CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

BALANCE SHEET

Assets

In million euros	12/31/2006	12/31/2005 Restated [1]	12/31/2004 Restated [1]
Goodwill	1,287.3	1,217.5	1,041.2
Other intangible assets	190.6	135.6	40.9
Property, plant and equipment	941.7	921.0	888.0
Investments in associates	299.6	233.0	209.7
Financial investments	8.3	6.3	6.9
Financial derivatives	2.5	0.3	0.7
Other financial investments	34.8	23.9	17.0
Deferred tax assets	7.2	12.5	7.2
Current tax assets	0.9	0.9	0.9
Other receivables	64.1	34.0	28.1
NON-CURRENT ASSETS	**2,837.0**	**2,585.0**	**2,240.6**
Other financial investments	4.0	1.1	0.6
Inventories	87.7	81.5	75.8
Financial derivatives	4.3	0.0	0.0
Trade and other receivables	601.6	571.9	500.2
Current tax assets	8.3	3.0	1.4
Cash and cash equivalents	119.8	114.7	52.7
CURRENT ASSETS	**825.7**	**772.2**	**630.7**
TOTAL ASSETS	**3,662.7**	**3,357.2**	**2,871.3**

(1) See Note 2 Reconciliation of the 2005 and 2004 restated financial statements

Liabilities and Equity

In million euros	12/31/2006	12/31/2005 Restated [1]	12/31/2004 Restated [1]
Share capital	3.4	3.4	3.4
Additional paid-in capital	961.9	945.6	933.2
Consolidated reserves	744.4	637.2	510.2
Net income for the period (Group share)	201.1	193.2	156.0
Translation adjustments	1.8	7.5	(2.6)
Minority interests	(46.8)	(33.0)	(16.4)
TOTAL EQUITY	**1,865.8**	**1,753.9**	**1,583.8**
Provisions	167.6	155.4	152.6
Deferred tax liabilities	105.6	103.0	78.8
Financial debt	746.0	631.7	447.4
Debt on commitments to purchase minority interests	80.5	63.0	60.0
Other payables	8.7	9.0	2.5
Financial derivatives	34.6	20.3	35.5
NON-CURRENT LIABILITIES	**1,143.0**	**982.4**	**776.8**
Provisions	16.1	12.3	9.7
Financial debt	37.7	46.3	23.9
Debt on commitments to purchase minority interests	0.0	3.8	0.0
Financial derivatives	0.0	1.1	1.0
Trade and other payables	546.1	509.6	435.3
Current tax payable	29.8	30.8	26.2
Bank overdrafts	24.2	17.0	14.6
CURRENT LIABILITIES	**653.9**	**620.9**	**510.7**
TOTAL LIABILITIES AND EQUITY	**3,662.7**	**3,357.2**	**2,871.3**

(1) See Note 2 Reconciliation of the 2005 and 2004 restated financial statements

INCOME STATEMENT

In million euros	2006	2005 Restated [1]	2004 Restated [1]
NET REVENUES	**1,946.4**	**1,745.2**	**1,627.3**
Direct operating expenses	(1,085.4)	(962.2)	(871.1)
Selling, general and administrative expenses	(327.4)	(308.9)	(291.9)
OPERATING MARGIN	**533.6**	**474.1**	**464.3**
Depreciation, amortization and provisions (net)	(169.9)	(145.8)	(141.2)
Maintenance spare parts	(28.9)	(27.3)	(37.3)
Other operating income and expenses	(2.9)	(1.7)	1.3
EBIT	**331.9**	**299.3**	**287.1**
Net interest expenses	(28.3)	(19.2)	(20.8)
Other net financial expenses	(16.8)	(8.5)	(10.8)
FINANCIAL RESULT	**(45.1)**	**(27.7)**	**(31.6)**
Income tax	(91.4)	(84.3)	(93.8)
Share of net profit of associates	12.6	9.5	6.5
NET INCOME BEFORE IMPAIRMENT OF GOODWILL AND RESULT FROM DISCONTINUED OPERATIONS	**208.0**	**196.8**	**168.2**
Result from discontinued operations			
Impairment of goodwill	(4.0)		(3.0)
CONSOLIDATED NET INCOME	**204.0**	**196.8**	**165.2**
Minority interests	2.9	3.6	9.2
NET INCOME (GROUP SHARE)	**201.1**	**193.2**	**156.0**
Earnings per share (in euros) [2]	0.908	0.874	0.705
Diluted Earnings per share (in euros) [2]	0.905	0.871	0.703
Weighted average number of shares [2]	221,427,121	221,129,562	221,411,893
Weighted average number of shares (diluted) [2]	222,272,053	221,853,793	221,808,944

(1) See Note 2 Reconciliation of the 2005 and 2004 restated financial statements.

(2) After deduction of treasury shares acquired by JCDecaux SA in 2002 and in 2005, and cancelled in 2005.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Group									
	Share Capital	Additional paid-in capital	Trea-sury shares	Retained earnings	Other reserves			Total	Minority interests	Total
In million euros					Financial deriva-tives instru-ments	Available For Sale securi-ties	Trans-lation reserve adjust-ment			
Restated equity as of December 31, 2003	**3.4**	**923.6**	**(2.1)**	**511.8**	**(0.1)**	**(0.7)**	**0.0**	**1,435.9**	**(13.7)**	**1,422.2**
Deferred tax recognized directly in equity				0.2				0.2		0.2
Other				1.1				1.1	0.5	1.6
Net income recognized directly in equity	0.0	0.0	0.0	1.3	0.0	0.0	0.0	1.3	0.5	1.8
Net income for the period				156.0				156.0	9.2	165.2
Balance of income and expenses recognized for the period	**0.0**	**0.0**	**0.0**	**157.3**	**0.0**	**0.0**	**0.0**	**157.3**	**9.7**	**167.0**
Change in translation adjustment							(2.6)	(2.6)	0.2	(2.4)
Capital increase (1)		6.1						6.1		6.1
Distribution of dividends								0.0	(12.5)	(12.5)
Share-based payments		3.5						3.5		3.5
Change in consolidation scope								0.0	(0.1)	(0.1)
Restated equity as of December 31, 2004	**3.4**	**933.2**	**(2.1)**	**669.1**	**(0.1)**	**(0.7)**	**(2.6)**	**1,600.2**	**(16.4)**	**1,583.8**
Available-for-sale assets						0.5		0.5	0.1	0.6
Cash flow hedge					(0.1)			(0.1)		(0.1)
Deferred tax on cash flow hedge								0.0		0.0
Deferred tax recognized directly in equity				(0.5)				(0.5)		(0.5)
Net income recognized directly in equity	0.0	0.0	0.0	(0.5)	(0.1)	0.5	0.0	(0.1)	0.1	0.0
Net income for the period				193.2				193.2	3.6	196.8
Balance of income and expenses recognized for the period	**0.0**	**0.0**	**0.0**	**192.7**	**(0.1)**	**0.5**	**0.0**	**193.1**	**3.7**	**196.8**
Change in translation adjustment							10.1	10.1	(0.1)	10.0
Capital increase (1)		8.4						8.4		8.4
Distribution of dividends								0.0	(9.6)	(9.6)
Share-based payments		4.0						4.0		4.0
Treasury shares:								0.0		0.0
- Purchase			(28.9)					(28.9)		(28.9)
- Cancellation			31.0	(31.0)				0.0		0.0
Debt on commitments to purchase minority interests								0.0	(0.6)	(0.6)
Change in consolidation scope								0.0	(10.0)	(10.0)
Restated equity as of December 31, 2005	**3.4**	**945.6**	**0.0**	**830.8**	**(0.2)**	**(0.2)**	**7.5**	**1,786.9**	**(33.0)**	**1,753.9**
Available-for-sale assets						2.0		2.0	0.7	2.7
Deferred tax on available-for-sale assets						(0.3)		(0.3)	(0.2)	(0.5)
Other				0.3				0.3		0.3
Net income recognized directly in equity	0.0	0.0	0.0	0.3	0.0	1.7	0.0	2.0	0.5	2.5
Net income for the period				201.1				201.1	2.9	204.0
Balance of income and expenses recognized for the period	**0.0**	**0.0**	**0.0**	**201.4**	**0.0**	**1.7**	**0.0**	**203.1**	**3.4**	**206.5**
Change in translation adjustment							(5.7)	(5.7)	(0.4)	(6.1)
Capital increase (1)		14.0						14.0	(0.4)	13.6
Distribution of dividends				(88.3)				(88.3)	(5.0)	(93.3)
Share-based payments		2.3						2.3		2.3
Debt on commitments to purchase minority interests								0.0	(9.0)	(9.0)
Change in consolidation scope								0.0	(2.3)	(2.3)
Other				0.3				0.3	(0.1)	0.2
Equity as of December 31, 2006	**3.4**	**961.9**	**0.0**	**944.2**	**(0.2)**	**1.5**	**1.8**	**1,912.6**	**(46.8)**	**1,865.8**

(1) The increase in JCDecaux SA's share capital and additional paid-in capital is related to the exercise of stock options.

CASH FLOW STATEMENT

In million euros	2006	2005 Restated [1]	2004 Restated [1]
Net income before tax	295.4	281.1	259.0
Share of net profit of associates	(12.6)	(9.5)	(6.5)
Dividends received from non-consolidated subsidiaries	(0.5)	(0.1)	(0.3)
Expenses related to share-based payments	2.3	4.0	3.5
Depreciation, amortization and provisions	170.2	143.9	145.5
Capital gains and losses	(2.0)	(1.5)	(0.3)
Discounting expenses	11.7	11.8	8.0
Net financial interest expenses	28.3	19.2	20.8
Financial derivatives and translation adjustments	15.0	(14.4)	(2.5)
Change in working capital	(43.2)	(8.4)	(7.2)
Change in inventories	(6.7)	(4.4)	20.0
Change in trade and other receivables	(65.0)	(17.5)	(34.8)
Change in trade and other payables	28.5	13.5	7.6
CASH PROVIDED BY OPERATING ACTIVITIES	**464.6**	**426.1**	**420.0**
Net financial interest paid	(27.5)	(19.2)	(21.3)
Income taxes paid	(89.5)	(76.4)	(65.2)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**347.6**	**330.5**	**333.5**
Acquisitions of intangible assets and property, plant and equipment	(175.1)	(148.3)	(151.2)
Acquisitions of financial assets (long-term investments)	(214.0)	(240.7)	(14.8)
Acquisitions of financial assets (other)	(18.0)	(15.3)	(5.6)
Total investments	**(407.1)**	**(404.3)**	**(171.6)**
Proceeds on disposal of intangible assets and property, plant and equipment	7.0	7.0	9.7
Proceeds on disposal of financial assets (long-term investments)	6.1	0.4	0.7
Proceeds on disposal of financial assets (other)	2.2	1.1	1.4
Total disposals of assets	**15.3**	**8.5**	**11.8**
NET CASH USED IN INVESTING ACTIVITIES	**(391.8)**	**(395.8)**	**(159.8)**
Dividends paid	(93.3)	(9.6)	(12.5)
Capital decrease	(0.4)		
Purchase of treasury shares		(28.9)	
Repayment of long-term debt	(28.0)	(88.6)	(349.2)
Repayment of debt (finance lease)	(3.3)	(2.7)	(2.3)
Cash outflow from financing activities	**(125.0)**	**(129.8)**	**(364.0)**
Dividends received	9.0	6.1	4.9
Capital increase	14.0	8.4	6.9
Increase in long-term borrowings	149.8	237.6	72.5
Cash inflow from financing activities	**172.8**	**252.1**	**84.3**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**47.8**	**122.3**	**(279.7)**
Effect of changes in exchange rate	(5.7)	2.6	(0.9)
CHANGE IN NET CASH POSITION	**(2.1)**	**59.6**	**(106.9)**
Net cash position beginning of period	**97.7**	**38.1**	**145.0**
Net cash position end of period	**95.6**	**97.7**	**38.1**

(1) See Note 2 Reconciliation of the 2005 and 2004 restated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MAJOR EVENTS OF THE YEAR

In 2006, JCDecaux pursued its development strategy through organic growth and strengthened its worldwide leading position in Street Furniture and airport advertising. In addition the Group carried out several acquisitions to penetrate new strong-growth markets and consolidate its position in mature markets. In 2006, the Group acquired VVR-Berek, Berlin's leading outdoor advertising company, established itself in Russia, the Ukraine and Central Asia, and stepped up the development of its Street Furniture activity in Japan.

Financing

During the year, the Group increased its financing capacities through:

- the renegotiation of the committed revolving credit facility agreement set up in 2005, raising this credit facility from €540 million to €850 million. As of December 31, 2006, the Group had drawn €280 million from this facility;
- set-up of a new credit facility for €75 million.

Partnerships and acquisitions

The principal partnerships and acquisitions are detailed in Note 3.1 *Changes in the consolidation scope in 2006*.

1. ACCOUNTING METHODS AND PRINCIPLES

1.1. General principles

The JCDecaux SA consolidated financial statements for the year ended December 31, 2006 include JCDecaux SA and its subsidiaries (hereinafter referred to as the "Group") and the Group's share in associates or companies under joint control.

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the 2006 consolidated financial statements were prepared in accordance with IFRS, as adopted by the European Union. They were approved by the Executive Board and were authorized for release by the Supervisory Board on March 13, 2007. These financial statements shall only be definitive upon the approval of the General Meeting of Shareholders.

The principles used in the preparation of these financial statements are based on:

- all standards and interpretations adopted by the European Union and in force as of December 31, 2006;
- standards that will be enforceable after December 31, 2006 but for which the Group has decided to make an early application;
- accounting treatments adopted by the Group in cases where no guidance is provided by current standards.

These various options and positions are detailed as follows:

The Group has implemented the following standards, amendments and interpretations with an effective date of January 1, 2006:

  - Amendment to IAS 21 *Net investment in a foreign operation* released on December 15, 2005 by the IASB;
  - Amendment to IAS 39 *Cash flow hedge accounting of forecast intra-group transactions*;
  - Amendment to IAS 19 *Employee benefits, actuarial gains and losses, group plans and disclosures*, with the exception of the option allowing actuarial gains or losses to be recognized immediately through equity;
  - IFRIC 4 *Determining whether an arrangement contains a lease.*

These changes in accounting policies have been applied retrospectively, with the restatement of comparative financial information. The only impact on the consolidated financial statements published in 2005 arises from the application of the amendment to IAS 21. The impact is detailed in Note 2 *Reconciliation of the 2005 and 2004 restated financial statements.*

In addition, the Group has opted:

- for an early adoption of IFRS 7 *Financial instruments: disclosures* applicable as of January 1, 2007, and for the IAS 1 Amendment, *Capital Disclosures*, arising from IFRS 7;
- and not to apply the IAS 39 amendment on the fair value option applicable as of January 1, 2006.

Finally, accounting positions have been adopted pursuant to Notes 10 and 12 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* in the absence of specific IFRS provisions. These positions primarily concern:

- Commitments to purchase minority interests. The policies adopted are described in Note 1.20 *Commitments to purchase minority interests*;
- step acquisitions in companies consolidated under the proportionate method with no change in method. The policies adopted are described in Note 1.9 *Business combinations*;

1.2. First-time adoption of IFRS

With a January 1, 2004 transition date, the December 31, 2005 financial statements were the first to be prepared by the Group in compliance with IFRS. IFRS 1 provides for exceptions to the retrospective application of IFRS on the transition date. The Group adopted the following options:

- The Group decided to apply IFRS 3 *Business combinations* on a prospective basis starting from January 1, 2004. Business combinations that occurred before January 1, 2004 have not been restated.
- The Group decided not to apply the provisions of IAS *21 The effects of changes in foreign exchange rates* for the cumulative amount of foreign exchange differences existing at the date of transition to IFRS. Accordingly, the cumulative amount of foreign exchange differences for all foreign activities is considered to be zero as of January 1, 2004. As a result, any profits and losses realized on the subsequent sale of foreign activities exclude the exchange differences existing before January 1, 2004, but include any subsequent differences.
- The Group, in connection with IAS 19 *Employee benefits,* decided to recognize in equity all cumulative actuarial gains and losses existing as of the date of transition to IFRS. This option for the opening balance sheet does not call into question the use of the "corridor" method used for cumulative actuarial gains and losses generated subsequently.
- The Group applied IFRS 2 to stock option plans granted on or after November 7, 2002, but not yet vested as of January 1, 2005.
- The Group decided not to apply the option allowing property, plant and equipment to be remeasured at fair value at the date of transition.

1.3. Scope and methods of consolidation

The financial statements of companies controlled by the Group are included in the consolidated financial statements from the date control is acquired to the date control ceases. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Companies that are jointly controlled by the Group are consolidated using the proportionate method.

Companies over which the Group exercises a significant influence on the operating and financial policies are accounted for under the equity method.

All significant transactions between Group fully consolidated companies are eliminated upon consolidation. Transactions with companies consolidated under the proportionate method are eliminated up to the percentage of consolidation.

Inter-company results are also eliminated.

1.4. Recognition of foreign currency transactions in the functional currency of entities

Transactions denominated in foreign currencies are translated into the functional currency at the rate prevailing on the transaction date. At the period-end, monetary items are translated at the closing exchange rate and the resulting gains or losses are recorded in the income statement.

Long-term monetary assets held by a Group entity in a foreign subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future are a part of the entity's net investment in that foreign operation. Accordingly, pursuant to IAS 21 *The effects of changes in foreign exchange rates*, exchange differences on these items are recorded in a separate component of equity until the investment's disposal. In the opposite case, exchange differences are recorded in the income statement.

1.5. Translation of the financial statements of subsidiaries

The Group consolidated financial statements are prepared in euro, which is the parent company's presentation and functional currency.

Assets and liabilities of foreign subsidiaries are translated into the Group's presentation currency at the year-end exchange rate, and the corresponding income statement is translated at the average exchange rate of the period. Resulting translation adjustments are directly allocated to a separate component of equity.

At the time of a total or partial disposal, or the liquidation of a foreign entity, translation adjustments accumulated in equity are recorded in the income statement.

1.6. Use of estimates

As part of the process for the preparation of the consolidated financial statements, the assessment of some assets and liabilities requires the use of judgments, assumptions and estimates. This primarily involves the valuation of property, plant and equipment and intangible assets (referred to in Notes 1.9 *Business combinations* and 1.11 *Impairment of intangible assets, property, plant and equipment and goodwill*), financial assets (referred to in Notes 1.12 *Investments in associates*, 1.13 *Financial investments* and 1.14 *Other financial assets*), determining the amount of provisions (referred to in Note 1.16 *Trade and other receivables*, 1.22 *Provisions for retirement and other long-term benefits* and 1.23 *Provision for dismantling*), valuation of net financial debt (referred to in Notes 1.17 *Cash and cash equivalents*, 1.18 *Financial debt* and 1.19 *Financial derivatives*) or inventory write-downs (referred to in Note 1.21 *Inventories*), and the valuation of deferred taxes (referred to in Note 1.28 *Current and deferred income tax*). These judgments, assumptions and estimates are made on the basis of information available or situations existing at the financial statement preparation date, which could prove to be different from reality in the future.

1.7. Current/non-current distinction

With the exception of deferred tax assets and liabilities which are classified as non-current, assets and liabilities are classified as current when their recoverability or payment is expected no later than 12 months after the year-end closing date; otherwise, they are classified as non-current.

1.8. Intangible assets

1.8.1. Development costs

According to IAS 38, development costs must be capitalized as intangible assets if the Group can demonstrate:

- its intention, its financial and technical ability to complete the development project;
- that it is probable that the future economic benefits attributable to such development costs will flow to the Group;
- and that the cost of the asset can be measured reliably.

Development costs capitalized in the balance sheet from January 1, 2004 onwards include all costs related to the development, modification or improvement to street furniture ranges in connection with contract proposals having a strong probability of success.

Given JCDecaux's statistical success rate in its responses to street furniture bids for tender, the Group considers that it is legitimate to capitalize tender response costs. Amortization, spread out over the term of the contract, would begin when the project is awarded. Should the bid be lost, the amount capitalized would be expensed.

Development costs carried in assets are recognized at cost less accumulated amortization and impairment losses.

1.8.2. Other intangible assets

Patents are amortized over useful life.

Only software that is significant (such as ERP), individualized and clearly identified is capitalized and amortized over a maximum period of 5 years. Other software is recognized in expenses for the period.

1.9. Business combinations

IFRS 3 requires the application of the purchase method to business combinations, which consists of valuing at fair value all identifiable assets, liabilities and contingent liabilities of the entity acquired.

Goodwill is the excess of the consideration paid over the share in fair value of all identified assets, liabilities and contingent liabilities at acquisition date. Negative goodwill, if any, is recognized immediately against income.

Determining the fair value of assets, liabilities and contingent liabilities of the acquired entity, leads the Group to assessing contracts at fair value and recognizing them as intangible assets. When an onerous contract is identified, a provision for onerous contract is made.

IFRS grant companies with a 12-month period starting from the date of acquisition to finalize the valuation of the fair value of the assets, liabilities and contingent liabilities received in the combination.

For acquisitions achieved in stages, the purchase method applies to each transaction until control is acquired. Hence, for acquisitions of minority interests concerning companies over which the Group already exercises control, only goodwill is recognized.

In the case of an acquisition of an additional stake in a company that is already consolidated through the proportionate method, and when this method continues to apply, the excess of the consideration paid over the share of net worth acquired is only recognized as goodwill, in the absence of specific IFRS guidance on the subject.

Goodwill is not amortized but tested for impairment in accordance with IAS 36. When particular circumstances exist (significant changes in the technical, legal or market environment, insufficient profitability…), an impairment loss is recognized on the goodwill in accordance with the methodology detailed in Note 1.11 *Impairment of intangible asset, property, plant and equipment and goodwill*. When recognized, such a loss cannot be reversed at a later period.

1.10. Property, plant and equipment (PP&E)

Property, plant and equipment (PP&E) are presented on the balance sheet at historical cost less accumulated depreciation and impairment losses.

Street furniture
Street furniture (Bus shelters, MUPIs, Seniors, Electronic Information Boards (EIB), Automatic Public Toilets, Morris Columns, etc.) is depreciated on a straight-line basis over the average life of the contracts (between 9 and 20 years).

Street furniture maintenance costs are recognized as expenses.

The discounted dismantling costs expected to be paid at the end of the contract are recorded in assets, with the corresponding provision, and amortized over the term of the contract.

Billboards
Billboards are depreciated according to the method of depreciation prevailing in the relevant countries in accordance with local regulations and economic conditions.

The main method of depreciation is the straight-line method over a period of 2 to 10 years.

Depreciation charges are calculated over the following normal useful lives:

DEPRECIATION PERIOD

Property, plant and equipment:

▪ Buildings and constructions	10 to 50 years
▪ Technical installations, tools and equipment (excluding street furniture and billboards)	5 to 10 years
▪ Street furniture and billboards	2 to 20 years

Other property, plant and equipment:

▪ Fixtures and fittings	5 to 10 years
▪ Transport equipment	3 to 10 years
▪ Computer equipment	3 to 5 years
▪ Furniture	5 to 10 years

1.11. Impairment of intangible assets, property, plant and equipment and goodwill

As set out by IAS 36 *Impairment of assets*, items of property, plant and equipment, intangible fixed assets as well as goodwill are tested for impairment at least annually.

Impairment testing is carried out at the Cash Generating Unit (CGU) level or at the group of CGU level and consists of a comparison between the carrying value of the CGU or group of CGU tested and its recoverable value. The recoverable value is the highest of (i) the fair value less cost to sell and (ii) the value in use determined on the basis of future discounted cash flows.

When the recoverable value is determined on the basis of the value in use, forecasted future cash flows are determined using growth assumptions based either on the duration of the contracts or over a five year period with a subsequent projection to infinity. They also include a discount rate which reflects the current market's estimate of the time value of money. Risks inherent to a CGU tested are reflected to a large extent in the assumptions made for the computation of the discounted cash flows, and also in the discount rate used.

When the carrying value of a CGU or group of CGUs exceeds its recoverable value, an impairment loss is recognized in the income statement to write down the asset's carrying value to the recoverable value.

Methodology followed

- Level of testing
  - For items of PP&E and intangible fixed assets, impairment tests are carried out at the CGU level that is the entity.
  - Regarding goodwill, tests are carried out at the level of each group of CGUs determined according to the business segment considered (Street Furniture, Billboard, Transport) and taking into account the level of synergies expected between the CGUs. Thus, the tests are generally performed at the intersection of the business and geographical segments, which is the level where commercial synergies for these segments are found, or even beyond this level if justified by the synergy.
- Discount rates used

Values in use as taken into account in the impairment tests are determined based up on the expected future cash flows before tax, and discounted at the pre-tax rate of 8.8% in 2006 (compared to 8.5% in 2005) which derives from the Weighted Average Cost of Capital. Given that the Group has around 90% of its operations in geographical areas with similar risk profiles such as Europe, North America and Australia, this rate is applied equally across the Group, except for China and South America where a specific approach was made, using a rate of 12.9% and 15.5% in 2006 respectively (compared to 12.5% and 15% respectively in 2005), taking into account the particular risks prevailing in those two areas.

- Recoverable values

They are determined following two methods:

  - The first level of testing consists in identifying affiliates for which their assets might be impaired. This test is based on a projection of the 2006 operating margin following a pattern that depends on the business segments considered. Thus, for the Street Furniture and Transport segments, the residual duration of the contracts is used assuming a 3% yearly growth rate on average and the use of a discount rate as described above. For the Billboard activity a 15-year duration is used.

- On the basis of a business plan when entities' assets have not passed this first level of testing or when the Group estimates that the projection of the operating margin does not reflect the expected future cash flows. Again, in this method, the future cash flows are calculated following patterns that depend on the business segment considered. Generally, the time horizon exceeds five years owing to the nature of the Group's activity:
  - in the Street Furniture segment and in the Transport segment, future cash flows are computed over the remaining life of contracts, taking into account the likelihood of the renewal after term.
  - in the Billboard segment, future cash flows are computed over a five-year period with a perpetual projection using on average, a yearly growth rate of 3%.

The recoverable value of a group of CGUs corresponds to the sum of the individual recoverable values of each CGU belonging to that group.

1.12. Investments in associates

Goodwill recognized on acquisition is included in the value of the investments.

The share of the amortization charge arising from the depreciation of assets recognized on the acquisition or the fair value adjustment of existing assets is presented under the heading "Share of net profit of associates."

Investments in associates are subject to impairment tests on an annual basis, or when existing conditions would suggest a possible impairment. Where necessary, the related loss is recorded in "Share of net profit of associates". With respect to the discount rate used to calculate the values in use based on the expected future cash flows before tax, a specific approach was followed for the Ukraine and Russia, with the application of a respective rate of 15.0% and 11.5% in 2006, taking into account the risks specific to these two geographical areas.

1.13. Financial investments (Available-For-Sale assets)

This heading includes investments in non-consolidated entities.

These assets are initially recognized at their fair value, generally represented by their acquisition cost plus transaction costs. In the absence of an active market, they are then measured at fair value or the value in use, which takes into account the share of shareholders' equity and the probable recovery value.

Changes in values are recognized in a separate item within shareholders' equity. However, when the asset is sold, cumulative gains and losses recognized in equity are cleared by an offsetting entry in the income statement. When the impairment loss is permanent, total cumulative gains are cleared in the amount of the loss. The net loss is recorded in the income statement if the total loss exceeds the total cumulative gains.

1.14. Other financial assets

This heading includes loans to long-term investments, current account advances granted to associated or non-consolidated entities as well as loans, deposits and guarantees.

On initial recognition, they are measured at fair value plus set-up costs that are directly attributable (IAS 39, Loans and receivables category).

At each balance sheet date, they are measured at amortized cost.

A loss in value is recorded in the income statement when the recovery value of these loans and receivables is less than their carrying amount.

1.15. Treasury shares

Treasury shares are recognized at their acquisition cost and deducted from shareholders' equity. Gains or losses on disposals are also recorded in equity and do not contribute to profit or loss for the year.

1.16. Trade and other receivables

Trade receivables are recorded at fair value, which corresponds to their nominal invoice value. A provision for bad debt is recognized when their recovery value is less than their carrying amount.

1.17. Cash and cash equivalents

Cash in the balance sheet comprises cash at bank and in hand and short-term deposits.

Cash equivalents in the balance sheet are comprised of short-term investments. They are easily convertible into a known cash amount and submitted to a low risk of change in valuation. They are measured at fair value and changes in fair value are recorded within financial result.

For the consolidated cash flow statement, net cash consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1.18. Financial debt

Financial debt is initially recorded at the value corresponding to the amount received less related issuance costs.

It is subsequently measured at amortized cost.

1.19. Financial derivatives

A derivative is a financial instrument having the following three characteristics:

- an underlying item that changes the value of the contract (in particular, the interest rate or the foreign exchange rate);
- little or no initial net investment;
- settlement at a future date.

Derivatives are recognized in the balance sheet at fair value. Changes in subsequent values are offset in the income statement, unless they have been qualified as cash flow hedges or as foreign net investment.

Hedge accounting may be adopted if a hedging relationship between the hedged item and the derivative is established and documented from the time the hedge is set up and its effectiveness is demonstrated from inception and at each period-end. The Group currently limits itself to two types of hedges for financial assets and liabilities:

- Fair Value Hedge, the purpose of which is to limit the impact of changes in the fair value of assets, liabilities or firm commitments at inception, due to changes in market conditions. Included in this category are, for example, receive-fixed pay-floating interest rate swaps used to transform a fixed-rate liability into a floating-rate liability. From an accounting point of view, the change in the fair value of the hedging instrument is recorded as profit or loss. However, this impact is cancelled out by symmetrical changes in the fair value of the hedged risk (to the extent of hedge effectiveness).
- Cash Flow Hedge, the purpose of which is to limit changes in cash flows attributable to existing assets and liabilities or highly probable forecasted transactions. Included in this category are, for example, pay-fixed receive-floating interest rate swaps used to lock in the cost of a floating-rate borrowing. From an accounting point of view, the effective portion of the change in fair value of the hedging instrument is directly offset against equity, and the ineffective portion is maintained as profit or loss. The amount included in equity is reclassified to profit or loss when the hedged item itself has an impact on profit or loss.

The hedging relationship involves a single market parameter, which currently for the Group is either a foreign exchange rate or an interest rate. When the same derivative hedges both a foreign exchange and interest rate risk, the foreign exchange and interest rate impacts are treated separately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the cash flow hedge for the hedge of a highly probable forecasted transaction, derivatives recognized in equity is maintained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to financial result for the year.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are recorded directly as financial result for the year.

The accounting classification of derivatives in current or non-current items is determined by that of the related underlying item.

1.20. Commitments to purchase minority interests

The application of IAS 32 results in the recognition of a financial liability relating to commitments to purchase shares held by minority interests in the Group's subsidiaries, not only for the portion already recognized in minority interests (transferred to liabilities), but also for the excess resulting from the current value of the commitment. In the absence of precision of the standard on this issue, the Group has decided to deduct the excess portion from minority interests within shareholders' equity. Subsequent changes in the fair value of the liability are recognized in financial result and allocated to the minority interests.

Commitments recorded in this respect are presented under the balance sheet heading "Debt on commitments to purchase minority interests."

1.21. Inventories

Inventories mainly consist of:

- parts necessary for the maintenance of installed street furniture,
- street furniture or billboards in kit form or partially assembled.

Inventories are valued at weighted average cost, which may include production, assembly and logistic costs.

Inventories are written down to their net realizable value when the net realizable value is less than the cost.

1.22. Provision for retirement and other long-term benefits

The Group's obligations resulting from defined benefit plans, as well as their cost, are determined using the projected unit credit method.

This method consists in measuring the obligation based on the projected end-of-career salary and the rights vested at the valuation date, determined in accordance with collective trade union agreements, branch agreements or prevailing legal rights.

The actuarial assumptions used to determine the obligations vary according to the economic conditions prevailing in the country of origin and the demographic assumptions specific to each company.

These plans are either funded, their assets being managed by an entity legally separate from the Group, or partially funded or unfunded, the Group's obligations being covered by a provision in the balance sheet.

For post-employment defined benefits, actuarial gains or losses exceeding the greater of 10% of the present value of the defined benefit obligation or the fair value of the related plan assets are amortized over the remaining average working lives of employees within the Group. Past service costs are amortized on a straight-line basis, over the average period until the benefits become vested.

For other long-term benefits, actuarial gains or losses and past service costs are recognized as income or expense when they occur.

1.23. Dismantling provision

Costs for dismantling street furniture at the end of a contract are recorded in provisions. These provisions represent the entire dismantling cost from the contract's inception and are discounted. As an offset entry, dismantling costs are recognized under fixed assets in the balance sheet and amortized over the term of the contract. The reverse discounting charge is recorded in financial result.

1.24. Share purchase or subscription plans at an agreed price and bonus shares

1.24.1. Share purchase or subscription plans at an agreed price

In accordance with IFRS 2 *Share-based payment*, employee stock options are considered to be part of compensation in exchange for services rendered over the period extending from the grant date to the vesting date.

The fair value of services rendered is determined by reference to the fair value of the financial instruments granted.

The Group has decided to apply IFRS 2 to all stock option plans granted on or after November 7, 2002 for which the rights to exercise these options were not fully vested as of January 1, 2005.

The fair value of options is determined at their grant date by an independent actuary, and any subsequent changes in the fair value are not taken into account. The Black & Scholes valuation model is used based on the assumptions described in Note 4.1 *Net operating expenses* hereafter.

The right to exercise options is vested over successive tiers over a period of three years (graded vesting). All plans are exclusively settled in shares.

The cost of services rendered is recognized in the income statement and against a corresponding increase in equity on a basis that reflects the vesting pattern of the options. This entry is recorded at the end of every period until the date at which all vesting rights of the considered plan have been fully granted.

The amount stated in equity reflects the extent to which the vesting period has expired and the number of awards that, based on management's best available estimate, will ultimately vest.

No specific performance conditions are to be met for the stock options to be vested.

1.24.2. Bonus shares

The fair value of bonus shares is determined at their grant date by an independent actuary. The fair value of the bonus share is determined based on the price on the grant date less discounted future dividends.

All bonus shares are granted after two years of continuous presence in the Group.

The cost of services rendered is recognized in the income statement via an offsetting entry in an equity heading, following a profile that reflects the procedures for granting bonus shares, i.e. two years. The period begins from the time the Executive Board grants the bonus shares.

1.25. Revenues

Group revenues mainly consist in sales of advertising spaces on street furniture equipment, billboards and advertising in transport systems.

Advertising space revenues, rentals and services provided are recorded as revenues on a straight-line basis over the realization period of the transaction.

Revenues resulting from the sale of advertising spaces are recorded on a net basis after deduction of commercial rebates. In some countries, commissions are paid by the Group to advertising agencies and specialists when they act as intermediaries between the Group and advertisers. These commissions are then deducted from revenues. In agreements where the Group pays variable fees or revenue sharing, the Group classifies gross advertising revenues as revenues and books fees and the portion of revenues repaid as operating expenses, insofar as the Group is not dealing as an agent but bears the risks and rewards incidental to the activity.

Discounts granted to customers for early payments are deducted from revenues.

1.26. Operating margin

The operating margin is defined as revenues less direct operating and SG&A expenses, excluding consumption of spare parts used for maintenance, depreciation, amortization and provisions (net), and other operating income and expenses.

It includes charges to provisions net of reversals relating to trade receivables.

The operating margin is impacted by cash discounts granted to customers deducted from revenues, cash discounts received from suppliers deducted from direct operating expenses. It also includes stock option expenses recognized in the line item "Selling, general and administrative expenses".

1.27. EBIT

EBIT is determined based on the operating margin less consumption of spare parts used for maintenance, depreciation, amortization and provisions (net), and other operating income and expenses. Net charges for inventory reserve are recognized in the line item, "Maintenance spare parts".

Other operating income and expenses include the gains and losses generated on the disposal of property, plant and equipment and intangible assets, as well as non-recurring items.

Net charges related to impairment tests performed on property, plant and equipment and intangible assets are included in the line item, "Depreciation, amortization and provisions".

1.28. Current and deferred income tax

The Group records deferred tax resulting from temporary differences and tax losses carried forward.

Deferred tax assets are recorded at their net estimated realization value. Deferred tax assets and liabilities are adjusted in order to take into account the impact of changes in tax legislation and in national income tax rates prevailing at closing date. Deferred tax assets and liabilities are not discounted.

The amount of deferred tax recorded results mainly from consolidation adjustments (standardization of Group accounting principles and amortization/depreciation periods for property, plant and equipment and intangible assets, finance leases, recognition of contracts as part of the acquisition method, etc.), and from temporary differences between the accounting value and the tax base of assets and liabilities. Deferred tax assets on tax losses carried forward are recognized when it is probable that the Group will incur future taxable profits against which those tax losses may be offset.

1.29. Finance lease and operating lease

Finance leases, which transfer to the Group substantially all the risks and rewards associated with the ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to obtain a constant interest rate on the remaining balance of the liability. Finance charges are recognized directly in profit and loss.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and rewards incident to ownership of the asset are considered as operating leases. Operating lease payments are recognized as an expense in the income statement.

1.30. Earnings per share

Earnings per share are calculated based on the weighted average number of outstanding shares adjusted for treasury shares. The calculation of diluted earnings per share takes into account the dilutive effect of the issuance and cancellation of shares and the exercise of stock options.

2. RECONCILIATION OF THE RESTATED 2005 AND 2004 FINANCIAL STATEMENTS

The 2005 and 2004 consolidated financial statements have been restated for the following two impacts:

- the retrospective application for 2005 and 2004 of the IAS 21 amendment , *Net Investment in a Foreign Operation*, applicable as of January 1, 2006, as explained in Note 1.1 *General principles* above;
- and the finalization within the 12-month allocation period of the valuation of goodwill identified upon the acquisitions of MediaNation International (MNI) in the first half of 2005 and Media Partners International Holdings Inc. (MPI) in the last quarter of 2005.

The resulting negative impact on consolidated net income for 2005 and 2004 is €(2.2) million and €(0.2) million, respectively. It breaks down as follows:

	2005			2004	
In million euros	**Amendment to IAS 21**	**MNI/MPI**	**Total impact**	**Amendment to IAS 21**	**Total impact**
EBIT		0.3	**0.3**		**0.0**
Foreign exchange gains/(losses)	(3.1)		**(3.1)**		**0.0**
Income tax	0.5		**0.5**	(0.2)	**(0.2)**
Share of net profit of associates		0.1	**0.1**		**0.0**
Net income/(loss)	**(2.6)**	**0.4**	**(2.2)**	**(0.2)**	**(0.2)**

The impact on equity as of December 31, 2005 is €1.0 million, compared to an impact of nil as of December 31, 2004. It breaks down as follows:

	December 31, 2005			December 31, 2004	
In million euros	**Amendment to IAS 21**	**MNI/MPI**	**Total impact**	**Amendment to IAS 21**	**Total impact**
Intangible assets		(22.2)	(22.2)		0.0
Property, plant and equipment		0.9	0.9		0.0
Goodwill		19.4	19.4		0.0
Deferred tax assets		(7.8)	(7.8)		0.0
Other non-current assets		(5.6)	(5.6)		0.0
Current assets		(1.8)	(1.8)		0.0
Total Assets	**0.0**	**(17.1)**	**(17.1)**	**0.0**	**0.0**
Provisions		(16.4)	(16.4)		0.0
Trade and other payables		0.3	0.3		0.0
Deferred tax liabilities		(2.0)	(2.0)		0.0
Increase in Equity	**(0.0)**	**1.0**	**1.0**	**0.0**	**0.0**
Consolidated reserves	*(0.5)*		*(0.5)*	*0.2*	*0.2*
Net income for the period (Group share)	*(2.6)*	*0.5*	*(2.1)*	*(0.2)*	*(0.2)*
Translation adjustments	*3.1*		*3.1*		*0.0*
Minority interests	*0.0*	*0.5*	*0.5*		*0.0*
Total Liabilities and Equity	**(0.0)**	**(17.1)**	**(17.1)**	**0.0**	**0.0**

3. COMMENTS ON THE BALANCE SHEET

3.1. Changes in the consolidation scope in 2006

The main changes that took place in the consolidation scope during 2006 are as follows:

Entries into the scope of consolidation

On January 12, 2006, JCDecaux UK Ltd acquired 100% of the Allam Group for €18.6 million (of which €0.3 million in acquisition costs and after deduction of net cash acquired for €18.4 million). This company is fully consolidated.

In July 2006, the JCDecaux Group signed a partnership agreement with the BigBoard group to develop in the Ukrainian and Russian outdoor advertising markets. A joint venture, BigBoard BV, was created in which JCDecaux Central Eastern Europe subscribed for a 40% stake, entitling it to 50% of the profits for €65.8 million (of which €1.1 million in acquisition costs and a €20.6 million loan). This company is 50% consolidated using the equity method.

On September 25, 2006, JCDecaux Deutschland acquired 100% of VVR-Berek (Germany), renamed VVR Decaux GmbH, for €102.0 million (of which €1.7 million in acquisition costs and after deduction of net cash acquired for €3.2 million). This company is fully consolidated.

On September 30, 2006, Europlakat International (EPI) in Austria acquired for €47.2 million 100% of Metropolis Media, a group comprising four companies operating in Slovenia, Serbia and Croatia (of which €0.6 million in acquisition costs and after deduction of net cash acquired for €(1.2) million). The four companies acquired were resold to three holding companies, Europlakat Proreklam Doo (Croatia), Proreklam Europlakat Doo (Slovenia) and Alma Quattro (Serbia), wholly owned by EPI with the exception of Proreklam Europlakat Doo, which is 33% held. EPI and Proreklam Europlakat Doo are proportionately consolidated for 50% and 16.5% respectively. The impact of this acquisition amounts to €18.3 million in the Group financial statements (total acquisition cost of €23.2 million less €4.9 million relating to the sale of the Slovene company). The four companies are proportionately consolidated.

In November 2005, JCDecaux Pearl & Dean signed a 30-year agreement for the creation of a joint venture, Beijing Gehua JCD Advertising Co, in partnership with the Beijing Gehua Cultural Development Group. This company is 50% consolidated under the proportionate method for the first time in 2006.

Internal restructuring

In 2006, the Group conducted an internal restructuring resulting in a simplified legal structure with the grouping of subsidiary holdings by geographical area. In France, this restructuring gave rise to the creation of three holding companies: JCDecaux Europe Holding, JCDecaux Asie Holding and JCDecaux Amériques Holding. The shares of companies held by JCDecaux SA in Europe, Asia and America were respectively transferred to each of the three holding companies.

Mergers

In Spain, the formerly fully consolidated companies Planigrama Exclusivas Publicitarias S.A. and JCDecaux & Sign S.A. were merged into El Mobiliario Urbano S.L. (also fully consolidated) as of January 1, 2006.

Changes in percentage of ownership and in method of consolidation

On April 3, 2006, JCDecaux SA purchased the additional 1.77% interest in JCDecaux Sverige for €3.7 million, bringing the percentage of ownership to 100%.

MNI Beïjing Metro (China), a company that was formerly 38% consolidated using the proportionate method, has been 90% consolidated using the same method since August 31, 2006.

Removals from the scope of consolidation

WFA Wartehallen Finanz AG in Germany and Univier Communications B.V. in the Netherlands were wound up as of December 31, 2006.

In the United Kingdom, Cestrian Imaging Ltd has been deconsolidated since September 30, 2006, following the Group's waiver of its purchase right to 75% of the company's shares. This company, over which the Group exercised control because of potential voting rights though it held no shares, was consolidated for the first time in 2005.

3.2. Impacts of acquisitions (controlling interests)

The control of Allam Group, VVR-Berek and Metropolis had the following impacts on the Group consolidated financial statements:

In million euros	Recognized values after purchase accounting adjustments	Purchase accounting adjustments	Carrying amounts before purchase accounting adjustments
Non-current assets	99.6	(9.9) (3)	109.5
Current assets	28.5		28.5
Total assets	**128.1**	**(9.9)**	**138.0**
Non-current liabilities	34.9	18.4	16.5
Current liabilities	12.1		12.1
Total liabilities	**47.0**	**18.4**	**28.6**
Net asset at fair value	**81.1**	**(28.3)**	**109.4**
Goodwill	**79.1** (1)		
Price paid	**160.2**		
Net cash acquired	(21.3)		
Acquisitions of financial assets (long-term investments)	**138.9** (2)		

(1) *The amount of goodwill for €79.1 million differs from the €83.9 million mentioned in the schedule of change in goodwill (see Note 3.3), since the goodwill of MNI China Kiosk Development Ltd and JCDecaux Sverige (these companies were already controlled before the additional purchase) for €3.9 million and other acquisitions for €0.9 million are not taken into account.*

(2) *In the above table, the acquisitions of financial assets do not include the acquisitions of the financial assets of MNI China Kiosk Development Ltd, MPI Holding and JCDecaux Sverige for €5.2 million (these companies had already been fully consolidated prior to the acquisition of the additional interest), the acquisition of shares of BigBoard BV for €65.8 million (as the control was not effective in this company consolidated under equity method), non-consolidated investments in JCDecaux Group for €4.2 million, cash acquired following the entry of Beijing Gehua and JCDecaux Macao into the scope of consolidation for €0.9 million, and finally cash following changes in the consolidation method of MNI Beijing Metro for €3.9 million. The acquisitions of equity investments do not take into account the resale of the Metropolis companies to other Group companies consolidated at different rates and representing an amount of €4.9 million.*

(3) *This amount includes the cancellation of the purchased goodwill recognized in the corporate financial statements for €95.2 million, as it was reallocated in the valuation of the contracts and in goodwill at the Group level.*

The amount of revenues and net income, over 12 months, for the various entities acquired, as though these acquisitions had been realized as of January 1, 2006, amounted to respectively €48.5 million and €1.3 million at Group level.

The control of the following entities in 2005:

- MediaNation Inc., 100% acquired for €42.3 million in 2005 and fully consolidated;
- Texon International, 100% acquired in May 2005 for €17.2 million and fully consolidated;
- Univier Communications BV, in which the Group acquired an additional 25% interest on April 1, 2005 for €6.7 million and which was fully consolidated as of this date;
- JCDecaux Transport Finland Oy, 100% acquired on October 7, 2005 for €0.7 million and fully consolidated;
- Media Partners International Holdings Inc., in which the Group acquired a 99.43% interest for €58.5 million on October 26, 2005 and which was fully consolidated;
- Adbooth Pty, acquired at the end of December 2005 at 50%, for €0.7 million, and consolidated using the proportionate method;

had the following impacts on the Group consolidated financial statements:

In million euros	**Recognized values after purchase accounting adjustments**	**Purchase accounting adjustments**	**Carrying amounts before purchase accounting adjustments**
Non-current assets	126.9	28.9	98.0
Current assets	103.3	(1.4)	104.7
Total assets	**230.2**	**27.5**	**202.7**
Non-current liabilities	62.8	29.2	33.6
Current liabilities	72.2	1.2	71.0
Total liabilities	**135.0**	**30.4**	**104.6**
Net asset at fair value	**95.2**	**(2.9)**	**98.1**
Goodwill	**89.9**		
Price paid	**185.1**		
Net cash acquired	(59.0)		
Acquisitions of financial assets (long-term investments)	**126.1** (1)		

(1) The acquisitions of financial assets do not include in the above table the acquisitions of the financial assets of Sopact, JCD Nederland BV and V.K.M. BV for €91.7 million (these companies had already been fully consolidated prior to the acquisition of the additional 50% interest), the acquisition of shares of Metrobus for €18.0 million (as the control was not effective in this company consolidated under equity method), non-consolidated investments in JCDecaux Group for €3.2 million and, finally, cash following changes in the consolidation method of DSM Decaux GmbH and Slovenia for €1.7 million.

The acquisition of WFA Wartehallen Finanz AG in 2004 for an amount of €4.5 million did not have any significant impact on the Group consolidated financial statements.

3.3. Goodwill and other intangible assets

Changes in gross value and net carrying amount:

In million euros	Goodwill	Development costs	Patents, licences, advertising contracts, ERP(3)	Leasehold rights, payments on account, other	Total
Gross value as of January 1, 2004 (restated)	**1,036.7**	**0.0**	**47.8**	**25.3**	**1,109.8**
Acquisitions	6.9	3.3	2.0	6.8	19.0
Disposals				(0.4)	(0.4)
Changes in scope	(0.4)		0.6	0.7	0.9
Translation adjustments	1.0		(0.7)		0.3
Reclassifications (1)		0.6	12.5	(10.1)	3.0
Gross value as of December 31, 2004 (restated)	**1,044.2**	**3.9**	**62.2**	**22.3**	**1,132.6**
Amortization / Impairment loss as of January 1, 2004 (restated)	**0.0**	**0.0**	**(23.2)**	**(18.0)**	**(41.2)**
Amortization charge		(0.1)	(8.4)	(0.1)	(8.6)
Impairment loss	(3.0)				(3.0)
Disposals				0.4	0.4
Changes in scope			2.2	(0.3)	1.9
Translation adjustments			0.2		0.2
Reclassifications (1)		(0.1)	(1.8)	1.7	(0.2)
Amortization / Impairment loss as of December 31, 2004 (restated)	**(3.0)**	**(0.2)**	**(31.0)**	**(16.3)**	**(50.5)**
Net value as of January 1, 2004 (restated)	**1,036.7**	**0.0**	**24.6**	**7.3**	**1,068.6**
Net value as of December 31, 2004 (restated)	**1,041.2**	**3.7**	**31.2**	**6.0**	**1,082.1**
Gross value as of January 1, 2005 (restated)	**1,044.2**	**3.9**	**62.2**	**22.3**	**1,132.6**
Acquisitions	176.9	4.0	6.0	3.9	190.8
Disposals		(0.2)	(0.5)	(1.7)	(2.4)
Changes in scope	(5.8) (2)		167.8	1.4	163.4
Translation adjustments	5.2		5.7	0.1	11.0
Reclassifications (1)			11.8	(8.4)	3.4
Gross value as of December 31, 2005 (restated)	**1,220.5**	**7.7**	**253.0**	**17.6**	**1,498.8**
Amortization / Impairment loss as of January 1, 2005 (restated)	**(3.0)**	**(0.2)**	**(31.0)**	**(16.3)**	**(50.5)**
Amortization charge	NA	(1.2)	(17.7)	(0.1)	(19.0)
Impairment loss	0.0				0.0
Disposals	NA	0.2	0.5	1.7	2.4
Changes in scope	NA		(74.0)	(0.5)	(74.5)
Translation adjustments	NA		(3.3)	(0.1)	(3.4)
Reclassifications (1)	NA	0.1	(0.8)		(0.7)
Amortization / Impairment loss as of December 31, 2005 (restated)	**(3.0)**	**(1.1)**	**(126.3)**	**(15.3)**	**(145.7)**
Net value as of January 1, 2005 (restated)	**1,041.2**	**3.7**	**31.2**	**6.0**	**1,082.1**
Net value as of December 31, 2005 (restated)	**1,217.5**	**6.6**	**126.7**	**2.3**	**1,353.1**
Gross value as of January 1, 2006 (restated)	**1,220.5**	**7.7**	**253.0**	**17.6**	**1,498.8**
Acquisitions	83.9	4.8	8.6	2.5	99.8
Disposals			(26.0)	(1.6)	(27.6)
Changes in scope			68.0	0.2	68.2
Translation adjustments	(10.1)		(12.9)		(23.0)
Reclassifications (1)			13.1	(0.9)	12.2
Gross value as of December 31, 2006	**1,294.3**	**12.5**	**303.8**	**17.8**	**1,628.4**
Amortization / Impairment loss as of January 1, 2006 (restated)	**(3.0)**	**(1.1)**	**(126.3)**	**(15.3)**	**(145.7)**
Amortization charge	NA	(1.4)	(24.4)	(0.3)	(26.1)
Impairment loss	(4.0)				(4.0)
Disposals	NA		24.6	1.6	26.2
Changes in scope	NA		(0.1)		(0.1)
Translation adjustments	NA		7.0		7.0
Reclassifications (1)	NA		(8.0)	0.2	(7.8)
Amortization / Impairment loss as of December 31, 2006	**(7.0)**	**(2.5)**	**(127.2)**	**(13.8)**	**(150.5)**
Net value as of January 1, 2006 (restated)	**1,217.5**	**6.6**	**126.7**	**2.3**	**1,353.1**
Net value as of December 31, 2006	**1,287.3**	**10.0**	**176.6**	**4.0**	**1,477.9**

(1) *The net impact of the reclassifications is not zero, as some reclassifications have an impact on other balance sheet items.*

(2) *Includes the goodwill recognized on the acquisition of the additional 25% interest in Univier Communications BV for €(5.9) million. This acquisition resulted in the first-time application of the purchase method and a reallocation of a portion of the consolidated goodwill (for €14.1 million) generated during previous acquisitions in intangible assets (for €8.0 million).*

(3) *Includes the recognition of contracts in applying the purchase method.*

The change in goodwill over 2006 breaks down as follows:

In million euros	Goodwill
As of January 1, 2006 (restated)	**1,217.5**
New goodwill arising during the period	83.9
Allam Group	4.7
VVR-Berek	67.2
Metropolis	7.2
MNI China Kiosk Development Ltd	0.7
JCDecaux Sverige	3.2
Other	0.9
Impairment loss	(4.0)
Translation adjustments	(10.1)
As of December 31, 2006	**1,287.3**

As of December 31, 2006, goodwill amounted to €1,287.3 million, compared to €1,217.5 million as of December 31, 2005.

The sale of VVR Decaux GmbH included in the operation which took place after the balance sheet date as described in Note 12 *Subsequent events* resulted in goodwill impairment losses of €4.0 million that were recorded as of December 31, 2006.

As of December 31, 2006, net intangible assets, excluding goodwill, amounted to €190.6 million, compared to €135.6 million as of December 31, 2005.

This increase was due, in the amount of €67.9 million, to the acquisitions of Allam Group, VVR-Berek and Metropolis. The application of the purchase method, as required by IFRS 3 *Business combinations* resulted in the recognition of contracts as intangible assets for €67.6 million of which €18.3 million for Allam Group, €32.6 million for VVR-Berek and €16.7 million for Metropolis. These intangible assets are amortized over the term of contracts.

These intangible asset values and the residual goodwill relating to these transactions described above are determined on a provisional basis. The values are likely to change over the goodwill allocation period, which ends twelve months after the date of acquisition.

3.4. Property, plant and equipment (PP&E)

Breakdown by type of asset:

	12/31/2006			12/31/2005 Restated	12/31/2004 Restated
In million euros	Gross value	Depreciation or Provision	Net value	Net value	Net value
Land	32.7	0.9	31.8	31.7	30.8
Buildings	68.6	41.2	27.4	30.0	31.6
Technical installations, tools and equipment	1,796.5	987.1	809.4	791.4	756.5
Vehicles	99.8	74.5	25.3	25.4	23.3
Other	115.8	94.5	21.3	23.7	26.2
Assets under construction and advance payments	26.8	0.3	26.5	18.8	19.6
Total	**2,140.2**	**1,198.5**	**941.7**	**921.0**	**888.0**

As of December 31, 2006, net property, plant and equipment in the Street Furniture segment amounted to €755.2 million, compared to €735.6 million as of December 31, 2005.

As of December 31, 2006, net property, plant and equipment in the Transport segment amounted to €31.6 million, compared to €32.7 million as of December 31, 2005.

As of December 31, 2006, net property, plant and equipment in the Billboard segment amounted to €154.9 million, compared to €152.7 million as of December 31, 2005.

Changes in gross value and net carrying amount:

In million euros	**Land**	**Buildings**	**Technical installations, tools & equipment**	**Other**	**Total**
Gross value as of January 1, 2004 (restated)	**31.2**	**81.6**	**1,462.0**	**241.4**	**1,816.2**
- including finance lease		*3.9*	*3.9*	*9.3*	*17.1*
Acquisitions	2.2	0.7	105.6	40.8	149.3
- including acquisitions under finance lease			*0.9*	*1.3*	*2.2*
Disposals	(0.4)	(14.7)	(37.9)	(32.1)	(85.1)
- including disposals under finance lease				*(2.5)*	*(2.5)*
Changes in scope	0.0		3.7	0.3	4.0
Reclassifications	(1.0)	(0.6)	25.9	(17.8)	6.5
Translation adjustments	0.0		(7.4)	(0.4)	(7.8)
Gross value as of December 31, 2004 (restated)	**32.0**	**67.0**	**1,551.9**	**232.2**	**1,883.1**
Depreciation as of January 1, 2004 (restated)	**(1.6)**	**(45.6)**	**(711.7)**	**(174.1)**	**(933.0)**
- including finance lease		*(1.1)*	*(0.5)*	*(4.4)*	*(6.0)*
Net depreciation charge / reversal	(0.1)	(3.8)	(109.3)	(18.1)	(131.3)
- including finance lease		*(0.3)*	*(0.4)*	*(1.0)*	*(1.7)*
Impairment loss					0.0
Decreases	0.1	13.7	32.7	29.2	75.7
- including finance lease				*1.5*	*1.5*
Changes in scope	0.0		(1.3)	0.2	(1.1)
Reclassifications	0.4	0.3	(7.9)	(0.6)	(7.8)
Translation adjustments	0.0		2.1	0.3	2.4
Depreciation as of December 31, 2004 (restated)	**(1.2)**	**(35.4)**	**(795.4)**	**(163.1)**	**(995.1)**
Net value as of January 1, 2004 (restated)	**29.6**	**36.0**	**750.3**	**67.3**	**883.2**
Net value as of December 31, 2004 (restated)	**30.8**	**31.6**	**756.5**	**69.1**	**888.0**
Gross value as of January 1, 2005 (restated)	**32.0**	**67.0**	**1,551.9**	**232.2**	**1,883.1**
- including finance lease		*3.9*	*4.8*	*8.1*	*16.8*
Acquisitions	0.5	0.5	116.4	33.9	151.3
- including acquisitions under finance lease			*0.4*	*3.5*	*3.9*
Disposals	(0.3)	(0.2)	(37.5)	(15.8)	(53.8)
- including disposals under finance lease				*(1.0)*	*(1.0)*
Changes in scope	0.0	2.3	12.1	5.7	20.1
Reclassifications	0.0	0.4	25.5	(19.2)	6.7
Translation adjustments	0.8	0.3	29.5	2.8	33.4
Gross value as of December 31, 2005 (restated)	**33.0**	**70.3**	**1,697.9**	**239.6**	**2,040.8**
Depreciation as of January 1, 2005 (restated)	**(1.2)**	**(35.4)**	**(795.4)**	**(163.1)**	**(995.1)**
- including finance lease		*(1.4)*	*(0.9)*	*(3.9)*	*(6.2)*
Net depreciation charge / reversal	(0.1)	(3.4)	(113.5)	(17.1)	(134.1)
- including finance lease		*(0.2)*	*(0.4)*	*(1.8)*	*(2.4)*
Impairment loss			(1.6) [1]		(1.6)
Decreases		0.2	27.1	14.8	42.1
- including finance lease				*0.8*	*0.8*
Changes in scope	0.0	(1.7)	(5.7)	(3.1)	(10.5)
Reclassifications	0.0	0.1	(7.3)	(1.0)	(8.2)
Translation adjustments	0.0	(0.1)	(10.1)	(2.2)	(12.4)
Depreciation as of December 31, 2005 (restated)	**(1.3)**	**(40.3)**	**(906.5)**	**(171.7)**	**(1,119.8)**
Net value as of January 1, 2005 (restated)	**30.8**	**31.6**	**756.5**	**69.1**	**888.0**
Net value as of December 31, 2005 (restated)	**31.7**	**30.0**	**791.4**	**67.9**	**921.0**
Gross value as of January 1, 2006 (restated)	**33.0**	**70.3**	**1,697.9**	**239.6**	**2,040.8**
- including finance lease		*3.9*	*5.2*	*10.6*	*19.7*
Acquisitions		1.0	84.9	90.9	176.8
- including acquisitions under finance lease			*0.2*	*2.7*	*2.9*
Disposals	(0.1)	(4.0)	(74.0)	(18.7)	(96.8)
- including disposals under finance lease				*(1.5)*	*(1.5)*
Changes in scope	0.3	0.2	28.7	1.0	30.2
Reclassifications	(1.1)	1.1	71.7	(69.0)	2.7
Translation adjustments	0.6		(12.7)	(1.4)	(13.5)
Gross value as of December 31, 2006	**32.7**	**68.6**	**1,796.5**	**242.4**	**2,140.2**
Depreciation as of January 1, 2006 (restated)	**(1.3)**	**(40.3)**	**(906.5)**	**(171.7)**	**(1,119.8)**
- including finance lease		*(1.6)*	*(1.3)*	*(4.9)*	*(7.8)*
Net depreciation charge / reversal		(3.2)	(128.2)	(16.5)	(147.9)
- including finance lease		*(0.2)*	*(0.5)*	*(2.4)*	*(3.1)*
Impairment loss			(1.8) [2]		(1.8)
Decreases		2.7	62.8	17.6	83.1
- including finance lease				*1.3*	*1.3*
Changes in scope			(10.4)	(0.2)	(10.6)
Reclassifications	0.4	(0.5)	(6.1)	0.5	(5.7)
Translation adjustments		0.1	3.1	1.0	4.2
Depreciation as of December 31, 2006	**(0.9)**	**(41.2)**	**(987.1)**	**(169.3)**	**(1,198.5)**
Net value as of January 1, 2006 (restated)	**31.7**	**30.0**	**791.4**	**67.9**	**921.0**
Net value as of December 31, 2006	**31.8**	**27.4**	**809.4**	**73.1**	**941.7**

(1) Impairment loss on Brazil

(2) Impairment loss on JCDecaux Atlantis

The net impact of reclassifications amounts to €(3) million as of December 31, 2006, compared to €(1.5) million as of December 31, 2005.

As of December 31, 2006, the net value of property, plant and equipment under finance lease amounted to €11.2 million, compared to €11.9 million as of December 31, 2005:

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Buildings	2.0	2.3	2.5
Panels	3.4	3.9	3.9
Vehicles	5.6	4.7	3.8
Other property, plant and equipment	0.2	1.0	0.4
Total	**11.2**	**11.9**	**10.6**

Over 80% of the Group's property, plant and equipment is comprised of street furniture, and other advertising structures. These assets represent a range of very different products (Seniors Vitrine and large format, MUPIs®, columns, flag poles, bus shelters, public toilets, benches, public bicycles, public litter bins, etc.) for which the unit value ranges from approximately €100 to €126,000. These assets are fully owned and the Group revenues represent the sale of advertising spaces present in some of this furniture.

3.5. Investments in associates

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Switzerland			
Affichage Holding	131.7	129.6	129.8
Germany			
Stadtreklame Nürnberg GmbH	9.2	9.3	8.8
Wall AG	70.1	68.7	66.2
United States			
Wall Holdings Inc. / Wall USA Inc.	4.3	5.5	4.9
Hong Kong			
Bus Focus Ltd (1)	0.3	0.5	
Poad	1.3	1.2	
France			
Metrobus	18.5	18.2	
Ukraine / Russia			
BigBoard	64.2		
Total	**299.6**	**233.0**	**209.7**

(1) Subsidiary of Texon International

The balance sheet items representative of these associates are as follows (*):

In million euros	% of interest	12/31/2006 Total assets	12/31/2006 Total liabilities (excluding equity)	12/31/2006 Total equity	12/31/2005 Restated Total assets	12/31/2005 Restated Total liabilities (excluding equity)	12/31/2005 Restated Total equity	12/31/2004 Restated Total assets	12/31/2004 Restated Total liabilities (excluding equity)	12/31/2004 Restated Total equity
Switzerland										
Affichage Holding	30%	265.3	115.6	149.7	223.5	80.3	143.2	221.1	81.3	139.8
Germany										
Stadtreklame Nürnberg GmbH	35%	12.3	4.5	7.8	10.7	3.2	7.5	11.2	4.8	6.4
Wall AG	35%	147.2	88.7	58.5	121.9	85.7	36.2	101.0	57.1	43.9
United States										
Wall Holdings Inc. / Wall USA Inc.	50%	14.5	15.6	(1.1)	19.0	20.3	(1.3)	13.6	14.9	(1.3)
Hong Kong										
Bus Focus Ltd (1)	40%	2.1	1.4	0.7	2.6	1.6	1.0	NA	NA	NA
Poad	49%	9.4	6.8	2.6	8.0	5.7	2.3	NA	NA	NA
France										
Metrobus	33%	89.3	74.0	15.3	99.4	85.0	14.4	NA	NA	NA
Ukraine / Russia										
BigBoard	50%	141.6	22.4	119.2	NA	NA	NA	NA	NA	NA

(1) Subsidiary of Texon International

(*) On a 100% basis restated according to IFRS

Changes in investments in associates for 2006 are as follows:

In million euros	12/31/2005 Restated	Income/ (loss)	Dividends	Change in consolidation scope	Others	Translation adjustments	12/31/2006
Affichage Holding	129.6	6.1	(3.6)		0.8	(1.2)	131.7
Stadtreklame Nürnberg GmbH	9.3	0.4	(0.5)				9.2
Wall AG	68.7	2.8	(1.5)			0.1	70.1
Wall Holdings Inc. / Wall USA Inc.	5.5	(0.5)				(0.7)	4.3
Metrobus	18.2	1.6	(1.3)				18.5
Poad	1.2	1.0	(0.8)			(0.1)	1.3
Bus Focus Ltd (1)	0.5	0.7	(0.8)			(0.1)	0.3
BigBoard		0.5		65.8		(2.1)	64.2
Total	**233.0**	**12.6**	**(8.5)**	**65.8**	**0.8**	**(4.1)**	**299.6**

(1) Subsidiary of Texon International

3.6. Financial investments

The total of financial investments is about €8.3 million as of December 31, 2006, compared to €6.3 million as of December 31, 2005 and €6.9 million as of December 31, 2004.

3.7. Other financial assets

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Loans	31.5	18.6	11.6
Loans to participating interests	0.8	0.8	0.2
Other financial investments	6.5	5.6	5.8
Total	**38.8**	**25.0**	**17.6**

As of December 31, 2006, other financial assets increased by €13.8 million in relation to December 31, 2005.

This change is mainly attributable to the €11.4 million loan granted by JCDecaux SA to Europlakat International for the acquisition of Metropolis Media.

Maturity of other financial assets :

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
≤ 1 year	3.8	0.8	0.6
> 1 year ≤ 5 years	32.4	20.7	13.8
> 5 years	2.6	3.5	3.2
Total	**38.8**	**25.0**	**17.6**

3.8. Other receivables (non-current assets)

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
- Miscellaneous receivables	15.0	12.1	2.3
Provisions for miscellaneous receivables	(1.3)	(1.8)	(1.2)
- Tax receivables	0.5	0.4	1.1
- Prepaid expenses	49.9	23.3	25.9
Total Other receivables (non-current)	**65.4**	**35.8**	**29.3**
Total Provisions for other receivables (non-current)	**(1.3)**	**(1.8)**	**(1.2)**
Total	**64.1**	**34.0**	**28.1**

As of December 31, 2006, the Group's other receivables (non-current) increased by €30.1 million compared to December 31, 2005. This change is primarily due to the reclassification of €16.1 million into non-current prepaid expenses of greater than 1 year relating to the fees paid in 2005 by JCDecaux Airport Inc. to the firm managing the New York airports.

3.9. Inventories

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Gross value of inventories	112.1	106.6	99.7
Raw materials, supplies and goods	*69.4*	*68.5*	*64.4*
Finished and semi-finished goods	*42.7*	*38.1*	*35.3*
Depreciation	(24.4)	(25.1)	(23.9)
Raw materials, supplies and goods	*(15.1)*	*(23.1)*	*(23.3)*
Finished and semi-finished goods	*(9.3)*	*(2.0)*	*(0.6)*
Total	**87.7**	**81.5**	**75.8**

The gross value of inventories as of December 31, 2006 increased by €5.5 million compared to December 31, 2005. The change is mainly attributable to the French companies, whose gross inventories increased by €5.9 million. Inventory increases are generally due to planned furniture installations that have not been carried out, following contract gains or renewals.

3.10. Trade and other receivables (net)

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
- Trade receivables	523.0	477.1	435.3
Provisions for trade receivables	(28.7)	(31.6)	(30.7)
- Miscellaneous receivables	6.8	17.3	6.7
Provisions for miscellaneous receivables	(0.5)	(1.8)	(2.8)
- Other operating receivables	14.9	17.9	27.1
Provisions for other operating receivables	(0.3)	(2.1)	(0.2)
- Miscellaneous tax receivables	29.8	31.0	27.8
- Receivables from sales of PP&E and intangible assets	0.0	0.0	0.1
- Advance payments	5.7	5.1	5.0
- Prepaid expenses	50.9	59.0	31.9
Total Trade and other receivables	**631.1**	**607.4**	**533.9**
Total Provisions for trade and other receivables	**(29.5)**	**(35.5)**	**(33.7)**
Total	**601.6**	**571.9**	**500.2**

As of December 31, 2006, trade and other receivables increased by €29.7 million, compared to December 31, 2005. This increase is due to the growth in JCDecaux's business activity in the United States, Asia, and Europe.

As of December 31, 2005, the entry of Media Partners International Holdings Inc. and MediaNation Inc. into the scope of consolidation mainly explains the €71.7 million increase.

Operating receivables are receivables with a maturity of less or equal to one year, except for the €2.4 million in trade receivables for which provisions have been recorded as of December 31, 2006.

3.11. Cash and cash equivalents

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Cash	115.2	113.3	50.0
Cash equivalents	4.6	1.4	2.7
Total	**119.8**	**114.7**	**52.7**

As of December 31, 2006, the Group had €119.8 million in available cash, of which €4.6 million was invested in short-term investments and €10.2 million was invested in guarantees mainly:

- to cover future investments of a contract in China for €5.3 million;
- for bank loans granted to subsidiaries based in continental China for €2.4 million.

3.12. Tax receivable and payable

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Tax receivable	9.2	3.9	2.3
Tax payable	(29.8)	(30.8)	(26.2)
Total	**(20.6)**	**(26.9)**	**(23.9)**

3.13. Net deferred taxes

3.13.1. Deferred taxes recorded

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Deferred tax assets	7.2	12.5	7.2
Deferred tax liabilities	(105.6)	(103.0)	(78.8)
Total	**(98.4)**	**(90.5)**	**(71.6)**

Net deferred tax liabilities increased by €7.9 million between 2005 and 2006, primarily attributable to the United Kingdom for €5.5 million, the United States for €1.8 million and, Croatia for €1.6 million.

This was offset by a decrease of €2.5 million in China.

Breakdown of deferred taxes:

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
PP&E and intangible assets	(119.8)	(117.6)	(94.6)
Tax losses carried forward	12.9	17.7	19.6
Dismantling provision	9.8	8.8	5.9
Other	(1.3)	0.6	(2.5)
Total	**(98.4)**	**(90.5)**	**(71.6)**

3.13.2. Unrecognized deferred tax assets on tax losses carried forward

Deferred tax assets on losses carried forward that have not been recognized amounted to €31.3 million as of December 31, 2006 compared to €29.5 million as of December 31, 2005 and €25.4 million as of December 31, 2004.

3.14. Equity

Breakdown of share capital

As of December 31, 2006, share capital amounted to €3,380,029.81 divided into 221,715,260 shares of the same category and fully paid up. At the time of conversion of share capital into euros, in June 2000, the reference to a par value in our by-laws was eliminated.

Reconciliation of the number of outstanding shares as of January 1, 2006 and December 31, 2006:

Number of outstanding shares as of 01/01/2006	220,825,551
Shares issued following the exercise of options	889,709
Number of outstanding shares as of 12/31/2006	**221,715,260**

As of December 31, 2006, the Group did not hold any treasury shares.

Delegations of authority to increase share capital granted by the General Meeting of Shareholders to the Executive Board are as follows:

Date of Shareholders' Meeting	Authority granted to the Executive Board
May 11, 2005	- Perform a capital increase on one or more occasions by issuing – with preferential subscription rights attached – shares (with the exception of preferred shares) and/or securities giving access to shares of JCDecaux SA and/or securities granting access to debt, up to a maximum aggregate nominal amount of €2,000,000 and determine the terms and conditions thereof. This authority was granted for 26 months. The same authority was granted providing for elimination of the preferential subscription right. - Issue shares without preferential subscription rights up to an amount equal to 10% of the share capital, in consideration of contributions to capital consisting of shares or securities convertible into shares, this authority to remain in effect for 26 months. - Perform a capital increase on one or more occasions by capitalizing premiums, reserves, or earnings up to a maximum nominal amount of €2,000,000, this authority to remain in effect for 26 months. - Increase the number of shares to be issued (over-allotment option) in connection with a share capital increase, with or without preferential subscription rights, at the same price as the initial issue, this authority to remain in effect for 26 months. - Perform a capital increase, on one or more occasions, up to a maximum nominal amount of €20,000, by issuing shares or securities convertible into shares reserved to employees of JCDecaux SA and its subsidiaries, this authority to remain in effect for 26 months. - Grant stock options of JCDecaux SA to some or all employees or officers of the Group and up to a total of 4% of the share capital, this authority to remain in effect for 26 months and to supersede the authority granted at the Extraordinary General Meeting of Shareholders held on May 23, 2002. - Make grants of shares issued and outstanding or to be issued, without consideration, to employees or officers of the Group, or some of them, up to an amount equal to 0.5% of the share capital, this authority to remain in effect for 26 months.

In addition, following the Combined General Meeting of Shareholders held on May 10, 2006, the Executive Board received the authorization to:

- to buy back JCDecaux SA shares on the market for up to €30 per share for a total maximum amount of €662,476,650, this authority to remain in effect for 18 months;
- decrease share capital by the cancellation of treasury shares, also for a period of 18 months.

3.15. Provisions

Provisions break down as follows:

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Provisions for retirement and other benefits	30.4	26.2	23.5
Provisions for contingencies and losses	153.3	141.5	138.8
Total	**183.7**	**167.7**	**162.3**

Change in provisions for contingencies and losses

In million euros	12/31/2005 Restated	Charges	Discount	Reversals Used	Reversals Not used	Reclassifi-cations	Translation adjustments	Change in scope	12/31/2006
Provisions for dismantling costs	113.3	14.7	5.9	(9.0)	(6.3)		(1.1)	5.3	122.8
Provisions for retirement and other benefits	26.2	4.5	0.1	(0.2)	(0.3)		0.1		30.4
Provisions for litigation	7.2	4.2		(1.0)	(0.2)				10.2
Other provisions	21.0	9.0		(4.7)	(4.4)	(0.3)	(0.3)		20.3
Total	**167.7**	**32.4**	**6.0**	(14.9)	(11.2)	**(0.3)**	**(1.3)**	**5.3**	**183.7**

Provisions for contingencies and losses consist mainly of provisions for dismantling costs in respect of street furniture. They are calculated at the end of each accounting period and are based on the size of the pool of street furniture currently in use and their unitary dismantling cost (labor, cost of destruction and restoration of ground surfaces).

Provisions for litigation amounted to €10.2 million as of December 31, 2006. All Group litigation has been reviewed by the Group's Legal Department. Risks related to litigation have been evaluated on a case-by-case basis depending on plaintiff claims, opinions of Group's legal consultants and any lower court decisions.

Provisions for contingencies and losses increased by €16.0 million for the year, primarily because of a €9.5 million increase in provisions for dismantling costs, of which €6.0 million involved Germany and the acquisition of VVR-Berek.

Reversals of unused provisions for the year amounted to €11.2 million. Provisions for dismantling costs contributed in the amount of €6.3 million.

Litigation

The Group is regularly involved in legal proceedings within the normal course of its business. These business activities often involve contracts with municipalities and public authorities in France and elsewhere that might create a context where litigation becomes a sensitive issue.

The principal legal proceedings currently ongoing that involve the Group and for which necessary provisions have been set aside are the following:

In France:

- Avenir is in litigation with a service provider that is claiming approximately €4 million following the cancellation of a sub-contracting agreement for the assembly of advertising media. In 2004, a lower court ordered Avenir to pay €200,000. The decision was appealed.
- Due to a significant decline in advertising installations for 2001, JCDecaux SA was sued by certain suppliers on the grounds of a sudden breach in business relations. As street furniture installations are by nature cyclical and largely non-plannable for the long term, in France and abroad, the company is subject to postponed concession signings, early terminations initiated by local authorities and its own success rate in tender bids. The company is thus a defendant in several suits where it is faulted by suppliers for not having maintained prior order volumes, despite fluctuations in the street furniture installations it was to carry out.
- On June 30, 2005, the French Competition Authority (*Conseil de la Concurrence*) imposed a €10 million fine on five of the Group's French companies (including €6.4 million to JCDecaux SA) in connection with an examination of the injunctions ordered in 1998 and their application. In a ruling dated February 21, 2006, the Paris Court of Appeal set aside the Competition Board's decision and exonerated four of the companies concerned. JCDecaux Mobilier Urbain was ordered to pay a €2 million penalty by the Court of Appeal.
- JCDecaux SA is or has been party to a certain number of administrative procedures it has engaged or procedures incurred by competitors against public authorities, following contract cancellations or decisions to award contracts. Disputes are ongoing over the payability or amount of taxes relating to advertising media.

Abroad:

- In the United States, a supplier of IT solutions for airport advertising is claiming compensation from JCDecaux Airport Inc., invoking the Group's unauthorized use of the IT solutions;
- In Thailand, a competitor has sued JCDecaux Thailand over model counterfeiting and concession violation. An initial legal decision in November 2006 sided with JCDecaux Thailand. A new decision is expected in the second half of 2007.
- In Belgium, a Group subsidiary has initiated a procedure against a municipality following its decision to award a contract to one of the Group's competitors.

- In Spain, following the positive opinion handed down by the Council of State in May 2005, the litigation involving Planigrama group's subsidiary and the City of Madrid, over the performance of an advertising clock contract, was settled in favor of Planigrama, thus ending the lawsuit.

The amount of the provisions established for these cases results from an analysis made under the supervision of the Legal Department of the Group, on the basis of the claims, the defenses, the case law, and the status of the proceedings. The amount of the provisions is not indicated for each case because indicating it might be seriously prejudicial to JCDecaux Group in these litigations.

Contingent assets and liabilities other than litigation

In the absence of a contractual obligation to dismantle billboards, no provision for dismantling costs is recognized in the Group financial statements. However, certain companies (in France, Austria, the United Kingdom) operate large format panels similar to street furniture for which the unitary dismantling cost is material. Accordingly, the overall dismantling cost is estimated at €5.3 million as of December 31, 2006 compared to €4.5 million as of December 31, 2005.

Provision for retirement and other benefits

The Group's defined employee benefit obligations mainly consist in retirement benefits (legal termination benefits, pensions and other retirement benefits for Managing Directors of certain Group subsidiaries) and other long-term benefits paid during the working life such as long service awards.

The Group's retirement benefits are mainly related to France, the United Kingdom, Austria and the Netherlands.

In France, the termination benefits paid at the retirement date are calculated in accordance with the "*Convention Nationale de la Publicité*" (Collective Bargaining Agreement for Advertising). A portion of the obligation is covered by contributions made to an external fund by the French companies of JCDecaux Group.

In the United Kingdom, retirement obligations mainly consist in a pension plan previously open to some employees of JCDecaux UK Ltd. In December 2002, the related vested rights were frozen.

In Austria, the obligations mainly comprise termination benefits.

In the Netherlands, retirement obligations mainly relate to a pension plan partially covered by the contributions paid to an external fund.

Contributions paid for defined contribution plans represent €23.8 million at the end of December 2006 compared to €21.7 million at the end of December 2005.

There are two multi-employer defined benefit plans in Sweden (ITP) and in Finland (TEL). These plans have not been subject to an actuarial valuation, insofar as they are national plans for which the necessary information is not available to date.

Provisions are calculated according to the following assumptions:

	2006	2005 Restated	2004 Restated
Discount rate			
Euro Zone	4.4%	4.1%	4.5%
United Kingdom	5.0%	4.7%	5.2%
Australia	5.7%	5.3%	5.9%
Estimated annual rate of increase in future salaries			
Euro Zone	2.5%	2.3%	2.3%
United Kingdom	0.0%	0.0%	1.75%
Australia	5.5%	5.5%	5.0%
Estimated annual rate of increase in post-employment benefits			
Euro Zone	0.0%	0.0%	0.0%
United Kingdom	3.2%	3.0%	3.0%
Australia	0.0%	0.0%	0.0%
Expected return of related plan assets			
Euro Zone	4.9%	4.9%	4.9%
United Kingdom	7.0%	7.0%	7.0%
Australia	N/A	N/A	N/A

Retirement benefits and other long-term benefits (before tax) break down as follows:

- **In 2004:**

In million euros	Retirement benefits unfunded	Retirement benefits funded	Other long-term benefits	Total
Change in benefit obligation				
Opening balance	9.3	46.0	2.6	57.9
Service cost	0.6	1.4	0.2	2.2
Interest cost	0.5	2.6	0.1	3.2
Amendments to plans				0.0
Actuarial gains/losses	0.7	3.7		4.4
Benefits paid	(0.8)	(1.1)	(0.2)	(2.1)
Other (exchange gains/losses)		(0.2)		(0.2)
Benefit obligation at the end of the year	**10.3**	**52.4**	**2.7**	**65.4**
including France	*6.7*	*13.2*	*1.3*	*21.2*
including other countries	*3.6*	*39.2*	*1.4*	*44.2*
Change in plan assets				
Opening balance		27.4		27.4
Actual return on plan assets		1.7		1.7
Actuarial gains/losses		0.5		0.5
Employer contributions		2.1		2.1
Benefits paid		(1.0)		(1.0)
Other (exchange gains/losses)		(0.1)		(0.1)
Fair value of assets at the end of the year		**30.6**		**30.6**
including France		*4.1*		*4.1*
including other countries		*26.5*		*26.5*
Provision				
Funded status	10.3	21.8	2.7	34.8
Unrecognized actuarial gains/losses	(0.6)	(3.2)		(3.8)
Unrecognized past service cost	(1.3)	(3.1)		(4.4)
Assets unrecognized		0.1		0.1
Provision at the end of the year (1)	**8.4**	**15.6**	**2.7**	**26.7**
including France	*4.7*	*5.9*	*1.3*	*11.9*
including other countries	*3.7*	*9.7*	*1.4*	*14.8*
Periodic pension cost				
Service cost	0.6	1.4	0.2	2.2
Interest cost	0.5	2.6	0.1	3.2
Expected return on plan assets		(1.7)		(1.7)
Actuarial gains/losses recognized in the year	0.1			0.1
Past service cost recognized in the year	0.1	0.1		0.2
Other				0.0
Charge for the year	**1.3**	**2.4**	**0.3**	**4.0**
including France	*0.6*	*1.4*	*0.1*	*2.1*
including other countries	*0.7*	*1.0*	*0.2*	*1.9*

(1) The amount of €26.7 million includes €23.5 million of provisions accrued as a provision in the balance sheet with respect to employee-related commitments, €(1.0) million of reimbursement rights relating to the Austrian retirement benefit plan and €4.2 million included in "other liabilities" and corresponding to a part of the employee benefit obligation in the United Kingdom.

▪ **In 2005:**

In million euros	Retirement benefits unfunded	Retirement benefits funded	Other long-term benefits	Total
Change in benefit obligation				
Opening balance	10.3	52.4	2.7	65.4
Service cost	0.6	1.6	0.3	2.5
Interest cost	0.5	2.7	0.1	3.3
Amendments to plans				0.0
Actuarial gains/losses (1)	1.7	7.5	0.3	9.5
Benefits paid	(0.8)	(1.6)	(0.2)	(2.6)
Other (exchange gains/losses)		1.1		1.1
Benefit obligation at the end of the year	**12.3**	**63.7**	**3.2**	**79.2**
including France	*7.8*	*14.8*	*1.4*	*24.0*
including other countries	*4.5*	*48.9*	*1.8*	*55.2*
Change in plan assets				
Opening balance		30.6		30.6
Actual return on plan assets (2)		2.1		2.1
Actuarial gains/losses (3)		3.1		3.1
Employer contributions		2.6		2.6
Benefits paid		(1.6)		(1.6)
Other (exchange gains/losses)		0.7		0.7
Fair value of assets at the end of the year		**37.5**		**37.5**
including France		*4.3*		*4.3*
including other countries		*33.2*		*33.2*
Provision				
Funded status	12.3	26.2	3.2	41.7
Unrecognized actuarial gains/losses	(2.3)	(7.6)		(9.9)
Unrecognized past service cost	(1.3)	(2.9)		(4.2)
Assets unrecognized		0.2		0.2
Provision at the end of the year (4)	**8.7**	**15.9**	**3.2**	**27.8**
including France	*5.2*	*6.9*	*1.4*	*13.5*
including other countries	*3.5*	*9.0*	*1.8*	*14.3*
Periodic pension cost				
Service cost	0.6	1.6	0.3	2.5
Interest cost	0.5	2.7	0.1	3.3
Expected return on plan assets		(2.1)		(2.1)
Actuarial gains/losses recognized in the year			0.3	0.3
Past service cost recognized in the year	0.1	0.2		0.3
Other				0.0
Charge for the year	**1.2**	**2.4**	**0.7**	**4.3**
including France	*0.7*	*1.5*	*0.3*	*2.5*
including other countries	*0.5*	*0.9*	*0.4*	*1.8*

(1) Including €11.2 million related to changes in assumptions and €(1.7) million related to experience gains and losses.
(2) The rates of return on pension funds were determined in each country concerned based on the change in the hedging asset over the last 12 months.
(3) Actuarial gains or losses generated by hedging assets are experience gains and losses.
(4) The amount of €27.8 million includes €26.2 million of provisions accrued as a provision in the balance sheet with respect to employee-related commitments, €(1.0) million of reimbursement rights relating to the Austrian retirement benefit plan and €2.6 million included in "other liabilities" and corresponding to a part of the employee benefit obligation in the United Kingdom.

- **In 2006:**

In million euros	Retirement benefits unfunded	Retirement benefits funded	Other long-term benefits	Total
Change in benefit obligation				
Opening balance	12.3	63.7	3.2	79.2
Service cost	0.8	1.7	0.3	2.8
Interest cost	0.5	2.8	0.1	3.4
Amendments to plans				0.0
Actuarial gains/losses (1)	0.7	4.0	(0.2)	4.5
Benefits paid	(0.7)	(1.5)	(0.2)	(2.4)
Other (exchange gains/losses)		1.0		1.0
Benefit obligation at the end of the year	**13.6**	**71.7**	**3.2**	**88.5**
including France	*9.0*	*17.9*	*1.4*	*28.3*
including other countries	*4.6*	*53.8*	*1.8*	*60.2*
Change in plan assets				
Opening balance		37.5		37.5
Actual return on plan assets (2)		2.5		2.5
Actuarial gains/losses (3)		1.5		1.5
Employer contributions		2.7		2.7
Benefits paid		(1.5)		(1.5)
Other (exchange gains/losses)		0.8		0.8
Fair value of assets at the end of the year		**43.5**		**43.5**
including France		*4.5*		*4.5*
including other countries		*39.0*		*39.0*
Provision				
Funded status	13.6	28.2	3.2	45.0
Unrecognized actuarial gains/losses	(2.9)	(8.1)		(11.0)
Unrecognized past service cost	(1.2)	(2.7)		(3.9)
Assets unrecognized				0.0
Provision at the end of the year (4)	**9.5**	**17.4**	**3.2**	**30.1**
including France	*5.9*	*7.8*	*1.4*	*15.1*
including other countries	*3.6*	*9.6*	*1.8*	*15.0*
Periodic pension cost				
Service cost	0.8	1.7	0.3	2.8
Interest cost	0.5	2.8	0.1	3.4
Expected return on plan assets		(2.5)		(2.5)
Actuarial gains/losses recognized in the year	0.1	2.0	(0.2)	1.9
Past service cost recognized in the year	0.1	0.2		0.3
Other		(0.2)		(0.2)
Charge for the year	**1.5**	**4.0**	**0.2**	**5.7**
including France	*0.8*	*1.5*	*0.0*	*2.3*
including other countries	*0.7*	*2.5*	*0.2*	*3.4*

(1) Including €1.9 million related to changes in assumptions and €2.6 million related to experience gains and losses.
(2) The rates of return on pension funds were determined in each country concerned based on the change in the hedging asset over the last 12 months.
(3) Actuarial gains or losses generated by hedging assets are experience gains and losses.
(4) The amount of €30.1 million includes €30.4 million of provisions accrued as a provision in the balance sheet with respect to employee-related commitments, €(1.1) million of reimbursement rights relating to the Austrian retirement benefit plan and €0.8 million included in "other liabilities" and corresponding to a part of the employee benefit obligation in the United Kingdom.

Unrecognized actuarial losses as of December 31, 2006 amount to €11.0 million and are essentially related to the UK fund, and French and Italian companies.

Unrecognized past service cost as of December 31, 2006 amounts to €3.9 million and corresponds to the surplus resulting from application of the new French law ("*loi Fillon*"). The surplus is amortized over the average period until the benefits are vested.

Net movements in retirement and other benefits are as follows:

In million euros	2006	2005 Restated	2004 Restated
January 1	**27.8**	**26.7**	**25.9**
Charge for the year	5.7	4.3	4.0
Translation adjustments	0.2	0.4	(0.1)
Contributions paid	(2.7)	(2.6)	(2.1)
Benefits paid	(0.9)	(1.0)	(1.1)
Other			0.1
December 31	**30.1**	**27.8**	**26.7**

The breakdown of the related plan assets is as follows:

	2006		2005 Restated		2004 Restated	
	In M€	%	In M€	%	In M€	%
Shares	22.2	51%	19.5	52%	19.1	63%
Bonds	16.2	37%	15.3	41%	9.9	32%
Real Estate	0.5	1%	0.4	1%	0.7	2%
Other	4.6	11%	2.3	6%	0.9	3%
Total	**43.5**	**100%**	**37.5**	**100%**	**30.6**	**100%**

Future contributions to hedging assets for fiscal year 2007 are estimated at €2.1 million.

3.16. Net financial debt

		12/31/2006			12/31/2005 Restated			12/31/2004 Restated		
In million euros		Current portion	Non-current portion	Total	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Bonds			368.2	368.2		377.0	377.0		367.8	367.8
Banks borrowings		28.5	383.6	412.1	38.3	259.0	297.3	18.7	98.8	117.5
Miscellaneous facilities and other financial debt		2.4	21.5	23.9	2.0	8.9	10.9	0.2	7.4	7.6
Finance lease liabilities		2.8	9.3	12.1	3.1	9.6	12.7	2.3	9.1	11.4
Accrued interests		4.0		4.0	2.9		2.9	2.7		2.7
Economic financial debt	**(1)**	**37.7**	**782.6**	**820.3**	**46.3**	**654.5**	**700.8**	**23.9**	**483.1**	**507.0**
Impact of amortized cost			(2.3)	(2.3)		(2.3)	(2.3)		(1.7)	(1.7)
Impact of fair value hedge			(34.3)	(34.3)		(20.5)	(20.5)		(34.0)	(34.0)
IAS 39 remeasurement	**(2)**	**0.0**	**(36.6)**	**(36.6)**	**0.0**	**(22.8)**	**(22.8)**	**0.0**	**(35.7)**	**(35.7)**
Gross balance sheet financial debt	**(3)=(1)+(2)**	**37.7**	**746.0**	**783.7**	**46.3**	**631.7**	**678.0**	**23.9**	**447.4**	**471.3**
Financial derivatives (assets)		(4.3)	(2.5)	(6.8)		(0.3)	(0.3)		(0.7)	(0.7)
Financial derivatives (liabilities)			34.6	34.6	1.1	20.3	21.4	1.0	35.5	36.5
Hedging financial instruments	**(4)**	**(4.3)**	**32.1**	**27.8**	**1.1**	**20.0**	**21.1**	**1.0**	**34.8**	**35.8**
Cash and cash equivalents		119.8		119.8	114.7		114.7	52.7		52.7
Overdrafts		(24.2)		(24.2)	(17.0)		(17.0)	(14.6)		(14.6)
Net cash	**(5)**	**95.6**	**0.0**	**95.6**	**97.7**	**0.0**	**97.7**	**38.1**	**0.0**	**38.1**
Restatement of the loans granted to the proportionately consolidated companies	**(6)**	**18.3**	**2.6**	**20.9**	**0.0**	**6.9**	**6.9**	**0.0**	**2.4**	**2.4**
Net financial debt (excluding minority interest purchase commitments)	**(7)=(3)+(4) -(5)-(6)**	**(80.5)**	**775.5**	**695.0**	**(50.3)**	**644.8**	**594.5**	**(13.2)**	**479.8**	**466.6**

From an economic point of view, the Group judges that it is more relevant to comment the changes in the financial debt based on its repayment value rather than on its book value. In this purpose, "economic" financial debt is defined as the financial debt after cancellation of fair value due to hedging and amortized cost adjustments (resulting from the application of IAS 39).

The net financial debt is restated of the loans granted to the proportionately consolidated companies when their funding is shared between the different shareholders. The debt on commitments to purchase minority interests is recorded separately and therefore is not included in financial debt, as broken down in Note 3.17.

Financial derivatives and debt characteristics before and after hedging are described in Note 3.18.

In 2006, the Group increased its financing capacity through:

- the renegotiation of the committed revolving credit facility increasing the amount of the facility from €540 million to €850 million. Thanks to the improvement of market conditions, the Group has extended the maturity of the facility and reduced the margin;
- the implementation of a new banking facility of €75 million with a 5-year maturity.

The Group's main financial debts are held by JCDecaux SA, the drawn amount being as follows as of December 31, 2006:

In million euros	Economic value	Carrying amount	Market value (1)	Issuing date	Maturity date
US private placement	368.2	332.5	338.3	April 2003	between April 2010 and April 2015
Committed revolving credit facility	280.0	279.1	280.0	March 2005 amended in June 2006	June 2011 with 2 options of extension of 1 year each
Bank loans	75.0	75.0	75.0	October 2006	October 2011
Total	**723.2**	**686.6**	**693.3**		

(1) The US Private Placement (USPP) was revalued at market value. However, given that the revolving credit facility and the bank facility were renegotiated or implemented in 2006, the Group has considered that the value stated in its books was close to the market value.
The Group's financial debt is not quoted on an active market, and the values mentioned here have been computed based notably on information communicated by banks. The use of different assumptions or valuation methods could result in values that could vary from those mentioned.

These sources of funding held by JCDecaux SA are committed, but they require compliance with various restrictive covenants. As of December 31, 2006, the Group was compliant with all covenants, with values significantly distant from required limits.

The average effective rate of these debts after interest rate hedging is around 4% for the year 2006.

Financial debt also includes:

- bank loans held by JCDecaux SA's direct and indirect subsidiaries, for a total amount of €57.1 million;
- finance lease liabilities for €12.1 million described in the final section of this paragraph;
- miscellaneous facilities and other financial debt for €23.9 million, comprising shareholder loans held by subsidiaries not wholly owned by JCDecaux SA and granted by the other shareholders of such entities;
- accrued interests for €4.0 million.

In addition, the Group has a total of €570 million available committed credit facilities as of December 31, 2006 (available amount of the committed revolving credit line).

Maturity of financial debt (excluding unused committed credit facilities)

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Less than one year	37.7	46.3	23.9
More than one year and less than 5 years	486.0	124.8	99.1
More than 5 years	296.6	529.7	384.0
Total	**820.3**	**700.8**	**507.0**

Breakdown of financial debt by currency

Breakdown of debt by currency (before basis and currency swaps)

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Euro	548.3	406.5	249.4
US dollar	219.6	228.4	218.5
Chinese yuan	12.3	19.3	0.0
Hong Kong dollar	0.0	10.3	0.0
Danish krone	5.9	9.1	12.3
Chilean peso	5.8	6.1	4.8
Norwegian krone	0.0	0.0	5.5
Other	28.4	21.1	16.5
Total	**820.3**	**700.8**	**507.0**

Breakdown of debt by currency (after basis and currency swaps)

	12/31/2006		12/31/2005 Restated		12/31/2004 Restated	
In million euros	In M€	In %	In M€	In %	In M€	In %
Euro	490.0	60%	427.0	61%	380.9	75%
Hong Kong dollar	178.8	22%	133.1	19%	0.0	0%
US dollar	73.3	9%	92.3	13%	67.3	13%
Pound Sterling	16.5	2%	0.0	0%	0.0	0%
Thai Bath	12.8	2%	0.0	0%	0.0	0%
Chinese yuan	12.3	1%	19.3	2%	0.0	0%
Norwegian krone	11.8	1%	12.9	2%	11.5	2%
Danish krone	8.9	1%	12.4	2%	16.9	4%
Canadian dollar	7.7	1%	0.0	0%	0.0	0%
Chilean peso	5.8	1%	6.1	1%	4.8	1%
Other	2.4	0%	(2.3)	0%	25.6	5%
Total	**820.3**	**100%**	**700.8**	**100%**	**507.0**	**100%**

Breakdown of debt by interest rate (excluding unused committed credit facilities)

Breakdown of debt by interest rate (before committed and optional interest rate derivatives)

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Fixed rate	266.0	259.2	254.1
Floating rate	554.3	441.6	252.9
Total	**820.3**	**700.8**	**507.0**

Breakdown of debt by interest rate (after committed and optional interest rate derivatives) – Additional information on hedging is disclosed in Note 3.18

	12/31/2006		12/31/2005 Restated		12/31/2004 Restated	
	In M€	In %	In M€	In %	In M€	In %
Fixed rate	51.4	6%	37.2	5%	44.9	9%
Floating rate hedged with option	175.0	21%	110.0	16%	95.0	19%
Floating rate	593.9	73%	553.6	79%	367.1	72%
Total	**820.3**	**100%**	**700.8**	**100%**	**507.0**	**100%**

Finance lease liabilities
Finance lease liabilities break down as follows:

In million euros	12/31/2006 Minimum future lease payments	12/31/2006 Interest	12/31/2006 Principal	12/31/2005 Restated Minimum future lease payments	12/31/2005 Restated Interest	12/31/2005 Restated Principal	12/31/2004 Restated Minimum future lease payments	12/31/2004 Restated Interest	12/31/2004 Restated Principal
≤ 1 year	3.3	0.5	2.8	3.6	0.5	3.1	3.0	0.7	2.3
> 1 year and ≤ 5 years	8.5	1.1	7.4	8.1	1.1	7.0	7.4	1.5	5.9
> 5 years	1.9	0.0	1.9	2.7	0.1	2.6	3.6	0.4	3.2
Total	**13.7**	**1.6**	**12.1**	**14.4**	**1.7**	**12.7**	**14.0**	**2.6**	**11.4**

3.17. Debt on commitment to purchase minority interests

The debt on commitment to purchase minority interests amounts to €80.5 million as of December 31, 2006, compared to €66.8 million as of December 31, 2005.

The item comprises primarily a purchase commitment given to the partner Progress, for its interest in Gewista, exercisable between January 1, 2009 and December 31, 2009, for a present value on the balance sheet of €66.2 million and for which this partner is also committed not to sell its shares before January 1, 2009.

3.18. Financial derivatives

The Group uses derivatives solely for interest rate and foreign exchange rate hedging purposes. The use of those derivatives primarily concerns JCDecaux SA.

3.18.1. Financial instruments related to bond issues

In connection with the issuance of its US private placement in 2003, JCDecaux SA raised funds, a significant portion of which ($250 million) were denominated in US dollars and carried a fixed coupon. As the Group did not generate such US dollar funding needs and in compliance with its policy to have its medium and long-term debt indexed to floating rates, JCDecaux SA entered into swap transactions combined with the issuance of its private placement to hedge against the change in fair value of the debt.

As of December 31, 2006, the bond debt is as follows – before and after hedging -:

	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E
Principal amount before hedging	US$100 million	US$100 million	€100 million	US$50 million	€50 million
Maturity date	April 2010	April 2013	April 2013	April 2015	April 2015
Repayment	At maturity	At maturity	At maturity	At maturity	At maturity
Interest rate before hedging	US$ Fixed rate	US$ Fixed rate	EURIBOR rate	US$ Fixed rate	EURIBOR rate
Hedging instrument	Interest rate swap : receiving fixed rate / paying floating rate (LIBOR)	interest rate swaps combined with basis swaps : receiving fixed rate / paying floating rate (EURIBOR)	NA	interest rate swaps combined with basis swaps : receiving fixed rate / paying floating rate (EURIBOR)	NA
Principal amount after hedging	US$100 million	€94.8 million	€100 million	€47.4 million	€50 million
Interest rate after hedging	LIBOR rate	EURIBOR rate	EURIBOR rate	EURIBOR rate	EURIBOR rate

These swaps meet the conditions required to qualify as fair value hedges within the meaning of IAS 39. The features of the hedged debt and the hedging instrument being identical, the hedge is effective.

As the debt is measured at fair value, the changes in value of the hedged debt are offset by symmetrical changes in value of the derivatives. The impacts on the income statement are therefore cancelled out.

The market values of these derivatives were determined by discounting the future cash flow differential based on zero coupon rates prevailing as of closing date:

In million euros	IAS 39 treatment	Market value as of 12/31/06	Market value as of 12/31/05	Market value as of 12/31/04
Interest rate swap	hedging of changes in fair value of debt relating to changes in interest rate	(6.2)	(5.1)	0.7
Basis swap	hedging of changes in fair value of debt relating to changes in foreign exchange rate	(28.4)	(15.2)	(34.2)
		(34.6)	**(20.3)**	**(33.5)**

3.18.2. Interest rate instruments (excluding financial instruments related to bond issues)

a – Hedging against an increase in short-term euro interest rates of JCDecaux SA's debt indexed to a floating rate (€820.3 million outstanding as of December 31, 2006):

Most of the Group's debt is denominated in euros and indexed to floating rates, and in order to limit the impact of an increase in Euribor rates on its cost of debt, the Group has set up medium-term hedges in the form of caps sometimes funded by sales of caps or floors.

During 2006, €35 million of hedges matured. The Group set up new hedges with a 3-year maturity for €100 million through double strike caps and cap spreads funded by sales of floors.

Accordingly, as of December 31, 2006, the euro positions contracted by the Group are as follows:

- caps purchased for €175 million maturing between 2009 and 2010; these were in the money on December 31, 2006;
- caps sold for €125 million maturing between 2009 and 2010; none was in the money on December 31, 2006;
- floors sold for €100 million maturing in 2009; none was in the money based on a 3-month EURIBOR of 3.725% as of December 31, 2006.

In accordance with the definitions of IAS 39, the effectiveness of these financial instruments in relation to the hedged items is not perfect. The Group currently does not wish to apply hedge accounting to these instruments. Consequently, only the market value of these instruments is recorded on the balance sheet, with changes in fair value recorded in the income statement.

The market values used for this type of derivative are the valuations communicated by first rank banks.

As of December 31, 2006, the market value of these financial instruments amounts to €2.5 million, compared to €0.3 million as of December 31, 2005.

b – Hedging of subsidiary debt:

To hedge bank loans denominated in Danish krones and indexed on floating rates, the Danish subsidiary has set up pay-fixed receive-floating interest rate swaps with an amortizing profile and a final maturity in January 2009. The outstanding amount as of December 31, 2006 is 26.6 million Danish krones (i.e. €3.6 million).

Most of these swaps qualify as cash flow hedges within the meaning of IAS 39.

The market value of these swaps qualified as hedges is therefore presented on the balance sheet and changes in value of the efficient portion are recorded in equity. Changes in value of the portion of these financial instruments that does not qualify as a hedge are recorded in the income statement.

The market values of these derivatives were valued by discounting the future cash flow differential based on zero coupon rates prevailing as of the closing date.

As of December 31, 2006, the market value of these swaps is not significant.

3.18.3. Foreign exchange rate instruments (excluding financial instruments related to bond issues)

The foreign exchange risk exposure of the Group is generated by its business in foreign countries. It is mainly related to financial activities (refinancing and recycling of cash deposits with foreign subsidiaries pursuant to the Group's cash centralization policy).

The Group covers this risk with short-term currency swaps.

Since the inter-company loans and receivables are eliminated on consolidation, only the value of the hedging instruments is presented in the balance sheet.

As of December 31, 2006, the hedging transactions implemented by the Group are as follows (net positions):

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Forward purchases against Euro:			
Australian dollar	9.4	1.9	
Swedish krone	8.2	7.2	
American dollar	4.9		9.0
Singapore dollar	2.6	3.4	3.5
Pound sterling		23.3	
Other			2.2
Forward sales against Euro:			
Hong Kong dollar	178.8	122.9	
Norwegian krone	12.1	12.9	5.9
Pound sterling	11.4		
Thai Bath	8.8		
American dollar		6.1	
Canadian dollar	5.1	5.7	
Czech koruna	4.4	6.2	9.3
Danish krone	3.0	3.4	4.6
Other	1.5	0.5	

As of December 31, 2006, the market value of these financial instruments amounts to €4.3 million compared to €(1.1) million as of December 31, 2005.

3.19. Trade and other payables (current liabilities)

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Trade payables	219.7	195.6	150.9
Tax, employee and other social liabilities	136.2	130.6	128.0
Other operating liabilities	107.0	101.3	104.3
Payables: purchase of fixed assets	12.9	8.8	1.9
Other liabilities	8.0	13.6	6.8
Down payments received	9.2	5.2	4.2
Unearned income	53.1	54.5	39.2
Total	**546.1**	**509.6**	**435.3**

As of December 31, 2006, the €36.5 million marked increase in current liabilities is attributable for €24.1 million to the increase in trade payables, particularly in England, due to the growth in the Senior and Street Furniture business activity.

The trade and other payables have a maturity of less or equal to one year.

4. NOTES TO THE INCOME STATEMENT

4.1. Net operating expenses

In million euros	2006	2005 Restated	2004 Restated
Rents and fees	(621.9)	(542.3)	(492.7)
Other net operating expenses	(391.8)	(349.9)	(321.9)
Taxes and duties	(17.3)	(18.1)	(18.1)
Staff costs	(381.8)	(360.8)	(330.3)
Net provision charge	6.5	9.0	(0.6)
Net depreciation and amortization	(176.4)	(154.8)	(140.6)
Maintenance spare parts	(28.9)	(27.3)	(37.3)
Other operating income and expenses	(2.9)	(1.7)	1.3
Total	**(1,614.5)**	**(1,445.9)**	**(1,340.2)**

Rents and fees
This item includes rents and fees that the Group pays to landlords, public authorities, airports, transport companies and shopping malls.

In 2006, fees paid for the right to advertise total €621.9 million:

In million euros	Total	Fixed expenses	Variable expenses
Fees associated with Street Furniture and Transport contracts	470.9	320.3	150.6
Rents related to Billboard locations	151.0	122.3	28.7
Total	**621.9**	**442.6**	**179.3**

Variable expenses are determined based on contractual terms and conditions: rents and fees that fluctuate according to revenue levels are considered as variable expenses. Rents and fees that fluctuate according to the number of furniture items or the number of passengers in the case of airports are considered as fixed expenses.

Other net operating expenses
This item includes four principal cost categories:

- Costs incurred in hiring subcontractors to perform some of maintenance operations of the Group;
- Billboard advertising stamp duties;
- Operating lease expenses;
- the fees and operating costs, excluding staff costs, of the different services of the Group.

Operating lease expenses, amounting to €26.3 million in 2006, are fixed expenses.

Research costs and non-capitalized development costs are also included in "Other net operating expenses" and amount to €3.5 million in 2006, compared to €5.0 million in 2005.

Taxes and duties
This item includes taxes and similar charges other than income taxes. The principal taxes recorded under this item are business tax (*taxe professionnelle*) and real estate taxes.

Staff costs
This item includes salaries, benefits, share-based payments and social security including installation and maintenance staff, research and development staff, sales force and administrative staff.

It also covers profit-sharing and investment plans and related expenses for French employees.

Staff costs include:

In million euros	2006	2005 Restated	2004 Restated
Compensation and other benefits	297.8	277.9	253.7
Social security contributions	81.7	78.9	73.1
Share-based payment expenses	2.3	4.0	3.5
Total	**381.8**	**360.8**	**330.3**

Staff costs in respect of post-employment benefits break down as follows:

In million euros	2006	2005 Restated	2004 Restated
Retirement benefits and pensions	5.5	3.6	3.7
Other long-term benefits	0.2	0.7	0.3
Total Provision for retirement and other benefits (1)	**5.7**	**4.3**	**4.0**

(1) Including €4.0 million of expenses related to retirement benefits and pensions and other post-employment benefits included in "Net provision charge" in 2006 against €2.5 million in 2005.

Share-based payment expenses recognized pursuant to IFRS 2 total €2.3 million in 2006 compared to €4.0 million in 2005 and €3.5 million in 2004.

Breakdown of bonus share plan:

	2006 Plan
Grant date	February 3, 2006
Number of beneficiaries	2
Number of bonus shares	25,974
Fair value of bonus shares	€ 19.56

Breakdown of stock option plans:

	2006 Plan	2005 Plan	2004 Plan	2003 Plan	2002 Plan	2001 Plan	2001 Plan	2001 Plan
Grant date	February 20, 2006	March 4, 2005	March 5, 2004	January 16, 2003	December 13, 2002	December 14, 2001	July 20, 2001	June 21, 2001
Vesting date	February 20, 2009	March 4, 2008	March 5, 2007	January 16, 2006	December 13, 2005	December 14, 2004	July 20, 2004	June 21, 2004
Expiry date	February 20, 2013	March 4, 2012	March 5, 2011	January 16, 2010	December 13, 2009	December 14, 2008	July 20, 2008	June 21, 2008
Number of beneficiaries	4	140	120	20	2	49	771	5,540
Number of options	70,758	690,365	678,711	209,546	88,096	340,996	479,024	3,283,684
Exercise price	€ 20.55	€ 19.81	€ 15.29	€ 10.78	€ 10.67	€ 11.12	€ 15.46	€ 16.50

Stock option movements during the period and average exercise price by category of options:

Period	2006	Average exercise price in euros	2005	Average exercise price in euros	2004	Average exercise price in euros
Number of options outstanding at the beginning of the year	**3,898,046**	**16.03**	**3,868,161**	**15.38**	**3,718,177**	**15.46**
Options granted during the period	70,758	20.55	690,365	19.81	678,711	15.29
Options forfeited during the period	78,504	16.73	128,598	16.43	135,818	15.80
Options exercised during the period	889,709	15.79	531,882	16.09	392,909	15.86
Options expired during the period	0	NA	0	NA	0	NA
Number of options outstanding at the end of the period	**3,000,591**	**16.19**	**3,898,046**	**16.03**	**3,868,161**	**15.38**
Number of options exercisable at the end of the period	**2,257,813**	**15.41**	**2,737,031**	**15.33**	**3,044,026**	**15.65**

The average strike price per plan of options exercised during the year was as follows:

Plan	Grant date	Options exercised in 2006	Average exercice price in euros	Options exercised in 2005	Average exercice price in euros	Options exercised in 2004	Average exercice price in euros
2001	June 2001	694,090	21.35	442,172	20.48	279,625	19.71
	July 2001	74,779	22.16	56,891	19.91	82,794	19.34
	December 2001	74,450	21.39	18,847	20.12	27,499	20.99
2002	2002	0	0	0	0	0	0
2003	2003	26,118	21.57	8,843	20.34	2,991	21.49
2004	2004	15,819	21.16	5,129	19.76	0	0
2005	2005	4,453	21.09	0	0	0	0
2006	2006	0	0	0	0	0	0
Total		**889,709**	**21.42**	**531,882**	**20.53**	**392,909**	**19.78**

The residual terms of option plans outstanding as of December 31, 2006, 2005 and 2004 were as follows:

		12/31/2006			12/31/2005			12/31/2004		
Plan	Grant date	In options	Residual term in years	Average strike price in euros	In options	Residual term in years	Average strike price in euros	In options	Residual term in years	Average strike price in euros
2001	June 2001	1,127,964	1.47	16.50	1,864,014	2.47	16.50	2,384,932	3.47	16.50
	July 2001	90,999	1.55	15.46	168,925	2.55	15.46	229,643	3.55	15.46
	December 2001	205,871	1.95	11.12	286,987	2.95	11.12	305,834	3.95	11.12
2002	2002	88,096	2.95	10.67	88,096	3.95	10.67	88,096	4.95	10.67
2003	2003	161,258	3.04	10.78	187,376	4.04	10.78	200,641	5.04	10.78
2004	2004	605,241	4.18	15.29	627,927	5.18	15.29	659,015	6.18	15.29
2005	2005	650,404	5.18	19.81	674,721	6.18	19.81	0		
2006	2006	70,758	6.15	20.55	0			0		
Total		**3,000,591**		**16.19**	**3,898,046**		**16.03**	**3,868,161**		**15.38**

The plans were valued using the Black & Scholes model based on the following assumptions:

	Plan				
Assumptions	**2006**	**2005**	**2004**	**2003**	**2002**
- Price of underlying at date of grant	€20.70	€19.70	€16.19	€11.78	€10.49
- Estimated volatility	29.43%	32.84%	50.00%	50.00%	50.00%
- Risk-free interest rate	3.11%	2.96%	3.61%	3.96%	4.00%
- Estimated option life (in years)	4.5	4.5	7.0	7.0	7.0
- Estimated turnover	0%	5%	2%	2%	2%
- Options fair value	€5.11	€6.21	€9.23	€6.88	€5.86

The estimated option life represents the period from the grant date to management's best estimate of the most likely date of exercise.

Stock option plans granted between 2002 and 2004 were valued at the date of transition to IFRS based on historical volatility, with the date of the stock market initial public offering (IPO) as the start point. It was assumed that options will be exercised at the end of their life.

As the Group had more historical data for the valuation of the 2005 and 2006 plans, it was able to refine its volatility calculation assumptions. Therefore the first year of listing was not included in the volatility calculation, as it was considered abnormal due primarily to the sharp movements in share price inherent to the IPO and the effect of September 11, 2001.

Furthermore, based on observed behavior, the Group considered on the issuance of the 2005 and 2006 plans, that the option would be exercised 4.5 years on average after the grant date.

Maintenance spare parts
The item comprises the cost of spare parts for street furniture as part of maintenance operations for the advertising network, excluding glass panel replacements and cleaning products, and net charges for inventory write-down.

Other operating income and expenses
Amounting to €(2.9) million in 2006, the item primarily comprises €(1.4) million in France (expense essentially related to an adjustment following an audit performed by URSSAF, the French social security administration, that was provided for) and €(1.4) million in the United Kingdom.

4.2. Financial result

In million euros	2006	2005 Restated	2004 Restated
Interest income	5.4	6.5	6.2
Interest expenses	(33.7)	(25.7)	(27.0)
Net interest expenses (1)	**(28.3)**	**(19.2)**	**(20.8)**
Dividends	**0.5**	**0.1**	**0.3**
Net foreign exchange gains / (losses)	**(6.2)**	**4.3**	**0.1**
Impact of IAS 39 - foreign exchange	(0.5)	0.6	0.0
Impact of IAS 39 - interest rate	0.0	(0.1)	(0.2)
Variation in fair value of derivatives not qualified as hedges	2.2	1.4	0.9
Amortized cost impact	(0.5)	(1.6)	(1.1)
Impact of IAS 39	**1.2**	**0.3**	**(0.4)**
Discounting charges	**(11.7)**	**(11.8)**	**(8.0)**
Bank guarantee costs	**(0.6)**	**(0.7)**	**(1.5)**
Charge to provisions for financial risks	(2.3)	(2.4)	(2.3)
Reversal of provisions for financial risks	2.9	1.4	1.5
Provisions for financial risks - Net charge	**0.6**	**(1.0)**	**(0.8)**
Proceeds from the sale of financial investments	6.1	0.4	1.7
Expenses on the sale of financial investments	(6.7)	(0.1)	(2.3)
Net income / (loss) on the sale of financial investments	**(0.6)**	**0.3**	**(0.6)**
Other	0.0	0.0	0.1
Other net financial expenses (2)	**(16.8)**	**(8.5)**	**(10.8)**
Financial result (3) = (1)+(2)	**(45.1)**	**(27.7)**	**(31.6)**

The financial result totals €(45.1) million in 2006 compared to €(27.7) million in 2005, representing a decrease of €17.4 million. The financial result in 2006 is mainly comprised of:

- The €(28.3) million net interest expense which increased by €9.1million as a result of the increase in average net debt;
- The €(6.2) million foreign exchange loss mainly attributable to foreign exchange losses on inter-company loans in Hong Kong dollars that were not hedged at inception. Because of the currency decline over the period, the positive net foreign exchange gains posted in 2005 on these unhedged loans became negative in 2006. All loans in Hong Kong dollars from JCDecaux SA to its subsidiaries are now hedged.

4.3. Income tax

Breakdown between deferred and current taxes

In million euros	2006	2005 Restated	2004 Restated
Current taxes	(92.3)	(77.5)	(74.5)
Deferred taxes	0.9	(6.8)	(19.3)
Total	**(91.4)**	**(84.3)**	**(93.8)**

The effective tax rate before impairment of goodwill and the share of net profit of associates, was 36.7% in 2004, 31.0% in 2005 and 31.9% in 2006.

The 2006 deferred tax charge breaks down as follows:

- net deferred tax charge of €(8.2) million,
- reversal of deferred tax asset provisions in the amount of €9.1 million.

Breakdown of deferred tax charge

In million euros	2006	2005 Restated	2004 Restated
Intangible assets and PP&E	4.5	(5.7)	(7.6)
Tax losses carried forward	(4.5)	(4.3)	(11.1)
Dismantling provision	1.1	2.9	0.9
Other	(0.2)	0.3	(1.5)
Total	**0.9**	**(6.8)**	**(19.3)**

Tax proof:

In million euros	2006	2005 Restated	2004 Restated
Consolidated net income	**204.0**	**196.8**	**165.2**
Income tax charge	(91.4)	(84.3)	(93.8)
Consolidated income before tax	**295.4**	**281.1**	**259.0**
Impairment of goodwill	4.0	0.0	3.0
Share of net profit of associates	(12.6)	(9.5)	(6.5)
Expenses related to share-based payments	2.3	4.0	3.5
Financial expenses on liabilities on commitments to purchase minority interests	4.7	6.2	2.7
Parent / Subsidiary tax regime	1.9	1.6	3.6
Non-taxable income	(11.1)	(8.0)	(3.4)
Non-deductible expenses	25.6	24.2	13.7
Miscellaneous	0.0	(0.8)	5.3
Net income before tax subject to the standard tax rate	**310.2**	**298.8**	**280.9**
Weighted Group tax rate	31.52%	32.23%	33.01%
Theoretical tax charge	**(97.8)**	**(96.3)**	**(92.7)**
Deferred tax on unrecognized tax losses	(5.4)	(1.7)	(4.3)
Use of unrecognized prior year tax losses carried forward	2.2	7.0	0.7
Recognition of prior year tax losses carried forward	2.5	6.7	0.0
Other unrecognized deferred tax assets	1.6	0.3	2.8
Miscellaneous (1)	5.5	(0.3)	(0.3)
Income tax calculated	(91.4)	(84.3)	(93.8)
Income tax recorded	**(91.4)**	**(84.3)**	**(93.8)**

(1) In 2006, Spain contributed €5.7 million (€2.4 million reversal of the provision on the dividend tax credit and a €3.3 million reversal of deferred tax liabilities).

4.4. Number of shares for the earnings per share (EPS) / diluted EPS computation

	2006	2005 Restated	2004 Restated
Weighted average number of shares for the purposes of earnings per share	221,427,121	221,129,562	221,411,893
Weighted average number of stock options	3,554,958	3,505,394	4,133,805
Weighted average number of stock options issued at the market price	(2,710,026)	(2,781,163)	(3,736,754)
Weighted average number of shares for the purposes of diluted earnings per share	222,272,053	221,853,793	221,808,944

As of December 31, 2006, the February 20, 2006 stock option plan is excluded from the calculation, since it has an anti-dilutive effect.

4.5. Share of net profit of associates

In million euros	2006	2005 Restated	2004 Restated
Affichage Holding	6.1	3.9	3.9
Bus Focus Ltd (1)	0.7	0.4	
Metrobus	1.6	0.2	
Poad	1.0	0.2	
Stadtreklame Nürnberg GmbH	0.4	0.8	0.7
Wall AG	2.8	4.2	2.3
Wall Holdings Inc. / Wall USA Inc.	(0.5)	(0.2)	(0.4)
BigBoard	0.5		
Total	**12.6**	**9.5**	**6.5**

(1) Subsidiary of Texon International

Key income statement items of associates are as follows (1):

		2006		2005 Restated		2004 Restated	
In million euros	% interest 12/31/2006	Net Income	Net Revenues	Net Income	Net Revenues	Net Income	Net Revenues
Switzerland							
Affichage Holding	30%	20.3	212.7	15.5	191.4	14.6	194.3
Germany							
Stadtreklame Nürnberg GmbH	35%	1.1	11.1	2.3	11.5	2.0	11.1
Wall AG	35%	8.0	99.6	7.4	91.1	5.9	82.2
United States of America							
Wall Holdings Inc./Wall USA Inc.	50%	(1.1)	6.2	(0.5)	6.1	(0.9)	4.9
Hong Kong							
Bus Focus Ltd	40%	1.8	4.4	0.7	4.4	NA	NA
Poad	49%	2.0	23.4	0.4	3.3	NA	NA
France							
Metrobus	33%	4.9	149.5	0.6	24.7	NA	NA
Ukraine / Russia							
BigBoard	50%	1.0	17.2	NA	NA	NA	NA

(1) on a 100% basis restated according to IFRS

4.6. Impairment of goodwill

Goodwill impairment losses total €4.0 million in 2006, compared to 0 in 2005 and €3.0 million in 2004. The €4.0 million impairment loss in 2006 is analysed in Note 3.3 *Goodwill and other intangible assets.*

4.7. Headcount

In 2006, the Group had 8,140 employees compared to 7,911 employees in 2005.

The Group's share of employees of proportionately consolidated companies is 392 as of December 31, 2006 (included in the above total of 8,140 employees).

The breakdown of employees by function for 2006, 2005 and 2004 is as follows:

	2006	2005	2004
Technical	4,692	4,618	4,351
Sales and marketing	1,701	1,625	1,122
IT and administration	1,198	1,146	949
Contract business relations	455	434	420
Research and development	94	88	91
Total	**8,140**	**7,911**	**6,933**

5. COMMENTS ON THE CASH FLOW STATEMENT

5.1. Cash flows of proportionately consolidated companies

Cash flows of proportionately consolidated companies break down as follows:

- Net cash from operating activities in 2006 was €31.8 million compared to €20.7 million in 2005 and €14.8 million in 2004.
- Net cash used in investing activities was €(34.6) million in 2006 compared to €(17.9) million in 2005 and €(11.4) million in 2004.
- Net cash from financing activities was €13.9 million in 2006 compared to €2.6 million in 2005 and net cash used in financing activities of €(1.6) million in 2004.

5.2. Non-cash transactions

The increase in property, plant and equipment and liabilities related to finance lease contracts amounted to €2.9 million in 2006 compared to €3.9 million in 2005 and €2.2 million in 2004.

6. MARKET RISKS

As a result of its operations, the Group is exposed to different degrees of market risks. The objective is to minimize such risks by pursuing appropriate financial strategies. 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.

6.1. Risks relating to operations and strategy for managing such risks

Liquidity and financing risk

The Group generates significant operating cash flows that enable it to self-finance organic growth. In the Group's opinion, acquisition opportunities could lead it to temporarily increase this net debt.

The Group's financing strategy consists of:

- centralizing financing at the parent company level. Direct and indirect subsidiaries are therefore financed, in priority, through inter-company loans made by JCDecaux SA. However, the Group may have external financing for certain subsidiaries, especially (i) where the tax or currency situation is unfavorable (withholding tax, on-shore or off-shore interest rate terms, etc.); (ii) for subsidiaries that are not wholly owned by the Group; (iii) for historical reasons (financings already in place when the subsidiary joined the Group);
- having financing resources available (i) that are diversified, especially to avoid being exclusively dependent on the banking market; (ii) which maturity is in line with the medium and long-term life of its assets; (iii) that are flexible, in order to absorb fluctuations in Group net debt;
- having permanent access to a liquidity reserve in the form of committed, but unused credit facilities;
- minimizing the risk of non-renewal of financing sources, by staggering annual installments;
- optimizing financing margins, through early renewal of loans that are approaching maturity, or by re-financing certain financing sources when market conditions are favorable; and
- optimizing the cost of net debt, by recycling excess cash flow generated by different Group companies as much as possible, in particular by repatriating the cash to JCDecaux SA through loans or dividend payments.

Group medium and long-term debt is rated "Baa2" by Moody's and "BBB+" by Standard and Poor's, with a stable outlook in both cases.

As of December 31, 2006, balance sheet debt excluding hedging instruments amounts to €783.7 million. After deduction of net cash of €95.6 million and impact of the loans granted to the proportionately consolidated companies of €20.9 million, Group net debt is €667.2 million.

Pursuant to IFRS, this debt balance includes the fair value revaluation of hedged debt and the impact of amortized cost (IAS 39 adjustments). This debt balance should, however, be corrected for these adjustments in order to assess its repayment value. Debts on commitments to purchase minority interests (IAS 32 adjustments) are recorded in a separate line of the balance sheet and are not included in financial debt.

As of December 31, 2006, the "economic" net debt is €695.0 million, representing a debt/equity (Group share) ratio of 36.4%, compared to €594.5 million and a debt/equity (Group share) ratio of 33.3% as of December 31, 2005.

In 2006, in accordance with the financing policy:

- JCDecaux SA:
  - renegotiated its bank credit facilities set up in 2005. The Group increased this bank credit facility from €540 million to €850 million. The Group took advantage of favorable market conditions to extend the debt maturity (five-year maturity with two one-year extension options) and to reduce the margin;
  - implemented a new banking facility of €75 million with a five-year maturity.
- 89% of Group financial debt is carried by JCDecaux SA and has an average maturity of more than five years.
- As of December 31, 2006, the Group has cash of €119.8 million and unused committed credit facilities of €570 million (see Note 3.11 *Cash and cash equivalents*).

JCDecaux SA financing sources are confirmed but they require compliance with a number of covenants. Breach of these covenants could, if conditions are met, trigger early repayment of loans and credit facilities. As of December 31, 2006, the Group was compliant with all covenants. When this document is released, no exceptional event likely to trigger these covenants at March 31, 2007 occurred.

Interest rate risk

The Group is exposed to interest rate fluctuations as a result of its debt, including, but not limited to, the euro, the Hong Kong dollar and the U.S. dollar. Given the high correlation between the advertising market and the level of general economic activity of the countries where the Group operates, it is Group strategy to secure primarily floating-rate financing. Hedging operations are mainly centralized at the JCDecaux SA level.

The cost of the JCDecaux SA gross debt after hedging would be impacted over the year 2006 by changes in the EURIBOR rate as follows:

Change in basis points of EURIBOR rates compared to rates as of Dec. 31, 2006	-100bp	+100bp	+200bp	+300bp
Impact in basis points on the cost of gross debt	-88bp	+92bp	+189bp	+285bp

Interest rate hedges totaling €35 million matured during 2006. The Group negotiated new hedges in the form of cap spreads and double strike caps partially funded by sales of floors in the amount of €100 million.

As of December 31, 2006, 6% of total Group gross debt, all currencies combined, was at fixed rates, 21% was hedged against an increase in short-term interest rates in the currencies concerned; 7% of the total Group euro-denominated[(1)] gross debt was at fixed rates and 36% was hedged against an increase in EURIBOR rates.

Foreign exchange risk

Despite its presence in 48 countries, the Group is relatively immune to currency fluctuations, as the subsidiaries in each country do business solely in their own country and inter-company services and purchases are relatively insignificant. However, as the currency of financial statements of the Group is the euro, these Group financial statements are affected by the conversion into euro of financial statements denominated in local currencies. In 2006, revenues realized in currencies other than the euro accounted for 42.1% of Group revenues.

In 2006, the Group mainly implemented foreign currency hedges of financial transactions:

- pursuant to application of its centralized financing policy and its multi-currency excess cash position, and in order to hedge inter-company loan transactions, the Group implemented short-term currency swaps. The Group does not hedge positions generated by inter-company loans when hedging arrangements are (i) too costly (ii) not available or (iii) the loan amount is limited;
- the Group implemented swaps covering the full term of operations, for the portion of its long-term debt denominated in US dollars[(2)] not used to finance the current expansion of activities in the United States.

As of December 31, 2006, the Group considers that its financial position and earnings would not be materially affected by exchange rate fluctuations.

Management of excess cash positions

As of December 31, 2006, the Group excess cash position totals €119.8 million, spread across more than 40 countries.

Out of the total amount of €119.8 million, €4.6 million is invested in short-term investments and €10.2 million is used as guarantees.

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(1) *Euro-denominated debt after adjustment for currency swaps and issue swaps*

(2) *Private placement issued in the United States in 2003*

Management of capital and the debt/equity (Group share) ratio
The Group is not subject to any externally imposed capital requirement.

The Group financial policy is to optimize the debt/equity (Group share) balance. As part of that objective, the Group aims – unless in the case of any exceptional acquisition - to maintain debt within a range of 2 to 2.5 times its operating margin, which would result in a net debt/total equity (Group share) ratio of 55% to 70%.

Net debt refers to net financial debt as disclosed in the Note 3.16 *Net financial debt* (excluding debt on commitments to purchase minority interests). Total equity (Group share) corresponds to the equity disclosed in the balance sheet adjusted by IAS 39 items (cash flow hedges and financial investments available for sale).

As of December 31, 2006, those ratios amount respectively to 1.3% and 36.4%.

6.2. Risks related to financial management

Risks related to interest rate and foreign exchange derivatives
The Group does not use derivatives except for hedging foreign exchange and interest rate risks, which is done centrally.

Risks related to credit rating
The Group is rated "Baa2" by Moody's and "BBB+" by Standard & Poor's. The Group's principal financing sources (financing raised by the parent company), as well as principal hedging arrangements are not subject to early termination in the event of a downgrade of the Group's credit rating.

Counterparty risk
Group counterparty risks relate to the investment by the subsidiaries of their excess cash balances with banks and to other financial transactions, principally involving JCDecaux SA (via unused committed credit facilities and hedging commitments). The Group strategy is to minimize this risk (i) by minimizing excess cash flows within the Group through the internal recycling strategy, with the remaining counterparty risk being managed by authorizing the opening of bank accounts with first rate banks only and (ii) by entering into these financial transactions also with first rate banks only.

Risk related to portfolio securities
To earn a return on excess cash position, the Group occasionally invests in short tem investments. The investments acquired consist of money market securities (mutual funds and money-market SICAV funds that are not sensitive; certificates of deposits issued by first rate banks; short-term government securities etc.). These instruments are acquired on a short-term basis, earn interest at money market benchmark rates, are liquid, and involve only limited counterparty risk, as indicated above.

Group strategy is not to own marketable shares or securities other than money market securities and treasury shares. As such, the Group considers its risk exposure arising from marketable shares and securities to be very low.

7. COMMENTS ON OFF-BALANCE SHEET COMMITMENTS

7.1. Security and other commitments

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Commitments given (1)			
Business guarantees	68.7	66.9	59.5
Other guarantees	4.1	4.4	7.5
Pledges, mortgages and collateral	10.2	22.9	2.1
Commitments on securities	126.3	66.5	72.5
Total	**209.3**	**160.7**	**141.6**
Commitments received			
Guarantees	1.1	3.1	2.7
Commitments on securities	101.6	42.0	46.9
Credit facilities	570.0	310.0	600.0
Total	**672.7**	**355.1**	**649.6**

(1) Excluding commitments relating to lease, rent and minimum franchise payments, given in the ordinary course of business.

Business guarantees are granted mainly by JCDecaux SA. As such, JCDecaux SA guarantees the performance of contracts entered into by subsidiaries, either directly to third parties or by counter-guaranteeing guarantees granted by banks or insurance companies.

"Other guarantees" include guarantees granted mainly by JCDecaux SA: (i) covering payments under building lease agreements, and car rentals of its subsidiaries; (ii) as counter-guarantees for guarantee lines granted by banks to subsidiaries; (iii) covering payments related to financial debt of non-consolidated subsidiaries or equity associates; (iv) covering payments related to financial debts of proportionately consolidated companies when the guarantee amount exceeds the Group's percentage of interest.

The "pledges, mortgages and collateral" mainly comprise amounts of cash given in guarantees. A breakdown is provided in Note 3.11 *Cash and cash equivalents*.

Guarantees received are mainly related to the representations and warranties received.

Commitments on securities are mainly granted and received in the context of acquisitions.

As of December 31, 2006, commitments on securities given in favor of different partners comprise the following options:

- A call option with the following exercise period: December 1, 2008 to December 31, 2008. This option concerns the Group's 35% interest in the Wall Group. The exercise price will be at least €66.6 million. The contractual calculation formula values this commitment at approximately €68 million as of December 31, 2006. The agreement signed on March 8, 2007 as described in Note 12 *Subsequent events* puts an end to this call option.
- Additional consideration of €0.8 million which can be claimed up to December 14, 2007 if the Group acquires over 50% of the share capital of Wall Group.
- Regarding the 34% interest held by the Group's partner Publicis in Somupi, two put options have been granted:
  - the first, valid from September 15, 2005 to March 31, 2014, will be exercisable only in the event of a change in the control of JCDecaux Group. The exercise price will be determined in accordance with a contractual calculation formula;
  - the second, valid from April 1, 2014 is exercisable in the event that JCDecaux Group wishes to transfer its entire interest to a third party. The exercise price will be determined in good faith by the parties or by an expert.
- A call option with the two exercise periods: from October 1, 2011 to September 30, 2012 or from December 1, 2011 to November 30, 2012. This option concerns the Group's 50% interest in the BigBoard Group. The contractual calculation formula values this commitment at approximately €58 million as of December 31, 2006.

Furthermore, the Group is committed to sell, in 2009, a 12.5% interest in AQMI for a consideration of €1.3 million.

As of December 31, 2006, commitments on securities received by the Group comprise the following options:

- A put option exercisable from December 1, 2008 to December 31, 2008. The option concerns the Group's 35% interest in the Wall Group. The exercise price will be at least €44 million for a 23.88% interest. The contractual calculation formula values this commitment at approximately €46 million. The contractual calculation formula values the commitment regarding the additional 11.12% interest at approximately €22 million.
- Regarding the 33% interest in the Metrobus Group, three put options have been received:
  - the first, valid from September 15, 2005 to March 31, 2014 can only be exercised in the event of change in the control of Publicis Group. Its exercise price will be determined in accordance with the contractual calculation formula,
  - the second, valid from April 1, 2014 to September 30, 2014 can be exercisable if the RATP renews its contract with Metrobus. The exercise price will be determined by investment banks,
  - the last, valid from April 1, 2014 is exercisable in the event that the Publicis Group wishes to transfer its entire interest to a third party. The exercise price will be determined in good faith by the parties or by an expert.
- A call option exercisable from April 15, 2009 to May 15, 2009. The option covers a capital increase subscription in the BigBoard Group, increasing JCDecaux's control from 40% to 50%.
- A call option with the two exercise periods: from April 1, 2011 to September 30, 2011 or from June 1, 2011 to November 30, 2011. This option concerns our partner's 50% interest in the BigBoard Group. The contractual calculation formula values this commitment at approximately €58 million as of December 31, 2006.

Lastly, the Group benefits from pre-emptive rights under certain partnership agreements, which are not considered as commitments given or received.

Credit facilities comprise the confirmed revolving credit line secured in March 2005 and renegotiated in 2006 of €850 million. As of December 31, 2006, €570 million of this credit line was not drawn.

7.2. Commitments relating to lease, rent and minimum franchise payments given in the ordinary course of business

In the ordinary course of business, JCDecaux has entered into the following agreements:

- contracts with cities, airports and transport companies, which entitle the Group to operate its advertising business and collect the related revenues, in return for payment of fees, comprising a fixed portion or guaranteed minimum (*minima garantis*);
- rental agreements for billboard locations on private property;
- lease agreements for buildings, vehicles and other equipment (computers, etc.).

Such commitments given in the ordinary course of business break down as follows (amounts are not discounted):

In million euros	≤ 1 year	>1 &≤ 5 years	> 5 years [(1)]	Total
Minimum franchise payments associated with Street Furniture or Transport contracts	338.9	1,058.4	1,152.5	2,549.8
Rents related to Billboard locations	84.9	119.6	30.3	234.8
Operating leases	22.4	48.0	14.8	85.2
Total	**446.2**	**1,226.0**	**1,197.6**	**2,869.8**

(1) *until 2031.*

7.3. Commitments to purchase assets

Commitments to purchase property, plant and equipment and intangible assets total €230.1 million and €0.3 million respectively as of December 31, 2006.

7.4. Commitments relating to employee benefits

Pursuant to IAS 19 *Employee benefits*, and in accordance with the Group decision to apply the corridor method, a portion of actuarial gains and losses, and past service costs, is not recognized as provisions. A breakdown is provided in Note 3.15 *Provisions*.

8. SEGMENT REPORTING

Pursuant to IAS 14 *Segment Reporting*, primary segment information is reported by line of business and secondary segment information is reported by geographical area. This distinction is based on the internal organization systems and management structure of the Group. The primary segment information reflects the three business models suitable for each of the three lines of business.

8.1. By line of business

Definition of business segments

Street Furniture

The Street Furniture line of business covers, in general, the advertising agreements relating to public property entered into with cities and local authorities. It also includes advertising in shopping malls, as well as the renting of street furniture, the sale and rental of equipment, and other various services such as cleaning and maintenance.

Transport

The Transport line of business covers advertising in public transport systems, including airports, subways, buses, tramways and trains.

Billboard

The Billboard line of business covers advertising on private property, including both traditional billboards and back-light billboards. It also includes neon-type activity.

Transactions between business lines

Transfer prices between business lines are equal to prices determined on an arm's length basis, as in transactions with third parties.

The breakdown of the 2006 segment reporting by line of business is as follows:

In million euros	Street Furniture	Transport	Billboard	Eliminations	Total
Net revenues					
- to third parties	984.1	507.7	454.6	0.0	1,946.4
- inter-segment revenues	21.1	1.2	13.4	(35.7)	0.0
Total	**1,005.2**	**508.9**	**468.0**	**(35.7)**	**1,946.4**
Operating margin	**407.8**	**52.9**	**72.9**	**0.0**	**533.6**
EBIT	**256.9**	**33.3**	**41.7**	**0.0**	**331.9**
Impairment of goodwill	(4.0)				-4.0
Segment profit/loss	**252.9**	**33.3**	**41.7**	**0.0**	**327.9**
Financial result					(45.1)
Income tax					(91.4)
Share of net profit of associates	3.4	1.6	7.6		12.6
Consolidated net income					**204.0**
Segment assets	1,674.4	612.3	962.0	(75.7)	3,173.0
Investments in associates	83.9	18.5	197.2		299.6
Financial investments					8.3
Other financial investments					38.8
Financial derivatives					6.8
Cash and cash equivalents					119.8
Tax assets					16.4
Total assets					**3,662.7**
Segment liabilities	450.7	168.1	195.4	(75.7)	738.5
Balance sheet financial debt					783.7
Debt on commitment to purchase minority interests					80.5
Financial derivatives					34.6
Bank overdrafts					24.2
Tax liabilities					135.4
Total equity					1,865.8
Total liabilities and equity					**3,662.7**
Acquisitions of intangible assets and PP&E (1)	138.0	9.2	27.9		175.1
Depreciation and amortization (2)	127.9	20.0	28.5		176.4
Non-cash expenses other than depreciation and amortization	(4.3)	(2.0)	0.6		(5.7)

(1) excluding sales of intangible assets and PP&E
(2) including impairment losses on intangible assets and PP&E

The breakdown of the 2005 segment reporting by line of business is as follows:

In million euros	Street Furniture	Transport	Billboard	Eliminations	Total
Net revenues					
- to third parties	925.3	391.6	428.3	0.0	1,745.2
- inter-segment revenues	24.9	3.6	10.3	(38.8)	0.0
Total	**950.2**	**395.2**	**438.6**	**(38.8)**	**1,745.2**
Operating margin	**384.4**	**31.1**	**58.6**	**0.0**	**474.1**
EBIT	**251.9**	**16.9**	**30.5**	**0.0**	**299.3**
Impairment of goodwill					0.0
Segment profit/loss	**251.9**	**16.9**	**30.5**	**0.0**	**299.3**
Financial result					(27.7)
Income tax					(84.3)
Share of net profit of associates	5.2	0.2	4.1		9.5
Consolidated net income					**196.8**
Segment assets	1,541.9	604.8	885.2	(70.4)	2,961.5
Investments in associates	83.9	18.2	130.9		233.0
Financial investments					6.3
Other financial investments					25.0
Financial derivatives					0.3
Cash and cash equivalents					114.7
Tax assets					16.4
Total assets					**3,357.2**
Segment liabilities	423.1	151.0	182.6	(70.4)	686.3
Balance sheet financial debt					678.0
Debt on commitment to purchase minority interests					66.8
Financial derivatives					21.4
Bank overdrafts					17.0
Tax liabilities					133.8
Total equity					1,753.9
Total liabilities and equity					**3,357.2**
Acquisitions of intangible assets and PP&E (1)	111.8	7.8	28.7		148.3
Depreciation and amortization (2)	113.2	15.0	26.6		154.8
Non-cash expenses other than depreciation and amortization	(7.1)	0.4	(0.2)		(6.9)

(1) excluding sales of intangible assets and PP&E

(2) including impairment losses on intangible assets and PP&E

The breakdown of the 2004 segment reporting by line of business is as follows:

In million euros	Street Furniture	Transport	Billboard	Eliminations	Total
Net revenues					
- to third parties	882.0	312.7	432.6	0.0	1,627.3
- inter-segment revenues	21.7	1.3	8.0	(31.0)	0.0
Total	**903.7**	**314.0**	**440.6**	**(31.0)**	**1,627.3**
Operating margin	**385.6**	**20.5**	**58.2**	**0.0**	**464.3**
EBIT	**243.7**	**13.6**	**29.8**	**0.0**	**287.1**
Impairment of goodwill	(2.9)		(0.1)		(3.0)
Segment profit/loss	**240.8**	**13.6**	**29.7**	**0.0**	**284.1**
Financial result					(31.6)
Income tax					(93.8)
Share of net profit of associates	2.6		3.9		6.5
Consolidated net income					**165.2**
Segment assets	1,430.7	352.0	902.4	(110.9)	2,574.2
Investments in associates	80.0		129.7		209.7
Financial investments					6.9
Other financial investments					17.6
Financial derivatives					0.7
Cash and cash equivalents					52.7
Tax assets					9.5
Total assets					**2,871.3**
Segment liabilities	387.4	123.8	199.8	(110.9)	600.1
Balance sheet financial debt					471.3
Debt on commitment to purchase minority interests					60.0
Financial derivatives					36.5
Bank overdrafts					14.6
Tax liabilities					105.0
Total equity					1,583.8
Total liabilities and equity					**2,871.3**
Acquisitions of intangible assets and PP&E (1)	108.8	5.9	36.5		151.2
Depreciation and amortization (2)	104.3	8.3	28.0		140.6
Non-cash expenses other than depreciation and amortization	16.8	(1.3)	3.3		18.8

(1) *excluding sales of intangible assets and PP&E*
(2) *including impairment losses on intangible assets and PP&E*

8.2. By geographical area

The 2006 segment reporting by geographical area breaks down as follows:

In million euros	France	United Kingdom	Rest of Europe	North America	Pacific-Asia	Rest of the world	Eliminations	Total
Net revenues	580.4	265.3	692.7	140.7	251.9	15.4		1,946.4
Segment assets	821.6	429.9	1,275.2	138.6	236.5	14.8	(50.1)	2,866.5
Unallocated assets								306.5
Acquisitions of intangible assets and PP&E (1)	78.7	17.6	58.4	5.4	13.6	1.4		175.1

(1) *excluding sales of intangible assets and PP&E*

Unallocated assets of €306.5 million comprise goodwill of the Transport business line not allocated by geographical area. Global coverage is a key success factor in the Transport business line from both a commercial point of view and with regards to securing the renewal of contracts. As such, Transport goodwill is not allocated to a specific geographical area. This also applies to impairment tests.

The 2005 segment reporting by geographical area breaks down as follows:

In million euros	France	United Kingdom	Rest of Europe	North America	Pacific-Asia	Rest of the world	Eliminations	Total
Net revenues	555.0	258.5	637.4	110.9	172.7	10.7		1,745.2
Segment assets	784.4	389.4	1,123.2	146.5	233.7	15.6	(46.9)	2,645.9
Unallocated assets								315.6
Acquisitions of intangible assets and PP&E (1)	62.0	13.2	57.5	9.2	6.1	0.3		148.3

(1) excluding sales of intangible assets and PP&E

Unallocated assets of €315.6 million comprise goodwill of the Transport business line not allocated by geographical area.

The 2004 segment reporting by geographical area breaks down as follows:

In million euros	France	United Kingdom	Rest of Europe	North America	Pacific-Asia	Rest of the world	Eliminations	Total
Net Revenues	559.8	245.0	612.3	99.7	103.0	7.5		1,627.3
Segment assets	740.2	387.6	1,070.5	107.6	71.3	15.4	(38.0)	2,354.6
Unallocated assets								219.6
Acquisitions of intangible assets and PP&E (1)	54.4	15.3	58.3	15.4	7.2	0.6		151.2

(1) excluding sales of intangible assets and PP&E

Unallocated assets of €219.6 million comprise goodwill of the Transport business line not allocated by geographical area.

9. RELATED PARTIES

9.1. Related party transactions

Loans granted to related parties as of December 31, 2006 totaled €29.7 million, including a loan of €14.0 million to Europlakat International Werbe GmbH located in Austria, a loan of €7.4 million to Wall USA Inc. and a loan of €2.7 million to Viacom Outdoor JCDecaux Street Furniture Canada Ltd.

Borrowings secured from related parties as of December 31, 2006 totaled €16.2 million, including €14.0 million from Affichage Holding located in Switzerland and €1.7 million from DSM Decaux GmbH in Germany.

Liabilities to related parties as of December 31, 2006 totaled €7.3 million, including €4.1 million towards Shanghai Metro Advertising Corp. in China, and €1.5 million towards Dopravni Podnik in the Czech Republic.

Receivables on the related parties as of December 31, 2006 totaled €9.8 million, including €5.8 million with IGP Decaux Spa in Italy.

Income realized with related parties totaled €17.4 million in 2006, including €7.9 million realized with IGP Decaux Spa in Italy.

Purchases from related parties totaled €28.8 million in 2006, including €10.7 million of rent charges with the companies SCI Clé Saint Pierre and Troisjean in France, Belgium, Spain and the United Kingdom, €7.1 million of rents and fees with Shanghai Metro Advertising Corp. in China and €3.0 million with Dopravni Podnik in the Czech Republic.

In 2006, financial income realized with related parties totaled €1.3 million and financial expenses totaled €0.4 million.

9.2. Executive officer compensation

Compensation paid to members of the Executive Board breaks down as follows:

In million euros	2006	2005	2004
Short-term benefits	6.8	7.0	7.1
Life insurance/special pension	0.3	0.3	0.2
Share-based payments	0.8	0.7	0.8
Total	**7.9**	**8.0**	**8.1**

In addition, three of the five members of the Executive Board will receive end-of-career bonuses, under the terms of which compensation of up to one to two years' salary would be payable on termination of their employment contract by the Group.

Post-employment benefits booked in the balance sheet amount to €0.4 million as of December 31, 2006 against €0.3 million as of December 31, 2005 and December 31, 2004.

Directors' fees of €0.1 million were paid to members of the Supervisory Board in respect of 2006.

10. PROPORTIONATELY CONSOLIDATED COMPANIES

The Group holds a number of investments which are proportionately consolidated.

The Group's share in the assets, liabilities and earnings of these joint ventures as of December 31, 2006, 2005 and 2004, recorded in the consolidated financial statements, is as follows:

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Non-current assets	65.3	41.8	11.3
Current assets	80.8	64.3	41.8
Total Assets	**146.1**	**106.1**	**53.1**
Non-current liabilities	49.8	31.4	14.6
Current liabilities	54.2	41.5	33.5
Total Liabilities (excluding equity)	**104.0**	**72.9**	**48.1**
Equity	**42.1**	**33.2**	**5.0**
including net income	**14.8**	**10.6**	**5.0**
including profits	*154.8*	*111.8*	*92.2*
including losses	*140.0*	*101.2*	*87.2*

The increase in equity of €8.9 million breaks down as follows:

- €3.3 million in respect of MNI Beijing Metro whose consolidation percentage increased from 38% to 90%,
- €2.4 million in respect of changes in equity, notably with respect to the Italian company IGP Decaux,
- €0.5 million in respect to the entry into the scope of the Metropolis Media companies in 2006.

11. SCOPE OF CONSOLIDATION

11.1. Identity of the parent company

As of December 31, 2006, 69.93% of the share capital of JCDecaux SA is held by JCDecaux Holding.

11.2. List of consolidated companies

See following pages.

COMPANIES	Country	% interest	Consolidation method	% control
STREET FURNITURE				
JCDECAUX SA	France	100.00	F	100.00
JCDECAUX MOBILIER URBAIN	France	100.00	F	100.00
SOPACT	France	100.00	F	100.00
SEMUP	France	100.00	F	100.00
DPE – DECAUX PUBLICITE EXTERIEURE	France	100.00	F	100.00
SOMUPI	France	66.00	F	66.00
JCDECAUX ASIE HOLDING	France	100.00	F	100.00
JCDECAUX EUROPE HOLDING	France	100.00	F	100.00
JCDECAUX AMERIQUES HOLDING	France	100.00	F	100.00
ACM GmbH	Germany	100.00	F	100.00
JCDECAUX STADTMOBLIERUNG GmbH	Germany	100.00	F	100.00
JCDECAUX DEUTSCHLAND GmbH	Germany	100.00	F	100.00
GEORG ZACHARIAS GmbH	Germany	50.00	F	50.00
RGS	Germany	25.00	F	50.00
DSM DECAUX GmbH	Germany	50.00	P	50.00
JCDECAUX GmbH	Germany	100.00	F	100.00
STADTREKLAME NÜRNBERG GmbH	Germany	35.00	E	35.00
ILG AUSSENWERBUNG GmbH	Germany	50.00	F	50.00
WALL AG	Germany	35.00	E	35.00
WFA WARTEHALLEN FINANZ AG (1)	Germany	100.00	F	100.00
VVR Decaux GmbH (formerly VVR-BEREK) (2)	Germany	100.00	F	100.00
JCDECAUX UK Ltd (2)	United Kingdom	100.00	F	100.00
JCDECAUX ARGENTINA S.A.	Argentina	99.93	F	99.93
JCDECAUX STREET FURNITURE Pty Ltd	Australia	100.00	F	100.00
JCDECAUX AUSTRALIA Pty Ltd	Australia	100.00	F	100.00
ADBOOTH Pty	Australia	50.00	P	50.00
AQMI GmbH (3)	Austria	29.31	P	50.00
JCDECAUX BELGIUM PUBLICITE SA	Belgium	100.00	F	100.00
ACM SA	Belgium	100.00	F	100.00
JCDECAUX DO BRASIL Ltda	Brazil	100.00	F	100.00
JCDECAUX SALVADOR S.A.	Brazil	100.00	F	100.00
CBS OUTDOOR JCDECAUX STREET FURNITURE CANADA Ltd (formerly VIACOM OUTDOOR JCDECAUX STREET FURNITURE CANADA Ltd)	Canada	50.00	P	50.00
JCD P&D Outdoor Advertising Co	China	100.00	F	100.00
MNI CHINA KIOSK DEVELOPMENT Ltd (formerly MNI KIOSK)	China	100.00	F	100.00
BEIJING GEHUA JCD ADVERTISING CO	China	50.00	P	50.00
IPDECAUX, Inc.	Korea	50.00	P	50.00
AFA JCDECAUX A/S (2)	Denmark	50.00	F	50.00
EL MOBILIARIO URBANO S.L.	Spain	100.00	F	100.00
JCDECAUX ATLANTIS S.A.	Spain	85.00	F	85.00
JCDECAUX EESTI OU	Estonia	100.00	F	100.00
JCDECAUX NEW YORK Inc.	United States	100.00	F	100.00
JCDECAUX SAN FRANCISCO Llc	United States	100.00	F	100.00
JCDECAUX MALLSCAPE Llc	United States	100.00	F	100.00
JCDECAUX CHICAGO Llc	United States	100.00	F	100.00
JCDECAUX NEW YORK Llc	United States	100.00	F	100.00
CBS DECAUX STREET FURNITURE Llc (formerly VIACOM DECAUX STREET FURNITURE Llc)	United States	50.00	P	50.00
JCDECAUX NORTH AMERICA Inc.	United States	100.00	F	100.00
WALL HOLDINGS Inc. (4)	United States	50.00	E	50.00
JCDECAUX FINLAND Oy	Finland	100.00	F	100.00

COMPANIES	Country	% interest	Consolidation method	% control
IWI JCDECAUX TEXON INTERNATIONAL LTD	Hong Kong	100.00	F	100.00
JCDECAUX ADVERTISING INDIA PVT LTD	India	100.00	F	100.00
AFA JCDECAUX ICELAND ehf	Iceland	50.00	F	100.00
MCDECAUX Inc. (6)	Japan	60.00	P	60.00
JCDECAUX LATVIJA SIA (formerly JCDECAUX UNICOM BALTIC SIA)	Latvia	100.00	F	100.00
JCDECAUX LIETUVA UAB (formerly JCDECAUX UNICOM UAB)	Lithuania	100.00	F	100.00
JCDECAUX LUXEMBOURG SA	Luxembourg	100.00	F	100.00
JCDECAUX GROUP SERVICES SARL	Luxembourg	100.00	F	100.00
JCDECAUX MACAO (2)	Macau	80.00	F	80.00
JCDECAUX NEDERLAND BV	The Netherlands	100.00	F	100.00
V.K.M. BV	The Netherlands	100.00	F	100.00
UNIVIER COMMUNICATIONS BV (1)	The Netherlands	100.00	F	100.00
JCDECAUX PORTUGAL Lda	Portugal	100.00	F	100.00
PURBE Lda	Portugal	100.00	F	100.00
JCDECAUX MESTSKY MOBILIAR Spol Sro	Czech Rep.	100.00	F	100.00
ALMA QUATTRO (3)	Serbia	29.31	P	50.00
JCDECAUX SINGAPORE Pte Ltd	Singapore	100.00	F	100.00
JCDECAUX OUT OF HOME ADVERTISING PTE LTD (formerly JCDECAUX PEARL & DEAN Pte Ltd)	Singapore	100.00	F	100.00
JCDECAUX SLOVAKIA Sro	Slovakia	100.00	F	100.00
JCDECAUX SVERIGE AB (2)	Sweden	100.00	F	100.00
JCDECAUX THAÏLAND Co., Ltd (2)	Thailand	95.15	F	95.15
JCDECAUX URUGUAY (7)	Uruguay	100.00	F	100.00
TRANSPORT				
JCDECAUX AIRPORT FRANCE	France	100.00	F	100.00
METROBUS	France	33.00	E	33.00
MEDIA FRANKFURT GmbH	Germany	39.00	P	39.00
JCDECAUX AIRPORT MEDIA GmbH	Germany	100.00	F	100.00
JCDECAUX AIRPORT UK Ltd	United Kingdom	100.00	F	100.00
INFOSCREEN AUSTRIA GmbH	Austria	67.00	F	100.00
JCDECAUX CHILE S.A.	Chile	100.00	F	100.00
JCD MOMENTUM SHANGHAI ADVERTISING AIRPORT Co Ltd	China	35.00	P	35.00
MNI BUS (2)	China	80.00	F	80.00
MNI SHANGHAI METRO	China	90.00	F	90.00
MNI BEIJING METRO (6)	China	90.00	P	90.00
MPI TRANSPORT (SHANGHAI)	China	100.00	F	100.00
MPI METRO-ADS (SHANGHAI) (6)	China	90.00	P	90.00
MPI METRO-DONGHU (SHANGHAI)	China	70.00	F	70.00
MPI METRO (NANJING)	China	70.00	F	70.00
MPI METRO (GUANGZHOU)	China	32.50	P	32.50
MPI BUS (NANJING)	China	50.00	F	50.00
MPI BUS (CHONGQINQ)	China	100.00	F	100.00
MPI BUS (CHENGDU)	China	50.00	F	50.00
JCDECAUX AIRPORT ESPAÑA S.A.	Spain	100.00	F	100.00
JCDECAUX-PUBLIMEDIA UTE	Spain	70.00	F	70.00
JCDECAUX AIRPORT Inc.	United States	100.00	F	100.00
JCDECAUX TRANSPORT INTERNATIONAL Llc	United States	100.00	F	100.00
JCDECAUX TRANSPORT FINLAND OY	Finland	100.00	F	100.00
JCDECAUX PEARL & DEAN Ltd	Hong Kong	100.00	F	100.00
MNI HOLDING	Hong Kong	100.00	F	100.00
MPI HOLDING (8)	Hong Kong	100.00	F	100.00

COMPANIES	Country	% interest	Consolidation method	% control
JCDECAUX OUTDOOR ADVERTISING HK LTD (formerly MPI HONG KONG)	Hong Kong	100.00	F	100.00
JCDECAUX INNOVATE LIMITED (formerly MPI HK - SIGNMAKER)	Hong Kong	100.00	F	100.00
MEDIA PRODUCTION Limited (9)	Hong Kong	100.00	F	100.00
JCDECAUX CHINA HOLDING LTD (10)	Hong Kong	100.00	F	100.00
IGP DECAUX Spa (2)	Italy	32.35	P	32.35
AEROPORTI DI ROMA ADVERTISING Spa	Italy	24.10	P	32.35
JCDECAUX NORGE AS (2)	Norway	97.69	F	100.00
JCDECAUX AIRPORT POLSKA Sp zoo	Poland	100.00	F	100.00
JCDECAUX AIRPORT PORTUGAL S.A.	Portugal	85.00	F	85.00
RENCAR PRAHA AS	Czech Rep.	48.24	F	72.00
JCDECAUX ASIA SINGAPORE Pte Ltd	Singapore	100.00	F	100.00
XPOMERA AB	Sweden	79.00	F	79.00
BILLBOARD				
AVENIR	France	100.00	F	100.00
JCDECAUX ARTVERTISING	France	100.00	F	100.00
JCDECAUX MEDIA SERVICES Ltd	United Kingdom	100.00	F	100.00
MARGINHELP Ltd	United Kingdom	100.00	F	100.00
JCDECAUX Ltd	United Kingdom	100.00	F	100.00
JCDECAUX UNITED Ltd	United Kingdom	100.00	F	100.00
CESTRIAN IMAGING Ltd (11)	United Kingdom	0.00	F	100.00
ALLAM GROUP Ltd	United Kingdom	100.00	F	100.00
GEWISTA WERBEGES.mbH (2)	Austria	67.00	F	67.00
EUROPLAKAT INTERNATIONAL WERBE GmbH	Austria	33.50	P	50.00
PROGRESS AUSSENWERBUNG GmbH	Austria	67.00	F	100.00
PROGRESS WERBELAND Werbe. GmbH	Austria	34.17	F	51.00
ISPA WERBEGES.mbH	Austria	67.00	F	100.00
USP UNI SERVICE PLAKAT GmbH (formerly USP WERBEGES.mbH)	Austria	50.25	F	75.00
JCDECAUX INVEST HOLDING GmbH	Austria	100.00	F	100.00
JCDECAUX SUB INVEST HOLDING GmbH	Austria	100.00	F	100.00
JCDECAUX CENTRAL EASTERN EUROPE GmbH	Austria	100.00	F	100.00
GEWISTA SERVICE GmbH	Austria	67.00	F	100.00
JCDECAUX BILLBOARD (formerly BELGOPOSTER)	Belgium	100.00	F	100.00
AFFICHAGE NOUVEL ESSOR NV	Belgium	61.15	F	61.15
JCDECAUX ARTVERTISING BELGIUM	Belgium	100.00	F	100.00
EUROPLAKAT Doo (BANJA LUKA) (3)	Bosnia	23.45	P	50.00
EUROPLAKAT Doo (SARAJEVO) (3)	Bosnia	23.45	P	50.00
EUROPLAKAT-PROREKLAM Doo (3)	Croatia	17.09	P	50.00
METROPOLIS MEDIA Doo (CROATIA) (3)	Croatia	17.09	P	50.00
JCDECAUX ESPANA SL (2)	Spain	100.00	F	100.00
JCDECAUX PUBLICIDAD LUMINOSA SL	Spain	100.00	F	100.00
POAD	Hong Kong	49.00	E	49.00
AVENIR BUDAPEST Kft (3)	Hungary	18.43	P	50.00
JCDECAUX NEONLIGHT BUDAPEST Kft (3)	Hungary	27.47	P	50.00
EUROPLAKAT Kft (3)	Hungary	22.78	P	50.00
PERON REKLAM Kft (3)	Hungary	5.70	E	25.00
DAVID ALLEN HOLDINGS Ltd (12)	Ireland	100.00	F	100.00
DAVID ALLEN POSTER SITES Ltd	Ireland	100.00	F	100.00
SOLAR HOLDINGS Ltd	Ireland	100.00	F	100.00
JCDECAUX IRELAND Ltd	Ireland	100.00	F	100.00
JCDECAUX MEDIA Sdn Bhd (formerly JCD Pearl & Dean Media Sdn Bhd)	Malaysia	100.00	F	100.00
EUROPOSTER BV	The Netherlands	100.00	F	100.00

COMPANIES	Country	% interest	Consolidation method	% control
JCDECAUX NEONLIGHT Sp zoo	Poland	60.00	F	60.00
RED PORTUGUESA S.A.	Portugal	94.86	F	94.86
PLACA Lda	Portugal	100.00	F	100.00
CENTECO Lda	Portugal	70.00	F	70.00
AUTEDOR Lda	Portugal	51.00	F	51.00
GREEN Lda	Portugal	54.02	F	55.00
RED LITORAL Lda	Portugal	71.14	F	75.00
AVENIR PRAHA	Czech Rep.	90.00	F	90.00
AUSSENW.TSCHECH.-SLOW.BETEILIGUNGS GmbH (13)	Czech Rep.	67.00	F	100.00
EUROPLAKAT Spol Sro	Czech Rep.	67.00	F	100.00
EUROPLAKAT YU Doo (3)	Serbia	33.50	P	50.00
AIR MEDIA (3)	Serbia	29.31	P	50.00
INTERNATIONAL METROPOLIS MEDIA Doo (SERBIA) (3)	Serbia	29.31	P	50.00
ISPA BRATISLAVA Spol Sro	Slovakia	67.00	F	100.00
EUROPLAKAT INTERWERB Spol Sro	Slovakia	67.00	F	100.00
INREKLAM PROGRESS Doo (3)	Slovenia	11.05	P	50.00
PROREKLAM-EUROPLAKAT Doo (3)	Slovenia	11.05	P	50.00
PLAKATIRANJE Doo (3)	Slovenia	11.05	P	50.00
SVETLOBNE VITRINE (3)	Slovenia	11.05	P	50.00
MADISON Doo (3)	Slovenia	11.05	P	50.00
METROPOLIS MEDIA Doo (SLOVENIA) (3)	Slovenia	11.05	P	50.00
AFFICHAGE HOLDING	Switzerland	30.00	E	30.00
BIGBOARD BV (14)	Ukraine/ Russia	50.00	E	40.00

Note: F = Full consolidation P = Proportional consolidation E = Equity method

(1) Company liquidated as at December, 31 2006.

(2) Companies operating on each of the three activities have their data split for the purpose of information by segment activity, but are disclosed depending on their historical activity in this table.

(3) Held by Europlakat International Werbe GmbH, company 50% owned by JCDecaux Group and 50 % by Affichage Holding (consolidated under the equity method).

(4) 50% held by the JCDecaux Group and 50% by Wall AG (consolidated under the equity method).

(5) Including Bus Focus Ltd, company consolidated under the equity method.

(6) The MCDecaux Inc. (Japan), MNI Beijing Metro (China) and MPI Metro-ADS Shanghai (China) companies are consolidated under the proportional method according to the joint management with the partner of the Group.

(7) This company is a representative office of JCDecaux Mobilier Urbain.

(8) MPI Holding includes 13 companies (dormant or holding).

(9) Consolidated company previously included in MNI Holding.

(10) This company has held shares in the MNI and MPI holding companies, formerly held by JCDecaux Pearl & Dean Ltd., since November 2006.

(11) Company deconsolidated as at September 30, 2006.

(12) UK registered company operating in Northern Ireland.

(13) Company registered in Austria and operating in the Czech Republic.

(14) Company incorporated under Dutch law and operating in the Ukraine and Russia.

12. SUBSEQUENT EVENTS

On February 1, 2007, Moody's confirmed the JCDecaux Group's Baa2 rating with a stable outlook.

On February 27, 2007, Somupi, a subsidiary of the JCDecaux Group (66% owned by JCDecaux and 34% owned by Médias and Régies Europe – Publicis Group) entered into a 10-year contract with the City of Paris to provide free bicycle services and street furniture. The conclusion of this contract, which the Mayor of Paris had been authorized to sign, pursuant to the unanimous vote of the Paris City Council on February 12, 2007, is a result of the February 23, 2007 decision of the urgent applications judge of the Paris Administrative Court that rejected Clear Channel's request to cancel the call for tenders relating to this contract.

On March 8, 2007, the JCDecaux Group has strengthened its partnership with the Wall AG Group by signing an agreement pursuant to which (i) the JCDecaux Group transfers its subsidiaries VVR Decaux GmbH and Georg Zacharias to Wall AG and (ii) Wall transfers to the JCDecaux Group 100% of its subsidiaries, Wall Nederland and Wall Russie, and 10% of its subsidiary Wall USA (already 50% held by the JCDecaux Group). This agreement terminates the put option held by Wall on JCDecaux's 35% interest in Wall AG.

During the second half of 2007, in Central Europe, the JCDecaux Group plans to acquire direct control of EPI's subsidiaries in Croatia and Slovenia, with Affichage Holding acquiring direct control of EPI's subsidiaries in Bosnia, Bulgaria, Hungary, Montenegro and Serbia. This rationalization is being conducted with the support of Affichage Holding, JCDecaux Group's partner within EPI.