



H1 2004 Results

15 September 2004

1964

JCDecaux

2004



JCDecaux

showcasing the world

Business Overview

Jean-Charles Decaux

Chairman of the Executive Board and co-CEO

(In million €)

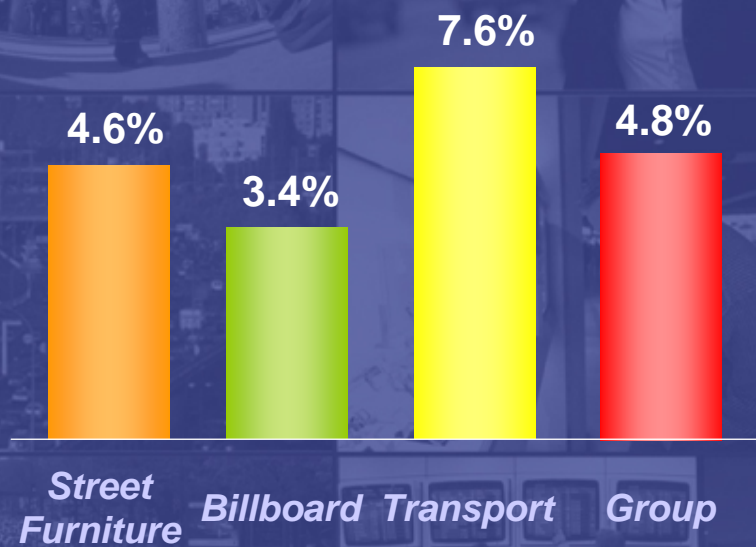
■ Revenues	792.3	↗	+ 4.5%
■ EBITDA	220.1	↗	+ 12.2%
■ Operating income	125.3	↗	+ 13.6%
■ Adjusted net income ⁽¹⁾	68.1	↗	+ 33.3%
■ Net income group share	27.9	↗	+ 48.4%
■ Free cash flow	55.4	↘	(18.4)%

Record operating performance

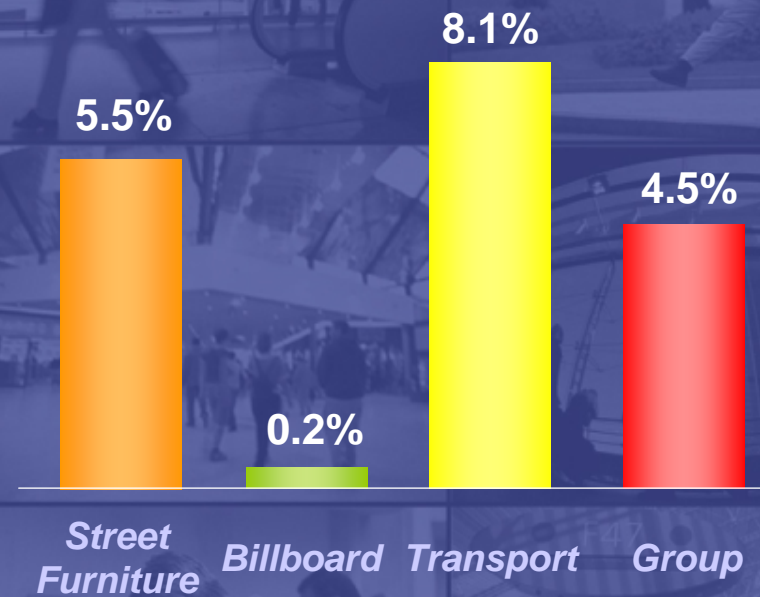
(1) Adjusted net income = net income Group share before GW amortisation and exceptional items

H1 2004 revenue growth —by business

Organic growth (%)



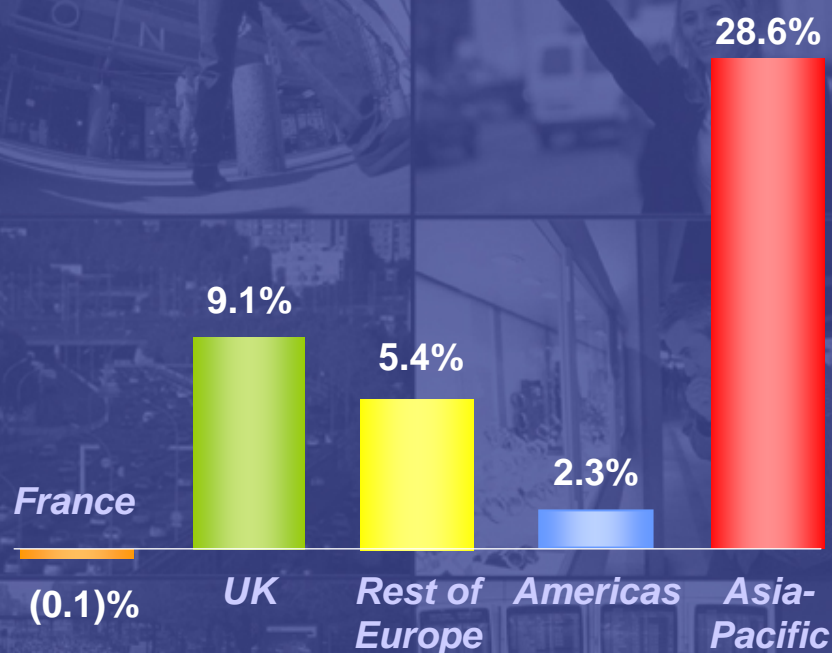
Reported growth (%)



Note: organic growth = excluding acquisitions /divestitures and FX impact

H1 2004 revenue growth —by region

Organic growth (%)



Note: organic growth = excluding acquisitions /divestitures and FX impact

■ France

Solid advertising revenue growth in Street Furniture and Transport; non advertising revenues down

■ UK

Double-digit organic growth in advertising revenues in Street Furniture and Billboard

■ Rest of Europe

Solid revenue growth supported by advertising market recovery; Transport growing at double-digits

■ Americas

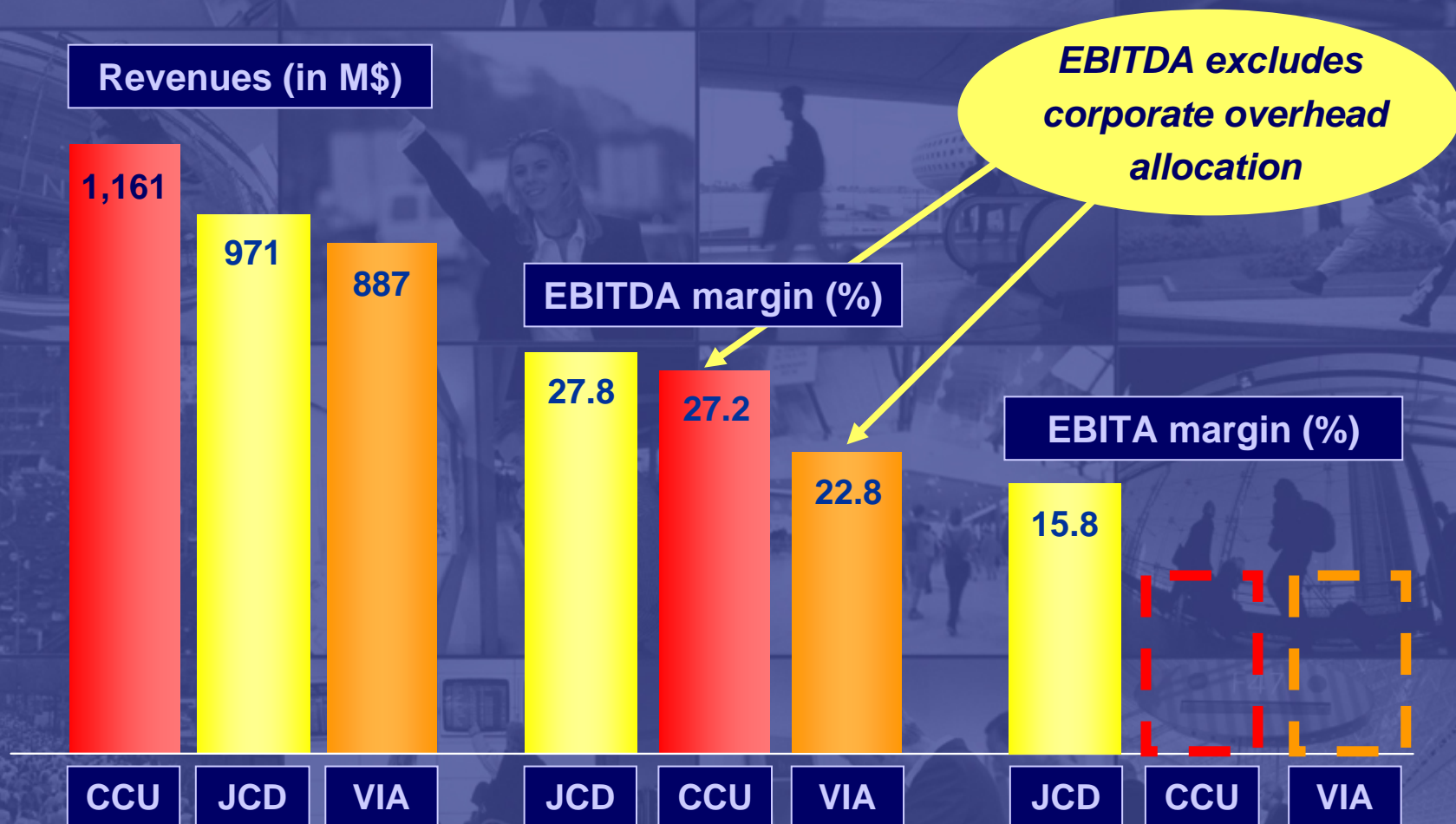
Double-digit growth in SF revenues, led by strong increase in Chicago, Vancouver and Mallscape; US airports disappointing

■ Asia-Pacific

Economic recovery underpins advertising demand in Hong Kong; continued commercial ramp-up of SF contracts (Bangkok)

- Better assets
- Better sales and marketing
- Better audiences
- Better products and services

JCDecaux: better assets deliver the highest margins



Source : Company news releases, with currency translations based on an average quarterly exchange rate \$/€ of 1,2250

UK

of people “likely to see” a SF panel

41,000

52,000

+27%

Market

JCDecaux

Source : Postar, May 2004, Roadside 2m2, data for one week

Spain

Impact / face

81,000

of people “likely to see” a SF panel

55,000

+47%

Market

JCDecaux

Source : Geomex, data for one week in Geomex area.

26,500

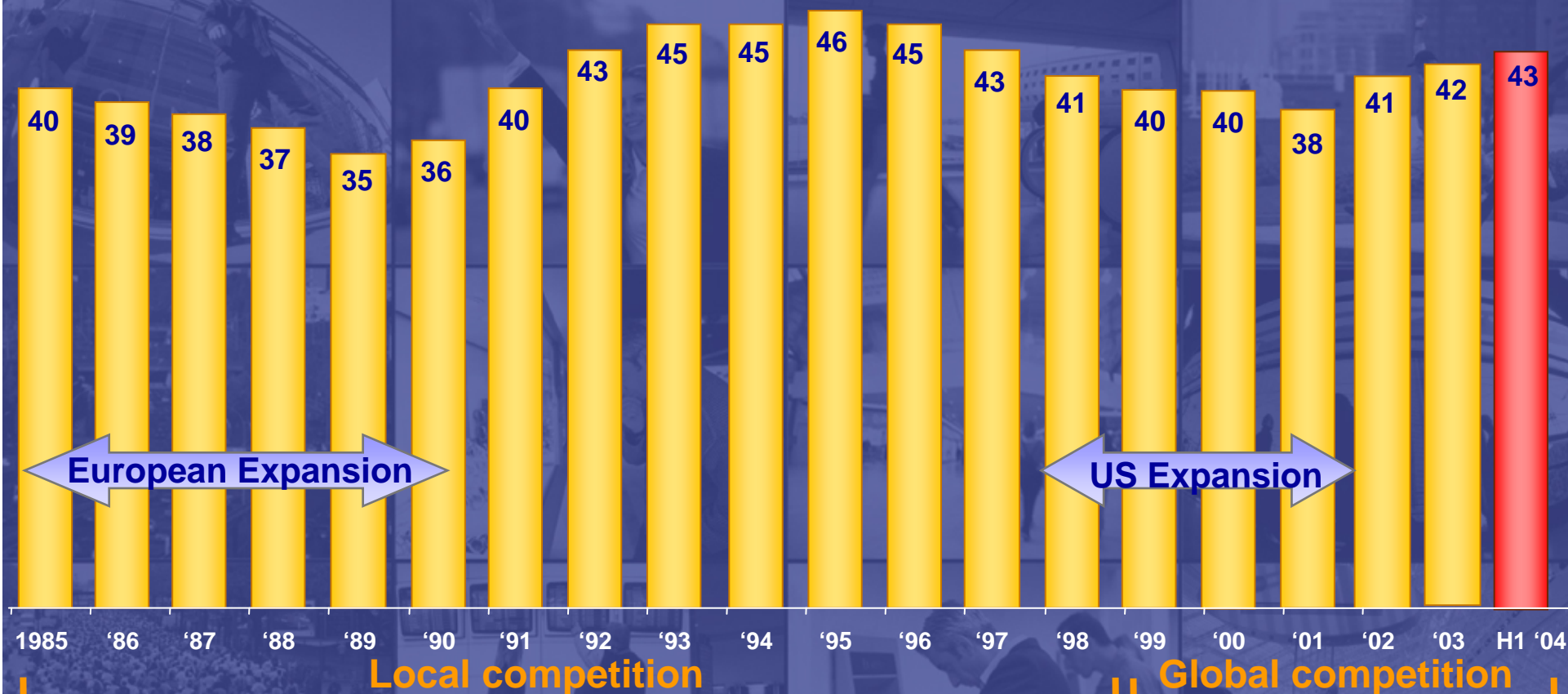
20,300

+30%

Market

JCDecaux

Street Furniture EBITDA margin (%)



Average remaining life on existing SF contracts : 9 years⁽¹⁾

(1) as of 31 december 2003

- Better assets
- Better sales and marketing
- Better audiences
- Better products and services

JCDecaux

"Innovate" enhances revenue growth in the UK



Hulk campaign - 96-sheet special, lenticular and bus shelter advertising

JCDecaux

1,000 salespeople worldwide
–Exciting designs



Hewlett Packard showcase, UK

You wait hours for one Strat to come along...

Hewlett Packard hopes to create a "new legend" in outdoor advertising by showcasing real Fender Stratocaster guitars in JCDecaux bus shelters around London, complete with Jimi Hendrix-inspired guitar music playing from hidden speakers within the shelter.

Ian Curtis, Hewlett Packard's enterprise marketing director, said: "These showcases are the perfect way to use our creative imaginatively – and what better way to get the attention of passers-by than by placing a guitar in a bus shelter?"

The ads, which carry the tagline "creating new legends", are part of a national campaign including a promotional deal with VH1, through Viacom Brand Solutions. The campaign includes a 50-second ad spot to coincide with the 50th anniversary of the Stratocaster. Users will be directed to a micro-website where they can enter a competition to win one of five Fender guitars.



Media Week 24/8/04

www.mediaweek.co.uk

JCDecaux

*1,000 salespeople worldwide
–Event advertising*



JCDecaux

*1,000 salespeople worldwide
—Creative ideas*



Samsung, Austria



- Better assets
- Better sales and marketing
- Better audiences
- Better products and services

From "People-meters" to reliable GPS technology

Yesterday

- **Low-tech approach to track the respondent's travelling patterns**
 - Traffic studies
 - Diary system, based on respondent's subjective recollection of path travelled
- **No criteria applied to rank the quality of advertising panels and networks**

Today

- **Portable GPS technology to track the respondent's position and speed of travel / outdoor sites**
- **A series of variables – "visibility adjustments" – measure the respondent's likely exposure to an ad message**
 - Size and height of panel
 - Angle and proximity to road
 - Complexity of surrounding environment
 - Illumination (front, back)

Technology	Country	Availability
■ New GPS studies	■ Italy	2004
	■ Switzerland	2004/05
	■ Germany	2005/06
■ New electronic studies	■ Norway	completed
	■ Ireland	2004
	■ Sweden	2004
	■ Finland	2005
■ On-going GPS/ Electronic studies	■ France	on-going
	■ Spain	on-going
	■ UK	on-going
	■ Denmark	on-going

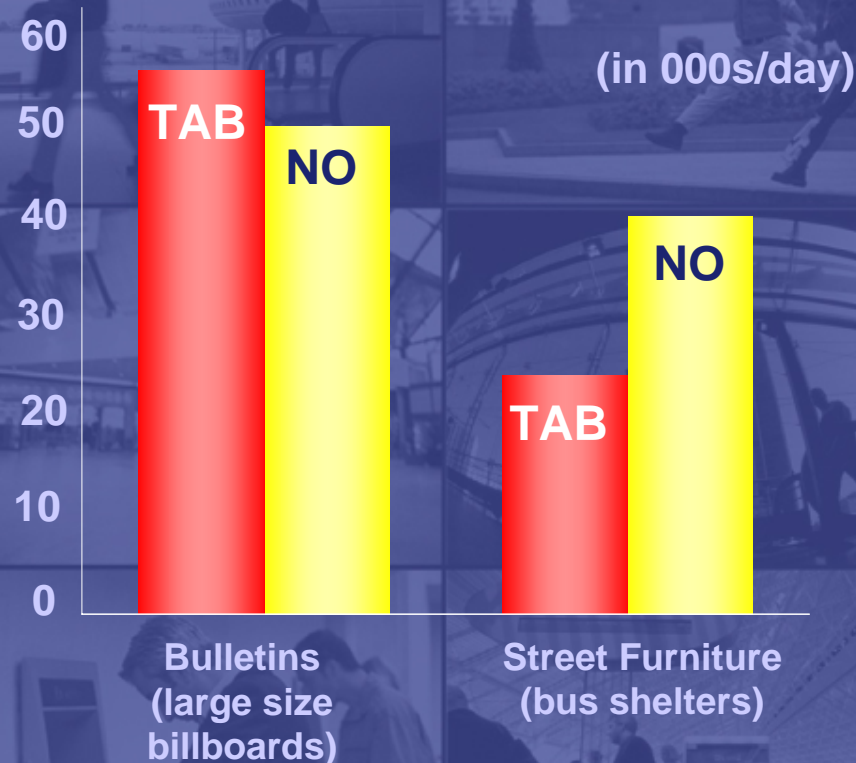
**JCDecaux
has
pioneered
a more
consistent
outdoor
research
across
Europe**

Toward a better measure of outdoor's value



**Nielsen Outdoor's
portable GPS Npod™ device**

**Compared measures of impact
for outdoor panels, as per
Traffic Audit Bureau (TAB)
vs. Nielsen Outdoor (NO)**



Note : study of impact for a panel of 6,129 outdoor sites based on daily effective circulation and pedestrian traffic; data from Traffic Audit Bureau (TAB) and Nielsen Outdoor, using Npod™ technology; Apr 16-26, 2004.

- Better assets
- Better sales and marketing
- Better audiences
- Better products and services



Bus shelter, Chicago



Street Furniture, San Francisco



Over 700 "free" bikes with a security system installed in Vienna, Austria



Battery recycling container, Madrid



Glass recycling column, Madrid

JCDecaux

Better products and services –Maintenance



San Francisco, Grove Street



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Financial Highlights

Gérard Degonse

Chief Financial Officer

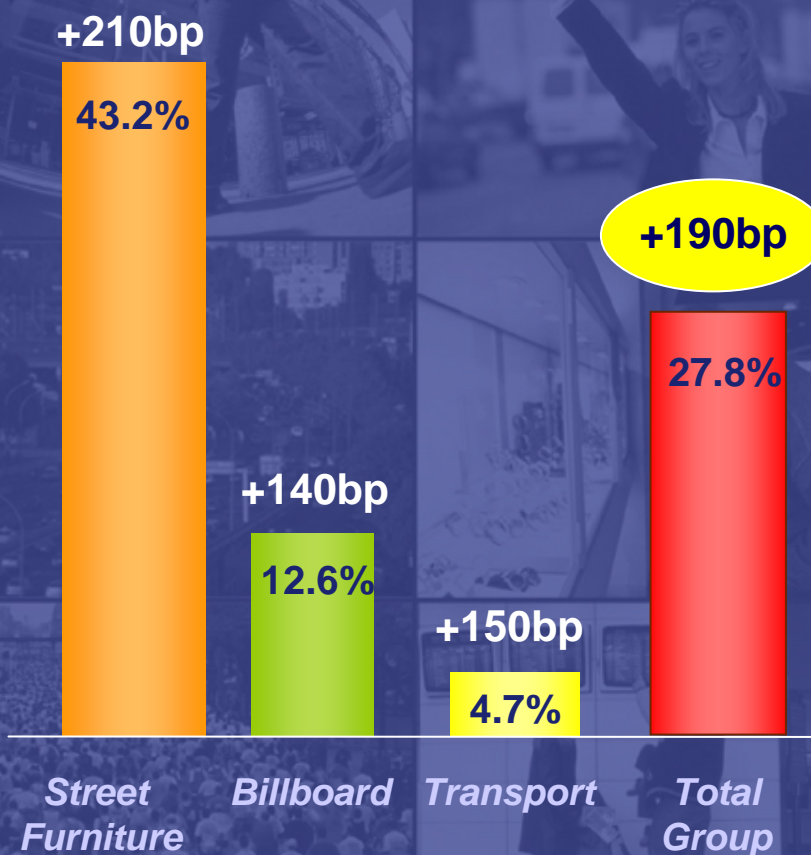
(In million €, except %)

	H1 2004	H1 2003	% change
▶ Revenues	792.3	758.2	4.5%
▶ Operating costs	(572.2)	(562.0)	
▶ EBITDA	220.1	196.2	12.2%
▶ Depreciation	(94.8)	(85.9)	
▶ Operating income	125.3	110.3	13.6%
▶ Financial income	(12.5)	(15.8)	
▶ Exceptional items	(0.7)	0.2	
▶ Tax	(41.9)	(37.9)	
▶ Equity affiliates	2.8	2.4	
▶ GW amortisation	(39.5)	(32.5)	
▶ Minority interests	(5.6)	(7.9)	
▶ Net income Group share	27.9	18.8	48.4%
▶ Adjusted net income ⁽¹⁾	68.1	51.1	33.3%

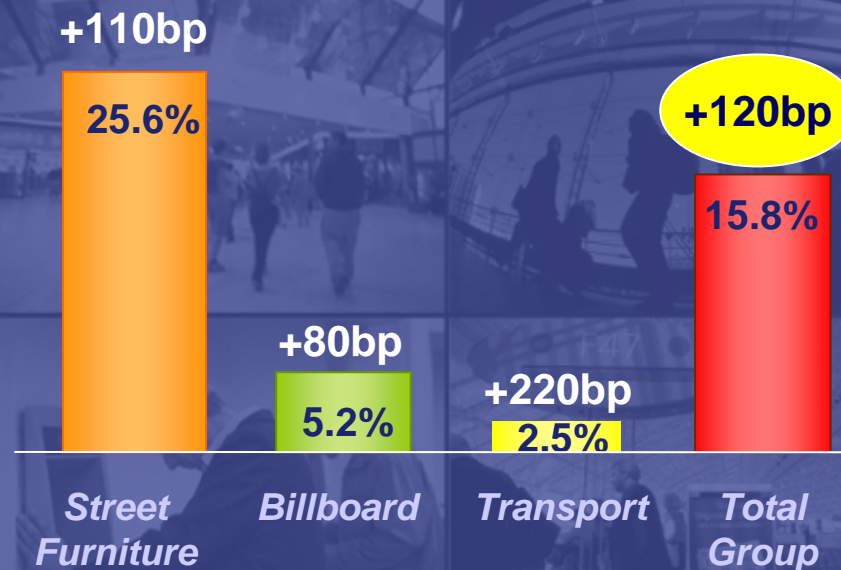
(1) Adjusted net income group share = net income Group share before GW amortisation and exceptional items

(In million €, except %)

EBITDA margin (%)



Operating income margin (%)



Note: bp = basis point

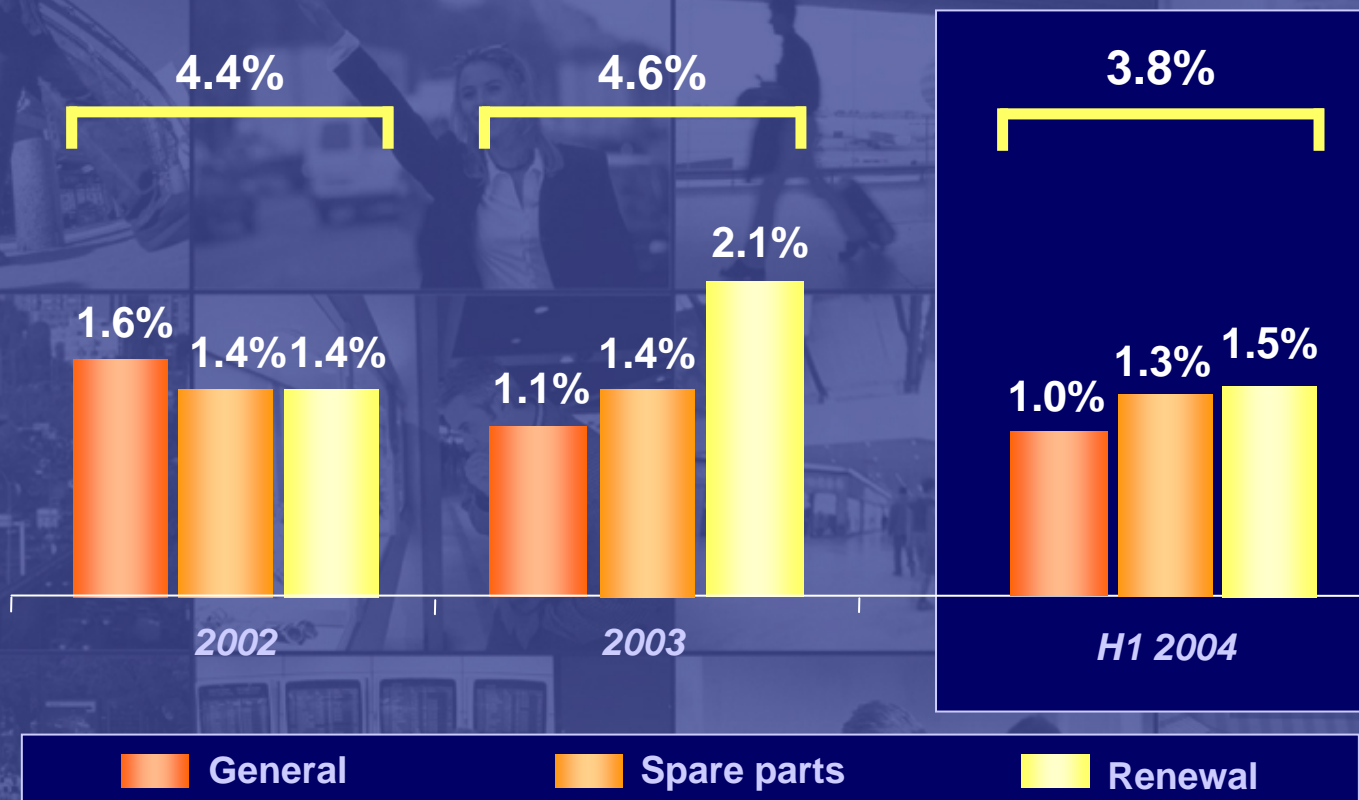
(In million €)

	H1 2004	H1 2003
▶ Funds from operations	170.6	151.5
▶ Change in operating WC	(39.6)	(21.6)
▶ Operating cash flow	131.0	129.9
▶ Maintenance capex (net)	30.4	25.8
▶ Adjusted free cash flow	100.6	104.2
▶ Growth capex	45.2	36.2
▶ Free cash flow	55.4	67.9
▶ Financial investment (net)	(17.2)	(4.0)
▶ Equity increase	1.1	-
▶ Dividends	(9.6)	(7.7)
▶ Other ⁽¹⁾	(2.9)	(0.7)
▶ Change in net debt	(26.8)	(55.5)

Note: Adjusted free cash flow = operating cash flow - maintenance capex

(1) debts on assets, interests on financial debt, impact on exchange rate and scope variation

Maintenance capex (net) as a % of Group revenues



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

(In million €)

Operating cash flow

106 130 131

2002 2003 2004

H1

Adjusted FCF

65 104 101

2002 2003 2004

H1

Free cash flow

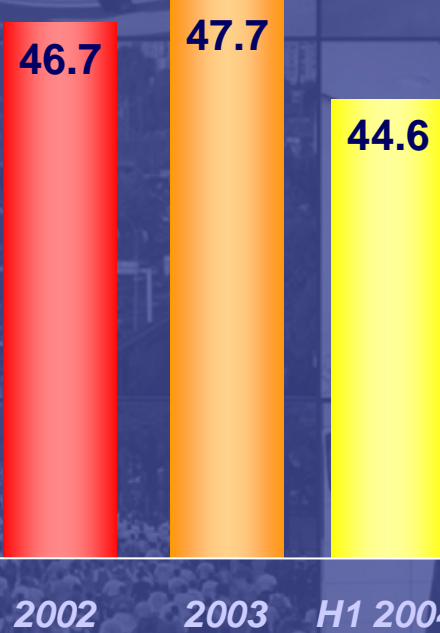
32 68 55

2002 2003 2004

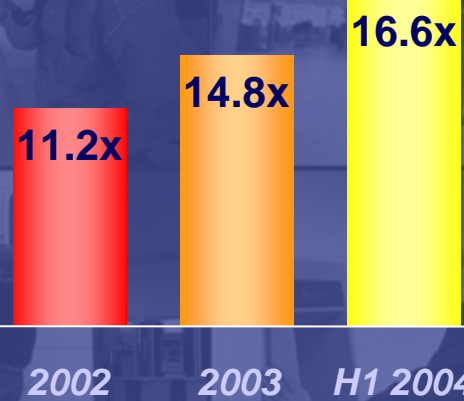
H1

Note: Free cash flow = operating cash flow - total capex (maintenance + growth) ; Adjusted free cash flow = operating cash flow less maintenance capex only

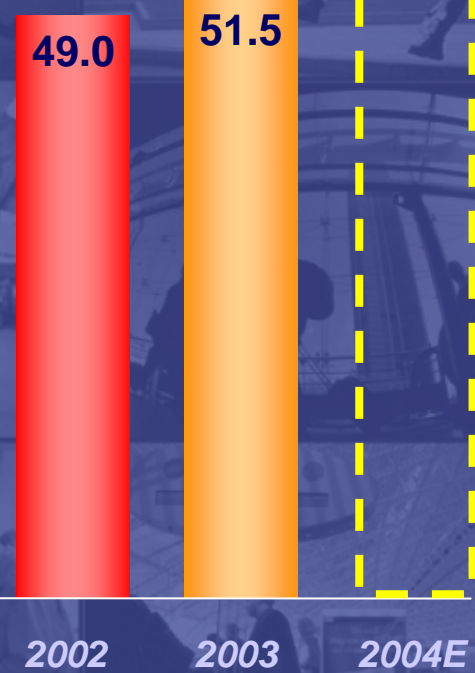
Leverage (%)



Interest Cover (x)



FFO/Net Debt (%)



Achieved

- **Accounting principles**
- **Systems**
- **Accounting and financial staff training**
- **Audit of opening balances: phase 1 completed (parent company and major subs)**

On-going

- **Audit of opening balances: phase 2 (small subsidiaries and final entries)**
- **Restatement of financial derivatives (IAS 32 & 39)**
- **Stock option valuation**

In March 2005, JCDecaux will release its 2004 results under French GAAP and IFRS

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Growth strategy and outlook

Jean-François Decaux

co-Chief Executive Officer

JCDecaux

***NBCDecaux submits bid for world's
largest street furniture contract***

JCDecaux

NBC  **UNIVERSAL**

**JCDecaux and NBC Universal
form new company
to offer street furniture
and new advertising opportunities
to New York City**

NBCDecaux submits bid for world's largest street furniture contract



Newsstand, New York

Key tender highlights

- **Content:**
 - 3,300 bus shelters
 - 330 newsstands
 - 20 automatic public toilets
- **Duration: 20 years**
- **Contract award based on point system**

	Top 20 DMAs	Downtown	Shopping malls
1	NEW YORK	●	●
2	LOS ANGELES	●●	●
3	CHICAGO	●	●
4	PHILADELPHIE	●	●
5	SAN FRANCISCO	●	●
6	BOSTON	●	●
7	WASHINGTON, DC	●	●
8	DALLAS		●
9	DETROIT		●
10	ATLANTA		●
11	HOUSTON		●
12	SEATTLE-TACOMA		●
13	CLEVELAND		●
14	MINNEAPOLIS-ST. PAUL		
15	MIAMI		●
16	TAMPA-SARASOTA		●
17	PHOENIX	●	●
18	DENVER	●	●
19	SACRAMENTO		●
20	ST LOUIS	●	●

- JCDecaux
- Viacom
- Clear Channel
- Under tender

JCDecaux

Chicago:
Already 30% of combined campaigns



North Michigan Av.



Water Tower Place

**Already 30% of advertisers are buying
combined downtown / shopping mall campaigns**

National coverage of key markets drives pricing power

Vancouver Street Furniture



■ 2001 Pattison rate card

Selling Vancouver at **Can \$625**
per panel for 4 weeks

■ 2004 ViacomDecaux rate card

Selling Vancouver in combination with
Toronto and Montréal at **Can \$928**
per panel for 4 weeks

+49%

The London TfL bus shelter tender: a complex process

Key tender highlights

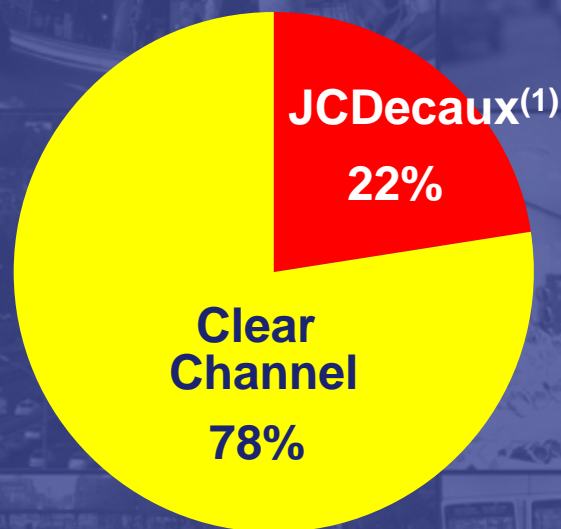
- A **10-year** contract
- Submission : **1 October '04**
- Award : **Nov/Dec '04**
- Starting date : **Summer '05**



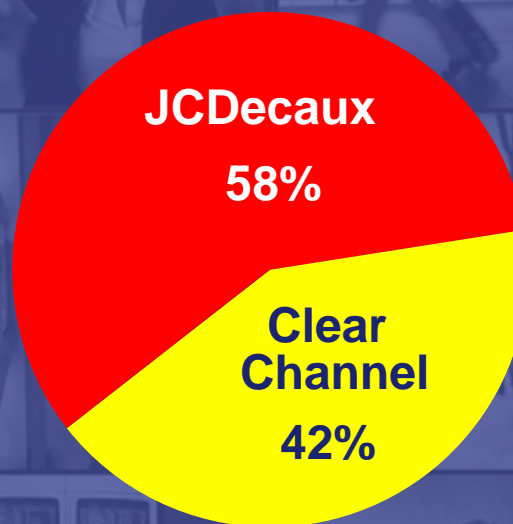
Oxford Street, London

The London TfL bus shelter tender: What is at stake

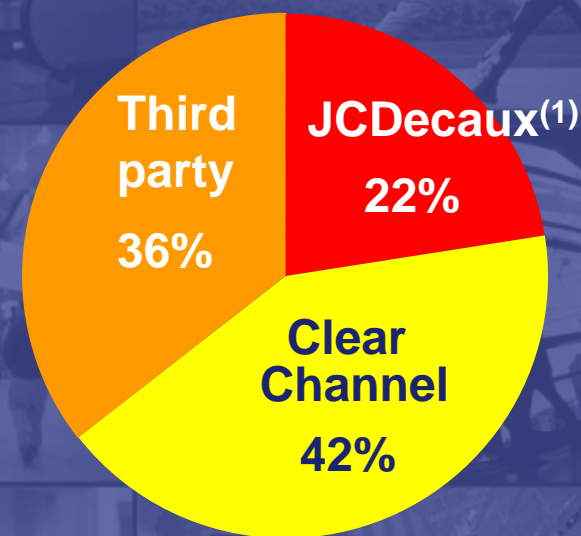
Market share for bus shelters assuming Clear Channel win



Market share for bus shelters assuming JCDecaux win



Market share for bus shelters assuming third party win



(1) The average duration remaining on JCDecaux contracts in London is >11 years

2004 upcoming contract renewals in France

- **Toulouse** **To be retendered**
- **Strasbourg** **To be retendered**
- **Lyon** **Offer submitted – awaiting decision**
- **Lille** **2005 ?**
- **Bordeaux** **In progress**
- **Cannes** **In progress**



- **Real growth opportunities ahead of us**
- **Focus on further strengthening outstanding existing portfolio**
- **Consolidation opportunities still available in Europe**

JCDecaux

Outdoor: a growth market —"60% of world will live in cities by 2030"

'60% of world will live in cities by 2030'

UN report says trend will pose big problems for rulers, writes Vanessa Houlder

The world will soon become predominantly urban, according to United Nations predictions.

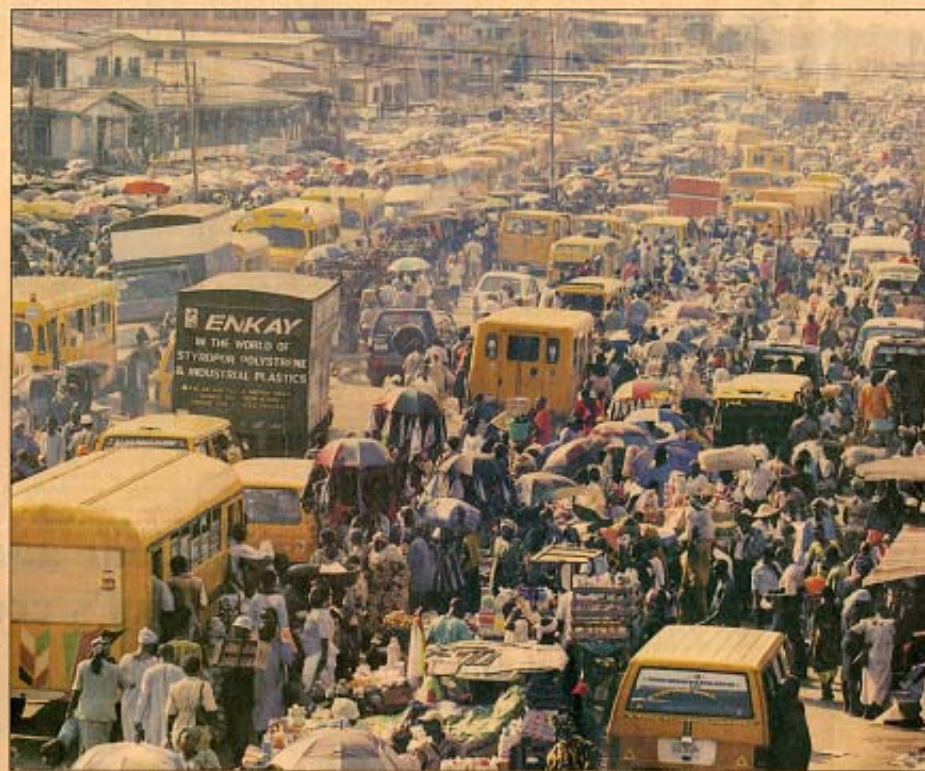
By 2030, 60 per cent of the world's population will live in cities, according to a study of the state of the world's cities by the UN Human Settlements Programme (UN-Habitat) published yesterday. This trend is equivalent to the addition of a city of 1m residents – or a city the size of Hanoi or Pittsburgh – every week.

Already, parts of Asia-Pacific are experiencing "hyper-urbanisation" at an unprecedented speed. Whereas London took 130 years to grow from 1m to 8m inhabitants, Bangkok took 45 years, Dhaka 37 years and Seoul only 25 years.

This rapid expansion of cities is destined to lift many of the world's poorest people out of poverty. But it is also set to exacerbate a bleak situation in many cities, according to Kofi Annan, UN secretary-general.

"Many cities face pervasive and persistent problems, including growing poverty, deepening inequality and polarisation, widespread corruption at the local level, high rates of urban crime and violence and deteriorating living conditions," he says.

But powerful forces are



Life in teeming cities such as Lagos (above) in Nigeria will become increasingly the norm for most people within 30 years, according to the UN

well as drawing people from the countryside into the city, the city is absorbing local populations as it spreads far into rural hinterlands.

These vast "mega-urban regions" can extend over thousands of kilometres and even spill over national borders, as with the Singapore triangle, which includes parts of Malaysia and Indonesia, or the Bohai rim between China and South Korea.

In some regions, notably Asia-Pacific, economic growth and new transport infrastructure are fueling "regional urbanisation". As

Delhi, Dhaka, Karachi, Kolkata and Mumbai.

Rural poverty and high fertility are more important factors, according to the UN report.

Rural poverty is also driving the expansion of Africa's large cities, which the UN says are undergoing a process of "over-urbanisation" in which they are unable to support their growing populations. A shortage of jobs

is also emerging in the fast-growing cities of the Middle East, such as in Saudi Arabia where cities are doubling or tripling their populations every 10 years.

Throughout the region there are large numbers of young, impoverished people who moved from rural backgrounds to cities in search of economic opportunities that are mostly not there.

A dire situation is also emerging in the fast-growing cities of the Middle East, such as in Saudi Arabia where cities are doubling or tripling their populations every 10 years. Throughout the region there are large numbers of young, impoverished people who moved from rural backgrounds to cities in search of economic opportunities that are mostly not there.

population in 2000. Although migration is mostly directed towards developed countries, developing countries are also affected by the growing numbers of people fleeing violence or poverty. In Abidjan, commercial capital of Ivory Coast, for example, one in four people has come from other west African countries in the hope of escaping unemployment, political unrest or drought.

the city. Over the last century, urbanisation was closely associated with increasing income, life expectancy, literacy, infant survival and access to infrastructure and social services in all regions of the developing world.

Some of these advantages are being eroded. For example, better health services and higher incomes traditionally benefited the health

LAGOS POPULATION 'AT 16m BY 2015'

One of the first sights greeting an overseas visitor arriving in Lagos after dark is that of fumes and smoke swirling around the headlights of gridlocked traffic on the miles-long Third Mainland Bridge, writes Michael Peel.

To the right, a huge slum town built on stilts above the water is the unsanitary and overcrowded home of fishing communities, many of them incomes from neighbouring Benin Republic.

A combination of official neglect and corruption, extreme poverty and rapid population growth through migration and immigration has made Lagos one of the world's fastest-growing and most disturbing examples of urbanisation.

The United Nations says the city's population will have grown from 6.5m people in 1995 to 16m by 2015, making it the world's 11th largest urban system.

The statistics themselves may be no more than intelligent guesses but few Lagosians would deny that the city is a chaotic place for the vast majority, outside the high walls and razor wire of the compounds of the rich.

The World Bank estimates that 20 per cent of Nigeria's children die before their fifth birthday. Lagos' open drains, turned to sewers by indiscriminate waste disposal, show why.

Battered yellow minibuses are the nearest the city has to a public transport network – decorated with Biblical messages of hope or favoured aphorisms such as "No condition is permanent".

Financial Times, 10 September 2004

Organic revenue growth likely to reach the upper end of 3-5% earlier guidance, leading to further increase in profitability



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