2015, i.e. 130% of the fixed annual salary (the variable compensation of Daniel Hofer could not exceed 130% of his annual fixed compensation for the 2015 fiscal year).

<sup>(2)</sup> Variable compensation paid in 2015 for 2014, i.e. 130% of the fixed annual salary over four months (the variable compensation of Daniel Hofer could not exceed 130% of his annual fixed compensation for the 2014 fiscal year, pro-rated from the date of his appointment).

<sup>(3)</sup> Variable compensation paid in 2017 for 2016, i.e. 130% of the fixed annual salary (the variable compensation of Daniel Hofer could not exceed 130% of his annual fixed compensation for the 2016 fiscal year).

<sup>(4)</sup> Daniel Hofer waived his Directors' fees from a controlled entity for 2015 and 2016.

<sup>(5)</sup> Plus an additional €23,618 deducted from his annual variable compensation according to his contractual option.

<sup>(6)</sup> Plus an additional €23,044 deducted from his annual variable compensation according to his contractual option.

## 3. Summary of compensation (in euros) granted by JCDecaux Holding

No compensation has been paid by JCDecaux Holding to Mr. Daniel HOFER during the 2015 fiscal year, nor in 2016.

## 4. Stock or share purchase options granted in 2016

| Date of grant | Nature of options               | Valuation of the options according to the method chosen for the consolidated financial statements in 2016 (in euros) | Number of options granted in 2016 | Grant price (in euros) | Exercise period               |
|---------------|---------------------------------|--|-----------------------------------|------------------------|-------------------------------|
| 17/02/2016    | Options to subscribe for shares | 54,324   | 16,788                            | 34.01                  | From 17/02/2017 to 17/02/2023 |

## 5. Stock or share purchase options exercised in 2016

Nil.

## 6. Other disclosures

| Employment contract |    | Supplementary pension schemes |    | Compensation or benefits due or likely to be due for ceasing or changing duties |    | Compensation relating to a non-competition clause |    |
|---------------------|----|-------------------------------|----|---|----|---|----|
| yes                 | no | yes                           | no | yes   | no | yes   | no |
| ✓                   |    | ✓                             |    |   | ✓  |   | ✓  |



### 2.1.3. Shareholders' vote on the individual compensation of executive corporate officers

In accordance with the recommendations of the AFEP-MEDEF Code revised in November 2016, the following compensation components due or granted by JCDecaux SA and controlled entities to each of the Company's executive corporate officers for the year ended must be approved by shareholders:

- a. the fixed compensation
- b. the annual variable compensation with the performance criteria that determine its amount
- c. non-recurring compensation
- d. stock options, performance shares and long-term variable compensation plans with the performance criteria that determine them
- e. indemnities relating to a signing bonus or severance pay
- f. supplementary pension scheme
- g. fringe benefits

The General Meeting of Shareholders of 11 May 2017 will be asked to approve the components of compensation due or granted for 2016:

- to the Chairman of the Executive Board, Jean-Charles Decaux
- to the other members of the Executive Board, namely, Jean-François Decaux, Jean-Sébastien Decaux, Emmanuel Bastide, David Bourg and Daniel Hofer
- to the Chairman of the Supervisory Board, Gérard Degonse (presented on page 221 of this Annual Report)

## CORPORATE GOVERNANCE, INTERNAL CONTROL AND RISK MANAGEMENT

Consequently, the General Meeting of Shareholders of 11 May 2017 (13<sup>th</sup> resolution) will be asked to approve the following compensation components due or granted by JCDecaux SA and controlled entities for the year ended to Jean-Charles Decaux (Chief Executive Officer until 19 May 2016 and from then Chairman of the Executive Board).

| Jean-Charles Decaux   |                                   |   |
|---|-----------------------------------|---|
| Compensation components due or granted by JCDecaux SA and controlled entities for the year ended 31/12/2016   |                                   |   |
| Compensation components   | Amounts put to the vote (in euro) | Comments  |
| Fixed compensation  | 1,023,435                         | Gross fixed compensation for 2016 approved by the Supervisory Board at its meeting of 3 December 2015 at the recommendation of the Compensation and Nominating Committee.   |
| Annual variable compensation  | 1,265,620                         | On 1 March 2017, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, evaluated Jean-Charles Decaux's variable compensation for 2016 capped at 150% of his fixed compensation (100% for reaching quantifiable targets and 50% for reaching qualitative targets).<br><br>In view of the quantifiable criteria (consolidated EBIT in the period in question and target ratios of operating margin to revenue by segment in the period in question) and qualitative criteria (new contracts and acquisitions), Jean-Charles Decaux's variable compensation for 2016 was evaluated at €1,265,620, or 124% of his fixed annual compensation. |
| Long-term variable compensation   | -                                 | Jean-Charles Decaux receives no long-term variable compensation.  |
| Non-recurring compensation  | -                                 | Jean-Charles Decaux receives no non-recurring compensation.   |
| Director's fees   | -                                 | Jean-Charles Decaux does not receive directors' fees.   |
| Stock option grants   | -                                 | Jean-Charles Decaux does not receive stock options.   |
| Bonus share grants  | -                                 | Jean-Charles Decaux does not receive bonus shares.  |
| Valuation of fringe benefits  | 6,564                             | Jean-Charles Decaux has the use of a company vehicle in France.   |
| Compensation components due or awarded for the year ended voted on by the General Meeting of Shareholders in accordance with the procedure for regulated agreements and commitments |                                   |   |
| Compensation components   | Amounts put to the vote (in euro) | Comments  |
| Severance pay   | -                                 | Jean-Charles Decaux is not entitled to any severance pay.   |
| Non-competition compensation  | -                                 | Jean-Charles Decaux is not entitled to any non-competition compensation.  |
| Supplementary pension schemes   | -                                 | Jean-Charles Decaux is not entitled to a supplementary pension.   |

The General Meeting of Shareholders of 11 May 2017 (15<sup>th</sup> resolution) will then be asked to approve the following compensation components due or granted by JCDecaux SA and controlled entities for the year ended to the other members of the Executive Board, namely, Jean-François Decaux (Chairman of the Executive Board until 19 May 2016 and from then Chief Executive Officer) Jean-Sébastien Decaux, Emmanuel Bastide, David Bourg and Daniel Hofer.

| Jean-François Decaux  |                                   |   |
|---|-----------------------------------|---|
| Compensation components due ou granted by JCDecaux SA and controlled entities for the year ended 31/12/2016   |                                   |   |
| Compensation components   | Amounts put to the vote (in euro) | Comments  |
| Fixed compensation  | 1,023,435                         | Gross fixed compensation for 2016 approved by the Supervisory Board at its meeting of 3 December 2015 at the recommendation of the Compensation and Nominating Committee.   |
| Annual variable compensation  | 1,265,620                         | On 1 March 2017, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, evaluated Jean-François Decaux's variable compensation for 2016 capped at 150% of his fixed compensation (100% for reaching quantifiable targets and 50% for reaching qualitative targets).<br><br>In view of the quantifiable criteria (consolidated EBIT in the period in question and target ratios of operating margin to revenue by segment in the period in question) and qualitative criteria (new contracts and acquisitions), Jean-François Decaux's variable compensation for 2016 was evaluated at €1,265,620, or 124% of his fixed annual compensation. |
| Long-term variable compensation   | -                                 | Jean-François Decaux receives no long-term variable compensation.   |
| Non-recurring compensation  | -                                 | Jean-François Decaux receives no non-recurring compensation.  |
| Director's fees   | 25,000                            | Jean-François Decaux receives Directors' fees from a controlled entity.   |
| Stock option grants   | -                                 | Jean-François Decaux does not receive stock options.  |
| Bonus share grants  | -                                 | Jean-François Decaux does not receive bonus shares.   |
| Valuation of fringe benefits  | 63,178                            | Jean-François Decaux has the use of two company vehicles in the UK.   |
| Compensation components due ou awarded for the year ended voted on by the General Meeting of Shareholders in accordance with the procedure for regulated agreements and commitments |                                   |   |
| Compensation components   | Amounts put to the vote (in euro) | Comments  |
| Severance pay   | -                                 | Jean-François Decaux is not entitled to any severance pay.  |
| Non-competition compensation  | -                                 | Jean-François Decaux is not entitled to any noncompetition compensation.  |
| Supplementary pension schemes   | -                                 | Jean-François Decaux is not entitled to a supplementary pension.  |

## Jean-Sébastien Decaux

## Compensation components due ou granted by JCDecaux SA and controlled entities for the year ended 31/12/2016

| Compensation components         | Amounts put to the vote (in euro) | Comments   |
|---------------------------------|-----------------------------------|--|
| Fixed compensation              | 406,097                           | Gross fixed compensation for 2016 approved by the Supervisory Board at its meeting of 3 December 2015 at the recommendation of the Compensation and Nominating Committee.  |
| Annual variable compensation    | 406,097                           | <p>On 1 March 2017, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, evaluated Jean-Sébastien Decaux's variable compensation for 2016 capped at 100% of his fixed compensation (50% for reaching quantifiable targets and 50% for reaching qualitative targets).</p> <p>In view of the quantifiable criteria (EBIT in countries under his responsibility in the period in question) and qualitative criteria (strategic achievements or specific targets set by Jean-Charles Decaux relating to the countries under his responsibility), Jean-Sébastien Decaux's variable compensation for 2016 was evaluated at €406,097, or 100% of his fixed annual compensation.</p> |
| Long term variable compensation | -                                 | Jean-Sébastien Decaux receives no long-term variable compensation  |
| Non-recurring compensation      | -                                 | Jean-Sébastien Decaux receives no non-recurring compensation.  |
| Director's fees                 | -                                 | Jean-Sébastien Decaux does not receive directors' fees.  |
| Stock option grants             | 36,798                            | Under the authorisation granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders of 13 May 2015, the Executive Board at its meeting of 17 February 2016 decided to grant stock options to some corporate officers at the grant price of €34.01. Consequently, Jean-Sébastien Decaux received 11,372 stock options. The exercise of these options is subject to the following performance conditions: increasing consolidated EBIT compared with 2015 (excluding the impact of TFL and Cemusa) and reaching personal targets in 2016 set by Jean-Charles Decaux relating to the countries under his responsibility.   |
| Bonus share grants              | -                                 | Jean-Sébastien Decaux does not receive bonus shares.   |
| valuation of fringe benefits    | 5,324                             | Jean-Sébastien Decaux has the use of a company car in Italy.   |

## Compensation components due ou awarded for the year ended voted on by the General Meeting of Shareholders in accordance with the procedure for regulated agreements and commitments

| Compensation components       | Amounts put to the vote (in euro) | Comments   |
|-------------------------------|-----------------------------------|--|
| Severance pay                 | -                                 | Jean-Sébastien Decaux is not entitled to any severance pay.                |
| No-competition indemnity      | -                                 | Jean-Sébastien Decaux is not entitled to any non-competition compensation. |
| Supplementary pension schemes | -                                 | Jean-Sébastien Decaux is not entitled to a supplementary pension.          |

| Emmanuel Bastide  |                                   |  |
|---|-----------------------------------|--|
| Compensation components due ou granted by JCDecaux SA and controlled entities for the year ended 31/12/2016   |                                   |  |
| Compensation components   | Amounts put to the vote (in euro) | Comments   |
| Fixed compensation  | 420,000                           | Gross fixed compensation for 2016 approved by the Supervisory Board at its meeting of 3 December 2015 at the recommendation of the Compensation and Nominating Committee.<br>Emmanuel Bastide, as an expatriate, is entitled under his employment contract to a covering exchange rate.<br>As for 2016 and considering the appreciation of the Singapore dollar in comparison with the euro, we acknowledge a negative adjustment of -916 Singapore dollars.   |
| Annual variable compensation  | 210,000                           | On 1 March 2017, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, evaluated Emmanuel Bastide's variable compensation for 2016 capped at 100% of his fixed compensation (50% for reaching quantifiable targets and 50% for reaching qualitative targets).<br>In view of the quantifiable criteria (EBIT in countries under his responsibility in the period in question) and qualitative criteria (strategic achievements or specific targets set by Jean-Charles Decaux relating to the countries under his responsibility), Emmanuel Bastide's variable compensation for 2016 was evaluated at €210,000, or 50% of his fixed annual compensation. |
| Long term variable compensation   | -                                 | Emmanuel Bastide receives no long-term variable compensation.  |
| Non-recurring compensation  | 210,000                           | Emmanuel Bastide received nonrecurring compensation on account of the contracts won in Tokyo.  |
| Director's fees   | -                                 | Emmanuel Bastide does not receive director's fees.   |
| Stock option grants   | 38,060                            | Under the authorisation granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders of 13 May 2015, the Executive Board at its meeting of 17 February 2016 decided to grant stock options to some employees at the grant price of €34.01. Consequently, Emmanuel Bastide received 11,762 stock options in his capacity as a group employee. The exercise of these options is subject to the following performance conditions: increasing consolidated EBIT compared with 2015 (excluding the impact of TFL and Cemusa) and reaching personal targets in 2016 set by Jean-Charles Decaux relating to the countries under his responsibility.                           |
| Bonus share grants  | -                                 | Emmanuel Bastide does not receive bonus shares.  |
| valuation of fringe benefits  | 150,366                           | In Singapore, Emmanuel Bastide has the use of a company vehicle and company housing and his children's school fees are paid for.   |
| Compensation components due ou awarded for the year ended voted on by the General Meeting of Shareholders in accordance with the procedure for regulated agreements and commitments |                                   |  |
| Compensation components   | Amounts put to the vote (in euro) | Comments   |
| Severance pay   | -                                 | Emmanuel Bastide is not entitled to any severance pay.   |
| Non-competition compensation  | -                                 | Under a noncompete agreement covering a period of two years, Emmanuel Bastide is entitled to non-competition compensation to be paid over the same period amounting to 33% of his fixed and variable salary based on the average of the last 12 months before the end of his employment contract.<br>This agreement was authorised by the Supervisory Board at its meeting of 30 July 2014 and approved by the General Meeting of Shareholders on 13 May 2015 (seventh resolution).  |
| Supplementary pension schemes   | -                                 | Emmanuel Bastide is not entitled to a supplementary pension.   |

| David Bourg   |                                   |  |
|---|-----------------------------------|--|
| Compensation components due ou granted by JCDecaux SA and controlled entities for the year ended 31/12/2016   |                                   |  |
| Compensation components   | Amounts put to the vote (in euro) | Comments   |
| Fixed Compensation  | 400,000                           | Gross fixed compensation for 2016 approved by the Supervisory Board at its meeting of 3 December 2015 at the recommendation of the Compensation and Nominating Committee.  |
| Annual Variable Compensation  | 400,000                           | On 1 March 2017, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, evaluated David Bourg's variable compensation for 2016 capped at 100% of his fixed compensation (100% for reaching quantifiable targets with qualitative targets making up the shortfall where applicable).<br>In view of the quantifiable criteria (consolidated EBIT in the period in question and target ratios of operating margin to revenue by segment in the period in question) and qualitative criteria (strategic achievements or specific targets set by the co-Chief Executive Officers relating to the departments under his responsibility), David Bourg's variable compensation for 2016 was evaluated at €400,000, or 100% of his fixed annual compensation. |
| Long Term Variable Compensation   | -                                 | David Bourg receives no long-term variable compensation.   |
| Non-recurring Compensation  | 3,560                             | David Bourg receives additional compensation in line with the rule of one-tenth of paid leave.   |
| Director's fees   | -                                 | David Bourg does not receive directors' fees   |
| Stock Options Grants  | 30,925                            | Under the authorisation granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders of 13 May 2015, the Executive Board at its meeting of 17 February 2016 decided to grant stock options to some employees at the grant price of €34.01.<br>Consequently, David Bourg received 9,557 stock options in his capacity as a group employee.<br>The exercise of these options is subject to the following performance conditions: increasing consolidated EBIT compared with 2015 (excluding the impact of TFL and Cemusa) and reaching personal targets in 2016 set by the co-Chief Executive Officers relating to the departments under his responsibility.   |
| Bonus Share Grants  | -                                 | David Bourg does not receive bonus shares  |
| Valuation of Fringe Benefits  | 3,574                             | David Bourg has the use of a company vehicle in France.  |
| Compensation components due ou awarded for the year ended voted on by the General Meeting of Shareholders in accordance with the procedure for regulated agreements and commitments |                                   |  |
| Compensation components   | Amounts put to the vote           | Comments   |
| Severance Pay   | -                                 | David Bourg is not entitled to any severance pay   |
| Non-competition compensation  | -                                 | Under a noncompete agreement covering a period of two years, David Bourg is entitled to noncompetition compensation to be paid over the same period amounting to 33% of his fixed and variable salary based on the average of the last 12 months before the end of his employment contract.<br>This agreement was authorised by the Supervisory Board at its meeting of 4 December 2014 and approved by the General Meeting of Shareholders on 13 May 2015 (eighth resolution).  |
| Supplementary pension schemes   | -                                 | David Bourg is not entitled to a supplementary pension   |



| Daniel Hofer  |                                   |  |
|---|-----------------------------------|--|
| Compensation components due or granted by JCDecaux SA and controlled entities for the year ended 31/12/2016   |                                   |  |
| Compensation components   | Amounts put to the vote (in euro) | Comments   |
| Fixed Compensation  | 559,266                           | Gross fixed compensation for 2016 approved by the Supervisory Board at its meeting of 3 December 2015 at the recommendation of the Compensation and Nominating Committee   |
| Annual Variable Compensation  | 739,490                           | <p>On 1 March 2017, the Supervisory Board, at the recommendation of the Compensation and Nominating Committee, evaluated Daniel Hofer's variable compensation for 2016 capped at 130% of his fixed compensation (100% for reaching quantifiable targets and 30% for reaching qualitative targets).</p> <p>In view of the quantifiable criteria (consolidated EBIT as defined by IFRS in the countries under his responsibility and APG/SGA in the period in question) and qualitative criteria (strategic achievements or specific targets set by Jean-François Decaux relating to the countries under his responsibility), Daniel Hofer's variable compensation for the period in question was evaluated at €739,490, or 130% of his fixed compensation.</p> <p>Daniel Hofer can choose to have part of his variable compensation paid into a pension scheme.</p> <p>In accordance with his choice, an amount of €23,044 was allocated to his supplementary pension scheme.</p> |
| Long Term Variable Compensation   | -                                 | Daniel Hofer does not receive long-term variable compensation.   |
| Non recurring Compensation  | -                                 | Daniel Hofer receives no non-recurring compensation.   |
| Director's fees   | -                                 | Daniel Hofer receives no Directors' fees.  |
| Stock Options Grants  | 54,324                            | <p>Under the authorisation granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders of 13 May 2015, the Executive Board at its meeting of 17 February 2016 decided to grant stock options to some employees at the grant price of €34.01.</p> <p>Consequently, Daniel Hofer received 16,788 stock options in his capacity as a group employee.</p> <p>The exercise of these options is subject to the following performance conditions: increasing consolidated EBIT compared with 2015 (excluding the impact of TFL and Cemusa) and reaching personal targets in 2016 set by Jean-François Decaux relating to the countries under his responsibility.</p>   |
| Bonus Share Grants  | -                                 | Daniel Hofer does not receive bonus share grants.  |
| Valuation of Fringe Benefits  | -                                 | Daniel Hofer does not benefit from fringe benefits.  |
| Compensation components due or awarded for the year ended voted on by the General Meeting of Shareholders in accordance with the procedure for regulated agreements and commitments |                                   |  |
| Compensation components   | Amounts put to the vote (in euro) | Comments   |
| Severance Pay   | -                                 | Daniel Hofer is not entitled to any severance pay.   |
| No competition indemnity  | -                                 | Daniel Hofer is not entitled to any no competition indemnity.  |

|                               |         |   |
|-------------------------------|---------|---|
| Supplementary pension schemes | 125,804 | <p>Daniel Hofer benefits from an annual supplementary pension contribution equal to 16% of his annual fixed compensation increased by his variable compensation up to the contractual limit of a €102,760 contribution for a full year.</p> <p>According to applicable Swiss regulations, the contribution's base is capped.</p> <p>Within regulatory limits, Daniel Hofer can choose to have part of his variable compensation diverted to his pension contribution instead.</p> <p>This pension contribution is made subject to the following performance conditions: 50% is paid if consolidated revenue and group operating margin, as published by JCDecaux SA, both increased by at least 3% in at least one of the three fiscal years before the year in which payment is made, and 50% is paid on the basis of strategic achievements or specific targets in the period in question set by Jean-François Decaux relating to the countries under his responsibility.</p> <p>For 2016, this contribution was evaluated at €102,760 to which was added, at Daniel Hofer's request, €23,044 deducted from his variable compensation for 2016, for a total pension contribution of €125,804.</p> |
|-------------------------------|---------|---|

## 2.2. Compensation of members of the Supervisory Board

### 2.2.1. Principles and rules for determination

The total amount of Directors' fees, set at €350,000 since 1 January 2014 (authorisation granted by the General Meeting of Shareholders of 14 May 2014) and unchanged for 2016, is distributed as follows in accordance with the Internal Rules (in euros):

| Supervisory Board<br>(per member - for four meetings) |                             |                               |                                 |                       | Audit Committee<br>(for four meetings) |                               | Compensation and Nominating<br>Committee (for two meetings) |                               |
|---|-----------------------------|-------------------------------|---------------------------------|-----------------------|--|-------------------------------|---|-------------------------------|
| Base<br>portion<br>Member                             | Base<br>portion<br>Chairman | Variable<br>portion<br>Member | Variable<br>portion<br>Chairman | Additional<br>meeting | Variable<br>portion<br>Chairman        | Variable<br>portion<br>Member | Variable<br>portion<br>Chairman                             | Variable<br>portion<br>Member |
| 13,000  | 20,000                      | 14,000                        | 22,000                          | 2,050                 | 15,000                                 | 7,500                         | 6,000   | 5,000                         |

The amounts awarded in respect of the base portion 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, an additional payment will be made for any Board meeting provided that the meeting is not held by conference call.

Members of the Supervisory Board do not have stock options or bonus shares.

## 2.2.2. Gross amounts paid (in euros) for fiscal year 2016

**G rard DEGONSE – Chairman of the Supervisory Board**

|   | Amounts paid in 2015 | Amounts paid in 2016 |
|---|----------------------|----------------------|
| Directors' fees:                        |                      |                      |
| - Supervisory Board                     | 42,000               | 42,000               |
| - Audit Committee                       | -                    | -                    |
| - Compensation and Nominating Committee | 5,000                | 5,000                |
| Other compensation:                     |                      |                      |
| - JCDecaux Holding                      | 23,319               | 23,972               |
| <b>TOTAL</b>                            | <b>70,319</b>        | <b>70,972</b>        |

**Jean-Pierre DECAUX – Vice Chairman of the Supervisory Board**

|   | Amounts paid in 2015 | Amounts paid in 2016 |
|---|----------------------|----------------------|
| Directors' fees:                        |                      |                      |
| - Supervisory Board                     | 27,000               | 23,500               |
| - Audit Committee                       | -                    | -                    |
| - Compensation and Nominating Committee | -                    | -                    |
| Other compensation                      | -                    | -                    |
| <b>TOTAL</b>                            | <b>27,000</b>        | <b>23,500</b>        |

**Michel BLEITRACH – Independent Member of the Supervisory Board**

|   | Amounts paid in 2015 | Amounts paid in 2016 |
|---|----------------------|----------------------|
| Directors' fees:                        |                      |                      |
| - Supervisory Board                     | 27,000               | 27,000               |
| - Audit Committee                       | -                    | -                    |
| - Compensation and Nominating Committee | 5,000                | 5,000                |
| Other compensation                      | -                    | -                    |
| <b>TOTAL</b>                            | <b>32,000</b>        | <b>32,000</b>        |

**Monique COHEN – Independent Member of the Supervisory Board**

|   | Amounts paid in 2015 | Amounts paid in 2016 |
|---|----------------------|----------------------|
| Directors' fees:                        |                      |                      |
| - Supervisory Board                     | 27,000               | 27,000               |
| - Audit Committee                       | 7,500                | 7,500                |
| - Compensation and Nominating Committee | -                    | -                    |
| Other compensation                      | -                    | -                    |
| <b>TOTAL</b>                            | <b>34,500</b>        | <b>34,500</b>        |

**Alexia DECAUX-LEFORT – Member of the Supervisory Board**

|   | Amounts paid in 2015 | Amounts paid in 2016 |
|---|----------------------|----------------------|
| Directors' fees:                        |                      |                      |
| - Supervisory Board                     | 23,500               | 23,500               |
| - Audit Committee                       | -                    | -                    |
| - Compensation and Nominating Committee | -                    | -                    |
| Other compensation                      | -                    | -                    |
| <b>TOTAL</b>                            | <b>23,500</b>        | <b>23,500</b>        |

**Sylvie LELOUARN – Member of the Supervisory Board representing employees (since october 29, 2015)**

|   | Amounts paid in 2015 | Amounts paid in 2016 |
|---|----------------------|----------------------|
| Directors' fees:                        |                      |                      |
| - Supervisory Board                     | 6,750                | 27,000               |
| - Audit Committee                       | -                    | -                    |
| - Compensation and Nominating Committee | -                    | 2,500                |
| Other compensation                      | -                    | -                    |
| <b>TOTAL</b>                            | <b>6,750</b>         | <b>29,500</b>        |

**Pierre MUTZ – Independent Member of the Supervisory Board**

|   | Amounts paid in 2015 | Amounts paid in 2016 |
|---|----------------------|----------------------|
| Directors' fees:                        |                      |                      |
| - Supervisory Board                     | 27,000               | 27,000               |
| - Audit Committee                       | 7,500                | 7,500                |
| - Compensation and Nominating Committee | 6,000                | 6,000                |
| Other compensation                      | -                    | -                    |
| <b>TOTAL</b>                            | <b>40,500</b>        | <b>40,500</b>        |

**Pierre-Alain PARIENTE – Member of the Supervisory Board**

|   | Amounts paid in 2015 | Amounts paid in 2016 |
|---|----------------------|----------------------|
| Directors' fees:                        |                      |                      |
| - Supervisory Board                     | 27,000               | 27,000               |
| - Audit Committee                       | -                    | -                    |
| - Compensation and Nominating Committee | -                    | -                    |
| Other compensation                      | -                    | -                    |
| <b>TOTAL</b>                            | <b>27,000</b>        | <b>27,000</b>        |

**Xavier DE SARRAU – Member of the Supervisory Board**

|   | Amounts paid in 2015 | Amounts paid in 2016 |
|---|----------------------|----------------------|
| Directors' fees:                        |                      |                      |
| - Supervisory Board                     | 27,000               | 27,000               |
| - Audit Committee                       | 15,000               | 15,000               |
| - Compensation and Nominating Committee | -                    | -                    |
| Other compensation                      | -                    | -                    |
| <b>TOTAL</b>                            | <b>42,000</b>        | <b>42,000</b>        |

**2.2.3. Shareholders' vote on the individual compensation of the Chairman of the Supervisory Board**

The General Meeting of Shareholders of 11 May 2017 (14<sup>th</sup> resolution) will be asked to approve the following compensation components due or granted by JCDecaux SA and controlled entities for the year ended to the Chairman of the Supervisory Board.

| Gérard Degonse  |                                   |  |
|---|-----------------------------------|--|
| Compensation components due ou granted by JCDecaux SA and controlled entities for the year ended 31/12/2016   |                                   |  |
| Compensation components   | Amounts put to the vote (in euro) | Comments   |
| Fixed Compensation  | -                                 | Gérard Degonse receives no fixed compensation.   |
| Annual Variable Compensation  | -                                 | Gérard Degonse receives no annual variable compensation.   |
| Long Term Variable Compensation   | -                                 | Gérard Degonse receives no long-term compensation.   |
| Non-recurring Compensation  | -                                 | Gérard Degonse receives no non-recurring compensation.   |
| Director's fees   | 47,000                            | Gérard Degonse receives Directors' fees from JCDecaux SA in his capacity as the Chairman of the Supervisory Board and a member of the Compensation and Nominating Committee. |
| Stock Options Grants  | -                                 | Gérard Degonse receives no stock options.  |
| Bonus Share Grants  | -                                 | Gérard Degonse receives no bonus shares.   |
| Valuation of Fringe Benefits  | -                                 | Gérard Degonse receives no fringe benefits.  |
| Compensation components due ou awarded for the year ended voted on by the General Meeting of Shareholders in accordance with the procedure for regulated agreements and commitments |                                   |  |
| Compensation components   | Amounts put to the vote (in euro) | Comments   |
| Severance Pay   | -                                 | Gérard Degonse is not entitled to any severance pay.   |
| Non-competition compensation  | -                                 | Gérard Degonse is not entitled to any non-competition compensation.  |
| Severance Pay   | -                                 | Gérard Degonse is not entitled to any severance pay.   |

### 2.3. Transactions in JCDecaux SA shares carried out by executives or persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code during 2016 (Article 223-26 of the AMF General Regulation)

In 2016, Jean-Charles Decaux (Chairman of the Executive Board), Jean-François Decaux (Chief Executive Officer), Jean-Sébastien Decaux and David Bourg (members of the Executive Board), and Xavier de Sarrau (member of the Supervisory Board) disclosed the following transactions in the Company's shares:

| Member  | Type of transaction  | Transaction date                                     | Share price (in euros)           | Transaction amount (in euros)                    |
|---|--|--|----------------------------------|--|
| Jean-Charles Decaux                                     | Off-market sale of 250,000 shares  | 21/04/2016   | 39.53                            | 9,882,500  |
| Jean-François DECAUX                                    | Off-market sale of 341,481 shares<br>Off-market sale of 200,000 shares                                 | 02/02/2016<br>21/04/2016                             | 36.41<br>39.53                   | 12,433,323<br>7,906,000                          |
| Holding des Dhuits represented by Jean-Sébastien Decaux | Off-market sale of 160,000 shares  | 21/04/2016   | 39.53                            | 6,324,800  |
| Xavier de Sarrau  | Purchase of 21,740 shares  | 04/03/2016   | 37.8605                          | 823,087.27                                       |
| David BOURG   | Exercise of 1,774 options<br>Sale of 1,701 shares<br>Exercise of 1,851 options<br>Sale of 1,770 shares | 07/04/2016<br>07/04/2016<br>07/04/2016<br>07/04/2016 | 31.51<br>37.35<br>31.12<br>37.35 | 55,898.74<br>63,532.35<br>57,603.12<br>66,109.50 |

No other person pursuant to Article L. 621-18-2 of the French Monetary and Financial Code has declared a transaction involving Company shares.

## 2.4. Information on stock options

### 2.4.1. Use of authorisations given by the General Meeting of Shareholders

In accordance with 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 during fiscal years 2008 and 2009.

In accordance with 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 during fiscal years 2010 and 2011.

In accordance with the authority granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 11 May 2011, 1,144,734 options were granted by the Executive Board during fiscal year 2012.

In accordance with the authority granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 15 May 2013, 1,326,696 options were granted during fiscal years 2014 and 2015.

At the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 13 May 2015, the Executive Board was authorised to grant stock options up to 4% of the Company's share capital, for a period expiring 26 months from the date of said Meeting, to all or some group employees or officers. This authority replaced the authority granted at the General Meeting of Shareholders held on 15 May 2013. In accordance with this authorisation, 866,903 options were granted in 2016.

As a result of the Simplified Public Tender Offer (Offre Publique d'Achat Simplifiée, or OPAS) conducted from 12 June 2016 to 09 July 2015, with the purpose of compensating the holders of stock options, the quantities and grant values were adjusted for plans in force.

The granting of stock options to group employees and members of the Executive Board alike is subject to reaching targets defined at the start of the previous year.



| Stock option grant history   |  |  |   |  |  |
|--|--|--|---|--|--|
| Date of Extraordinary General Meeting of Shareholders authorising stock option plans | 10/05/2007   | 13/05/2009   | 11/05/2011  | 15/05/2013   | 13/05/2015                                   |
| Option grant date and number of options by grant date                                | 719,182 options granted on 15/02/2008<br>101,270 options granted on 23/02/2009     | 76,039 options granted on 01/12/2010<br>934,802 options granted on 17/02/2011                            | 1,144,734 options granted on 21/02/2012                       | 780,392 options granted on 17/02/2014<br>546,304 options granted on 16/02/2015   | 866,903 options granted on 17/02/2016        |
| Total options granted  | 820,452 options granted to 167 beneficiaries                                       | 1,010,841 options granted to 222 beneficiaries   | 1,144,734 options granted to 215 beneficiaries                | 1,326,696 options granted to 410 beneficiaries   | 866,903 options granted to 270 beneficiaries |
| OPAS 2015 adjustment <sup>(1)</sup>  | -  | 1,015  | 2,437   | 7,137  | -  |
| Number of options granted to members of the Executive Board:                         |  |  |   |  |  |
| • Emmanuel Bastide <sup>(2)</sup>  | 7,630  | 9,967  | 19,295  | 22,777 (+1,28 <sup>(1)</sup> )   | 11,762                                       |
| • David Bourg <sup>(3)</sup>   | 5,392  | 7,155  | 7,190   | 10,812 (+51 <sup>(1)</sup> )   | 9,557  |
| • Jean-Sébastien Decaux <sup>(4)</sup>   | 13,295   | 9,467  | 19,261  | 24,566 (+1,16 <sup>(1)</sup> )   | 11,372                                       |
| • Daniel Hofer <sup>(2)</sup>  | -  | -  | -   | 5,348 (+30 <sup>(1)</sup> )  | 16,788                                       |
| • Laurence Debroux <sup>(5)</sup>  | -  | 12,772   | 30,411  | 19,881   | -  |
| • Jeremy Male <sup>(6)</sup>   | 91,090   | 55,410   | 43,800  | -  | -  |
| • Gérard Degonse <sup>(6)</sup>  | 63,553   | 46,782   | -   | -  | -  |
| Sum of top 10 option grants to employees   | 113,576  | 124,600  | 168,265   | 204,133  | 105,012                                      |
| Number of shares subscribed for at 31/12/2016  | 655,387  | 744,064  | 753,360   | 133,743  | 0  |
| Number of shares cancelled or expired at 31/12/2016                                  | 165,065  | 137,094  | 164,377   | 103,680  | 15,365                                       |
| Options remaining as at 31/12/2016   | 0  | 130,698  | 229,434   | 1,096,410  | 851,538                                      |
| Expiry date  | 7 years from date of grant   |  |   |  |  |
| Share subscription price for options granted   | options granted on 15/02/2008<br>€21.25<br>options granted on 23/02/2009<br>€11.15 | options granted on 01/12/2010<br>€20.20<br>options granted on 17/02/2011<br>€23.49 (23.36 <sup>1</sup> ) | options granted on 21/02/2012<br>€19.73 (19.62 <sup>1</sup> ) | options granted on 17/02/2014<br>€31.69 (31.51 <sup>1</sup> )<br>options granted on 16/02/2015<br>€31.29 (31.12 <sup>1</sup> ) | options granted on 17/02/2016<br>€34.01      |

<sup>(1)</sup> As a result of the Simplified Public Tender Offer (Offre Publique d'Achat Simplifiée, or OPAS) conducted from 12 June 2015 to 09 July 2015, with the purpose of compensating the holders of stock options, the quantities and grant values were adjusted for plans in force.

<sup>(2)</sup> Emmanuel Bastide and Daniel Hofer joined the Executive Board on 1 September 2014.

<sup>(3)</sup> David Bourg joined the Executive Board on 15 January 2015.

<sup>(4)</sup> Jean-Sébastien Decaux joined the Executive Board on 15 May 2013.

<sup>(5)</sup> Laurence Debroux left the Executive Board on 15 January 2015.

<sup>(6)</sup> Jeremy Male and Gérard Degonse left the Executive Board respectively on 12 September 2013 and 31 December 2010.

As at 31 December 2016, 2,286,554 options had been exercised for all plans in force. Taking into consideration options exercised and options cancelled, as of that date 2,308,080 options remain to be exercised. If these remaining options are all exercised, the employees of the Company, of its subsidiaries and of JCDecaux Holding will hold, taking into account the options exercised at 31 December 2016: 1.07% of the Company's shares (excluding the employee shareholding plan).

✓ Number of shares that can be created

As at 31 December 2016, taking into account all of the various securities outstanding that could give rise to dilution (stock options), the maximum potential dilution is 1.07%.

## 2.4.2. Stock option features

### ✓ Granting of stock options

The granting of stock options to corporate officers and non-executive employees is subject to performance conditions relating to group results and personal targets assessed over a year.

### ✓ Stock options exercise terms

- For corporate officers

Corporate officers must exercise their options within the same time frame as non-executive employees.

The exercise of options by corporate officers is subject to meeting strict performance conditions over an additional year set each year by the Supervisory Board.

- For non-executive employees

No option may be exercised before the first anniversary of the date of the Executive Board meeting at which the 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 Executive Board meeting at which the 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 Executive Board meeting at which the options were granted.

Each beneficiary may exercise all of the options granted from the third anniversary and until the seventh anniversary of the date of the Executive Board meeting at which the options were granted.

### ✓ Terms and conditions for holding stock options

The Supervisory Board meeting of 7 December 2007 decided

The number, maturity dates and price of the stock or share purchase options granted during fiscal year 2016 to each of the first ten Company employees who have been granted the highest number of options appear hereunder and who are not legal representatives of the Company.

that the members of the Executive Board should hold registered shares in their name for all grants made from 1 January 2008, as follows:

- a number of shares from exercised options equal to 25% of the exercise gain (difference between the share's first traded price and exercise price) divided by the share price at the time of the exercise

This decision was reiterated by the Supervisory Board meeting of 7 December 2016.

## 2.4.3. Special report of the Executive Board on stock options prepared in accordance with Article L. 225-184 of the French Commercial Code

- Options granted

### *Options granted to corporate officers*

During fiscal year 2016, 49,479 stock or share purchase options were granted to the members of the Executive Board by the Executive Board on 17 February 2016.

The number, maturity dates and price of the stock options granted in 2016 to each member of the Executive Board appear in paragraph 2.1.1.6 of the "Corporate governance, internal control and risk management" chapter in the "Legal Information" section of this Annual Report.

Members of the Executive Board must hold a certain number of shares from exercised options as specified below.

Supervisory Board members do not receive stock options.

### *Options granted to non-executive employees*

During fiscal year 2016, 817,424 stock or share purchase options were granted to the Company's non-executive employees by the Executive Board on 17 February 2016.

Top 10 option grants to employees

| Beneficiary           | Number of options granted by the Executive Board on 17/02/2016 | Grant price (in euros) | Maturity date |
|-----------------------|--|------------------------|---------------|
| Stephen Wong          | 14,125   | 34.01                  | 17/02/2023    |
| Bernard Parisot       | 13,913   | 34.01                  | 17/02/2023    |
| Jean-Luc Decaux       | 13,913   | 34.01                  | 17/02/2023    |
| Karl Javurek          | 13,232   | 34.01                  | 17/02/2023    |
| Isabelle Schlumberger | 9,207  | 34.01                  | 17/02/2023    |
| Steve O'Connor        | 8,907  | 34.01                  | 17/02/2023    |
| Wim Jansen            | 8,193  | 34.01                  | 17/02/2023    |
| Hester Man            | 8,177  | 34.01                  | 17/02/2023    |
| Jean-Michel Geffroy   | 7,994  | 34.01                  | 17/02/2023    |
| René Witzel           | 7,351  | 34.01                  | 17/02/2023    |

## • Options exercised

### *Options exercised by members of the Executive Board*

The number and price of shares subscribed for by exercising one or more options during the fiscal year by each member of the Executive Board appear in the “Compensation and benefits” chapter on page 222 of this Annual Report.

### *Options exercised by non-executive employees*

The number and price of shares subscribed by exercising one or several options, during the fiscal year, by each of the ten non-members of the Executive Board of the Company and its subsidiaries and for whom the number of shares thus subscribed was the highest are shown below.

| Beneficiary           | Weighted average price (in euros) | Weighted average price (in euros) |
|-----------------------|-----------------------------------|-----------------------------------|
| Stéphane Prigent      | 11,344                            | 37.15                             |
| Rémi Pheulpin         | 11,214                            | 37.15                             |
| Isabelle Schlumberger | 10,331                            | 37.47                             |
| Isabelle Fourmentin   | 10,223                            | 36.84                             |
| Jean-Michel Geffroy   | 9,685                             | 37.15                             |
| Ashley James Stewart  | 9,607                             | 37.34                             |
| Albert Asseraf        | 8,617                             | 37.15                             |
| Emmanuel Zeferino     | 8,167                             | 37.33                             |
| Hester Man            | 6,999                             | 37.34                             |
| Jean Muller           | 6,947                             | 36.34                             |

## 2.5. Information on bonus shares

### **2.5.1. Use of authorisations given by the General Meeting of Shareholders**

At the General Meeting of Shareholders held on 19 May 2016, the Executive Board was authorised to grant existing or future bonus shares (excluding preference shares) up to a limit of 0.5% of the Company’s share capital for a period expiring 18 months from the date of such Shareholders’ Meeting, to group employees or executives, or certain of them.

This authority replaced the authority granted at the General Meeting of Shareholders held on 13 May 2015.

In accordance with the authority granted by the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 19 May 2016, no bonus shares were granted by the Executive Board during fiscal year 2016.

### **2.5.2. Special report of the Executive Board on bonus shares granted pursuant to Article L. 225-197-4 of the French Commercial Code**

- Bonus shares granted to corporate officers

During the fiscal year 2016, no bonus shares were granted to members of the Executive Board by the Company.

Members of the Supervisory Board are not eligible for bonus shares.

- Bonus shares granted to non-executive employees

During the fiscal year 2016, no bonus shares were granted to non-executive employees of the Company.

## 2.6. Report on the 2017 compensation policy of members of the Executive Board and the Supervisory Board

This report, drawn up by the Supervisory Board, is attached to the report mentioned in Articles L. 225-100 and L. 225-102 of the French Commercial Code and is prepared in accordance with Article L. 225-82-2 of the French Commercial Code. It takes into account the decisions taken by the Supervisory Board on 7 December 2016 and 1 March 2017 on the recommendation by the Compensation and Nominating Committee.

### **2.6.1. Principles and criteria for determining the compensation of members of the Executive Board in respect of 2017**

#### **1) Principles**

The principles and criteria for determining, allocating and awarding the compensation of members of the Executive Board in respect of 2017 are recommended by the Compensation and Nominating Committee and approved by the Supervisory Board.

The principles governing the compensation of members of the Executive Board are set out in the Afep-Medef Code, to which the Company adheres. If a new member were to be appointed to the Executive Board after the General Meeting of Shareholders of 11 May 2017, his or her compensation would be determined in accordance with these principles.

The principles and criteria for determining compensation in respect of 2017 are set out in this report, and will be submitted to the General Meeting of Shareholders of 11 May 2017.

In accordance with Article L. 225-100 of the French Commercial Code, the payment of variable and exceptional compensation is subject to the approval of the General Meeting of Shareholders to be held in 2018.

## 2) Components of the compensation of members of the Executive Board

As a preliminary comment, it should be made clear that:

- Jean-Charles Decaux and Jean-François Decaux in their capacity as Chairman of the Executive Board and Chief Executive Officer receive compensation by virtue of their office
- Jean-Sébastien Decaux, member of the Executive Board, CEO Southern Europe and Belux, and CEO Africa and Israel, receives compensation by virtue of his office
- Emmanuel Bastide, Managing Director, Asia, David Bourg, group Chief Financial and Administrative Officer, and Daniel Hofer, Managing Director, Germany, Austria, Eastern Europe and Central Asia, receive different forms of compensation in their capacity as employees

### • Fixed compensation

The fixed compensation of members of the Executive Board is set and reviewed annually by the Supervisory Board on the recommendation of the Compensation and Nominating Committee.

This recommendation takes into account the experience, level and difficulty of responsibilities, seniority within the group and practices observed within the group or in companies operating comparable businesses.

The Compensation and Nominating Committee also refers to comparative studies of the compensation of corporate officers carried out by external firms in making its recommendation to the Supervisory Board.

It is further noted that any significant increase in the fixed compensation of members of the Executive Board must be justified in the Annual Report.

In respect of 2017, the Supervisory Board, at its meeting of 7 December 2016, on the recommendation of the Compensation and Nominating Committee, decided:

- to maintain at its 2016 level the fixed compensation of Jean-François Decaux and Jean-Charles Decaux (€1,023,435) and Jean-Sébastien Decaux (€406,097)
- to increase the fixed compensation of Emmanuel Bastide and Daniel Hofer by 3% to reflect business development in the countries under their responsibility, bringing it to €432,600 and CHF 627,977.61 respectively
- to increase the fixed compensation of David Bourg by 3% to reflect change in his responsibilities and the group's international operations, bringing it to €412,000

### • Annual variable compensation

The criteria for determining the variable compensation of members of the Executive Board are set and reviewed annually by the Supervisory Board on the recommendation of the Compensation and Nominating Committee.

The variable compensation of members of the Executive Board is set on an individual and conditional basis in light of strict quantifiable and qualitative criteria.

For quantifiable criteria, the level of achievement required in respect of financial objectives is measured and assessed each year by the Supervisory Board on the recommendation of the Compensation and Nominating Committee.

In view of the need to preserve the confidentiality of these criteria, which are closely linked to the Company's strategy, the Supervisory Board does not feel it can disclose them in greater detail.

The variable compensation of members of the Executive Board may not exceed a certain percentage of the annual fixed compensation.

### • Jean-Charles DECAUX and Jean-François DECAUX

The criteria for determining the variable compensation of Jean-Charles Decaux and Jean-François Decaux in respect of 2017 are as follows:

Each of them is entitled to variable compensation of up to 150% of his annual fixed compensation, of which:

- a maximum of 50% of the annual fixed compensation on the basis of a quantifiable criterion linked to change in the group's consolidated EBIT during the reference year, of which:
  - a maximum of 25% of the annual fixed compensation reflecting the change compared with 2016
  - a maximum of 25% of the annual fixed compensation reflecting the achievement of the reference year budget
- 50% of the annual fixed compensation on the basis of a quantifiable criterion reflecting the achievement of the reference year budget as regards the operating margin ratio to revenue by segment
- 50% of the annual fixed compensation, at the discretion of the Supervisory Board on the recommendation of the Compensation and Nominating Committee, to reflect the group management's strategic achievements such as signing new contracts, acquiring companies and meeting sustainable development challenges

### • Jean-Sébastien DECAUX

The criteria for determining the variable compensation of Jean-Sébastien Decaux in respect of 2017 are as follows:

Variable compensation may represent a maximum of 100% of the annual fixed compensation on the basis of a quantifiable criterion linked to change in the EBIT\* of the countries under his responsibility during the reference year, of which:

- a maximum of 50% of the annual fixed compensation reflecting the change compared with 2016
- a maximum of 50% of the annual fixed compensation reflecting the achievement of the reference year budget

<sup>(\*)</sup> Growth in EBIT includes the impact of variations in exchange rates but excludes management fees and any write-down of goodwill (not allocated to countries).

In addition, total variable compensation representing a maximum of 100% of the annual fixed compensation may be awarded for contribution to strategic achievements, either one-off or in the region under his responsibility, or the achievement of personal objectives or objectives specifically related to his management, set by Jean-Charles Decaux.

• **Emmanuel BASTIDE**

The criteria for determining the variable compensation of Emmanuel Bastide in respect of 2017 are as follows:

Variable compensation may represent a maximum of 100% of the annual fixed compensation on the basis of a quantifiable criterion linked to change in the EBIT\* of the countries under his responsibility during the reference year, of which:

- a maximum of 50% of the annual fixed compensation reflecting the change compared with 2016
- a maximum of 50% of the annual fixed compensation reflecting the achievement of the reference year budget

(\*) Growth in EBIT includes the impact of variations in exchange rates but excludes management fees and any impairment of goodwill (not allocated to countries).

In addition, total variable compensation representing a maximum of 100% of the annual fixed compensation may be awarded for contribution to strategic achievements, either one-off or in the region under his responsibility, or the achievement of personal objectives or objectives specifically related to his management, set by Jean-Charles Decaux.

• **David BOURG**

The criteria for determining the variable compensation of David Bourg in respect of 2017 are as follows:

Mr Bourg is entitled to variable compensation of up to 100% of his annual fixed compensation, of which:

- a maximum of 50% of the annual fixed compensation on the basis of a quantifiable criterion linked to change in the group's consolidated EBIT during the reference year, of which:
  - a maximum of 25% of the annual fixed compensation reflecting the change compared with 2016
  - a maximum of 25% of the annual fixed compensation reflecting the achievement of the reference year budget
- 50% of the annual fixed compensation on the basis of a quantifiable criterion reflecting the achievement of the reference year budget as regards the ratio of operating margin to revenue by segment

In addition, total variable compensation representing a maximum of 100% of the annual fixed compensation may be awarded for contribution to the group management's one-off strategic achievements such as signing new contracts or acquiring companies, or the achievement of personal objectives or objectives specifically related to the departments under his management, set by the co-Chief Executive Officers.

• **Daniel HOFER**

The criteria for determining the variable compensation of Daniel Hofer in respect of 2017 are as follows:

Variable compensation may represent a maximum of 130% of the annual fixed compensation on the basis of a quantifiable criterion linked to change in the EBIT\* of the countries under his responsibility during the reference year, of which:

- a maximum of 65% of the annual fixed compensation reflecting the change compared with 2016

- a maximum of 65% of the annual fixed compensation reflecting the achievement of the reference year budget

(\*) Growth in EBIT includes the impact of variations in exchange rates but excludes management fees and any write-down of goodwill (not allocated to countries).

In addition, total variable compensation representing a maximum of 130% of the annual fixed compensation may be awarded for contribution to strategic achievements, either one-off or in the region under his responsibility, or the achievement of personal objectives or objectives specifically related to his management, set by Jean-François Decaux.

• **Non-recurring compensation**

The Supervisory Board, on the recommendation of the Compensation and Nominating Committee, may decide to allocate non-recurring compensation to the members of the Executive Board after examining the particular circumstances justifying it (e.g. gain of major new contracts, strategic acquisitions, successful restructuring, etc.).

• **Directors' fees**

The members of the Executive Board do not receive directors' fees from JCDecaux SA, but may receive them from any subsidiaries of JCDecaux SA in which they hold directorships.

• **Fringe benefits**

Fringe benefits are related to the provision of company vehicles, in the UK for Jean-François Decaux, in France for Jean-Charles Decaux and David Bourg, in Italy for Jean-Sébastien Decaux and in Singapore for Emmanuel Bastide.

In Singapore, Emmanuel Bastide also has the use of company housing and his children's school fees are paid for.

• **Stock option and bonus share plans**

**Bonus shares**

The Executive Board may grant bonus shares to the members of the Executive Board.

**Stock option**

• **Allocation**

The Executive Board may grant stock options to the members of the Executive Board up to a maximum percentage of their annual fixed remuneration, determined by the Supervisory Board.

Jean-François Decaux and Jean-Charles Decaux do not have any stock options, having waived their entitlement since the IPO in 2001.

Jean-Sébastien Decaux, David Bourg, Emmanuel Bastide and Daniel Hofer are eligible for the stock option plans, where applicable, within the group. The Supervisory Board on 7 December 2016 has decided that members of the Executive Board, eligible for the stock option plans, may grant up to 100% of their fixed annual compensation, for stock option plan implemented in 2017.

Stock options granted by the Company provide the right to subscribe to shares issuance at a price defined at the time of grant.



The granting of stock options is in turn subject to performance conditions relating to the group financial results and to individual objectives achieved during the preceding year.

On 13 February 2017, the Executive Board granted stock options to Jean-Sébastien Decaux, David Bourg, Emmanuel Bastide and Daniel Hofer.

- Exercise

The exercise of stock options is subject to the achievement of performance conditions set by the Supervisory Board on the recommendation of the Compensation and Nominating Committee.

For information purposes, stock options granted in respect of 2016 may be exercised by members of the Executive Board who meet the following performance conditions:

- achievement of consolidated EBIT in accordance with the 2017 budget; or
- achievement in 2017 of personal objectives relating to the departments for which members of the Executive Board are responsible, set by the co-Chief Executive Officers

In the case of resignation, unless otherwise decided by the Board, the beneficiary may only exercise options which are vested at the date of his/her departure, which options must be exercised on or before the date of his/her departure.

### 3) Components of the compensation of members of the Executive Board subject to the procedure for regulated agreements and commitments

The components of compensation mentioned below serve simply as a reminder of the components already approved by the General Meeting of Shareholders.

- *Supplementary pension scheme*

Daniel Hofer also benefits from an annual supplementary retirement pension contribution. This contribution corresponds to 16% of his annual fixed compensation increased by the variable compensation up to the contractual limit of a CHF 110,139.60 contribution for a full year. Besides, according to applicable Swiss regulations, the contribution's base is capped. However, within the regulatory limit, Daniel Hofer has the option to deduct a part of his variable compensation to be converted into a retirement pension contribution.

The payment of this pension contribution is subject to satisfying performance conditions as recommended by the Compensation and Nominating Committee and authorised by the Supervisory Board, the details of which are set out in the Annual Report.

This regulated commitment was approved by the General Meeting of Shareholders of 13 May 2015 (seventh resolution).

### *Severance pay*

If Emmanuel Bastide's and David Bourg's employment contracts are terminated, they are entitled to receive a non-compete indemnity from the Company, for two years, corresponding to 33% of their variable and fixed salary, calculated on the average of the last twelve months before the date when the contract is terminated.

The Company has the right of discharging the concerned persons from their commitment in case of termination of employment, and not pay the related compensation.

These regulated commitments were approved by the General Meeting of Shareholders of 13 May 2015 (seventh and eighth resolutions).

## 2.6.2. Principles and criteria for determining the compensation of members of the Supervisory Board in respect of 2017

### 1) Principles

The principles and criteria for determining, allocating and awarding the components comprising the compensation of members of the Supervisory Board are set out in the Afep-Medef Code, to which the Company adheres.

### 2) Components of the compensation of members of the Supervisory Board

Members of the Supervisory Board are not entitled to variable compensation, stock options or bonus shares.

Members of the Supervisory Board receive directors' fees only.

The total amount of directors' fees is approved by the General Meeting of Shareholders; their allocation is reviewed annually by the Compensation and Nominating Committee and approved by the Supervisory Board.

The General Meeting of Shareholders of 11 May 2017 will be asked to set directors' fees allocated to the members of the Supervisory Board at €425,000 from 2017 until otherwise decided.

Directors' fees consist of a fixed portion and a predominant variable portion conditional upon the effective attendance of the members of the Supervisory Board. The amounts awarded in respect of the fixed portion 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.

It should also be noted that any additional meetings of the Supervisory Board in addition to the four annual meetings trigger the payment of additional directors' fees. Members of the Supervisory Board do not receive directors' fees when the Supervisory Board meets by teleconference.



The Supervisory Board, at its meeting of 1 March 2017, subject to the approval of the amount by the General Meeting of Shareholders of 11 May 2017, decided to allocate directors' fees in respect of 2017 as follows:

| Supervisory Board<br>(per member – for four meetings) |                         |                       |                           |                    | Audit Committee<br>(for four meetings) |                         | Compensation and Nominating Committee<br>(for two meetings) |                         |
|---|-------------------------|-----------------------|---------------------------|--------------------|--|-------------------------|---|-------------------------|
| Base portion Member                                   | Variable portion Member | Base portion Chairman | Variable portion Chairman | Additional meeting | Variable portion Chairman              | Variable portion Member | Variable portion Chairman                                   | Variable portion Member |
| 13,000  | 14,000                  | 20,000                | 22,000                    | 2,050              | 15,000                                 | 7,500                   | 6,000   | 5,000                   |

### 3. EMPLOYEE PROFIT-SHARING AND EMPLOYEE BENEFITS PLANS

For France, a three-year agreement was signed for both JCDecaux SA and JCDecaux France. This agreement covers the years 2014, 2015 and 2016 and will serve to make employees feel more involved in their entity's performance going forward on a nationwide level throughout France.

A collective profit-sharing agreement was signed for the company Cyclocity covering the years 2014, 2015 and 2016.

A collective profit-sharing agreement was also signed for the company Média Aéroports de Paris covering the years 2015, 2016 and 2017.

In France, a benefit plan was adopted in 2012 providing for a profit pooling agreement among its parties (JCDecaux SA and JCDecaux France). This agreement applies to all employees having at least three months' service with the group during the fiscal year giving rise to the benefit. The benefit is calculated pursuant to the provisions of Article L. 3324-1 of the French Labour Code.

In 2013, a benefit plan was signed for the employees of Média Aéroports Paris; this agreement has the same characteristics as that of JCDecaux SA and JCDecaux France.

The amounts of profit-sharing and benefits paid for France for the last two fiscal years is set out on page 64 of the Annual Report.

JCDecaux SA, JCDecaux France and JCDecaux Holding each have a Company Savings Plan, and each Plan was renewed in 2002; payments of sums from the profit-sharing agreements are supplemented by the employer. Employees of the companies concerned can make voluntary payments to a fund composed of JCDecaux SA shares, allowing employees to invest in the share capital of JCDecaux SA.

In 2012, within MédiaKiosk, a benefit agreement and an agreement to introduce a Company Savings Plan were signed. This benefit is calculated pursuant to Article L. 3324-1 of the French Labour Code and applies to all employees having at least three months service.

## 4. INFORMATION ON MEMBERS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

## 4.1. Terms of office of the Executive Board

Almost all offices and positions held by members of the Executive Board in 2016 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 positions are held in companies not active in the field of outdoor advertising.

**Jean-Charles Decaux – Chairman of the Executive Board**

47 years – Nationality: French

Holds 1,166,725 shares

Work address: 17 rue Soyer, 92200 Neuilly-sur-Seine

Chairman of the Executive Board since 19 May 2016 for a term of one year (i.e. until the Supervisory Board meeting following the 2017 General Meeting of Shareholders called to approve the financial statements for the year ended 31 December 2016) in accordance with the Company's principle of alternating management responsibilities (annual rotation with Jean-Charles Decaux).

|   |  |
|---|--|
| Date of first appointment to the Executive Board: | 9 October 2000   |
| Date of most recent reappointment:                | 13 May 2015  |
| Date of expiry of the term of office:             | Supervisory Board meeting following the 2018 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2017 |

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, Latin America, the Middle East and Africa.

**Other offices and positions held in 2016 in group companies**

|   |  |
|---|--|
| Métrobus (France)                             | Director (first appointment: 18 November 2005)   |
| JCDecaux France                               | Chairman (first appointment: 31 December 2011)   |
| JCDecaux Bolloré Holding (France)             | Member of the Executive Board (first appointment: 24 May 2011)   |
| MédiaKiosk (France)                           | Chairman of the Supervisory Committee (first appointment: 30 November 2011)  |
| Média Aéroports de Paris (France)             | Director (first appointment: 7 September 2011)   |
| EI Mobiliario Urbano SLU (Spain)              | Chairman of the Board of Directors (first appointment: 14 March 2003)<br>Director (first appointment: 13 March 2003) |
| IGP Decaux Spa (Italy)                        | Director of the Board of Directors (first appointment: 1 December 2001)  |
| JCDecaux Small Cells Limited (United Kingdom) | Director (first appointment: 3 April 2014)   |

**Other offices and positions held in 2016 in companies outside the group**

|  |   |
|--|---|
| JCDecaux Holding (France)              | Director – Managing Director (first appointment: 22 June 1998)  |
| Decaux Frères Investissements (France) | Managing Director (first appointment: 24 October 2007)  |
| SCI du Mare (France)                   | Manager (first appointment: 14 December 2007)   |
| HLD (France)                           | Permanent representative of Decaux Frères Investissements, Member of the Supervisory Board (first appointment: 25 March 2011) |
| SCI Clos de la Chaîne (France)         | Manager (first appointment: 1 August 2013)  |
| SCI Trois Jean (France)                | Manager (first appointment: 1 August 2013)  |
| Apolline Immobilier (France)           | Managing Director (first appointment: 27 November 2015)   |
| BDC SAS (France)                       | Director (first appointment: 27 July 2016)  |

**Offices expired in other companies outside the group over the past five years**

None

**Jean-François Decaux – Chief Executive Officer**

58 years – Nationality: French

Holds 401,752 shares

Work address: 991 Great West Road, Brentford, Middlesex TW8 9DN (United Kingdom)

Chief Executive Officer since 19 May 2016 for a term of one year (i.e. until the Supervisory Board meeting following the 2017 General Meeting of Shareholders called to approve the financial statements for the year ended 31 December 2016) in accordance with the Company's principle of alternating management responsibilities (annual rotation with Jean-Charles Decaux).

|   |  |
|---|--|
| Date of first appointment to the Executive Board: | 9 October 2000   |
| Date of most recent reappointment:                | 13 May 2015  |
| Date of expiry of the term of office:             | Supervisory Board meeting following the 2018 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2017 |

Jean-François Decaux joined the group in 1982 and started and developed the German subsidiary. He also oversaw the development of the United Kingdom, of all of the subsidiaries in Northern and Eastern Europe and then successfully managed the Company's moves into North America, Central Asia and Australia.

**Other offices and positions held in 2016 in group companies**

|                                   |  |
|-----------------------------------|--|
| Métrobus (France)                 | Director (first appointment: 18 November 2005)                           |
| Media Frankfurt GmbH (Germany)    | Vice-Chairman of the Supervisory Board (first appointment: 3 April 2001) |
| WALL AG (Germany)                 | Chairman of the Supervisory Board (until 6 July 2016)                    |
| JCDecaux UK Ltd (United Kingdom)  | Director (first appointment: 24 September 2013)                          |
| Russ Out of Home BV (Netherlands) | Director (first appointment: 12 February 2013)                           |
| AFA JCDecaux A/S (Denmark)        | Chairman of the Board of Directors (first appointment: 11 October 2013)  |

**Other offices and positions held in 2016 in companies outside the group**

|  |  |
|--|--|
| JCDecaux Holding (France)              | Chief Executive Officer (until 2 June 2016)<br>Chairman (first appointment: 2 June 2016)<br>Director (first appointment: 22 June 1998) |
| SCI Congor (France)                    | General Manager (first appointment: 17 January 2000)   |
| Decaux Frères Investissements (France) | Chief Executive Officer (first appointment: 24 October 2007)   |
| DF Real Estate (Luxembourg)            | Director (first appointment: 17 December 2007)   |
| Apolline Immobilier (France)           | Chief Executive Officer (first appointment: 27 November 2015)  |

**Offices expired in other companies outside the group over the past five years**

None

**Jean-Sébastien Decaux – Member of the Executive Board**

40 years – Nationality: French  
 Holds 1,752 shares (plus 250,105 shares through Holding des Dhuits)  
 Work address: Centro direzionale Milanofiori Strada 3 Palazzo B/10 20090 ASSAGO (MI) (Italy)

Date of first appointment to the Executive Board: 15 May 2013

Date of most recent reappointment: 19 May 2016

Date of expiry of the term of office: Supervisory Board meeting following the 2018 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2017

Jean-Sébastien Decaux joined JCDecaux in the United Kingdom in 1998.

In 2001, following the agreement between IGP (du Chêne de Vère family), Rizzoli Corriere della Sera and JCDecaux, he was appointed as Executive Vice President Street Furniture and as Sales and Marketing Director of the Italian company IGP Decaux.

In 2004, he also took over at the helm of the Belgian and Luxembourg subsidiaries. In 2010, Jean-Sébastien Decaux was appointed as Executive Vice President Southern Europe, a post created to consolidate the operations of Spain, Portugal and Italy within the same regional entity.

Since 1 March 2013, Jean-Sébastien Decaux has also held the post of Executive Vice President Africa-Israel.

**Other offices and positions held in 2016 in group companies**

|  |  |
|--|--|
| JCDecaux Bolloré Holding (France)  | Member of the Executive Board (first appointment: 1 March 2013)<br>Chairman (until 7 June 2016)<br>Chief Executive Officer (from 7 June 2016)  |
| JCDecaux South Africa Outdoor Advertising (Pty) Ltd (South Africa)   | Chairman of the Board of Directors and Director (first appointment: 11 February 2013)  |
| JCDecaux Subsaharan Africa Holdings (Pty) Ltd (formerly Continental Outdoor Media Holdings (Pty) Ltd) (South Africa) | Director (first appointment: 18 June 2015)   |
| Continental Outdoor Media (PTY) Ltd (South Africa)   | Director (until 24 March 2016)   |
| JCDecaux Nigeria Outdoor Advertising Limited (Nigeria)   | Director (first appointment: 10 December 2015)   |
| JCDecaux Portugal-Mobiliario Urbano E Publicidade Lda (Portugal)   | Manager (first appointment: 15 May 2011)   |
| JCDecaux Espana SLU (Spain)  | Chairman of the Board of Directors (first appointment: 1 May 2011) and Director (first appointment: 1 May 2011)<br>Managing Director (first appointment: 1 May 2011)                   |
| EI Mobiliario Urbano SLU (Spain)   | Managing Director (first appointment: 1 May 2011)<br>Director (first appointment: 1 May 2011)  |
| JCDecaux Atlantis SA (Spain)   | Chairman of the Board of Directors (first appointment: 1 May 2011)<br>Managing Director (first appointment: 1 May 2011)  |
| JCDecaux Transport Espana SLU (Spain)  | Chairman of the Board of Directors (first appointment: 12 November 2010) and Director (first appointment: 3 November 2010)<br>Managing Director (first appointment: 10 November 2015)  |
| Corporacion Europea De mobiliario Urbano SA (CEMUSA) (Spain)   | Chairman of the Board of Directors (first appointment: 13 November 2015) and Director (first appointment: 13 November 2015)<br>Managing Director (first appointment: 16 November 2015) |
| IGP Decaux Spa (Italy)   | Chairman of the Board of Directors (first appointment: 30 June 2015) and Director (first appointment: 23 July 2002)  |
| Cemusa Italia (Italy)  | Chairman of the Board of Directors and Director (until 6 December 2016)  |
| Cemusa OOH Italie Srl (Italy)  | Chairman (first appointment: 23 December 2016)   |
| Jean-Claude Decaux Luxembourg (Luxembourg)   | Permanent representative of sprl JSD Investimenti, Director (date of first appointment: 2 June 2004) and Chairman of the Board (until 22 April 2016)                                   |

|  |  |
|--|--|
| JCDecaux Street Furniture Belgium (Belgium)  | Permanent representative of sprl JSD Investimenti, Director (date of first appointment: 28 January 2004) and Chairman of the Board (until 28 April 2016)   |
| JCDecaux Airport Belgium (Belgium)   | Permanent representative of sprl JSD Investimenti, Director (date of first appointment: 21 September 2007) and Chairman of the Board (until 28 April 2016) |
| City Business Media (Belgium)  | Permanent representative of sprl JSD Investimenti, Director (date of first appointment: 3 January 2007) and Chairman of the Board (until 26 April 2016)    |
| JCDecaux Billboard Belgium (Belgium)   | Permanent representative of sprl JSD Investimenti, Director (date of first appointment: 1 June 2004) and Chairman of the Board (until 28 April 2016)       |
| JCDecaux Artvertising Belgium (Belgium)  | Permanent representative of sprl JSD Investimenti, Director (date of first appointment: 1 June 2004) and Chairman of the Board (until 28 April 2016)       |
| <b>Other offices and positions held in 2016 in companies outside the group</b>       |  |
| JCDecaux Holding (France)  | Managing Director (first appointment: 13 December 1999)<br>Director (first appointment: 22 June 2009)  |
| Decaux Frères Investissements (France)   | Managing Director (first appointment: 24 October 2007)   |
| Bouygues Telecom (France)  | Permanent representative of JCDecaux Holding, Director (date of first appointment: 29 March 2012)  |
| Holding Des DHuits (Belgium)   | Director (first appointment: 30 July 2009)<br>Managing Director (first appointment: 30 July 2009)  |
| Apolline Immobilier (France)   | Managing Director (first appointment: 27 November 2015)  |
| <b>Offices expired in other companies outside the group over the past five years</b> |  |
| None   |  |

**Emmanuel Bastide - Member of the Executive Board**

48 years – Nationality: French  
 Holds 4,878 shares  
 Work address: 8 Temasek Boulevard # 33-02 Suntec City Tower 3 SINGAPORE 038898 SINGAPORE

Date of first appointment to the Executive Board: 1 September 2014

Date of expiry of the term of office: Supervisory Board meeting following the 2018 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2017

Emmanuel Bastide is a graduate of the Ecole des Mines de Paris (ENSMP).

Emmanuel Bastide began his career as a Works Engineer with Saur in 1994, and joined JCDecaux in 1998 as Deputy Regional Director, Île-de-France Est. In 1999, he was appointed as Head of Development for North Asia, excluding Japan, a position based in Hong Kong. Promoted in 2001 as Senior Vice Chairman of JCDecaux in Japan (joint venture of JCDecaux SA and Mitsubishi Corporation, of which JCDecaux holds 60%), he becomes the Chairman in 2002.

Since 1 January 2007, Emmanuel Bastide has been the Chief Executive Officer Asia of JCDecaux with the following countries under his responsibility: Japan, Korea, China/Hong Kong, Macao, India, Thailand, Singapore and Malaysia.

**Other offices and positions held in 2016 in group companies**

|   |   |
|---|---|
| Nanjing Metro JCDecaux Advertising Co., Ltd. (China)              | Director (first appointment: 6 January 2011)    |
| Chengdu MPI Public Transportation Advertising Co., Ltd. (China)   | Director (first appointment: 7 December 2011)   |
| Chongqing MPI Public Transportation Advertising Co., Ltd. (China) | Director (first appointment: 1 June 2011)       |
| Suzhou JCDecaux Metro Advertising Ltd. (China)                    | Director (first appointment: 9 November 2012)   |
| JCDecaux (China) Holding Ltd. (Hong Kong)                         | Director (first appointment: 7 May 2007)        |
| JCDecaux Pearl & Dean Ltd. (Hong Kong)                            | Director (first appointment: 23 January 2007)   |
| JCDecaux Cityscape Ltd. (Hong Kong)                               | Director (first appointment: 23 May 2005)       |
| JCDecaux Cityscape Hong Kong Ltd. (Hong Kong)                     | Director (first appointment: 23 May 2005)       |
| Immense Prestige (Hong Kong)                                      | Director (first appointment: 23 May 2005)       |
| JCDecaux Outdoor Advertising HK Ltd. (Hong Kong)                  | Director (first appointment: 14 March 2007)     |
| JCDecaux Innovate Ltd. (Hong Kong)                                | Director (first appointment: 14 March 2007)     |
| JCDecaux Digital Vision (HK) Ltd. (Hong Kong)                     | Director (first appointment: 8 May 2007)        |
| JCDecaux Vietnam Holding Ltd. (Hong Kong)                         | Director (first appointment: 17 September 2008) |
| JCDecaux Advertising India (India)                                | Director (until 31 March 2016)                  |
| Cityscape Advertising (Mumbai) Pte. Ltd. (India)                  | Director (until 31 March 2016)                  |
| MCDcaux Inc. (Japan)  | Director (first appointment: 24 April 2014)     |
| Cyclocity, Inc (Japan)  | Director (first appointment: 5 October 2009)    |
| JCDecaux Korea Inc. (South Korea)                                 | Director (first appointment: 26 October 2001)   |
| JCDecaux Macau Ltd. (Macau)                                       | Director (first appointment: 14 June 2007)      |
| JCDecaux (M) Sdn. Bhd. (Malaysia)                                 | Director (first appointment: 24 July 2007)      |
| JCDecaux Media Sdn. Bhd. (Malaysia)                               | Director (first appointment: 24 July 2007)      |
| JCDecaux Mongolia LLC (Mongolia)                                  | Director (first appointment: 28 April 2014)     |
| JCDecaux Asia (S) Pte. Ltd. (Singapore)                           | Director (first appointment: 26 February 2007)  |



|  |  |
|--|--|
| JCDecaux Singapore Pte. Ltd. (Singapore)   | Director (first appointment: 26 February 2007) |
| JCDecaux Out of Home Pte. Ltd. (Singapore)   | Director (first appointment: 26 February 2007) |
| JCDecaux Thailand Co., Ltd. (Thailand)   | Director (first appointment: 14 June 2007)     |
| JCDecaux Neonlight Co., Ltd. (Thailand)  | Director (first appointment: 14 June 2007)     |
| <b>Other offices and positions held in 2016 in companies outside the group</b>       |  |
| None   |  |
| <b>Offices expired in other companies outside the group over the past five years</b> |  |
| None   |  |

**David Bourg – Member of the Executive Board**

47 years – Nationality: French

Holds 1,025 shares

Work address: 17 rue Soyer, 92200 Neuilly-sur-Seine

Date of first appointment to the Executive Board:

15 January 2015

Date of expiry of the term of office:

Supervisory Board meeting following the 2018 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2017

David Bourg is a graduate of Sciences Po Paris and obtained a Master's degree and post-graduate diploma in economics (DEA) from the University of Paris Dauphine.

He began his career in the firm Deloitte & Touche with various positions of responsibility, including Audit Supervisor in Buenos Aires and Audit Manager in Paris. He joined JCDecaux in 2001 as a Business Development Manager principally responsible for merger & acquisition projects within the group. He was appointed Chief Financial Officer for Asia in 2005, and CEO for Middle East in 2011.

David Bourg has been group Chief Financial and Administrative Officer since 15 January 2015.

**Other offices and positions held in 2016 in group companies**

JCDecaux Bolloré Holding (France)

Member of the Executive Board (first appointment: 15 January 2015)

MédiaKiosk (France)

Member of the Supervisory Committee (first appointment: 1 April 2015)

Média Aéroports de Paris (France)

Director (first appointment: 28 January 2015)

IGP Decaux Spa (Italy)

Director (first appointment: 15 January 2015)

JCDecaux Small Cells Limited (United Kingdom)

Director (first appointment: 15 January 2015)

JCDecaux Subsaharan Africa Holdings (Pty) LTD (formerly *Continental Outdoor Media Holdings (Pty) LTD*) (South Africa)

Director (first appointment: 18 June 2015)

**Other offices and positions held in 2016 in companies outside the group**

None

**Offices expired in other companies outside the group over the past five years.**

None

**Daniel Hofer - Member of the Executive Board**

52 years – Nationality: Swiss

Holds 5,000 shares

Work address: Giesshübelstrasse 4, CH-8045 Zurich Switzerland

Date of first appointment to the Executive Board:

1 September 2014

Date of expiry of the term of office:

Supervisory Board meeting following the 2018 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2017

Daniel Hofer holds an MBA from the University of Rochester (New York) and a Business Administration Doctorate from the University of South Australia (UniSA) in Adelaide.

Daniel Hofer fulfilled several management roles in the media sector before joining NZZ group (Neue Zuercher Zeitung), one of the leading media companies in Switzerland, as Member of the Executive Board, from 2006 to 2010.

From 1 October 2010, Daniel Hofer assumed the duties of Chief Executive Officer of APG-SGA, the outdoor advertising leading company in Switzerland. He has been Chairman of the Board of Directors of that company since 21 May 2014.

Since 1 September 2014, Daniel Hofer assumes the duties of Chief Executive Officer Germany, Austria, Central and Eastern Europe and Central Asia of JCDecaux SA.

**Other offices and positions held in 2016 in group companies**

|   |   |
|---|---|
| APG SGA SA (listed company) (Switzerland) | Chairman of the Board of Directors (first appointment: 21 May 2014) |
|---|---|

|  |   |
|--|---|
| JCDecaux Corporate Services GMBH (Switzerland) | Manager (first appointment: 20 August 2014) |
|--|---|

|  |   |
|--|---|
| Gewista werbegesellschaft m.b.H. (Austria) | Vice-Chairman of the Supervisory Committee (first appointment: 26 September 2014) |
|--|---|

|  |  |
|--|--|
| JCDecaux Bulgaria Holding B.V. (Netherlands) | Director (class A) (first appointment: 23 December 2014) |
|--|--|

|                                 |   |
|---------------------------------|---|
| JCDecaux Hungary zrt. (Hungary) | Member of the Supervisory Committee (first appointment: 12 December 2014) |
|---------------------------------|---|

|                             |   |
|-----------------------------|---|
| RTS Decaux jsc (Kazakhstan) | Member of the Board of Directors (first appointment: 11 September 2014) |
|-----------------------------|---|

|  |   |
|--|---|
| Big Board Ukraine (BIG BOARD BV) (Ukraine) | Member of the Board of Directors (first appointment: 26 September 2014) |
|--|---|

|                   |   |
|-------------------|---|
| Wall AG (Germany) | Member of the Supervisory Board (until 6 July 2016) |
|-------------------|---|

|  |   |
|--|---|
| JCDecaux Central Eastern Europe Holding GMBH (Austria) | Manager (first appointment: 12 November 2015) |
|--|---|

**Other offices and positions held in 2016 in companies outside the group**

None

**Offices expired in other companies outside the group over the past five years**

None

## 4.2. Offices held by members of the Supervisory Board

At the Supervisory Board meeting of 15 May 2013, Jean-Claude Decaux, founder of JCDecaux, was appointed Honorary Chairman of the Supervisory Board. He held this position until his death on 27 May 2016.

| <b>G rard Degonse - Chairman of the Supervisory Board</b>   |  |
|---|--|
| 69 years – Nationality: French<br>Holds 50,757 shares<br>Work address: 17 rue Soyer, 92200 Neuilly-sur-Seine  |  |
| Chairman of the Supervisory Board since 15 May 2013, the Supervisory Board, at its meeting of 19 May 2016, renewed his appointment for the duration of his membership of the Supervisory Board (i.e. until the Supervisory Board meeting following the 2019 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2018).   |  |
| Date of first appointment to the Supervisory Board:   | 15 May 2013  |
| Date of most recent reappointment:  | 19 May 2016  |
| Date of expiry of the term of office:   | Supervisory Board meeting following the 2019 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2018 |
| Supervisory Board attendance rate: 100%<br>Compensation and Nominating Committee attendance rate: 100%  |  |
| G rard Degonse is a graduate of the Institut de Sciences Politiques Paris.<br>Since February 2011, G rard Degonse has been Acting Chief Executive Officer of JCDecaux Holding and director of the company DFI (Decaux Fr res Investissements).<br>G rard Degonse held the post of Chief Financial and Administrative Officer of the JCDecaux Group, where he also served on the Executive Board from 2000 to 2010. Before joining the JCDecaux Group, G rard Degonse was Finance and Treasury Director with the Elf Aquitaine group. He was previously Vice President Treasurer and Company Secretary of Euro Disney. |  |
| <b>Other offices and positions held in 2016 in group companies</b>  |  |
| None  |  |
| <b>Other offices and positions held in 2016 in companies outside the group</b>  |  |
| JCDecaux Holding (France)   | Acting Chief Executive Officer (first appointment: 2 March 2011)   |
| Decaux Fr res Investissements (France)  | Director (first appointment: 2 March 2011)   |
| Octo Technology (France)  | Member of the Supervisory Committee (first appointment: 2011)  |
| Lendix (France)   | Member of the Supervisory Committee (first appointment: 2015)  |
| BDC (France)  | Director (first appointment: 2016)   |
| HLD E (Luxembourg)  | Member of the Supervisory Committee (first appointment: 2016)  |
| <b>Offices expired in other companies outside the group over the past five years</b>  |  |
| None  |  |

**Jean-Pierre Decaux – Vice-Chairman of the Supervisory Board**

73 years – Nationality: French

Holds 1,574 shares

Work address: 17 rue Soyer, 92200 Neuilly-sur-Seine

Chairman of the Supervisory Board since 9 October 2000, the Supervisory Board, at its meeting of 14 May 2014, renewed his appointment for the duration of his membership of the Supervisory Board (i.e. until the Supervisory Board meeting following the 2017 General Meeting of Shareholders called to approve the financial statements for the year ended 31 December 2016).

|   |                |
|---|----------------|
| Date of first appointment to the Supervisory Board: | 9 October 2000 |
|---|----------------|

|                                    |             |
|------------------------------------|-------------|
| Date of most recent reappointment: | 14 May 2014 |
|------------------------------------|-------------|

|                                       |   |
|---------------------------------------|---|
| Date of expiry of the term of office: | Supervisory Board meeting following the 2017 General Meeting of Shareholders called to approve the financial statements for the year ended 31 December 2016 |
|---------------------------------------|---|

Supervisory Board attendance rate: 66.66%

Throughout his career with the group, which he joined from its beginning in 1964, Jean-Pierre Decaux has held various posts. He was Chief Executive Officer of S.O.P.A.C.T. (Société de Publicité des Abris® et des Cabines Téléphoniques) from 1975 to 1988, Chief Executive Officer of R.P.M.U. (Régie Publicitaire de Mobilier Urbain) from 1980 to 2001, Managing Director of Decaux SA (now JCDecaux SA) from 1989 to 2000 et Chief Executive Officer of S.E.M.U.P. (Société d'Exploitation du Mobilier Urbain Publicitaire) from 1995 to 2001.

**Other offices and positions held in 2016 in group companies**

None

**Other offices and positions held in 2016 in companies outside the group**

|            |                                 |
|------------|---------------------------------|
| SCI Bagavi | Manager (first appointment: nd) |
|------------|---------------------------------|

|             |                                 |
|-------------|---------------------------------|
| SCI Criluca | Manager (first appointment: nd) |
|-------------|---------------------------------|

|          |  |
|----------|--|
| SCI JPJM | Manager (first appointment: 15 January 2016) |
|----------|--|

**Offices expired in other companies outside the group over the past five years**

|                |  |
|----------------|--|
| Assor (France) | Member of the Supervisory Board (until 2013) |
|----------------|--|

|              |                       |
|--------------|-----------------------|
| RMA (France) | Chairman (until 2013) |
|--------------|-----------------------|

|  |                                 |
|--|---------------------------------|
| SCI de la Plaine Saint Pierre (France) | Manager (until 10 January 2015) |
|--|---------------------------------|

**Michel Bleitrach (Independent Member) – Member of the Supervisory Board**

71 years – Nationality: French

Holds 1,000 shares

Work address: 17 rue Soyer, 92200 Neuilly-sur-Seine

Date of first appointment to the Supervisory Board:

15 May 2013

Date of most recent reappointment:

19 May 2016

Date of expiry of the term of office:

Supervisory Board meeting following the 2019 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2018

Supervisory Board attendance rate: 100%

Compensation and Nominating Committee attendance rate: 100%

Michel Bleitrach is an alumnus of the Ecole Polytechnique (X65) and Ecole Nationale des Ponts et Chaussées. He also holds a degree in Economics and an MBA from Berkeley.

Since October 2011, Michel Bleitrach has been Vice-Chairman of ALBIOMA (formerly Séchilienne Sidec) and Chairman of Albioma's Audit Committee. He is also a director and Chairman of the Compensation and Nominating Committee of SPIE SA. Michel Bleitrach is President of the Union des Transports Publics et Ferroviaires (French public transport and rail trade association) and Energy Advisor to the Chairman of SNCF.

Michel Bleitrach was formerly Executive Chairman of SAUR. Prior to that he held the post of Chairman of the Executive Board of Keolis.

**Other offices and positions held in 2016 in group companies**

None

**Other offices and positions held in 2016 in companies outside the group**

ALBIOMA (formerly Séchilienne-Sidec)(France)

Vice-Chairman of the Board of Directors (first appointment: 2005)

SPIE SA (France)

Director (first appointment: 2011)

INDIGO (formerly VINCI PARK) (France)

Chairman of the Supervisory Board (first appointment: 2 July 2014)

SOCOTEC (France)

Director (first appointment: 1 October 2016)

**Offices expired in other companies outside the group over the past five years**

VEDICI (France)

Director (until 16 September 2014)

KEOLIS SA (France)

Director (until 31 March 2014)

SAUR (France)

Chairman (until 1 February 2013)

KEOLIS SAS (France)

Chairman of the Board (until 7 June 2012)

KTA (United States)

Director (until 2012)



**Monique Cohen (Independent member) – Member of the Supervisory Board**

60 years – Nationality: French  
 Holds 4,000 shares  
 Work address: 17 rue Soyer, 92200 Neuilly-sur-Seine

|   |             |
|---|-------------|
| Date of first appointment to the Supervisory Board: | 11 May 2011 |
|---|-------------|

|                                    |             |
|------------------------------------|-------------|
| Date of most recent reappointment: | 14 May 2014 |
|------------------------------------|-------------|

|                                       |   |
|---------------------------------------|---|
| Date of expiry of the term of office: | Supervisory Board meeting following the 2017 General Meeting of Shareholders called to approve the financial statements for the year ended 31 December 2016 |
|---------------------------------------|---|

Supervisory Board attendance rate: 100%  
 Audit Committee attendance rate: 100%

Monique Cohen is a former student of France's Ecole Polytechnique (X 76) 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.

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. She has also been a member of the board of the Autorité des Marchés Financiers (French Financial Markets Authority) from 2011 to 2014.

**Other offices and positions held in 2016 in group companies**

None

**Other offices and positions held in 2016 in companies outside the group**

|   |  |
|---|--|
| Apax Partners & Cie Gérance SA (France) | Acting Chief Executive Officer (first appointment: 2003) |
|---|--|

|                                      |                                    |
|--------------------------------------|------------------------------------|
| Apax Partners MidMarket SAS (France) | Director (first appointment: 2008) |
|--------------------------------------|------------------------------------|

|                             |   |
|-----------------------------|---|
| Global Project SAS (France) | Member of the Supervisory Board (first appointment: 2009) |
|-----------------------------|---|

|                                  |                                    |
|----------------------------------|------------------------------------|
| Safran (listed company) (France) | Director (first appointment: 2013) |
|----------------------------------|------------------------------------|

|                                |                                    |
|--------------------------------|------------------------------------|
| BNPP (France) (listed company) | Director (first appointment: 2014) |
|--------------------------------|------------------------------------|

|  |                                    |
|--|------------------------------------|
| Hermès International (France) Listed company | Director (first appointment: 2014) |
|--|------------------------------------|

**Offices expired in other companies outside the group over the past five years**

|                                   |                       |
|-----------------------------------|-----------------------|
| Financière MidMarket SAS (France) | Director (until 2014) |
|-----------------------------------|-----------------------|

|                     |   |
|---------------------|---|
| Wallet SA (Belgium) | Chairman of the Board of Directors (until 2014) |
|---------------------|---|

|                                      |   |
|--------------------------------------|---|
| Wallet Investissement 1 SA (Belgium) | Chairman of the Board of Directors (until 2014) |
|--------------------------------------|---|

|                                      |   |
|--------------------------------------|---|
| Wallet Investissement 2 SA (Belgium) | Chairman of the Board of Directors (until 2014) |
|--------------------------------------|---|

|  |                       |
|--|-----------------------|
| Buy Way Personnel Finance Belgium SA (Belgium) | Director (until 2014) |
|--|-----------------------|

|                 |                       |
|-----------------|-----------------------|
| Altran (France) | Director (until 2014) |
|-----------------|-----------------------|

|                       |                       |
|-----------------------|-----------------------|
| B*Capital SA (France) | Director (until 2013) |
|-----------------------|-----------------------|

|  |                                |
|--|--------------------------------|
| Santemedia group Holding Sarl (Luxembourg) | Manager (class C) (until 2013) |
|--|--------------------------------|

|                         |                       |
|-------------------------|-----------------------|
| Equalliance SA (France) | Director (until 2011) |
|-------------------------|-----------------------|

|                          |                       |
|--------------------------|-----------------------|
| Finalliance SAS (France) | Director (until 2011) |
|--------------------------|-----------------------|

|                              |                      |
|------------------------------|----------------------|
| Société Civile Equa (France) | Manager (until 2011) |
|------------------------------|----------------------|

**Alexia Decaux-Lefort – Member of the Supervisory Board**

31 years – Nationality: French

Holds 1,000 shares

Work address: 17 rue Soyer, 92200 Neuilly-sur-Seine

Date of first appointment to the Supervisory Board:

15 May 2013

Date of most recent reappointment:

19 May 2016

Date of expiry of the term of office:

Supervisory Board meeting following the 2019 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2018

Supervisory Board attendance rate: 66.66%

Alexia Decaux-Lefort is a graduate of Warwick University in the UK.

Since April 2012, she has held the post of Product Manager at Piaget, part of the Richemont International group, where she began her career in 2008.

**Other offices and positions held in 2016 in group companies**

None

**Other offices and positions held in 2016 in companies outside the group**

None

**Offices expired in other companies outside the group over the past five years**

None

**Sylvie Lelouarn – Member of the Supervisory Board representing employees**

54 years – Nationality: French

Holds no shares

Work address: 19, Quai du moulin de Cage 92230 Gennevilliers

Date of first appointment to the Supervisory Board representing employees by the Works Council:

29 October 2015

Date of expiry of the term of office:

29 October 2018

Supervisory Board attendance rate: 100%

Compensation and Nominating Committee attendance rate: 100%

Sylvie Lelouarn joined the group in 1982 as an Administrative Secretary for Avenir. Since 2004, she is an Estate Assistant at JCDecaux's agency in Gennevilliers.

Sylvie Lelouarn was appointed by the Workers' Council of JCDecaux, on 29 October 2015, to join JCDecaux SA's Supervisory Board for three years. In compliance with the law, Sylvie Lelouarn had to relinquish her office as full member of the JCDecaux SEU.

**Other offices and positions held in 2016 in group companies**

None

**Other offices and positions held in 2016 in companies outside the group**

None

**Offices expired in other companies outside the group over the past five years**

None

**Pierre Mutz (Independent member) – Member of the Supervisory Board**

74 years – Nationality: French  
 Holds 1,000 shares  
 Work address: 17 rue Soyer, 92200 Neuilly-sur-Seine

Date of first appointment to the Supervisory Board: 13 May 2009

Date of most recent reappointment: 13 May 2015

Date of expiry of the term of office: Supervisory Board meeting following the 2018 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2017

Supervisory Board attendance rate: 100%

Audit Committee attendance rate: 100%

Compensation and Nominating Committee attendance rate: 100%

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 from 2000 to 2002, Director General of the National Gendarmerie from 2002 to 2004, as well as Commissioner of Police of Paris 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. Pierre Mutz is an honorary regional prefect.

Pierre Mutz is a Commander of the French Legion of Honour and an Officer of the French National Order of Merit.

**Other offices and positions held in 2016 in group companies**

None

**Other offices and positions held in 2016 in companies outside the group**

Eiffage (listed company) (France) Adviser to the Chairman (first appointment: December 2008)

groupe Logement Français (France) Chairman of the Supervisory Board (until December 2016)

France Habitation (France) Director (until June 2016)

**Offices expired in other companies outside the group over the past five years**

Axa France IARD (France) Director (until 6 May 2015)

Ecole Normale Supérieure (France) Director (until 2014)

Thalès (listed company) (France) Director (until 15 May 2012)

CIS (France) Director (until 31 May 2011)

| <b>Pierre-Alain Pariente – Member of the Supervisory Board</b>   |   |
|--|---|
| 81 years – Nationality: French<br>Holds 1,020 shares<br>Work address: 17 rue Soyer, 92200 Neuilly-sur-Seine  |   |
| Date of first appointment to the Supervisory Board:  | 9 October 2000  |
| Date of most recent reappointment:   | 19 May 2016   |
| Date of expiry of the term of office:  | Supervisory Board meeting following the 2017 General Meeting of Shareholders called to approve the financial statements for the year ended 31 December 2016 |
| Supervisory Board attendance rate: 100%  |   |
| Pierre-Alain Pariente held various positions within the group from 1970 to 1999, including Sales and Marketing Director of R.P.M.U. (Régie Publicitaire de Mobilier Urbain). |   |
| <b>Other offices and positions held in 2016 in group companies</b>   |   |
| None   |   |
| <b>Other offices and positions held in 2016 in companies outside the group</b>   |   |
| S.C.E.A. La Ferme de Chateluis (France)  | Manager (first appointment: 23 July 2001)   |
| Arthur SA (France)   | Director (first appointment: nd)  |
| <b>Offices expired in other companies outside the group over the past five years</b>   |   |
| None   |   |

**Xavier De Sarrau – Member of the Supervisory Board**

66 years – Nationality: Swiss  
 Holds 30,000 shares  
 Work address: 17 rue Soyer, 92200 Neuilly-sur-Seine

|   |             |
|---|-------------|
| Date of first appointment to the Supervisory Board: | 14 May 2003 |
|---|-------------|

|                                    |             |
|------------------------------------|-------------|
| Date of most recent reappointment: | 13 May 2015 |
|------------------------------------|-------------|

|                                       |  |
|---------------------------------------|--|
| Date of expiry of the term of office: | Supervisory Board meeting following the 2018 General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2017 |
|---------------------------------------|--|

Supervisory Board attendance rate: 100%  
 Audit Committee attendance rate: 100%

Xavier de Sarrau is an attorney admitted at the Paris Bar, he 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 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 Knight of the French Legion of Honour and a former member of the National Bar Council (Conseil National des Barreaux).

**Other offices and positions held in 2016 in group companies**

No other office or position was held in any group company in 2016.

**Other offices and positions held in 2016 in companies outside the group**

|                        |   |
|------------------------|---|
| Thala SA (Switzerland) | Chairman of the Board (first appointment: 2008) |
|------------------------|---|

|                        |   |
|------------------------|---|
| Lagardère SCA (France) | Chairman of the Supervisory Board (first appointment: 2010) |
|------------------------|---|

|                            |                                    |
|----------------------------|------------------------------------|
| Verny Capital (Kazakhstan) | Director (first appointment: 2013) |
|----------------------------|------------------------------------|

|                         |                                    |
|-------------------------|------------------------------------|
| Gordon S.Blair (Monaco) | Director (first appointment: 2014) |
|-------------------------|------------------------------------|

**Offices expired in other companies outside the group over the past five years**

|                                    |                       |
|------------------------------------|-----------------------|
| Oredon Associates (United Kingdom) | Director (until 2015) |
|------------------------------------|-----------------------|

|                         |                                  |
|-------------------------|----------------------------------|
| Dombes SA (Switzerland) | Member of the Board (until 2014) |
|-------------------------|----------------------------------|

|                      |                       |
|----------------------|-----------------------|
| IRR SA (Switzerland) | Director (until 2014) |
|----------------------|-----------------------|

|                          |                                  |
|--------------------------|----------------------------------|
| FCI Holding SAS (France) | Member of the Board (until 2012) |
|--------------------------|----------------------------------|

|                     |  |
|---------------------|--|
| Bernardaud (France) | Member of the Supervisory Board (until 2012) |
|---------------------|--|

|   |                                  |
|---|----------------------------------|
| Continental Motors Inns SA (Luxembourg) | Member of the Board (until 2012) |
|---|----------------------------------|

## 4.3. Changes in the composition of the Supervisory Board and its committees in 2016

|                          | Appointment | Re-election | Expiry of term of office | Comments  |
|--------------------------|-------------|-------------|--------------------------|---|
| Gérard DEGONSE           |             | ✓           |                          | On 19 May 2016, Gérard Degonse was re-elected as a member of the Supervisory Board for a three-year term and was reappointed as Chairman of the Supervisory Committee and member of the Compensation and Nominating Committee for the length of his term of office. |
| Michel BLEITRACH         |             | ✓           |                          | On 19 May 2016, Michel Bleitrach was re-elected as a member of the Supervisory Board for a three-year term and was reappointed as a member of the Compensation and Nominating Committee for the length of his term of office.                                       |
| Alexia DECAUX-LEFORT     |             | ✓           |                          | On 19 May 2016, Alexia Decaux-Lefort was re-elected as a member of the Supervisory Board for a three-year term.   |
| Mr Pierre-Alain PARIENTE |             | ✓           |                          | Pierre-Alain Pariente was re-elected as a member of the Supervisory Board for a one-year term in accordance with statutory provisions on the age limit of members of the Board (Article 16.1).  |

## 4.4. Nature of family ties between members of the Executive Board and the Supervisory Board

Jean-Pierre Decaux, Vice-Chairman of the Supervisory Board is the uncle of Jean-Charles Decaux, Chairman of the Executive Board, Jean-François Decaux, Chief Executive Officer and Jean-Sébastien Decaux, member of the Executive Board.

Alexia Decaux-Lefort, member of the Supervisory Board, is Jean-François Decaux's daughter.

## 4.5. Ethics of members of the Executive Board and the Supervisory Board (conflicts of interests and convictions)

**Conflicts of interest**

The Rules of Procedure of the Supervisory Board contain detailed provisions designed to prevent conflicts of interest. They provide that:

- members of the Supervisory Board shall each year, in order to prevent conflicts of interest, make a "sworn statement" disclosing any conflicts of interest, even potential

- members of the Supervisory Board must also inform the Board of any conflict of interest to which they may be subject at the time of each vote, independently of their annual statement
- in cases where they cannot avoid being subject to a conflict of interest, they may not take part in discussions or any decision on the matters concerned
- the committees take specific action to prevent any conflict of interest: one of the Compensation and Nominating Committee's primary roles is to provide recommendations in relation to the composition of the Supervisory Board, notably in light of the composition and change in the Company's shareholder structure and the existence of potential conflicts of interest. During the examination of the financial statements, the Audit Committee investigates material transactions where a conflict of interest may have occurred

To the Company's knowledge, no conflict of interest currently exists between the duties of the members of the Supervisory Board in respect of JCDecaux SA and their private interests or other duties.

**Convictions**

The members of the Supervisory Board are required to make an annual report to the Company of any convictions they have received over the past five years (fraud, bankruptcy, receivership, incrimination, official public sanction).



To the Company's knowledge, over the past five years, none of the members of the Executive Board or the Supervisory Board:

- has been convicted of fraud
- has been incriminated or publicly sanctioned by any regulatory or statutory authority
- has been disqualified by a court from acting as a member of an administrative, management or supervisory body, or from acting in the management or conduct of the affairs of a company
- has been associated, as a member of an administrative, management or supervisory body, with any bankruptcy, receivership or liquidation of a company

#### 4.6. Assets belonging directly or indirectly to members of the Executive Board and the Supervisory Board

---

Some premises are owned by entities controlled by JCDecaux Holding, which is directly or indirectly owned in freehold or bare ownership in the proportion of 67.40% by certain members of the Executive Board (Jean-Francois, Jean-Charles and Jean-Sébastien Decaux) and the Supervisory Board (Jean-Pierre Decaux), which in turn holds approximately 64.008% of the shares of the Company.

Thus, the premises situated in France, in Neuilly-sur-Seine, Plaisir, Maurepas, 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 251 of this Annual Report. The amount of rent paid by JCDecaux SA is reviewed by the Audit Committee each year.

#### 4.7. Related party agreements and commitments, loans and guarantees granted by the Company

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The Special Report of the Statutory Auditors presented on page 274 notes the absence of regulated agreements and commitments authorised during the course of 2016, and reviews regulated commitments already approved by the General Meeting of Shareholders.

To the Company's knowledge, there are no service contracts between the Company and any corporate officers conferring benefits at the end of such contract. 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.

To the Company's knowledge, during fiscal year 2016, no agreements within the meaning of Article L. 225-102-1 of the French Commercial Code were signed.

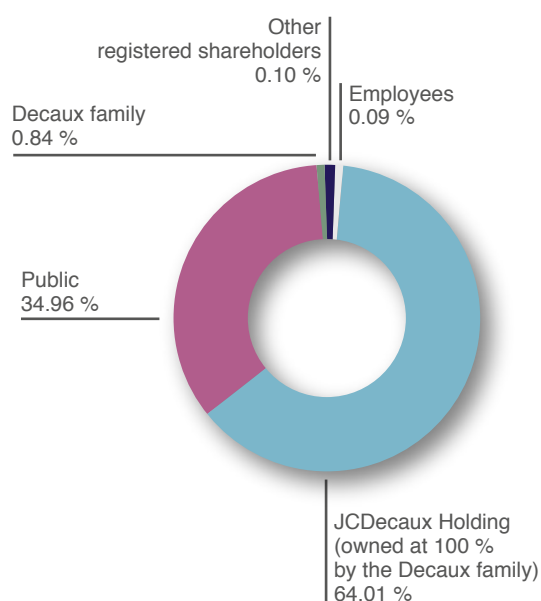
## 1. SHAREHOLDERS AS AT 31 DECEMBER 2016

### 1.1. Distribution between registered shares and bearer shares

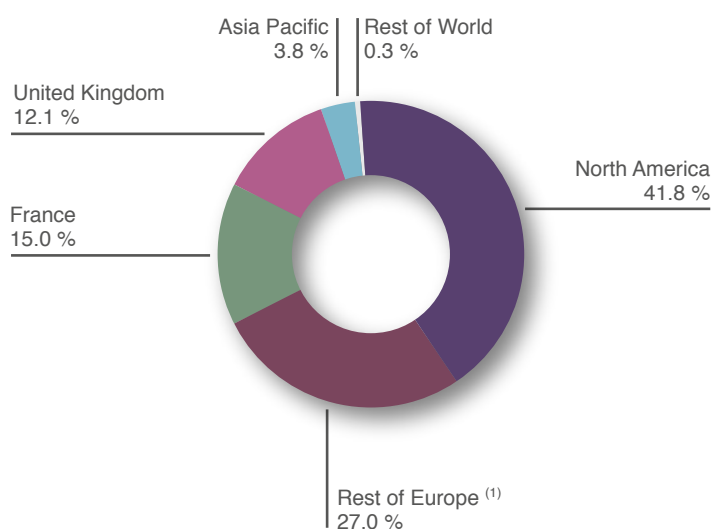
At 31 December 2016, the share capital was €3,240,270.51 divided into 212,547,655 shares, breaking down as follows:

- registered shares: 138,246,878 shares held by 151 shareholders
- bearer shares: 74,300,777 shares.

### 1.2. Principal shareholders



### 1.3. Distribution of publicly-traded floating shares by geographic area



<sup>(1)</sup> Excluding France and the United Kingdom  
Source: Orient Capital

## 2. CHANGE IN SHAREHOLDER STRUCTURE

| Shareholders                                |                                   | 31 December 2014   |                  |                    | 31 December 2015   |                  |                    | 31 December 2016         |                  |                        |
|---|-----------------------------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|--------------------------|------------------|------------------------|
|   |                                   | Number shares      | % share capital  | % of voting rights | Number shares      | % share capital  | % of voting rights | Number shares            | share capital %  | % of voting rights     |
| Shareholder majority                        | JCDecaux Holding                  | 156,380,573        | 69.833 %         | 69.833 %           | 135,096,646        | 63.635 %         | 63.635 %           | 136,048,127              | 64.008 %         | 64.008 %               |
| Members of Executive and Supervisory Boards | Jean-Charles Decaux               | 1,512,210          | 0.675 %          | 0.675 %            | 1,414,973          | 0.666 %          | 0.666 %            | 1,166,725 <sup>(1)</sup> | 0.548 %          | 0.548 % <sup>(2)</sup> |
|   | Jean-François Decaux              | 1,006,179          | 0.449 %          | 0.449 %            | 941,481            | 0.443%           | 0.443 %            | 401,752 <sup>(1)</sup>   | 0.189 %          | 0.189 % <sup>(2)</sup> |
|   | Jean-Sébastien Decaux             | 435,000            | 0.194 %          | 0.194 %            | 0                  | 0.000 %          | 0.000 %            | 1,752 <sup>(1)</sup>     | 0.001 %          | 0.001 % <sup>(2)</sup> |
|   | Jean-Pierre Decaux                | 1,574              | 0.001 %          | 0.001 %            | 1,574              | 0.001 %          | 0.001 %            | 1,574                    | 0.001 %          | 0.001 %                |
|   | Alexia Decaux-Lefort              | 1,000              | 0.000 %          | 0.000 %            | 1,000              | 0.000 %          | 0.000 %            | 1,000                    | 0.000 %          | 0.000 %                |
|   | Emmanuel Bastide                  | 3,000              | 0.001 %          | 0.001 %            | 4,878              | 0.002 %          | 0.002 %            | 4,878                    | 0.002 %          | 0.002 %                |
|   | Michel Bleitrach                  | 1,000              | 0.000 %          | 0.000 %            | 1,000              | 0.000 %          | 0.000 %            | 1,000                    | 0.000 %          | 0.000 %                |
|   | David Bourg                       | -                  | -                | -                  | 871                | 0.000 %          | 0.000 %            | 1,025                    | 0.000 %          | 0.000 %                |
|   | Monique Cohen                     | 4,000              | 0.002 %          | 0.002 %            | 4,000              | 0.002 %          | 0.002 %            | 4,000                    | 0.002 %          | 0.002 %                |
|   | Gérard Degonse                    | 50,757             | 0.023 %          | 0.023 %            | 50,757             | 0.024 %          | 0.024 %            | 50,757                   | 0.024 %          | 0.024 %                |
|   | Daniel Hofer                      | 5,000              | 0.002 %          | 0.002 %            | 5,000              | 0.002 %          | 0.002 %            | 5,000                    | 0.002 %          | 0.002 %                |
|   | Pierre Mutz                       | 1,000              | 0.000 %          | 0.000 %            | 1,000              | 0.000 %          | 0.000 %            | 1,000                    | 0.000 %          | 0.000 %                |
|   | Pierre-Alain Pariente             | 1,020              | 0.000 %          | 0.000 %            | 1,020              | 0.000 %          | 0.000 %            | 1,020                    | 0.000 %          | 0.000 %                |
|   | Xavier de Sarrau                  | 8,260              | 0.004 %          | 0.004 %            | 8,260              | 0.004 %          | 0.004 %            | 30,000                   | 0.014 %          | 0.014 %                |
|   | Sylvie Lelouarn                   | -                  | -                | -                  | 0                  | 0.000 %          | 0.000 %            | 0                        | 0.000 %          | 0.000 %                |
| <b>Subtotal</b>                             |                                   | <b>159,410,573</b> | <b>71.184 %</b>  | <b>71.184 %</b>    | <b>137,532,460</b> | <b>64.779 %</b>  | <b>64.779 %</b>    | <b>137,719,610</b>       | <b>64.795 %</b>  | <b>64.795 %</b>        |
| Others registered                           | Jean-Claude Decaux                | 8,175              | 0.004 %          | 0.004 %            | 7,453              | 0.004 %          | 0.004 %            | 0                        | 0.000 %          | 0.000 %                |
|   | Danielle Decaux                   | 3,059              | 0.001 %          | 0.001 %            | 3,059              | 0.001 %          | 0.001 %            | 5,256                    | 0.002 %          | 0.002 %                |
|   | Holding Des Dhuits <sup>(3)</sup> | 0                  | 0.000 %          | 0.000 %            | 410,105            | 0.193 %          | 0.193 %            | 250,105                  | 0.118 %          | 0.118 %                |
|   | FCPE JCDecaux Développement       | 174,000            | 0.078 %          | 0.078 %            | 172,600            | 0.081 %          | 0.081 %            | 200,380                  | 0.094 %          | 0.094 %                |
|   | Others                            | 84,849             | 0.038 %          | 0.038 %            | 104,768            | 0.05 %           | 0.05 %             | 71,527                   | 0.033 %          | 0.033 %                |
| <b>Subtotal</b>                             |                                   | <b>159,680,656</b> | <b>71.305 %</b>  | <b>71.304 %</b>    | <b>138,230,445</b> | <b>65.111 %</b>  | <b>65.111 %</b>    | <b>138,246,878</b>       | <b>65.042 %</b>  | <b>65.042 %</b>        |
| Treasury shares and public                  | Treasury shares                   | 0                  | 0.000 %          | 0.000 %            | 0                  | 0.000 %          | 0.000 %            | 0                        | 0.000 %          | 0.000 %                |
|   | Public                            | 64,253,678         | 28.693 %         | 28.693 %           | 74,068,793         | 34.889 %         | 34.889 %           | 74,300,777               | 34.957 %         | 34.957 %               |
| <b>TOTAL</b>                                |                                   | <b>223,934,334</b> | <b>100.000 %</b> | <b>100.000 %</b>   | <b>212,299,238</b> | <b>100.000 %</b> | <b>100.000 %</b>   | <b>212,547,655</b>       | <b>100.000 %</b> | <b>100.000 %</b>       |

<sup>(1)</sup> of which 1,752 shares held in bare ownership (Danielle Decaux has the beneficial ownership of these shares)

<sup>(2)</sup> as regards shares held in bare ownership, and in accordance with the law, the voting right reverts to the bare owner at Extraordinary General Meetings

<sup>(3)</sup> Jean-Sébastien Decaux is the sole shareholder of Holding Des Dhuits

## Share capital and voting rights at 31 December 2016

The number of voting rights at 31 December 2016 was 212,547,655 shares, equal to the number of shares forming the share capital. As at 31 December 2016, in the absence of treasury shares held by the Company and in the absence of double voting rights, there is no difference between the percentage of share capital and the percentage of voting rights.

To the Company's knowledge, there are no shareholder agreements.

At 31 December 2016, the percentage of share capital held by employees directly or through specialist investment entities was 0.094%.

As at 31 December 2016, members of the Executive Board and of the Supervisory Board, listed in the above table, owned 1,671,483 of the Company's shares, accounting for approximately 0.786% of the share capital and voting rights.

At 31 December 2016, certain members of the Executive Board (Jean-François, Jean-Charles and Jean-Sébastien Decaux) and of the Supervisory Board (Jean-Pierre Decaux), controlled, directly and indirectly, 1,854,515 JCDecaux Holding shares (accounting for approximately 99.99% of the capital of that company), which, in turn, owns approximately 64.008% of the Company's shares.

## SHAREHOLDING AND STOCK MARKET

As at 31 December 2016, certain members of the Executive Board, listed on pages 222 to 225, held securities giving access to the Company's share capital.

As at 31 December 2016, the Company had not been informed of any pledge, guarantee or security on shares of JCDecaux SA.

### Thresholds crossings

A single threshold crossing statement was notified to the Company in 2016: on 12 May 2016, JCDecaux Holding exceeded the statutory threshold of 64% of share capital and voting rights.

### Dividends

Dividend payments in respect of the last three years were as follows:

- a dividend €0.48 per share in 2014 in respect of fiscal 2013
- a dividend €0.50 per share in 2015 in respect of fiscal 2014
- a dividend €0.56 per share in 2016 in respect of fiscal 2015

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, a simplified joint stock company (Société par Actions Simplifiée), which is wholly owned by the Decaux family, and whose corporate purpose is principally to give strategic direction to companies in which it directly or indirectly holds interests.

As of 31 December 2016, the share capital of JCDecaux Holding was held as follows:

| Shareholders          | Numbers of shares |                  | % of share capital |
|-----------------------|-------------------|------------------|--------------------|
|                       | Full ownership    | Bare ownership   |                    |
| Jean-François Decaux  | 47,146            |                  | 2.542 %            |
| Gaïa Investissements  | 40,760            |                  | 2.198 %            |
| Jean-Charles Decaux   |                   | 604,511          | 32.597%            |
| Jean-Pierre Decaux    | 64                |                  | 0.003 %            |
| JFD Investissement    | 87,752            |                  | 4.732 %            |
| JFD Participations    | 214,500           | 214,511          | 23.132 %           |
| Jean-Sébastien Decaux | 302,250           | 302,261          | 32.596 %           |
| Holding des DHuits    | 40,760            |                  | 2.198 %            |
| Danielle Decaux       | 33                |                  | 0.002 %            |
| Subtotal              | 733,265           | 1,121,283        | 100.000 %          |
| <b>TOTAL</b>          |                   | <b>1,854,548</b> | <b>100.000 %</b>   |

### JCDecaux Holding controls the Company subject to the following limitations.

Neither the articles of association of JCDecaux SA nor the rules of procedure of the Supervisory Board contain provisions that could have the effect of delaying, deferring or preventing a change in control, currently held by JCDecaux Holding.

No double voting rights or other advantages, such as bonus shares, have been granted to the controlling shareholder JCDecaux Holding.

With regard to JCDecaux SA's corporate governance bodies, as at 31 December 2016, three of the members of the Supervisory Board are independent. Independent directors make up two-thirds and one-half of the Audit Committee and the Compensation and Nominating Committee respectively.

The agreements with JCDecaux Holding or with family companies, especially leases and service contracts, as set out below, were made at arm's length.

The amount of rent received and paid by JCDecaux SA is reviewed by the Audit Committee each year.

Similarly, procedures to ensure that transactions concluded with family companies are carried out at a price equivalent to that which would have been obtained under an agreement concluded with a third party not interested and in accordance with the Company's interest is approved by the Audit Committee.

Lastly, it should be noted that the compensation of the corporate officers belonging to 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 corporate officers is set in a manner identical to that of persons who perform similar roles within the group.

#### 4. CONDITIONAL OR UNCONDITIONAL PUT OPTION OR AGREEMENT ON SHARES OF GROUP COMPANIES

Such options or agreements are listed in the notes to the consolidated financial statements on pages 125 and 142 of this Annual Report.

#### 5. TRANSACTIONS WITH RELATED PARTIES

In addition to the information listed below, comments on transactions concluded with related parties in respect of fiscal year 2016 are set out in the notes to the consolidated financial statements and on pages of 142 and 143 of this Annual Report.

The information on regulated agreements referred to in Article L. 225-86 of the French Commercial Code is contained in the special report of the Statutory Auditors.

##### 5.1. Transactions with JCDecaux Holding (parent company of JCDecaux SA)

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 21 January 2000, amended by a supplementary agreement on 1 January 2014. In 2016, JCDecaux Holding billed JCDecaux SA for €895,314 excluding taxes under this agreement.

JCDecaux SA also provides JCDecaux Holding with support in the following areas: IT Department, Consolidation, Legal Department, Tax Department. In 2016, JCDecaux Holding billed JCDecaux SA for €53,794 excluding taxes under this agreement dated 25 March 2010, amended by supplementary agreements on 22 November 2013 and 1 January 2014.

These customary agreements, having been signed for a fixed price and at arm's length, are not considered as related party agreements subject to the authorisation procedure provided for by Article L. 225-86 of the French Commercial Code.

##### 5.2. Transactions with subsidiaries of JCDecaux Holding

With respect to the rental of premises, the total amount of rent the group paid to JCDecaux Holding and to SCI TroisJean, a subsidiary of JCDecaux Holding, was €11.7 million in 2016.

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 operating expenses incurred with related parties in 2016, or 41.5% of such expenses.

##### 5.3. Transactions with subsidiaries of JCDecaux SA

JCDecaux SA provides its French and non-French subsidiaries with support in the areas of finance, accounting, management control, legal affairs, tax affairs and insurance services, management and administration and resource optimisation. 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 allocation keys determined by the type of service actually rendered to such subsidiaries when they involve pooling of resources. In 2016, JCDecaux SA billed its subsidiaries for €38.7 million.

In addition, JCDecaux SA invoices its subsidiaries for the use of the intellectual property rights belonging to it. The amount billed in this respect in 2016 was €44.8 million.

#### 6. JCDECAUX STOCK PERFORMANCE IN 2016

JCDecaux shares are traded on Euronext Paris (Section A), and only on that market.

JCDecaux shares have been included in the SBF 120 index since 26 November 2001, and in the Euronext 100 index since 2 January 2004.

Since 3 January 2005, JCDecaux has been included in a new stock market index, 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 21 February 2017, JCDecaux has also been included in the Euronext Family Business index designed to highlight the performance of 90 family companies in Europe (in countries covered by Euronext).

As at 31 December 2016, the number of shares was 212,547,655 and the share capital included no treasury shares. The weighted average number of shares outstanding in fiscal year 2016 was 212,495,553 shares. The average daily trading volume was 186,695 shares.

JCDecaux shares closed 2016 at €27.93, down 20.9% compared with 31 December 2015.

JCDecaux is part of leading ethical stock-market benchmarks: FTSE4Good, Ethibel Sustainability Index, Euronext Vigeo Eurozone 120, MSCI ESG Governance and Oekom research prime. Please refer to the Stakeholder Commitment section of the Sustainable Development Chapter for more information on JCDecaux extra-financial rating.

## SHAREHOLDING AND STOCK MARKET

### 7. TREND IN TRADING PRICE AND TRADING VOLUME

Since 1 January 2014, the trading price and trading volumes of JCDecaux shares have been as follows:

|             | PRICES                |                      |                             | VOLUMES             |                             |   |
|-------------|-----------------------|----------------------|-----------------------------|---------------------|-----------------------------|---|
|             | Highest<br>(in euros) | Lowest<br>(in euros) | Closing price<br>(in euros) | Number of<br>shares | Number of<br>average shares | Stock market<br>capitalization <sup>(1)</sup> |
| <b>2014</b> |                       |                      |                             |                     |                             |   |
| January     | 32.00                 | 29.84                | 31.65                       | 3,090,146           | 140,461                     | 7,079.2                                       |
| February    | 32.50                 | 31.25                | 31.99                       | 2,170,878           | 108,544                     | 7,159.4                                       |
| March       | 32.35                 | 29.75                | 31.80                       | 2,784,815           | 132,610                     | 7,105.8                                       |
| April       | 31.31                 | 28.97                | 29.55                       | 2,167,838           | 108,392                     | 6,604.0                                       |
| May         | 29.98                 | 27.94                | 29.23                       | 2,278,726           | 108,511                     | 6,532.6                                       |
| June        | 29.69                 | 27.15                | 27.25                       | 2,912,427           | 138,687                     | 6,090.1                                       |
| July        | 28.36                 | 25.64                | 25.64                       | 3,088,873           | 134,299                     | 5,730.2                                       |
| August      | 26.86                 | 24.52                | 26.86                       | 2,199,072           | 104,718                     | 6,002.9                                       |
| September   | 27.28                 | 24.89                | 25.00                       | 3,587,894           | 163,086                     | 5,586.1                                       |
| October     | 26.47                 | 22.85                | 26.47                       | 4,022,362           | 174,885                     | 5,915.7                                       |
| November    | 26.95                 | 25.52                | 26.45                       | 2,400,928           | 120,046                     | 5,911.3                                       |
| December    | 28.86                 | 26.00                | 28.57                       | 2,309,838           | 109,992                     | 6,384.5                                       |
| <b>2015</b> |                       |                      |                             |                     |                             |   |
| January     | 31.99                 | 27.53                | 31.99                       | 3,339,554           | 159,026                     | 7,162.6                                       |
| February    | 33.30                 | 31.65                | 33.11                       | 2,438,495           | 121,925                     | 7,413.3                                       |
| March       | 34.29                 | 31.04                | 31.40                       | 4,566,900           | 207,586                     | 7,043.0                                       |
| April       | 35.71                 | 31.12                | 35.29                       | 4,613,900           | 230,695                     | 7,918.8                                       |
| May         | 37.88                 | 33.02                | 37.15                       | 5,251,900           | 262,595                     | 8,341.0                                       |
| June        | 38.93                 | 36.38                | 37.43                       | 4,086,200           | 185,736                     | 8,409.4                                       |
| July        | 41.00                 | 33.87                | 34.86                       | 4,577,500           | 240,921                     | 7,398.5                                       |
| August      | 35.71                 | 30.23                | 32.03                       | 5,291,200           | 251,962                     | 6,798.9                                       |
| September   | 34.24                 | 30.64                | 32.40                       | 4,326,000           | 196,636                     | 6,876.6                                       |
| October     | 37.24                 | 32.04                | 37.05                       | 3,410,300           | 155,014                     | 7,865.5                                       |
| November    | 38.18                 | 33.55                | 35.09                       | 3,534,800           | 168,324                     | 7,449.4                                       |
| December    | 36.56                 | 33.53                | 35.30                       | 2,904,500           | 132,023                     | 7,494.2                                       |
| <b>2016</b> |                       |                      |                             |                     |                             |   |
| January     | 37.89                 | 30.93                | 36.28                       | 4,665,500           | 233,275                     | 7,702.2                                       |
| February    | 36.82                 | 32.13                | 36.20                       | 4,683,200           | 223,010                     | 7,686.2                                       |
| March       | 39.07                 | 35.94                | 38.47                       | 3,793,067           | 164,916                     | 8,173.3                                       |
| April       | 39.69                 | 37.96                | 38.58                       | 2,232,537           | 106,311                     | 8,197.7                                       |
| May         | 39.78                 | 34.34                | 37.10                       | 3,618,844           | 164,493                     | 7,883.9                                       |
| June        | 37.23                 | 28.66                | 30.39                       | 4,729,443           | 214,975                     | 6,458.1                                       |
| July        | 32.64                 | 28.07                | 30.62                       | 4,960,417           | 236,210                     | 6,507.0                                       |
| August      | 32.13                 | 29.77                | 30.80                       | 2,669,736           | 116,075                     | 6,546.3                                       |
| September   | 31.56                 | 28.22                | 28.78                       | 3,816,423           | 173,474                     | 6,117.0                                       |
| October     | 28.91                 | 26.51                | 27.86                       | 4,920,833           | 234,325                     | 5,920.5                                       |
| November    | 28.15                 | 23.95                | 24.60                       | 5,747,603           | 261,255                     | 5,228.7                                       |
| December    | 28.23                 | 24.02                | 27.93                       | 5,154,484           | 234,295                     | 5,936.5                                       |
| <b>2017</b> |                       |                      |                             |                     |                             |   |
| January     | 31.60                 | 27.80                | 29.59                       | 5,600,659           | 254,575                     | 6,289.3                                       |
| February    | 30.85                 | 29.35                | 30.15                       | 3,282,985           | 164,149                     | 6,408.3                                       |

<sup>(1)</sup> Source: EuroInvestor

| SHARE INFORMATION   |               | 2016 TRADING DATA           |         |
|---------------------|---------------|-----------------------------|---------|
| ISIN Code           | FR 0000077919 | Highest price (20/04/2016)  | €39.5   |
| SRD/PEA Eligibility | Yes/Yes       | Lowest price (02/12/2016)   | €24.1   |
| Reuters Code        | JCDX.PA       | Stock market capitalisation | 5,936.5 |
| Bloomberg Code      | DEC FP        | Average daily volume        | 196,131 |

Source: EuroInvestor

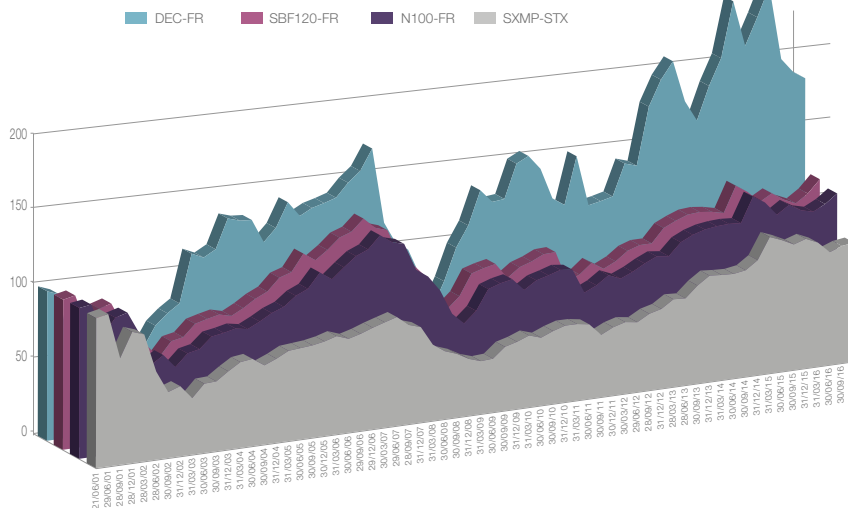
In millions of euros, as of 31 December 2016



**Change in JCDecaux share price and trading volumes in 2016**



**Performance in JCDecaux share price since the IPO on 21 June 2001 compared (on base of 100) with the SBF 120, Euronext 100 and DJ Euro Stoxx Media indices**



**8. SHAREHOLDER INFORMATION**

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Provisional financial reporting calendar

| DATE            | EVENT   |
|-----------------|---|
| 4 May 2017      | First quarter 2017 revenues and quarterly information                               |
| 11 May 2017     | General Meeting of Shareholders   |
| 27 July 2017    | Second quarter 2017 revenues, half-year results 2017 and half-year financial report |
| 7 November 2017 | Third quarter 2017 revenues and quarterly information                               |

## 1. GENERAL INFORMATION ON THE SHARE CAPITAL

### 1.1. Amount of share capital

As at 31 December 2016, the Company's share capital totalled €3,240,270.51 divided into 212,547,655 shares, all of the same class and fully paid up. The breakdown of the Company's share capital is set out on pages 248 and 249 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 rights attached to shares are subject to applicable laws, since the articles of association do not make any specific provisions.

### 1.3. Change in the share capital over the past three years

| Date       | Transaction  | Number of shares issued/ cancelled | Nominal amount of the capital increase / reduction (in euros) | Issue premium per share (in euros) | Total amount of the issue premium (in euros) | Successive amount of share capital (in euros) | Total number of share |
|------------|--|------------------------------------|---|------------------------------------|--|---|-----------------------|
| 30/06/2014 | Capital increase by the exercise of stock options                                      | 369,727                            | 5,636.45  | 20.61                              | 7,620,094.56                                 | 3,412,674.05                                  | 223,856,582           |
| 05/12/2014 | Capital increase by the allocation of bonus shares                                     | 19,211                             | 292.87  | 26.32                              | 505,724.87                                   | 3,412,966.92                                  | 223,875,793           |
| 31/12/2014 | Capital increase by the exercise of stock options                                      | 58,541                             | 892.45  | 21.22                              | 1,242,399.88                                 | 3,413,859.37                                  | 223,934,334           |
| 03/03/2015 | Capital increase by the allocation of bonus shares                                     | 13,076                             | 199.34  | 23.47                              | 306,955.90                                   | 3,414,058.71                                  | 223,947,410           |
| 30/06/2015 | Capital increase by the exercise of stock options                                      | 722,601                            | 11,015.99   | 22.13                              | 15,993,304.96                                | 3,425,074.70                                  | 224,670,011           |
| 20/07/2015 | Capital reduction by the cancellation of acquired shares under the OPAS <sup>(*)</sup> | 12,500,000                         | 190,561.34  | 39.98                              | 499,809,438.66                               | 3,234,513.36                                  | 212,170,011           |
| 31/12/2015 | Capital increase by the exercise of stock options                                      | 129,227                            | 1,970.05  | 22.76                              | 2,941,752.91                                 | 3,236,483.41                                  | 212,299,238           |
| 30/06/2016 | Capital increase by the exercise of stock options                                      | 244,144                            | 3,721.95  | 23.40                              | 5,712,242.74                                 | 3,240,205.36                                  | 212,543,382           |
| 31/12/2016 | Capital increase by the exercise of stock options                                      | 4,273                              | 65.15   | 19.60                              | 83,771.11                                    | 3,240,270.51                                  | 212,547,655           |

(\*) Simplified public offer from 12 June to 9 July 2015.

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. Delegations of competences and powers granted to the Executive Board by the General Meeting of shareholders on 13 May 2015 in respect of capital increase

| Description of authority delegated to Executive Board  | Maximum amount authorised   | Period of validity | Use made of delegation by the Executive Board in 2016   |
|--|---|--------------------|---|
| Authority granted to conduct transactions on Company shares. (Resolution 15)   | Up to a maximum detention of 10% of share capital   | 18 months          | Not used  |
| To increase the share capital by issuing - with pre-emptive right - equity securities and/or securities giving access to the Company's capital and/or securities giving entitlement to future equity securities. (Resolution 16)   | €2.3 million  | 26 months          | Not used  |
| To increase the share capital by issuing - without pre-emptive right - shares and/or securities giving access to the Company's capital and/or by issuing securities giving entitlement to future securities by means of public offering or private investment. (Resolutions 17 and 18) | €2.3 million  | 26 months          | Not used  |
| To issue equity securities or negotiable securities giving access to future equity securities without pre-emptive rights, in consideration for contributions in kind relating to equity securities or securities giving access to the capital. (Resolution 19)                         | 10% of the share capital  | 26 months          | Not used  |
| To increase the share capital through capitalisation of bonuses, reserves, profits or any other amounts that may be capitalised. (Resolution 20)   | €2.3 million  | 26 months          | Not used  |
| To increase the number of capital securities to be issued (over-allocation option) as part of a capital increase with or without pre-emptive rights. (Resolution 21)   | Maximum of 15% of the initial issue and within the maximum threshold fixed for the issue of shares or securities                        | 26 months          | Not used  |
| To increase the Company's share capital by issuing shares or securities giving access to the Company's capital - without pre-emptive rights - for the benefit of employees (subscriptions under a Company Savings Plan, apart from stock options). (Resolution 22)                     | Maximum nominal amount of €20,000 (issue price corresponding to average share price during last 20 trading days, discounted 20% or 30%) | 26 months          | Not used  |
| Authorisation granted to grant stock or share purchase options - without pre-emptive rights - to Company employees or executives. (Resolution 23)  | 4% of the share capital (issue price corresponding to average share price during last 20 trading days)                                  | 26 months          | The Executive Board granted 866,903 stock options on 17 February 2016 (and 344,108 stock options on 13 February 2017) |
| Authorisation granted to issue existing or future bonus shares - without pre-emptive rights - to Company employees or executives. (Resolution 24)  | 0.5% of the share capital (issue price corresponding to average share price during last 20 trading days)                                | 26 months          | Not used  |
| Authority granted to reduce the share capital by cancellation of treasury shares. (Resolution 25)  | Up to a maximum detention of 10% of share capital   | 18 months          | Not used  |

### 2. BUYBACK OF THE COMPANY'S OWN SHARES

#### 2.1. Buyback of the Company's own shares during the fiscal year

The combined Extraordinary and Ordinary General Meeting of Shareholders held on 13 May 2015 granted the Executive Board the authority, also for a period of 18 months, to buy back the Company's shares on the market subject to a limit of €50 per share and an aggregate maximum amount of €1,119,671,650 with a view to cancelling said shares.

This delegation, valid until 19 May 2016, was not used by the Executive Board in fiscal year 2016.

The General Meeting of Shareholders held on 19 May 2016 granted the Executive Board the authority, also for a period of 18 months, to buy back the Company's shares on the market subject to a limit of €50 per share and an aggregate maximum amount of €1,061,496,150 with a view to cancelling said shares.

This delegation was not used by the Executive Board in fiscal year 2016.

#### 2.2. New share buyback program

A new share buyback program, together with a resolution authorising the cancellation of the shares repurchased, will be submitted to the shareholders for their approval at the Combined Extraordinary and Ordinary General Meeting of Shareholders to be held on 11 May 2017. This authority would replace the authority granted at the General Meeting of Shareholders held on 19 May 2016.

The main features of this program are as follows:

- affected securities: Company's shares
- maximum percentage purchase authorised by the General Meeting of Shareholders: 10% 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 11 May 2017, i.e., for indicative purposes, 21,254,765 shares
- maximum share price authorised: €50
- maximum amount of the programme: €1,062,738,250 for 21,254,765 shares

#### Objectives of this 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 giving access to the capital 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 11 May 2017 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 program: 18 months from the date on which the General Meeting of Shareholders is held, scheduled for 11 May 2017, that is, until 11 November 2018.



### 1. RISK FACTORS

The group faces a number of internal and external risks that may affect the achievement of its objectives, its business or its financial position. The main risks to which the group believes itself to be exposed at the date of this Annual Report are described below. The group does not believe there to be any significant risks other than those described below.

The Company's internal control procedures describe the organisation and procedures introduced within the group to manage risks on page 196 of this Annual Report.

#### 1.1. Risks related to the group's business

##### 1.1.1. Risks related to the group's reputation

Our business is closely linked to the quality and integrity of the relations we have with local government 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.

##### Risk monitoring and management

In 2001, the group established an Ethics Charter setting out the principles and ethical rules to be followed in conducting the group's business. These rules were revised in 2005, 2009 and 2014. They have been circulated extensively to all companies and employees within the group.

The group's Ethics Charter is presented on page 197 of this Annual Report.

##### 1.1.2. Risks related to 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.

##### Risk monitoring and management

The Compensation and Nominating Committee has established a succession plan for Executive Board members to prepare the group for the sudden loss of key executives.

##### 1.1.3. Risks related to the economic environment

In the event of a worldwide recession, the advertising and communications sector is quite susceptible to business fluctuations as many advertisers may cut their advertising budgets. The group must also deal with the cyclical nature of the advertising market.

##### Risk monitoring and management

The group's operations in geographically diverse markets minimise the impact of a possible across-the-board decline in the sector, since reactions are disparate and occur at different times on markets in the various countries where it operates.

The group management and its Finance Department are particularly attentive to cost structures, and adopt action plans to maintain the group's profitability.

##### 1.1.4. Counterparty risks related to dependence on customers and suppliers

The group has a diversified customer base as presented on page 38, and calls on a significant number of suppliers, for finished goods and services alike.

##### Risk monitoring and management

The group does not depend on a single customer or a group of specific customers to achieve its revenues.

Similarly, its strategic supplies are not concentrated on a limited number of suppliers in such a way as would lead to excessive dependence on them.

##### 1.1.5. Risks related to public procurement procedures

Concluding contracts with local governments in France and elsewhere is subject to complex statutory and regulatory provisions.

The complexity of the procedures and the multiplicity of the existing paths of recourse, before and after signing such a 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 at the court's discretion.

##### Risk monitoring and management

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 do not meet certain criteria or that exceed certain thresholds are systematically referred to the Executive Board for approval.



## 1.2. Legal and regulatory risks

### 1.2.1. Risks related to the specific regulations applicable to the group

#### a) Regulatory risks related to advertising media

The outdoor advertising industry is subject to significant government regulation at both the national and local level, in the majority of countries where the group operates, relating to the type (analogue/digital display), luminosity, nature, density, size and location of billboards and street furniture in urban and other areas. Local regulations, however, are generally moving in the direction of reducing the total number of advertising spaces, and/or reducing their size, and local authorities are becoming stricter in applying existing law and regulations. Some advertising spaces, particularly billboards, could therefore have to be removed or relocated in certain countries in the future.

By way of illustration, in 2012, Singapore introduced restrictions on the maximum size of advertising spaces according to their location, and Bulgaria followed suit in 2014 in Sofia. In Uruguay, a government order dated 13 July 2015 amended the regulations on advertising spaces visible from roads. In Shanghai, the local administration changed the regulations governing the installation of outdoor advertising devices in 2016. The change affected advertising display areas, and bore on such characteristics as format, surface area and size of the advertising devices.

In France, the law of 12 July 2010 on the national commitment to the environment, known as "Grenelle II", regulates outdoor advertising. The implementing decree of 30 January 2012 on advertising, signs and advance signs entered into force on 1 July 2012. It constitutes the new national regulations but will be susceptible to more restrictive adaptations by local governments. In the absence of local regulations in force, operators have until 13 July 2015 to apply the new text. In other cases, they will have two years as of the revision of the local advertising regulations, which the local authorities should bring into effect by 13 July 2020 at the latest. The decree also lays down regulations applicable in specific economic zones such as airports.

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 may be modernised, with the possibility of a digital format of up to 8 sq.m.

The impact of the new regulation was not significant for the group as a whole. It should be noted that the reform of outdoor advertising in France has not been completed. A decree ushering in a number of improvements and adjustments to the 30 January 2012 decree is to take effect in 2017.

#### b) Risks related to regulations applicable to advertising content

The outdoor advertising market is also subject to local and national regulations in most countries where 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).

#### *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 EU Member States have adopted laws that restrict the content, presentation and/or timing of some advertising.

The advertising of alcoholic beverages is also regulated outside the European Union.

By way of illustration, the advertising of alcoholic beverages has been banned in South Korea since September 2012. It is also prohibited in countries where Islamic law is applied (Qatar, Saudi Arabia, Sultanate of Oman). In Buenos Aires, a law dated 24 November 2016 regulates the advertising and promoting of the sale of alcohol to alert the population of the adverse effects associated with excessive consumption.

An extension to these restrictions could have a negative impact on the revenues from the relevant countries.

In 2016, alcohol advertising accounted for 2.0% of the group's total advertising revenue, compared to 2.2% in 2015.

#### *Risks related to regulations applicable to tobacco advertising*

The control of tobacco is an important area of policy in the European Union: Directive 2010/13/EU "Audiovisual Media Services" and Directive 2003/33/EC on the advertising and sponsorship of tobacco products harmonise the advertising ban on 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 in certain countries of Central and South America and the majority of states in the United States.

Tobacco products advertising is permitted, subject to restrictions, in Germany, Austria and China.

Directive 2014/40/EU on the manufacture, presentation and sale of tobacco products and related products also prohibits any communication or advertising of electronic cigarettes.

An extension to these restrictions could have a negative impact on the revenues from the relevant countries.

In 2016, tobacco advertising represented 1.0% of the group's total advertising revenue, versus 1.0% in 2015.

### *Risks related to regulations applicable to advertising content*

Local regulations could temporarily or permanently ban certain advertising content that may be contrary to the public interest. For example, the Beijing local government in China decided in March 2011 to ban advertisements on outdoor advertising displays that promote hedonistic or excessively ostentatious lifestyles, in response to public concern about mounting inequality.

The content of the advertisements must adhere to principles of decency, morality and truthfulness, notions which can differ from one country to another. Additional restrictions exist from country to country, such as the ban on advertising of pharmaceuticals or drug companies or compliance with strict criteria on the body mass of models appearing on advertisements as part of the fight against anorexia or restrictions on the advertising of gambling and games of chance. Moreover, in some countries, advertising messages considered to be awkward, such as those related to the national identity of a country, are subject to approval on a case-by-case basis.

An extension of these bans could have a negative impact on revenue in the relevant countries. An example is the United Kingdom, where advertisements targeting children for food products deemed to contain too much fat, salt or sugar will be prohibited in July 2017.

### **c) Risks related to regulations applicable to other media**

In a few countries, restrictions applicable to advertising in some sectors or of some products in other media have changed or have been lifted. The application in France of the Directive 89/552/EEC "Television without Borders" Directive and then Directive 2010/13/EU 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 1 January 2007. This access has had an unfavourable impact on outdoor advertising since 2007.

### **Risk monitoring and management**

The group's international development limits the concentration of the risk of tighter regulations in a given country.

To contain this risk, the group relies on its legal teams to ensure the application of regulations in each country and monitor related changes.

Moreover, in France, to ensure that advertising messages comply with legal and regulatory framework, the group has set up an internal procedure for visual control by a Display Ethics Committee.

### **1.2.2. Risks related to ongoing litigation**

The JCDecaux Group is party to a number of disputes in the context of the normal conduct of its business.

Its business activities with local governmental authorities, in France and internationally, can lead to specific legal proceedings. Thus, the JCDecaux Group is involved 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. It may also be involved in disputes regarding the terms and conditions of application of some of its contracts with its concession grantors and suppliers.

Furthermore, in connection with our business, group companies bring actions and other proceedings with national competition authorities, or are the subject of actions and proceedings brought by our competitors, due to our strong positions on the markets.

### **Risk monitoring and management**

The Legal Department identifies all significant litigation and legal risks for all of the group companies (type, amounts, proceedings, level of risk) and tracks and monitors these on a regular basis, comparing this information with the information held by the Corporate Financial Services Department and reporting back to the Executive Board, the Audit Committee and the Statutory Auditors twice a year.

The group has set aside adequate provisions where necessary to cover risks on general or specific disputes.

Moreover, the group is not aware of any governmental, judicial or arbitration proceedings, including any that have been suspended or threatened, liable to have or that have had material effects on the financial situation or profitability of the company and/or group over the past 12 months.

### **1.2.3. Risks related to intellectual property**

In view of the increasing digitalisation of advertising displays, as well as the deployment of service solutions integrated into street furniture and the constantly changing self-service bicycle solutions, the JCDecaux Group faces several types of risk, and especially those related to:

- its own research and development efforts
- the regular proposal of new forms of displays created by designers
- the integration of products or technologies owned by other parties into its equipment

### **Risk monitoring and management**

Proprietary developments made by JCDecaux give rise to a specific policy geared towards protecting intellectual property rights: as at 31 December 2016, the group held 166 patents in France and internationally. The "JCDecaux" trademark is protected in 136 countries. All the other intellectual property rights used by the group belong to JCDecaux SA, with the exception of a few secondary rights that belong to JCDecaux SA subsidiaries.

As at 31 December 2016, the group owns more than 559 secondary trademarks. Over 1,718 models registered in France and abroad protect products such as bus shelters, columns, billboards, interactive kiosks, self-service bicycles, automatic public toilets, some of which are designed by internationally renowned architects.

The group owns the domain names to ensure the security of its business and to limit bookings of domain names including the term “JCDecaux” by third parties.

Whether technology is developed in-house or belongs to third parties, studies are conducted to ensure that its use is unencumbered and that the rights of any third parties are not counterfeit, by careful selection of suppliers and negotiating adequate guarantees against infringement.

Designers called on to create new forms of devices generally license all of their disposable rights to the group. JCDecaux subsequently ensures protection by filing patent applications, at the very least in France in order to have worldwide rights of priority. Research is also conducted on such new forms to ensure that they are not similar or very close to forms already created previously and in which third parties have interests. It is impossible to ensure that such searches are exhaustive.

### 1.3. Risks related to acquisitions

#### 1.3.1. Risks related to acquisitions

As part of its external growth strategy, the group may make acquisitions of companies operating in outdoor advertising in the French market, as well as on foreign markets.

The European Commission or national competition authorities could prevent us from making certain acquisitions or impose conditions limiting such acquisitions.

Moreover, the implementation and consequences of these acquisitions could have an adverse impact on the group’s business, financial condition and ability to achieve objectives if risks unidentified prior to the acquisition were to materialise.

#### Risk monitoring and management

To reduce the risks associated with external growth, the appropriateness of each acquisition is subject to thorough analysis by the group management, the group Mergers & Acquisitions and Development Department and the group Legal Department. In addition, the group calls on expert advice throughout the acquisition process.

#### 1.3.2. Risks related to the geopolitical environment

As a result of having operations in many countries, the group may be exposed to periods of economic or political instability resulting in such measures as property confiscation or bans on the repatriation of profits.

#### Risk monitoring and management

The group’s international development carries with it geographical diversification that limits the concentration of risk in a given country.

The breakdown of revenue by geographic area is presented on page 52 of this Annual Report.

### 1.4. Market risks

As a result of its business, the group may be exposed to varying degrees of financial risks (especially liquidity and financing risk, interest rate risk, foreign exchange rate risk and risks related to financial management, in particular, counterparty risk).

Financial risks are discussed in the Notes to the consolidated financial statements on pages 138 to 140 of this Annual Report.

#### Risk monitoring and management

The group’s objective is to minimise such risks by choosing appropriate financial policies. However, the group may need to manage residual positions. This strategy is monitored and managed centrally, by a dedicated team within the group Finance Department. Risk management policies and hedging strategies are approved by group management.

JCDecaux SA is rated “Baa2” by Moody’s and “BBB” by Standard and Poor’s (Moody’s last rating was on 4 July 2016, and Standard and Poor’s on 29 November 2016), each of these ratings had a “stable outlook”, as was the case at 31 December 2015.

### 1.5. IT risks

The group uses complex information systems to support its commercial, industrial and management activities. The main risks are related to the protection of confidentiality, integrity and the maintenance of operational capacity of these systems.

#### Risk monitoring and management

The group’s information systems are the subject of protection on several levels: data centres are secure, access to software is controlled, and display systems are audited. These protections concern in particular the computer platform used for the preparation and dissemination of digital advertising campaigns. This platform relies on a private network and is operated by the JCDecaux teams in accordance with strict end-to-end control and audit rules.

In addition, Business Recovery Plans aimed at ensuring the continuity of our operations are tested several times a year. However, in order to improve the security of IT systems on a continuous basis and to limit the consequences of any malfunctions, the various risks (incidents affecting data centres, failure of equipment or telecommunications systems, security breaches, human error, etc.) are regularly assessed. Based on these assessments, the resources in place are strengthened or new protective measures developed to clamp down on any attempted security breaches, disclosure of confidential information, data loss or corruption, loss of traceability, etc.

### 1.6. Environmental risks

#### 1.6.1. Risks related to climate change

As JCDecaux's business is spread across 4,435 cities with over 10,000 inhabitants in more than 75 countries on all continents, the risks associated with more frequent extreme weather events or rising sea levels may impact the group's business locally. However, this broad geographical spread of the group's business greatly limits the risk of significant financial impact on the group. The other consequences of climate change (increasing scarcity of water resources, rising temperatures, etc.) also have a limited risk of financial or business risk for JCDecaux, whose business model is based on providing sustainable goods and services of high environmental quality, already adapted to the consequences of climate change.

#### Risk monitoring and management

JCDecaux's assets are insured against the risks of climate events, allowing it to reduce the risk of financial impact of such events on the group further. Moreover, to ensure that street furniture is adapted to weather events, heat resistance tests are performed and the mechanical resistance tests are performed by the Design Office. Moreover, the policy of reducing water and rainwater water consumption reduces JCDecaux's reliance on water resources for the maintenance of street furniture.

To mitigate the impact of the group's activities on climate change, JCDecaux began ushering in a Sustainable Development Strategy in 2014. At the end of 2016, it covered 94% of consolidated revenue. The first priority of the strategy is to reduce the group's energy consumption, and as such to cut the greenhouse gases generated by its activities. For more information about this low-carbon strategy, please refer to the section "Our environmental commitment" of this Annual Report or "Environmental information" in the Management Report.

#### 1.6.2. Environmental risks related to the business

JCDecaux operates in the outdoor advertising industry sector, where it has three activities, namely street furniture, transport advertising and billboards. The environmental risks related to the group's business are very limited. Nevertheless, the group has identified two ICPE (Installations Classified for the Protection of the Environment) sites subject to declaration in France, which are the subject of all the required controls and monitoring.

#### Risk monitoring and management

The group has established measures to monitor the risks associated with these sites. Regular checks are made to minimise the associated environmental risks.

### 1.7. Insurance – risk coverage

#### Insurance Policy

Given the similarity of the operations in its various countries, the strategy is to cover essential risks centrally under worldwide insurance policies taken out by JCDecaux SA with major international insurers. This is particularly so for risks of damage to property and operating losses, as well as for public liability risks for group companies and corporate officers.

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, worldwide coverage when there are different conditions and/or limits, or when local guarantees are insufficient.

#### 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 provided only in respect of frequent risks. Accordingly, to obtain the best value for insurance costs and have full control over risks, the group self-insures through insurance deductibles, for recurring operating risks and mid-range or low-level risks, essentially through Business Interruption/Casualty, Third-party Liability and Vehicle Fleet policies.

The aggregate amount of premiums paid in 2016 totalled €3,716,187.

As a matter of policy, the JCDecaux Group does not obtain coverage from insurers unless they have very high credit rating.

All insurance programmes include levels of coverage that, in view of both the group's past claims and the risk assessment of its key industrial sites, aim to transfer the coverage of major risks of an exceptional nature to the market.

## 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 €5,000 in general, the deductible being higher for operations in France and Ireland (deductible of €10,000) in the United Kingdom (deductible of €30,000) and in the United States (deductible of €70,000 since 1 July 2015).

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 group's policies come into force at the level of €1 million; below that level, specific policies are taken out in each country.

### *Property damage - Business interruption*

The single insurance program implemented for the principal European countries (a "free servicing agreement") was continued in 2016. The group's other main foreign subsidiaries are covered under a worldwide program that provides reinsurance of local policies put in place.

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 spaces are covered for up to €15 million per claim.

Operating facilities, especially facilities where posters are prepared, are insured for up to €100 million per claim. Coverage limitations include business interruption losses as a result of a covered event.

Three levels of deductibles apply: €60,000, €25,000 and €15,000, which are allocated depending on the size of the 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.

The group's insurance strategy may change at any time depending on the occurrence of insurable events, the appearance of new risks or market conditions.

## 2. MAIN SUBSIDIARIES AND SIMPLIFIED ORGANISATIONAL CHART

### 2.1. Main subsidiaries

A list of companies consolidated by JCDecaux SA is set out in the Notes to the Consolidated Financial Statements from pages 149 to 161. 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.

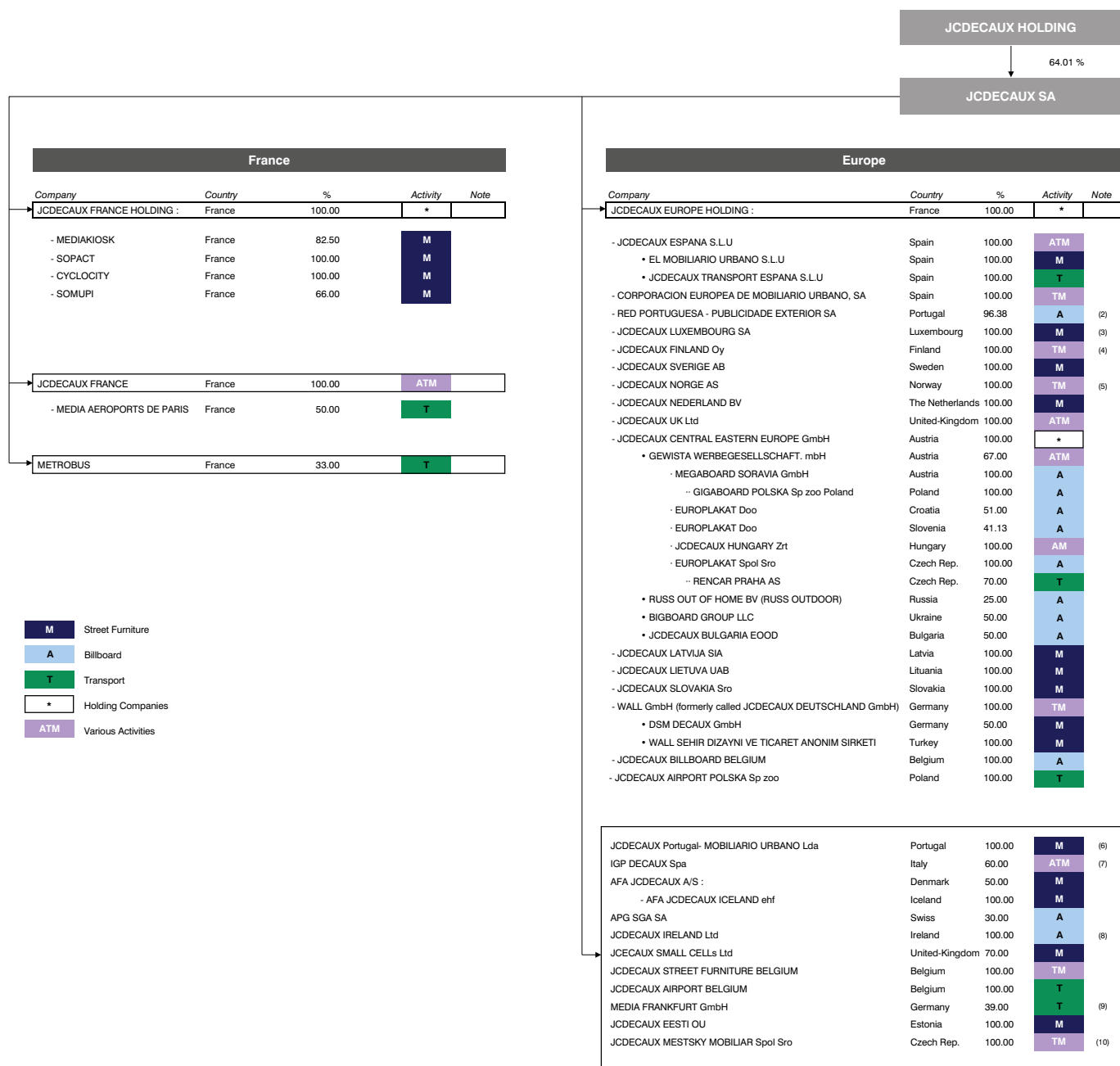
The group has subsidiaries in more than 75 countries. They conduct most of their business locally (sales to local advertisers, local operating expenses, etc.). Thus, there exists little in the way of operating expenses and income that flows between and among the various countries where the group does business. The group's principal subsidiaries are located in France (18.5% of revenue in 2016), the United Kingdom (11.3% of revenue in 2016), Europe<sup>(1)</sup> (26.2% of revenue in 2016) and in Asia-Pacific (24.1% of revenue in 2016). The financial information by principal groups of subsidiaries is set out in the Notes to the consolidated financial statements of this Annual Report (segment information).

<sup>(1)</sup> excluding France and the United Kingdom



# OTHER LEGAL INFORMATION

## 2.2. Simplified global organisation chart<sup>(1)</sup> at 31 december 2016



(1) For ease of reference, this simplified organisation chart does not feature all of consolidated companies, a list of which is included in the notes of the consolidated financial statements.  
(2) 96.38% of which 96.36% owned by JCDECAUX EUROPE HOLDING and 0.02% owned by JCDECAUX PORTUGAL MOBILIARIO URBANO E PUBLICIDADE Ltda.  
(3) 100% of which 99.995% owned by JCDECAUX EUROPE HOLDING and 0.005% owned by JCDECAUX STREET FURNITURE BELGIUM.  
(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% of which 99.85% owned by JCDECAUX FRANCE and 0.15% owned by JCDECAUX SA.  
(7) 60.00% of which 20.48% owned by JCDECAUX SA and 39.52% owned by JCDECAUX EUROPE HOLDING.  
(8) 100% owned indirectly by JCDECAUX FRANCE.  
(9) 39% owned by JCDECAUX FRANCE.  
(10) 100% of which 96.20% owned by JCDECAUX SA and 3.80% owned by WALL GmbH (formerly called JCDECAUX DEUTSCHLAND GmbH).  
(11) JCDECAUX BAHRAIN SPC branch.  
(12) 100% of which 99% owned by JCDECAUX ASIE HOLDING and 1% owned by JCDECAUX EUROPE HOLDING.  
(13) 51% owned by JCDECAUX ASIA (S) Pte Ltd, owned itself at 100% by JCDECAUX ASIE HOLDING.  
(14) 99.96% of which 99.94% owned by JCDECAUX BOLLORE HOLDING, 0.01% owned by JCDECAUX EUROPE HOLDING and 0.01% owned by JCDECAUX ASIE HOLDING.  
(15) 70% now owned by JCDECAUX SOUTH AFRICA (pty) Ltd.  
(16) 70% owned by JCDECAUX SOUTH AFRICA HOLDINGS.  
(17) 100% owned indirectly by JCDECAUX SUBSAHARAN AFRICA HOLDINGS (formerly called CONTINENTAL OUTDOOR MEDIA HOLDINGS (PTY) Ltd.).  
(18) 80% owned indirectly by JCDECAUX SUBSAHARAN AFRICA HOLDINGS (formerly called CONTINENTAL OUTDOOR MEDIA HOLDINGS (PTY) Ltd.).  
(19) 100% owned by JCDECAUX STREET FURNITURE BELGIUM.  
(20) 50% owned by JCDECAUX SA and 30% owned by JCDECAUX OUT OF HOME ADVERTISING Ltd.  
(21) 80% of which 5% owned by JCDECAUX DO BRASIL SA and 75% owned by JCDECAUX AMERIQUES HOLDING.  
(22) 99.99% owned by JCDECAUX AMERIQUES HOLDING and 0.01% owned by JCDECAUX SAO PAULO SA.  
(23) 50% owned by JCDECAUX LATIN INVESTMENTS AMERICA HOLDINGS, S.L.U. and 50% owned by CORPORACION AMERICANA DE EQUIPAMIENTOS URBANOS S.L.  
(24) 50% owned by JCDECAUX LATIN INVESTMENTS AMERICA HOLDINGS, S.L.U. and 50% owned by CORPORACION AMERICANA DE EQUIPAMIENTOS URBANOS S.L.  
(25) 99.99% owned by JCDECAUX CENTROAMERICA HOLDING S.A. and 0.01% owned by JCDECAUX CENTRAL AMERICA HOLDING S.A.  
(26) 99.99% owned by JCDECAUX CENTROAMERICA HOLDING S.A. and 0.01% owned by JCDECAUX CENTRAL AMERICA HOLDING S.A.  
(27) 99.99% owned by JCDECAUX CENTROAMERICA HOLDING S.A. and 0.01% owned by JCDECAUX CENTRAL AMERICA HOLDING S.A.  
(28) 100% owned indirectly by JCDECAUX NORTH AMERICA, Inc.  
(29) JCDECAUX FRANCE branch.



Asia - Pacific - Middle East - Africa


Americas

| Company  | Country              | %      | Activity | Note |
|--|----------------------|--------|----------|------|
| JCDECAUX ASIE HOLDING :  | France               | 100.00 | *        |      |
| - RTS DECAUX JSC   | Kazakhstan           | 50.00  | M        |      |
| - JCDECAUX MIDDLE EAST FZ-LLC :  | United Arab Emirates | 100.00 | *        |      |
| • JCDECAUX ATA SAUDI LLC   | Saudi Arabia         | 60.00  | T        |      |
| • JCDECAUX ALGERIE SARL  | Algeria              | 80.00  | T        |      |
| • JCDECAUX - DICON FZ-CO   | United Arab Emirates | 75.00  | T        |      |
| • JCDECAUX BAHRAIN SPC   | Bahrain              | 100.00 | *        |      |
| • JCDECAUX OMAN  | Oman                 | 100.00 | TM       | (11) |
| • JCDECAUX OUT OF HOME FZ-LLC (Abu Dhabi)  | United Arab Emirates | 55.00  | T        |      |
| • ELAN DECAUX W.L.L.   | Qatar                | 49.00  | ATM      |      |
| - MCDECAUX Inc.  | Japan                | 85.00  | M        |      |
| - JCDECAUX THAILAND Co., Ltd   | Thailand             | 49.50  | T        |      |
| - JCDECAUX ADVERTISING INDIA PVT LTD   | India                | 100.00 | TM       |      |
| - JCDECAUX OUT OF HOME ADVERTISING Pte Ltd   | Singapore            | 100.00 | TM       |      |
| - JCDECAUX AUSTRALIA Pty Ltd   | Australia            | 100.00 | M        |      |
| - JCDECAUX AZERBAIJAN LLC  | Azerbaijan           | 100.00 | M        | (12) |
| - JCDECAUX MONGOLIA LLC  | Mongolia             | 51.00  | M        | (13) |
| JCDECAUX AFRIQUE HOLDING :   | France               | 100.00 | *        |      |
| - JCDECAUX BOLLORE HOLDING   | France               | 50.00  | *        |      |
| • JCDECAUX CAMEROON  | Cameroon             | 99.96  | T        | (14) |
| • JCDECAUX GABON   | Gabon                | 100.00 | M        |      |
| - JCDECAUX SOUTH AFRICA OUTDOOR ADVERTISING (PTY) Ltd  | South Africa         | 70.00  | A        | (15) |
| - JCDECAUX SUBSAHARAN AFRICA HOLDINGS (formerly called CONTINENTAL OUTDOOR MEDIA HOLDINGS (PTY) Ltd)       | South Africa         | 70.00  | A        | (16) |
| - JCDECAUX SOUTH AFRICA (Pty)Ltd (formerly called CONTINENTAL OUTDOOR MEDIA (PTY) Ltd)                     | South Africa         | 100.00 | A        |      |
| - JCDECAUX MOZAMBIQUE Limitada   | Mozambique           | 100.00 | A        | (17) |
| - JCDECAUX BOTSWANA (PTY) Ltd  | Botswana             | 100.00 | A        | (17) |
| - CONTINENTAL MEDIA OUTDOOR (ANGOLA) Lda   | Angola               | 100.00 | A        | (17) |
| - JCDECAUX LESOTHO (PTY) Ltd   | Lesotho              | 100.00 | A        | (17) |
| - JCDECAUX SWAZILAND (PTY) Ltd   | Swaziland            | 100.00 | A        | (17) |
| - JCDECAUX TANZANIA Ltd (formerly called CONTINENTAL OUTDOOR MEDIA (TANZANIA) Ltd)                         | Tanzania             | 100.00 | A        | (17) |
| - JCDECAUX OUTDOOR ADVERTISING UGANDA Ltd (formerly called CONTINENTAL OUTDOOR MEDIA UGANDA Ltd)           | Uganda               | 100.00 | A        | (17) |
| - JCDECAUX ZAMBIA Ltd  | Zambia               | 100.00 | A        | (17) |
| - JCDECAUX ZIMBABWE (Pvt) Ltd  | Zimbabwe             | 100.00 | A        | (17) |
| - JCDECAUX OUTDOOR ADVERTISING LIMITED   | Malawi               | 100.00 | A        | (17) |
| - JCDECAUX (MAURITIUS) Ltd (formerly called CONTINENTAL OUTDOOR MEDIA MANAGEMENT COMPANY (MAURITIUS) Ltd.) | Mauritius            | 100.00 | A        | (17) |
| - JCDECAUX NAMIBIA OUTDOOR ADVERTISING (PTY) Ltd   | Namibia              | 100.00 | A        | (17) |
| - JCDECAUX MADAGASCAR SA   | Madagascar           | 80.00  | A        | (17) |
| - JCDECAUX NIGERIA OUTDOOR ADVERTISING Ltd   | Nigeria              | 70.00  | A        | (18) |
| JCDECAUX (CHINA) HOLDING Ltd :   | Hong Kong            | 100.00 | *        | (19) |
| - JCDECAUX CITYSCAPE HONG KONG Ltd   | Hong Kong            | 100.00 | M        |      |
| - 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                | 100.00 | T        |      |
| - MEDIA PARTNERS INTERNATIONAL Ltd   | Hong Kong            | 100.00 | *        |      |
| • JCD MOMENTUM SHANGHAI AIRPORT ADV. Co. Ltd   | China                | 35.00  | T        |      |
| • JCDECAUX ADVERTISING (SHANGHAI) Co. Ltd  | China                | 100.00 | T        |      |
| • GUANGZHOU METRO JCDECAUX ADVERTISING Co.Ltd  | China                | 49.00  | T        |      |
| - TOP RESULT PROMOTION Ltd   | Hong Kong            | 100.00 | T        |      |
| • BEIJING TOP RESULT METRO ADVERTISING Co. Ltd   | China                | 38.00  | T        |      |
| - JCDECAUX MACAU   | Macao                | 80.00  | TM       |      |
| JCDECAUX KOREA Inc.  | South Korea          | 80.00  | M        | (20) |
| JCDECAUX UZ  | Ouzbekistan          | 70.25  | M        |      |

| Company  | Country            | %      | Activity | Note |
|--|--------------------|--------|----------|------|
| JCDECAUX AMERIQUES HOLDING :   | France             | 100.00 | *        |      |
| - JCDECAUX DO BRASIL SA  | Brasil             | 100.00 | T        |      |
| • CONCESSIONARIA A HORA DE SAO PAULO SA  | Brasil             | 80.00  | M        | (21) |
| - JCDECAUX AEROPUERTO DE LIMA SAC  | Peru               | 100.00 | T        | (22) |
| - JCDECAUX LATIN AMERICA INVESTMENT HOLDING S.L                                      | Spain              | 100.00 | *        |      |
| • CORPORACION AMERICANA DE EQUIPAMIENTOS URBANOS S.L.                                | Spain              | 70.00  | *        |      |
| • JCDECAUX CHILE S.A.  | Chile              | 100.00 | TM       | (23) |
| • EQUIPAMIENTOS URBANOS DE MEXICO, S.A. de CV  | Mexico             | 50.00  | M        | (24) |
| • EQUIPAMIENTOS URBANOS NACIONALES DE COLOMBIA S.A.                                  | Colombia           | 75.00  | M        |      |
| • JCDECAUX CENTROAMERICA HOLDING SA  | Panama             | 71.73  | *        |      |
| • EQUIPAMIENTOS URBANOS DE COSTA RICA S.A.   | Costa Rica         | 100.00 | M        |      |
| • JCDECAUX PANAMA S.A.   | Panama             | 100.00 | M        |      |
| • JCDECAUX EL SALVADOR S.A. de C.V.  | El Salvador        | 100.00 | M        | (25) |
| • JCDECAUX GUATEMALA S.A (formerly called EQUIPAMIENTOS URBANOS DE GUATEMALA SA.)    | Guatemala          | 100.00 | M        | (26) |
| • TOP MEDIA HONDURAS S.A.  | Honduras           | 100.00 | A        |      |
| • TOP MEDIA NICARAGUA S.A.   | Nicaragua          | 100.00 | A        |      |
| • JCDECAUX DOMINICANA, S.A. (formerly called EQUIPAMIENTOS URBANOS DOMINICANOS S.A.) | Dominican Republic | 100.00 | M        | (27) |
| • JCDECAUX OUT OF HOME MEXICO SA DE CV   | Mexico             | 100.00 | M        |      |
| • OUTFRONT MEDIA URUGUAY S.A.  | Uruguay            | 100.00 | M        |      |
| • JCDECAUX OOH CHILE S.A.  | Chile              | 100.00 | A        |      |
| • JCDECAUX MIDIA BRASIL Ltda.  | Brasil             | 100.00 | A        |      |
| - JCDECAUX ARGENTINA OOH SA  | Argentina          | 100.00 | A        |      |
| - JCDECAUX NORTH AMERICA, Inc.   | United-States      | 100.00 | *        |      |
| • JCDECAUX SAN FRANCISCO, LLC  | United-States      | 100.00 | M        |      |
| • JCDECAUX CHICAGO, LLC  | United-States      | 100.00 | M        |      |
| • JCDECAUX BOSTON, Inc.  | United-States      | 100.00 | M        |      |
| • JCDECAUX MALLSCAPE, LLC  | United-States      | 100.00 | M        |      |
| • OUTFRONT DECAUX STREET FURNITURE, LLC  | United-States      | 50.00  | M        |      |
| • OUTFRONT JCDECAUX STREET FURNITURE CANADA, Ltd.                                    | Canada             | 50.00  | M        |      |
| • INTERSTATE JCDECAUX LLC  | United-States      | 49.00  | A        |      |
| • JCDECAUX AIRPORT, Inc.   | United-States      | 100.00 | T        |      |
| • JCDECAUX STREET FURNITURE NEW YORK, LLC  | United-States      | 100.00 | M        | (28) |
| JCDECAUX URUGUAY   | Uruguay            | 100.00 | M        | (29) |





 Wall wrap for promotional event on the Lutetia hotel's facade, Paris, France

# OTHER INFORMATION

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## STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of JCDecaux S.A.
- 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.

### 1. 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 31, 2016 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.

### 2. 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:

- Items of property, plant and equipment, intangible assets, goodwill and investments accounted for under the equity method are subject to impairment tests based on the prospects of future profitability according to the method described in notes 1.10 "Impairment of intangible assets, property, plant and equipment and goodwill" and 1.11 "Investments under equity method" to the consolidated financial statements, the results of which are described in notes 4.3 "Goodwill, Property, plant and equipment (PP&E), and Intangible assets impairment tests" and 4.4 "Investments under the equity method and impairment tests" to the consolidated financial statements. We have assessed the appropriateness of the methodology applied and of the data and assumptions used by your group to perform these valuations. On these bases, we carried out the assessment of the reasonableness of these estimates
- Note 1.19 "Commitments to purchase non-controlling interests" to the consolidated financial statements describes the accounting treatment of purchase commitments for non-controlling 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 applied 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.

### 3. Specific verification

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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, 1 March 2017

The statutory auditors  
*French original signed by*

KPMG Audit  
Département de KPMG S.A.  
Jacques Pierre  
*Partner*

ERNST & YOUNG et Autres

Gilles Puissochet  
*Partner*

## STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us at your Annual General Meeting, we hereby report to you for the year ended 31 December 2016 on:

- the audit of the accompanying financial statements of JCDecaux S.A., hereinafter referred to as "the Company"
- the justification of our assessments
- the specific information and verifications required by law

These financial statements have been approved by the Executive Board. Our role is to express an opinion on the financial statements based on our audit.

### 1. Opinion on the annual financial statements

We conducted our audit in accordance with the 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 our audit has provided us with sufficient relevant information on which to base our 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 31 December 2016 and of the results of its operations for the year then ended, in accordance with French generally accepted accounting principles.

### 2. Justification of our assessments

In accordance with the provisions of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

Equity investments are tested for impairment based on expected future profitability, as described in Note 2.2.1.3 "Financial assets" of the notes to the financial statements.

We assessed the appropriateness of the method applied, as well as the data and assumptions used by the Company for these measurements, to verify that the estimates were reasonable.

These assessments were an integral part of our audit of the annual financial statements as a whole, and therefore contributed to the opinion expressed in the first part of this report.



### 3. Specific verifications and information

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We have also performed the specific verifications required by French law, in accordance with the professional standards applicable in France.

We have no matters to report regarding the fair presentation and conformity of the annual financial statements with the information provided in the Executive Board's Report and in the documents addressed to shareholders with respect to the financial position and annual financial statements.

We verified that the information provided pursuant to the provisions of Article L.225-102-1 of the French Commercial Code on the remuneration and benefits paid to corporate officers and the commitments made for their benefit was consistent with the accounts and data used to prepare the financial statements and, where appropriate, with the information obtained by your Company from companies controlling it or controlled by it. Based on our work, we hereby certify the true and fair presentation of those disclosures.

As required by law, we verified that the information regarding the identity of the shareholders and voting rights holders were provided in the management report.

Paris-La Défense, 1 March 2017

The statutory auditors

KPMG Audit  
Département de KPMG S.A.  
Jacques Pierre  
*Partner*

ERNST & YOUNG et Autres  
  
Gilles Puissochet  
*Partner*

## ADDITIONAL REPORT BY THE STATUTORY AUDITORS ON THE FINANCIAL STATEMENTS

To the Shareholders,

In compliance with the assignment entrusted to us at your Annual General Meeting, we hereby present our additional report on the financial statements for the year ended 31 December 2016, which complements the report we issued on 1 March 2017.

The Executive Board convened on 7 April 2017 and finalised the information provided in the Management Report on the exceptional remuneration paid to one of its members in 2016 by JCDecaux Holding for the work performed for the Company.

As required by law, we have verified the information provided in the amended Management Report.

We have no matters to report regarding the fair presentation and conformity with the financial statements of the information provided in the Management Report of 7 April 2017.

We have verified that the information provided pursuant to Article L. 225-102-1 of the French Commercial Code on the remuneration and benefits paid to corporate officers and the commitments made for their benefit was consistent with the financial statements and data used to prepare the financial statements and, where appropriate, with the information obtained by your Company from companies controlling it or controlled by it. Based on our work, in our opinion, the information is accurate and provides a fair presentation thereon.

As required by law, we also verified that the information regarding the identity of shareholders and holders of voting rights has been provided in the Management Report.

Paris-La Défense, 13 April 2017

The Statutory Auditors

KPMG Audit  
Département de KPMG S.A.  
Jacques Pierre  
*Partner*

ERNST & YOUNG et Autres  
Gilles Puissechet  
*Partner*



## STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

Annual General Meeting held to approve the financial statements for the year ended 31 December 2016

To the Shareholders,

As Statutory Auditors of your Company, we hereby present our report on related party agreements and commitments.

It is our responsibility to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we were informed or encountered during our assignment. It is not our role to determine whether they are beneficial or appropriate or to ascertain whether any other related party agreements or commitments exist. It is your responsibility, under the terms of Article R.225-58 of the French Commercial Code, to assess the merit of these agreements and commitments with a view to approving them.

In addition, it is our responsibility to inform you, pursuant to Article R.225-58 of the French Commercial Code, of any agreements and commitments that continued to apply during the year, which were approved at previous Annual General Meetings.

We conducted the work we deemed necessary in accordance with professional standards issued by the French institute of statutory auditors relating to this engagement. Those standards require that we plan and perform our work to verify that the information provided to us is consistent with the documents from which it was derived.

### Related party agreements and commitments submitted for approval at the annual general meeting

#### Agreements and commitments authorised during the financial year

In accordance with Article L.225-86 of the French Commercial Code, we hereby inform you that we were not advised of any related party agreements and commitments authorised during the year that were submitted for approval at the annual general meeting.

### Related party agreements and commitments previously approved at the annual general meeting

#### Related party agreements and commitments approved during previous financial years

##### a) which continued to apply during the financial year

In accordance with Article R.225-57 of the French Commercial Code, we have been informed of the following related party agreements and commitments, which were approved at the Annual General Meeting in previous years and continued to apply in financial year 2016.

##### *Retirement benefits*

- Person concerned  
Mr Daniel Hofer, member of the Executive Board since 1 September 2014.
- Nature and purpose  
On 30 July 2014, the Supervisory Board authorised the Company to contribute to the retirement benefits granted to Mr Daniel Hofer subject to performance conditions.
- Terms and conditions  
The Company has agreed to make an annual contribution to Mr Daniel Hofer's pension fund representing 16% of his fixed salary plus variable remuneration. As specified in his employment contract, the contribution base is capped at CHF 110,140.

In accordance with the French Commercial Code, payments of contributions to pension funds are subject to performance conditions:

- 50% of the contribution shall be paid on condition that the group's consolidated revenue and operating margin, as reported by JCDecaux SA, both increase by at least 3% in at least one of the three financial years preceding the year in which the contribution is paid; and

- 50% of the contribution shall be paid to reward his involvement in the achievement of strategic or specific targets set by Jean-François Decaux relating to the countries under his responsibility during the year

On 7 December 2016, based on the proposal of the Compensation Committee, the Supervisory Board authorised payment of the full retirement benefit amount to which Mr Daniel Hofer is contractually entitled. Your Company recognised an expense of €0.1 million for financial year 2016 for this purpose.

#### **b) not implemented during the financial year**

In addition, we have been informed of the following agreements and commitments approved at the Annual General Meeting in previous financial years, which continued to apply but were not implemented in financial year 2016.

##### *Non-compete indemnity paid in the event of employment contract termination*

- Person concerned  
Mr David Bourg, Member of the Executive Board since 15 January 2015.
- Nature and purpose  
At their meeting on 4 December 2014, the Supervisory Board decided to authorise the amount paid by the Company to Mr David Bourg in the event of the effective termination of his employment contract under the non-compete clause.
- Terms and conditions  
Since 15 January 2015, a non-compete clause has applied to Mr David Bourg with the following characteristics:
  - Clause duration: 2 years as of contract termination
  - Countries concerned: France, European Union countries, United States, China
  - Financial consideration: for a two-year period, Mr David Bourg will receive a gross monthly indemnity corresponding to 33% of gross salary received (fixed + variable), calculated based on the average salary for the twelve-month period preceding the contract termination date

No payment was made under this agreement for the year ended 31 December 2016.

##### *Non-compete indemnity paid in the event of employment contract termination*

- Person concerned  
Mr Emmanuel Bastide, Member of the Executive Board since 1 September 2014.
- Nature and purpose  
At their meeting on 30 July 2014 the Supervisory Board decided to authorise the amount that would be paid by the Company to Mr Emmanuel Bastide in the event of the effective termination of his employment contract under the non-compete clause.
- Terms and conditions  
Since 1 September 2014, a non-compete clause has applied to Mr Emmanuel Bastide with the following characteristics:
  - Clause duration: 2 years as of contract termination
  - Countries concerned: France, European Union countries, United States, China
  - Financial consideration: for a two-year period, Mr Emmanuel Bastide will receive a gross monthly indemnity corresponding to 33% of gross salary received (fixed + variable) calculated based on the average salary for the twelve-month period preceding the contract termination date

No payment was made under this agreement for the year ended 31 December 2016.

Paris-La Défense, 1 March 2017

The statutory auditors

KPMG Audit  
Département de KPMG S.A.  
Jacques Pierre  
*Partner*

ERNST & YOUNG et Autres  
  
Gilles Puissechet  
*Partner*

Year ended 31 December 2016

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To the Shareholders,

In our capacity as Statutory Auditors of JCDecaux SA (hereinafter "the Company"), and in accordance with Article L. 225-235 of the French Commercial Code, we hereby report on the report prepared by the Chairman of your Company, in accordance with Article L. 225-68 of the French Commercial Code, for the year ended December 31, 2016.

It is Chairman's responsibility to prepare and submit a report to the Supervisory Board on the internal control and risk management procedures implemented by the Company and to include the other disclosures required by Article L.225-68 of the French Commercial Code, particularly in terms of corporate governance measures.

It is our responsibility:

- to report to you on 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 accounting and financial information; and
- to attest that the report provides the other disclosures required by Article L. 225-68 of the French Commercial Code, it being specified that we are not responsible for verifying the fair presentation of the disclosures

We conducted our work in accordance with the 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

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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 accounting and financial information. Our procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information on which the information presented in the Chairman's report is based and existing documentation
- obtaining an understanding of the work involved in the preparation of the information and existing documentation
- determining whether any significant weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information, which we identified during our engagement, have been properly disclosed in the Chairman's report

Based on our work, we have nothing to report on the information on the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board, in accordance with Article L. 225-68 of the French Commercial Code.



## Other disclosures

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We hereby attest that the Chairman of the Supervisory Board's report includes the other disclosures required by Article L. 225-68 of the French Commercial Code.

Paris-La Défense, 1 March 2017

The statutory auditors

KPMG Audit  
Département de KPMG S.A.  
Jacques Pierre  
*Partner*

ERNST & YOUNG et Autres

Gilles Puissochet  
*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-Charles 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.

April 19, 2017

Mr Jean-Charles Decaux  
Chairman of the Executive Board

### 3. PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

#### PRINCIPAL STATUTORY AUDITORS

ERNST & YOUNG et Autres  
1/2, place des Saisons  
92400 Courbevoie - Paris-La Défense 1

represented by Mr. Gilles Puissochet,

appointed on 20 June 2000, the engagement of which, renewed by the General Meeting of Shareholders of 10 May 2006 and 15 May 2012, will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31<sup>st</sup> December 2017.

KPMG SA  
Tour EQHO  
2 avenue Gambetta  
92066 Paris la Défense CEDEX

represented by Mr. Jacques Pierre,

appointed on 10 May 2006, the engagement of which, renewed by the General Meeting of Shareholders of 15 May 2012, will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31<sup>st</sup> December 2017.

#### ALTERNATE STATUTORY AUDITORS

AUDITEX  
1/2, place des Saisons  
92400 Courbevoie - Paris-La Défense 1

appointed on 10 May 2006, the engagement of which, renewed by the General Meeting of Shareholders of 15 May 2012, will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31<sup>st</sup> December 2017.

KPMG Audit IS  
Tour EQHO  
2 avenue Gambetta  
92066 Paris la Défense CEDEX

appointed on 15 May 2012, the engagement of which will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31<sup>st</sup> December 2017.

This document has been designed and produced by  
the Corporate Finance Department/Financial Communication  
and Investor Relations Department of JCDecaux SA.

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