JCDecaux

showcasing the world

2008 Annual Report

Document de Référence

TABLE OF CONTENTS

Incorporation by reference

In accordance with Article 28 of EU Regulation n°809/2004 dated 29 April 2004, the reader is referred to previous "Documents de référence" containing certain information:

1. Relating to fiscal year 2007:

- The Management Discussion and Analysis and consolidated financial statements, including the statutory auditors' report, set forth in the "Document de référence" filed on 7 April 2008 under number D.08-207 (pages 49 to 112 and 194, respectively).
- The corporate financial statements of JCDecaux SA, their analysis, including the statutory auditors' report, set forth in the "Document de référence" filed on 7 April 2008 under number D.08-207 (pages 113 to 135 and 195, respectively).
- The statutory auditors' special report on regulated agreements with certain related parties, set forth in the "Document de référence" filed on 7 April 2008 under number D.08-207 (page 196).

2. Relating to fiscal year 2006:

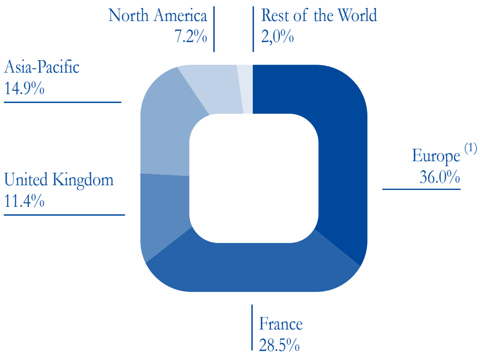
- The Management Discussion and Analysis and consolidated financial statements, including the statutory auditors' report, set forth in the "Document de référence" filed on 4 April 2007 under number D.07-273 (pages 46 to 112 and 207, respectively).
- The corporate financial statements of JCDecaux SA, their analysis, including the statutory auditors' report, set forth in the "Document de référence" filed on 4 April 2007 under number D.07-273 (pages 114 to 137 and 208, respectively).
- The statutory auditors' special report on regulated agreements with certain related parties, set forth in the "Document de référence" filed on 4 April 2007 under number D.07-273 (page 209).

The portions of this document which have not been included are either not of importance to investors or are covered in another section of this annual report.

COMPANY OVERVIEW

FINANCIAL HIGHLIGHTS

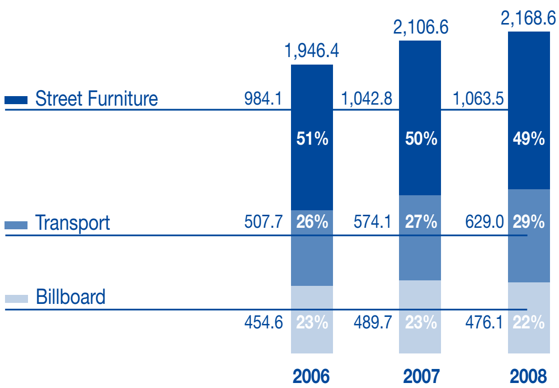
2008 REVENUES BY REGION



(1) Excluding France and the United Kingdom

REVENUES BY BUSINESS

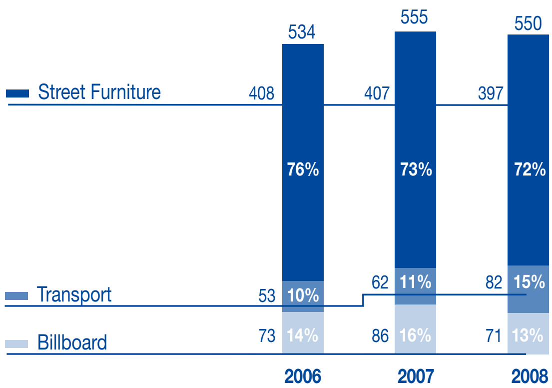
(in € million, segment's share in %)



In 2008, the Group's revenue increased by 2.9% to €2,168.6 million. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 6.3%. Street Furniture revenues were €1,063.5 million, an increase of 2.0%. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 4.5%. Transport revenues grew by 9.6% to €629.0 million. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 14.4%. Billboard revenues decreased to 2.8% to €476.1 million. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 0.6%.

OPERATING MARGIN BY BUSINESS

(in € million, segment's share in %)

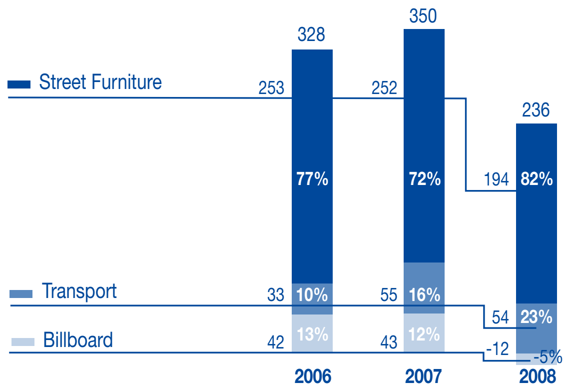


Operating margin[1] decreased by 1% to €549.9 million from €555.2 million in 2007. Operating margin as a percentage of consolidated revenue was 25.4%, down 100 basis points compared to the prior period (2007: 26.4%), reflecting a decrease in the Street Furniture and Billboard operating margins, partly offset by a strong increase in operating margin from the Transport division.

(1) Operating margin: Revenue less Direct operating expenses (excluding Maintenance spare parts) less SG&A expenses.

EBIT BY BUSINESS

(in € million, segment's share in %)

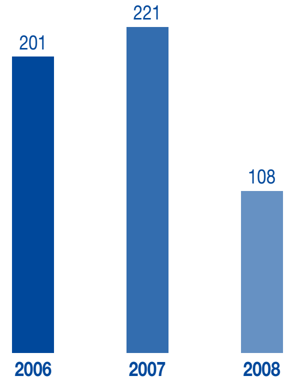


EBIT[1] decreased by 32.5% to €236.4 million, up from €350.2 million[2] in 2007. The Group's EBIT margin was 10.9% of consolidated revenues, compared to 16.6% in the same period last year.

(1) EBIT: Earnings Before Interests and Taxes = Operating Margin less Depreciation, amortization and provisions, less Maintenance spare parts, less impairment charges, less other operating income and expenses.

NET INCOME GROUP SHARE

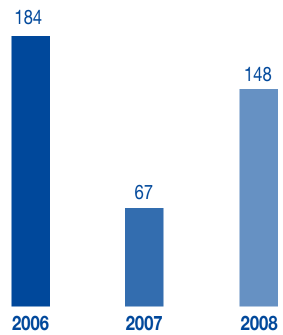
(in € million)



Net income Group share decreased by 51.1% to €108.1 million, compared to €221.0 million in 2007. This decrease reflects the lower EBIT and the strong decline in the performance of equity affiliates somewhat offset by the decrease in the effective tax rate.

FREE CASH FLOW

(in € million)



Free cash flow[1] increased by €81.1 million and amounted to €148.0 million, reflecting the increase in net cash flows from operating activities.

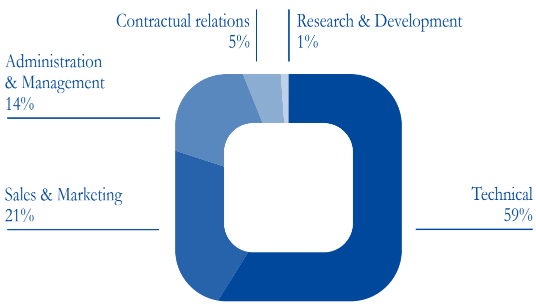
Net debt as of 31 December 2008 was €706.6 million.

The Group is rated "Baa2" by Moody's and "BBB+" by Standard and Poor's.

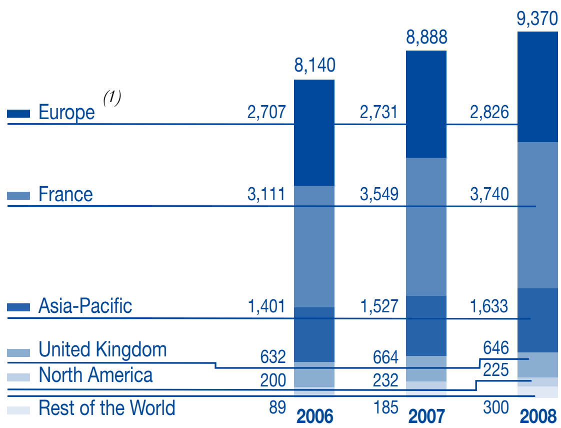
(1) Free Cash Flow: Net cash flow from operating activities less net capital investments (tangible and intangible assets).

FINANCIAL NET DEBT / EQUITY RATIO

2008 EMPLOYEE BREAKDOWN BY EXPERTISE



EMPLOYEE BREAKDOWN BY REGION



(1) Excluding France and the United Kingdom

THE YEAR 2008

In 2008, we continued our strategy of organic growth and reinforced our position as the world leader in Street Furniture and airport advertising. 2008 saw many contracts renewed, particularly in France, and a big increase in major new contracts won, both in mature markets, such as the French RFF/SNCF contract which was awarded in partnership with Metrobus, and in new markets, such as the Dubai airport contract, a milestone achievement for the Group's development strategy in the Middle-East. We also stepped up our self-service bicycle business, launching several new schemes in, among other places, Luxembourg, Amiens, Nantes, Nancy and winning approval for extension of the Paris Velib' system to 30 suburban districts. Our Street Furniture activities in Japan continue to make progress with three new contracts awarded.

1. OUR CONTRACTS

Europe

- **In France,** we won the following public tenders:
  - The Paris Port Authority contract (Port Autonome de Paris) a renewed agreement with the Group's subsidiary Avenir for the management of 200 advertising panels in Paris and the Paris suburbs for a 5 year period. With almost 130 panels in strategic locations within Paris, the contract strengthens Avenir's position as the leading;
  - The contract via Avenir-JCDecaux group to operate the non-station advertising assets ("Lot 2") of Réseau Ferré de France, RFF, the company responsible for managing the French railway infrastructure, for a period of 8 years. The nature and size of RFF's "Lot 2" represents a major commercial venture including a total of 10,000 advertising panels, of which Avenir already operates nearly 2,300 on a subletting basis;
  - The 8-year advertising contract for the public railway assets of the SNCF by the Metrobus-JCDecaux consortium, led by Metrobus. The contract will be split 85% for Metrobus and 15% for JCDecaux, which will operate non-station advertising assets including around 1,500 high-quality display panels chiefly located in towns and cities of more than 100,000 inhabitants;
  - The contract to provide street furniture and self-service bicycles to the Communauté d'Agglomération de Plaine Commune (a consortium of eight town councils with 330,000 inhabitants) for a 15-year period. The contract covers the installation and maintenance of 394 advertising bus shelters, 397 2m² MUPI® city information panels, 117 8m² Senior billboards and 29 columns for displaying information about cultural events as well as the creation of 50 self-service bicycle docking stations equipped with 450 bicycles. It represents a total of 1,397 2m² advertising panels and at least 346 8m² billboards. The street furniture products that will be installed are all designed by JCDecaux or by the prestigious architects and designers Sir Norman Foster, Philip Cox or Jean-Michel Wilmotte;
  - The advertising street furniture contract for the city of Toulouse (427,000 inhabitants), the 4th largest city in France and capital of the Midi-Pyrénées region, for a period of 15 years. The renewed contract for advertising street furniture concerns 630 advertising bus shelters, 20 non-advertising bus shelters, 350 2m² "Mupi® mobile" city information panels, 80 8m² Senior® billboards and 20 12m² displays in addition to 20 columns representing a total of 2,100 2m² advertising panels, 160 8m² advertising panels and 40 12m² advertising panels. The street furniture installed under this agreement is the work of renowned architects and designers such as Sir Norman Foster and Mario Bellini, or JCDecaux creations;
  - The self-service bicycle hire scheme contract, Bicloo, in Nantes. It attracted a high number of users with more than 13,545 individual rentals made in the space of just seven days. More than 1,165 annual subscriptions and 5,197 short-term subscriptions have already been taken out. The scheme provides 79 docking stations and 700 bicycles to members of the public and its installation has created 14 new jobs, bringing the number of people employed by the Regional Department to 140;
  - The contract to provide, firstly, advertising street furniture and self-service bicycles to the Communauté d'Agglomération de Cergy-Pontoise (an inter-municipal area with a total of 185,000 inhabitants) for a period of 15 years; and, secondly, to supply street furniture for the towns of Cergy, Eragny, Jouy le Moutier, Osny, Pontoise and Vauréal, again for a period of 15 years. The contract covers the installation and maintenance of 301 advertising bus shelters, including 45 with passenger information systems, 161 2m² MUPI® city information panels, 79 8m² billboards and 8 12m² displays as well as the installation of 40 self-service bicycle docking stations equipped with 350 bicycles. The new contract totals 763 2m² advertising panels and 199 8m² billboards;
  - The 10-year contract to provide a self-service bicycle hire scheme for the Urban Community of Greater Nancy (270,000 inhabitants). The contract covers the supply, installation, upkeep and maintenance of 25 self-service docking stations and 250 bicycles for the initial phase;

- Eleven regional street furniture advertising contracts in the French provinces. The renewed contracts cover nearly 500,000 people and cover 1,880 2m² advertising panels and 276 8m² displays. JCDecaux has been chosen by the following municipal authorities: Chambéry, Châtellerault, Hérouville-Saint-Clair, Laval, Longwy, Mont-de-Marsan, Orléans, Tarbes, Valenciennes and Villeneuve Loubet, and the Joint Transport Syndicate of the East of Etang de Berre. The street furniture units installed are designed by Philip Cox or JCDecaux;
- Eleven street furniture contracts renewed in the Ile-de-France region. The cities involved have a combined population of more than 320,000 inhabitants. These contracts cover a total of 1,156 2m² advertising panels. JCDecaux has been chosen by the following cities: Cachan, Conflans-Saint-Honorine, Les Lilas, Les Ulis, Marly-le-Roi, Noisy-le-Roi, Pantin, Torcy, Verrières le Buisson, Villeparisis and Vitry-sur-Seine;
- The contract to provide the City of Paris with universal access automated public toilets. This agreement will run for a period of 15 years. The contract covers the design, manufacture, installation and operation of 400 universal access automated toilets.

Elsewhere, JCDecaux announced that the French Council of State ratified the amendment to the contract between SOMUPI and the City of Paris regarding the extension of the Vélib' network "to part of the territory of approximately 30 municipalities neighbouring, or very close to, Paris".

- In Luxembourg JCDecaux launched Vel'OH!, the self-service bicycle hire scheme adopted by the City of Luxembourg. The new scheme attracted outstanding public interest with more than 1,000 individual rentals in just 5 days. Vel'OH! – a service based on a network of 25 docking stations and 250 bicycles – opened to the public on 21 March 2008. Vel'OH! allows users of the service to take full advantage of the dedicated lanes reserved for cyclists created in the city.

North America

- In the **United States** JCDecaux entered into a 10-year contract for the advertising concession at San Diego International Airport. With more than 18 million passengers per year, San Diego International is the second largest airport in Southern California.

South America

- In **Chile** JCDecaux was awarded the contract to provide street furniture for the City of Santiago (population: 215,000) for a 15-year period. The contract includes the design, installation, maintenance and sales and marketing of 125 advertising bus shelters, 30 2m² MUPI® (city information panels), 30 MUPI® panels with clocks, 15 8m² "Senior" billboards in addition to 125 litter bins and 4 electronic information boards. The contract covers 580 advertising faces.

Asia-Pacific

- In **Japan** MCDecaux, (a joint venture between JCDecaux SA and Mitsubishi Corporation, in which JCDecaux owns a 60% interest), won three new contracts. These 20-year contracts concern the cities of: Kawasaki, 9th largest Japanese city with 1.3 million inhabitants (contract signed with a private bus operator), Sendai, 12th largest city with 1 million inhabitants, one of the principal Japanese advertising markets (contract signed with the city authorities), Sagamihara, 19th largest Japanese city with 0.7 million inhabitants (contract signed with a private bus operator). MCDecaux has so far won contracts with sixteen of the twenty largest cities in Japan, and thirty in the top 50, representing a potential audience of 28.5 million inhabitants. Over the next five years, these contracts will enable MCDecaux to provide a potential 3,500 bus shelters and 7,000 advertising panels. MCDecaux's continued development in Japan's urban areas follows a positive response from the public to Cityscape, the local bus shelter network launched in 2004;
- In **China**, JCDecaux Pearl & Dean - a 100% held subsidiary of JCDecaux - signed an exclusive 5-year contract with the MTR Corporation in Hong Kong for the operation and management of outdoor advertising across the six MTR lines in the urban area and the Airport Express line. The contract has been divided into two parts, one covering MTR Main Products and the other dedicated to MTR Plasma TV Networks, which will be handled by a newly-created Digital Division. Advertising revenue is expected to be 3.4 billion HK Dollars over the 5-year life of the contract. JCDecaux Pearl & Dean has held the MTR advertising contract since the metro system started operating in 1977. MTR advertising is widely recognised as the world's Number 1 metro advertising medium in terms of innovation and creativity. The specified lines carry 2.5 million passengers per day, and dominate the outdoor advertising market in Hong Kong.

North Africa

- In **Algeria**, JCDecaux announced that it won the contract for the advertising concession in Algiers International Airport. This new contract covers all advertising media within the airport terminals and outside the airport buildings. Algiers, with a population of more than 4 million inhabitants, is the largest urban area in the Maghreb. Algeria – which has enjoyed a strong growth rate for several years (+6% in 2007, excluding oil) – is the second largest economy on the African continent. JCDecaux Algeria has operated in this country since the end of 2007 in 19 provincial airports. With a total capacity of 10 million passengers, Algiers airport was entirely renovated in 2006 and 2007 and has a new terminal dedicated to international flights. The airport handled almost 4 million passengers in 2007 with a rate of growth in passenger traffic (+9% in 2007) that is substantially higher than the world average.

Middle East

- In **Dubai**, JCDecaux announced that its subsidiary JCDecaux Dicon has entered into a 10-year contract for the exclusive advertising concession at Dubai International Airport. Dubai International Airport will have an annual capacity of 75 million passengers following the completion of its ongoing expansion project that will include the construction of a new terminal and two new boarding concourses. The airport will become the world's first aviation facility of its size specifically designed for the Airbus A380. It is expected to welcome more than 40 million passengers in 2008. In April 2008 Dubai International Airport ranked number 20 among city airports worldwide and number 10 among JCDecaux city airport concessions.

2. PARTNERSHIPS, ACQUISITIONS AND REORGANISATIONS

Russia

- In September, JCDecaux confirmed it entered into exclusive discussions with News Corporation regarding a potential transaction relating to News Outdoor Group ("NOG"), the leading outdoor advertising company in Russia with operations in a range of markets. In October, JCDecaux and News Corporation ended discussions regarding a potential transaction relating to News Outdoor Group.

THE OUTDOOR ADVERTISING INDUSTRY

1. SEGMENTS OF THE OUTDOOR ADVERTISING INDUSTRY

1.1. Three main segments

Outdoor advertising consists of three principal segments: advertising on billboards ("Billboard"), advertising on and in public transportation vehicles, stations and airports ("Transport"), and advertising on Street Furniture ("Street Furniture"). Billboard is the most traditional and continues to be the most utilized form of outdoor advertising.

The newest is advertising on Street Furniture: bus shelters, free-standing information panels ($2m^2$ MUPI®), large-format advertising panels (Senior® $8m^2$) and multi-service columns. Other outdoor advertising activities, such as advertising on shopping trolleys or in gas stations, are grouped together as "Ambient Media".

There are not as many reliable and comparable sources of data for outdoor advertising as there are for other types of media. Consequently, to provide the most accurate possible data, we have used various sources. Where these sources contain inconsistent information, we have tried to harmonise it based on our knowledge of the market. Therefore, we estimate that in 2008, Billboard accounted for more than 50% of worldwide outdoor advertising spending, Transport accounted for approximately 32% and has been growing share, particularly in Asia, and Street Furniture accounted for approximately 18% (source: JCDecaux).

1.2. The place of outdoor advertising in the advertising market

In 2008, outdoor advertising spending worldwide was approximately €23.8 billion, or 6.7% of worldwide advertising spending (compared to a revised 6.4% in 2007), which was estimated at €356.7 billion (source: ZenithOptimedia estimates, December 2008, based on an average annual Euro/U.S. dollar exchange rate in 2008 of €0.6799 to US$1). This average market share results from variations in penetration rate in different countries. For example, outdoor advertising spending, expressed as a percentage of the overall display advertising market, is especially high in the Asia-Pacific region, because of the particularly significant market share of outdoor advertising in Japan and China, the main advertising markets in the region. In 2008, outdoor advertising accounted for 10.6% of the overall advertising market in this region, compared to only 4.2%, 7.3%, and 4.4% of the overall advertising market in North America, Europe, and South America, respectively. In the countries of Central and Eastern Europe (including Russia), outdoor advertising accounted for 11.0% of total advertising spending, which was the highest regional market share in the world.

2. OUTDOOR ADVERTISING: AN INCREASINGLY RELEVANT COMMUNICATION CHANNEL

2.1. A fast-growing and changing audience

The audience for outdoor advertising has grown significantly in recent years as people become increasingly urbanised. According to a UN study, World Urbanization Prospects: 2007 Revision, published in 2008, 70% of the world's people will be living in cities in 2050. In fact the report predicts that 2008 was a pivotal year where as many people lived in cities globally as in rural areas for the first time. This trend is particularly strong in the developing world, where people are migrating in growing numbers toward large urban centres. The developed world already has levels of urbanisation in excess of 50%.

Furthermore, people are becoming more and more mobile and are spending more time outside of their homes, whether driving or walking on the street, or in trains, railway stations, or airports. Outdoor advertising displays have rapidly developed in city centres, along highly-travelled roads, in airports, shopping malls, supermarkets and car parks. It is predicted that the audience for outdoor advertising will continue to grow in years to come, fuelled by people's increasing mobility.

Consequently, the average commute time between home and work has increased in most countries, which means that motorists are increasingly exposed to outdoor advertising. In France, the average distances travelled per person have more than doubled in the last 20 years. In many countries, the average number of vehicles per 1,000 inhabitants has been growing steadily, which means constant growth in road traffic. In the European Union, an area with an already relatively high density of vehicles, the average number of vehicles per 1,000 inhabitants rose by 6% in the five years between 2002 and 2007, with Poland, an example of a recently emerged market, showing the biggest growth, an increase of 28% during this period (source: Comité des Constructeurs Français d'Automobiles). In South Korea, where we have several Street Furniture contracts in Seoul, growth was 21% during this same period. In China, even though the number of vehicles per 1,000 inhabitants is relatively low, the volume of vehicle sales is now the second largest in the world after the US and sales are reported to be up approximately 7% in 2008 on 2007 levels.

In addition to the greater amount of time spent in cars going to work, people are spending more and more time outside their homes. Similar to our own "Daily Life" study on the use of personal time, which we conducted with the BBC in the

United Kingdom in 2005, the latest Touchpoints study by the IPA in the UK published in 2008 shows that people spend on average just over 7 hours per day outside the home, with working people spending an average of eight and a quarter hours per day outside the home. Inasmuch as the people studied spent half of this time outside of their place of work, advertisers have ever-increasing opportunities to reach this mobile audience whether in city centres or retail locations.

Lastly in air transport, according to the ACI (Airports Council International), after several years of strong growth passenger traffic dropped slightly in 2008 (-0.6%) depressed by sharp rises in oil prices during the first half of the year and the financial crisis in the second half. The decline reflects different behaviours among different passenger types. While domestic passenger traffic tended to fall (-2.6%), mainly in mature markets such as Europe and North America, international passenger traffic continued to rise, although at a slower pace, increasing by 2.1% in 2008.

Again according to the ACI, despite a dip in traffic forecast for 2008 and 2009, passenger traffic across all regions of the world is expected to grow at an annual average 3% for the next five years, with particularly strong expansion in Asia (driven by China and India), the Middle-East and Africa. Here again, growth in flying will continue to be driven chiefly by more international travel bolstered by the popularisation of air travel in emerging markets.

2.2. Growing fragmentation of traditional major media

As many studies show, outdoor advertising continues to benefit from the increasing fragmentation of "in-home" advertising, where ever more cable, satellite, and broadcast television channels, as well as Internet sites, compete for the viewer's attention.

Television fragmentation

Fragmentation is a consequence of an ever-larger choice of TV channels and changes in the way viewers consume their television. In France, audiences for the analogue free-to-air TV channels are in ongoing decline, with viewers increasingly switching to the digital terrestrial channels which were launched in March 2005 and whose audience has been growing ever since.

The rapid growth in the number of consumers receiving a digital TV service, especially in the United Kingdom where a recent report from Ofcom highlights that the number households where the main television set is digital is the highest in the world (86%), it's very high as well in the US (70%) (Source: Ofcom International Communications Market 2008, November 2008). The result is a significant expansion in the number of households with high numbers of television channels available to them, bringing in consumers who were reluctant to pay for satellite and cable options.

Reception of channels via digital delivery has increasingly led to devices in homes that allow consumers to become their own television schedulers. The recent expansion in the number of households with the latest generation of digital video recorders, such as TiVO in the United States or Sky+ in the United Kingdom, has started to reach penetration levels that are affecting viewing habits. Households with these digital video recorders are able to fast-forward through advertising breaks and avoid advertising altogether. Many more consumers are now also viewing television over the web and are increasingly able to avoid advertising in this medium. In France, viewing programmes via the web increased by 131% in 2007 and by 69% in the UK according to the Ofcom report.

Furthermore, the strong growth of "freeview" poses a new threat to traditional broadcast television. In many markets, the rapid penetration of this type of service by cable, satellite, or high-speed Internet allows a continually expanding audience to watch programs without advertising content and downloadable at home via a digital unscrambler.

In addition, in many households, television is now rarely consumed as a primary activity in its own right. We reported from the "Daily Life" study that most viewers are distracted by another activity, or television itself is a secondary activity, while the consumer's primary activity is often something else, such as eating, talking on the phone, sending SMS messages, or surfing the Internet, while the television is on. In many markets the strong growth of the Internet is threatening the effectiveness of television advertising. An ongoing US study at the University of Southern California's Annenberg Center for the Digital Future entitled "The Digital Future Report" confirms that American consumers are increasingly surfing the Internet instead of watching television. The study, first published in 2001 and conducted annually for the last seven years, shows that the average number of hours online per week has grown steadily since The Digital Future Report began in 2000.

The strong growth of high-speed Internet, now used by 92% of active American Internet users (source: "The Bandwidth Report", December 2008), has also had a significant impact on media consumption habits in the United States. According to the Ofcom Report, France and the Netherlands have the highest rate of high-speed Internet use in Europe (91% and 93%, respectively). The Digital Future Report showed that Internet users without high-speed connections tended to connect to the Internet for relatively long periods of 30 minutes, whereas users with high-speed access tended to go online in short bursts, coinciding with television commercial breaks. The growing penetration of high-speed Internet will continue to reduce the effectiveness of television and could raise questions about its position as a mass medium. This process appears to be accelerating and provides an opportunity for the development of the outdoor medium.

Radio fragmentation

Radio advertising will also be increasingly subject to fragmentation: consumers will have access to a much broader array of stations as well as the ability to avoid advertising.

However the increasing penetration of the Internet has for many people meant less time listening to the Radio. As happened with television, radio is now seeing an increasing number of subscription-based services without advertising. Some 20 million people in the US and Canada pay for a subscription service which differentiates itself from other free to listen carriers by having no advertisements. The platform is particularly popular with motorists and in commercial out of home venues such as retail outlets, hotels and restaurants. There are plans to launch this service in Italy in 2009 followed by other European and Middle East countries.

The podcasting phenomenon, where consumers download a radio programme in order to play it on a MP3 player, and Internet delivery of radio programmes mean that radio listeners are also increasingly able to customise listening habits to suit themselves, further fragmenting home radio listening. In this environment, outdoor advertising becomes the only mass medium that consumers will find difficult to avoid, leading to significant opportunities for continued growth, thereby rendering it more attractive than traditional mass media.

Daily newspaper and magazine fragmentation
Finally, daily newspapers and magazines are also affected by increasing fragmentation, especially as a result of free newspapers and the increase in themed magazines. The tendency of people to access news via the Internet, especially amongst the young, has a negative impact on the effectiveness of this medium.

2.3. An ever more attractive medium

We offer advertisers increasingly attractive and innovative advertising media. Major new contract wins, in the Street Furniture and Transport segments, mean we can offer a more extensive and sophisticated product line.

Our capacity for "product" innovation also means that we are able to offer advertisers communications media that are increasingly attractive and support the growth of outdoor advertising. Of particular note in 2008 was the increased use of digital screens to deliver advertising messages, particularly in the transport sector. In airports as far apart as Los Angeles, London and Frankfurt, and in the Hong Kong underground, the largest in the world, we have introduced digital screens making the medium more attractive and flexible in delivering our customers' advertising messages.

In addition to these recent technological and qualitative innovations that we have developed, we continued to expand and develop our JCDecaux Innovate concept in 2008.

JCDecaux Innovate, initiated in the United Kingdom in 2001, has been adopted in 37 of the 55 countries where we now do business. JCDecaux Innovate teams around the world have developed a range of products and a sophisticated understanding of how technologies from other emerging communications industries can be combined with outdoor advertising to make the outdoor medium more attractive and interactive. In doing so, we have anticipated the increasing desire from advertisers and their agencies for media that deliver engagement. Given the high volume of advertising messages to which consumers are exposed every day, new and innovative methods are required by media owners to persuade consumers to engage with the communication. Such methods will involve actual relational marketing that flourishes in an urban environment by offering the unexpected. JCDecaux Innovate teams are constantly on the lookout for new and innovative advertising concepts for our customers' product campaigns, driving interest in the medium and stimulating diversity in our customer base and, ultimately revenue growth.

A good example of this type of campaign is the development of technologies that allow consumers to use their personal mobile devices, principally their mobile phones, to interact with a poster message and to receive information and entertainment from an advertiser. These interactive campaigns, both powerful and targeted, were very popular in 2008, especially with leisure and mobile telephone advertisers (Universal Pictures, Telstra Blackberry, Nokia and Sony Ericsson) as well as major advertisers like LloydsTSB and Nike. These campaigns allow consumers to explore and engage with their products, adding value to the advertising investment.

Among other JCDecaux Innovate products that we have developed is "Interact", which allows a consumer to select desired information directly from the advertising medium, and "Showscreen", which involves introducing an interactive television screen into an advertising display, making it possible to transmit several messages to the consumer. These two JCDecaux Innovate products were in great demand from advertisers during 2008, and the interactive campaigns allowed us to win new advertisers in the Street Furniture segment and thereby enhance our portfolio of new clients looking for innovative solutions, over and above those that customarily use this type of campaign (mobile telephones, cinema, and television). In 2008, advertisers that invested in such campaigns included Sony Ericsson, Pedigree Petfoods, Pru Health, Tiger Beer, Schweppes, Puma and South Korea Telecom.

"Showcase" also allowed us to bring in new advertising contracts. The process involved transforming MUPI® 2m² scrolling panels or bus shelters into an outdoor show window exposing an advertiser's products, as in a store. This JCDecaux Innovate product was particularly attractive to advertisers in the fashion and sports equipment industry (Mango, Hugo Boss), beauty products (Beiersdorf), mobile telephones (Nokia) and food advertisers (Kraft).

In the area of interactivity, beginning in January 2007, JCDecaux initiated a worldwide first in France: the launch in Paris of a network of 54 fully interactive 8m² panels, sold by weekly time slots (Chrono Connect). For example, an advertiser can choose the Day slot, which is one of the four time slots available, and use it for the digital content of its choice (such as sound, video, promotions and games). At each change of time slot, the digital content shown to the public changes in real time to that of the next advertiser. The initial results in terms of the number of messages downloaded are extremely encouraging and confirm the interest of brands in this new type of advertising.

All these innovative products, to which we have added sound, ultra-violet light, and modern forms of moving lights, have changed the image of outdoor advertising for advertisers, which contributes to the medium's growth.

Our largest markets have a new JCDecaux Innovate based campaign virtually every week driving in many cases new advertisers to the medium. In France JCDecaux Innovate ran 44 innovations in outdoor advertising in 2008, a significant part of which was for brands from markets that are not normally considered captive, such as food and beauty/hygiene. In the United Kingdom, where the idea has been present for some time, 48 campaigns used JCDecaux Innovate technology in 2008. This capacity for perpetual innovation allows our sales force to attract new advertisers to outdoor advertising. A significant number of JCDecaux Innovate campaigns were also launched in Europe(1), in Asia and in the United States.

2.4. Competitive cost per contact

Outdoor advertising continues to offer a cost per contact that is significantly lower than that of other media.

In the United Kingdom, audiences for television were essentially flat in 2008. Advertising rates however are at their cheapest for more than a decade, which automatically increases the number of contacts made for each €1,000 spent. The audiences for radio were also stable but a decline in demand brought about by the financial crisis hit advertising rates making the medium cheaper. On the other hand, the print media experienced further audience decline, which effectively increased rates, while the relatively small cinema medium saw a modest improvement in relative cost due to increased audience numbers.

Outdoor advertising was still the most competitive medium in the United Kingdom, with a strong audience during the year.

The table below shows a comparison of costs per thousand contacts in three different European markets by breakdown of advertising spends per medium. In each of these countries, outdoor advertising is the most cost-efficient medium.

Contacts reached per €1,000 spent	United Kingdom	Sweden	Finland
Outdoor advertising (Street Furniture – Billboard)	647,386	384,608	285,714
Television (broadcast, satellite, cable) – 30 sec. spot	165,548	105,662	85,690
Radio (30 sec. spot)	523,872	166,931	253,165
Daily newspaper	109,681	63,009	90,334
Cinema (30 sec. spot)	13,647	17,072	13,333
Internet	468,403	235,667	149,254

Source: Zenith Optimedia (for all media, except outdoor advertising), Dagmar 2009; KMT 2008, KRT 2009, TV-Mittari 2008(Finland), Orvesto Consumer& JCDecaux estimates (Sweden).
Outdoor advertising: Audience rating agencies in various countries.

2.5. Reliability and improvements in audience measurement

In the media world, the most advanced forms of advertising have analytical tools that allow purchasers of advertising space to plan their campaigns effectively. Outdoor advertising, unlike other major media, has traditionally lacked reliable audience measurement tools. For several years, through our subsidiary JCDecaux OneWorld, we have pioneered the development of audience measurement for outdoor advertising. In 2008, we made significant developments that will further enhance the attractiveness of this medium to advertisers.

We have significantly contributed to the development of a consistent approach to outdoor audience measurement in Europe, the United States and the Asia-Pacific region. Using our reputation, we developed a reference methodology, or "best practice", in audience measurement, together with other key companies in the outdoor advertising industry. These early initiatives were strengthened in 2008 following the creation of a new research group under the aegis of the international research institute, ESOMAR, the purpose of which was to develop audience measurement standards specific to outdoor advertising, the "Global Guidelines for Out Of Home Audience Measurement". We serve on its decision-making committee and also chair the technical committee of this research group. Other members include the World Federation of Advertisers and other participants in the advertising world. Only television and the Internet have undertaken similar audience measurement initiatives so far, and this step shows the increasing importance that advertisers attach to outdoor advertising in formulating their advertising strategy. A draft version of the guidelines has been sent to stakeholders throughout the advertising industry for consultation and comment. The finished version is expected to be released in the Spring of 2009 and will greatly assist markets throughout the world to develop true accountability, permitting outdoor to compete more effectively with other media for advertisers' advertising spend.

Generally speaking, regardless of the type of medium, the development of a method of audience measurement requires active participation by the various parties involved (principal vendors, advertising agencies and advertisers). They must agree on the measurement criteria to be used. This step is a fundamental prerequisite that conditions acceptance of the results of the audience measurement technique by the advertising market and the various participants. Audience measurements carried out for outside

(1) Excluding France and the United Kingdom

advertising thus involve the principal parties affected and are produced by independent agencies that include the key companies in the industry.

The reference methodology used by us and other participants in the industry is built around three fundamental ideas: identifying the movements of a sample of the population over a period of one to two weeks, measuring automobile or pedestrian traffic and measuring the visibility of the advertisement (whether the panel is backlit or not, visibility of the panel from the traffic flow position, and in relation to the direction of traffic flow, etc.). For each panel, a probability factor of being seen can be assigned, based on its potential visibility. As for television, quantitative surveys measure "opportunities to view" the medium.

For each of these branches of the methodology, the method of data collection can vary from one country to another. Collection of information about movements, for example, can be made using GPS systems, as was the case recently in Germany, Switzerland and certain major Italian cities. The essential point is that the method makes it possible to gather reliable data about patterns of movement.

This methodology, which has been gradually implemented with success in various regions of the world, should improve the level of coverage and increase the frequency of audience measurement for outdoor advertising in order to allow comparability both with other main advertising media and from one outdoor advertising segment to another. Global advertisers will thus be able to develop a worldwide strategy for purchasing advertising space from one medium to another, increasing the ease of use and effectiveness of the medium. This reference methodology has already been adopted by the United Kingdom, Norway, Sweden, Ireland, and Finland. In the United Kingdom, where the system has been in place longer than in other countries, and, more recently, in Ireland, Sweden, and in Finland, we believe that the audience-measurement methodologies have allowed us to raise our prices due to demonstrably higher audiences for high-quality panels.

In Germany, new audience measurement results were published during 2008. In this major market, as well as in Australia and the United States from the spring of 2009, our clients will be able more easily to quantify the value of outdoor advertising in making their advertising choices, which should continue to support the medium's growth. Furthermore, GPS technology was used in audience measurements in the United Kingdom in 2008 and will be used in the Netherlands in 2009.

Early in 2008 we introduced our first audience measurement in China using this reference methodology. This audience measurement was carried out for all of our different types of advertising media in Shanghai. Today, our objective is to extend this measurement to the principal advertising markets in China, which should significantly strengthen our competitive position there. In the latter part of 2008 the study has also been conducted in Beijing and will provide consistent audience accountability for advertisers using our products in this rapidly growing market. Similarly in emerging markets in Central and Eastern Europe this reference methodology has the potential to enhance understanding of the role outdoor can play in the media mix. In 2008 we introduced the system nationally in Slovenia, for example.

In France, our key market, each operation is now measured and, whether it involves Street Furniture or Billboard, its performance is measured by Affimétrie®, which positions the products of JCDecaux and Avenir at the top of all major indicators. Several improvements in methodology were made by Affimétrie in 2007 in particular to the effects of back-lighting and scrolling displays on the "visibility" of a display. These improvements, which are particularly useful, allow our advertisers to measure the effectiveness and the quality of our networks. A very complete measurement of the outdoor medium is now available to advertisers in France, Europe's largest outdoor advertising market.

In connection with the development of its expertise for the advertising industry, JCDecaux Airport France has conducted an on-site, single-source audience poll with Ipsos every year for the last five years. Média Aéroport Performances (MAP) is designed first and foremost to understand the media audience better by providing precise quantitative measurements of the airport audience.

This survey will also make it possible, as a result of specifically designed media software, to measure the performance of media through indicators widely used by the advertising industry, such as coverage, number of contacts, GRP (Gross Rating Point) and cost per thousand persons reached – by face or by network. This is a major innovation for this type of medium, which can now measure its impact, as do print, television, or radio media in France. In the United Kingdom, a similar audience measurement system, RADAR, has been implemented at Heathrow Airport.

Similarly, in 2007, the outdoor industry in Spain further enhanced its measurement system, Geomex, to cover a larger number of formats. This development allowed us to strengthen our promotion of outdoor and our product network with advertisers.

In most of the markets described above, the audience measurement techniques, which were previously used only in the Billboard business, have been extended to all types of outdoor advertising, including Transport advertising and, more recently, advertising structures located near points of sale. This development will soon allow advertisers to plan their campaigns more easily and purchase outdoor advertising networks more coherently. Thus in Finland, following the 2006 launch of the "Outdoor Impact" measurement system, advertisers can now measure the audience of our multi-media campaigns (Street Furniture, Billboard, buses and shopping malls) and make comparisons between different media. This type of tool will enable us to energise sales by attracting new investment. In 2007, the year following the launch of the new system, outdoor advertising in Finland improved its market share compared to traditional mass media. The increase in JCDecaux Finland revenues was thus 18%, significantly better than the average growth of all media combined (+6.5%) over the year. This performance was the result of a change in commercial approach, since we no longer sold advertising faces as such, but contacts and audiences, to meet with advertisers' expectations for a multi-media advertising strategy. JCDecaux Finland was designated "Medium of the Year 2007" by TNS Gallup in recognition of our efforts in audience measurement and promotion of the medium to advertisers.

2.6. Measuring the effect of media on sales

In many markets, we have invested significantly in studies to analyse the effectiveness of outdoor advertising campaigns which, when conducted over a broad range of campaigns, are of particular relevance to our advertisers. Since 2003, in Sweden and the Netherlands, these effectiveness studies have been enhanced by the use of the Internet to gather information. This information makes it possible to measure the effectiveness of a larger number of campaigns at lower cost and to provide the results more rapidly to our advertisers and their agencies. Similar studies conducted by traditional survey methods are periodically undertaken by all our subsidiaries.

In France, working with MarketingScan, a subsidiary of GFK, we are now in a position to measure the effect of advertising media on the sale or market share of mass-market products. The goal of these studies is to measure the difference in sales of a product between a town or city where a campaign is being conducted and a town or city where it is not. This methodology makes it possible to identify accurately the impact of outdoor advertising, including in the context of a multi-disciplinary campaign. To date, more than 50 surveys have been conducted in the food and beverage industry and health and beauty products industry, using a wide variety of strategies. They have produced the largest database available in the area of comparative effectiveness. These studies show that, used alone or together with other media, outdoor advertising very often accelerates sales whether used to support a brand or to launch a new product. Of JCDecaux and Avenir campaigns tested during the last three years, 77% generated positive short-term results in terms of sales for the brand.

3. COMPETITIVE ENVIRONMENT

Three major global players

In general, we compete for advertising revenues against other media such as television, radio, newspapers, daily, weekly and monthly magazines, cinema and the Internet.

In the area of outdoor advertising, several major international companies operate in all three principal market segments (Billboard, Street Furniture, and Transport) and in multiple countries. Our major competitors worldwide are Clear Channel Outdoor and CBS Corporation, via its outdoor advertising subsidiary, CBS Outdoor.

Many local competitors

We also face competition from local competitors, especially in Billboard, the largest of which are as follows:

- France: Liote/Citylux (Illuminated panels), Insert (Micro-billboard), Metrobus (Transport);
- United Kingdom: Titan Outdoor (Billboard) and Primesight (Billboard);
- Belgium: Belgian Poster (Billboard) and Business Panel (Billboard);
- Germany: Ströer (Billboard, Street Furniture, and advertising in railway stations), Wall (Street Furniture, Transport and Billboard), AWK (Billboard), Degesta (Street Furniture);
- Austria: Epamedia (Billboard), Ankünder Steiermark (Street Furniture);
- Spain: Cemusa (Street Furniture), Instalaciones especiales de Publicidad Exterior (Street Furniture and Billboard) and Emociona Comunicación (Street Furniture and Billboard), Redext (Billboard and Street Furniture);
- United States: Lamar Advertising Company (Billboard), Regency (Billboard), Adams Outdoor (Billboard), Van Wagner (Billboard and telephone call boxes) and Tri-State/PNE Media (Billboard);
- China: Clear Media (Street Furniture), majority owned by Clear Channel Outdoor, Tom Group (Billboard), and Focus Media/Sina (plasma screens in public spaces);
- Canada: Pattison Outdoor (Street Furniture, Billboard, and Transport), Astral Media (Street Furniture, Billboard);
- Australia: APN (Transport), acting in particular on behalf of Buspak (Transport), and Adshel (Street Furniture), Cody & Australian Posters (Billboard) and Eye Corporation (Transport);
- Russia: News Outdoor (Street Furniture, Billboard and Transport), Gallery (Billboard);
- Poland: AMS (Billboard and Street Furniture), News Outdoor (Billboard and Street Furniture), Ströer (Billboard and Street Furniture).

In other countries, we also face significant local competition, and some competitors have leading positions in their areas, especially in certain markets in South America, Asia and Middle-East.

The table below shows the 16 largest outdoor advertising groups in terms of market share, based on 2008 revenues (published or estimated), in order of magnitude:

Company	**Country of origin**	**Revenue *(in millions of US$)***	**Geographic presence**
Clear Channel Outdoor	USA	3,289	United States, Canada, Europe, Asia-Pacific, South America
JCDecaux [(1)]	France	3,188	Europe, Asia-Pacific, North and South America, Africa and Middle East
CBS Outdoor	USA	2,170	United States, Canada, Mexico, Europe, Asia-Pacific
Lamar	USA	1,198	United States, Canada
Ströer[(2)]	Germany	719	Germany, Poland
Focus Media[(3)]	China	524	China
News Outdoor[(2)]	Russia	500	Russia, Eastern Europe
Titan Outdoor[(2)]	USA	500	United Kingdom, Ireland, United States
Affichage Holding	Switzerland	419	Switzerland, Greece, Eastern Europe
Metrobus	France	304	France
Epamedia[(2)]	Austria	235	Austria, Eastern Europe
APN	Australia	224	Hong Kong, Malaisia, Indonesia, Australia, New Zealand
Gallery[(2)]	Russia	215	Russia
Cemusa	Spain	196	Spain, Portugal, Italy, Mexico, South America, United States
Wall	Germany	170	Germany, Turkey
AWK[(2)]	Germany	148	Germany

Source: Research reports, press releases, Internet sites of the companies and JCDecaux estimates, with currency transactions based on an average annual €/US$ exchange rate of €0.6799/US$ in 2008, an average annual £/US$ exchange rate of £0.5414/US$ and a CHF/US$ rate of CHF 1.0793/US$ in 2008.

(1) *This amount does not include revenues generated by Affichage Holding, a Swiss company in which we are the principal shareholder with a 30% interest, nor revenues generated by Wall AG, a German company in which we own a 40% interest, nor revenues generated by Metrobus, a French company in which we have a 33% interest.*

(2) *JCDecaux estimate.*

(3) *2008 Outdoor advertising revenues.*

ONE BUSINESS
THREE SEGMENTS

1. OUR STRATEGY

Each day, we reach over 293 million people around the world through our unique network of outdoor advertising displays. Our objective is to continue extending and strengthening our product line in areas of high population density and high living standards to continue to increase and improve our profitability, which is already among the highest in the industry.

To achieve this goal, our strategy focuses on three main objectives:

- to continue our development through organic growth by winning new advertising contracts with the cities, local governments, metros, and airports that we deem the most attractive;
- to make strategic, targeted acquisitions that enable us to gain a leadership position, or strengthen our existing position in the industry, and to increase our share of the outdoor advertising segment by developing a national network, thereby building our capacity to achieve high returns on our investments;
- to maximise the commercial potential and profitability of our advertising networks in all the countries where we do business.

1.1. Continuing organic growth

We intend to continue building the most attractive advertising network for our advertisers in each of our three lines of business. To reach this goal, we use the following methods:

- targeting cities, local governments, airports and other transport systems in countries that offer high commercial potential in order to develop a national advertising network;
- creating new products and services that meet or anticipate the needs of cities, airports and other transport systems and providing unequalled products and services to win tenders for advertising contracts in these locations;
- using proprietary market research and geomarketing research tools to build flexible advertising systems that meet the demands and budgets of our advertisers (complete national or regional coverage, targeted networks, time-share campaigns, etc.);
- offering an ever-larger audience to advertisers who can target potential customers both in city centres, through a system of street furniture unique in Europe, and on the outskirts of population centres, through a national display network in most European countries;
- developing a comprehensive international presence in each of our business segments to respond to the growing demand from international advertisers in this area;
- developing operating methods that make it possible to adapt and build networks based on the requirements of our advertisers.

1.2. Participating in the consolidation of outdoor advertising

We believe our robust financial structure, solid track record and powerful advertising network, especially in Europe and Asia-Pacific, give us a significant edge in seizing the acquisition and partnership opportunities needed to enter new markets or strengthen our leading position in existing markets.

This strategy enables us to grow in cities where Street Furniture contracts have already been awarded and capitalise on the synergies of these activities nationally, while, at the same time, extending our product range. Our partnership with Gewista, created in 2001 and strengthened in 2003 by the increase in our equity stake to 67%, enabled us to grow our Billboard and Street Furniture networks in Central Europe and become a major player in Street Furniture in Austria. In Italy, where we have had a partnership with IGP since 2001, IGPDecaux is the leader in outdoor advertising and now has a truly national presence in Billboard and Transport advertising. This national dimension has strengthened the business reach of our Group in Italy, which has been helpful in winning the Street Furniture tenders in Naples and Turin, in renewing our contract in Milan, and in signing the partnership agreement to display advertising in the Rome airports.

In 2005, we became the leader in outdoor advertising in China, by making three acquisitions, thanks to which we rapidly gained a significant presence in the metros and on the buses of major Chinese cities. In 2007, we entered into strategic partnerships in Central Asia and the Middle East.

We also took our first steps into the Ukraine and Russia in 2006, signing a partnership deal with the Bigboard group, the Ukrainian market leader in outdoor advertising and a middle-ranked player in the Russian market. JCDecaux has owned 40% of Bigboard since 2006, and the access this gives us to its billboard network means we can now develop these new markets for outdoor advertising.

We believe that we have been successful in integrating the companies that we have acquired and with which we have formed alliances in recent years, especially in France, China, Sweden, the Netherlands, Germany, Spain, Portugal, Italy and Austria.

Our acquisition strategy focuses on the following main objectives:

- acquiring or establishing alliances with companies holding strong positions in their markets;
- capitalising on our resources (products, operating expertise, commercial strength) to grow and maximise the potential of these new markets;
- developing commercial synergies;
- centralising and reducing costs.

1.3. Maximising the potential of our advertising network

We will continue to maximise the growth and profitability potential of our network. To do so, we rely on our more than forty years of experience in outdoor advertising, our unique geographic coverage, our state-of-the-art product line and our innovative marketing and business approach.

In this way, we seek to:

- retain control of the key locations of our street furniture products and maximise visibility of faces so that we can offer networks to advertisers that ensure the success of their advertising campaigns;
- continue our product and marketing innovations and maintain a pricing policy that reflects the superior quality of our networks;
- capitalise on the synergies among our Street Furniture, Billboard and Transport businesses to build international and/or multiformat business alliances for major international advertisers;
- continue to develop outdoor market research and audience measurement techniques to reinforce the attractiveness of the outdoor medium for advertisers and enhance its use:
  - by using sophisticated socio-demographic behavioural, consumer, movement and audience studies of target audiences to build networks that meet the advertising objectives of our customers;
  - by providing quantitative audience information and data making it possible to measure the impact of our networks with respect to a specific audience.

2. STREET FURNITURE

2.1. The concept of Street Furniture

A simple but innovative idea

In 1964, Jean-Claude Decaux invented the concept of the Street Furniture market with a simple but innovative idea: to provide well-maintained street Furniture free of charge to cities and towns in exchange for the right to place advertising on these structures. From the beginning, Street Furniture became a very attractive medium for advertisers, because it gave them access to advertising space in city centres in areas where advertising was generally very restricted.

State of the art products

For over 45 years, we have been designing and developing street furniture products that offer cities good design and public service and advertisers an effective medium for their campaigns. We:

- design products that are innovative and have high added-value, or offer services that enhance the quality of urban life, such as: bus shelters, free-standing information panels (MUPI®), automated public toilets, large-format advertising panels (Senior®), multi-service columns (such as the Morris columns in France), self-service bicycle racks (Cyclocity® schemes operating in 17 cities including Paris, Lyon, Marseilles, Aix-en-Provence, Toulouse, Rouen, Besançon, Mulhouse, Amiens, Nantes and Nancy, and 2 Communautés d'Agglomération (La Plaine and Cergy-Pontoise) in France and elsewhere in Europe), kiosks for flowers or newspapers, public trash bins, benches, citylight panels, public information panels, streetlights, street signage, bicycle racks and shelters, recycling bins for glass, batteries or paper, electronic message boards and interactive computer terminals;

- develop a coordinated range of street furniture by working closely with internationally renowned architects and designers, such as Mario Bellini, Philip Cox, Peter Eisenman, Sir Norman Foster, Christophe Pillet, Philippe Starck, Robert Stern, Martin Szekely and Jean-Michel Wilmotte;
- determine, according to the advertising potential, the amount of advertising space needed to finance a city's street furniture needs;
- select advertising locations and position our products to maximise the impact of advertising.

Priority given to maintenance and service
We are recognised by cities, towns and advertisers for the quality of the maintenance service provided under our Street Furniture contracts. As of 31 December 2008, 59% of our Street Furniture employees were responsible for the cleaning and maintenance of our street furniture and for poster management. We put all of our maintenance staff and bill posters through a rigorous training programme in our in-house facilities to ensure they keep alive the company know-how and preserve our excellent reputation for maintaining our street furniture, a key element in our international renown.

2.2. Street Furniture contracts

Characteristics of Street Furniture contracts
Most of the Street Furniture contracts into which we enter with cities, towns and other government agencies today result from a competitive tender process specific to public procurement procedures. Street Furniture is installed primarily in city centre locations and along major commuting routes where pedestrian and automobile traffic is the highest. Street Furniture contracts generally require us to supply products which contain advertising space, such as bus shelters, free-standing information panels (2m² MUPI®), columns, etc. and may also require us to supply and install non-advertising products, such as benches, public trash bins, electronic message boards or street signage and bicycles. Contracts tend to differ depending on the needs of the local government and the volume of non-advertising street furniture desired.

Our strategy is to install and maintain street furniture at our expense in cities and towns with which we have a contractual relationship. In exchange, we are granted the right to sell the advertising space placed on some of the street furniture. Some contracts also include an exclusive right to install additional street furniture and specify the conditions under which we can display advertising in the areas covered by our contracts. In general, contracts provide for installation of additional street furniture as new needs develop. The initial location of street furniture is usually the subject of mutual agreement.

Certain towns and local governments may prefer to charge a fee, instead of receiving street furniture or services. When we pay an advertising fee, the cost of such fee is generally offset, in whole or in part, by the fact that we install few or no non-advertising products. In 2008, we paid 18.3% of Street Furniture revenues to cities and towns in the form of advertising rents and fees.

Historically, almost all of our Street Furniture contracts were made with cities or towns granting us the right to install street furniture in public areas. Few Street Furniture contracts were concluded with private landowners. For several years, we have expanded our Street Furniture business to serve shopping malls, in particular in the United States, Europe, South America and Japan. Under the agreements reached with the owners of these shopping malls, we now install Street Furniture in private as well as public areas.

Street Furniture contracts for shopping malls
Shopping mall contracts for Street Furniture generally take the form of master agreements made with the operators of malls and a separate agreement made with the managing agent of each mall. The terms and conditions of the separate agreements incorporate the provisions of the master agreement and may contain specific provisions reflecting the size, design, and character of the mall. Master agreements provide that operators will afford us the opportunity to enter into individual concessions with all of the malls that they control, and that they will use their best efforts to convince the malls in which they have an investment, but do not control, to enter into individual agreements with us. Any new mall acquired or developed by the operators during the term of our master agreement becomes covered by that master agreement. Principal provisions common to most of the Street Furniture contracts in shopping malls are as follows:

- a term of ten to fifteen years, with a right of early termination upon material breach of the agreement by either party;
- an obligation to design, construct, install, and maintain wall displays, advertising displays and public message boards at our expense. Maintenance costs, as well as the amount of capital expenditures required in connection with such contracts, however, are less than those incurred in connection with Street Furniture contracts involving the public domain;
- an exclusive right to use the common areas of the mall to market and sell advertising space on fixed and scrolling panels, in exchange for payment of a fee proportional to the net revenues earned from such displays, together with payment of a minimum rent, in certain cases;
- provisions under which the mall's managing agent may ask us to move billboards, at our expense, to another location in the mall.

Long-term contracts
Our Street Furniture contracts have terms of 8 to 25 years. In France, the contract term is generally 10 to 15 years. As of 31 December 2008, our Street Furniture contracts had an average remaining term of 7 years and 6 months (weighted by 2008 advertising revenues and adjusted to account for projected revenues from new contracts, excluding shopping malls). In France, the

average remaining term of Street Furniture contracts (wheighted by 2008 advertising revenues) is 6 years and 1 month. Outside France, the average remaining term of Street Furniture contracts was 8 years and 3 months. Between 1 January 2009 and 31 December 2011, 21% of our Street Furniture contracts (weighted by 2008 advertising revenues) will come up for renewal.

The natural attrition rate of our contract portfolio over the next three years is provided for indicative purposes only and does not necessarily reflect the evolution of either the commercial value of advertising faces that are sold as advertising network packages or of Street Furniture revenues.

Contracts may generally be terminated in the event of material breach, as well as for public policy reasons. In the latter case, however, we may be able to claim compensation.

High rate of success in competitive tenders

We continue to renew our existing Street Furniture contracts successfully through competitive tenders and to win a high proportion of the new contracts for which we bid. In 2008, we continued our successful record in competitive tenders for both new contracts and renewals. Altogether, in 2008, we won 86% of the competitive tenders for Street Furniture advertising contracts (renewals and new) for which we bid worldwide, and 95% in France.

2.3. Geographic presence

Number 1 worldwide in Street Furniture

We are number one worldwide in Street Furniture in terms of revenue and number of advertising faces. As of 31 December 2008, we had Street Furniture contracts in approximately 1,600 cities of more than 10,000 inhabitants, totalling almost 378,000 advertising faces in 42 countries. We have a portfolio of Street Furniture contracts that is unique in the world and includes advertising contracts in 30 of the 50 largest cities in the European Union. In addition to our operations in public areas, we are also present in over 1,000 shopping malls around the world. In 2008, Street Furniture accounted for 49% of our revenues.

We believe that having Street Furniture contracts in major cities in each country is essential to being able to offer a national advertising network to advertisers. As a result of this unique presence in Europe, we are the only outdoor advertising group able to create networks that enable advertisers to run pan-European advertising campaigns.

As of 31 December 2008, the geographic coverage of our Street Furniture business was as follows:

Country	Number of advertising faces
Europe(1)	183,700
France	103,600
Asia-Pacific(2)	36,800
United Kingdom	20,600
North America(3)	21,600
Rest of World(4)	11,600
Total	**377,900**

(1) *Includes Germany, the Netherlands, Belgium, Luxembourg, Spain, Portugal, Sweden, Norway, Finland, Denmark, Austria, Croatia, Italy, Slovenia, Iceland, Latvia, Lithuania, Estonia, Czech Republic, Russia, Ukraine, and Slovakia. Among these countries, the majority of advertising faces are located in Austria, Germany, the Netherlands, Belgium, Spain, Sweden, Portugal and Finland.*

(2) *Includes Australia, Japan, Korea, Singapore, Thailand, China (including Hong Kong and Macau), and India.*

(3) *Includes Canada and the United States. The majority of faces are in the United States.*

(4) *Includes Argentina, Brazil, Chile, Uruguay, Kazakhstan, Uzbekistan and Qatar.*

A Street Furniture network unique in Europe

We have an exceptional presence in Europe thanks to our unique portfolio of contracts in Europe's most populous cities. As of 31 December 2008, we had Street Furniture contracts in 30 of the 50 largest cities of the European Union[(1)], as indicated in the table below.

	City	Country	Population (in millions)	Principal operators of Street Furniture
1	London	United Kingdom	7.52	Clear Channel Outdoor / **JCDecaux**
2	Berlin	Germany	3.42	Wall[(2)]
3	Madrid	Spain	3.21	**JCDecaux** / UTE Cemusa Clear Channel Outdoor
4	Rome	Italy	2.72	Clear Channel Outdoor
5	Paris	France	2.18	**JCDecaux**
6	Bucharest	Romania	1.93	EPA
7	Hamburg	Germany	1.77	**JCDecaux** / Ströer
8	Warsaw	Poland	1.71	AMS
9	Budapest	Hungary	1.70	EPA/ Mahir/ EPI
10	Vienna	Austria	1.68	**JCDecaux**[(3)]
11	Barcelona	Spain	1.62	**JCDecaux**
12	Munich	Germany	1.31	**JCDecaux** / Ströer
13	Milan	Italy	1.30	**IGPDecaux**[(4)]
14	Prague	Czech Republic	1.21	**JCDecaux**
15	Sofia	Bulgaria	1.16	*EPA*
16	Brussels	Belgium	1.05	**JCDecaux**
17	Cologne	Germany	1.00	**JCDecaux** / Ströer
18	Birmingham	United Kingdom	0.99	Clear Channel Outdoor / **JCDecaux**
19	Naples	Italy	0.97	**IGPDecaux**[(4)]
20	Turin	Italy	0.91	**IGPDecaux**[(4)]
21	Marseilles	France	0.84	**JCDecaux**
22	Valencia	Spain	0.81	**JCDecaux** / Cemusa
23	Stockholm	Sweden	0.80	Clear Channel Outdoor / **JCDecaux**
24	Krakow	Poland	0.76	AMS
25	Athens	Greece	0.75	Affichage / Master / Remedy
26	Lodz	Poland	0.75	AMS
27	Amsterdam	The Netherlands	0.75	**JCDecaux**
28	Riga	Latvia	0.72	**JCDecaux**
29	Seville	Spain	0.70	**JCDecaux**[(5)] / Cemusa
30	Saragossa	Spain	0.67	**JCDecaux** / Cemusa / Clear Channel Outdoor
31	Palermo	Italy	0.66	Damir
31	Frankfurt	Germany	0.66	Ströer
33	Wroclaw (Breslau)	Poland	0.63	AMS
34	Glasgow	United Kingdom	0.63	**JCDecaux**
35	Genoa	Italy	0.61	Cemusa
36	Stuttgart	Germany	0.60	**JCDecaux**
37	Dortmund	Germany	0.59	Wall[(2)] / Ruhfus
38	Essen	Germany	0.58	Ströer
39	Düsseldorf	Germany	0.58	Wall[(2)]
40	Rotterdam	Netherlands	0.58	CBS Outdoor
41	Helsinki	Finland	0.57	Clear Channel Outdoor / **JCDecaux**
42	Malaga	Spain	0.57	Cemusa
43	Lisbon	Portugal	0.56	**JCDecaux** / Cemusa
44	Poznan	Poland	0.56	AMS
45	Bremen	Germany	0.55	**JCDecaux** / Ströer
46	Vilnius	Lithuania	0.54	**JCDecaux**
47	Hanover	Germany	0.52	Ströer
48	Leipzig	Germany	0.51	**JCDecaux**
49	Copenhagen	Denmark	0.51	**JCDecaux**
50	Dresden	Germany	0.51	**JCDecaux**

Source: Government census reports and T. Brinkhof "The Principal Agglomerations of the World" (http://www.citypopulation.de).

(1) *As of 31 December 2008, the European Union consisted of the following countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, The Netherlands, and the United Kingdom.*

(2) *JCDecaux owns 40% of Wall's share capital.*

(3) *We are present in Vienna via our subsidiary Gewista, of which we own 67%.*

(4) *JCDecaux owns 32.35% of IGPDecaux's share capital*

(5) *Advertising faces sold through Billboard networks.*

In 2008, our Street Furniture concessions in these 30 European cities accounted for approximately 34.1% of our Street Furniture advertising revenues. These contracts had an average remaining term of nearly 7 years and 9 months (weighted by 2008 revenues).

In Europe, we renewed several significant Street Furniture contracts, particularly in France, Denmark, and Belgium.

In France, we have exceptional territorial coverage, with Street Furniture contracts in 703 cities and towns, including Paris, Lyon, Marseilles, Bordeaux, Strasbourg, Toulouse, Nice, Grenoble, Clermont-Ferrand, and Saint-Etienne, the largest French cities by population. Although France, the birthplace of our company, remains our largest country for Street Furniture, its relative share of divisional revenues continues to decline gradually as our international business develops.

In France, in 2008, we renewed Street Furniture contracts for Toulouse, Fréjus, Marseilles, Valenciennes and Bordeaux. We also won new advertising faces in Nantes through the street furniture contract including self-service bicycles. The street furniture contract for Carpentras, however, was not renewed.

Outside France, we won the contracts for Santiago de Chile, the country's largest city, and for Seoul in South Korea.

Cyclocity®: an innovative self-service bicycle product financed by advertising, a true revolution in urban travel.
We launched the self-service bicycle concept in Vienna, Austria, in 2003. This was quickly followed by schemes in Cordoba and Gijón in Spain before moving into France with the successful Lyon Vélo'v in 2005. Now, JCDecaux runs its innovative Cyclocity service in an increasing number of towns: Seville (Spain), Brussels (Belgium), and a total of 17 cities including Paris, Marseilles, Aix-en-Provence, Toulouse, Rouen, Besançon, Mulhouse, Amiens, Luxembourg, Nantes and Nancy, a total of 17 cities and 2 Communautés d'Agglomération (La Plaine and Cergy-Pontoise). In 2007 and 2008 JCDecaux rolled out schemes in several new towns, including in France, including the Paris Velib', the biggest programme ever deployed anywhere in the world with 1,451 docking stations and 20,600 bicycles. Altogether these schemes made available over 30,000 bicycles which have already been used for more than 75 million trips.

The rollout of Cyclocity has been carried out according to different economic models, based on the advertising potential of the media financing the bicycle service. When the advertising potential is large, as in Paris or Lyon, advertising revenues completely finance the fleet of bicycles. When the medium is smaller, as in Marseilles, advertising revenues partially finance the bicycles and are supplemented by a fee paid by the city, as well as by advertising on the bicycles. Finally, where the advertising medium is more modest, as in Toulouse, the system is financed by the city, partly financed by Street Furniture advertising, and we also receive revenues from advertising on the bicycles and annual subscriptions.

Since the launch of the Vélib' scheme on 15 July 2007, with an unprecedented starting pool of 20,600 bikes, there have been 7,800 bicycle thefts and partial damage to 11,600 bicycles. To take account of this, the Mairie de Paris and JCDecaux agreed an amendment to the contract under which the City would make a financial contribution to the costs of theft and vandalism. On 31 December 2008, we were able to confirm the initial budget for total investment (including the cost of street furniture) of €90 million and revenue on the scheme in line with the business plan, which should allow us to generate revenue of around €60 million in 2009.

Self-service bicycles are now an established feature of global capitals where sustainable mobility is now a big issue in transport planning.

North America, a niche market
We have been present in the United States since 1994, when we won our first Street Furniture contract in San Francisco. In 2001, in partnership with CBS Outdoor, we won the Street Furniture contract with Los Angeles for a term of 20 years. Then, in 2002, we won a contract with Chicago, also for a term of 20 years, as well as our first Street Furniture contract in Canada, with Vancouver, the third-largest Canadian city. Vancouver was won in partnership with CBS Outdoor.

In 2003, we acquired 50% of Wall USA, a company that holds the Street Furniture contract with Boston until 2021. In March 2007, in connection with an exchange of assets with Wall AG, our interest in Wall USA was increased to 60%.

In 2005, CBS-Decaux (a 50/50 joint venture company with CBS Outdoor) won an exclusive 10-year contract to supply and maintain street furniture in West Hollywood, a very attractive area located in the heart of Los Angeles. In 2007, we strengthened our advertising network in area by winning the Street Furniture contract for the City of Glendale, located in the wealthy outskirts of Los Angeles.

As of 31 December 2008, we held Street Furniture contracts in four of the five largest urban areas of the United States (Los Angeles, Chicago, Boston and San Francisco) and are in a position to market a unique product line to advertisers. In 2009, the US Industry will publish the first national audience measurement study for US outdoor advertising. This will substantially improve our ability to justify the value of outdoor in the advertising media mix.

The Group extends its expertise to shopping malls
We are also developing our Street Furniture business in the United States in shopping malls, which we view as the real "downtown" of many cities in the United States. Americans make most of their essential consumer purchases (except for automobiles) in malls, where they also visit movie theatres and restaurants. In addition to a large audience, shopping malls offer the advantage of having a commercial purpose and provide advertisers with an opportunity to advertise next to points of sale. We operate in 96 shopping malls in the United States and have a 43% market share in shopping malls in the 20 largest American urban areas. Our contracts include some of the most prestigious malls in the United States, including Roosevelt Field (New York), The Mall at Short Hills (New Jersey), Water Tower Place in Chicago (Illinois), and Century City and Beverly Center in Los Angeles (California).

We have also developed this business successfully in other countries. As of 31 December 2008, we were present in 765 shopping malls in 12 European countries (Belgium, Croatia, Finland, France, Spain, Portugal, Latvia, Norway, Slovakia, Slovenia, Sweden, and the United Kingdom) compared to 671 in 2007.

We have also developed rapidly in Japan: in addition to our advertising operations with Aeon/Jusco, MCDecaux, our 60%-owned subsidiary in Japan, was awarded a 15-year exclusive contract for installation of MUPI® advertisements in shopping malls operated by Ito Yokado, which has 179 malls that cover Japan but are most heavily concentrated in the greater Tokyo area, where it has 116 malls. As of 31 December 2008, we were present in 157 shopping malls located in Japan's largest cities, compared to 136 in 2007.

We have also successfully developed this business in Argentina, Singapore and Hong Kong with presences in 14 malls.

Key positions in Asia-Pacific
We believe there is significant potential to develop our Street Furniture business in the Asia-Pacific region, an area where the concept of Street Furniture is still relatively new. Present in this region since the early 1990s, we already have Street Furniture contracts in Sydney in Australia, Singapore, Bangkok in Thailand, Macao in China and Seoul in South Korea (taxi shelters and bus shelters).

In 2004, following a competitive tender and working through MCDecaux, our joint-venture company with Mitsubishi Corporation, we won the advertising bus shelter contract for Yokohama, the second largest city in Japan. Advertising on street furniture had previously been prohibited, but now that this restriction has been lifted we see significant growth potential in this market. In 2005, we expanded our business in Japan by winning the tenders for exclusive 20-year Street Furniture contracts in Nagoya and Kobe. In 2006, we won Street Furniture contracts, again for 20 years, in Osaka, the third-largest city in Japan and capital of Kansai Prefecture, the country's second largest economic area, as well as in Fukuoka, Hiroshima, Niigata and Shizuoka. In 2007, we won four new contracts, in Sapporo, Kitakyushu, Sakai, and Hamamatsu. In early 2008, we announced Street Furniture contracts won for Kawasaki, Sendai and Sagamihara. With sixteen of the twenty largest Japanese cities and 35 out of the top 50 Japanese cities, representing a potential audience of 31 million people, we have a potential of 3,500 bus shelters and 7,000 advertising faces over 5 years.

In 2005, we significantly grew our footprint in China with the acquisitions of Texon Media, the leading Street Furniture advertiser in Hong Kong. Texon manages more than 4,800 advertising faces on Hong Kong bus shelters under long-term agreements with the three principal local bus companies. With the further acquisition in 2005 of MediaNation, we are now also managing the contract for newspaper kiosks in Shanghai. In 2006, JCDecaux Texon won the advertising concession for complete wrap-around ads awarded by Hong Kong Tramways Ltd for 5 years. JCDecaux Texon today has exclusive rights to manage advertising on the entire stock of 140 trams.

South America and the Middle East: developing markets
In South America, we have Street Furniture contracts in Salvador de Bahía and São Paulo in Brazil, Montevideo in Uruguay and Buenos Aires in Argentina (shopping malls). During 2008, we also won a major Street Furniture contract in Santiago, the capital of Chile. This is our first street furniture contract in Chile.

In Qatar, we are the exclusive operator for street furniture in the capital, Doha, through the joint venture QMedia Decaux. We operate over 1,000 faces under this contract, which is our first street furniture contract in the Middle East and allows the Group to showcase its expertise and know-how in the region.

Future public tenders: a reservoir for growth
We believe that the Street Furniture business has significant growth potential and intend to pursue international growth in coming years. New Street Furniture contracts are likely to be put out to tender in Europe, in South America, particularly São Paulo in Brazil, in Asia-Pacific, including certain first-tier Japanese and Chinese cities, as well as in the Middle East.

2.4. Sales and marketing

We market our Street Furniture products as a premium quality advertising medium. Grouped in networks, these spaces are sold for advertising campaigns that last between 7 days in France and the majority of European countries, to 15 days in Spain and the United Kingdom, to one month in the United States. We market and sell all of our advertising space through our own sales forces to advertisers and their advertising or media agencies. Our rates are specified on standard rate cards, and it is our policy not to offer discounts, other than volume discounts. Rates across our network may vary according to the size and quality of the network, the commercial attractiveness of the city, the time of year and the occurrence of special events, such as the Olympic Games or the Soccer World Cup.

To respond to the diversity of our customers' advertising needs, we offer both very powerful mass media networks and targeted networks built on the basis of sophisticated socio-demographic and geographic databases to offer a special appeal for precise targets. This selectivity of faces makes it possible to realise higher value from our assets.

In France, JCDecaux continued to innovate in 2008 and 2009, creating a radically new range based on revolutionary new concepts: City. A market research study carried out in March 2008 identified the three major communication objectives sought by brands: to expand their store chain sales, to build brand recognition and to key into urban trends. Based on this insight and with the support of Experian, the French geomarketing specialist, JCDecaux designed a multi-format offering using a territorial approach that maximises the effectiveness of advertising in meeting these objectives. This new range will, of course, sit alongside JCDecaux's traditional campaigns crafted around its powerful and segmentable street furniture networks.

At the same time, the think tank JCDecaux Innovate, set up to enhance the impact and originality of marketing campaigns, continued its world-wide development, running campaigns that have since become landmarks in the outdoor advertising sector. In parallel with the innovation that saw the traditional bus shelter display turned into part of the advertised event itself, other revolutionary communication techniques were launched, such as the privatisation of advertising sites for a given period so they could be turned into Street Art on behalf of the brands. Disney, for instance, moved into the prestigious Avenue George V in Paris for Halloween 2008 and an urban artist worked on the spot, with his creations being posted directly onto the sites. All around the world, JCDecaux Innovate teams are forging real partnerships with advertisers and agencies to continuously push forward the boundaries of brands' urban marketing.

2.5. Contracts for the sale, lease and maintenance of Street Furniture

Principally in France and in the United Kingdom, we sell, lease and maintain street furniture, which generates revenues that are recorded in the Street Furniture segment of our financial statements. In 2008, such activities generated revenues of €107.3 million, representing 10.1% of our total Street Furniture revenues.

These non-advertising revenues also included sale of innovative technical solutions associated with innovative Street Furniture campaigns (JCDecaux Innovate).

3. TRANSPORT

Our Transport advertising business includes advertising contracts for the world's leading airports, metros, trains, buses, trams and other mass transit systems, as well as the express train terminals serving international airports around the world. In addition to the advertising concessions we hold in 165 airports, we also have the right to sell advertising space in over 325 metro, train, bus and tramway systems in approximately 125 cities in Europe, Asia-Pacific, and South America. Altogether, we manage over 329,500 advertising faces in transport systems across 30 countries, with nearly 41,000 faces in airports. This number excludes small-scale advertisements on airport luggage trolleys and inside buses, trams, trains and metros.

In 2008, the Transport business generated 29.0% of Group revenue. Airport advertising contributed 50.3% of this and advertising in other transport systems 37.2%. The other activities of Transport division companies such as poster printing, sales of non-advertising products, marketing of Innovate® displays and cinema advertising made up nearly 12.5% of revenue.

Characteristics of transport contracts
Contracts for advertising in airports and other transport systems vary considerably. Such variations reflect the importance of the role that the grantor of the concession tries to play in managing the content of the advertising space it provides. This choice of approach can affect the terms and conditions of the contract, such as duration, the amount of any fees, ownership of the equipment, termination and the degree of exclusivity, as well as location and advertising content.

Principal terms and conditions common to most of our transport advertising contracts are as follows:

- a term of between five to fifteen years;
- payment of a fee proportional to revenues realised, including a minimum in some cases;
- in some countries, a direct alliance with airport authorities (Frankfurt and Shanghai);
- depending on the particular requirements of the grantors, we may design, build, install, and maintain at our expense wall supports, digital screens, dioramas, advertising panels, or any other type of furniture. We also provide to certain grantors information panels and information systems and advertising, such as local maps;
- we have exclusive rights, except in few rare cases, to conduct advertising in all or part of the terminals. Most grantors are willing to extend our rights to include external bus shelters and other outside furniture, as well as terminal areas such as arrival platforms;
- the choice of initial location for billboard installations is generally made by mutual agreement. Occasionally, advertising content may be subject to the grantor's approval. Our rights may also be limited by airlines that have sublet space from the airport and, accordingly, may have rights to determine the location and content of advertising faces in their space.

3.1. Airports

According to ACI data, there were 2.9 billion passenger trips in 2008. After five years of strong growth, international passenger traffic continued to expand in 2008, rising 2.1%, but the growth rate fell back below the 5% barrier. This is attributable to a sharp rise in the price of oil products over the summer followed by the financial crisis which hit in the final quarter.

3.1.1. Geographic presence

We now have the concession contracts for 165 airports in 17 countries, an increase of 20 on 2007 thanks mainly to our expansion into two new countries: Algeria and the UAE. JCDecaux also won the concessions for the San Diego Airport in the USA and Qingdao Airport in China. The contract for the Macao Airport in China was renewed.

Trading under a single name, JCDecaux Airport, we reach approximately 29% of worldwide airport traffic with a presence in four continents.

- In Europe, we manage the advertising contracts for 107 airports, the three largest being London, Paris and Frankfurt. Specifically, JCDecaux operates in:
  - 36 airports in France, including the Aéroports de Paris hubs at Charles de Gaulle and Orly;
  - BAA's 8 UK airports (including Heathrow, Gatwick and Stansted);
  - 5 airports in Germany including Frankfurt through a joint-venture with Fraport;
  - Brussels International Airport in Belgium;
  - 23 Spanish airports including Barcelona, Palma de Majorca, Malaga and Alicante;
  - all the airports in Portugal (9 concessions);
  - 6 airports in Italy including the major hubs of Milan (Malpensa and Linate) and Rome through IGPDecaux;
  - 5 airports in Poland, including Warsaw;
  - 14 airports in Scandinavia (Denmark, Sweden, Norway) including those at Stockholm (Arlanda and Bromma) and Copenhagen.

JCDecaux Airport won the Commercial Strongest Grower of the Year Award from Brussels Airport for the radical change it made to the airport's look and feel since taking over the contract in January 2008. Despite eliminating 48% of the existing advertising locations we still managed to raise the airport's advertising revenues by 30%. This success was the result of a minutely planned strategy that was applied to all our airport concessions worldwide: fewer small format displays but more big premium sites (giant billboards and banners), a selection of new scrolling displays and panels using the latest backlighting technology for greater impact, as well as the introduction of services for passengers such as recharging points, etc.

- In Asia, JCDecaux originally set up in 1998 at Hong Kong's Chek Lap Kok airport, a major entry hub for the region, before opening later in Macao. Over the last 4 years, we have developed strongly in the region. The first step was a joint-venture with the authorities running Shanghai's Pudong and Hongqiao airports (2005). This was followed in 2006 by Bangkok's Suvarnabhumi airport, which is a strategic hub for South-East Asia. Then, in 2007, we expanded into part of the new T3 terminal at Beijing airport for the 2008 Olympic Games and into the international airport of Bangalore, India's fourth-largest airport handling 13 million travellers a year. In 2008, we further strengthened its regional presence by winning the contact to manage indoor and outdoor advertising for the new international airport in Qingdao, China;
- In the United States, we manage concessions in 29 airports, including those for New York (JFK, La Guardia and Newark), Houston, Miami, Minneapolis-St. Paul, Washington D.C., Los Angeles, Ontario and Orange County. In 2008, JCDecaux also won a 10-year contract to run the advertising at San Diego international airport. The Group now has the concessions for all four biggest airports in Southern California;
- In Africa/Middle East, in 2008, we began operating in Algeria after winning the concession to run the advertising for Algiers airport and went on to buy out Aplus, the concession-holder for the country's 18 provincial airports. JCDecaux is now therefore operating in 19 Algerian airports. Also, in October 2008, we signed an exclusive concession to manage advertising at Dubai and Sharjah airports for 10 years. This gives the Group a foothold in the region's biggest airport and represents a major milestone in the Middle Eastern development strategy we have been pursuing for several years now.

The following table sets forth our operations in the 10 largest airports in the world by passenger volume in 2008:

Airports	Passengers (in millions)	Contract holder
London	135.2	**JCDecaux**
New York	107.5	**JCDecaux**
Tokyo[(1)]	101.4	Local company
Atlanta	90.1	Clear Channel Outdoor
Chicago	89.3	Clear Channel Outdoor
Paris	87.6	**JCDecaux**
Los Angeles	67.1	**JCDecaux**
Dallas	66.0	Clear Channel Outdoor / **JCDecaux**
Frankfurt	57.9	**JCDecaux** / Fraport[(2)]
Beijing	54.2	**JCDecaux**

Source: ACI figures for November 2007-October 2008.

(1) *In 2004 we entered into an agreement with Tokyu Space Creation, a subsidiary of the fourth-largest Japanese advertising agency, for joint marketing of advertising space in 26 Japanese airports (including Tokyo) and our 165 airports.*

(2) *We own a 39% stake in Media Frankfurt, a joint venture with the Frankfurt airport authority.*

JCDecaux is now firmly established in Asia and at 1 January 2009 had, either alone or in partnership, the advertising concessions for four of the five biggest airports in Asia, Tokyo Haneda (in cooperation with Tokyu Space Creation), Hong Kong, Bangkok and part of the new T3 Terminal in Beijing.

Airports	Passengers (in millions)	Contract holder
Tokyo Haneda	67.2	**JCDecaux** in cooperation with Tokyu Space Creation
Beijing	54.2	**JCDecaux** (in the new T3 international terminal) and local operators in terminals T1, T2 and T3
Hong Kong	48.3	**JCDecaux**
Bangkok	40.9	**JCDecaux**
Singapore	37.8	Eye Corporation

Source: ACI Passenger traffic (November 2007-October 2008)

At 31 December 2008, the distribution of faces in the airports was as follows:

Country/Region	Number of airports	Number of faces
Europe[(1)]	63	10,300
France	36	5,700
Asia-Pacific	8	5,000
United Kingdom	8	6,400
North America	29	12,900
Africa/Middle East	21	1,200
Total	**165**	**41,500**

(1) *Belgium, Denmark, Germany, Italy, Norway, Poland, Portugal, Spain and Sweden.*

3.1.2. Airport contracts

We seek to obtain the exclusive right to place advertising in airports under concessions granted by the airport-operating authorities. Concessions are granted through competitive tenders, for terms that typically range between five and fifteen years. As of 31 December 2008, the average remaining life of our airport advertising contracts (weighted by 2008 revenues) was 5 years and 9 months. We pay a percentage of our advertising revenues to airport authorities under our concession agreements, averaging between 50% and 70% of our realised revenues. Our initial capital investments, however, which are often assumed by the airport or by advertisers, as well as our ongoing maintenance expenses, are much lower than for our Street Furniture contracts.

3.1.3. Audience and traffic

Advertisers particularly value airport audiences, as they typically include a high percentage of business travellers, who are difficult to reach through traditional media. These travellers spend a considerable amount of time waiting for flights and luggage, and thus constitute a captive, targeted audience relatively open to receiving an advertiser's message. The strengthening of security procedures in recent years has also contributed significantly to the lengthening of waiting time for travellers. Airport advertising represents one of the best ways for advertisers to reach this affluent audience that generally has little free time. This advantage is particularly important given the fragmentation of audiences seen in recent years (Internet, mobile telephony, etc.). More than ever, airports are becoming the key place to catch the audience that counts.

According to ACI forecasts, after a period of falling traffic in 2008 and 2009 (except in the Middle East where the estimates are for continued growth over both these years), traffic growth will turn positive again for all global regions. ACI forecasts annual growth of air traffic of 3% on average for the next five years (2008-2012). Projections for average growth over the five coming years show an exceptional trend in the Middle East (+6% average annual growth between 2008 and 2012), Asia Pacific (+5%) and Africa (+4.9%).

3.1.4. Sales and marketing

We sell advertising packages for individual airports as well as packages that allow international advertisers to display their advertisements in multiple airports. In this respect, we believe that our presence in 165 airports around the world, especially in the major airports of London, New York, Paris, Los Angeles, Frankfurt, Hong Kong, Shanghai and Dubai, is a major asset for international advertisers, who can commission us to design national and international campaigns, and for the airport authorities, who benefit from the greater sales and value per face generated by our marketing of displays as part of a national and global network.

Our global dimension in the area of airport advertising played a major role in the decision of the Frankfurt, Stockholm, Rome and Shanghai airports, which previously had in-house agencies, to work with us in managing their advertising over a long period to maximise their advertising revenues per passenger.

Another major advantage is that we design and position our own airport advertising structures to blend in with the overall design and architecture of airport terminals and provide our advertisers with the best possible exposure to, and impact on, their target audience.

Our products include a wide range of advertising structures of different formats, as well as exhibition spaces and advertising panels mounted on trolleys. These panels are placed where passengers tend to congregate, such as at check-in, passenger lounges, boarding gates, corridors leading to flights and baggage carousel areas, offering advertisers the opportunity to interact with their target audience close to points of sale and to the commercial areas of the airport. We also design custom-made structures for our advertisers, such as 3-D mock-ups or giant billboards of their products, which have a maximum impact on incoming and outgoing traffic.

Targeting and measuring the audience for airport media

As a pioneer in audience measurement, we were the first outdoor advertising group to develop a system of audience measurement specifically designed for airports in Great Britain (RADAR), which makes it possible to inventory advertising faces and determine the socio-demographic characteristics of the audience likely to see them. With this tool, we can offer advertisers targeted advertising networks.

In France we have developed a method for measuring audiences that gives advertisers data on media performance by face or by network. Média Aéroport Performances (MAP – Airport Media Performance) is a survey that makes it possible to quantify exactly various airport audience profiles and simulate an advertising medium through a specially-adapted media planning software package.

Airports: a laboratory for new technologies

Airports, as a captive environment with long waiting times, are places where digital technology naturally belongs. In 2003, JCDecaux Airport launched "Aéo®", the first 100% digital soundless televisual medium dedicated to the airport-passenger relationship, in Aéroports de Paris (including Charles de Gaulle). Since then, we have installed more than 300 screens broadcasting information in real time to passengers, showing European and world news, airport information, lifestyle programmes and cultural documentaries, as well as advertising. This cutting-edge medium has helped position us not only as a simple advertising operator in airports but also as an all-round provider of services for air passengers.

At JFK Airport in New York, we transformed part of Terminal 8 into a virtual digital showcase for the launch of Microsoft's Xbox, with 40 Samsung 70-inch screens offering exceptionally high quality image and sound that immersed incoming and outgoing passengers in an exclusive and high-impact environment. This project illustrates how outdoor advertising can use multimedia technologies to reach consumers in new ways.

In the United Kingdom, at the end of December 2008, JCDecaux Airport UK had installed 537 screens (40-, 42- and 57-inch) which broadcast high-definition films or animated images at passengers in BAA Airports, including 338 screens in London Heathrow. When complete this project will have 700 screens in place, the biggest ever deployment of digital technology in the world. To date, four digital networks have been brought into service each of them targeting passengers at different stages in their journey through the airport. The design of these networks was based on ethnographic studies and seeks to take advantage of the mood of passengers in different parts of the airport (check-in, boarding lounge, Heathrow Express stations, etc.). The digital medium gives advertisers unparalleled flexibility in targeting their communications based on the audience, the place and the time of day as well as allowing them to update their adverts instantly.

In December 2008, IGP-Decaux installed 55 LCD screens, (57-inches in size, offering full HD and built to exceptional quality and design specifications) in Milan-Linate airport. Moreover, they were strategically sited throughout the airport (departures, arrivals, public areas) so that each screen would be clearly visible face on by a large audience. This network of digital screens offers powerful and unequalled coverage within the airport. Since 2 December, even before all the screens were in place, Citizen watches chose this network for its latest campaign, underlying advertisers' interest in this type of medium.

At end-2008, we had a digital offer either in place or under study for the near future at the following major airports: Frankfurt, with its Digital Coloramas network at the entrance to the Business Lounges, Dubai, with a giant 32 m² LED screen and a network of 70-inch screens planned for 2009, Los Angeles, Hong Kong, Shanghai and Bangalore.

JCDecaux creates airport events

Advertisers are always looking for differentiating products that make their brand stand out in the airport environment. JCDecaux Airport offers customised tools to enlarge and multiply the impact of a campaign, whether by giant billboards, 3D displays, interactive furniture, sales podiums or relational marketing. In 2008, our subsidiaries around the world mounted a host of event campaigns and JCDecaux Innovate® projects.

After an initial campaign in Hong Kong in 2005, for instance, Louis Vuitton chose Bangalore airport to install its giant "monogram" trunk. This travel trunk stood in the airport concourse for 3 months to mark the opening of Louis Vuitton's Bangalore store, which also coincided with the opening of the brand new airport - a spectacular way for JCDecaux to highlight its arrival in the city.

Interactive displays offering services to passengers are other communications tools that are highly valued by advertisers. There are numerous examples:

- Copenhagen was chosen as the sole site for the launch of TouchDiva, a gigantic musical library controlled by just three buttons: on, off and reset. For a monthly subscription, users can access over two million tracks from all musical genres, updated daily as soon as a new CD arrives in the stores. The TouchDiva team were able to directly and personally advise passengers, who could then buy the newest thing on the global market at the stand in the airport;
- HSBC Premier launched a made-to-measure magazine service in December 2008, in Terminal 1 of Heathrow airport. The service was designed for travellers who wanted nothing less than the best for their in-flight magazine. A specially designed stand in Terminal 1 of the London airport offered passengers a magazine cover along with a wide choice of articles in the form of mobile pages, drawn from editions the world over (from Mexico to Malaysia, Sydney to Beijing). Visitors could browse among different categories of article – Media and Culture, Society and International, Sport and Health, Economics and Politics – before taking their selection of articles to the binding counter where they were carefully pieced together to create a made-to-measure in-flight magazine. The international element of this personalised service created a total synergy with the exclusive character of HSBC Premier banking services;
- Zurich Financial Services ran a Zurich Help Point stand in Heathrow and Frankfurt airports for 2 months. Services offered to passengers included: Internet access, phone and laptop recharging, free sleep masks, gift wrapping, shoe shines, etc. A skilled team was also on hand to help passengers with information about their trip, maps or advice on the best restaurants in their destination town;
- JCDecaux has set up NTIC (new information and communication technologies) recharging points which allow passengers to work, recharge their MP3 players or make phone calls before boarding their flight thereby saving the battery power of their device. This is a valuable service for passengers allowing them to make the best use of their waiting time in the airport. Points are already up and running in JFK, La Guardia, Los Angeles and Orlando International airports and in the Parisian airports with Samsung as exclusive sponsor. They are also installed in Brussels sponsored by One World and in Dubai sponsored by LG. Other projects are under development for 2009 in our other concessions;
- JCDecaux Airport has developed the interactive PagesJaunes (Yellow Pages) station in partnership with Pages Jaunes Group. This is an original and flexible communication tool that mixes practical information and ultra-targeted advertising. The facilities, which were designed by JCDecaux Airport, offer Yellow Pages users a new way to access their services on the move that is in line with its multi-channel strategy.

Finally, Paris was the venue in 2008 for the first Innovate event to combine the JCDecaux Airport offer with the street furniture network. This campaign, promoting the Principality of Andorra, lined the route for tourists travelling from the city of Paris to Orly airport. In the streets of Paris, passers-by could come across some fifteen "snowcases" as part of a campaign involving 300 $2m^2$ faces. A purpose-designed display created the illusion of a continuous snowfall within the urban displays designed as a shopping bag. In the airport, a stand had two "snowcases" and a Giant Book (12 giant pages for the public to consult) through which travellers could explore the Principality of Andorra. The displays were supported outdoors by a $36m^2$ display incorporating a giant 12 m^2 shopping bag.

3.2. Advertising in the metro and other transport systems

At 31 December 2008, we had 325 advertising concessions covering 288,000 panels in metros, trains, buses, trams and high-speed trains serving airports throughout the world.

3.2.1. Geographic presence

JCDecaux is the leading outdoor advertising company in China by the number of transport advertising concessions held (metro and bus). We run concessions on nearly 28,000 buses in 17 Chinese towns. Regarding metro systems, in 2008 JCDecaux was re-awarded a 5-year advertising concession for the MTR (Mass Transit Railway) and the Airport Express (AEL) in Hong Kong which it has held since 1977. We also manage advertising spaces in the metros of Beijing, Guangzhou, Nanjing, Tianjin, Shanghai and Chongqing. With a market share of over 80% JCDecaux's presence in China's metros is well-established. An advertiser can now use JCDecaux China's network to simultaneously buy space in 6 different towns, something that was previously impossible. Besides making it easier for advertisers and agencies to buy their space, the network offers opportunities for creativity and innovation that have radically raised the impact made by advertising in the Chinese metro lines.
Outside the Asia-Pacific zone, we hold the advertising contracts for the metros in Santiago de Chile, Turin, Milan, Rome, Budapest, Vienna, Prague, and Oslo. In Spain, JCDecaux runs event advertising for the whole Madrid metro system as well as all advertising on the new lines built since 2007. At the end of 2008, following a competitive tender, we were rewarded the advertising concession for the Barcelona metro, a major medium for advertisers and agencies in Spain that we had run since 1999. We have also held the concession for the Bilbao metro since 1999.

We also manage bus, tram and station advertising for many city transport systems across the world, including Melbourne, New York, Vienna, Oslo, Rome, Milan, Barcelona, and Prague as well as for the Italian and Swedish national systems. Finally, in 2008 JCDecaux took its first steps into land transport in Africa, signing a 10-year concession contract with Tahkout bus in Algeria (1,200 buses ferrying over 220,000 students between the Algiers campus and Blida, Tipaza, Medea, Bouira and Boumerdès).

3.2.2. Metro and other transport system contracts

Metro contracts typically last between 3 and 10 years. As of 31 December 2008, the average remaining term (weighted by 2008 sales) of our metro and other transportation system contracts was 6 years and 2 months. Since the initial investment and ongoing maintenance expenses required in metro contracts are typically lower than those required in street furniture contracts, we pay the concession licensors a variable fee, in the form of a percentage of our advertising revenues.

3.2.3. Audience and traffic

The metro-riding population is comparable to the one for outdoor advertising (Billboard and Street Furniture). We use the same geomarketing techniques to maximise the impact of these advertising networks on the metro audience, and the effectiveness of our advertisers' commercial offerings. As indicated above, audience measurement in transport advertising is gradually becoming more effective as it is gradually integrated within measuring systems that are further developed, as in Sweden, Ireland, the United Kingdom and China. We believe that this tendency will become more pronounced as time goes by.

3.2.4. Sales and marketing

In 2008, our Transport division had great success with advertisers as a result of certain highly original advertising actions.

JCDecaux creates events in the metro
Throughout the 2008 Olympic Games, JCDecaux ran a campaign for Coca Cola, an official event sponsor, in a busy segment of the Shanghai metro, based around a scale model of the national Bird's Nest stadium.

We also ran a campaign for Sony's new e-book at New York's Port Authority bus terminal in March 2008, with more than 200 display items including numerous banners and floor stickers, all reinforced by spectacular event displays, which had a striking impact on the more than 200,000 people who passed through the terminal each day.

A combination of multiple channels is also the solution favoured by Converse in Barcelona to celebrate a hundred years of the brand. The Zona Universitaria station, which is the busiest on the Barcelona metro system, was completely redecorated to match the branding and reach a young and cosmopolitan audience. We also mounted a wholly original event, projecting a specially commissioned music video in the huge hall giving access to all the lines. All week, 55,000 passengers a day were immersed in the "Happy Birthday Converse" experience.

Metro and other transport advertising: laboratory for new technologies

In Hong Kong, JCDecaux Digital Vision launched the first digital advertising with narrative content in August 2008. A series of 32-inch LCD screens follow each other up the wall above the escalator that carries the passengers. Using this technology in a metro is a first for Asia. The new high-definition screen format grabs the attention of the travellers and gives them the impression of being accompanied along the escalator. Digital advertising has an attractive future. It is innovative and challenges advertisers to explore new areas of creativity to stimulate passengers' imagination.

In Denmark, AFA JCDecaux launched an infotainment system in the buses of Copenhagen. There were 86 screens installed in 43 buses showing a series of programmes meant to inform and entertain passengers during their journey. The content includes practical information about public transport, latest news, time and temperature information as well as adverts. This cutting-edge medium has helped position us not only as a simple advertising operator in airports but also as an all-round provider of services for passengers.

Finally, the Bluetooth system is another leading-edge communication technology that was deployed in the metro during 2008. In December we partnered with Microsoft, the global IT leader, to create some twenty Bluetooth points in a flagship station on the Madrid metro. The 100,000 passengers passing through the station every day could directly download music and promotional videos.

To encourage the advertising industry to exploit new ideas and push new boundaries of creativity in their campaigns for Hong Kong's MTR metro, we have been holding annual "Best of the Best Awards" for the last 6 years. The concept of the "Best of Best Awards" has also been rolled out in Beijing to honour the best advertising campaigns run on the metros of China's biggest towns. The winners are selected by a committee of experts drawn from the worlds of media, advertising, multimedia design and academia. Guests also included metro users to create an interactive event that was open to all. The aim of the awards is to create a real commercial value for the advertising spaces that we manage while also encouraging, in collaboration with our partners, a harmonious and creative culture in the metro to help improve the appearance of the cities.

4. BILLBOARD

We are the leading Billboard advertising company in Europe in terms of sales. In 2008, Billboard accounted for 22% of our revenues.

Our billboards are generally prominently located near major city and suburban commuter routes, allowing our advertisers to reach a wide audience. Our Billboard networks are in high-visibility locations in such major cities as Paris, London, Brussels, Vienna, Madrid and Lisbon and offer advertisers extensive territorial coverage in each country.

The Billboard activity also includes illuminated advertising (JCDecaux Artvertising), basically the creation and installation of large-format neon signs. We also offer wall wrap advertising. Present in 13 countries, with 101 neon signs, we currently cover the major European capitals and aim to strengthen our position in Asia and Central Europe. In 2008, illuminated and wall wrap advertising generated revenues of €18.5 million, accounting for 3.9% of total Billboard revenue.

4.1. Characteristic of Billboard contracts

We lease the sites of our billboards principally from private landowners or building owners (private law contracts) and, to a lesser extent, from city authorities (public law contracts), railway authorities, universities, or real estate companies. We pay rent directly to the owners of such land or buildings. Where state or local government property is involved, billboard contracts are generally awarded after a competitive tender process. In the United Kingdom, we also own certain sites where we install billboards.

Principal terms and conditions common to most of our private billboard contracts are as follows:

- a term of six years from the date of signature, with, for France, automatic renewal from year to year after expiration of the initial term, unless terminated earlier on three months' notice prior to expiration. Terms are longer in countries where the term is not limited by law;
- free access to the location to the extent required for installation and maintenance of the installation;
- provisions relating to the type of billboard, the type and surface area of the faces that may be displayed and the rent paid to the landlord;
- landlord responsibility for ensuring that the billboards remain visible, especially with respect to vegetation.

4.2. Geographic presence

As of 31 December 2008, we had just over 224,500 advertising faces. These were placed in 24 countries in Europe (including Russia and the Ukraine), covering nearly 2,800 European towns and cities of more than 10,000 people, three countries in the Asia-Pacific region (Thailand, Singapore and China), two in Central Asia (Kazakhstan and Uzbekistan), and one each in the Middle East and North Africa (Qatar and Algeria). In 2008, we continued to pursue our strategy of improving the quality of our billboards by dismantling certain low-quality panels and replacing them with more state-of-the-art displays, backlit and scrolling panels. As of 31 December 2008, we had approximately 49,100 billboard faces in France.

The neon sign advertising business is located principally in France, but we are also developing this business in other countries, such as Spain, Portugal, Poland, Hungary and Belgium.

As of 31 December 2008, the geographic distribution of our billboards was as follows:

Country	Number of advertising faces
Europe[(1)]	144,700
France	49,100
Asia-Pacific[(2)]	600
United Kingdom	30,700
Rest of the world[(3)]	3,300
Total	**228,500**

(1) *Includes Germany, Austria, Netherlands, Belgium, Italy, Spain, Portugal, Ireland, Sweden, Norway, Finland, Denmark, Croatia, Estonia, Lithuania, Latvia, Czech Republic, Russia, Slovakia, Slovenia and Ukraine.*

(2) *Includes Thailand, Singapore, and China.*

(3) *Includes Algeria, Kazakhstan, Qatar and Uzbekistan. Most of the panels are in Qatar and Uzbekistan.*

4.3. Our product offering

Our Billboard offering includes a broad range of products, with general coverage packages offering advertisers a true mass media audience over a wide geographic area, and more targeted packages that offer contact with specific audiences having certain demographic or socio-economic characteristics.

The size and format of our billboards vary across our networks, primarily according to local regulations. In all areas, though, our billboards and neon signs are characterised by a high level of quality and visibility, which is essential to attracting our advertisers' target audience. Our premium billboards are also backlit, which we estimate increases their audience by up to 40%.

The new billboards incorporate successful Street Furniture concepts, such as backlighting and scrolling panels. The use of scrolling panels increases the number of faces that can be marketed per display and creates new marketing opportunities, such as timesharing. Since the acquisition of Avenir in 1999, we have invested significantly to improve the quality of our Billboard network, especially in the major markets of France and the United Kingdom. This qualitative improvement has enabled us to strengthen the advertising effectiveness of our networks and differentiate our product offering to advertisers. For the most visible and prestigious displays, for example, we have continued to replace fixed panels with 8, 12 and 18 m² backlit scrolling panels called "Vitrines®".

As of 31 December 2008, the Billboard division had installed over 2,200 Vitrines® in France, 280 in the United Kingdom, over 100 in Belgium, and more than 300 spread across seven other European markets, mostly Portugal, Norway, Italy, Sweden and Spain.

In 2008, in France, 47% of the advertising faces offered in our short-term campaigns were illuminated, boosted by our winning the RFF / SNCF contracts and developing this existing patrimony. This is considerably better than our French competitors' networks, which had only 40% of their billboards backlit on average, although this proportion has actually improved after they lost some unilluminated plant in the recent tendering process. In the United Kingdom, we also invested in this segment to increase the number of backlit panels.

In 2003, we were the first national UK Company to exceed a 50% illumination level. By 2008, we had further increased the ratio: 53% of our displays were backlit, and we have the largest supply of illuminated billboard panels in the UK (source: Postar, November 2008). This should enable us to continue increasing average revenues generated per face, since these panels reach a more significant audience.

In fact, impact studies by Carat, the leading French media agency, and Postar, an audience survey institute for outdoor advertising in the United Kingdom, showed that an advertising campaign posted on scrolling panels (such as "Vitrines®") had as much impact as an advertising campaign posted on a fixed panel, even though the exposure time is shorter. The mobility of the panel attracts attention and reinforces the effectiveness of the advertising message, making this type of panel particularly attractive to advertisers.

In some markets, particularly the United Kingdom, we have continued to bring forward new, large, landmark billboards (the Premier line). These are large backlit panels, both horizontal and vertical to capture synergies with street furniture creative forms, in a range of sizes from 18 to 83 m² and situated only at the most prestigious and highest audience flow locations. As of 31 December 2008, we had installed 770 of these high-quality panels, compared to 712 as at 31 December 2007, 584 as of 31 December 2006 and 265 as of 31 December 2004, the year the Premier offering was launched. After London, we expanded this product to key locations in the other major cities of the United Kingdom, including Manchester, Birmingham, Glasgow and Leeds. The largest Premier sites, 4.6m high by 18m long, include the Cromwell Road in London (a high-traffic route from the city centre to Heathrow Airport) and a new site next to Junction 2 on the M1 motorway (London's major gateway to the north).

In September 2005, we added M4 Tower, the United Kingdom's tallest purpose-built advertising structure (28.5 meters tall, as high as a seven-storey building), which is positioned for maximum visibility on the main highway to Heathrow Airport from London. Designed for JCDecaux by the award-winning architects Foster and Partners, the two 50m² panels on the structure reach over 1.6 million consumers every week. Through innovative design incorporating thousands of mini-LEDs, the structure can change colour to reflect the corporate identity of the advertiser. In 2006, we continued building this type of unusual advertising display in locations near major, high-density traffic arteries. Thus, we erected the Torch on the M4 motorway in London, not far from the Foster M4 Tower, as well as a similar structure on the A3 motorway. Such locations can be sold in conjunction with a Street Furniture network in order to increase the visual impact of a campaign, because of the unusual size of their structures. In 2007, the Torch was converted into a large-format digital panel, transforming this structure into an advertising medium that is particularly flexible for advertisers.

In 2008, we also introduced 20 new digital billboard displays at high-impact locations in central London. These new structures are part of the Premier line and enhance the attractiveness of these high value-added systems for advertisers, four years to the 2012 Olympic Games. The new billboard structures offer advertisers the best digital display in the United Kingdom and will also make it possible for us to attract new clients. These 18m² LED billboards enable an advertiser to see its display downloaded automatically on 20 digital screens, to send multiple messages and to change the text in real time. The advertising displays are shown 60 times per hour and more than 20,000 times in two weeks. This platform, located on prime commuting routes, gives new opportunities to develop relationships with our customers. Tapping into commuters' desire to know what is happening in the world we have partnered with Sky News to bring content for the first time to roadside outdoor. Updated via a live data feed, London PrimeTime will provide the latest headlines in business news, sport, show business and weather as part of the display on the 20 digital boards.

Finally, in 2007, JCDecaux United Kingdom announced the conversion of all of its traditional billboards to carry completely recyclable one-piece polyethylene posters. All of our billboards in the United Kingdom will be transformed into high definition billboards. This conversion will not only make it possible for us to reduce their environmental impact, as a result of lower consumption of paper pasted to structures, but also to speed up the posting process and improve their visibility. Implemented through 2008, this initiative has helped us maintain our advantage over our principal competitors in the United Kingdom.

The more sustainable nature of the recyclable posters has proved an attractive element to many of our advertisers who share our ambition to minimise impact upon the environment while maintaining a high quality communication. The nature of the posting has increased flexibility by making posting quicker and easier. We have recently introduced in the UK a capability to receive advertising copy from advertisers to a central hub, proof it, distribute it to our network print centres throughout the country, print and then post a campaign all within the space of two days. This increased flexibility overcomes one of the perceived problems with large format advertising and allows us to attract short term tactical advertising which may have otherwise ended up in other media. This advantage has also been generally strengthened by the addition of a proof of posting system, JCDecaux Live!, which was developed in conjunction with Vodafone and allows clients to see in real time evidence that their posters have been posted via a simple extranet connection. We have also developed proof of posting systems in other markets such as the USA to maintain our quality delivered advantage over our competitors.

In France, we have also recently made our billboards more attractive. In 2007 we consolidated our position in Paris by winning strategic Billboard contracts and by changing our product range to advertisers:

- in July 2007, the Office Public d'Aménagement et de Construction de Paris (Paris Public Works Department) awarded our subsidiary Avenir a 6-year contract covering 81 advertising slots in a competitive tender. Located mainly along Paris's main boulevards and at the key road junctions into the city, the scrolling structures, installed during the second half of 2007, have helped strengthen Avenir's position as the leading billboard operator in Paris;
- the Port Autonome de Paris (Paris Port Authority), after competitive tenders, renewed Avenir's concession to manage 200 faces in Paris and its suburbs for 5 years (nearly 130 faces at strategic locations within the Paris city limits);
- the addition of an extra face on the 8 m² structures increased the number of faces from 3 to 4 per structure and enlarged our advertising presence in the City.

Our French billboard offering was further boosted by winning tenders held by rail companies RFF and SNCF which allowed us to mount several thousand extremely high-quality faces on the networks, won from rival bidders. This new infrastructure further enhances the opportunity for our advertisers to reach an audience with powerful and high-impact advertising.

JCDecaux Artvertising

Lastly, we offer advertisers in 13 countries, especially through our subsidiary, JCDecaux Artvertising, a product line with unusual formats such as event displays and luminous advertisements. These formats create real added value in terms of advertising draw and impact. Renault recently mounted a giant billboard on the Paris Périphérique ring-road, featuring its new Laguna against a backdrop of which lighting and colours change throughout the night.

With more than 50 locations in France, the JCDecaux Artvertising displays are at the cutting edge of innovation in terms of creativity, quality, and integration with the environments in which they are located.

In a development with profound implications for the French billboard market, in 2007 a new law came in permitting historical sights to part-fund their renovation by allowing event advertising displays to be placed on their façades for the duration of the works. This has opened up some highly prestigious sites to advertisers and should further energise this market segment.

4.4. Sales and marketing

Our Billboard network markets itself under several brand names: Avenir in France and Spain, JCDecaux in the United Kingdom, Ireland, the Netherlands and several other European countries, Gewista in Austria, Europlakat in Central Europe, Belgoposter in Belgium, and IGPDecaux in Italy.

All advertising space is sold by our own sales forces to advertisers or to their advertising or media agencies.

A large proportion of our Billboard business comes from short-term seven- to fifteen-day advertising campaigns, although in some countries, such as France, long-term packages ranging from one to three years also contribute significantly to revenue (21.2% in 2008). Long-term packages tend to be purchased in order to provide directions to the location of a particular advertiser or to promote its brand or corporate image.

Because of our unique presence and advertising network in Europe, we are able to offer advertisers pan-European, multi-display and/or multi-format campaigns. Since its creation in 2000, JCDecaux One Stop Shop, a subsidiary that specialises in the international coordination of advertising campaigns, has undertaken pan-European advertising campaigns for prestigious advertisers (see page 35). We recently announced the merging of this division with our group marketing division, JCDecaux Worldlink. The new company, JCDecaux OneWorld will provide a new single point of entry for international clients wishing to access our sales and JCDecaux Innovate products worldwide, further enhancing partnerships established by our sales division.

Unlike Street Furniture advertising, prices may be discounted from our standard rate cards, consistent with market practice. This practice led us to develop a system that allows our sales force to optimise Billboard network sales. Thanks to our Yield Management system, our sales force can follow in real time the development of supply and demand for our advertising networks and can appropriately adjust discounts offered to advertisers in order to sell each Billboard network at the highest best price.

In France, an additional strategy was introduced in 2007, with the first mixed national display associating JCDecaux 2m² and Avenir 8m² faces: NOVEO. This idea involves sale at a price net of any discount.

Each Billboard network is assembled in conjunction with audience measurement studies. These audience measurements are compiled on the basis of geomarketing data and tools, such as "Geo-Logic®", a unique geomarketing tool that compiles socio-demographic data on movement, behaviour, consumption and sectors of activity on the basis of geography crossed with net worth information. We use these data to help our customers to tailor their advertising campaigns to the characteristics of their target audience, such as age, gender, income, Internet usage or the proximity of panels to particular retail stores. This tool has also helped us in optimising the placement of our panels and selecting new sites.

Constructed with the help of these geomarketing tools and audience measurement studies, our Billboard networks address the specific communication objectives of our advertisers. Advertisers can buy networks that provide them with homogenous national or regional advertising coverage, or that focus coverage in a key city, or that are located near stores, movie theatres or metro stations. Use of these tools allows us, among other things, to sell our billboard networks on a time-share basis. With the advent of scrolling billboards and remote control technology, we are now able to manage in a very precise manner the display face that appears on a billboard at a given time. We offer our advertisers the option of targeting their potential audience at the times that such audience is most likely to be in the vicinity of a given billboard. Along the Paris Peripherique (ring road), for example, we now sell separate advertising packages on our panels during the morning, afternoon and evening hours. The same is true with the Paris network Chrono Connect, involving interactive content for mobile telephones. Similarly, we developed a unique line of targeted display systems in France at the national level. Avenir, our Billboard subsidiary in France, is the only operator today able to offer this to advertisers, due in large part to the quality of its national coverage. It is our intention to expand this offering to other countries in 2009, notably the UK.

Our Billboard offering also benefits from the developments of our JCDecaux Innovate concept. We have been able to attract new advertisers with imaginative uses of our scrolling billboards, by adding LCD panels to large format boards and by using lens technology and special lighting techniques. Finally, in the United Kingdom, we have developed a new, innovative billboard technology called Chameleon, which makes it possible to put up two completely different displays, night and day, on a single backlit structure. We financed this innovation and own the exclusive marketing rights to use it for our customers.

OUR ADVERTISERS

1. KEY ADVERTISERS

We are constantly seeking to broaden and diversify our customer base. Diversification provides opportunities for growth and protection against the volatility of certain types of advertisers' budgets.

In 2008, the expansion of our business in Asia-Pacific, especially in China and Japan, continued to enhance the diversification of our revenue stream, as did the opening up of business in the Middle East region.

Revenues from only eight advertisers accounted for more than 1% of our consolidated Group advertising revenue in 2008. Following the announcement of our European partnership at the end of 2007 due to our expertise in international campaigns, in 2008 Samsung once again increased its advertising spend and moved up one place to become our number one advertiser. HSBC also increased spend and moved into the Group of our top 10 advertisers for the first time.

The Ford Motor Company remained one of our largest customers, while the Coca-Cola Company, which appeared on the list of our top 10 advertisers for the first time last year, increased its spend with us further particularly in France and the UK, to become one of our leading customers thanks to an ever closer international relationship based upon our unique offering.

Our ten largest advertisers in 2008, accounted for approximately 11.8% of our consolidated revenues, marginally higher than the 2007 share of 11.1%, and were: Samsung Electronics, HSBC, the Coca-Cola Company, France Télécom, L'Oréal, Unilever, LVMH, the Ford Motor Company, Vodaphone Group and PSA (Peugeot-Citroën).

Breakdown of advertisers by industry
The following table shows the breakdown of our advertising revenues by industry in 2007 and 2008:

	% of the total	
Industry	**2008**	**2007[(1)]**
Leisure/Entertainment/Film	13.3	12.8
Retail sales	13.0	11.9
Banking/Finance	10.0	9.5
Food and beverage	8.7	9.1
Luxury and beauty products	8.5	8.3
Services	8.2	8.2
Automobile	7.4	8.0
Fashion	5.9	6.2
Travel	5.7	5.4
Telecom/technology	4.8	4.7
Wines and spirits	2.8	3.0
Government	2.6	2.4
Beer	1.7	2.5
Internet	0.6	0.8
Tobacco	0.6	0.6
Others	6.2	6.6
Total	**100%**	**100%**

(1) Revenue by category for 2007 has been restated in light of new analysis.

In 2008, the classification by category of our advertisers remained the same as in 2007. It should be noted that our second largest market, the UK, experienced a significant reduction in the currency exchange rate to our quoted currency between 2007 and 2008 and this fact alone can have a disproportionate negative impact on categories where the UK has a particularly high relative spend to the Group.

In 2008, companies in the leisure and film industries continued to represent the biggest customer category for us, accounting for 13.3% of our consolidated advertising revenues, up from 12.8% in 2007. In a media market that remained difficult and in which advertisers found it harder to connect with their audiences, outdoor advertising continued to be the "media's medium". Subject to increasing competition, the large television, film, radio and print companies continue to turn to advertising to promote their products. In 2008, major advertising campaigns were again purchased by Sky Broadcasting in the United Kingdom and companies such as Virgin Media, Vivendi and Lagardère considerably increased their investment with us. Growth in this sector was most noticeable in Asia Pacific, Central & Eastern Europe as well as in France and Spain. There were also notable successes in attracting revenue from advertisers in the computer games industry, such as Nintendo and Sony.

Retailing, excluding clothing, remained our second-largest customer category, and experienced a significant growth in sales during 2008 from a wide variety of sub-sectors right across the Group. This industry represented 13.0% of our consolidated advertising revenues in 2008, compared to 11.9% in 2007. This category of advertiser remained very important in many of our countries, especially China, where the sector was driven by the dynamism of the home improvement/home decoration segment, as well as in Eastern Europe. In addition the new markets in the Middle East contributed strongly via retail advertisers from real estate or property development sectors. While revenues in the United Kingdom for this sector declined due to relatively high levels of spend in the previous two years and a squeeze on margins for this type of advertiser in 2008, this was more than compensated for by retail advertiser growth in certain key European markets, like Italy, Germany, France and Spain. In Europe generally there was a growth in use of our products by furniture and DIY retail advertisers (Kingfisher, Mobilier Europeen). Finally, in many medium-sized European markets, growth in this sector was solid. The growth in advertising spending by retailers was driven by increased competition and store expansion, which resulted in increased outdoor advertising spending by existing advertisers in most of our markets and by the addition of new clients. Advertising spend by Mulliez (which includes Auchan, Decathlon and Leroy Merlin, among others) remained constant in 2008, and was not further negatively impacted by the opening up of television advertising to the retail business in France from 1 January 2007. Mulliez was still one of out top 20 advertisers over the year. In France, other major retailers (such as Leclerc, Galeries Lafayette/Monoprix and Carrefour) transferred a portion of their advertising budgets back from television to outdoor advertising and our advertising facilities. Carrefour grew the level of advertising spending with us by over one quarter in France.

Revenues from the banking and financial industry once again experienced significant growth in 2008 and remained in third place among our advertisers, with 10.0% of consolidated advertising revenues in 2008, compared to 9.5% in 2007. This growth trend was present right across the Group and appears to result from growing recognition, especially by banks, of the power of this medium, and in the context of difficult trading conditions outdoor is valued as a medium to convey substance and trust. Expansion was particularly strong in China and Central and Eastern Europe, where we gained several new advertisers, especially Visa, RBS and the Industrial and Commercial Bank of China, and benefited from increased advertising spending by existing advertisers, like Allianz, HSBC, American Express and Bank of China. Our business relationship with HSBC expanded in 2008, building on strong growth in the previous year: institutional campaigns were sold on new airport structures around the world and especially on passenger ramps and passageways in airports in the United States, France, the UK, PR China and Thailand. Today, HSBC has become one of our main advertisers.

The advertising spending of food and beverage companies (including Nestlé, Barilla and Müller, among others), household products companies, and beauty products companies (including Unilever, Procter & Gamble and Beiersdorf, etc.) declined slightly in 2008. This is largely explained by a squeeze on margins for major advertisers in this category in the UK and currency effects from this market. The sector remained in fourth place in our portfolio of advertisers and accounted for 8.7% of our consolidated advertising revenues, compared to 9.1% in 2007, and despite the pressures in the UK was buoyed by good growth amongst some key advertisers such as the Coca-Cola Company, Kraft, Mars, Red Bull and Asian advertiser Jia Duo Bao amongst others. In 2007, the extension of our pan-European relationship with Unilever to 41 countries around the world resulted in significant growth in advertising spending by this advertiser in Asia and in the principal European markets, which showed the power of our advertising networks around the world. In 2008, despite the aforementioned squeeze in the UK, Unilever continued to be one of our largest customers and business from this advertiser became more diverse with us globally. We also benefited from the steady growth in advertising spending by this sector in Asian markets, especially in China and Japan, as well as in the United States, Central Europe, in France and in Germany. In France, the transfer of part of advertising spending in the retail business to television in 2007 generated significant rate increases, driving certain food and beverage companies (like Coca-Cola, Orangina Schweppes and Kraft) to transfer part of their budgets to outdoor. Having experienced the effect of our advertising networks these customers increased their levels of advertising investment with us in 2008.

The revenues from the major luxury and beauty products companies (such as L'Oreal, LVMH and Shiseido) grew strongly in many countries where we do business. France is a core driver for this business and showed solid growth. Expansion was particularly significant in China, from companies such as Estee Lauder and large local advertisers (Perfect Shape and Skin Management), but also in Central and Eastern Europe, Scandinavia and in most European countries, especially Italy and Germany. LVMH increased its investment with us again on a range of brands in its portfolio, and although France still contributes a significant share of revenues from this customer, their spend became more diverse through the Group. Another leading advertiser with us, L'Oreal, also significantly increased its spend with us in 2008.

Revenues from the services industry were variable in 2008, according to the markets involved. The weakness in the UK market was countered by strong growth in the USA, Latin America, China and Spain particularly, and growth from this group of advertisers was generally a little better than the average for the year. Amongst mobile phone platform providers Vodafone trimmed its spend slightly but continues to invest heavily and remains one of our largest customers. Conversely France Telecom increased advertising investment with us significantly. The US market, particularly, delivered increased or new spend from a diverse range of clients including AT&T, Sprint and Hutchinson Whampoa.

The auto industry, experienced a slight slowdown in spending with us in 2008. Advertising spending in this category of advertisers is strongly correlated to new vehicle introductions, which were less numerous in 2008 than in 2007. Although Ford, Renault Nissan and PSA Peugeot Citroën all reduced their advertising spend with us, the decrease was partially offset by strong growth among smaller advertiser brands. BMW, Volkswagen, Honda and Tata all strongly increased their business with us, as did General Motors, especially in France. Overall the category represented 7.4% of our consolidated advertising revenue in 2008 against 8.0% in 2007.

As in 2006 and 2007, the percentage of our consolidated advertising revenues represented by advertisers in the fashion industry continued to decrease in 2008. Overall a softening of demand in France was counteracted by increased demand in the USA, Italy and smaller European markets such as Belgium and Norway. The Chinese market, in particular, attracted advertisers from the fashion industry, which resulted in strong demand across the entire country and especially in Hong Kong. However the Olympics did prevent some sporting goods advertisers promoting their summer collections in Beijing (Adidas, Converse) which slightly limited growth. In the United Kingdom, the adverse economic conditions made retailers such as Marks & Spencer restrict their advertising spend generally. Conversely, Hennes & Mauritz (H&M), a client who had been among our leading advertisers before reducing its outdoor advertising spend for several years in favour of television but who had come back to us in 2007, again invested heavily in 2008. Our new products in Japan attracted a number of new clients such as Uniglo and fashion retailers present in our malls.

Advertising spending by the travel industry grew slightly faster than the average in 2008 and improved in our principal markets, with the exception of the UK. There were a number of new campaigns by tourist boards (Greece/Turkey) and this was complemented by the growth in campaigns by low cost airlines in several markets (Lufthansa, Easyjet). This trend should strengthen in the coming years and be extended to new countries. The addition of the Middle East to our geographical coverage also meant increased spend from clients such as Emirates Air. The travel business remains an important sector for us, accounting for 5.7% of consolidated advertising revenues.

In the telecom and technology sector we saw strong growth from our now largest customer, Samsung Electronics with whom we signed a global partnership last year. Through our partnership Samsung has benefited from our broad global presence and has increased investment throughout the Group. Clients such as Sony Ericsson and Canon have also significantly increased spend in this category which represents 4.8% of our consolidated advertising revenues in 2008 compared with 4.7% in 2007.

In 2008, revenues from beer advertising declined noticeably, in particular due to the difficult trading conditions in the UK, French and German markets. In the UK, the high spending by Coors and a rebranding of Stella Artois in 2007, led to a higher than usual advertising budgets for outdoor advertising by these advertisers which was not repeated in 2008. This is now a relatively small sector of our business and we expect these advertisers to return when the market recovers. Despite the debate about the need to restrict advertising for alcoholic beverages in certain countries for public health reasons, the wine and spirits sector held up well, driven by further growth in spending by major advertisers like Diageo and Pernod-Ricard, as well as the arrival of new advertisers, like Suntory in Australia and some wine producers in France. As a result, the contribution of advertising for alcoholic drinks (including beer) was 4.5% of our consolidated revenues for the period.

Revenues from government sources have typically been dependent to a large degree on the cycle of national elections. The year 2008 saw activity of this nature in Austria, Italy and Finland. In the UK, France, Germany and China, government departments either maintained or increased their spend. There were also new contributions to this relatively small category from new markets such as Qatar. In 2008, the portion of our consolidated advertising revenues represented by this category of advertisers grew strongly (to 2.6% of advertising revenue).

Advertising for tobacco remains low and now accounts for 0.6% of advertising revenues. The only significant markets for us where tobacco advertising was still permitted in 2008 are Germany and to a certain extent the new market of Qatar.

Cyclicality and seasonality

Advertising spending is highly dependent on general economic conditions. In periods of sluggish economic activity, companies often cut their advertising budgets more drastically than their spending in other areas. Consequently, our advertising business is dependent on the business cycle. The location of street furniture in city centres makes it particularly attractive for advertisers, limiting its susceptibility to economic swings. This phenomenon allowed us to maintain growth in street furniture revenues during the recessions that occurred in France in 1994, 1995, 1996, 2001 and 2002.

Street furniture is also characterised by long reservation periods for advertising campaigns, from three to four months on average, but up to one year at times, which moderates the effect of fluctuations in the business cycle.

Traditionally, and particularly in France, our business slows down in July and August, as well as during January and February. To offset these slowdowns, we grant discounts on our advertising prices during July and August.

2. CHARACTERISTICS OF ADVERTISING CONTRACTS

Advertising contracts are generally entered into by advertising agencies hired by advertisers, but may also be entered into directly with advertisers themselves.

We sell advertising space on structures where the faces are grouped into networks. Advertising campaigns normally last from 7 to 28 days (short term), or over a period of 6 months to 3 years (long term).

Most often, contracts relate to one advertising campaign and specify the number of panels and week(s) reserved the unit prices, the overall budget, and the applicable taxes. Posters are supplied by the advertisers. Each week we prepare the posters ourselves prior to distributing them to regional or local agencies for posting across the network. Once the campaign is launched, we check that the actual advertisements posted correspond to the terms of the contract. Billing for the campaign is calculated on the basis of actual advertisements posted.

3. JCDECAUX ONEWORLD: SERVING OUR INTERNATIONAL ADVERTISERS

In 2000, we created our subsidiary JCDecaux One Stop Shop, with the purpose of simplifying the process of purchasing international campaigns for advertisers that develop their media strategy on a European scale. At the same time we established a Group marketing function, JCDecaux WorldLink, which we believe has allowed JCDecaux to show leadership in developing tools for our customers to improve and evaluate their outdoor communication effectiveness. In January 2009 we announced that these two companies would be merged to form JCDecaux OneWorld which will give our leading international clients a single clear point of access to the Group's international portfolio, across all business sectors, and permit us to better service and develop business opportunities with these customers.

Located in London, JCDecaux OneWorld is also responsible for developing and managing alliances with international advertisers in the 55 countries where we do business. Since its creation, JCDecaux OneWorld has successfully completed international campaigns for customers such as Estee Lauder, Calvin Klein, Dolce & Gabbana, Logitech, Oakley, Prada, Armani and various international tourist offices.

JCDecaux OneWorld creates innovative campaigns by emphasizing the creative and universal aspects of a display in order to create a truly international advertisement. We have developed tools such as the Outdoor Creative Optimiser which allow clients to optimise the effectiveness of their campaign communication. In addition JCDecaux OneWorld manages international co-ordination of JCDecaux Innovate, a means by which the Group shares creative and innovative ideas throughout the world, and allows us to develop and attract new customers beyond individual country borders.

JCDecaux One Stop Shop has also entered into international alliances, such as the one with Unilever, which was renewed and extended to 41 countries around the world. More recently, we entered into a European alliance with Cheil Worldwide for Samsung, covering 43 European countries. In 2008, through this partnership, Samsung considerably increased their investment with the Group and became our largest customer. We have also entered into ten other alliances in the areas of consumer products, automobiles, large-scale retail and cosmetics.

These international alliances now managed by JCDecaux OneWorld enable us to strengthen the attractiveness of outdoor advertising for our major customers.

SUSTAINABLE DEVELOPMENT

The JCDecaux Group has been committed to a policy of continuous improvement since 1999. Based in France, the corporate Sustainable Development and Quality Control department plays a role at key points in the value chain and is also involved in the company's day-to-day business.

Its field of operations embraces all our activities and its task is to:

- Define and implement the Group's strategic objectives;
- Unite the subsidiaries in the implementation of action plans;
- Consolidate the Group's leading role.

After consultation with our subsidiaries, in autumn 2008 we issued our Sustainable Development Statement to all JCDecaux employees and posted it on the newly created website dedicated to highlighting our commitments and actions in this field.

Sustainable Development Statement

Since the beginning, the JCDecaux group has been committed to working proactively with cities, transport companies, airports and advertisers as well as media and advertising agencies to improve the urban environment.

The Group has become one of the world's leading outdoor media companies through developing innovative products of the highest quality whilst respecting rigorous standards of ethics. It is JCDecaux's continued dedication to these values that will maintain its industry leading position.

JCDecaux and its subsidiaries endeavour to:

- Pursue and intensify the implementation of measures that will minimise the impact of the Group's activities on the environment: mainly, but not exclusively, by reducing energy and water consumption and by recycling posters and other waste;
- Pursue eco-design in the re-engineering of existing products and the creation of new products; intensify the use of lifecycle analysis; and increase the development and implementation of "green" products;
- Accelerate the ISO 14001 certification process;
- Develop and implement a policy to reduce carbon emissions;
- Proactively support, by offering our products and services, the sustainable development policies of the cities, transport companies, airports, corporate landlords and advertisers that we work with;
- Develop a specific measurement tool to monitor improvements;
- Encourage and support internal professional development without discrimination;
- Provide a safe, sound and efficient working environment for our employees;
- Maintain our commitment to causes that the Group has chosen to support;
- Involve all our teams, through local initiatives, in the Group's day to day commitment to developing sustainability.

The Board of Directors manages the Sustainable Development Direction that was created in 2007 to address these new challenges and coordinate the implementation of these measures. This reflects the Group's commitment to pursue an economic development respectful of people and the environment. The continued involvement of JCDecaux's teams on these subjects underlines the Group's dedication to fulfil its global corporate responsibility engagements.

Also, at the Group's international conference held in January 2008 at Bercy (Paris, France), some 300 employees from 42 countries took part in sessions themed around innovation and sustainable development. Conclusions from the workgroups fed into the drafting of our Sustainable Development Statement.

Our commitment will be implemented through a process of continuous improvement during 2009 and beyond.

An internationally-recognised programme of continuous improvement

Our commitment and performance is reviewed and recognised by extra-financial rating agencies as well as by fund managers and analysts specialising in socially responsible investment.

This recognition helps show that JCDecaux is a responsible corporate citizen, careful to develop its business in accordance with ethical, human, social and environmental values.

JCDecaux is included in the three leading ethical investment indexes which list the best companies according to strictly defined criteria of corporate social responsibility.

We have been part of the ASPI Eurozone® since 2003, the FTSE4Good since 2005 and the DJSI since 2007.

- The FTSE4Good index (compiled by the Financial Times and London Stock Exchange) covers 671 companies world-wide, including 38 French companies;
- The ASPI Eurozone® index consists of the 120 companies in the DJ Stoxx SM universe that achieve the highest CSR ratings by Vigeo. The index includes 85% of CAC 40 companies, i.e. 34 French companies;
- The DJSI (Dow Jones Sustainability Index) comprises 319 global companies, including 22 French ones.

The Code of Ethics: encouraging community engagement at JCDecaux

The Code of Ethics, drawn up in 2001, sets out the fundamental ethical rules governing relations with government agencies, shareholders and financial markets as well as employees.

A new version of the Code was issued in 2005. It is organised around two sets of rules:

- Fundamental Ethical Rules which apply to dealings with government agencies, shareholders and financial markets. A Group Ethics Committee, consisting of the Chairman of the Audit Committee, the General Counsel and the Group Internal Audit Director, is responsible for ensuring compliance with these rules, including an absolute prohibition of any form of corruption, active or passive, which is essential to our existence and success. There were no matters brought to the attention of Group Ethics Committee in 2008;
- Code of Good Conduct regarding relations with suppliers and customers, as well as with fellow employees within our Company. The rules it contains must be implemented in each of our companies, in accordance with applicable local law and regulations. Compliance with them is the responsibility of the Group's executives, both in France and elsewhere.

The Group's Code of Ethics is reviewed regularly. In 2008 it was amended and a revised version will be issued to employees in 2009.

In France, the Advertising Ethics Committee, made up of the heads of the legal, marketing, asset management and sales departments, makes sure that particular sensitive forms of visual advertising (lingerie/nudity/respect of the individual, religion, violence, products targeted at young people, politics, sustainable development, etc.) comply with regulations, ethics and the group image. In 2008, 13 matters were brought to the Committee's attention and it denied approval to 5 campaigns.

In February, the Group was awarded the 2008 "EDC - Ethics and Governance" Prize, organised by the Ecole des Cadres, in the category of "Major French Company". This prize honours JCDecaux's values, its Code of Ethics, its involvement with many charitable and humanitarian causes and its actions to promote sustainable development. In 2008, Jean-Charles Decaux was a member of the jury for this prize.

1. HUMAN RESOURCES

JCDecaux operates in 55 countries on 5 continents and employs 9,370 people. HR management is decentralised within each subsidiary, which creates the flexibility to tailor processes to suit local environment and regulations, while complying with our Code of Ethics and Code of Good Conduct.

Attracting new talent, maximising human capital, building employee loyalty and providing a healthy and stimulating working environment are among our core concerns. Employees share our core values: professionalism, know-how, transparency and integrity.

Changes in the number of employees

As of 31 December 2008, we employed 9,370 people, an increase of 482 or 5.4% compared to 2007. The rise resulted from the new contracts to support the self-service bicycle systems in France, which led to the hiring of 187 full-time equivalent employees, and the rapid development of business in the Middle East/Africa, specifically in the United Arab Emirates, Qatar and Algeria. Our headcount in Asia-Pacific continued to grow (an increase of 6.9%), mostly in China, India and Hong Kong.

The 3,740 employees in France (58% of them field staff) made up 39.9% of our worldwide headcount at the end of 2008. More than 2,400 people, or 64.1%, are based in the Paris region (Ile-de-France), and work in our offices at Plaisir and Neuilly-sur-Seine, in our poster preparation and manufacturing warehouses in Plaisir and Maurepas, or in our Paris operations offices. Other employees are spread across the other 13 regions of France.

ATTRACT AND ENGAGE

Promotion of diversity and anti-discrimination

The Human Resources Departments in our various subsidiaries work hard to create working conditions in which all our employees can thrive and fulfil their potential.

One of our key aims is to encourage pluralism, pursuing diversity in the workforce through hiring and career management. We view professional development of people of diverse ethnic, social and cultural backgrounds as an opportunity to enrich our values. Anti-discrimination policies are an integral part of our Code of Ethics.

Jean-Charles Decaux said:
"*Through this commitment, we want to expand our actions towards citizenship, sources of innovation, competitiveness, performance and generosity.*"

JCDecaux signs the Code of Diversity

France - On 16 September 2008, Jean-Charles Decaux signed the Code of Diversity which formalises our commitment to guarantee the promotion and respect of diversity among our workforce. The Group thereby confirmed its commitment to fight any form of discrimination and put in place a pro-diversity policy.

The company undertakes to continue its fight against discrimination and to promote equality of opportunities for women, disabled workers, seniors and visible minorities.

Our commitment on this key issue is now well established on the ground, notably with the launch in autumn 2008 of a new recruitment management tool that complies with the recommendations of *HALDE* (the Authority for the Struggle against Discrimination and for Equality).

Internal recruitment policy: maximising our human capital

We have experienced strong and steady growth in our headcount since the company was first founded. To keep pace with its rapid development, in France and abroad, we regularly recruit new employees. We can offer exciting professional opportunities in all business lines and many different regions.

The diversity of our business means that we have a wide variety of professions working within the Group to serve our clients. The company therefore offers avenues for development (technical, managerial, location, etc.) so that employees can seek out opportunities and take charge of their own development within the Group.

Since 2007, evaluation tools have been in place in France to develop the quality of managerial relationships between employees and their managers and implement a comprehensive career management process called SCOPE (Supervision of Competences, Orientation, Potential and Evolution).

Since 2008, managerial staff have attended a 3-day induction programme during their first month with the Group. Working in small groups, they are introduced to the different Departments and business lines at JCDecaux. The strategic and cross-disciplinary vision of this programme, as well as the friendly exchanges that take place, make this programme a key stage in welcoming new employees to the Group.

We prioritise permanent employment contracts, rather than using part-time temporary workers or subcontractors. This strategy is directly linked to our quality standards, where priority is given to the transmission of knowledge.

Encouraging learning and attracting young talent

To develop a pool of high-potential young managers, we work closely with selected universities and institutions of higher education.

In 2008, 111 trainees from various backgrounds interned at JCDecaux in France for periods ranging from a few weeks to a year. These internships are an excellent way to identify future potential and represent a unique source for recruiting new talent. That said, priority is given to longer internships (minimum 6 months) to increase the opportunities for pre-hiring experience. Some interns at the end of their course have been offered opportunities to join the Group on permanent, fixed-term or international work volunteering contracts.

Employment and induction of people with disabilities

We comply with legislation on the employment and induction of people with disabilities. In France, our ambition is to steadily increase the number of people with disabilities working in the Group to achieve our target of 6% as soon as possible. With this in mind, we work with the National Employment Agency and the *Cap Emploi* network to systematically scan for profiles of people with disabilities eligible for all positions that arise. The company also makes increasing use of specialist Internet partners and takes part in dedicated jobs forums. During the week for the employment of people with disabilities organised by *Agefiph* (Association for the management of funds for the integration of handicapped people), we took part in the "One day, one business in action" project for the second consecutive year. Four jobseekers with disabilities spent a day with the company learning about the business lines that would best meet their professional aspirations by shadowing one of our employees in their daily work. Projects were also put in place to encourage the local and social economy.

Encourage

Because every employee has their own contribution to make to the Group's innovation and dynamism, we have created structures where staff can express their ideas and suggest new services or procedures, either to improve the company's business or day-to-day working life.

The "Eureka" competition, which has been running since 2007, is open to all staff in France and invites ideas on creativity, efficiency or working conditions. Every quarter, we take the best ideas, with no limit on the number, and the winners are rewarded. The Ecoreflex programme, which seeks to raise awareness among employees on environmental best practices, is also an important channel of communication with employees: responses to questions submitted to the dedicated email box are posted on the Intranet.

Belgium's "Smart ideas box" was also a great success. One of the ideas to emerge was used for the Velib' stands in Paris and incorporated into all our self-service bicycle projects.

Advance

We are rolling out an ambitious training programme. To support our employees, each year, we deliver a wide range of training courses addressing all the topics that affect their work: management, operations, technical, security, languages, communications, marketing, commerce, software, etc. Developing know-how and expertise among its staff is part of the Group's strategic capital. In 2008, 8,368 employees took part in over 94,457 hours of training throughout all the Group's subsidiaries.

In France, 33,000 hours of training were imparted during the year to more than 2,300 interns at the Plaisir training centre, an investment of more than a million euros.

Since 2004, we have had our own school for sales training, the JCDecaux Media Academy. In its fifth year of operation, the school added new modules to enhance commercial efficiency on the ground through workshops, one-to-one coaching sessions, team-building and à la carte training programmes. In 2008, in France, these modules delivered nearly 3,000 hours' training to 200 interns.

The JCDecaux Management Academy encourages the implementation of the managerial standard developed in 2007 with the active participation of 16 of the company's managers representing the different businesses and the diversity of JCDecaux. Since 2007, all middle-level executives in JCDecaux's French subsidiaries have taken part in this training course on management techniques. The management training offer was further expanded in 2008 with a module aimed at skilled employees with managerial responsibility.

A HEALTHY AND EFFICIENT WORKING ENVIRONMENT

Organisation of working time

Each subsidiary is responsible for managing working time in light of conventions and in compliance with the law. In France, working time at the different entities is based on Collective Agreements for the Management and Reduction of Working Time first signed in 1998 and updated in 2000 and 2002, for different group entities. These agreements lay down that the effective working time for all itinerant staff is 35 hours. Administrative and managerial staff can claim Working Time Reduction days off.

Working conditions: safety first

Continuous improvement in employee safety and working conditions is a key objective. In 2008, we continued our efforts in the area of safety education by providing more than 39,000 hours of training to more than 4,751 participants. Our policy and strategy for improving safety and working conditions is directed by the technical departments of each subsidiary, based on applicable legal requirements, and primarily involves controlling risks relating to working at elevated locations, road safety and electrical safety. In France we continued the awareness-raising and training initiatives about professional risks begun in 2007. By the end of 2008, 184 interns from the poster preparation facilities in Plaisir and Lyon, nearly 90% of the staff concerned, had been through the *Ergo Production Santé* Programme.

Compensation strategy and social insurance contributions

Salary policy is decided at the level of each subsidiary in accordance with regulations in force, based on agreements negotiated annually and the financial resources of the subsidiaries.

In 2008 in France, JCDecaux group reached a salary agreement with the unions that envisaged wage rises of around 2.8%. This adjustment includes general increases and individual adjustments.

Employee compensation is based on objective criteria, such as job profile, qualifications, and experience. For managers, a strategy of variable compensation and bonuses based on individual objectives is generally used. At the same time, bonuses for "performance quality" are awarded to field staff to encourage them and reward individual results.

We are in compliance with all legal requirements relating to social insurance and other contributions relating to compensation.

Balanced employee relations

We pay considerable attention to the views of our employees, which are expressed in an organised institutional framework. We attempt to reach formal agreements that are fair to the parties involved in all circumstances.

- In France, five unions are represented in the Group (CFDT, CGT, CFTC, FO, CFE-CGC). The next professional elections will take place in 2009 for the UES JCDecaux (representing the Group) and will redefine union representation within the Group.

  Employee relations are conducted through a single Workers' Council, whose membership is above the statutory minimum (for instance the UES JCDECAUX committee has 15 principal members and 15 alternates instead of the 9 principal members and 9 alternates required under the French Labour Code), employee representatives and Occupational Safety and Health Committees (CHSCT). Also, the unanimous agreement on employer/employee cooperation of 31 October 2007 grants employee representatives a greater role and resources than those required under the Labour Code.

  Finally, many specific agreements have been reached with the unions, most recently in 2007 and 2008: mandatory annual salary negotiations, profit-sharing agreement, amendments signed at subsidiaries, agreements on the solidarity day, agreement on the classification of professions operating within JCDecaux S.A., agreement on the organisation of short-term work in teams for installers and workers at the Claude Bernard assembly facility in Maurepas (Yvelines). Over 30 collective agreements have been signed since September 2006 across all entities.

In the elections held at the end of 2008 workers at Cyclocity voted to be represented by the CGT, FO, and SUD unions. The company has struck 6 collective agreements governing night work, negotiating procedures, collective guarantees and the reimbursement of medical expenses, profit-sharing and the implementation of elections for employee representatives on the Workers' Council.

- Collective agreements on working conditions and wages are also negotiated in other countries of significance for the Group, notably Spain, Germany, the USA and Belgium, which covers 69% of our total employees.

Employee profit sharing

The principles applicable to sharing of profits with employees depend on each subsidiary. In France, profit-sharing agreements apply to all employees. Payments under profit-sharing arrangements in the year ended 31 December 2008 totalled €7.7 million and included benefits paid to Cyclocity employees for the first time. The amount of profit sharing paid in France during the last three fiscal years is as follows:

In thousands of euros	2008	2007	2006
Profit sharing	6,796	7,265	6,123
Participation	933	488	361
Contribution	(1)	121	125
Total	**7,729**	**7,753**	**6,609**

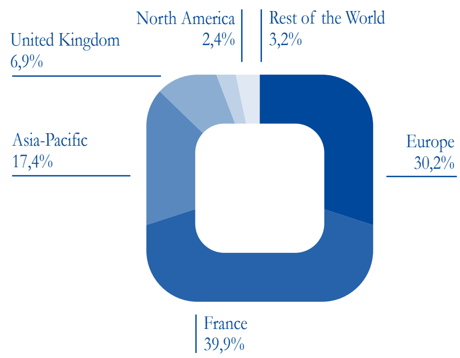
(1) Refers to the company's contribution of a collective profit-sharing payment to the Employee Stock Purchase Plans.

Breakdown of employees by geographic region

As of 31 December	2008	2007	2006
Europe(1)	2,826	2,731	2,707
France	3,740	3,549	3,111
Asia-Pacific	1,633	1,527	1,401
United Kingdom	646	664	632
North America	225	232	200
Rest of the World	300	185	89
Group Total	**9,370**	**8,888**	**8,140**

(1) Excluding France and the United Kingdom

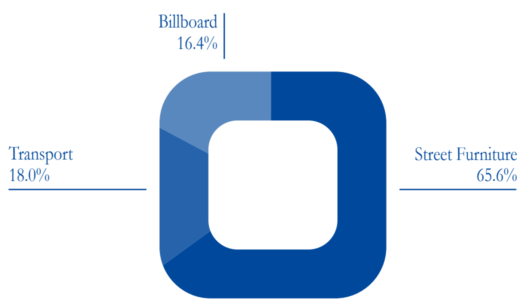
As of 31 December 2008



Breakdown of employees by segment

As of 31 December	2008	2007	2006
Street Furniture	6,149	5,732	5,163
Transport	1,683	1,606	1,434
Billboard	1,538	1,550	1,543
Group Total	**9,370**	**8,888**	**8,140**

As of 31 December 2008



Breakdown of 2008 employees by gender

Breakdown of 2008 employees by gender
(excluding field and technical staff)

Breakdown of employees by expertise

As of 31 December	2008	2007	2006
Technical	5,529	5,183	4,692
Sales & Marketing	2,007	1,918	1,701
Administration & Management	1,285	1,243	1,198
Contractual relations	465	455	455
Research & Development	84	89	94
Total	**9,370**	**8,888**	**8,140**
France	3,740	3,549	3,111
Outside France	5,630	5,339	5,029

As of 31 December 2008

Breakdown of employees in France by category

As of 31 December	2008	2007	2006
Senior Executives (Directors)	19(1)	17(1)	19(1)
Executives	588	578	538
Skilled Employees	1,049	1,023	965
Employees	2,084	1,933	1,589
Group Total	**3,740**	**3,551**	**3,111**

(1) *Senior executives based in France having responsibilities for French subsidiaries, or for International business.*

As of 31 December 2008

2. RELATIONS WITH CUSTOMERS AND SUPPLIERS

Constant adaptation to customer needs
Our success is based on the recognised quality of our products and services, as well as our ability to understand and anticipate the needs of our customers, whether cities, towns, transport companies, licensors or advertisers. To ensure long-term growth, we must not only offer innovative and high-quality products and services but also help and support our customers to develop sustainably.

We position ourselves as an expert in providing services to local governments and second their efforts to encourage more environmentally-friendly behaviours. The Group plays an active role in awareness-raising exercises for selective recycling and has developed a full range of street furniture equipped with facilities for recycling batteries, glass and other waste. We also offer local governments a way to reconcile urban mobility with security, freedom and concern for the environment through our self-service bicycle concept: Cyclocity.

One of our core aims is to encourage loyalty among our customers by continuously providing differentiating value in an ever more competitive market. Leading international groups have been working with JCDecaux for more than ten years. Our constant sensitivity to advertisers through our marketing, commercial, and concession relations teams is supplemented by regular customer satisfaction surveys conducted at the initiative of each subsidiary with major advertisers and local governments.

In 2008, JCDecaux Innovate created campaigns promoting sustainable development and green displays. In France, as part of the "Sorting is saving" campaign run by the Mayors Association of France and *Eco-Emballages* (which promotes better recycling), interactive street furniture invited the public to commit to sorting and recycling their household packaging.

Our keen sensitivity to quality is supported by the ISO 9001 certification of certain subsidiaries, particularly in France, Spain, Portugal and Ireland.

Purchasing is governed by Code of Ethics for Suppliers

Most industrial processes are carried out by the Research, Production and Operations Division based at Plaisir (Yvelines, France). The Research and New Technologies Departments are responsible for designing street furniture, while the Purchasing, Supply Chain and Production department procures parts and subassembles and assembles them for delivery to the subsidiaries. The department acts as a central purchasing facility for the Group. It also supplies, on behalf of our subsidiaries, various spare parts and other items necessary for the repair and maintenance of street furniture.

Industrial activities managed by the Research, Production and Operations Division have been ISO 9001 certified since 1997 and ISO 14001 certified since 2007.

JCDecaux drew up a Code of Ethics in 2005 governing our relations with suppliers, which prioritises its values of quality, respect for commitments, transparency as well as the principles of compliance with regulations (social, environmental, etc.), fair competition and integrity. The Code of Ethics is signed by all the suppliers managed by the Purchasing, Supply Chain and Production department and the commitments it contains are passed on to any new supplier. The Code and all technical documents and specifications are available on the dedicated Extranet site.

Suppliers are selected based on their ability to meet our price, quality, and ethical requirements. We periodically audit our principal suppliers, whether in France or China, which allows us to monitor their performance quality, encourage progress and development, and check that there are effective measures in place to comply with our Code of Ethics and regulations in force. These audits also enable us to forge real partnerships with our suppliers. Suppliers are systematically notified where they fail to comply.

In 2008, 80% of the Purchasing, Supply Chain and Production department's purchases were made from approximately 70 suppliers, representing 7% of the total panel of suppliers listed. No supplier represented more than 10% of our annual production expenses.

Encourage the local and social economy

We are increasingly looking to collaborate with our suppliers to encourage the social inclusion of people with disabilities. In the Netherlands, a partnership to outsource street furniture repairs to people with disabilities has been running with AM-groep in Hoofddorp since 2003, and was expanded country-wide in 2008 via a partnership with Pantar Groep, an organisation based in Amsterdam.

In France, JCDecaux Innovate outsourced most of the floral work for a Kenzo campaign to an employment support centre in Paris. As a result, 70 disabled people worked on the project. In tandem with the various self-service cycling schemes running in France, we took part in community programmes encouraging the social inclusion of vulnerable youngsters. Agreements were struck, notably, with *EPIDE* (public organisation for social inclusion in the La Défense district) and *FACE* (Foundation for action against exclusion). A protected bicycle repair workshop has also been up and running in cooperation with the Oise department *ADAPEI* (association for friends and family of mentally handicapped people) since the end of 2008. It currently involves 16 people who repair some fifty bikes each month.

3. RELATIONS WITH THE COMMUNITY

We deal with a wide range of groups with highly disparate concerns, not just local government and our customers (advertisers and agencies), employees, shareholders and commercial partners, but also other public bodies and associations. To meet the challenge of sustainable development, we mobilise our resources and creativity.

The Group is committed to community initiatives which notably aim to:

- To unite its teams around common ethical values;
- To provide citizens with ever more services;
- To act to promote urban safety;
- To facilitate access to urban infrastructures for people with disabilities, by means of specially adapted equipment and services;
- To support community action programmes.

As for relations with users of our services, in France we partnered with the *Les Echos* magazine in July 2008 to sound out the opinions of people, who were able to chat directly online with the management about their experience of the Paris Velib'. Also, a satisfaction survey by the City of Paris in May 2008 found that 94% of users were satisfied with the service and 97% would recommend it to a friend. These results underline that the services we offer correspond closely with users' needs.

JCDecaux, a supporter of major causes
Outdoor advertising is a medium that affects a huge number of people around the world and is a prime medium for mounting awareness-raising drives. Since our inception, we have been actively involved in many humanitarian and charitable activities to support major causes such as the fight against disease, support for the disadvantaged, protection of the environment and road safety. Every year, we offer free of charge faces on our networks to a range of causes and in this way JCDecaux and its employees alike contribute to improving and supporting the well-being of the wider community.

Among the campaigns given free space in 2008 were the McMillan trust for cancer awareness in the UK (for the second year), and the Theodora Foundation in Spain, which brings artistic, playful, imaginative and fun activities to children in hospital or specialist institutions. JCDecaux Australia, meanwhile, has been supporters of UNICEF for four years, helping the organisation achieve the brand recognition required to communicate its mission and raise funds.

In France, support for the *Association Française contre les Myopathies*, which struggles against muscle-wasting diseases, and the Telethon fund-raiser is now in its seventh year. Also, for the third year running, we supported the *Secours Populaire* campaign that takes disadvantaged children for a summer day out by the sea. We also supported the NGO Action Innocence, which campaigns in France to safeguard the dignity and integrity of children on the Internet. In 2009, its campaigns will also be run in Belgium for the first time.

Our German subsidiary has been showcasing the important accomplishments of women in the community, highlighting again in 2008 the "Starke Frauen/Starke Stadt" (Strong Women, Strong Town) campaign, initiated in Hamburg in 2006 backing in this year, via a partnership with *Bild der Frau*, the women's magazine the most read.

As part of its support for victims of the earthquake that shook Wen Chuan in Sichuan province, JCDecaux China launched a campaign to raise public awareness about fund-raising for the Red Cross. The company also donated 78,000 euros, including 35% collected from its employees.

We have also been part of the fight against AIDS for more than ten years.

Among our environmental awareness campaigns were those run by our Chinese subsidiary in support of the World Wild Fund for Nature (WWF), which started with an awareness raising campaign on the need to cut energy consumption in 2007. This was followed in 2008 by our becoming a "Panda Friend", with a view to offering free posting space to the Fund's annual campaigns on the need for environmental protection.

Community values that involve all of our employees
Campaigns given free space included the anti-child abuse campaign by the UK's National Society for the Prevention of Cruelty to Children. This charity was selected after a poll of all employees and the aim of the UK subsidiary is to combine the campaign with fund-raising activities that also involve employees' family, friends, colleagues and customers. A two-year agreement has been signed with the NSPCC. Numerous activities whose preparation began in 2008 will be launched in 2009, supported by a dedicated website.

4. ENVIRONMENT

The JCDecaux Group views its environmental responsibility as an ongoing commitment. Continuous improvement of the processes in place and the exploration of new areas of environmental responsibility will guarantee sustainable development and maintain respect for our values.

As a major contributor to urban beautification, we take an active role in protecting the urban environment. Throughout the value chain, we strive to use optimise the use of natural resources, to hold down consumption of water and energy, to limit the environmental impact of our operations and to maximise recycling and reuse of waste. Platforms have been set up to share best practices between subsidiaries.

Our goal is to meet the highest international standards for environmental protection. In 2008, the UK subsidiary was awarded ISO 14001 certification, joining another five of our subsidiaries that are ISO compliant: Spain (2003), Norway (2006), France (2007), Portugal (2007) and Italy (2007). Together these subsidiaries represented 54% of reported group revenue in 2008.

Work is under way in several subsidiaries to extend the scope of their compliance or to earn first-time certification, such as Sweden which is aiming to do so in 2009.

Carbon policy
Looking beyond the actions already undertaken, we want to progressively implement a carbon policy aimed at reducing greenhouse gases, which can be tailored to the circumstances of each subsidiary. Structural actions are under investigation. Already, we have rolled out a series of specific actions in many countries which we plan to implement systematically across the Group: reduction of electricity consumption of street furniture, increased use of clean vehicles, optimisation of journeys, reduction in power consumption and heating in buildings, offsetting of carbon emissions from activities, etc. We will draw up our first Group carbon balance sheet in 2009, based on 2008 data. Data on CO_2 emissions reported in this year's Carbon Disclosure Project concern the Group scope.

Efforts are also under way to reduce energy consumption in our buildings. For example, in the Netherlands, the number of bulbs needed to light warehouses was cut by nearly 40% in 2008.

Reduce electricity consumption of street furniture

The JCDecaux research department is continuously seeking ways to reduce the power consumed by our street furniture.

Improvements made in 2008 included a redesigned toilet (the "Jouin") model which makes use of natural light. The reduction in power consumption is around 30% compared to the Hydra model, one of the Group's most commonly installed toilets.

In the UK, JCDecaux Airport worked closely with suppliers to optimise lighting in this highly specific environment. The introduction of LED lighting will, in 2009, allow a major reduction in electricity consumption in each advertising site.

Clean cars: developing new solutions

Our carbon policy also involves developing and using a vehicle fleet that is responsive to environmental concerns, especially in respect of CO_2 emissions. In renewing and developing our vehicle fleet, we look for cleanest available vehicles that will do the job. We had 273 environmentally-friendly vehicles on the road in 2008. This was a 15.6% increase on the previous year. We also had 163 bicycles with assisted pedalling used by operating technicians responsible for maintaining the Cyclocity systems.

Goals	Objectives	Actions
Improve the quality of urban life	***Improve the urban environment***	Reduce our display inventory through use of scrolling panels
		Create multifunctional structures: bus shelters incorporating glass recycling bins, Morris Columns with telephone booths, etc.
	Develop environmentally friendly solutions for urban movement	Design of the Cyclocity system (automated, self-service bicycle rental system available 24/7)
	Assist in waste collection	Create collection bins for certain types of waste, such as batteries, glass and paper
	Raise awareness of the need for conservation	Free posting of information campaigns supporting environmental protection
Reduce consumption of water, energy, and raw materials	***Reduce water consumption***	Recycling water units used for cleaning automated toilets
		Investigate alternative methods for cleaning street furniture (collecting rainwater)
	Reduce energy consumption	Use of electronic ballasts to light structures (energy savings of approximately 25%)
		Use of scalable electronic ballasts for lighting certain furniture, generating additional energy gains of 25%
		Optimise the power systems used to scroll displays (energy savings of 60% and more)
		Research and application of timed illumination systems for some furniture and inside Group buildings
	Use renewable energy sources	Use solar panels for lighting certain street furniture
		Buy green energy (Green certificate) for consumption of street furniture
		Voluntary carbon offsetting of CO_2 emissions linked to the logistics of operating street furniture or Group buildings.
	Reduce fuel consumption	Implementation of a programme to reduce fuel consumption by vehicles (the "Black Gold" plan)
		Optimisation of delivery and maintenance routes
	Protect biodiversity	Verify the origin of wood to ensure it does not involve the use of protected plant species
	Reduce consumption of disposable office products	Implementation of the Ecoreflex program to raise employees' awareness of environmental best practices
Control industrial waste	***Reduce industrial waste***	Eco-design: street furniture design which takes into account how it will be treated at the end of its useful life
		Use reusable metal racks when shipping and storing street furniture and spare parts
		Use "long-lasting" fluorescent tubes to reduce the frequency of changing such tubes
	Sort and recycle waste	Selective sorting of industrial waste and treatment by authorized processing companies, with emphasis on recycling

Optimisation of operative journeys
The Group's environmental approach involves ongoing research into ways to make travel more efficient, including by the use of environmentally-friendly logistical systems, as has been proposed for Paris in connection with the Vélib' contract: 80% of operative journey are by bicycle and 20% with clean vehicles (NGV/electric). Maintenance materials are stored at each docking station to allow on-the-spot repairs while major repairs are made in a mobile workshop located aboard a barge that has 12 mooring points.

On 18 November 2008, at the 12th Ile-de-France Towns environmental awards, JCDecaux was joint winner with the City of Paris and the Paris Port Authority, of the "Transport and Journeys" prize in the freight category. The jury cited its development of alternative transport and its ambition to change the modes of transport used in the town centre. The Cyclocity barge avoided the need to truck bicycles in need of repair around the capital.

Also, in 2008, we expanded our programme to reduce fuel consumption by vehicles to include twelve subsidiaries. This "Black Gold" plan aims to change our drivers' driving habits through theoretical and practical training. Systems for tracking journeys are under investigation in several subsidiaries to allow further reductions in journey miles and so reduce greenhouse gas emissions.

Carbon offsetting
When carbon emissions cannot be further reduced, subsidiaries can consider the use of carbon offsetting for certain activities. For instance, carbon emissions from the fleet of vehicles allocated to the Norwegian management personnel are offset via the leasing company which buys certified carbon credits within the frameworking of the clean Development Mechanism defined by the Kyoto Protocol.

Voluntary carbon offsetting of emissions linked to the operation of street furniture is increasingly considered as an option and has been used for instance in Paris and Bordeaux, France.

Use of alternative energies
We also put our ability to innovate to work for the environment. We developed a bus shelter equipped not with advertising panels but with solar panels so that it can remain illuminated at night without using electrical energy. The first solar shelters were installed in Plymouth, in the United Kingdom, in 2003. Since then, contracts for similar shelters have been signed across the world. In 2008, we had installed nearly 1,900 solar-powered bus shelters.

Work by the Research & Development department continues to assess how solar technologies can be integrated into street furniture. It is planned to step up the buying of green electricity (via Green Certificates) to power street furniture, as is already done in Paris and Bordeaux, France.

There are also plans for the gradual integration of energy from renewable sources in the Group buildings. The main buildings of the Spanish subsidiary in Madrid will be 100% powered from renewable sources (solar, wind power) in 2009. Some subsidiaries are looking at installing solar roof panels whenever renovations are required.

Bicycles: an environmentally friendly form of urban transport
In 2007, Cyclocity, a self-service bicycle system designed and developed by us, established itself as a real "personal public transport" solution. Taken together, the schemes now up and running in 17 European cities, including 11 in France, prevent the emission of 24,265 tonnes of CO_2 each year[1], assuming each use of a bike replaces a car journey, and there are 35,000 self-service bicycle journeys a day over an average distance of 9.5 kilometres, which totals 121,326,500 km a year. **The Cyclocity systems record nearly 75 million individual rentals since they first came into service.**

In June 2008, the European Business Awards for the Environment, organised by the European Commission, gave Cyclocity second prize in the Best product category, for its self-service bicycle rental system across Europe.
The awards are given every two years to those European companies that lead the way in combining innovation, financial viability and environmental-friendliness.

Cleaning of street furniture using rainwater and without detergent
In 2008, we continued to install devices to recover rainwater and increased collection points in France. The objective is to provide an autonomous water supply at these sites for washing street furniture. In addition to the substantial savings in drinking water, using rainwater for cleaning purposes has many environmental advantages. Its natural cleaning properties put an end to the need to use detergents. At the end of 2008, we had increased our rainwater recovery capacity by 35% from the previous year, to over 400,000 litres in France and Belgium.

The Group is investigating the possibility of systematically incorporating water collectors into its street furniture. Rain collectors after being incorporated into in the Paris advertising columns, are also included into new toilet units to be rolled out in 2009.

Selective sorting of waste
Waste is selectively sorted at each production and operating facility, in accordance with local regulations in each country and the options for recycling and reuse available, such as recovering posters, fluorescent tubes, waste packaging materials, iron, aluminium,

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(1) *ADEME estimate – the current set of vehicles encompassing those belonging to private individuals driving in urban settings generates on average 200 g of CO_2 per kilometre travelled.*

glass and gravel. As an illustration of our efforts in this area, the Norwegian subsidiary has been part of the national "Miljøfyrtårn" or Eco-Lighthouse project since 2005. The project aims to minimise the company's environmental impact by reducing waste and cutting consumption of electricity and water. Waste volumes have been brought down by more than 50% since 2005 and 100% of the remaining waste is recycled.

Ecoreflex: raising awareness of environmental best practices

In 2008, we strengthened our Ecoreflex® program, which is intended to raise awareness among our employees about environmental best practice. Using an interactive website, news releases and posters, we suggest simple meaningful measures they can adopt daily to limit consumption of paper, energy and water. A poster promoting the key eco-reflexes to adopt has been translated and incorporated into some ten Group subsidiaries.

For instance, paper consumption per employee in France fell by nearly 20% between 2006 and 2008. In Italy, the new system keeps colour printing to a minimum. We have also had an initiative in place since 2007 to progressively dematerialise the greetings cards sent out each year, and in 2008 the Group's policy was to only use e-cards.

During European mobility week in autumn 2008 the first phase of the French company transport plan was rolled out. Two new functionalities were put on-line: a car-poding and public transport modules. The programme, initially aimed at employees at the 4 main sites in the Paris region, was implemented in response to the internal survey carried out in 2007. Further functionalities will be brought in during 2009.

Provisions, bonds and indemnities for environmental risks

Our facilities in France that come under the environmental protection disclosure regime (ICPE) are not required to be bonded and are not subject to special financial undertakings for emergency measures that might be required because of pollution risks.

RESEARCH AND DEVELOPMENT

Our success is due to the Group's ambitious programme of research and development. Since the company was founded, this has given us a unique capacity to innovate in the market for outdoor advertising by continually developing new furniture and advertising and adding new products and services, like automated bicycle rentals that help create the city of tomorrow.

We work with internationally known architects and designers such as Philippe Starck, Lord Norman Foster, Robert A.M. Stern, Mario Bellini, Riccardo Bofill, Jean-Michel Wilmotte or Patrick Jouin to create innovative, high quality street furniture. Our agreements with these architects transfer the copyright to us and include exclusivity clauses prohibiting them from creating similar products for third parties.

Aesthetics and functionality are at the heart of our approach to street furniture. We rely on our integrated Research & Development and Design department to develop our new products. We try to include a maximum of functionalities in the advertising structures we develop to minimise street clutter and increase services to the community.

We attach great importance to respect for the environment and the culture of the towns in which we are active. This means using eco-friendly products in terms of electricity consumption and product life and by a wide range of designs to adapt street furniture to all types of urban environments.

With Cyclocity, JCDecaux is the number one worldwide in self-service bicycles

Based on 28 patents, Cyclocity® was developed around a simple concept: to bring accessibility, safety and freedom to the city in an environmentally-friendly way. It began in July 2007 with the Paris project (Vélib'). This was a resounding success with its users thanks to its technologically innovative bicycles which combined robustness with urban design. Also, the security system for the bikes and the automated rental and payment system made them quick, efficient and secure to use.

The success of these projects was recognised by two awards in 2008:

- The second prize in the European Commission's "European Business Awards for the Environment 2008" in the Product class, for its system of self-service bicycle hire established in Europe;
- The Grand Prix de l'Environnement des Villes de France in the "Transport and Journeys" category, which it shared with the City of Paris and Port Authority. The jury hailed the development of an alternative means of transport and its ambition to change forms of transport in central Paris through the use of a barge to take Vélib' bicycles for repair.

Our multi-disciplinary development teams and the wide range of skills they can provide were instrumental in winning us the tender launched by the City of Paris for the installation of 400 automatic toilets free for public use. The toilet proposed is the result of a collaboration with P. Jouin which produced a highly original design, completely re-engineered to bring down costs, take account of the latest accessibility standards and sustainable development issues (reducing consumption of water and electricity, collecting rainwater, careful use of consumables and environmentally-friendly maintenance products).

In order to secure objective recognition by external bodies for the incorporation of sustainable development issues within the Group, the industrial activities of the Research, Production and Operations Division have been ISO 14001 certified since 2007. Reduction of electricity consumption by our street furniture, rationalisation of our recycling systems and the search for environmentally friendly materials were key aspects of our development strategy that we emphasised when responding to calls for tender in 2008. Greater use of new sources of lighting for advertising structures proposed in 2008 cut electricity consumption by nearly 30%, which meant 160 tonnes less CO_2 released into the atmosphere.

To optimise our product line, we have pursued an ambitious development strategy that reconciles diversity in design with the greatest possible standardisation of basic components and streamlining of production costs. This has allowed us to introduce street furniture in new markets such as Israel and Qatar.

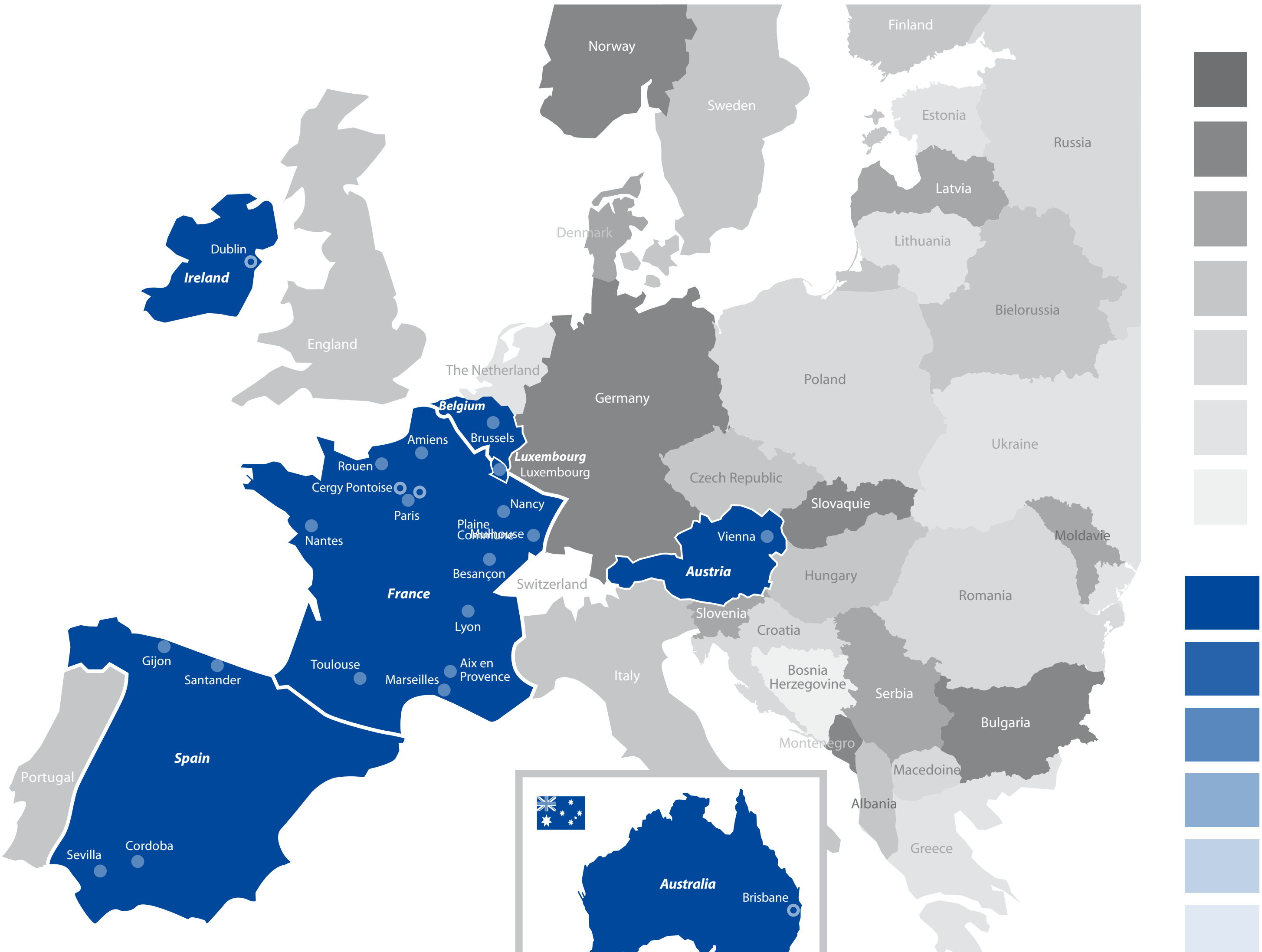
Using the expertise in digital billboard technology available in the New Technologies department, we developed new indoor digital displays using LCD screens or, more daringly, liquid crystal panels with enhanced lighting and giant LED screens for outdoor displays.

As a major source of communication for city dwellers, Street furniture today benefits from improvements and advances in the new information and communication technologies, notably in the fields of visual information, radio (wide use of GPRS to interconnect structures without digging up the street, Bluetooth to connect citizens with street furniture, RFID to read information at bicycle stands, etc.), or computer technologies derived from the Internet and mobile Internet environment, to provide an increasingly flexible and personalised service to users.

With integrated Research & Development, New Technologies and Graphic Arts departments, we have the technical assets to respond quickly to calls for tender and to design innovative structures perfectly adapted to customer specifications whether in France or elsewhere in the world.

During the last four years, we have spent significant amounts on research and development (€8.8 million in 2008, €9.9 million in 2007, €7.4 million in 2006, and €7.6 million in 2005), while making every effort to improve our product line and research efforts each year.

We applied to register 8 new patents and 67 new models in 2008, a testimony to our high level of innovation.



CyclOcity

Country	City	Start date
Austria	Vienna	May 03
Belgium	Brussels	September 06
France	Amiens	February 08
	Aix en Provence	June 07
	Besançon	September 07
	Cergy Pontoise	H1 09
	Lyon	May 05
	Marseilles	October 07
	Mulhouse	September 07
	Nantes	May 08
	Nancy	September 08
	Paris	July 07
	Plaine Commune	H2 09
	Rouen	December 07
	Toulouse	November 07
Luxembourg	Luxembourg	March 08
Spain	Cordoba	October 03
	Gijon	July 04
	Santander	September 08
	Sevilla	July 07
Ireland	Dublin	H2 09
Australia	Brisbane	H1 2010

● Bicycle stations already in operation

○ Planned bicycle stations

FINANCIAL STATEMENTS

MANAGEMENT DISCUSSION AND ANALYSIS OF GROUP CONSOLIDATED FINANCIAL STATEMENTS

I. DISCUSSION OF THE FINANCIAL STATEMENTS

The following discussion of the Group's financial position and results of operations should be read in conjunction with the audited consolidated financial statements and the related notes thereto, as well as the other financial information included elsewhere in this Reference Document. As required by European Union Regulation no. 1606/2002, dated July 19, 2002, the consolidated financial statements for 2008 have been prepared in accordance with international accounting standards ("IAS/IFRS") adopted by the European Union and applicable on the balance sheet date, i.e. as of December 31, 2008, and presented with comparative financial information for 2007 prepared in accordance with the same standards.

Introduction

Group revenues mainly consist of the sale of advertising space for the following three activities: street furniture advertising ("Street Furniture"), transport advertising ("Transport") and large-format billboard advertising ("Billboard"). Non-advertising revenues relate to the sale, leasing and maintenance of street furniture, as well as to the self-service bicycle business and to the marketing of innovative technical solutions for street furniture advertising campaigns.

From 1964, when it was created, to 1999, the Group's expansion was mainly due to organic growth, and Street Furniture was the principal business of JCDecaux. In 1999, JCDecaux acquired Havas Média Communication Publicité Extérieure (also known as Avenir) from the Havas group, thereby expanding the outdoor advertising business into Billboard and Transport advertising. Since 2001, the Group has continued to grow organically and externally, successfully completing acquisitions and entering into partnership agreements in several European countries and, in 2005, China. In 2008, JCDecaux accelerated its growth in new geographical locations, particularly the Middle East.

Summary of operations for the 2007-2008 period

Group revenues rose by 2.9% in 2008. Excluding the acquisitions and foreign exchange impact, revenues increased by 6.3%. The Group's operating margin decreased by 1.0% in 2008, representing 25.4% of revenues compared to 26.4% in 2007. Group EBIT declined by 32.5% in 2008, representing 10.9% of revenues in 2008, compared to 16.6% in 2007. Excluding goodwill impairment and exceptional asset write-downs, Group EBIT declined by 12.3% in 2008, representing 14.2% of revenues.

Street Furniture revenues grew by 2.0% in 2008. Excluding the acquisitions and foreign exchange impact, revenues increased by 4.5%. The Street Furniture operating margin represented 37.3% of the activity's revenues in 2008, compared to 39.0% in 2007. EBIT represented 18.2% of the activity's revenues in 2008, compared to 24.2% in 2007. Excluding goodwill impairment and exceptional asset write-downs, Street Furniture EBIT declined by 16.4% in 2008, representing 19.8% of revenues.

Transport revenues grew by 9.6% in 2008. Excluding the acquisitions and foreign exchange impact, revenues increased by 14.4%. The Transport operating margin represented 13.1% of this activity's revenues in 2008, compared to 10.9% in 2007. EBIT represented 8.7% of the activity's revenues in 2008, compared to 7.5% in 2007. Excluding goodwill impairment and exceptional asset write-downs, Transport EBIT increased by 42.5% in 2008, representing 9.7% of revenues.

Billboard revenues declined by 2.8% in 2008. Excluding the acquisitions and foreign exchange impact, revenues increased by 0.6%. The Billboard operating margin reached 14.8% of this activity's revenues in 2008, compared to 17.6% in 2007. EBIT represented -2.5% of the activity's revenues in 2008, compared to 11.3% in 2007. Excluding goodwill impairment and exceptional asset write-downs, Billboard EBIT declined by 35.8% in 2008, representing 7.5% of revenues.

The following table summarizes revenues, operating margin, EBIT, and operating margin and EBIT as a percentage of revenues for each of the Group's three business segments in 2007 and 2008.

Fiscal Year ended December 31

In million of euros, except for percentages	2008	2007
STREET FURNITURE		
Revenues		
- Advertising	956.2	945.2
- Sale, rental and maintenance	107.3	97.6
Total revenues	**1,063.5**	**1,042.8**
Operating margin	**396.9**	**406.7**
Operating margin/revenues	*37.3%*	*39.0%*
EBIT	**193.7**	**252.0**
EBIT/revenues	*18.2%*	*24.2%*
TRANSPORT		
Revenues	**629.0**	**574.1**
Operating margin	**82.5**	**62.3**
Operating margin/revenues	*13.1%*	*10.9%*
EBIT	**54.6**	**42.8**
EBIT/revenues	*8.7%*	*7.5%*
BILLBOARD		
Revenues	**476.1**	**489.7**
Operating margin	**70.5**	**86.2**
Operating margin/revenues	*14.8%*	*17.6%*
EBIT	**(11.9)**	**55.4**
EBIT/revenues	*-2.5%*	*11.3%*
TOTAL GROUP		
Revenues	**2,168.6**	**2,106.6**
Operating margin	**549.9**	**555.2**
Operating margin/revenues	***25.4%***	***26.4%***
EBIT	**236.4**	**350.2**
EBIT/revenues	***10.9%***	***16.6%***

Where Group companies are active in several business segments, they are grouped according to their dominant segment. Where minority operations are significant, the revenues, operating margin and EBIT of the companies involved are allocated to the various activities carried out. Changes in the portfolio of activities may result in an adjustment to the income allocations for the three business segments.

1. REVENUES

1.1. Definitions

The amount of advertising revenues generated by the Group advertising networks depends on two principal factors:

Networks
The Group sells networks that include advertising faces located on street furniture and other outlets and charges advertisers according to the size and quality of these advertising networks. Although the pricing of networks is impacted by an increase in the number of faces resulting from the installation of new advertising displays as part of new contracts or the installation of scrolling panels, or, conversely, a reduction in the number of faces due to the loss of one or more concessions, there is no direct correlation between the change in the number of advertising faces in a network and revenue growth, because of the specific characteristics of each network.

Prices
The Group endeavors to charge prices that reflect the superior quality of its advertising displays, which are generally located at the best locations in city centers and come in network packages that enable advertisers to maximize the launch of their advertising campaigns. The pricing policy thus depends on the quality of displays, their location, the size of the network, and the general state of the advertising sector and the economy.

1.1.1. Organic and reported growth

Group organic growth reflects growth in revenues excluding acquisitions and disposals of long term investments, at a constant foreign exchange rate, but including revenues from new concessions. Reported growth reflects organic growth increased by revenues generated by acquired companies and by companies recently included within the scope of consolidation (in connection with partnership arrangements) and decreased by the negative impact on revenues arising from disposals of long term investments and foreign exchange rates.

1.1.2. Advertising revenues

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

1.1.3. Non-advertising revenues

In addition to the sale of advertising space on street furniture, the Group also generates revenues from the sale, rental, and maintenance of street furniture, principally in France and the United Kingdom. The Group also generates non-advertising revenues from its self-service bicycle business and the marketing of innovative technical solutions for Street Furniture advertising campaigns, under the name “JCDecaux Innovate”.

1.2. Revenue growth

In 2008, Group revenues totaled €2,168.6 million, compared to €2,106.6 million in 2007. Acquisition, disposals of long term investments, partnership transactions and asset swaps in 2007 and 2008 had a negative impact of €8.2 million on revenue. Foreign exchange fluctuations between 2007 and 2008 had a negative impact of €62.4 million on revenues. Excluding the acquisitions and foreign exchange impact, organic revenue growth reached 6.3% in 2008. This growth reflects the performance of the Street Furniture and Billboard segments, which posted organic growth of 4.5% and 0.6%, respectively, while Transport recorded double-digit organic growth of 14.4%.

1.2.1. Revenues by segment

Street Furniture
Street Furniture revenues totaled €1,063.5 million in 2008, compared to €1,042.8 million in 2007, up by 2.0%.

Changes in scope in 2007 (acquisition of Wall Nederland and investments in Wall USA and RTS Kazakhstan, asset swap with Affichage Holding in Central Europe and sale of VVR Decaux GmbH in Germany) had a negative impact of €4.5 million.

Foreign exchange fluctuations between 2007 and 2008 generated an annual negative impact of €22.1 million on Street Furniture revenues, essentially related to the British pound and the US dollar.

- ***Advertising revenues***

Advertising revenues rose by 1.2% in 2008.

Excluding the acquisitions and foreign exchange impact, organic growth of Street Furniture advertising revenues was 3.7% in 2008. Street Furniture benefited from the robust organic revenue growth in France and the growing contribution from the Middle East and India. Denmark, Norway, Central Europe, Italy, South America and Central Asia posted double-digit growth. However, advertising revenues in the United Kingdom and Spain declined.

- ***Non-advertising revenues***

Non-advertising revenues totaled €107.3 million in 2008, compared to €97.6 million in 2007, for an increase of 9.9%. This increase stems from equipment sales, street furniture rentals, maintenance and services, benefiting from the development of self-service bicycles and the billing for innovative technical solutions associated with street furniture advertising campaigns. Non-advertising revenues, which largely comprise one-off sales of equipment or services, are by nature more volatile than advertising revenues.

Transport

Transport revenues totaled €629.0 million in 2008, compared to €574.1 million in 2007, for an increase of 9.6%.

Changes in scope in 2007 contributed to the decline in Transport revenue growth in the amount of €5.9 million. They mainly concern the consolidation of Chinese companies and the sale of VVR Decaux GmbH in Germany.

Foreign exchange fluctuations had a negative impact of €21.7 million on revenues for this segment in 2008, relating to activity in the United Kingdom, the United States and Hong Kong.

Excluding the acquisitions and foreign exchange impact, Transport revenues recorded growth of 14.4% in 2008. The revenue increase was driven by the sharp growth in new contracts, mainly in Belgium, India, the United Arab Emirates and Algeria. Scandinavia, Portugal, the United States and China also posted double-digit growth over the period.

Billboard

Billboard revenues amounted to €476.1 million in 2008, compared to €489.7 million in 2007, a decrease of 2.8%.

Foreign exchange fluctuations between 2007 and 2008 generated an annual negative impact of €18.6 million on Billboard revenues in 2008, essentially related to the British pound.

Changes in scope (asset swap with Affichage Holding in 2007 in Central Europe) had a positive impact of €2.2 million.

Excluding the acquisitions and foreign exchange impact, revenues increased by 0.6% in 2008. Austria posted double-digit growth. Solid growth was also recorded in France, Ireland and Portugal. However, Billboard revenues in the United Kingdom, Belgium and Spain declined.

1.2.2. Revenues by region

Fiscal year ended December 31	**2008**		**2007**	
In million of euros, except for percentages	**Revenues**	**% of total**	**Revenues**	**% of total**
Europe (1)	781.4	36.0	759.0	36.0
France	617.6	28.5	589.1	28.0
Asia-Pacific	322.4	14.9	285.5	13.5
United Kingdom	246.8	11.4	301.4	14.3
North America	156.4	7.2	153.4	7.3
Rest of the World (1)	44.0	2.0	18.2	0.9
Total	**2,168.6**	**100.0**	**2,106.6**	**100.0**

(1) *Excluding France and the United Kingdom.*

(2) *In 2007, Rest of the World included Brazil, Argentina, Chile, Uruguay, Uzbekistan and Kazakhstan; in 2008, it also included Algeria, the United Arab Emirates, Israel and Qatar.*

- Revenues in France totaled €617.6 million in 2008, up 4.8% compared to 2007;
- United Kingdom revenues represented €246.8 million, down 18.1% in relation to 2007;

  Excluding the acquisitions and foreign exchange impact, United Kingdom revenues decreased by 4.7%;
- "Europe" revenues amounted to €781.4 million, up 3.0% compared to 2007;

  Excluding the acquisitions and foreign exchange impact, Europe revenues grew by 4.0%, driven by double-digit growth in Belgium, Denmark and Norway. The solid performance of the Netherlands, Ireland, Central Europe and Portugal also contributed to the performance of this region;
- Revenues from Asia-Pacific amounted to €322.4 million, up 12.9% compared to 2007;

  Excluding the acquisitions and foreign exchange impact, Asia-Pacific revenue growth stood at 16.5% compared to 2007, with a revenue increase in almost all the region's countries;
- Revenues from North America amounted to €156.4 million, up by 2.0% compared to 2007;

  Excluding the foreign exchange impact, North America revenues grew by 8.8%, benefiting from the excellent sales performances of US airports;
- Rest of the World revenues totaled €44.0 million, up 141.8% compared to 2007;

  Excluding the foreign exchange impact, Rest of the World revenues increased by 147.7%, particularly due to the sharp growth in Middle Eastern and Central Asian countries;
- Regarding the relative weight of each geographic region within the Group, the momentum of the Asia-Pacific and Rest of the World regions in 2008 boosted their contributions to Group consolidated revenues. The Asia-Pacific contribution rose from 13.5% in 2007 to 14.9% in 2008, while that of the Rest of the World region rose from 0.9% in 2007 to 2.0% in 2008. Conversely, the relative weight of the United Kingdom diminished.

1.3. Impact of acquisitions on Group revenues

The impact of acquisitions, disposals of long term investments and partnership arrangements on Group consolidated revenues represented €-8.2 million in 2008, including €-4.5 million in Street Furniture, €-5.9 million in Transport and €2.2 million in Billboard.

This impact resulted mainly from the following transactions:

- decrease in the stake in Shanghaï Metro during the 1st half of 2007;
- acquisition of Jinan Bus in China at the beginning of 2007;
- 50% proportionate consolidation of Wall USA at the start of January 2007 and increase in JCDecaux's stake in Wall USA to 60% at the end of April 2007;
- acquisition of Wall Nederland at the end of April 2007;
- sale of VVR Decaux GmbH, involved in Street Furniture and Transport activities in Germany, at the end of April 2007;
- sale of RGS and Georg Zacharias in Germany at the end of April 2007;
- purchase of a 50% interest in RTS Kazakhstan at the end of May 2007;
- asset swap with Affichage Holding as of July 1, 2007 (sale of Group activities in Bosnia-Herzegovina, Serbia, Montenegro and Hungary, acquisition of Affichage Holding interests in Croatia and Slovenia).

2. OPERATING MARGIN

2.1. Definitions

The Group measures its performance using a certain number of indicators. With respect to the monitoring of operations, the Group uses two indicators:

- Operating margin;
- EBIT.

Using this structure, the Group is able to direct the two components of its financial model, namely the advertising space and asset management activities.

The operating margin is defined as revenue less direct operating and SG&A expenses, excluding consumption of spare parts used for maintenance, inventory write-downs, depreciation, amortization and provisions (net), goodwill impairment losses 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 revenue and cash discounts received from suppliers deducted from direct operating expenses, as well as stock option expenses recognized in "Selling, general and administrative expenses".

Approximately 80% of operating expenses are fixed and do not vary directly based on revenues. When the Group expands its network, the level of fixed operating expenses – such as fixed fees paid to concession grantors, rent, and maintenance expenses – increases, but not in direct proportion to the increase in advertising revenues. The principal costs that vary as a function of advertising revenues are variable rent and fees paid in connection with advertising contracts and the subcontracting of certain operations relating to the posting of advertising panels. The proportion of variable operating expenses is structurally weaker in the Billboard and Street Furniture activities than in Transport.

Since operating expenses are mostly fixed, the level of revenues is the principal factor that determines the analysis of the operating margin as a percentage of revenues. As a result, the Group is able to exercise a significant influence over the operating margin as a percentage of revenues by optimizing its pricing (yield management) and introducing innovative marketing techniques. On the other hand, a decline or stagnation in revenues has the effect of reducing the operating margin as a percentage of revenues.

The Group tries to control costs as much as possible by taking advantage of synergies among its various businesses, and maximizing the productivity of its technical teams and its purchasing and operating methods. The 5.4% increase in the Group's headcount, which grew from 8,888 in 2007 to 9,370 in 2008, is essentially related to the growth of bicycle activities in France, and the expansion in China and the Middle East.

2.2. Changes in the operating margin

The Group operating margin stood at €549.9 million in 2008, representing 25.4% of revenues compared to 26.4% in 2007. This translates into a 1.0% decrease compared to the 2007 operating margin, which amounted to €555.2 million.

Street Furniture

The Street Furniture operating margin was €396.9 million in 2008, compared to €406.7 million in 2007. The operating margin represented 37.3% of the segment's revenues, compared to 39.0% in 2007.

The operating margin as a percentage of revenues remains high compared to the other Group businesses. This is primarily due to the fact that a significant portion of the costs generated by Street Furniture operations consists of the depreciation of capital expenditures for property, plant and equipment.

The decline in the Street Furniture operating margin in 2008 is primarily attributable to the renewals of contracts due to expire in France and Europe[1], the start-up costs of the self-service bicycle programs in France and Spain, as well as the costs of developing and implementing contracts in new regions such as the Middle East, Africa and Central Asia.

Transport

The Transport operating margin stood at €82.5 million in 2008, compared to €62.3 million in 2007, an increase of 32.4%. The operating margin amounted to 13.1% of the segment's revenues, compared to 10.9% in 2007.

The Transport operating margin benefited from strong organic growth. The most favorable trend concerned China.

Billboard

The Billboard operating margin declined by 18.2%, amounting to €70.5 million in 2008, compared to €86.2 million in 2007. The operating margin represented 14.8% of Billboard revenues, compared to 17.6% in 2007.

The Billboard operating margin was particularly impacted by the turnaround in the Spanish and British advertising markets.

3. EBIT

3.1. Definitions

EBIT is determined based on the operating margin less consumption of spare parts used for maintenance, net charges to depreciation, amortization and provisions, goodwill impairment losses, and other operating income and expenses. Inventory write-downs are recognized in the line item "Maintenance spare parts". Other operating income and expenses include gains and losses on disposal of property, plant and equipment, intangible assets and the shares of fully and proportionately consolidated companies, as well as non-recurring items. The net charges related to impairment tests performed on property, plant and equipment and intangible assets are recognized in the line item, "Depreciation, amortization, and provisions (net)".

Street furniture is depreciated over the average life of the contracts (between 9 and 20 years).

Billboards are depreciated according to the methods prevailing in the relevant countries, in accordance with local regulations and economic conditions. The main method of depreciation is straight-line, with a term of between 2 and 10 years.

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(1) Excluding France and the United-Kingdom

3.2. Changes in EBIT

In 2008, EBIT stood at €236.4 million, compared to €350.2 million in 2007, a decrease of 32.5%. EBIT represented 10.9% of this segment's revenues in 2008, compared to 16.6% in 2007. The €113.8 million decrease over 2008 was due to a €5.3 million decline in the operating margin, exceptional asset write-downs of €43.8 million, goodwill impairment of €27.1 million and a €37.6 million increase in other charges, i.e. depreciation, amortization and provisions (excluding exceptional asset write-downs), spare parts for maintenance and other operating income and expenses.

Depreciation and amortization totaled €249.5 million, compared to €187.0 million in 2007. This €62.5 million rise comprises exceptional asset write-downs of €43.8 million and an €18.7 million increase in depreciation, amortization and provisions, mainly due to the growth of investments.

Provision charges in 2008 amounted to €7.4 million, compared to €9.7 million in 2007, while reversals amounted to €17.8 million, compared to €20.4 million in 2007.

Goodwill impairment totaled €27.1 million in 2008 and mainly concerned the Billboard activity in France in the amount of €21.2 million and advertising in subways, trains and buses in Europe(1) in the amount of €5.1 million.

The "Maintenance spare parts" line item stood at €41.1 million in 2008, compared to €34.2 million in 2007, an increase of €6.9 million, mainly relating to France.

The "Other operating income and expenses" line item represents an expense of €6.2 million in 2008, compared to an income of €5.5 million in 2007 (of which €10.5 million in capital gains on disposals of shares as part of the asset swap with Affichage Holding).

Street Furniture

EBIT for Street Furniture declined by 23.1% in 2008, amounting to €193.7 million, compared to €252.0 million in 2007. It represented 18.2% of revenues, compared to 24.2% in 2007.

Depreciation, amortization and goodwill impairment losses represented €167.5 million in 2008, compared to €137.1 million in 2007, an increase of €30.4 million, of which €17.0 million in goodwill impairment and exceptional asset write-downs.

Provision charges in 2008 amounted to €4.5 million, compared to €4.8 million in 2007, while reversals amounted to €11.5 million, compared to €15.2 million in 2007.

The "Maintenance spare parts" line item comprises a charge of €37.5 million, an increase over the €31.4 million charge recorded in 2007.

The "Other operating income and expenses" line time represents an expense of €4.6 million in 2008, compared to an income of €3.4 million in 2007.

Transport

Transport generated EBIT of €54.6 million in 2008, compared to €42.8 million in 2007. Transport EBIT represented 8.7% of this activity's revenues in 2008, compared to 7.5% in 2007.

The higher EBIT for this segment is attributable to the operating margin increase of €20.2 million, offset by the goodwill impairment and exceptional asset write-downs in the amount of €6.4 million, an increase in depreciation, amortization (excluding exceptional asset write-downs), and provision charges, maintenance spare parts, and other operating income and expenses in the amount of €2.0 million.

Depreciation, amortization (excluding exceptional asset write-downs) and provision charges for the Transport activity are substantially lower than those of Street Furniture and Billboard activities. They represented €20.4 million in 2008, or 3.2% of revenues, compared to €17.8 million or 3.0% of revenues in 2007. The low level of depreciation, amortization and provision charges compared to the two other segments reflects the fact that, overall, the Group invests little in transport contracts, whose terms are shorter than street furniture contracts (from 5 to 10 years), but whose fees are higher.

Billboard

Billboard EBIT amounted to €-11.9 million in 2008, compared to €55.4 million in 2007. It represented -2.5% of the activity's revenues, compared to 11.3% in 2007.

The substantial decline in EBIT for this segment is attributable to the operating margin decrease of €15.7 million, goodwill impairment and exceptional asset write-downs in the amount of €47.5 million and an increase in depreciation, amortization (excluding exceptional asset write-downs), and the increases of provision charges, maintenance spare parts, and other operating income and expenses in the amount of €4.1 million.

Depreciation, amortization (excluding exceptional asset write-downs) and the incresase of provision charges, maintenance spare parts, and other operating income and expenses represented €34.9 million in 2008.

( ) Excluding France and the United-Kingdom

4. NET FINANCIAL INCOME/(LOSS)

In 2008, the net financial loss totaled €27.9 million, a €23.4 million improvement compared to 2007. This improvement was mainly due to the recognition in 2008 of a discount gain in the amount of €22.6 million regarding the debt on the purchase commitment with the partner company Progress, its stake in Gewista, and the deferral of the exercise date for the partner's option to 2019 (instead of 2009).

5. INCOME TAX

In 2008, consolidated income taxes totaled €62.9 million, compared to €92.5 million in 2007.

The 2008 effective tax rate, excluding goodwill impairment losses and the Group's share of net profit of associates, stood at 26.7%, compared to 30.9% in 2007. The discount gain on the Gewista put option led to this rate decrease in 2008. Adjusted for this non-recurring line item, the effective tax rate is 29.5%.

6. NET INCOME

Net income (Group share) amounted to €108.1 million in 2008, compared to €221.0 million in 2007. The 2008 decline is attributable to the lower EBIT and the decrease in the share of net profit of associates.

The decrease in the share of net profit of associates is mainly due to the recognition of a €28.0 million impairment loss for the BigBoard company.

Excluding goodwill impairment and exceptional asset write-downs, net income (Group share) amounted to €184.2 million in 2008, compared to €221.0 million in 2007.

7. CASH FLOW

As of December 31, 2008, Group net debt (excluding commitments to purchase minority interests, as described in greater detail in Note 2.17 to the Consolidated Financial Statements) stood at €706.6 million, compared to €719.9 million as of December 31, 2007, for a decrease of €13.3 million.

7.1. Net cash provided by operating activities

Cash provided by operating activities represented €584.9 million, compared to €507.0 million in 2007. This €77.9 million increase is primarily attributable to a €88.4 million improvement in the change in working capital requirement. The item was primarily driven by the €549.9 million operating margin and the changes in working capital requirement for €67.5 million, less maintenance spare parts for €39.4 million. Of note:

- a €86.8 million increase in trade and other payables, mainly involving France, the United Kingdom and the Middle East ;
- this increase was offset by a €18.0 million increase in trade and other receivables and a €1.3 million rise in inventories.

Net financial interest paid in 2008 represented €41.6 million, compared to €37.0 million in 2007 due to the average debt increase over the period and higher interest rates.

Income taxes paid in 2008 totaled €91.0 million, compared to €97.0 million in 2007, for a decrease of €6.0 million, of which €9.1 million in France.

Net cash from operating activities in 2008 represented €452.3 million, compared to €373.0 million in 2007.

7.2. Net cash used in investing activities

In 2008, net cash used in investing activities consisted of €304.3 million worth of net capital expenditures for property, plant and equipment and intangible assets, €0.8 million to acquire long-term investments, €6.4 million to acquire other financial assets, less €0.5 million from changes in payables to long-term investments, €-1.9 million from changes in receivables from financial investments and €11.4 million from disposals of financial assets.

Acquisitions of property, plant and equipment and intangible assets amounted to €310.9 million, while disposals totaled €6.6 million, generating a net flow of €304.3 million. Group acquisitions of property, plant and equipment include €226.1 million for new street furniture and billboards and €35.4 million for general investments, consisting mainly of tooling, vehicles, computer equipment and software, real estate, and improvements. Group acquisitions of intangible assets include €46.0 million in new advertising rights and capitalized development costs, as well as €3.4 million in general investments, essentially comprising software.

In 2007, the Group recorded €295.4 million for acquisitions of new street furniture and billboards, new advertising rights and capitalized development costs, and €26.2 million for general investments.

Street Furniture accounted for 79% of the Group's acquisitions of property, plant and equipment, amounting to €205.7 million in 2008. Acquisitions of intangible assets, primarily comprising capitalized development costs, amounted to €4.3 million in 2008. Total investments for the Street Furniture activity did not therefore decrease significantly compared to the €214.6 million recorded in 2007. The high level is primarily related to the implementation of contracts signed by the Group. Of note are the contracts for Paris (self-service bicycle program), Toulouse, Nantes and Lyon in France, Seville and Vigo in Spain, Rogaland in Norway, Tallinn in Estonia, Doha in Qatar, Fukuoka, Nagoya and Kobe in Japan, and advertising in British Telecom telephone booths in the United Kingdom and in shopping malls in Denmark.

Transport acquisitions of property, plant and equipment totaled €22.2 million in 2008, while acquisitions of intangible assets amounted to €43.0 million. The particularly high level is due to the payment of the second of two tranches for advertising rights as part of the renewal of the Shanghai subway contract. Total investments for the Transport activity amounted to €61.0 million in 2007.

In 2008, capital expenditures for property, plant and equipment and intangible assets for the Billboard activity amounted to €35.7 million, compared to €31.5 million in 2007.

The Group did not make any material share purchases in 2008. Purchases of other financial assets totaled €6.4 million.

The Group did not sell any long-term investments in 2008. The €1.9 million decrease in receivables from disposals of long-term investments corresponds to the payment to BigBoard relating to a price adjustment in connection with the sale of Wall GUS in 2007.

Disposals of other long-term investments represented €11.4 million, of which €9.7 million for the repayment of the loan granted by JCDecaux SA to Wall AG in connection with the asset swap in 2007.

7.3. Net Cash used in financing activities

The Group decreased its net debt by €13.3 million in 2008. The decrease breaks down into a €30.0 million decline in gross debt, a €8.8 million decrease in net derivative financial liabilities, partially offset by a €25.0 million reduction in net cash and cash equivalents.

Foreign exchange fluctuations, the net impact of IAS 39 on indebtedness and financial derivatives, changes in the scope of consolidation and various reclassifications contributed €21.4 million to the decrease in gross financial indebtedness, including hedging financial instruments.

7.3.1. Net cash provided by financing activities

In 2008, net cash flow from repayments and borrowings amounted to €60.2 million within the Group.

Debt repayments and borrowings involved the following countries:

	Debt repayments
Germany	1.4
Austria	5.1
China	13.0
Croatia	5.1
France (JCDecaux SA)	55.2
United States	0.8
UK	1.5
India	1.6
Italy	1.3
Thailand	2.0
Other	3.4
Total	**90.4**
Subsidiaries excluding JCDSA	**35.2**

	New borrowings
Germany	1,4
Austria	1,0
China	7,8
France	8,2
India	3,8
Japan	3,7
Thailand	3,3
Other	1,0
Total	**30,2**
Subsidiaries excluding JCDSA	**30,2**
Borrowings net of repayments	**(60,2)**
Subsidiaries excluding JCDSA	**(5,0)**

7.3.2. Shareholders' equity and dividends

In 2008, JCDecaux SA paid dividends in the amount of €97.7 million.

Certain JCDecaux SA subsidiaries, in which there are minority stakes, made dividend payments amounting to €7.0 million. In addition, the Group received dividends from non-consolidated companies in the amount of €0.1 million, and dividends from associates for €9.7 million.

The €7.7 million increase in shareholders' equity is primarily related to issues of new shares by JCDecaux SA as a result of the exercise of stock options. JCDecaux SA also bought back its treasury shares in 2008 for €38.8 million.

8. FINANCIAL MANAGEMENT

The type of financial risks arising from the activity conducted by the Group and its risk management policy, as well as an analysis of the management of such risks in 2008, are described in the Notes to the Consolidated Financial Statements" (pages 103 to 107 of this document).

9. COMMITMENTS OTHER THAN THOSE RELATING TO FINANCIAL MANAGEMENT

The Group's material off-balance sheet commitments as of December 31, 2008 are listed and analyzed in Note 6 to the Consolidated Financial Statements.

II. RECENT DEVELOPMENTS AND OUTLOOK

In 2009 – with economies slowing down at rates rarely seen before – this will inevitably lead to reduced advertising budgets, increased competition between media, and increasingly reduced visibility. In this environment, we expect organic revenue, for the first time in Company's history, to decline. In the first quarter we anticipate that this decline will be around 10%, albeit compared to a particularly strong first quarter last year. Given the reduced visibility we are not in a position to give guidance for the full year, although comparables to 2008 may improve given the weaker second half last year compared to the first quarter. Since December 31, 2008, the Group's business and financial position has not experienced any material change requiring discussion in this document.

III. INVESTMENT POLICY

1. MAIN INVESTMENTS COMPLETED

Most of the Group's capital expenditures relate to the construction and installation of street furniture and advertising panels in connection with renewals and new contracts, as well as recurring investments necessary for ongoing business operations (vehicles, computers, tooling and buildings).

In 2008, the Group spent €268.8 million in growth investments relating to advertising contracts in the cities of Nantes in France, Seville in Spain, Rogaland in Norway, Tallinn in Estonia, Doha in Qatar, Fukuoaka, Nagoya and Kobe in Japan, in British Telecom telephone booths in the United Kingdom and in shopping malls in Denmark, for airports in Dubai in the United Arab Emirates, Shanghai in China, Bangalore in India, Brussels in Belgium, as well as the renewal of contracts in France (Paris, Toulouse, Lyon, Nancy, Strasbourg, Amiens and Rouen), some of which included the provision of self-service bicycle systems, in Spain (Vigo, Murcia) and China (Shanghai subway). The Group also spent €42.1 million on general investments (building improvements, tooling, vehicles and computer systems).

In 2007, investments amounted to €295.4 million for advertising contracts and €26.2 million for general investments.

2. MAIN FUTURE INVESTMENTS

Investments in 2009 will be primarily devoted to furthering the development of street furniture installation programs in connection with new or renewed agreements: Hamburg in Germany, Paris (automatic toilets in the city of Paris, self-service bicycles in the suburbs), Marseilles, Bordeaux, train stations and public railway sector (RFF/SNCF agreements) in France, Brussels (self-service bicycles) in Belgium, Dublin (with self-service bicycles) in Ireland, Barcelona in Spain, Dubai in the United Arab Emirates, Fukuoka, Nagoya, Sapporo and Kobe in Japan and various projects in China.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

BALANCE SHEET

Assets

In million euros		12/31/2008	12/31/2007
Goodwill	§ 2.3	1,210.8	1,231.1
Other intangible assets	§ 2.3	257.8	288.1
Property, plant and equipment	§ 2.4	1,056.6	1,027.7
Investments in associates	§ 2.5	301.0	327.4
Financial investments	§ 2.6	17.0	19.8
Financial derivatives	§ 2.19	0.0	2.5
Other financial investments	§ 2.7	23.6	33.8
Deferred tax assets	§ 2.13	8.3	4.6
Current tax assets	§ 2.12	0.9	1.3
Other receivables	§ 2.8	58.6	66.7
NON-CURRENT ASSETS		**2,934.6**	**3,003.0**
Other financial investments	§ 2.7	17.8	14.2
Inventories	§ 2.9	127.7	127.5
Financial derivatives	§ 2.19	0.0	2.2
Trade and other receivables	§ 2.10	672.0	658.4
Current tax assets	§ 2.12	13.1	9.4
Cash and cash equivalents	§ 2.11	112.1	161.5
CURRENT ASSETS		**942.7**	**973.2**
Non-current assets classified as held for sale	§ 2.14	7.5	0.0
TOTAL ASSETS		**3,884.8**	**3,976.2**

Liabilities and Equity

In million euros		12/31/2008	12/31/2007
Share capital		3.4	3.4
Additional paid-in capital		993.5	985.6
Consolidated reserves		937.1	852.3
Net income for the period (Group share)		108.1	221.0
Translation adjustments		(47.8)	(28.9)
Minority interests		(24.6)	(40.8)
TOTAL EQUITY	**§ 2.15**	**1,969.7**	**1,992.6**
Provisions	§ 2.16	158.2	166.2
Deferred tax liabilities	§ 2.13	95.7	116.2
Financial debt	§ 2.17	749.3	748.7
Debt on commitments to purchase minority interests	§ 2.18	63.1	85.0
Other payables		9.0	7.7
Current tax payable	§ 2.12	1.2	0.8
Financial derivatives	§ 2.19	21.4	39.3
NON-CURRENT LIABILITIES		**1,097.9**	**1,163.9**
Provisions	§ 2.16	20.0	17.9
Financial debt	§ 2.17	44.9	75.5
Bank overdrafts	§ 2.17	7.1	31.5
Debt on commitments to purchase minority interests	§ 2.18	5.3	6.0
Financial derivatives	§ 2.19	4.4	0.0
Trade and other payables	§ 2.20	711.9	662.0
Current tax payable	§ 2.12	23.6	26.8
CURRENT LIABILITIES		**817.2**	**819.7**
TOTAL LIABILITIES AND EQUITY		**3,884.8**	**3,976.2**

INCOME STATEMENT

In million euros		2008	2007
NET REVENUES		**2,168.6**	**2,106.6**
Direct operating expenses	§ 3.1	(1,267.6)	(1,200.6)
Selling, general and administrative expenses	§ 3.1	(351.1)	(350.8)
OPERATING MARGIN		**549.9**	**555.2**
Depreciation, amortization and provisions (net)	§ 3.1	(239.1)	(176.3)
Impairment of goodwill	§ 3.1	(27.1)	0.0
Maintenance spare parts	§ 3.1	(41.1)	(34.2)
Other operating income and expenses	§ 3.1	(6.2)	5.5
EBIT		**236.4**	**350.2**
Financial income	§ 3.2	27.0	10.8
Financial expenses	§ 3.2	(54.9)	(62.1)
NET FINANCIAL INCOME (LOSS)		**(27.9)**	**(51.3)**
Income tax	§ 3.3	(62.9)	(92.5)
Share of net profit of associates	§ 3.5	(18.7)	18.6
NET INCOME BEFORE GAIN OR LOSS ON DISCONTINUED OPERATIONS		**126.9**	**225.0**
Gain or loss on discontinued operations			
CONSOLIDATED NET INCOME		**126.9**	**225.0**
Minority interests		18.8	4.0
NET INCOME (GROUP SHARE)		**108.1**	**221.0**
Earnings per share (in euros)		0.487	0.994
Diluted Earnings per share (in euros)		0.487	0.991
Weighted average number of shares	§ 3.4	221,773,911	222,388,524
Weighted average number of shares (diluted)	§ 3.4	221,886,709	223,111,849

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In million euros	Group									
	Share Capital	Additional paid-in capital	Treasury shares	Retained earnings	Other reserves			Total	Minority interests	Total
					Financial derivative instruments	Available-for-sale securities	Translation reserve adjustment			
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**
Available-for-sale assets						(0.8)		(0.8)	(0.1)	(0.9)
Deferred tax on available-for-sale assets						0.3		0.3	0.2	0.5
Change in translation adjustment							(30.7)	(30.7)	(0.5)	(31.2)
Other				0.2				0.2		0.2
Net income recognized directly in equity	0.0	0.0	0.0	0.2	0.0	(0.5)	(30.7)	(31.0)	(0.4)	(31.4)
Net income for the period				221.0				221.0	4.0	225.0
Total income and expenses recognized for the period	**0.0**	**0.0**	**0.0**	**221.2**	**0.0**	**(0.5)**	**(30.7)**	**190.0**	**3.6**	**193.6**
Capital increase (1)		20.4						20.4	1.0	21.4
Distribution of dividends				(93.1)				(93.1)	(5.2)	(98.3)
Share-based payments		3.3						3.3		3.3
Debt on commitments to purchase minority interests								0.0	(5.3)	(5.3)
Change in consolidation scope								0.0	11.9	11.9
Other				0.2				0.2		0.2
Equity as of December 31, 2007	**3.4**	**985.6**	**0.0**	**1,072.5**	**(0.2)**	**1.0**	**(28.9)**	**2,033.4**	**(40.8)**	**1,992.6**
Available-for-sale assets						0.2		0.2		0.2
Deferred tax on available-for-sale assets								0.0		0.0
Change in translation adjustment							(18.9)	(18.9)	1.0	(17.9)
Net income recognized directly in equity	0.0	0.0	0.0	0.0	0.0	0.2	(18.9)	(18.7)	1.0	(17.7)
Net income for the period				108.1				108.1	18.8	126.9
Total income and expenses recognized for the period	**0.0**	**0.0**	**0.0**	**108.1**	**0.0**	**0.2**	**(18.9)**	**89.4**	**19.8**	**109.2**
Capital increase (1)		4.7						4.7	3.4	8.1
Treasury shares:										
- Purchase			(38.8)					(38.8)		(38.8)
- Cancellation			38.8	(38.8)				0.0		0.0
Distribution of dividends				(97.7)				(97.7)	(7.0)	(104.7)
Share-based payments		3.2						3.2		3.2
Debt on commitments to purchase minority interests								0.0		0.0
Change in consolidation scope								0.0		0.0
Other				(0.1)	0.2			0.1		0.1
Equity as of December 31, 2008	**3.4**	**993.5**	**0.0**	**1,044.0**	**0.0**	**1.2**	**(47.8)**	**1,994.3**	**(24.6)**	**1,969.7**

(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	2008	2007
Net income before tax	189.8	317.5
Share of net profit of associates	18.7	(18.6)
Dividends received from non-consolidated subsidiaries	(0.1)	(0.6)
Expenses related to share-based payments	3.2	3.3
Depreciation, amortization and provisions (net)	267.4	173.7
Capital gains and losses	2.6	(9.3)
Discounting expenses	(18.2)	12.5
Net financial interest expense	41.7	36.7
Financial derivatives and translation adjustments	12.3	12.7
Change in working capital	67.5	(20.9)
Change in inventories	(1.3)	(40.1)
Change in trade and other receivables	(18.0)	(65.0)
Change in trade and other payables	86.8	84.2
CASH PROVIDED BY OPERATING ACTIVITIES	**584.9**	**507.0**
Net financial interest paid	(41.6)	(37.0)
Income taxes paid	(91.0)	(97.0)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**452.3**	**373.0**
Acquisitions of intangible assets and property, plant and equipment	(281.1)	(356.2)
Acquisitions of financial assets (long-term investments)	(0.8)	(29.7)
Acquisitions of financial assets (other)	(6.4)	(3.9)
Change in payables on intangible assets and property, plant and equipment	(29.8)	34.6
Change in payables on financial investments	0.5	(7.0)
Total investments	**(317.6)**	**(362.2)**
Proceeds on disposal of intangible assets and property, plant and equipment	6.6	15.5
Proceeds on disposal of financial assets (long-term investments)	0.0	4.0
Proceeds on disposal of financial assets (other)	11.4	21.6
Change in receivables on intangible assets and property, plant & equipment	0.0	0.0
Change in receivables on financial investments	(1.9)	1.9
Total asset disposals	**16.1**	**43.0**
NET CASH USED IN INVESTING ACTIVITIES	**(301.5)**	**(319.2)**
Dividends paid	(104.7)	(98.3)
Capital decrease	0.0	1.2
Purchase of treasury shares	(38.8)	0.0
Repayment of long-term debt	(87.3)	(53.2)
Repayment of debt (finance lease)	(3.1)	(3.2)
Cash outflow from financing activities	**(233.9)**	**(153.5)**
Dividends received	9.8	10.1
Capital increase	7.7	21.4
Increase in long-term borrowings	30.2	107.2
Cash inflow from financing activities	**47.7**	**138.7**
NET CASH USED IN FINANCING ACTIVITIES	**(186.2)**	**(14.8)**
Effect of exchange rate fluctuations and other movements	10.4	(4.6)
CHANGE IN NET CASH POSITION	**(25.0)**	**34.4**
Net cash position beginning of period	**130.0**	**95.6**
Net cash position end of period	**105.0**	**130.0**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MAJOR EVENTS OF THE YEAR

In 2008, JCDecaux continued its development strategy through organic growth and strengthened its worldwide leading position in street furniture and airport advertising. The year was marked by the renewal of several contracts, particularly in France, and the awarding of major new contracts in mature markets, namely the RFF/SNCF contracts in France in association with Métrobus, and in new markets, with the Dubai Airport contract representing a crucial phase in the Group's Middle East development strategy. JCDecaux also stepped up the roll-out of its self-service bicycle operations with the launch of new programmes, primarily in Luxembourg, Amiens, Nantes, and Nancy and the confirmed extension of the Velib' system to 30 municipalities in the Paris suburbs. The Street Furniture activity continues to grow in Japan, with the awarding of three new contracts.

Partnerships and principal acquisitions

The principal partnerships and acquisitions are detailed in Note 2.1 *Changes in the consolidation scope in 2008*.

1. ACCOUNTING METHODS AND PRINCIPLES

1.1. General principles

The JCDecaux SA consolidated financial statements for the year ended December 31, 2008 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 2008 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 10, 2009. 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, 2008. These are available on the European Commission website: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission;
- standards which the Group has decided to apply in advance;
- 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 adopted by the European Union:

- Amendment to IAS 39 and IFRS 7 *Reclassification of financial asset*s, applicable from July 1, 2008 and adopted by the European Union on October 15, 2008;
- IFRIC 14 *The limit on a defined benefit asset, minimum funding requirements and their interaction*, applicable to annual periods beginning on or after January 1, 2008.

The Group has opted for the early adoption of IFRIC 11 *Group and treasury share transactions*, applicable to annual periods beginning on or after March 1, 2008 and adopted by the European Union on June 1, 2007.

IFRIC 12 *Service concession arrangements*, applicable to annual periods beginning on or after January 1, 2008 and not yet adopted by the European Union does not apply to the JCDecaux Group.

The adoption of these standards did not have a material impact on the published consolidated financial statements.

In addition, the Group has not opted for the early adoption of the following new standards, amendments to standards and interpretations adopted by the European Union but not yet in force for the year ended December 31, 2008:

- IFRS 8 *Operating segments;*
- IAS 1 revised *Presentation of financial statements;*
- IAS 23 revised *Borrowing costs*;
- Amendments to IFRS 2 *Vesting conditions and cancellations;*
- IFRIC 13 *Customer loyalty programmes;*
- Amendments to IFRS 1 and IAS 27 *Cost of an investment in a subsidiary, jointly controlled entity or associate;*
- Amendment to IAS 32 and IAS 1 *Puttable financial instruments and obligations arising on liquidation;*
- Amendments to the first set of IFRS annual improvements.

Management anticipates that the adoption of these standards will not have a material impact on the consolidated financial statements.

Likewise, the Group has not opted for the early adoption of the following new standards, amendments to standards and interpretations not yet adopted by the European Union and not yet in force for the year ended December 31, 2008:

- IFRS 3 revised *Business combinations*;
- IAS 27 amended *Consolidated and separate financial statements;*
- Amendment to IAS 39 *Financial instruments – Eligible hedged items*;
- IFRIC 15 *Agreements for the construction of real estate*;
- IFRIC 16 *Hedges of a net investment in a foreign operation*;
- IFRIC 17 *Distributions of non-cash assets to owners*;

In addition, the Group has chosen not to adopt the fair value option, as allowed under the amendment to IAS 39.

Finally, accounting positions have been adopted pursuant to paragraphs 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 1.21 *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 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. Capital gains or losses on inter-company sales realized by an equity-accounted company are eliminated up to the percentage of ownership and offset by the value of the assets sold.

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, the valuation of the investments in associates, and determining the amount of provisions for employee benefits and dismantling, and the valuation of commitments on securities. 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. The accounting estimates used in connection with the financial statements for the year ended December 31, 2008 were prepared in a context of strong volatility in the advertising market and uncertain economic outlooks. The results of sensitivity tests are provided in Note 2.3 *Goodwill and other intangible assets* for the valuation of goodwill, property, plant and equipment and other intangible assets, in Note 3.5 *Share of net profit of associates* for the valuation of the investments in associates and in Note 2.16 *Provisions* for the valuation of provisions for employee benefits and dismantling.

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;
- the existence of probable future economic benefits for 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

Other intangible assets primarily involve Street Furniture, Billboard and Transport contracts, which are amortized over the contract term.

Only individualized and clearly identified software (such as ERP) 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.

When determining the fair value of assets, liabilities and contingent liabilities of the acquired entity, the Group assesses contracts at fair value and recognizes them as intangible assets. When an onerous contract is identified, a provision is recognized.

Under IFRS, companies are granted a 12-month period, starting from the date of acquisition, to finalize the fair value valuation of assets, liabilities and contingent liabilities acquired.

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. At each balance sheet date, the Group assesses whether there are any indicators of impairment and, when justified by particular circumstances (significant changes in the technical, legal or market environment, insufficient profitability, etc.), a goodwill impairment loss is recognized in accordance with the methodology detailed in Note 1.11 *Impairment of intangible assets, 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, items of property, plant and equipment, intangible fixed assets as well as goodwill are tested for impairment at least annually.

Impairment testing consists in comparing the carrying value of a Cash-Generating Unit (CGU) or a CGU group and its recoverable amount. The recoverable amount is the highest of (i) the fair value of the asset (or group of assets) less cost to sell and (ii) the value in use determined on the basis of future discounted cash flows.

When the recoverable amount is assessed on the basis of the value in use, forecast cash flows are determined using growth assumptions based either on the term of the contracts, or over a five-year period with a subsequent projection to infinity and a discount rate reflecting current market estimates of the time value of money. Risks specific to the CGU tested are largely reflected in the assumptions adopted for determining the cash flows and the discount rate used.

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

Methodology followed

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

The values in use taken into account for impairment testing are determined based on expected future cash flows, discounted at a rate based on the weighted average cost of capital. This rate reflects management's best estimates regarding the time value of money, the risks specific to the assets or CGUs and the economic situation in the geographical areas where the activity relating to these assets or CGUs is carried out.

The countries are broken down into five areas based on the risk associated with each country, and each area corresponds to a specific discount rate ranging from 7.2% to 19.2%, for the area presenting the most risk. An after-tax rate of 7.2% (compared to 6.8% in 2007) was determined for areas such as Western Europe, North America, Japan and Australia, where the Group conducts over 80% of its activity.

- Recoverable amounts

They are determined following two methods:

  - An initial level of testing consists in identifying entities whose assets may be impaired. This test is based on a projection of the 2008 operating margin according to a term and procedures specific to each business segment considered. Thus, for the Street Furniture and Transport segments, the residual duration of the contracts is used assuming an average yearly growth rate of 3%, in line with past internal growth rates and the use of a discount rate as described above. For the Billboard activity, a 15-year term 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 projected operating margin does not reflect the expected future cash flows. Here again, the procedures for determining future cash flows depend on the business segment considered, with a time horizon usually exceeding five years owing to the nature of the Group's activity. In general:
    - for the Street Furniture and Transport segments, future cash flows are computed over the remaining life of contracts, taking into account the likelihood of renewal after term;
    - for the Billboard segment, future cash flows are computed over a five-year period with a perpetual projection using a yearly growth rate of between 2% and 3%.

The recoverable amount of a group of CGUs corresponds to the sum of the individual recoverable amounts 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 depreciation charge arising from the impairment of assets recognized on 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." The method used to calculate the values in use based on the expected future cash flows is the same one applied for PP&E and intangible assets as described in Note 1.11 *Impairment of intangible assets, property, plant and equipment and goodwill.*

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 amount.

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 entities consolidated under the equity method 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. 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 realisable value when the net realisable value is less than the cost.

1.17. 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.

1.18. 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 subject to little risk of change in value. They are measured at fair value and changes in fair value are recorded in net financial income.

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

1.19. Financial debt

Financial debt is initially recorded at the value corresponding to the amount received less related issuance costs and subsequently measured at amortized cost.

1.20. 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 (the underlying) 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 recorded 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 a cash flow hedge as part of the hedging of a highly probable forecasted transaction recognized in equity is maintained in equity until the forecasted transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to net financial income 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 in net financial income for the year.

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

1.21. 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 present value of the commitment. In the absence of precision from the standard covering this issue, the Group has decided to deduct the excess portion from minority interests in shareholders' equity. Subsequent changes in the fair value of the liability are recognized in net financial income and allocated to minority interests in profit or loss.

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

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 offsetting 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 net financial income.

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 with respect to option exercise rights that were not fully vested as of January 1, 2005 for all stock option plans granted on or after November 7, 2002.

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 3.1 *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.

Stock option plans are attributed on a basis of individual objectives and Group results. 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 a defined number of years of continuous presence in the Group, based on the plans.

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. 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 media brokers 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, and insofar as the Group is not dealing as an agent but bears the risks and rewards incidental to the activity, the Group recognizes all gross advertising revenues as revenues and books fees and the portion of revenues repaid as operating expenses.

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, inventory impairment loss, depreciation, amortization and provisions (net), goodwill impairment losses, 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, and 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), goodwill impairment losses, and other operating income and expenses. Inventory impairment losses 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, intangible assets, and shares of companies fully or proportionately consolidated, 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 (net)."

1.28. Current and deferred income tax

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

Deferred tax assets net of deferred tax liabilities 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 national income tax rates prevailing at the 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 purchase 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 buyback of shares and the exercise of stock options.

2. COMMENTS ON THE BALANCE SHEET

2.1. Changes in the consolidation scope in 2008

The main changes that took place in the consolidation scope during 2008 are as follows:

Acquisitions (controlling interests)

On June 23, 2008, JCDecaux Advertising (Shanghai) Co. Ltd acquired 80% of JCDecaux Xinchao Advertising (Xiamen) Limited Co., for a total consideration of €0.1 million. This company was fully consolidated.

On July 24, 2008, Europlakat-Proreklam Doo (Croatia) acquired 100% of Fulltime Doo for a total consideration of €0.6 million. This company was fully consolidated.

On July 30, 2008, Gewista Werbegesellschaft mbH (Austria) acquired an additional 25.5% stake in Objekt Werbung GmbH for a total consideration of €0.6 million (after deducting net cash acquired for €0.2 million), bringing its stake to 51%. The assets of this company owned by Gewista Werbegesellschaft mbH were transferred to Progress Aussenwerbung GmbH as of August 1, 2008 and were consolidated for the first time as of this same date.

The acquisition of JCDecaux Xinchao (Xiamen) Advertising Ltd Co., Fulltime Doo and Objekt Werbung GmbH had the following impacts on the Group consolidated financial statements:

In million euros	Carrying amounts before purchase accounting adjustments	Purchase accounting adjustments	Recognized values after purchase accounting adjustments
Non-current assets	0.3	0.7	1.0
Current assets	1.0	0.0	1.0
Total assets	**1.3**	**0.7**	**2.0**
Non-current liabilities	0.1	0.1	0.2
Current liabilities	0.9	0.0	0.9
Total liabilities	**1.0**	**0.1**	**1.1**
Net asset at fair value	**0.3**	**0.6**	**0.9**
Goodwill			**1.4**
Price paid			**2.3**
Net cash acquired			(0.2)
Acquisitions of financial assets (long-term investments)			**2.1** (1)

(1) *Acquisitions of financial investments in the above table do not include a price adjustment concerning last year's acquisition of an additional 5% interest in the Wall Group and a price adjustment concerning the acquisition of RTS Decaux JSC. However, they do take into account the value of the Objekt Werbung securities held prior to the additional investment providing the Group with control of this company for €0.8 million.*

The cumulative amount of net income for the various entities acquired, from their respective acquisition dates, amounted to €(0.3) million in JCDecaux consolidated net income in 2008.

The impact on net revenues and net income would not have been material had these acquisitions taken place prior to January 1, 2008.

Other entries into the scope of consolidation

JCDecaux Algérie Sarl, 80% held by the Group, was fully consolidated for the first time as of January 1, 2008. This company was created to manage the Algiers university bus contract.

Werbepklakat Soravia GmbH & Co KG (Austria), 33% held by Gewista Werbegesellschaft mbH, was consolidated for the first time as of January 1, 2008 using the equity method. This company manages large-format billboard contracts.

Q. Media Decaux WLL (Qatar) was fully consolidated for the first time with a 50% Group interest as of January 20, 2008. This company was created to manage the Group's advertising activities in Qatar.

JCDecaux Street Furniture (United Arab Emirates), wholly owned, was fully consolidated for the first time as of January 30, 2008. This company was created to manage the Jumeirah Lake Towers Street Furniture contract.

JCDecaux Airport Dubai LLC (United Arab Emirates), 75% held by the Group, was fully consolidated for the first time as of February 19, 2008. This company was created to manage the advertising contract concluded with Dubai International Airport.

JCDecaux Airport Alger (Algeria), 80% held, was fully consolidated for the first time as of March 11, 2008. This company was created to manage the contract concluded with Algiers Airport.

Mergers

On May 31, 2008, JCDecaux Transport Finland Oy (Finland), previously fully consolidated, was absorbed by JCDecaux Finland Oy.

On July 3, 2008, Affichage Nouvel Essor NV (Belgium), previously fully consolidated, was absorbed by JCDecaux Billboard.

2.2. Financial assets and liabilities by category

	12/31/2008						12/31/2007					
In million euros	Fair value through profit or loss	Available-for-sale assets	Loans & receivables	Liabilities at amortised cost	Total Net booked value	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans & receivables	Liabilities at amortised cost	Total Net booked value	Fair value
Financial investments		17.0			17.0	17.0		19.8			19.8	19.8
Financial derivatives (assets)					0.0	0.0	4.7				4.7	4.7
Other financial assets			41.4		41.4	41.4			48.0		48.0	48.0
Trade and other receivables (non-current)			8.2		8.2	8.2			11.1		11.1	11.1
Trade, miscellaneous and other operating receivables (current)			578.9		578.9	578.9			551.5		551.5	551.5
Cash			110.4		110.4	110.4			159.7		159.7	159.7
Cash equivalents	1.7				1.7	1.7	1.8				1.8	1.8
Total financial assets	**1.7**	**17.0**	**738.9**	**0.0**	**757.6**	**757.6**	**6.5**	**19.8**	**770.3**	**0.0**	**796.6**	**796.6**
Financial debt				(794.2)	(794.2)	(777.3)				(824.2)	(824.2)	(823.7)
Debt on commitments to purchase minority interests				(68.4)	(68.4)	(68.4)				(91.0)	(91.0)	(91.0)
Financial derivatives (liabilities)	(25.8)				(25.8)	(25.8)	(39.3)				(39.3)	(39.3)
Trade and other payables and other operating liabilities				(437.9)	(437.9)	(437.9)				(444.1)	(444.1)	(444.1)
Other payables (non-current)				(9.0)	(9.0)	(9.0)				(7.7)	(7.7)	(7.7)
Bank overdrafts				(7.1)	(7.1)	(7.1)				(31.5)	(31.5)	(31.5)
Total financial liabilities	**(25.8)**	**0.0**	**0.0**	**(1,316.6)**	**(1,342.4)**	**(1,325.5)**	**(39.3)**	**0.0**	**0.0**	**(1,398.5)**	**(1,437.8)**	**(1,437.3)**

2.3. Goodwill and other intangible assets

The values of intangible assets and the residual goodwill relating to acquisitions are determined on a provisional basis and are likely to change over the goodwill allocation period, which can extend to twelve months following the date of acquisition.

Changes in gross value and net carrying amount:

In million euros	Goodwill	Development costs	Patents, licences, advertising contracts, ERP(2)	Leasehold rights, payments on account, other	Total
Gross value as of January 1, 2007	**1,294.3**	**12.5**	**303.8**	**17.8**	**1,628.4**
Acquisitions	46.2	5.6	50.6	40.4	142.8
Disposals	(96.0)		(11.5)		(107.5)
Changes in scope		0.6	33.5	0.6	34.7
Translation adjustments	(10.4)		(12.7)	(1.6)	(24.7)
Reclassifications (1)		0.0	4.2	(1.3)	2.9
Gross value as of December 31, 2007	**1,234.1**	**18.7**	**367.9**	**55.9**	**1,676.6**
Amortization / Impairment loss as of January 1, 2007	**(7.0)**	**(2.5)**	**(127.2)**	**(13.8)**	**(150.5)**
Amortization charge		(2.8)	(25.1)	(0.8)	(28.7)
Impairment loss					0.0
Disposals	4.0		11.0		15.0
Changes in scope		(0.1)	1.9	(0.9)	0.9
Translation adjustments			5.3	0.1	5.4
Reclassifications (1)			0.4	0.1	0.5
Amortization / Impairment loss as of December 31, 2007	**(3.0)**	**(5.4)**	**(133.7)**	**(15.3)**	**(157.4)**
Net value as of January 1, 2007	**1,287.3**	**10.0**	**176.6**	**4.0**	**1,477.9**
Net value as of December 31, 2007	**1,231.1**	**13.3**	**234.2**	**40.6**	**1,519.2**
Gross value as of January 1, 2008	**1,234.1**	**18.7**	**367.9**	**55.9**	**1,676.6**
Acquisitions	4.2	2.1	8.9	4.9	20.1
Disposals		(0.3)	(14.5)		(14.8)
Changes in scope			0.9		0.9
Translation adjustments	2.5	(0.2)	10.5	4.4	17.2
Reclassifications (1)		0.3	5.2	(5.2)	0.3
Gross value as of December 31, 2008	**1,240.8**	**20.6**	**378.9**	**60.0**	**1,700.3**
Amortization / Impairment loss as of January 1, 2008	**(3.0)**	**(5.4)**	**(133.7)**	**(15.3)**	**(157.4)**
Amortization charge		(1.8)	(29.8)	(0.9)	(32.5)
Impairment loss	(27.1)		(23.6) (3)	(0.1) (3)	(50.8)
Disposals			14.5		14.5
Changes in scope					0.0
Translation adjustments	0.1	0.1	(5.7)		(5.5)
Reclassifications (1)			(0.2)	0.2	0.0
Amortization / Impairment loss as of December 31, 2008	**(30.0)**	**(7.1)**	**(178.5)**	**(16.1)**	**(231.7)**
Net value as of January 1, 2008	**1,231.1**	**13.3**	**234.2**	**40.6**	**1,519.2**
Net value as of December 31, 2008	**1,210.8**	**13.5**	**200.4**	**43.9**	**1,468.6**

(1) *The net impact of reclassifications is not zero, as some reclassifications have an impact on other balance sheet items.*
(2) *Includes the valuation of contracts recognized in connection with business combinations.*
(3) *Exceptional impairment loss on intangible assets due to the expected downturn in the advertising market and the loss of a contract.*

The change in goodwill over 2008 breaks down as follows:

In million euros	Goodwill
As of January 1, 2008	**1,231.1**
New goodwill arising during the period	1.4
JCDecaux Xinchao (Xiamen) Advertising Co. ltd	*0.1*
Objekt Werbung GmbH	*1.3*
Impairment	(27.1)
Other	0.5
Correction of JCDecaux Buitenreclame BV goodwill	2.3
Translation adjustments	2.6
As of December 31, 2008	**1,210.8**

The €(27.1) million impairment loss recognized in 2008 is attributable primarily to the Billboard activity in France for €21.3 million and to the subway, train and bus advertising activities in the Europe[(4)] area for €5.1 million.

Goodwill, property, plant and equipment and intangible assets refer to the following CGU groups:

In million euros	12/31/2008 Goodwill	12/31/2008 PP&E / intangible assets [(1)]	12/31/2008 Total	12/31/2007[(2)] Goodwill	12/31/2007[(2)] PP&E / intangible assets [(1)]	12/31/2007[(2)] Total
Billboard Europe (excluding France and United Kingdom)	255.7	105.5	361.2	254.4	126.3	380.7
Street Furniture Europe (excluding France and United Kingdom)	238.8	351.7	590.5	236.5	334.7	571.2
Billboard France	138.9	23.6	162.5	160.1	25.4	185.5
Airports World	159.4	31.4	190.8	159.4	21.4	180.8
Billboard United Kingdom	156.1	53.9	210.0	157.1	75.6	232.7
Other [(3)]	261.9	725.7	987.6	263.6	699.6	963.2
Total	**1,210.8**	**1,291.8**	**2,502.6**	**1,231.1**	**1,283.0**	**2,514.1**

This table takes into account the impairment losses recognized on intangible assets and property, plant and equipment and goodwill.

(1) *Intangible assets and property, plant and equipment are presented net of provisions for loss-making contracts, for a respective amount of €2.5 million and €2.4 million as of December 31, 2008 and 2007, and net of deferred tax liabilities relating to the recognition of intangible assets acquired, for a respective amount of €20.1 million and €30.4 million as of December 31, 2008 and 2007.*

(2) *The goodwill, intangible assets and property, plant and equipment of some companies with multiple activities were reclassified as of December 31, 2007.*

(3) *Of which €44.9 million in goodwill for subways, trains and buses for the Europe[(4)] area.*

Impairment tests conducted as of December 31, 2008 for goodwill, intangible assets and property, plant and equipment resulted in the recognition of a €(70.9) million impairment loss in EBIT, which breaks down as follows:

- an exceptional impairment loss of €(43.8) million on certain tangible and intangible assets due to the expected downturn in the advertising market and the loss of a contract;
- a €(27.1) million impairment loss on goodwill attributable mainly to the Billboard activity in France for €(21.3) million and to the subway, train and bus advertising activities in the Europe[(4)] area for €(5.1) million.

The negative impact on 2008 net income, Group share, arising from impairment losses on goodwill, intangible assets and property, plant and equipment amounted to €(48.1) million.

Sensitivity tests demonstrate that an increase of 50 basis points in the discount rate would result in an additional impairment loss of €(48.3) million on goodwill, intangible assets and property, plant and equipment.

Sensitivity tests demonstrate that a decrease of 50 basis points in the normative growth rate of the operating margin would result in an additional impairment loss of €(13.5) million on goodwill, intangible assets and property, plant and equipment.

The results of impairment tests conducted on equity-accounted companies are described in Note 3.5 *Share of net profit of associates.*

Other intangible assets

As of December 31, 2008, other net intangible assets, excluding goodwill, amounted to €257.8 million, compared to €288.1 million as of December 31, 2007.

(4) Excluding France and the United Kingdom

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

Breakdown by type of asset:

In million euros	12/31/2008 Gross value	12/31/2008 Depreciation or provision	12/31/2008 Net value	12/31/2007 Net value
Land	19.0	(0.7)	18.3	29.5
Buildings	67.4	(48.2)	19.2	26.0
Technical installations, tools and equipment	2,047.1	(1,132.1)	915.0	880.2
Vehicles	115.7	(73.5)	42.2	27.8
Other	121.6	(103.3)	18.3	20.3
Assets under construction and advance payments	44.0	(0.4)	43.6	43.9
Total	**2,414.8**	**(1,358.2)**	**1,056.6**	**1,027.7**

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, 2007	**32.7**	**68.6**	**1,796.5**	**242.4**	**2,140.2**
- including finance lease		*3.9*	*5.4*	*11.8*	*21.1*
Acquisitions	0.1	2.0	99.6	177.9	279.6
- including acquisitions under finance lease		*0.4*	*0.1*	*2.1*	*2.6*
Disposals	(0.9)	(2.5)	(65.1)	(10.7)	(79.2)
- including disposals under finance lease				*(1.6)*	*(1.6)*
Changes in scope	0.9	2.3	10.5	2.0	15.7
Reclassifications	(0.1)	0.4	121.3	(142.6)	(21.0)
Translation adjustments	(2.4)	(0.7)	(29.4)	(3.0)	(35.5)
Gross value as of December 31, 2007	**30.3**	**70.1**	**1,933.4**	**266.0**	**2,299.8**
Depreciation as of January 1, 2007	**(0.9)**	**(41.2)**	**(987.1)**	**(169.3)**	**(1,198.5)**
- including finance lease		*(1.8)*	*(1.8)*	*(6.0)*	*(9.6)*
Depreciation charge net of reversals		(3.3)	(140.6)	(16.2)	(160.1)
- including finance lease		*(0.3)*	*(0.5)*	*(2.0)*	*(2.8)*
Impairment loss			1.8 (1)		1.8
Decreases		0.9	50.0	9.5	60.4
- including finance lease				*1.3*	*1.3*
Changes in scope		(0.5)	(5.9)	(0.4)	(6.8)
Reclassifications		(0.2)	14.5	0.6	14.9
Translation adjustments	0.1	0.2	14.1	1.8	16.2
Depreciation as of December 31, 2007	**(0.8)**	**(44.1)**	**(1,053.2)**	**(174.0)**	**(1,272.1)**
Net value as of January 1, 2007	**31.8**	**27.4**	**809.4**	**73.1**	**941.7**
Net value as of December 31, 2007	**29.5**	**26.0**	**880.2**	**92.0**	**1,027.7**
Gross value as of January 1, 2008	**30.3**	**70.1**	**1,933.4**	**266.0**	**2,299.8**
- including finance lease		*4.3*	*5.3*	*11.1*	*20.7*
Acquisitions	0.2	1.6	128.7	145.8	276.3
- including acquisitions under finance lease			*0.1*	*2.0*	*2.1*
Disposals	(0.2)	(0.6)	(59.9)	(13.1)	(73.8)
- including disposals under finance lease				*(1.6)*	*(1.6)*
Changes in scope			(0.2)	(0.7)	(0.9)
Reclassifications	(6.5)	(2.7)	96.6	(112.6)	(25.2)
Translation adjustments	(4.8)	(1.0)	(51.5)	(4.1)	(61.4)
Gross value as of December 31, 2008	**19.0**	**67.4**	**2,047.1**	**281.3**	**2,414.8**
Depreciation as of January 1, 2008	**(0.8)**	**(44.1)**	**(1,053.2)**	**(174.0)**	**(1,272.1)**
- including finance lease		*(2.2)*	*(2.4)*	*(5.9)*	*(10.5)*
Depreciation charge net of reversals		(3.3)	(153.2)	(16.9)	(173.4)
- including finance lease		*(0.3)*	*(0.5)*	*(2.0)*	*(2.8)*
Impairment loss (2)		(2.4)	(16.6)	(0.8)	(19.8)
Decreases		0.6	45.8	12.3	58.7
- including finance lease				*1.4*	*1.4*
Changes in scope			0.0		0.0
Reclassifications		0.6	14.2	(0.3)	14.5
Translation adjustments	0.1	0.4	30.9	2.5	33.9
Depreciation as of December 31, 2008	**(0.7)**	**(48.2)**	**(1,132.1)**	**(177.2)**	**(1,358.2)**
Net value as of January 1, 2008	**29.5**	**26.0**	**880.2**	**92.0**	**1,027.7**
Net value as of December 31, 2008	**18.3**	**19.2**	**915.0**	**104.1**	**1,056.6**

(1) *Reversal of impairment loss on JCDecaux Atlantis.*
(2) *Exceptional impairment loss on property, plant and equipment due to the expected economic downturn in the advertising market.*

The net impact of reclassifications amounted to €(10.7) million as of December 31, 2008, compared to €(6.1) million as of December 31, 2007. The amount primarily corresponds to a reclassification of the line item "Non-current assets held for sale" for the net value of a building owned by JCDecaux UK Ltd, for which the disposal process has begun as described in Note 2.14 *Non-current assets held for sale*.

As of December 31, 2008, the net value of property, plant and equipment under finance lease amounted to €8.7 million, compared to €10.2 million as of December 31, 2007:

In million euros	12/31/2008	12/31/2007
Buildings	1.8	2.0
Panels	2.5	3.0
Vehicles	4.2	4.9
Other property, plant and equipment	0.2	0.3
Total	**8.7**	**10.2**

Over 80% of the Group's property, plant and equipment are 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, 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.

2.5. Investments in associates

In million euros	12/31/2008	12/31/2007
Germany		
Stadtreklame Nürnberg GmbH	9.5	9.6
Wall AG	99.2	105.2
Austria		
Werbeplakat Soravia GmbH & Co KG (1)	1.7	-
China		
Shanghai Zhongle vehicle painting	0.2	0.1
France		
Metrobus	18.5	18.6
Hong Kong		
Bus Focus Ltd (2)	1.0	0.4
Poad	2.2	1.7
Switzerland		
Affichage Holding	137.3	131.6
Ukraine / Russia		
BigBoard	31.4	60.2
Total	**301.0**	**327.4**

(1) *Company consolidated for the first time in 2008.*
(2) *Subsidiary of JCDecaux Texon International Ltd.*

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

In million euros	12/31/2008 % of interest	Total assets	Total liabilities (excluding equity)	Total equity	12/31/2007 % of interest	Total assets	Total liabilities (excluding equity)	Total equity
Germany								
Stadtreklame Nürnberg GmbH	35%	14.8	5.8	9.0	35%	14.3	5.1	9.2
Wall AG	40%	316.3	173.9	142.4	40%	235.4	128.3	107.1
Austria								
Werbeplakat Soravia GmbH & Co KG	22%	4.7	0.5	4.2	na	na	na	na
China								
Shanghai Zhongle vehicle painting	40%	1.0	0.6	0.4	40%	0.8	0.5	0.3
France								
Metrobus	33%	83.8	68.6	15.2	33%	86.2	70.6	15.6
Hong Kong								
Bus Focus Ltd (1)	40%	4.2	1.7	2.5	40%	2.9	2.0	0.9
Poad	49%	13.7	9.2	4.5	49%	12.4	9.0	3.4
Switzerland								
Affichage Holding (2)	30%	403.3	221.7	181.6	30%	312.7	150.0	162.7
Ukraine / Russia								
BigBoard	50%	78.7	22.0	56.7	50%	137.0	22.3	114.7

(*) *On a 100% basis restated according to IFRS.*
(1) *Subsidiary of JCDecaux Texon International Ltd.*
(2) *Value at 30% of Affichage Holding's stock market price as of December 31, 2008 amounts to €84.8 million.*

Changes in investments in associates for 2008 are as follows:

In million euros	12/31/2007	Income/ (loss)	Dividends	Change in consolidation scope	Other	Translation adjustments	12/31/2008
Stadtreklame Nürnberg GmbH	9.6	0.7	(0.8)				9.5
Wall AG	105.2	(1.1)	(1.4)		(0.7)	(2.8)	99.2
Werbeplakat Soravia GmbH & Co KG	0.0	0.2		1.5			1.7
Shanghai Zhongle vehicle painting	0.1					0.1	0.2
Metrobus	18.6	1.6	(1.7)				18.5
Poad	1.7	1.3	(0.9)			0.1	2.2
Bus Focus Ltd (1)	0.4	0.6					1.0
Affichage Holding	131.6	6.8	(4.9)		1.0	2.8	137.3
BigBoard	60.2	(28.8) (2)					31.4
Total	**327.4**	**(18.7)**	**(9.7)**	**1.5**	**0.3**	**0.2**	**301.0**

(1) *Subsidiary of JCDecaux Texon International Ltd.*
(2) *Of which €(28.0) million in exceptional impairment due to the expected economic downturn in Russia and the Ukraine.*

2.6. Financial investments

Financial investments totaled €17.0 million as of December 31, 2008, compared to €19.8 million as of December 31, 2007. The decrease of €2.8 million is mainly due to the consolidation of Werbeplakat Soravia GmbH & Co KG and Objekt Werbung in Austria.

2.7. Other financial assets (current and non-current)

In million euros	12/31/2008	12/31/2007
Loans	32.7	40.1
Loans to participating interests	0.7	0.7
Other financial investments	8.0	7.2
Total	**41.4**	**48.0**

As of December 31, 2008, other financial assets decreased by €6.6 million compared to December 31, 2007. This change is mainly attributable to a repayment of €9.7 million on the loan granted by JCDecaux Deutschland to Wall AG and concluded in 2007 as part of the asset swap.

The maturity of other financial assets breaks down as follows:

In million euros	12/31/2008	12/31/2007
≤ 1 year	17.8	14.2
> 1 year & ≤ 5 years	21.2	31.9
> 5 years	2.4	1.9
Total	**41.4**	**48.0**

2.8. Other receivables (non-current)

In million euros	12/31/2008	12/31/2007
- Miscellaneous receivables	10.5	13.8
Provisions for miscellaneous receivables	(2.1)	(2.9)
- Tax receivables	0.8	0.7
- Prepaid expenses	49.4	55.1
Total other receivables (non-current)	**60.7**	**69.6**
Total provisions for other receivables (non-current)	**(2.1)**	**(2.9)**
Total	**58.6**	**66.7**

2.9. Inventories

In million euros	12/31/2008	12/31/2007
Gross value of inventories	151.1	152.5
Raw materials, supplies and goods	*92.4*	*88.7*
Finished and semi-finished goods	*58.7*	*63.8*
Write-down	(23.4)	(25.0)
Raw materials, supplies and goods	*(15.7)*	*(15.4)*
Finished and semi-finished goods	*(7.7)*	*(9.6)*
Total	**127.7**	**127.5**

2.10. Trade and other receivables

In million euros	12/31/2008	12/31/2007
- Trade receivables	573.3	544.4
Provisions for trade receivables	(27.1)	(25.7)
- Miscellaneous receivables	11.8	8.8
Provisions for miscellaneous receivables	(0.2)	(0.3)
- Other operating receivables	14.8	16.0
Provisions for other operating receivables	(0.3)	(0.3)
- Miscellaneous tax receivables	41.0	49.5
- Receivables on disposal of PP&E and intangible assets	0.0	1.0
- Receivables on disposal of financial investments	7.6	7.6
- Advance payments	6.4	8.8
- Prepaid expenses	44.7	48.6
Total trade and other receivables	**699.6**	**684.7**
Total provisions for trade and other receivables	**(27.6)**	**(26.3)**
Total	**672.0**	**658.4**

As of December 31, 2008, trade and other receivables had risen by €13.6 million compared to December 31, 2007. The increase is lower than revenue growth, reflecting a slight reduction in the customer settlement period.

The balance of past due trade receivables that have not been provided amounted to €213.2 million as of December 31, 2008, compared to €202.0 million as of December 31, 2007. Less than 7 % of trade receivables were past due by more than 90 days as of December 31, 2008, as was the case as of December 31, 2007. No provisions were recorded for impairment since these trade receivables do not present a risk of non-recovery.

2.11. Cash and cash equivalents

In million euros	12/31/2008	12/31/2007
Cash	110.4	159.7
Cash equivalents	1.7	1.8
Total	**112.1**	**161.5**

As of December 31, 2008, the Group had €112.1 million in available cash, compared to €161.5 million as of December 31, 2007. The available cash had decreased by €49.4 million. As of December 31 2007, the Group detained €37.5 million from JCDecaux Advertising (Shanghai) in order to pay fees relating to advertising rights in January 2008.

Among the €112.1 million in cash and cash equivalents, €1.7 million was invested in short-term investments and €8.8 million was invested in guarantees.

2.12. Tax receivable and payable

In million euros	12/31/2008	12/31/2007
Tax receivable	14.0	10.7
Tax payable	(24.8)	(27.6)
Total	**(10.8)**	**(16.9)**

2.13. Net deferred taxes

2.13.1. Deferred taxes recorded

In million euros	12/31/2008	12/31/2007
Deferred tax assets	8.3	4.6
Deferred tax liabilities	(95.7)	(116.2)
Total	**(87.4)**	**(111.6)**

Breakdown of deferred taxes:

In million euros	12/31/2008	12/31/2007
PP&E and intangible assets	(114.9)	(127.5)
Tax losses carried forward	11.1	11.7
Dismantling provision	10.6	10.7
Financial instruments	1.9	(1.2)
Other	3.9	(5.3)
Total	**(87.4)**	**(111.6)**

Net deferred tax liabilities decreased by €24.2 million between December 31, 2007 and December 31, 2008. The decline primarily stems from a €10.8 million decrease relating to the 2008 exceptional impairment for property, plant and equipment and intangible assets.

2.13.2. Unrecognized deferred tax assets on tax losses carried forward

Deferred tax assets on losses carried forward that have not been recognized amounted to €28.9 million as of December 31, 2008, compared to €29.4 million as of December 31, 2007.

2.14. Non-current assets classified as held for sale

The €7.5 million amount classified under "Non-current assets held for sale" represents the net carrying amount of a building owned by JCDecaux UK Ltd, for which discussions are under way with a subsidiary of JCDecaux Holding with a view to selling the asset.

This operation was considered as a related party transaction and is described in greater detail in Note 8 *Related parties*.

2.15. Equity

Breakdown of share capital
As of December 31, 2008, share capital amounted to €3,373,250.96 divided into 221,270,597 shares of the same category and fully paid up.

Reconciliation of the number of outstanding shares as of January 1, 2008 and December 31, 2008

Number of outstanding shares as of 01/01/2008	223,061,788
Shares issued following the exercise of bonus shares	25,974
Shares issued following the exercise of options	289,559
Cancellation of treasury shares	(2,106,724)
Number of outstanding shares as of 12/31/2008	**221,270,597**

As of December 31, 2008, the Group did not hold any treasury shares.

Delegations of authority 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 10, 2007	- Allot bonus shares from existing shares or shares to be issued, to non-executives employees or officers of the Group, or to certain of them, up to a limit of 0.5% of the share capital on the date of the decision of the General Meeting of Shareholders, this authority to remain in effect for 26 months. - Issue bonds, this authority to remain in effect for 26 months. - Increase share capital, on one or more occasions, by the issue – with maintenance of the preferential subscription right – of shares and/or other marketable securities granting immediate or future access to Company shares, up to an aggregate maximum limit of €3 billion, including additional paid in capital, and determine the terms and conditions thereof. An over-allotment is possible up to an aggregate maximum limit of €450 million should the share capital increase be successful. This authority to remain in effect for 26 months. The same authority providing for the elimination of the preferential subscription right is also granted. - Issue shares or securities convertible into 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, this authority to remain in effect for 26 months. - Perform a capital increase, on one or more occasions, by capitalizing premiums, reserves, or earnings, this authority to remain in effect for 26 months. - Decide to increase share capital for the benefit of employees (subscriptions to a company savings plan excluding stock options) up to an aggregate maximum limit of €30 million, including additional paid in capital, this authority to remain in effect for 26 months. - Grant share subscription or purchase options to non-executive employees or officers of the Group, or to certain of them, in the limit of 4% of the share capital, this authority to remain in effect for 26 months.
May 14, 2008	- Purchase Company shares, in the limit of 10% of the share capital, at a price of €30 per share, this authority to remain in effect for 18 months. The number of shares acquired with a view to their retention and subsequent remittance in connection with a merger, split-up or spin-off or contribution transaction may not exceed 5% of its share capital. - Reduce the share capital by cancelling treasury shares, in the limit of 10% of the share capital, over a period of 24 months, this authority to remain in effect for 18 months.

The cumulative amount of capital increases that can be performed cannot exceed an aggregate limit of €3 billion, including additional paid-in capital.

2.16. Provisions

Provisions break down as follows:

In million euros	12/31/2008	12/31/2007
Provisions for dismantling cost	128.1	127.2
Provisions for retirement and other benefits	29.3	32.2
Provisions for litigation	5.7	7.1
Other provisions	15.1	17.6
Total	**178.2**	**184.1**

Provisions 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 dismantling are discounted at a rate of 5%. The use of a 4.75% discount rate (change of 25 basis points) would have generated an additional financial expense of approximately €1.8 million, while the use of a 4.5% discount rate (change of 50 basis points) would have generated an additional financial expense of approximately €3.8 million.

Provisions for litigation amounted to €5.7 million as of December 31, 2008.

The JCDecaux Group is a party to several legal disputes regarding the terms and conditions of application for certain contracts with its concession grantors and the terms and conditions governing supplier relations. In addition, the specificity of its activity (contracts with government authorities in France and abroad) may generate specific contentious procedures. The JCDecaux Group is thus involved in litigation over the awarding or cancellation of street furniture and/or billboard contracts, as well as activity-related taxation litigation.

The Group's Legal Department identifies all litigation (nature, amounts, procedure, risk level), regularly monitors developments and compares this information with that of the Financial Control Department. The amount of provisions to be recognized for this litigation is analyzed case by case, based on the positions of the plaintiffs, the assessment of the Group's legal advisors and any decisions handed down by a lower court.

Change in provisions

	12/31/2007	Charges	Discount	Reversals		Reclassifi-cations	Translation adjustments	12/31/2008
In million euros				Used	Not used			
Provisions for dismantling cost	127.2	12.7	6.0	(5.2)	(10.8)	0.2	(2.0)	128.1
Provisions for retirement and other benefits	32.2	2.8		(1.5)	(1.3)	(1.7)	(1.2)	29.3
Provisions for litigation	7.1	0.4		(0.6)	(0.2)	(1.0)		5.7
Other provisions	17.6	3.7		(2.4)	(4.9)	1.0	0.1	15.1
Total	**184.1**	**19.6**	**6.0**	**(9.7)**	**(17.2)**	**(1.5)**	**(3.1)**	**178.2**

Provisions decreased by €5.9 million for the year. This decrease is allocated among several provision items, particularly provisions for retirement, which decreased by €2.9 million due to a €1.6 million reclassification of the hedging asset less the provision in Austria.

Reversals of unused provisions for the year amounted to €17.2 million. Provisions for dismantling contributed in the amount of €10.8 million, because of downwards revision of standard dismantling costs in some countries of the Group.

Contingent assets and liabilities

Subsequent to a risk analysis, the Group deemed that it was not necessary to recognize a contingency provision with respect to ongoing procedures or the terms and conditions governing the implementation or awarding of contracts, particularly in France, Belgium and the United States, and in regard to a legal action for counterfeiting in Thailand.

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, and the United Kingdom) operate large format panels similar to street furniture for which the unitary dismantling cost is material. Accordingly, the overall not discounted dismantling cost is estimated at €9.0 million as of December 31, 2008 compared to €5.7 million as of December 31, 2007.

Provision for retirement and other benefits

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

The Group's retirement benefits mainly involve 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 represented €27.2 million in 2008, compared to €26.2 million in 2007.

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:

	2008	2007
Discount rate[1]		
Euro Zone	5.25%	5.0%
United Kingdom	6.15%	5.75%
Australia	4.7%	6.0%
Estimated annual rate of increase in future salaries		
Euro Zone	2.41%	2.45%
United Kingdom[2]	0%	0%
Australia	5.5%	5.5%
Estimated annual rate of increase in post-employment benefits		
Euro Zone	0%	0%
United Kingdom	3.2%	3.2%
Australia	0%	0%
Expected return of related plan assets		
Euro Zone	1.6%	4.7%
United Kingdom	7.0%	7.0%
Australia	N/A	N/A

(1) *The index adopted as a benchmark for the Euro and United Kingdom areas is taken from the Bloomberg data on the AA rated security. For Australia, the Government rate is taken into account.*

(2) *The United Kingdom plan had been frozen, and then, no revaluation of salaries had been performed.*

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

- **In 2007:**

In million euros	Retirement benefits unfunded	Retirement benefits funded	Other long-term benefits	Total
Change in benefit obligation				
Opening balance	13.6	71.7	3.2	88.5
Service cost	0.6	1.6	0.3	2.5
Interest cost	0.6	3.3	0.2	4.1
Amendments to plans	(0.1)		(0.4)	(0.5)
Actuarial gains/losses (1)	(1.1)	(7.7)	1.0	(7.8)
Benefits paid	(1.4)	(1.5)	(0.3)	(3.2)
Other (exchange gains/losses)		(3.6)		(3.6)
Benefit obligation at the end of the year	**12.2**	**63.8**	**4.0**	**80.0**
including France	*8.6*	*18.0*	*2.3*	*28.9*
including other countries	*3.6*	*45.8*	*1.7*	*51.1*
Change in plan assets				
Opening balance		43.5		43.5
Expected return on plan assets (2)		2.7		2.7
Actuarial gains/losses (3)		(1.8)		(1.8)
Employer contributions		3.0		3.0
Benefits paid		(1.5)		(1.5)
Other (exchange gains/losses)		(2.9)		(2.9)
Fair value of assets at the end of the year		**43.0**		**43.0**
including France		*4.7*		*4.7*
including other countries		*38.3*		*38.3*
Provision				
Funded status	12.2	20.8	4.0	37.0
Unamortized actuarial gains/losses	(1.7)	(1.2)		(2.9)
Unamortized past service cost	(1.0)	(2.5)		(3.5)
Assets unrecognized				0.0
Provision at the end of the year (4)	**9.5**	**17.1**	**4.0**	**30.6**
including France	*6.3*	*9.1*	*2.3*	*17.7*
including other countries	*3.2*	*8.0*	*1.7*	*12.9*
Periodic pension cost				
Service cost	0.6	1.6	0.3	2.5
Interest cost	0.6	3.3	0.2	4.1
Expected return on plan assets		(2.3)		(2.3)
Amortization of actuarial gains/losses	0.1	0.7	1.0	1.8
Amortization of past service cost	0.1	0.2		0.3
Other	(0.1)		(0.4)	(0.5)
Charge for the year	**1.3**	**3.5**	**1.1**	**5.9**
including France	*1.0*	*1.9*	*1.0*	*3.9*
including other countries	*0.3*	*1.6*	*0.1*	*2.0*

(1) *Including €(8.8) million related to changes in assumptions and €1.0 million related to experience gains and losses.*
(2) *The rates of return on pension funds were determined in each country concerned based on the allocation of assets observed for each fund as of December 31, 2006.*
(3) *Actuarial gains or losses generated by hedging assets are experience gains and losses..*
(4) *The amount of €30.6 million includes €32.2 million of provisions recognized in balance sheet liabilities with respect to employee-related commitments and €(1.6) million of reimbursement rights relating to the Austrian retirement benefit plan..*

- **In 2008:**

In million euros	Retirement benefits unfunded	Retirement benefits funded	Other long-term benefits	Total
Change in benefit obligation				
Opening balance	12.2	63.8	4.0	80.0
Service cost	0.6	1.8	0.3	2.7
Interest cost	0.6	3.3	0.2	4.1
Amendments to plans				0.0
Actuarial gains/losses (1)		(3.4)	(0.3)	(3.7)
Benefits paid	(1.0)	(1.8)	(0.3)	(3.1)
Other (exchange gains/losses)		(8.6)		(8.6)
Benefit obligation at the end of the year	**12.4**	**55.1**	**3.9**	**71.4**
including France	*8.4*	*19.3*	*2.1*	*29.8*
including other countries	*4.0*	*35.8*	*1.8*	*41.6*
Change in plan assets				
Opening balance		43.0		43.0
Expected return on plan assets (2)		2.6		2.6
Actuarial gains/losses (3)		(8.2)		(8.2)
Employer contributions		2.0		2.0
Benefits paid		(1.0)		(1.0)
Other (exchange gains/losses)		(6.7)		(6.7)
Fair value of assets at the end of the year		**31.7**		**31.7**
including France		*4.7*		*4.7*
including other countries		*27.0*		*27.0*
Provision				
Funded status	12.4	23.4	3.9	39.7
Unamortized actuarial gains/losses	(1.7)	(5.5)		(7.2)
Unamortized past service cost	(0.9)	(2.3)		(3.2)
Assets unrecognized				0.0
Provision at the end of the year	**9.8**	**15.6**	**3.9**	**29.3**
including France	*6.5*	*10.3*	*2.1*	*18.9*
including other countries	*3.3*	*5.3*	*1.8*	*10.4*
Periodic pension cost				
Service cost	0.6	1.8	0.3	2.7
Interest cost	0.6	3.3	0.2	4.1
Expected return on plan assets		(2.6)		(2.6)
Amortization of actuarial gains/losses		(0.3)	(0.3)	(0.6)
Amortization of past service cost	0.1	0.2		0.3
Other				0.0
Charge for the year	**1.3**	**2.4**	**0.2**	**3.9**
including France	*1.0*	*1.9*	*(0.1)*	*2.8*
including other countries	*0.3*	*0.5*	*0.3*	*1.1*

(1) *Including €(3.8) million related to changes in assumptions and €0.1 million related to experience gains and losses.*
(2) *The rates of return on pension funds were determined in each country concerned, based on the allocation of assets observed for each fund as of December 31, 2007.*
(3) *Actuarial gains or losses generated by hedging assets are experience gains and losses.*

As of December 31, 2008 the Group's benefit obligation amounted to €71.4 million and mainly involves four countries: France (42% of the total obligation), United Kingdom (39%), Austria (8 %) and the Netherlands (7 %).

The valuations were performed by an independent actuary who also conducted sensitivity tests for each of the plans.

The results of the sensitivity tests demonstrate that a decrease of 50 basis points in the discount rate would have an impact of approximately €5.7 million on the amount of the obligation's present value.

The variances observed do not call into question the rates adopted for the preparation of the financial statements, as they are considered the rates that most closely match the market.

Unamortized actuarial losses as of December 31, 2008 amounted to €7.2 million and are mainly related to the French and English companies.

As of December 31, 2008, unamortized past service cost amounted to €3.2 million and corresponds to the surplus resulting from application of the French law on retirement benefits ("*loi Fillon*"). The surplus is amortized over the average employee working period until the benefits are vested.

Net movements in retirement and other benefits are as follows:

In million euros	**2008**	**2007**
January 1	**30.6**	**30.1**
Charge for the year	3.9	5.9
Translation adjustments	(1.1)	(0.7)
Contributions paid	(2.0)	(3.0)
Benefits paid	(2.1)	(1.7)
December 31	**29.3**	**30.6**

The breakdown of the related plan assets is as follows:

	2008		**2007**	
	In M€	**%**	**In M€**	**%**
Shares	12.6	40%	21.4	50%
Bonds	12.6	40%	14.9	35%
Real Estate	0.4	1%	0.5	1%
Other	6.1	19%	6.2	14%
Total	**31.7**	**100%**	**43.0**	**100%**

Future contributions to hedging assets for fiscal year 2009 are estimated at €1.5 million.

2.17. Net financial debt

		12/31/2008			**12/31/2007**		
In million euros		**Current portion**	**Non-current portion**	**Total**	**Current portion**	**Non-current portion**	**Total**
Bonds			364.1	364.1		360.2	360.2
Banks borrowings		35.8	370.0	405.8	66.2	388.4	454.6
Miscellaneous facilities and other financial debt		2.2	30.4	32.6	2.3	32.4	34.7
Finance lease liabilities		2.7	6.7	9.4	2.9	8.2	11.1
Accrued interest		4.2		4.2	4.1		4.1
Economic financial debt	**(1)**	**44.9**	**771.2**	**816.1**	**75.5**	**789.2**	**864.7**
Impact of amortized cost			(1.8)	(1.8)		(1.8)	(1.8)
Impact of fair value hedge			(20.1)	(20.1)		(38.7)	(38.7)
IAS 39 remeasurement	**(2)**	**0.0**	**(21.9)**	**(21.9)**	**0.0**	**(40.5)**	**(40.5)**
Gross balance sheet financial debt	**(3)=(1)+(2)**	**44.9**	**749.3**	**794.2**	**75.5**	**748.7**	**824.2**
Financial derivatives (assets)				0.0	(2.2)	(2.5)	(4.7)
Financial derivatives (liabilities)		4.4	21.4	25.8		39.3	39.3
Hedging financial instruments	**(4)**	**4.4**	**21.4**	**25.8**	**(2.2)**	**36.8**	**34.6**
Cash and cash equivalents		112.1		112.1	161.5		161.5
Overdrafts		(7.1)		(7.1)	(31.5)		(31.5)
Net cash	**(5)**	**105.0**	**0.0**	**105.0**	**130.0**	**0.0**	**130.0**
Restatement of the loans granted to the proportionately consolidated companies [(1)]	**(6)**	**0.6**	**7.8**	**8.4**		**8.9**	**8.9**
Net financial debt (excluding minority interest purchase commitments)	**(7)=(3)+(4)-(5)-(6)**	**(56.3)**	**762.9**	**706.6**	**(56.7)**	**776.6**	**719.9**

(1) *The restatement of the loans granted to proportionately consolidated companies has been reclassified from the current portion to the non–current portion for the year ended December 31, 2007.*

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 carrying amount. For this purpose, aggregate "economic" financial debt is defined and determined based on a debt carrying amount that is adjusted for the fair value revaluation arising from hedging and amortized cost (IAS 39 restatements).

The net financial debt is restated for 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 2.18. *Debt on commitment to purchase minority interests.*

Financial derivatives and debt characteristics before and after hedging are described in Note 2.19. *Financial derivatives.*

The Group's main financial debts are held by JCDecaux SA, the drawn amount being as follows as of December 31, 2008:

In million euros	Economic value	Carrying amount	Market value [1]	Issuing date	Maturity date
Bond debt (US private placement)	364.1	343.1	325.3	April 2003	between April 2010 and April 2015
Committed revolving credit facility	200.0	199.1	200.0	March 2005 amended in June 2006	June 2012 (16%) and June 2013 (84%)
Bank loans	75.0	75.0	75.0	October 2006	October 2011
Total	**639.1**	**617.2**	**600.3**		

[1] *The US Private Placement (USPP) was marked to market. The Group considers that the values stated in its books for the revolving credit facility and the bank facility approximate the market value.*
As the Group's financial debts are not quoted on an active market, the values mentioned have been estimated based primarily on information communicated by banks. The use of different assumptions or valuation methods could result in values that could vary from those mentioned.

These funding sources held by JCDecaux SA are committed, but they require compliance with various restrictive covenants, based on consolidated financial statements.

They require the Group to maintain specific financial ratios:

- Interest coverage ratio: operating margin / net financial expenses strictly greater than 3.5;
- Net debt coverage ratio: net financial debt / operating margin strictly less than 3.5.

As of December 31, 2008, the Group was compliant with all covenants, with values significantly distant from required limits, with respective ratios of 12.9 and 1.3.

The average effective rate of these debts after interest rate hedging was approximately 5.2% for 2008.

Financial debt also includes:

- bank loans held by JCDecaux SA's direct and indirect subsidiaries, for a total amount of €130.8 million;
- finance lease liabilities for €9.4 million described in the final section of this note;
- miscellaneous facilities and other financial debt for €32.6 million, comprising shareholder loans held by subsidiaries not wholly owned by JCDecaux SA and granted by the other shareholders of such entities;
- accrued interest for €4.2 million.

In addition, the Group has a total of €672.5 million available unused credit facilities as of December 31, 2008, mainly comprised of the undrawn portion of JCDecaux SA's committed revolving credit line.

Maturity of financial debt (excluding unused committed credit facilities)

In million euros	12/31/2008	12/31/2007
Less than one year	44.9	75.5
More than one year and less than 5 years	660.2	475.6
More than 5 years	111.0	313.6
Total	**816.1**	**864.7**

Breakdown of financial debt by currency

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

In million euros	12/31/2008	12/31/2007
Euro	508.8	562.1
US dollar	214.6	211.0
Chinese yuan	40.2	40.3
Thai baht	16.1	16.3
Japanese yen	10.3	4.3
Indian rupee	8.8	7.9
Chilean peso	4.7	5.7
Other	12.6	17.1
Total	**816.1**	**864.7**

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

	12/31/2008		12/31/2007	
	In M€	In %	In M€	In %
Euro	620.3	76%	625.3	72%
US dollar	54.3	7%	66.3	8%
Hong Kong dollar	40.7	5%	59.2	7%
Chinese yuan	40.2	5%	40.3	5%
Pound sterling	28.2	3%	26.0	3%
Thai baht	16.1	2%	16.3	2%
Japanese yen	10.9	1%	4.3	0%
Indian rupee	8.8	1%	7.9	1%
Canadian dollar	6.6	1%	7.7	1%
Israeli shekel	6.2	1%	0.0	0%
Norwegian krone	6.1	1%	8.6	1%
Emirati dirham (1)	(9.6)	-1%	0.0	0%
Australian dollar (1)	(19.6)	-3%	(15.6)	-2%
Other	6.9	1%	18.4	2%
Total	**816.1**	**100%**	**864.7**	**100%**

(1) *Negative amounts correspond to lending positions.*

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	12/31/2008	12/31/2007
Fixed rate	232.8	233.8
Floating rate	583.3	630.9
Total	**816.1**	**864.7**

Breakdown of debt by interest rate (after committed and optional interest rate derivatives) – Additional information on hedging is disclosed in Note 2.19.

	12/31/2008		12/31/2007	
	In M€	**In %**	**In M€**	**In %**
Fixed rate	49.8	6%	25.7	3%
Floating rate hedged with options	171.6	21%	175.0	20%
Floating rate	594.7	73%	664.0	77%
Total	**816.1**	**100%**	**864.7**	**100%**

Finance lease liabilities

Finance lease liabilities break down as follows:

	12/31/2008			12/31/2007		
In million euros	**Minimum future lease payments**	**Interest**	**Principal**	**Minimum future lease payments**	**Interest**	**Principal**
≤ 1 year	2.8	0.1	2.7	3.1	0.2	2.9
> 1 year and ≤ 5 years	6.6	0.3	6.3	7.4	0.3	7.1
> 5 years	0.4	0.0	0.4	1.1	0.0	1.1
Total	**9.8**	**0.4**	**9.4**	**11.6**	**0.5**	**11.1**

2.18. Debt on commitment to purchase minority interests

The debt on commitment to purchase minority interests amounted to €68.4 million as of December 31, 2008, compared to €91.0 million as of December 31, 2007.

The item primarily comprises a purchase commitment given to the partner Progress, for its interest in Gewista Werbe GmbH, exercisable between January 1, 2019 and December 31, 2019, for a present value on the balance sheet of €48.4 million.

The €22.6 million decrease principally corresponds to the positive discounting effect of the purchase option on minority interests in Gewista Werbe GmbH, the option exercise period being postponed from 2009 to 2019.

2.19. Financial derivatives

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

2.19.1. Hedging derivative instruments related to bond issues

In connection with the issuance of its bond debt (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, 2008, the bond debt (USPP) 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 12/31/08	Market value as of 12/31/07
Interest rate swap	hedging of changes in fair value of debt relating to changes in interest rate	13.8	1.1
Basis swap	hedging of changes in fair value of debt relating to changes in foreign exchange rate	(34.5)	(40.4)
		(20.7)	**(39.3)**

2.19.2. Other interest rate instruments

Most of the Group's debt is denominated in euros and indexed to floating rates. In order to limit the impact of an increase in 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.

Accordingly, as of December 31, 2008, the positions contracted by the Group are as follows:

- caps purchased for €150 million and US$30 million maturing between 2009 and 2010; €50 million were in the money on December 31, 2008;
- swaps for €25 million maturing 2010;
- caps sold for €100 million maturing between 2009 and 2010; none were in the money on December 31, 2008;
- floors sold for €100 million and US$30 million maturing between 2009 and 2010; only floors in American dollar were in the money based on market conditions as of December 31, 2008.

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 banks.

As of December 31, 2008, the market value of these financial instruments amounted to €(0.7) million, against €2.5 million as of December 31, 2007, due to the decrease in interest rates between the two closing dates.

2.19.3. 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. However, because of its operating structure, the JCDecaux Group is not very vulnerable to currency fluctuations in terms of cash flows, as the subsidiaries in each country do business solely in their own country and inter-company services and purchases are relatively insignificant. Accordingly, most of the foreign exchange risk stems from the translation of local-currency-denominated accounts to the euro-denominated consolidated accounts.

The foreign exchange risk on flows 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, 2008, the hedging transactions implemented by the Group are as follows (net positions):

In million euros	12/31/2008	12/31/2007
Forward purchases against the Euro		
Australian dollar	21.2	17.6
American dollar	16.4	4.8
Emirati dirham	9.6	0.0
Singapore dollar	3.3	0.4
Swedish krone	0.4	2.9
Other	0.3	0.0
Forward sales against the Euro		
Hong Kong dollar	40.7	59.2
Pound sterling	25.9	20.1
Israeli shekel	7.3	0.0
Norwegian krone	6.6	8.6
Canadian dollar	4.4	5.1
Danish krone	1.3	1.3
Other	0.8	6.0

As of December 31, 2008, the market value of these financial instruments amounted to €(4.4) million, compared to €2.2 million as of December 31, 2007.

2.20. Trade and other payables (current liabilities)

In million euros	12/31/2008	12/31/2007
Trade payables	264.2	246.9
Tax and employee related liabilities	152.4	150.6
Other operating liabilities	129.3	128.2
Payables on the acquisition of PP&E and intangible assets	18.3	43.5
Payables on the acquisition of financial investments	15.6	16.2
Other liabilities	10.5	9.3
Payments on account received	7.2	10.2
Deferred income	114.4	57.1
Total	**711.9**	**662.0**

The €49.9 million increase in current liabilities as of December 31, 2008 was primarily due to the growth in Group activity, mainly in the Middle East and Asia.

Operating liabilities have a maturity of one year or less.

3. NOTES TO THE INCOME STATEMENT

3.1. Net operating expenses

In million euros	2008	2007
Rent and fees	(726.1)	(687.3)
Other net operating expenses	(446.2)	(433.3)
Taxes and duties	(15.6)	(13.8)
Staff costs	(430.8)	(417.0)
Direct operating expenses & Selling, general & administrative expenses (1)	**(1,618.7)**	**(1,551.4)**
Net provision charge	**10.4**	**10.7**
Net depreciation and amortization	**(249.5)**	**(187.0)**
Impairment of goodwill	**(27.1)**	**0.0**
Maintenance spare parts	**(41.1)**	**(34.2)**
Other operating income and expenses	**(6.2)**	**5.5**
Total	**(1,932.2)**	**(1,756.4)**

(1) *Including €1,267.6 million of "Direct operating expenses" and €351.1 million of "Selling, general & administrative expenses" in 2008 (compared to respectively €1,200.6 million and €350.8 million in 2007).*

Rent and fees
This item includes rent and fees that the Group pays to landlords, public authorities, airports, transport companies and shopping centers.

In 2008, fees paid for the right to advertise totaled €726.1 million:

In million euros	Total	Fixed expenses	Variable expenses
Fees associated with Street Furniture and Transport contracts	(560.8)	(376.5)	(184.3)
Rent related to Billboard locations	(165.3)	(135.1)	(30.2)
Total	**(726.1)**	**(511.6)**	**(214.5)**

Variable expenses are determined based on contractual terms and conditions: rent and fees that fluctuate according to revenue levels are considered as variable expenses. Rent 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:

- Subcontracting costs for certain maintenance operations;
- Billboard advertising stamp duties and taxes;
- Operating lease expenses;
- Fees and operating costs, excluding staff costs, for different Group services.

Operating lease expenses, amounting to €31.8 million in 2008, are fixed expenses.

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 property taxes.

Research and development costs
Research costs and non-capitalized development costs are included in "Other net operating expenses" and in "Staff costs" and amounted to €6.6 million in 2008, compared to €5.0 million in 2007.

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

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

Staff costs include:

In million euros	2008	2007
Compensation and other benefits	(335.9)	(324.8)
Social security contributions	(91.7)	(88.9)
Share-based payment expenses	(3.2)	(3.3)
Total	**(430.8)**	**(417.0)**

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

In million euros	2008	2007
Retirement benefits and pensions	(3.7)	(4.8)
Other long-term benefits	(0.2)	(1.1)
Total provision for retirement and other benefits (1)	**(3.9)**	**(5.9)**

(1) *No expense related to retirement benefits and pensions and other post-employment benefits was included in the line item "Net provision charge" in 2008 compared to an expense of €(3.1) million in 2007.*

Share-based payment expenses recognized pursuant to IFRS 2 totaled €3.2 million in 2008 compared to €3.3 million in 2007.

Breakdown of bonus share plans:

	2008 Plan		2007 Plan	
Grant date	02/15/2008	02/15/2008	02/20/2007	05/10/2007
Number of beneficiaries	1	1	1	1
Acquisition date	02/15/2010	02/15/2012	02/20/2009	05/10/2011
Number of bonus shares	10,588	16,098	9,987	15,807
Risk-free interest rate (%)	3.378	3.365	3.993	4.194
Value at grant date (in €)	20.46	20.46	22.86	23.05
Dividend / share expected Y+1 (1) (in €)	0.540	0.540	0.491	0.491
Dividend / share expected Y+2 (1) (in €)	0.593	0.593	0.543	0.543
Dividend / share expected Y+3 (1) (in €)	-	0.604	-	0.597
Dividend / share expected Y+4 (1) (in €)	-	0.631	-	0.635
Fair value of bonus shares (in €)	19.44	18.47	21.94	21.18

(1) *Consensus of financial analysts on future dividends (Bloomberg source).*

The February 3, 2006 bonus shares plan expired in 2008. Share capital was increased by 25,974 shares to cover the 2006 plan in its entirety.

Breakdown of stock option plans:

	2008 Plan	2007 Plan	2006 Plan	2005 Plan	2004 Plan	2003 Plan	2002 Plan
Grant date	February 15, 2008	February 20, 2007	February 20, 2006	March 4, 2005	March 5, 2004	January 16, 2003	December 13, 2002
Vesting date	February 15, 2011	February 20, 2010	February 20, 2009	March 4, 2008	March 5, 2007	January 16, 2006	December 13, 2005
Expiry date	February 15, 2015	February 20, 2014	February 20, 2013	March 4, 2012	March 5, 2011	January 16, 2010	December 13, 2009
Number of beneficiaries	167	178	4	140	120	20	2
Number of options	719,182	763,892	70,758	690,365	678,711	209,546	88,096
Exercise price	€ 21.25	€ 22.58	€ 20.55	€ 19.81	€ 15.29	€ 10.78	€ 10.67

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

Period	2008	Average exercise price in euros	2007	Average exercise price in euros
Number of options outstanding at the beginning of the period	**2,379,216**	**€ 18.75**	**3,000,591**	**€ 16.19**
Options granted during the period	719,182	€ 21.25	763,892	€ 22.58
Options forfeited during the period	117,552	€ 20.56	38,739	€ 21.12
Options exercised during the period	289,559	€ 16.31	1,346,528	€ 15.16
Options expired during the period	196,374	€ 15.58	0	NA
including plan of June 21, 2001	152,845			
including plan of July 20, 2001	12,385			
including plan of December 14, 2001	31,144			
Number of options outstanding at the end of the period	2,494,913	€ 19.91	2,379,216	€ 18.75
Number of options exercisable at the end of the period	**1,321,327**	**€ 18.28**	**1,374,861**	**€ 16.45**

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

Plan	Grant date	Options exercised in 2008	Average exercice price in euros	Options exercised in 2007	Average exercice price in euros
2001	June 2001	266,647	17.99	697,716	23.84
	July 2001	7,347	17.37	70,668	24.09
	December 2001	6,837	15.23	167,890	25.10
2002	2002	0		28,584	27.95
2003	2003	0		97,688	23.98
2004	2004	8,728	17.99	231,995	24.28
2005	2005	0		51,987	25.38
2006	2006	0		0	
2007	2007	0		0	
2008	2008	0		0	
Total		**289,559**	**17.91**	**1,346,528**	**24.24**

The residual terms of option plans outstanding as of December 31, 2008 and 2007 were as follows:

		12/31/2008			12/31/2007		
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
2001	June 2001	-	-	-	425,689	0.47	16.50
	July 2001	-	-	-	20,004	0.55	15.46
	December 2001	-	-	-	37,981	0.96	11.12
2002	2002	59,512	0.95	10.67	59,512	1.95	10.67
2003	2003	63,570	1.04	10.78	63,570	2.04	10.78
2004	2004	356,272	2.18	15.29	375,843	3.18	15.29
2005	2005	551,917	3.18	19.81	582,031	4.18	19.81
2006	2006	70,758	4.15	20.55	70,758	5.15	20.55
2007	2007	700,194	5.15	22.58	743,828	6.15	22.58
2008	2008	692,690	6.13	21.25			
Total		**2,494,913**		**19.91**	**2,379,216**		**18.75**

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

	Plan						
Assumptions	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**
- Price of underlying at grant date	€20.46	€22.86	€20.70	€19.70	€16.19	€11.78	€10.49
- Estimated volatility	24.93%	28.66%	29.43%	32.84%	50.00%	50.00%	50.00%
- Risk-free interest rate	3.37%	4.02%	3.11%	2.96%	3.61%	3.96%	4.00%
- Estimated option life (in years)	4.5	4.5	4.5	4.5	7.0	7.0	7.0
- Estimated turnover	2%	5%	0%	5%	2%	2%	2%
- Dividend payment rate[1]	2.56%	2.0%	1.9%	-	-	-	-
- Fair value options	€3.77	€5.76	€5.11	€6.21	€9.23	€6.88	€5.86

[1] *Consensus of financial analysts on future dividends (Bloomberg source).*

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 to 2008 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 to 2008 plans, that the option would be exercised 4.5 years on average after the grant date.

Net depreciation and amortization

In 2008, this line item comprised an exceptional impairment loss on tangible and intangible assets due to the expected downturn in the advertising market and to the loss of a contract for €(43.8) million.

Impairment of goodwill

In 2008, this line item comprised a €27.1 million impairment loss on goodwill mainly attributable to the Billboard activity in France for €21.3 million and to the subway, train and bus advertising activities in the Europe area[2] for €5.1 million.

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 inventory impairment loss.

Other operating income and expenses

Other operating income and expenses break down as follows:

In million euros	2008	2007
Gain and losses on disposal of financial assets	0.0	10.7
Gain and losses on disposal of PP&E and intangible assets	(2.4)	(1.1)
Other operating income	0.8	0.4
Other operating expenses	(4.6)	(4.5)
Total	**(6.2)**	**5.5**

Amounting to €(6.2) million in 2008, this item included €0.8 million in operating income and €(7.0) million in operating expenses. Other operating expenses for €(4.6) million primarily comprised €(2.8) million in costs relating to acquisition projects, €(1.0) million in expenses concerning the Barcelona contract in Spain and €(0.5) million in fines and penalties.

In 2007, the item "Other operating income and expenses" mainly comprised €10.5 million of capital gains on disposals of consolidated securities related to the EPI asset swap with Affichage Holding.

[2] Excluding France and the United Kingdom

3.2. Net financial income / (loss)

In million euros	2008	2007
Interest income	8.1	7.9
Interest expense	(49.8)	(44.6)
Net interest expense (1)	**(41.7)**	**(36.7)**
Dividends	**0.1**	**0.6**
Net foreign exchange gains / (losses)	**5.5**	**(1.8)**
Impact of IAS 39 - foreign exchange	(5.5)	1.0
Impact of IAS 39 - interest rate	0.0	0.0
Variation in fair value of derivatives not qualified as hedges	(3.3)	0.0
Amortized cost impact	(0.5)	(0.5)
Impact of IAS 39	**(9.3)**	**0.5**
Net discounting income (losses)	**18.2**	**(12.5)**
Bank guarantee costs	**(0.7)**	**(0.6)**
Charge to provisions for financial risks	(0.6)	(1.9)
Reversal of provisions for financial risks	0.6	2.3
Provisions for financial risks - Net charge	**0.0**	**0.4**
Net income / (loss) on the sale of financial investments	**0.0**	**(1.2)**
Other net financial expenses (2)	**13.8**	**(14.6)**
Net financial income (loss) (3) = (1)+(2)	**(27.9)**	**(51.3)**
Total financial income	*27.0*	*10.8*
Total financial expenses	*(54.9)*	*(62.1)*

Net financial income totaled €(27.9) million in 2008 compared to €(51.3) million in 2007, representing an increase of €23.4 million, mainly attributable to:

- The discounting income for €22.6 million, recorded on the debt with respect to the commitment to purchase the shares of Gewista Werbe GmbH. This was due to the postponement of the exercise date of the partner's option to 2019 (instead of 2009); In 2007, a discounting expense for €(4.8) million had been recorded on this Gewista put;
- This positive impact is partly compensated by an increase in net interest expense by €5 million as a result of the increase in average net debt and higher interest rates.

3.3. Income tax

Breakdown between deferred and current taxes

In million euros	2008	2007
Current taxes	(83.0)	(93.8)
Deferred taxes	20.1	1.3
Total	**(62.9)**	**(92.5)**

The effective tax rate before impairment of goodwill and the share of net profit of associates was 26.7% in 2008 and 30.9% in 2007. The gain on the discounting of the Gewista put reduced the effective tax rate in 2008. Excluding this one-off item the tax rate stood at 29.5%.

The €20.1 million deferred tax gain for 2008 primarily comprised reversals of the provision on deferred tax assets for €4.7 million and a tax gain on the exceptional impairment of PP&E and intangible assets for €11.4 million.

Breakdown of deferred tax charge

In million euros	2008	2007
Intangible assets and PP&E	12.5	4.9
Tax losses carried forward	(1.2)	(0.3)
Dismantling provision	0.4	1.4
Financial instruments	3.1	(0.3)
Other	5.3	(4.4)
Total	**20.1**	**1.3**

Tax proof

In million euros	2008	2007
Consolidated net income	**126.9**	**225.0**
Income tax charge	(62.9)	(92.5)
Consolidated income before tax	**189.8**	**317.5**
Impairment of goodwill	27.1	0.0
Share of net profit of associates	18.7	(18.6)
Taxable dividends received from subsidiaries	12.1	8.7
Non-taxable other income (1)	(26.3)	(14.4)
Non-deductible other expenses	17.5	27.7
Net income before tax subject to the standard tax rate	**238.9**	**320.9**
Weighted Group tax rate	28.63%	30.41%
Theoretical tax charge	**(68.4)**	**(97.6)**
Deferred tax on unrecognized tax losses	(8.1)	(4.8)
Recognition or use of unrecognized prior year tax losses carried forward	4.7	1.3
Other unrecognized deferred tax assets	1.6	1.5
Miscellaneous (2)	7.3	7.1
Income tax calculated	(62.9)	(92.5)
Income tax recorded	**(62.9)**	**(92.5)**

(1) *Including in 2008 a €22.6 million discount gain recorded on the borrowing for the Gewista minority interest purchase commitment.*

(2) *Including €6.5 million tax credit in 2008 and €6.0 million in 2007.*

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

	2008	2007
Weighted average number of shares for the purposes of earnings per share	**221,773,911**	**222,388,524**
Weighted average number of stock options	761,419	2,325,610
Weighted average number of stock options issued at the market price	(648,621)	(1,602,285)
Weighted average number of shares for the purposes of diluted earnings per share	**221,886,709**	**223,111,849**

As of December 31, 2008, the February 15, 2008, the February 20, 2007, the February 20, 2006 and the March 4, 2005 stock option plans are excluded from the calculation, since they have an anti-dilutive effect.

3.5. Share of net profit of associates

In million euros	2008	2007
Stadtreklame Nürnberg GmbH	0.7	1.1
Wall AG	(1.1)	3.3
Werbeplakat Soravia GmbH & Co KG	0.2	-
Metrobus	1.6	2.1
Bus Focus Ltd (1)	0.6	0.7
Poad	1.3	1.3
Affichage Holding	6.8	6.3
BigBoard	(28.8)	3.8
Total	**(18.7)**	**18.6**

(1) *Subsidiary of JCDecaux Texon International Ltd.*

The share of net profit of associates in 2008 totaled €(18.7) million including exceptional impairment of €(28.0) million recognized on BigBoard due to the expected economic downturn in the advertising market in Russia and the Ukraine.

Sensitivity tests demonstrate that an increase by 50 basis points in the discount rate would result in an additional impairment loss of €9.6 million on the share of net profit of associates.

Sensitivity tests demonstrate that a decrease by 50 basis points in the normative growth rate of the operating margin would result in an additional impairment loss of €5.0 million on the share of net profit of associates.

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

		2008		2007	
In million euros	% interest 2008	Net Income	Net Revenues	Net Income	Net Revenues
Germany					
Stadtreklame Nürnberg GmbH	35%	2.1	11.2	3.2	11.8
Wall AG	40% (2)	(2.8)	118.9	9.3	118.3
Austria					
Werbeplakat Soravia GmbH & Co Kg (3)	22%	1.1	5.9	na	na
China					
Shanghai Zhongle vehicle painting	40%	0.0	1.5	0.1	1.7
France					
Metrobus	33%	4.7	206.7	6.3	146.7
Hong Kong					
Bus Focus Ltd	40%	1.4	4.0	0.9	4.2
Poad	49%	2.6	26.8	2.7	24.2
Switzerland					
Affichage Holding	30%	22.6	284.7	21.2	235.2
Ukraine / Russia					
BigBoard	50%	(57.6)	52.3	7.6	46.6

(1) *On a 100% basis restated according to IFRS after elimination of the internal gain on disposal at 100%.*
(2) *Interest rate of 35% until the end of December 2007.*
(3) *Company consolidated for the first time in 2008.*

3.6. Headcount

In 2008, the Group had 9,370 employees compared to 8,888 employees in 2007.

The Group's share of employees of proportionately consolidated companies is 480 in 2008 (included in the above total of 9,370 employees).

The breakdown of employees by function for 2008 and 2007 is as follows:

	2008	2007
Technical	5,529	5,183
Sales and marketing	2,007	1,918
IT and administration	1,285	1,243
Contract business relations	465	455
Research and development	84	89
Total	**9,370**	**8,888**

The increase in personnel is concentrated on Technical personnel and mainly relates to the bicycle programmes in France, the Group's development in the Middle East and the activity in Asia which continues to grow.

4. COMMENTS ON THE CASH FLOW STATEMENT

4.1. Cash flows of proportionately consolidated companies

Cash flows of proportionately consolidated companies break down as follows:

- Net cash from operating activities in 2008 was €35 million compared to €27.5 million in 2007;
- Net cash used in investing activities was €(22.1) million in 2008 compared to €(29.9) million in 2007;
- Net cash (used in) from financing activities was €(8.8) million in 2008 compared to €2.3 million in 2007.

4.2. Non-cash transactions

The increase in property, plant and equipment and liabilities related to finance lease contracts amounted to €2.1 million in 2008, compared to €2.6 million in 2007.

4.3. Change in working capital

In the Middle East, the invoicing of payments on account for services not rendered in 2008 had an impact of €(51) million and €+51 million, respectively, for the two line items "Change in trade and other receivables" and "Change in trade and other payables," with the line item "Change in trade and other receivables" being increased by €+8 million received over the period.

5. MARKET RISKS

As a result of its operations, the Group is exposed to different degrees of market risks (Notably the liquidity and financing risk, the interest rate risk, the foreign exchange rate risk, and risks related to financial management, in particular the counterparty risk). 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.

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

Liquidity and financing risk

The following table presents the contractual cash flows related to financial liabilities and derivative instruments:

In million euros	Carrying amount	Contractual cash flows	01/01/2009 to 06/30/2009	07/01/2009 to 12/31/2009	01/01/2010 to 12/31/2011	01/01/2012 to 12/31/2013	> 12/31/2013
Bonds	343.1	396.9	7.8	7.8	97.0	190.4	93.9
Bank borrowings at floating rate (1)	403.2	407.9	384.5	20.1	2.9	0.4	0.0
Bank borrowings at fixed rate	1.7	1.7	1.7	0.0	0.0	0.0	0.0
Miscelleanous facilities and other financial debt	32.6	35.9	1.7	0.6	5.0	4.7	23.9
Finance lease liabilities	9.4	9.4	1.3	1.3	3.1	3.1	0.6
Accrued interest	4.2	4.2	4.2	0.0	0.0	0.0	0.0
Overdrafts	7.1	7.2	7.2	0.0	0.0	0.0	0.0
Total financial liabilities excluding derivatives	**801.3**	**863.2**	**408.4**	**29.8**	**108.0**	**198.6**	**118.4**
Swaps on bonds	20.7	(2.2)	(1.1)	(1.1)	(0.8)	1.1	(0.3)
Interest rate hedges	0.7	0.4	0.1	0.1	0.1	0.0	0.0
Foreign exchange hedges	4.4	4.4	4.4	0.0	0.0	0.0	0.0
Total derivatives	**25.8**	**2.6**	**3.4**	**(1.0)**	**(0.7)**	**1.1**	**(0.3)**

This table presents the contractual interest cash-flows and contractual repayments for financial liabilities and derivative instruments. For revolving debt, the nearest maturity is indicated.

(1) The interest rates on floating-rate borrowings are adjusted at one, three or six-month intervals. The maturity indicated is therefore less than one year regardless of the maturity date. This is particularly true for the JCDecaux SA confirmed revolving credit line and bank borrowing (€850 million and €75 million respectively) and the Somupi confirmed revolving credit line for €60 million.

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. Subsidiaries are therefore primarily financed through direct or indirect loans granted by JCDecaux SA. However, the Group may use 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; or (iii) for historical reasons (financings already in place when the subsidiary joined the Group);
- having financing resources available (i) that are diversified; (ii) which maturity is in line with the medium and long-term life of its assets; and (iii) flexible, in order to cover Group development and the investment and activity cycles;
- 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 (Last Moody's rate on February 4, 2009, and Standard and Poor's on October 29, 2008), with a stable outlook in both cases.

As of December 31, 2008, balance sheet debt excluding hedging instruments amounts to €794.2 million. After deduction of net cash of €105.0 million and the impact of the loans granted to the proportionately consolidated companies for €8.4 million, Group net debt is €680.8 million.

Pursuant to IFRS, this debt balance includes the remeasurement of the hedged risk in the 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, 2008, the "economic" net debt is €706.6 million, representing a debt/equity (Group share) ratio of 35.4%, compared to €719.9 million and a debt/equity (Group share) ratio of 35.4% as of December 31, 2007.

79% of Group financial debt is carried by JCDecaux SA and has an average maturity of around 4.1 years.

As of December 31, 2008, the Group has cash of €112.1 million and unused committed credit facilities of €672.5 million (see Note 2.11 *Cash and cash equivalents*).

JCDecaux SA financing sources are confirmed but they require compliance with a number of covenants, based on consolidated financial statements.

They require the Group to maintain specific financial ratios:

- Interest coverage ratio: operating margin / net financial expenses strictly greater than 3.5;
- Net debt coverage ratio: net financial debt / operating margin strictly less than 3.5.

Breach of these covenants could, if conditions are met, trigger early repayment of loans and credit facilities. As of December 31, 2008, the Group was compliant with all covenants, with respective ratios of 12.9 and 1.3.

Interest rate risk

The Group is exposed to interest rate fluctuations as a result of its debt, including the euro, the US dollar, the Hong Kong dollar and the Chinese Yuan. 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 policy to secure primarily floating-rate financing. Hedging operations are mainly centralized at the JCDecaux SA level.

The following table breaks down financial assets and liabilities by interest rate.

For fixed-rate assets and liabilities, the maturity indicated is that of the asset and the liability.

The interest rates on floating-rate assets and liabilities are adjusted at one, three or six-month intervals. The maturity indicated is therefore less than one year regardless of the maturity date. This is particularly true for the JCDecaux SA confirmed revolving credit line and bank borrowing (€850 million and €75 million respectively) and the Somupi confirmed revolving credit line for €60million.

			12/31/2008		
			> 1 year		
In million euros		≤ 1 year	& ≤ 5 years	> 5 years	Total
JCDecaux SA borrowings		(425.0)	(166.7)	(47.4)	(639.1)
Other borrowings		(170.3)	(6.3)	(0.4)	(177.0)
Financial liabilities	**(1)**	**(595.3)**	**(173.0)**	**(47.8)**	**(816.1)**
Loans granted to the proportionately consolidated companies		8.4	0.0	0.0	8.4
Other assets		32.0	1.0	0.0	33.0
Financial assets	**(2)**	**40.4**	**1.0**	**0.0**	**41.4**
Net position before hedging	**(3)=(1)+(2)**	**(554.9)**	**(172.0)**	**(47.8)**	**(774.7)**
Swaps transaction on USPP		0.0	166.7	47.4	214.1
Other interest rate hedging		196.6	0.0	0.0	196.6
Off balance sheet	**(4)**	**196.6**	**166.7**	**47.4**	**410.7**
Net position after hedging	**(5)=(3)+(4)**	**(358.3)**	**(5.3)**	**(0.4)**	**(364.0)**

The cost of the JCDecaux SA gross debt after hedging would be impacted over the year 2008 by changes in the Euribor rate as follows:

Change in basis points of Euribor rates compared to rates as of Dec. 31, 2008	-100bp	+100bp	+200bp	+300bp
Impact in basis points on the cost of gross debt	-84bp	+88bp	+179bp	+267bp

As of December 31, 2008, 6% of total Group economic gross debt, all currencies combined, was at fixed rates, 21% was hedged against an increase in short-term interest rates in the currencies concerned, 2% of the total Group euro-denominated(1) economic gross debt was at fixed rates, and 24% was hedged against an increase in Euribor rates.

Foreign exchange risk

In 2008, revenues generated in currencies other than the euro accounted for 43.5% of Group net revenues.

Despite its presence in 55 countries, the Group is relatively immune to currency fluctuations in terms of cash flows, 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.

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

Based on the 2008 actual data, Group exposure to the pound sterling, US dollar, Chinese yuan and Hong Kong dollar is as follows:

The portion of the Group's revenues denominated in pound sterling represents 11.6%. A variance of -5 % in the pound sterling exchange rate would have an impact of -0.6% and -0.4%, respectively, on the Group's revenues and operating margin.

The portion of the Group's revenues denominated in US dollars represents 7.1%. A variance of -5 % in the US dollar exchange rate would have an impact of -0.4% and -0.2%, respectively, on the Group's revenues and operating margin.

The portion of the Group's revenues denominated in Chinese yuan represents 7.1%. A variance of -5 % in the Chinese yuan exchange rate would have an impact of -0.4% and -0.3%, respectively, on the Group's revenues and operating margin.

The portion of the Group's revenues denominated in Hong Kong dollars represents 4.2%. A variance of -5 % in the Hong Kong dollar exchange rate would have an impact of -0.2% on the Group's revenues and would not impact the Group's operating margin.

In 2008, 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) when 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, 2008, the Group considers then that its financial position and earnings would not be materially affected by exchange rate fluctuations.

Management of excess cash positions
As of December 31, 2008, the Group's excess cash position totaled €112.1 million.

Out of the total amount of €112.1 million, €1.7 million is invested in short-term investments and €8.8 million is used as guarantees.

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. Accordingly, the Group objective – unless in the case of any exceptional acquisition – is 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 2.17 *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, 2008, the debt/operating margin ratio stood at 1.3 and the debt/equity ratio at 35.4%, compared to, respectively, 1.3 and 35.4% as of December 31, 2007.

5.2. 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 as of the date of publication of these Notes. 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 by (i) reducing excess cash flows within the Group by centralizing the subsidiaries' available cash at the JCDecaux SA level as much as possible, (ii) obtaining the prior authorization of the Group's financial management for the opening of bank accounts, and (iii) selecting banks in which the Group and its subsidiaries can make deposits. In addition, the Group has not identified any counterparty risk in respect of its trade receivables since the necessary provisions have already been recorded.

[(2)] *Bond debt in the United States in 2003*

Risk related to portfolio securities

To earn a return on excess cash position, the Group occasionally subscribes to short-term investments. The investments acquired consist of money market securities (mutual funds and money-market SICAV funds; certificates of deposits; 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.

Group policy 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.

6. COMMENTS ON OFF-BALANCE SHEET COMMITMENTS

6.1. Security and other commitments

In million euros	12/31/2008	12/31/2007
Commitments given [(1)]		
Business guarantees	90.6	76.2
Other guarantees	18.1	16.4
Pledges, mortgages and collateral	8.8	7.5
Commitments on securities	251.2	300.1
Total	**368.7**	**400.2**
Commitments received		
Guarantees	1.5	1.4
Commitments on securities	56.5	81.3
Credit facilities	672.5	625.0
Total	**730.5**	**707.7**

[(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 2.11 *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, 2008, commitments on securities given in favor of different partners comprise the following options:

- 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 US$50 million as of December 31, 2008. This amount is subject to uncertainty regarding market trends in Russia and the Ukraine and the currencies of these two countries;
- A put option that can be exercised beginning January 1, 2010. The option covers all Wall AG share capital held by the Wall family, the latter having the right to sell its interest by lots or as a whole. The option price will be negotiated between the two parties or, under certain conditions, valued based on a contractual calculation formula which assesses this commitment for an approximate amount of €200 million;
- Call option granted to Affichage Holding on 67.57% of Europlakat Kft shares exercisable from October 15, 2007 onwards. The exercise price is €15.2 million less the amount of dividends paid from July 1, 2007.

As of December 31, 2008, commitments on securities received by the Group comprise the following options:

- A put option, valid from April 1, 2014 to September 30, 2014. The option covers the Group's 33% interest in the Metrobus Group. It can be exercised if the RATP renews its contract with Metrobus. The exercise price will be determined by investment banks;

- 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 US$50 million as of December 31, 2008. This amount is subject to uncertainty regarding market trends in Russia and the Ukraine and the currencies of these two countries;
- A call option exercisable from January 1, 2010. The option concerns Wall AG 40% interest in Wall Decaux Holdings Inc. The calculation formula values this commitment at approximately €5.3 million;
- Put option on 67.57% of Europlakat Kft shares exercisable from October 15, 2007 onwards. The exercise price is €15.2 million less the amount of dividends paid from July 1, 2007. The option is exercisable under conditions.

In addition, as part of their binding cooperation agreement, JCDecaux SA and Affichage Holding have granted reciprocal calls should contractual clauses not be respected or in case of transfer of certain assets and in case of change in control.

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

Credit facilities primarily comprise the confirmed revolving credit line secured by JCDecaux SA for €650.0 million.

6.2. 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, office equipment, or other…).

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	406.2	1,298.4	1,523.5	3,228.1
Rent related to Billboard locations	114.4	217.7	78.4	410.5
Operating leases	26.1	56.1	12.4	94.6
Total	**546.7**	**1,572.2**	**1,614.3**	**3,733.2**

[1] *Until 2033.*

6.3. Commitments to purchase assets

Commitments to purchase property, plant and equipment and intangible assets total €379.1 million and €7.8 million respectively as of December 31, 2008.

6.4. 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 2.16 *Provisions*.

7. 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.

7.1. 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 centers, 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 2008 segment reporting by line of business is as follows:

In million euros	Street Furniture	Transport	Billboard	Eliminations	Total
Net revenues					
- to third parties	1,063.5	629.0	476.1		2,168.6
- inter-segment revenues	27.0	1.6	18.7	(47.3)	0.0
Total	**1,090.5**	**630.6**	**494.8**	**(47.3)**	**2,168.6**
Operating margin	**396.9**	**82.5**	**70.5**	**0.0**	**549.9**
EBIT (=Segment profit)	**193.7**	**54.6**	**(11.9)**	**0.0**	**236.4**
Net financial income / (loss)					(27.9)
Income tax					(62.9)
Share of net profit of associates	0.4	1.6	(20.7)		(18.7)
Consolidated net income					**126.9**
Segment assets	1,897.3	728.3	906.9	(149.0)	3,383.5
Investments in associates	111.4	18.6	171.0		301.0
Financial investments					17.0
Other financial investments					41.4
Financial derivatives					0.0
Cash and cash equivalents					112.1
Tax assets					22.3
Non-current assets classified as held for sale					7.5
Total assets					**3,884.8**
Segment liabilities	540.2	250.5	257.4	(149.0)	899.1
Balance sheet gross financial debt					794.2
Debt on commitments to purchase minority interests					68.4
Financial derivatives					25.8
Bank overdrafts					7.1
Tax liabilities					120.5
Total equity					1,969.7
Total liabilities and equity					**3,884.8**
Acquisitions of intangible assets and PP&E (1)	210.0	65.2	35.7		310.9
Depreciation and amortization (2)	(167.5)	(22.7)	(59.3)		(249.5)
Non-cash expenses other than depreciation and amortization	5.2	(6.3)	(21.5)		(22.6)

(1) *Excluding sales of intangible assets and PP&E and including changes in payables on fixed assets.*

(2) *Including impairment losses on intangible assets and PP&E and excluding goodwill impairment losses.*

The breakdown of the 2007 segment reporting by line of business is as follows:

In million euros	Street Furniture	Transport	Billboard	Eliminations	Total
Net revenues					
- to third parties	1,042.8	574.1	489.7		2,106.6
- inter-segment revenues	20.3	1.8	14.6	(36.7)	0.0
Total	**1,063.1**	**575.9**	**504.3**	**(36.7)**	**2,106.6**
Operating margin	**406.7**	**62.3**	**86.2**	**0.0**	**555.2**
EBIT (=Segment profit)	**252.0**	**42.8**	**55.4**	**0.0**	**350.2**
Net financial loss					(51.3)
Income tax					(92.5)
Share of net profit of associates	5.1	2.1	11.4		18.6
Consolidated net income					**225.0**
Segment assets	1,869.9	683.1	988.0	(141.5)	3,399.5
Investments in associates	115.2	18.7	193.5		327.4
Financial investments					19.8
Other financial investments					48.0
Financial derivatives					4.7
Cash and cash equivalents					161.5
Tax assets					15.3
Total assets					**3,976.2**
Segment liabilities	512.3	223.2	259.8	(141.5)	853.8
Balance sheet gross financial debt					824.2
Debt on commitments to purchase minority interests					91.0
Financial derivatives					39.3
Bank overdrafts					31.5
Tax liabilities					143.8
Total equity					1,992.6
Total liabilities and equity					**3,976.2**
Acquisitions of intangible assets and PP&E (1)	229.1	61.0	31.5		321.6
Depreciation and amortization (2)	(137.1)	(17.8)	(32.1)		(187.0)
Non-cash expenses other than depreciation and amortization	15.5	(1.3)	3.7		17.9

(1) *Excluding sales of intangible assets and PP&E and including changes in payables on fixed asset.*

(2) *Including impairment losses on intangible assets and PP&E and excluding goodwill impairment losses.*

7.2. By geographical area

The 2008 segment reporting by geographical area breaks down as follows:

In million euros	France	United Kingdom	Europe (1)	North America	Pacific-Asia	Rest of the world	Eliminations	Total
Net revenues	617.6	246.8	781.4	156.4	322.4	44.0		2,168.6
Segment assets	987.0	376.1	1,241.6	144.6	415.7	100.1	(41.0)	3,224.1
Unallocated assets								159.4
Acquisitions of intangible assets and PP&E (2)	113.1	21.4	93.9	7.5	62.8	12.2		310.9

(1) *Excluding France and the United Kingdom.*

(2) *Excluding sales of intangible assets and PP&E and including changes in payables on fixed asset.*

Unallocated assets of €159.4 million comprise goodwill relating to airport advertising that is not allocated by geographical area, global coverage being a key success factor for this activity from a commercial point of view and in connection with the awarding and renewal of contracts. This also applies to impairment tests.

The 2007 segment reporting by geographical area breaks down as follows:

In million euros	France	United Kingdom	Europe[(1)]	North America	Pacific-Asia	Rest of the world	Eliminations	Total
Net revenues	589.1	301.4	759.0	153.4	285.5	18.2		2,106.6
Segment assets	971.0	433.0	1,234.3	160.6	325.0	22.1	(44.0)	3,102.0
Unallocated assets								297.5
Acquisitions of intangible assets and PP&E [(2)]	167.8	18.7	59.7	12.1	61.0	2.3		321.6

(1) *Excluding France and the United Kingdom.*
(2) *Excluding sales of intangible assets and PP&E and including changes in payables on fixed assets.*

Unallocated assets of €297.5 million comprise goodwill of the Transport business line not allocated by geographical area.

8. RELATED PARTIES

8.1. Definitions

Related party transactions break down into the following five categories:

- the portion of transactions with proportionately consolidated companies not eliminated in the consolidated financial statements;
- transactions between JCDecaux SA and its parent JCDecaux Holding;
- transactions between a fully consolidated company and its significant minority interests;
- the portion of transactions with equity associates not eliminated in the Group consolidated financial statements;
- transactions with key management personnel and companies held by such personnel and over which they exercise control.

8.2. Related party transactions

Loans granted to related parties as of December 31, 2008 totaled €27.4 million, including a loan of €18.9 million from JCDecaux Deutschland to Wall AG in conjunction with the asset swap with Wall AG, and a €5.4 million loan to Proreklam Europlakat Doo (Slovenia), as well as a loan of €2.2 million to CBS Outdoor JCDecaux Street Furniture Canada, Ltd.

Borrowings secured from related parties and debt on commitments to purchase minority interests as of December 31, 2008 totaled €85.6 million, including €48.4 million in purchase commitments given to the partner Progress and €12.6 million from Media Regies regarding Somupi.

Liabilities to related parties as of December 31, 2008 totaled €22.6 million, including €4.1 million towards Affichage Holding, €12.9 million from Q Media Decaux WLL towards Qatar Media Services, and €1.5 million towards Dopravni Podnik in the Czech Republic.

Receivables on the related parties as of December 31, 2008 totaled €8.8 million, including €1.6 million with BigBoard and €2 million with JCD Momentum Shanghai Airport and Beijing Press JCD Media Advertising.

Operating income realized with related parties totaled €22.6 million in 2008, including a €12.1 million income relating to licensing agreements with Qatar Media Services, €1.9 million realized with IGP Decaux Spa in Italy and €2.1 million with Shanghai Shentong JCD Metro Advertising located in China.

Purchases from related parties totaled €28.3 million in 2008, including €11.7 million of rent charges with the companies SCI Troisjean (€7.2 million) in France, Belgium, Spain and the United Kingdom, and with JCDecaux Holding (€4.5 million) in France, €3.6 million in rent charges with Dopravni Podnik in the Czech Republic and €3.5 million of purchases of goods with Qatar Media Services.

In 2008, financial income excluding dividends generated with related parties totaled €26.8 million comprising €22.6 million of discounting income recorded on the debt with respect to the commitment to purchase the shares of its partner company Progress in Gewista. The financial expenses totaled €0.8 million.

The amount of €7.5 million presented in the balance sheet under the line item "Non-current assets classified as held for sale". This amount represents the net carrying amount of a building owned by JCDecaux UK Ltd, for which, following a bidding process, an agreement in principle subject to conditions precedent was signed on June 2, 2008, between JCDecaux UK Ltd and a subsidiary of JCDecaux Holding, wholly owned by the Decaux family. Under the terms of the agreement, these companies confirm their intention to pursue the process of selling the building, for a price to be determined by the parties, based on an assessment conducted by independent experts and profitability criteria. The assessment will take into account trends in the real estate market and will be conducted following the buyer's presentation of an architectural plan within a period of 6 to 9 months. Each of the parties will be able to withdraw from the agreement should the price thus determined be unsuitable. The sale shall be effective once the price is determined and approved between the parties.

8.3. Executive officer compensation

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

In million euros	2008	2007
Short-term benefits	3.6	7.9
Fringe benefits	0.1	0.1
Director's fees	0.1	0.1
Life insurance/special pension	0.2	0.3
Share-based payments	0.7	0.9
Total [1]	**4.7**	**9.3**

[1] *Beginning in 2008, compensation corresponds to amounts owed for fiscal year 2008, whereas compensation in 2007 corresponded to payments made over fiscal year 2007.*

In addition, two of the four members of the Executive Board will receive severance payments, under the terms of which compensation of up to one to two years' payment would be payable on termination of their employment contract by the Group.

Post-employment benefits booked in the balance sheet amount to €0.6 million as of December 31, 2008 against €0.4 million as of December 31, 2007.

Directors' fees of €0.2 million were owed to members of the Supervisory Board in respect of 2008.

9. 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 (included in the consolidated financial statements) is as follows as of December 31, 2008 and 2007:

In million euros	12/31/2008	12/31/2007
Non-current assets	63.3	52.9
Current assets	100.6	85.4
Total Assets	**163.9**	**138.3**
Non-current liabilities	35.0	31.8
Current liabilities	68.5	63.1
Total Liabilities (excluding net equity)	**103.5**	**94.9**
Net equity	**60.4**	**43.4**
including net income	**21.5**	**20.8**
including profits	*176.0*	*168.3*
including losses	*(154.5)*	*(147.5)*

The €17.0 million increase in net equity is mainly attributable to:

- 2008 net income of €21.5 million partially offset by the appropriation of 2007 earnings in the form of a dividend payment of €9.4 million;
- Foreign exchange impacts for €4.1 million, including €3.5 million in Asia and €0.3 million in North America.

10. SCOPE OF CONSOLIDATION

10.1. Identity of the parent company

As of December 31, 2008, 70.52% of the share capital of JCDecaux SA is held by JCDecaux Holding.

10.2. List of consolidated companies

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
CYCLOCITY	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
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	40.00	E	40.00
STAUDENRAUS AUSSENWERBUNG GmbH	Germany	100.00	F	100.00
JCDECAUX UK Ltd (1)	United Kingdom	100.00	F	100.00
JCDECAUX ARGENTINA SA	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 Ltd	Australia	50.00	P	50.00
AQMI GmbH	Austria	67.00	F	100.00
ARGE AUTOBAHNWERBUNG	Austria	33.50	P	50.00
WERBEPLAKAT SORAVIA GmbH & Co KG (2)	Austria	22.11	E	33.00
JCD BAHRAIN HOLDING SPC	Bahrain	100.00	F	100.00
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 SA	Brazil	100.00	F	100.00
CBS OUTDOOR JCDECAUX STREET FURNITURE CANADA, Ltd.	Canada	50.00	P	50.00
JCD P&D OUTDOOR ADVERTISING Co. Ltd	China	100.00	F	100.00
TOP RESULT KIOSK (SHANGHAI) DEVELOPMENT Co. Ltd	China	100.00	F	100.00
BEIJING GEHUA JCD ADVERTISING Co. Ltd	China	50.00	P	50.00
BEIJING PRESS JCDECAUX MEDIA ADVERTISING Co. Ltd	China	50.00	P	50.00
IPDECAUX Inc.	Korea	50.00	P	50.00
AFA JCDECAUX A/S (1)	Denmark	50.00	F	50.00
JCDECAUX MIDDLE EAST FZ-LLC	United Arab Emirates	100.00	F	100.00
JCDECAUX STREET FURNITURE (2)	United Arab Emirates	100.00	F	100.00
EL MOBILIARIO URBANO SLU	Spain	100.00	F	100.00
JCDECAUX ATLANTIS SA	Spain	85.00	F	85.00
JCDECAUX EESTI OU	Estonia	100.00	F	100.00

COMPANIES	Country	% interest	Consolidation Method	% control
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	United States	50.00	P	50.00
JCDECAUX NORTH AMERICA, Inc.	United States	100.00	F	100.00
WALL DECAUX HOLDINGS, Inc.	United States	60.00	F	60.00
WALL DECAUX USA, Inc.	United States	60.00	F	100.00
JCDECAUX FINLAND Oy (1) & (6)	Finland	100.00	F	100.00
JCDECAUX TEXON INTERNATIONAL LTD (1) & (3)	Hong Kong	100.00	F	100.00
INTELLECT WORLD INVESTMENTS LTD	Hong Kong	100.00	F	100.00
JCDECAUX ADVERTISING INDIA PVT LTD (1)	India	100.00	F	100.00
AFA JCDECAUX ICELAND ehf	Iceland	50.00	F	100.00
JCDECAUX ISRAEL Ltd (2)	Israel	100.00	F	100.00
MCDECAUX Inc. (4)	Japan	60.00	P	60.00
RTS DECAUX JSC	Kazakhstan	50.00	P	50.00
JCDECAUX LATVIJA SIA	Latvia	100.00	F	100.00
JCDECAUX LIETUVA 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 (1)	Macau	80.00	F	80.00
JCDECAUX UZ	Uzbekistan	71.35	F	71.35
JCDECAUX NEDERLAND BV	The Netherlands	100.00	F	100.00
V.K.M. BV	The Netherlands	100.00	F	100.00
JCDECAUX BUITENRECLAME BV	The Netherlands	100.00	F	100.00
JCDECAUX PORTUGAL Lda	Portugal	100.00	F	100.00
PURBE Lda	Portugal	100.00	F	100.00
Q MEDIA DECAUX WLL (2)	Qatar	50.00	F	49.00
JCDECAUX MESTSKY MOBILIAR Spol Sro	Czech Rep.	100.00	F	100.00
JCDECAUX SINGAPORE Pte Ltd	Singapore	100.00	F	100.00
JCDECAUX OUT OF HOME ADVERTISING Pte Ltd	Singapore	100.00	F	100.00
JCDECAUX SLOVAKIA Sro	Slovakia	100.00	F	100.00
JCDECAUX SVERIGE AB (1)	Sweden	100.00	F	100.00
OUTDOOR AB	Sweden	48.50	P	48.50
JCDECAUX THAÏLAND Co., Ltd (1)	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
JCDECAUX ALGERIE Sarl (2)	Algeria	80.00	F	80.00
JCDECAUX AIRPORT ALGER (2)	Algeria	80.00	F	100.00
INFOSCREEN AUSTRIA GmbH	Austria	67.00	F	100.00
JCDECAUX AIRPORT BELGIUM	Belgium	100.00	F	100.00

COMPANIES	Country	% interest	Consolidation Method	% control
JCDECAUX CHILE SA (1)	Chile	100.00	F	100.00
JCD MOMENTUM SHANGHAI AIRPORT ADVERTISING Co. Ltd	China	35.00	P	35.00
BEIJING TOP RESULT PUBLIC TRANSPORTATION ADV. Co. Ltd (1)	China	80.00	F	80.00
SHANGHAI TOP RESULT METRO ADVERTISING Co. Ltd	China	90.00	F	90.00
BEIJING TOP RESULT METRO ADV. Co. Ltd (4)	China	90.00	P	38.00
JCDECAUX ADVERTISING (SHANGHAI) Co. Ltd	China	100.00	F	100.00
SHANGHAI METRO-ADS ADVERTISING Co. Ltd (4)	China	90.00	P	90.00
SHANGHAI DONGHU MPI ADV. Co.	China	70.00	F	70.00
NANJING MPI METRO ADVERTISING Co. Ltd	China	70.00	F	70.00
GUANGZHOU YONG TONG METRO ADV. Ltd	China	32.50	P	32.50
NANJING MPI TRANSPORTATION ADVERTISING	China	50.00	F	87.60
CHONGQING MPI PUBLIC TRANSPORTATION ADVERTISING Co. Ltd	China	100.00	F	100.00
CHENGDU MPI PUBLIC TRANSPORTATION ADV. Co. Ltd	China	50.00	F	50.00
SHANGHAI ZHONGLE VEHICLE PAINTING Co. Ltd	China	40.00	E	40.00
JINAN CHONGGUAN SHUNHUA PUBLIC TRANSPORT ADV. Co. Ltd	China	30.00	P	30.00
SHANGHAI SHENTONG JCDECAUX METRO ADVERTISING Co. Ltd	China	65.00	P	51.00
JCDECAUX XINCHAO ADV. (XIAMEN) LIMITED Co (2)	China	80.00	F	80.00
JCDECAUX AIRPORT DUBAI LLC (2)	United Arab Emirates	75.00	F	75.00
JCDECAUX AIRPORT ESPANA SA	Spain	100.00	F	100.00
JCDECAUX-PUBLIMEDIA UTE	Spain	70.00	F	70.00
JCDECAUX CEVASA	Spain	50.00	P	50.00
JCDECAUX AIRPORT, Inc.	United States	100.00	F	100.00
JCDECAUX TRANSPORT INTERNATIONAL, LLC	United States	100.00	F	100.00
JCDECAUX SERVICES NORTH AMERICA, LLC (11)	United States	100.00	F	100.00
JV ADVERTISING FOR LAWA, LLC (2)	United States	92.50	F	92.50
JV ADVERTSING FOR SAN DIEGO, LLC (12)	United States	85.00	F	85.00
JV ADVERTISING FOR DALLAS, LLC (12)	United States	76.00	F	76.00
JCDECAUX PEARL & DEAN Ltd	Hong Kong	100.00	F	100.00
MNI HOLDING (8)	Hong Kong	100.00	F	100.00
MPI HOLDING (8)	Hong Kong	100.00	F	100.00
JCDECAUX OUTDOOR ADVERTISING HK Ltd	Hong Kong	100.00	F	100.00
JCDECAUX INNOVATE Ltd	Hong Kong	100.00	F	100.00
MEDIA PRODUCTION Ltd (9)	Hong Kong	100.00	F	100.00
JCDECAUX CHINA HOLDING Ltd	Hong Kong	100.00	F	100.00
TOP RESULT PROMOTION Ltd (9)	Hong Kong	100.00	F	100.00
MEDIA PARTNERS INTERNATIONAL Ltd (10)	Hong Kong	100.00	F	100.00
DIGITAL VISION (MEI TI BO LE GROUP) (2)	Hong Kong	100.00	F	100.00
IGP DECAUX Spa (1)	Italy	32.35	P	32.35
AEROPORTI DI ROMA ADVERTISING Spa	Italy	24.10	P	32.35
JCDECAUX NORGE AS (1)	Norway	97.69	F	100.00
JCDECAUX AIRPORT POLSKA Sp zoo	Poland	100.00	F	100.00
JCDECAUX AIRPORT PORTUGAL SA	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

COMPANIES	Country	% interest	Consolidation Method	% control
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
ALLAM GROUP Ltd	United Kingdom	100.00	F	100.00
EXCEL OUTDOOR MEDIA Ltd	United Kingdom	100.00	F	100.00
GEWISTA WERBEGESELLSCHAFT mbH (1)	Austria	67.00	F	67.00
EUROPLAKAT INTERNATIONAL WERBE GmbH	Austria	67.00	F	100.00
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	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
AUSSENW.TSCHECH.-SLOW.BETEILIGUNGS GmbH	Austria	67.00	F	100.00
PSG POSTER SERVICE GmbH	Austria	32.83	P	49.00
ROLLING BOARD OBERÖSTERREICH WERBE GmbH	Austria	25.13	P	50.00
KULTURPLAKAT (2)	Austria	46.90	F	70.00
JCDECAUX BILLBOARD (5)	Belgium	100.00	F	100.00
JC DECAUX ARTVERTISING BELGIUM	Belgium	100.00	F	100.00
CITY BUSINESS MEDIA (2)	Belgium	100.00	F	100.00
HDE INVESTISSEMENT	Belgium	100.00	F	100.00
EUROPLAKAT-PROREKLAM Doo	Croatia	34.17	F	51.00
METROPOLIS MEDIA Doo (CROATIA)	Croatia	34.17	F	100.00
FULLTIME Doo (2)	Croatia	34.17	F	100.00
JCDECAUX ESPANA SLU (1)	Spain	100.00	F	100.00
JCDECAUX PUBLICIDAD LUMINOSA SL	Spain	100.00	F	100.00
POAD	Hong Kong	49.00	E	49.00
DAVID ALLEN HOLDINGS Ltd (13)	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
N.B.S.H. PROREKLAM-EUROPLAKAT PRISHTINA	Kosovo	16.58	P	75.00
JCDECAUX MEDIA Sdn Bhd	Malaysia	100.00	F	100.00
EUROPOSTER BV	The Netherlands	100.00	F	100.00
MAG INTERNATIONAL BV	The Netherlands	67.00	F	100.00
JCDECAUX NEONLIGHT Sp zoo	Poland	60.00	F	60.00
RED PORTUGUESA SA	Portugal	94.86	F	94.86
PLACA Lda	Portugal	100.00	F	100.00

COMPANIES	Country	% interest	Consolidation Method	% control
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
JCDECAUX NEONLIGHT (PORTUGAL)	Portugal	67.04	F	67.04
AVENIR PRAHA	Czech Rep.	90.00	F	90.00
EUROPLAKAT Spol Sro	Czech Rep.	67.00	F	100.00
ISPA BRATISLAVA Spol Sro	Slovakia	67.00	F	100.00
EUROPLAKAT INTERWEB Spol Sro	Slovakia	67.00	F	100.00
INREKLAM PROGRESS Doo	Slovenia	22.11	P	33.00
PROREKLAM-EUROPLAKAT Doo	Slovenia	22.11	P	33.00
PLAKATIRANJE Doo	Slovenia	22.11	P	33.00
SVETLOBNE VITRINE	Slovenia	22.11	P	33.00
MADISON Doo	Slovenia	22.11	P	33.00
METROPOLIS MEDIA Doo (SLOVENIA)	Slovenia	22.11	P	33.00
INTERFLASH doo LJUBLJANA	Slovenia	22.11	P	33.00
AFFICHAGE HOLDING	Switzerland	30.00	E	30.00
BIGBOARD BV (14)	Ukraine / Russia / The Netherlands	50.00	E	40.00

(1) *Companies spread over each of the three activities for segment reporting purposes, but listed here according to their historical activity.*
(2) *Company consolidated since 2008.*
(3) *Including Bus Focus Ltd, an equity-accounted company.*
(4) *MCDecaux Inc. (Japan), Beijing Top Result Metro Adv. Co Ltd (China) and Shanghai Metro-ads Advertising Co. Ltd (China) are proportionately consolidated due to joint control over management with the Group's partner.*
(5) *Affichage Nouvel Essor was absorbed by JCDecaux Billboard.*
(6) *JCDecaux Transport Finland Oy was absorbed by JCDecaux Finland Oy.*
(7) *This company is a representative office of JCDecaux Mobilier Urbain.*
(8) *These companies have been consolidated in JCDecaux China Holding Ltd since January 1, 2007.*
(9) *Company consolidated in MNI Holding until the end of 2006.*
(10) *Company consolidated in MPI Holding until the end of 2006.*
(11) *Company liquidated in 2008.*
(12) *Company created in 2008 and liquidated the same year.*
(13) *Company incorporated under British law and operating in Northern Ireland.*
(14) *Company incorporated under Dutch law and operating in Ukraine and Russia.*

Note: *F = Full consolidation* *P = Proportionate consolidation* *E = Equity accounted*

11. SUBSEQUENT EVENTS

No significant matter has occurred since December 31, 2008.

MANAGEMENT DISCUSSION AND ANALYSIS OF CORPORATE FINANCIAL STATEMENTS

1. BUSINESS CONTENTS

In an advertising market that remained highly competitive, and with the opening of television advertising to retailing and specialized retailing as of January 1, 2007, JCDecaux SA pursued its strategy of maintaining market shares in France combined with a discerning control over investments and operating costs.

The Company's activities cover the following areas:

- Marketing of advertising space for JCDecaux Mobilier Urbain, SOPACT and SOMUPI;
- Installation, maintenance, repair and removal of street and sidewalk furniture;
- Supply of street furniture and spare parts for Group subsidiaries;
- Assistance and consulting services in the technical, administrative, IT, legal, real estate, employee relations and industrial areas for the various JCDecaux Group subsidiaries;
- Investment management.

2. COMMENTS ON FINANCIAL STATEMENTS

2.1. Revenue

Revenue for 2008 was stable at €764.9 million, compared to €764.5 million in 2007.

Advertising revenue rose by 4.9%, or €335.2 million, representing 43.8% of 2008 revenue, compared to 41.8% in 2007.

The substantial change in inventories of finished goods and work-in-progress is explained by the decision to reduce finished goods inventories that had increased substantially at the end of 2007.

Reversals of depreciation and amortization charges and provisions decreased by €14 million, amounting to €9.9 million in 2008. Fiscal year 2007 was heavily impacted by charges and reversals for inventory impairment provisions amounting to €17.3 million and €16.5 million, respectively. In 2008 there was a reversal for €2.5 million. The other line items remained steady.

2.2. Operating expenses

Operating expenses amounted to €723.1 million in 2008, compared to €749.4 million in 2007, for a €26.3 million decrease.

The decline is primarily due to fewer purchases of raw materials and other supplies for €16.9 million (these purchases had risen significantly in 2007 due to the numerous contract renewals) and a decrease in inventory depreciation.

Other purchases and external charges were relatively stable at €423 million.

In 2008, employee-related expenses amounted to €141.2 million, compared to €136.4 million in 2007, for an increase of 3.5%, primarily due to the increase in employees.

Depreciation, amortization and provisions amounted €23 million in 2008, compared to €37.3 million in 2007. Amortization rose by €1.7 million, mainly due to street furniture and vehicles. There was an overall decline in provisions on current assets for €15.2 million due to a decrease in inventory depreciaton for €17.3 million and an increase in provisions for bad debt for €2.1 million.

Other expenses increased by €2.4 million in 2008, amounting to €20.6 million. The increase primarily concerns rent and fees paid to municipalities.

Non-deductible, as provided under Article 223 quater of the French Tax Code, amounted to €61,809.66, generating an estimated tax charge of €21,281.

2.3. Operating income

Operating income posted a profit of €70.6 million in 2008, compared to a profit of €79.9 million in 2007.

2.4. Net financial income

Net financial income stood at €54.1 million in 2008, compared to €11 million in 2007, for an increase of €43.1 million.

The change is primarily explained by an increase in financial investment income and specifically to the €61.3 million in dividends paid by JCDecaux Europe Holding, the higher interest on borrowings for €6.7 million offset for €0.9 million by an increase in interest received and an increase in the net change of equity investment impairments for €18.1 million.

2.5. Non-recurring income

Non-recurring income posted a profit of €6.6 million in 2008, primarily due to the proceeds from disposal of equity investments for €2.3 million and the reversal of accelerated depreciation net of charges for €4.5 million.

2.6. Net income

Net income stood at €130.4 million in 2008, compared to €67.2 million in 2007.

3. GROWTH FORECASTS AND OUTLOOK

Given the difficulties in the advertising market that were noticeable from the beginning of the year, advertising revenue could post a slight decline in 2009, although it remains subject to changes in the economy.

CORPORATE FINANCIAL STATEMENTS AND NOTES

BALANCE SHEET ASSETS

(In million euros)		2008	2007
INTANGIBLE ASSETS	Gross value	55.3	52.8
	Amortization	(44.1)	(38.9)
	Net value	11.2	13.9
PROPERTY, PLANT AND EQUIPMENT	Gross value	159.1	152.6
	Depreciation	(134.2)	(126.7)
	Net value	24.9	25.9
LONG-TERM INVESTMENTS	Gross value	2,931.5	2,917.0
	Amortization	(82.7)	(60.3)
	Net value	2,848.8	2,856.7
FIXED ASSETS		**2,885.0**	**2,896.5**
INVENTORIES	Gross value	94.4	100.2
	Provisions	(14.7)	(17.3)
	Net value	79.7	82.9
TRADE RECEIVABLES	Gross value	210.2	187.7
	Provisions	(5.5)	(5.4)
	Net value	204.7	182.3
OTHER RECEIVABLES	Gross value	32.4	24.0
	Provisions	0.0	0.0
	Net value	32.4	24.0
MISCELLANEOUS	Cash and cash equivalents	9.8	1.1
PREPAID EXPENSES		7.2	7.0
CURRENT ASSETS		**333.8**	**297.3**
	Deferred charges	1.8	1.8
	Unrealized translation losses	14.4	19.1
TOTAL		**3,235.0**	**3,214.7**

BALANCE SHEET LIABILITIES AND EQUITY

(In million euros)		2008	2007
Share capital		3.4	3.4
Premium on share issues, mergers and contributions		1,140.6	1,135.4
Reserves		614.7	685.0
Retained earnings		0.5	
NET INCOME FOR THE YEAR		130.4	67.2
Tax-driven provisions		9.0	13.5
EQUITY		**1,898.6**	**1,904.5**
PROVISIONS FOR CONTINGENCIES AND LOSSES		**18.4**	**20.9**
LONG-TERM DEBT	Other bonds	367.2	363.1
	Bank borrowings	282.9	343.8
	Miscellaneous facilities and other financial debt	443.4	367.6
OPERATING LIABILITIES	Trade payables and related accounts	106.8	106.2
	Tax and social security liabilities	68.2	64.7
MISCELLANEOUS LIABILITIES	Amounts due on fixed assets and related accounts	2.0	1.3
	Other liabilities	13.1	8.3
DEFERRED INCOME		9.4	9.6
LIABILITIES		**1,293.0**	**1,264.6**
	Unrealized translation gains	25.0	24.7
TOTAL		**3,235.0**	**3,214.7**

INCOME STATMENT

(In million euros)	2008	2007
NET REVENUES	**764.9**	**764.5**
Change in inventories of finished goods and work-in-progress	(3.5)	18.1
Self created assets	3.5	5.3
Reversals of amortization, depreciation, provisions, expense reclassifications	9.8	23.9
Other revenue	19.0	17.5
TOTAL OPERATING INCOME	**793.7**	**829.3**
Purchase of raw materials and other supplies	104.7	121.6
Other purchases and external charges	423.0	424.8
Taxes	10.6	11.1
Wages and salaries	98.1	95.0
Social security contributions	43.1	41.4
Amortization, depreciation and provisions	23.0	37.3
Other charges	20.6	18.2
TOTAL OPERATING CHARGES	**723.1**	**749.4**
NET OPERATING INCOME	**70.6**	**79.9**
NET FINANCIAL INCOME	**54.1**	**11.0**
CURRENT INCOME BEFORE TAXES	**124.8**	**90.9**
Non-recurring income	122.4	7.6
Non-recurring charges	115.8	13.5
NON-RECURRING INCOME/(CHARGES)	**6.6**	**(5.9)**
Employee profit-sharing	(0.3)	(0.3)
Income taxes	(0.6)	(17.5)
NET INCOME	**130.4**	**67.2**

NOTES TO THE CORPORATE FINANCIAL STATEMENTS

The corporate financial statements of JCDecaux SA for the year ended December 31, 2008 were approved by the Executive Board on March 5, 2009 and show revenues of €764.9 million, net income of €130.4 million and total assets of €3,235.0 million.

1. ACCOUNTING POLICIES AND METHODS

1.1. General principles

The corporate financial statements for the twelve-month period ended December 31, 2008 have been prepared in accordance with current and regulations and with generally accepted accounting principles:

- going concern;
- consistency;
- accrual basis.

The items recorded in the accounts are valued according to the historical cost method.

1.2. Main methods used

1.2.1. Fixed assets

Fixed assets are valued at acquisition cost in accordance with accounting standards. There has been no change in valuation methods.

1.2.1.1. Intangible assets

Intangible assets consist mainly of software. They are amortized on a straight-line basis, over a period of 3 to 5 years.

Expenses incurred, both internal and external, to develop significant software (core business line IT applications) are carried in intangible assets and amortized on a straight-line basis over 5 years. In accordance with current accounting regulations, only expenses incurred in the detailed design, programming and configuration, testing and acceptance phases are recorded under intangible assets.

In order to benefit from tax provisions, the Company records the difference between accounting and tax depreciation in accelerated depreciation (12 months).

Any research and development expenditure incurred over the year is booked as an expense.

1.2.1.2. Property, plant and equipment

The depreciation methods and periods are as follows

- Buildings.. straight-line - 20 years
- Fixtures and fittings in buildings................................ straight-line - 5 or 10 years
- Technical installations, tools and equipment............ straight-line or declining balance - 5 or 10 years
- Vehicles .... straight-line - 4 years
- Office and other equipment .... straight-line or declining balance - 3 or 5 years
- Furniture.. straight-line - 10 years
- Street Furniture... term of contracts

1.2.1.3. Long-term investments

Equity investments are presented on the balance sheet at acquisition cost. An impairment loss is recognized when their value in use, assessed for each subsidiary, is less than the acquisition cost.

The Company has reviewed the value of assets by comparing it with the value in use resulting from the impairment tests performed for the JCDecaux SA Group consolidated financial statements. This value was primarily calculated using discounted cash flows.

The value in use takes into account the share in net equity and profitability projections when the latter provide reasonable assurance.

When equity investments are sold, the FIFO method is applied.

1.2.2. Current assets

1.2.2.1. Inventories and work-in-progress

Inventories of raw materials are valued at purchase price. Semi-finished and finished goods are valued at cost, including direct and indirect production costs.

A provision is recognized on the basis of value in use and the probability of future use.

1.2.2.2. Receivables

Provisions are recognized based on the risk of non-recovery for disputed debt or bad debt due to age.

1.2.2.3. Prepaid expenses

In accordance with the accrual basis principle, expenses relating to 2009 and thereafter are recorded in this account.

1.2.3. Liabilities and Equity

1.2.3.1. Provisions for contingencies and losses

Provisions are recognized to meet legal or implicit obligations, arising from past events existing at the balance sheet date and for which an outflow of resources is expected.

1.2.3.2. Provisions for retirement and similar benefits

JCDecaux SA's obligations resulting from defined benefit plans, as well as their cost, are determined using the actuarial 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, Company-wide agreements or current legal rights.

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

1.2.3.3. Deferred income

In accordance with the accrual basis principle, income relating to 2009 and thereafter is recorded in this account.

1.2.4. Foreign currency transactions and financial instruments

1.2.4.1. Foreign currency transactions

Payables, receivables and cash denominated in foreign currencies are shown on the balance sheet at their euro equivalent value using year-end exchange rates. Any difference resulting from the revaluation of these foreign currency payables and receivables is recorded in the balance sheet under “Unrealized translation gains and losses” within assets and liabilities.

Unrealized foreign exchange losses that are not hedged are covered by a foreign exchange loss provision.

1.2.4.2. Financial instruments

The purpose of interest rate hedging is to limit the impact of fluctuations in short-term interest rates on loans secured by the Company.

Items are hedged by means of over-the-counter instruments with leading banking counterparties. The financial instruments used are mainly swaps, forward rate agreements and interest rate options.

The purpose of foreign exchange hedging is to protect the Company against foreign currency fluctuations affecting the euro. The instruments used are mainly forward purchases and sales of foreign currencies against the euro and foreign exchange options.

2. SIGNIFICANT EVENTS OF THE YEAR

The government tax audit of the Company's accounts initiated in 2006 was completed during the year without any financial impact for the Company. The €3.9 million tax provision recognized as of December 31, 2007 was therefore reversed.

3. NAME AND ADDRESS OF THE CONSOLIDATING PARENT COMPANY

Although the Company publishes consolidated financial statements, its corporate financial statements are fully consolidated into the consolidated financial statements of the following company:

JCDecaux Holding
17, Rue Soyer
92200 Neuilly sur Seine

4. INTANGIBLE ASSETS

(In million euros)	Amount as of 01/01/2008	Increase	Decrease	Amount as of 12/31/2008
Gross value	52.8	6.2	3.7	55.3
Amortization and impairment	(38.9)	(6.1)	0.9	(44.1)
Net value	**13.9**	**0.1**	**2.8**	**11.2**

Gross value *(In million euros)*	Amount as of 01/01/2008	Increase	Decrease	Amount as of 12/31/2008
Patents, licenses and software	50.5	3.5	0.9	53.1
Purchased goodwill	0.1			0.1
Intangible assets under development	2.2	2.7	2.8	2.1
Total	**52.8**	**6.2**	**3.7**	**55.3**

Amortization *(In million euros)*	Amount as of 01/01/2008	Increase	Decrease	Amount as of 12/31/2008
Patents, licenses and software	(38.9)	(6.1)	0.9	(44.1)
Total	**(38.9)**	**(6.1)**	**0.9**	**(44.1)**

5. PROPERTY, PLANT AND EQUIPMENT

(In million euros)	Amount as of 01/01/2008	Increase	Decrease	Amount as of 12/31/2008
Gross value	152.6	9.4	2.9	159.1
Depreciation and impairment	(126.7)	(9.6)	(2.1)	(134.2)
Net value	**25.9**	**(0.2)**	**0.8**	**24.9**

Gross value *(In million euros)*	**Amount as of 01/01/2008**	**Increase**	**Decrease**	**Amount as of 12/31/2008**
Land	0.2			0.2
Buildings	23.2	0.7		23.9
Street furniture	0.3	1.1		1.4
Technical installations, machinery and equipment	30.7	1.1		31.8
Fixtures and fittings	35.5	0.5		36.0
Vehicles	41.0	4.1	1.6	43.5
Office and other equipment	20.5	1.2	0.5	21.2
Other	0.1			0.1
PPE under construction	1.0	0.4	0.8	0.6
Advances and payments on account	0.1	0.3		0.4
TOTAL	**152.6**	**9.4**	**2.9**	**159.1**

Depreciation and impairment *(In million euros)*	**Amount as of 01/01/2008**	**Increase**	**Decrease**	**Amount as of 12/31/2008**
Buildings	(15.5)	(1.1)		(16.6)
Street furniture	(0.2)	(0.9)		(1.1)
Technical installations, machinery and equipment	(26.7)	(1.4)		(28.1)
Fixtures and fittings	(30.1)	(1.6)		(31.7)
Vehicles	(36.5)	(2.6)	(1.6)	(37.5)
Office and other equipment	(17.3)	(2.0)	(0.5)	(18.8)
Other	(0.1)			(0.1)
PPE under construction	(0.3)			(0.3)
TOTAL	**(126.7)**	**(9.6)**	**(2.1)**	**(134.2)**

6. LONG-TERM INVESTMENTS

(In million euros)	**Amount as of 01/01/2008**	**Increase**	**Decrease**	**Amount as of 12/31/2008**
Equity investments	2,582.8	112.2	111.8	2,583.2
Loans to affiliates	143.4	97.6	42.9	198.1
Loans and other long-term investments	190.8	168.0	208.6	150.2
Gross value	**2,917.0**	**377.8**	**363.3**	**2,931.5**
Impairment	(60.3)	(36.6)	(14.2)	(82.7)
Net value	**2,856.7**	**341.2**	**349.1**	**2,848.8**

The increase or decrease in "Loans to affiliates" corresponds to new loans and to the repayment of loans granted to subsidiaries.

Changes in "Loans and other long-term investments" correspond to new loans exceeding one year and the repayments of subsidiaries.

The change in equity investments is primarily due to the transfer of JCDecaux España securities to JCDecaux Europe Holding. The transfer was realized at the net carrying amount.

The change in equity investments breaks down as follows:

(In million euros)	**Increase**	**Decrease**
JCDecaux Europe Holding	111.7	
JCDecaux UZ	0.5	
JCDecaux España		111.7
JCDecaux Macao		0.1
Change in equity investments	**112.2**	**111.8**

7. INVENTORIES

(In million euros)	**2008**	**2007**
Raw materials and supplies	44.4	46.7
Work-in-progress	1.2	1.8
Semi-finished goods	28.6	31.7
Finished goods	20.2	20.0
Gross value	**94.4**	**100.2**
Provision	(14.7)	(17.3)
Net value	**79.7**	**82.9**

8. MARKETABLE SECURITIES AND OTHER FINANCIAL INSTRUMENTS

As of December 31, 2008, the portfolio of JCDecaux SA does not contain any marketable security.

9. CASH AND CASH EQUIVALENTS

(In million euros)	**2008**	**2007**
Bank	9.8	1.1
Cash	NM	NM
Total	**9.8**	**1.1**

10. DEFERRED CHARGES

(In million euros)	**2008**	**2007**
Loan issuing costs	1.8	1.8
Total	**1.8**	**1.8**

Loan issuing costs relate to the 2003 private placement issue in the United States and the renewal of the revolving credit line in 2005, which was subsequently amended in 2006. These costs are expensed over the respective term of each loan. In 2008, the Club Deal loan was extended. Related costs for K€ 568 are spread over the remaining term of the credit line, i.e. 5 years.

11. MATURITY OF RECEIVABLES AND PAYABLES

(In million euros)	Total	Less than 1 year	More than 1 year but less than 5 years	More than 5 years
Receivables	597.9	252.9	320.6	24.4
Payables	1,293.0	216.2	979.4	97.4

The amounts shown in receivables include loans to affiliates, loans, other long-term investments, as well as trade receivables and related accounts, other receivables and prepaid expenses.

The amounts appearing under "Payables" include bond debt, bank debt and other long-term debt with respect to subsidiaries, as well as trade payables and related accounts, other liabilities and deferred income.

JCDecaux SA's long-term debt with respect to companies that are not directly or indirectly owned subsidiaries consists of:

- a private placement issued for US$250 million and €150 million in 2003 in the United States, repayable between 2010 and 2015, and valued at €364.1 million as of December 31, 2008, hedging included;
- a €200 million draw-down on a credit facility set up in March 2005 and amended in 2006 and 2008. This confirmed revolving credit line for €850 million matures in June 2012 for €140 million and June 2013 for €710 million, with a one-year extension option that was exercised and accepted by the banking pool in June 2008 in the amount of €710 million. Consequently, as of December 31, 2008, the Company had available confirmed credit facilities amounting to €650 million;
- a €75 million credit facility set up in October 2006 with an October 2011 maturity.

While JCDecaux SA financing sources are confirmed, they impose compliance with a number of covenants. As of December 31, 2008, the Group was compliant with all covenants, with values in large excess of required limits.

12. PREPAID EXPENSES AND DEFERRED INCOME

(In million euros)	2008	2007
Leasing of advertising sites	5.4	4.6
Miscellaneous costs (maintenance, leasing, etc.)	1.8	2.4
Prepaid expenses	**7.2**	**7.0**
Sales of advertising space	9.4	9.6
Miscellaneous	NM	NM
Deferred income	**9.4**	**9.6**

13. EQUITY

(In million euros)	01/01/2008	Allocation of 2007 income	Change 2008	12/31/2008
Share capital	3.4		NM	3.4
Additional paid-in capital	732.3		5.2	737.5
Merger premium	159.1			159.1
Contribution premium	244.0			244.0
Legal reserve	0.3			0.3
Other reserves	684.7	(31.0)	(39.3)	614.4
Retained earnings	-	0.5		0.5
Net income for the period	67.2	(67.2)	130.4	130.4
Equity	**1,891.0**	**(97.7)**	**96.3**	**1,889.6**
Tax-driven provisions	13.5		(4.5)	9.0
Total equity	**1,904.5**	**(97.7)**	**91.8**	**1,898.6**

As of December 31, 2008, share capital amounted to €3,373,250.96, consisting of 221,270,597 fully paid-up shares.

During the year, 289,559 shares were created following the exercise of stock options, 25,974 shares were created in accordance with the bonus share allotment plan of February 3, 2006 and 2,106,724 self owned shares were cancelled.

As part of the share subscription option plan authorized by the General Meeting of Shareholders of May 11, 2005, the Executive Board granted 719,182 options during fiscal year 2008. As of December 31, 2008, a total of 3,220,550 options, broken down as follows, were allocated under the stock option plans authorized by the General Meetings of Shareholders of May 23, 2002, May 11, 2005 and May 10, 2007:

Date of issuance	12/13/2002	01/16/2003	03/05/2004	03/04/2005	02/20/2006	02/20/2007	02/15/2008
Number of options issued	88,096	209,546	678,711	690,365	70,758	763,892	719,182
Option strike price	€10.67	€10.78	€15.29	€19.81	€20.55	€22.58	€21.25
Expiry date	12/13/2009	01/16/2010	03/05/2011	03/04/2012	02/20/2013	02/19/2014	02/15/2015

As of December 31, 2008, JCDecaux Holding held 70.52% of the Company's share capital (i.e. 156,030,573 shares).

Tax-driven provisions consist of accelerated depreciation.

14. PROVISIONS FOR CONTINGENCIES AND LOSSES

(In million euros)	**Amount as of 01/01/08**	**Charges 2008**	**Reversals 2008**	**Amount as of 12/31/08**
Provisions for contingencies				
Litigation	4.9	0.4	0.1	5.2
Foreign exchange losses	0.6	0.7	0.6	0.7
Other	0.5			0.5
Provisions for losses				
Provision for retirement benefits and long-service bonuses	11.0	1.2	0.2	12.0
Provision for taxes	3.9		3.9	0.0
Total	**20.9**	**2.3**	**4.8**	**18.4**

Reversals of provisions for contingencies break down as follows:

(In million euros)	**Provisions used**	**Provisions unused**	**Total**
Litigation	0.1	-	0.1

JCDecaux SA's commitments in respect of defined-benefit plans for employees are mainly made up of retirement benefits pursuant to the applicable collective bargaining agreement and long-service bonuses.

The retirement benefit plan is financed in part by a special fund.

Provisions are calculated according to the following assumptions:

As of December 31	**2008**
Discount rate	5.25%
Salary revaluation rate	2.70%
Expected return on plan assets	4.50%
Average remaining working lives of employees	16 years

Retirement and other long-term benefits break down as follows:

(In million euros)	**Retirement benefits**	**Other commitments**	**Total**
Change in benefit obligation			
Opening balance	18.0	1.8	19.8
Service cost	1.1	0.1	1.2
Interest cost	0.8	0.1	0.9
Actuarial gains/losses	0.1	(0.3)	(0.2)
Benefits paid	(0.7)	(0.1)	(0.8)
Benefit obligation at the end of the period	**19.3**	**1.6**	**20.9**
Change in plan assets			
Opening balance	4.7	-	4.7
Expected return on plan assets	0.2	-	0.2
Actuarial gains/losses	(0.2)	-	(0.2)
Benefits paid by the fund	-	-	-
Employer contribution to the fund	-	-	-
Fair value of assets at the end of the period	**4.7**	**-**	**4.7**
Provision			
Funded status	14.7	1.6	16.3
Actuarial gains or losses to be amortized	(2.0)	-	(2.0)
Past service cost to be amortized	(2.3)	-	(2.3)
Closing provision	**10.4**	**1.6**	**12.0**
Net periodic pension cost			
Service cost	1.1	0.1	1.2
Interest cost	0.8	0.1	0.9
Expected return on plan assets	(0.2)	-	(0.2)
Amortization of actuarial gains or losses	-	(0.3)	(0.3)
Amortization of past service cost	0.2	-	0.2
Charge for the year	**1.9**	**(0.1)**	**1.8**

Net changes during the year were as follows:

(In million euros)	**2008**
As of 01/01/2008	**11.0**
Cost based on the income statement	1.8
Benefits paid	(0.8)
As of 12/31/2008	**12.0**

The breakdown of assets is as follows:

	2008	
(In million euros)	**Principal amount**	**%**
Shares	1.1	23.4%
Bonds	3.3	70.2%
Real estate	0.3	6.4%
Total	**4.7**	**100%**

15. UNRECOGNIZED TAX ASSETS OR LIABILITIES

Decrease (+) and increase (-) in the future tax debt

(In million euros)	2008	2007
Retirement benefits	10.3	9.1
Other provisions	0.9	1.2
Social security tax	0.8	0.9
Unrealized foreign exchange gains/losses	11.8	6.2
Provisions for NER receivables	0.4	0.4
Total	**24.2**	**17.8**

16. BREAKDOWN OF REVENUE

(In million euros)	2008	2007
France	673.4	692.7
Export	91.5	71.8
Total	**764.9**	**764.5**

(In million euros)	France	Export
Administrative and financial services	31.1	8.1
Sales of advertising space	319.2	16.0
Sales of street furniture	108.5	56.3
Other services	214.6	11.1
Total	**673.4**	**91.5**

Revenue includes the sale of advertising space for the Street Furniture business in France, services rendered to non-advertiser clients (local authorities), the sale of street furniture to French and foreign subsidiaries, as well as technical and administrative services provided to all of the Group's French companies.

17. NET FINANCIAL INCOME

Net financial income amounted to €54.1 million in 2008, compared to €11.0 million in 2007, an increase of €43.1 million.

The change is primarily explained by:

- the increase in revenue from equity investments for €68.3 million;
- the €6.7 million increase in the interest cost paid on borrowings, offset for €0.9 million by the increase in interest received;
- the €18.1 million increase in the net change in equity investment impairment.

18. NON-RECURRING INCOME AND CHARGES

(In million euros)	**2008**
Net carrying amount of tangible and intangible assets sold	0.1
Net carrying amount of financial assets sold (transfer)	111.8
Accelerated depreciation charge	2.6
Charge to provisions for contingencies	-
Other	1.3
Total non-recurring charges	**115.8**

(In million euros)	**2008**
Price of tangible and intangible assets sold	0.1
Price of financial assets sold (transfer)	114.1
Reversal of equity provisions (transfer)	-
Reversal of accelerated depreciation	7.1
Reversal of provisions for contingencies	0.6
Other	0.5
Total non-recurring income	**122.4**

19. ACCRUED INCOME AND EXPENSES

(In million euros)	**2008**	**2007**
ACCRUED EXPENSES		
Long-term debt		
Other bonds	3.1	2.9
Bank borrowings	0.6	1.2
Other borrowings and long-term debt		
Operating liabilities		
Trade payables and related accounts	50.9	44.0
Tax and social security liabilities	28.1	30.8
Miscellaneous liabilities		
Amounts due on non-current assets and related accounts	0.8	0.6
Other liabilities	11.0	6.7

(In million euros)	**2008**	**2007**
ACCRUED INCOME		
Long-term investments		
Loans to affiliates	0.9	0.2
Loans	0.5	1.4
Operating receivables		
Trade receivables and related accounts	13.6	13.3
Other receivables	1.5	1.5
Miscellaneous receivables		
Cash instruments	6.0	2.1
Cash and cash equivalents	0.1	-

20. BREAKDOWN OF INCOME TAX

(In million euros)	Income before taxes	Taxes	Income after taxes
Current income	124.8	0.3	124.5
Non-recurring income	6.6	0.3	6.3
Employee-profit sharing	(0.4)	-	(0.4)
Net income	131.0	0.6	130.4

A tax consolidation agreement, under which JCDecaux SA is the head company, came into effect as of January 1, 2002 and comprised the following companies:

- JCDecaux Mobilier Urbain;
- Avenir;
- JCDecaux Airport France;
- JCDecaux Artvertising;
- SEMUP;
- DPE.

As of January 1, 2006, SOPACT joined the consolidation group as a consolidated company.

As of January 1, 2007, Cyclocity, JCDecaux Asie Holding, JCDecaux Amériques Holding and JCDecaux Europe Holding joined the consolidation group as consolidated companies.

Pursuant to the provisions of this agreement and in accordance with prevailing regulations, each tax-consolidated company determines its taxable income and calculates its corporate income tax as if there were no tax consolidation. The tax expense is recorded by the tax-consolidated company, and the corporate income tax is paid by the consolidating company. In the event of a tax loss for the consolidated company, the tax saving represents an immediate gain for the consolidating company.

In the event that one of the Group's subsidiaries leaves the consolidated tax group, the parties shall meet to analyze the consequences.

21. OFF-BALANCE SHEET COMMITMENTS OTHER THAN FINANCIAL INSTRUMENTS

(In million euros)	12/31/2008	12/31/2007
Commitments given		
Business guarantees (1)	64.9	44.4
Other guarantees (2)	128.8	107.5
Pledges, mortgages and collateral	-	-
Commitments received on shares (3)	19.2	97.5
Total	**212.8**	**249.4**
Commitments received		
Commitments received on shares (4)	-	-
Available credit facility	650.0	595.0
Abandonned Property	-	2.4
Total	**650.0**	**597.4**

(1) *Business guarantees correspond to guarantees issued whereby the Company guarantees, either directly or through counter–guarantees with respect to banks or insurance companies, the performance of concession agreements by subsidiaries.*

(2) *The "Other guarantees" line item consists of the guarantees issued in respect of settlement of lease payments, long-term debt, and vehicle rental for certain subsidiaries or counter-guarantees to banks within the scope of collateral security granted to certain subsidiaries. It should be noted that the amount of the guarantees with regard to long-term debt (credit facilities and bank overdrafts) and collateral security corresponds to the actual amount as of the closing date.*

Commitments given and received on shares are primarily related to acquisition transactions.

(3) *Commitments given on shares comprise:*

A put option exercisable from April 1, 2014 to September 30, 2014. This option concerns the 34% interest held by the Group's partner Publicis in Somupi, and the exercise price will be determined by investment banks. It is estimated at €19.2 million as of December 31, 2008.

(4) *Commitments received on shares comprise:*
A put option exercisable from April 1, 2014 to September 30, 2014. This option concerns the 33% interest held by the Group in the Metrobus group, and the exercise price will be determined by investment banks. This option can only be exercised if the RATP renews its contract with Metrobus.

In addition, as part of their binding cooperation agreement, JCDecaux SA and Affichage Holding have granted each other reciprocal calls should contractual clauses not be respected or in case of transfer of certain assets or change in control.

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

The credit facility mainly comprises the JCDecaux SA confirmed revolving credit line for €650 million.

22. FINANCIAL INSTRUMENTS

The Company uses derivative instruments solely for interest rate and foreign exchange rate hedging purposes.

a) 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 US dollar funding needs for such an amount and in compliance with its policy to have its medium and long-term loans indexed to floating rates, JCDecaux SA entered into issue swap transactions in tandem with the issuance of its private placement:

	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E
Amount before hedging	USD 100 million	USD 100 million	EUR 100 million	USD 50 million	EUR 50 million
Maturity date	April 2010	April 2013	April 2013	April 2015	April 2015
Repayment	On maturity	On maturity	On maturity	On maturity	On maturity
Interest rate before hedging	USD fixed	USD fixed	Euribor	USD fixed	Euribor
Amount after hedging	USD 100 million	EUR 94.8 million	EUR 100 million	EUR 47.4 million	EUR 50 million
Interest rate after hedging	Libor	Euribor	Euribor	Euribor	Euribor

The market value of the financial instruments portfolio as of December 31, 2008 (theoretical cost of liquidation) is €(20.7) million.

b) Hedging of foreign exchange risk

The Company is exposed to foreign exchange rate risk on the activities of its subsidiaries abroad. Such risks are primarily related to:

- commercial transactions: purchases of equipment
- financial transactions:
  - refinancing and recycling of cash flows for foreign subsidiaries, hedged by foreign exchange swaps (the latest maturity of these agreements is June 2009);
  - loans denominated in US dollars and converted into euros, hedged through issue swaps with the same maturity as the loans (see paragraph a).

As of December 31, 2008, the Company had entered into the following hedging agreements:

(In million euros)	Financial and commercial assets	Financial and commercial liabilities	Assets – Liabilities	Off-balance sheet [1]	Contingent positions	Difference
USD	60.4	219.2	(158.8)	158.7	0	(0.1)
CAD	4.5	0.8	3.7	(4.4)	0	(0.7)
GBP	27.1	5.9	21.2	(25.9)	0	(4.7)
SGD	0.2	4.1	(3.9)	3.3	0	(0.6)
SEK	0.3	1.0	(0.7)	0.4	0	(0.3)
AUD	4.8	21.6	(16.8)	21.2	0	4.4
NOK	6.6	1.5	5.1	(6.6)	0	(1.5)
DKK	1.7	-	1.7	(1.3)	0	0.4
SKK [2]	3.8	-	3.8	0	0	3.8
JPY	0.8	-	0.8	(0.7)	0	0.1
HKD	3.8	2.6	1.2	(0.9)	0	0.3
THB	0.1	-	0.1	0	0	0.1
CZK	0.1	0.3	(0.2)	0.3	0	0.1
CNY	-	-	-	-	-	-
CHF	0.1	0.1	-	0	0	0
ILS	7.8	-	7.8	(7.3)	0	0.5
AED	0.9	10.3	(9.4)	9.6	0	0.2
PLN	0.1	-	0.1	(0.1)	0	0
Total	**123.1**	**267.4**	**(144.3)**	**146.3**	**0**	**2.0**

(1) *Issue swaps and short-term foreign exchange swaps. Issue swaps are valued at the hedging rate in the same way as the corresponding financial liabilities. The other swaps are valued at the year-end rate.*

(2) *The SKK currency was replaced by the euro as of January 1, 2009, and therefore there were no off-balance sheet positions as of December 31, 2008.*

The market value of the short-term financial instrument portfolio (foreign exchange swaps, excluding issue swaps covered above) as of December 31, 2008 (theoretical cost of liquidation) was €(4.4) million.

c) Hedging of interest rate risk

The Company is exposed to interest rate risk on:

- bonds issued directly at a floating rate or at a fixed rate but converted into a floating rate upon issue of the bonds, throughout their term;
- bank loans indexed to a floating interest rate.

Thus, the loans subscribed by the Company are mainly indexed to money market rates. In order to protect itself against a rise in rates, the Company has entered into hedges in the form of purchases of straight caps, or caps financed by sales of caps or floors.

As of December 31, 2008, the Company had entered into the following interest rate hedging agreements:

- caps purchased for €150 million and $30 million maturing between 2009 and 2010, €50 million of which were in the money as of December 31, 2008;
- swaps for €25 million, maturing in 2010;
- caps sold for €100 million, maturing between 2009 and 2010, none of which were in the money as of December 31, 2008;
- floors sold for €100 million and $30 million, maturing between 2009 and 2010; only the US floors were in the money under the market conditions prevailing as of December 31, 2008.

The market value of these financial instruments as of December 31, 2008 (theoretical cost of liquidation was €(0.7) million).

23. COMPENSATION OF SENIOR EXECUTIVES

Attendance fees paid to members of the Supervisory Board in respect of 2008 amounted to €104,500.

Compensation and benefits payable to the Executive Board for 2008 amounted to €1,523,777. Compensation paid to the Executive Board in 2008 with respect to 2007 amounted to €1,702,000.

24. STATUTORY AUDITORS' FEES

Statutory auditors' fees amounted to €608,000 with respect to the statutory audit of the accounts.

25. HEADCOUNT

The headcount breakdown by employee category is as follows:

Category	2008	2007
Executives	425	417
Supervisors	725	721
Employees	1,543	1,504
Total	**2,693**	**2,642**

26. TRANSACTIONS CARRIED OUT WITH RELATED COMPANIES

(In million euros)

Balance sheet items (gross value)	**2008**	**2007**
Long-term investments		
Equity investments	2 432.2	2 431.7
Loans to affiliates	198.1	143.4
Loans	148.5	189.2
Deposits and sureties paid	1.1	1.1
Receivables		
Trade receivables and related accounts	88.0	70.5
Other receivables	5.6	9.0
Prepaid expenses	5.4	4.6
Liabilities		
Miscellaneous loans and long-term debt	437.7	367.7
Trade payables and related accounts	47.6	36.4
Other liabilities	6.4	0.8
Amounts due on non-current assets and related accounts	0.7	-
Deferred income	NM	NM

Income statement items	2008	2007
Total operating charges	**279.3**	**256.5**
Total operating income	**429.1**	**446.3**
Interest expenses		
Interest and similar charges	20.1	14.0
Interest income		
Income from equity investments	110.4	42.4
Interest	20.8	20.2
Non-recurring income		
Income from the disposal of non-current assets	114.1	4.0

In addition to companies likely to be fully consolidated, related companies include companies that are proportionately consolidated in the JCDecaux Group financial statements.

27. SUBSEQUENT EVENTS

None.

28. SUBSIDIARIES AND EQUITY INVESTMENTS AS OF 12/31/2008

COMPANIES	Share capital in K€	Other equity (1) in K€	Share in capital in %	Net carrying amount of shares held in K€ Gross	Net	Loans and advances granted by the Company and not repaid in K€	Amount of guarantees and securities given by the Company in K€	Net revenues excluding tax for 2008 in K€	Net income (loss) for 2008 in K€	Dividends received by the Company during the year in K€
A – FRENCH SUBSIDIARIES held at over 50%										
SOPACT	229	5,936	100	30,031	30,031	-	-	17,251	2,533	6,000
JCDecaux Mobilier Urbain	993	77,963	100	233,677	233,677	125,580	-	227,285	(17,496)	19,548
SEMUP	831	3,719	100	39,471	39,471	12,900	-	21,083	227	6,540
AVENIR	26,805	148,846	100	608,462	567,662	-	5,000	198,843	(22,394)	-
JCDecaux Artvertising	778	668	100	30,390	17,390	-	-	12,380	2,643	2,296
JCDecaux Airport France	768	2,082	100	98,799	98,799	-		50,263	7,286	7,200
JCDecaux Asie Holding	6,525	48,011	100	54,691	54,691	7,750	-	-	(37)	-
JCDecaux Ameriques Holding	297,000	(751)	100	297,000	281,623	-	-	-	(5,274)	-
JCDecaux Europe Holding	581,923	126,797	100	622,224	622,224	-	-	-	78,682	61,268
SOMUPI	762	(9,855)	66	1,135	1,135	24,414	22,500	53,358	(10,103)	-
JCDecaux RAIL (non consolidated)	37		100	37	37					
CYCLOCITY	37	181	100	37	37	2,910	-	22,898	1,415	-
B – EQUITY INVESTMENTS in France held at between 10% and 50%										
METROBUS	1,840	25,402	33	17,886	17,886	-	-	225,500	4,975	1,689
DPE	152	21	27.71	3,168	3,168	1,700	-	9,320	109	53

(1) *Equity excluding share capital and net income for the year.*

COMPANIES	Share capital in K currency	Other equity (1) in K currency	Share in capital in %	Net carrying amount of shares held in K€ Gross	Net	Loans and advances granted by the Company and not repaid in K€	Amount of guarantees and securities given by the Company in K€	Net revenues excluding tax for 2008 in K€	Net income (loss) for 2008 in K€	Dividends received by the Company during the year in K€
C – Foreign subsidiaries held at over 50%										
JCDecaux Belgium Publicité SA	EUR 269	EUR 334,780	100	355,493	355,493	-	-	31,342	14,919	-
JCDecaux Eesti	EEK 40	EEK 135,903	100	10,838	10,838	-	-	4,185	1,790	-
JCDecaux MESTSKY MOBILIAR Spool Sro	CZK 120,000	CZK 11,802	96.20	3,092	3,092	-	-	9,092	3,326	2,402
JCDecaux SALVADOR S.A.	BRL 5,200	BRL (26,615)	90	2,330	0	14,420	127	2,781	(5,494)	-
IP Decaux Inc.	KRW 1,000,000	KRW 4,017,954	50	1,424	385	-	3,125	7,473	1,561	-
AFA JCDecaux A/S	DKK 7,200	DKK 48,292	50	2,209	2,209	1,275	-	24,705	2,842	-
JCDecaux UZ	UZS 3,093,825	UZS 209,936	71.35	1,296	1,296	-	-	672	336	-
JCDecaux ISRAEL	ILS 100	ILS 0	100	19	19	6,223	4,627	1,407	(2,061)	
UDC-JCDecaux Airport (non consolidated)	MXN 12,600	MXN (12,400)	50	772	0	86	-	-	-	-
D – Foreign equity investments held at between 10% and 50%										
Affichage Holding	CHF 7,800	CHF 183,096	30	133,084	133,084	-	-	284,730	18,693	4,954
IGP Decaux Spa	EUR 11,086	EUR 67,881	20.48	34,861	34,861	-	-	151,647	1,544	-
VBM (non consolidated)	HUF 120,000	NA	33.33	240	-	-	-	-	-	-
E – Other Foreign equity investments held at less than 10% but whose gross value exceeds 1% of the company's capital										
JCDecaux Artvertising Belgium	EUR 1,735	EUR (173)	9.29	274	274	-	-	463	130	-
JCDecaux PORTUGAL Lda	EUR 1,247	EUR 11,007	0.15	253	253	-	-	41,499	9,942	56

(1) *Equity excluding share capital and net income for the year.*

29. FIVE-YEAR FINANCIAL SUMMARY

Type of data	2004	2005	2006	2007	2008
I - CAPITAL AT THE END OF THE FISCAL YEAR					
a) Share capital (in euros)	3,384,274	3,366,466	3,380,030	3,400,558	3,373,251
b) Number of common shares	221,993,669	220,825,551	221,715,260	223,061,788	221,270,597
c) Maximum number of future shares to be created (stock options)	4,687,148	3,895,898			
II - OPERATIONS AND INCOME FOR THE FISCAL YEAR (in euros)					
a) Revenue excluding taxes	549,606,687	583,634,027	638,686,328	764,462,923	764,931,112
b) Income before taxes, profit-sharing and calculated charges (depreciation, amortization and provisions)	177,558,052	138,468,132	132,225,776	107,404,556	163,734,757
c) Income tax	192,997	4,894,074	13,534,833	17,522,262	604,470
d) Employee profit-sharing	22,145	33,774	41,763	291,890	379,224
e) Income after taxes, profit-sharing and calculated charges (depreciation, amortization and provisions)	143,639,313	79,977,350	113,952,229	67,151,154	130,410,809
f) Dividends paid	-	88,330,220	93,120,409	97,655,886	(1)
III - EARNINGS PER SHARE (in euros)					
a) Income after taxes and profit-sharing but before calculated charges	0.80	0.61	0.54	0.40	0.74
b) Income after taxes, profit-sharing and calculated charges	0.65	0.36	0.51	0.30	0.59
c) Net dividend allocated to each share	-	0.40	0.42	0.44	(1)
IV - PERSONNEL					
a) Average headcount during the fiscal year	2,510	2,522	2,519	2,642	2,693
b) Total payroll for the fiscal year (in euros)	83,650,042	86,748,722	90,089,881	94,987,691	98,112,159
c) Total amounts paid during the fiscal year for employee-related benefits (social security, welfare organizations, etc.) (in euros)	33,416,275	36,405,945	37,799,970	41,389,650	43,159,848

(1) *Subject to approval of the 2008 proposed income allocation by the General Meeting of Shareholders.*

LEGAL INFORMATION

CORPORATE GOVERNANCE, INTERNAL CONTROL AND RISK MANAGEMENT

1. REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD ON CORPORATE GOVERNANCE, INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

The Company refers to the *AFEP-MEDEF* Corporate Governance Code of December 2008 for drawing up this report pursuant to Article L.225-68 of the French Commercial Code (hereinafter "Commercial Code") in accordance with the Law of 3 July 2008. The *AFEP-MEDEF* Corporate Governance Code can be consulted at the Company's registered office.

Any points of divergence from this Code are, where applicable, stated and explained within the said report.

Since 2000, the Company has been organised as a French corporation (*Société Anonyme*) with an Executive Board and a Supervisory Board.

1.1. Corporate governance

1.1.1. Composition, preparation and organisation of the Executive Board's work

Composition

As of 31 December 2008, the Executive Board is composed of four members appointed for three years by the Supervisory Board: Jean-Charles Decaux (Chairman of the Executive Board), Jean-François Decaux (Co-CEO), Gerard Degonse and Jeremy Male.

The Chairman is appointed for one year (annual rotation between Jean-Charles Decaux and Jean-François Decaux). By means of the articles of association, the Co-CEO has the same authority to represent the Company as the Chairman of the Executive Board.

Operation

The Executive Board manages the Company, pursuant to the law and to the articles of association.

The Executive Board's role is to define the Company's broad strategic direction, to implement it and to monitor proper performance. It relies for the overall coordination and implementation of the strategy on the Management Committees in each geographic area or, for larger countries, in each country.

The Executive Board meets at least once a month and for an entire day.

Each Executive Board meeting results in the drafting of a preparatory file covering the points on the agenda. Employees or third parties are invited to participate in Executive Board meetings. The Statutory Auditors are also heard during meetings held to review the financial statements. Executive Board meetings are recorded in written minutes. A quarterly report is sent to the Supervisory Board.

The Executive Board does not have internal By-Laws.

Work

In 2008, the Executive Board met 13 times with a 100% attendance rate of its members.

The Executive Board's work covers in particular:

- the Company's business and affairs (the level of commercial activity, outlook for the year, and trends in operating results);
- organic or external growth operations, new bids, and proposed acquisitions;
- recurrent subjects, such as the presentation of the results of audits, the terms and conditions of compensation of the Group's senior executives, budgets, review and approval of half-year and annual financial statements, the results of the reviews and audits by Statutory Auditors, financing of the Group and coverage of Group risks, guarantees and other forms of security and sureties, and capital increases resulting from exercising stock options or free shares; preparing all documents issued for shareholders general meeting (annual report, draft, agenda, draft resolutions and allocation of income);
- occasional subjects such as communication, share repurchase programmes, the reorganisation of the Group's equity investments, reduction in capital by cancelling shares held in the treasury and a cost reduction plan.

1.1.2. Composition, preparation and organisation of the Supervisory Board's work

Composition

As of 31 December 2008, the Supervisory Board is composed of four members, appointed by the General Meeting of Shareholders for three years: Jean-Claude Decaux (Chairman), Jean-Pierre Decaux (Vice Chairman), Pierre-Alain Pariente and Xavier de Sarrau.

Members are chosen for their abilities, integrity, independence and determination to take account of the shareholders' interests.

- **Independence of members of the Supervisory Board.**

Pursuant to recommendations set forth in the *AFEP-MEDEF,* integrated in Corporate Governance Code of December 2008 and under the terms of the Company's Internal By-Laws, the Board deemed that a member is independent when he has no relations of any kind whatsoever with the Company, its Group or its Management, that could compromise his ability to judge freely. On this basis, the Board has opted for, in order to guide it in assessing the independence of its members, *AFEP-MEDEF* criteria, namely:

- not being or having been an employee or Director of JCDecaux SA; employee or Director of JCDecaux Holding or a company that consolidates over the past five years;
- not being an employee or Director of a company in which JCDecaux SA or one of its employee or Director is a Director or member of the Supervisory Board;
- not having business relations with the JCDecaux Group representing a significant proportion of the activity of the member under consideration;
- not having a close family tie with a member of JCDecaux SA's Executive Board;
- not having been an auditor of JCDecaux SA over the past five years;
- not having been a member of JCDecaux SA's Supervisory Board for more than 12 years.

Each year the Compensation and Nominating Committee reviews whether each member of the Supervisory Board meets the independence criteria, and reports on it to the Supervisory Board.

Following this review, the Supervisory Board deemed that two of the four members that form it are independent: Pierre-Alain Pariente and Xavier de Sarrau.

In practice, the Company goes further than the *AFEP-MEDEF* recommendations and provisions of its Internal By-Laws, which stipulate that for companies like JCDecaux SA with controlling shareholders and share capital concentrated in a few hands, at least one-third of its Board members should be independent.

- **Change in the composition of the Supervisory Board**

The Supervisory Board has put forward the name of Pierre Mutz to the General Meeting of Shareholders to be held on 13 May 2009 as a replacement for Christian Blanc, who resigned on 8 April 2008 citing a conflict of interest. This decision followed the appointment of Christian Blanc to the position of Junior Minister in charge of developing the "*Région Capitale*".

Operation

The Supervisory Board's role, defined by law and the Company's articles of association, is the continuous supervision of the Company's management by the Executive Board.

The Board meets as often as required by the Company and at least once per quarter.

Internal By-Laws set out the guiding principles concerning operating rules: the holding of meetings (number of meetings by videoconference) and the creation of committees (tasks, operating rules).

Each Board meeting results in the drafting of a preparatory file covering the points on the agenda and sent several days before the meeting. During the meeting, a detailed presentation of the points on the agenda is made by the Chairman of the Executive Board and the other members of the Executive Board as well as by the Secretary's Board.

The presentations are questioned and debated before the resolutions are voted on, where applicable. Supervisory Board meetings are recorded in detailed and written minutes. These minutes are then sent to Supervisory Board members for review and comments before approval by the Supervisory Board during the next meeting.

The Statutory Auditors are also heard during the meetings to review the accounts.

Representatives of the Central Workers' Committee attend Supervisory Board meetings, on a purely advisory basis.

- **Assessment of the Supervisory Board**

The Board periodically assesses its composition, organisation and operation as well as that of its Committees, using individual questionnaires filled out by members. The questionnaire includes a section, specific to each Committee, enabling members of these Committees to assess the operation of the latter. This assessment, which focuses on the Board's operating procedures, also checks that important questions are suitably prepared and debated.

Action proposals (if required) are drawn up from the summary of the answers given, for adoption by the Board. The Board discusses this subject once a year.

- **Internal By-Laws of the Supervisory Board**

Under the terms of the Company's Internal By-Laws:

- members of the Supervisory Board are required to disclose any transactions undertaken in respect of the Company's shares under terms and conditions prescribed by law, and, in accordance with legal requirements, must refrain from such transactions during certain periods. In practice, Board members are advised of the periods during the year when they may not trade in shares, based on the dates for making public disclosure of financial information;
- each member of the Supervisory Board must own at least 1,000 of the Company's shares, registered in a nominative form.

Work

In 2008, the Supervisory Board met four times, with a 95% attendance rate of its members.

During each Supervisory Board meeting, Executive Board members reported on the Group's activity, its results and financial position, proposed bids and major external growth projects and, more generally, implementation of the Group's strategy and possible changes to it.

Moreover, the following subjects were discussed:

- periodic subjects, such as the review of Company documents and all the documents prepared for the Annual Ordinary General Meeting of Shareholders (review of the Executive Board's draft annual report, draft agendas, distribution of profits, draft resolutions submitted to the General Meeting of Shareholders and preparation of the report to the General Meeting), prior authorisation of sureties and guarantees for bids, the appointment of the Chairman of the Executive Board and the Co-CEO, capital increases related to exercises of stock options and the allocation of free shares and the review of the Audit Committee and Compensation and Nominating Committee minutes respectively;
- less frequent subjects such as the change in the composition of the Audit Committee and the Compensation and Nominating Committee following the resignation of one of its members, the distribution of the new amount of Directors' fees authorised by the General Meeting of Shareholders of 14 May 2008, the application of the *AFEP-MEDEF* recommendation on compensation for members of the Executive Board and reorganisation of the Company's equity investments.

1.1.3. Committees

The Supervisory Board is assisted by two Committees.

The Audit Committee

Composition

As of 31 December 2008, due to the resignation of Christian Blanc during the year, it is composed of one member only as authorised by the Company's Internal By-Laws: Xavier de Sarrau, an independent member who has the required financial expertise.

The appointment of Pierre Mutz to the Supervisory Board, which will be submitted to the Meeting of 13 May 2009, will strengthen the members of the Board and Audit Committee which can be composed of two members, both independent.

Operation

The Audit Committee is reported to, jointly or separately, in order to confirm the different points of view, by the Financial Control, Legal Affairs, and Internal Audit Departments and by external auditors. By calling on the professional experience of its members, it monitors the elaboration process of financial information, the legal control process of financial statements (including consolidated financial statements) the accounts and accounting methods used as well as on the existence, organisation, operation and application of internal control procedures ensuring any risks incurred are reasonably planned for. The Audit Committee also reviews the choice and renewal of the external auditors: it reviews their selection procedure, gives its opinion on their choices and examines the nature of their work and the amount of their fees.

The Audit Committee meets at least twice per year, and systematically before the Supervisory Board meetings that review the annual or half-yearly financial statements.

The Audit Committee can call on outside experts. A memo on the Company's accounting, financial and operational particularities is organised on request for any member of the Audit Committee.

Each meeting results in the drafting of a preparatory file sent several days before it takes place. At the meeting, each point on the agenda is presented by the Director of Financial Controls and/or by the Chief Financial and Administrative Officer and/or the General Counsel and/or the Statutory Auditors and is subsequently discussed.

Audit Committee meetings are recorded in written minutes. Minutes are read out to the Supervisory Board after each Audit Committee meeting.

Work
In 2008, the Audit Committee met five times, with an 80% attendance rate of its members.

The following subjects were discussed:

- periodic subjects, such as the review of the independence of the Statutory Auditors, the annual and half-yearly Company and consolidated financial statements, the measures guaranteeing the independence of the Company in relation to its controlling shareholder, the Statutory Auditors' planned projects relating to the auditing of accounts, pending Group litigation, and planned projects and actions of the internal audit group, the review of fees paid to external auditors for the previous fiscal year;
- less frequent subjects such as legislative and regulatory changes (Law of 3 July 2008 on internal control, risk management and Order of 8 December 2008 on the Audit Committee's role).

The Compensation and Nominating Committee

Composition
As of 31 December 2008, the Compensation and Nominating Committee is composed of two members: Jean-Claude Decaux (Chairman) and Xavier de Sarrau.

Following the resignation of Christian Blanc, Xavier de Sarrau has replaced Christian Blanc as a member of the Compensation and Nominating Committee, as authorised by the Company's Internal By-Laws.

The Company meets the recommendations of the *AFEP-MEDEF* Corporate Governance Code, which stipulates that this Committee must be composed of a majority of independent Directors and not include any corporate officer.

Operation
Its purpose is also to periodically review changes in the Supervisory Board and to submit candidates for new members to be approved by the General Meeting of Shareholders. The Committee submits to the Supervisory Board all of the conditions for the compensation and exercising of the terms of office of members of the Executive Board and Supervisory Board. These proposals include allocations of share options and free shares.

The Compensation and Nominating Committee meets at least once a year.

It can review the compensation policies of the other senior executives introduced by the Executive Board as well as authorisation requests for the allocation of share options by the latter to the Supervisory Board. The compensation policy for senior executives takes account of market practices. The purpose of the allocation of share options is to create closer ties between the Company's executives and the medium and long-term interests of the shareholders.

Each meeting results in the drafting of a preparatory file sent several days before the meeting. At the meeting, each point on the agenda will be presented and discussed.

The Compensation and Nominating Committee meeting can be attended by specialist external advisors.

Compensation and Nominating Committee meetings are recorded in written minutes. Minutes are read out to the Supervisory Board after each Compensation and Nominating Committee meeting.

Work
In 2008, the Compensation and Nominating Committee met twice, with a 100% attendance rate of its members.

The following subjects were discussed:

- recurring subjects such as the review of the independence of members of the Board, assessment of the operation and composition of the Board, which led it to propose the renewal of the terms of office of Jean-Claude Decaux, Jean-Pierre Decaux, Pierre-Alain Pariente and Xavier de Sarrau and the nomination of Pierre Mutz at the General Meeting of Shareholders of 13 May 2009, fixed and variable compensation of Executive Board members and the Directors' fees of Board members that led it to propose an increase in the overall budget for the Directors' fees at the General Meeting of Shareholders of 14 May 2008. The Committee then finalised the principles regarding the distribution of the Directors' fees between the Board and the Committees;
- less frequent subjects such as the review of the *AFEP-MEDEF* recommendations of October 2008 on the compensation of corporate officers, which led to the review of the compensation for members of the Executive

Board with regard to these recommendations and those of the conditions for retaining stock options and free shares for members of the Executive Board.

1.2. Compensation

The principles and regulations finalised by the Supervisory Board to determine the compensation and any benefits granted to the Executive Board and Supervisory Board are set out in the compensation report below on pages 147 to 162; they are part of this report.

1.3. Internal control and risk management procedures introduced by the Company

The Chairman of the Supervisory Board has assigned the Director of Internal Audit and the General Counsel to collect the information to compile this report on internal control and risk management procedures introduced by the Company.

The Company's internal control process refers to the reference framework on the internal control plan, supplemented by the Application Guide drawn up under the aegis of the *Autorité des Marchés Financiers* (French Financial Markets Authority).

This information has been presented to the Executive Board, which considers it compliant with the existing plans in the Group. It has also sent it to the Statutory Auditors for them to draw up their own report as well as the Audit Committee and Supervisory Board.

Objectives of the internal control
Group policies aim to ensure that these activities and the behaviour of its members comply with the laws and regulations, the internal standards and good practices applicable, as part of the objectives set out by the Company, in order to preserve the Group's assets, that the financial and accounting information sent both internally and externally provide a true picture of the situation of the Group's activity and comply with current accounting standards.

Generally, the Group's internal control plan must contribute to controlling its activities, the efficiency of its transactions and the effective use of its resources.

As with any control system, it cannot, however, provide an absolute guarantee that such risks have been completely eliminated.

The Group's internal control procedures apply to companies that are fully and proportionally consolidated in JCDecaux SA's group financial statements, and do not apply to companies that are accounted for by the equity method. These procedures are the result of an analysis of the principal financial and operating risks arising from the Company's business in accordance with its objectives.

They are widely circulated to the personnel concerned and their implementation rests on the Group's operational departments. The Internal Audit is responsible for verifying compliance with the procedures adopted and identifying any weaknesses in such procedures.

Risk management
To ensure continuity in the development of its business, the Group must permanently monitor the prevention and strict control of risks (principally risks linked to the business and finance) to which it is exposed.

The control of operating risks rests on compliance with the Group's code of Ethics.

Financial risks require strict control of investments as well as financial management and rigorous accounting.

In 2009 the Group will continue its actions while strengthening them by:

- a regular monitoring of the identification and assessment of the different types of risks run by the Company in exercising its business;
- an implementation of the procedures and controls to manage these risks and the provision of suitable means to limit the financial impact of them;
- a regular monitoring of this risk management policy by the Executive Board, which reports to the Supervisory Board.

Control environment
The control environment is an important factor in the strict management of risks.

This control environment rests on the Operational (Asset Management, Sales and Marketing, Operations) and the Internal Audit, Legal Affairs, Finance, IT, Quality Control and Sustainable Development Departments.

Since the initial public offering in 2001, the Company has sought to strengthen internal control and develop a culture of risk management. Thus, the Internal Audit Department was created on 1st April 2004. The Internal Audit Department reports to the Co-CEO. Members of the Audit Committee and the Chairman of the Supervisory Board have direct access, outside normal reporting lines, to the Internal Audit Department and may assign specific tasks to it.

The Internal Audit checks the compliance, relevance and effectiveness of the internal control procedures as part of audits that it performs in Group companies according to a prior schedule presented to the Group's Audit Committee. This schedule is monitored by this Audit Committee.

The Internal Audit's work rests on audits and operating methods that are constantly reviewed and improved. The audits' conclusions are sent to the Executive Board and systematically followed up with corrective action plans if necessary. This work and the conclusions are exchanged with the Statutory Auditors.

The Legal Affairs Department takes an inventory of all the Group's companies and litigation (type, amounts, proceedings, level of risk) and tracks and monitors it on a regular basis, comparing this information with the information held by the Financial Control Department and reports on the major cases to the Audit Committee and the Statutory Auditors twice a year.

The Financial Control Department tracks the trend in performance of the French and foreign subsidiaries on the basis of the information they report, prepares comparisons among subsidiaries, and makes specific analyses of costs and investments. Within the Financial Control Department, a group of controllers is responsible for monitoring the finances of the Group's foreign subsidiaries. The Finance Directors of the subsidiaries meet on a regular basis to analyse and discuss technical and ethical developments and their responsibilities in the area of controls.

The Management Information Services Department works, with regard to internal control, according to four principles: securing data and information, harmonisation of systems, hosting of systems and business recovery plan.

The Quality Control and Sustainable Development Department verifies, amongst other things, compliance with new standards and laws and regulations relating to the environment.

This control environment is supplemented by:

- **the Group's Code of Ethics**

Since 2001 the Group has formalised the rules of conduct that have been integral to its success from its inception.

In 2005, the Code of Ethics was updated and now consists of two sets of rules:

  - Fundamental Ethical Rules which apply to dealings with government agencies, shareholders, and the financial markets; a Group Ethics Committee is responsible for ensuring compliance with these rules, which are essential to the Group's existence and success and which include the absolute prohibition of any form of active or passive corruption;
  - a Code of Good Conduct regarding the Group's relations with Suppliers and Customers, as well as the rights and responsibilities of fellow employees within the Company. The rules it contains must be implemented in each Group company, in accordance with applicable national regulations. Compliance with them is the responsibility of the Group's local general managers, both in France and abroad.

This new version of the Code of Ethics commenced in early 2005. It has been widely disseminated and is available via Intranet, or, on request, from the Department of Human Resources of each of the Group's companies. Furthermore, each new employee (executive) receives a copy of the Code of Ethics at the time he is hired. A new version of this Code of Ethics will be introduced and widely circulated throughout the Group in 2009.

The Group Ethics Committee consists of three members: the Chairman of the Audit Committee, the Group General Counsel and the Director of Internal Audit. These persons are members of the Committee in as much as they exercise their functions in their official capacity within JCDecaux SA.

Its purpose is to deal with questions in relation to the Fundamental Ethical Rules of the JCDecaux Group and formulate with the Executive Board any recommendation that it deems necessary to examine, by complying with the strictest confidentiality, any situation that is contrary to the Fundamental Ethical Rules that could be brought in good faith to its attention by an employee or by a third party and to formulate any recommendation that it deems necessary, to put forward any amendment to the Code of Ethics, prepare any response to claims or implication of the Group made in good faith relating to the Fundamental Ethical Rules.

It meets as often as required, has the widest powers to obtain the facts related to a situation contrary to Fundamental Ethical Rules and can be assisted by specialist external advisors. It reports on its work to the Chairman of the Executive Board and to the Supervisory Board in writing.

It can be approached directly by any Group employee. A "Whistleblowing" system was introduced in 2005.

No case was brought before a court involving the Group Ethics Committee in 2008.

- **a system of delegations**

Since the Group's operating structure is based on fully operational subsidiaries in France and in other countries where it operates, the general management of these companies is vested by law with the appropriate authority.

In 2004, however, the Executive Board adopted a system of more specific delegations of authority by function for subsidiaries in France and in other countries, a system that it recently reviewed for the purpose of adapting it to the Group's new organisation, implemented in France in April 2007.

In three areas of particular sensitivity for the Group, the Executive Board has limited the authority of its French and foreign subsidiaries (responses to bids, opening and operation of bank accounts, obligations other than bank transactions).

- **internal Control Manual and self-evaluation**

In 2003, the Group prepared an Internal Control Manual with the assistance of an outside consultant. This Manual was presented to all of the Group's Finance Directors in June 2003 and sent to all subsidiaries. The preparation of this Manual enabled them to identify the principal decision-making processes and to define their major risks.

On the basis of the Internal Control Manual, the Group developed a self-evaluation questionnaire to obtain feedback from the Finance Directors of the subsidiaries regarding the administrative processes and the related risks for which they were responsible.

This questionnaire was used to identify certain weak points in the internal control over certain administrative cycles with respect to which corrective actions have been included in action plans implemented in 2004. These weaknesses are not considered to be material deficiencies in the internal control.

Lastly, beginning on the same date, the Group reviewed the various stages of each of the processes identified to define the most appropriate points of control. With respect to each of these points, the subsidiaries were asked to describe the internal control they applied and evaluate the suitability and adequacy of such controls. Between 2005 and 2007, six principal processes were covered: sales cycle (from placing the order to billing), purchasing cycle (from dispatch of the order to payment), asset management cycle (leases, town contracts, etc), information systems (security, availability and business continuity), fixed assets cycle (registration, depreciation, dismantling) and financial and treasury controls. The responses from the subsidiaries, although they did not expose major deficiencies in the internal control, helped identify corrective actions that are now being implemented.

In 2008, subsidiaries updated their responses based on the 24 control points considered to be the most important. Exchanges with subsidiaries will thus be even more dynamic, and facilitate the identification and sharing of best practices in the area of internal control.

The work undertaken with subsidiaries, which are asked to describe and evaluate the adequacy and appropriateness of control points, will continue.

- **process for producing financial and accounting information**

This process for producing JCDecaux SA's financial and accounting information is intended to provide to members of the Executive Board and to operating management the information they need to manage the Company and its subsidiaries, to permit accounting consolidation, manage the business through reporting and the budget and to ensure the Group's financial communications.

This process of producing financial and accounting information is organised around three cycles: budget, reporting and consolidation. These three cycles apply to all legal entities and follow an identical format (scope, definitions, treatment) set out in the "Finance Manual". This manual contains all the current accounting and management principles, rules and procedures applicable within the Group.

  - The budget is prepared in the Autumn and covers closing forecasts for the end of the fiscal year then pending, the budget for the year Y+1, and forecasts for the years Y+2 and Y+3. Approved by the Executive Board in December, it is sent out to the subsidiaries before the start of the year under consideration. In addition to information, which is strategic and commercial, the budget includes an operating income account and a table of source and application of funds prepared according to the same format as the consolidated financial statements;
  - The reporting prepared monthly, except for January and August, includes several sections: an operating income account, monitoring of investments, treasury and cash flow reporting, and monitoring of headcount. In addition to the usual comparisons with prior periods and budget, the reports include an updated forecast of the closing forecasts;
  - The consolidated financial statements are prepared monthly, except for the months of January and August, and distributed on a half-yearly basis. They include a profit and loss account, balance sheet and a cash flow statement and appendices. Consolidation is centralised (no consolidation cut-off).

All of these cycles are under the responsibility of the following Departments of the Corporate Finance and Administration Department:

  - the Financial Control Department consisting of a Budget and Reporting Group, a Consolidation Group and an International Management Control Group responsible for tracking the financial performance of foreign subsidiaries;
  - the Mergers, Acquisitions, and Cash Flow Management Department consisting of a Financing-Cash Flow Management Department and a Mergers-Acquisitions and Development Department;
  - the Tax Department.

The Executive Officers that head these Departments have global and interdivisional responsibility for all subsidiaries. The Chief Financial and Administrative Officer has operational authority over the Finance Directors of all of the subsidiaries. This structure is strengthened by the aforementioned delegations of authority.

When the financial statements are closed, the General Managers and Finance Directors of the subsidiaries prepare "letters of confirmation" signed jointly and sent to the Director of Financial Controls.

The financial statements are audited twice a year by the Statutory Auditors, in connection with the annual closing (full audit) and half-year closing (limited review) of the consolidated financial statements and company accounts of JCDecaux SA.

In connection with the annual closing, subsidiaries within the scope of consolidation are audited. For the half-year closing, targeted audits are conducted on key subsidiaries.

The Group considers that it has a strong and coherent internal control system, well adapted to the business. However, it will continue to evaluate the system on a regular basis and make any changes that appear necessary.

- **the control bodies**

The Supervisory Board exercises its control over the Group's management by referring to quarterly reports of the Executive Board's activity that are sent to it and the work of the Audit Committee according to the terms already set out (minutes, reports, etc).

The Executive Board is closely involved in the internal control. It exercises its control as part of its monthly meetings. It also refers to existing reports (particularly the work of the Corporate Finance and Administration Department).

1.4. Matters that could be relevant in case of a public offering and on the structure of the Company's capital

The structure of the Company's capital
These items are listed in the "Shareholders" paragraph on page 169 and in the "Share Capital" paragraph on page 176 herein.

Direct or indirect shareholding in the Company's capital of which it is aware by virtue of Articles L.233-7 and L.233-12 of the Commercial Code.

This information is given in the "Distribution of share capital over the past three fiscal years" paragraph on page 169 herein.

The control mechanisms provided for in any employee shareholding system, when the control rights have not been exercised by the latter.

None to the Company's knowledge.

Agreements stipulating indemnities for members of the Executive Board or the employees, if they resign or are made redundant without just cause or if their job comes to an end due to a public offering.

Termination indemnities for members of the Executive Board are stipulated in the paragraph "Compensation for members of the Executive Board" on page 151 herein.

The rules applicable for the nomination and replacement of members of the Board of Directors or Executive Board as well as the amendment of the Company's articles of association.

These rules comply with the regulations in force. The rules applicable to the composition, operation and powers and responsibilities of members of the Executive Board are listed in the paragraph "Composition, preparation and organisation of the Executive Board's work" on page 143 herein.

The rules applicable to the amendment of the Company's articles of association comply with the regulations in force, with the amendment of the articles of association falling within the exclusive remit of the Extraordinary General Meeting of Shareholders, except in the cases expressly stipulated by law.

The powers and responsibilities of the Executive Board, in particular share issues or repurchases.

The powers and responsibilities granted to the Executive Board with regard to the issue or repurchase of shares stated on page 159.

The statutory restrictions on the exercising of voting rights and transfers of shares or clauses of agreement brought to the attention of the Company pursuant to Article L.233-11 of the Commercial Code; the list of holders of any title including special control rights and the description of them; agreements between shareholders of which the Company is aware and which can lead to restrictions in share transfers and the exercise of voting rights.

None to the Company's knowledge.

Agreements signed by the Company that are amended or come to an end in the event of a change in control of the Company, unless this disclosure seriously affects its interests.

None to the Company's knowledge.

1.5. Terms relating to the participation of shareholders in the General Meeting

The terms relating to the participation of shareholders in the General Meeting are set out in the articles of association on page 180 to 187; they are part of this report.

2. COMPENSATION, STOCK OPTIONS AND FREE SHARES

2.1. Report on compensation for members of the Executive Board and Supervisory Board (Article L.225-102 of the Commercial Code)

The Company has decided to comply fully with the *AFEP-MEDEF* recommendations of October 2008 such as incorporated into the *AFEP-MEDEF* Corporate Governance Code of December 2008 regarding its legal representatives, Jean-Charles Decaux and Jean-François Decaux, who alternatively have the authority to represent the Company with regard to third parties, as Chairman of the Executive Board and Co-CEO. Both have a compensation structure that fully complies with *AFEP-MEDEF* recommendations.

Regarding Gerard Degonse and Jeremy Male, both members of the Executive Board without being legal representatives, the Supervisory Board considers that the conformity to the *AFEP-MEDEF* recommendations of the Chairman of the Executive Board and Co-CEO of the Company is sufficient to meet the objectives sought for these recommendations.

In fact, the purpose of the corporate governance rules is to define the terms for exercising and distributing the authority to guarantee that the Company is managed in accordance with the corporate interest and that of its shareholders.

In a family group such as JCDecaux, 70% held by JCDecaux Holding, and for which the principal shareholders are legal representatives of the Company, the ability to ensure that the interests of members of the Executive Board are fully in line with the interests of the shareholders is already effectively assured within the Company by the composition of its shareholders and its corporate bodies.

Furthermore, the specific position of Gerard Degonse and Jeremy Male, as Chief Financial and Administrative Officer and Co-CEO for United Kingdom and Northern Europe respectively, demonstrates that it is mainly in their capacity as employees and under their operational duties that they serve the interests of the Company and Group. Therefore, the internal rules for hierarchical subordination, inherent in an employment contract, guarantee continuous and effective control of their performances.

Consequently, and taking account of the current situation of Gerard Degonse and Jeremy Male, the Supervisory Board deemed that it was not necessary to impose a renegotiation of the employment contracts of Gerard Degonse and Jeremy Male to comply with the objective sought by *AFEP* and *MEDEF*.

The information on the compensation elements of all the members of the Executive Board, namely Jean-Charles Decaux, Jean-François Decaux, Gerard Degonse and Jeremy Male, is provided in this annual report complying with the *AMF* recommendations of 22 December 2008 relating to the information to be set out in the annual reports on compensation for corporate officers.

2.1.1. Compensation for members of the Executive Board

Principles and rules for determination

Criteria for calculating base salary and bonus (variable portion)
The amounts shown are those paid by JCDecaux SA together with those paid by JCDecaux Holding, JCDecaux SA's controlling shareholder and those paid by JCDecaux SA's foreign subsidiaries. The members of the Executive Board receive no compensation from the French subsidiaries.

For compensation paid in pounds sterling, the exchange rate used is the average rate in 2008 of £1 to €1.246.

Bonuses paid in 2008 are based on results of operations during the fiscal year 2007. As an exception, bonuses paid in the United Kingdom to Jean-François Decaux and Jeremy Male in 2008 are based on results of operations for the fiscal year 2008 and those paid in 2007 are based on results of operations for fiscal year 2007.

Any compensation and adjustments for members of the Executive Board, their bonuses and any fringe benefits are approved by the Supervisory Board, on the recommendation of the Compensation and Nominating Committee, after analysis by it of the Group's overall performance during the year.

Bonuses correspond to a percentage of fixed annual base salary.

For Jean-François Decaux and Jean-Charles Decaux, bonuses may reach 150% of the annual base salary, 50% with respect to financial objectives tied to EBIT and to Free Cash Flow and 100% in respect of achievement of strategic objectives by management, as and when they occur (for example, signing new contracts and acquisition of new companies). In connection with particularly major contracts, a special bonus may be awarded.

For Jeremy Male, the bonus may total 75% of his annual base salary, if the operating income of the countries in his area of responsibility grows by at least 15%, 50% if profits increase by at least 10%. This may be increased in the event of exceptional profits.

For Gerard Degonse, the reference annual bonus is €150,000, 50% of which is guaranteed and 50% is awarded based on the achievement of financial objectives tied to EBIT and Free Cash Flow, the achievement of specific objectives set by the Executive

Board, and the achievement of personal objectives linked to the departments for which he is responsible. This reference amount is not a limit.

Termination indemnities

Jean-Charles Decaux and Jean-François Decaux are not entitled to receive any special compensation upon the termination of their responsibilities.

If Gerard Degonse's employment agreement is terminated by the Company, he will be entitled to receive from it:

- retirement compensation equal to 2 years of base and variable salary, including indemnities provided by law or collective agreement;
- a non-competition indemnity equal to 1.5 years of base and variable salary for two years.

If Jeremy Male's employment agreement is terminated by JCDecaux UK Ltd, he will be entitled to receive from it:

- compensation equal to one year's salary and the average of his performance bonuses paid for the preceding two years.

Fringe benefits

The fringe benefits valued above relate to the use of a company apartment in Spain for Jean-Charles Decaux in 2007 and company vehicles for Jean-François Decaux and Jeremy Male in the United Kingdom and for Gerard Degonse in France and an allocation of free shares to Jean-François Decaux and Gerard Degonse as compensation for their services as Directors of Affichage Holding (a publicly traded company in Switzerland).

Life insurance/special retirement

A contribution is made on behalf of Jeremy Male to a retirement fund equal to 15% of his annual salary and bonuses.

Stock options and free shares

Jean-Charles Decaux and Jean-François Decaux do not receive stock options or free share awards, since they have waived their right to do so.

Gerard Degonse and Jeremy Male receive the equivalent of 100% of their annual base salary in stock options, without a performance condition under application of their employment contract. Gerard Degonse and Jeremy Male receive the equivalent of 50% of their annual base salary in free shares, without a performance condition pursuant to their employment contract.

The valuation of the stock options and free shares awarded to Gerard Degonse and Jeremy Male in 2007 and 2008 is set out in the tables below. The assessment criteria for the calculation of these values are presented in the appendices to the consolidated financial statements on pages 97 and 99.

Amounts paid

Jean-Charles DECAUX – Chairman of the Executive Board

1. Summary of the compensation and options and free shares granted (in euros)

	2007	2008
Compensation paid for the fiscal year (listed in table 2)	2,705,300	1,133,954
Valuation of options granted during the year	0	0
Valuation of shares granted during the year	0	0
TOTAL	**2,705,300**	**1,133,954**

2. Summary of the compensation (in euros)

	2007		2008	
	Amounts paid in 2008 and 2007 for 2007	Amounts paid in 2007 for 2007	Amounts paid in 2009 and 2008 for 2008	Amounts paid in 2008 for 2008
Fixed compensation	**1,065,000**	**1,065,000**	**1,119,510**	**1,119,510**
- JCDecaux Holding	91,500	91,500	96,075	96,075
- JCDecaux SA and controlled companies	973,500	973,500	1,023,435	1,023,435
Variable compensation	**1,600,000**	**0**	**0**	**0**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	1,600,000	0	0	0
Non-recurring compensation	**0**	**0**	**0**	**0**
Directors' fees	**0**	**0**	**0**	**0**
Fringe benefits	**22,000**	**22,000**	**0**	**0**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	22,000	22,000	0	0
Life insurance/specific pension	**18,300**	**18,300**	**14,444**	**14,444**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	18,300	18,300	14,444	14,444
TOTAL	**2,705,300**	**1,105,300**	**1,133,954**	**1,133,954**

3. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
	✓		✓		✓		✓

Jean-François DECAUX – Co-CEO – Member of the Executive Board

1. Summary of the compensation and options and free shares granted (in euros)

	2007	2008
Compensation paid for the fiscal year (listed in table 2)	2,785,000	1,242,501
Valuation of options granted during the year	0	0
Valuation of shares granted during the year	0	0
TOTAL	**2,785,000**	**1,242,501**

2. Summary of the compensation (in euros)

	2007		2008	
	Amounts paid in 2008 and 2007 for 2007	Amounts paid in 2007 for 2007	Amounts paid in 2009 and 2008 for 2008	Amounts paid in 2008 for 2008
Fixed compensation	**1,077,500**	**1,077,500**	**1,119,510**	**1,119,510**
- JCDecaux Holding	91,500	91,500	96,075	96,075
- JCDecaux SA and controlled companies	986,000	986,000	1,023,435	1,023,435
Variable compensation	**1,600,000**	**800,000**	**0**	**0**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	1,600,000	**800,000**	0	0
Non-recurring compensation	**0**	**0**	**0**	**0**
Directors' fees	**53,000**	**53,000**	**52,533**	**52,533**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	0	0	0	0
- Affichage Holding (Switzerland)	53,000	53,000	52,533	52,533
Fringe benefits	**39,000**	**39,000**	**55,987**	**55,987**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	23,200	23,200	38,655	38,655
- Affichage Holding (Switzerland)	15,800	15,800	17,332	17,332
Life insurance/specific pension	**15,500**	**15,500**	**14,471**	**14,471**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	15,500	15,500	14,471	14,471
TOTAL	**2,785,000**	**1,985,000**	**1,242,501**	**1,242,501**

3. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
	✓		✓		✓		✓

Gerard DEGONSE – Member of the Executive Board

1. Summary of the compensation and options and free shares granted (in euros)

	2007	2008
Compensation paid for the fiscal year (listed in table 2)	617,900	611,792
Valuation of options granted during the year (listed in table 3)	58,422	42,687
Valuation of shares granted during the year (listed in table 5)	94,129	90,101
TOTAL	**770,451**	**744,580**

2. Summary of the compensation (in euros)

	2007		2008	
	Amounts paid in 2008 and 2007 for 2007	Amounts paid in 2007 for 2007	Amounts paid in 2009 and 2008 for 2008	Amounts paid in 2008 for 2008
Fixed compensation	**450,000**	**450,000**	**472,500**	**472,500**
- JCDecaux Holding	39,000	39,000	41,250	41,250
- JCDecaux SA and controlled companies	411,000	411,000	431,250	431,250
Variable compensation	**102,000**	**0**	**66,850**	**0**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	102,000	0	66,850	0
Non-recurring compensation	**0**	**0**	**0**	**0**
Directors' fees	**48,300**	**48,300**	**53,150**	**53,150**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	0	0	0	0
- Affichage Holding (Switzerland)	48,300	48,300	53,150	53,150
Fringe benefits	**17,600**	**17,600**	**19,292**	**19,292**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	1,700	1,700	1,692	1,692
- Affichage Holding (Switzerland)	15,900	15,900	17,600	17,600
Life insurance/specific pension	**0**	**0**	**0**	**0**
TOTAL	**617,900**	**515,900**	**611,792**	**544,942**

3. Stock or share purchase options granted in 2007 and 2008

Date of the plan	Type of options	Valuation of the options according to the method chosen for consolidated financial statements in 2008 (in euros)	Number of options granted during the year	Exercise price (in euros)	Period of exercise
15/02/2008	Stock options	42,687	21,176	21.25	From 15/02/2009 to 15/02/2015

Date of the plan	Type of options	Valuation of the options according to the method chosen for consolidated financial statements in 2007 (in euros)	Number of options granted during the year	Exercise price (in euros)	Period of exercise
20/02/2007	Stock options	58,422	19,929	22.58	From 20/02/2008 to 20/02/2014

4. Stock or share purchase options exercised during the year

No option was exercised during the year.

5. Free shares granted in 2007 and 2008

Date of the plan	Number of shares granted during the year	Valuation of the options according to the method chosen for consolidated financial statements in 2008 (in euros)	Acquisition date	Availability date	Performance conditions
15/02/2008	10,588	90,101	15/02/2010	15/02/2012	None

Date of the plan	Number of shares granted during the year	Valuation of the options according to the method chosen for consolidated financial statements in 2007 (in euros)	Acquisition date	Availability date	Performance conditions
20/02/2007	9,987	94,129	20/02/2009	20/02/2011	None

6. Free shares that became available during the year

Date of the plan	Number of shares that became available during the year	Purchase conditions
03/02/2006	9,186	2-year holding period after purchase

7. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
✓			✓	✓		✓	

Jeremy MALE – Member of the Executive Board

1. Summary of the compensation and options and free shares granted (in euros)

	2007	2008
Compensation due for the fiscal year (listed in table 2)	1,438,724	1,006,243
Valuation of options granted during the year (listed in table 3)	95,090	64,903
Valuation of shares granted during the year (listed in table 5)	53,862	65,135
TOTAL	**1,587,676**	**1,136,281**

2. Summary of the compensation (in euros)

	2007		2008	
	Amounts paid in 2008 and 2007 for 2007	Amounts paid in 2007 for 2007	Amounts paid in 2009 and 2008 for 2008	Amounts paid in 2008 for 2008
Fixed compensation	**730,000**	**730,000**	**656,654**	**656,654**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	730,000	730,000	656,654	656,654
Variable compensation	**513,000**	**513,000**	**164,163**	**164,163**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	513,000	513,000	164,163	164,163
Non-recurring compensation	**0**	**0**	**0**	**0**
Directors' fees	**0**	**0**	**0**	**0**
Fringe benefits	**0**	**0**	**9,978**	**9,978**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	0	0	9,978	9,978
Life insurance/specific pension	**195,724**	**195,724**	**175,448**	**175,448**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	195,724	195,724	175,448	175,448
TOTAL	**1,438,724**	**1,438,724**	**1,006,243**	**1,006,243**

3. Stock or share purchase options granted in 2007 and 2008

Date of the plan	Type of options	Valuation of the options according to the method chosen for consolidated financial statements in 2008 (in euros)	Number of options granted during the year	Exercise price (in euros)	Period of exercise
15/02/2008	Stock options	64,903	32,197	21.25	15/02/2015
Date of the plan	**Type of options**	**Valuation of the options according to the method chosen for consolidated financial statements in 2007 (in euros)**	**Number of options granted during the year**	**Exercise price (in euros)**	**Period of exercise**
20/02/2007	Stock options	95,090	32,437	22.58	20/02/2014

4. Stock or share purchase options exercised during the year:

Date of the plan	Number of options exercised during the year	Exercise price (in euros)
21/06/2001	25,065	16.50
21/06/2001	25,000	16.50
21/06/2001	25,000	16.50
Total	**75,065**	

5. Free shares granted in 2007 and 2008

Date of the plan	Number of shares granted during the year	Valuation of the options according to the method chosen for consolidated financial statements in 2008 (in euros)	Acquisition date	Availability date	Performance conditions
15/02/2008	16,098	65,135	15/02/2012	15/02/2012	None

Date of the plan	Number of shares granted during the year	Valuation of the options according to the method chosen for consolidated financial statements in 2007 (in euros)	Acquisition date	Availability date	Performance conditions
20/02/2007	15,807	53,862	20/02/2009	20/02/2011	None

6. Free shares that became available during the year

Date of the plan	Number of shares that became available during the year	Purchase conditions
03/02/2006	16,788	2-year holding period after allocation

7. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
✓		✓		✓			✓

2.1.2. Compensation for members of the Supervisory Board

Principles and rules for determination

The amount of Directors' fees, which totals €180,000 since 1st January 2008 (authorisation granted by the General Meeting of Shareholders of 14 May 2008) is distributed as follows in accordance with the Internal By-Laws:

Supervisory Board (per member - four meetings)			Audit Committee (four meetings)		Compensation and Nominating Committee (two meetings)	
Base portion	Variable portion	Additional meeting	Variable portion Chairman	Variable portion Member	Variable portion Chairman	Variable portion Member
14,000	13,000	2,050	15,000	7,500	6,000	5,000

The amounts awarded in respect of the fixed base amount are pro-rated when terms of office begin or end during the course of a fiscal year. Directors' fees are paid to members of the Board and committees quarterly, in arrears.

Beyond 4 meetings, any Board meeting gives rise to an additional payment when the meeting is not held by conference call.

Members of the Supervisory Board do not have stock options or free shares.

Gross amounts paid (in euros)

Jean-Claude Decaux waived his Directors' fees as a member of the Supervisory Board and Chairman of the Compensation and Nominating Committee.

Jean-Claude DECAUX - Chairman of the Supervisory Board

	Amounts paid in 2007	Amounts paid in 2008
Directors' fees	0	0
Other compensation:		
SOPACT	45,735	46,352
JCDecaux Holding	193,610	196,078
Including fringe benefits (car)	10,671	10,670
TOTAL	**239,345**	**242,430**

Jean-Pierre DECAUX – Member of the Supervisory Board

	Amounts paid in 2007	Amounts paid in 2008
Directors' fees:		
Supervisory Board	23,795	23,750
Audit Committee	-	-
Compensation and Nominating Committee	-	-
Other compensation	-	-
TOTAL	**23,795**	**23,750**

Pierre-Alain PARIENTE – Independent Member of the Supervisory Board

	Amounts paid in 2007	Amounts paid in 2008
Directors' fees:		
Supervisory Board	26,870	27,000
Audit Committee	-	-
Compensation and Nominating Committee	-	-
Other compensation	-	-
TOTAL	**26,870**	**27,000**

Xavier de SARRAU – Independent Member of the Supervisory Board

	Amounts paid in 2007	Amounts paid in 2008
Directors' fees:		
Supervisory Board	26,870	27,000
Audit Committee	8,200	15,000
Compensation and Nominating Committee	-	2,500
Other compensation	-	-
TOTAL	**35,070**	**44,500**

Christian BLANC – Independent Member of the Supervisory Board (until 8 April 2008)

	Amounts paid in 2007	Amounts paid in 2008
Directors' fees:		
Supervisory Board	24,820	6,750
Audit Committee	6,200	-
Compensation and Nominating Committee	4,100	2,500
Other compensation	-	-
TOTAL	**35,120**	**9,250**

The aggregate amount provisioned or recorded by the Company and its subsidiaries for payment of pensions, retirement benefits, or other benefits to members of the Executive Board and Supervisory Board is shown on page 151 of this Annual Report.

2.1.3. Transactions on JCDecaux SA shares carried out by executives or persons stipulated in Article L.621-18-2 of the French Monetary and Financial Code during 2008 (Article 223-26 of the *AMF's* General Regulations)

In 2008, only Jeremy Male, a member of the Executive Board, declared the following transactions on Company shares:

Member	Type of transaction	Date of transaction	Unit price (in euros)	Amount of transaction (in euros)
Jeremy Male	Exercise of 25,065 stock options	19.02.08	16.50	413,572.50
	Sale of 25,065 shares	19.02.08	20.20	506,313.00
	Exercise of 25,000 stock options	21.02.08	16.50	412,500.00
	Sale of 25,000 shares	21.02.08	19.62	490,500.00
	Exercise of 25,000 stock options	22.02.08	16.50	412,500.00
	Sale of 25,000 shares	22.02.08	19.50	487,500.00

No other person pursuant to Article L.621-18-2 of the Commercial Code has declared a transaction.

2.1.4. Stock options

Summary of the principal terms for allocation of the stock option plans:

Under the authority granted at the Combined General Meeting of Shareholders held on 23 March 2001, 4,103,704 stock options were granted by the Executive Board to 6,254 employees during fiscal year 2001.

Under the authority granted at the Combined General Meeting of Shareholders held on 23 May 2002, 1,666,718 stock options were granted by the Executive Board to 160 employees during fiscal years 2002, 2003, 2004 and 2005.

Under the authority granted by the Combined General Meeting of Shareholders held on 11 May 2005, 834,650 options were granted by the Executive Board to 182 employees during fiscal years 2006 and 2007.

At the Combined General Meeting of Shareholders held on 10 May 2007 the Executive Board was authorised to grant Company stock or share purchase options to corporate officers and non-executive employees of the Group, or certain of them, up to a limit of 4% of the Company's share capital for a period expiring 26 months from the date of such Shareholders' Meeting.

This authority replaced the authority granted at the General Meeting of Shareholders held on 11 May 2005.

	2001 Plan	2002 Plan	2005 Plan	2007 Plan
Dates of Extraordinary General Meetings of Shareholders authorising the stock option plans	23 March 2001	23 May 2002	11 May 2005	10 May 2007
Dates of option grants and number of options per date of grant	21 June 2001: 3,283,684 options 20 July 2001: 479,024 options 14 December 2001: 340,996 options	13 December 2002: 88,096 options 16 January 2003: 209,546 options 5 March 2004: 678,711 options 4 March 2005: 690,365 options	20 February 2006: 70,758 options 20 February 2007: 763,892 options	5 February 2008: 719,182 options
Total number of beneficiaries under all grants	6,254	160	182	167
Types of options	Stock options	Stock options	Stock options	Stock options
Total options granted	4,103,704	1,666,718	834,650	719,182
of which members of the				
Executive Board:	47,732	91,507	38,274	21,176
. Gerard Degonse	198,187	170,751	65,965	32,197
. Jeremy Male	5,000	72,484	29,229	-
. Robert Caudron				
- of which top ten employees	183,485	362,628	114,717	113,955
Number of shares as of 31.12.08	2,968,252	482,335	0	0
Total number of shares cancelled or become null and void as of 31.12.08	1,135,452	153,112	63,698	26,492
Options remaining as of 31.12.08	0	1,031,271	770,952	692,690
Expiry date	7 years from date of grant	7 years from date of grant	7 years from date of grant	7 years from date of grant
Exercise price for options granted:	21 June 2001: €16.50 20 July 2001: €15.46 14 December 2001: €11.12	13 December 2002: €10.67 16 January 2003: €10.78 5 March 2004: €15.29 4 March 2005: €19.81	20 February 2006: €20.55 20 February 2007: €22.58	15 February 2008: €21.25

As of 31 December 2008, 3,450,587 options had been exercised. Taking into consideration the options exercised and options cancelled, there remained as of that date 2,494,913 options to be exercised. If all such options are exercised, the Company's employees and its subsidiaries and JCDecaux Holding will own 1.11% of the Company's shares (excluding *FCPE*), taking into consideration options exercised as of 31 December 2008.

Features of the stock options

Criteria for exercising options

Beneficiaries under an employment agreement with a French company:

- no option may be exercised before the first anniversary of the date of the meeting of the Executive Board at which these options were granted;
- each beneficiary may exercise up to one third of the options granted on the first anniversary of the date of the meeting of the Executive Board at which these options were granted. A three-year lock-up period applies to any shares so acquired;
- each beneficiary may exercise up to two thirds of the options granted on the second anniversary of the date of the meeting of the Executive Board at which these options were granted. A two-year lock-up period applies to any shares so acquired;
- each beneficiary may exercise all of the options granted from and after the third anniversary and until the seventh anniversary of the date of the meeting of the Executive Board at which these options were granted. A one-year lock-up period applies to any shares so acquired.

Beneficiaries under an employment agreement with a foreign company:

- no option may be exercised before the first anniversary of the date of grant of these options by the Executive Board;
- each beneficiary may exercise on the first anniversary of the date of grant of these options by the Executive Board up to one third of the options granted;
- each beneficiary may exercise on the second anniversary of the date of grant of these options by the Executive Board up to two thirds of the options granted;
- each beneficiary may exercise all of the options granted from and after the third anniversary and until the seventh anniversary of the date of the meeting of the Executive Board at which these options were granted.

Special report of the Executive Board on transactions carried out under the provisions of Articles L. 225-177 to L. 225-186 of the Commercial Code (Article L. 225-184 of the Commercial Code)

1. Options granted

Options granted to members of the Executive Board

The number, maturity dates and price of stock or share purchase options which, during the 2008 fiscal year and due to the terms of office and Directorships exercised within the Company, were granted to each of the members of the Executive Board by the Company are set out in the Report on Compensation, on page 151.

No stock or share purchase option was granted to members of the Executive Board of the Company by companies that are linked within the meaning of Article L.225-197-2 of the Commercial Code or by companies controlled by the Company within the meaning of Article L.233-16 of the Commercial Code.

Members of the Supervisory Board do not benefit from the granting of stock options.

Options granted to non-members of the Executive Board

The number, maturity dates and price of stock or share purchase options which, during the 2008 fiscal year, were granted to each of the ten non-members of the Executive Board of the Company by any company included in the scope of allocation and for which the number of options was the highest, are shown below.

Beneficiaries	Number of stock options granted	Price (in euros)	Expiry dates
Keppler Dieter	14,989	21.25	15/02/2015
Javurek Karl	13,624	21.25	15/02/2015
Decaux Jean-Sébastien	13,295	21.25	15/02/2015
Vieira Ruy Alberto	11,503	21.25	15/02/2015
Sperring Don	10,509	21.25	15/02/2015
Wong Stephen	10,442	21.25	15/02/2015
Kam Brian	10,201	21.25	15/02/2015
Geoffroy Jean-Michel	10,000	21.25	15/02/2015
Schlumberger Isabelle	10,000	21.25	15/02/2015
Sambron François-Guy	9,392	21.25	15/02/2015

No stock or share purchase option was granted to non-executive employees of the Company by companies or groupings that are linked within the meaning of Article L.225-197-2 of the Commercial Code.

2. Options exercised

Options exercised by members of the Executive Board

The number and price of shares purchased by exercising one or several options, during the year, by each of the members of the Company's Executive Board are shown in the Report on Compensation, on page 151.

Options exercised by non-members of the Executive Board

The number and price of shares purchased by exercising one or several options, during the year, by each of the ten non-members of the Executive Board of the Company and for whom the number of shares thus purchased was the highest are shown below.

Beneficiaries	Number of stock options exercised	Weighted average price (in euros)
Wong Stephen	14,384	16.50
Christophis Peter	13,904	16.50
Louis Alice	9,772	15.97
Petrignani Roger	6,468	16.50
Hubert Xavier	6,200	15.72
Sambron François-Guy	4,844	16.50
Gundermann Knud	4,743	16.50
Starke Tilo	4,613	16.50
Grant Joanne	4,097	15.71
Kuhanen Klaus	3,785	12.95

The Executive Board

Stock options held by members of the Executive Board as of 31 December 2008

Members	Number of options	Date of grant
Jean-Charles Decaux	None	-
Jean-François Decaux	None	-
Gerard Degonse	35,513	05/03/2004
	27,410	04/03/2005
	18,345	20/02/2006
	19,929	20/02/2007
	21,176	15/02/2008
Total	**122,373**	
Jeremy Male	59,512	13/12/2002
	62,491	05/03/2004
	48,748	04/03/2005
	33,528	20/02/2006
	32,437	20/02/2007
	32,197	15/02/2008
Total	**268,913**	

2.1.5. Free shares

Summary of the principal terms for allocation of the free shares plans:

At the Combined General Meeting of Shareholders held on 10 May 2007 the Executive Board was authorised to grant existing or future free shares (to the exclusion of preferential shares) up to a limit of 0.5% of the Company's share capital for a period expiring 26 months from the date of such Shareholders' Meeting, for Group employees or executives, or certain of them.

This authority replaced the authority granted at the General Meeting of Shareholders held on 11 May 2005.

Acting under the authority granted at the Combined General Meeting of Shareholders held on 11 May 2005, the Executive Board made grants of 35,961 free shares to two of its Members during fiscal years 2006 and 2007.

Acting under the authority granted at the Combined General Meeting of Shareholders held on 10 May 2007, the Executive Board made grants of 42,493 free shares to two of its Members during fiscal years 2007 and 2008.

	2005 Plan	2007 Plan
Date of Extraordinary General Meetings of Shareholders authorising grants of free shares	11 May 2005	10 May 2007
Date of grant of free shares and number of shares per date of grant	3 February 2006: 25,974 shares 20 February 2007: 9,987 shares	10 May 2007: 15,807 shares 15 February 2008: 26,686 shares
Total number of beneficiaries under all grants	2	2
Types of shares	to be issued	to be issued
Total free shares granted *- to members of the Executive Board* *- of which top ten employees*	35,961 *2* *0*	42,493 *2* *0*
Expiry date	grant of 3 February 2006: 3 February 2010: grant of 20 February 2007: 20 February 2011:	grant of 10 May 2007: 10 May 2011 grant of 15 February 2008: 15 February 2012:
Price	3 February 2006: €20.52 20 February 2007: €22.58	10 May 2007: €23.06 15 February 2008: €21.25

Features of the free shares
Criteria for exercising shares:

- beneficiaries: employees or members of the Executive Board of the Group, or certain of them;
- requirement of employment by the Group on the purchase date;
- two-year acquisition period and two-year lock-up period. The acquisition period is four years for beneficiaries residing abroad who do not qualify for the special tax treatment set out in Articles 80 quaterdecies and 200A, 6 bis of the French General Tax Code without a lock-up period.

Special report of the Executive Board on transactions carried out under the provisions of Articles L.225-197-1 to L.225-197-5 of the Commercial Code (*Article L.225-197-4 of the Commercial Code*)

1. Free shares granted to members of the Executive Board

The number and value of the shares which, during the 2008 fiscal year and due to the terms of office and Directorships exercised within the Company, were granted free of charge to members of the Executive Board by the Company are set out in the Report on Compensation, on page 151.

No free share was granted to members of the Executive Board of the Company by companies that are linked or by companies controlled by the Company within the meaning of Article L.223-16 of the Commercial Code.

Members of the Supervisory Board do not benefit from the granting of free shares.

2. Free shares granted to employees non-members of the Executive Board

No free share was granted to non-executive employees of the Company by companies or groupings that are linked within the meaning of Article L.225-197-2 of the Commercial Code.

The Executive Board

2.1.6. Terms and conditions for holding stock options and free shares by members of the Executive Board

The Supervisory Board meeting of 7 December 2007 decided that members of the Executive Board must hold in their name all of the allocations made from 1st January 2008:

- a number of shares from the exercising of options corresponding to 25% of the gross purchase capital gain released by the interested party during the exercising of the said options;
- 10% of the total number of shares granted free of charge.

2.1.7. Number of shares that can be created

As of 31 December 2008, taking account of all of the various securities outstanding that could give rise to dilution (stock options and free shares), the maximum potential percentage of dilution is 1.14%.

3. EMPLOYEE PROFIT SHARING AND BENEFIT PLANS

For France, amendments of employee profit sharing agreements of JCDecaux SA, Avenir and JCDecaux Airport France as well as the Group agreement have been signed; these amendments have enabled us to update the data required to calculate the employee profit sharing while increasing the interest of the employees in the performance of their entity.

The JCDecaux Artvertising and JCDecaux Holding agreements have been renewed, whereas the JCDecaux Mobilier Urbain agreement is in the process of application.

A first triennial has been agreed by referendum (over 91.37% voted "yes") for Cyclocity in 2008; it reinforces the employees' sense of belonging as well as the motivation of each of them to improve the service given to customers.

In France, a Group investment plan was also adopted in 2001 providing for a profit pooling agreement among its parties (JCDecaux SA, JCDecaux Airport France, Avenir, JCDecaux Artvertising). This agreement applies to all employees having served at least three months with the Group during the fiscal year giving rise to the investment. The calculation of the benefit is made pursuant to the provisions of Article L.442.2 of the French Labour Code.

The amount of the profit share and investment paid for France for the last three fiscal years is stipulated on page 41 of this Annual Report.

JCDecaux SA, Avenir, JCDecaux Airport France, JCDecaux Artvertising, JCDecaux Mobilier Urbain, and JCDecaux Holding each have a Company Savings Plan, and each Plan was renewed in 2002; payments of sums from the profit sharing are supplemented by the employer. The covered employees can make voluntary contributions to a fund consisting of JCDecaux shares, allowing employees to invest in JCDecaux SA's share capital.

4. INFORMATION ON MEMBERS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

All of the offices and Directorships held by members of the Executive Board in 2008 were in direct or indirect subsidiaries of JCDecaux SA or in companies in the area of outdoor advertising in which the Group held a significant stake.

4.1. Terms of office of the Executive Board

Jean-Charles DECAUX – Chairman of the Executive Board

Aged 39

Chairman of the Executive Board (annual rotation between Jean-Charles Decaux and Jean-François Decaux) since 14 May 2008, for a term of one year, in accordance with the Company's principle of alternating general management responsibilities.

Member of the Executive Board since:	10 May 2006
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2009
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Jean-Charles Decaux joined the Group in 1989. He started the Spanish subsidiary and then created and developed, mostly through organic growth, all of the subsidiaries in Southern Europe, Asia, South America and the Middle East.

The list of the other terms of office and Directorships exercised, in 2008, in all Group companies, is as follows:

JCDecaux Holding (France)	Director – Acting Chief Executive Officer (first appointment: 22 June 1998)
Avenir (France)	Chairman (first appointment: 3 May 2000)
Metrobus (France)	Director (first appointment: 18 November 2005)
JCDecaux España SLU (Spain)	Chairman – Acting Director – Director (first appointment: 30 June 2000)
El Mobiliario Urbano SLU (Spain)	Chairman of the Board of Directors (first appointment: 14 March 2003) Acting Director (first appointment: 17 December 1998) Director (first appointment: 1 October 2003)
JCDecaux Atlantis (Spain)	Chairman – Acting Director (first appointment: 25 April 1997)
JCDecaux & Cevasa SA (Spain)	Chairman of the Board of Directors (first appointment: 10 March 2000)
IGPDecaux Spa (Italy)	Vice Chairman of the Board of Directors (first appointment: 1 December 2001)

No term of office or Directorship has been exercised, over the past five years, in companies outside the Group.

Jean-François DECAUX – Co-CEO – Member of the Executive Board

Aged 50

Co-CEO of JCDecaux SA since 14 May 2008, for a term of one year.

Member of the Executive Board since:	10 May 2006
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2009
Work address:	Brentford, 991 Great West Road, TW8 9DN Middlesex (United Kingdom)

Jean-François Decaux joined the Company in 1982 and started and developed the German subsidiary. He also oversaw the development of all of the subsidiaries in Northern and Eastern Europe and then successfully managed the Group's moves into the North America and Australia.

The list of the other terms of office and Directorships exercised, in 2008, in all Group companies, is the following:

JCDecaux Holding (France)	Director – Acting Chief Executive Officer (first appointment: 15 June 1998)
Metrobus (France)	Director (first appointment: 18 November 2005)
Media Frankfurt GmbH (Germany)	Vice Chairman of the Supervisory Board (first appointment: 3 April 2001)
Europlakat International Werbe (Austria)	Member of the Supervisory Board (first appointment: 3 December 2002)
Gewista Werbegesellschaft MbH (Austria)	Vice Chairman of the Supervisory Board (first appointment: 9 August 2003)
Affichage Holding (publicly traded company – Switzerland)	Director (first appointment: 7 February 2002)
WALL AG (German company)	Member of the Supervisory Board (first appointment: 20 January 2004)

No term of office or Directorship has been exercised, over the past five years, in companies outside the Group.

Gerard DEGONSE – Member of the Executive Board

Aged 61

Member of the Executive Board since:	10 May 2006
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2009
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Gerard Degonse, Chief Financial and Administrative Officer, joined the Company in June 2000.

Prior to joining the Company, he was Corporate Treasurer of Elf-Aquitaine and VP Treasurer-Company Secretary of Euro Disney.

The list of the other terms of office and Directorships exercised, in 2008, in all Group companies, is the following:

JCDecaux UK Ltd. (United Kingdom)	Director (first appointment: 1st January 2002)
Affichage Holding (publicly traded company-Switzerland)	Director (first appointment: 25 May 2005)

The list of terms of office and Directorships exercised, during the past five years, in companies outside the Group, is the following:

Bouygues Télécom (France)	Director (from 16/12/2000 to 19/02/2004)

Jeremy MALE – Member of the Executive Board

Aged 51

Member of the Executive Board since:	10 May 2006
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2009
Work address:	Summit House, 27 Sale Place, W2 1YR, London, United Kingdom

Jeremy Male, Co-CEO for Northern and Central Europe, joined the Company in August 2000.

Previously, he was Co-CEO of European Operations for Viacom Outdoor and held management positions with companies in the food and beverage industry such as Jacobs Suchard and Tchibo.

The list of the other terms of office or Directorships exercised, in 2008, in all Group companies, is the following:

JCDecaux Sverige AB (Sweden)	Chairman of the Board of Directors (first appointment: 31 December 2001)
AFA JCDecaux A/S (Denmark)	Chairman of the Board of Directors (first appointment: 5 March 2002)
JCDecaux Airport UK Ltd. (United Kingdom)	Director (first appointment: 11 September 2000)
JCDecaux UK Ltd. (United Kingdom)	Director (first appointment: 1st September 2000)

No term of office or Directorship has been exercised, over the past five years, in companies outside the Group.

4.2. Terms of office of members of the Supervisory Board

Jean-Claude DECAUX – Chairman of the Supervisory Board

Aged 71

Chairman of the Supervisory Board since:	10 May 2006
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2009
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Jean-Claude Decaux is the founder of JCDecaux.

The list of the other terms of office and Directorships exercised, in 2008, in all Group companies, is the following:

SOPACT (France)	Chairman (first appointment: 18 February 1972)

The list of terms of office and Directorships exercised, during the past five years, in companies outside the Group, is the following:

JCDecaux Holding (France)	Chairman and Chief Executive Officer (first appointment: 19 September 1994)
SCI Troisjean (France)	Manager (first appointment: 9 April 1984)
SCI Clos de la Chaîne (France)	Manager (first appointment: 31 December 1969)
SCI Lyonnaise d'Entrepôt (France)	Manager (until 30 June 2006)
HSBC (France)	Director (from May 2003 to 12 May 2004)
Bouygues Télécom (France)	Representative of JCDecaux Holding, Director (first appointment: 19 February 2004)

Jean-Pierre DECAUX – Vice Chairman of the Supervisory Board

Aged 65

Vice Chairman of the Supervisory Board since:	10 May 2006
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2009
Work address:	17 rue Soyer, 92000 Neuilly-sur-Seine, France

Throughout his career with the Group, which he joined at its founding in 1964, Jean-Pierre Decaux has held several offices, in particular:

- from 1975 to 1988: Chairman and CEO of SOPACT (Société de Publicité des Abribus et des Cabines Téléphoniques) ;
- from 1980 to 2001: Chairman and CEO of RPMU (Régie Publicitaire de Mobilier Urbain);
- from 1989 to 2000: Chief Executive Officer of Decaux SA (now JCDecaux SA);
- from 1995 to 2001: Chairman and Chief Executive Officer of SEMUP (Société d'Exploitation du Mobilier Urbain Publicitaire).

No other term of office or Directorship has been exercised, in 2008, in all the Group companies.

The list of terms of office and Directorships exercised, during the past five years, in companies outside the Group, is the following:

SCI de la Plaine St-Pierre (France)	Manager (first appointment: 14 October 1981)
SC Bagavi (France)	Manager (first appointment: unknown)
SCI CRILUCA (France)	Manager (first appointment: unknown)
Assor (France)	Director (first appointment: unknown)
Société Foncière de Joyenval (France)	Director (until 2008)

Pierre-Alain PARIENTE – Independent Member of the Supervisory Board

Aged 73

Member of the Supervisory Board since:	10 May 2006
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2009
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Pierre-Alain Pariente held various positions in the Group from 1970 to 1999, in particular Sales and Marketing Director of RPMU. (Régie Publicitaire de Mobilier Urbain)

No other term of office or Directorship has been exercised, in 2008, in all the Group companies.

The list of terms of office and Directorships exercised, during the past five years, in companies outside the Group, is the following:

SCEA La Ferme de Chateluis (France)	Manager (first appointment: 23 July 2001)
Arthur SA (France)	Director (first appointment: unknown)

Xavier de SARRAU – Independent Member of the Supervisory Board

Aged 58

Member of the Supervisory Board since:	10 May 2006
Date of first appointment:	14 May 2003
Expiry date of the term of office:	30 June 2009
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Xavier de Sarrau is a barrister specialising in advising private companies and family businesses. He began his career in 1973 as a lawyer with Arthur Andersen in their Legal and Tax Department.

He has also held the following positions:

- from 1989 to 1993: Managing Partner of Arthur Andersen – Tax and Legal for France;
- from 1993 to 1997: Chairman of Arthur Andersen for all operations in France;
- from 1997 to 2000: Chairman of Arthur Andersen for Europe, Middle East, India, and Africa. Based in London;
- from 2000 to 2002: Managing Partner – Global Management Services. Based in London and in New York. He also served multiple terms on the Board of Directors of Arthur Andersen.

All of this experience has enabled him to acquire expertise in the areas of international taxation, ownership structures, management of private assets, complex financial instruments, mergers and reorganisations. He has also written several books and articles in the area of international tax law and has lectured at the World Economic Forum.

Xavier de Sarrau is a *Chevalier de la Légion d'Honneur* and a former member of the National Bar Council (*Conseil National des Barreaux*)

No other term of office or Directorship has been exercised, in 2008, in all the Group companies.

The list of terms of office and Directorships exercised, during the past five years, in companies outside the Group, is the following:

Financière Atlas	Member of the Supervisory Board (first appointment: unknown)

Christian BLANC – Independent Member of the Supervisory Board (until 8 April 2008)

Aged 66

Member of the Supervisory Board since:	10 May 2006
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2009
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Christian Blanc was Chairman and Chief Executive Officer of the Paris Public Transport System (RATP) from 1989 to 1992, then, from 1993 to 1997, Chairman and Chief Executive Officer of Air France and Air France Europe.

From 2000 to 2001, Christian Blanc was a Vice Chairman of Merrill Lynch Europe and Chairman of Merrill Lynch France.

Christian Blanc was elected to the French Parliament in 2002.

No other term of office or Directorship has been exercised, in 2008, in all the Group companies.

The list of terms of office and Directorships exercised, during the past five years, in companies outside the Group, is the following:

Member of the French Parliament	until March 2008
Carrefour (France)	Director (until February 2005)
Thomson Multimédia (France)	Director (until December 2006)
COFACE (France)	Director (until April 2008)
Cap Gemini (France)	Director (until December 2006)

Christian BLANC resigned from his Directorship in the Company on 8 April 2008 due to a conflict of interest. This decision followed the nomination of Christian Blanc to the position of Secretary of State in charge of the Development of the "Capital Region".

4.3. Nature of family ties between members of the Executive Board and Supervisory Board

Jean-Claude and Jean-Pierre Decaux, Chairman and Vice Chairman respectively, of the Supervisory Board, are brothers.

Jean-Charles Decaux and Jean-François Decaux, Chairman of the Executive Board and Co-CEO respectively, are sons of Jean-Claude Decaux.

4.4. Convictions, penalties and conflicts of interest of members of the Executive Board and the Supervisory Board

No judgement for fraud has been entered against any member of the Executive Board or the Supervisory Board during the past five years.

No official citation or penalty has been entered against any of them by any legal or regulatory authority. Amongst other things, none of them has been prevented or prohibited by a court from acting as a member of a corporate governance body or from participating in the management or conduct of the business and affairs of a company during the past five years.

No member of the Executive Board or of the Supervisory Board has been associated as a member of a corporate governance body with any insolvency or bankruptcy or receivership or liquidation proceeding of a company during the past five years.

4.5. Assets belonging directly or indirectly to members of the Executive Board and the Supervisory Board

Real Estate Assets

Some premises belong to companies controlled by JCDecaux Holding, which owns approximately 70% of the Company's shares. Thus, the premises situated in France, in Neuilly-sur-Seine, Plaisir, Maurepas and Puteaux, in London in the United Kingdom, in Brussels in Belgium and in Madrid in Spain belong to SCI Troisjean, a subsidiary of JCDecaux Holding.

The Group occupies these premises under commercial leases that have been entered into based on market conditions. The amount of rent paid is stated on page 191.

Intellectual property
The Group protects intellectual property necessary for the business (trademarks, designs and models, patents, domain names) by exclusive rights both in France and in the principal countries where it operates.

The majority of trademarks belong to JCDecaux SA. Certain trademarks belong to JCDecaux Mobilier Urbain and Avenir, which are both wholly owned subsidiaries of JCDecaux SA.

The trademark "JEAN-CLAUDE DECAUX" belongs to Jean-Claude Decaux, who agreed, in an agreement dated 8 February 2001, not to use it in the same line of business as the Group's. This trademark is kept for defensive purposes, in France, to prevent use of it by third parties, but it is not used by the Group, which uses the trademark JCDecaux.

The trademark "JCDecaux" is thus protected in 94 countries.

Under a trademark co-existence agreement with Jean-Claude Decaux, JCDecaux SA and its subsidiaries have the exclusive right, royalty-free, to use and file on an unlimited basis JCDecaux trademarks, as well as any trademark containing the words "JCDecaux", in the operations relating to use and sale of advertising space on street furniture, billboards, and illuminated advertising.

All the other intellectual property rights used by the group belong to JCDecaux SA, with the exception of several secondary rights that belong to JCDecaux SA subsidiaries.

As of 31 December 2008, the Group owns more than 400 secondary trademarks. Over 900 designs and models registered in France and abroad protect products such as bus shelters, columns, billboards and interactive kiosks, some of which are designed by internationally renowned architects. Patents protect technical innovations such as the computer system that regulates the provision of bicycle rentals or the automatic public toilets.

As of 31 December 2008, the Group owns more than 177 patents in France and abroad. As fees applicable to the patents and to the renewal of each of the intellectual property rights become due, the Group regularly reviews the appropriateness of maintaining the monopoly on them.

4.6. Agreements with related parties, loans and guarantees given by the Company

No agreement coming under Article L.225-86 and L.225-87 of the Commercial Code was signed during the fiscal year.

There are no service agreements between the Company and any corporate officers conferring a benefit at the end of such agreement. During the fiscal year just ended, no loan or guarantee was made or given by the Company to members of the Executive Board or Supervisory Board.

SHAREHOLDERS AND TRADING INFORMATION

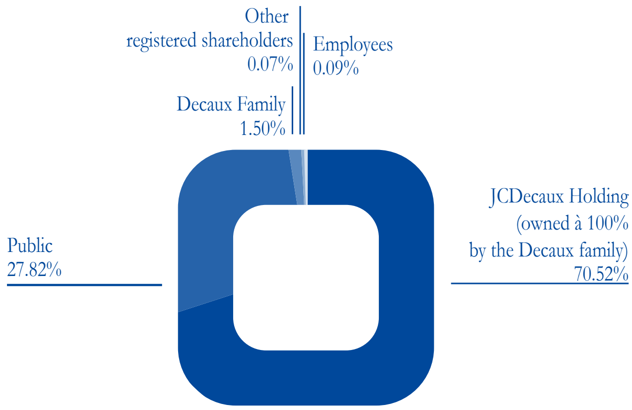
1. SHAREHOLDERS AS OF 31 DECEMBER 2008

1.1. Distribution between registered shares and bearer shares

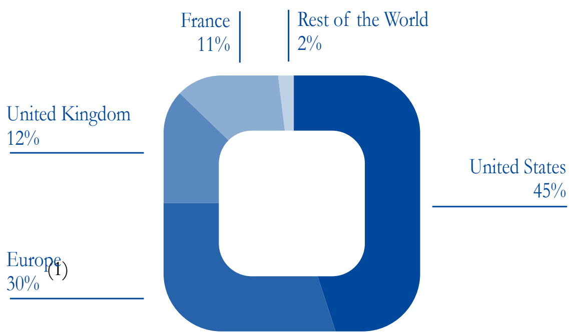
At 31 December 2008, the share capital was €3,373,250.96 divided amongst 221,270,597 shares, distributed as follows:

- registered shares: 159,695,552 held by 151 shareholders;
- bearer shares: 61,575,045 shares.

1.2. Principal shareholders



1.3. Distribution of publicly-traded floating shares by geographic area



Source: Thomson Financial/Euroclear
(on the basis of identified shares (97.35% of the publicly-traded floating shares))

(1) *Excluding France and the United Kingdom*

2. TREND IN SHAREHOLDERS

Distribution of the share capital over the past three years

Shareholders		31 December 2006			31 December 2007			31 December 2008		
		Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
	JCDecaux Holding	155,056,749	69.935%	69.935%	156,030,573	69.949%	69.949%	156,030,573	70.516%	70.516%
Members of the Executive Board and Supervisory Board	Jean-Charles Decaux	1,712,210	0.772%	0.772%	1,712,210	0.768%	0.768%	1,712,210	0.774%	0.774%
	Jean-François Decaux	1,796,179	0.810%	0.810%	1,156,179	0.518%	0.518%	1,156,179	0.523%	0.523%
	Gerard Degonse	0	0.000%	0.000%	0	0.000%	0.000%	9,186	0.004%	0.004%
	Jeremy Male	0	0.000%	0.000%	0	0.000%	0.000%	16,788	0.008%	0.008%
	Jean-Claude Decaux	8,175	0.004%	0.004%	8,175	0.004%	0.004%	8,175	0.004%	0.004%
	Christian Blanc	1,500	0.001%	0.001%	1,500	0.001%	0.001%	1,500	0.001%	0.001%
	Jean-Pierre Decaux	1,574	0.001%	0.001%	1,574	0.001%	0.001%	1,574	0.001%	0.001%
	Pierre-Alain Pariente	1,020	-	-	1,020	-	-	1,020	-	-
	Xavier de Sarrau	11,000	0.005%	0.005%	11,000	0.005%	0.005%	11,000	0.005%	0.005%
Other registered shares	Jean-Sébastien Decaux	768,824	0.347%	0.347%	435,000	0.195%	0.195%	435,000	0.197%	0.197%
	Danielle Decaux	3,059	0.001%	0.001%	3,059	0.001%	0.001%	3,059	0.001%	0.001%
	Annick Piraud	18,572	0.008%	0.008%	18,572	0.008%	0.008%	18,572	0.008%	0.008%
	FCPE JCDecaux Développement	213,400	0.096%	0.096%	190,100	0.085%	0.085%	199,900	0.090%	0.090%
	Others	59,154	0.027%	0.027%	67,576	0.030%	0.030%	90,816	0.030%	0.030%
Subtotal registered shares	**Total**	**159,651,416**	**72.007%**	**72.007%**	**159,636,538**	**72.001%**	**72.001%**	**159,695,552**	**72.172%**	**72.172%**
Shareholders having filed a declaration of crossing a threshold	Franklin Resources *	N/A	N/A	N/A	4,391,824	1.969%	1.969%	4,391,824	1.985%	1.985%
	ING **	N/A	N/A	N/A	11,159,873	5.003%	5.003%	13,427,377	6.068%	6.068%
	Lansdowne Partners Limited ***	N/A	N/A	N/A	6,587,312	2.953%	2.953%	4,284,250	1.936%	1.936%
	Marsico Capital Management LLC ****	N/A	N/A	N/A	6,580,396	2.950%	2.950%	3,960,792	1.790%	1.790%
	Shares held in the Treasury	0	0.000%	0.000%	0	0.000%	0.000%	0	0.000%	0.000%
	Public	62,063,844	27.993%	27.993%	34,705,845	15.559%	15.559%	35,510,802	16.049%	16.049%
TOTAL		**221,715,260**	**100.000%**	**100.000%**	**223,061,788**	**100.000%**	**100.000%**	**221,270,597**	**100.000%**	**100.000%**

* according to latest declaration of threshold crossing dated 10.09.07
** according to the latest declaration of threshold crossing dated 14.07.08
*** according to the latest declaration of threshold crossing dated 04.09.08
**** according to the latest declaration of threshold crossing dated 24.09.08

Capital and voting rights as of 31 December 2008

The number of voting rights as of 31 December 2008 was 221,270,597 shares equal to the number of shares forming the capital. As of 31 December 2008, in the absence of own shares held by the Company and in the absence of double voting rights, there is no difference between the percentage of share capital and percentage of voting rights.

To the Company's knowledge, there are no shareholder agreements or concerted actions.

As of 14 July 2008, ING indicated that it had crossed the 6% threshold and, accordingly, owned 13,427,377 shares.

As of 31 December 2008, the percentage held by the personnel directly or by the intermediary of specialist investment organisations was 0.090%.

As of 31 December 2008, certain members of the Executive Board and of the Supervisory Board, listed above owned 2,917,632 of the Company's shares, accounting for approximately 1.32% of the share capital and voting rights.

As of 31 December 2008, certain Members of the Executive Board and of the Supervisory Board, listed on page 170 owned in full legal title and bare legal title 1,299,965 shares of JCDecaux Holding (accounting for approximately 67% of its share capital and voting rights), which, in turn, owns approximately 70.52% of the Company's shares.

As of 31 December 2008, there were no significant material pledges, securities or guarantees on Company shares.

Dividends

For the past three fiscal years, the following dividend payments have been made:

- Fiscal year 2005: a dividend of €0.40 per share, eligible for a deduction of 40%;
- Fiscal year 2006: a dividend of €0.42 per share, eligible for a deduction of 40%;
- Fiscal year 2007: a dividend of €0.44 per share, eligible for a deduction of 40%;

Unclaimed dividends will revert to the French State five years from the payment date.

3. COMPANIES THAT OWN A CONTROLLING INTEREST IN THE COMPANY

The Company's principal shareholder is JCDecaux Holding, which is majority owned by the Decaux family, and the corporate purpose of which is principally to give strategic direction to companies in which it directly or indirectly holds interests.

As of 31 December 2008, the share capital of JCDecaux Holding was held as follows:

Shareholders	Number of shares		% of share capital
	Full legal title	Bare legal title	
Jean-François Decaux	45,435		2.330%
Jean-Charles Decaux	45,435	604,500 (1)	33.331%
Jean-Claude Decaux	30		0.002%
Jean-Pierre Decaux	65		0.003%
JFD Investissement	175,500		9.000%
JFD Participations		429,000 (1)	22.001%
Jean-Sébastien Decaux	45,435	604,500 (1)	33.331%
Danielle Decaux	35		0.002%
Subtotal	**311,935**	**1,638,000**	**100.000%**
Total	**1,949,935**		**100.000%**

(1) *Jean-Claude Decaux has the beneficial ownership of these shares.*

JCDecaux Holding controls the Company within the following limitations:

Neither the articles of association, nor the Internal By-Laws of the Board contain provisions that delay, defer or prevent a change of the control presently held by JCDecaux Holding.

No double voting rights or other advantages, such as awards of free shares, have been granted to the controlling shareholder, JCDecaux Holding.

With regard to JCDecaux SA's corporate governance bodies, more than half of the members of the Supervisory Board are independent. Half of the Compensation and Nominating Committee consists of independent members. The Audit Committee is fully independent.

The agreements with JCDecaux Holding or with family companies, especially leases, as set out on page 191 of this Annual Report, were made under normal market terms and conditions.

Lastly, it should be noted that the compensation of the Company Management, who are members of the Decaux family, is reviewed annually by JCDecaux SA's Compensation and Nominating Committee. The compensation of members of the Decaux family who have positions within the Group, but are not members of management, is set out in a manner that is identical to that of persons who perform similar roles within the Group.

4. CONDITIONAL OR UNCONDITIONAL CALL OPTION OR AGREEMENT ON SHARES OF GROUP COMPANIES

Such options or agreements are listed in the Appendices to the Consolidated Financial Statements 93 and 107 of this Annual Report.

5. JCDECAUX STOCK PERFORMANCE IN 2008

JCDecaux shares are traded on Euronext Paris by NYSE Euronext (Section A), and only on that market.

JCDecaux shares have been among the shares on the SBF 120 index since 26 November 2001, and the Euronext 100 index since 2 January 2004.

Since 3 January 2005, JCDecaux has also joined a new stock index, called the CAC Mid100 index. This index consists of the Mid100 first market capitalisations that follow the 60 largest stocks that make up the CAC 40 and CAC Next20.

Since 22 September 2003, JCDecaux has also been part of the ASPI Eurozone Index, a European index used by investors who wish to invest in companies committed to sustainable development and social responsibility.

Since 21 March 2005, the Group has been included in the FTSE4Good Index, a leading share index of socially responsible companies.

Lastly, since 6 September 2007 the Group has been included among the new companies that are part of the Dow Jones Sustainability (DJSI) index, another index of socially responsible companies consisting of 319 companies world wide, including 22 French companies.

As of 31 December 2008, the number of shares outstanding was 221,270,597, and the share capital included no shares held in the Treasury. The weighted average number of shares outstanding in fiscal year 2008 was 221,773,911 shares. On average 610,318 shares were traded per day.

JCDecaux shares closed the year 2008 at €12.30, down 54% compared to 31 December 2007.

6. TREND IN TRADING PRICE AND TRADING VOLUME

Since 1st January 2007, the trading price and trading volumes of JCDecaux shares have been as follows:

	PRICES			VOLUMES		
	Highest *(in euros)*	Lowest *(in euros)*	Closing price *(in euros)*	Number of shares traded	Average of shares traded	Stock market capitalisation(1) *(in € millions)*
2007						
January	22.70	21.24	22.70	3,783,588	171,981	5,029.95
February	23.29	21.63	21.63	4,472,839	223,642	4,792.85
March	22.52	21.37	22.09	6,585,516	299,342	4,894.78
April	23.27	22.00	22.98	6,680,415	351,601	5,091.99
May	24.70	22.95	24.70	8,819,337	400,879	5,473.11
June	24.75	23.00	23.53	8,399,522	399,977	5,214.05
July	23.75	22.62	23.03	4,937,523	224,433	5,103.25
August	24.08	21.93	22.38	10,427,424	453,366	4,959.22
September	24.63	22.27	24.63	6,853,543	342,677	5,457.80
October	26.08	24.68	25.43	6,741,463	293,107	5,635.07
November	29.01	25.73	26.47	16,522,538	751,024	5,865.53
December	27.50	26.63	26.90	6,536,302	344,016	5,960.81
2008						
January	26.56	20.75	21.76	19,417,226	882,601	4,821.83
February	21.74	19.33	20.01	14,449,553	688,074	4,434.05
March	20.71	17.35	18.62	17,554,996	923,947	4,126.03
April	19.54	18.35	18.40	11,027,892	501,268	4,077.28
May	20.00	17.96	18.82	9,715,994	462,666	4,170.35
June	18.45	16.17	16.19	11,731,654	558,650	3,587.58
July	16.77	14.26	16.32	13,450,631	584,810	3,640.81
August	16.40	14.76	15.14	10,238,126	487,530	3,377.56
September	16.20	14.55	15.33	16,457,831	748,083	3,419.95
October	14.77	11.88	13.56	15,804,925	687,171	3,025.08
November	14.16	9.80	11.05	10,567,408	528,370	2,465.13
December	13.11	10.48	12.30	5,825,269	277,394	2,742.88
2009						
January	13.94	9.82	10.79	7,032,208	334,867	2,385.50
February	10.35	9.79	10.19	7,252,781	362,639	2,251.81

(1) *Source: Thomson Financial (on the basis of the last closing trading price of the month)*

Stock information

ISIN Code	FR 0000077919
SRD/PEA Eligibility	Yes/Yes
Reuters Code	JCDX.PA
Bloomberg Code	DEC FP

2007 trading data

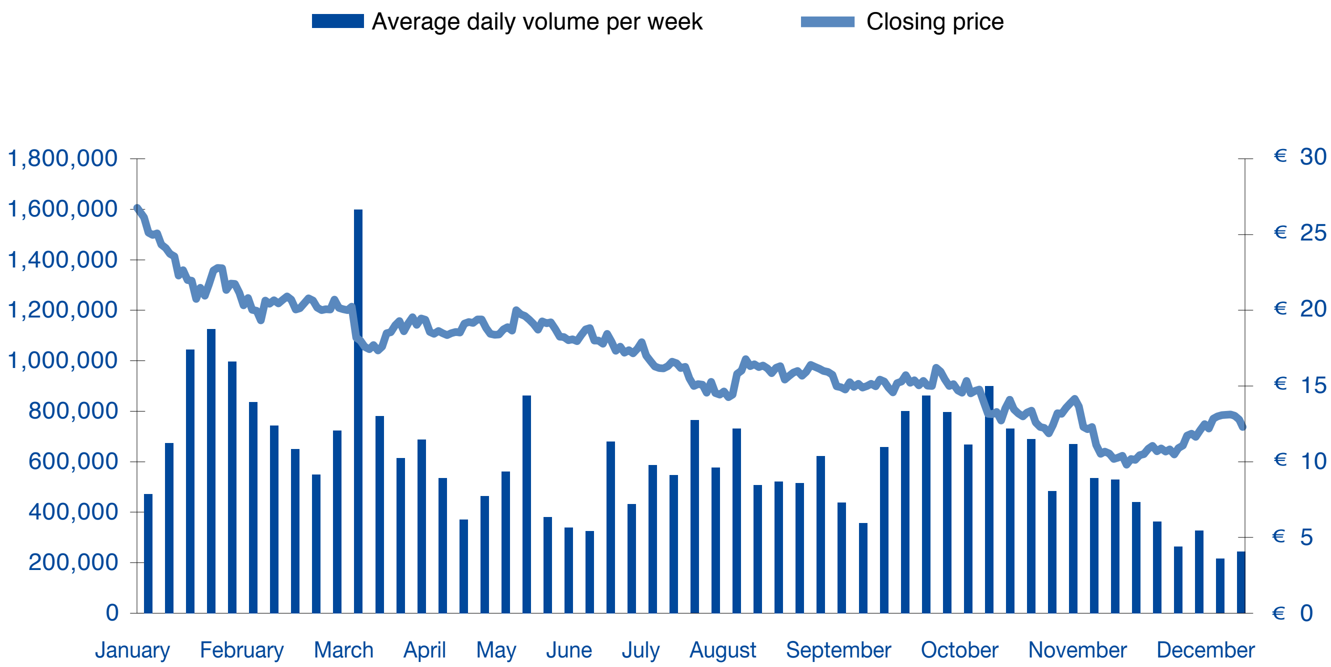
Highest price (02/01/08) [(1)]	26.56
Lowest price (20/11/08) [(1)]	9.80
Stock market capitalisation [(2)]	2,742.88
Number of shares as of 31/12/2008	221,270,597
Average daily volume	610,318

Source: Thomson Financial

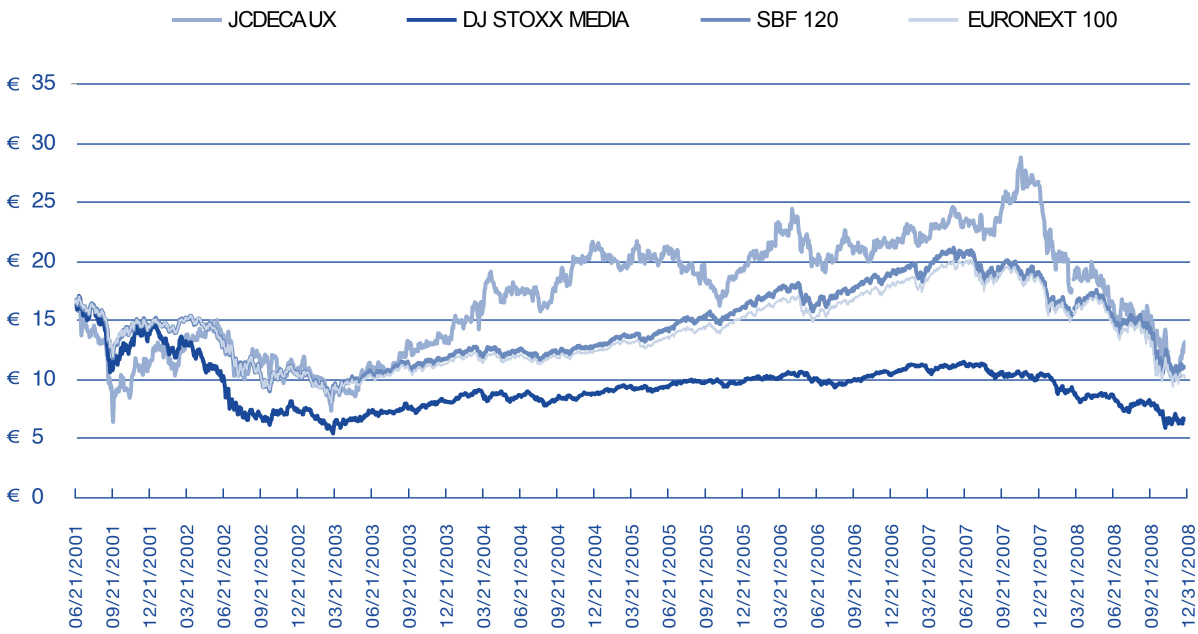
(1) *In euros, closing price*

(2) *In millions of euros, as of 31 December 2008*

Change in JCDecaux share price and trading volumes in 2008



Performance in JCDecaux share price since the IPO on 21 June 2001 compared to the SBF 120, Euronext 100, and DJ Euro Stoxx Media indices



7. SHAREHOLDER INFORMATION

Martin Sabbagh

Manager of Financial Communications and Investor Relations

Tel.: 33 (0)1 30 79 44 86

Fax: 33 (0)1 30 79 77 91

E-mail: actionnaires@jcdecaux.fr

Market Information is available to shareholders at the following website: www.jcdecaux.com.

Provisional financial communications calendar

Date	Event
6 May 2009	First quarter 2009 revenues and quarterly information
13 May 2009	Annual General Meeting of Shareholders
31 July 2009	Second quarter 2009 revenues and half-year 2009 results of operations Half-year financial report
4 November 2009	Third quarter 2009 revenues and quarterly information

SHARE CAPITAL

1. GENERAL INFORMATION

1.1. Amount of share capital

As of 31 December 2008, the Company's share capital totalled €3,373,250.96, divided into 221,270,597 shares all of the same class and fully paid up. The breakdown of the shareholding structure is set out on page 179 of this Annual Report.

1.2. Provisions in the articles of association relating to changes in the share capital and voting rights

Any changes in the share capital or voting rights are subject to applicable law. The articles of association do not provide for any other restrictions.

1.3. Change in the share capital over the past three years

Date	Transaction	Number of shares issued/cancelled	Nominal amount of the increase/reduction in share capital	Issue premium per share	Total amount of the issue premium	Successive amounts of share capital	Total number of shares	Nominal value
			in euros	*in euros*	*in euros*	*in euros*		
31-Dec-05	Capital increase in connection with exercises of stock options	298,198	4,546	16.06	4,787,921.07	3,366,466.27	220,825,551	(1)
30-June-06	Capital increase in connection with exercises of stock options	758,285	11,559.99	15.84	12,010,224.60	3,378,026.26	221,583,836	(1)
31-Dec-06	Capital increase in connection with exercises of stock options	131,424	2,003.55	15.31	2,012,769.18	3,380,029.81	221,715,260	(1)
31-Dec-07	Capital increase in connection with exercises of stock options	1,346,528	20,527.70	15.15	20,401,052.82	3,400,557.51	223,061,788	(1)
07-May-08	Increase in capital by the allocation of free shares	25,974	395.97	21.48	558,045.03	3,400,953.48	223,087,762	(1)
04-Dec-08	Decrease in capital by the cancellation of shares held in the Treasury	2,106,724	32,116.82	-	-	3,368,836.66	220,981,038	(1)
31-Dec-08	Capital increase in connection with exercises of stock options	289,559	4,414.30	16.29	4,718,324.38	3,373,250.96	221,270,597	(1)

(1) *When the share capital was converted into euros in June 2000, the reference to the nominal value of the shares was deleted from the articles of association.*

1.4. Outstanding delegations of authority granted to the Executive Board to increase share capital

Date of Shareholders' Meeting	Description of authority delegated to Executive Board	Use made of delegation by the Executive Board in 2008
10 May 2007	Grant free shares, from shares outstanding or to be issued, to Group corporate officers or employees up to a limit of 0.5% of the share capital, such authority to expire at the end of 26 months from date of grant.	The Executive Board granted 26,686 free shares on 15 February 2008
	Issue bonds, such authority to expire at the end of 26 months from date of grant. Increase the Company's share capital, on one or more occasions, by issuing shares and/or other securities carrying the right to acquire shares immediately or in the future – with shareholders' preferential subscription rights maintained – up to a limit of a maximum of €3 billion, including issue premium, and set the terms and conditions thereof. Over-allocation is possible up to €450 million, if the capital increase is successful. This delegation expires 26 months from the date of grant. The same authority was granted with a provision eliminating the preferential subscription right.	This delegation was not used during the fiscal year just ended
	Issue shares or negotiable securities convertible into shares without a preferential subscription right, in return for share contributions and this up to a limit of 10% of the share capital, such authority to expire at the end of 26 months from date of grant.	This delegation was not used during the fiscal year just ended
	Increase the Company's share capital, on one or more occasions, by capitalising premiums, reserves, or earnings, up to a maximum amount of €3 billion, issue premiums included, such authority to expire 26 months from date of grant.	This delegation was not used during the fiscal year just ended
	Approve an increase in the Company's share capital for the benefit of employees (acquisition of shares under Employee Stock Purchase Plans, apart from stock options); such capital increases to total no more than €30 million, including issue premium, such authority to expire 26 months from date of grant.	This delegation was not used during the fiscal year just ended
	Grant Company stock or share purchase options to corporate officers or employees up to a limit of 4% of the share capital, such authority to expire at the end of 26 months from date of grant	The Executive Board granted 719,182 stock options on 15 February 2008

2. REPURCHASE OF THE COMPANY'S OWN SHARES

2.1. Special report of the Executive Board on the repurchase by the Company of its own shares pursuant to the provisions of Articles L.225-206 to L.225-217 of the Commercial Code (Article L.225-209 para. 2 of the Commercial Code)

Acting under the authority granted at the Combined General Meeting of Shareholders held on 10 May 2007, for a period of 18 months, the Executive Board purchased the Company's shares on the market up to the limit of €30 per share and up to an aggregate maximum amount of €665,145,780, also for a period of 18 months, with a view to cancelling the said shares.

Using these authorities, the Executive Board decided, during the 2008 fiscal year:

- to repurchase 2,106,724 of its own shares, for a weighted average price of €18.34, for a total sum of €38,800,918.58, over the period from 17 January to 30 June 2008;
- to cancel all the 2,106,724 shares then held in the Treasury, dated 4 December 2008.

We also recall that, acting under the authority granted at the Combined General Meeting of Shareholders held on 14 May 2008, for a period of 18 months, the Executive Board purchased the Company's shares on the market up to the limit of €30 per share and up to an aggregate maximum amount of €669,185,340, for a period of 18 months, with a view to cancelling the said shares.

This delegation was not used during the 2008 fiscal year by the Executive Board.

The Executive Board

2.2. New share repurchase programme

A new share repurchase programme, together with a resolution authorising cancellation of the shares repurchased, will be submitted to the Shareholders for their authorisation at the Combined General Meeting of Shareholders to be held on 13 May 2009.

The main features of this programme are as follows:

- Affected shares: the Company's shares
- Maximum percentage authorised to be repurchased by the General Meeting of Shareholders: 10% of the shares of the Company's share capital outstanding at any time, such percentage to apply to an amount of adjusted share capital based on transactions affecting it subsequent to the General Meeting of Shareholders to be held on 13 May 2009, or, for indicative purposes, 221,270,597 shares as of 31 December 2008.
- Maximum unit price authorised: €20.
- Maximum amount of the programme: €442,541,180 for 22,127,059 shares.
- Objectives of such programme:
    - implementation of any Company stock option plan under the provisions of Articles L.225-177 *et seq.* of the Commercial Code; or
    - grants of shares to employees to reward them for contributing to the Company's growth and implementation of any stock savings plan under the terms and conditions provided by law and particularly under Articles L.443-1 *et seq.* of the French Labour Code; or
    - grants of free shares as provided under the provisions of Articles L.225-197-1 *et seq.* of the Commercial Code; or
    - delivery of shares upon exercise of rights attached to negotiable securities carrying the right to acquire shares by redemption, conversion, exchange, or presentation of a bond, or in any other manner; or
    - cancellation of all or part of the shares thereby acquired, subject to approval at the Combined General Meeting of Shareholders to be held on 13 May 2009 and according to the terms indicated therein; or
    - delivery of shares in respect of an exchange, payment, or otherwise in connection with acquisitions under applicable law and regulations; or
    - support for a secondary market or for the liquidity of JCDecaux SA shares by an investment service provider in connection with a liquidity contract that complies with the ethical standards of the *Autorité des Marchés Financiers*.

This authority would also allow the Company to conduct transactions for any other authorised purpose, or that may be authorised, by applicable law or regulations. In such case, the Company would advise the shareholders by means of a press release.

- Length of the programme: this programme would expire 18 months from the date on which the General Meeting of Shareholders is held, scheduled for 13 May 2009, that is, until 13 November 2010.

OTHER LEGAL INFORMATION

1. GENERAL INFORMATION

Company name	JCDecaux SA
SA registered office	17, rue Soyer 92200 Neuilly-sur-Seine
Principal administrative office	Sainte Apolline 78378 Plaisir Cedex
Telephone number	33 (0)1 30 79 79 79
Companies' Register	307 570 747 (Nanterre)
Legal form	French corporation with an Executive Board and Supervisory Board
Governing law	French law
Date of formation	5 June 1975
Expiry date	5 June 2074 (except in the event of early dissolution or extension)
Fiscal year	from 1st January to 31st December

2. HISTORY

1964:	Jean-Claude Decaux invents the concept of street furniture and forms JCDecaux. First street furniture concession in Lyon.
1970s:	The Group invests in Portugal and Belgium.
1972:	Free-standing information panel (MUPI®). Street furniture contract for Paris.
1973:	Launch of the short-term (seven-day) advertising campaign.
1980s:	Expansion in Europe, Germany (Hamburg), the Netherlands (Amsterdam), and Northern Europe.
1980:	Installation of the first automatic public toilets in Paris.
1981:	First electronic information boards.
1988:	Creation of "Senior®", first large format billboard and street furniture of 8 m^2.
1990s:	JCDecaux is present on three continents: in Europe, the United States and Asia-Pacific.
1994:	First street furniture contract in San Francisco.
1998:	JCDecaux extends the concept of street furniture to shopping malls in the United States.
1999:	Acquisition of Avenir and diversification of the business into Billboard and Transport advertising. JCDecaux becomes a world leader in outdoor advertising.
2001:	Partnership with Gewista in Central Europe and IGPDecaux in Italy. JCDecaux becomes the leading Billboard company in Europe. JCDecaux wins contracts for Los Angeles and Chicago, in the United States.
2002:	JCDecaux signs the Chicago contract in the United States and, in partnership with CBS Outdoor, wins the tender for the city of Vancouver in Canada.
2003:	JCDecaux increases its stake in Gewista to 67%, a leader in outdoor advertising in Austria.
2004:	JCDecaux renews the street furniture contract for Lyon. In Asia-Pacific, the Group signs the first exclusive bus shelter advertising contracts in Yokohama, the second largest city in Japan, and wins the contract to manage advertising space in Shanghai airports, in partnership with the latter.
2005:	JCDecaux makes three major acquisitions in China and becomes number one in outdoor advertising in this fast-growing market. The Group simultaneously pursues its growth in Japan.
2006:	JCDecaux makes several acquisitions in order to penetrate new, high-growth markets, or consolidate positions in mature markets. JCDecaux thus acquires VVR-Berek, the leading outdoor advertiser in Berlin, and invests in Russia and the Ukraine. The Group accelerates its growth in Japan.
2007 and 2008:	JCDecaux renews a number of major contracts, particularly in France, and introduces self-service advertising-financed bicycle systems, including the Vélib' programme in Paris. The Street Furniture business accelerates its expansion in Japan, adding four new contracts, and the Group pursues its growth in India and

China, with the renewal and extension of the advertising contract for the Shanghai underground. JCDecaux makes acquisitions and alliances to penetrate new high-growth markets, particularly in the Middle East and Central Asia.

3. ARTICLES OF ASSOCIATION

The articles of association are amended in accordance with applicable law and regulations.

ARTICLE 2 – PURPOSE

The Company's purpose in France and abroad is:

- the study, invention, development, manufacture, repair, assembly, maintenance, leasing, and sale of all articles or equipment destined for industrial or commercial use, and especially the manufacture, assembly, maintenance, sale, and operation of all types of street furniture, whether advertising or not, and the provision of all services, including advisory and public relations services;
- transport of goods, directly or indirectly, by road and leasing of vehicles for transport of such goods;
- advertising, marketing of advertising space on all types of street furniture, billboards, as well as on any other media, including neon signs, façades, television, radio, the Internet, and all other media, and the undertaking on behalf of third parties of all sales, leasing, display, installation, and maintenance of advertising displays and street furniture;
- management of investments in negotiable securities, particularly relating to advertising and especially billboards, and use of its resources to invest in securities, especially through acquisition of, or subscription for, shares, equity interests, bonds, bills and notes, or other securities issued by French or foreign companies and relating particularly to advertising;

and more generally, engaging in any financial, commercial, business or real estate transactions that may be related, directly or indirectly, to the corporate purposes, or likely to extend or develop them more easily;

In particular, the Company may organise a centralised treasury management system with all companies in which it has a direct and/or indirect equity interest, for the purpose of optimising its credit, such as by investing its surplus cash, in any manner permitted by law at that time.

ARTICLE 3 – COMPANY NAME

The name of the Company is: **JCDecaux SA**

ARTICLE 4 – REGISTERED OFFICE

The registered office is located at NEUILLY-SUR-SEINE (Hauts de Seine), 17, rue Soyer.

It may be transferred pursuant to the legal provisions in force.

ARTICLE 5 – TERM

The term of the Company is 99 years from 5 June 1975; it will expire on 5 June 2074, except in the event of early dissolution or extension.

ARTICLE 6 – CAPITAL

The share capital totals €3,373,250.96 (three million three hundred and seventy-three thousand two hundred and fifty euros, ninety-six cents) divided into 221,270,597 (two hundred and twenty-one million two hundred and seventy thousand five hundred and ninety-seven) shares of the same category and fully paid-up.

ARTICLE 7 – CALL ON SHARES

Any share subscription in cash must be accompanied by a payment of at least a quarter of the nominal amount of the shares subscribed to and, where applicable, the entirety of the issue premium. The balance is payable in one or several instalments at the times and in the proportions that will be determined by the Executive Board, in accordance with the law. Notice of calls shall in each case be served on shareholders fifteen days at least before the time fixed for such payment, either by registered letter with acknowledgment of receipt, or by a notice published in a legal notices publications at the place of the registered office.

If the sums called in respect of a share are not paid on expiry of the period determined by the Executive Board, interest shall fall due on the sums by operation of law without the need for legal action or formal notice, for each late day calculated from the due date, at the legal interest rate increased by two points, all without prejudice to enforcement measures provided by the law.

ARTICLE 8 – RIGHTS AND OBLIGATIONS ATTACHED TO EACH SHARE

Each share shall carry the right to a share in the Company's assets, a share in the profits and in the liquidation surplus, proportional to the number of existing shares.

Each time that it is necessary to hold a certain number of shares to exercise a right, holders who do not hold this number must group together the required shares.

Each shareholder has as many votes as shares he holds or represents.

ARTICLE 9 – FORM OF SHARES

1) Identification of shareholders

Shares are nominative or to the bearer, at the shareholder's choosing, under the conditions provided for in the legal provisions in force. These shares, whatever their form, must be registered in the account in the name of their holder.

However, when their holder does not reside on French territory, within the meaning of Article 102 of the French Civil Code, any intermediary can be registered on behalf of this owner. This registration can be in the form of a group account or in several individual accounts each corresponding to one owner.

The intermediary registered must, at the time of opening his account with either the issuing Company, or the financial intermediary authorised account holder, declare, under the conditions decreed, his capacity as an intermediary holding shares on behalf of others.

In view of identifying holders of bearer shares, the Company can request at any time from the central custodian which is the account holder for issuing its shares, depending on the case, the name, nationality, year of birth or formation and the address of the shareholders granting immediately or in the future a right to vote in its own meetings as well as the quantity of shares held by each of them and, where applicable, any restrictions that apply to the shares.

The Company shall have the right to request, in view of the list provided by the aforementioned organisation, either by the intervention of this organisation or directly, under the same conditions and under penalty of sanctions provided for in Article L.228-3-2 of the Commercial Code, from persons named on this list and whom the Company deems to be registered on behalf of third parties, information concerning the holders of the shares. These persons must, when they have the status of an intermediary, disclose the identity of the holders of these shares. The information is provided directly to the financial intermediary holding the account, in order that the latter send it, depending on the case, to the Company or the aforementioned organisation.

If it involves shares in a nominative form, granting immediately or in the future access to the capital, the intermediary shall register them under the conditions stipulated in Article L.228-1 of the Commercial Code and must, within a time period decreed, disclose the identity of the holders of these shares, as well as the quantity of shares held by each of them on first request of the Company or its agent, which can be made at any time.

As long as the Company deems that certain holders whose identity has been disclosed to it are holders on behalf of third parties, it has the right to request that these holders disclose the identity of the holders of these shares, as well as the quantity of the shares held by each of them, under conditions stipulated in Articles L.228-2 II and L.228-3 of the Commercial Code.

At the end of these transactions, and without prejudice to the obligations to declare major shareholdings pursuant to Articles L.233-7, L.233-12 and L.233-13 of the Commercial Code, the Company can request that any company holding its shares and holding shares exceeding 1/40th of the capital or voting rights, disclose the identity of the persons holding directly or indirectly more than one third of its capital or voting rights.

An intermediary that meets the requirements set out in paragraphs 7 and 8 of Article L.228-1 of the Commercial Code, acting under general authority to manage securities, may transmit the vote or warrant of a shareholder for any General Meeting as set out in paragraph 3 of the same Article.

Prior to transmitting the warrants or votes to the General Meeting, the intermediary registered in accordance with Article L.228-1 of the Commercial Code, is required to supply a list of the non-resident shareholders with respect to which the voting rights are attached as well as the shares held by each of them, at the request of the Company or its representative. This list is provided under the terms and conditions set out in Articles L.228-2 or L.228-3, as appropriate, of the Commercial Code.

The vote or warrant issued by an intermediary that either has not registered as such, or has not disclosed the shareholder's name, may not be counted.

The breach of the obligations resulting from the aforementioned paragraphs is sanctioned in accordance with the provisions of Article L.228-3-3 of the Commercial Code.

2) Crossing certain thresholds

In addition to the filings for crossing thresholds expressly provided for under the first and second paragraphs of Article L.233-7 of the Commercial Code, any individual or entity acting alone or in unison with others who becomes the owner, directly or indirectly, through one or more companies that it controls within the meaning of Article L.233-3 of the Commercial Code, of a number of shares representing 2% or more of the share capital or the voting rights, must notify the Company by registered letter with acknowledgment of receipt within five trading days of crossing such threshold of the total number of shares and voting rights the individual then owns, as well as of any securities convertible into shares or voting rights which may potentially be attached. The same notice requirement applies each time a change of more than 1% in shareholding occurs in respect of such threshold.

Such notice must also be given to the Company when a shareholder's ownership of shares or voting rights falls below one of the aforementioned thresholds.

The legal penalties in the event of the non-observation of the obligation to declare the crossing of the legal thresholds also applies in the event of the non-declaration of the thresholds stipulated in these articles of association, upon the request at the General Meeting of Shareholders of one or more shareholders holding at least 5% of the Company's share capital or voting rights.

ARTICLE 10 – TRANSFER AND INDIVISIBILITY OF SHARES

Shares can be traded freely.

Shares are transferred from one account to another on the signed instructions of the assignor or his authorised representative.

ARTICLE 11 – ADMINISTRATION OF THE COMPANY

The Company is managed by an Executive Board, which carries out its duties under the control of a Supervisory Board.

ARTICLE 12 – EXECUTIVE BOARD – COMPOSITION

The Executive Board is composed of at least two members and at most seven members appointed by the Supervisory Board.

Members of the Executive Board must be individuals and need not be chosen from among the shareholders.

No acting member of the Supervisory Board can be part of the Executive Board.

A member of the Executive Board can only be appointed to the Executive Board or as the sole Co-CEO of another company, under the conditions stipulated by the Commercial Code.

Furthermore, a member of the Executive Board cannot be appointed as a legal representative of a company that JCDECAUX SA does not directly or indirectly control without having been authorised by the Chairman of the Supervisory Board.

In one case or the other, the member of the Executive Board who has not complied with the provisions stipulated in the previous two paragraphs, must resign either from his duties as a member of the Executive Board, or his unauthorised duties, within a period of three years from his appointment to the unauthorised duties.

ARTICLE 13 – TERMS OF OFFICE OF MEMBERS OF THE EXECUTIVE BOARD – COMPENSATION

The Executive Board is appointed for a term of three years. The terms of office of its members expire at the end of the General Meeting of Shareholders ruling on the financial statements for the fiscal year just ended and held during the year in which such term of office is due to expire. In the event of a vacancy due to death, resignation or removal, the Supervisory Board must, within a period of two months from the vacancy arising, fill the vacant position, for the time left to run until renewal by the Executive Board.

The acceptance and exercise of the term of office of a member of the Executive Board results in the undertaking, for each interested party, that at all times he meets the conditions and obligations required by current laws, particularly concerning the number of terms of office.

Any member of the Executive Board is eligible for re-election.

No one past the age of seventy may serve on the Executive Board. Any Executive Board member who reaches that age is deemed to have retired at the close of the meeting of the Supervisory Board following the date on which he reaches that age, unless the Supervisory Board decides to allow the member to serve out the balance of his term.

The Supervisory Board sets out in the appointment contract the method and the amount of compensation for each member of the Executive Board.

Members of the Executive Board or the sole Co-CEO may be removed by the General Meeting of Shareholders or the Supervisory Board. If the removal is decided without just cause, it can give rise to damages and interest. In the event that the interested party has signed an employment contract with the Company, the removal of his duties as a member of the Executive Board will not terminate this contract.

ARTICLE 14 – ORGANISATION AND OPERATION OF THE EXECUTIVE BOARD

The Supervisory Board confers on one of the members of the Executive Board the office of Chairman and fixes the term of his duties. It can also confer on one of the members of the Executive Board the office of Vice Chairman.

The Executive Board meets as often as the Company's interests require, at the registered office or at any other place indicated in the notice of meeting.

It is convened by the Chairman or, in the event he is hindered in so doing, by at least half of its members.

Notifications are made by all means, even verbally.

Meetings of the Executive Board are chaired by its Chairman or, in his absence, by the Vice Chairman or, in his absence, by a member of the Executive Board chosen at the beginning of the meeting. The Executive Board may also appoint a secretary who may or may not be chosen from among its members.

If the Executive Board has two members, both must be present for business to be validly conducted, if it has more than two members, at least half of the members must be present.

A member of the Executive Board can authorise another member to represent him at an Executive Board meeting by means of a letter, fax or telegram. Each member of the Executive Board may only represent one other member.

An attendance register is kept at the registered office and is signed by all the members participating in each Executive Board meeting.

It the Executive Board is comprised of two members, decisions are taken by a unanimous vote. If it has more than two members, decisions are taken on a majority of the votes of members present or represented; in the event that the votes are evenly split, the Chairman's vote shall be decisive. The Executive Board can draw up Internal By-Laws setting out its organisation or operating method.

Deliberations are recorded in minutes signed by the Chairman and one member of the Executive Board or, in the event the Chairman is absent, by two members of the Executive Board.

These minutes are either reproduced on a special register or collated.

The copies or extracts of these minutes are certified by the Chairman of the Executive Board or by one of its members, and during liquidation by a liquidator.

Members of the Executive Board who participate in the meeting by means of videoconference or telecommunications, the nature and conditions of application of which are stipulated by the Commercial Code, which enables the identification of the members and which guarantees their actual participation are deemed to be present for calculating quorum and majority;

The Chairman of the Executive Board represents the Company in its relations with third parties.

The Supervisory Board can attribute the same power of representation to one or several members of the Executive Board who then bear(s) the title of "Co-CEO".

ARTICLE 15 – POWERS AND DUTIES OF THE EXECUTIVE BOARD

The Executive Board has the broadest possible authority to act in all circumstances on behalf of the Company with regard to third parties, subject to the powers expressly granted at Shareholders' Meetings and by the Supervisory Board, under the law and the articles of associations, particularly concerning the operations set out in paragraphs 4 and 5 of this Article and Article 19 below.

The Executive Board has the option to delegate part of its authority when it deems it suitable.

Members of the Executive Board can, with the authorisation of the Supervisory Board, distribute the management tasks between them. However, this distribution can in no case have the effect of removing from the Executive Board its purpose as a body collectively carrying out the Company's general management.

The Executive Board carries out its duties under the control of the Supervisory Board. It must notably present to the Supervisory Board:

- at least once a quarter, a report on the Company's business and affairs;
- within three months following the end of each fiscal year, the financial statements for review and approval.

Guarantees and security deposits for third parties can only be granted by the Executive Board after authorisation by the Supervisory Board.

The Supervisory Board can set, for a maximum period of one year, an overall sum or a sum below which an authorisation shall not be necessary. Non-compliance with these provisions is only binding on third parties in cases stipulated by law.

The sale of properties by accounting item, the full or partial sale of shareholdings, the forming of sureties must be authorised beforehand by the Supervisory Board. The Board can determine by transaction a sum below which an authorisation shall not be necessary. Non-compliance with these provisions is only binding on third parties in cases stipulated by law.

ARTICLE 16 – COMPOSITION OF THE SUPERVISORY BOARD

The ongoing control of the Company's management by the Executive Board is exercised by the Supervisory Board composed of at least three members and 18 at most, subject to the exemptions provided for under Article L.225-95 of the Commercial Code.

Members of the Supervisory Board are appointed by an Ordinary General Meeting of Shareholders, for a maximum term of six years.

The term of office of a member of the Supervisory Board expires at the end of the Ordinary General Meeting of Shareholders that considers and acts on the financial statements of the fiscal year just ended and that is held during the year in which such term of office is due to expire.

Members of the Supervisory Board are eligible for re-election.

They may be removed by the General Meeting of Shareholders.

The number of members of the Supervisory Board over the age of 75 may not be greater than one-third of the serving members.

Any appointment contrary to this provision shall be null and void. When this limit is passed, the oldest member is deemed to have left office. Furthermore, from the age of 75, the term of office is annual.

A legal entity can be appointed as member of the Supervisory Board. During its appointment, it must name a permanent representative.

In the event of a vacancy arising due to death, age limit or resignation, the Supervisory Board can, between two General Meetings of Shareholders, make interim appointments. These appointments are subject to ratification at the next Ordinary General Meeting of Shareholders.

A member of the Supervisory Board appointed as a replacement for another, whose term of office has not expired, only remains in office for the time remaining to run of his predecessor's term of office.

If the number of members of the Supervisory Board falls below the legal minimum, the Executive Board, or failing this the Supervisory Board, must immediately convene an Ordinary General Meeting of Shareholders with a view to adding to the members of the Supervisory Board.

A member of the Supervisory Board can only be appointed to the Supervisory Board of another company, under the conditions stipulated by the Commercial Code.

ARTICLE 17 – SHARES HELD BY DIRECTORS

Each member of the Supervisory Board must be the holder of at least TWO (2) shares throughout the term of his office. This provision only applies to shareholder employees appointed, where applicable, as a member of the Supervisory Board pursuant to the provisions of the Commercial Code.

ARTICLE 18 – ORGANISATION AND OPERATION OF THE SUPERVISORY BOARD

The Supervisory Board elects from among its members a Chairman and a Vice Chairman in charge of convening the Board and chairing discussions. The Board determines the amount of their compensation. The Chairman and Vice Chairman must be individuals rather than legal entities. They are elected for a term that is equal in length to their term of office on the Supervisory Board. They are always eligible to be re-elected.

The Supervisory Board may appoint a secretary who can be chosen from outside the shareholders.

The Supervisory Board meets at the registered office or at such other location indicated in the notice of meeting, on convening by its Chairman or Vice Chairman, as often as the Company's interests require and at least once every quarter to hear the Executive Board's report.

The Chairman or Vice Chairman must convene the Board to a meeting, the date of which can be no more than 15 days later when at least one member of the Executive Board or at least a third of the members of the Supervisory Board presents it with a justified request for this purpose. If the request goes unheeded, its authors may convene the meeting, by stating the meeting's agenda.

Meetings can be convened by all means, even verbally.

Any member of the Supervisory Board can authorise another member to represent him at a Supervisory Board meeting by means of a letter, fax or telegram. Each member of the Supervisory Board can only have during the same meeting one proxy; these provisions are applicable to the representative of a legal entity member of the Supervisory Board.

At least half of the Board members must be present for the Supervisory Board to transact business validly.

Meetings of the Supervisory Board are chaired by the Chairman of the Supervisory Board or, in his absence, by the Vice Chairman or, otherwise by any member chosen by the Supervisory Board.

Decisions must be taken by a majority of the members present in person or represented by proxy.

In the event of a tie, the person chairing the meeting has the deciding vote.

Members of the management can assume a consultative role at the meetings of the Supervisory Board on the Chairman's initiative.

An attendance register is kept at the registered office and is signed by all the members participating in each Supervisory Board meeting.

Minutes are drawn up and the copies or extracts of the deliberations are delivered and certified in accordance with the applicable legal and regulatory provisions.

The Supervisory Board may draw up Internal By-Laws stipulating the creation of one or more committees within it, whose duties it will define as well as the fact that for the calculation of the quorum and majority, members of the Supervisory Board who participate in the meetings by means of videoconference or telecommunications under the conditions stipulated by the Commercial Code are deemed present.

Members of the Supervisory Board, as well as any other person attending the Supervisory Board meetings, must exercise discretion concerning the deliberations of the Board and regarding information of a confidential nature or presented as such by the Chairman.

ARTICLE 19 – RESPONSIBILITIES OF THE SUPERVISORY BOARD

The Supervisory Board oversees the management of the Company by the Executive Board.

The Supervisory Board may review or investigate the Company's operations at any time it deems appropriate and may obtain any document that it believes is necessary for this purpose.

At least once every quarter, the Executive Board must report to the Supervisory Board on the Company's business and affairs.

Within three months following the end of each fiscal year, the Executive Board must present to the Supervisory Board, for its review and approval, the financial statements for the period.

The Supervisory Board must present its report to the annual General Meeting of Shareholders on the report of the Executive Board, as well as on the financial statements for the period.

The Supervisory Board appoints a Chairman from among the members of the Executive Board, whose length of term and compensation it determines. It attributes where applicable the authority to represent the Company to one or more members of the Executive Board and authorises their accumulation of terms of office as a member of the Executive Board or as the sole Co-CEO of another company.

It can convene the General Meeting of Shareholders.

The Supervisory Board – under the conditions stipulated in Article 15 of the articles of association – grants its prior authorisation to the Executive Board for guarantees and security deposits for third parties, on the one hand, the sale of properties by accounting item, the full or partial sale of shareholdings and the forming of sureties, on the other hand, and sets the limits below which this authorisation is not required.

It authorises the agreements set out in Article 21 below.

It can move the registered office within the same French department or in a neighbouring department, subject to ratification, in accordance with the aforementioned Article 4.

It can confer on one or several of its members all special terms of office for one or several definite objects.

ARTICLE 20 – COMPENSATION FOR MEMBERS OF THE SUPERVISORY BOARD

An annual sum, in terms of Directors' fees, can be allocated to members of the Supervisory Board, in compensation for their work, the amount of which is charged to the Company's operating expenses, and determined by the General Meeting of Shareholders and continues until a contrary decision is made by the meeting. The Supervisory Board freely distributes this allocation between its members.

Furthermore, the Board can allocate to certain members non-recurring payments for work or offices entrusted to them.

ARTICLE 21 – AGREEMENTS WITH A RELATED PARTY

Any agreement taking place directly or by means of a person intervening between the Company and one of the members of the Executive Board or Supervisory Board, a shareholder holding a proportion of the voting rights greater than 10% or, if it involves a shareholder company, the company controlling it, within the meaning of Article L.233-3 of the Commercial Code, must be subject to the Supervisory Board's prior authorisation.

The same applies to agreements in which one of the persons cited in the previous paragraph is indirectly involved.

Agreements taking place between the Company and a company are also subject to the prior authorisation, if one of the members of the Executive Board or the Supervisory Board of the Company is an owner, associate, manager, Director, member of the Supervisory Board or, generally, manager of this company.

The interested party cannot take part in the vote on the authorisation sought.

These agreements are subject to the approval of the General Meeting of Shareholders under the conditions stipulated in the Commercial Code.

These provisions are not applicable to agreements relating to day-to-day management operations and agreed under normal conditions. However, these agreements, with the exception of those, which, due to their object or their financial implications, are not significant for any of the parties, are sent by the interested party to the Chairman of the Supervisory Board. The Chairman sends its list and object to members of the Supervisory Board and to the Statutory Auditors. Any shareholder has the right to obtain a copy of it.

Members of the Executive Board and members of the Supervisory Board other than legal entities are prohibited from contracting, in any form whatsoever, loans from the Company, and from being granted an overdraft in a current account or other account by it, as well as it standing surety or guaranteeing their obligations towards third parties. The same ban applies to permanent representatives of legal entities that are members of the Supervisory Board.

It also applies to spouses, descendants and ascendants of persons cited in the previous paragraph as well as any other intermediate person.

ARTICLE 22 – STATUTORY AUDITORS

The Ordinary General Meeting of Shareholder determines, for the term, under the conditions and with the responsibilities stipulated by law, one or more statutory auditors and one or more alternate statutory auditors.

ARTICLE 23 – GENERAL MEETINGS OF SHAREHOLDERS

1. General Meetings of Shareholders are held and transact business under the terms and conditions provided by law. They may be held at the registered office or at any other location in France.

2. General Meetings of Shareholders are open to all shareholders, regardless of the number of shares they hold, as long as their shares have been fully paid up, to the extent that payment is due.

The right to be present in person or represented by proxy at a shareholders' meeting is subject to the shareholder being registered either in the books and records of registered shareholders kept by the Company, or in accounts for bearer shares held in registered form by an authorised broker or agent, under the terms and conditions and subject to the deadlines provided under applicable law and regulations.

An intermediary that meets the requirements set out in paragraphs 7 and 8 of Article L.228-1 of the Commercial Code, acting under general authority to manage securities, may transmit the vote or proxy of a shareholder for any General Meeting of Shareholders as set out in paragraph 3 of the same article.

3. Shareholders may participate in a Meeting of Shareholders by videoconference or any other means of telecommunication permitted by applicable law and regulation and be deemed present for quorum purposes and determination of required majorities at such Shareholders' Meeting, upon a decision allowing such participation taken by the Executive Board and published in the notice of the meeting.

4. The Workers' Committee of the Company may propose resolutions for inclusion in the agenda of Shareholders' Meetings.

It can also request that the courts appoint a representative in charge of convening the General Meeting of Shareholders in the event of an emergency.

Two members of the Workers' Committee, one from the category of technicians and supervisors (shop stewards), the other from the category of employees and workers, or, if applicable, the persons indicated in the third and fourth paragraphs of Article L.432-6 of the French Labour Code, may be appointed by the Workers' Committee to attend General Meetings of Shareholders. They have the right to be heard, upon request, in respect of any matter requiring unanimity that may come before the Meeting.

5. General Meetings of Shareholders are chaired by the Chairman of the Supervisory Board or, in his absence, by the Vice Chairman of the Supervisory Board or, in his absence, by a member of the Supervisory Board specially delegated for such purpose by the Supervisory Board. Otherwise, the shareholders may elect their own person to chair the meeting.

ARTICLE 24 – FISCAL YEAR

The fiscal year begins on 1st January and ends on 31st December of each year.

ARTICLE 25 – DISTRIBUTION OF PROFITS

The Shareholders, after making any necessary credit to the legal reserve, may allocate any amount of net distributable income that they choose to retained earnings, any special reserve fund, or any other special or ordinary purpose. The remainder is to be distributed among all shareholders, in proportion to their equity interest in the share capital.

ARTICLE 26 – LIQUIDATION

1. Subject to compliance with the legal regulations in force, liquidation of the Company shall comply with the regulations below, with the observation made that Articles L.237-14 to L.237-31 of the Commercial Code shall not be applicable.

2. Shareholders at the Extraordinary General Meeting appoint under conditions of quorum and majority stipulated in the Ordinary General Meetings, from among them or from outside, one or more liquidators whose duties and compensation they will determine.

This appointment brings to an end the terms of office of members of the Executive Board and Supervisory Board and, unless the Meeting decides otherwise, those of the Statutory Auditors.

The Ordinary General Meeting of Shareholders can still remove or replace the liquidators and extend or restrict their powers.

The liquidators' term of office is, unless otherwise stipulated, assigned for the entire term of the liquidation.

3. The liquidators have, jointly or separately, the widest powers to realize, at the price, charges and conditions that they deem suitable, any Company asset and discharge its liabilities.

The liquidator(s) can, during the liquidation, distribute payments and, at the end of the liquidation, distribute the balance available without the need for any advertising formality or deposit of funds.

Sums dues to associates or creditors and not claimed by them shall be paid to the *Caisse des Dépôts et Consignations* (French Deposit and Consignment Office) within the year that follows the termination of the liquidation.

The liquidators have, even separately, the capacity to represent the Company with regard to third parties, particularly public or private authorities, as well as to bring legal proceedings before any courts both as applicant or defendant.

4. During the liquidation, the General Meetings are held as often as required in the Company's interest without however it being necessary to comply with the stipulations of Articles L.237-23 *et seq.* of the Commercial Code.

General Meetings are legally convened by a liquidator or by shareholders representing at least a tenth of the share capital.

Meetings are chaired by one of the liquidators or, in his absence, by the shareholder with the greatest number of votes. They deliberate under the same conditions of quorum and majority as before the dissolution.

5. At the end of the liquidation, the shareholders meet in an Ordinary General Meeting ruling on the final account of the liquidation, the discharge of the liquidators' management and their term of office.

They record, under the same conditions, the termination of the liquidation.

If the liquidators neglect to convene the Meeting, the presiding judge of the commercial court, ruling by summary order can, on the request of any shareholder, appoint an agent to carry out this notification.

If the closing meeting cannot deliberate or if it refuses to approve the liquidation accounts, it is ruled on by a decision of the commercial court, on the request of the liquidator or any interested party.

6. The amount of shareholders' equity remaining, after reimbursement of the nominal amount of the shares, is shared equally between all the shares.

During reimbursement of the share capital, the burden of any taxes that the Company must deduct at source will be distributed between the shares indistinctly in proportion uniformly to the capital reimbursed to each of them without it having to take account of the different issue dates nor the origin of the various shares.

ARTICLE 27 – DISPUTES

Any disputes that could arise during the operation of the Company or its liquidation, either between the shareholders, or between the Company and the shareholders themselves concerning the interpretation or performance of these articles of association or generally on the subject of corporate affairs, will be submitted to the competent courts under the conditions of general law.

4. RISK FACTORS

The Company's internal control and risk management procedures describe the procedures introduced within the Group to manage risks, page 147.

4.1. Risks run as part of the business

The Group's reputation

The Group's business is closely linked to the quality and integrity of the relations we have with local governmental authorities, essentially with respect to the Street Furniture business. The Group's reputation for, and its history of, integrity are essential factors that help us to procure contracts with local governments.

Beginning in 2001, the Group developed ethical rules applicable to the entire business. These rules were revised in 2004 and implemented in early 2005, and have been broadly distributed throughout all Group companies. They have been clarified with terms and conditions of application adapted to the lines of business in order to avoid any misunderstanding as to their interpretation. A new version of this Code of Ethics will be introduced and widely circulated throughout the Group in 2009.

Reliance on key executives

We depend to a large extent on the continued services of the key executive officers, particularly Jean-Charles Decaux and Jean-François Decaux, both members of the Executive Board and Jean-Claude Decaux, Chairman of the Supervisory Board and founder of the Group. The loss of the services of any of the key executive officers, for any reason, could have an adverse effect upon the business.

Risks relating to public procurement procedures

The conclusion of contracts with local governments in France and elsewhere is subject to complex statutory and regulatory provisions.

Over time the Group has accrued teams of lawyers with specialised knowledge in public and administrative law to manage the bids in France and elsewhere. These legal teams asses the content of the tenders and ensure strict compliance with procedures and specifications issued by the procurement authority.

The preparation of responses to tenders follows a precise process that includes all of the relevant departments of the Company, under the supervision of a member of the Executive Board. Reponses to tenders that exceed certain criteria are systematically referred to the Executive Board for approval.

The fact that competition regularly takes advantage of this option to dispute a procedure for placing a contract before its signature, particularly in France, increases the possibility that the Group will be involved in litigation.

If a public procurement contract is voided by a court decision, compensation is awarded to the counterparty, but it does not necessarily cover the full amount of the loss.

Lastly, in certain countries where the Group exercises its business, including France, any local authority that is part of a contract under public law can terminate it at any time, in whole or in part, for reasons in the general interest. The scope of the compensation due to offset the loss of the counterparty remains in this case up to the court's assessment.

Risks relating to the change in applicable regulations

- **Risks related to regulations applicable to advertising**

The outdoor advertising industry is subject to significant governmental regulation at both the national and local level, particularly in Europe and the United States, relating to the density, size and location of billboards and street furniture in urban and other areas, and regulation of the content of outdoor advertising (including bans and/or restrictions in certain countries on tobacco and alcohol advertising). Local law and regulations, however, are moving in the direction of reducing the total number of advertising outlets, and local authorities are becoming stricter in applying existing law and regulations. Part of the advertising outlets, in particular in the area of billboards, could therefore, in the future, have to be removed or relocated, in France as well as abroad.

- **Risks related to regulations applicable to alcoholic beverage advertising**

The European Directive dated 30 June 1997 regulates advertising of alcoholic beverages. Laws and regulations in this area vary considerably from one European country to another, from complete prohibition of advertising to permission only at points of sale. However, most European Union countries have adopted laws that restrict the content, presentation and/or timing of such advertising.

In China, advertising of alcoholic beverages is subject to regulation under the Regulatory Rules on Alcoholic Beverage Advertising, dated 17 November 1995, in particular submitting it to a prior health certificate.

An extension to these restrictions may have a negative impact on the revenues from the relevant countries.

In 2008, alcohol advertising accounted for 4.5% of the Group's consolidated revenues, compared to 5.5% in 2007.

- **Risks related to law and regulations applicable to tobacco advertising**

Anti-tobacco campaigns have become a major priority in the European Union, and European countries have taken steps to harmonise the legislation against advertising tobacco products, particularly in light of EU Directive 89/552 EEC, as amended by Directive 97/36/EC on Cross-Border Television, which harmonises legislation in this area.

In particular, outdoor advertising of tobacco products is prohibited in France, the United Kingdom, Spain, Italy, Finland, Portugal, the Netherlands, Ireland, Denmark, Belgium, Austria, Norway, Australia, Iceland, and Sweden, with minor exceptions in Sweden, as well as in 46 States of the USA. Tobacco products advertising is permitted, subject to restrictions, in Germany and in China.

An extension to these restrictions may have a negative impact on the revenues from the relevant countries.

In 2008, tobacco advertising accounted for 0.6% of the Group's consolidated revenues, compared to 0.6% in 2007.

- **Risks related to changes in regulations applicable to other media**

The application in France of the EU Directive on Cross-Border Television broadcasts, dated 3 October 1989, involves a progressive opening of media to all industries. In France, the Decree dated 7 October 2003 provides for gradual access for large retailers to television advertising, and all televised media (local channels, cable, satellite and broadcast channels) became open to large retailer advertising from 1 January 2007. This access has had an unfavourable impact on outside marketing from 2007.

4.2. Risks related to regulation of competition

An element of the growth strategy involves acquisitions of additional outdoor advertising companies and properties, many of which are likely to require the prior approval of national and/or European competition authorities.

The European Commission or national competition authorities could prevent the Group from making certain acquisitions or impose conditions limiting such acquisitions.

In connection with the business, the Group's companies bring actions and other proceedings with national competition authorities, or are the subject of actions and proceedings brought by the competitors.

4.3. Legal risks

The JCDecaux Group is involved in several disputes relating to the terms of implementation of some of its agreements with its licensors and with the terms of its relations with suppliers.

Moreover, its business activities with local governmental authorities, in France and abroad, can lead to greater vulnerability to legal proceedings. Thus, the JCDecaux Group is implicated in disputes concerning the attribution or termination of street furniture and/or billboard contracts, as well as disputes relating to the taxation of its business.

To the best of our knowledge, there are no other court, arbitration or administrative proceedings, including any that have been suspended or are threatened and likely to have or which have had material effects on the financial situation or profitability of the company and/or Group over the last 12 months.

4.4. Environmental risks

Since it was formed, the JCDecaux Group has been actively involved, together with local governments, transportation companies, airport authorities, advertisers, and advertising and media agencies in improving the urban environment.

The Group publicised on its website, in 2008, a Commitment letter in favour of sustainable development which sets out in detail its willingness to pursue economic development that respects humans and the environment.

The Group has confirmed the following objectives: reduce the impact of its business on the environment (reduction in energy and water consumption, recycling of posters and other waste), pursue eco-design, intensify the recourse to the analysis of the life cycle and to "green" products and reduce carbon emissions.

The Group also intends to accelerate the ISO 14001 certification process in order to satisfy the highest international standards. The industrial activities managed by the DGRPO, in France and the Group subsidiaries in Spain, Norway, the United Kingdom, Portugal and Italy are already ISO 14001 certified (with these six countries representing 55% of the Group's revenue). Work is underway in several subsidiaries to obtain or extend the scope of certification, as in Sweden for example, which aims for a certification in 2009.

In order to coordinate all of its commitments, the Group is equipped with a Quality Control and Sustainable Development Department, placed directly under the authority of one of the members of the Executive Board, whose task is to define and implement the Group's broad strategic direction with regard to sustainable development.

At the same time, the Group supports sustainable development in a proactive way, through its products and its services, as for example the Vélib' self-service bicycle system and the design of structures to collect waste.

Lastly, although the Group's business activities do not involve a serious risk of pollution, the level of risk management concerning potential environmental damage, such as accidental pollution, is always being improved.

4.5. Risks covered by insurance

Organisation
Given the similarity of the operations in various countries, the strategy is to cover essential risks centrally under worldwide insurance policies taken out by JCDecaux SA with major international insurers. The Group therefore obtains coverage for risks of damage to property and operating losses, as well as for civil liability risks and corporate officers' insurance.

This strategy enables the Group both to obtain a significant level of coverage on the basis of worldwide premium rates, but also to ensure that the degree of coverage applicable to the Group companies, both in France and abroad, is consistent with the potential risks that have been identified and with the Group strategy for risk coverage.

The Group may also obtain local and/or specific coverage to comply with locally applicable law and regulations, or to meet specific requirements. Purely local risks, such as vehicle insurance, are covered separately in each country under its responsibility. Since 1st January 2007, however, France, Spain, and the UK have been covered under a single international vehicle insurance programme.

For essential risks, the worldwide coverage applies where there are differences or gaps in the terms and conditions or limits of coverage under local policies.

In addition, to obtain the most value for the insurance investment and have full control of risks, the Group self-insures low-level or mid-range risks, essentially through Business Interruption/Damage, Civil Liability and Automobile Fleet policies.

Policy
The insurance management policy is to identify major catastrophic risks by assessing those, the consequences of which would be most significant for third parties, employees and for the Group.

All material risks are covered under a worldwide Group insurance programme, with self-insurance (deductibles) provided only in respect of frequent risks. The aggregate amount of premiums paid in 2008 totalled €2,192,639.

As a matter of policy the JCDecaux Group does not obtain coverage from insurers unless they have the highest rating.

All of these insurance programmes include levels of deductibles, which ensure that only non-recurring risks are covered. They also include levels of coverage that, in light both of the Group's past risk history, in particular the severe storms of 1999 in Europe, and the study undertaken of the essential industrial facilities, have the objective of insuring major risks that are exceptional in character.

Implementation – principal Group policies

The principal coverage under Group policies in force since 1 July 2006 and extended until 1 July 2010 is as follows:

- **Civil liability**

We self-insure risks in unit amounts below or equal to €3,000 in general, which may go up to €10,000 for certain countries that have a high level of recurring risks.

Above these levels of self-insurance, we put in place three successive levels of coverage, the amounts of which have been determined after analysis of risk factors specific to the Group's business and their possible consequences. These three levels cover all the global subsidiaries.

The basic deductible of these Group policies is €1 million; below that level, specific policies have been obtained in each country.

In 2008, we had no major claims.

- **Property damage – business interruption**

A single insurance program implemented for principal European countries (a "free servicing agreement") was continued in 2008 in new countries (Denmark, Finland, Sweden, the Baltic States, and Poland). The Group's other main foreign subsidiaries are covered under a worldwide programme that provides reinsurance of local policies (particularly in the United States, Hong Kong, Thailand and Singapore).

The smallest foreign subsidiaries are insured locally, and the Group policy provides coverage in cases of losses under different conditions and/or limits.

Advertising structures are covered up to €15 million per event.

Operating facilities, especially facilities where posters are prepared, are insured up to €100 million per event. Coverage limitations include business interruption losses as a result of a covered event.

An absolute deductible of €50,000 applies to each claim. This deductible was reduced to €15,000 for the smallest subsidiaries.

In terms of business interruption, since 1st July 2008, the applicable deductible is 10% of the amount of the claim, with a minimum of €15,000 and a maximum of €1,000,000.

In 2008, there were no major claims or losses. Policies obtained are typical for the market. They include specific endorsements for certain events, consistent with the market.

The policy described above is provided as an illustration of a situation over a given period and should not be considered as representative of a permanent situation.

The Group's insurance strategy may change at any time, depending on the occurrence of insurable events, the appearance of new risks, or market conditions.

4.6. Market risks

Market risks are discussed in the Notes to the Consolidated Financial Statements on page 111 of this Annual Report.

Concerning its credit risk rating, Standard and Poor's rated the group "BBB+" on 29 October 2008 with a stable outlook. Standard and Poor's affirmed the "BBB+" rating in its latest report dated 17 March 2009, but with an outlook revised to negative, largely influenced by the current market climate.

5. RELATIONS WITH THE CONTROLLING SHAREHOLDER AND WITH THE PRINCIPAL SUBSIDIARIES AND AFFILIATES

5.1. Relations with JCDecaux Holding

JCDecaux Holding provides JCDecaux SA with services in the areas of conception and implementation of strategic plans, alliances, financing and organisation under an Agreement dated 21 January 2000.

In 2008, JCDecaux Holding billed JCDecaux SA €762,245 under this agreement. This amount has not changed since 2000 and is not indexed.

This agreement having been signed for a fixed price in accordance with market conditions, it has not been considered as an agreement with a related party (*convention réglementée*).

5.2. Transactions by the Company with affiliates

The total amount of rent the Group paid to SCI TroisJean, a subsidiary of JCDecaux Holding, and to JCDecaux Holding, JCDecaux SA's parent company, was €11.7 million in 2008, as in 2007, with SCI TroisJean having waived applying the contractual indexing clause for rents.

The sum of €11.7 million was distributed as follows: €7.2 million to SCI Troisjean for premises in France, Belgium, Spain, and the UK, and €4.5 million to JCDecaux Holding for premises in France.

This rent is consistent with market prices, which was confirmed by an appraisal conducted by an independent appraiser in November 2004. This rent represents the largest amount of operating charges realized with the parties linked in 2008, i.e. 41.5%.

Comments on transactions with related parties in respect of fiscal year 2008 are set out in the Appendices to the Consolidated Financial Statements on page 111 of this Annual Report.

5.3. Principal subsidiaries and affiliates

A simplified organisation chart of companies owned by JCDecaux SA as of 31 December 2008 appears on page 192. The list of companies controlled by JCDecaux SA is set out on page 113 in the "Appendices to the Consolidated Accounts". None of these companies owns any equity interest in JCDecaux SA.

JCDecaux SA is not aware of minority interests that pose, or could pose, a risk to the Group's structure.

The Group has subsidiaries in 55 countries: these subsidiaries conduct most of their operations locally (including sales to advertisers and local operating expenses, etc.). Thus, there exists little in the way of operating expenses and income that flow between and among the various countries where the Group does business. The Group's principal subsidiaries are located in France (28.5% of revenues in 2008), the United Kingdom (11.4% of revenues in 2008), and Europe[1] (36.0% of revenues in 2008) and in Asia/Pacific (14.9% of revenues in 2008). The financial information by principal groups of subsidiaries is set out in the Appendices to the Consolidated Financial Statements on page 110 of this Annual Report (segment information).

JCDecaux SA provides its French and non-French subsidiaries with support in the areas of finance and control, legal affairs and insurance, management and administration services. Such services are billed to the subsidiaries in proportion to the gross margin of revenues that they represent, when they involve general assistance, and based on key factors of the type of service actually rendered to such subsidiaries when they involve pooling of resources. In 2008, JCDecaux SA billed €29.9 million to its subsidiaries.

In addition, JCDecaux SA invoices the use by its subsidiaries of intellectual property rights held by it. The amount billed in this respect in 2008 was €18.3 million.

JCDecaux SA, in addition to its role as a parent company, also has its own business operations in France (sale of advertising space on Street Furniture, non-advertising services to clients (local governments), sale of street furniture to the Group's subsidiaries and technical and administrative services provided to all of the Group's French companies).

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[1] Excluding France and the United Kingdom

6. SIMPLIFIED GLOBAL ORGANISATION CHART(1) AS OF 31 DECEMBER 2008

JCDECAUX HOLDING

70.52%

JCDECAUX SA

France

Company	Country	%	Activity	Note
AVENIR	France	100.00	B	
JCDECAUX MOBILIER URBAIN	France	100.00	SF	
SOPACT	France	100.00	SF	
SEMUP	France	100.00	SF	
DPE	France	100.00	SF	(2)
CYCLOCITY	France	100.00	SF	
JCDECAUX ARTVERTISING	France	100.00	B	
JCDECAUX AIRPORT FRANCE	France	100.00	T	
SOMUPI	France	66.00	SF	
METROBUS	France	33.00	T	

Europe

Company	Country	%	Activity	Note
JCDECAUX EUROPE HOLDING:	France	100.00	SF*	
- JCDECAUX ESPANA SLU	Spain	100.00	B	
• JCDECAUX-PUBLIMEDIA UTE	Spain	70.00	T	
• EL MOBILIARIO URBANO SLU	Spain	100.00	SF	
- RED PORTUGUESA SA	Portugal	94.86	B	(3)
- JCDECAUX LUXEMBOURG SA	Luxembourg	100.00	SF	(4)
- JCDECAUX FINLAND Oy	Finland	100.00	SF	(5)
- JCDECAUX SVERIGE AB	Sweden	100.00	SF	
- JCDECAUX NEDERLAND BV	The Netherlands	100.00	SF	
- JCDECAUX UK Ltd	United Kingdom	100.00	SF	
- JCDECAUX CENTRAL EASTERN EUROPE GmbH	Austria	100.00	B *	
• GEWISTA WERBEGESELLSCHAFT mbH	Austria	67.00	B	
· ISPA WERBEGES.mbH	Austria	100.00	B	
· EUROPLAKAT INTERNATIONAL WERBE GmbH	Austria	100.00	B *	(6)
·· EUROPLAKAT-PROREKLAM Doo	Croatia	51.00	B	(6)
·· PROREKLAM-EUROPLAKAT Doo	Slovenia	33.00	B	(6)
· EUROPLAKAT Spol Sro	Rep. Czech	100.00	B	
·· RENCAR PRAHA AS	Rep. Czech	72.00	T	
• BIGBOARD BV	The Netherlands	40.00	B	(7)
- JCDECAUX LATVIJA SIA	Latvia	100.00	SF	
- JCDECAUX LIETUVA UAB	Lithuania	100.00	SF	
- JCDECAUX SLOVAKIA Sro	Slovakia	100.00	SF	
- JCDECAUX DEUTSCHLAND GmbH	Germany	100.00	SF	
• JCDECAUX GmbH	Germany	100.00	SF	
· ILG AUSSENWERBUNG GmbH	Germany	50.00	SF	
• DSM DECAUX GmbH	Germany	50.00	SF	
• WALL AG	Germany	40.00	SF	

Company	Country	%	Activity	Note
JCDECAUX AIRPORT ESPANA SA	Spain	100.00	T	(8)
JCDECAUX PORTUGAL Lda	Portugal	100.00	SF	(9)
IGP DECAUX Spa:	Italy	32.35	T	(10)
- AEROPORTI DI ROMA ADVERTISING Spa	Italy	74.50	T	
AFA JCDECAUX A/S:	Denmark	50.00	SF	
- AFA JCDECAUX ICELAND ehf	Iceland	100.00	SF	
JCDECAUX NORGE AS	Norway	97.69	T	(11)
EUROPOSTER BV	The Netherlands	100.00	B *	(12)
AFFICHAGE HOLDING	Switzerland	30.00	B	
JCDECAUX IRELAND Ltd	Ireland	100.00	B	(13)
JCDECAUX AIRPORT UK Ltd	United Kingdom	100.00	T	(14)
JCDECAUX BELGIUM PUBLICITE SA	Belgium	100.00	SF	
JCDECAUX BILLBOARD SA	Belgium	100.00	B	(15)
JCDECAUX AIRPORT BELGIUM	Belgium	100.00	T	(16)
MEDIA FRANKFURT GmbH	Germany	39.00	T	(17)
JCDECAUX AIRPORT MEDIA GmbH:	Germany	100.00	T*	(18)
- JCDECAUX AIRPORT POLSKA Sp zoo	Poland	100.00	T	
JCDECAUX EESTI OU	Estonia	100.00	SF	
JCDECAUX MESTSKY MOBILIAR Spol Sro	Rep. Czech	100.00	SF	(19)

SF Street Furniture

B Billboard

T Transport

* Holding companies

(1) For ease of reference, this simplified organisation chart does not feature all of the consolidated companies, a list of which is included in the notes to the consolidated financial statements.
(2) 100% owned, of which 27.7% owned by JCDecaux SA and 72.3% owned by JCDecaux Mobilier Urbain.
(3) 94.86% of which 60.66% owned by JCDecaux Europe Holding and 34.20 % owned by Europoster BV.
(4) 100% owned of which 99.995 % owned by JCDecaux Europe Holding and 0.005% owned by JCDecaux Belgium Publicité SA.
(5) 100% owned of which 89.89% owned by JCDecaux Europe Holding and 10.11% owned by SEMUP.
(6) Restructuring of assets of Europlakat International was underway as of 1st July 2007 but remained subject to approval from the local competition authorities, pending as of 31 December 2008, in addition to local legal formalities. This concerns subsidiaries in the following countries: Bulgaria, Serbia, Hungary and Bosnia (including the following formerly consolidated subsidiaries: Europlakat Kft., Avenir Budapest Kft., JCDecaux Neonlight Budapest Kft, Europlakat YU, Alma Quattro doo, International Metropolis doo, Air Media doo, Europlakat rajevo doo, Europlakat Banja Luka doo and Peron Reklam Kft).
(7) Dutch law company operating in the Ukraine and Russia.
(8) 100% owned by JCDecaux Airport France.
(9) 100% owned of which 99% owned by JCDecaux Mobilier Urbain and 1% owned by JCDecaux SA.
(10) 32.35 % of which 20.48 % owned by JCDecaux SA and 11.87 % owned by Europoster BV.
(11) JCDecaux Norge AS capital is as follows: 75.38 % owned by JCDecaux SA, 4.61% owned by AFA JCDecaux A/S and 20.00% owned by JCDecaux Sverige AB.
(12) 100% owned by Avenir.
(13) 100% owned by Avenir.
(14) 100% owned by Avenir.
(15) 100 % owned by Europoster BV.
(16) 100% owned of which 99.9% owned by JCDecaux Belgium Publicité SA and 0.1% owned by JCDecaux Billboard SA.
(17) 39% owned by JCDecaux Airport France.
(18) 100% owned by JCDecaux Airport France.
(19) 100% owned, of which 96.20% owned by JCDecaux SA and 3.80% owned by ACM GmbH.
(20) 100% owned by JCDecaux Belgium Publicité SA.
(21) 100% owned of which 99.98% owned by JCDecaux (China) Holding, 0.01% owned by Avenir and 0.01% by JCDecaux Asie Holding.
(22) 100 % owned of which 99.9 % owned by JCDecaux Amériques Holding and 0.1% owned by JCDecaux Argentina SA.
(23) 100% owned by JCDecaux Mobilier Urbain.

Asia - Pacific - Middle East - Africa

Company	Country	%	Activity	Note
JCDECAUX ASIE HOLDING:	France	100.00	SF*	
- RTS DECAUX JSC	Kazakhstan	50.00	SF	
- JCDECAUX MIDDLE EAST FZ-LLC:	United Arab Emirates	100.00	SF*	
• Q. MEDIA DECAUX WLL	Qatar	49.00	SF	
• JCDECAUX ALGERIE sarl	Algeria	80.00	T	
• JCDECAUX - DICON FZCO	United Arab Emirates	75.00	T	
- MCDECAUX Inc.	Japan	60.00	SF	
- JCDECAUX MEDIA Sdn Bhd	Malaysia	100.00	B	
- JCDECAUX THAÏLAND Co., Ltd	Thailand	49.50	SF	
- JCDECAUX ADVERTISING INDIA PVT LTD	India	100.00	SF	
- JCDECAUX SINGAPORE Pte Ltd	Singapore	100.00	SF	
- JCDECAUX AUSTRALIA Pty Ltd	Australia	100.00	SF	

JCDECAUX (CHINA) HOLDING Ltd:	Hong Kong	100.00	T *	(20)
- JCDECAUX TEXON INTERNATIONAL LTD	Hong Kong	100.00	SF	
- JCDECAUX PEARL & DEAN Ltd	Hong Kong	100.00	T	(21)
• SHANGHAI SHENTONG JCDECAUX METRO ADV.Co. Ltd	China	51.00	T	
• BEIJING TOP RESULT PUBLIC TRANSPORTATION ADV. Co. Ltd	China	80.00	T	
- MEDIA PARTNERS INTERNATIONAL Ltd	Hong Kong	100.00	T *	
• JCD MOMENTUM SHANGHAI AIRPORT ADV. Co. Ltd	China	35.00	T	
• JCDECAUX ADVERTISING (SHANGHAI) Co. Ltd	China	100.00	T	
• GUANGZHOU YONG TONG METRO ADV. Ltd	China	100.00	T	
• NANJING MPI TRANSPORTATION ADVERTISING	China	87.60	T	
• CHENGDU MPI PUBLIC TRANSPORTATION ADV. Co. Ltd	China	50.00	T	
- BEIJING TOP RESULT METRO ADV. Co. Ltd	China	38.00	T	
- JCDECAUX MACAU Limitada	Macao	80.00	SF	
IPDECAUX Inc.	South Korea	50.00	SF	
JCDECAUX UZ	Uzbekistan	71.35	SF	

Americas

Company	Country	%	Activity	Note
JCDECAUX AMERICAS HOLDING:	France	100.00	SF*	
- JCDECAUX ARGENTINA SA	Argentina	99.93	SF	
- JCDECAUX DO BRASIL Ltda	Brazil	100.00	SF	
- JCDECAUX CHILE SA	Chile	100.00	T	(22)
- JCDECAUX NORTH AMERICA, Inc.	United States	100.00	SF*	
• JCDECAUX SAN FRANCISCO, LLC	United States	100.00	SF	
• JCDECAUX CHICAGO, LLC	United States	100.00	SF	
• JCDECAUX MALLSCAPE, LLC	United States	100.00	SF	
• CBS DECAUX STREET FURNITURE, LLC	United States	50.00	SF	
• WALL DECAUX, Inc.	United States	60.00	SF	
• CBS OUTDOOR JCD. STREET FURNITURE CANADA, Ltd.	Canada	50.00	SF	
• JCDECAUX AIRPORT, Inc.	United States	100.00	T	
· JV ADVERTISING FOR LAWA, LLC	United States	92.50	T	

JCDECAUX URUGUAY	Uruguay	100.00	SF	(23)

7. PUBLICLY AVAILABLE DOCUMENTS

During the entire time this Annual Report is outstanding, the following documents may be consulted at the registered office at 17 rue Soyer in Neuilly-sur-Seine (92 200) and, where applicable, on the Internet (www.jcdecaux.fr):

- the articles of association;
- all reports, letters, evaluations, statements prepared by an expert at the Company's request which are included, in whole or in part, in this Annual Report;
- historical financial information of the JCDecaux Group for the past three fiscal years;
- as well as the Annual Information Document.

COMBINED GENERAL MEETING OF SHAREHOLDERS OF 13 MAY 2009

AGENDA

I. ORDINARY SESSION

1) Approval of the 2008 corporate financial statements.

2) Approval of the 2008 consolidated financial statements.

3) Allocation of income.

4) Expenses and charges described in Article 39-4 of the French General Tax Code.

5) Renewal of a member of the Supervisory Board's term of office.

6) Renewal of a member of the Supervisory Board's term of office.

7) Renewal of a member of the Supervisory Board's term of office.

8) Renewal of a member of the Supervisory Board's term of office.

9) Appointment of a new member of the Supervisory Board.

10) Agreements with related parties.

11) Authority to the Executive Board to conduct transactions in the Company shares.

II. EXTRAORDINARY SESSION

12) Delegation of authority to the Executive Board to decide to increase the Company's share capital by issuing – with preferential subscription rights attached– shares and/or securities convertible into shares of the Company and/or by issuing securities convertible into debt securities.

13) Delegation of authority to the Executive Board to decide to increase the Company's share capital by issuing – without preferential subscription rights – shares and/or securities convertible into shares of the Company and/or by issuing securities convertible into debt securities.

14) Possibility of issuing shares or securities convertible into shares of the Company without preferential subscription rights in consideration for contributions in kind consisting of equity securities or securities convertible into shares.

15) Delegation of authority to the Executive Board to decide to increase the share capital through capitalisation of bonuses, reserves, earnings or otherwise.

16) Delegation of authority to the Executive Board to increase the number of securities to be issued (over-allocation option) in the event of a capital increase with or without preferential subscription rights.

17) Delegation of authority to the Executive Board to decide to increase the Company's share capital by issuing shares and/or securities convertible into shares reserved to participants in company savings plans, with elimination of the preferential subscription right in favour of such participants.

18) Delegation of authority to the Executive Board to grant options to subscribe for, or purchase, shares to some or all of group corporate officers and employees.

19) Delegation of authority to the Executive Board to make grants of free shares by issuing new shares or from issued and outstanding shares to some or all of group corporate officers and employees.

20) Delegation of authority to the Executive Board to decrease the share capital by cancellation of treasury shares.

21) Amendment to the Articles of Association.

22) Amendment to the Articles of Association.

23) Authority with respect to formalities.

SUMMARY OF PROPOSED RESOLUTIONS

1. ORDINARY SESSION

In the *1st and 2nd resolutions* we request that you approve the corporate and consolidated financial statements for the fiscal year ended 31 December 2008, as they have been presented to you.

The *3rd resolution* requests that you allocate the net income for the fiscal year totalling €130,410,808.73 to other provisions.

The *4th resolution* takes note of the amount of expenses and charges described in Article 39-4 of the French General Tax Code.

The *5th, 6th, 7th and 8th resolutions* concern the renewal for three years of the term of office of four members of the Supervisory Board.

The *9th resolution* requests that you appoint a new member of the Supervisory Board.

The *10th resolution* requests that you find that the Statutory Auditors have not been informed of any new agreement with a related party ("convention réglementée") authorised by the Supervisory Board during the fiscal year just ended.

Under the *11th resolution* we request that you authorise the Executive Board to conduct transactions in the Company's shares for a new period of 18 months, on the following terms and conditions:

- the number of shares that the Company may purchase or hold at any time in its treasury under this resolution may not exceed 10% of the share capital, i.e. for indicative purposes, on 31 December 2008, 221,270,597 shares, it being specified that the number of shares acquired with a view to retention and future delivery in connection with a merger, spin-off or contribution may not exceed 5% of our Company's share capital;
- the maximum purchase price per share will be €20;
- the overall maximum amount to repurchase the Company's shares may not exceed €442,541,180.

Authorisation granted to the Executive Board includes that of sub-delegating, implementing this decision by placing, in particular, all stock exchange orders, and completing all formalities and filings.

2. EXTRAORDINARY SESSION

The *12th and 13th resolutions* grant authority to the Executive Board to decide to increase the Company's share capital by issuing, with or without preferential subscription rights, shares and/or securities convertible into shares of the Company and/or issuing securities convertible into debt securities, for a maximum nominal amount totalling no more than €2.3 million, i.e. the issuance of approximately 150 million shares, which, on the basis of a rate of €10, would correspond to a maximum amount of capital increase, including issue premium, of approximately €1.5 billion.

These authorisations would be valid for a period of 26 months.

Provided, however, that the aggregate maximum nominal amount of all of the capital increases described in the 12th, 13th, 14th, 15th, 16th, 17th, 18th and 19th resolutions may not exceed €2.3 million.

The *14th resolution* authorises the Executive Board to issue shares or securities convertible into share of the Company, without preferential subscription rights, up to a limit of 10% of the share capital, in consideration for contributions in kind consisting of equity securities or securities convertible into shares. This authority would be valid for a period of 26 months.

The *15th resolution* grants authority to the Executive Board to decide to increase the share capital through capitalisation of bonuses, reserves, earnings or otherwise and this up to the maximum aggregate nominal amount of €2.3 million. This authority would be valid for a period of 26 months.

The purpose of the *16th resolution* is to allow the Executive Board, in connection with capital increases with or without preferential subscription rights, to increase the number of securities to be issued, within 30 days of the end of the subscription period and up to 15% of the initial issue and at the same price as the initial issue. This authority would be valid for a period of 26 months.

The *17th resolution* grants authority to the Executive Board to decide to increase the share capital by issuing shares or securities convertible into shares reserved to participants of company savings plan (with elimination of the preferential subscription right in their favour), up to a maximum aggregate nominal amount of €20,000. This authority would be valid for a period of 26 months.

The *18th resolution* grants authority to the Executive Board to grant options to subscribe for, or purchase, shares to some or all of Group corporate officers or employees, up to a maximum aggregate number of shares equal to 4% of the share capital on the date of the Executive Board's decision, or on the basis of the share capital on 31 December 2008, approximately 8,850,824 options. This authority would be valid for a period of 26 months.

The *19th resolution* authorises the Executive Board to make grants of free shares,by issuing new shares or from issued and outstanding shares, to Group corporate officers or employees, up to a limit of 0.5% of the share capital on the date of the

Executive Board's decision, or on the basis of the share capital on 31 December 2008, approximately 1,106,353 shares. This authority would be valid for a period of 26 months.

The *20th resolution* authorises the Executive Board to decrease the share capital by cancellation of treasury shares, up to a limit of 10% of the share capital, over a period of 24 months. This authority would be valid for a period of 18 months.

The *21st resolution* provides for amendment of the maximum term of office of members of the Supervisory Board stipulated in the Articles of Association so as to bring it into compliance with the AFEP/MEDEF Corporate Governance Code, which recommends that the term of office of members of the Supervisory Board not exceed four years.

The *22nd resolution* eliminates the obligation under the Articles of Association for Directors to hold two shares, this legal obligation having been eliminated by Law no. 2008-776 of 4 August 2008.

The *23rd resolution* grants all authority to undertake and complete the required formalities.

PROPOSED RESOLUTIONS

I. ORDINARY SESSION

FIRST RESOLUTION

(Approval of 2008 corporate financial statements)

The General Meeting of Shareholders, after reviewing the reports of the Executive Board, the Supervisory Board, and the Statutory Auditors, hereby resolves to approve such reports in their entirety, together with the corporate financial statements for the fiscal year ended 31 December 2008, as presented to them, such financial statements showing net income of €130,410,808.73.

Accordingly, they resolve to approve the transactions reflected in such financial statements and summarised in such reports and to grant a discharge to the members of the Executive Board and the Supervisory Board in connection with the performance of their respective offices during such period.

SECOND RESOLUTION

(Approval of 2008 consolidated financial statements)

The General Meeting of Shareholders, after reviewing the reports of the Executive Board, the Supervisory Board, and the Statutory Auditors, hereby resolves to approve such reports in their entirety, together with the corporate financial statements for the fiscal year ended 31 December 2008, as presented to them.

Accordingly, they resolve to approve the transactions reflected in such financial statements and summarised in such reports.

THIRD RESOLUTION

(Allocation of income)

The General Meeting of Shareholders, after reviewing the Executive Board's report and the comments of the Supervisory Board, and finding that:

- net income on 31 December 2008 was: €130,410,808.73
- other provisions amount to: €614,388,600.47

decides on the following allocation:

- other provisions: €130,410,808.73

After such allocation of net income, other provisions total €744,799,409.20, and the legal reserve totals €340,055.75.

It is recalled that, in accordance with the law, for the last three fiscal years, the Company made the following dividend payments:

Fiscal year 2005: a dividend of €0.40 per share, eligible for a deduction of 40% as set forth in 2° of 3 of Article 158 of the French General Tax Code.

Fiscal year 2006: a dividend of €0.42 per share, eligible for a deduction of 40% as set forth in 2° of 3 of Article 158 of the French General Tax Code.

Fiscal year 2007: a dividend of €0.44 per share, eligible for a deduction of 40% as set forth in 2° of 3 of Article 158 of the French General Tax Code.

FOURTH RESOLUTION

(Expenses and charges described in Article 39-4 of the French General Tax Code)

As required under Article 223 quater of the French General Tax Code, the General Meeting of Shareholders hereby takes note that the expenses and charges described in Article 39-4 of such Code during the fiscal year 2008 totalled €61,809.66 and generated a tax charge estimated at €21,281

FIFTH RESOLUTION

(Renewal of a member of the Supervisory Board's term of office)

The General Meeting of Shareholders, after reviewing the Executive Board's report, noting that the term of office of the Supervisory Board member, Mr. Jean-Claude Decaux, expires on the date hereof, decides to renew the term of office for a period of three years expiring at the end of the Ordinary General Meeting of Shareholders held in 2012 to review and approve the financial statements for the fiscal year ended 31 December 2011.

Mr. Jean-Claude Decaux has stated that he accepted the renewal of his term of office and that he is not affected by any measure likely to prevent him from performing it.

SIXTH RESOLUTION

((Renewal of a member of the Supervisory Board's term of office)

The General Meeting of Shareholders, after reviewing the Executive Board's report, noting that the term of office of the Supervisory Board member, Mr. Jean-Pierre Decaux, expires on the date hereof, decides to renew the term of office for a period of three years expiring at the end of the Ordinary General Meeting of Shareholders held in 2012 to review and approve the financial statements for the fiscal year ended 31 December 2011.

Mr. Jean-Pierre Decaux has stated that he accepted the renewal of his term of office and that he is not affected by any measure likely to prevent him from performing it.

SEVENTH RESOLUTION

(Renewal of a member of the Supervisory Board's term of office)

The General Meeting of Shareholders, after reviewing the Executive Board's report, noting that the term of office of the Supervisory Board member, Mr. Pierre-Alain Pariente, expires on the date hereof, decides to renew the term of office for a period of three years expiring at the end of the Ordinary General Meeting of Shareholders held in 2012 to review and approve the financial statements for the fiscal year ended 31 December 2011.
Mr. Pierre-Alain Pariente has stated that he accepted the renewal of his term of office and that he is not affected by any measure likely to prevent him from performing it.

EIGHTH RESOLUTION

(Renewal of a member of the Supervisory Board's term of office)

The General Meeting of Shareholders, after reviewing the Executive Board's report, noting that the term of office of the Supervisory Board member, Mr. Xavier de Sarrau, expires on the date hereof, decides to renew the term of office for a period of three years expiring at the end of the Ordinary General Meeting of Shareholders held in 2012 to review and approve the financial statements for the fiscal year ended 31 December 2011.
Mr. Xavier de Sarrau has stated that he accepted the renewal of his term of office and that he is not affected by any measure likely to prevent him from performing it.

NINTH RESOLUTION

(Appointment of a new member of the Supervisory Board)

The General Meeting of Shareholders, after reviewing the Executive Board's report, appoint as a Supervisory Board member:

- Mr. Pierre Mutz,

Who will exercise his term of office for a period of three years, which will expire at the end of the Ordinary General Meeting of Shareholders held in 2012, to review and approve the financial statements for the fiscal year ended 31 December 2011.
Mr. Pierre Mutz has stated that he accepted this term of office and that he is not affected by any measure likely to prevent him from performing it.

TENTH RESOLUTION

(Agreements with related parties)

The General Meeting of Shareholders notes that under the terms of the Statutory Auditor's special report, the Statutory Auditor has not been informed of any new agreement authorised by the Supervisory Board during the fiscal year ended 31 December 2008.

ELEVENTH RESOLUTION

(Authorisation to the Executive Board to conduct transactions in the Company's shares)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, and after reviewing the Executive Board's report, authorises the Executive Board, with the right to sub-delegate authority under the conditions stipulated by the law, pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, to repurchase, or cause to be repurchased, Company shares for in particular the following purposes:

- implementation of any Company stock option plan under Articles 225-177 *et seq.* of the French Commercial Code or any similar plan; or
- the grant or sale of shares to employees in respect of their contribution to the results of the Company's growth and the implementation of any employee savings plan under the terms and conditions provided by law, in particular Articles L. 3332-1 *et seq.* of the French Labour Code; or
- the grant of free shares under Articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- delivery of shares upon exercise of rights attached to securities convertible into shares by redemption, conversion, exchange, or presentation of a coupon, or in any other manner; or

- cancellation of all or part of the equity securities so acquired, subject to the adoption by the Extraordinary General Meeting of Shareholders of the 20th resolution set forth below and under the terms and conditions set forth therein; or
- delivery of shares (in connection with an exchange, payment, or otherwise) in respect of external growth transactions, merger, spin-off, or contribution transactions; or
- support for a secondary market or for the liquidity of JCDecaux SA shares by an investment service provider in connection with a liquidity contract that complies with the ethical standards of the Autorité des Marchés Financiers (French Financial Markets Authority/AMF).

This programme would also allow the Company to act for any other purpose that is authorised, or that may be authorised, by applicable law or regulations. In such case, the Company shall inform the shareholders through a press release.

The acquisition of Company shares may involve a number of shares, such that:

- the number of shares that the Company acquires during the term of the repurchase programme shall not exceed 10% of the shares constituting the Company's share capital at any time, such percentage to apply to the share capital as adjusted on the basis of transactions that may occur subsequent to this General Meeting of Shareholders (i.e., for indicative purposes, on 31 December 2008, 221,270,597 shares), provided, however, that the number of shares acquired with a view to their retention and future delivery in connection with a merger, spin-off or contribution transaction may not exceed 5% of its share capital;
- the number of shares that the Company holds at any time shall not exceed, in any event, 10% of the shares constituting the Company's share capital on the relevant date.

The acquisition, sale or transfer of shares may be made at any time within the limits authorized by applicable laws and regulations (including during a public offering) and by any means, on regulated markets, multilateral trading systems, with systematic internalizers or by mutual agreement, including by acquisition or sale in block trades (without limiting the portion of the repurchase programme that may be made by this means), by public tender offer or exchange, or by use of options or other forward financial instruments traded on regulated markets, multilateral trading systems, with systematic internalizers or by mutual agreement, or by delivery of shares following an issuance of securities convertible into Company shares by conversion, exchange, redemption, exercise of a coupon, or otherwise, either directly or indirectly through an investment services provider.

The maximum purchase price of shares in connection with this resolution shall be €20 per share (or the equivalent thereof in any other currency on the same date).

The overall amount allocated to the share repurchase programme authorised above may not exceed €442,541,180.

This authorisation shall replace and supersede from and after the date hereof any unused portion of any prior delegation of authority to the Executive Board to conduct transactions in the Company's shares. This authorisation shall be granted for a period of 18 months from the date hereof.

The General Meeting of Shareholders hereby delegates to the Executive Board, in the event of a change in the nominal value of the shares, a capital increase through capitalisation of reserves, grants of free shares, stock splits or amalgamations, distribution of reserves or any other assets, amortisation of the share capital, or any other transaction involving the shareholders' equity, the power to adjust the price set forth above to reflect the impact of such transactions on the value of the shares.

The General Meeting of Shareholders hereby grants any and all authority to the Executive Board, with power to sub-delegate under applicable legal terms and conditions, to implement this authority, to specify the terms and conditions, if necessary, to complete the repurchase programme, including, but not limited to, placing any order on a market, entering into any agreement, with a view to maintaining records of sales and purchases of shares, making any filings to the AMF and any other authority or agency that may be substituted therefor, completing any other formality and, generally, do whatever may be necessary.

II. EXTRAORDINARY SESSION

TWELFTH RESOLUTION

(Delegation of authority to the Executive Board to decide to increase the Company's share capital by issuing – with preferential subscription rights attached – shares and/or securities convertible into shares of the Company and/or by issuing of securities convertible into debt securities).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and after reviewing the Executive Board's report and the Statutory Auditors' special report, and pursuant to Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Article L. 225-129-2 of the said Code, and pursuant to Articles L. 228-91 *et seq.* of the said Code:

1. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to increase the Company's share capital, one or more times, in France or abroad, in the proportion and at the times it deems appropriate, either in euros, or in any other currency or unit of currency established by reference to several currencies, by issuing shares (excluding preferred shares) or securities convertible into shares of the Company (whether new or existing shares), issued against consideration or free of charge, governed by Articles L. 228-91 *et seq.* of the French Commercial Code, provided, however,

that the subscription of shares and other securities may be transacted either in cash, or by offsetting receivables, or by capitalisation of reserves, earnings or bonuses or, under the same conditions, to decide to issue securities convertible into debt securities regulatedby Articles L. 228-91 *et seq.* of the French Commercial Code;

2. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to issue securities convertible into shares of the Company, which owns, directly or indirectly, more than half its share capital or companies in which it owns, directly or indirectly, more than half the share capital;

3. decides to set as follows the limits of the amount of capital increases authorised in the event of use by the Executive Board of this delegation of authority:

- the maximum nominal amount of the capital increases likely to be carried out immediately or in the future under this delegation is set at €2.3 million, provided, however, that the aggregate maximum nominal amount of capital increases likely to be carried out under this delegation and that conferred under the 13th, 14th, 15th, 16th, 17th, 18th and 19th resolutions of this meeting is set at €2.3 million;
- to these limits is added, if applicable, the nominal amount of additional shares that may be issued, in the event of new financial transactions, to protect the rights of bearers of securities convertible into shares.

4. sets at 26 months, as of the date of this meeting, the term of validity of the delegation of authority that is the subject of this resolution;

5. in the event of use by the Executive Board of this delegation:

- decides that share issue(s) will be reserved in priority for shareholders who will be able to subscribe in proportion to the number of shares then held by them and the shares subscribed for may not be decreased (irreducible subscriptions);
- takes note that the Executive Board has the authority to institute a subscription right that may be decreased (reducible subscriptions);
- takes note that this delegation of authority implies, as of right for the benefit of bearers of securities issued convertible into Company shares, waiver by the shareholders of their preferential subscription right to the shares to which these securities grant the right immediately or in the future;
- takes note that, in accordance with Article L. 225-134 of the French Commercial Code, if the irreducible subscriptions and, if applicable, the reducible subscriptions, have not absorbed all of the capital increase, the Executive Board will be able to use, under the terms and conditions provided by law and in the order that it will determine, one and/or the other of the options below:
  - limit the capital increase to the amount of subscriptions subject to the condition that it reaches at least three quarters of the increase decided on;
  - freely distribute all or part of the shares or, in the case of securities convertible into shares, the said securities for which the issuance has been decided but not having been subscribed for;
  - offer to the public all or part of the shares or, in the case of securities convertible into shares, the said securities, not subscribed for, on the French market or abroad;
- decides that the issuance of Company warrants on shares may be carried out by a subscription offer, but also by free allocation to holders of the old shares, provided, however, that the Executive Board shall have the authority to decide that the fractional rights to allocation shall not be negotiable and that the corresponding securities shall be sold;

6. decides that the Executive Board shall have any and all authority, with power to sub-delegate in accordance with applicable laws, to implement this delegation of authority, for the purpose in particular of:

- deciding to increase the capital and determining the securities to be issued;
- deciding on the amount of the capital increase, the issue price as well as the amount of the premium, which may, if applicable, be requested at issuance;
- determining the dates and terms and conditions of the capital increase, the nature and characteristics of the securities to be created; in addition, deciding, in the case of bonds or other debt securities (including securities convertible into debt securities under Article L. 228-91 of the French Commercial Code), whether or not they are subordinated (and, if applicable, their rank of subordination, in accordance with Article L. 228-97 of the French Commercial Code), setting their interest rate (in particular fixed or variable interest rate or zero bond or indexed) and providing, if applicable, for required or optional cases of suspension or non-payment of interest, determining their term (definite or indefinite), the possibility of reducing or increasing the nominal amount of the securities and other issue terms and conditions (including conferring on them security interests or guarantees) and amortisation (including reimbursement by deduction of Company assets); if applicable, these securities could include warrants with a right to allocation, acquisition or subscription of bonds or other debt securities, or providing the option for the Company to issue debt securities (comparable or not) by payment of interest, the payment of which has been suspended by the Company, or again taking the form of complex bonds as

determined by the stock market authorities (e.g., with respect to their terms and conditions of redemption or remuneration or other rights such as indexing, options); amending, during the term of the securities involved, the above terms and conditions, in accordance with applicable formalities;

- determining the method of paying up the shares or securities convertible into shares, to be issued immediately or in the future;
- setting, if applicable, the terms and conditions for exercising rights (if applicable, conversion, exchange, redemption rights, including by deduction of Company assets such as securities already issued by the Company) attached to shares or securities convertible into shares to be issued and, in particular, deciding on the date, even retroactive, from which one may benefit from the rights attached to the new shares, as well as any other terms and conditions for carrying out the capital increase;
- setting the terms and conditions under which the Company shall have, if applicable, the authority to buy or exchange on the stock market, at any time or during given periods, securities issued or to be issued immediately or in the future, with a view to cancelling or not cancelling them, pursuant to applicable laws and regulations;
- providing for the authority to suspend the exercise of rights attached to these securities in accordance with applicable laws and regulations;
- on its own initiative, charging the costs of the capital increase to the amount of bonuses relating to it and deducting from this amount the sums required to fund the legal reserve;
- carrying out all adjustments intended to take into account the impact of transactions on the Company's share capital, in particular in the event of a change in the nominal value of the shares, a capital increase through capitalisation of reserves, grants of free shares, stock splits or amalgamations, distribution of reserves or any other assets, amortisation of the share capital, or any other transaction involving the shareholders' equity or the share capital (including through a public offering and/or in the event of a change of control), and setting the terms and conditions according to which protection of the rights of the holders of securities convertible into shares will be assured, if applicable.
- noting the completion of each capital increase and making the corresponding amendments to the Articles of Association;
- in general, finalising any agreement, in particular to successfully complete the planned issues, taking all measures and completing all formalities required for the issue, listing and financial service of the securities issued under this delegation, as well as the exercise of the rights attached to it;

7. takes note that this delegation shall replace and supersede as of the date hereof any unused portion of any prior delegation with the same object, i.e. any delegation of authority relating to the capital increase with the preferential subscription right attached, covering the securities and transactions under this resolution;

8. takes note that, should the Executive Board use the delegation of authority conferred on it under this resolution, the Executive Board shall report to the next Ordinary General Meeting of Shareholders, in accordance with applicable laws and regulations, on the use of the authorisations conferred under this resolution.

THIRTEENTH RESOLUTION

(Delegation of authority to the Executive Board to decide to increase the Company's share capital by issuing – without preferential subscription rights – shares and/or securities convertible into the share of the Company and/or by issuing securities convertibile into debt securities)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and after reviewing the Executive Board's report and the Statutory Auditors' special report, and pursuant to Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 225-148 of the said Code, and pursuant to Articles L. 228-91 *et seq.* of the said Code:

1. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to increase the Company's share capital, one or more times, in the proportion and at the times it deems appropriate, subject to the provisions of Article L. 233-32 of the French Commercial Code, in France or abroad, by a public offering or by an offer under Article L. 411-2, II of the French Monetary and Financial Code (as amended by Ordinance no. 2009-80 of 22 January 2009), either in euros, or in any other currency or unit of currency established by reference to several currencies, by issuing shares (excluding preferred shares) or securities convertible into Company shares (whether new or existing shares), issued against consideration or free of charge, governed by Articles L. 228-91 *et seq.* of the French Commercial Code, provided, however, that the subscription of shares and other securities can be transacted either in cash, or by offsetting receivables, or by capitalisation of reserves, earnings or bonuses or, under the same conditions, to decide to issue securities convertible into debt securities governed by Articles L. 228-91 *et seq.* of the French Commercial Code. These securities can in particular be issued for the purpose of compensating the securities that are contributed to the Company, as part of a public offer of exchange carried out in France or abroad under local rules (for example as part of an Anglo-American type reverse merger) on securities meeting the conditions stipulated in Article L. 225-148 of the French Commercial Code;

2. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to issue shares or securities convertible into Company shares to be issued following the issue, by companies in which the Company owns,

directly or indirectly, more than half the share capital or by companies which own, directly or indirectly, more than half its share capital, securities convertible into Company shares;

This decision implies, as of right for the benefit of holders of securities likely to be issued by companies of the Company's group, waiver by the Company's shareholders of their preferential subscription right to the shares or securities convertible into Company capital to which these securities grant the right;

3. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to issue securities convertible into shares of the Company, which owns, directly or indirectly, more than half its share capital or companies in which it owns, directly or indirectly, more than half the share capital;

4. decides to set as follows the limit of the amount of capital increases authorised in the event of use by the Executive Board of this delegation:

- the maximum nominal amount of the capital increases likely to be carried out immediately or in the future under this delegation is set at €2.3 million, provided, however, that this amount will be charged to the amount of the aggregate limit provided in paragraph 3 of the 12th resolution of this meeting or, if applicable, to the amount of any aggregate limit provided in a resolution of the same type, which could replace this resolution during the term of validity of this delegation, provided, however, that in any event, the issuance of securities made pursuant to an offer under Article L. 411-2, II of the French Monetary and Financial Code (as amended by Ordinance no. 2009-80 of 22 January 2009) are limited in accordance with the law;
- to these limits is added, if applicable, the nominal amount of additional shares that may be issued, in the event of new financial transactions, to protect the rights of bearers of securities convertiable into shares;

5. sets at 26 months, as of the date of this meeting, the term of validity of the delegation of authority that is the subject of this resolution;

6. decides to eliminate the shareholders' preferential subscription right to securities under this resolution, leaving, however, the Executive Board the authority under Article L. 225-135, 2nd paragraph, to confer on the shareholders, during a period and under the terms and conditions that it will set in accordance with applicable laws and regulations and for all or part of an issue carried out, a subscription priority period not giving rise to the creation of negotiable rights and which must be exercised in proportion to the number of shares held by each shareholder and may be completed by a reducible subscription, provided, however, that the securities not thus subscribed for will be subject to public distribution in France or abroad.

7. takes note that if the subscriptions, including, if applicable, those of the shareholders, have not absorbed all of the issue, the Executive Board may limit the amount of the transaction to the amount of the subscriptions received on condition that this reaches at least three quarters of the issue decided on;

8. takes note that this delegation implies, as of right for the benefit of bearers of securities issued convertible into Company shares, express waiver by the shareholders of their preferential subscription right to the shares to which these securities grant the right;

9. takes note that, in accordance with Article L. 225-136 1° 1st paragraph of the French Commercial Code:

- the issue price of the shares issued directly shall be at least equal to the minimum provided by the regulatory provisions applicable on the date of the issue (to date, the weighted average of the prices over the last three sessions on the Euronext Paris regulated market preceding the setting of the subscription price for the capital increase less 5%), after, if applicable, correction of this average in the event of a difference between the dates on which one benefits from the rights attached to such issue;
- the issue price of the securities convertible into Company shares and the number of shares which can grant the right to the conversion, redemption or generally the transformation of each security convertible into Company shares, shall be such that the sum immediately received by the Company, increased, if applicable, by the sum likely to be received by it in future, is, for each share issued as a consequence of the issue of these securities, at least equal to the minimum subscription price set forth in the previous paragraph.

10. decides that the Executive Board shall have any and all authority, with power to sub-delegate in accordance with applicable laws, to implement this delegation of authority, for the purpose in particular of:

- deciding to increase the capital and determining the securities to be issued;
- deciding on the amount of the capital increase, the issue price as well as the amount of the premium, which may, if applicable, be requested at issuance;
- determining the dates and terms and conditions of the capital increase, the nature, characteristics of the securities to be created; in addition, deciding, in the case of bonds or other debt securities (including securities convertible into debt securities under Article L. 228-91 of the French Commercial Code), whether or not they are subordinated (and, if applicable, their rank of subordination, in accordance with Article L. 228-97 of the French Commercial Code), setting their interest rate (in particular fixed or variable interest rate or zero coupon or indexed) and providing, if applicable, for required or optional cases of suspension or non-payment of interest, determining their term (definite or indefinite), the possibility of reducing or increasing the nominal amount of the securities and other issue terms and conditions (including conferring on them security interests or guarantees) and amortisation (including reimbursement by deduction of Company assets); if applicable, these securities could include warrants with a right to allocation, acquisition or subscription of bonds or other debt securities, or

providing for the Company to issue debt securities (comparable or not) by payment of interest, the payment of which has been suspended by the Company, or again taking the form of complex bonds as determined by the stock market authorities (e.g. with respect to their terms and conditions of redemption or remuneration or other rights such as indexing, options); amending, during the term of the securities involved, the above terms and conditions, in accordance with applicable formalities;

- determining the method of paying up the shares or securities convertible into shares, to be issued immediately or in future;
- setting, if applicable, the terms and conditions for exercising rights (if applicable, conversion, exchange, redemption rights, including by delivery of Company assets such as treasury shares or securities already issued by the Company) attached to shares or securities convertible into shares to be issued and, in particular, deciding on the date, even retroactive, from which one may benefit from the rights attached to the new shares, as well as any other terms and conditions for carrying out the capital increase;
- setting the terms and conditions under which the Company shall have, if applicable, the authority to buy or exchange on the stock market, at any time or during given periods, securities issued or to be issued immediately or in the future, with a view to cancelling or not cancelling them, pursuant to applicable laws and regulations;
- providing for the authority to suspend the exercise of rights attached to securities issued in accordance with applicable laws and regulations;
- in the event of issuing securities to remunerate securities contributed as part of a takeover bid pursuant to an exchange of securities (OPE), determining the list of securities contributed to the exchange, setting the conditions of the issue, the exchange parity without applying the methods for determining the price in paragraph 9 of this resolution, as well as, if applicable, the amount of the outstanding cash adjustment to be paid and determining the terms of issue within the context either of an OPE, an alternative purchase or exchange bid, or a single bid proposing the purchase or exchange of the securities described against payment in securities and in cash, or a public purchase bid (OPA) or principal takeover bid, accompanied by a subsidiary OPE or OPA, or by any other form of public bid in accordance with laws and regulations applicable to the said public bid;
- on its own initiative, charging the cost of the capital increase to the amount of bonuses relating to it and deducting from this amount the sums required to fund the legal reserve;
- carrying out all adjustments intended to take into account the impact of transactions of the Company's share capital, particularly in the event of a change in the nominal value of the shares, a capital increase through capitalisation of reserves, grants of free shares, stock splits or amalgamations, distribution of reserves or any other assets, amortisation of the share capital, or any other transaction involving the shareholders' equity or share capital (including by means of public offering and/or in the event of a change of control), and setting the terms and conditions according to which protection of the rights of the holders of securities convertible into shares shall be assured, if applicable;
- noting the completion of each capital increase and making the corresponding amendments to the Articles of Association;
- in general, finalising any agreement, in particular to successfully complete the planned issues, taking all measures and completing all formalities required for the issue, listing and financial service of the securities issued under this delegation, as well as the exercise of the rights attached to it;

11. takes note that this delegation shall replace and supersede as of the date hereof any unused portion of any prior delegation with the same object, i.e. any overall delegation of authority relating to the capital increase, without preferential subscription right, covering the securities and transactions under this resolution;

12. takes note that should the Executive Board use the delegation of authority conferred on it under this resolution, the Executive Board shall report to the next Ordinary General Meeting of Shareholders, in accordance with applicable laws and regulations, on the use of the authorisations conferred under this resolution.

FOURTEENTH RESOLUTION

(Possibility of issuing shares or securities convertible into shares without preferential subscription rights in consideration for contributions in kind consisting of equity securities or securities convertible into shares)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and after reviewing the Executive Board's report and the Statutory Auditors' special report, and pursuant to Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Article L. 225-147, 6th paragraph of the said Code:

1. authorises the Executive Board, with power to sub-delegate in accordance with applicable laws, to increase the Company's share capital, one or more times, within the limit of 10% of the share capital at any time whatsoever, such percentage to apply to the share capital as adjusted on the basis of transactions that may occur subsequent to this General Meeting of Shareholders, i.e. for indicative purposes, on 31 December 2008, 221,270,597 shares, with a view to compensating the contributions in kind granted to the Company and consisting of equity securities or securities convertible into Company shares, when provisions of Article 225-148

of the French Commercial Code are not applicable, by issuing, one or more times, shares (excluding preferred shares) or securities convertible into Company shares, provided, however, that the maximum nominal amount of capital increases likely to be carried out immediately or in the future under this resolution shall be charged to the nominal limit of capital increases without preferential subscription right authorised by this meeting in paragraph four of the 13th resolution and to the amount of the aggregate limit provided in paragraph three of the 12th resolution, or if applicable, to the amount of the limits stipulated in resolutions of the same type, which may replace the said resolutions during the term of validity of this delegation;

2. decides that the Executive Board shall have any and all authority, with power to sub-delegate in accordance with applicable laws, to implement this resolution, for the purpose in particular of:

- deciding to increase the capital compensating the contributions and determining the securities to be issued;
- finalising the list of securities contributed, approving the valuation of the contributions, setting the conditions for issue of securities compensating the contributions, as well as, if applicable, the amount of the outstanding cash adjustment to be paid, approving the granting of special benefits, and reducing, if the contributors consent, valuation of the contributions or compensation of the special benefits;
- determining the characteristics of the securities compensating the contributions and setting the terms and conditions according to which shall be assured, if applicable, the protection of the rights of the holders of securities convertible into shares;
- on its own initiative, charging the costs of the capital increase to the amount of bonuses relating to it and deducting from this amount the sums required to fund the legal reserve;
- noting the completion of each capital increase and making the corresponding amendments to the Articles of Association;
- in general, taking all measures and completing all formalities required for the issue, listing and financial service of the securities issued under this delegation, as well as the exercise of the rights attached to them;

3. takes note that this delegation shall replace and supersede as of the date hereof any unused portion of any prior delegation with the same object, i.e. any delegation allowing issue of shares or securities convertible into shares without preferential subscription right in remuneration of contributions in kind concerning equity securities or securities convertible into shares. It shall be granted for a period of 26 months from the date hereof.

FIFTEENTH RESOLUTION

(Delegation of authority to the Executive Board to decide to increase the share capital through capitalisation of bonuses, reserves, earnings or otherwise).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, and after reviewing the Executive Board's report and pursuant to the provisions of Article L. 225-130 of the French Commercial Code:

1. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to increase the Company's share capital, one or more times, in the proportion and at the times it deems appropriate by capitalising bonuses, reserves, earnings or others, the capitalisation of which shall be legally possible and possible under the Articles of Association, in the form of the issue of new shares or increasing the amount of share capital or by jointly using these two methods.

The maximum nominal amount of the capital increases likely to be carried out may not exceed €2.3 million, provided, however, that this amount shall be charged to the aggregate limit provided for in paragraph three of the twelfth resolution of this meeting or, if applicable, to the amount of any aggregate limit stipulated in a resolution of the same nature that could replace the said resolution during the term of validity of this delegation;

2. in the event of use by the Executive Board of this delegation of authority, delegates to the latter all authority, with power to sub-delegate in accordance with applicable laws, to implement this delegation of authority, for the purpose in particular of:

- setting the amount and nature of the sums to be incorporated into the capital, determining the number of new shares to be issued and/or the share capital shall be increased, deciding on the date, even retroactive, from which the new shares may be used, or that on which the increase in share capital shall become effective;
- deciding in the event of distributions of free shares, that the fractional rights to allocation shall not be negotiable and that the corresponding shares shall be sold; the proceeds from the sale shall be allocated to the holders of rights in accordance with applicable laws;
- carrying out all adjustments intended to take into account the impact of transactions on the Company's share capital, particularly in the event of a change in the nominal value of the shares, a capital increase through capitalisation of reserves, grants of free shares or shares, stock splits or amalgamations, distribution of reserves or any other assets, amortisation of the share capital, or any other transaction involving the shareholders' equity or share capital (including by means of public offering and/or in the event of a change of control), and setting the terms and conditions according to which protection of the rights of holders of securities convertible into shares will be assured, if applicable.

- noting the completion of each capital increase and making the corresponding amendments to the Articles of Association;
- in general, taking all measures and completing all formalities required for the issue, listing and financial service of the securities issued under this delegation, as well as the exercise of the rights attached to them;

3. takes note that this delegation shall replace and supersede as of the date hereof any unused portion of any prior delegation with the same object, i.e. any overall delegation of authority relating to the capital increase by capitalising bonuses, reserves, earnings or otherwise. It shall be granted for a period of 26 months from the date hereof.

SIXTEENTH RESOLUTION

(Delegation of authority to the Executive Board to increase the number of securities to be issued (over-allocation option) in the event of a capital increase with or without preferential subscription rights).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and after reviewing the Executive Board's report and the Statutory Auditor's special report, and pursuant to the provisions of Article L. 225-135-1 of the French Commercial Code:

1. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide on the number of shares to issue in the event of an increase in the Company's share capital with or without preferential subscription right, at the same price as that chosen for the initial issue, within the time periods and limits stipulated by the applicable regulations on the date of the issue (on the date hereof, within 30 days of the end of the subscription period and within the limit of 15% of the initial issue), particularly with a view to granting an over-allocation option in accordance with market practices;

2. decides that the nominal amount of the capital increases decided on pursuant to this resolution shall be charged to the aggregate limit provided for in paragraph three of the 12th resolution of this meeting or, in the event of an increase in capital without preferential subscription right, to the amount of any aggregate limit provided for in paragraph four of the 13th resolution or, if applicable, to the amount of the limits provided for by a resolution of the same nature that could replace the said resolutions during the period of validity of this delegation;

The authority granted herein shall remain in effect for a period of 26 months from the date hereof.

SEVENTEENTH RESOLUTION

(Delegation of authority to the Executive Board to decide to increase the Company's share capital by issuing shares and/or securities convertible into shares reserved to participants of company savings plans, with elimination of the preferential subscription right in favour of such participants).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and after reviewing the Executive Board's report and the Statutory Auditor's special report, and pursuant to the provisions of Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code, and those of Articles L. 3332-18 to L. 3332-24 of the French Labour Code:

1. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to increase the Company's share capital, one or more times, by a maximum nominal amount of €20,000, by the issue of shares or other securities convertible into shares reserved for participants of one or several company savings plans (or any other plan for participants under which Articles L. 3332-1 *et seq.* of the French Labour Code or any similar law or regulation would enable a capital increase to be reserved under equivalent conditions) put in place within a company or group of French or foreign companies, within the scope of consolidation or combination of Company accounts pursuant to Article L. 3344-1 of the French Labour Code; provided, however, that this resolution may be used for the purposes of implementing leverage plans and that the maximum nominal amount of capital increases likely to be carried out immediately or in the future pursuant to this delegation will be charged to the aggregate limit provided for in paragraph three of the twelfth resolution of this meeting or, if applicable, to the amount of any aggregate limit provided for by a resolution of the same nature that could replace the said resolution during the term of validity of this delegation;

2. sets at 26 months, as of the date of this meeting, the term of validity of the issue delegation that is the subject of this resolution;

3. decides that the issue price of the shares or securities convertible into new shares shall be determined under the terms and conditions provided for in Articles L. 3332-18 *et seq.* of the French Labour Code and shall be at least equal to 80% of the Reference Price (such as this expression is defined below) or 70% of the Reference Price when the lock-up period provided under the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labour Code is greater than or equal to ten years; for the purposes of this paragraph, the Reference Price refers to the average of the first listed prices of the Company's share on the Euronext Paris regulated market during 20 market sessions preceding the date of the decision setting the opening date of the subscription for participants of a company savings plan;

4. authorises the Executive Board to grant, free of charge, to the aforementioned beneficiaries, in addition to shares or securities convertible into shares to be subscribed for in cash, shares or securities convertible into shares to be issued immediately or in the future, for the substitution of all or part of the discount in relation to the Reference Price and/or contribution, it being understood that the benefit resulting from this allocation may not exceed the legal or regulatory limits applicable under the terms of Articles L. 3332-10 *et seq.* of the French Labour Code;

5. decides to eliminate for the aforementioned beneficiaries, the shareholders' preferential subscription right to shares and securities convertible into shares issued under this delegation, moreover, with the said shareholders waiving, in the event of the free allocation of shares or securities convertible into shares to the aforementioned beneficiaries, any right to the said shares or securities convertible into shares, including the proportion of the reserves, earnings or bonuses which are included in the capital through capitalisation and due to the free allocation of the said shares under the said resolution;

6. authorises the Executive Board under the terms and conditions of this delegation, to transfer shares to participants of a company savings plan as stipulated in Article L. 3332-24 of the French Labour Code, provided, however, that the shares transferred with a discount to participants of one or more company savings plans under this resolution shall be charged up to the nominal amount of the shares transferred to the amount of the limits stated in the aforementioned paragraph 1;

7. decides that the Executive Board shall have any and all authority, with power to sub-delegate pursuant to applicable laws, to implement this delegation of authority, for the purpose in particular of:

- determining pursuant to applicable laws the list of companies in which the aforementioned beneficiaries may subscribe for shares or securities convertible into shares thus issued and, if applicable, benefit from the shares or securities convertible into shares freely allocated;
- deciding that the subscriptions may be carried out directly by the beneficiaries, participants of a company savings plan, or through the intermediary of company investment funds or other structures or entities authorized by the applicable legal or regulatory provisions;
- determining the conditions, particularly seniority, that the beneficiaries of capital increases must fulfil;
- determining the opening and closing dates of subscriptions;
- setting the amounts of the issues that shall be carried out pursuant to this authorisation and determining the issue prices, dates, time periods, terms and conditions of subscription, payment, issue and benefit of the shares (even retroactive), the reduction rules applicable in the event of over-subscription as well as the other terms and conditions of issue, within the applicable legal or regulatory limits;
- in the event of the free allocation of shares or securities convertible into shares, setting the type, the characteristics and number of shares or securities convertible into shares to be issued, the number to be allocated to each beneficiary, and determining the dates, time periods, terms and conditions of allocating these shares or securities convertible into shares up to the legal and regulatory limits in force and notably choosing either to fully or partially substitute the allocation of these shares or securities convertible into shares at discounts in relation to the aforementioned Reference Price, i.e. to charge the equivalent amount of these shares or securities to the total amount of the contribution, i.e. to combine these two possibilities;
- in the event of an issue of new shares, charging, if applicable, to the reserves, earnings or issue premium, the amount required for the said shares to be fully paid up;
- recording the capital increases up to the amount of the shares that shall actually be subscribed for;
- if applicable, charging the cost of the capital increase to the amount of bonuses relating to it and deducting from this amount the sums required to fund the legal reserve to a tenth of the new capital resulting from these capital increases;
- signing all agreements, finalising directly or indirectly by an agent all the transactions and formalities including those relating to capital increases and the subsequent changes to the Articles of Association;
- in general, finalising any agreement, in particular to successfully complete the proposed issues, taking all measures, making all decisions and completing all formalities required for the issue, listing and financial service of the securities issued under this delegation, as well as the exercise of the rights attached to it or further to the capital increases;

8. decides that this authorisation shall replace and supersede as of the date hereof any unused portion of any prior delegation of authority to the Executive Board with the effect of increasing the Company's share capital by the issue of shares or securities convertible into shares reserved for participants of company savings plans, with the elimination of the preferential subscription right for the latter.

EIGHTEENTH RESOLUTION

(Delegation of authority to the Executive Board to grant option to subscribe for, or purchase, shares to some or all group corporate officers or employees).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and after reviewing the Executive Board's report and the Statutory Auditor's special report:

1. authorises the Executive Board, under the provisions of Articles L. 225-177 to L. 225-185 of the French Commercial Code, to grant, in one or more times, to members of staff that it shall choose among the employees and any corporate officers of the Company and companies or groups that are linked to it under the conditions stipulated in Article L. 225-180 of the said Code, options granting a right to the subscription of new Company shares to be issued to increase its capital, as well as options granting a right to purchase Company shares from repurchases made by the Company under the terms and conditions stipulated by law;

2. decides that the subscription options and the purchase options granted under this authorisation shall not grant the right to a total number of shares exceeding 4% of the share capital on the day of the Executive Board's decision and that the nominal amount of the capital increases resulting from the exercising of share subscription options granted under this delegation of authority shall be charged to the aggregate limit provided for in paragraph three of the twelfth resolution of this meeting or, if applicable, to the amount of any aggregate limit provided for by a resolution of the same nature that could replace the said resolution during the term of validity of this delegation;

3. decides that the price to pay to exercise the subscription or share purchase options shall be determined by the Executive Board on the day the options are granted pursuant to the law, and that this price shall not be less than the average of the first listed prices of the Company's share on the Euronext Paris regulated market during the twenty stock market sessions preceding the day on which the subscription options are granted. If the Company carries out one of the transactions stipulated under Article L. 225-181 of the French Commercial Code, or Article R. 225-138 of the French Commercial Code, the Company shall take, under the conditions provided in the regulations then in force, the necessary measures to protect the interests of the beneficiaries, including, if applicable, by adjusting the number of shares that are obtained by exercising options granted to the beneficiaries to take into account the impact of this transaction;

4. takes note that this delegation implies, as of right for the benefit of the beneficiaries of the subscription options, the express waiver by the shareholders of their preferential subscription right to the shares that shall be issued as and when the share options are exercised. The increase in the share capital resulting from the exercise of the subscription options shall be completed solely due to the declaration of exercising the option together with subscription forms and transfers of payments in cash or offset of the Company's debts;

5. Consequently, the General Meeting of Shareholders grants any and all authority to the Executive Board to implement this authorisation and particularly with the effect of:

- determining the list of beneficiaries of the options and the number of options allocated to each of them;
- setting the terms and conditions of the options, and in particular:
    - the term of the validity of the options, provided, however, that the options must be exercised within a maximum period of seven years;
    - the dates or exercise periods of the options, provided, however, that the Executive Board may (a) advance the dates or exercise periods of the options, (b) maintain the exercisable nature of the options, or (c) modify the dates or periods during which the shares obtained by exercising options may be transferred or provided to the bearer;
    - any clauses prohibiting the immediate resale of all or part of the shares with a lock-up period that shall not exceed three years from the exercise date of the option, provided, however, that with respect to shares granted to corporate officers under Article L.225-185 of the French Commercial Code, the Supervisory Board must, either (a) decide that the options may not be exercised by the interested parties before the cessation of their terms of office, or (b) set the quantity of shares that they hold as registered shares until the cessation of their terms of office;
- if applicable, limit, suspend, restrict or prohibit the exercise of the options or the transfer or the delivery to the bearer of shares obtained by exercising options, during certain periods or under certain events, and such decision may relate to all or part of the options or shares or to all or some of the beneficiaries;
- to determine the date of benefit, even retroactive, of new shares issued pursuant to the exercise of subscription options;

6. decides that the Executive Board shall also have the power to sub-delegate in accordance with applicable laws, any and all authority to increase capital up to the amount of the shares that shall actually be subscribed for pursuant to the exercise of subscription options, to amend the Articles of Association accordingly, and under its sole decision and, if it deems it opportune, to charge the costs for capital increases to the amount of the premiums relating to these transactions and deduct from this amount the amount required to fund the legal reserve to a tenth of the new capital after each increase, and to carry out all the formalities required for listing the issued shares, all filings to all organisations and do all that is otherwise required;

7. decides that this authorisation shall replace and supersede as of the date hereof any unused portion of any prior delegation of authority to the Executive Board to grant subscription or share purchase options.

It shall be granted for a period of 26 months from the date hereof.

NINETEENTH RESOLUTION

(Delegation of authority to the Executive Board to make grants of free shares by issuing new shares or from issued and outstanding shares to some or all group corporate officers and employees).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and after reviewing the Executive Board's report and the Statutory Auditors' special report:

1. authorises the Executive Board, under Articles L. 225-197-1 *et seq.* of the French Commercial Code, to grant, in one or more times, for no consideration existing shares or shares to be issued (excluding preferred shares), to beneficiaries or categories of beneficiaries that it shall choose from among the Company's salaried employees or companies and groups linked to it as set forth in Article L. 225-197-2 of the said Code and the corporate officers of the Company or companies or groups linked to it and that meet the conditions set forth in Article L. 225-197-1, II of the said Code, under the conditions set forth below;

2. decides that existing shares or shares to be issued under this authorisation shall not represent more than 0.5% of the share capital on the day the decision is made by the Executive Board; provided, however, that the maximum nominal amount of the capital increases likely to be carried out immediately or in the future under this delegation of authority shall be charged to the aggregate limit provided in paragraph three of the twelfth resolution of this meeting or, if applicable, from the aggregate limit provided for by a resolution of the same nature, which could replace the said resolution during the term of validity of this delegation of authority;

3. decides that grant of the said shares to their beneficiaries shall become final either (i) at the end of a minimum acquisition period of two years and that the beneficiaries then must retain the said shares for a minimum period of two years from the final grant of the said shares, or (ii) at the end of a minimum acquisition period of four years, the beneficiaries not then being limited to any lock-up period, provided, however, that the granting of the said shares to their beneficiaries shall become final before expiry of the aforementioned acquisition period in the event of invalidity of the beneficiary corresponding to classification in the second or third category stipulated in Article L.341-4 of the French Social Security Code and that the said shares shall be freely assignable in the event of invalidity of the beneficiary corresponding to classification in the aforementioned categories of the French Social Security Code;

4. decides that the Executive Board shall have any and all authority, with power to sub-delegate in accordance with applicable laws, to implement this delegation of authority, for the purpose in particular of:

- determining whether the shares granted free of charge are future or existing shares;
- determining the identity of the beneficiaries, or the category(ies) of beneficiaries, the grants of shares among the members of staff and corporate officers of the Company or aforementioned companies or groups and the number of shares granted to each of them;
- setting the conditions and, if applicable, the criteria for granting shares, in particular the minimum acquisition period and the lock-up period required for each beneficiary, under the conditions provided above, provided, however, that with regard to shares granted free of charge to corporate officers, the Supervisory Board must, either (a) decide that the shares granted free of charge may not be transferred by the persons concerned before they leave office, or (b) set the quantity of shares granted free of charge that they must keep in registered form until they leave office;
- providing for the option to temporarily suspend granting rights;
- noting the final granting dates and the dates as of which the shares may be freely assigned, subject to legal limitations;
- registering the shares granted free of charge in a nominative account in the name of their holder, setting forth the unavailability and term of such unavailability, and making the shares available under any circumstance authorized under applicable regulations;
- in the event of issuing new shares, charging, if applicable, to the reserves, earnings or issue premiums, the amount required to fully pay up said shares, noting the completion of capital increases carried out under this authorisation, making the corresponding amendments to the Articles of Association and, in general, completing all the necessary acts and formalities;

5. decides that the Company may carry out, if applicable, adjustments to the necessary number of shares granted free of charge for the purpose of protecting the beneficiaries' rights, in accordance with any transactions relating to the Company's share capital under the circumstances provided for in Article L. 225-181 and L. 228-99 of the French Commercial Code. It is specified that the shares granted under these adjustments shall be deemed to have been granted on the same day as the shares initially granted;

6. notes that in the event of granting new shares free of charge, this authorisation shall imply, as and when the said shares are finally granted, an increase of capital through capitalisation of reserves, earnings or issue premiums to the beneficiaries of the said shares and corresponding waiver, for the benefit of holders of the said shares, of the shareholders' to preferential subscription right over the said shares;

7. takes note that, in the event that the Executive Board uses this authorisation, each year it shall inform the Ordinary General Meeting of Shareholders of the transactions carried out under Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code, under the conditions stipulated by Article L. 225-197-4 of the said code;

8. takes note that this delegation shall replace and supersede as of the date hereof any unused portion of any prior delegation granted to the Executive Board with the effect of the making of grants of free shares or by issuing shares or from issued and outstanding shares to some or all group corporate officers and employees.

9. It shall be granted for a period of 26 months from the date hereof.

TWENTIETH RESOLUTION

(Delegation of authority to the Executive Board decrease the share capital by cancellation of treasury shares)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to extraordinary general meetings of shareholders and after reviewing the Executive Board's report and the Statutory Auditors' special report, hereby resolves to authorise the Executive Board to decrease the share capital, in one or more times, in the proportions and at the times it may decide, by cancelling any number of treasury shares that it may decide, within the limits authorized by the law and as provided for in Articles L. 225-209 *et seq.* of the French Commercial Code.

The maximum number of shares that may be cancelled by the Company pursuant to this authorisation during a period of twenty-four months shall be ten percent (10%) of the Company's issued and outstanding shares, provided, however, that this limit shall apply to an amount of the Company's share capital as adjusted to take into account transactions affecting the share capital that are subsequent to this General Meeting of Shareholders.

This authorisation shall replace and supersede, as of the date hereof and in the amount, if any, of the unused portion of, any previous delegation of authority to the Executive Board for the purpose of decreasing the share capital by cancellation of treasury shares. This authorisation shall be granted for a period of eighteen months from the date hereof.

The General Meeting of Shareholders hereby resolves to grant to the Executive Board any and all authority, with power of delegation, to complete such transaction(s) cancelling or decreasing the share capital that may be made under this authorisation, and to amend the Articles of Association accordingly and complete any formalities.

TWENTY-FIRST RESOLUTION

(Amendment to the Articles of Association)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and after reviewing the Executive Board's report, and in order to reduce the maximum term of the terms of office of the Supervisory Board to four years, decides to amend the second paragraph of Article 16 of the Articles of Association as follows:

"The members of the Supervisory Board are appointed by the Ordinary General Meeting of Shareholders for a maximum term of four (4) years. However, the term of office of the members of the Supervisory Board shall continue until the end of the Ordinary General Meeting of Shareholders approving the financial statements for the past fiscal year and held in the year during which this member of the Supervisory Board's term of office expires".

TWENTY-SECOND RESOLUTION

(Amendment to the Articles of Association)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and after reviewing the Executive Board's report, decides to delete Article 17 from the Articles of Association and consequently to renumber Articles 18 to 27 of the Articles of Association.

TWENTY-THIRD RESOLUTION

(Authority with respect to formalities)

The General Meeting of Shareholders grants all authority to the bearer of an original, copy or extract of the minutes of their deliberations to carry out any filings and formalities required by the law.

OTHER INFORMATION

REPORT OF STATUTORY AUDITORS ON CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report issued in French language and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting matters. These assessments were made for the purpose of issuing an opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside the consolidated financial statements. This report also includes information relating to the specific verification of information in the group management report.This report should be read in conjunction with and is construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting, we hereby report to you, for the year ended December 31, 2008, on:

- the audit of the accompanying consolidated financial statements of JCDecaux S.A.;
- the justification of our assessments;
- the specific verification required by French law.

These consolidated financial statements have been approved by the executive board. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes verifying, by audit sampling and other selective testing procedures, evidence supporting the amounts and disclosures in the annual financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by management and the overall financial statements presentation. We believe that the evidence we have gathered in order to form our opinion is adequate and relevant.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of the consolidated group in accordance with the International Financial Reporting Standards, as adopted by the EU.

II. JUSTIFICATION OF ASSESSMENTS

The accounting estimates relating to the preparation of the financial statements at December 31, 2008 take into account the extreme volatility of the advertising market and the difficulty in predicting the future economic environment. It is in this climate of uncertainty, and in accordance with article L. 823-9 of the French commercial code (Code de Commerce), that we bring to your attention our own assessments:

- Tangibles and intangibles fixed assets, goodwill and investments in associates are subject to impairment tests based on the prospects of future profitability following the method described in note 1.11 to the financial statements. We have assessed the appropriateness of the methodology applied and of the data and assumptions used by the group to perform these valuations. On these bases, we carried out the assessment of the reasonableness of these estimates.
- Note 1.21 to the financial statements describes the accounting treatment of purchase commitments for minority interests, which is not specifically described in IFRS as adopted in the European Union. We have assessed that this note gives the relevant information as to the method used by the company.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and, therefore, served in forming our audit opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We have also verified the information given in the group management report as required by French law.

We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, March 10, 2009.

French original signed by
The Statutory Auditors

KPMG Audit	Ernst & Young et Autres
A division of KPMG S.A.	
Frédéric Quélin	Pierre Jouanne
Partner	Partner

REPORT OF STATUTORY AUDITORS ON CORPORATE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting, we hereby report to you, for the year ended 31 December 2008, on:

- the audit of the accompanying financial statements of JCDecaux S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, on a test basis or by selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities, as of 31 December 2008, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

II. JUSTIFICATION OF OUR ASSESSMENTS

The accounting estimates relating to the preparation of the financial statements at December 31, 2008 take into account the extreme volatility of the advertising market and the difficulty in predicting the future economic environment. It is in this climate of uncertainty, and in accordance with article L. 823-9 of the French commercial code (Code de Commerce), that we bring to your attention our own assessments:

Equity investments are subject to impairment tests based on the prospects of future profitability following the method described in note 1.2.1.3 to the financial statements. We have assessed the appropriateness of the methodology applied and of the data and assumptions used by the group to perform these valuations. On these bases, we have carried out the assessment of the reasonableness of these estimates.

These assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed the specific verifications required by law.

We have no matters to report regarding:

- the fair presentation and the consistency with the financial statements of the information given in the management report of the Executive Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements,

- the fair presentation of the information given in the management report of the Executive Board in respect of remunerations and benefits granted to the relevant directors and any commitments given to them in connection with, or after, their appointment, termination or change in function.

In accordance with French law, we ascertained that the information relating to the acquisition of shares and controlling interests and the identity of shareholders and holders of voting rights were given in the management report of the Executive Board

Paris La Défense and Neuilly-sur-Seine, March 10, 2009.

French original signed by
The Statutory Auditors

KPMG Audit
A division of KPMG S.A.
Frédéric Quélin
Partner

Ernst & Young et Autres

Pierre Jouanne
Partner

SPECIAL REPORT OF STATUTORY AUDITORS ON AGREEMENTS AND THE COMMITMENTS WITH RELATED PARTIES ("*CONVENTIONS ET ENGAGEMENTS REGLEMENTES*")

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on the regulated agreements and commitments.

We are not required to ascertain whether any agreements or commitments exist but to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we were notified. It is not our role to determine whether they are beneficial or appropriate. It is your responsibility, under the terms of article R.225-58 of the French Commercial Code ("Code de commerce"), to evaluate the benefits arising from these agreements and commitments prior to their approval.

AGREEMENTS AND COMMITMENTS ENTERED INTO BY THE COMPANY IN 2008

We inform you that we have not been advised of any agreements or commitments mentioned in article L.225-86 of the French Commercial Code ("Code de commerce").

CONTINUING AGREEMENTS AND COMMITMENTS WHICH WERE ENTERED INTO IN PRIOR YEARS

Moreover, in accordance with the French Commercial Code, we have been informed of the following agreements and commitments, which were approved during previous years and which were applicable during the period :

With Mr. Gérard Degonse

Nature and purpose
Your Supervisory Board meeting held on March 15, 2005, authorized the grant to Mr. Gérard Degonse, a Member of the Executive Board, in the event of termination of his employment decided by the Company:

- of a retirement indemnity equivalent to two years of his fixed and variable salary, including indemnities provided for under French law;
- of a non-competition indemnity equivalent to one and a half year of his fixed and variable salary for an obligation of two years.

With Mr. Jeremy Male

Nature and purpose
Your Supervisory Board meeting held on March 15, 2005, authorized the redefinition of the terms and conditions for calculating the pension due to Mr. Jeremy Male, a Member of the Executive Board. This pension will be equal to 15% of his total salary and bonuses.

We conducted our work in accordance with professional guidance issued by the professional institute of auditors "Compagnie nationale des commissaires aux comptes"; those standards require that we perform the procedures deemed necessary so as to verify that the information provided to us is in agreement with the underlying documentation from which it was extracted

Paris La Défense and Neuilly-sur-Seine, March 10, 2009.

French original signed by
The Statutory Auditors

KPMG Audit
A division of KPMG S.A.

Frédéric Quélin
Partner

Ernst & Young et Autres

Pierre Jouanne
Partner

REPORT ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD DEALING WITH INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND TREATMENT OF FINANCIAL AND ACCOUNTING INFORMATION

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and the relevant professional auditing standards applicable in France

To the Shareholders,

In our capacity as Statutory Auditors of JCDecaux S.A., and in accordance with Article L.225-235 of the French Commercial Code ("Code de commerce"), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L.225-68 of the French Commercial Code for the year ended 31 December 2008.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-68 particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 225-68 of the French Commercial Code ("Code de commerce"), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with Article L.225-68 of the French Commercial Code ("Code de Commerce").

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-68 of the French Commercial Code ("Code de commerce").

Paris La Défense and Neuilly-sur-Seine, March 10, 2009.

French original signed by
The Statutory Auditors

KPMG Audit
A division of KPMG S.A.

Frédéric Quélin
Partner

Ernst & Young et Autres

Pierre Jouanne
Partner

PERSON RESPONSIBLE FOR THE ANNUAL REPORT AND PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

1. PERSON RESPONSIBLE FOR THIS DOCUMENT

Mr. Jean-Charles Decaux
Chairman of the Executive Board of JCDecaux SA.

2. CERTIFICATE OF THE PERSON RESPONSIBLE FOR THIS DOCUMENT AND THE ANNUAL FINANCIAL REPORT

"I hereby certify, after taking every reasonable step for such purpose, that the information contained in this Annual Report is, to my knowledge, true to reality and does not omit any information required to make it not misleading.

I certify, to the best of my knowledge, that the accounts have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the management report presents a fair review of the development and performance of the business and financial position of the Company and all the undertakings included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained from persons legally responsible for auditing the financial statements a "*lettre de fin de travaux"* in which they state that they have conducted an audit of the information relating to the financial condition and accounting data in this Annual Report, as well as having read the entire Annual Report.

The historical financial information presented in this annual report has been the subject of the reports of the statutory auditors included on pages 213, 214 and 215 of this annual report, as well as those incorporated by reference for the 2007 and 2006 fiscal years on, respectively, pages 194 and 195 of the 2007 Annual Report (a French-language version of which was filed with the *Autorité des Marchés Financiers* on 7 April 2008 under no. D.08-207) and pages 207 to 208 of the 2006 Annual Report (a French-language version of which was filed with the *Autorité des Marchés Financiers* on 4 April 2007 under no. D.07-273).

April 10, 2009

Jean-Charles Decaux
Chairman of the Executive Board

3. PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE INVESTOR INFORMATION

PRINCIPAL STATUTORY AUDITORS

Ernst & Young et Autres
41, rue Ybry
92200 Neuilly-sur-Seine
represented by Mr. Pierre Jouanne,
appointed on 20 June 2000, the engagement of which, renewed by the General Meeting of Shareholders of 10 May 2006, will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31 December 2011.

KPMG SA
1, cours Valmy
92923 Paris La Défense Cedex
represented by Mr. Frédéric Quélin,
appointed on 10 May 2006, the engagement of which will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31 December 2011.

ALTERNATE STATUTORY AUDITORS

AUDITEX,
11, allée de l'Arche - Faubourg de l'Arche
92400 Courbevoie
appointed on 10 May 2006, the engagement of which will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31 December 2011.

SCP Jean-Claude ANDRE & Autres
2 bis, rue de Villiers
92300 Levallois Perret
appointed on 10 May 2006, the engagement of which will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31 December 2011.

PERSON RESPONSIBLE FOR SHAREHOLDER AND INVESTOR INFORMATION

Martin Sabbagh
Manager for Investor Relations and Financial Communications
Téléphone: +33 (0)1 30 79 44 86
Fax : +33 (0)1 30 79 77 91

This Annual Report was filed with the French Autorité des Marchés Financiers (AMF) on 10 April 2009, as stipulated in Article 212-13 of the rules and regulations of the AMF
It may not be used to support a financial transaction unless it is supplemented with an operation note approved by the AMF.

This document has been designed and produced by
the Corporate Finance Department/Financial Communication Department
and JCDecaux SA Investor Relations.

JCDecaux SA
17, rue Soyer
92523 Neuilly-sur-Seine Cedex
Tel.: + 33 (0)1 30 79 79 79
www.jcdecaux.com

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JCDecaux

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