JCDecaux

Half-year financial report
H1 2018

July 26th, 2018

Contents

Half-year business review – H1 2018 3

Half-year financial release – H1 2018 3

Business highlights of H1 2018 11

Perspectives 12

Related parties 13

Risk factors 14

Half-year consolidated financial statements – H1 2018 16

Condensed interim consolidated financial statements 16

Notes to the condensed interim consolidated financial statements 21

Statutory Auditors' report 28

Declaration by the person responsible of the half-year report 30

HALF-YEAR BUSINESS REVIEW – H1 2018

HALF-YEAR FINANCIAL RELEASE – H1 2018

- **Adjusted revenue down -0.5% to €1,643.3 million**
- **Adjusted organic revenue up +4.0%, with an accelerating Q2 at +4.9%**
- **Adjusted operating margin of €214.4 million, down -15.9%**
- **Adjusted EBIT, before impairment charge, of €82.8 million, down -28.1%**
- **Net income Group share of €57.5 million, down -22.4%**
- **Adjusted free cash flow of €43.2 million, up +43.5%**
- **Adjusted organic revenue growth rate expected to be up around +7% in Q3 2018**

Paris, July 26th, 2018 – JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, announced today its 2018 half year financial results.

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 5 and 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 H1 2017 figures is +€10.0 million on adjusted revenue. There is no impact on operating margin.

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

"Our H1 2018 revenue of €1,643 million is down -0.5% on a reported basis due to a negative impact from foreign exchange and up +4.0% on an organic basis, driven by a better than expected Q2 with an organic growth rate of +4.9% thanks to the acceleration in digital. Our digital Group revenue, which now represent 18.6% of our total revenue, continued to grow strongly across all business segments with Street Furniture at +38.4%, Transport at +17.6% and Billboard at +22.7%. Street Furniture's organic growth was affected by the unexpected cancellation of the Paris "City Information Panels" interim contract in France, while Transport delivered a strong performance with a double-digit growth in China. Billboard slightly declined mainly because of a footprint reduction in our UK traditional portfolio while our UK digital billboard business remains strong.

As anticipated, our overall operating margin decreased by -240bp to 13.0% mainly due to the unexpected cancellation of the Paris "City Information Panels" interim contract in France and the simultaneous ramp-up of substantial new contracts such as Yarra trams in Australia in Street Furniture, São Paulo airport and metro and Guangzhou Baiyun airport (Terminal 2) in Transport. Billboard remained challenging in the Rest of Europe and in the Rest of the World. The overall operating margin is also impacted in the short term by the launch of the global independent automated planning and trading platform, VIOOH, as well as our strategic growth initiatives related to the creation of our new Data Division at Corporate level.

As far as organic growth is concerned, we won several significant advertising contracts in H1 2018 such as Singapore street furniture and Lisbon large format contracts. We also renewed Lisbon street furniture and Berlin street furniture and automatic public toilet contracts. In Transport, we renewed the iconic Hong Kong MTR contract.

As expected, consolidation in Out-of-Home continues, with the announcement to enter into an agreement with APN Outdoor Group Limited to acquire 100% of APN Outdoor's share capital by way of a scheme of arrangement. Australia is the 7th largest advertising market worldwide, with a growing share of Out-of-Home advertising having now reached 6% of advertising spend, of which almost 50% is digital. The closing of this transaction is subject the approval of APN Outdoor shareholders and subject to Australian Competition and Consumer Commission clearance.

As far as Q3 2018 is concerned, we expect our adjusted organic revenue growth rate to further accelerate at around +7%.

In a media landscape increasingly fragmented, out-of-home advertising reinforces its attractiveness. With our accelerating 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 outperform the 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 and to continue to invest significantly in digital."

ADJUSTED REVENUE

Adjusted revenue for the six months ending June 30th, 2018 decreased by -0.5% to €1,643.3 million from €1,651.4 million in the same period last year. On an organic basis (i.e. excluding the negative impact from foreign exchange variations and the positive impact from changes in perimeter), adjusted revenue grew by +4.0%. Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture and advertising displays, increased by +3.7% on an organic basis in the first half of 2018.

In the second quarter, adjusted revenue increased by +1.3% to €900.8 million. On an organic basis, adjusted revenue grew by +4.9% compared to Q2 2017.
Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture and advertising displays, increased by +4.5% on an organic basis in Q2 2018.

Adjusted revenue

€m	H1 2018			H1 2017			Change 18/17		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Street Furniture	337.1	405.6	**742.7**	345.6	406.0	**751.6**	-2.5%	-0.1%	**-1.2%**
Transport	293.5	365.9	**659.4**	302.3	349.4	**651.7**	-2.9%	+4.7%	**+1.2%**
Billboard	111.9	129.3	**241.2**	114.7	133.4	**248.1**	-2.4%	-3.1%	**-2.8%**
Total	**742.5**	**900.8**	**1,643.3**	**762.6**	**888.8**	**1,651.4**	**-2.6%**	**+1.3%**	**-0.5%**

Adjusted organic revenue growth [(a)]

	Change 18/17		
	Q1	Q2	H1
Street Furniture	+2.1%	+3.5%	**+2.9%**
Transport	+5.0%	+8.8%	**+7.0%**
Billboard	-0.6%	-1.1%	**-0.9%**
Total	**+2.8%**	**+4.9%**	**+4.0%**

(a) Excluding acquisitions/divestitures and the impact of foreign exchange

Adjusted revenue by geographic area

€m	H1 2018	H1 2017	Reported growth	Organic growth[(a)]
Europe[(b)]	447.4	443.0	+1.0%	+2.5%
Asia-Pacific	400.2	372.9	+7.3%	+14.5%
France	287.6	301.8	-4.7%	-4.7%
Rest of the World	208.3	216.6	-3.8%	+6.1%
United Kingdom	173.2	175.9	-1.5%	+0.7%
North America	126.6	141.2	-10.3%	+0.1%
Total	**1,643.3**	**1,651.4**	**-0.5%**	**+4.0%**

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

Please note that the geographic comments below refer to organic revenue growth.

STREET FURNITURE

First half adjusted revenue decreased by -1.2% to €742.7 million, +2.9% on an organic basis, driven by Asia-Pacific, North America, the Rest of the World and the UK.
First half adjusted advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture were up +3.0% on an organic basis compared to the first half of 2017.

In the second quarter, adjusted revenue decreased by -0.1% to €405.6 million. On an organic basis, adjusted revenue increased by +3.5% compared to the same period last year. Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance of street furniture were up +3.3% on an organic basis in Q2 2018 compared to Q2 2017.

TRANSPORT

First half adjusted revenue increased by +1.2% to €659.4 million, +7.0% on an organic basis, thanks to a strong double-digit growth in Asia-Pacific and a good performance in Europe, despite negative organic growth in North America.

In the second quarter, adjusted revenue increased by +4.7% to €365.9 million. On an organic basis, adjusted revenue increased by +8.8% compared to the same period last year.

BILLBOARD

First half adjusted revenue decreased by -2.8% to €241.2million, -0.9% on an organic basis, although our UK digital revenue remains strong.

In the second quarter, adjusted revenue decreased by -3.1% to €129.3 million. On an organic basis, adjusted revenue decreased by -1.1% compared to the same period last year.

ADJUSTED OPERATING MARGIN [(1)]

In the first half of 2018, adjusted operating margin decreased by -15.9% to €214.4 million from €255.0 million in the first half of 2017. The adjusted operating margin as a percentage of revenue was 13.0%, -240bp below prior year, mainly due to the situation in France with the unexpected cancellation of the Paris "City Information Panels" interim contract and the non-renewal of Vélib', the ramp-up of new contracts and the investments in programmatic and data.

	H1 2018		H1 2017		Change 18/17	
	€m	% of revenue	€m	% of revenue	Change (%)	Margin rate (bp)
Street Furniture	149.3	20.1%	174.9	23.3%	-14.6%	-320bp
Transport	53.8	8.2%	66.0	10.1%	-18.5%	-190bp
Billboard	11.3	4.7%	14.1	5.7%	-19.9%	-100bp
Total	**214.4**	**13.0%**	**255.0**	**15.4%**	**-15.9%**	**-240bp**

Street Furniture: In the first half of 2018, adjusted operating margin decreased by -14.6% to €149.3 million. As a percentage of revenue, the adjusted operating margin decreased by -320bp to 20.1%, compared to the first half of 2017, impacted by the unexpected 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 such as Yarra trams contract in Australia.

Transport: In the first half of 2018, adjusted operating margin decreased by -18.5% to €53.8 million. As a percentage of revenue, the adjusted operating margin decreased by -190bp to 8.2% compared to the first half of 2017, primarily due to the ramp-up of new contracts such as São Paulo airport and metro and Guangzhou Baiyun airport (Terminal 2).

Billboard: In the first half of 2018, adjusted operating margin decreased by -19.9% to €11.3 million. As a percentage of revenue, adjusted operating margin decreased by -100bp to 4.7% compared to the first half of 2017, in line with the revenue decline.

ADJUSTED EBIT [(2)]

In the first half of 2018, adjusted EBIT before impairment charge decreased by -28.1% to €82.8 million compared to €115.1 million in the first half of 2017. As a percentage of revenue, this represented a -200bp decrease to 5.0%, from 7.0% in H1 2017. The consumption of maintenance spare parts was down in H1 2018 compared to H1 2017, due to the unexpected cancellation of the Paris "City Information Panels" interim contract and the non-renewal of Vélib'. Net amortization and provisions were flat compared to the same period last year. The decrease in reversal on provisions for onerous contract related to CEMUSA and OUTFRONT Media Latam was offset by the one-off reversal on dismantling provisions in relation with the unexpected cancellation of the Paris "City Information Panels" interim contract and the non-renewal of Vélib'. Other operating income and expenses impacted the P&L positively, in line with the same period last year.
No significant impairment charge was recorded over the period.

Adjusted EBIT, after impairment charge decreased by -30.3% to €82.7 million compared to €118.7 million in H1 2017.

NET FINANCIAL INCOME / (LOSS) [(3)]

In the first half of 2018, net financial income was -€11.3 million compared to -€15.3 million in the first half of 2017, mainly due to the reimbursement of the €500 million bond in February 2018.

EQUITY AFFILIATES

In the first half of 2018, the share of net profit from equity affiliates was €38.6 million, lower compared to the same period last year (€46.5 million).

NET INCOME GROUP SHARE

In the first half of 2018, net income Group share before impairment charge decreased by -20.0% to €57.6 million compared to €72.0 million in H1 2017.

Taking into account the impact from the impairment charge, net income Group share decreased by -22.4% to €57.5 million compared to €74.1 million in H1 2017.

ADJUSTED CAPITAL EXPENDITURE

In the first half of 2018, adjusted net capex (acquisition of property, plant and equipment and intangible assets, net of disposals of assets) was at €94.2 million compared to €93.2 million in line with the same period last year, mainly due to the digitisation across all segments.

ADJUSTED FREE CASH FLOW (4)

In the first half of 2018, adjusted free cash flow was €43.2 million compared to €30.1 million in the same period last year. This increase is mainly due to a higher funds from operations, benefitting from tax refunds in France in relation with the cancellation of the 3% dividend tax paid over 2013 to 2017 and 2017 corporate tax pre-payment, offset by an increase in our working capital requirements mainly due to higher inventory related to new contracts in ramp-up phase.

DIVIDEND

The dividend of €0.56 per share for the 2017 financial year, approved at the Annual General Meeting of Shareholders on May 17th, 2018, was paid on May 24th, 2018, for a total amount of €119.1 million.

NET DEBT (5)

Net debt as of June 30th, 2018 amounted to €494.6 million compared to a net debt position of €551.4 million as of June 30th, 2017.

ADJUSTED DATA

Under IFRS 11, applicable from 1st January, 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 will 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, consistent with historical data prior to 2014, which is reconciled with IFRS financial statements.
As regards the P&L, it concerns all aggregates down to the EBIT. As regards the cash flow statement, it concerns all aggregates down to the free cash flow.

In the first half of 2018, the impact of IFRS 11 on our adjusted aggregates is:

- -€195.5 million on adjusted revenue (-€200.6 million in H1 2017) leaving IFRS revenue at €1,447.8 million (€1,450.8 million in H1 2017).
- -€52.0 million on adjusted operating margin (-€59.0 million in H1 2017) leaving IFRS operating margin at €162.4 million (€196.0 million in H1 2017).
- -€41.1 million on adjusted EBIT before impairment charge (-€51.5 million in H1 2017) leaving IFRS EBIT before impairment charge at €41.7 million (€63.6 million in H1 2017).
- -€41.1 million on adjusted EBIT after impairment charge (-€51.5 million in H1 2017) leaving IFRS EBIT after impairment charge at €41.6 million (€67.2 million in H1 2017).
- -€4.4 million on adjusted capital expenditure (-€6.4 million in H1 2017) leaving IFRS capital expenditure at €89.8 million (€86.8 million in H1 2017).
- -€35.1 million on adjusted free cash flow (-€31.5 million in H1 2017) leaving IFRS free cash flow at €8.1 million (-€1.4 million in H1 2017).

The full reconciliation between adjusted figures and IFRS figures is provided on page 9 of this release.

NOTES

(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, amortization and provisions (net) less Impairment of goodwill less Maintenance spare parts less Other operating income and expenses.
(3) **Net financial income / (loss):** Excluding the net impact of discounting and revaluation of debt on commitments to purchase minority interests (-€0.3 million and -€1.1 million in H1 2018 and H1 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 minority interests), including the non-cash IFRS 9 impact on both debt and hedging financial derivatives.

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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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	H1
2017 adjusted revenue	(a)	**762.6**	**888.8**	**1,651.4**
2018 IFRS revenue	(b)	**658.0**	**789.8**	**1,447.8**
IFRS 11 impacts	(c)	84.5	111.0	195.5
2018 adjusted revenue	(d) = (b) + (c)	**742.5**	**900.8**	**1,643.3**
Currency impacts	(e)	42.1	32.2	74.3
2018 adjusted revenue at 2017 exchange rates	(f) = (d) + (e)	**784.6**	**933.0**	**1,717.6**
Change in scope	(g)	(0.3)	(0.5)	(0.8)
2018 adjusted organic revenue	(h) = (f) + (g)	**784.3**	**932.5**	**1,716.8**
Organic growth	(i) = (h) / (a)	**+2.8%**	**+4.9%**	**+4.0%**

€m	Impact of currency as of June 30th, 2018
USD	14.8
HKD	11.8
BRL	7.6
RMB	7.3
GBP	3.9
Other	28.9
Total	**74.3**

Average exchange rate	H1 2018	H1 2017
USD	0.8262	0.9233
HKD	0.1054	0.1188
BRL	0.2415	0.2904
RMB	0.1297	0.1343
GBP	1.1367	1.1620

RECONCILIATION BETWEEN ADJUSTED FIGURES AND IFRS FIGURES

Profit & Loss	H1 2018			H1 2016		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Revenue	**1,643.3**	**(195.5)**	**1,447.8**	**1,651.4**	**(200.6)**	**1,450.8**
Net operating costs	(1,428.9)	143.5	(1,285.4)	(1,396.4)	141.6	(1,254.8)
Operating margin	**214.4**	**(52.0)**	**162.4**	**255.0**	**(59.0)**	**196.0**
Maintenance spare parts	(16.9)	0.7	(16.2)	(24.4)	0.7	(23.7)
Amortization and provisions (net)	(123.0)	9.7	(113.3)	(123.0)	6.6	(116.4)
Other operating income / expenses	8.3	0.5	8.8	7.5	0.2	7.7
EBIT before impairment charge	**82.8**	**(41.1)**	**41.7**	**115.1**	**(51.5)**	**63.6**
Net impairment charge [1]	(0.1)	-	(0.1)	3.6	-	3.6
EBIT after impairment charge	**82.7**	**(41.1)**	**41.6**	**118.7**	**(51.5)**	**67.2**

[1] Including impairment charge on net assets of companies under joint control.

Cash-flow Statement	H1 2018			H1 2016		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Funds from operations net of maintenance costs	**174.9**	**(18.7)**	**156.2**	**137.6**	**20.7**	**158.3**
Change in working capital requirement	(37.5)	(20.8)	(58.3)	(14.3)	(58.6)	(72.9)
Net cash flow from operating activities	**137.4**	**(39.5)**	**97.9**	**123.3**	**(37.9)**	**85.4**
Capital expenditure	(94.2)	4.4	(89.8)	(93.2)	6.4	(86.8)
Free cash flow	**43.2**	**(35.1)**	**8.1**	**30.1**	**(31.5)**	**(1.4)**

BUSINESS HIGHLIGHTS OF H1 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.

- ***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.

Acquisitions, divestitures and financial investments

- ***Asia-Pacific***

In June, JCDecaux announced it has entered into an agreement with APN Outdoor Group Limited ("APN Outdoor") to acquire 100% of APN Outdoor's share capital by way of a scheme of arrangement to be approved by APN Outdoor shareholders and subject to Australian Competition and Consumer Commission clearance. Under the terms of the agreement, JCDecaux will pay 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.

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.

PERSPECTIVES

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

"As far as Q3 2018 is concerned, we expect our adjusted organic revenue growth rate to further accelerate at around +7%."

RELATED PARTIES

Paragraph 8 of the "Notes to the condensed interim consolidated financial statements" on page 27 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:**

Our reputation and our history of integrity are essential factors that help us to procure contracts with local governments.

Since 2001, the Group published a Code of Ethics setting out the principles and ethical rules to be followed in conducting the Group's business. The Code of Ethics is communicated to all the Group's companies and employees.

- **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:**

In view of the increasing digitalisation of advertising displays, as well as the deployment of service solutions integrated in street furniture and constantly changing self-service bicycle solutions, the JCDecaux Group faces several types of risk.

Developments carried out by JCDecaux on its own behalf have given rise to a strong policy aimed at protecting its Intellectual.

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 centers are secure, access to our software controlled, and our billboard systems audited.

6. 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.

7. 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.

JCDecaux will be exposed, for the second half of 2018, to the usual risk factors and business uncertainties, which are inherent to the Group's activity as described above.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS – H1 2018

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

Assets

In million euros		30/06/2018	31/12/2017
Goodwill		1,340.0	1,341.3
Other intangible assets		289.8	301.9
Property, plant and equipment		1,158.3	1,156.3
Investments under the equity method		472.9	476.0
Financial investments		0.5	0.6
Other financial assets		90.6	89.7
Deferred tax assets		103.9	92.3
Current tax assets		1.4	1.5
Other receivables		26.5	23.8
NON-CURRENT ASSETS		**3,483.9**	**3,483.4**
Other financial assets		3.1	3.7
Inventories		169.2	123.8
Financial derivatives	§ 5.2	5.6	0.2
Trade and other receivables		933.7	918.1
Current tax assets		37.8	49.9
Treasury financial assets	§ 5.2	55.8	277.9
Cash and cash equivalents	§ 5.2	298.6	728.3
CURRENT ASSETS		**1,503.8**	**2,101.9**
TOTAL ASSETS		**4,987.7**	**5,585.3**

Equity and Liabilities

In million euros		30/06/2018	31/12/2017
Share capital		3.2	3.2
Additional paid-in capital		604.9	602.4
Consolidated reserves		1,738.9	1,669.7
Consolidated net income (Group share)		57.5	193.7
Other components of equity		(119.1)	(117.6)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**2,285.4**	**2,351.4**
Non-controlling interests		50.2	60.7
TOTAL EQUITY	**§ 5.1**	**2,335.6**	**2,412.1**
Provisions		375.6	385.7
Deferred tax liabilities		95.5	79.3
Financial debt	§ 5.2	769.3	786.6
Debt on commitments to purchase non-controlling interests		81.5	80.1
Other payables		13.0	11.8
Income tax payable		0.1	0.0
Financial derivatives	§ 5.2	0.2	0.5
NON-CURRENT LIABILITIES		**1,335.2**	**1,344.0**
Provisions		81.5	71.6
Financial debt	§ 5.2	72.7	586.0
Debt on commitments to purchase non-controlling interests		20.8	21.9
Financial derivatives	§ 5.2	1.2	4.9
Trade and other payables		1,103.9	1,092.4
Income tax payable		25.6	39.6
Bank overdrafts	§ 5.2	11.2	12.8
CURRENT LIABILITIES		**1,316.9**	**1,829.2**
TOTAL LIABILITIES		**2,652.1**	**3,173.2**
TOTAL EQUITY AND LIABILITIES		**4,987.7**	**5,585.3**

STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT

In million euros		1st half of 2018	1st half of 2017 Restated (1)
REVENUE		**1,447.8**	**1,450.8**
Direct operating expenses		(1,007.2)	(1,000.2)
Selling, general and administrative expenses		(278.2)	(254.6)
OPERATING MARGIN		**162.4**	**196.0**
Depreciation, amortisation and provisions (net)		(113.4)	(112.8)
Impairment of goodwill		0.0	0.0
Maintenance spare parts		(16.2)	(23.7)
Other operating income		14.7	12.4
Other operating expenses		(5.9)	(4.7)
EBIT	**§ 5.3**	**41.6**	**67.2**
Financial income		4.5	3.7
Financial expenses		(16.1)	(20.1)
NET FINANCIAL INCOME (LOSS)	**§ 5.4**	**(11.6)**	**(16.4)**
Income tax	§ 5.5	(9.6)	(18.1)
Share of net profit of companies under the equity method	§ 5.6	38.6	46.5
PROFIT FROM CONTINUING OPERATIONS		**59.0**	**79.2**
Gain or loss on discontinued operations		0.0	0.0
CONSOLIDATED NET INCOME		**59.0**	**79.2**
- Including non-controlling interests	§ 5.7	*1.5*	*5.1*
CONSOLIDATED NET INCOME (GROUP SHARE)		**57.5**	**74.1**
Earnings per share (in euros)		0.270	0.349
Diluted earnings per share (in euros)		0.270	0.348
Weighted average number of shares		212,751,681	212,551,825
Weighted average number of shares (diluted)		212,853,014	212,684,037

(1) See Note 2 "Changes in accounting methods".

STATEMENT OF OTHER COMPREHENSIVE INCOME

In million euros	1st half of 2018	1st half of 2017 Restated (1)
CONSOLIDATED NET INCOME	**59.0**	**79.2**
Translation reserve adjustments on foreign operations [(2)]	(4.4)	(71.4)
Translation reserve adjustments on net foreign investments	(1.8)	(5.8)
Cash flow hedges	3.5	(1.5)
Tax on the other comprehensive income subsequently released to net income	(0.5)	0.6
Share of other comprehensive income of companies under equity method (after tax)	1.0	(12.9)
Other comprehensive income subsequently released to net income	**(2.2)**	**(91.0)**
Change in actuarial gains and losses on post-employment benefit plans and assets ceiling	2.1	(1.1)
Tax on the other comprehensive income not subsequently released to net income	(0.5)	0.4
Share of other comprehensive income of companies under equity method (after tax)	0.0	2.1
Other comprehensive income not subsequently released to net income	**1.6**	**1.4**
Total other comprehensive income	**(0.6)**	**(89.6)**
TOTAL COMPREHENSIVE INCOME	**58.4**	**(10.4)**
- Including non-controlling interests	*2.4*	*0.4*
TOTAL COMPREHENSIVE INCOME - GROUP SHARE	**56.0**	**(10.8)**

(1) See Note 2 "Changes in accounting methods".
(2) For the first half of 2018, translation differences on foreign operations are mainly related to changes in exchange rates, of which mainly €(8.6) million in Brazil, €(3.5) million in Angola, €(3.3) million in South Africa, €(1.1) million in Sweden, €(1.0) million in Australia, €2.0 million in the United Arab Emirates, €2.9 million in Mexico and €8.5 million in Hong Kong.
For the first half of 2017, translation reserve adjustments on foreign transactions were mainly related to changes in exchange rates, of which €(32.0) million in Hong Kong, €(7.6) million in Turkey, €(6.4) million in the United States, €(5.1) million in the United Kingdom, €(5.1) million in Panama and €(4.4) million in the United Arab Emirates. The item included a €7.3 million transfer in the income statement of translation reserve adjustments related to the changes in the scope of consolidation.

STATEMENT OF CHANGES IN EQUITY AS OF 30 JUNE 2017

	Equity attribuable to the owners of the parents company													
					Other components of equity									
In million euros	ShareCapital	Additional paid-in capital	Treasury shares	Consolidated reserves	Cash flow hedges	Available-for sale securities	Translation reserve adjustments	Revaluation reserves	Actuarial gains and losses / assets ceiling	Other	Total other components	Total	Non- controlling interests	Total
Equity as of 1 January 2017	**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 / decrease [(1)]		0.1		(1.6)							0.0	(1.5)	(0.1)	(1.6)
Distribution of dividends				(119.0)							0.0	(119.0)	(10.3)	(129.3)
Share-based payments		1.4									0.0	1.4		1.4
Debt on commitments to purchase non-controlling interests [(2)]											0.0	0.0	10.3	10.3
Change in consolidation scope [(3)]				(4.2)			(1.2)		(0.1)		(1.3)	(5.5)	(3.4)	(8.9)
Consolidated net income				74.1							0.0	74.1	5.1	79.2
Other comprehensive income					(1.5)		(84.9)		1.5		(84.9)	(84.9)	(4.7)	(89.6)
Total comprehensive income	**0.0**	**0.0**	**0.0**	**74.1**	**(1.5)**	**0.0**	**(84.9)**	**0.0**	**1.5**	**0.0**	**(84.9)**	**(10.8)**	**0.4**	**(10.4)**
Other				0.2			(0.1)		0.1		0.0	0.2		0.2
Equity as of 30 June 2017	**3.2**	**598.2**	**0.0**	**1,757.3**	**(1.4)**	**(0.1)**	**(25.5)**	**0.9**	**(55.6)**	**0.8**	**(80.9)**	**2,277.8**	**17.9**	**2,295.7**

(1) Increase in JCDecaux SA's additional paid-in capital related to the exercise of stock options and capital increases and decreases of controlled entities.

(2) Exercise of commitments to purchase non-controlling interests. Moreover, revaluation and discounting effects of debt on commitments to purchase non-controlling interests are recorded in the income statement under the line item "Consolidated net income" in "Non-controlling interests" for €(1.1) million for the first half of 2017.

(3) Changes in the scope of consolidation, primarily following the acquisition of non-controlling interests in a company in Europe.

STATEMENT OF CHANGES IN EQUITY AS OF 30 JUNE 2018

	Equity attribuable to the owners of the parents company													
					Other components of equity									
In million euros	ShareCapital	Additional paid-in capital	Treasury shares	Consolidated reserves	Cash flow hedges	Available-for sale securities	Translation reserve adjustments	Revaluation reserves	Actuarial gains and losses / assets ceiling	Other	Total other components	Total	Non- controlling interests	Total
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)				**(1.2)**							**0.0**	**(1.2)**	**(0.1)**	**(1.3)**
Equity as of 1 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 / decrease [(2)]		2.0									0.0	2.0	0.2	2.2
Distribution of dividends				(119.1)							0.0	(119.1)	(12.6)	(131.7)
Share-based payments		0.5									0.0	0.5	0.0	0.5
Debt on commitments to purchase non-controlling interests [(3)]											0.0	0.0	0.0	0.0
Change in consolidation scope				(4.4)							0.0	(4.4)	(0.4)	(4.8)
Consolidated net income				57.5							0.0	57.5	1.5	59.0
Other comprehensive income					2.5		(5.6)		1.6		(1.5)	(1.5)	0.9	(0.6)
Total comprehensive income	**0.0**	**0.0**	**0.0**	**57.5**	**2.5**	**0.0**	**(5.6)**	**0.0**	**1.6**	**0.0**	**(1.5)**	**56.0**	**2.4**	**58.4**
Other				0.2							0.0	0.2	0.0	0.2
Equity as of 30 June 2018	**3.2**	**604.9**	**0.0**	**1,796.4**	**2.3**	**(0.1)**	**(71.3)**	**0.9**	**(51.7)**	**0.8**	**(119.1)**	**2,285.4**	**50.2**	**2,335.6**

(1) See Note 2 "Changes in accounting methods".

(2) Increase in JCDecaux SA's additional paid-in capital related to the exercise of stock options and capital increases and decreases of controlled entities.

(3) There is no new commitment or exercise of purchase commitments in the first half of 2018. Moreover, revaluation and discounting effects of debt on commitments to purchase non-controlling interests are recorded in the income statement under the line item "Consolidated net income" in "Non-controlling interests" for €(0.3) million in the first half of 2018.

STATEMENT OF CASH FLOWS

In million euros		1st half of 2018	1st half of 2017
Net income before tax		68.6	97.3
Share of net profit of companies under the equity method	§ 5.6	(38.6)	(46.5)
Dividends received from companies under the equity method		43.6	85.5
Expenses related to share-based payments		0.5	1.4
Depreciation, amortisation and provisions (net)		112.9	111.5
Capital gains and losses and net income (loss) on changes in scope		(12.3)	(10.0)
Net discounting expenses		2.5	3.7
Net interest expense		5.7	9.7
Financial derivatives, translation adjustments and other		2.3	(15.2)
Change in working capital		**(58.3)**	**(72.9)**
Change in inventories		(45.4)	(20.7)
Change in trade and other receivables		(25.0)	(75.6)
Change in trade and other payables		12.1	23.4
CASH FLOW FROM OPERATING ACTIVITIES		**126.9**	**164.5**
Interest paid		(22.4)	(21.2)
Interest received		4.3	2.3
Income tax paid		(10.9)	(60.2)
NET CASH FLOW FROMOPERATING ACTIVITIES		**97.9**	**85.4**
Cash payments on acquisitions of intangible assets and property, plant and equipment		(103.6)	(93.8)
Cash payments on acquisitions of financial assets (long-term investments) net of cash acquired (1)		-	0.3
Acquisitions of other financial assets		(2.8)	(12.5)
Total investments		**(106.4)**	**(106.0)**
Cash receipts on proceeds on disposals of intangible assets and property, plant and equipment		13.8	7.0
Cash receipts on proceeds on disposals of financial assets (long-term investments) net of cash sold (1)		2.9	(0.1)
Proceeds on disposals of other financial assets		4.0	15.2
Total asset disposals		**20.7**	**22.1**
NET CASH FLOW FROM INVESTING ACTIVITIES		**(85.7)**	**(83.9)**
Dividends paid		(131.7)	(129.3)
Capital decrease		-	(2.2)
Cash payments on acquisitions of non-controlling interests		(0.6)	(8.1)
Repayment of long-term borrowings		(523.6)	(24.4)
Repayment of finance lease debts		(4.5)	(4.5)
Acquisitions and disposals of treasury financial assets		222.3	24.3
Cash outflow from financing activities		**(438.1)**	**(144.2)**
Capital increase		2.2	0.6
Increase in long-term borrowings		5.8	7.6
Cash inflow from financing activities		**8.0**	**8.2**
NET CASH FLOW FROM FINANCING ACTIVITIES		**(430.1)**	**(136.0)**
CHANGE IN NET CASH POSITION		**(417.9)**	**(134.5)**
Net cash position beginning of period	§ 5.2	**715.5**	**687.7**
Effect of exchange rate fluctuations and other movements		(10.2)	(0.8)
Net cash position end of period (2)	§ 5.2	**287.4**	**552.4**

(1) Including nil net cash acquired and sold for the 1st half of 2018, compared to €0.1 million for the 1st half of 2017.
(2) Including €298.6 million in cash and cash equivalents and €11.2 million in bank overdrafts as of 30 June 2018, compared to €560.3 million and €7.9 million, respectively, as of 30 June 2017.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING METHODS AND PRINCIPLES

1.1. Group's accounting principles

The condensed consolidated financial statements for the first half of 2018, approved by the Executive Board on 19 July 2018, have been prepared in accordance with IAS 34 "Interim financial reporting".
As these are condensed accounts, the half-year consolidated financial statements do not include all the financial information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2017 included in the listing file transmitted to the AMF, and with the particularities specific to the preparation of interim financial statements as described hereafter.

1.2. Main accounting policies

The accounting policies adopted for the preparation of the condensed consolidated financial statements for the first half of 2018 are in accordance with IFRS standards and interpretations, as adopted by the European Union. These are available on the European Commission website: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_fr.
The accounting policies adopted are identical to those used for the preparation of the consolidated financial statements for the year ended 31 December 2017, with the exception of the adoption of the following new 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.

In addition, the Group has not opted for the early adoption of the new standards, amendments to standards and interpretations, endorsed or not by the European Union, which are not yet in force for the first half of 2018. The impacts of these standards and amendments are being analysed.

With respect to IFRS 16 "Leases", its application on the Group's financial statements will have globally the effect of bringing to the assets, in exchange for a debt, a substantial portion 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" in the Group's financial statements for the year ended 31 December 2017, and their change as of 30 June 2018 is recalled in Note 6 "Comments on off-balance sheet commitments" below. 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. Given this work in progress, the choice of the transition method is not definitively finalised.

1.3. Accounting principles used in connection with the interim consolidated financial statements

1.3.1. Income tax

Income tax for the half-year is calculated for each country on the basis of an average effective tax rate estimated on an annual basis and applied to the half-year income before tax of each country. This average estimated effective tax rate takes into account if such is the case the use and the recognition or not of the tax losses carried forward.

1.3.2. Impairment tests

The Group did not record as of 30 June 2018 any material impairment on the items of property, plant and equipment, intangible assets and goodwill nor on investments under equity method.

1.3.3. Discount rates

The discount rates used to calculate the provision for employee benefits as of 30 June 2018 is 2.65% in the UK (compared to 2.5% as of 31 December 2017) and 1.65% in the Euro zone (compared to 1.5% as of 31 December 2017). The discount rate used to calculate dismantling provision and debt on commitments to purchase non-controlling interests is 1.5% (the same as 31 December 2017).

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. The change described above has an impact of +€10.0 million on Adjusted and IFRS revenue and has no impact on the operating margin and net income for the first half of 2017. This reclassification has no effect 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 parts:

- 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 recycling in the income statement at the time of their disposal.
  IFRS 9 gives the option of revaluating at fair value each of these assets in income statement or in other comprehensive income items with no possibility of recycling in 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 healthy 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 part 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.

3. CHANGES IN THE SCOPE OF CONSOLIDATION

The Group did not record any significant change in scope in the first half of 2018.

3.1. Impact of acquisitions

The Group did not take any control over the first half of 2018.

The values of the assets and liabilities acquired as well as the goodwill related to the asset swap of CMI in October 2017 have been determined on an interim basis and are subject to change during the period required for the allocation of goodwill that may be extended until 12 months after the date of takeover.

4. SEGMENT REPORTING

In the segment reporting, the data related to joint ventures, companies under joint control, is proportionately consolidated as in the Group's operating management reporting used by the Executive Board – the Chief Operating Decision Maker (CODM) – in order to monitor the activity, allocate resources and measure performances. Consequently, pursuant to IFRS 8, operating data presented hereafter, in line with internal communication, is "adjusted" to take into consideration the joint ventures proportionately consolidated. The "adjusted" data is reconciled with the IFRS financial statements for which the IFRS 11 leads to consolidation of the joint ventures under the equity method.

4.1. Information related to operating segments

4.1.1. First half of 2018

The information by operating segments for the first half of 2018 is as follows:

In million euros	Street furniture	Transport	Billboard	Total
Revenue	742.7	659.4	241.2	1,643.3
Operating margin	149.3	53.8	11.3	214.4
EBIT	62.4	26.5	(6.2)	82.7
Acquisitions of intangible assets and PP&E net of disposals	69.7	19.8	4.7	94.2

The reconciliation of these operating data from Adjusted to IFRS breaks down as follows:

In million euros	Adjusted data	Joint ventures' impact [1]	IFRS data
Revenue	1,643.3	(195.5)	1,447.8
Operating margin	214.4	(52.0)	162.4
EBIT	82.7	(41.1)	41.6
Acquisitions of intangible assets and PP&E net of disposals	94.2	(4.4)	89.8

[1] *Impact of change from proportionate consolidation to the equity method of joint ventures.*

The impact of €(195.5) million resulting from IFRS 11 (change from the proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(201.8) million of revenue made by the joint ventures and €6.3 million of non-eliminated part of intercompany revenue made by Group fully consolidated companies with joint ventures, under IFRS 11, leaving IFRS revenue at €1,447.8 million.

4.1.2. First half of 2017 (Restated)

The information by operating segments for the first half of 2017 is as follows:

In million euros	Street furniture	Transport	Billboard	Total
Revenue	751.6	651.7	248.1	1,651.4
Operating margin	174.9	66.0	14.1	255.0
EBIT	79.2	42.4	(2.9)	118.7
Acquisitions of intangible assets and PP&E net of disposals	59.9	21.0	12.3	93.2

The reconciliation of these operating data from Adjusted to IFRS breaks down as follows:

In million euros	Adjusted data	Joint ventures' impact [1]	IFRS data
Revenue	1,651.4	(200.6)	1,450.8
Operating margin	255.0	(59.0)	196.0
EBIT	118.7	(51.5)	67.2
Acquisitions of intangible assets and PP&E net of disposals	93.2	(6.4)	86.8

[1] *Impact of change from proportionate consolidation to the equity method of joint ventures.*

The impact of €(200.6) million resulting from IFRS 11 (change from the proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(207.4) million of revenue made by the joint ventures and

€6.8 million of non-eliminated part of intercompany revenue made by Group fully consolidated companies with joint ventures, under IFRS 11, leaving IFRS revenue at €1,450.8 million.

4.2. Information by geographical area

4.2.1. First half of 2018

The information by geographical area for the first half of 2018 is as follows:

In million euros	Europe [(1)]	Asia-Pacific	France	Rest of the world	United-Kingdom	North America	Total
Revenue	**447.4**	**400.2**	**287.6**	**208.3**	**173.2**	**126.6**	**1,643.3**

(1) Excluding France and the United Kingdom.

4.2.2. First half of 2017 (Restated)

The information by geographical area for the first half of 2017 is as follows:

In million euros	Europe [(1)]	Asia-Pacific	France	Rest of the world	United-Kingdom	North America	Total
Revenue	**443.0**	**372.9**	**301.8**	**216.6**	**175.9**	**141.2**	**1,651.4**

(1) Excluding France and the United Kingdom.

4.3. Other information

4.3.1. First half of 2018

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

In million euros	Adjusted data	Joint ventures' impact [(1)]	IFRS data
Net cash flow from operating activities	**137.4**	**(39.5)**	**97.9**
- *Including Change in working capital*	*(37.5)*	*(20.8)*	*(58.3)*
Acquisitions of intangible assets and PP&E net of disposals	**(94.2)**	**4.4**	**(89.8)**
Free Cash Flow	**43.2**	**(35.1)**	**8.1**

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

4.3.2. First half of 2017

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

In million euros	Adjusted data	Joint ventures' impact [(1)]	IFRS data
Net cash flow from operating activities	**123.3**	**(37.9)**	**85.4**
- *Including Change in working capital*	*(14.3)*	*(58.6)*	*(72.9)*
Acquisitions of intangible assets and PP&E net of disposals	**(93.2)**	**6.4**	**(86.8)**
Free Cash Flow	**30.1**	**(31.5)**	**(1.4)**

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

5. COMMENTS ON THE STATEMENT OF FINANCIAL POSITION AND ON THE INCOME STATEMENT

5.1. Equity

As of 30 June 2018, share capital amounted to €3,243,470.83 divided into 212,757,582 fully paid-up shares of the same category.

Reconciliation of the number of outstanding shares as of 1 January 2018 and 30 June 2018:

Number of outstanding shares as of 1 January 2018	212,676,701
Shares issued following the exercise of options	80,881
Number of outstanding shares as of 30 June 2018	**212,757,582**

The Group did not grant any bonus share plan or stock option plan in the first half of 2018.

The Shareholders' Meeting of 17 May 2018 decided to pay a dividend of €0.56 for each of the 212,676,701 shares making up the share capital as of 31 December 2017.

5.2. Financial debt

		30/06/2018			31/12/2017		
In million euros		Current portion	Non current portion	Total	Current portion	Non current portion	Total
Gross financial debt	**(1)**	**72.7**	**769.3**	**842.0**	**586.0**	**786.6**	**1,372.6**
Financial derivatives assets		(5.6)		(5.6)	(0.2)		(0.2)
Financial derivatives liabilities		1.2	0.2	1.4	4.9	0.5	5.4
Hedging financial instruments	**(2)**	**(4.4)**	**0.2**	**(4.2)**	**4.7**	**0.5**	**5.2**
Cash and cash equivalents (*)		298.6		298.6	728.3		728.3
Bank overdrafts		(11.2)		(11.2)	(12.8)		(12.8)
Net cash	**(3)**	**287.4**	**-**	**287.4**	**715.5**	**-**	**715.5**
Treasury financial assets (**)	**(4)**	**55.8**	**-**	**55.8**	**277.9**	**-**	**277.9**
Net financial debt (excluding non-controlling interest purchase commitments)	**(5)=(1)+(2)-(3)-(4)**	**(274.9)**	**769.5**	**494.6**	**(402.7)**	**787.1**	**384.4**

(*) As of 30 June 2018, the Group has €298.6 million of cash and cash equivalents (compared to €728.3 million as of 31 December 2017). Cash equivalents mainly include short-term deposits and money market funds. €7.6 million of the total of cash and cash equivalents are invested in guarantees as of 30 June 2018, compared to €8.0 million as of 31 December 2017.

(**) As of 30 June 2018, treasury financial assets are made of €44.2 million of short-term liquid investments (compared to €244.0 million as of 31 December 2017) and €11.6 million (compared to €33.9 million as of 31 December 2017) held in escrow account by the Group in connection with operational contracts, where the cash belongs to the Group. 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 impact of the fair value revaluation arising from amortised cost (IFRS 9 restatements) breaks down as follows:

		30/06/2018			31/12/2017		
In million euros		Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Gross financial debt	(1)	72.7	769.3	842.0	586.0	786.6	1,372.6
Impact of amortised cost (IFRS9 remeasurement)	(2)	1.2	3.8	5.0	1.2	4.4	5.6
Economic financial debt	(3)=(1)+(2)	73.9	773.1	847.0	587.2	791.0	1,378.2

The Group's financial debt includes a €750 million bond issued by JCDecaux SA in June 2016, maturing in June 2023. In February 2018, JCDecaux SA redeemed its €500 million bond issued in February 2013.

As of 30 June 2018, JCDecaux SA holds a €825 million unused committed revolving credit facility, whose maturing in July 2022.

This credit facility requires to be compliant with the following ratio: net financial debt / operating margin strictly less than 3.5. As of 30 June 2018, JCDecaux SA respects this "covenant" with a ratio very far from the required limit.

JCDecaux SA is rated "Baa2" by Moody's and "BBB" by Standard and Poor's (the last rating of Moody's dated on 5 July 2018, and that of Standard and Poor's on 19 July 2017), each of these notes being accompanied by a stable perspective.

5.3. EBIT

During the first half of 2018, operating income amounted to €41.6 million compared to €67.2 million during the first half of 2017. This decrease is related to the decrease of the operating margin partly offset by a decrease in the net expenses recognised between this aggregate and EBIT mainly due to a decrease in the maintenance spare parts.

5.4. Net Financial income (Loss)

During the first half of 2018, the financial result amounted to €(11.6) million compared to €(16.4) million during the first half of 2017. This improvement is mainly due to the decrease in net financial interests in connection with the decrease in gross debt following the repayment in February 2018 of the €500 million bond issued in February 2013.

5.5. Income tax

During the first half of 2018, the Group recorded a tax charge of €(9.6) million compared to a tax charge of €(18.1) million during the first half of 2017. The effective tax rate before impairment of goodwill and the share of net profit of companies under the equity method was 32.0% during the first half of 2018 compared to 35.6% during the first half of 2017. Excluding the discounting and revaluation of debts on commitments to purchase non-controlling interests, the effective tax rate was 31.7% during the first half of 2018 compared to 34.9% during the first half of 2017.

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

During the first half of 2018 the share of net profit of associates totalled €9.0 million compared to €8.9 million during the first half of 2017, and the share of net profit of joint ventures totalled €29.6 million during the first half of 2018 compared to €37.6 million during the first half of 2017.

5.7. Non-controlling interests

Non-controlling interests totalled €1.5 million during the first half of 2018, compared to €5.1 million during the first half of 2017.

6. COMMENTS ON OFF-BALANCE SHEET COMMITMENTS

The main source of significant changes in off-balance sheet commitments as of 30 June 2018 compared to 31 December 2017 is a decrease of approximately €64 million in commitments relating to lease, rent, and minimum and fixed franchise payments given in the ordinary course of business. This decrease is mainly due to the payments of rent and fees and exchange rates fluctuations, partially offset by the gains and renewals of contracts during the first half of 2018.

7. SEASONALITY

All the operational indicators are marked by a strong seasonality generally translated by a lower level of activity on the first half of the civil calendar year. Consequently, the half year results as of 30 June 2018 are not necessarily representative of the expected 2018 full year results.

8. INFORMATION ON RELATED PARTIES

As of 30 June 2018, the relations between the Group and the related parties did not change significantly compared to 31 December 2017. The transactions made with the related parties and impacting the income statement are comparable to those existing in the first half of 2017.

9. SUBSEQUENT EVENTS

Following the announcement by the Group on 26 June 2018 of the signature of an agreement with APN Outdoor Group Limited ("APN Outdoor") to acquire 100% of APN Outdoor's share capital by way of a scheme of arrangement, the Group is likely to enter into its consolidation scope APN Outdoor a leading Out-of-Home media company in Australia and New Zealand that primarily operates in the large format billboard segment, as well as in the transit, rail and airport segments. The scheme of arrangement has to be approved by APN Outdoor shareholders and is subject to Australian Competition and Consumer Commission clearance. Under the terms of the agreement, JCDecaux will pay A$6.70 in cash for each APN Outdoor share, corresponding to an equity value of approximately A$1.119 billion.

STATUTORY AUDITORS' REPORT

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

JCDecaux SA

Registered office: 17, rue Soyer - 92200 Neuilly-sur-Seine
Share capital: €.3,243,470.83

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1, 2018 to June 30, 2018

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholder's meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of JCDecaux SA, for the period from January 1, 2018 to June 30, 2018;
- *the verification of the information presented in the half-yearly management report.*

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the matter set out in note "2. Change of accounting methods" regarding the incidence of the initial application of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" on the condensed interim consolidated financial statements.

II - Specific verification

We have also verified the information presented in the half-yearly management report on the condensed interim consolidated financial statements subject to our review.

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

French Original signed by:

Paris La Défense, July 26, 2018		Paris La Défense, July 26, 2018
Grégoire Menou *Partner*	Frédéric Quélin *Partner*	Gilles Puissochet *Partner*

DECLARATION BY THE PERSON RESPONSIBLE OF THE HALF-YEAR REPORT

"I certify, to the best of my knowledge, that the accounts have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities and financial position and profit or loss of the Company and all the undertakings included in the JCDecaux Group consolidation, and that the half-year financial report presents a fair review of the information mentioned in Article 222-6 of the General Regulations of the Autorité des Marchés Financiers."

Jean-Charles Decaux

Chairman of the Board and co-Chief Executive Officer