

# JCDecaux

*showcasing the world*

## 2005 Annual Results

March 15<sup>th</sup>, 2006



*JCDecaux News Reading Stands – Beijing*





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# Business Overview

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

(In million €, under IFRS standards)

● Revenues	1,745.2	↗	+ 7.2%
● Operating margin <sup>(1)</sup>	474.1	↗	+ 2.1%
● EBIT	299.0	↗	+ 4.1%
● Net income Group share	195.3	↗	+ 25.0%
● Free cash flow	189.2	↘	- 1.5%

**First time dividend of 0.40 € per share**

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

(2) EBIT = Earnings Before Interests and Taxes

= Operating Margin less Maintenance spare parts less Depreciation and provisions less Other operating income and expenses



### JCDecaux's organic revenue growth vs. market growth

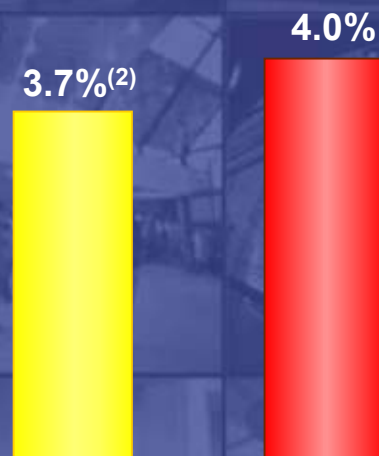
2004



Worldwide  
Ad market

JCDecaux

2005

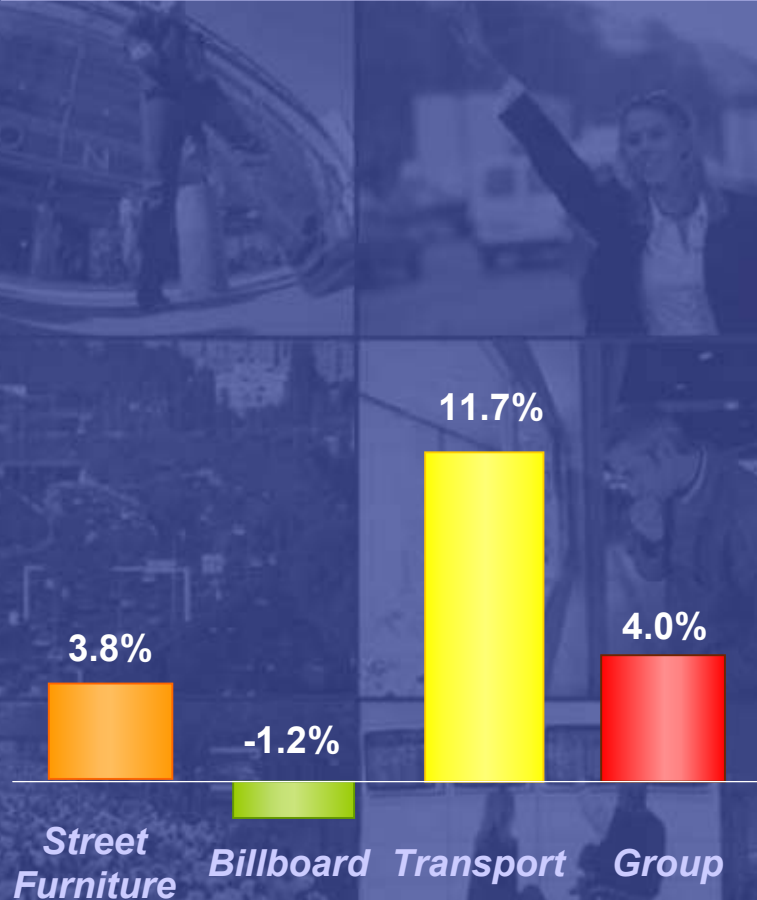


Worldwide  
Ad market

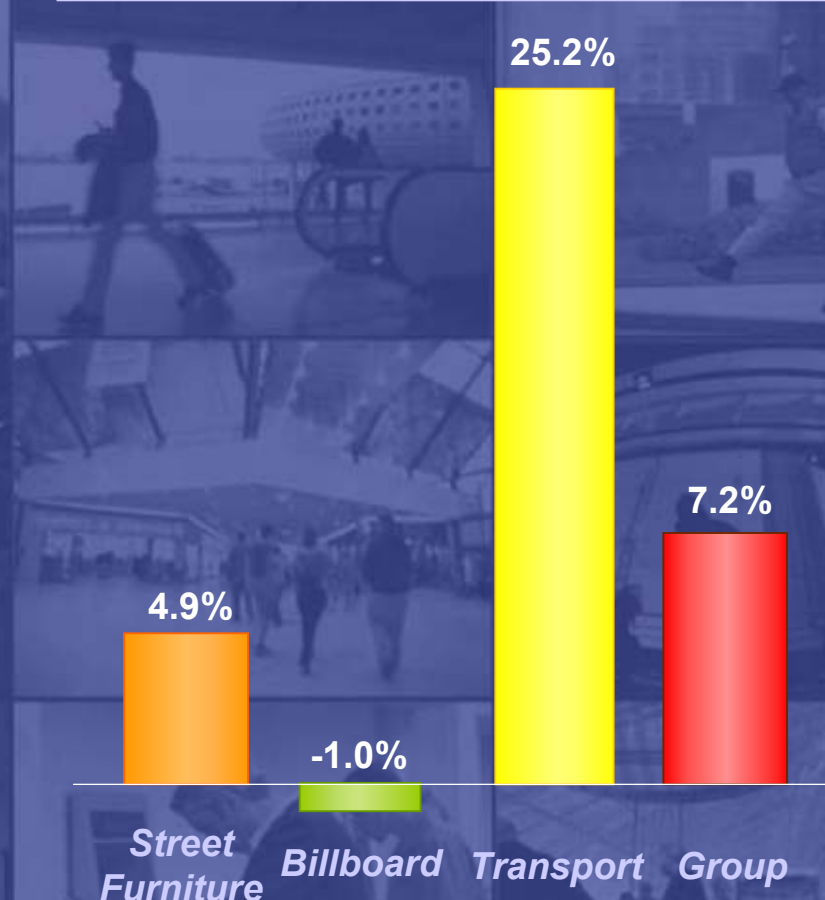
JCDecaux

## 2005 revenue growth by business

### Organic growth (%)



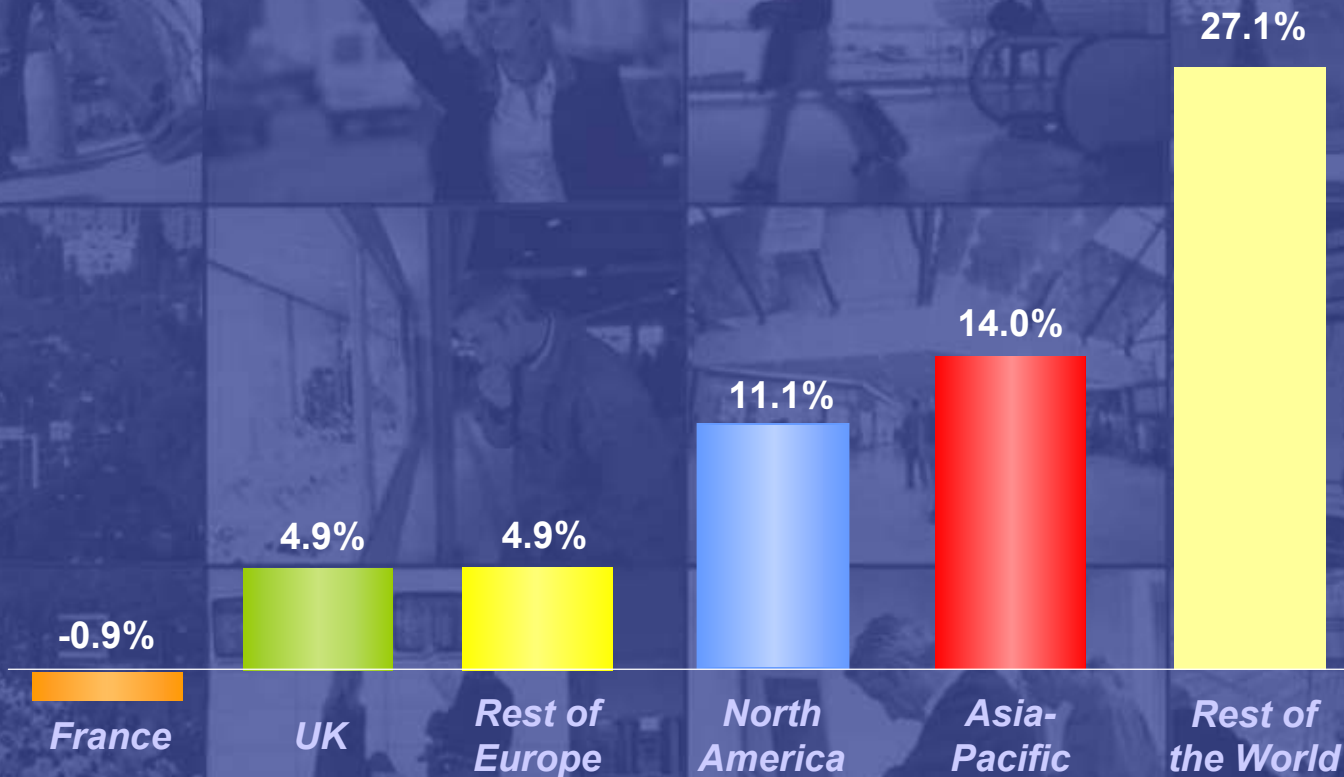
### Reported growth (%)



Note: organic growth = excluding acquisitions /divestitures, the impact of foreign exchange and the revenue reclassification of some activities in 2005.

# 2005 revenue growth by region

## Organic growth (%)

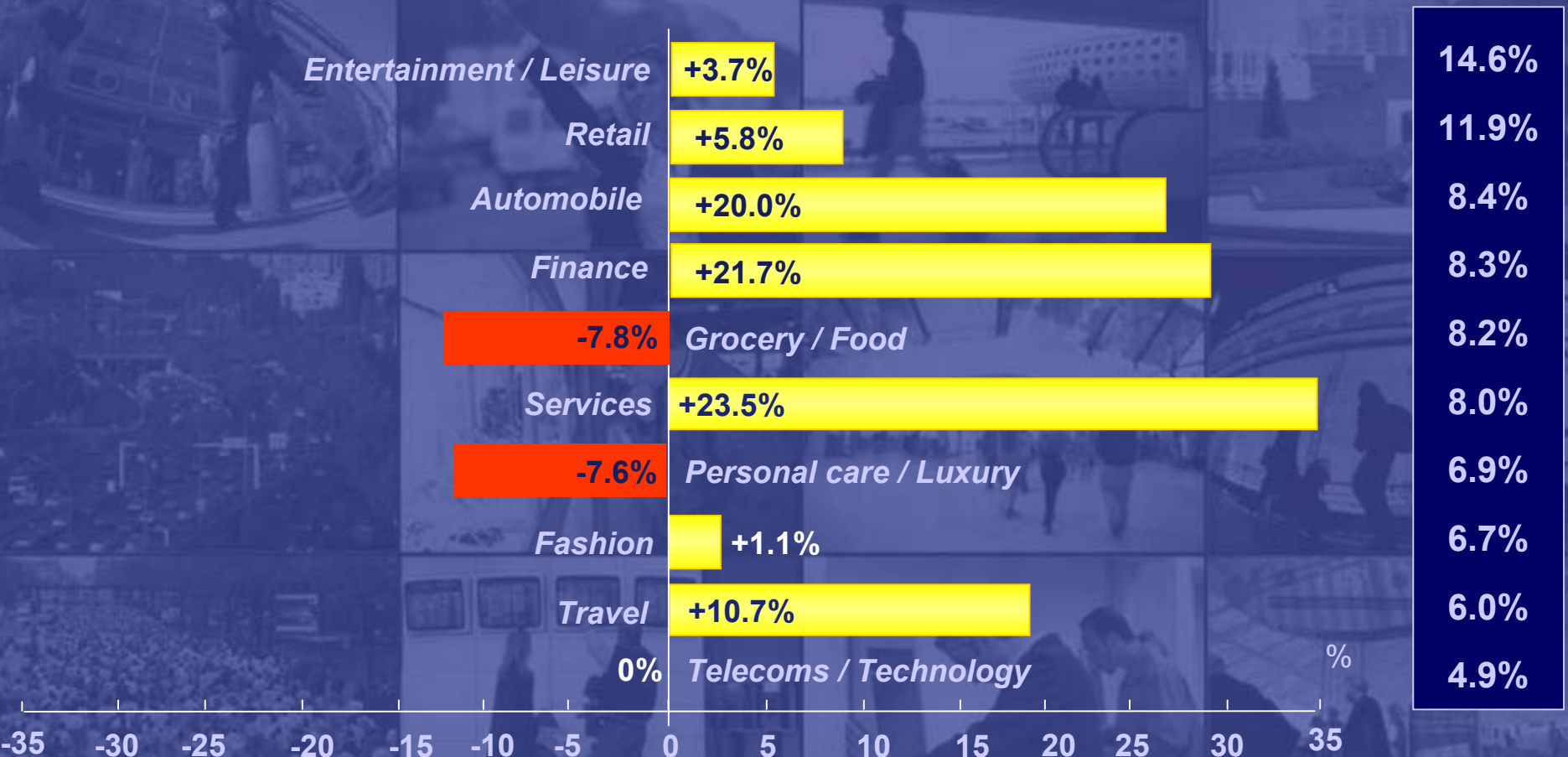


Note: organic growth = excluding acquisitions /divestitures, the impact of foreign exchange and the revenue reclassification of some activities in 2005.

## Advertising trends in the top 10 categories

Year-on-Year ad spend variation (2005 vs. 2004) (%)

% of total  
ad. revenues

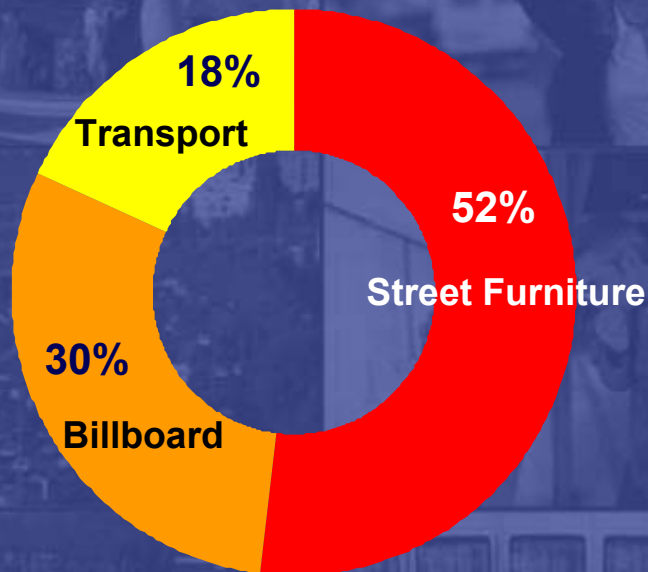


Note: Based on advertising revenues only

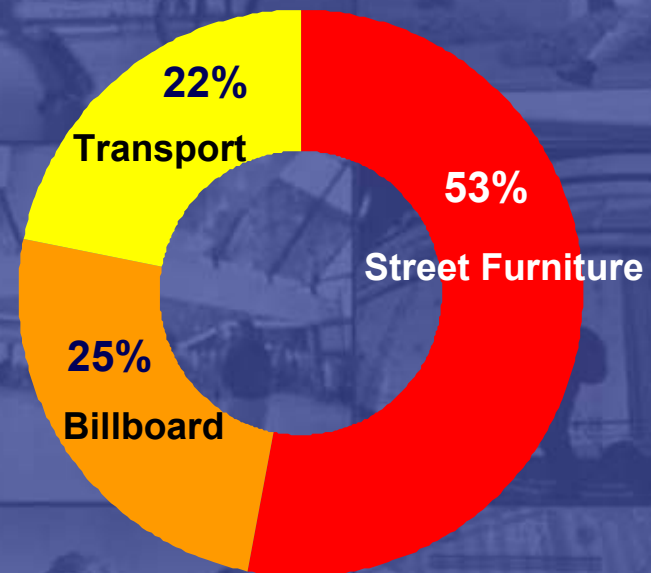


Revenues

1999



2005

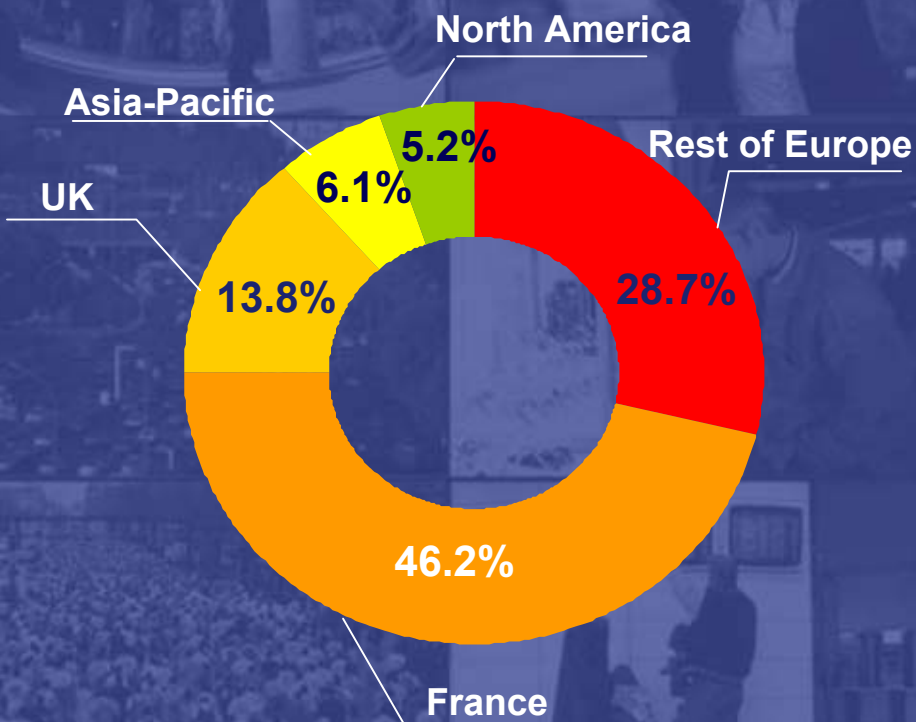




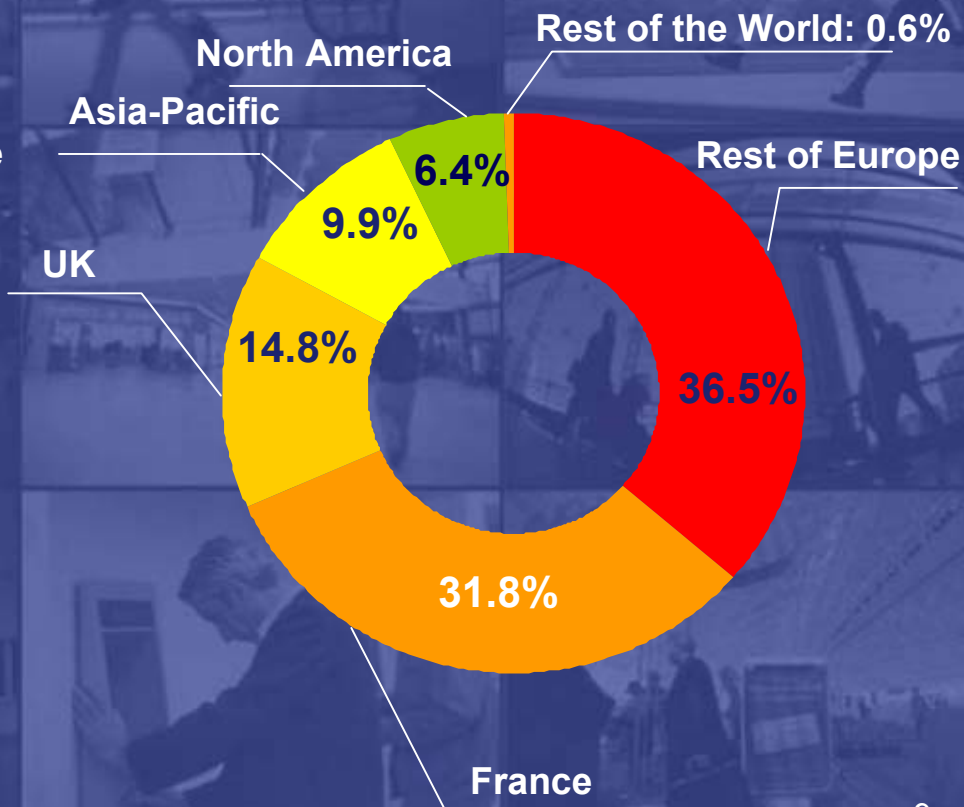
# Growing contribution from Asia-Pacific and North America

## Revenues

1999



2005



JCDecaux

## Growing margins from North America & Asia-Pacific



Los Angeles (2001)



Chicago (2002)



Vancouver (2002)

### Share of North America & Asia-Pacific in the Group Operating margin

2002 : <0

2003 : 2%

2005 : 9%

Macau (2001)



Seoul (2002)



Bangkok (2002)





- **Key contract renewals**
- **On-going innovation in Products, Sales & Marketing**
- **Further Asian Expansion**

### STREET FURNITURE : 81% success rate\*

#### MILAN

- exclusive 20-year contract
- 1,800 bus shelters



#### PARIS CULTURAL ADVERTISING

- 12-year contract
- 550 advertising columns, 700 flag poles



### TRANSPORT

#### NEW YORK JFK - La Guardia – Newark Airports

- Second largest airport platform worldwide
- Contract extended to Newark + PATH trains
- 10-year contract + potential 5-year extension





- Key contract renewals
- On-going innovation in Products, Sales & Marketing
- Further Asian Expansion



- 2,000 bikes, 175 cycle racks
- 12,000 to 16,000 rentals per day
- 40,000 subscribers
- 4,000,000 km covered since the launch (May 2005)
- **A model for many other cities, including PARIS**

### A rewarded concept

- February 2006: **Janus de l'Industrie**  
Awarded by the French Design Institute
- December 2005: **Usine Nouvelle Reward**  
Engineers of the Year (Sustainable Development)
- October 2005: **2005 Bicycle Trophy**  
Congress of towns open to bicycles

## *Creativity drives growth Interactive panels*



### *« JCDecaux Innovate » In France*

*« We had the possibility to launch an outdoor advertising campaign in France and we wanted to make a splash : something customized and interactive!*

*France is the only country where we are bringing a video game console to the street! »*

**Alexandre VASSEUR,**  
Head of Microsoft XBOX Marketing & Communication

*Launch of the Microsoft XBOX 360:  
A new era of gaming !  
Paris (November 2005)*





*Louis Vuitton's first ever installation of a trunk in an airport  
Hong Kong Airport (December 2005)*



- **Key contract renewals**
- **On-going innovation in Products, Sales & Marketing**
- **Further Asian Expansion**

- Nagoya

- 4<sup>th</sup> largest Japanese city
- exclusive 20-year contract
- 300 bus shelters

- Kobe

- 6<sup>th</sup> largest Japanese city
- exclusive 20-year contract
- 300 bus shelters

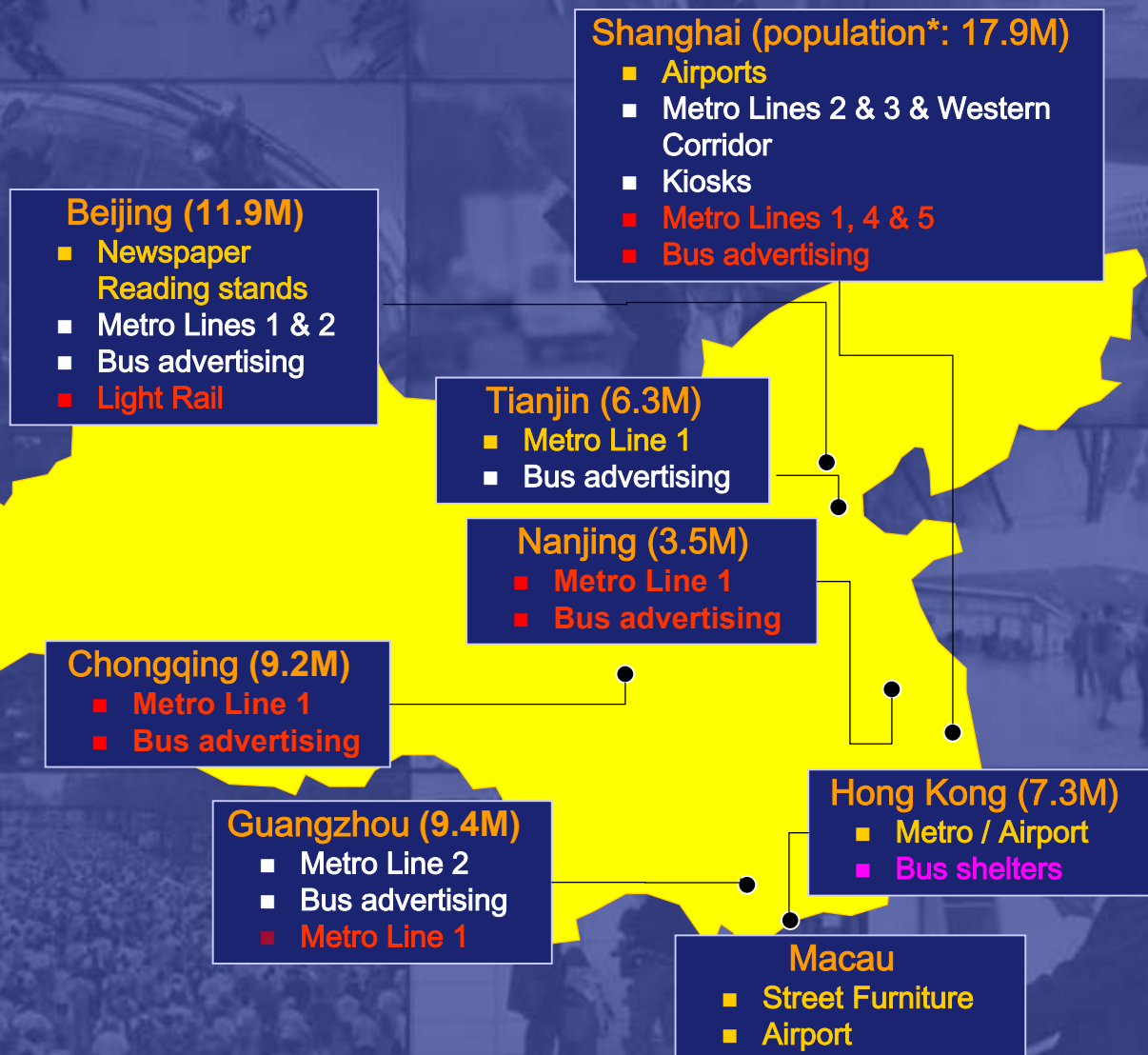
- Ito Yokado shopping malls

- 15-year contract
- 50 shopping malls in the Greater Tokyo area to be installed in the next 3 years

→ **TARGET:** 2,000 advertising faces  
in 150 shopping centers



## China Increased exposure to the fastest growing advertising market



### ● Key figures

- 79,000 advertising faces in 20 cities
- Bus advertising on over 30,000 buses
- Metros in the largest cities
- Airports in Shanghai, HK and Macau
- Street Furniture in Beijing, Shanghai, HK and Macau
- 1,000 employees

**2005:**  
3 major acquisitions  
3 contract wins

 JCDecaux	 MediaNation
 MPI	 Texon





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# Financial Highlights

# Gérard Degonse

## Chief Financial Officer



(In million €, except %)

	2005	2004	% change
► <b>Revenues</b>	<b>1,745.2</b>	<b>1,627.3</b>	<b>7.2%</b>
► Operating costs	(1,271.1)	(1,163.0)	
► <b>Operating margin<sup>(1)</sup></b>	<b>474.1</b>	<b>464.3</b>	<b>2.1%</b>
► Depreciation, spare parts & others	(175.1)	(177.2)	
► <b>EBIT<sup>(2)</sup></b>	<b>299.0</b>	<b>287.1</b>	<b>4.1%</b>
► Net interests	(24.6)	(31.6)	
► Tax	(84.8)	(93.6)	
► Equity affiliates	9.4	6.5	
► GW Impairment		(3.0)	
► Minority interests	(3.7)	(9.2)	
► <b>Net Income Group share</b>	<b>195.3</b>	<b>156.2</b>	<b>25.0%</b>

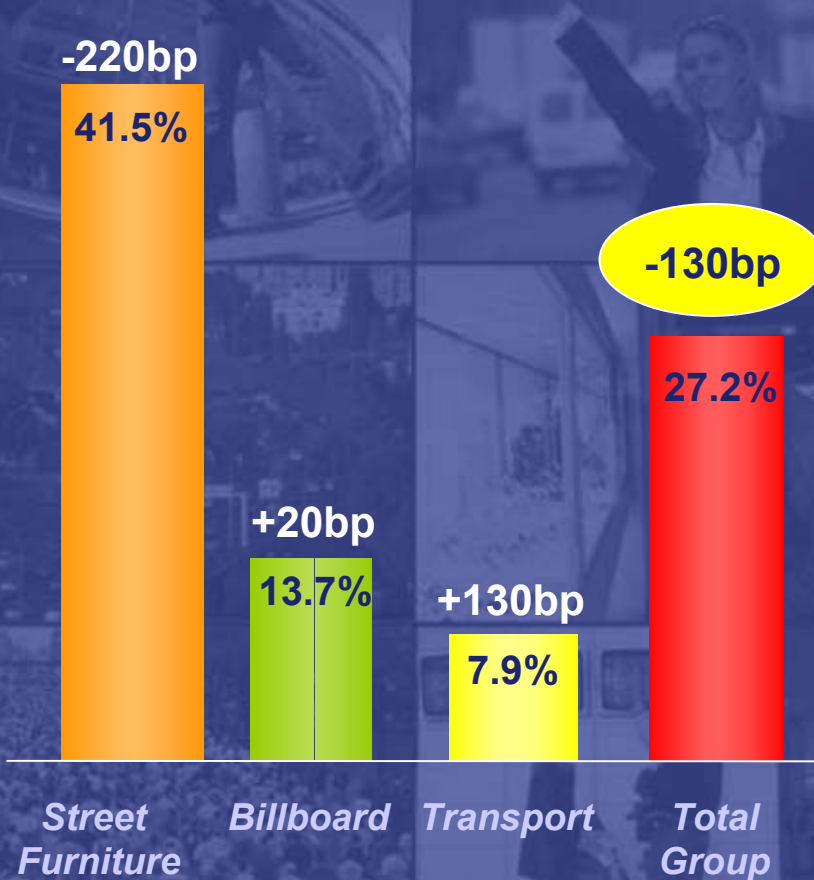
(1) Operating Margin = Revenues less Direct Operating Costs (excluding Maintenance spare parts and including SG&A costs)

(2) EBIT = Earnings Before Interests and Taxes

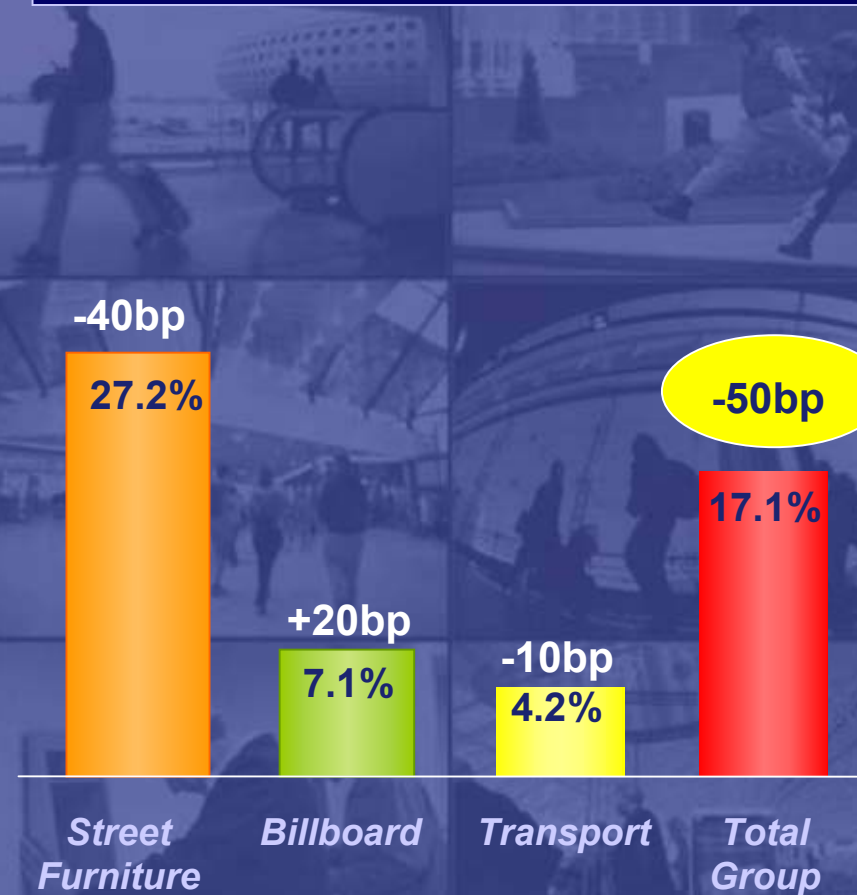
= Operating Margin less Maintenance spare parts less Depreciation and provisions less Other operating income and expenses

(under IFRS standards)

### Operating margin (% of revenues)



### EBIT (% of revenues)



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

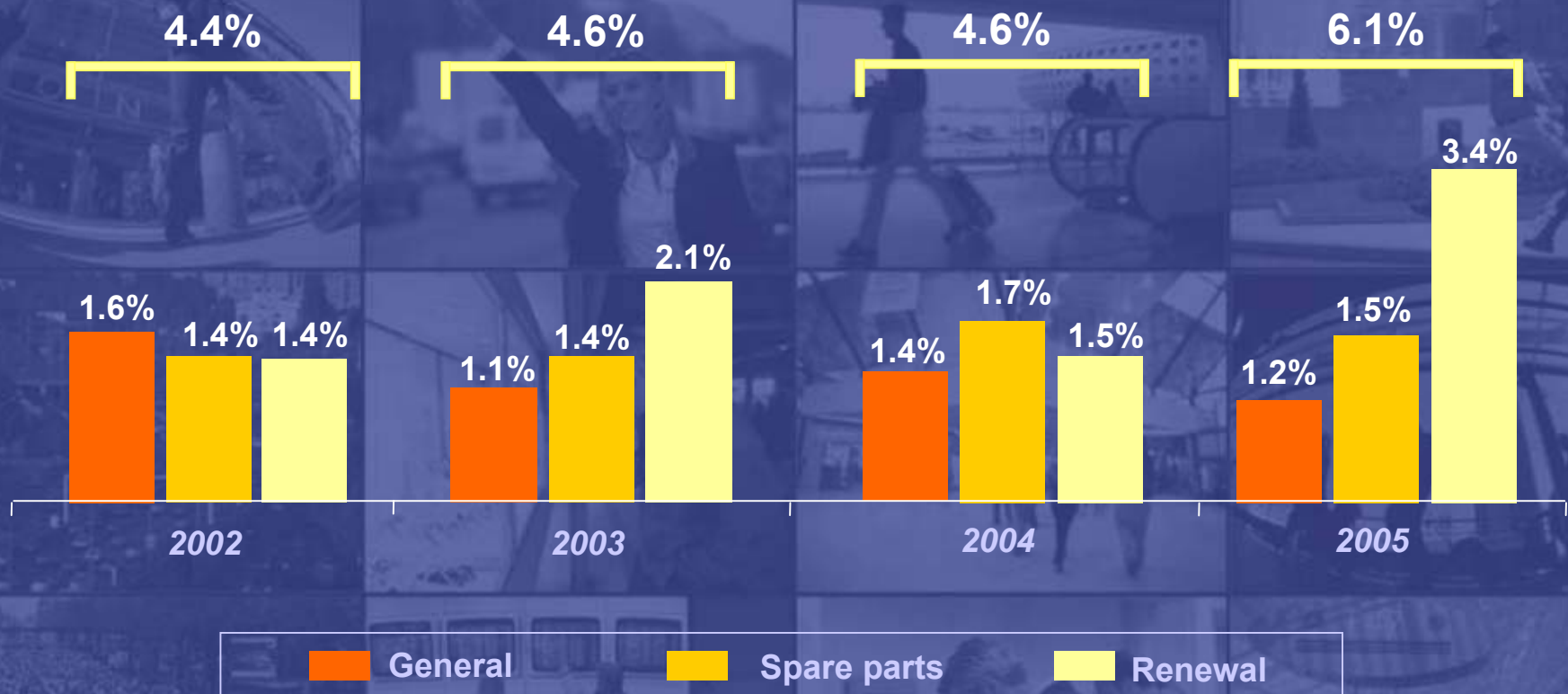
	2005	2004	% change
► <b>Net Cash flow from operating activities</b>	<b>330.5</b>	<b>333.5</b>	<b>-0.9%</b>
► General Inv. & Renewal capex	(80.1)	(48.3)	
► <b>Adjusted free cash flow</b>	<b>250.4</b>	<b>285.2</b>	<b>-12.2%</b>
► Growth capex	(61.2)	(93.2)	
► <b>Free cash flow</b>	<b>189.2</b>	<b>192.0</b>	<b>-1.5%</b>
► Dividends (net)	(3.5)	(7.6)	
► Equity increase (decrease)	(20.5)	6.9	
► Financial investments (net)	(254.5)	(18.3)	
► Finance leases, IAS 39 impacts & others <sup>(1)</sup>	(43.1)	4.3	
► <b>Change in net debt (Balance Sheet) <sup>(2)</sup></b>	<b>132.4</b>	<b>(177.3)</b>	

Note: Adjusted free cash flow = Free Cash Flow before Growth Capex.

(1) Non cash variations (mainly due to consolidation scope variations & translation differences on financial debts)

(2) Excluding the IAS 32 impact and including the IAS 39 impact on both debt and financial derivatives

## Maintenance (net) as a % of Group revenues



*Note: Maintenance = general investments (software, building extensions, vehicules, etc.) + expensed spare parts + renewal capex (amount invested each year to renew revenues from contracts which are expiring during that year).*



*Recurrent excess  
Free Cash Flow*

*Leverage headroom*

$2 < \text{Net debt} / \text{operating margin} < 2.5$

In M€

FFO

330

162

*Cash  
available for  
organic &  
acquisitive  
growth*

88

Dividends

80

Renewal  
Capex

*Additional debt:*

*€ 500 M to €600 M*



**JCDecaux**

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# Growth strategy and outlook

*Jean-Charles Decaux*

*Co-CEO*

- **Media FRAGMENTATION**

TV:

Expansion of cable / satellite TV + TiVO devices  
More time spent on the Internet

Press:

Emergence of free press

Radio:

Development of satellite / digital radio + new consumption habits

- **INCREASINGLY URBAN population**

By 2030, 60% of the world's population will be **URBAN**

- **INCREASINGLY MOBILE population, spending more time out of home**

- Number of cars per 1,000 hab.: + 27% between 1990-2004 (European Union)
- Continuous growth in international airport traffic: + 5% CAGR (06-09 est.)

**Outdoor advertising: the only remaining mass medium**



*West Hollywood*



*Beijing*



*New York Airports*



*MPI*



PUBLICIS GROUPE

## *First step into India New Delhi*

- exclusive 15-year contract
- 197 bus shelters in the centre of New Delhi
- 591 advertising faces



- platform to develop New Delhi's advertising infrastructure
- penetration of a fast-growing advertising market: + 16% (estimated) for 2006

## Key contracts

### On-going bidding process

#### UK

- London Subway advertising  
→ short-listed with Viacom

#### United States

- LAX (Los Angeles Airport)  
→ short-listed with CCO

#### Ireland

- Dublin

### Bidding process expected

#### Europe

- France: France Rail Publicité
- Rome
- Madrid (Billboard contract)
- Malaga
- Sofia
- Stockholm

#### Asia-Pacific

- China
- Japan
- Australia (Melbourne)

#### North America

- Toronto

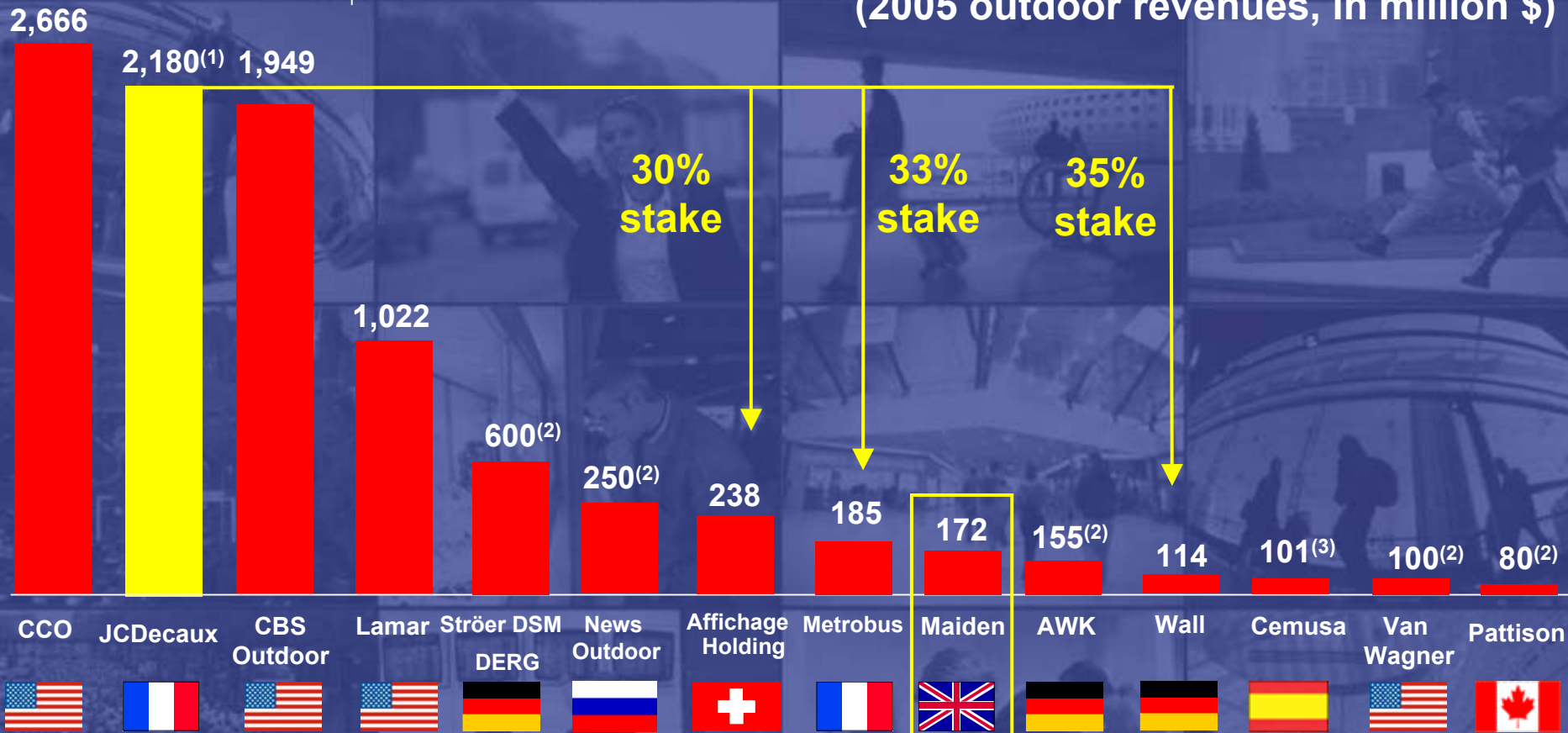
#### South America

- Sao Paulo (City & Subway)
- Buenos Aires (City)



More than 30% of the outdoor advertising market

(2005 outdoor revenues, in million \$)



Sources: Company news releases, Internet sites & JCDecaux estimates. Currency conversions are based on a quarterly average exchange rate \$/€ of 0.8007, and on an annual average exchange rate \$/£ of 0.5496 and \$/CHF of 1.2445 in 2005.

(1) This amount does not include revenues from Affichage Holding, Wall and Metrobus, companies integrated through the equity method in JCDecaux's financial statements.

(2) JCDecaux's estimate of 2005 revenues (3) 2004 revenues

JCDecaux

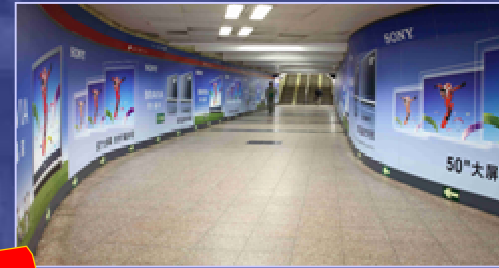
*CHINA: JCDecaux's  
3<sup>rd</sup> largest country*



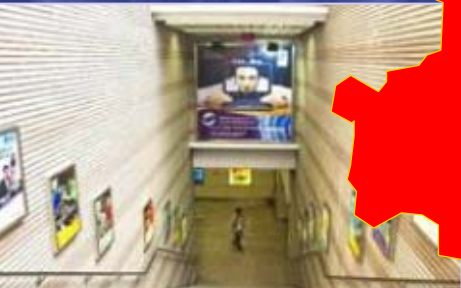
Chongqing



Beijing



Beijing subway



Nanjing subway



Shanghai



Guangzhou subway



Hong Kong Airport



Hong Kong



Shanghai Airport

**N°1**

# Ad Spending - China 1993-2005

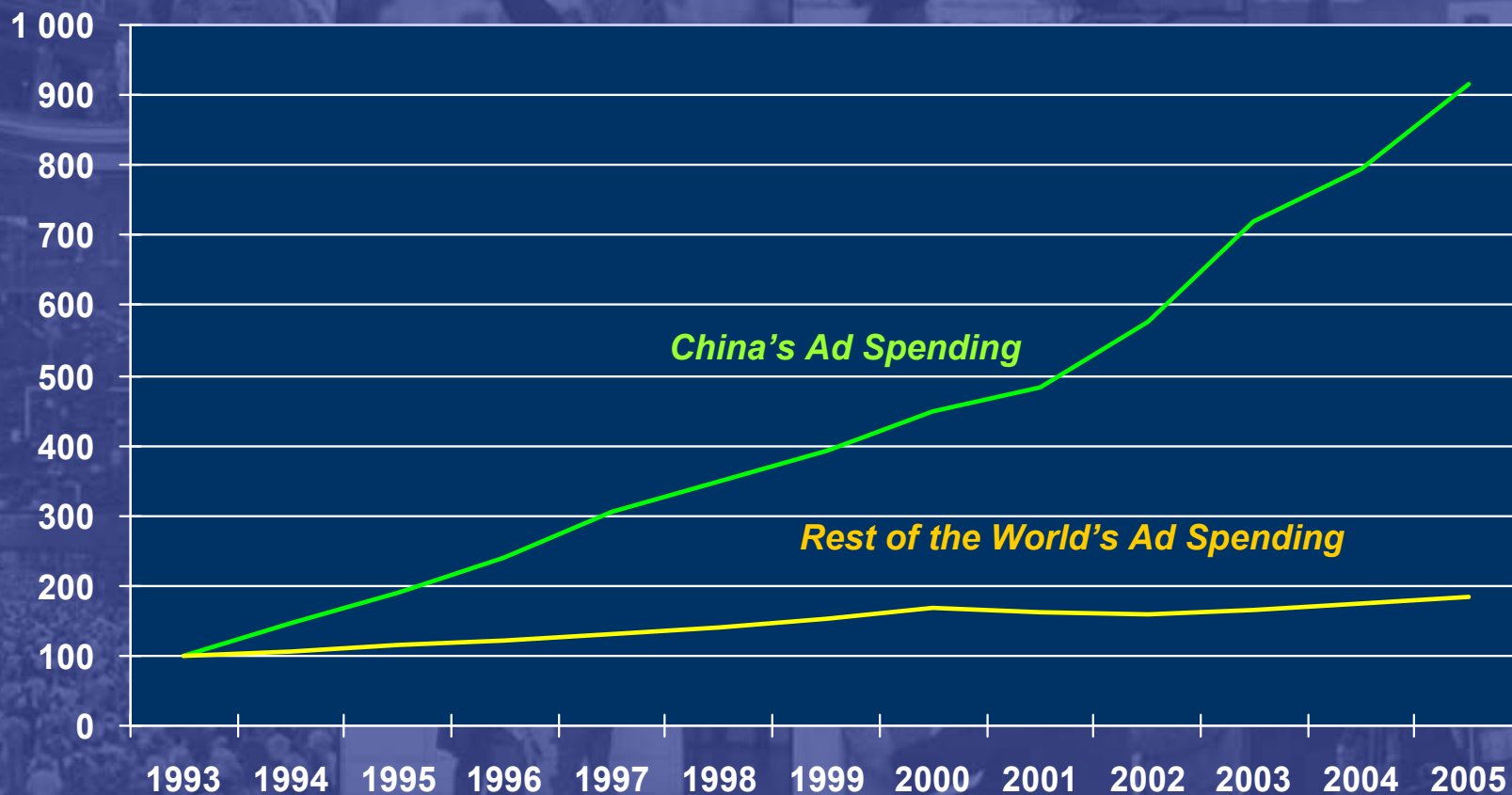
## CHINA:

CAGR 1993-2005: 20%

## Rest of the world:

CAGR 1993-2005: 5%

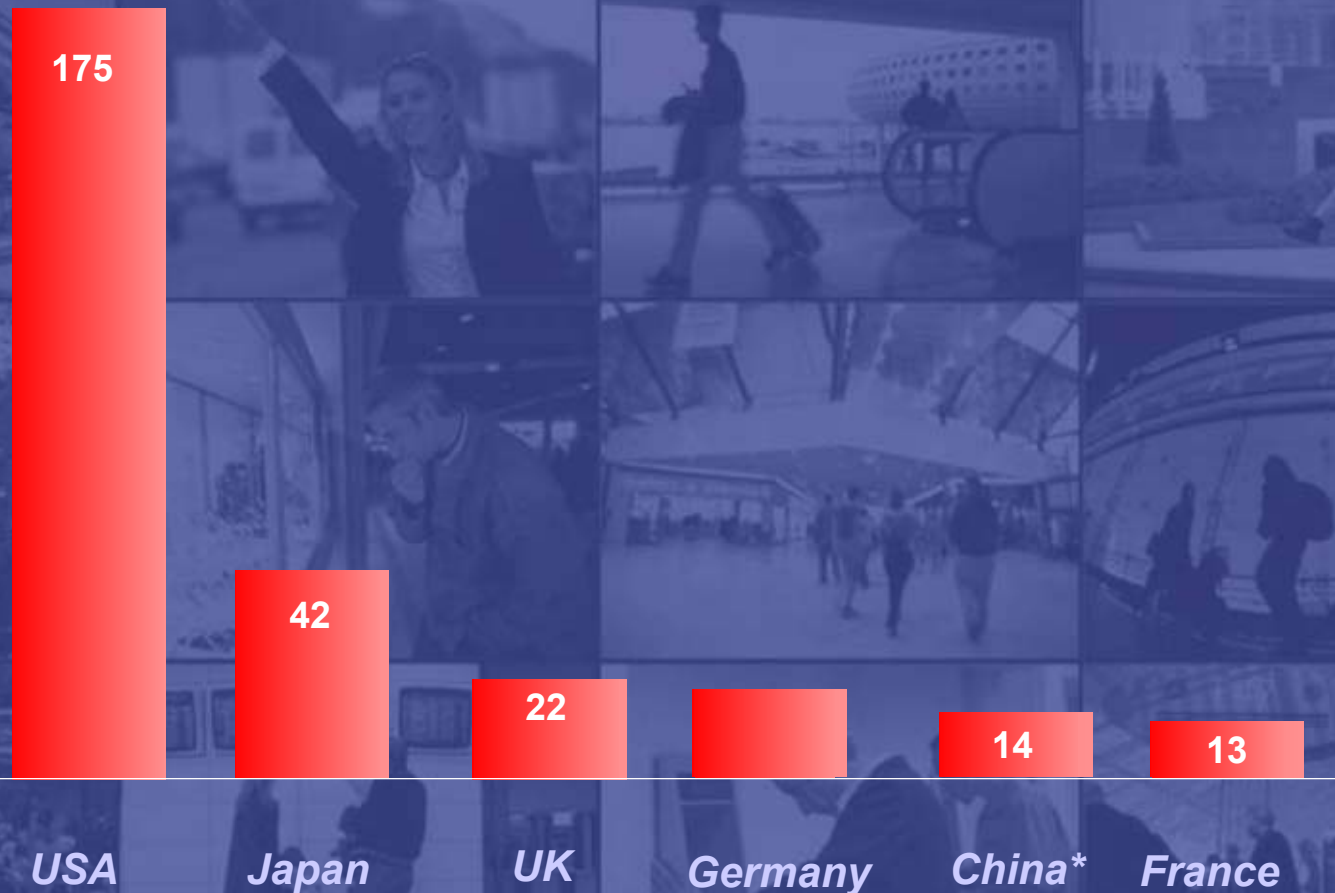
Base = 100 in 1993





# China: the 5th largest advertising market in 2006

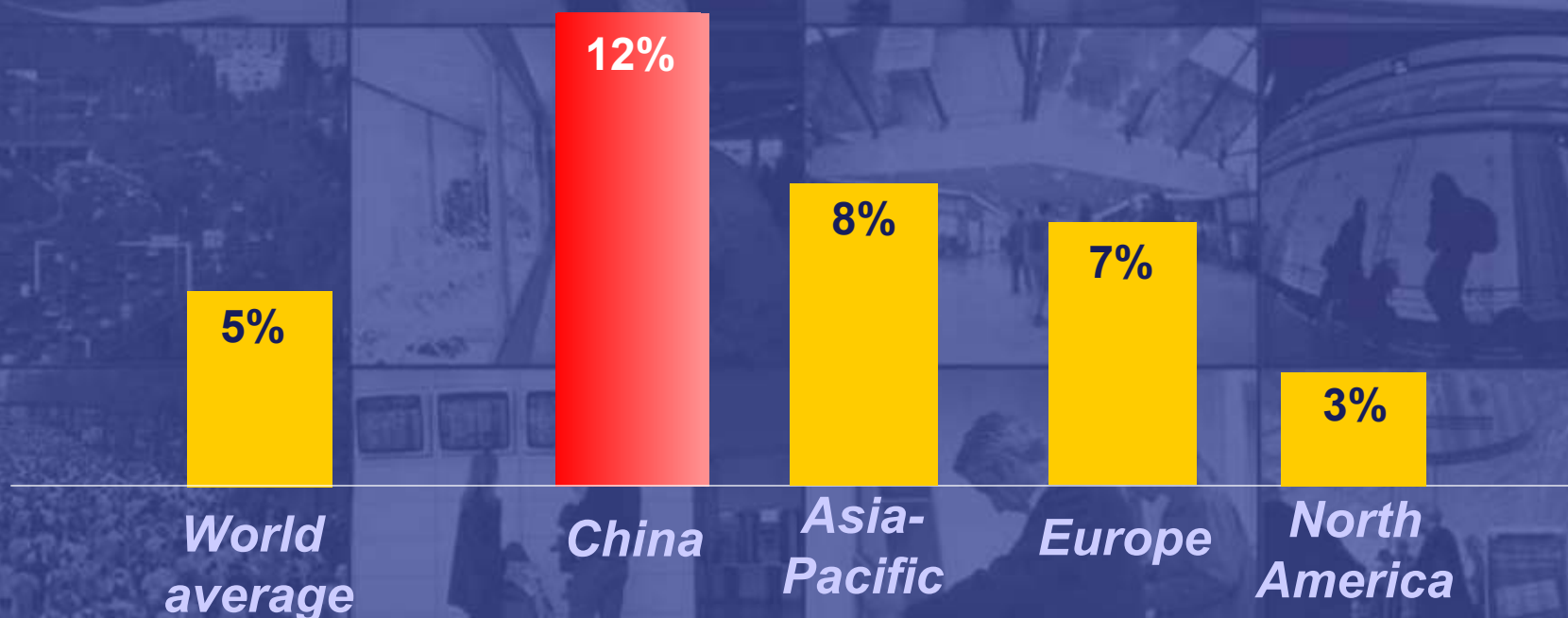
## 2006 advertising expenditure in USD billion (forecast)



Source: ZenithOptimedia 2006 Forecasts (December 2005 data)

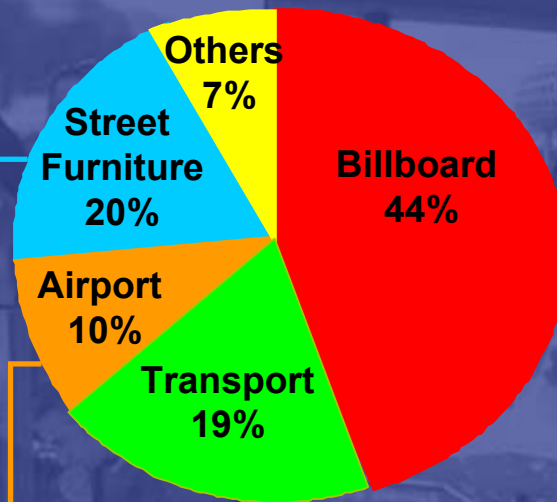
\* China including Hong Kong

**Share of outdoor advertising  
within total advertising market (2005)**

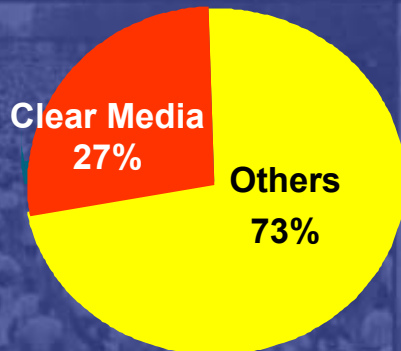


## Outdoor Advertising Market

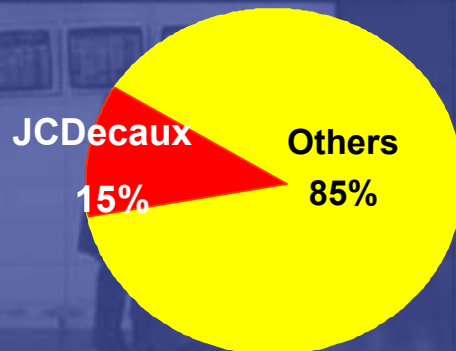
Source: China Outdoor Data Corporation 2004  
& JCDecaux estimates



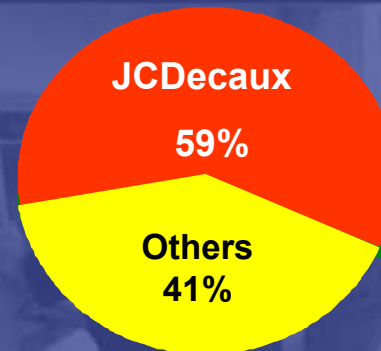
### Street Furniture



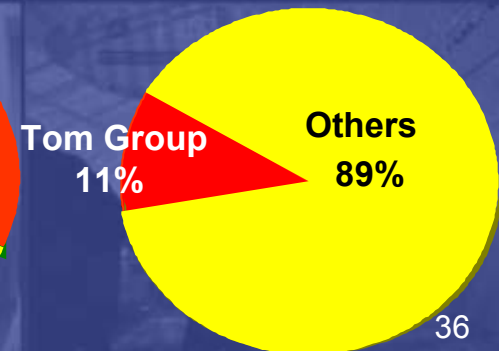
### Airport



### Transport (Excluding airport)



### Billboard





- **2006-10** Further implementation of China's commitments following WTO entry  
→ will boost advertising spend from both local & foreign companies (banking / insurance / services)
- **2008** Olympic Games in Beijing
- **2010** Asian Games in Guangzhou
- **2010** Shanghai World Expo  
→ passenger traffic at Shanghai Pudong International Airport to double by 2010.

**Acceleration of organic revenue growth, which should exceed 5% in 2006**

# JCDecaux

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## 2005 Annual Results

March 15<sup>th</sup>, 2006



**Panasonic**  
ideas for life

world of ideas

*Shanghai Pudong Airport*

