

JCDECAUX SA

CONSOLIDATED FINANCIAL STATEMENTS

AS AT JUNE 30, 2002

Translated from French and in accordance with French generally accepted accounting principles

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CONSOLIDATED FINANCIAL STATEMENTS

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BARBIER FRINAULT & AUTRES
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92576 Neuilly-sur-Seine Cedex

FIDUCIAIRE REVISUNION
Commissaire aux Comptes
Membre de la Compagnie de Paris
169, boulevard Malesherbes
75017 Paris

To the Shareholders of the Company JCDecaux SA,

In our capacity of statutory auditors of your Company and in compliance with Article L.232-7 of the Commercial Code, we have performed:

- a limited review of the accompanying consolidated Earnings and Activity schedule presented under the format of interim consolidated financial statements of the Company JCDecaux SA, as of June 30, 2002. and for the six-months period then ended;
- the verification of the information given in the interim management report.

These interim consolidated financial statements have been prepared under the responsibility of the Board of Directors. Our role is to express an opinion on these financial statements based on our limited review.

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform limited procedures to obtain an assurance, lower than the one resulting from an audit, about whether the interim financial statements are free of material misstatement.

Such a limited review is substantially less in scope than an audit, and consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters.

Based on our limited review, we are not aware of any material modifications that should be made to the interim consolidated financial statements, established in conformity with accounting principles generally accepted in France, for them to give a true and fair view of the group's financial position and of its assets and liabilities as of June 30, 2002, and of the results of the operations of the companies included in the consolidation scope.

We also performed, in accordance with the professional standards applied in France, the verification of the information given in the interim management report commenting the interim consolidated financial statements subject to our limited review.

We have no comment as to its fair presentation and its conformity with the consolidated interim financial statements subject to our limited review.

Without qualifying our conclusion expressed hereabove, we draw your attention to note 1.2 in the financial statements disclosing the change in accounting methods, as of January 1st, 2002, due to the first application of CRC rule 2000-06 relating to liabilities.

Neuilly-sur-Seine and Paris, September 18, 2002

The Statutory Auditors

BARBIER FRINAULT & AUTRES
Patrick Malvoisin

FIDUCIAIRE REVISIONION
Claude Chezaud Yves Floury

JCDecaux SA - Consolidated Financial Statements

BALANCE SHEET AS AT JUNE 30, 2002

Assets

In million Euros

	06.30.2002	12.31.2001	06.30.2001
<i>Intangible assets (net)</i>	34.0	36.2	30.9
<i>Goodwill (net)</i>	1,084.5	1,105.3	1,113.6
<i>Tangible assets (net)</i>	738.8	773.2	756.6
<i>Investments (net)</i>	92.9	87.3	64.2
FIXED ASSETS	1,950.2	2,002.0	1,965.3
<i>Inventories (net)</i>	112.5	113.4	120.2
<i>Trade receivables (net)</i>	442.0	409.8	430.0
<i>Others receivables (net)</i>	153.5	152.2	170.9
<i>Marketable securities (net)</i>	37.9	141.1	281.2
<i>Cash (net)</i>	71.2	52.6	74.6
<i>Deferred tax assets (net)</i>	45.4	46.4	36.4
CURRENT ASSETS	862.5	915.5	1,113.4
TOTAL ASSETS	2,812.7	2,917.5	3,078.7

JCDecaux S.A. - Consolidated Financial Statements

BALANCE SHEET AS AT JUNE 30, 2002

Liabilities and Equity

In million Euros

	06.30.2002	12.31.2001	06.30.2001
SHAREHOLDERS' EQUITY			
Capital	3.4	3.4	3.4
Share Premium	923.2	923.2	810.3
Legal reserve	0.3	0.3	0.3
Consolidated reserves / Group share	372.4	384.8	504.8
Current year net income / Group share	11.5	10.2	11.0
SHAREHOLDERS' EQUITY (Group share)	1,310.8	1,321.9	1,329.7
Minority interests	71.9	68.8	66.1
TOTAL SHAREHOLDERS' EQUITY	1,382.7	1,390.7	1,395.8
PROVISIONS FOR RISKS AND CONTINGENCIES	82.5	83.4	74.9
DEFERRED TAX LIABILITIES	28.3	27.4	31.3
LIABILITIES			
Bank borrowings	818.1	896.5	1,025.2
Miscellaneous loans and financial debts	13.4	12.2	18.8
Trade payables	152.0	188.1	196.6
Other liabilities	330.9	300.7	327.5
Bank overdrafts	4.8	18.5	8.6
LIABILITIES	1,319.2	1,416.0	1,576.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,812.7	2,917.5	3,078.7

JCDecaux S.A. - Consolidated Financial Statements

INCOME STATEMENT

In million Euros

	1st half 2002	1st half 2001	2001
NET REVENUES	779.9	755.1	1,543.2
Operating expenses excluding depreciation charges & provisions	(579.7)	(555.4)	(1,165.9)
EBITDA (1)	200.2	199.6	377.3
Depreciation charges & provision (net)	(94.0)	(83.5)	(176.2)
OPERATING INCOME	106.2	116.1	201.1
NET FINANCIAL INCOME / (LOSS)	(19.5)	(34.8)	(53.1)
INCOME FROM RECURRING OPERATIONS	86.7	81.3	148.0
NON - RECURRING INCOME /(LOSS)	(1.4)	0.4	(5.8)
Income tax	(35.2)	(33.9)	(49.8)
NET INCOME FROM CONSOLIDATED COMPANIES	50.1	47.8	92.4
Net Income from equity affiliates	2.8	3.9	7.1
Amortization of goodwill	(31.2)	(30.1)	(70.9)
CONSOLIDATED NET INCOME	21.7	21.6	28.6
Minority interests	10.2	10.6	18.4
. Group share	11.5	11.0	10.2
. Earnings per share (in euros)	0.052	0.061	0.051
. Earnings per share diluted (in euros)	0.051	0.061	0.050
. Number (average) of shares	221,600,760	181,222,909	201,470,353
. Number (average) of shares (diluted)	225,704,464	181,402,806	203,438,129

(1) Group measures the performance of business lines on the basis of EBITA (Earnings Before Interests, Taxes, Depreciation and Amortisation). EBITDA is not defined by French accounting principles.

JCDecaux S.A. - Consolidated Financial Statements

CASH FLOW STATEMENT FOR THE HALF YEAR JUNE 30, 2002

In million Euros

	1st half 2002	1st half 2001	2001
<i>Net income (Group share)</i>	11.5	11.0	10.2
<i>Minority interests</i>	10.2	10.6	18.4
<i>Income from equity affiliates</i>	(2.8)	(3.9)	(7.1)
<i>Dividends received from equity affiliates</i>	3.9	3.7	4.1
<i>Employee profit sharing</i>		0.1	
<i>Change in deferred tax</i>	(5.5)	(14.3)	(47.9)
<i>Net amortization & provision allowance</i>	125.9	111.8	270.5
<i>Capital (Gain / Loss)</i>	2.2	(2.5)	(12.7)
CASH PROVIDED BY OPERATIONS	145.5	116.5	235.5
<i>Change in working capital</i>	(39.9)	(18.5)	(6.0)
NET CASH PROVIDED BY OPERATING ACTIVITIES	105.6	98.0	229.5
<i>Acquisitions of intangible assets</i>	(3.8)	(3.9)	(12.6)
<i>Acquisitions of tangible assets</i>	(76.1)	(151.0)	(274.3)
<i>Acquisitions of financial assets (long term investments)</i>	(20.5)	(83.4)	(135.4)
<i>Acquisitions of financial assets (others)</i>	(0.4)	(3.7)	(9.1)
<i>Fluctuations of payables on assets</i>	(3.8)	(3.8)	(10.0)
TOTAL Investments	(104.6)	(245.8)	(441.4)
<i>Disposals of intangible assets</i>			1.6
<i>Disposals of tangible assets</i>	6.1	7.7	33.2
<i>Disposals of financial assets (long term investments)</i>		4.0	
<i>Disposals of financial assets (others)</i>	1.6	(1.1)	4.4
<i>Fluctuation of receivables on assets</i>	0.1	(7.2)	(3.8)
TOTAL Disposals of assets	7.8	3.4	35.4
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(96.8)	(242.4)	(405.9)
<i>Dividends paid</i>	(6.5)	(11.5)	(14.6)
<i>Reduction of capital</i>			
<i>Repayment of debt</i>	(98.0)	(393.7)	(408.3)
CASH INFLOW from financing activities	(104.5)	(405.2)	(422.9)
<i>Increase in Shareholders' equity</i>		696.2	679.8
<i>Increase in debt</i>	20.6	130.0	25.1
CASH OUTFLOW from financing activities	20.6	826.2	704.9
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(83.9)	421.0	282.0
<i>Effect of exchange rates fluctuations</i>	4.1	0.4	0.0
<i>Cash of merged companies</i>		0.6	
CHANGE IN CASH POSITION	(71.0)	277.6	105.7
<i>Cash position beginning of period</i>	175.3	69.6	69.6
<i>Cash position end of period</i>	104.3	347.2	175.3

JCDecaux SA – Consolidated Financial Statements

Notes to the consolidated financial statements

1. ACCOUNTING PRINCIPLES AND METHODS

1.1 General principles

The Group's consolidated financial statements have been prepared in accordance with the legal and regulatory provisions applicable in France as set out by Regulation N°. 99-02 of the French Accounting Regulating Committee on consolidated financial statements.

The accounting principles and methods used for the preparation of the mid-year accounts are identical to those used for the preparation of the year-end accounts.

1.2 Changes in accounting methods

Starting January 1, 2002, the Group changed its accounting methods subsequent to the first application of CRC rule 2000-06 relating to liabilities.

The application of this new rule did not have material impact on the consolidated financial statements.

1.3 Scope of consolidation

The main changes that took place during the first semester of 2002 are as follows:

The companies Viacom Decaux (United-States), JCDecaux Chili (Chili) and IPDecaux (Korea), recently created, have been consolidated for the first time in 2002.

JCDecaux Deutschland acquired the remaining 50% in Klett company (Germany) in January 2002.

On January 31, 2002, IGP company acquired the remaining 50% in Publiflor (Italy). In April 2002, an agreement was signed for a merger by absorption of the subsidiary Publiflor into the subsidiary IGP Decaux Affichage (formerly JCDecaux Comunicazione Esteriore) with retroactive effect as of January 2002.

The Norwegian company JCDecaux AS acquired by JCDecaux Norge AS (formerly JCD Norge) in 2001 was merged into JCDecaux Norge AS with retroactive effect as of January 1, 2002.

Ireland started an internal restructuring in 2002 leading to creation of a new company, JCDecaux Ireland. One part of JCDecaux Ireland South's net assets has been transferred to the new company and the other part to JCDecaux Ireland North.

2. COMMENTS ON THE BALANCE SHEET

2.1 Goodwill

As of June 30, 2002, goodwill arising from acquisitions represented M€1,287.1 in gross value and its accumulated amortisation amounted to M€ 202.6 whereas they were at M€ 1,281.0 and M€ 175.7 respectively as of December 31, 2001. The change of the gross value is essentially resulting from the acquisition of the remaining 50% of Klett company (Germany) and Publiflor company (Italy), the impact being respectively M€6.4 and M€3.7.

2.2 Tangible assets

As of June 30, 2002, net tangible assets amounted to M€ 231.9 in France and M€ 506.9 in foreign countries compared to M€ 242.9 and M€ 530.3 respectively as of December 31, 2001. As of June 30, 2002, the most significant amounts for tangible assets are as follows: M€ 111.8 in Great-Britain, M€ 60.4 in USA, M€ 62.8 in Spain, M€42.4 in Belgium, M€29.6 in Austria, M€32.2 in Portugal and M€23.7 in Germany.

2.3 Financial Investments

As of June 30, 2002, net investments amounted to M€92.9 compared to M€87.3 M€ as of December 31, 2001.

2.4 Inventories

As of June 30, 2002, net value of inventories reached M€112.5 compared to M€113.4 as of December 31, 2001.

2.5 Cash

As at June 30, 2002, net cash dropped to M€104.3 compared to M€175.3 on December 31, 2001.

2.6 Changes in Group Equity (in M€)

	Capital	Premium	Consolidated Retained earnings	Total
Equity as at December 31, 2001	3.4	923.2	395.3	1,321.9
Net income for the period			11.5	11.5
Change in translation adjustments			(22.6)	-22.6
Equity as at June 30, 2002	3.4	923.2	384.2	1,310.8

2.7 Minority interests (in M€)

	12.31.2001	06.30.2002
Shareholders' equity (minority interests) as at January 1	47.5	68.8
Net income for the period	18.4	10.2
Dividends paid	(12.6)	(6.5)
Change in translation adjustments	0.8	(0.1)
Change in consolidation scope	27.7	(0.5)
Purchase of minority rights resulting from merger JCDecaux SA	(13.0)	0.0
Equity (minority interests) as at end of	68.8	71.9

2.8 Financial debt

As of June 30, 2002, financial debts decreased by M€ 77.2 from M€ 908.7 as of December 31, 2001 to M€ 831.5 as of June 30, 2002.

The major loans concern the following countries: France for M€ 728.2, Belgium for M€ 6.0, Australia for M€ 20.6, Denmark for M€ 20.3, Germany for M€ 9.1, Austria for M€ 12.2 and Spain for M€ 7.3.

3. COMMENTS ON THE INCOME STATEMENT

3.1 Revenues

As of June 30, 2002, consolidated revenues amounted to M€ 779.9, having increased by 3.3% compared to M€ 755.1 as of June 30, 2001.

Following the same consolidation scope, these figures did not take into account:

- Gewista companies for the first 2002 quarter: these entities started being consolidated on April 1, 2001.*
- USP, ISPA and Rencar companies for the first semester, 2002: these entities entered into the consolidation scope on July 1, 2001.*
- Impact of partnership with IGP in Italy for the first semester, 2002 : this partnership started being effective since the second semester, 2001.*

The revenues following the same consolidation scope decreased by 0.9% from M€ 755.1 for the first semester, 2001 to M€ 748.2 for the first semester, 2002.

The Street Furniture activity achieved revenues of M€ 417.2, including the impact from acquisitions. It represented an increase of 5.0% compared to M€ 397.5 in 2001 for the first semester.

Following the same consolidation scope, the revenues reached M€ 413.0, an increase of 3.9% compared to M€ 397.5 in 2001 for the first semester. This internal growth which contributed mainly to the Group's internal growth, resulted of strong sales growth in the shopping malls in USA. The new concept gains more and more market in USA. The sales growth in UK and Benelux, superior to 7% , also contributed to the Group's internal growth.

The revenues of Billboard activity increased by 9.6% from M€ 199.1 in 2001 to M€ 218.2 in 2002 for the first semester.

Following the same consolidation scope, the revenues reached M€ 201.9, having increased by 1.4% compared to M€ 199.1 in 2001 for the first semester. Some indicators of improving market of billboard advertising have been observed in Spain, Ireland and in the Europlakat subsidiaries in Central Europe. In UK, the Billboard activity's performance has been well above the market thanks to investments in rolling billboards and other investments of high quality recently.

The transport activity's revenues turned out to be M€ 144.5 for the first semester, 2002, having decreased by 8.8% compared to M€ 158.4 as of June 30, 2001.

Following the same consolidation scope, the revenues decreased by 15.9% to M€ 133.3 for the first semester, 2002. Transport activity continues to suffer from the Event of September 11, 2001.

3.2 EBITDA

The Group measures the operating performance of its activities on the basis of EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortisation).

As of June 30, 2002, the Group's EBITDA amounted to M€ 200.2, having increased by 0.3% compared to M€ 199.6 as of June 30, 2001.

As of June 30, 2002, the Group's EBITDA represented 25.7% of the consolidated revenues compared to 26.4% for the same period last year. This adverse performance of EBITDA reflects the harsh advertising climate which prevails in the Transport sector since September 2001.

Street furniture EBITDA rose to M€ 171.8 for the first semester, 2002, an increase of 3.4% compared to M€ 166.1 as of June 30, 2001. Street furniture EBITDA represents 41.2% of the corresponding revenues compared to 41.8% as of June 30, 2001.

Billboard EBITDA reached M€ 28.2 during the first semester, an increase of 38.0% compared to M€ 20.4 as of June 30, 2001. Billboard EBITDA represents 13.0% of the corresponding revenues compared to 10.3% as of June 30, 2001. This improvement in return resulted particularly of tight cost control

Transport EBITDA dropped sharply to M€ 0.2 for the first semester, 2002 compared to M€ 13.1 as of June 30, 2001 due to the shock of the Event on September 11, 2001. The drop of revenues has a direct impact on EBITDA. Attention should be drawn to the fact that most of the costs in Transport sector consist of royalties paid to contractors which include Guaranteed Minimum.

3.3 Net financial income / (loss)

As of June 30, 2002, financial loss is M€ (19.5) compared to M€ (34.8) in 2001 for the same period thanks to a decrease of net financial indebtedness, resulting essentially to the cash received subsequent to the Initial Public Offering of JCDecaux SA.

3.4 Non recurring income/ (loss)

As of June 30, 2002, non recurring loss is not material (M€ (1.4)).

3.5 Income tax

As of June 30, 2002, income tax amounted to M€ (35.2), of which M€ (35.5) belonged to current tax and M€ 0.3 to deferred tax expenses. During the first semester 2002, tax losses have been carried forward as deferred tax assets in some subsidiaries in Australia, the United-States, Japan, Korea, Hong Kong and UK.

3.6 Net income from equity affiliates

Net income from equity affiliates as of June 30, 2002 turned out to be M€ 2.8 compared to M€ 3.9 on June 30, 2001. This amount is mainly composed of the contribution of M€ 2.5 from Affichage Holding (Switzerland).

4. COMMENTS ON THE CASH FLOW STATEMENT

The net cash provided by operating activities in the first semester 2002 is M€ 105.6.

The cash flow amounts to M€ 145.5, having increased by M€ 29.0 compared to M€ 116.5 in June 2001, and consisting principally of the net income of M€ 21.7, increased by the amortisation and depreciation charges of M€ 125.9.

The increase of M€ 39.9 in the working capital is mainly related to an increase in the receivables.

The net cash used in investing activities in the first semester 2002 amounts to M€ 96.8, consisting of M€ 73.8 for net capital expenditures, M€ 19.3 for acquiring financial assets and of M€ 3.7 for fluctuations in receivables and payables on assets. It significantly decreased compared to the net cash used in investing activities in the first semester 2001, which amounted to M€ 242.4, consisting of M€ 147.2 for net capital expenditures, M€ 84.2 for acquiring financial assets and of M€ 11.0 for fluctuations in receivables and payables on assets. This sharp reduction in capital expenditure follows the completion of the billboard upgrade programme in France and the UK, and rigorous project assessment given the current advertising environment.

The net cash used in financing activities amounts to M€ 83.9 for the first semester 2002.

5. **SEGMENT REPORTING** (in M€)

5.1 **By activity**

	<i>Revenues</i>	<i>EBITDA (1)</i>
<i>Street furniture</i>		
<i>June 30, 2002</i>	<i>417.2</i>	<i>171.8</i>
<i>December 31, 2001</i>	<i>798.2</i>	<i>306.4</i>
<i>June 30, 2001</i>	<i>397.5</i>	<i>166.1</i>
<i>Billboard</i>		
<i>June 30, 2002</i>	<i>218.2</i>	<i>28.2</i>
<i>December 31, 2001</i>	<i>411.4</i>	<i>47.8</i>
<i>June 30, 2001</i>	<i>199.1</i>	<i>20.4</i>
<i>Transport</i>		
<i>June 30, 2002</i>	<i>144.5</i>	<i>0.2</i>
<i>December 31, 2001</i>	<i>333.6</i>	<i>23.1</i>
<i>June 30, 2001</i>	<i>158.4</i>	<i>13.1</i>
<i>Total</i>		
<i>June 30, 2002</i>	<i>779.9</i>	<i>200.2</i>
<i>December 31, 2001</i>	<i>1,543.2</i>	<i>377.3</i>
<i>June 30, 2001</i>	<i>755.1</i>	<i>199.6</i>

(1) EBITDA: Earnings Before Interests, Taxes, Depreciation and Amortisation.

5.2 By geographic zone

	Revenues	EBITDA (1)
France		
June 30, 2002	285.9	97.9
December 31, 2001	591.8	181.8
June 30, 2001	300.0	99.1
Europe (excl. France & United Kingdom)		
June 30, 2002	282.9	94.9
December 31, 2001	516.1	182.5
June 30, 2001	243.2	92.4
United Kingdom		
June 30, 2002	111.8	18.7
December 31, 2001	220.9	35.1
June 30, 2001	109.0	16.0
Americas		
June 30, 2002	50.0	-7.1
December 31, 2001	103.4	-22.2
June 30, 2001	50.4	-8.7
Asia / Pacific		
June 30, 2002	49.3	-4.2
December 31, 2001	111.0	0.1
June 30, 2001	52.5	0.8
Total		
June 30, 2002	779.9	200.2
December 31, 2001	1,543.2	377.3
June 30, 2001	755.1	199.6

(1) EBITDA: Earnings Before Interests, Taxes, Depreciation and Amortisation.

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