Business report FY 2018

March 7th, 2019

Contents

ANNUAL BUSINESS REVIEW – FY 2018

ANNUAL FINANCIAL RELEASE – FY 2018

- **Adjusted revenue up +3.6% to €3,618.5 million, adjusted organic revenue up +5.2%**
- **Adjusted operating margin of €655.1 million, up +0.2%**
- **Adjusted EBIT, before impairment charge, of €339.8 million, down -5.1%**
- **Net income Group share, before impairment charge, of €217.7 million, up +6.6%**
- **Net income Group share of €219.9 million, up +13.5%**
- **Adjusted free cash flow of €150.4 million, up +5.2%**
- **Dividend per share proposed for the year 2018, to €0.58, up +3.6% compared to 2017**
- **Adjusted organic revenue growth expected to be up above +5% in Q1 2019**

Paris, March 7th, 2019 – JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, announced today its results for the year ended December 31st, 2018. The accounts are audited and certified.

Following the adoption of IFRS 11 from January 1st, 2014, the operating data presented below is adjusted to include our *prorata* share in companies under joint control. Please refer to the paragraph "Adjusted data" on pages 6 of this release for the definition of adjusted data and reconciliation with IFRS.
The 2017 comparative figures are restated from the retrospective application of IFRS 15 "Revenue from Contracts with Customers", applicable from January 1st, 2018. The application of IFRS 15 leads to the change in presentation of invoices relating to advertising taxes. The impact on previously published full-year 2017 figures is +€20.7 million on adjusted revenue. There is no impact on operating margin.

Commenting on the 2018 results, **Jean-Charles Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

"2018 was for JCDecaux another year of record revenue at €3,618.5 million driven by a 28.4% revenue increase from our prime DOOH media assets and by a 16.4% organic growth rate in Asia-Pacific. Our advertisers' portfolio remains very diversified with a growing contribution from both Personal Care & Luxury Goods as well as Internet & e-commerce and our Top 10 clients now represent 11.5% of our Group revenue.

As expected, our 60bps Group operating margin decline was negatively impacted by France and our programmatic (VIOOH) & Data initiatives as well as the ramp-up of new contracts. Our Street Furniture operating margin declined by 220bps mainly due to the cancellation of the Paris "City Information Panels" interim contract and the non-renewal of Vélib' in France. Our Transport operating margin improved by 110bps thanks to a double-digit revenue growth in Asia-Pacific and a strong revenue performance in Europe. Our Billboard margin improved by 80bps, benefitting from the contribution of APN Outdoor since October 31st, 2018. Our cash flow generation remains solid and our net debt increased in line with the financing of APN Outdoor acquisition.

2018 was also marked by several strategic Street Furniture contracts wins and renewals such as Singapore, Berlin or Yangon in Myanmar. In Transport, we renewed and extended significant contracts such as Hong Kong MTR, Network Rail in the UK as well as Dubai airport. In China, we strengthened our footprint with the renewal of Beijing Capital airport and the extension to Beijing Daxing airport.

While the OOH industry worldwide consolidation continues, we completed, on October 31st, 2018, the acquisition of one of the Top 10 OOH companies worldwide, APN Outdoor operating in Australia (world's 7th largest media market) and in New-Zealand. Both markets enjoy good growth potential given the low penetration of OOH.

Given our financial flexibility, we recommend the payment of a dividend of €0.58 per share, up +3.6% compared to 2017, at the Annual General Meeting which will take place on May 16th, 2019.

As far as Q1 2019 is concerned, we expect our adjusted organic revenue growth to be up above +5%, reflecting a strong pacing in China and North America.

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

ADJUSTED REVENUE

As reported on January 31st, 2019, consolidated adjusted revenue increased by +3.6% to €3,618.5 million in 2018. Adjusted organic revenue grew by +5.2%. This strong performance reflects both, our exposure to faster-growth markets which represent 37% of our Group revenue, as well as the growing contribution of our prime DOOH media assets delivering a revenue increase of +28.4% and representing 20.4% of Group revenue with 5 countries (UK, US, China, Australia and Germany) delivering 68% of our DOOH revenue worldwide.

Street Furniture's organic revenue growth of +2.7% was mainly driven by a very strong digital revenue increase at +30.4% with digital revenue representing 18.1% of total Street Furniture revenue while analogue revenue continued to be negatively affected by the unexpected cancellation of the Paris "City Information Panels" interim contract in France.

Transport's organic revenue growth of +10.2% continues to benefit from both, the strong double-digit growth in China, despite a softer metro advertising business in Q4 which we flagged in our guidance, and the strong digital revenue increase at +26.1% with digital revenue representing 25.8% of total Transport revenue. Our Transport segment, which derives 70% of its total revenue outside of Europe, is now nearly as large as our Street Furniture business.

Billboard's slight organic revenue decline of -0.9% was mainly due to our multi-year plan to reduce our traditional UK billboard portfolio offset by a strong Group digital billboard revenue increase at +34.6%, representing 11.6% of total Billboard revenue, while France delivered a good performance.

ADJUSTED OPERATING MARGIN (1)

In 2018, adjusted operating margin increased by +0.2% to €655.1 million from €653.5 million in 2017. As a percentage of revenue, adjusted operating margin was 18.1%, -60bp below prior year, negatively impacted by France and our programmatic (VIOOH) & Data initiatives as well as the ramp-up of new contracts.

	2018		2017		Change 18/17	
	€m	**% of revenue**	**€m**	**% of revenue**	**Change (%)**	**Margin rate (bp)**
Street Furniture	385.0	24.3%	420.2	26.5%	-8.4%	-220bp
Transport	209.7	13.8%	177.7	12.7%	+18.0%	+110bp
Billboard	60.4	11.8%	55.6	11.0%	+8.6%	+80bp
Total	**655.1**	**18.1%**	**653.5**	**18.7%**	**+0.2%**	**-60bp**

Street Furniture: In 2018, adjusted operating margin decreased by -8.4% to €385.0 million. As a percentage of revenue, adjusted operating margin decreased by 220bp to 24.3% compared to 2017, negatively affected by the cancellation of the Paris "City Information Panels" interim contract and the non-renewal of Vélib' in France as well as the ramp-up of new contracts mainly in Australia, offset by the strong digital revenue growth across the world.

Transport: In 2018, adjusted operating margin increased by +18.0% to €209.7 million. As a percentage of revenue, adjusted operating margin increased by 110bp to 13.8% compared to 2017, mainly due to a double-digit revenue growth in Asia-Pacific and a strong revenue performance in Europe, despite several new contracts ramping-up such as Guangzhou Baiyun airport (Terminal 2) and São Paulo airport and metro.

Billboard: In 2018, adjusted operating margin increased by +8.6% to €60.4 million. As a percentage of revenue, adjusted operating margin increased by 80bp to 11.8% compared to 2017, benefitting from the contribution of APN Outdoor since October 31st, 2018.

ADJUSTED EBIT (2)

In 2018, adjusted EBIT before impairment charge decreased by -5.1% to €339.8 million compared to €358.1 million in 2017. As a percentage of revenue, this represented a 90bp decrease to 9.4%, from 10.3% in 2017. The consumption of maintenance spare parts was down in 2018 compared to 2017, mainly due to the cancellation of the Paris "City Information Panels" and the non-renewal of Vélib'. Net amortisation and provisions were up compared to prior year due to more depreciations in line with the digitisation of our inventory and the numerous contracts wins over the last years and to a less important reversal on provisions for onerous contracts in 2018, related to the Purchase Accounting of CEMUSA and OUTFRONT Media Latam.

An impairment charge on goodwill has been recorded in 2018 for €1.4 million. The €9.0 million net reversal on impairment, resulting from the impairment test conducted for tangible and intangible assets, are related to a €8.4 million net reversal on impairment on tangible and intangible assets and to a €0.6 million net reversal on provision for onerous contracts.

Adjusted EBIT after impairment charge increased by +0.5% to €347.4 million compared to €345.8 million in 2017.

NET FINANCIAL INCOME / (LOSS) (3)

In 2018, net financial result was -€25.1 million compared to -€33.1 million, down compared to 2017, benefitting from the reimbursement of the 2013 bond for €500 million on February 8th, 2018 and an optimised financing for the acquisition of APN Outdoor on October 31st, 2018.

EQUITY AFFILIATES

In 2018, the share of net profit from equity affiliates was €98.1 million, lower compared to 2017 (€100.3 million).

NET INCOME GROUP SHARE

In 2018, net income Group share before impairment charge increased by +6.6% to €217.7 million compared to €204.3 million in 2017, impacted by a favourable variation from income tax because of the change in US Federal tax rate prior year and a decrease of financial expenses mentioned previously.

Taking into account the impact from the impairment charge, net income Group share increased by +13.5% to €219.9 million compared to €193.7 million in 2017.

ADJUSTED CAPITAL EXPENDITURE

In 2018, adjusted net capex (acquisition of property, plant and equipment and intangible assets, net of disposals of assets) was at €286.4 million compared to €289.7 million in 2017, with high growth capex due to digital and our numerous contracts won over the last 2 years, mainly in France, Australia and Latin America.

ADJUSTED FREE CASH FLOW [(4)]

In 2018, adjusted free cash flow was €150.4 million compared to €142.9 million in 2017. This variation is mainly related to an unfavourable variation in our working capital requirements compared to 2017, mainly due to the strong revenue growth in Q4 2018 as well as an inventory increase in line with our on-going contract installations. This variation was offset by higher funds from operations benefitting mainly from the tax refunds in France related to the cancellation of the 3% dividend tax paid over 2013 to 2017 and to the corporate tax prepayments.

NET DEBT [(5)]

Net debt as of December 31st, 2018 increased to €1,200.0 million compared to €384.4 million as of December 31st, 2017, as a result of the financing of APN Outdoor acquisition.

In this context, JCDecaux has placed €300 million of 2-year floating rate notes at Euribor 3 month + 0.27% and has implemented a NEU CP Program (Negotiable European Commercial Paper, ex-*Billets de Trésorerie*) and a NEU MTN program (Negotiable European Medium Term Notes) for a maximum amount of €500 million each, backed by our committed and unused revolving credit facility of €825 million maturing in 2022. This financing structure allows to diversify our funding sources, to benefit from an additional short-term financing tool at competitive conditions, in line with our cash-flow generation and to preserve our liquidity.

DIVIDEND

At the next Annual General Meeting of Shareholders on May 16th, 2019, the Supervisory Board will recommend the payment of a dividend of €0.58 per share for the 2018 financial year, which represents a +3.6% increase compared to the previous year.

ADJUSTED DATA

Under IFRS 11, applicable from January 1st, 2014, companies under joint control are accounted for using the equity method.
However, in order to reflect the business reality of the Group, operating data of the companies under joint control continue to be proportionately integrated in the operating management reports used to monitor the activity, allocate resources and measure performance.
Consequently, pursuant to IFRS 8, Segment Reporting presented in the financial statements complies with the Group's internal information, and the Group's external financial communication therefore relies on this operating financial information. Financial information and comments are therefore based on "adjusted" data which are reconciled with IFRS financial statements.
In 2018, the impact of IFRS 11 on our adjusted aggregates is:

- -437.1 million on adjusted revenue (-€432.1 million in 2017) leaving IFRS revenue at €3,181.4 million (€3,060.5 million in 2017).
- -€131.0 million on adjusted operating margin (-€128.7 million in 2017) leaving IFRS operating margin at €524.1 million (€524.8 million in 2017).
- -€109.0 million on adjusted EBIT before impairment charge (-€110.2 million in 2017) leaving IFRS EBIT before impairment charge at €230.8 million (€247.9 million in 2017).
- -€109.0 million on adjusted EBIT after impairment charge (-€110.2 million in 2017) leaving IFRS EBIT after impairment charge at €238.4 million (€235.6 million in 2017).
- -€14.3 million on adjusted capital expenditure (-€14.9 million in 2017) leaving IFRS capital expenditure at €272.1 million (€274.8 million in 2017).
- -€21.8 million on adjusted free cash flow (+€16.5 million in 2017) leaving IFRS free cash flow at €128.6 million (€159.4 million in 2017).

The full reconciliation between IFRS figures and adjusted figures is provided on page 10 of this release.

<u>NOTES</u>

(1) **Operating Margin:** Revenue less Direct Operating Expenses (excluding Maintenance spare parts) less SG&A expenses.

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

(3) **Net financial income / (loss):** Excluding the impact of discounting and revaluation of debt on commitments to purchase non-controlling interests (-€1.8 million and -€2.1 million in 2018 and 2017 respectively).

(4) **Free cash flow:** Net cash flow from operating activities less capital investments (property, plant and equipment and intangible assets) net of disposals.

(5) **Net debt:** Debt net of managed cash less bank overdrafts, excluding the non-cash IAS 32 impact (debt on commitments to purchase non-controlling interests), including the non-cash IFRS 9 impact on both debt and hedging financial derivatives.

ORGANIC GROWTH DEFINITION

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.

€m		Q1	Q2	Q3	Q4	FY
2017 adjusted revenue	**(a)**	**762.6**	**888.8**	**817.1**	**1,024.1**	**3,492.6**
2018 IFRS revenue	**(b)**	**658.0**	**789.8**	**759.7**	**973.9**	**3,181.4**
IFRS 11 impacts	(c)	84.5	111.0	108.0	133.6	437.1
2018 adjusted revenue	**(d) = (b) + (c)**	**742.5**	**900.8**	**867.7**	**1,107.5**	**3,618.5**
Currency impacts	(e)	42.1	32.2	10.6	8.6	93.5
2018 adjusted revenue at 2017 exchange rates	**(f) = (d) + (e)**	**784.6**	**933.0**	**878.3**	**1,116.1**	**3,712.0**
Change in scope	(g)	(0.3)	(0.5)	(1.5)	(37.1)	(39.4)
2018 adjusted organic revenue	**(h) = (f) + (g)**	**784.3**	**932.5**	**876.8**	**1,079.0**	**3,672.6**
Organic growth	**(i) = (h) / (a)**	**+2.8%**	**+4.9%**	**+7.3%**	**+5.4%**	**+5.2%**

€m	Impact of currency as of December 31st, 2018
BRL	15.0
USD	13.0
RMB	11.3
HKD	11.1
GBP	3.4
Other	39.7
Total	**93.5**

Average exchange rate	FY 2018	FY 2017
BRL	0.2321	0.2774
USD	0.8468	0.8852
RMB	0.1281	0.1311
HKD	0.1080	0.1136
GBP	1.1303	1.1407

Next information:
Q1 2019 revenue: May 14th, 2019 (after market)
Annual General Meeting of Shareholders: May 16th, 2019

Key Figures for JCDecaux

- *2018 revenue: €3,619m*
- *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 index*
- *N°1 worldwide in street furniture (526,350 advertising panels)*
- *N°1 worldwide in transport advertising with more than 210 airports and 275 contracts in metros, buses, trains and tramways (365,950 advertising panels)*
- *N°1 in Europe for billboards (137,020 advertising panels)*
- *N°1 in outdoor advertising in Europe (646,270 advertising panels)*
- *N°1 in outdoor advertising in Asia-Pacific (239,300 advertising panels)*
- *N°1 in outdoor advertising in Latin America (72,620 advertising panels)*
- *N°1 in outdoor advertising in Africa (24,170 advertising panels)*
- *N°1 in outdoor advertising in the Middle East (16,650 advertising panels)*
- *Leader in self-service bike rental scheme: pioneer in eco-friendly mobility*
- *1,058,830 advertising panels in more than 80 countries*
- *Present in 4,031 cities with more than 10,000 inhabitants*
- *13,030 employees*

Forward looking statements

This news release may contain some forward-looking statements. These statements are not undertakings as to the future performance of the Company. Although the Company considers that such statements are based on reasonable expectations and assumptions on the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual performance to differ from those indicated or implied in such statements.

These risks and uncertainties include without limitation the risk factors that are described in the annual report registered in France with the French Autorité des Marchés Financiers.

Investors and holders of shares of the Company may obtain copy of such annual report by contacting the Autorité des Marchés Financiers on its website www.amf-france.org or directly on the Company website www.jcdecaux.com.

The Company does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.

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RECONCILIATION BETWEEN ADJUSTED FIGURES AND IFRS FIGURES

Profit & Loss

	2018			2017		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Revenue	**3,618.5**	**(437.1)**	**3,181.4**	**3,492.6**	**(432.1)**	**3,060.5**
Operating costs	(2,963.4)	306.1	(2,657.3)	(2,839.1)	303.4	(2,535.6)
Operating margin	**655.1**	**(131.0)**	**524.1**	**653.5**	**(128.7)**	**524.8**
Maintenance spare parts	(37.7)	1.1	(36.6)	(46.6)	1.3	(45.3)
Amortisation and provisions (net)	(272.4)	19.6	(252.8)	(239.7)	17.0	(222.7)
Other operating income / expenses	(5.2)	1.3	(3.9)	(9.1)	0.2	(8.9)
EBIT before impairment charge	**339.8**	**(109.0)**	**230.8**	**358.1**	**(110.2)**	**247.9**
Net impairment charge (1)	7.6	-	7.6	(12.3)	-	(12.3)
EBIT after impairment charge	**347.4**	**(109.0)**	**238.4**	**345.8**	**(110.2)**	**235.6**

(1) Including impairment charge on net assets of companies under joint control.

Cash-flow Statement

	2018			2017		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Funds from operations net of maintenance costs	**512.1**	**(27.0)**	**485.1**	**436.9**	**(25.4)**	**411.5**
Change in working capital requirement	(75.3)	(9.1)	(84.4)	(4.3)	27.0	22.7
Net cash flow from operating activities	**436.8**	**(36.1)**	**400.7**	**432.6**	**1.6**	**434.2**
Capital expenditure	(286.4)	14.3	(272.1)	(289.7)	14.9	(274.8)
Free cash flow	**150.4**	**(21.8)**	**128.6**	**142.9**	**16.5**	**159.4**

BUSINESS HIGHLIGHTS OF FY 2018

Key contracts wins

- ***Rest of Europe***

In January, JCDecaux announced that its German subsidiary Wall, based in Berlin, signed a new 15-year exclusive contract for all back-lit and digital advertising street furniture excluding bus-shelters following a competitive tender.

In February, JCDecaux announced that following a competitive tender, its subsidiary JCDecaux Luxembourg was awarded the self-service electric bike contract for Luxembourg. The contract is for a 10-year term in the capital city of the Grand Duchy of Luxembourg (116,000 inhabitants, 180,000 cross-border workers; 60% of the country's 590,000 inhabitants go to the capital at least once a week).

In February, JCDecaux announced that its Dutch company, JCDecaux Netherlands, was awarded the 8-year exclusive contract for advertising street furniture (excluding bus-shelters) in The Hague.

In June, JCDecaux announced that its subsidiary JCDecaux Portugal has won the 2 lots of the competitive tender for the installation and advertising operation of street furniture and large-format digital panels in the city of Lisbon (505,000 inhabitants), *via* a combined offer, for a 15-year term.

In June, JCDecaux announced that its German subsidiary Wall GmH has won the Berlin tender for the supply, installation and operation of public toilets in the German capital. Wall has operated the public toilets financed by OOH advertising revenues in Berlin since 1992.

In October, JCDecaux announced that its subsidiary, JCDecaux Belgium, has signed an agreement with the Brussels Government to electrify a third of its 5,000 Villo! bikes, and to offer a revamped and easier-to-use service to the users of the self-service bike rental scheme serving the 19 districts of the Brussels-Capital Region (population: 1,200,000).

In November, JCDecaux announced that its German subsidiary Wall GmbH has won both contracts put out for tender by the Berlin Transport Authority (BVG). The first contract includes the exclusive advertising rights for 6,200 2m² advertising panels on over 4,600 bus and tram shelters in the German capital. The second contract covers the cleaning and maintenance of the shelters. Both six-year contracts, including a three-year extension option for the BVG, will begin on January 1st, 2019 and end on December 31st, 2024.

- ***Asia-Pacific***

In January, FMIDecaux Co., the new joint venture between JCDecaux S.A., the number one outdoor advertising company worldwide and its partner First Myanmar Investment Co., Ltd., Myanmar's first listed company, won an exclusive 20-year contract with Yangon City Development Committee ("YCDC") for advertising street furniture in the city of Yangon (population: above 5.2 million).

In February, JCDecaux was awarded an exclusive 7-year contract for managing advertising and maintaining 1,459 bus shelters across Singapore (population: above 5.6 million) by the Land Transport Authority (LTA).

In May, JCDecaux announced today that JCDecaux Pearl & Dean, a 100% subsidiary of JCDecaux has won the renewal of its exclusive advertising contracts with MTR Corporation for the operation and management of outdoor advertising across seven MTR lines and the Airport Express. These renewed contracts are effective since January 2018 for up to 6 years.

In September, JCDecaux announced that its Japanese subsidiary, MCDecaux (85% owned by JCDecaux and 15% by Mitsubishi Corporation) has been awarded a 20-year Tokyo advertising bus shelter contract by Odakyu Bus Corporation.

In September, JCDecaux announced that its wholly-owned subsidiary JCDecaux Advertising (Shanghai) Co., Ltd., following a competitive tender, has signed the 10-year advertising contract with Tianjin Metro Resource Investment Co., Ltd., the subsidiary of Tianjin Rail Transit Group. The two parties will establish a joint venture (60% owned by JCDecaux and 40% by the Metro) for the operation and management of advertising on Lines 5 and 6 in Tianjin Metro.

- ***France***

In August, JCDecaux announced that it has won, following a competitive tender, the 10-year advertising street furniture contract for the city of Perpignan (population: 117,000).

- ***United Kingdom***

In September, JCDecaux announced the signature of a 5-year deal with Network Rail that will see the number one outdoor advertising company worldwide deliver an improved station environment with a 100% digital transport environment at Network Rail stations.

In September, JCDecaux announced that it has commissioned the globally renowned Zaha Hadid Design to create a landmark advertising structure in London that integrates public art, contemporary design and digital media. Unveiled today, The Kensington provides brands with a unique communications' channel in the capital that combines the latest in digital screen technology with a spectacular, curved double-ribbon stainless steel design.

In October, JCDecaux announced that it has won the contract for the in centre advertising at Westfield London and Westfield Stratford City, the premium retail, shopping and leisure destinations in London – ranked number one and two for mall retail spend in the UK. The contract follows a competitive tender and is for a term of 8.5 years.

- ***Rest of the World***

In July, JCDecaux announced that JCDecaux Côte d'Ivoire, joint venture jointly owned with Bolloré Group has signed a 20-year contract with SOTRA, the Abidjan Transport Company ("Société des Transports Abidjanais"), for the implementation of a street furniture advertising program (bus shelters and signposts) as well as advertising operations for SOTRA's different transport networks (buses, train stations, bus terminals, and water buses) in the Abidjan district (nearly 5 million inhabitants).

In July, JCDecaux announced that JCDecaux Côte d'Ivoire, joint venture jointly owned with Bolloré Group has signed a 20-year contract for a street furniture advertising program with Cocody (around 800,000 inhabitants).

In October, JCDecaux announced that its subsidiary JCDecaux Dicon will place the world's leading international airport Dubai International (DXB) at the forefront of an airport advertising revolution after extending its contract with Dubai Airports until 2028. Building upon a successful collaboration that began in 2008, this new phase of the partnership, signed today in Dubai, covers all the exclusive advertising concessions at DXB.

Acquisitions, divestitures and financial investments

- ***Rest of Europe***

In December, JCDecaux announced that its subsidiary, JCDecaux Belgium, has completed the first stage of a merger with Publiroute, a long-established Belgian billboards player operating under the Dewez trademark. When the operation is complete, JCDecaux Belgium will be the majority shareholder.

- ***Asia-Pacific***

In October, JCDecaux announced that the scheme of arrangement between APN Outdoor and its shareholders that was approved by APN Outdoor shareholders on October 15th, 2018 and the Federal Court of Australia (NSW) on October 18th, 2018 was implemented on October 31st, 2018. Accordingly, JCDecaux ANZ Pty Ltd, a wholly owned subsidiary of JCDecaux SA, holds all of the shares on issue in APN Outdoor, since that date.
JCDecaux has paid A$6.70 in cash for each APN Outdoor share, corresponding to an equity value of approximately A$1.119 billion / €0.714 billion and a FY18 EV/EBITDA multiple of 12.9x pre synergies.

- ***Rest of the World***

In July, JCDecaux announced that it has acquired 100% of Corameq, a holding company of Eumex, after acquiring the stakes of the two founders and noncontrolling shareholders: Antonio Torres and Carlos de Meer.

Other events

- ***Group***

In May, JCDecaux has set up a Data Division at Corporate level inaugurating a new phase in the transformation and development of its business. By setting up a dedicated Division, reporting to the Executive Board, JCDecaux is moving the strategy up a gear. The Data Division's mission will be to develop a Group-wide strategy to exploit the considerable potential of collecting, analysing, modelling and exploiting data. This will always comply strictly with personal data protection rules to safeguard citizens and users, which in Europe, for instance, will very shortly be strengthened by the introduction of the General Data Protection Regulation.

In May, JCDecaux announced that it has signed an exclusive contract with CiR (Counter Intelligence Retail - an NPD Group company) to be the only media company to have access to the CiR's Global Traveller Statistics service. The contract will run over several years, giving the JCDecaux Global airport division exclusive access to one of the most comprehensive sources of global air travel intelligence and data.

In June, JCDecaux announced the launch of VIOOH – a global independent automated planning and trading platform designed to accelerate growth of Out-of-Home and connect the industry to the programmatic digital ecosystem. The capital of VIOOH - pronounced View - is currently owned 93.5% by JCDecaux and 6.5% by Veltys, a data specialist and modelling company. VIOOH's purpose is to grow Out-of-Home advertising spend globally by offering an integrated platform to provide automation and offer programmatic trading for media sellers and buyers. While Digital Out-of-Home (DOOH) is expected to be the second fastest growing medium between 2017 and 2020, the platform will strengthen JCDecaux's capacity to meet the new expectations of its clients, brands and agencies, and enlarge the Group ecosystem.

In November, JCDecaux announced that François-Xavier Pierrel joined the Group as Chief Data Officer (CDO) on November 5th, 2018. He supervises the Data Division with the assistance of the Data Scientists, Data Analysts and Data Engineers teams. These will also soon be strengthened with new members following recruitment that is currently in progress.

- ***Rest if the World***

In October, JCDecaux announced that H.E. Falah Al Ahbabi, Chairman of the Abu Dhabi Department of Urban Planning and Municipalities (DPM) signed a strategic Memorandum of Understanding (MoU) with Jean-Charles Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux, in the presence of the French Ambassador to the UAE, H.E. Mr. Ludovic Pouille.

PERSPECTIVES

Commenting on the 2018 annual results, **Jean-Charles Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

"As far as Q1 2019 is concerned, we expect our adjusted organic revenue growth to be up above +5%, reflecting a strong pacing in China and North America."

RELATED PARTIES

Paragraph 9 of the "Notes to the annual consolidated financial statements" on page 70 reports on related parties.

RISK FACTORS

The main risk factors identified by the Group are the following:

1. Risks related to the Group's activities

- **The Group's reputation and non-compliance with business ethics**

Our reputation and our history of integrity are essential factors that help us to procure different private and public market contracts.

Since 2001, we developed ethical rules applicable to our entire business. These rules have been regularly reviewed and distributed throughout the entire Group.

- **Reliance on key executive officers:**

The performance of the Group depends mainly on the continued services of the key executive officers.

The Compensation and Nominating Committee has established a succession plan for Executive Board's members if this should occur.

- **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 deal with the cyclical nature of the advertising market.

The geographical distribution of the Group allows it to minimise the effects of any general decline in the sector since reactions are disparate and occur at different times on the markets in the various countries in which it operates.

- **Counterparty risks related to the dependence on customers and suppliers:**

The Group has a customer diversified portfolio and resorts to a large number of suppliers.

The Group isn't dependent on one customer or one supplier.

- **Risks related to public procurement procedures:**

Concluding contracts with local governments and administrations in France and elsewhere is subject to complex statutory and regulatory provisions.

Over time the Group has accrued teams of lawyers with specialized knowledge in public and administrative law to manage bids in France and elsewhere.

2. Legal and regulatory risks

- **Risks related to the particular regulations applicable to the Group:**

The outdoor advertising market is regulated at a local and a national level in most of the countries where the Group operates.

The Group relies on its legal teams to ensure the implementation of regulations in each country and to monitor all evolutions.

- **Risks related to the pending disputes:**

JCDecaux Group is involved in several disputes, related to the normal conduct of business.

As far as we are aware, there are no courts, arbitration or administrative proceedings, including any that have been suspended or threatened, likely to have or which have had material effects on the financial situation or profitability of the company and/or the Group over the past 12 months, to our knowledge.

- **Risks related to intellectual property:**

The Group owns around the world labels, designs and models, patents and domain names.

The Group protects with exclusives rights, in France as well as in the key countries where it operates, its items of intellectual property used for the conduct of business.

3. Risks related to the external growth:

- **Risks related to acquisitions:**

An element of our growth strategy involves acquisitions of additional outdoor advertising companies, on the French market but on foreign markets as well.

In order to limit the risks related to acquisitions, each acquisition is subject to a careful analysis by the executive management, Corporate Mergers, Acquisitions and Development Department and the Legal Department. Furthermore, the Group surrounds itself with specialized advisers throughout the all acquisition process.

- **Risks related to the geopolitical environment:**

As a result of its implementation in many countries, the Group may suffer from a period of economic or political instability.

The international development of the Group requires a diversified geographical distribution in order to limit the concentration of this risk to a specific country.

4. 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 minimize 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.

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 an operational capacity of its systems.

These systems are protected on several levels: our data centres are secure, access to our software controlled, and our billboard systems audited.

6. Risks related to non-respect of human rights

- **Risks related to non-respect of employees' human rights**

The JCDecaux Group is present in more than 75 countries and 24% of the Group's employees are located in countries which have not ratified all the UN International Labour Organization Fundamental Conventions. Nevertheless, all JCDecaux employees benefit from the full protection of their fundamental human rights under the International Charter of the Fundamental Social Values of the JCDecaux Group.

- **Risks related to non-respect of suppliers' human rights**

Suppliers are a core component of the quality policies of the Group. JCDecaux has decided to entrust reliable third parties with the manufacturing of its products and solutions. Some of these suppliers are located in countries which have not ratified all UN International Labour Organization Fundamental Conventions. Nevertheless, JCDecaux requests from its suppliers to comply with such international standards through its Suppliers' Code of Conduct, which signature is imposed to them.

7. Risks related to employees' and subcontractor's health and safety

There are more than 400 different expertise within JCDecaux ranging from the design of furniture to the sale of advertising spaces, or the maintenance of furniture. The operational and field staff, who constitutes roughly 51% of the overall workforce of the Group in 2018, is more exposed to accidents or incidents risks as a result of their activities.

All information relating to the monitoring and management of such risks is available under the section "Our commitment: deploy a group-wide health and safety policy" of the Annual Report.

Risks considered as non-significant, but which need to be presented in accordance with article 173 of the Law dated August 17th, 2015 relating to energy transition are detailed below.

8. Environmental risks

- **Risks related to the climate change, risk reduction measures and low carbon strategy:**

Risks related to extreme and more frequent climate events or related to the increase of sea level can impact locally the Group's activities.

JCDecaux, through its sustainable development strategy, has put in place various measures of mitigation and adaptation to climate change.

- **Environmental risks related to the activity:**

Environmental risks related to the activity are limited. However, the Group has identified one ICPE sites notifiable in France and subject to all requested controls and follow-up.

The Group implemented a follow-up of the risks related to those sites and regular controls are done in order to reduce as much as possible the environmental risks related to this site.

9. Risks covered by insurance

Given the similarity of the operations in various countries, the strategy is to cover essential risks centrally under worldwide insurance policies taken out by JCDecaux SA with major international insurers. The Group therefore obtains coverage for risks of damage to property and operating losses, as well as for public liability risks.

As a matter of policy, the JCDecaux Group does not obtain coverage from insurers unless they have very high credit rating.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS – FY 2018

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

Assets

In million euros		31/12/2018	31/12/2017
Goodwill	§ 4.1	1,940.9	1,341.3
Other intangible assets	§ 4.1	393.6	301.9
Property, plant and equipment	§ 4.2	1,293.0	1,156.3
Investments under the equity method	§ 4.4	468.2	476.0
Other financial assets	§ 4.5	90.1	90.3
Deferred tax assets	§ 4.10	101.6	92.3
Current tax assets	§ 4.17	1.1	1.5
Other receivables	§ 4.6	31.2	23.8
NON-CURRENT ASSETS		**4,319.7**	**3,483.4**
Other financial assets	§ 4.5	30.2	3.7
Inventories	§ 4.7	159.4	123.8
Financial derivatives	§ 4.15	4.9	0.2
Trade and other receivables	§ 4.8	1,035.6	918.1
Current tax assets	§ 4.17	18.4	49.9
Treasury financial assets	§ 4.9	81.2	277.9
Cash and cash equivalents	§ 4.9	112.3	728.3
CURRENT ASSETS		**1,442.0**	**2,101.9**
TOTAL ASSETS		**5,761.7**	**5,585.3**

Equity and liabilities

In million euros		31/12/2018	31/12/2017
Share capital		3.2	3.2
Additional paid-in capital		606.4	602.4
Consolidated reserves		1,734.3	1,669.7
Consolidated net income (Group share)		219.9	193.7
Other components of equity		(135.1)	(117.6)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**2,428.7**	**2,351.4**
Non-controlling interests		62.1	60.7
TOTAL EQUITY	**§ 4.11**	**2,490.8**	**2,412.1**
Provisions	§ 4.12	395.9	385.7
Deferred tax liabilities	§ 4.10	90.0	79.3
Financial debt	§ 4.13	1,075.7	786.6
Debt on commitments to purchase non-controlling interests	§ 4.14	87.8	80.1
Other payables		17.0	11.8
Financial derivatives	§ 4.15	0.2	0.5
NON-CURRENT LIABILITIES		**1,666.6**	**1,344.0**
Provisions	§ 4.12	71.6	71.6
Financial debt	§ 4.13	296.9	586.0
Debt on commitments to purchase non-controlling interests	§ 4.14	4.6	21.9
Financial derivatives	§ 4.15	1.3	4.9
Trade and other payables	§ 4.16	1,162.2	1,092.4
Income tax payable	§ 4.17	43.4	39.6
Bank overdrafts	§ 4.13	24.3	12.8
CURRENT LIABILITIES		**1,604.3**	**1,829.2**
TOTAL LIABILITIES		**3,270.9**	**3,173.2**
TOTAL EQUITY AND LIABILITIES		**5,761.7**	**5,585.3**

STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT

In million euros		2018	2017 Restated (1)
REVENUE	§ 5.1	**3,181.4**	**3,060.5**
Direct operating expenses	§ 5.2	(2,107.4)	(2,022.8)
Selling, general and administrative expenses	§ 5.2	(549.9)	(512.9)
OPERATING MARGIN		**524.1**	**524.8**
Depreciation, amortisation and provisions (net)	§ 5.2	(243.8)	(235.0)
Impairment of goodwill	§ 5.2	(1.4)	0.0
Maintenance spare parts	§ 5.2	(36.6)	(45.3)
Other operating income	§ 5.2	35.8	21.3
Other operating expenses	§ 5.2	(39.7)	(30.2)
EBIT		**238.4**	**235.6**
Financial income	§ 5.3	7.7	7.2
Financial expenses	§ 5.3	(34.6)	(42.4)
NET FINANCIAL INCOME (LOSS)		**(26.9)**	**(35.2)**
Income tax	§ 5.4	(72.7)	(98.7)
Share of net profit of companies under the equity method	§ 5.5	98.1	100.3
PROFIT OF THE YEAR FROM CONTINUING OPERATIONS		**236.9**	**202.0**
Gain or loss on discontinued operations			
CONSOLIDATED NET INCOME		**236.9**	**202.0**
- Including non-controlling interests		*17.0*	*8.3*
CONSOLIDATED NET INCOME (GROUP SHARE)		**219.9**	**193.7**
Earnings per share (in euros)		1.034	0.911
Diluted earnings per share (in euros)		1.033	0.910
Weighted average number of shares	§ 5.7	212,765,223	212,568,746
Weighted average number of shares (diluted)	§ 5.7	212,808,951	212,771,757

(1) See Note 1.2 "Change of accounting methods".

STATEMENT OF OTHER COMPREHENSIVE INCOME

In million euros	2018	2017
CONSOLIDATED NET INCOME	**236.9**	**202.0**
Translation reserve adjustments on foreign transactions (1)	(18.3)	(114.1)
Translation reserve adjustments on net foreign investments (2)	(1.9)	(5.6)
Cash flow hedges	2.6	(0.3)
Tax on the other comprehensive income subsequently released to net income	0.0	(0.3)
Share of other comprehensive income of companies under the equity method (after tax)	(2.8)	(16.9)
Other comprehensive income subsequently released to net income	**(20.4)**	**(137.2)**
Change in actuarial gains and losses on post-employment benefit plans and assets ceiling	(2.1)	(2.4)
Tax on the other comprehensive income not subsequently released to net income	(0.2)	1.1
Share of other comprehensive income of companies under the equity method (after tax)	1.8	5.0
Other comprehensive income not subsequently released to net income	**(0.5)**	**3.7**
Total other comprehensive income	**(20.9)**	**(133.5)**
TOTAL COMPREHENSIVE INCOME	**216.0**	**68.5**
- Including non-controlling interests	*17.6*	*(2.7)*
TOTAL COMPREHENSIVE INCOME - GROUP SHARE	**198.4**	**71.2**

(1) In 2018, the translation reserve adjustments on foreign transactions were related to changes in foreign exchange rates, of which €(12.3) million in Australia, €(7.6) million in Brazil, €(4.9) million in Angola and €10.2 million in Hong Kong. The item also included a €0.5 million transfer in the income statement related to the changes in scope.
In 2017, the translation reserve adjustments on foreign transactions were related to changes in foreign exchange rates, of which €(48.6) million in Hong Kong, €(9.7) million in the United States, €(7.2) million in the United Kingdom, €(6.6) million in the United Arab Emirates, €(5.4) million in Mexico, €(7.7) million in Panama and €11.2 million in Brazil. The item also included a €2.2 million transfer in the income statement related to the changes in scope.

(2) In 2017, the translation reserve adjustments on net foreign investments included a €1.9 million transfer in the income statement related to loans previously qualified as net foreign investments.

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the owners of the parent company												Non-controlling interests	Total
	Share Capital	Additionnal paid-in capital	Treasury shares	Retained earnings	Other components of equity							Total		
In million euros					Cash flow hedges	Available-for sale securities	Translation reserve adjustments	Revaluation reserves	Actuarial gains and losses / assets ceiling	Other	Total other components			
Equity as of 31 December 2016	**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**
Capital increase [1]	0.0	2.9		(1.5)							0.0	1.4	(0.3)	1.1
Distribution of dividends				(119.0)							0.0	(119.0)	(12.7)	(131.7)
Share-based payments		2.8									0.0	2.8	0.0	2.8
Debt on commitments to purchase non-controlling interests [2]											0.0	0.0	10.3	10.3
Change in consolidation scope [3]				(17.6)			(0.4)				(0.4)	(18.0)	45.1	27.1
Consolidated net income				193.7							0.0	193.7	8.3	202.0
Other comprehensive income					(0.3)		(126.0)		3.8		(122.5)	(122.5)	(11.0)	(133.5)
Total comprehensive income	**0.0**	**0.0**	**0.0**	**193.7**	**(0.3)**	**0.0**	**(126.0)**	**0.0**	**3.8**	**0.0**	**(122.5)**	**71.2**	**(2.7)**	**68.5**
Other														
Equity as of 31 December 2017 published	**3.2**	**602.4**	**0.0**	**1,863.4**	**(0.2)**	**(0.1)**	**(65.7)**	**0.9**	**(53.3)**	**0.8**	**(117.6)**	**2,351.4**	**60.7**	**2,412.1**
IFRS 9 restatement				(1.2)							0.0	(1.2)	(0.1)	(1.3)
Equity as of 01 January 2018 restated	**3.2**	**602.4**	**0.0**	**1,862.2**	**(0.2)**	**(0.1)**	**(65.7)**	**0.9**	**(53.3)**	**0.8**	**(117.6)**	**2,350.2**	**60.6**	**2,410.8**
Capital increase [1]	0.0	3.0		0.0							0.0	3.0	1.0	4.0
Distribution of dividends				(119.1)							0.0	(119.1)	(16.6)	(135.7)
Share-based payments		1.0									0.0	1.0	0.0	1.0
Debt on commitments to purchase non-controlling interests [2]											0.0	0.0	11.3	11.3
Change in consolidation scope [3]				(8.8)			4.0				4.0	(4.8)	(11.8)	(16.6)
Consolidated net income				219.9							0.0	219.9	17.0	236.9
Other comprehensive income					1.9		(23.0)		(0.4)		(21.5)	(21.5)	0.6	(20.9)
Total comprehensive income	**0.0**	**0.0**	**0.0**	**219.9**	**1.9**	**0.0**	**(23.0)**	**0.0**	**(0.4)**	**0.0**	**(21.5)**	**198.4**	**17.6**	**216.0**
Other														
Equity as of 31 December 2018	**3.2**	**606.4**	**0.0**	**1,954.2**	**1.7**	**(0.1)**	**(84.7)**	**0.9**	**(53.7)**	**0.8**	**(135.1)**	**2,428.7**	**62.1**	**2,490.8**

(1) Increase in JCDecaux SA's additional paid-in capital related to the exercise of stock options and increase and decrease in the capital of controlled entities.
(2) In 2018, exercise of a commitment to purchase non-controlling interests and change in scope.
In 2017, exercise of a commitment to purchase non-controlling interests and change in scope.
Revaluation and discounting effects are recorded in the income statement under the line item "Consolidated net income" in "Non-controlling interests" for €(1.8) million in 2018 compared to €(2.1) million in 2017.
(3) In 2018, changes in consolidation scope are mainly related to the purchase of the non-controlling interests in Latin America.
In 2017, changes in consolidation scope are mainly related to the purchase of the non-controlling interests in the company Mediakiosk and to the asset swap with AMX.

STATEMENT OF CASH FLOWS

In million euros		2018	2017
NET INCOME BEFORE TAX		**309.6**	**300.7**
Share of net profit of companies under the equity method	§ 5.5	(98.1)	(100.3)
Dividends received from companies under the equity method	§ 10.4 & § 11.3	103.5	94.9
Expenses related to share-based payments	§ 5.2	1.0	2.8
Depreciation, amortisation and provisions (net)	§ 5.2 & § 5.3	246.1	233.7
Capital gains and losses and net income (loss) on changes in scope	§ 5.2 & § 5.3	(21.1)	(11.6)
Net discounting expenses	§ 5.3	7.3	7.0
Net interest expense	§ 5.3	10.8	19.3
Financial derivatives, translation adjustments and other		0.1	(13.2)
Change in working capital		**(84.4)**	**22.7**
Change in inventories		(34.6)	(14.2)
Change in trade and other receivables		(87.9)	(41.0)
Change in trade and other payables		38.1	77.9
CASH FLOWS FROM OPERATING ACTIVITIES		**474.8**	**556.0**
Interest paid		(27.8)	(25.2)
Interest received		6.8	5.4
Income tax paid		(53.1)	(102.0)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**§ 6.1**	**400.7**	**434.2**
Cash payments on acquisitions of intangible assets and property, plant and equipment		(309.8)	(294.2)
Cash payments on acquisitions of financial assets (long-term investments) net of cash acquired		(673.3)	(0.6)
Acquisitions of other financial assets		(34.1)	(18.4)
Total investments		**(1,017.2)**	**(313.2)**
Cash receipts on proceeds on disposals of intangible assets and property, plant and equipment		37.7	19.4
Cash receipts on proceeds on disposals of financial assets (long-term investments) net of cash sold		4.2	(0.1)
Proceeds on disposals of other financial assets		9.3	23.3
Total asset disposals		**51.2**	**42.6**
NET CASH FLOWS FROM INVESTING ACTIVITIES	**§ 6.2**	**(966.0)**	**(270.6)**
Dividends paid		(135.7)	(131.7)
Capital decrease		-	(2.4)
Cash payments on acquisitions of non-controlling interests		(15.3)	(12.3)
Repayment of long-term borrowings		(644.0)	(23.8)
Repayment of finance lease debts		(8.7)	(8.6)
Acquisitions and disposals of treasury financial assets		199.0	(0.9)
Cash outflow from financing activities		**(604.7)**	**(179.7)**
Capital increase		4.0	3.5
Increase in long-term borrowings		545.3	42.3
Cash inflow from financing activities		**549.3**	**45.8**
NET CASH FLOWS FROM FINANCING ACTIVITIES	**§ 6.3**	**(55.4)**	**(133.9)**
CHANGE IN NET CASH POSITION		**(620.7)**	**29.7**
Net cash position beginning of period	**§ 4.13**	**715.5**	**687.7**
Effect of exchange rate fluctuations and other movements		(6.8)	(1.9)
Net cash position end of period [(1)]	**§ 4.13**	**88.0**	**715.5**

(1) *Including €112.3 million in cash and cash equivalents and €(24.3) million in bank overdrafts as of 31 December 2018, compared to €728.3 million and €(12.8) million, respectively, as of 31 December 2017.*

NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

SIGNIFICANT EVENTS OF THE YEAR

On 31 October 2018, the Group acquired 100% of the share capital of APN Outdoor, a leader in outdoor advertising in Australia and New Zealand, through a Scheme of Arrangement for a price of AUD 6.40 per APN Outdoor share.

On 18 October 2018, the Group strengthened and diversified its funding sources by implementing a commercial paper program for a maximum amount of €500 million and a €300 million bond offering.

1. ACCOUNTING METHODS AND PRINCIPLES

1.1. General principles

The JCDecaux SA consolidated financial statements for the year ended 31 December 2018 include JCDecaux SA and its subsidiaries (hereinafter referred to as the "Group") and the share of the Group's equity in associates and joint ventures.
Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the 2018 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 6 March 2019. 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 2018. These are available on the European Commission website. Moreover, these principles do not differ from the IFRS published by the IASB;
- 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 2018:

- IFRS 15 "Revenue from Contracts with Customers";
- IFRS 9 "Financial Instruments";
- IFRS 2 Amendments "Classification and valuation of share-based payment transactions";
- IFRIC Interpretation 22 "Foreign Currency Transactions and Anticipated Consideration";
- Annual improvements to IFRS: 2014-2016 cycle.

The impacts of IFRS 15 and IFRS 9 are detailed in Note 1.2 "Change of accounting methods".

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, adopted by the European Union when the mandatory application is after December 31, 2018.
The impacts of these standards and amendments are being analysed.

Regarding IFRS 16 "Leases", the Group will apply IFRS 16 as of 1 January 2019 using the full retrospective method with restatement of comparative figures in the financial statements. The 2019 half-yearly accounts will be published under this new standard.

IFRS 16 will lead to recognition of a lease liability for contractual minimum and fixed rental payments against an asset representing the right-of-use, to be depreciated over the lease term. The variable rental payments are excluded from the scope of the standard.

The fixed lease rental in operating margin is replaced by amortisation of the right-of-use recognised in EBIT and the financial expense of the lease liability recorded in financial income and expenses. The standard has no impact on net income over the lease term, but has a negative impact at the beginning of the lease contract which reverses over time due to declining interest expenses. IFRS 16 has no impact on the Group's changes in cash. It nevertheless has a positive impact on operating cash flows, solely impacted by the payment of interest on the lease liabilities, as the repayment of principal impacts cash flows from financing.

The amount of the liability depends on the assumptions used for the length of the commitment and the discount rates. The lease term used is in general that of the initial contract, without assuming any renewal which the Group does not control, except in particular cases. The discount rate is determined on the basis of swap rates in the contract's currency, the cross currency basis and the Group's credit risk (except in particular cases), and for the reference lease term.

Impact assessment work continues on the basis of an inventory of contracts in an IT tool that was selected and deployed in the Group during the first half of 2018. More than 20,000 contracts have been identified in more than 75 countries; mostly contracts with cities, airports and transport companies, shopping malls and private landlords, which entitle the group to have access to sites in order to install advertising structures necessary for the main activity of the Group.

The application of IFRS16 should lead to the recognition of a balance sheet liability as of 31 December 2018 estimated to around €5 billion. This estimate should be considered in light of the commitments relating to lease, rent, and minimum and fixed franchise payments given by the Group in the ordinary course of business. These commitments are presented in Note 8 "Comments on off-balance sheet commitments".

The difference between the estimated lease obligation under IFRS16 and the amount of off-balance sheet commitments is mainly related to the fact that:

- Lease liabilities, unlike off-balance sheet commitments, do not include contracts signed as of 31 December 2018 which do not start until 2019, or short-term leases or leases for low value underlying assets,
- the discounting effect of lease liability does not apply to off-balance sheet commitments.

Moreover, given the importance of leases to the Group's activities, and in order to present consistent performance indicators, customized indicators will be used for internal performance monitoring requirements and financial communication purposes; the segment reporting, in accordance with IFRS 8 and the associated financial communication, will therefore, from the first half of 2019, present adjusted operating performance indicators as follows:

- Depreciation of the right-of-use asset & lease liability interest expenses will be reclassified in Operating Margin, for rental payments of contracts relating to the main activity of the Group
- The repayment of the lease liability (principal) will be reclassified in Free Cash Flow.

Lastly, the Group's net debt will exclude the lease liabilities (including the liabilities related to contracts classified on the transition date as finance leases).

1.2 Change of accounting methods

The consolidated financial statements have been restated as of 1 January 2017 and 31 December 2017 of IFRS 15 "Revenue from Contracts with Customers" applicable as of 1 January 2018 onwards.

The application of IFRS 15 has led to a change in the presentation of advertising tax billings in the income statement that were previously recognised as income on the line "Direct operating expenses" and which are henceforth classified as revenue. In addition, the Group acts as the principal in its contracts, including this advertising tax.
The methods of recognition of the different types of contracts (recognition dates and terms) are described in more detail, mainly in Note 1.23 "Revenue".

The change described above has an impact of +€20.7 million on Adjusted and IFRS revenue and has no impact on the operating margin and net income for the year 2017. This reclassification has no impact on the statement of cash flows and the statement of financial position.
In addition, the analysis of IFRS 15 conducted in particular on the non-advertising activity does not call for change. The non-advertising revenue is the revenue from the sale, rental and maintenance of street furniture as well as from the self-service bicycle business and the implementation of innovative technical solutions, under the name "JCDecaux Innovate" and services ancillary to analogue or digital revenue.

The Group has adopted the standard IFRS 9 "Financial instruments" as of 1 January 2018 onwards, without restating the 2017 comparative figures.

The application of IFRS 9, which replaces IAS 39 "Financial Instruments", is divided into three components:

- Classification and measurement of financial assets and liabilities: the impact for the Group results in the removal of the category "Assets available for sale" for which under IAS 39 the Group recognised changes in fair value in other comprehensive income with reclassification in the income statement at the time of their disposal.
  IFRS 9 gives the option of revaluing at fair value each of these assets in the income statement or in other comprehensive income items with no option to reclassify in the income statement. The application of this component had no impact on the Group's consolidated financial statements.

- Impairment of financial assets: the new standard introduces a forward-looking model based on expected losses that must apply to financial assets as of their initial recognition, while IAS 39 requires the provision only when the loss is proved (when their recovery value is less than their book value). This change led to the recognition of an additional provision on performing receivables by applying an average rate of default of payment based on historical statistical data. The impact on equity is €(1.8) million (€(1.3) million of provision after tax) as of 31 December 2017.

- The prospective application of the component 3 "Hedge accounting" has no significant impact on the Group's accounting methods concerning the hedging operations and derivative financial instruments managed by the Group.

1.3 Scope and methods of consolidation

The financial statements of companies controlled by the Group are included in the consolidated financial statements from the date control is acquired to the date control ceases.
The equity method is adopted for joint ventures and for associates, companies over which the Group exercises a significant influence on operating and financial policies.
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. Capital losses realised on Inter-company sales to an equity-accounted company are under IFRS3R and capital gains realised on sales to an equity-accounted company are under SIC13.

1.4. Recognition of foreign currency transactions in the functional currency of entities

Transactions denominated in foreign currencies are translated into the functional currency at the rate prevailing on the transaction date. At the period-end, monetary items are translated at the closing exchange rate and the resulting gains or losses are recorded in the income statement.
Long-term monetary assets held by a Group entity in a foreign subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future are a part of the entity's net investment in 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.

1.5. 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.

1.6. 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 goodwill, 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 1.11 "Impairment of intangible assets, property, plant and equipment and goodwill", in Note 1.12 "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 4.18 "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.

1.7. Current/non-current distinction

With the exception of deferred tax assets and liabilities which are classified as non-current, assets and liabilities are classified as current when their recoverability or payment is expected no later than 12 months after the year-end closing date; otherwise, they are classified as non-current.

1.8. Intangible assets

1.8.1. Development costs

According to IAS 38, development costs must be 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 include all costs related to the development, modification or improvement to the array of street furniture offerings and advertising structures 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 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.

1.8.2. 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 10 years. Other software expenses are recognised in expenses for the period.

1.9. Business combinations, acquisition of non-controlling interests and disposals

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 1.11 “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, 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 flows from financing activities” of the statement of cash flows.

1.10. 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.) and advertising structures in the transport activity 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

1.11. Impairment of intangible assets, property, plant and equipment and goodwill

Items of property, plant and equipment, intangible assets as well as goodwill are tested for impairment at least 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. The 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.

1.12. 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 as well as loans and receivables.
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 1.11 "Impairment of intangible assets, property, plant and equipment and goodwill".

1.13. Other financial assets

This heading mainly includes investments in non-consolidated entities (financial investments), loans and loans to participating interests granted to companies under the equity method or non-consolidated entities, deposits and guarantees and advances paid on acquisition of long-term investments under conditions precedent.
They are recorded and measured:

- For the investments in non-consolidated entities, 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 value are recognised for each of these assets and definitively either in net income or in other comprehensive income with no option to reclassify in net income in the event of their disposal. Only the dividends received from these assets are recorded in the income statement under the line "Other net financial expenses".
- For the other financial assets, at amortised cost (IFRS9 category). 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 a 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. The Group recognises an additional provision on the performing receivables by applying an average rate of default of payment based from historical statistical data. This forward-looking model based on expected losses applies to receivables at their initial recognition.

1.16. Managed Cash

Managed cash includes cash, cash equivalents and treasury financial assets. These items are measured at fair value and changes in fair value are recognised in net financial income.
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 bank overdrafts.

1.17. Financial debts

Financial debts are initially recorded at the fair value generally corresponding to the amount received less related issuance costs and are 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 financial derivative,
- little or no initial net investment, and
- settlement at a future date.

Financial 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 (effective portion) or as a foreign net investment.
Hedge accounting may be adopted if a hedging relationship between the hedged item (the underlying) and the financial 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, whose 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, whose 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 amount recorded in other comprehensive income is reclassified to profit or loss when the item hedged itself impacts profit or loss. The initial value recorded on the balance sheet in assets or liabilities is recognised by applying the “basis adjustment”.

The hedging relationship involves a single market parameter, which for the Group is currently 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 for the year.
For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are recorded directly in net financial income for the year.
The accounting classification of financial derivatives instruments in current or non-current items is determined by the maturity of the derivative.

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 equity 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 option to reclassify 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 the provision for employee benefits are presented in 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 payments

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 and offset with a liability. This liability is measured at each closing date up to its settlement.

1.23. Revenue

The Group's revenue mainly comes from sales of advertising space 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 which has a duration ranging from 1 week to 6 years.

The trigger event for advertising space revenue recognition is the execution of the advertising campaign.
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 to the extent that the Group acts as the principal in its advertising space sales 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 payment are deducted from revenue.

In addition to marketing advertising space on furniture, the Group also sells, rents and maintains street furniture, the revenue from which is recognised in the Street Furniture business. The Group also earns non-advertising revenues from its Self-Service Bicycle business as well as the implementation of innovative technical solutions, under the "JCDecaux Innovate" name, and services ancillary to its analogue and digital revenues.

1.24. Operating margin

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

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 2018

The main changes in the consolidation scope during 2018 are as follows:

Acquisitions (with acquisition of control)

On 31 October 2018, the Group completed the acquisition of the group APN Outdoor with a Scheme of Arrangement that was approved by the Australian Competition and Consumer Commission on 23 August 2018 and by the shareholders of APN Outdoor on 15 October 2018. The newly- acquired companies are fully consolidated at 100%.

On 24 July 2018, Equipamientos Urbanos de Mexico, SA de C.V. (« EUMEX») acquired the remaining 50% in the capital of the company Stoc SA de CV in Mexico. This company was previously consolidated under the equity method at 50% and is now fully consolidated.

Acquisitions of non-controlling interests

On 24 July 2018, JCDecaux Latin America Investments Holding SL (Spain) acquired 26.64% of the non-controlling interests of the company Corporacion Americana de Equipamientos Urbanos SL (« Corameq ») in Spain. This company which was already fully consolidated is now 100%-owned.

Other variances

The other variances, mainly liquidations, sales and acquisitions of long-term investments are detailed in Note 12 "Scope of consolidation".

2.2. Impact of acquisitions

The main acquisitions made in 2018 give control of the group APN Outdoor and, to a lesser extent, of the company Stoc SA de CV and the purchase price allocation of CMI, acquired in October 2017, within the 12-month period following the acquisition, had the following impacts on the Group's consolidated financial statements:

In million euros		Fair value at the date of acquisition
Non-current assets		177.6
Current assets		66.1
Total assets		**243.7**
Non-current liabilities		133.3
Current liabilities		38.7
Total liabilities		**172.0**
Fair value of net assets at 100%	**(a)**	**71.7**
- of which non-controlling interests	*(b)*	*3.5*
Total consideration transferred	**(c)**	**681.6**
- of which fair value of share previously held		*0.7*
- of which purchase price		*680.9*
Goodwill	**(d)=(c)-(a)+(b)**	**613.4**
- including Goodwill allocated to companies under the equity method	*(e)*	*-*
Goodwill IFRS [(1)]	**(f)=(d)-(e)**	**613.4**
Purchase price		**(680.9)**
Net cash acquired		8.2
Acquisitions of long-term investments over the period		**(672.7)**

(1) The option of the full goodwill calculation method was not used for any of the 2018 acquisitions.

The value of assets and liabilities acquired and goodwill relating to these acquisitions is determined on a temporary basis 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, with the exception of the purchase price allocation of CMI which is final.
The impact of these 2018 acquisitions on revenue and net income (Group share) is respectively €38.3 million and €6.4 million. Had the acquisitions taken place as of 1 January 2018, the additional impact would have been an increase of €163.0 million in revenue and an increase of €19.7 million in net income (Group share).

3. SEGMENT REPORTING

In segment reporting, the data related to joint ventures, companies under joint control, is proportionately consolidated as shown in the Group's operating management reporting used by the Executive Board – the Chief Operating Decision Maker (CODM) – in order to monitor the business 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 under 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 2018 segment reporting by operating segment is as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Revenue (1)	**1,587.6**	**1,517.0**	**513.9**	**3,618.5**
Operating margin	**385.0**	**209.7**	**60.4**	**655.1**
EBIT (2)	**193.8**	**141.0**	**12.6**	**347.4**
Acquisitions of intangible assets and PP&E net of disposals (3)	**230.7**	**43.0**	**12.7**	**286.4**

(1) Including advertising revenue for €3,261.3 million and non advertising revenue for €357.2 million.
(2) Including a net reversal related to impairment tests for €7.6 million: €(1.2) million in Street Furniture, €(0.2) million in Transport and €9.0 million in Billboard.
(3) Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposals 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 (1)	IFRS data
Revenue	3,618.5	(437.1)	3,181.4
Operating margin	655.1	(131.0)	524.1
EBIT	347.4	(109.0)	238.4
Acquisitions of intangible assets and PP&E net of disposals	286.4	(14.3)	272.1

(1) Impact of change from proportionate consolidation to the equity method of joint ventures.

The impact of €(437.1) million resulting from IFRS 11 (change from proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(449.7) million of revenue from the joint ventures – See Note 10 "Information on the joint ventures" – and +€12.6 million for the non-eliminated part of intercompany revenue from Group fully consolidated companies with joint ventures, under IFRS 11, bringing the IFRS revenue to €3,181.4 million.

The breakdown of the 2017 segment reporting by operating segment is as follows (Revenue restated [(1)]):

In million euros	Street Furniture	Transport	Billboard	Total
Revenue [(1)]	**1,586.7**	**1,399.2**	**506.7**	**3,492.6**
Operating margin	**420.2**	**177.7**	**55.6**	**653.5**
EBIT [(2)]	**211.3**	**116.4**	**18.1**	**345.8**
Acquisitions of intangible assets and PP&E net of disposals [(3)]	173.2	85.4	31.1	289.7

(1) See Note 1.2 "Change of accounting methods"
(2) Including advertising revenue for €3,158.2 million and non advertising revenue for €334.4 million.
(3) Including a net depreciation related to impairment tests for €(12.3) million: €(6.1) million in Street Furniture €(2.9) million in Transport and €(3.3) million in Billboard.
(4) Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposals 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 [(1)]	IFRS data
Revenue	3,492.6	(432.1)	3,060.5
Operating margin	653.5	(128.7)	524.8
EBIT	345.8	(110.2)	235.6
Acquisitions of intangible assets and PP&E net of disposals	289.7	(14.9)	274.8

(1) Impact of change from proportionate consolidation to the equity method of joint ventures.

The impact of €(432.1) million resulting from IFRS 11 (change from proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(445.1) million of revenue from the joint ventures – See Note 10 "Information on the joint ventures" – and +€13.0 million for the non-eliminated part of intercompany revenue from Group fully consolidated companies with joint ventures, under IFRS 11, bringing the IFRS revenue to €3,060.5 million.

3.2. Information by geographical area

The 2018 information by geographical area breaks down as follows:

In million euros	Europe [(1)]	Asia-Pacific	France	Rest of the world	United Kingdom	North America	Total
Revenue	**960.7**	**957.3**	**602.6**	**438.0**	**369.0**	**290.9**	**3,618.5**

(1) Excluding France and the United Kingdom.

The 2017 information by geographical area breaks down as follows (Revenue restated [(2)]):

In million euros	Europe [(1)]	Asia-Pacific	France	Rest of the world	United Kingdom	North America	Total
Revenue [(2)]	**942.8**	**818.7**	**622.2**	**450.0**	**362.4**	**296.5**	**3,492.6**

(1) Excluding France and the United Kingdom.
(2) See Note 1.2 "Change of accounting methods".

No single customer reaches the 10% of Group revenue threshold.

3.3. Other information

3.3.1. Non-current segment assets

The non-current segment assets by geographical area for the year 2018 (based on IFRS data) breaks down as follows:

En millions d'euros	Europe [(1)]	Asia-Pacific	France	Rest of the world	United-Kingdom	North America	Elimi-nations	Total
Non-current segment assets [(2)]	2,209.5	1,243.5	997.8	522.0	319.2	224.8	(1,422.3)	4,094.5
Unallocated segment assets [(3)]								123.6

(1) Excluding France and the United Kingdom.
(2) Excluding deferred tax assets and financial instruments.
(3) Goodwill relating to Airports World that is not allocated by geographical area, as global coverage is a key success factor for this business activity from a commercial standpoint and in connection with the awarding and renewal of contracts. This also applies to impairment tests.

The non-current segment assets by geographical area for the year 2017 (based on IFRS data) breaks down as follows:

In million euros	Europe [(1)]	Asia-Pacific	France	Rest of the world	United-Kingdom	North America	Elimi-nations	Total
Non-current segment assets [(2)]	1,872.5	563.4	842.5	539.4	319.7	226.1	(1,096.3)	3,267.3
Unallocated segment assets [(3)]								123.8

(1) Excluding France and the United Kingdom.
(2) Excluding deferred tax assets and financial instruments.
(3) Goodwill relating to Airports World that is not allocated by geographical area, as global coverage is a key success factor for this business activity from a commercial standpoint and in connection with the awarding and renewal of contracts. This also applies to impairment tests.

3.3.2. Free cash flow

The reconciliation of the free cash flow from Adjusted to IFRS for the year 2018 is as follows:

In million euros	Adjusted data	Joint ventures' impact [(1)]	IFRS data
Net cash provided by operating activities	**436.8**	**(36.1)**	**400.7**
- Including Change in working capital	*(75.3)*	*(9.1)*	*(84.4)*
Acquisitions of intangible assets and PP&E net of disposals [(2)]	**(286.4)**	**14.3**	**(272.1)**
Free Cash Flow	**150.4**	**(21.8)**	**128.6**

(1) Impact of change from proportionate consolidation to the equity method of joint ventures.
(2) Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposals of intangible assets and property, plant and equipment.

The reconciliation of the free cash flow from Adjusted to IFRS for the year 2017 is as follows:

In million euros	Adjusted data	Joint ventures' impact [(1)]	IFRS data
Net cash provided by operating activities	**432.6**	**1.6**	**434.2**
- Including Change in working capital	*(4.3)*	*27.0*	*22.7*
Acquisitions of intangible assets and PP&E net of disposals [(2)]	**(289.7)**	**14.9**	**(274.8)**
Free Cash Flow	**142.9**	**16.5**	**159.4**

(1) Impact of change from proportionate consolidation to the equity method of joint ventures.
(2) Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposals 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

2018 and 2017 changes in net carrying amount:

In million euros	2018	2017
Net value as of 1 January	**1,341.3**	**1,360.8**
Impairment loss	(1.4)	0.0
Decreases	(0.1)	0.0
Changes in scope	613.4	13.1
Translation adjustments	(12.3)	(32.6)
Net value as of 31 December	**1,940.9**	**1,341.3**

4.1.2. Other intangible assets

2018 changes in gross value and net carrying amount:

In million euros	Development costs	Patents, licences, advertising contracts, ERP [1]	Leasehold rights, payments on account, other	Total
Gross value as of 1 January 2018	**68.4**	**709.2**	**29.0**	**806.6**
Acquisitions/Increases	13.1	14.3	13.5	40.9
Decreases	(0.1)	(2.5)	(0.5)	(3.1)
Changes in scope [2]		90.2	0.1	90.3
Translation adjustments	(0.3)	(1.7)	(0.1)	(2.1)
Reclassifications [3]		13.1	(13.0)	0.1
Goodwill allocation		14.3		14.3
Gross value as of 31 December 2018	**81.1**	**836.9**	**29.0**	**947.0**
Amortisation / Impairment as of 1 January 2018	**(40.6)**	**(447.8)**	**(16.3)**	**(504.7)**
Amortisation charge	(6.5)	(52.8)	(0.2)	(59.5)
Impairment loss		9.7		9.7
Decreases	0.1	2.4	0.1	2.6
Changes in scope [2]				0.0
Translation adjustments	0.1	(0.8)	(0.2)	(0.9)
Reclassifications [3]		(0.8)	0.2	(0.6)
Goodwill allocation				0.0
Amortisation / Impairment as of 31 December 2018	**(46.9)**	**(490.1)**	**(16.4)**	**(553.4)**
Net value as of 1 January 2018	**27.8**	**261.4**	**12.7**	**301.9**
Net value as of 31 December 2018	**34.2**	**346.8**	**12.6**	**393.6**

(1) Includes the valuation of contracts recognised in connection with business combinations.
(2) These amounts are linked to the acquisitions and liquidations of entities over the period.
(3) The net impact of reclassifications is not nil, as some reclassifications have an impact on other items in the statement of financial position.

2017 changes in gross value and net carrying amount:

In million euros	Development costs	Patents, licences, advertising contracts, ERP (1)	Leasehold rights, payments on account, other	Total
Gross value as of 1 January 2017	**57.8**	**727.3**	**26.0**	**811.1**
Acquisitions/Increases	9.0	26.7	11.4	47.1
Decreases	(0.4)	(49.9)	(0.2)	(50.5)
Changes in scope (2)		(4.0)		(4.0)
Translation adjustments	(0.5)	(34.8)	(1.3)	(36.6)
Reclassifications (3)	2.5	26.7	(6.9)	22.3
Goodwill allocation		17.2		17.2
Gross value as of 31 December 2017	**68.4**	**709.2**	**29.0**	**806.6**
Amortisation / Impairment as of 1 January 2017	**(33.0)**	**(452.4)**	**(13.0)**	**(498.4)**
Amortisation charge	(6.7)	(51.7)	(0.4)	(58.8)
Impairment loss				0.0
Decreases	0.4	49.8	0.1	50.3
Changes in scope (2)		4.0		4.0
Translation adjustments	0.2	17.7	1.2	19.1
Reclassifications (3)	(1.5)	(15.2)	(4.2)	(20.9)
Goodwill allocation				0.0
Amortisation / Impairment as of 31 December 2017	**(40.6)**	**(447.8)**	**(16.3)**	**(504.7)**
Net value as of 1 January 2017	**24.8**	**274.9**	**13.0**	**312.7**
Net value as of 31 December 2017	**27.8**	**261.4**	**12.7**	**301.9**

(1) Includes the valuation of contracts recognised in connection with business combinations.

(2) Those amounts are linked to the acquisitions and liquidations of entities over the period.

(3) 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)

	31/12/2018			31/12/2017
In million euros	Gross value	Depreciation or provision	Net value	Net value
Land	22.3	(1.3)	21.0	22.1
Buildings	96.9	(71.3)	25.6	35.4
Technical installations, tools and equipment	3,086.8	(2,038.5)	1,048.3	896.2
Vehicles	130.9	(77.6)	53.3	62.7
Other property, plant and equipment	178.8	(132.1)	46.7	42.0
Assets under construction and down payments	98.3	(0.2)	98.1	97.9
Total	**3,614.0**	**(2,321.0)**	**1,293.0**	**1,156.3**

2018 changes in gross value and net carrying amount:

In million euros	Land	Buildings	Technical installations, tools & equipment	Other	Total
Gross value as of 1 January 2018	**23.3**	**105.2**	**2,910.8**	**413.7**	**3,453.0**
- of which finance lease		*2.4*	*5.4*	*46.1*	*53.9*
- of which dismantling cost			*169.3*		*169.3*
Acquisitions	0.0	2.3	157.5	151.1	310.9
- of which acquisitions under finance lease				*6.2*	*6.2*
- of which dismantling cost			*35.6*		*35.6*
- of which effect of rate change on dismantling cost					*0.0*
Decreases	(1.2)	(11.7)	(177.8)	(28.9)	(219.6)
- of which disposals under finance lease				*(3.3)*	*(3.3)*
- of which dismantling cost			*(18.9)*		*(18.9)*
Changes in scope			64.7	7.8	72.5
Reclassifications (1)	0.2	0.7	132.1	(136.2)	(3.2)
Goodwill allocation					0.0
Translation adjustments		0.4	(0.5)	0.5	0.4
Gross value as of 31 December 2018	**22.3**	**96.9**	**3,086.8**	**408.0**	**3,614.0**
Amortisation / Impairment as of 1 January 2018	**(1.2)**	**(69.8)**	**(2,014.6)**	**(211.1)**	**(2,296.7)**
- of which finance lease		*(2.4)*	*(5.4)*	*(25.0)*	*(32.8)*
- of which dismantling cost			*(98.1)*		*(98.1)*
Depreciation charge net of reversals		(4.2)	(196.6)	(25.2)	(226.0)
- of which finance lease				*(8.2)*	*(8.2)*
- of which dismantling cost			*(23.3)*		*(23.3)*
Impairment loss			(1.3)		(1.3)
Decreases	0.1	3.4	172.1	22.9	198.5
- of which finance lease				*2.9*	*2.9*
- of which dismantling cost			*15.1*		*15.1*
Changes in scope			(0.2)	0.3	0.1
Reclassifications (1)	(0.1)	(0.6)	1.4	2.7	3.4
Goodwill allocation					0.0
Translation adjustments	(0.1)	(0.1)	0.7	0.5	1.0
Amortisation / Impairment as of 31 December 2018	**(1.3)**	**(71.3)**	**(2,038.5)**	**(209.9)**	**(2,321.0)**
Net value as of 1 January 2018	**22.1**	**35.4**	**896.2**	**202.6**	**1,156.3**
Net value as of 31 December 2018	**21.0**	**25.6**	**1,048.3**	**198.1**	**1,293.0**

(1) The net impact of reclassifications is not nil, as some reclassifications have an impact on other items in the statement of financial position.

2017 changes in gross value and net carrying amount:

In million euros	Land	Buildings	Technical installations, tools & equipment	Other	Total
Gross value as of 1 January 2017	**27.1**	**109.7**	**2,974.3**	**366.3**	**3,477.4**
- of which finance lease		*2.4*	*5.4*	*42.4*	*50.2*
- of which dismantling cost			*172.6*		*172.6*
Acquisitions	0.1	2.3	109.5	167.4	279.3
- of which acquisitions under finance lease				*9.7*	*9.7*
- of which dismantling cost			*22.5*		*22.5*
- of which effect of rate change on dismantling cost					*0.0*
Decreases	(3.3)	(4.4)	(150.2)	(28.7)	(186.6)
- of which disposals under finance lease				*(5.4)*	*(5.4)*
- of which dismantling cost			*(19.8)*		*(19.8)*
Changes in scope			3.1	0.2	3.3
Reclassifications (1)		(0.6)	61.3	(78.7)	(18.0)
Goodwill allocation	0.4	(0.1)	(1.5)		(1.2)
Translation adjustments	(1.0)	(1.7)	(85.7)	(12.8)	(101.2)
Gross value as of 31 December 2017	**23.3**	**105.2**	**2,910.8**	**413.7**	**3,453.0**
Amortisation / Impairment as of 1 January 2017	**(1.4)**	**(70.4)**	**(2,035.8)**	**(219.1)**	**(2,326.7)**
- of which finance lease		*(2.3)*	*(5.4)*	*(21.5)*	*(29.2)*
- of which dismantling cost			*(103.2)*		*(103.2)*
Depreciation charge net of reversals	(0.1)	(3.6)	(183.5)	(21.9)	(209.1)
- of which finance lease				*(8.1)*	*(8.1)*
- of which dismantling cost			*(13.5)*		*(13.5)*
Impairment loss			(9.2)	(0.2)	(9.4)
Decreases	0.3	3.6	142.3	26.4	172.6
- of which finance lease				*4.0*	*4.0*
- of which dismantling cost			*15.0*		*15.0*
Changes in scope		0.2	2.4	0.8	3.4
Reclassifications (1)		0.1	14.9	(0.5)	14.5
Goodwill allocation					0.0
Translation adjustments		0.3	54.3	3.4	58.0
Amortisation / Impairment as of 31 December 2017	**(1.2)**	**(69.8)**	**(2,014.6)**	**(211.1)**	**(2,296.7)**
Net value as of 1 January 2017	**25.7**	**39.3**	**938.5**	**147.2**	**1,150.7**
Net value as of 31 December 2017	**22.1**	**35.4**	**896.2**	**202.6**	**1,156.3**

(1) 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 2018, the net value of property, plant and equipment under finance lease amounted to €18.9 million, compared to €21.1 million as of 31 December 2017. It breaks down as follows:

In million euros	31/12/2018	31/12/2017
Buildings	0.0	0.0
Vehicles	18.9	21.1
Other property, plant and equipment	0.0	0.0
Total	**18.9**	**21.1**

Over 81% 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.). The assets are fully owned (controlled by the Group) and Group advertising revenue represents the sale of advertising space present in some of these structures. The Group owns almost all the buildings (98% of the total gross value), the remainder being held under finance leases.

4.3. Goodwill, Property, plant and equipment (PP&E), and intangible asset impairment tests

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

	31/12/2018			31/12/2017		
In million euros	Goodwill	PP&E / intangible assets [1]	Total	Goodwill	PP&E / intangible assets [1]	Total
Street Furniture Europe (excluding France and United Kingdom)	386.8	337.4	724.2	387.6	339.1	726.7
Billboard Europe (excluding France and United Kingdom)	142.9	49.4	192.3	142.0	43.5	185.5
Airports World [2]	123.6	84.0	207.6	123.8	88.0	211.8
Billboard United Kingdom	143.4	60.1	203.5	144.7	56.2	200.9
Billboard France	115.4	7.2	122.6	115.4	7.3	122.7
Street Furniture France	86.4	405.5	491.9	86.4	350.0	436.4
Street Furniture United Kingdom	57.4	42.5	99.9	57.5	50.7	108.2
Other [3]	885.0	600.7	1,485.7	283.9	419.4	703.3
Total	**1,940.9**	**1,586.8**	**3,527.7**	**1,341.3**	**1,354.2**	**2,695.5**

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 2018 of APN, presented on the line "Other", were not subject of impairment tests (This acquisition is in the process of allocation).

(1) Intangible assets and property, plant and equipment are presented net of provisions for onerous contracts, for €80.9 million and €96.8 million, respectively, as of 31 December 2018 and 31 December 2017, and net of deferred tax liabilities related to the contracts and the provisions for onerous contracts recognised in connection with business combinations, for €18.9 million and €7.2 million, respectively, as of 31 December 2018 and 31 December 2017.

(2) Intangible assets and property, plant and equipment for €84.0 million related to the CGU Airports World include €17.5 million belonging to the geographical area Rest of the World, exposed to higher economic volatility.

(3) The amount of €885.0 million of goodwill and the amount of €600.7 million of intangible assets and property, plant and equipment on the line "Other" include, respectively, €138.7 million and €214.8 million related to the geographical area Rest of the World 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 at 31 December 2018 led to an overall impairment reversal in operating income of €8.4 million on intangible assets and property, plant and equipment, a reversal of €0.6 million on onerous contracts and a goodwill impairment of €(1.4) million.

Impairment tests on goodwill, intangible assets and property, plant and equipment had a positive impact of €2.2 million in net income, Group share (versus €(10.6) million in 2017).

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 6.0% to 17.0%, for the area presenting the highest risk. The after-tax rate of 6.0%, used in 2018 (compared to 7.0% in 2017), was used, in particular, in Western Europe (excluding Spain, Portugal, Italy and Ireland), North America, Japan, Singapore, South Korea, and Australia where the Group generates 58.0% of its adjusted revenue. The average discount rate for the Group came to 8.1% in 2018.

Sensitivity tests for which the results are presented below were carried out in the following way:

- In France, the United Kingdom, Europe (excluding France and the 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 Rest of the World geographical area where there are countries much more exposed to economic 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 France, United Kingdom, Europe (excluding France and the United Kingdom) and Asia-Pacific geographical areas would not lead to an additional impairment loss on goodwill or on intangible assets and property, plant and equipment in each of the CGUs in these geographical areas;

- an increase of 200 basis points in the discount rate for the Rest of the World geographical area would lead to an impairment loss of €(23.5) million on goodwill. This would lead to an additional impairment loss on intangible assets and property, plant and equipment of €(1.0) million in this geographical area;

- a decrease of 50 basis points in the operating margin ratio for the France, United Kingdom, Europe (excluding France and the United Kingdom) and Asia-Pacific geographical areas would not lead to an additional impairment loss on goodwill or on intangible assets and property, plant and equipment in each of the CGUs in these geographical areas;

- a decrease of 200 basis points in the operating margin ratio for the Rest of the World geographical area would lead to an impairment loss of €(1.5) million on intangible assets and property, plant and equipment and an impairment loss of €(3.5) million on goodwill in the CGUs in this geographical area;

- a decrease in the perpetual growth rate of the discounted cash flows of 50 basis points for the France, United Kingdom, Europe (excluding France and the United Kingdom) and Asia-Pacific geographical areas would lead to an additional impairment loss of €(16.8) on goodwill (without additional impairment loss on intangible assets and property, plant and equipment). A decrease in the perpetual growth rate of the discounted cash flows of 200 basis points for the Rest of the World geographical area would lead to an additional impairment loss of €(13.0) million on goodwill and an additional impairment loss of €(0.1) million in intangible assets and property, plant and equipment in each of the CGUs in this geographical area.

4.4. Investments under the equity method and impairment tests

In million euros	31/12/2018	31/12/2017
Joint ventures	283.3	288.7
Associates	184.9	187.3
Total (1)	**468.2**	**476.0**

(1) Including €54.7 million related to the Rest of the World area as of 31 December 2018 compared to €62.8 million as of 31 December 2017.

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 recognised in 2018, as in 2017.

For companies consolidated under the equity method in France, the United Kingdom, Europe (excluding France and the United Kingdom) and Asia-Pacific areas, the results of the sensitivity tests demonstrate that:

- an increase of 50 basis points in the discount rate would lead to an additional impairment loss of €(0.4) million on the share of net profit of companies consolidated under the equity method,

- a decrease of 50 basis points in the operating margin ratio would lead to an additional impairment loss of €(0.7) million on the share of net profit of companies consolidated under the equity method,

- a decrease of 50 basis points in the perpetual growth rate of discounted cash flows for the billboard activity would not lead to an impairment loss on the share of net profit of companies consolidated under the equity method.

For investments under the equity method belonging to the Rest of the World geographical area, the results of the sensitivity tests demonstrate that:

- an increase of 200 basis points in the discount rate would lead to an impairment loss of €(0.1) million on the share of net profit of companies consolidated under the equity method ;
- a decrease of 200 basis points in the operating margin ratio would not lead to an impairment loss on the share of net profit of companies consolidated under the equity method ;
- a decrease of 200 basis points in the perpetual growth rate of discounted cash flows would not lead to an impairment loss on the share of net profit of companies consolidated under the equity method where cash flows are calculated on the basis of a perpetual projection.

4.5. Other financial assets (current and non-current)

In million euros	31/12/2018	31/12/2017
Financial investments	0.5	0.6
Loans	51.4	52.8
Loans to participating interests	0.7	0.7
Other financial investments	67.7	39.9
Total	**120.3**	**94.0**

The increase in other financial assets for €26.3 million as of 31 December 2018 was mainly related to the escrow account in Belgium in accordance with the ongoing acquisition of Publiroute.

The maturity of other financial assets (except financial investments) breaks down as follows:

In million euros	31/12/2018	31/12/2017
≤ 1 year	30.2	3.7
> 1 year & ≤ 5 years	77.4	84.8
> 5 years	12.2	4.9
Total	**119.8**	**93.4**

4.6. Other receivables (non-current)

In million euros	31/12/2018	31/12/2017
Prepaid expenses	25.4	19.7
Miscellaneous receivables	7.2	5.4
Total Gross value for Other receivables (non-current)	**32.6**	**25.1**
Write-down for miscellaneous receivables	(1.4)	(1.3)
Total Write-down for other receivables (non-current)	**(1.4)**	**(1.3)**
Total	**31.2**	**23.8**

4.7. Inventories

In million euros	31/12/2018	31/12/2017
Gross value of inventories	186.7	149.4
Write-down	(27.3)	(25.6)
Total	**159.4**	**123.8**

The €35.6 million increase is mainly due to projects underway, in particular digital, consequent to contracts received by the Group.

4.8. Trade and other receivables

In million euros	31/12/2018	31/12/2017
Trade receivables	861.7	761.2
Miscellaneous receivables	16.0	23.6
Other operating receivables	27.2	18.9
Miscellaneous tax receivables	69.5	53.8
Receivables on disposal of assets and equipment grant to be received	0.3	3.1
Down payments	11.1	12.2
Prepaid expenses	83.3	76.3
Total Gross value for Trade and other receivables	**1,069.1**	**949.1**
Write-down for trade receivables	(31.5)	(29.4)
Write-down for miscellaneous receivables	(1.9)	(1.5)
Write-down for other operating receivables	(0.1)	(0.1)
Total Write-down for Trade and other receivables	**(33.5)**	**(31.0)**
Total	**1,035.6**	**918.1**

The €117.5 million increase in trade receivables as of 31 December 2018 is mainly due to changes in scope for €48.7 million and flows from operating activities for €76.5 million, offset in part by the foreign exchange rates impacts of €(5.1) million.

The balance of past-due and un-provisioned trade receivables is €330.7 million as of 31 December 2018 compared to €265.2 million at 31 December 2017. 8.0% of the un-provisioned trade receivables are overdue by more than 90 days as of 31 December 2018 compared to 5.6% at 31 December 2017. These receivables are mainly related to media agencies or international groups which do not pose a recovery risk.

4.9. Managed cash

In million euros	31/12/2018	31/12/2017
Cash	97.8	385.3
Cash equivalents	14.5	343.0
Total cash and cash equivalents	**112.3**	**728.3**
Treasury financial assets	81.2	277.9
Total managed cash	**193.5**	**1,006.2**

Cash equivalents mainly include short-term deposits and money market funds. €8.6 million of the total of cash and cash equivalents is invested in guarantees as of 31 December 2018, compared to €8.0 million as of 31 December 2017.

As of 31 December 2018 treasury financial assets were comprised of €44.7 million of short-term liquid investments (compared to €244.0 million as of 31 December 2017) and €36.5 million held in an escrow account by the Group in connection with operational contracts, where the cash belongs to the Group (compared to €33.9 million as of 31 December 2017). 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.

4.10. Net deferred taxes

4.10.1. Deferred taxes recorded

Breakdown of deferred taxes:

In million euros	31/12/2018	31/12/2017
PP&E, intangible assets and provisions for onerous contracts	(92.4)	(77.8)
Tax losses carried forward	28.6	17.6
Provisions for dismantling costs	22.8	21.3
Provisions for retirement and other benefits	23.2	23.6
Deferred rent	17.9	22.6
Other	11.5	5.7
Total	**11.6**	**13.0**

The €1.4 million decrease of deferred tax assets net of the deferred tax liabilities is mainly due to an increase in deferred tax liabilities on intangible assets and property, plant and equipment offset by the increase in capitalised tax losses carried forward.

4.10.2. Net deferred tax variation

As of 31 December 2018, the net deferred tax variations are as follows:

In million euros	31/12/2017	Net expense	Reclassifications	DT on actuarial gains and losses	Translation adjustments	Changes in scope	31/12/2018
Deferred tax assets	92.3	7.1	(4.8)	(0.1)	2.1	5.0	101.6
Deferred tax liabilities	(79.3)	7.1	4.8		(1.1)	(21.5)	(90.0)
Total	**13.0**	**14.2**	**0.0**	**(0.1)**	**1.0**	**(16.5)**	**11.6**

As of 31 December 2017, the net deferred tax variations were as follows:

In million euros	31/12/2016	Net expense	Reclassifications	DT on actuarial gains and losses	Translation adjustments	Changes in scope	31/12/2017
Deferred tax assets	134.9	(27.2)	(10.3)	0.5	(14.1)	8.5	92.3
Deferred tax liabilities	(75.7)	(5.2)	10.3	0.5	2.9	(12.1)	(79.3)
Total	**59.2**	**(32.4)**	**0.0**	**1.0**	**(11.2)**	**(3.6)**	**13.0**

4.10.3. Unrecognised deferred tax assets on tax losses carried forward

As of 31 December 2018, the amount of deferred tax assets on unrecognised losses carried forward is €92.0 million, compared to €86.3 million as of 31 December 2017.

4.11. Equity

Breakdown of share capital

As of 31 December 2018, share capital amounted to €3,244,275.27 divided into 212,810,350 shares of the same class and fully paid up.

Reconciliation of the number of outstanding shares as of 1 January 2018 and 31 December 2018:

Number of outstanding shares as of 1 January 2018	212,676,701
Shares issued following the exercise of options	133,649
Number of outstanding shares as of 31 December 2018	212,810,350

As of 31 December 2018, JCDecaux SA did not hold any treasury shares.

In 2018, the Group did not grant any stock option or bonus share plans.

The cost related to all the current plans amounted to €1.0 million in 2018.

The General Meeting held on 17 May 2018, approved a dividend payment of €0.56 to each of the 212,676,701 shares making up the share capital as of 31 December 2017.

Non-controlling interests do not represent a significant portion of the 2017 and 2018 Group consolidated financial statements.

4.12. Provisions

Provisions break down as follows:

In million euros	31/12/2017	Allocations	Discount (1)	Reversals		Actuarial gains and losses/ assets ceiling	Reclassi-fications	Translation adjustments	Changes in scope	31/12/2018
				Used	Not used					
Provisions for dismantling cost	226.5	35.6	3.5	(13.4)	(11.5)		0.3	1.8	(0.2)	242.6
Provisions for onerous contracts	96.8	2.5		(19.0)	(1.6)			2.2		80.9
Provisions for retirement and other benefits	85.7	5.6	1.3	(7.1)	(0.1)	2.1			0.8	88.3
Provisions for risks and litigation	48.3	19.9		(7.0)	(5.8)		0.4	(0.5)	0.4	55.7
Total	**457.3**	**63.6**	**4.8**	**(46.5)**	**(19.0)**	**2.1**	**0.7**	**3.5**	**1.0**	**467.5**

(1) No amount had been 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 2018, the average residual contract term used to calculate the provision for dismantling costs is 11.6 years.

Provisions for dismantling are discounted at a rate of 1.5% as of 31 December 2018, the same as 31 December 2017. The use of a 1.0% discount rate (change of 50 basis points) would have generated an additional provision of approximately €14.3 million.

4.12.2. Provisions for onerous contracts

The provisions for onerous contracts amounted to €80.9 million as of 31 December 2018 compared to €96.8 million as of 31 December 2017. They consist of provisions for onerous contracts recognised during the purchase price allocation exercise of €65.1 million and of provisions recognised following impairment tests of €15.8 million, compared to respectively €80.3 million and €16.5 million as of 31 December 2017.

4.12.3. Provisions for retirement and other benefits

4.12.3.1. 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.

4.12.3.2. Financial information

Provisions are calculated according to the following assumptions:

	2018	2017
Discount rate (1)		
Euro Zone	1.75%	1.50%
United Kingdom	2.80%	2.50%
Estimated annual rate of increase in future salaries		
Euro Zone	1.90%	2.00%
United Kingdom (2)	NA	NA
Inflation rate		
Euro Zone	1.75%	1.75%
United Kingdom	2.40%	2.30%

(1) 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).

(2) As the UK plan was frozen, no salary increase was taken into account.

Retirement benefits and other long-term benefits (before tax) in 2018 break down as follows:

	Retirement benefits		Other long-term benefits	Total
In million euros	**unfunded**	**funded**		
Change in benefit obligation				
Benefit obligation at the beginning of the year	**18.4**	**119.8**	**7.7**	**145.9**
Service cost	1.4	3.5	0.7	5.6
Interest cost	0.3	2.2	0.1	2.6
Acquisitions / disposals of plans	0.7		0.1	0.8
Liquidations of plans	(0.6)			(0.6)
Actuarial gains/losses (1)	1.3	(1.0)	(0.4)	(0.1)
Employee contributions		0.2		0.2
Benefits paid	(1.2)	(4.5)	(0.5)	(6.2)
Translation adjustments		(0.3)		(0.3)
Benefit obligation at the end of the year	**20.3**	**119.9**	**7.7**	**147.9**
including France	*12.7*	*55.2*	*4.4*	*72.3*
including other countries	*7.6*	*64.7*	*3.3*	*75.6*
Change in plan assets				
Assets at the beginning of the year		**60.2**		**60.2**
Interest income		1.3		1.3
Return on plan assets excluding amounts included in interest income		(1.7)		(1.7)
Employer contributions		4.6		4.6
Employee contributions		0.2		0.2
Benefits paid		(4.5)		(4.5)
Translation adjustments		(0.3)		(0.3)
Assets at the end of the year		**59.8**		**59.8**
including France		*7.4*		*7.4*
including other countries (2)		*52.4*		*52.4*
Provisions				
Funded status	20.3	60.1	7.7	88.1
Assets ceiling		0.2		0.2
Provisions at the end of the year	**20.3**	**60.3**	**7.7**	**88.3**
including France	*12.7*	*47.8*	*4.4*	*64.9*
including other countries	*7.6*	*12.5*	*3.3*	*23.4*
Pension cost				
Interest cost	0.3	2.2	0.1	2.6
Interest income		(1.3)		(1.3)
Service cost	1.4	3.5	0.7	5.6
Amortisation of actuarial gains/losses on other long-term benefits			(0.3)	(0.3)
Liquidations of plans	(0.6)			(0.6)
Charge for the year	**1.1**	**4.4**	**0.5**	**6.0**
including France	*0.9*	*3.4*	*0.1*	*4.4*
including other countries	*0.2*	*1.0*	*0.4*	*1.6*

(1) Including €2.6 million related to experience gains and losses, €(5.4) million related to financial assumptions and €2.7 million related to demographic assumptions.
(2) Mainly the United Kingdom.

As of 31 December 2018 the Group's benefit obligation amounted to €147.9 million and mainly involved three countries: France (49% of the total benefit obligation), the United Kingdom (35%) 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 €9.4 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 €4.7 million increase in the benefit obligation's present value,
- an increase of 50 basis points in the inflation rate would lead to a €2.0 million increase in the benefit obligation's present value.

The variances observed during the sensitivity tests do not call into question the rates taken on for the preparation of the financial statements, deemed to be the rates that most closely match the market.

Net movements in provisions for retirement and other benefits are as follows:

In million euros	2018	2017
1 January	**85.7**	**84.0**
Charge for the year	6.0	5.7
Translation adjustments	0.0	(0.9)
Contributions paid	(4.6)	(3.9)
Benefits paid	(1.7)	(1.4)
Change in actuarial gains and losses on post-employment benefit plans and assets ceiling	2.1	2.4
Other	0.8	(0.2)
31 December	**88.3**	**85.7**
Which are recorded:		
- In EBIT	1.6	1.0
- In Financial income (loss)	(1.3)	(1.4)
- In Other comprehensive income	(2.1)	(2.4)

The breakdown of the related plan assets is as follows:

	31/12/2018		31/12/2017	
	In M€	In %	In M€	In %
Shares	20.8	35%	21.7	37%
Bonds	23.9	40%	23.1	38%
Corporate bonds	2.8	5%	3.1	5%
Real Estate	2.7	4%	2.5	4%
Insurance contracts	9.2	15%	9.0	15%
Other	0.4	1%	0.8	1%
Total	**59.8**	**100%**	**60.2**	**100%**

The plan assets are assets that are listed, separately from real estate which is not listed.

Retirement benefits and other long-term benefits (before tax) in 2017 break down as follows:

In million euros	Retirement benefits		Other long-term benefits	Total
	unfunded	funded		
Change in benefit obligation				
Benefit obligation at the beginning of the year	**17.4**	**118.0**	**7.7**	**143.1**
Service cost	1.2	3.3	0.5	5.0
Interest cost	0.3	2.3	0.1	2.7
Acquisitions / disposals of plans	(0.1)		(0.1)	(0.2)
Curtailments of plans	(0.4)			(0.4)
Actuarial gains/losses (1)	1.3	1.7	(0.2)	2.8
Employee contributions		0.2		0.2
Benefits paid	(1.0)	(3.3)	(0.3)	(4.6)
Translation adjustments	(0.3)	(2.4)		(2.7)
Benefit obligation at the end of the year	**18.4**	**119.8**	**7.7**	**145.9**
including France	*11.3*	*55.1*	*4.7*	*71.1*
including other countries	*7.1*	*64.7*	*3.0*	*74.8*
Change in plan assets				
Assets at the beginning of the year		**59.5**		**59.5**
Interest income		1.3		1.3
Return on plan assets excluding amounts included in interest income		0.3		0.3
Employer contributions		3.9		3.9
Employee contributions		0.2		0.2
Benefits paid		(3.2)		(3.2)
Translation adjustments		(1.8)		(1.8)
Assets at the end of the year		**60.2**		**60.2**
including France		*7.3*		*7.3*
including other countries (2)		*52.9*		*52.9*
Provisions				
Funded status	18.4	59.6	7.7	85.7
Assets ceiling				0.0
Provisions at the end of the year	**18.4**	**59.6**	**7.7**	**85.7**
including France	*11.3*	*47.8*	*4.7*	*63.8*
including other countries	*7.1*	*11.8*	*3.0*	*21.9*
Pension cost				
Interest cost	0.3	2.3	0.1	2.7
Interest income		(1.3)		(1.3)
Service cost	1.2	3.3	0.5	5.0
Amortisation of actuarial gains/losses on other long-term benefits			(0.3)	(0.3)
Curtailments of plans	(0.4)			(0.4)
Charge for the year	**1.1**	**4.3**	**0.3**	**5.7**
including France	*0.4*	*3.2*	*0.3*	*3.9*
including other countries	*0.7*	*1.1*	*0.0*	*1.8*

(1) Including €3.7 million related to experience gains and losses, €0.2 million related to financial assumptions and €(1.1) million related to demographic assumptions.
(2) Mainly the United Kingdom.

4.12.3.3. Information about the future cash flows

Future contributions to pension funds for the year 2019 are estimated at €1.9 million.
The average weighted duration is respectively 11 years and 18 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 defined up to 2028.

4.12.3.4. Defined contribution plans

Contributions paid for defined contribution plans represented €36.0 million in 2018 compared to €35.9 million in 2017.

4.12.3.5. 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 2017, the three plans were in a surplus position for a total amount of €9,172.7 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 2018, i.e. €0.6 million. The future contributions of the three plans will be steady in 2019.

4.12.4. Provisions for risks and litigation

Provisions for risks and litigation amounted to €55.7 million as of 31 December 2018 compared to €48.3 million as of 31 December 2017.
The JCDecaux Group is party to several legal disputes regarding the implementation terms and conditions 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. In addition, in the context of their businesses, Group companies may by subject to actions/investigations from legal authorities/national competition authorities. Some are ongoing and should not lead to material adverse consequences for the Group.

The Group's Legal Department identifies all risks and litigation (nature, amounts, procedure, risk level), regularly monitors developments and compares this information with that of the Finance Department. The amount of provisions recognised for risks and 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.

4.12.5. Contingent assets and liabilities

Subsequent to a risk analysis, the Group deemed that it was not necessary to recognise a provision with respect to some on-going proceedings regarding litigation or investigations by competition authorities, 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, large format digital screens and the 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 the short term and at our initiative, the Group had estimated the overall non-discounted dismantling cost at €21.0 million as of 31 December 2018, compared to €13.3 million as of 31 December 2017. 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

		31/12/2018			31/12/2017		
In million euros		Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Gross financial debt	**(1)**	**296.9**	**1,075.7**	**1,372.6**	**586.0**	**786.6**	**1,372.6**
Financial derivatives assets		(4.9)		(4.9)	(0.2)		(0.2)
Financial derivatives liabilities		1.3	0.2	1.5	4.9	0.5	5.4
Hedging financial derivatives instruments	**(2)**	**(3.6)**	**0.2**	**(3.4)**	**4.7**	**0.5**	**5.2**
Cash and cash equivalents (*)		112.3		112.3	728.3		728.3
Bank overdrafts		(24.3)		(24.3)	(12.8)		(12.8)
Net cash	**(3)**	**88.0**	**0.0**	**88.0**	**715.5**	**0.0**	**715.5**
Treasury financial assets (**)	**(4)**	**81.2**	**0.0**	**81.2**	**277.9**	**0.0**	**277.9**
Net financial debt (excluding non-controlling interest purchase commitments)	**(5)=(1)+(2)-(3)-(4)**	**124.1**	**1,075.9**	**1,200.0**	**(402.7)**	**787.1**	**384.4**

(*) As of 31 December 2018, the Group had €112.3 million of cash and cash equivalents (compared to €728.3 million as of 31 December 2017) and €81.2 million of treasury financial assets (compared to €277.9 million as of 31 December 2017). Cash equivalents mainly included short-term deposits and money market funds. €8.6 million of the total of cash and cash equivalents is invested in guarantees as of 31 December 2018, compared to €8.0 million as of 31 December 2017.
(**) As of 31 December 2018 treasury financial assets were made of €44.7 million of short-term liquid investments (compared to €244.0 million as of 31 December 2017) and €36.5 million held in an escrow account by the Group in connection with operational contracts, where the cash belongs to the Group (compared to €33.9 million as of 31 December 2017). 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.

The debts on commitments to purchase non-controlling interests are recorded separately and therefore are 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 net financial debt”.

The debt analyses presented hereafter are based on the economic financial debt, which is equal to the gross financial debt on the statement of financial position adjusted by the impact of amortised cost:

	31/12/2018			31/12/2017		
In million euros	**Current portion**	**Non-current portion**	**Total**	**Current portion**	**Non-current portion**	**Total**
Gross financial debt	**296.9**	**1,075.7**	**1,372.6**	**586.0**	**786.6**	**1,372.6**
Impact of amortised cost	1.2	3.2	4.4	1.2	4.4	5.6
Economic financial debt	**298.1**	**1,078.9**	**1,377.0**	**587.2**	**791.0**	**1,378.2**

The economic financial debt breaks down as follows:

	31/12/2018			31/12/2017		
In million euros	**Current portion**	**Non-current portion**	**Total**	**Current portion**	**Non-current portion**	**Total**
Bonds		1,050.0	1,050.0	500.0	750.0	1,250.0
Commercial Paper (NEU/CP)	220.0		220.0			
Bank borrowings	36.4	10.3	46.7	43.1	17.4	60.5
Miscellaneous borrowings	29.6	5.8	35.4	22.5	9.2	31.7
Finance lease debts	7.3	12.8	20.1	7.9	14.4	22.3
Accrued interest	4.8		4.8	13.7		13.7
Economic financial debt	**298.1**	**1,078.9**	**1,377.0**	**587.2**	**791.0**	**1,378.2**

As of 31 December 2018 the Group’s financial debt mainly includes:

- bonds held by JCDecaux SA of :
  - €750 million issued in June 2016 maturing in June 2023
  - €300 million issued in October 2018 maturing in October 2020.
- €220 million of commercial paper issued by JCDecaux SA through its Negotiable European Commercial Paper (NEU CP) program set up in October 2018 for a maximum amount of €500 million.

In February 2018, JCDecaux SA repaid its €500 million bond issued in February 2013.

The financial debt also includes:

- bank borrowings by JCDecaux SA’s subsidiaries, for €46.7 million,
- miscellaneous borrowings for €35.4 million, mainly comprising borrowings from JCDecaux SA and its subsidiaries towards the joint ventures of the Group,
- finance lease debts for €20.1 million described in the last section of this Note,
- accrued interest for €4.8 million.

The average effective interest rate of JCDecaux SA’s debts is approximately 0.9% for 2018.

As of 31 December 2018, JCDecaux SA also holds an undrawn committed revolving credit facility of €825 million maturing in July 2022. This revolving credit facility was amended on 16 November 2018 to include a sub-limit for a maximum amount of €100 million which enable same-day short-term drawdowns (swingline).

This facility requires the ratio of net financial debt/operating margin to be strictly lower than 3.5.

As of 31 December 2018, JCDecaux SA complies with this covenant, with a ratio significantly under the required limit.

JCDecaux SA is rated “Baa2” by Moody’s and “BBB” by Standard and Poor’s (last Moody’s rating on 5 July 2018 and Standard and Poor’s on 5 September 2018), with a stable outlook for both ratings.

In October 2018, JCDecaux SA also registered with the Banque de France a NEU MTN program (Negotiable European Medium Term Notes) for a maximum amount of €500 million which may be used for its future needs.

Maturity of financial debt (excluding unused committed credit facilities)

In million euros	31/12/2018	31/12/2017
Less than one year	298.1	587.2
More than one year and less than 5 years	1,074.8	33.7
More than 5 years	4.1	757.3
Total	**1,377.0**	**1,378.2**

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

	31/12/2018		31/12/2017	
	In M€	In %	In M€	In %
Euro	967.4	70%	1,275.7	93%
US dollar	169.2	12%	151.8	11%
Australian dollar	166.8	12%	3.7	0%
Chinese yuan	66.5	5%	71.9	5%
Israeli shekel	41.2	3%	43.0	3%
British pound sterling	37.5	3%	28.0	2%
Japanese yen	17.8	1%	10.7	1%
Emirati dirham (1)	(29.6)	(2)%	(42.0)	(3)%
Hong Kong dollar (1)	(70.6)	(5)%	(187.3)	(14)%
Others	10.8	1%	22.7	2%
Total	**1,377.0**	**100%**	**1,378.2**	**100%**

(1) Negative amounts correspond to lending positions.

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

	31/12/2018		31/12/2017	
	In M€	In %	In M€	In %
Fixed rate	997.1	72%	1,288.8	94%
Floating rate	379.9	28%	89.4	6%
Total	**1,377.0**	**100%**	**1,378.2**	**100%**

Finance lease debts

Finance lease debts are detailed in the following table:

	31/12/2018			31/12/2017		
In million euros	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	8.0	(0.7)	7.3	8.4	(0.5)	7.9
More than one year and less than 5 years	10.6	(0.6)	10.0	14.5	(0.9)	13.6
More than 5 years	2.9	(0.1)	2.8	0.8	0.0	0.8
Total	**21.5**	**(1.4)**	**20.1**	**23.7**	**(1.4)**	**22.3**

4.14. Debt on commitments to purchase non-controlling interests

The debt on commitments to purchase non-controlling interests amounted to €92.4 million as of 31 December 2018, compared to €102.0 million as of 31 December 2017.
The €9.6 million decrease in the debt on commitments to purchase non-controlling interests between 31 December 2017 and 31 December 2018 mainly corresponds to the exercising of purchase commitment of Corameq and to the accounting of a new purchase commitment.

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.

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.
Therefore, as of 31 December, the average exchange rates of the foreign exchange financial instruments are close to the exchange rates at closing.

Since inter-company loans and borrowings 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 2018, the main foreign exchange rate financial instruments contracted by the Group are as follows (net positions):

In million euros	31/12/2018	31/12/2017
Forward purchases against euro:		
Hong Kong dollar	39.1	157.6
Emirati dirham	31.4	41.7
Norwegian krone	11.9	15.8
Saoudian riyal	6.2	1.5
Oman riyal	6.0	2.5
Others	16.9	25.7
Forward sales against euro:		
Australian dollar	185.1	3.7
American dollar	122.2	105.0
Israeli shekel	41.2	43.3
British pound sterling	34.0	50.2
Japanese yen	17.8	10.7
South African rand	17.1	22.9
Danish krone	10.6	17.1
Others	20.3	22.3
Forward purchase against Chinese yuan:		
Hong Kong dollar	31.0	32.2
Forward purchase against British pound sterling:		
Emirati dirham	4.9	1.2
Brazilian real	0.0	10.3
Others	3.6	6.7
Forward sales against British pound sterling:		
American dollar	3.2	0.0

As of 31 December 2018, the market value of the foreign exchange financial instruments amounted to €3.4 million compared to €(5.2) million as of 31 December 2017.

The inefficient portion of cash flow hedges is zero as of 31 December 2018 compared to €(0.4) million as of 31 December 2017.

4.16. Trade and other payables (current liabilities)

In million euros	31/12/2018	31/12/2017
Trade payables and other operating liabilities	791.8	742.0
Tax and employee-related liabilities	222.7	203.5
Deferred income	87.0	82.6
Payables on the acquisition of assets	14.9	8.3
Other payables	45.8	56.0
Total	**1,162.2**	**1,092.4**

Operating liabilities have a maturity of one year or less.
The €69.8 million increase as of 31 December 2018 is mainly due to scope effects for €33.0 million and to flows from operating activities for €37.0 million.

4.17. Net income tax payable (current and non-current liabilities)

In million euros	31/12/2018	31/12/2017
Income tax payable	43.4	39.6
Current tax assets	(19.5)	(51.4)
Total	**23.9**	**(11.8)**

The €35.7 million increase in net income tax payable is mainly due to the recovery of the receivable related to the exceptional repayment of the tax on dividends in France.

4.18. Financial assets and liabilities by category

		31/12/2018					
In million euros		Fair value through income statement	Fair value through other comprehensive income	Cash flow hedges and NIH	Amortised cost	Total net carrying amount	Fair value
Financial derivatives (assets)	(1)	4.7	0.2			4.9	4.9
Other financial assets	(2)		0.5		119.8	120.3	120.3
Trade and other receivables (non- current)	(3)				5.6	5.6	5.6
Trade, miscellaneous and other operating receivables (current)	(3)				871.7	871.7	871.7
Cash		97.8				97.8	97.8
Cash equivalents	(4)	14.5				14.5	14.5
Treasury financial assets	(1)	81.2				81.2	81.2
Total financial assets		**198.2**	**0.7**	**0.0**	**997.1**	**1,196.0**	**1,196.0**
Financial debt	(5)				(1,372.6)	(1,372.6)	(1,388.1)
Debt on commitments to purchase non-controlling interests	(2)	(92.4)				(92.4)	(92.4)
Financial derivatives (liabilities)	(1)	(1.4)	(0.1)			(1.5)	(1.5)
Trade and other payables and other operating liabilities (current)	(3)				(843.6)	(843.6)	(843.6)
Other payables (non-current)	(3)				(14.3)	(14.3)	(14.3)
Bank overdrafts		(24.3)				(24.3)	(24.3)
Total financial liabilities		**(118.1)**	**(0.1)**	**0.0**	**(2,230.5)**	**(2,348.7)**	**(2,364.2)**

(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 for the cash held in an escrow account for €36.5 million that is 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 discount rate, being at 1.5% as of 31 December 2018. A decrease of 50 bps of the discount rate would lead to an increase of €4.4 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 €0.2 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 €14.3 million.*

(5) *The fair value measurement of these financial liabilities refers to quoted prices in an active market for bonds for which the fair value amounts to €765.5 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 €622.6 million.*

In million euros		31/12/2017 Fair value through income statement	Fair value through other comprehensive income	Cash flow hedges and NIH	Amortised cost	Total net carrying amount	Fair value
Financial derivatives (assets)	(1)	0.2				0.2	0.2
Other financial assets	(2)		0.6		93.4	94.0	94.0
Trade and other receivables (non- current)	(3)				3.8	3.8	3.8
Trade, miscellaneous and other operating receivables (current)	(3)				775.7	775.7	775.7
Cash		385.3				385.3	385.3
Cash equivalents	(4)	343.0				343.0	343.0
Treasury financial assets	(1)	277.9				277.9	277.9
Total financial assets		**1,006.4**	**0.6**	**0.0**	**872.9**	**1,879.9**	**1,879.9**
Financial debt	(5)				(1,372.6)	(1,372.6)	(1,387.1)
Debt on commitments to purchase non-controlling interests	(2)	(102.0)				(102.0)	(102.0)
Financial derivatives (liabilities)	(1)	(5.4)				(5.4)	(5.4)
Trade and other payables and other operating liabilities (current)	(3)				(793.3)	(793.3)	(793.3)
Other payables (non-current)	(3)				(9.0)	(9.0)	(9.0)
Bank overdrafts		(12.8)				(12.8)	(12.8)
Total financial liabilities		**(120.2)**	**0.0**	**0.0**	**(2,174.9)**	**(2,295.1)**	**(2,309.6)**

(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 for the cash held in an escrow account for €33.9 million that is 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 discount rate, being at 1.5% as of 31 December 2017. A decrease of 50 bps of the discount 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 €0.3 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 €342.7 million.

(5) The fair value measurement of these financial liabilities refers to quoted prices in an active market for bonds for which the fair value amounts to €1,264.5 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 €122.6 million.

5. COMMENTS ON THE INCOME STATEMENT

5.1. Revenue

IFRS revenue increased by 4.0% from €3,060.5 million in 2017 (restated [(1)]) to €3,181.4 million in 2018.
The IFRS advertising revenue stood at €2,861.2 million in 2018 (versus €2,758.9 million in 2017) and the IFRS non-advertising revenue totalled €320.2 million in 2018 (versus €301.6 million in 2017).

(1) See Note 1.2 "Change of accounting methods".

5.2. Net operating expenses

In million euros	2018	2017 Restated (1)
Rent and fees	(1,391.9)	(1,326.9)
Other net operational expenses	(604.4)	(571.3)
Taxes and duties	(6.7)	(6.5)
Staff costs	(654.3)	(631.0)
Direct operating expenses & Selling, general & administrative expenses [(2)]	**(2,657.3)**	**(2,535.7)**
Provision charge net of reversals	**33.6**	**42.6**
Depreciation and amortisation net of reversals	**(277.4)**	**(277.6)**
Impairment of goodwill	**(1.4)**	**0.0**
Maintenance spare parts	**(36.6)**	**(45.3)**
Other operating income	**35.8**	**21.3**
Other operating expenses	**(39.7)**	**(30.2)**
Total	**(2,943.0)**	**(2,824.9)**

(1) See Note 1.2 "Change of accounting methods".
(2) Including €(2,107.4) million in "Direct operating expenses" and €(549.9) million in "Selling, general & administrative expenses" in 2018 (compared to €(2,022.8) million and €(512.9) million in 2017, respectively).

Rent and fees

This item includes rent and fees that the Group pays to landlords, municipal public authorities, airports, transport companies and shopping malls, in return for locations for the advertising business.

In 2018, rent and fees totalled €1,391.9 million:

In million euros	Total	Fixed expenses	Variable expenses
Fees associated with Street Furniture and Transport contracts	(1,240.3)	(878.7)	(361.6)
Rent related to Billboard locations	(151.6)	(125.5)	(26.1)
Total	**(1,391.9)**	**(1,004.2)**	**(387.7)**

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,
- the cost of services and supplies relating to operations,
- the fees and operating costs, excluding staff costs, of various Group services,
- operating lease expenses,
- billboard advertising stamp duties and taxes.

Operating lease expenses, amounting to €55.5 million in 2018, are fixed expenses.

Research and development costs

Research costs and non-capitalised development costs are included in "Other net operational expenses" and in "Staff costs". They amounted to €8.5 million in 2018, compared to €10.3 million in 2017.

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 and retirement expenses.

In million euros	2018	2017
Compensation and other benefits	(531.4)	(507.4)
Social security contributions	(121.9)	(120.8)
Share-based payments (1)	(1.0)	(2.8)
Total	**(654.3)**	**(631.0)**

(1) Including equity settled share-based payments for €(1.0) million in 2018 compared to €(2.8) million of equity settled share-based payments in 2017.

The Group did not grant any bonus share plans in 2018 or in 2017.

Breakdown of stock option plans (1):

	2017 Plan	2016 Plan	2015 Plan	2014 Plan	2012 Plan	2011 Plan
Grant date	13/02/2017	17/02/2016	16/02/2015	17/02/2014	21/02/2012	17/02/2011
Vesting date	13/02/2020	17/02/2019	16/02/2018	17/02/2017	21/02/2015	17/02/2014
Expiry date	13/02/2024	17/02/2023	16/02/2022	17/02/2021	21/02/2019	17/02/2018
Number of beneficiaries	188	270	173	237	215	220
Number of options granted	344,108	866,903	546,304	780,392	1,144,734	934,802
Strike price before adjustment (2)	€29.77	€34.01	€31.29	€31.69	€19.73	€23.49
Strike price after adjustment (2)	N/A	N/A	€31.12	€31.51	€19.62	€23.36
Repricing - Adjustment of the number of options (2)	N/A	N/A	3,145	3,992	2,437	1,015
Number of options outstanding at the end of the period	332,277	809,599	472,623	569,618	113,891	-

(1) The Group did not grant any stock-option plans in 2013 or in 2018.
(2) 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 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	2018	Average share price at the date of exercise	Average strike price	2017	Average share price at the date of exercise	Average strike price
Number of options outstanding at the beginning of the period	2,497,308		€30.98	2,308,080		€30.81
- Options granted during the period				344,108		€29.77
- Options forfeited during the period	53,397		€32.33	25,834		€32.62
- Options exercised during the period	133,649	€31.91	€22.64	129,046	€33.72	€22.59
- Options expired during the period	12,254		€ 23.36			
Number of options outstanding at the end of the period	2,298,008		€31.47	2,497,308		€30.98
Number of options exercisable at the end of the period	**2,187,249**		**€31.65**	**1,991,731**		**€30.80**

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

Assumptions	2017	2016	2015	2014	2012	2011
- Price of underlying at grant date	€30.02	€34.90	€31.75	€31.57	€20.21	€24.00
- Estimated volatility	23.38%	25.56%	25.51%	27.46%	38.41%	36.71%
- Risk-free interest rate	(0.11)%	(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	4.5
- Estimated turnover	4.70%	4.70%	4.70%	4.70%	3.33%	3.33%
- Dividend payment rate (1)	2.21%	1.77%	1.77%	1.42%	2.16%	1.20%
- Fair value of options (2)	€4.32	€6.09	€5.51	€6.42	€5.72	€7.45

(1) Consensus of financial analysts on future dividends (source: Bloomberg).
(2) The fair value does not include the impact of turnover.

The option life retained represents the period from the grant date to Management's best estimate of the most likely date of exercise.
As the Group had more historical data for the valuation of the 2011 to 2017 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 decreased by €9.0 million and amortisation net of reversals decreased by €0.2 million.

Net reversals of provisions mainly correspond in 2018 to reversals of provisions for onerous contracts related to the purchase price allocation (accounting treatment for acquisitions) for €17.5 million, including €16.0 million for Cemusa and €0.6 million for Outfront.

In 2017, net reversals of provisions mainly corresponded to the reversals of provisions for onerous contracts related to the purchase price allocation (accounting treatment for acquisitions) for €22.6 million including €20.7 million for Cemusa and €1.0 million for Outfront.

In 2018, this item included a net reversal of €9.0 million following impairment tests, including €8.4 million of net reversals of depreciation on property, plant and equipment and €0.6 million of net reversals of provisions for onerous contracts.

In 2017, this item included a net depreciation following impairment tests for €(12.3) million of which net amortisation on tangible assets for €(9.4) million and a net depreciation of provision for onerous contract for €(2.9) million.

Goodwill impairment

As of 31 December 2018, a €(1.4) million goodwill impairment was recorded on a company in Latin America.

As of 31 December 2017, no goodwill impairment was recorded.

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	2018	2017
Gain on disposals of financial assets and gain on changes in scope	3.5	4.6
Gain on disposals of intangible assets and PP&E	21.6	12.1
Other management income	10.7	4.6
Other operating income	**35.8**	**21.3**
Loss on disposals of financial assets and loss on changes in scope	(7.8)	(3.4)
Loss on disposals of intangible assets and PP&E	(1.3)	(0.7)
Other management expenses	(30.6)	(26.1)
Other operating expenses	**(39.7)**	**(30.2)**
Total	**(3.9)**	**(8.9)**

In 2018, the gains on disposals of financial assets and income from changes in scope for €3.5 million were in particular related to the impact of the liquidation of a European company for €2.7 million.

In 2017, the gains on disposals of financial assets and income from changes in scope for €4.6 million were mainly related to the price adjustment for Continental.

In 2018, the losses on disposals of financial assets and losses on changes in scope for €(7.8) million mainly concerned the payment of a guarantee related to the acquisitions for €(7.0) million.

In 2017, the losses on disposals of financial assets and losses on changes in scope for €(3.4) million were mainly related to the impact of disposals of subsidiaries in Turkey.

In 2018, other management expenses for €(30.6) million mainly included acquisition costs of €(11.2) million and restructuring costs for €(9.9) million related to the acquisitions.

In 2017, other management expenses for €(26.1) million were mainly related to restructuring costs for €(18.6) million associated notably with the integration of acquisitions and the Vélib' contract in Paris, and to acquisition costs for €(1.8) million.

5.3. Net financial income (loss)

In million euros		2018	2017
Interest income		7.5	6.0
Interest expense		(18.3)	(25.3)
Net interest expense		**(10.8)**	**(19.3)**
Amortised cost impact		**(1.2)**	**(2.2)**
Cost of net financial debt	**(1)**	**(12.0)**	**(21.5)**
Net foreign exchange gains (losses) and hedging costs		**(4.0)**	**(3.3)**
Net discounting losses		**(7.3)**	**(7.0)**
Bank guarantee costs		**(1.8)**	**(2.0)**
Charge to provisions for financial risks		(0.2)	(0.3)
Reversal of provisions for financial risks		0.1	1.2
Provisions for financial risks - Net charge		**(0.1)**	**0.9**
Income on the sale of financial investments		0.1	0.0
Expense on the sale of financial investments		(1.6)	(0.9)
Net income (loss) on the sale of financial investments		**(1.5)**	**(0.9)**
Other		**(0.2)**	**(1.4)**
Other net financial expenses	**(2)**	**(14.9)**	**(13.7)**
Net financial income (loss)	**(3)=(1)+(2)**	**(26.9)**	**(35.2)**
Total financial income		*7.7*	*7.2*
Total financial expenses		*(34.6)*	*(42.4)*

The €8.3 million improvement in net financial income (loss) is mainly due to the decrease in net financial interest in connection with the decrease in average gross indebtedness following the repayment in February 2018 of the €500 million bond issued in February 2013.

5.4. Income tax

Breakdown between deferred and current taxes

In million euros	2018	2017
Current tax	(86.9)	(66.3)
Local tax ("CVAE")	*(5.7)*	*(6.2)*
Other	*(81.2)*	*(60.1)*
Deferred taxes	14.2	(32.4)
Local tax ("CVAE")		
Other	*14.2*	*(32.4)*
Total	**(72.7)**	**(98.7)**

The effective tax rate before impairment of goodwill and the share of net profit of companies under the equity method was 34.1% in 2018 and 49.3% in 2017. Excluding the discounting and revaluation impacts of debts on commitments to purchase non-controlling interests, the effective tax rate was 33.9% in 2018 and 48.7% in 2017.

Breakdown of deferred tax

In million euros	2018	2017
Intangible assets, PP&E and provisions for onerous contracts	5.6	(15.0)
Tax losses carried forward	12.5	7.7
Provisions for dismantling costs	1.0	(4.1)
Provisions for retirement and other benefits	(0.6)	0.7
Deferred rent	(4.1)	(17.6)
Other	(0.2)	(4.1)
Total	**14.2**	**(32.4)**

Tax proof

In million euros	2018	2017
Consolidated net income	**236.9**	**202.0**
Income tax charge	(72.7)	(98.7)
Consolidated income before tax	**309.6**	**300.7**
Share of net profit of companies under the equity method	(98.1)	(100.3)
Impairment of goodwill	1.4	
Taxable dividends received from subsidiaries	4.7	7.7
Other non-taxable income	(37.7)	(42.6)
Other non-deductible expenses	73.4	59.3
Net income before tax subject to the standard tax rate	**253.3**	**224.8**
Weighted Group tax rate (1)	23.56%	23.27%
Theoretical tax charge	**(59.7)**	**(52.3)**
Deferred tax on unrecognised tax losses	(22.4)	(14.3)
Capitalisation and use of unrecognised prior year tax losses carried forward	13.4	4.9
Other deferred tax (temporary differences and other restatements)	6.7	(40.8)
Tax credits	3.8	3.5
Withholding tax	(2.2)	(3.6)
Tax on dividends	(1.2)	15.2
Other	(5.4)	(5.1)
Income tax calculated	**(67.0)**	**(92.5)**
Net Local tax ("CVAE")	(5.7)	(6.2)
Income tax recorded	**(72.7)**	**(98.7)**

(1) National average tax rates weighted by taxable income.

In 2017, the other deferred tax amounting to €(40.8) million was mainly due to the change in the deferred tax rate in the United States from 42.0% to 28.5%.

In 2017, the tax on dividends amounting to €15.2 million was mainly due to the exceptional refund of the tax on dividends to be received in France.

5.5. Share of net profit of companies under the equity method

In 2018, the share of net profit of associates totalled €18.3 million compared to €22.0 million in 2017, and the share of net profit of joint ventures under the equity method totalled €79.8 million in 2018 compared to €78.3 million in 2017.
In 2018 and in 2017, no impairment loss was booked.

The information related to joint ventures and to associates is described in Note 10 “Information on joint ventures” and in Note 11 “Information on associates”.

5.6. Headcount

As of 31 December 2018, the Group had 11,833 employees, compared to 11,772 employees as of 31 December 2017. These figures do not include the share of employees of joint ventures which represents 1,201 employees and 1,266 employees, respectively, as of 31 December 2018 and 31 December 2017.

The breakdown of employees for the years 2018 and 2017 is as follows:

	2018	2017
Technical	6,074	6,279
Sales and marketing	2,918	2,727
IT and administration	2,122	2,050
Contract business relations	545	554
Research and development	174	162
Total	**11,833**	**11,772**

The breakdown of employees of joint ventures for the years 2018 and 2017 is as follows:

	2018	2017
Technical	545	596
Sales and marketing	373	372
IT and administration	247	261
Contract business relations	36	37
Research and development	0	0
Total	**1,201**	**1,266**

5.7. Number of shares for the earnings per share (EPS)/diluted EPS calculation

	2018	2017
Weighted average number of shares for the purposes of earnings per share	**212,765,223**	**212,568,746**
Weighted average number of stock options potentially convertibles	2,357,804	2,612,865
Weighted average number of stock options which would not be exercised at strike price (1)	(2,314,076)	(2,409,854)
Weighted average number of shares for the purposes of diluted earnings per share	**212,808,951**	**212,771,757**

(1) 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. Auditors' fees

In 2018, the amount of the audit fees was as follows:

In thousand euros	EY et Autres	KPMG Audit
Audit of statutory and consolidated accounts and limited audit	1,775	1,604
JCDecaux SA and its french subsidiaries (1)	*512*	*441*
Others controlled entities (1)	*1,263*	*1,163*
Non-audit services	204	162
JCDecaux SA and its french subsidiaries (2)	*127*	*63*
Others controlled entities	*77*	*99*
Total	**1,979**	**1,766**

(1) The controlled entities taken into account are fully consolidated subsidiaries.
(2) The services provided cover the non-audit services required by the legal and regulatory texts as well as the ones requested by the entity. The targeted services concern the ones falling within the scope of the services usually returned in the extension of the statutory audit mission (drafting of particular attestations, carrying out of agreed procedures, acquisition due diligences).

In 2017, the amount of the audit fees was as follows:

In thousand euros	EY et Autres	KPMG Audit
Audit of statutory and consolidated accounts and limited audit	1,919	1,916
JCDecaux SA and its french subsidiaries (1)	*599*	*538*
Others controlled entities (1)	*1,320*	*1,378*
Non-audit services	148	122
JCDecaux SA and its french subsidiaries (2)	*91*	*23*
Others controlled entities	*57*	*99*
Total	**2,067**	**2,038**

(1) The controlled entities taken into account are fully consolidated subsidiaries.
(2) The services provided cover the non-audit services required by the legal and regulatory texts as well as the ones requested by the entity. The targeted services concern the ones falling within the scope of the services usually returned in the extension of the statutory audit mission (drafting of particular attestations, carrying out of agreed procedures, acquisition due diligences).

6. COMMENTS ON THE STATEMENT OF CASH FLOWS

6.1. Net cash flows from operating activities

In 2018, net cash flows from operating activities for €400.7 million comprised:

- operating cash flows generated by EBIT and other financial income and expenses, adjusted for non-cash items, for a total of €559.2 million,
- a change in the working capital of €(84.4) million,
- and the payment of net financial interest and tax of €(21.0) million and €(53.1) million, respectively.

In 2017, net cash flows from operating activities of €434.2 million included the operating cash flows generated by EBIT and other financial income and expenses, adjusted for non-cash items, for a total of €533.3 million, the change in the working capital of €22.7 million, the payment of net financial interest of €(19.8) million and the payment of tax of €(102.0) million.

6.2. Net cash flows from investing activities

In 2018, net cash flows from investing activities for €(966.0) million comprised:

- cash payments on acquisitions of intangible assets and PP&E for €(309.8) million (including €0.2 million of change in payables and receivables on intangible assets and PP&E),
- cash receipts on proceeds on disposals of intangible assets and PP&E for €37.7 million,
- cash payments on acquisitions of long-term investments net of cash receipts and net of cash acquired and sold for a total of €(669.1) million (including a €2.7 million change in payables and receivables on financial investments and €7.7 million of net cash acquired and sold). This amount mainly comprised the takeovers of the group APN Outdoor (Australia and New Zealand) and the company Stoc SA de CV (Mexico) as well as the repayment of the price adjustment related to the acquisition of Continental. The amount related to takeovers represented €(680.5) million including €8.2 million of net cash acquired,
- acquisitions of other financial assets net of disposals for a total of €(24.8) million. This amount is mainly due to the escrow account in Belgium as part of the ongoing acquisition of Publiroute.

In 2017, net cash flows from investing activities for €(270.6) million included the cash payments on acquisitions of intangible assets and PP&E net of cash receipts for a total of €(274.8) million, the cash payments on acquisitions of long-term investments net of cash receipts and net of cash acquired (for €7.7 million) for €(0.7) million (including €(4.7) million of change in payables and receivables on financial investments) and disposals of other financial assets net of acquisitions for €4.9 million.

6.3. Net cash flows from financing activities

In 2018, net cash flows from financing activities for €(55.4) million comprised:

- net cash flows on borrowings of the controlled entities for €(107.4) million,
- dividends paid to the JCDecaux SA's shareholders for €(119.1) million and the payment of dividends by controlled companies of the Group to their minority shareholders for €(16.6) million,
- disposals of treasury financial assets for €199.0 million,
- cash payments on acquisitions of non-controlling interests for €(15.3) million,
- capital increase for €4.0 million.

In 2017, net cash flows from financing activities amounted to €(133.9) million, and concerned payment of dividends for €(131.7) million, the cash payments on acquisitions of non-controlling interests for €(12.3) million, acquisitions of treasury financial assets for €(0.9) million, net cash flows on borrowings for €9.9 million and capital increases net of decreases for €1.1 million.

6.4. Reconciliation between the cash flows and the change in net financial debt

In million euros			2018	2017
Net Financial Debt as of 1 January	**(1)**	**§ 4.13**	**384.4**	**418.6**
Net cash flows from operating activities	(2)		(400.7)	(434.2)
Net cash flows from investing activities excluding net cash acquired and / or sold (*)	(3)		973.7	278.3
Net cash flows from financing activities excluding changes in financial debts and treasury financial assets (**)	(4)		147.0	142.9
Total net cash flows	**(5)=(2)+(3)+(4)**		**720.0**	**(13.0)**
Translation differences, net impact of IFRS9, consolidation scope variations, increase in finance lease debts and reclassifications on the net financial debt (***)	(6)		103.3	(13.5)
Net cash acquired and / or sold	(7)		(7.7)	(7.7)
Change in net financial debt	**(8)=(5)+(6)+(7)**		**815.6**	**(34.2)**
Net Financial Debt as of 31 December	**(9)=(1)+(8)**	**§ 4.13**	**1,200.0**	**384.4**

(*) Including €272.1 million related to the net cash flows from intangible assets and PP&E and €701.6 million related to the net cash flows from financial investments (excluding net cash acquired and/or sold and net cash payments on acquisitions and disposals of non-controlling interests) in 2018, compared to €274.8 million and €3.5 million, respectively, in 2017.

(**) Including €15.3 million related to the net cash payments on acquisitions and disposals of non-controlling interests in 2018, compared to €12.3 million in 2017.

(***) Mainly including €107.5 million of consolidation scope variations, €(3.4) million of translation differences, €6.2 million of increase in finance lease debts and €(8.9) million of variations related to the interests on financial debts in 2018 compared to €(27.4) million of reclassification of a joint venture's loan into equity, €9.7 million of increase in finance lease debts and €3.7 million of translation differences in 2017.

6.5. Non-cash transactions

The increase in property, plant & equipment and financial debts related to finance lease contracts amounted to €6.2 million in 2018, compared to €9.7 million in 2017.

Non-cash transactions related to the acquisitions of long-term investments in 2018 were not significant.

Non-cash transactions related to the asset swaps in 2017 represented €(33.7) million in the net cash flows from investing activities and €33.7 million in the net cash flows from 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 risks management policies

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 (*)	2019	2020	2021	2022	> 2022
Bonds	1,047.6	1,088.0	7.6	307.9	7.5	7.5	757.5
NEU CP (Commercial Paper)	220.0	220.0	220.0	0.0	0.0	0.0	0.0
Bank borrowings at floating rate	43.3	46.6	42.2	1.7	1.6	1.1	0.0
Bank borrowings at fixed rate	1.4	1.5	1.5	0.0	0.0	0.0	0.0
Miscelleanous borrowings	35.4	37.0	30.6	0.3	4.1	0.2	1.8
Finance lease debts	20.1	20.1	7.3	3.3	3.3	3.4	2.8
Accrued interest (*)	4.8	0.0	0.0	0.0	0.0	0.0	0.0
Bank overdrafts	24.3	24.3	24.3	0.0	0.0	0.0	0.0
Total financial liabilities excluding derivatives	**1,396.9**	**1,437.5**	**333.5**	**313.2**	**16.5**	**12.2**	**762.1**
Foreign exchange hedges	3.4	3.4	3.4	0.0	0.0	0.0	0.0
Total financial instruments (**)	**3.4**	**3.4**	**3.4**	**0.0**	**0.0**	**0.0**	**0.0**

For revolving debt, the nearest maturity is indicated.
(*) The interest amounts are included in the contractual cash flows in each type of borrowing.
(**) 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 to its subsidiaries. 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,
- optimising the cost of net debt by recycling excess cash 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 5 July 2018, and Standard and Poor's on 5 September 2018), with a stable outlook for both ratings.

As of 31 December 2018, the net financial debt (excluding debt on commitments to purchase non-controlling interests) was €1,200.0 million compared to €384.4 million as of 31 December 2017.
JCDecaux SA carries 94% of Group financial debt which has an average maturity of approximately 2.6 years.

As of 31 December 2018, the Group has €193.5 million of cash, cash equivalents and treasury financial assets (see Note 4.9 "Managed Cash") and €863.2 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 from which the funds cannot be immediately repatriated, 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
By its debt, the Group is exposed to interest rate fluctuations. 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 2018:

		31/12/2018			
In million euros		≤ 1 year	> 1 year & ≤ 5 years	> 5 years	Total
JCDecaux SA borrowings		(543.4)	(750.0)		(1,293.4)
Other borrowings		(67.8)	(10.0)	(5.8)	(83.6)
Bank overdrafts		(24.3)			(24.3)
Financial liabilities	**(1)**	**(635.5)**	**(760.0)**	**(5.8)**	**(1,401.3)**
Cash and cash equivalents		112.3			112.3
Treasury financial assets		81.2			81.2
Other financial assets		119.8			119.8
Financial assets	**(2)**	**313.3**	**0.0**	**0.0**	**313.3**
Net position	**(3)=(1)+(2)**	**(322.2)**	**(760.0)**	**(5.8)**	**(1,088.0)**

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 2018, 72% of the Group's total economic financial debt, all currencies considered, was at fixed rate.

Foreign exchange risk
In 2018, net income generated in currencies other than the euro accounted for 57.4% of the Group's consolidated net income.
Despite its presence in more than 80 countries, the JCDecaux Group is relatively immune to currency variations in terms of cash flows, as subsidiaries in each country do business solely in their own country and inter-company services and purchases are relatively insignificant.
However, as the Group presentation currency 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 2018 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 British pound sterling, the Swiss franc and the American dollar:

	Chinese yuan	British sterling pound	Swiss franc	American dollar
Share of the currencies in the consolidated net income	**30.7%**	**5.4%**	**4.9%**	**(9.6%)**
Impact on consolidated income	(3.1%)	(0.5%)	(0.5%)	1.0%
Impact on consolidated reserves (1)	(0.8%)	(0.9%)	(0.1%)	0.4%

(1) The Australian dollar has a significant share in the Group's equity, the impact of a (10)% change in the exchange rate on consolidated reserves is 2.7%.

As of 31 December 2018, 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 inter-company transactions when hedging arrangements are (i) too costly, (ii) not available, or (iii) when loan amounts are too small.
As of 31 December 2018, the Group considers that its earnings and financial position would not be materially affected by currency fluctuations.

Management of cash and treasury financial assets
As of 31 December 2018, the Group has €193.5 million of cash, cash equivalents and treasury financial assets, which includes €112.3 million of cash and cash equivalents (including €14.5 million in cash equivalents) and €81.2 million of treasury financial assets. €8.6 million of the total of cash and cash equivalents is 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 solely uses financial instruments 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 €750 million bond issued in June 2016 and the €300 million bond issued in October 2018 both include in their terms and conditions a change of control clause giving bond holders the possibility to request early repayment in the event of a change of control when accompanied by a downgrade of the credit rating to speculative grade or a credit rating exit. The Group’s other primary financing sources (financing raised by the parent company), as well as the main 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 risk relates to the investment of the Group’s excess cash 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 within the Group by centralising the subsidiaries’ available cash at JCDecaux SA level as much as possible, (ii) obtaining prior authorisation from the Group’s Finance Department before 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 2.2% of the Group’s revenue.

Risk related to securities and term deposits
In order to generate interest 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	31/12/2018	31/12/2017
Commitments given (1)		
Business guarantees	482.6	454.6
Other guarantees	22.4	14.8
Pledges, mortgages and collateral	9.9	9.2
Commitments on securities (put options granted)	0.3	1.0
Total	**515.2**	**479.6**
Commitments received		
Securities, endorsements and other guarantees	0.0	0.0
Commitments on securities (call options received)	5.3	6.5
Credit facilities	863.2	855.8
Total	**868.5**	**862.3**

(1) Excluding commitments relating to lease, rent and minimum and fixed 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.

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 €38.2 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 advertising business in return for locations and collect the related revenue, in consideration of 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 (1)	Total
Minimum and fixed franchise payments associated with Street Furniture or Transport contracts	932,3	2 922,1	1 709,5	5 563,9
Rent related to Billboard locations	104,1	257,6	127,6	489,3
Operating leases	42,1	86,7	65,1	193,9
Total	**1 078,5**	**3 266,4**	**1 902,2**	**6 247,1**

(1) Until 2043.

The amount related to these commitments amounted to €5,460.1 million as of 31 December 2017.

The increase, in 2018, compared to the amount of €5,460.1 million reported as of 31 December 2017 is mainly due to the gains and renewals of contracts and the effect of acquisitions partially offset by the rents and fees due for the year and the translation differences.

8.3. Commitments to purchase assets

Commitments to purchase property, plant and equipment and intangible assets totalled €418.6 million as of 31 December 2018 compared to €452.4 million as of 31 December 2017.

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	2018				2017			
	Companies under the EM (1)	Parent Companies (2)	Other	Total	Companies under the EM (1)	Parent Companies (2)	Other	Total
Statement of financial position								
Assets								
Loans and loans to participating interests (*)	51.2			51.2	52.7			52.7
Other reveivables	32.4	0.3	2.4	35.1	27.9	0.2	2.4	30.5
Total Assets	**83.6**	**0.3**	**2.4**	**86.3**	**80.6**	**0.2**	**2.4**	**83.2**
Liabilities								
Financial debts and debt on commitments to purchase non-controlling interests (3)	29.4	94.0		123.4	22.5	103.5		126.0
Other liabilities	6.8	6.1	4.9	17.8	5.9	5.8	1.2	12.9
Total Liabilities	**36.2**	**100.1**	**4.9**	**141.2**	**28.4**	**109.3**	**1.2**	**138.9**
Income Statement								
EBIT								
Income	49.9	0.1	3.7	53.7	49.2	0.1	4.3	53.6
Expenses	(11.4)	(7.5)	(14.2)	(33.1)	(11.4)	(7.6)	(13.4)	(32.4)
EBIT	**38.5**	**(7.4)**	**(10.5)**	**20.6**	**37.8**	**(7.5)**	**(9.1)**	**21.2**
Net financial income (loss)								
Income	2.3			2.3	2.1			2.1
Expenses (4)	(0.7)	(2.0)		(2.7)	(1.1)	(2.1)		(3.2)
Net financial income (loss)	**1.6**	**(2.0)**	**0.0**	**(0.4)**	**1.0**	**(2.1)**	**0.0**	**(1.1)**

(*) Including accrued interest.
(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 €92.4 million as of 31 December 2018 compared to €102.0 million as of 31 December 2017.
(4) Including €(1.8) million in 2018 and €(2.1) million in 2017 of net expenses of revaluation and discounting on debt on commitments to purchase non-controlling interests.

The off-balance sheet commitments with related parties amounted to €78.9 million as of 31 December 2018, primarily including commitments relating to rents for buildings held by related parties for €42.0 million and 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 2018 and 2017 breaks down as follows:

In million euros	2018	2017
Short-term benefits	7.6	7.0
Fringe benefits	0.3	0.2
Directors' fees	0.0	0.0
Life insurance/special pension	0.1	0.1
Share-based payments	0.0	0.1
Total (*)	**8.0**	**7.4**

(*) Compensations received from associates are excluded.

In addition, 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 recognised in liabilities in the statement of financial position amounted to €3.5 million as of 31 December 2018, compared to €3.1 million as of 31 December 2017.
Directors’ fees owed to members of the Supervisory Board amounted to €0.4 million for the year 2018.

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 2018

10.1.1.1. Net income

The 2018 net income of the joint ventures and reconciliation with the income statement of the consolidated financial statements for 2018 are as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Net Income [(1)]	**30.4**	**144.7**	**4.4**	**179.5**
Impact of application of the holding percentage	(14.8)	(82.6)	(2.3)	(99.7)
Impairment of joint ventures				0.0
Share of net profit of joint ventures	**15.6**	**62.1**	**2.1**	**79.8**

(1) 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 2018 revenue for the joint ventures and reconciliation with their contribution in the consolidated adjusted revenue for 2018 are as follows:

In million euros	Revenue
Street Furniture	**116.2**
Transport	**616.4**
Billboard	**182.9**
Total [(1)]	**915.5**
Impact of application of the holding percentage	(464.2)
Elimination of the transactions inter-activities & with controlled entities	(1.6)
Contribution of the joint ventures in the Consolidated adjusted Revenue	**449.7**

(1) 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 2018 that are characteristic of the joint ventures are as follows [(1)]:

In million euros	Street Furniture	Transport	Billboard
Depreciation, amortisation and provisions (net)	(8.0)	(15.8)	(21.6)
Cost of net financial debt	0.0	2.6	(16.8)
Income tax	(4.9)	(49.5)	(5.0)

(1) 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 2017

10.1.2.1. Net income

The 2017 net income of the joint ventures and reconciliation with the income statement of the consolidated financial statements for 2017 are as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Net Income [(1)]	**27.5**	**138.4**	**(1.2)**	**164.7**
Impact of application of the holding percentage	(13.4)	(76.5)	3.5	(86.4)
Impairment of joint ventures				0.0
Share of net profit of joint ventures	**14.1**	**61.9**	**2.3**	**78.3**

(1) 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 2017 revenue of the joint ventures and reconciliation with their contribution in the consolidated adjusted revenue for 2017 are as follows:

In million euros	Revenue
Street Furniture	**116.0**
Transport	**592.3**
Billboard	**186.9**
Total [(1)]	**895.2**
Impact of application of the holding percentage	(448.7)
Elimination of the transactions inter-activities & with controlled entities	(1.4)
Contribution of the joint ventures in the Consolidated adjusted Revenue	**445.1**

(1) 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 2017 that are characteristic of the joint ventures are as follows [(1)]:

In million euros	Street Furniture	Transport	Billboard
Depreciation, amortisation and provisions (net)	(8.8)	(14.7)	(18.8)
Cost of net financial debt	0.9	2.5	(20.7)
Income tax	(9.0)	(48.3)	(3.3)

(1) 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 2018

Other 2018 comprehensive income for the joint ventures and reconciliation with the statement of other comprehensive income of the consolidated financial statements for 2018 are as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Other comprehensive income [(1)]	**2.2**	**1.6**	**3.8**	**7.6**
Impact of application of the holding percentage	(1.1)	(0.9)	(2.5)	(4.5)
Translation reserve adjustments on impairment of joint ventures	0.0	0.0	(0.3)	(0.3)
Translation reserve adjustments on goodwill & elimination of shares	0.3	(0.6)	(6.3)	(6.6)
Share of other comprehensive income of the joint ventures	**1.4**	**0.1**	**(5.3)**	**(3.8)**

(1) 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 2017

Other 2017 comprehensive income for the joint ventures and reconciliation with the statement of other comprehensive income of the consolidated financial statements for 2017 are as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Other comprehensive income [(1)]	**(9.4)**	**(5.8)**	**(2.1)**	**(17.3)**
Impact of application of the holding percentage	4.7	2.9	0.8	8.4
Translation reserve adjustments on impairment of joint ventures	0.0	0.0	0.8	0.8
Translation reserve adjustments on goodwill & elimination of shares	(0.5)	(4.6)	(3.9)	(9.0)
Share of other comprehensive income of the joint ventures	**(5.2)**	**(7.5)**	**(4.4)**	**(17.1)**

(1) 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 2018

10.3.1.1 Net assets

Net assets [(1)] as of 31 December 2018 of the joint ventures and reconciliation with the statement of financial position of the consolidated financial statements as of 31 December 2018 are as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Non-current assets	63.9	85.5	169.2	318.6
Current assets	90.0	390.4	63.9	544.3
Non-current liabilities	(17.3)	(6.6)	(77.0)	(100.9)
Current liabilities	(80.5)	(228.6)	(159.3)	(468.4)
Net assets [(1)]	**56.1**	**240.7**	**(3.2)**	**293.6**
Impact of application of the holding percentage	(27.8)	(116.0)	4.2	(139.6)
Impairment of joint ventures		(0.2)	(9.5)	(9.7)
Goodwill and elimination of shares held by joint ventures	12.6	69.2	48.4	130.2
Negative Net Equity limitation			8.8	8.8
Investments under the equity method	**40.9**	**193.7**	**48.7**	**283.3**

(1) 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 2018 characteristic of the joint ventures are as follows [(1)]:

In million euros	Street Furniture	Transport	Billboard
Cash and cash equivalents net of bank overdrafts	(23.2)	221.6	18.0
Financial debt (non-current)	(5.1)	(0.1)	(68.6)
Financial debt (current)	(0.2)	(1.1)	(128.2)

(1) 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 2017

10.3.2.1. Net assets

Net assets [(1)] as of 31 December 2017 of the joint ventures and reconciliation with the statement of financial position of the consolidated financial statements as of 31 December 2017 are as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Non-current assets	70.2	84.8	206.6	361.6
Current assets	78.5	339.3	52.1	469.9
Non-current liabilities	(18.9)	(6.5)	(81.4)	(106.8)
Current liabilities	(71.0)	(190.8)	(186.4)	(448.2)
Net assets [(1)]	**58.8**	**226.8**	**(9.1)**	**276.5**
Impact of application of the holding percentage	(29.1)	(107.0)	9.6	(126.5)
Impairment of joint ventures		(0.2)	(9.3)	(9.5)
Goodwill and elimination of shares held by joint ventures	15.0	69.8	54.7	139.5
Negative Net Equity limitation			8.7	8.7
Investments under the equity method	**44.7**	**189.4**	**54.6**	**288.7**

(1) 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 2017 characteristic of the joint ventures are as follows [1]:

In million euros	Street Furniture	Transport	Billboard
Cash and cash equivalents net of bank overdrafts	(14.9)	184.8	6.6
Financial debt (non-current)	(5.6)	(0.1)	(74.7)
Financial debt (current)	(0.2)	(1.0)	(144.6)

(1) 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 2018 break down as follows:

In million euros	Street Furniture	Transport	Billboard
Dividends received	17.6	59.1	1.7

The dividends received from the joint ventures for the year 2017 break down as follows:

In million euros	Street Furniture	Transport	Billboard
Dividends received	17.1	53.1	2.3

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:

	2018	2017
In million euros	APG|SGA SA	APG|SGA SA
Revenue	**261.6**	**270.5**
Net income (1)	**38.0**	**55.9**
Impact of application of the holding percentage	(26.6)	(39.1)
Impairment of associates	0.0	0.0
Share of net profit of associates	**11.4**	**16.8**

(1) IFRS data on a 100% basis.

The contribution of the other companies in the share of net profit of associates totalled €6.9 million in 2018 and €5.2 million in 2017.

11.2. Statement of financial position items

Statement of financial position items(1) 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 2018 and as of 31 December 2017 are as follows:

	2018	2017
In million euros	APG|SGA SA	APG|SGA SA
Assets	203.7	222.8
Liabilities	(91.4)	(96.1)
Equity	**112.3**	**126.7**
Impact of application of the holding percentage	(78.6)	(88.8)
Impairment of associates	0.0	0.0
Goodwill	82.9	82.9
Investments in associates	**116.6**	**120.8**

(1) IFRS data on a 100% basis.

The contribution of other companies in investments in associates in the statement of financial position totalled €68.3 million and €66.5 million as of 31 December 2018 and as of 31 December 2017.

The valuation of 30% of APG|SGA SA at the 28 December 2018 share price amounts to €263.6 million.

11.3. Other items

The dividends received from associates for the years 2018 and 2017 break down as follows:

	2018			2017		
In million euros	APG|SGA SA	other companies	Total	APG|SGA SA	other companies	Total
Dividends received	19.4	5.7	**25.1**	19.8	2.6	**22.4**

12. SCOPE OF CONSOLIDATION

12.1. Identity of the parent company

As of 31 December 2018, JCDecaux Holding holds 63.93% of the share capital of JCDecaux SA.

12.2. List of consolidated companies

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
STREET FURNITURE					
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	100.00	F	100.00
MEDIA PUBLICITE EXTERIEURE		France	100.00	F	100.00
WALL GmbH	(1)	Germany	100.00	F	100.00
DSM DECAUX GmbH		Germany	50.00	E*	50.00
STADTREKLAME NÜRNBERG GmbH		Germany	35.00	E	35.00
DIE DRAUSSENWERBER GmbH		Germany	100.00	F	100.00
SKY HIGH TG GmbH		Germany	100.00	F	100.00
REMSCHEIDER GESELLSCHAFT FÜR STADTVERKEHRSANLAGEN GbR.		Germany	50.00	E*	50.00
JCDecaux ARGENTINA S.A.		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	100.00	F	100.00
JCDecaux CITYCYCLE AUSTRALIA Pty Ltd		Australia	100.00	F	100.00
ARGE AUTOBAHNWERBUNG GmbH		Austria	67.00	F	100.00
DIGITAL OUT OF HOME OO GmbH		Austria	33.50	E*	50.00
JCDecaux AZERBAIJAN LLC		Azerbaidjan	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
CITY BUSINESS MEDIA		Belgium	100.00	F	100.00
JCDecaux MALLS		Belgium	73.36	F	73.36
JCDecaux DO BRASIL LTDA (previously JCDecaux DO BRASIL S.A.)		Brazil	100.00	F	100.00
JCDecaux SALVADOR MOBILIARIO URBANO LTDA (previously JCDecaux SALVADOR S.A.)		Brazil	100.00	F	100.00
JCDecaux LATAM SERVIÇOS DE MANAGEMENT LTDA		Brazil	100.00	F	100.00
CONCESSIONARIA A HORA DE SÃO PAULO LTDA	(1)	Brazil	100.00	F	86.67
CEMUSA BRASILIA S.A.		Brazil	100.00	F	100.00
CEMUSA AMAZONIA Ltda		Brazil	100.00	F	100.00
CEMUSA RIO S.A.		Brazil	100.00	F	100.00
CEMUSA SALVADOR MOBILIARIO URBANO LTDA (previously CEMUSA SALVADOR S.A.)		Brazil	100.00	F	100.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
WALL SOFIA EOOD		Bulgaria	50.00	E*	50.00
OUTFRONT JCDecaux STREET FURNITURE CANADA, Ltd		Canada	50.00	E*	50.00
JCDecaux COMUNICACION EXTERIOR CHILE S.A. (previously STAND OFF S.A.)	(1) & (25)	Chile	100.00	F	100.00
JCDecaux PEARL&DEAN OUTDOOR ADVERTISING (CHINA) Co. Ltd		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		China	100.00	F	100.00
BEIJING JCDecaux PEARL & DEAN Advertising Co.,Ltd		China	100.00	F	100.00
EQUIPAMIENTOS URBANOS NACIONALES DE COLOMBIA SAS	(25)	Colombia	75.00	F	75.00
LLEGA S.A.S.	(25)	Colombia	75.00	F	100.00
JCDecaux KOREA Inc.		South Korea	80.00	F	80.00
EQUIPAMIENTOS URBANOS DE COSTA RICA S.A.	(25)	Costa Rica	72.75	F	100.00
JCDecaux COTE d'IVOIRE		Ivory Coast	50.00	E*	50.00
AFA JCDecaux A/S		Denmark	50.00	F	50.00
JCDecaux STREET FURNITURE FZ LLC		United Arab Emirates	100.00	F	100.00
JCDecaux DXB MEDIA FZ LLC		United Arab Emirates	75.00	F	75.00
JCDecaux ECUADOR SA.		Ecuador	100.00	F	100.00
JCDecaux ESPANA SLU (previously EL MOBILIARIO URBANO SLU)	(1)	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 SL.	(25)	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
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 STREET 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		Gabon	40.00	E*	40.00
JCDecaux GUATEMALA, S.A.	(25)	Guatemala	72.75	F	100.00
VISTA CENTROAMERICANA S.A.	(14) & (25)	Guatemala	72.75	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

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
IMMENSE PRESTIGE		Hong Kong	100.00	F	100.00
BUS FOCUS Ltd	(4) & (13) & (36)	Hong Kong	40.00	E	40.00
VBM VAROSBUTOR ES MEDIA Kft.		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	(4) & (34)	Iceland	50.00	F	100.00
JCDecaux ISRAEL Ltd		Israel	92.00	F	92.00
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.	(25)	Mexico	100.00	F	100.00
SERVICIOS DE COMERCIALIZACION DE PUBLICIDAD, S.A. DE C.V.	(25)	Mexico	100.00	F	100.00
SERVICIO Y TECNOLOGIA ESPECIALIZADA, S.A. DE C.V.	(25)	Mexico	63.70	F	100.00
MEDIOS DE PUBLICIDAD S.A. DE C.V.	(25)	Mexico	63.70	F	100.00
EQUIPAMIENTOS URBANOS DE LA PENINSULA, S.A. DE C.V.	(25)	Mexico	63.70	F	100.00
JCDecaux OUT OF HOME MEXICO SA de CV	(25)	Mexico	63.70	F	63.70
ESCATO URBANO, S.A. DE C.V.	(25)	Mexico	63.70	F	100.00
STOC SA DE CV	(25) & (26) & (31)	Mexico	63.70	F	100.00
FMIDecaux Co., Ltd.		Myanmar	60.00	F	60.00
JCDecaux OMAN	(1) & (5)	Oman	100.00	F	100.00
JCDecaux UZ		Uzbekistan	72.26	F	72.26
JCDecaux PANAMA, S.A.	(1) & (25)	Panama	72.75	F	100.00
JCDecaux CENTRAL AMERICA HOLDING S.A.	(25)	Panama	100.00	F	100.00
JCDecaux Top Media SA	(25)	Panama	72.75	F	72.75
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, SAS. (previously JCDecaux DOMINICANA, S.A.)	(25)	Dominican Rep.	100.00	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

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
VIOOH LIMITED	(1) & (3) & (21)	United Kingdom	93.50	F	93.50
JCDecaux EL SALVADOR, S.A. DE C.V.	(25)	Salvador	72.75	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
JCDecaux URUGUAY	(6)	Uruguay	100.00	F	100.00
JCDecaux URUGUAY SA		Uruguay	100.00	F	100.00
JCDecaux OOH URUGUAY SA		Uruguay	100.00	F	100.00
PUBLIBUS SA	(25)	Uruguay	100.00	F	100.00
TRANSPORT					
MEDIA AEROPORTS DE PARIS		France	50.00	E*	50.00
METROBUS		France	33.00	E	33.00
JCDecaux SPG OUTDOOR ADVERTISING (PTY) LTD (previously 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	(2)	Germany	87.82	F	87.82
JCDecaux ATA SAUDI LLC		Saudi Arabia	60.00	F	60.00
BUSPAK ADVERTISING GROUP PTY LTD	(3) & (33)	Australia	100.00	F	100.00
GSP PRINT PTY LTD	(3) & (33)	Australia	100.00	F	100.00
INFOSCREEN AUSTRIA GmbH		Austria	67.00	F	100.00
JCDecaux AIRPORT BELGIUM	(15)	Belgium	100.00	F	100.00
CEMUSA DO BRASIL LTDA		Brazil	100.00	F	100.00
JCDecaux MIDIA AEROPORTOS LTDA		Brazil	100.00	F	100.00
JCDecaux CAMEROUN		Cameroon	50.00	E*	50.00
JCDecaux CHILE SA	(1) & (25)	Chile	100.00	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	(30)	China	90.00	E*	38.00
JCDecaux ADVERTISING (SHANGHAI) Co. Ltd		China	100.00	F	100.00
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		China	30.00	E	30.00
SHANGHAI SHENTONG JCDecaux METRO ADVERTISING Co. Ltd		China	60.00	E*	51.00
NANJING METRO JCDecaux ADVERTISING Co., Ltd		China	100.00	F	100.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
JCDecaux ADVERTISING CHONGQING Co., Ltd		China	80.00	F	80.00
SUZHOU JCDecaux 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		China	49.00	E*	49.00
GUANGZHOU JCDECAUX AEROTROPOLIS ADVERTISING Co.,Ltd		China	100.00	F	100.00
TIANJIN METRO JCDecaux ADVERTISING Co., Ltd	(3)	China	60.00	E*	60.00
JCDecaux DICON FZCO		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 TRANSPORT, S.L.U.	(27)	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
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	(22)	United States	100.00	F	100.00
JCDecaux AIRPORT DALLAS FORT WORTH, LLC		United States	97.50	F	97.50
JCDecaux PEARL & DEAN Ltd		Hong Kong	100.00	F	100.00
JCDecaux OUTDOOR ADVERTISING HK Ltd	(2)	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	(2) & (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	(2)	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 NORGE AS	(1)	Norway	97.69	F	100.00
AEROTOP, S.A.	(25)	Panama	72.75	F	100.00
CITY BUS TOP, S.A.	(25)	Panama	58.20	F	80.00
PUBLICIDAD AEROPUERTO DE TOCUMEN S.A.	(25)	Panama	72.75	F	100.00
JCDecaux AEROPUERTO DE LIMA SAC	(23)	Peru	100.00	F	100.00
JCDecaux PERU SAC (previously EYE CATCHER MEDIA S.A.C.)	(1)	Peru	100.00	F	100.00
JCDecaux AIRPORT POLSKA Sp zoo		Poland	100.00	F	100.00
JCDecaux AIRPORT PORTUGAL SA		Portugal	85.00	F	85.00
RENCAR PRAHA AS		Czech Rep.	46.90	F	70.00
JCDecaux AIRPORT UK Ltd		United Kingdom	100.00	F	100.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
JCDecaux ASIA SINGAPORE Pte Ltd		Singapore	100.00	F	100.00
JCDecaux OUT OF HOME ADVERTISING Pte Ltd		Singapore	100.00	F	100.00
JCDecaux THAILAND Co., Ltd		Thailand	98.00	F	49.50
BILLBOARD					
JCDecaux SOUTH AFRICA HOLDINGS (PROPRIETARY) LIMITED		South Africa	100.00	F	100.00
JCDecaux SOUTH AFRICA OUTDOOR ADVERTISING (PROPRIETARY) LIMITED		South Africa	49.00	F	70.00
JCDecaux SUB-SAHARAN AFRICA (Pty) Ltd		South Africa	70.00	F	100.00
MERAFE RAIL		South Africa	70.00	F	100.00
MERAFE 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		South Africa	70.00	F	100.00
OUTDOOR Co (Pty) Ltd		South Africa	70.00	F	100.00
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 AND SIGNAGE (PTY) LTD (previously SIYENZA GRAPHIC DESIGN (Pty) Ltd)		South Africa	70.00	F	100.00
INTER-AFRICA OUTDOOR ADVERTISING (SOUTH AFRICA) (PTY) Ltd		South Africa	70.00	F	100.00
JCDecaux SUBSAHARAN AFRICA HOLDINGS (Pty) Ltd		South Africa	70.00	F	100.00
JCDecaux ANGOLA LDA (previously CONTINENTAL OUTDOOR MEDIA (ANGOLA) Lda)		Angola	70.00	F	100.00
URBANMEDIA ARGENTINA S.A.		Argentina	100.00	F	100.00
JCDecaux ARGENTINA OOH S.A.		Argentina	100.00	F	100.00
JCDecaux ANZ PTY Ltd	(3)	Australia	100.00	F	100.00
JCDecaux AUSTRALIA HOLDINGS PTY Ltd	(3)	Australia	100.00	F	100.00
APN OUTDOOR GROUP LTD	(3) & (33)	Australia	100.00	F	100.00
APNO GROUP HOLDINGS PTY LTD	(3) & (33)	Australia	100.00	F	100.00
APNO FINANCE PTY LTD	(3) & (33)	Australia	100.00	F	100.00
APN OUTDOOR PTY LTD	(1) & (3) & (33)	Australia	100.00	F	100.00
EASTCOTT INVESTMENTS PTY LTD	(3) & (33)	Australia	100.00	F	100.00
UNIVERSAL OUTDOOR PTY LTD	(3) & (33)	Australia	100.00	F	100.00
CODY LINK PTY LTD	(3) & (33)	Australia	100.00	F	100.00
TAXIMEDIA PTY LTD	(3) & (33)	Australia	100.00	F	100.00
VALTOFF PTY LTD	(3) & (33)	Australia	100.00	F	100.00
TOTAL CAB MEDIA PTY LTD	(3) & (33)	Australia	100.00	F	100.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
SOL AUSTRALIA PTY LTD	(3) & (33)	Australia	100.00	F	100.00
EVERFACT PTY LTD	(3) & (33)	Australia	100.00	F	100.00
EVERFACT UNIT TRUST	(3) & (33)	Australia	100.00	F	100.00
APN OUTDOOR (TRADING) PTY LTD	(3) & (33)	Australia	100.00	F	100.00
AUSTRALIAN POSTERS PTY LTD	(3) & (33)	Australia	100.00	F	100.00
THE AUSTRALASIAN ADVERTISING COMPANY PTY LTD	(3) & (33)	Australia	100.00	F	100.00
ADSPACE PTY LTD	(3) & (33)	Australia	100.00	F	100.00
IOM PTY LIMITED	(3) & (33)	Australia	100.00	F	100.00
TMS OUTDOOR ADVERTISING PTY LTD	(3) & (33)	Australia	100.00	F	100.00
THE NETTLEFOLD OUTDOOR ADVERTISING UNIT TRUST	(3) & (33)	Australia	100.00	F	100.00
NETTLEFOLD ADVERTISING PTY LTD	(3) & (33)	Australia	100.00	F	100.00
NATIONAL OUTDOOR ADVERTISING PTY LTD	(3) & (33)	Australia	100.00	F	100.00
GEWISTA WERBEGESELLSCHAFT.mbH	(1)	Austria	67.00	F	67.00
PROGRESS AUSSENWERBUNG GmbH		Austria	45.10	F	51.00
PROGRESS WERBELAND WERBE. GmbH	(16) & (28)	Austria	67.00	F	100.00
ISPA WERBEGES.mbH	(17)	Austria	45.10	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
KULTURFORMAT (previously KULTURPLAKAT)		Austria	67.00	F	100.00
MEGABOARD SORAVIA GmbH		Austria	45.10	F	51.00
ANKÜNDER GmbH		Austria	22.31	E	33.30
PROGRESS TIROL-VORARLBERG AUSSENWERBUNG GmbH	(24)	Austria	45.10	F	51.00
JCDecaux BILLBOARD BELGIUM		Belgium	100.00	F	100.00
JCDecaux ARTVERTISING BELGIUM		Belgium	100.00	F	100.00
JCDecaux BOTSWANA (PTY) LIMITED		Botswana	70.00	F	100.00
JCDecaux GRANDES FORMATOS MIDIA EXTERIOR LTDA		Brazil	100.00	F	100.00
JCDecaux OUTDOOR Ltda		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
MARKANY LINE EOOD		Bulgaria	25.00	E*	50.00
EASY DOCK EOOD		Bulgaria	50.00	E*	50.00
PRIME OUTDOOR OOD		Bulgaria	50.00	E*	50.00
JCDecaux IMAGE JSC		Bulgaria	25.00	E*	50.00
INTERNATIONAL OUTDOOR ADVERTISING HOLDING COMPANY	(2)	Cayman Islands	100.00	F	100.00
IOAHC INVESTMENTS URUGUAY COMPANY		Cayman Islands	100.00	F	100.00
IOA PROLIX COMPANY		Cayman Islands	80.00	F	80.00
JCDecaux OOH CHILE S.A.	(25)	Chile	100.00	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

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
FEGPORT INVESTMENTS Ltd	(2)	Cyprus	25.00	E*	25.00
ELACORP LIMITED		Cyprus	18.75	E*	25.00
PUBLIVALLAS DE COSTA RICA S.A.	(18) & (25)	Costa Rica	72.75	F	100.00
TOP MEDIA COSTA RICA, S.A.	(25)	Costa Rica	72.75	F	100.00
EUROPLAKAT Doo		Croatia	45.10	F	51.00
JCDecaux ESPANA S.L.U.	(1) & (27)	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
JCDecaux SWAZILAND (PTY) LTD		Eswatini	70.00	F	100.00
INTERSTATE JCDecaux LLC		United States	49.00	E*	49.00
TOP MEDIA GUATEMALA, S.A.	(25)	Guatemala	72.75	F	100.00
JCDecaux TOP MEDIA HONDURAS S.A. (previously TOP MEDIA HONDURAS, S.A.)	(25)	Honduras	72.75	F	100.00
POAD		Hong Kong	49.00	E	49.00
JCDecaux REUNION ISLAND (previously LC OUTDOOR)		Reunion Island	56.00	F	100.00
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	(1)	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	56.00	F	80.00
CONTINENTAL OUTDOOR MEDIA MANAGEMENT COMPANY (MAURITIUS) Ltd		Mauritius	70.00	F	100.00
VENDOR PUBLICIDAD EXTERIOR S DE R.L. DE C.V.	(25)	Mexico	63.70	F	100.00
FUSIONANTE VENDOR S DE R.L DE C.V.	(19) & (25)	Mexico	63.70	F	100.00
SERVICIOS ADMINISTRATIVOS AMERICA, S DE R.L DE C.V.	(25) & (32)	Mexico	63.70	F	100.00
CORPORACION DE MEDIOS INTEGRALES, S.A. DE C.V.	(25)	Mexico	63.70	F	100.00
PUBLITOP DE OCCIDENTE, S.A. DE C.V.	(25)	Mexico	63.70	F	100.00
PUBLITOP, S.A. DE C.V.	(25)	Mexico	63.70	F	100.00
JCDecaux MOZAMBIQUE LDA (previously JCDecaux MOZAMBIQUE LTDA)		Mozambique	50.05	F	71.50
JCDecaux NAMIBIA OUTDOOR ADVERTISING (Pty) Limited		Namibia	70.00	F	100.00
TOP MEDIA NICARAGUA, S.A.	(25)	Nicaragua	72.75	F	100.00
JCDecaux NIGERIA OUTDOOR ADVERTISING Ltd	(20)	Nigeria	49.00	F	70.00
APN OUTDOOR HOLDINGS Ltd	(3) & (33)	New Zealand	100.00	F	100.00
APN OUTDOOR Ltd	(1) & (3) & (33)	New Zealand	100.00	F	100.00
JCDecaux UGANDA OUTDOOR ADVERTISING LTD		Uganda	70.00	F	100.00
PUBLITOP DE PANAMA, S.A.	(25)	Panama	72.75	F	100.00
JCDecaux TOP MEDIA SERVICIOS DE PANAMA, S.A.	(25)	Panama	72.75	F	100.00
TOP MEDIA PANAMA, S.A.	(25)	Panama	72.75	F	100.00
PUBLITOP NORTE SA	(3) & (29)	Panama	72.75	F	100.00
OUTDOOR SYSTEMS AMERICAS NETHERLANDS NEWCO BV	(25)	The Netherlands	100.00	F	100.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
JCDecaux CARTELERA B.V.	(25)	The Netherlands	100.00	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.	(25)	Dominican Rep.	100.00	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		Russia	12.75	E*	25.00
APR CITY/TVD LLC		Russia	25.00	E*	25.00
BIGBOARD LLC		Russia	25.00	E*	25.00
DISPLAY LLC		Russia	18.75	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
WALL CIS LLC		Russia	25.00	E*	25.00
MEDIA SUPPORT SERVICES Ltd	(9)	Russia	25.00	E*	25.00
MERCURY OUTDOOR DISPLAY Ltd	(9)	Russia	25.00	E*	25.00
RUSS OUT OF HOME GmbH	(7)	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
PRIME SITE LLC		Russia	25.00	E*	25.00
PRIME SITE Ltd	(9)	Russia	25.00	E*	25.00
RCMO JSC	(2)	Russia	12.50	E*	25.00
REKART MEDIA LLC		Russia	25.00	E*	25.00
REKTIME LLC		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) & (35)	Russia	25.00	E*	25.00
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
TERMOTRANS LLC		Russia	25.00	E*	25.00
UNITED OUTDOOR HOLDING Inc.	(9)	Russia	25.00	E*	25.00
MERIDIAN LLC		Russia	12.75	E*	25.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
RINGROADMEDIA LLC		Russia	12.75	E*	25.00
VA LLC		Russia	11.25	E*	25.00
TOP MEDIA EL SALVADOR, S.A. de C.V.	(25)	Salvador	72.75	F	100.00
ISPA BRATISLAVA Spol Sro		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 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 LLC (KIEV)		Ukraine	50.00	E*	50.00
BIGBOARD LVOV		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	(4)	Ukraine	50.00	E*	50.00
MEDIA PARTNER - O		Ukraine	50.00	E*	50.00
OUTDOORAUTO LLC		Ukraine	50.00	E*	50.00
POSTER DNEPROPETROVSK		Ukraine	50.00	E*	50.00
POSTER DONBASS		Ukraine	50.00	E*	50.00
POSTER GROUP LLC		Ukraine	50.00	E*	50.00
POSTER LLC (KIEV)		Ukraine	50.00	E*	50.00
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
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 2018.

(3) Companies consolidated in 2018.

(4) Companies sold in 2018.

(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) Vista Centroamericana S.A. (Guatemala) was absorbed by JCDecaux Guatemala, S.A. (Guatemala) on 16 May 2018.

(15) JCDecaux Airport Belgium (Belgium) was absorbed by JCDecaux Street Furniture Belgium (Belgium) effective retroactively as of 1 January 2018. The Transport business is now in JCDecaux Street Furniture Belgium (Belgium).

(16) On 23 May 2018, purchase of 28.84% of the non-controlling interests in Progress Werbeland Werbe GmbH (Austria) by Gewista Werbegesellschaft.mbH (Austria) bringing the financial interest to 58.56% and the percentage of control to 87.40%.

(17) Ispa Werbeges.mbH (Austria) was absorbed by Megaboard Soravia GmbH (Austria) as of 30 January 2018.

(18) Publivallas de Costa Rica S.A. (Costa Rica) was absorbed by Top Media Costa Rica, S.A. (Costa Rica) effective retroactively as of 1 January 2018.

(19) Fusionante Vendor S de R.L de C.V. (Mexico) was absorbed by Corporacion de Medios Integrales, S.A. de C.V. (Mexico) on 8 March 2018.

(20) The activities of JCDecaux Nigeria Outdoor Advertising Ltd (Nigeria) are now under Billboard.

(21) On 3 May 2018, entry of a minority partner in the capital of Viooh Limited (United Kingdom) bringing the financial interest and the percentage of control to 93.50%.

(22) On 30 June 2018, purchase of a controlling interest in JCDecaux Airport Sponsorships, LLC (United States) by JCDecaux Airport, Inc (United States) bringing the financial interest and the percentage of control from 50% to 100%. The entity will now be fully consolidated.

(23) JCDecaux Aeropuerto de Lima SAC (Peru) was absorbed by JCDecaux PERU SAC (Peru) on 1 July 2018.

(24) Progress Tirol-Vorarlberg Aussenwerbung Gmbh (Austria) was absorbed by Progress Aussenwerbung Gmbh (Austria) effective retroactively as of 1 January 2018.

(25) On 24 July 2018, purchase of non-controlling interests in Corporacion Americana de Equipamientos Urbanos SL (Spain) by JCDecaux Latin America Investments Holding SL (Spain), bringing the financial interest from 73.36% to 100%, which has the effect of increasing the holding percentage of entities held by Corporacion Americana de Equipamientos Urbanos SL.

(26) On 24 July 2018, purchase of minority interests in Stoc SA de CV (Mexico) by Equipamientos Urbanos de Mexico, SA de CV (Mexico) and Corporacion Americana de Equipamientos Urbanos SL (Spain), thus bringing the financial interest and the percentage of control from 50% to 100%. The entity is now fully consolidated.

(27) JCDecaux ESPANA S.L.U. (Spain) and JCDecaux TRANSPORT, S.L.U. (Spain) were absorbed by EL MOBILIARIO URBANO SLU, renamed JCDecaux ESPANA SLU (Spain) effective retroactively as of 1 January 2018.

(28) On 25 July 2018, purchase of non-controlling interest in Progress Werbeland Werbe GmbH. (Austria) by Gewista Werbegesellschaft.mbH (Austria) bringing the percentage of control to 100% and the financial interest to 67%.

(29) On 6 September 2018, acquisition of 100% of Publitop Norte SA (Panama) by JCDecaux Top Media SA (Panama). The company is fully consolidated at its percentage of control of 100%. The financial interest is 72.75%.

(30) Beijing Top Result Metro Advertising. Co. Ltd (China) is consolidated under the equity method as a result of the joint control with the Group's partner in Management.

(31) On 10 October 2018, disposal of equity investment in Stoc SA de CV (Mexico) by Equipamientos Urbanos de Mexico SA de CV (Mexico) and Corporacion Americana de Equipamientos Urbanos SL (Spain) to JCDecaux Out of Home Mexico SA de CV (Mexico) and Corporacion de Medios Integrales SA de CV (Mexico) decreasing the financial interest from 100% to 63.70%.

(32) Servicios Administrativos America, S de R.L de C.V. (Mexico) was absorbed by Corporacion de Medios Integrales SA de CV (Mexico) on 19 October 2018.

(33) On 31 October 2018, acquisition of the APN Outdoor Group via a « Scheme of Arrangement » authorised on 23 August 2018 by the Australian Competition and Consumer Commission then approved by the APN Outdoor shareholders on 15 October 2018. The percentage of control and the financial interest of the newly acquired companies is 100%. These new entities are now fully consolidated.

(34) On 16 December 2018, disposal of AFA JCDecaux ICELAND ehf (Iceland).

(35) Scarborough Associated SA was absorbed by Scrope Trade & Finance SA.

(36) On 27June 2018, disposal of Bus Focus Ltd (Hong Kong).

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 or indirect 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.
For controlled companies and companies under equity method they hold, the voting rights percentage is normally determined based on the percentage of control, with the exception of a few companies in China, where it is determined by representation in the governance bodies, given that local legal and regulatory specificities do not allow it to be assessed otherwise, and in Thailand, where the voting rights percentage is 98%.

13. SUBSEQUENT EVENTS

On 6 March 2019, the Supervisory Board decided to propose a €0.58 per share dividend distribution for 2018 at the General Meeting of Shareholders in May 2019.

STATUTORY AUDITORS' REPORT

KPMG Audit
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Commissaire aux Comptes
Membre de la compagnie
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Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

JCDecaux SA

Year ended December 31, 2018

Statutory auditors' report on the consolidated financial statements

To the Annual General Meeting of JCDecaux SA,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of JCDecaux SA for the year ended December 31, 2018.

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, 2018 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.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics *(Code de déontologie)* for statutory auditors.

Emphasis of matter

We draw attention to the following matter described in Note «1.2. Change of accounting methods » to the consolidated financial statements relating to the effects of the application of IFRS 15 « Revenue from contracts with customers » and IFRS 9 « Financial instruments » on the consolidated financial statements. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

- **Valuation of goodwill, intangible and tangible assets, investments under equity method**

Risk identified	As at December 31, 2018, the net value of goodwill, tangible and intangible assets, and investments under equity method amounts to M€ 4,095.7. The intangible and tangible assets, investments under equity method and goodwill are tested for impairment at least once a year. Your Group performs impairment tests at the level of Cash-Generating Units (CGU) corresponding to operational entities for the intangible and tangible assets, and investments under equity method as well as at the level of each group of CGU according to the operating segment considered (Street Furniture, Billboard, and Transport) for the goodwill. Therefore, the tests are performed at the junction between operating segments and the geographical area. The methodology used by the Group is described in Notes 1.11 and 1.12 of the consolidated financial statements. We have considered that the valuation of these assets to be a key audit matter because of their importance in the accounts and to the necessary estimations and judgments to their valuation. Indeed, to determine the recoverable value, these tests include forecast data relevant to each operating segment. These data include, management's view of the prospects of future profitability, and assumptions relating to renewal rate of contracts for the operating segments Street Furniture and Transport, as well as the long-term growth rate for the operating segment Billboard.
Our response	Our works consisted mainly in : ► obtaining an understanding of the processes and analysis conducted by JCDecaux SA in order to carry out those evaluations; ► reconciling the net book values of the assets being tested for impairment with consolidated financial statements; ► verifying, using a sampling method, the arithmetic accuracy of the model used to determine the values in use; ► obtaining an understanding of the main assumptions through interviews with Financial Management and the Executive Board regarding forecasted profitability, and comparing those assumptions with the data used for previous impairment tests, as well as, where appropriate, the historical performance of the concerned subsidiaries; ► comparing the discount rate used by country with our internal database; ► reconciling the long-term growth rate used for discounted flows with market analysis; ► comparing the contracts renewal rate used with the historical renewal rate adopted by the group;

	► performing sensitivity analysis on the main assumptions used; ► assessing the appropriateness of the information disclosed in the notes to the consolidated financial statements.

■ **Dismantling provision valuation**

Risk identified	As at December 31, 2018, the provisions booked in order to comply with the dismantling requirements amount to M€ 242.6. The rules and accounting methods concerning these provisions and their valuation are described in Notes 1.21 et 4.12.1 « Dismantling Provisions » in the notes to the consolidated financial statements. The costs for dismantling street furniture at the end of a contract are recorded in provisions, if a contractual dismantling requirement exists at an expected 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 amortized over the term of the contract. The discounting charge is recorded as a financial expense. They are updated at each year-end according to the number of installed items and the dismantling unit cost. We have considered that the evaluation of dismantling provisions to be a key audit matter because of the necessary estimations and judgement to their assessment.
Our response	Our works consisted mainly in: ► obtaining an understanding of the methodology implemented by the Company JCDecaux SA; ► obtaining an understanding of the internal control processes relevant to the procedure of evaluation of dismantling provision and identifying the main controls relevant to our audit; ► verifying the arithmetic accuracy of the model used to determine the dismantling provision calculation in the dedicated application; ► testing, using a sampling method, the contracts duration adopted and the compliance of cost estimations used to calculate the provision with the budgets and quotations available, as well as past cost statistics; ► comparing the inflation and discounting rates used by countries to internal and external database; ► assessing the appropriateness of the information provided in the notes to the consolidated financial statements.

Specifics verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French laws and regulations of the information pertaining to the Group presented in the Executive Board's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement provided for by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement which has to be subject to a report by an independent third party.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of JCDecaux SA by the annual general meeting held on May 10, 2006 for KPMG Audit, Département de KPMG S.A., and on June 20, 2000 for ERNST & YOUNG et Autres.

As at December 31, 2018, KPMG Audit, Département de KPMG S.A. was in the 13th year of total uninterrupted engagement and ERNST & YOUNG et Autres in the 19th year, which are 18 years since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Executive Board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense March 7, 2019

The Statutory Auditors
French original signed by

KPMG Audit
Département de KPMG S.A.

ERNST & YOUNG et Autres

Frédéric Quélin   Grégoire Menou

Gilles Puissochet