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IFRS
2004 Financial Statements

Analyst Meeting

March 31st, 2005

Disclaimer

- Following the recommendation of the French stock market regulators (the AMF), JCDecaux has decided to communicate IFRS impacts on its financial statements as soon as reliable information is available.
- Data disclosed in this presentation has received prior auditor approval and was prepared in compliance with all aspects of the IFRS standards published as of December 31st, 2004 and in force as of January 1st, 2005.
- However, the standards lack of guidance in some respects, together with interpretations that remain to be issued by IFRIC (or other regulation bodies) could result in significant changes on the restatements identified to date.

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Agenda

- General Framework
- JCDecaux IFRS Financial statements
- IFRS major changes

General Framework

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Objectives

- Enforce a set of accounting rules applicable from January 1st, 2005 on for European listed companies.
- Improve transparency and comparability between companies.
- Bring about convergence in the long term towards a single international standard.

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Principles

- «Substance over form».

- Use of « fair value » in the measurement of certain assets and liabilities.

- IFRS standards in force as of January 1st, 2005 have been applied retrospectively to the opening balance sheet as of January 1st, 2004.

Limits

- IFRS consists of principles rather than rules.
- Variety of options given by IFRS 1 « First Time Adoption of IFRS » to companies.
- Lack of interpretative guidance.
- Loss of historical data.
- Increased volatility.

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JCDecaux IFRS Financial Statements

IFRS 1: JCDecaux exemptions to retrospective application

- IFRS 3 « business combinations »: Purchase method will apply only to business combinations that occurred on or after January 1st, 2004.

- IAS 21: « Effects of changes in Foreign Exchange rates »: The cumulative translation differences for all foreign operations are set to zero at the date of transition to IFRS.

- IAS19: « Employee benefits » All unrecognized cumulated actuarial gains and losses are charged to equity and set to zero at transition date. However JCDecaux will maintain the use of the corridor approach for later actuarial gains and losses.

- IAS 16 & 38 Tangible and intangible assets' values will be kept at historical cost.

- IFRS 2: "Stock options" : Application to all stock options plans granted on or after November 7th, 2002 and not yet vested at the date of transition to IFRS.

Early adoptions

- IAS 19: « Employee benefits ». This standard was already implemented under local GAAP in 2003 and resulted in the recognition of a provision charged against equity of M€ -4.5 net of tax effect.

- IFRIC 1 : Dismantling provisions.

- IAS 32-39 : Financial instruments.

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Impacts on Net Debt

In € million	2004 Opening	2004 Closing
NET DEBT – CURRENT ACCOUNTING PRACTICE	**635.8**	**457.5**
FINANCIAL INSTRUMENTS	**-30.1**	**- 35.7**
FINANCE LEASES	**+ 11.5**	**+ 11.4**
PURCHASE COMMITMENT OF MINORITY INTERESTS	**+ 57.3**	**+ 60.0**
NET DEBT - IFRS	**674.5**	**493.2**

Impacts on shareholders' equity
Group share

In € million	2004 Opening	2004 Closing
SHAREHOLDERS' EQUITY – CURRENT GAAP	1,333.8	1,416.4
TANGIBLE ASSETS (IAS 16)	+ 91.2	+ 98.6
BUSINESS COMBINATIONS (IFRS 3)	+ 3.0	+ 74.9
FINANCIAL INSTRUMENTS (IAS 32-39)	- 1.3	- 0.7
FINANCE LEASES (IAS 17)	- 0.3	- 0.5
RESTATEMENTS OF EQUITY AFFILIATES (IAS 28)	+ 7.4	+ 8.3
OTHER RESTATEMENTS	+ 2.1	+ 3.2
SHAREHOLDERS' EQUITY IFRS	1,435.9	1,600.2

Impacts on Minority Interests

In € million	2004 Opening	2004 Closing
SHAREHOLDERS' EQUITY – CURRENT GAAP	31.4	29.6
TANGIBLE ASSETS (IAS 16)	+ 13.2	+ 14.6
BUSINESS COMBINATIONS (IFRS 3)	+ 0.0	+ 0.5
FINANCIAL INSTRUMENTS (IAS 32-39)	- 57.4	- 60.1
FINANCE LEASES (IAS 17)	0.0	0.0
RESTATEMENTS ON EQUITY AFFILIATES (IAS 28)	+ 0.0	+ 0.0
OTHER RESTATEMENTS	- 0.9	- 1.0
SHAREHOLDERS' EQUITY IFRS	-13.7	-16.4

Impacts on the Income Statement

- IFRS does not provide any specific format.

- JCDecaux uses the same format for its communication to the market as that used internally for performance monitoring.

Impacts on the Income Statement

Full Year 2004 in € million	Current Accounting Practice	Restatements	IFRS
Revenues	1,631.4	- 4.1	1,627.3
Cash discounts		- 4.1	
Net revenues	**1.631.4**	**- 4.1**	**1.627.3**
Direct operating Expenses	- 876.0	+ 4.9	- 871.1
Sales General & Administrative Expenses	- 290.2	- 1.7	- 291.9
Total operating expenses		+ 3.2	
Finance lease		+ 3.2	
Development costs		+ 3.3	
Stock options		- 3.5	
Other Restatements		+ 0.2	
Ebitda	**465.2**		
Operating Margin		**- 0.9**	**464.3**

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Impacts on the Income Statement

Full Year 2004 in € million	Current Accounting Practice	Restatements	IFRS
Ebitda	**465.2**		
Operating Margin		**- 0.9**	**464.3**
Depreciations & Provisions	- 193.6	+ 52.4	- 141.2
Amortization Duration		+ 15.2	
Maintenance Spare Parts (Depreciation)		+ 24.8	
Inventory Provision		+ 9.6	
Dismantling provision		+ 3.7	
Finance Lease & Other restatements		- 0.9	
Spare parts for maintenance	0.0	- 37.3	- 37.3
Maintenance spare parts expensed		- 27.7	
Ex Inventory Provision (cost of the period)		- 9.6	
Other income & deduction	0.0	+ 1.3	+ 1.3
Reclassification of Extraordinary Result		+ 1.3	
Ebit	**271.6**	**+ 15.5**	**287.1**

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Impacts on the Income Statement

Full Year 2004 in € million	Current Accounting Practice	Restatements	IFRS
Ebit	**271.6**	**+ 15.5**	**287.1**
Financial Income	- 25.3	- 6.3	- 31.6
Discount Charge		- 7.9	
Cash discounts		+ 3.3	
Finance Lease		- 0.9	
Reclass. of Extraordinary Result and Others		- 0.8	
Extraordinary Income	+ 0.9	- 0.9	0.0
Tax	- 88.3	- 5.3	- 93.6
Income from Equity affiliates	+ 5.6	+ 0.9	+ 6.5
Net Income Before Goodwill Amort/Impairment	**164.5**	**+ 3.9**	**168.4**
Goodwill Amortization	- 72.7	+ 72.7	0.0
Business combinations		+ 72.7	
Goodwill Impairment	- 3.0		- 3.0
Net Income	**88.8**	**+ 76.6**	**165.4**
Net Income (Group Share)	**78.1**	**+ 78.1**	**156.2**

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Impacts on the Cash Flow statement

Full Year 2004 in € million	Current Accounting Practice	Restatements	IFRS
Funds from operations	+ 368.1	+ 0.3	+ 368.4
Finance Lease		+ 2.3	
Development Costs		+ 3.3	
Financial Instruments		+ 0.3	
Dividend Reclassification		- 4.9	
Other		- 0.7	
FUNDS FROM OPERATIONS	**+ 368.1**	**+ 0.3**	**+ 368.4**
Changes in Working Capital	- 8.0	+ 0.8	- 7.2
Financial Instruments		- 0.3	
Other		+ 1.1	
Maintenance Spare Parts	0.0	- 27.7	- 27.7
Maintenance Spare-Parts expensed		- 27.7	
NET CASH FLOW FROM OPER. ACTIVITIES	**+ 360.1**	**- 26.6**	**+ 333.5**
Capex	- 165.9	+ 24.4	- 141.5
Maintenance Spare-Parts expensed		+ 27.7	
Development Costs		- 3.3	
FREE CASH FLOW	**+ 194.2**	**- 2.2**	**+ 192.0**

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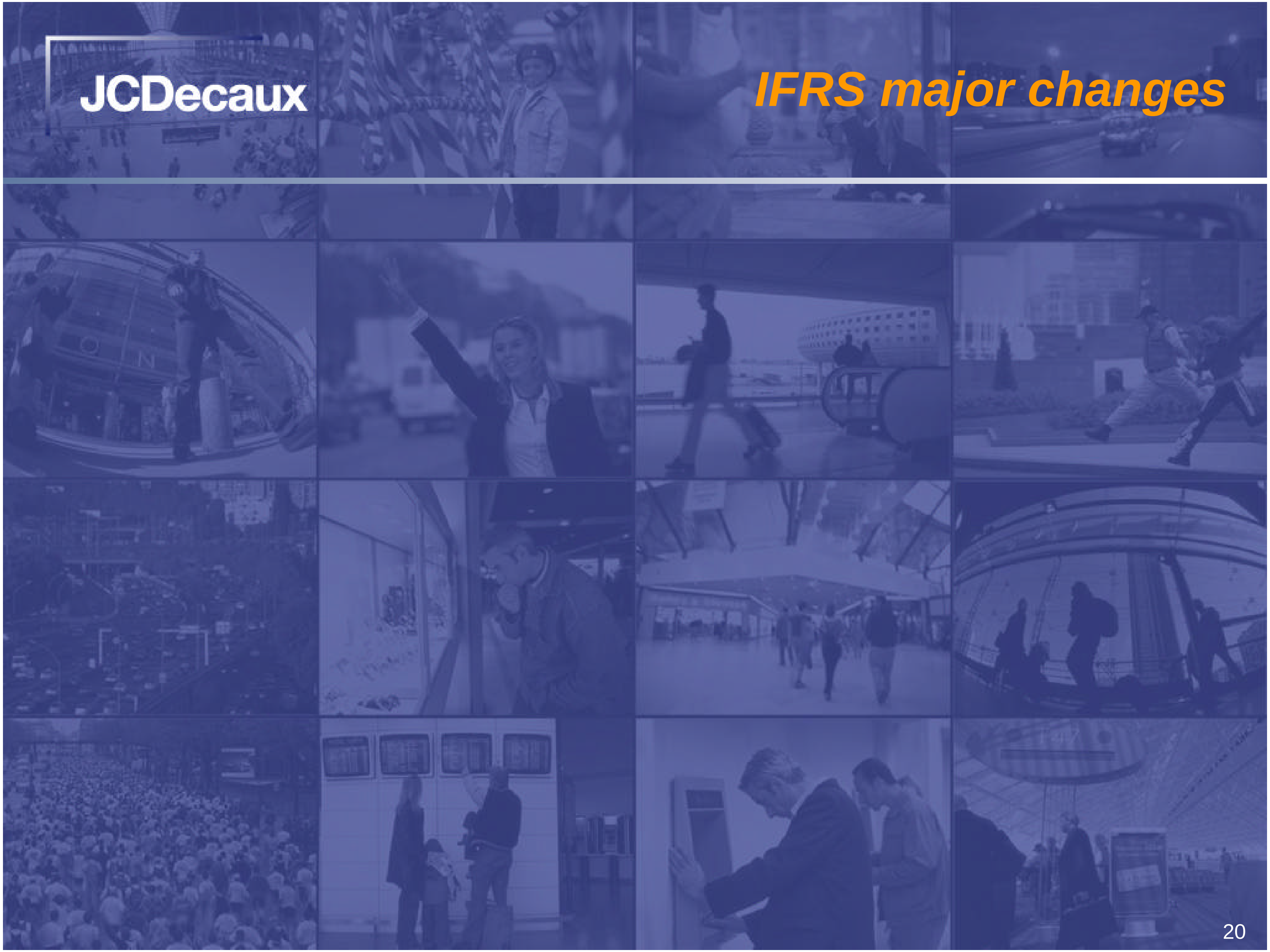
Impacts on the Cash Flow Statement

Full Year 2004 in € million	Current Accounting Practice	Restatements	IFRS
FREE CASH FLOW	**+ 194.2**	**- 2.2**	**+ 192.0**
Net Dividends	- 12.5	+ 4.9	- 7.6
Dividends Reclassification		+ 4.9	
Capital increase	+ 6.9	0.0	+ 6.9
Financial Investments	- 18.3	0.0	- 18.3
Others	+ 8.0	+ 0.3	+ 8.3
Financial Instruments		+ 2.9	
Finance Leases		- 2.2	
Others		- 0.4	
NET DEBT VARIATION	**- 178.3**	**- 3.0**	**- 181.3**



IFRS major changes

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Main Standards

▶ IAS 16	Tangible assets
▶ IAS 17	Leases
▶ IFRS 3	Business Combinations
▶ IAS 32 & IAS 39	Financial instruments
▶ OTHER	Reclassifications Other restatements

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IAS16
Tangible Assets

CURRENT ACCOUNTING PRACTICE

- Items of Street Furniture are depreciated straight-line over 7 to 10 years.
- Spare parts are capitalized.

IFRS

- Items of Street Furniture are depreciated straight-line over the average contract duration up to a maximum of 20 years.
- Spare parts are expensed as incurred.

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IAS16
Tangible Assets

Assets

	2004 Opening	2004 Closing
TANGIBLE ASSETS	+ 158.6	+ 170.2

Liabilities

	2004 Opening	2004 Closing
NET DEFERRED TAXES	+ 54.2	+ 57.0
EQUITY (Group share)	+ 91.2	+ 98.6
MINORITY INTERESTS	+ 13.2	+ 14.6

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IAS16
Tangible Assets

➢ INCOME STATEMENT

OPERATING MARGIN			0.0
Depreciation & Provisions			+ 40.0
Amortization duration		+ 15.2	
Maintenance spare parts (depreciation)		+ 24.8	
Maintenance Spare-parts			- 27.7
EBIT			+ 12.3
Tax			- 4.5
NET INCOME			+ 7.8

➢ CASH FLOW STATEMENT

Maintenance costs	- 27.7
NET CASH FLOW FROM OPERATING ACTIVITIES	- 27.7
Capex from maintenance	+ 27.7
TOTAL CAPEX	+27.7
FREE CASH FLOW	0.0
NET DEBT VARIATION	0.0

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CURRENT ACCOUNTING PRACTICE

Lease rentals are expensed as incurred.

IFRS

- Two categories of lease: finance lease and operating lease
- A finance lease is a lease that transfers substantially all risks and rewards of ownership to the lessee.
- Finance leases are capitalized and the relevant liabilities are recognized.
- The leased asset is then depreciated over its useful life; lease rental is apportioned between an interest charge and the repayment of the lease liability.
- An operating lease is a lease other than a finance lease and is not restated (i.e. expensed as incurred).

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IAS17
Finance Lease

Assets

	2004 Opening	2004 Closing
TANGIBLE ASSETS	+ 11.0	+ 10.6
NET DEFERRED TAXES	+0.2	+0.3

Liabilities

	2004 Opening	2004 Closing
NET DEBT	+ 11.5	+ 11.4
EQUITY (Group share)	- 0.3	- 0.5
MINORITY INTERESTS	0.0	0.0

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IAS17
Finance Lease

➢ INCOME STATEMENT

Direct Oper, Sales, G&A Expenses	+	3.2
OPERATING MARGIN	+	3.2
Depreciation & Provisions	-	2.6
EBIT	+	0.6
Financial Income	-	0.9
Tax	+	0.1
NET INCOME	**-**	**0.2**

➢ CASH FLOW STATEMENT

Funds from Operations	+	2.3
NET CASH FLOW FROM OPERATING ACTIVITIES	+	2.3
TOTAL CAPEX	+	0.0
FREE CASH FLOW	+	2.3
Others	-	2.2
NET DEBT VARIATION	-	**0.1**

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IFRS 3
Business Combinations

CURRENT ACCOUNTING PRACTICE

- The balance sheet of the acquired entity is restated to comply with Group's accounting policies. Some individual assets or liabilities are revalued.
- Any excess of the consideration paid over the cost of the shareholding interests acquired is considered as goodwill and amortized straight-line over 20 years.

IFRS

- Purchase method applies to all business combinations that occured on or after January 1st, 2004.
- Goodwill arising from prior transactions are not restated.
- All identifiable assets and liabilities and contingent liabilities of the acquired entity are revalued at fair value at the date of transaction. These assets are depreciated over their respective useful lives, adversely impacting EBIT.
- Any excess of acquirer's interest in the net fair value of acquired entity's identifiable assets, liabilities and contigent liabilities over the cost is considered as goodwill.
- Badwill is recognized immediately in profit.
- Goodwill is no longer amortized but tested for impairment at least annually.

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IFRS 3
Business Combinations

Assets

	2004 Opening	2004 Closing
GOODWILL	+ 3.0	+ 72.6
INTANGIBLE ASSETS		+ 2.8

Liabilities

	2004 Opening	2004 Closing
EQUITY (Group share)	+ 3.0	+ 74.9
MINORITY INTERESTS	0.0	0.5

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IFRS 3
Business Combinations

➢ INCOME STATEMENT

OPERATING MARGIN	+	0.0
Depreciation & Provisions	-	0.2
EBIT	-	0.2
NET INCOME BEFORE GOODWILL IMPAIRMENT	-	0.2
Goodwill amortization		+72.7
NET INCOME		+72.5

➢ CASH FLOW STATEMENT

NO IMPACT

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IAS 32-39
Financial instruments

- JCDecaux only uses derivatives to hedge against interest rate and/or foreign exchange risks

CURRENT ACCOUNTING PRACTICE

- Hedging derivatives are generally not recorded in the balance sheet, but are off-balance sheet items.
- Hedged financial assets & liabilities denominated in foreign currencies are recorded at the foreign exchange hedging rate.
- Loan issuance costs are capitalized and amortized over the loans' life.
- Commitments to purchase minority interests are off-balance sheet items.

IFRS

- **Debts & Derivatives**
  - Financial debts are accounted for at « amortized cost ». Issuance costs are deducted from the financial debt.
  - Derivatives are recognized at fair value on the balance sheet.
  - Hedged financial assets and liabilities are recognized at fair value in the balance sheet.
- **Commitments to purchase minority interests (Group's interpretation)**
  - Commitments to purchase minority interests are assessed at present value and recognized in the balance sheet as a financial debt against minority interests.
  - Any further changes in the fair value (reassessment) together with the unwinding of the discount are recorded as a financial expense. This charge is allocated in full to minority interests.

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IAS 32-39
Financial Instruments

Assets

	2004 Opening	2004 Closing
WORKING CAPITAL	- 3.1	-1.2
NET DEFERRED TAXES	+ 0.7	+0.5
FINANCIAL INSTR.	+0.2	+0.7

Liabilities

	2004 Opening	2004 Closing
NET DEBT	+27.2	+24.3
-AMORTIZED COST	- 2.6	- 1.7
-FAIR VALUE ADJUSTMENT	-27.5	-34.0
-IAS 32 (*)	+57.3	+60.0
-FINANCIAL INSTR.	+29.3	+36.5
EQUITY (Group share)	- 1.3	- 0.7
MINORITY INTERESTS	- 57.4	- 60.1

(*) Purchase commitments of minority interests

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IAS 32-39
Financial Instruments

➢ INCOME STATEMENT

OPERATING MARGIN	+	0.0
Depreciation & Provisions	+	1.1
EBIT	+	1.1
Financial Income	-	2.9
Tax	-	0.3
NET INCOME	-	2.1

➢ CASH FLOW STATEMENT

Funds from Operations	+	0.3
Change in working capital	-	0.3
NET CASH FLOW FROM OPERATING ACTIVITIES	+	0.0
TOTAL CAPEX	+	0.0
FREE CASH FLOW	+	0.0
Other	+	2.9
NET DEBT VARIATION	-	2.9

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Other Standards 1/2
Reclassifications (Income statement)

EXCEPTIONAL ITEMS (IAS1)

- IAS 1 has removed exceptional items from the income statement.
- Contents of this heading have been reclassified to :
  - « other operating income / expense » and
  - « financial result » when relating to capital gains & losses realized on the disposal of financial investments.

CASH DISCOUNTS (IAS 18)

- **CURRENT ACCOUNTING PRACTICE:** cash discounts are included in financial income
- **IFRS:** according to IAS 18 cash discounts granted to customers are deducted from revenue
- Similarly, cash discounts obtained from suppliers of goods and services have been reclassified from « financial expenses » to « Direct operating Expenses » (Operating Margin)

Other Standards 2/2

Reclassifications (Income statement)

INVENTORIES (IAS 2)

- **CURRENT ACCOUNTING PRACTICE:** Write-downs of inventories are recorded in provision expense/ write-back accounts in the income statement
- **IFRS**: The amount of any write-down of inventories to the net realizable value is recognized as an expense in the period that the write-down occurs.
- Write-downs of inventories (and reversals) relate mainly to spare parts used for maintenance.
- Hence, reclassification has been made from the heading « provision and depreciations » to « spare parts for maintenance » (Both EBIT items)

BAD DEBTS

- **CURRENT ACCOUNTING PRACTICE:** bad debts provision is reporded under the heading « Depreciations & Provisions » in the income statement.
- **IFRS**: They are now reported under the heading « Sales, General & Administrative expenses ».

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Other Standards
Reclassifications (Income Statement)

Revenues (Cash discounts)		- 4.1
NET REVENUES		**- 4.1**
Total operating expenses		+ 0.2
Cash discounts	+ 0.8	
Bad debts provision	- 0.6	
OPERATING MARGIN		**- 3.9**
Depreciations & Provisions		+ 10.4
Write down of inventories, bad debts provision & reclassification of extraordinary result	+ 10.4	
Spare parts for maintenance (W\D of inventories)		- 9.6
Other incomes & deductions (Reclassification of extraordinary result)		+ 1.3
EBIT		**- 1.8**
Financial income		+ 2.7
Cash discount	+ 3.3	
Reclassification of extraordinary result	- 0.6	
(Ex) Extraordinary result		- 0.9
NET INCOME		**0.0**

OTHER
Other Restatements

OTHER RESTATEMENTS:

For the purpose of this presentation, impacts of the following restatements have been gathered together: Equity Affiliates (IAS 28), Provisions (IAS 37, IFRIC1), Stock options (IFRS 2), Intangible assets (IAS 38).

Detailed impacts of these standards are available as in appendices.

SUMMARY OF PRINCIPLES INVOLVED:

Equity Affiliates (IAS 28):

- Equity affiliates' restatement to Group's accounting policies.
- Goodwill arising from equity affiliates are reclassified under a financial asset heading

Provisions: (IAS 37, IFRIC 1)

- Provisions are discounted when time value of money is material
- Dismantling provisions: Dismantling cost is a component of the underlying asset recognized against provision when the dismantling obligation arises.

Stock options: (IFRS 2)

-The fair value of stock options as determined at grant date is expensed over the vesting period against a component of Equity (IFRS 2).

Intangible Assets:(IAS 38)

-Mandatory capitalization of development costs when certain criteria are met.

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OTHER
Other Restatements

Assets

	2004 Opening	2004 Closing
GOODWILL	-144.9	-145.1
INTANGIBLE ASSETS	+ 0.0	+ 3.7
WORKING CAPITAL		- 0.4
TANGIBLE ASSETS (*)	+38.2	+ 38.3
EQUITY AFFILIATES	+152.3	+153.4

(*) Dismantling costs

Liabilities

	2004 Opening	2004 Closing
PROVISIONS	+36.3	+38.0
NET DEFERRED TAXES	+ 0.7	+ 1.4
EQUITY (Group share)	+ 9.5	+ 11.5
MINORITY INTERESTS	- 0.9	- 1.0

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OTHER

Other Restatements

➢ INCOME STATEMENT

Direct Oper, Sales G&A Expenses (Development costs)	+	3.3
Sales G&A Expenses (Stock-options)	-	3.5
OPERATING MARGIN	-	0.2
Depreciation & Provisions (Provisions)	+	3.7
EBIT	+	3.5
Financial Income (Provisions/Discount)	-	5.2
Tax	-	0.6
Net Income from Equity Affiliates	+	0.9
NET INCOME	-	1.4

➢ CASH FLOW STATEMENT

Funds from Operations (Development costs)	+	3.3
NET CASH FLOW FROM OPERATING ACTIVITIES	+	3.3
Investments (Development costs)	-	3.3
TOTAL CAPEX	-	3.3
FREE CASH FLOW	+	0.0
NET DEBT VARIATION	-	0.0

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2004 Financial Statements

Analyst Meeting

March 31st, 2005

APPENDIX

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Other restatements
Details

▶ IAS 37, IFRIC 1	Provisions
▶ IFRS 2	Stock options
▶ IAS 38	Intangible assets
▶ IAS 36	Impairment of assets
▶ IAS 14	Reporting Segments
▶ OTHER	Income Statement (Details)

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IAS 37-IFRIC 1
Provisions

CURRENT ACCOUNTING PRACTICE

- Provisions are stated at historical cost.
- Dismantling cost is assessed and a provision is accrued on a systematic basis over the life of the contract.

IFRS

- Provisions are discounted when time value of money is material.
- Dismantling provisions :
    - Dismantling cost is a component of the underlying asset to be depreciated straight-line over the life of the contract.
    - Dismantling cost is assessed at present value and capitalized against provision when the obligation arises.
    - A discount charge increases the provision at the end of each period.

IAS 37-IFRIC 1
Provisions

Assets

	2004 Opening	2004 Closing
TANGIBLE ASSETS	+ 38.2	+ 38.3
NET DEFERRED TAXES	- 0.3	+0.1

Liabilities

	2004 Opening	2004 Closing
PROVISIONS	+ 37.7	+ 39.4
EQUITY (Group share)	+ 1.1	0.0
MINORITY INTERESTS	- 0.9	- 1.0

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IAS37-IFRIC 1
Provisions

➢ INCOME STATEMENT

OPERATING MARGIN	+	0.0
Depreciation & Provisions	+	3.7
EBIT	+	3.7
Financial Income	-	5.2
Tax	+	0.5
NET INCOME	-	1.0

➢ CASH FLOW STATEMENT

NO IMPACT

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IFRS 2
Stock Options

CURRENT ACCOUNTING PRACTICE

- No obligation or compensation expenses are recognized.

IFRS

- The issuance of stock options to employees is considered to relate to services provided by them over the vesting period.
- IFRS 2 requires the fair value of stock options as determined at grant date to be expensed over the vesting period, against a component of equity.
- Application to all schemes granted on or after November 7th, 2002 and not yet vested at the date of transition to IFRS.

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IFRS 2
Stock Options

THIS RESTATEMENT HAS NO IMPACT ON THE SHAREHOLDERS' EQUITY

- TRANSITION BALANCE SHEET
  - Reclassification from a component of equity to another one.
- 2004 BALANCE SHEET
  - Net income is charged against a component of equity.

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IFRS 2
Stock Options

➢ INCOME STATEMENT

Sales, G&A Expenses	-	3.5
OPERATING MARGIN	-	3.5
EBIT	-	3.5
NET INCOME	-	3.5

➢ CASH FLOW STATEMENT

NO IMPACT

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IAS 38
Intangible Assets

CURRENT ACCOUNTING PRACTICE

- Both research and development costs are expensed when incurred.

IFRS

- Research costs are always expensed when incurred.
- Mandatory capitalization of development costs when the entity can demonstrate, for a given project:
  - its ablity to complete it, use it or sell it;
  - that the project will generate future economic benefits;
  - And that all expenditure attributable to it can be measured reliably.
- Based on JCDecaux's success in tender bidding on street furniture, we assume it reasonable to capitalize all costs related to project tender biding.
- The amortization starts when the project is won. In case of failure, prior capitalized costs are written-off immediately.
- Other costs can also be capitalized such as expenditures incurred to adapt and to improve street furniture or commercial range with an ability to generate future economic benefits.

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IAS 38
Intangible Assets

Assets

	2004 Opening	2004 Closing
INTANGIBLE ASSETS	0.0	+ 3.3

Liabilities

	2004 Opening	2004 Closing
NET DEFERRED TAXES	+ 0.0	+ 1.1
EQUITY		
EQUITY (Group share)	0.0	+ 2.2
MINORITY INTERESTS	0.0	0.0

- **IMPACTS ON THE OPENING BALANCE**

  JCDecaux was not capable of identifying retrospectively all eligible costs with a sufficient reliability. Therefore no restatement was made on the opening balance sheet.

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IAS 38
Intangible Assets

➢ INCOME STATEMENT

Direct Operating, Sales, G&A Expenses	+	3.3
OPERATING MARGIN	+	3.3
EBIT	+	3.3
Tax	-	1.1
NET INCOME	+	2.2

➢ CASH FLOW STATEMENT

Funds from Operations	+	3.3
NET CASH FLOW FROM OPERATING ACTIVITIES	+	3.3
Investments	-	3.3
TOTAL CAPEX	-	3.3
FREE CASH FLOW	+	0.0
NET DEBT VARIATION	+	0.0

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IAS 36
Impairment of Assets

CURRENT ACCOUNTING PRACTICE

- An impairment test is carried out annually at business segment level.
- This test compares the asset carrying values (tangible, intangible assets & goodwill) of a given business segment to their useful value (present value of future cash flows expected to be derived from the group of assets).
- When the useful value is inferior to the carrying value, an impairment charge is recognized.

IFRS

- An impairment test is carried out at least annually.
- Tangible and intangible assets are tested for impairment at each entity's stand alone level.
- Goodwill is tested at the intersection between business and geographical segment, except for Transport segment where a worldwide testing is more relevant.

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IAS 14
Reporting segments

CURRENT ACCOUNTING PRACTICE

- Activities from North and South America are reported under a single geographical segment: « Americas »

IFRS

- Under IAS 14 « reporting segments », a geographical segment is mainly defined as a particular area where economic and political conditions are similar as well as risks and returns.
- Former geographical segment « Americas » did not meet those criteria.
- To comply with this definition, two new reporting segments have been formed :
  - North America
  - South America

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Change in the presentation of the income statement

CURRENT ACCOUNTING PRACTICE	IFRS
REVENUE	**REVENUE**
-Direct Operating Expenses	-Direct Operating Expenses
-Sales, General & Administration Expenses	-Sales, General & Administration Expenses
=EBITDA	**=OPERATING MARGIN**
-Depreciations & Provisions	-Depreciations & Provisions
	-Spare parts for maintenance
	+Other incomes & charges
=EBIT	**=EBIT**
Financial Income	Financial Income
Extraordinary Income	
Income Taxes	Income Taxes
Net Profit from Associates	Net Profit from Associates
=NET INCOME BEFORE GOODWILL AMORTIZATION	**=NET PROFIT BEFORE GOODWILL IMPAIRMENT CHARGE**
-Goodwill Amortization	-Goodwill impairment Charge
	-NET INCOME BEFORE DISCONTINUED OPERATIONS
	+Net income from discontinued operations
=NET INCOME	**=NET INCOME**
-MINORITY INTERESTS	-MINORITY INTERESTS
=NET INCOME GROUP SHARE	**=NET INCOME GROUP SHARE**

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Main impacts on the income statement by standard

Income statement	Standard
REVENUE	IAS 18: Cash discounts are deducted from revenues/ direct oper. expenses
-Direct Operating Expenses	IAS 17: leased assets under finance leases are capitalized.
-Sales,General & Administration Expenses	IAS 38: Development costs are capitalized.
=OPERATING MARGIN	IAS 16/IFRIC1: Spare parts are no longer capitalized & Street Furniture items are depreciated over the average contract duration/ Dismantling cost is a component of the asset to be depreciated over the asset's useful life
-Depreciations & Provisions	IAS 2: The lower of cost and NRV of inventories is a charge of the period
-Spare parts for maintenance	IFRS 2: Stock options are recorded at fair value as an expense
+Other incomes & charges	IAS 1: Reclassification of extraordinary items
=EBIT	IAS 32/39 / others: Valuation of financial instrument at fair value Unwinding charges (discount of long term items)
Financial Income	
Income Taxes	
Net Profit from Associates	
=Net profit before goodwill/ impairment charge	
-Goodwill impairment charge	IFRS3/IAS 36: Goodwill is no longer depreciated but tested for impairment
=Net income before Discontinued operations	
-Net income from discontinued operations	IFRS 5: Identification of income from discontinued operations
=NET INCOME	
MINORITY INTEREST	
=NET INCOME (GROUP SHARE)	