

JCDecaux

showcasing the world

# 2012 ANNUAL RESULTS

March, 7<sup>th</sup> 2013



Digital 360° in Changi airport, Singapore



**JCDecaux**

*showcasing the world*

# BUSINESS OVERVIEW

**Jean-Charles Decaux**  
**Chairman of the Executive Board and Co-CEO**



(In million €, except %, under IFRS standards)

	2012	2011	
▶ Revenues	2,622.8	2,463.0	+6.5%
▶ Operating margin	602.2	582.1	+3.5%
▶ EBIT before impairment charges <sup>(1)</sup>	316.4	325.2	-2.7%
▶ Net income Group share before impairment charges <sup>(2)</sup>	207.3	212.4	-2.4%
▶ Net cash flow from operating activities	490.5	448.3	+9.4%
▶ Free cash flow	322.7	280.5	+15.0%
▶ Net debt as of end of period	-34.9	147.5	
<i>Net debt / Operating margin</i>	<i>-0.1x</i>	<i>0.3x</i>	

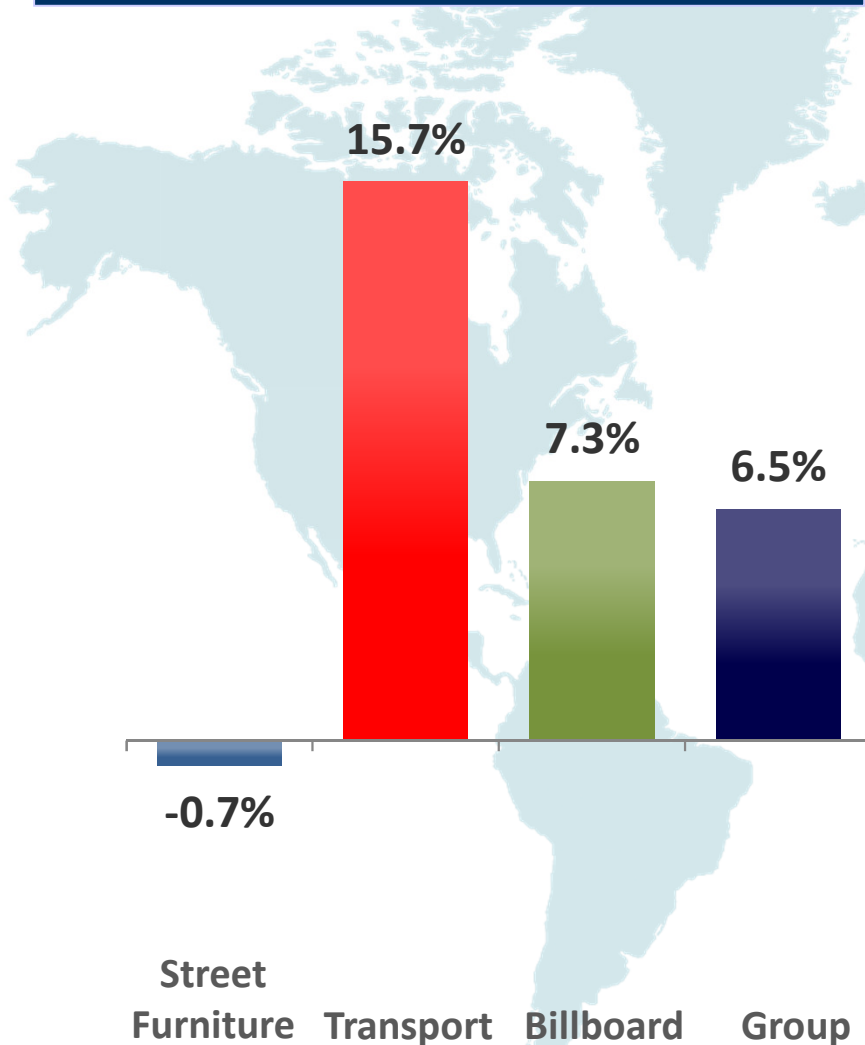
<sup>(1)</sup> The impact of impairment charges on EBIT corresponds to a €38.0m goodwill impairment in 2012 (€0m in 2011), and a €7.8m impairment on tangible and intangible assets in 2012 (-€1.9m in 2011), following the impairment tests conducted on the goodwill, tangible and intangible assets.

<sup>(2)</sup> The impact of impairment charges on Net income Group share corresponds to a €38.0m goodwill impairment in 2012 (€0m in 2011), and a €6.5m impairment on PP&E and intangible assets net of tax and net of the impact on minorities in 2012 (-€0.2m in 2011, including a -€1.8m€ impairment reversal on Metrobus).

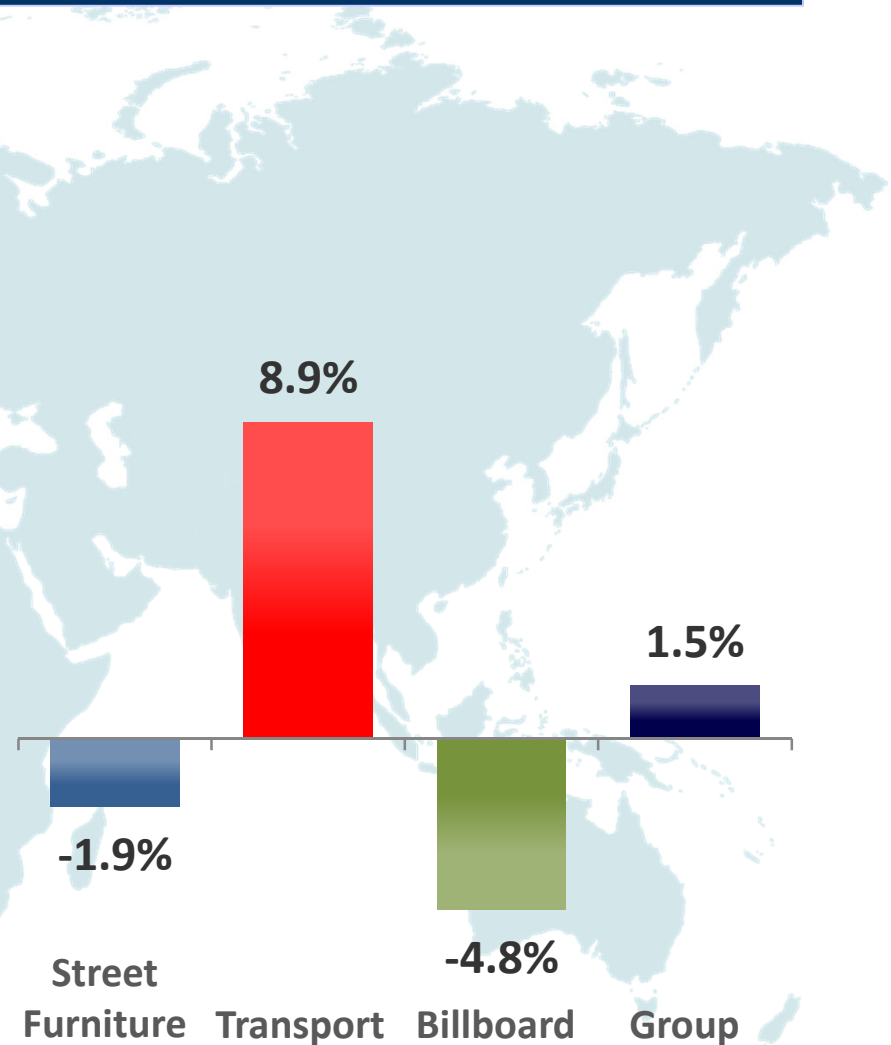
Please refer to page 47 for financial definitions

# 2012 REVENUE GROWTH BY SEGMENT

## Reported growth (%)



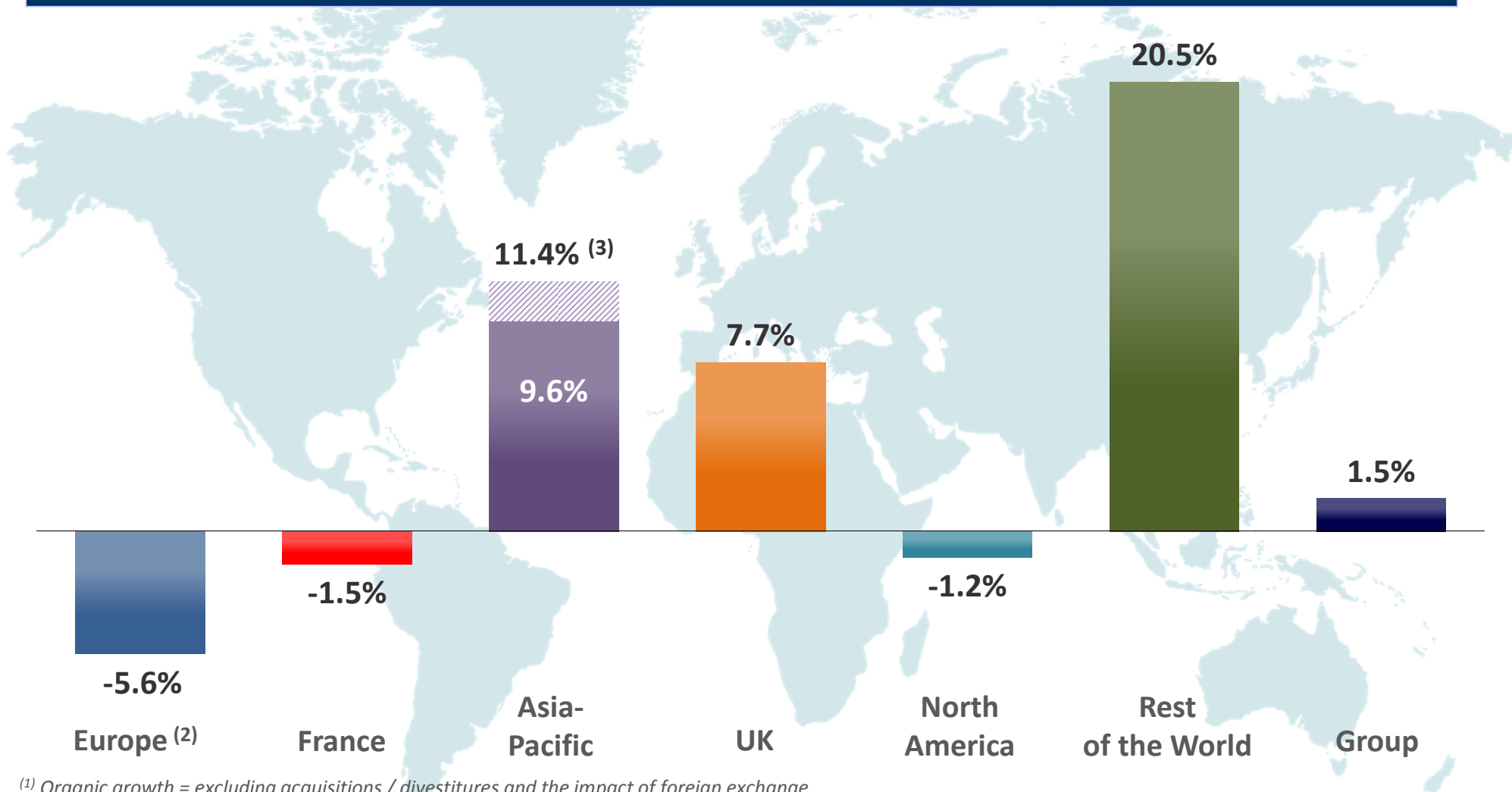
## Organic growth (%) <sup>(1)</sup>



<sup>(1)</sup> Organic growth = excluding acquisitions / divestitures and the impact of foreign exchange

# 2012 REVENUE GROWTH BY REGION

## Organic growth (%) <sup>(1)</sup>



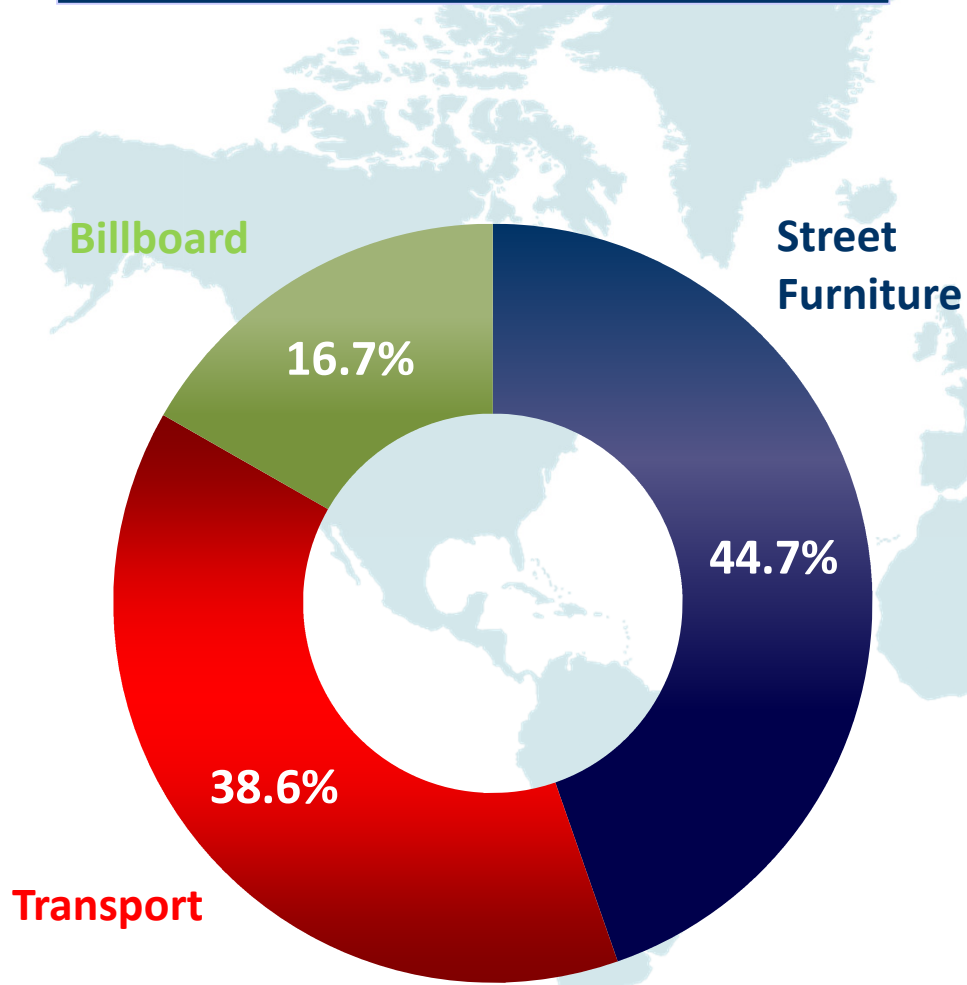
<sup>(1)</sup> Organic growth = excluding acquisitions / divestitures and the impact of foreign exchange

<sup>(2)</sup> Excluding France and the United Kingdom

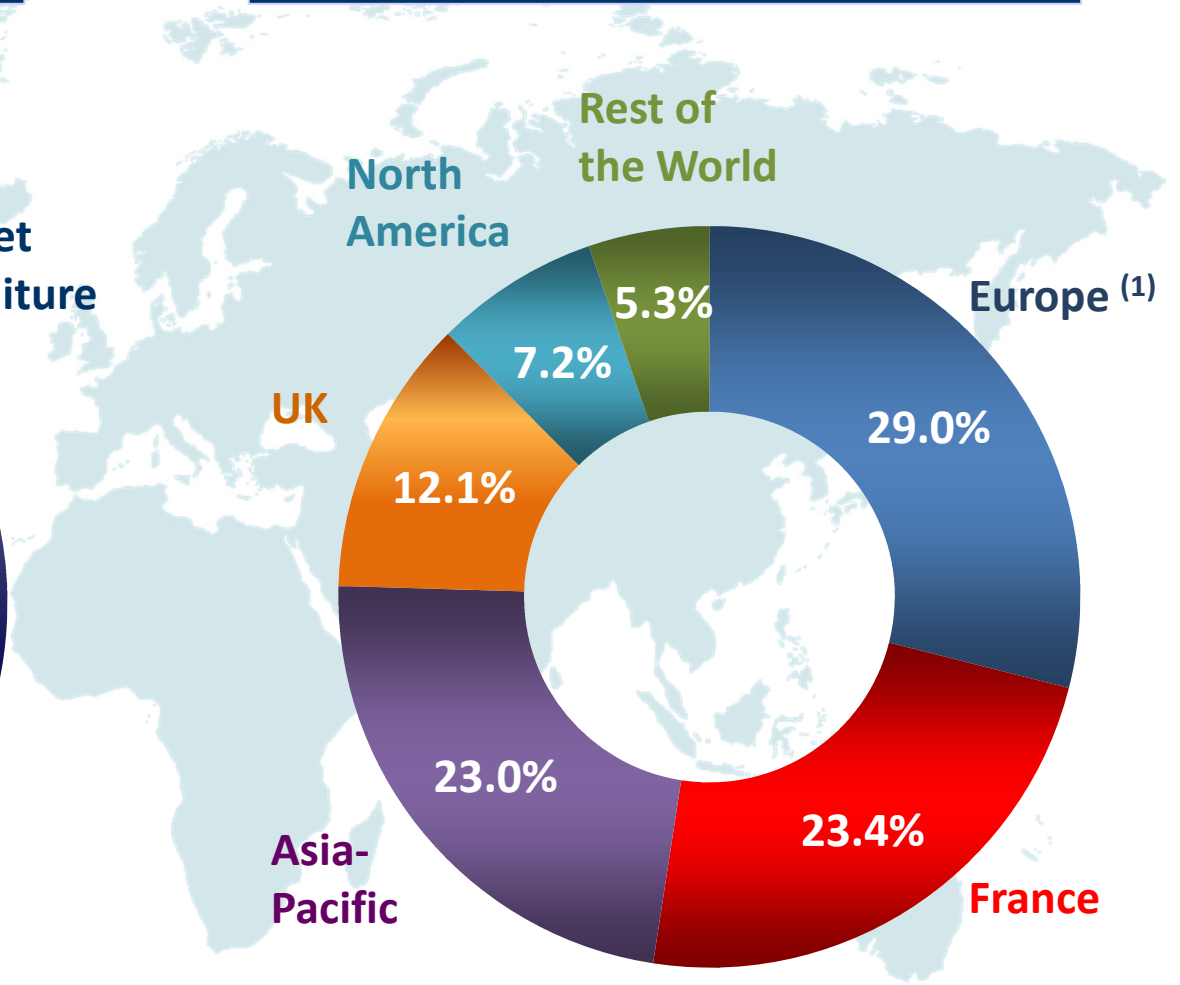
<sup>(3)</sup> Excluding the one-off impact of the introduction of VAT and the suppression of business tax in China

# 2012 REVENUE BREAKDOWN

By business (% of total)



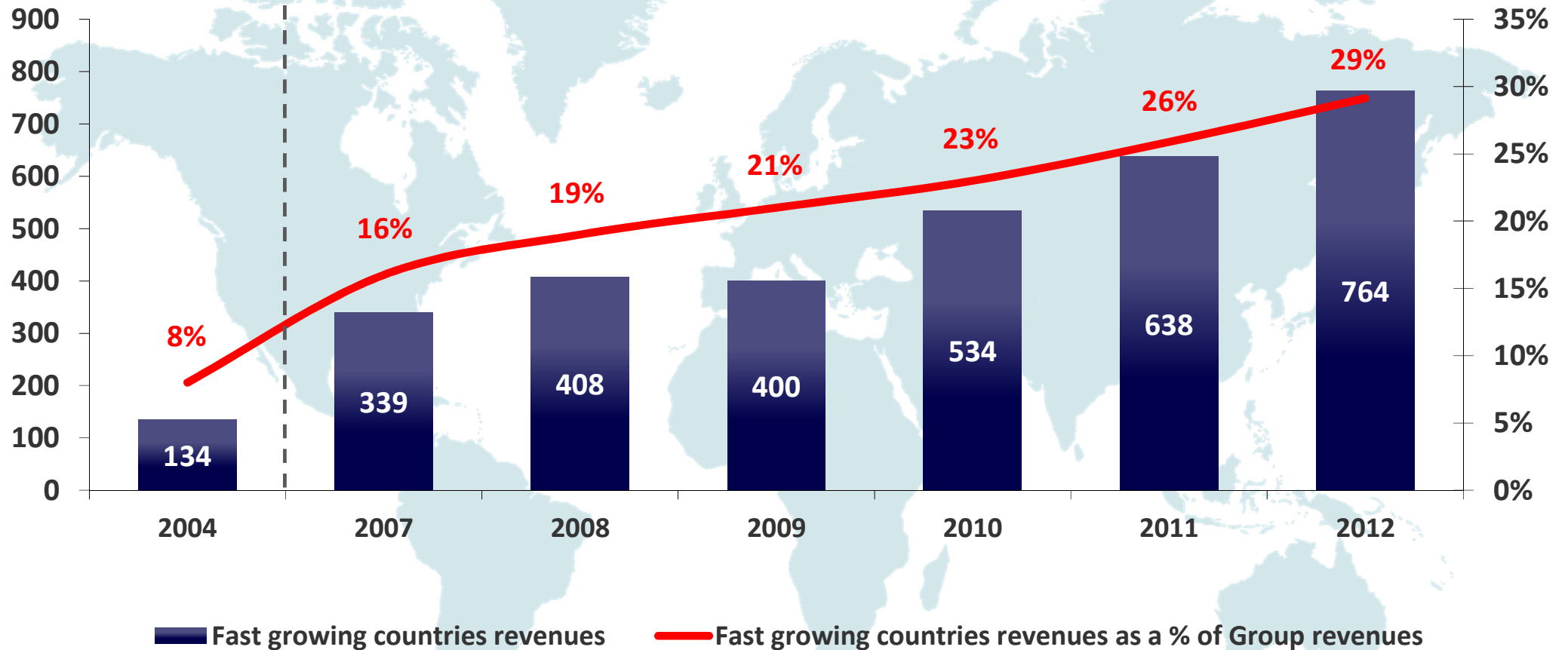
By region (% of total)



(1) Excluding France and the United Kingdom

# EXPOSURE TO FAST-GROWING COUNTRIES

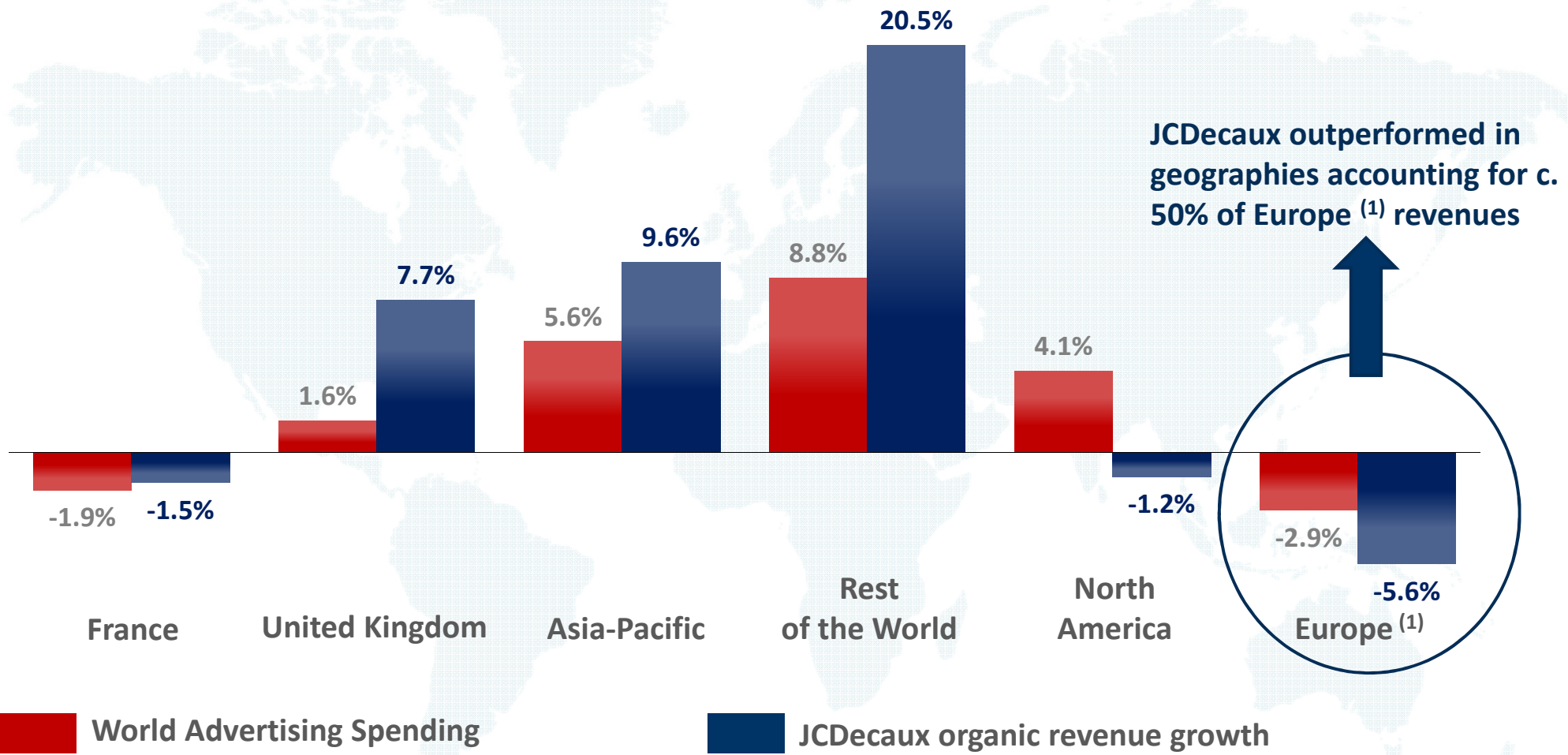
In million €



"Fast growing countries" include Central & Eastern Europe (excl. Austria), Baltic countries, Russia, Turkey, Ukraine, Latin America, Asia (China incl. Hong Kong and Macau, Thailand, South Korea, Malaysia, Singapore, India), Africa, Middle East, Central Asia

# 2012 PERFORMANCE VS MEDIA MARKET

► Outperformance in geographies accounting for c. 80% of total revenues



Source: Zenith Optimedia December 2012

(1) Excluding France and the United Kingdom



## DIVERSIFIED CLIENT BASE

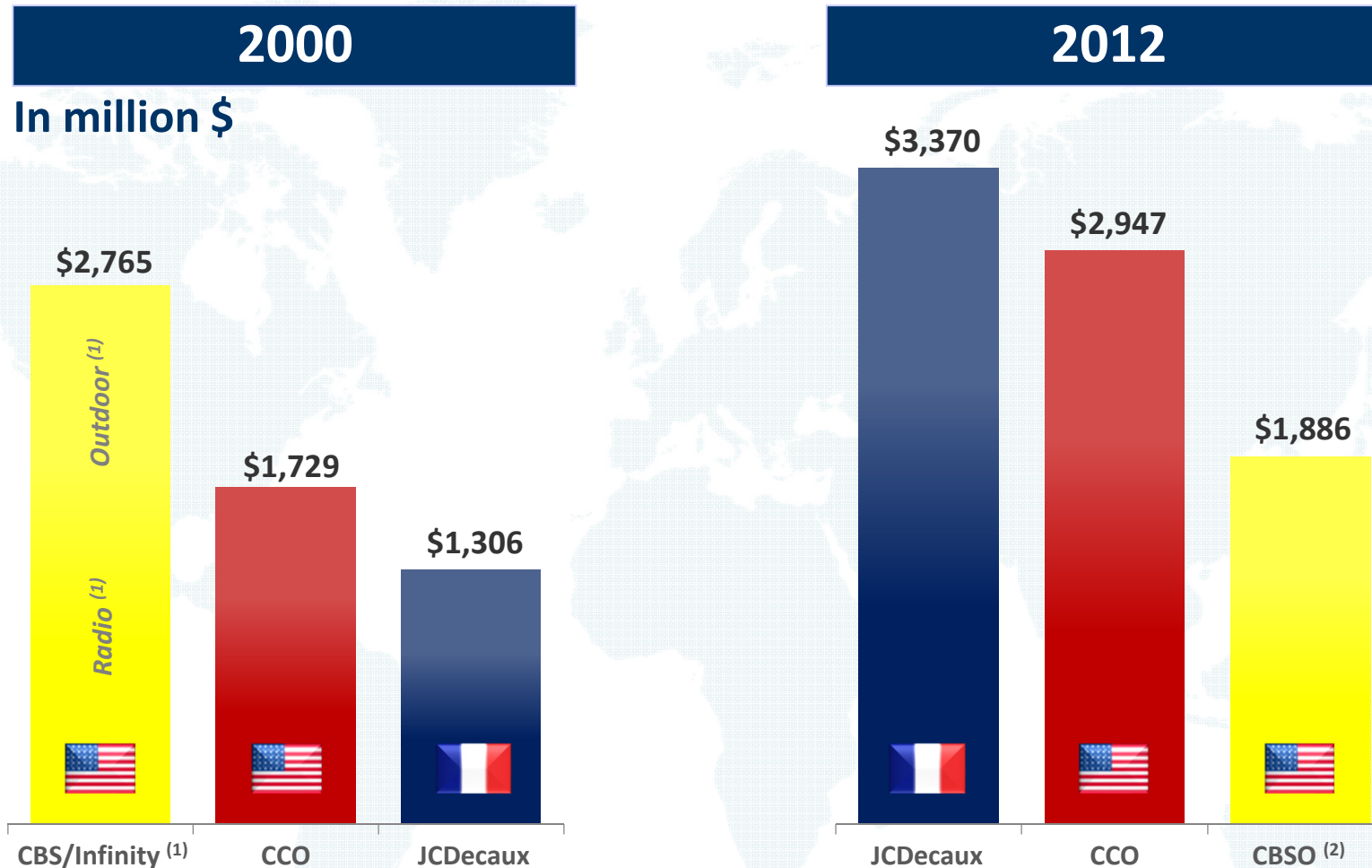
▶ **Well diversified and stable** client categories

▶ **Retail remains the largest category**

▶ **In 2012, strong spending increases from Personnel Care & Luxury goods (+20%)**

#	Category	2012 revenues %	YoY pts change
1	Retail	14.0%	+0.1%
2	Entertainment, Leisure & Film	12.9%	-0.2%
3	Personal Care & Luxury Goods	11.6%	+1.4%
4	Finance	10.5%	-0.2%
5	Food & Beverage	7.7%	+0.4%
6	Services	6.9%	-0.1%
7	Telecom & Technology	6.7%	-1.1%
8	Fashion	6.3%	-0.2%
9	Automobile	6.1%	+0.1%
10	Travel	5.2%	+0.0%
11	Restaurants	2.7%	+0.3%
12	Liquor & Wine	2.2%	-0.3%
13	Government	2.2%	+0.1%
14	Beer	1.9%	+0.1%
15	Internet	1.2%	-0.2%
16	Other	1.1%	-0.2%
17	Tobacco	0.8%	+0.1%

# THE NUMBER ONE OUTDOOR ADVERTISING COMPANY IN THE WORLD



Sources: Company news releases. Currency conversions are based on an annual average exchange rate \$/€ of 1.0852 in 2000, 0.7184 in 2011 and 0.7783 in 2012

<sup>(1)</sup> JCDecaux's estimate of CBS outdoor revenues in 2000 as CBS did not disclose the split between Infinity outdoor and radio business

<sup>(2)</sup> Estimate of CBS outdoor total revenue in 2012 as CBS only disclosed the revenue of its Americas outdoor division (\$1,296bn). The estimate of CBS outdoor revenues in Europe and in the rest of the world is based on market consensus.








## **2012 BUSINESS HIGHLIGHTS**

- ▶ **Organic growth & renewals**
- ▶ **London Olympics: Gold Medal for Outdoor advertising**
- ▶ **Strong growth from digital**
- ▶ **Transforming our positions in 3 key markets**
- ▶ **Beautification in fast-growing countries**
- ▶ **Ingenuity Award: a tribute to JCDecaux's innovation**

# 2012 ORGANIC GROWTH & RENEWALS

## New contracts

### STREET FURNITURE

-  **Azerbaijan** Baku (columns w/ phone & internet)
-  **Finland** Citycon shopping malls
-  **India** Delhi (bus shelters)
-  **Oman** Muscat (all street furniture)
-  **UK** Leeds (Trinity mall)
-  **Brazil** São Paulo
-  **France** Annecy and La Défense

### TRANSPORT




-  **China** Chengdu-Shuangliu airport
-  **Latvia** Riga airport
-  **Norway** Norwegian Railway System
-  **UAE** Concourse 3 in Dubai Int. airport
-  **Spain** Madrid metro
-  **Czech Rep.** Prague airport

### BILLBOARD




-  **USA** Chicago (100% digital)

## Contract renewals / extensions

### STREET FURNITURE

-  **France** Reims, Metz
-  **Portugal** Cascais
-  **Luxembourg** Luxembourg bus shelters (+new contract for columns)

### TRANSPORT

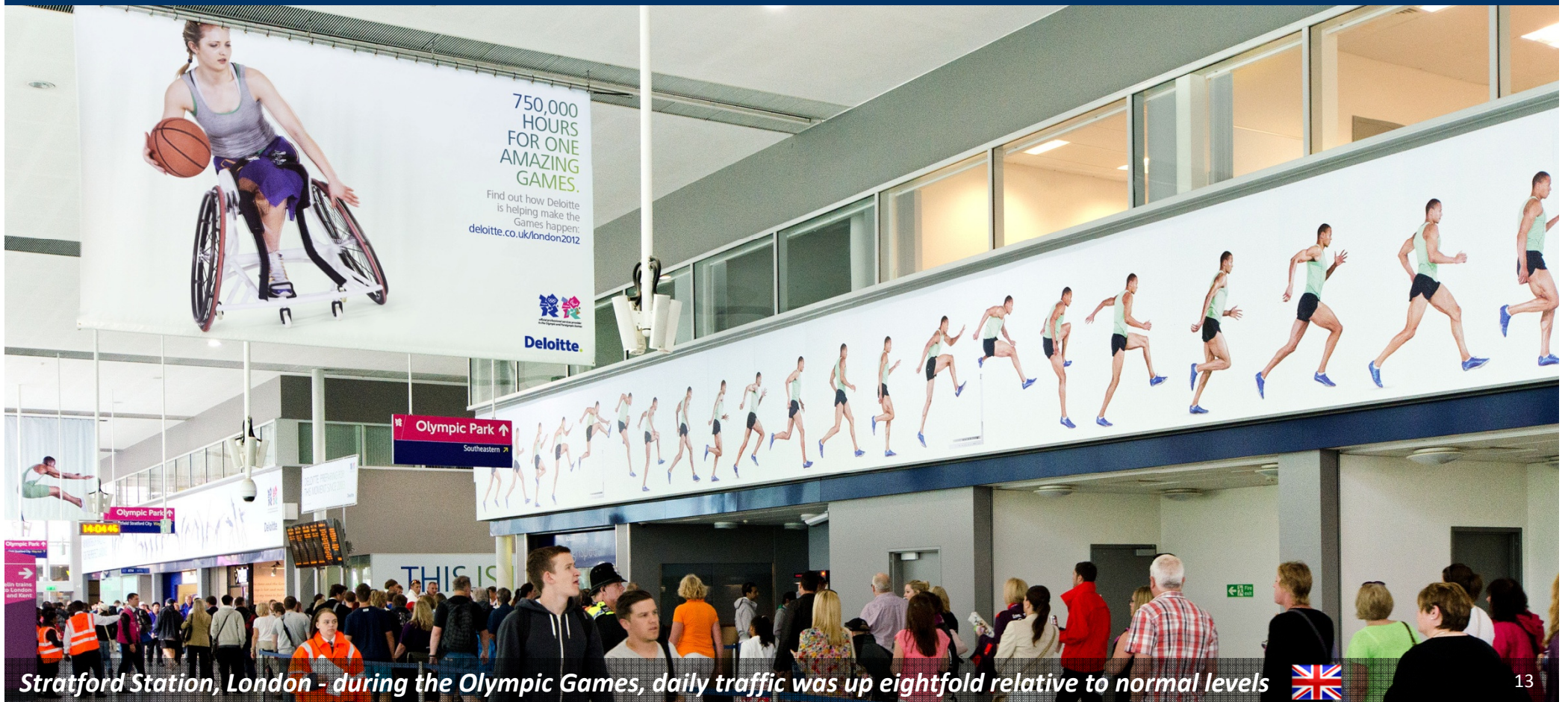
-  **Hong Kong** Bus shelters, tramway and MTR
-  **USA** New York airports
-  **France** Marseille airport
-  **Portugal** ANA (Portuguese airports)

### BILLBOARD

-  **Bulgaria** Sofia

# LONDON OLYMPICS: GOLD MEDAL FOR OUTDOOR ADVERTISING

- ▶ UK Outdoor market was the big Olympic winner with +25% in Q3
- ▶ UK advertising revenues down in Q3 for TV (-7%) and press (-10%)
- ▶ JCDecaux's UK Transport business up c. +50% in Q3



Stratford Station, London - during the Olympic Games, daily traffic was up eightfold relative to normal levels

# STRONG GROWTH FROM DIGITAL

- ▶ 2012 digital revenues:
  - ✓ 6% of Group revenues
  - ✓ 13% of Transport
  - ✓ +53% yoy
- ▶ Largest contributors:
  - ✓ UK
  - ✓ Greater China
  - ✓ US
- ▶ More than 12,000 panels in 22 countries



# SUCCESS OF NEW MEDIA PLATFORM IN AÉROPORTS DE PARIS

► JCDecaux Airport Paris: double-digit organic revenue growth in 2012



70" LCD screen



39m<sup>2</sup> LED digital screen



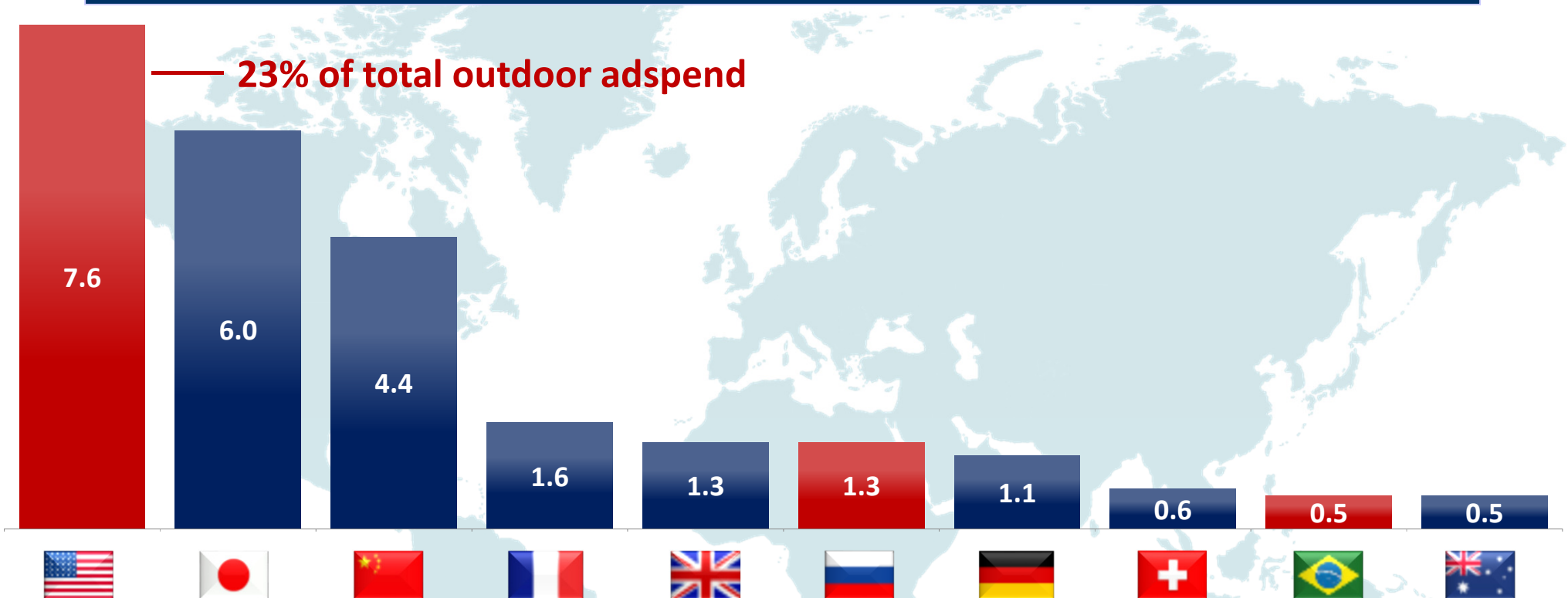
Digital fresco



Totem (designed by Patrick Jouin)

# TRANSFORMING OUR POSITION IN 3 OF THE 10 LARGEST OUTDOOR MARKETS...

2012 outdoor adspend (\$bn)



✓ JCDecaux won the world's first digital billboard contract on public land in Chicago

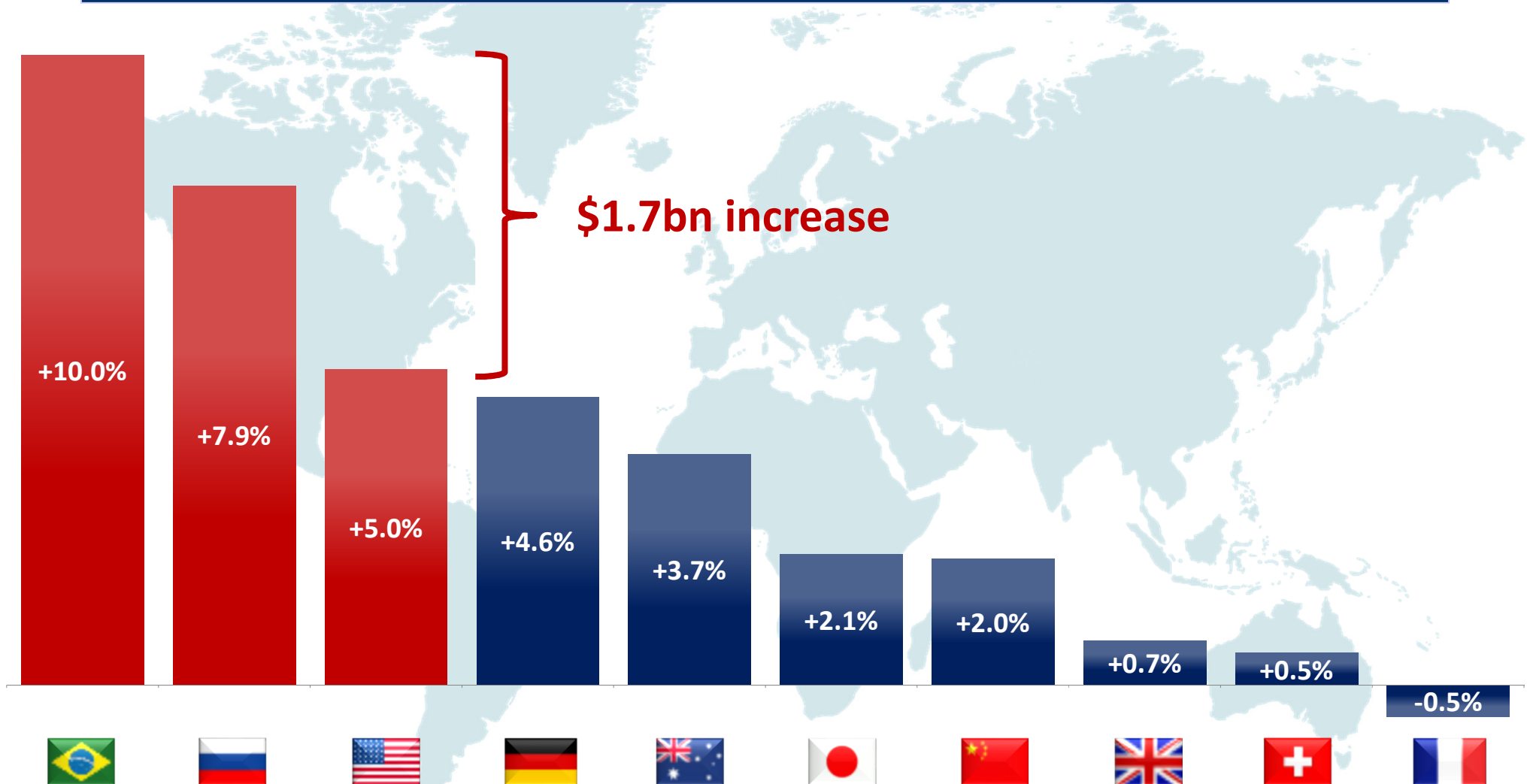
✓ JCDecaux acquired 25% of Russ Outdoor

✓ JCDecaux won the digital advertising clocks contract with São Paulo for 25 years



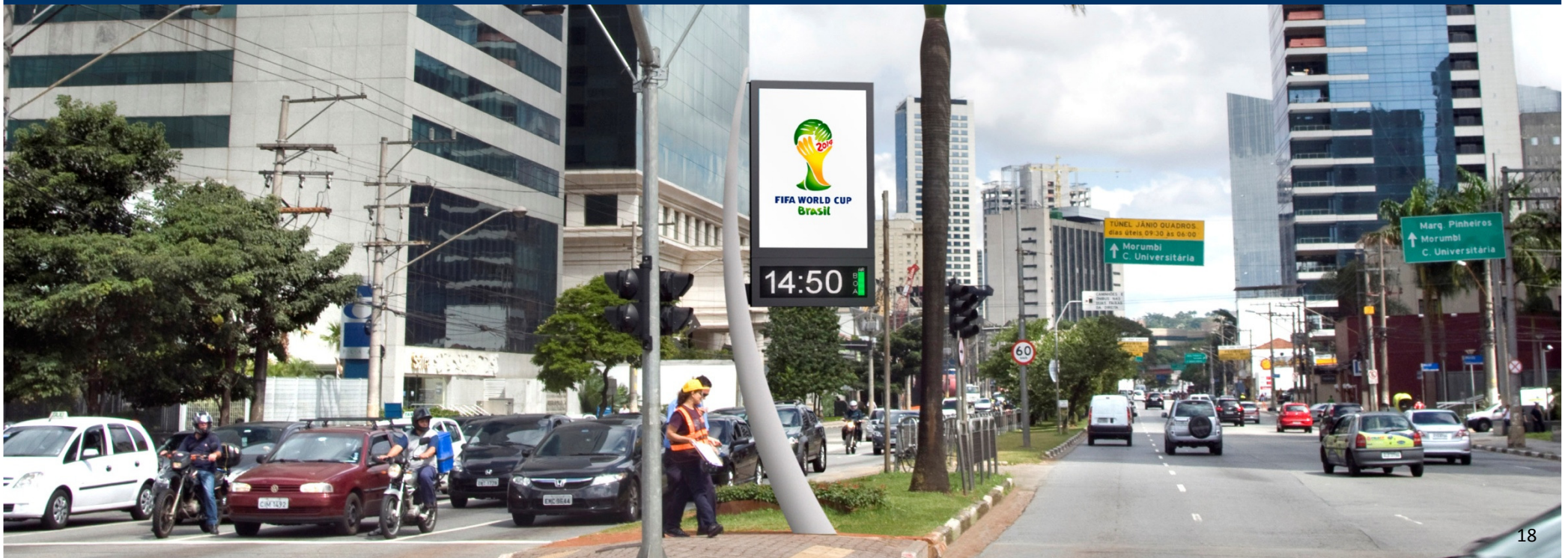
# ...WITH THE STRONGEST GROWTH PROSPECTS FOR OOH

## 2012-2015 outdoor adspend evolution forecasts (yoy % change)



# A FLAGSHIP CONTRACT WIN IN SÃO PAULO

- ▶ Brazil is the 6<sup>th</sup> largest advertising market worldwide
- ▶ São Paulo is the financial capital of Brazil
- ▶ 25-year contract - 1000 digital advertising clocks
- ▶ High-end digital outdoor technology
- ▶ Expected advertising revenues of c. €1bn over the contract life



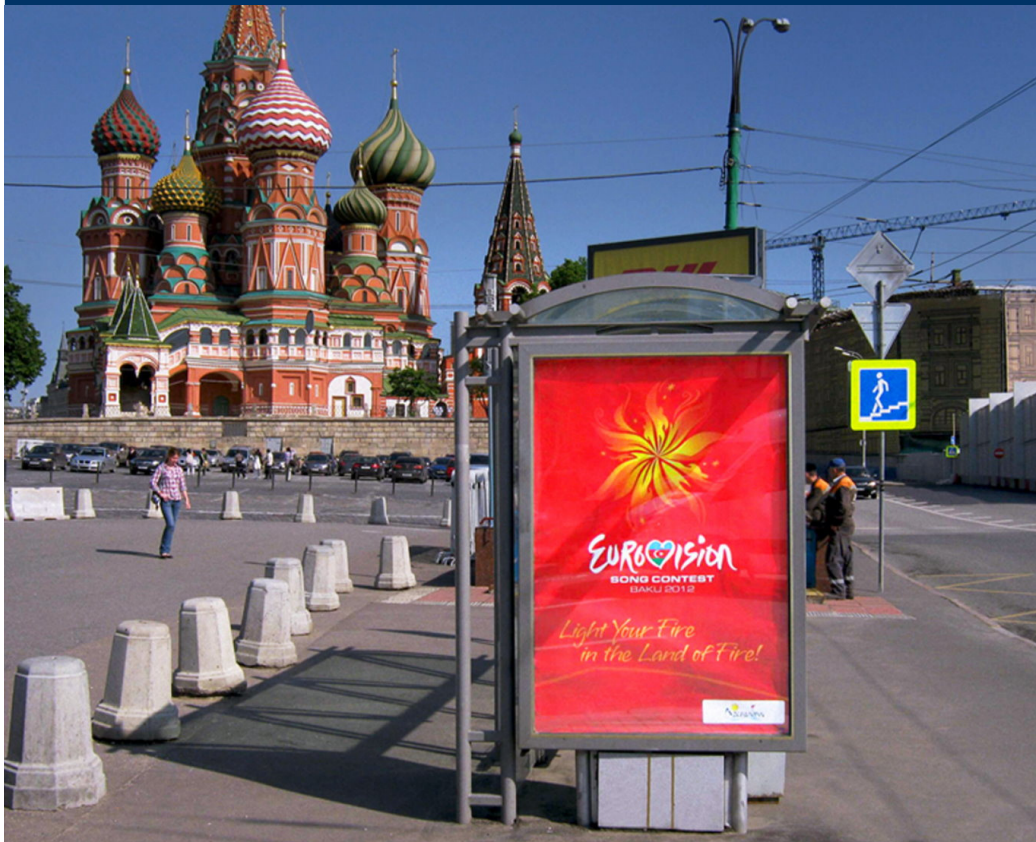
# US - FIRST LARGE-SCALE DIGITAL BILLBOARD CONTRACT WITH THE CITY OF CHICAGO

- ▶ 20-year contract (+11-year extension option by the city)
- ▶ 34 large digital billboards / 60 LED-displays in total
- ▶ Boards in best locations along Chicago expressways
- ▶ Expected advertising revenues of c. \$700m over the contract life



# ACQUISITION OF 25% OF THE RUSSIAN OOH LEADER

- ▶ 5<sup>th</sup> largest outdoor market worldwide (c. €1.0bn and fast-growing)
- ▶ Strong penetration of outdoor (13%)
- ▶ Russ Outdoor is the clear leader with 22% market share
- ▶ Russ Outdoor 2012 revenues: over \$340m



JCDecaux

showcasing the world

# BEAUTIFICATION IN FAST-GROWING COUNTRIES



Baku, Azerbaijan



Tel Aviv, Israel



Delhi, India



Villaggio Mall, Qatar



## JCDECAUX'S INNOVATION RECOGNIZED

- ▶ Vélib' won the Financial Times/Citi "Ingenuity Award" for infrastructure
- ▶ Collaborative companies and teams that have developed new solutions for challenges facing cities and their inhabitants
- ▶ Tribute to the innovative and high-quality solutions from JCDecaux



# FINANCIAL HIGHLIGHTS

**Laurence Debroux**  
**Executive Vice-President, Finance & Administration**



(In million €, except %, under IFRS standards)

	2012	2011	
▶ Revenues	2,622.8	2,463.0	+6.5%
▶ Operating margin	602.2	582.1	+3.5%
▶ EBIT before impairment charges <sup>(1)</sup>	316.4	325.2	-2.7%
▶ Net income Group share before impairment charges <sup>(2)</sup>	207.3	212.4	-2.4%
▶ Net cash flow from operating activities	490.5	448.3	+9.4%
▶ Free cash flow	322.7	280.5	+15.0%
▶ Net debt as of end of period	-34.9	147.5	
<i>Net debt / Operating margin</i>	-0.1x	0.3x	

<sup>(1)</sup> The impact of impairment charges on EBIT corresponds to a €38.0m goodwill impairment in 2012 (€0m in 2011), and a €7.8m impairment on tangible and intangible assets in 2012 (-€1.9m in 2011), following the impairment tests conducted on the goodwill, tangible and intangible assets.

<sup>(2)</sup> The impact of impairment charges on Net income Group share corresponds to a €38.0m goodwill impairment in 2012 (€0m in 2011), and a €6.5m impairment on PP&E and intangible assets net of tax and net of the impact on minorities in 2012 (-€0.2m in 2011, including a -€1.8m€ impairment reversal on Metrobus).

Please refer to page 47 for financial definitions



# RECORD OPERATING MARGIN

(In million €, except %, under IFRS standards)

	2012	2011	Var.
▶ Revenues	2,622.8	2,463.0	+159.8
• Rent and fees	(999.3)	(901.8)	-97.5
• Other net operational expenses	(1,021.3)	(979.1)	-42.2
▶ Operating margin	602.2	582.1	+20.1

Please refer to page 47 for financial definitions

- ▶ ≈ 50% of the increase in Rent and fees is due to FX and perimeter
  - ✓ 90% of the organic increase comes from Transport
- ▶ The increase in other opex is entirely due to FX and perimeter
  - ✓ Measures have been implemented to adjust the cost structure in some declining mature markets
  - ✓ The increase in opex is concentrated in fast-growing markets

# LESS FAVORABLE IMPACT ON EBIT

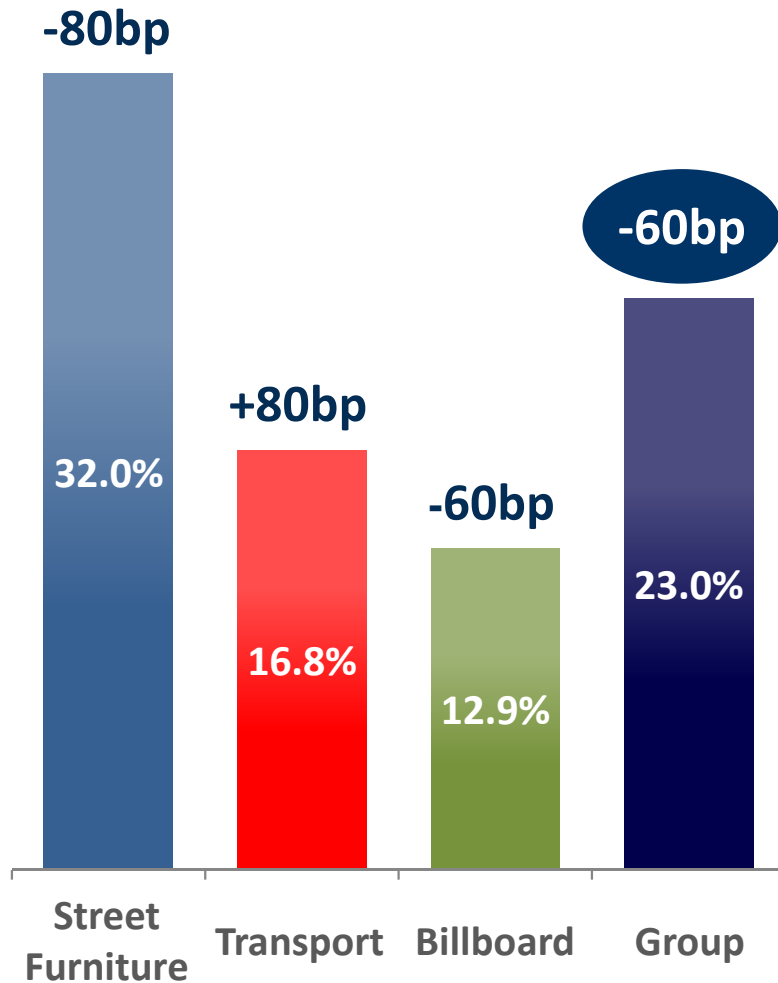
(In million €, under IFRS standards)	2012	2011	Var.
<b>► Operating margin</b>	<b>602.2</b>	<b>582.1</b>	<b>+20.1</b>
• Spare parts	(37.1)	(37.9)	+0.8
• Depreciation and provisions (net)	(250.2)	(207.9)	-42.3
○ <i>Of which net depreciation of PP&amp;E and intangible assets</i>	(226.6)	(208.2)	
○ <i>Of which impact of PPA depreciation</i>	(20.5)	(22.0)	
○ <i>Of which impairment charge, excluding goodwill (A)</i>	(7.8)	1.9	
○ <i>Of which net provision charge</i>	4.7	20.4	
• Other operating income and expenses	(6.3)	(9.2)	+2.9
• Goodwill impairment (B)	(38.0)	-	-38.0
<b>► EBIT</b>	<b>270.6</b>	<b>327.1</b>	<b>-56.5</b>
• Impairment charges = (A) + (B)	45.8	(1.9)	+47.7
<b>► EBIT before impairment charges</b>	<b>316.4</b>	<b>325.2</b>	<b>-8.8</b>

Please refer to page 47 for financial definitions

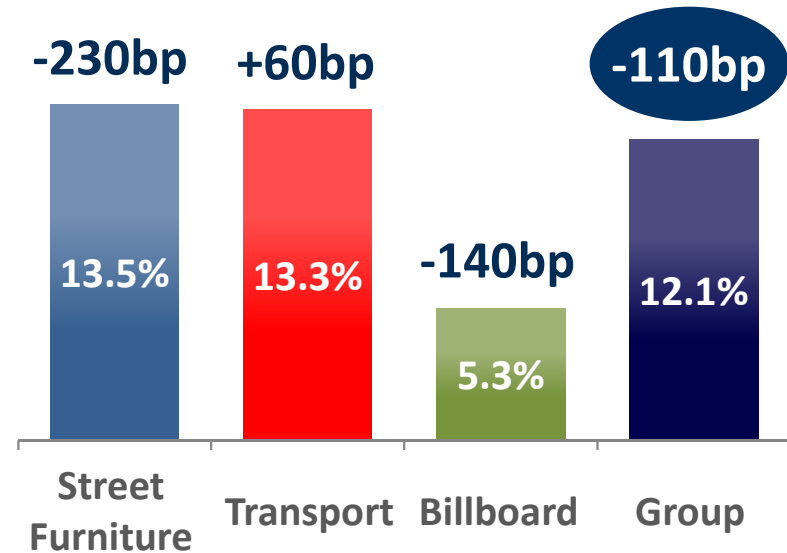
(Under IFRS standards)

# CONTINUED IMPROVEMENT IN TRANSPORT MARGIN

Operating margin  
(% of revenues)



EBIT before impairment charges  
(% of revenues)



# STEADY NET INCOME GROUP SHARE BEFORE IMPAIRMENT CHARGES

(In million €, under IFRS standards)	2012	2011	Var.
<b>▶ EBIT</b>	<b>270.6</b>	<b>327.1</b>	<b>-56.5</b>
• Financial income / (expenses) <sup>(1)</sup>	(19.3)	(26.9)	
• Tax	(92.1)	(93.7)	
• Equity affiliates	16.8	14.6	
• Minority interests <sup>(1)</sup>	(13.2)	(8.5)	
<b>▶ Net income Group share</b>	<b>162.8</b>	<b>212.6</b>	<b>-49.8</b>
• Net impact of impairment charges	44.5	(0.2)	+44.7
<b>▶ Net income Group share before impairment charges</b>	<b>207.3</b>	<b>212.4</b>	<b>-5.1</b>

<sup>(1)</sup> Excluding the impact of actualization of debt on commitments to purchase minority interests (-€10.0m and -€5.4m in 2012 and 2011 respectively)

Please refer to page 47 for financial definitions

# STRONG CASH FLOW GENERATION FULLY DELEVERAGED AT YEAR-END

(In million €, except %, under IFRS standards)	2012	2011	% change
▶ <b>Funds from operations net of maintenance costs</b>	<b>447.9</b>	<b>426.8</b>	<b>+4.9%</b>
• Change in working capital requirement	42.6	21.5	
▶ <b>Net cash flow from operating activities</b>	<b>490.5</b>	<b>448.3</b>	<b>+9.4%</b>
• Capital expenditure	(167.8)	(167.8)	
▶ <b>Free cash flow</b>	<b>322.7</b>	<b>280.5</b>	<b>+15.0%</b>
• Dividends	(105.8)	(8.1)	
• Equity increase	4.4	4.0	
• Financial investments (net) <sup>(1)</sup>	(17.4)	(60.5)	
• Others <sup>(2)</sup>	(21.5)	(4.6)	
▶ <b>Change in net debt (Balance Sheet)</b>	<b>(182.4)</b>	<b>(211.3)</b>	
▶ <b>Net debt as of end of period</b>	<b>(34.9)</b>	<b>147.5</b>	
<i>Net debt / Operating margin</i>	<i>-0.1x</i>	<i>0.3x</i>	

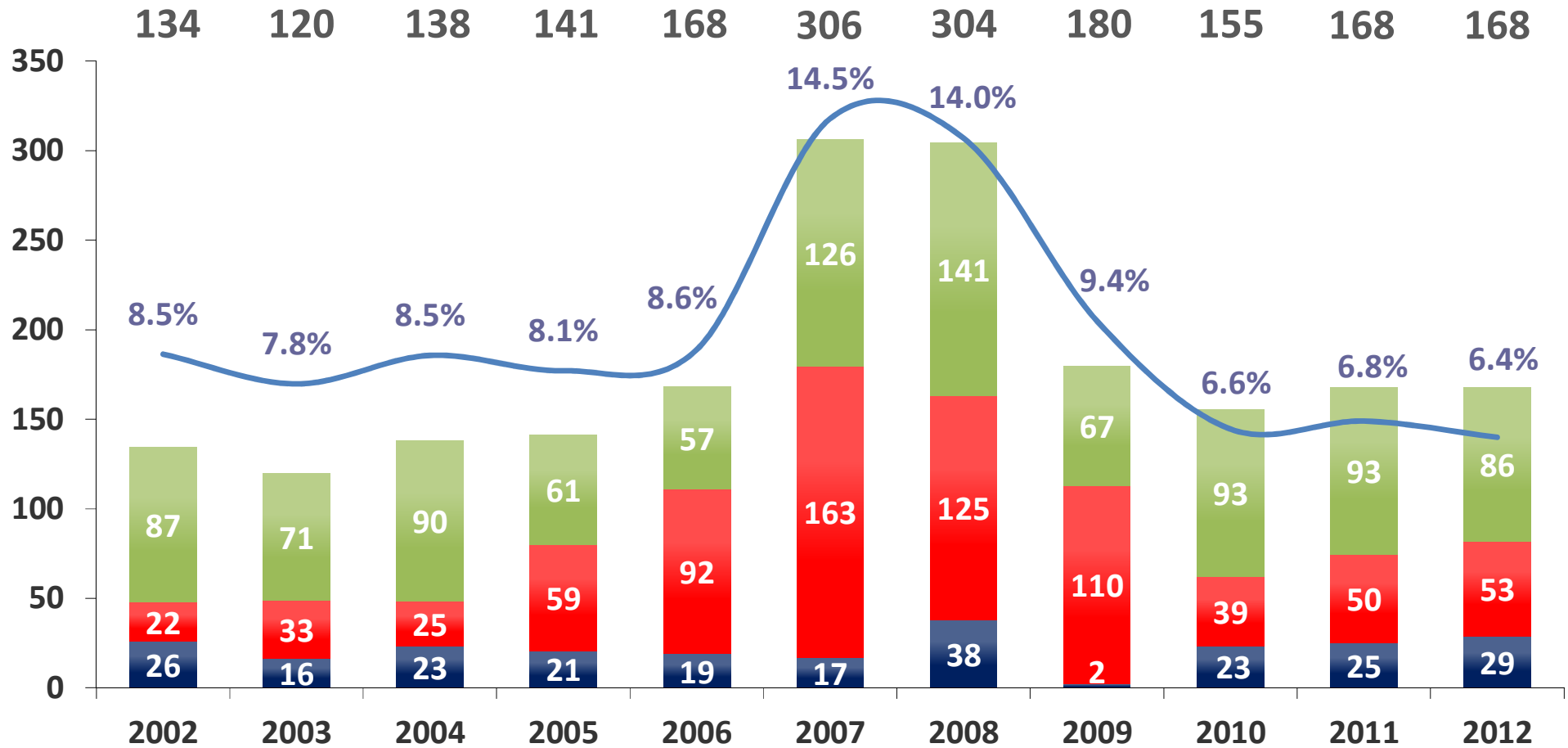
<sup>(1)</sup> Excluding net cash acquired

<sup>(2)</sup> Non cash variations (mainly due to consolidation scope variations, translation differences on net financial debt, the impact of IAS 39 and finance lease)

Please refer to page 47 for financial definitions

# LOWER CAPEX PHASE

In m€



■ General investments    
 ■ Renewal capex    
 ■ Growth capex    
 — Capex as a % of revenues

## 2012 FINANCIAL HIGHLIGHTS

- ▶ **Record Operating margin**
- ▶ **Steady EBIT and Net income Group share before impairment charges**
- ▶ **Strong cash flow conversion**
- ▶ **Increased financial flexibility:**
  - ✓ **Fully deleveraged at year-end**
  - ✓ **€500m bond issue in February 2013 at 2% coupon**

# GROWTH STRATEGY AND OUTLOOK

**Jean-François Decaux**  
Co-CEO





**1. ACCELERATING URBANIZATION**

**2. DIGITAL TRANSFORMATION**

**3. FINANCIAL STRENGTH**

# URBANIZATION IS ACCELERATING

- ▶ 60% of the world population will live in cities by 2030
- ▶ Largest 500 cities will represent 2bn people in 2025 (ie. 25% world's pop.)
- ▶ Amongst the most populated cities, 7 out of 10 will be in Asia-Pacific



# FAST-GROWING COUNTRIES ARE INVESTING IN INFRASTRUCTURE

- ▶ China approved 25 urban rail projects and the construction of 82 new airports
- ▶ Brazil to invest \$500bn in infrastructure for 2014 World Cup and 2016 Olympics
- ▶ Russia plans to invest US\$11bn in infrastructure for the 2018 FIFA World Cup

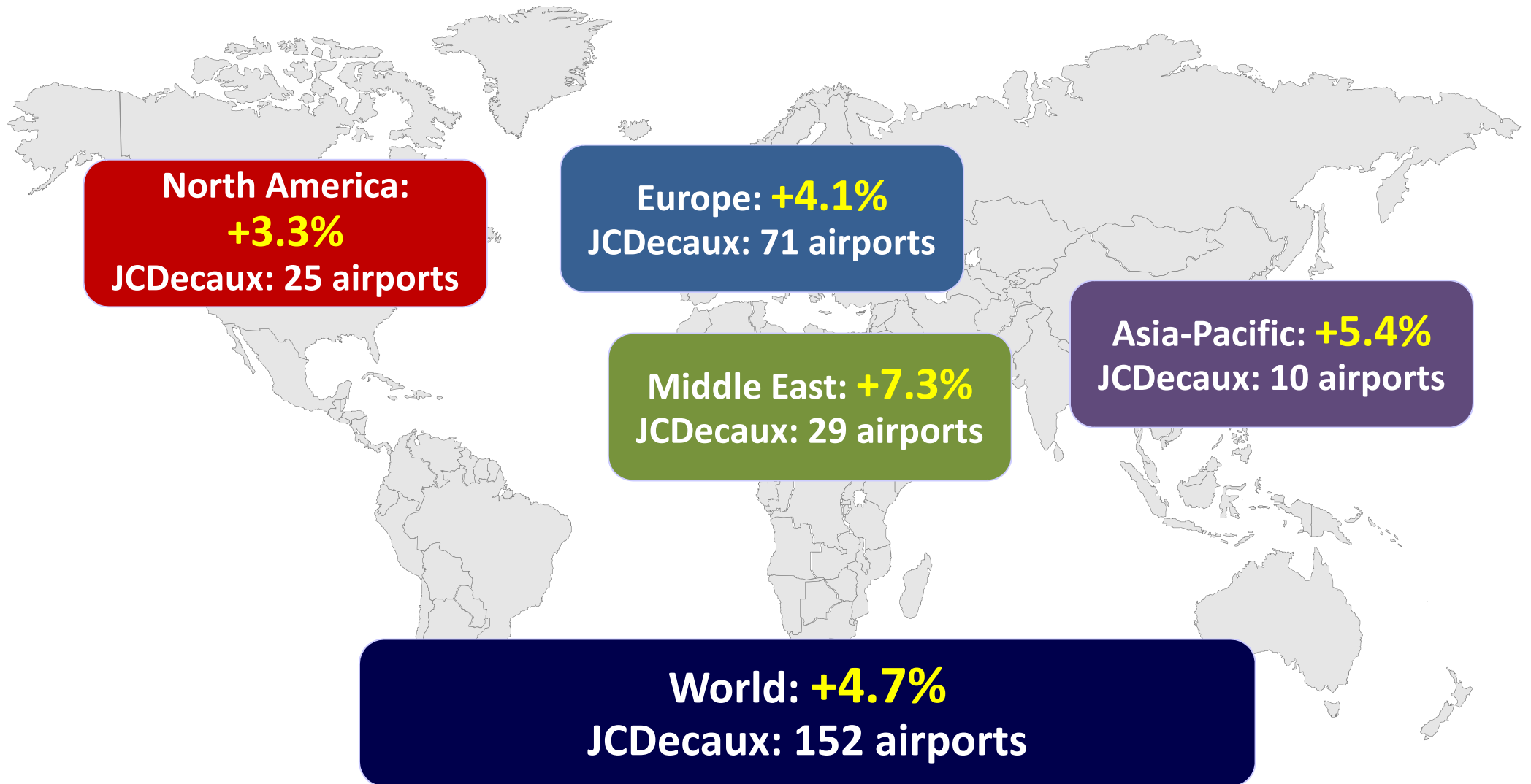


# PASSENGER TRAFFIC WILL CONTINUE TO INCREASE

- ▶ Air travel resilient to external shocks
- ▶ Air traffic to double in the next 15 years
- ▶ Emerging regions to see the strongest growth



# JCDECAUX IS WELL PLACED TO BENEFIT FROM INCREASING AIR TRAFFIC



In yellow: 2011-2031 year-on-year traffic growth by airline domicile (source: Airbus)

# MAIN TENDERS EXPECTED 2013/2014

## Street Furniture

### Europe

 Frankfurt, Cologne, Berlin, Bonn, Hanover, Essen, Darmstadt, Düsseldorf, Karlsruhe

 The Hague

 Oslo

### North America

 Public payphones in New York (RFI)

### Rest of the World

 Several 2014 World Cup cities

 Moscow

## Transport

### Europe

 Spanish railways

### US airports

 San Francisco (on-going), Chicago (on-going), Atlanta, Boston, Houston

### Asia-Pacific

 New metros in Chinese cities

 New terminals in Chinese airports

### Rest of the World

 St. Petersburg airport

## Billboard

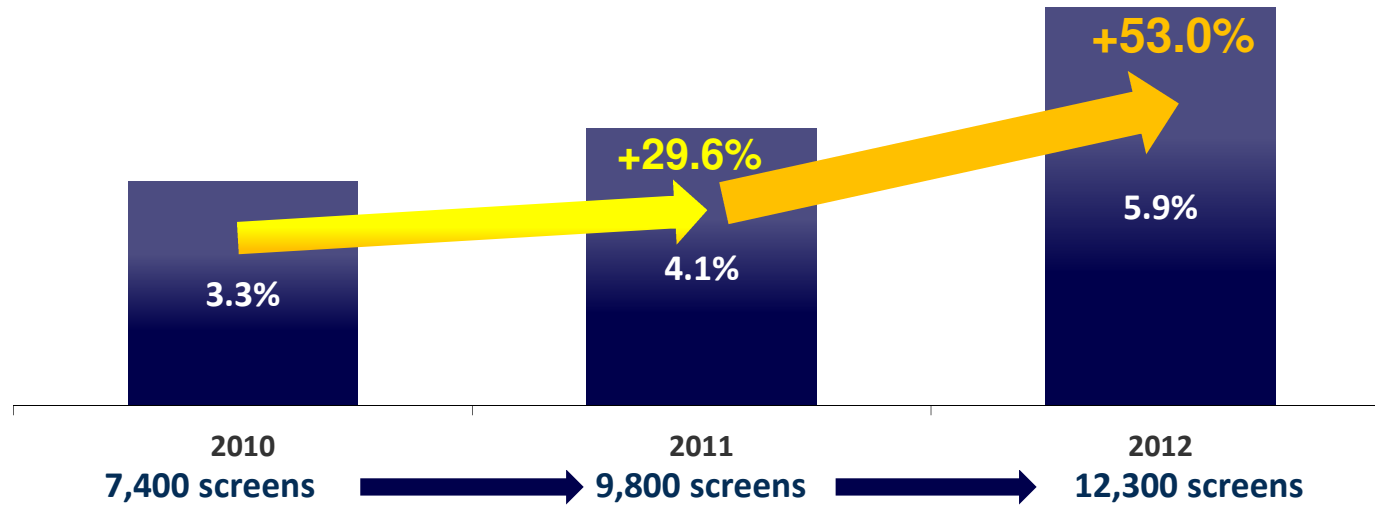
### Rest of the World

 Moscow

 Abu Dhabi (on-going)

# DIGITAL ROLL-OUT IS ACCELERATING

## JCDecaux digital revenues as a % of total revenues



JCDecaux

showcasing the world

# TRANSPORT LEADING DIGITAL TRANSFORMATION



Changi airport, Singapore 



Berlin Friedrichstraße station, Germany 



Roissy CDG airport, France 



London Heathrow, UK 



JCDecaux

showcasing the world

# CONNECTIVITY OUTDOOR / MOBILE PHONES



JFK airport, US 



Centre:mk mall, Milton Keynes, UK 



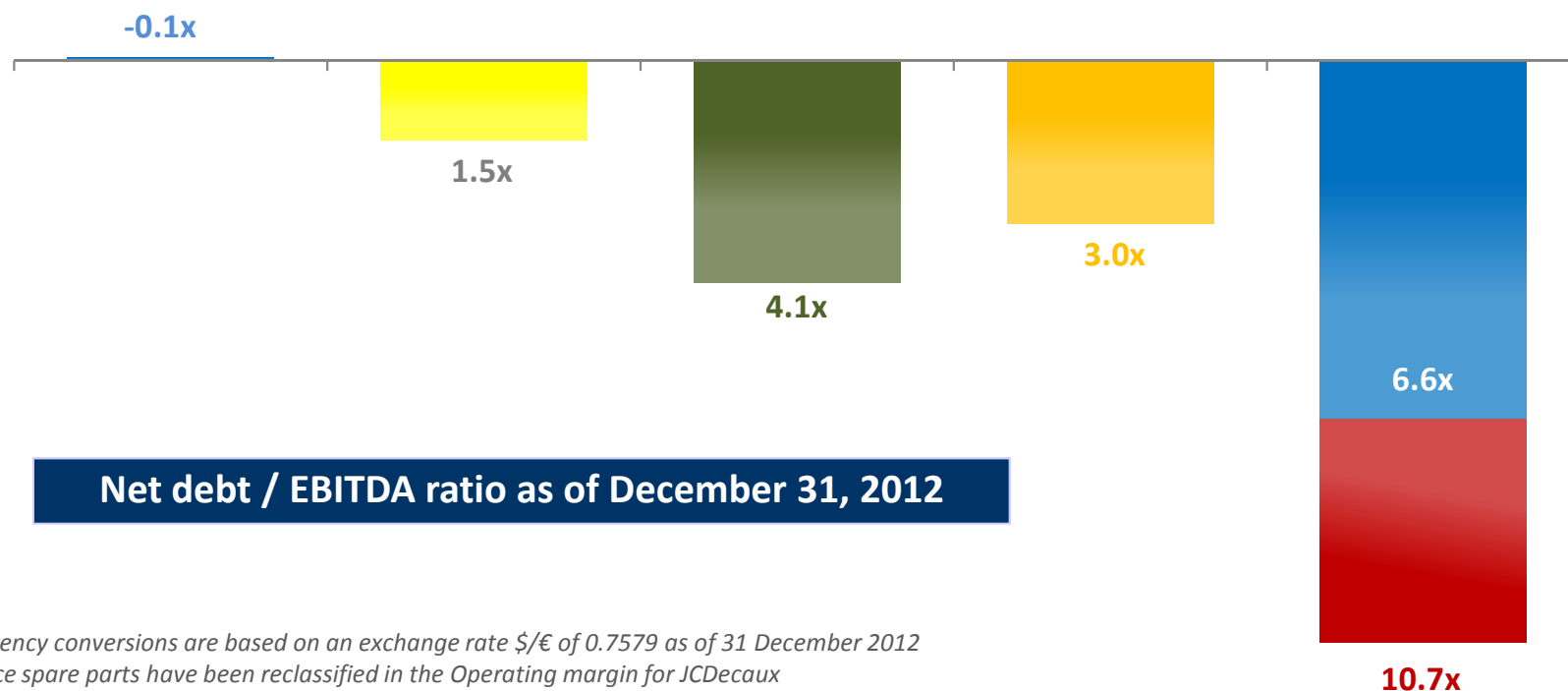
Chicago, US 



Seoul, South Korea 

# THE STRONGEST BALANCE SHEET IN THE INDUSTRY...

	JCDecaux	CBS <sup>(2)</sup>	Lamar	Ströer <sup>(3)</sup>	CCO/CCMH
Net debt / EBITDA <sup>(1)</sup>	<b>-0.1x</b>	1.5x	4.1x	3.0x	6.6x/10.7x
Gross debt	<b>\$564m</b>	\$5.9bn	\$2.2bn	\$441m	\$4.9bn/\$20.7bn
Maturity date	<b>2013-2015</b>	2014-2042	2013-2023	2017	2020-2022/2013-2027
Credit Rating (S&P)	<b>BBB</b>	BBB	BB-	NA	NA / CCC+
Credit Rating (Moody's)	<b>Baa2</b>	Baa2	Ba3	NA	NA / Caa2



Sources: Company news releases - Currency conversions are based on an exchange rate \$/€ of 0.7579 as of 31 December 2012

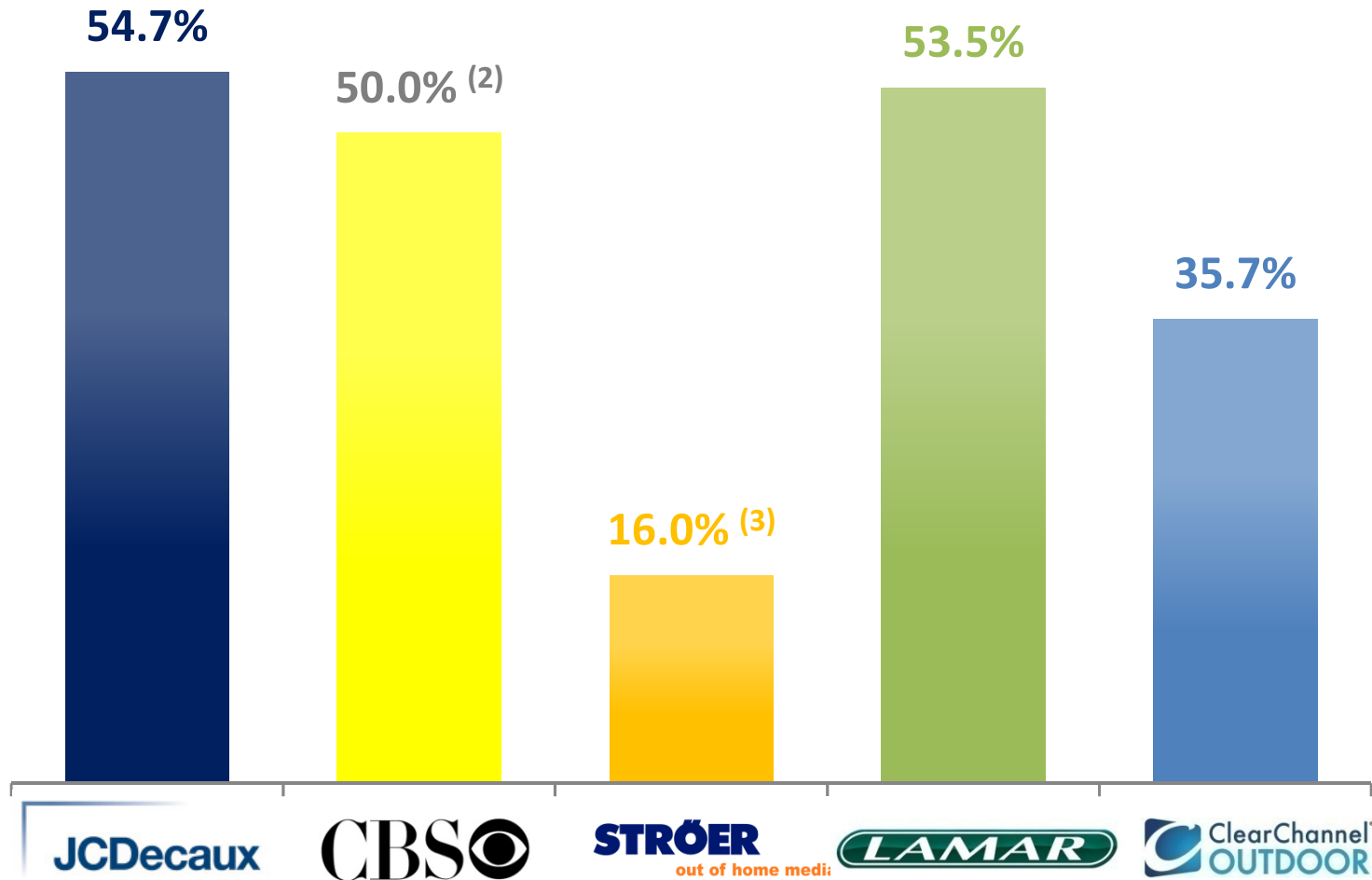
<sup>(1)</sup> For consistency purpose, maintenance spare parts have been reclassified in the Operating margin for JCDecaux

<sup>(2)</sup> Include all CBS' activities (not only the outdoor business)

<sup>(3)</sup> Figures as of 30 September 2012 - Conversions are based on an exchange rate \$/€ of 0.7734 as of 30 September 2012

# ...AND THE STRONGEST CASH CONVERSION

2009-2012 average EBITDA <sup>(1)</sup> to FCF conversion



Sources: Company news releases

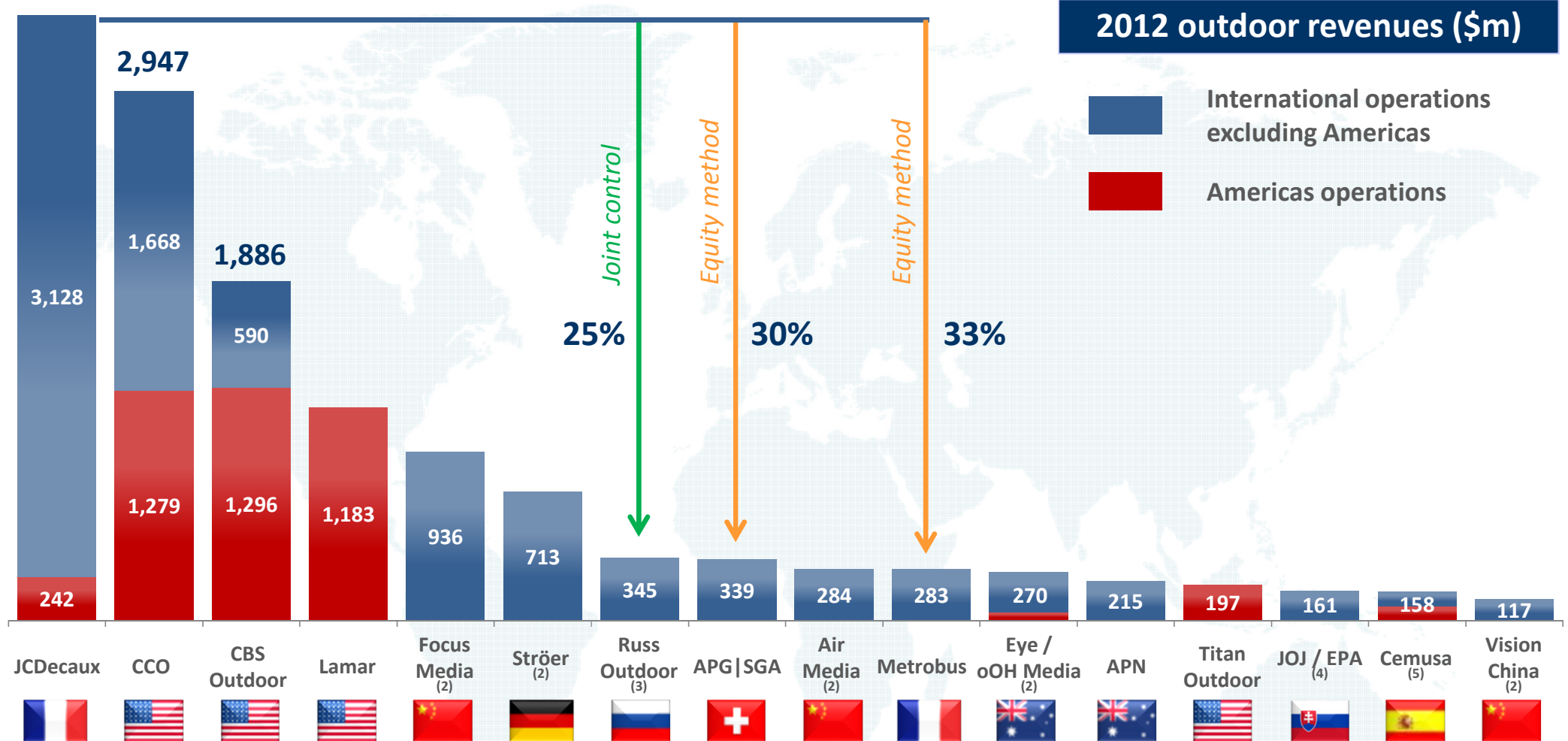
<sup>(1)</sup> For JCDecaux, maintenance and spare parts have been reclassified into Operating margin for comparability

<sup>(2)</sup> Includes all CBS activities, not only the outdoor business

<sup>(3)</sup> For 2012, the calculation is based on a trailing 12 months free cash flow, ending 30 September 2012

# COMPETITIVE LANDSCAPE

3,370 <sup>(1)</sup>



Sources: Company news releases. Currency conversions are based on an annual average exchange rate \$/€ of 0.7783, CHF/€ of 0.8297 and AUD/€ of 0.8060 in 2012

<sup>(1)</sup> Does not include revenues from APG|SGA and Metrobus, companies integrated through the equity method in JCDecaux's financial statements

<sup>(2)</sup> JCDecaux's estimate of 2012 revenue / market consensus – the revenue figures for Eye / oOH Media corresponds to the total revenue (Americas + International)

<sup>(3)</sup> On 13 February 2013, JCDecaux announced the completion of the acquisition of 25% of Russ Outdoor

<sup>(4)</sup> In November 2012, JOJ Media House (Slovakia) announced the acquisition of EPAMEDIA. One month later (in December) JCDecaux purchased EPA Hungary from JOJ Media

<sup>(5)</sup> The revenue figure corresponds to the total revenue (Americas + International)

▶ **Solid financial achievements in 2012**

- ✓ Organic revenue growth of 1.5% fuelled by the dynamism of Transport
- ✓ Steady EBIT and Net income Group share
- ✓ Strong cash flow generation and fully deleveraged at year-end

▶ **JCDecaux: a strategic position in its industry**

- ✓ N°1 outdoor advertising company in the world
- ✓ Strong emerging market exposure
- ✓ Digital upside driven by Transport
- ✓ Streets ahead in product innovation
- ✓ Strong organic and external growth opportunities

***“Regarding Q1 2013, some increased weakness in Europe in January and February is likely to lead to a slight decline in organic revenue.”***

# FINANCIAL DEFINITIONS

## **Operating margin**

Revenues less Direct Operating Costs (excluding Maintenance spare parts) and including SG&A costs

## **EBIT (Earnings Before Interests and Taxes)**

Operating margin less maintenance spare parts, amortization & provisions, impairment of goodwill and other operating income and expenses

## **Free cash flow**

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

## **Net debt**

Debt net of net cash excluding the IAS 32 impact (debt on commitments to purchase minority interests), including the IAS 39 impact on both debt and financial derivatives and including the restatement of loans related to companies consolidated under the proportionate method

# FORWARD LOOKING STATEMENTS

*This presentation 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](http://www.amf-france.org) or directly on the Company website [www.jcdecaux.com](http://www.jcdecaux.com).*

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

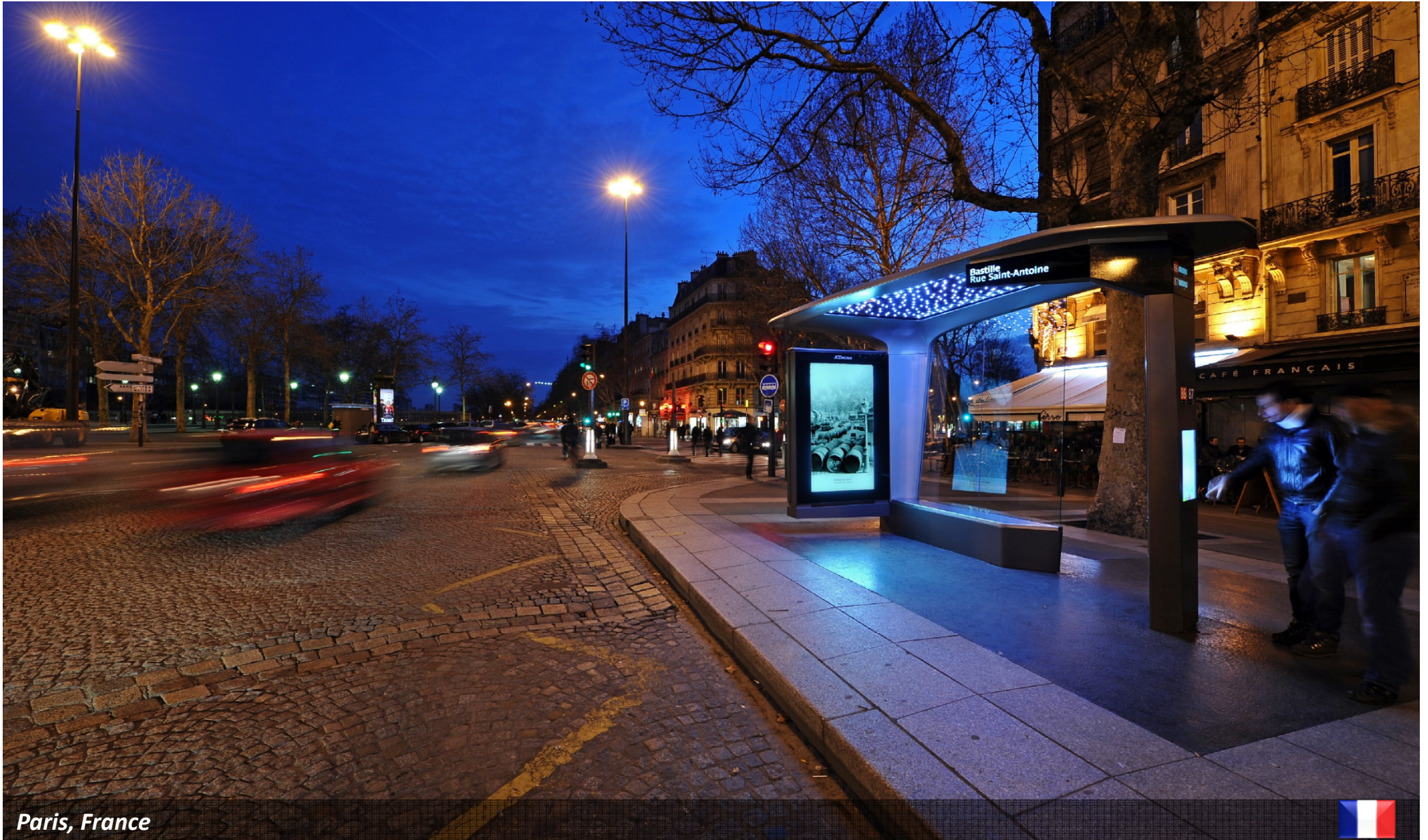


JCDecaux

*showcasing the world*

# 2012 ANNUAL RESULTS

March, 7<sup>th</sup> 2013



Paris, France

