JCDECAUX SA

CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2003

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

JCDECAUX SA

CONSOLIDATED FINANCIAL STATEMENTS

AS AT JUNE 30, 2003

CONTENTS :

BARBIER FRINAULT & AUTRES
ERNST&YOUNG
Commissaire aux Comptes
Membre de la Compagnie de Versailles
41, rue Ybry
92576 Neuilly-sur-Seine Cedex

FIDUCIAIRE REVISUNION

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

To the Shareholders of the Company JCDecaux SA,

In our capacity as statutory auditors of your company, and in accordance with Article L.232-7 of French Company Law (Code de Commerce), we have performed the following procedures:

- *a review of the accompanying summary of operations and income statement as they appear in the consolidated interim financial statements of JCDecaux SA for the six-month period ended June 30, 2003.*
- *an examination of the information provided in the Company's interim report.*

These interim consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with French professional standards. These standards require that we plan and perform the review to obtain moderate assurance, lesser than that which would result from an audit, as to whether the interim consolidated financial statements are free from material misstatement. The review excluded certain audit procedures and was limited to performing analytical procedures and to obtaining information from Company management and other appropriate sources.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the financial position of the Group and the results of its operations for the period then ended in conformity with French accounting principles.

We have also examined, in accordance with French professional standards, the information contained in the interim report on the consolidated interim financial statements that were the subject of our review.

We have nothing to report with respect to the fairness of such information and its consistency with the consolidated interim financial statements.

Neuilly-sur-Seine and Paris, September 13, 2003

The Statutory Auditors

BARBIER FRINAULT & AUTRES
Gilles Galippe

FIDUCIAIRE REVISUNION
Claude Chezaud

JCDecaux SA - Consolidated Financial Statements

BALANCE SHEET AS AT JUNE 30, 2003

Assets

In million Euros

	June 30, 2003	*December 31, 2002*	*June 30, 2002*
Intangible assets (net)	*30.2*	*33.1*	*34.0*
Goodwill (net)	*1,053.2*	*1,080.0*	*1,084.5*
Tangible assets (net)	*688.5*	*722.3*	*738.8*
Investments (net)	*78.9*	*79.8*	*92.9*
FIXED ASSETS	***1,850.8***	***1,915.2***	***1,950.2***
Inventories (net)	*98.1*	*92.6*	*112.5*
Trade receivables (net)	*399.3*	*403.1*	*442.0*
Others receivables (net)	*148.9*	*126.7*	*153.5*
Marketable securities (net)	*246.2*	*82.4*	*37.9*
Cash	*74.5*	*80.0*	*71.2*
Deferred tax assets (net)	*21.9*	*29.7*	*45.4*
CURRENT ASSETS	***988.9***	***814.5***	***862.5***
TOTAL ASSETS	***2,839.7***	***2,729.7***	***2,812.7***

JCDecaux SA - Consolidated Financial Statements

BALANCE SHEET AS AT JUNE 30, 2003

Liabilities and Equity

In million Euros

	June 30, 2003	*December 31, 2002*	*June 30, 2002*
SHAREHOLDERS ' EQUITY			
Capital	*3.4*	*3.4*	*3.4*
Share premium	*923.2*	*923.2*	*923.2*
Legal reserve	*0.3*	*0.3*	*0.3*
Consolidated reserves / Group share	*377.3*	*360.5*	*372.4*
Current year net income / Group share	*18.8*	*26.0*	*11.5*
SHAREHOLDERS ' EQUITY (Group share)	***1,323.0***	***1,313.4***	***1,310.8***
MINORITY INTERESTS	*64.1*	*64.2*	*71.9*
SHAREHOLDERS ' EQUITY (total)	***1,387.1***	***1,377.6***	***1,382.7***
PROVISIONS FOR RISKS AND CONTINGENCIES	***85.3***	***82.6***	***82.5***
DEFERRED TAX LIABILITIES	***18.3***	***20.7***	***28.3***
Liabilities			
Bank borrowings	*850.3*	*737.7*	*818.1*
Miscellaneous loans and financial debts	*10.9*	*8.3*	*13.4*
Trade payables	*138.2*	*159.1*	*152.0*
Other liabilities	*332.4*	*314.0*	*330.9*
Bank overdrafts	*17.2*	*29.7*	*4.8*
LIABILITIES	***1,349.0***	***1,248.8***	***1,319.2***
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	***2,839.7***	***2,729.7***	***2,812.7***

JCDecaux SA - Consolidated Financial Statements

INCOME STATEMENT

In million Euros

	1st half 2003	1st half 2002	2002
NET REVENUES	**758.2**	**779.9**	**1,577.7**
Operating expenses excluding depreciation charges & provisions	(562.0)	(579.7)	(1,172.4)
EBITDA (1)	**196.2**	**200.2**	**405.3**
Depreciation charges & provision (net)	(85.9)	(94.0)	(194.1)
OPERATING INCOME	**110.3**	**106.2**	**211.2**
NET FINANCIAL INCOME/(LOSS)	**(15.8)**	**(19.5)**	**(36.7)**
INCOME FROM RECURRING OPERATIONS	**94.5**	**86.7**	**174.5**
Non-recurring income/(loss)	0.2	(1.4)	(2,7)
Income tax	(37.9)	(35.2)	(70.2)
NET INCOME FROM CONSOLIDATED COMPANIES BEFORE INCOME FROM EQUITY AFFILIATES AND AMORTISATION OF GOODWILL	**56.8**	**50.1**	**101.6**
Net income from equity affiliates	2.4	2.8	5.6
Amortisation of Goodwill	(32.5)	(31.2)	(63.7)
CONSOLIDATED NET INCOME	**26.7**	**21.7**	**43.5**
.Minority interests	7.9	10.2	17.5
.Group Share	**18.8**	**11.5**	**26.0**
. Earnings per share (in Euros) (2)	**0.085**	**0.052**	**0.117**
. Earnings per share diluted (in Euros) (2)	**0.083**	**0.051**	**0.115**
. Number (average) of shares (2)	221,400,760	22,600,760	221,528,081
. Number (average) of shares (diluted) (2)	225,592,560	225,704,464	225,627,199

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

(2) After deduction of Treasury shares acquired by JCDecaux SA in 2002.

JCDecaux SA - Consolidated Financial Statements

CASH FLOW STATEMENT FOR THE HALF YEAR JUNE 30, 2003

In million Euros

	1st half 2003	1st half 2002	2002
Net income (Group share)	18.8	11.5	26.0
Minority interests	7.9	10.2	17.5
Income from equity affiliates	(2.4)	(2.8)	(5.5)
Dividends received from equity affiliates	3.7	3.9	4.3
Change in deferred tax	1.2	(5.5)	(10.3)
Net amortisation & provision allowance	123.3	125.9	261.8
Capital (Gain/Loss)	(1.0)	2.2	6.5
FUNDS FROM OPERATIONS	151.5	145.5	300.3
CHANGE IN WORKING CAPITAL	(21.6)	(39.9)	24.2
NET CASH PROVIDED BY OPERATING ACTIVITIES	**129.9**	**105.6**	**324.5**
Acquisitions of intangible assets	(3.3)	(3.8)	(10.2)
Acquisitions of tangible assets	(62.7)	(76.1)	(156.5)
Acquisitions of financial assets (long term investments)	(6.8)	(20.5)	(49.9)
Acquisitions of financial assets (others)	(2.5)	(0.4)	(1.8)
Change in payables on assets	(1.1)	(3.8)	(3.8)
TOTAL Investments	(76.4)	(104.6)	(222.2)
Disposals of intangible assets	0.0	0.0	0.0
Disposals of tangible assets	4.0	6.1	10.1
Disposals of financial assets (long term investments)	0.1	0.0	1.2
Disposals of financial assets (others)	5.2	1.6	18.4
Change in receivables on assets	0.0	0.1	3.9
TOTAL Disposals of assets	9.3	7.8	33.6
NET CASH (USED FOR) PROVIDED BY INVESTING ACTIVITIES	**(67.1)**	**(96.8)**	**(188.6)**
Dividends paid	(7.7)	(6.5)	(12.3)
Reduction of capital			
Repayment of debt	(267.9)	(98.0)	(202.1)
Cash inflow from financing activities	(275.6)	(104.5)	(214.4)
Increase in shareholders' equity	0.0	0.0	0.0
Increase in debt	386.1	20.6	38.6
Cash outflow from financing activities	386.1	20.6	38.6
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	**110.5**	**(83.9)**	**(175.8)**
Effect of exchange rates fluctuations	(2.5)	4.1	(2.7)
CHANGE IN CASH POSITION	**170.8**	**(71.0)**	**(42.6)**
Cash position beginning of period	**132.7**	**175.3**	**175.3**
Cash position end of period	**303.5**	**104.3**	**132.7**

The impact of exchange rate fluctuations amounts to M€ 0.4 on the net cash provided by operating activities and to M€ (4.4) on the net cash used for investing activities and to M€ (6.0) on the net cash used in financing activities.

JCDecaux SA – Consolidated Financial Statements

Notes to the consolidated financial statements

1. ACCOUNTING PRINCIPLES AND METHODS

1.1 General principles

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

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

1.2 Scope of consolidation

The main changes that took place during the first semester of 2003 are as follows:

<u>Entries into the scope of consolidation</u>

On February 13, 2003, the Europlakat International company (consolidated under the proportional method to 50%) acquired for a price of M€ 6.1, 100% of the AQMI company, which has itself acquired for M€ 4.0, 100% of the Alma Quattro company, leader in outdoor advertising in Montenegro-Serbia. Both companies are consolidated under the proportional method.

The recently created ADR Advertising company (Italy) has been consolidated for the first time following the proportional integration method in the first semester 2003.

The Austrian companies JCDecaux Invest Holding et JCDecaux Sub Invest Holding have been consolidated for the first time in 2003. Their creation will allow the spin off of the JCDecaux Central Eastern Europe (JCD CEE) company that occurred in August 2003 in the context of the end of the cooperation agreement signed with B&C Holding (cf §6 Subsequent events).

<u>Change in percentage of detention</u>

On May 28, 2003, JCDecaux Airport France acquired the remaining 40% in JCDecaux Airport Media GmbH (Germany) for an acquisition price of M€ 0.5. This operation changed the percentage of ownership in the JCDecaux Airport Media GmbH company to 100%.

<u>Exit from the scope of consolidation</u>

The Aussenwerbung Polen GmbH and Europlakat Polska Sp Zoo companies have been sold during the first semester 2003. The Polish Media System Sp Zoo company has been considered out of the scope of consolidation because not material.

2. COMMENTS ON THE BALANCE SHEET

2.1 Goodwill

As at June 30, 2003, goodwill arising from acquisitions represented M€ 1,313.1 in gross value and its accumulated amortisation amounted to M€ 259.9 whereas they were at M€ 1,310.3 and M€ 230.3 respectively as at December 31, 2002. The change in gross value mainly results from the acquisition of the remaining 40% of JCDecaux Airport Media GmbH company (Germany) and from the acquisition of Alma Quattro company (Serbia), the impact being respectively M€ 1.5 and M€ 4.0.

2.2 Tangible assets

As at June 30, 2003, net tangible assets amounted to M€ 205.7 in France and M€ 428.8 in foreign countries compared to M€ 219.7 and M€ 502.6 respectively as at December 31, 2002. As at June 30, 2003, the most significant amounts for net tangible assets are as follows: M€ 96.4 in Great Britain, M€ 53.6 in the United States, M€ 64.1 in Spain, M€ 45.7 in Belgium, M€ 29.1 in Austria, M€ 30.8 in Portugal and M€ 21.9 in Germany.

2.3 Financial Investments

As at June 30, 2003, net investments amounted to M€ 78.9 compared to M€ 79.8 as at December 31, 2002.

2.4 Inventories

As at June 30, 2003, net value of inventories reached M€ 98.1 compared to M€ 92.6 as at December 31, 2002.

2.5 Net Cash

As at June 30, 2003, net cash increased to M€ 303.5 compared to M€ 132.7 on December 31, 2002.

2.6 Changes in Group Equity *(in M€)*

	Capital	*Premium*	*Consolidated Retained earnings*	*Total*
Equity as at December 31, 2001	***3.4***	***923.2***	***395.3***	***1 ,321.9***
Net income for the period			*26.0*	***26.0***
Purchase of treasury shares (1)			*(2.1)*	***(2.1)***
Change in translation adjustments			*(32.4)*	***(32.4)***
Equity as at December 31, 2002	***3.4***	***923.2***	***386.8***	***1 ,313.4***
Net income for the period			*18.8*	***18.8***
Change in translation adjustments			*(9.2)*	***(9.2)***
Equity as at June 30, 2003	***3.4***	***923.2***	***396.4***	***1,323.0***

(1) In 2002, JCDecaux SA bought 200,000 of its own shares in August and October 2002 for a total price of 2.1 M€.

2.7 Minority interests *(in M€)*

	12.31.2001	*12.31.2002*	*06.30.2003*
Shareholders' equity (minority interests) as at January 1	***47.5***	***68.8***	***64.2***
Net income for the period	*18.4*	*17.5*	*7.9*
Dividends paid	*(12.6)*	*(12.2)*	*(7.7)*
Change in translation adjustments	*0.8*	*0.2*	*(1.7)*
Change in consolidation scope	*27.7*	*(10.1)*	*1.4*
Purchase of minority rights resulting from merger JCDecaux SA	*(13.0)*		
Equity (minority interests) as at end of period	***68.8***	***64.2***	***64.1***

2.8 Financial debt

As at June 30, 2003, financial debts increased by M€ 115.2 from M€ 746 as at December 31, 2002 to M€ 861.2.

This increase is mainly due to the issuance by JCDecaux SA, in April 2003, of a private placement in the United-States, amounting to the equivalent of M€ 380, and maturing between 7 and 12 years. Following this issuance, JCDecaux SA has accelerated the amortisation of the non revolving Tranche A of its syndicated credit, with the early reimbursement of M€ 163. The Group intends to replace, before its maturity date in September 2005, the outstanding part of the Tranche A with a more flexible financial facility.

The major external loans of the Group concern the following countries: France for M€ 769.9, Austria for M€ 25.4, Denmark for M€ 17.3, Australia for M€ 8.8, Germany for M€ 8.4, Belgium for M€ 7.9, Norway for M€ 5.6, Japan for M€ 4.3, Chile for M€ 3.3, Thailand for M€ 3.2, Spain for M€ 2.3, Korea for M€ 1.5, and United-Kingdom for M€ 1.1.

3. COMMENTS ON THE INCOME STATEMENT

3.1 Revenues

As at June 30, 2003, consolidated revenues amounted to M€ 758.2, having decreased by 2.8% compared to M€ 779.9 as at June 30, 2002.

Revenues excluding acquisitions and divestitures and foreign currency conversion increased by 1.0% to M€ 785.1 for the first semester, 2003.

The Street Furniture activity achieved revenues of M€ 408.2, including the impact from acquisitions. It represented a decrease of 2.2% compared to M€ 417.2 in 2002 for the first semester.
Excluding acquisitions and divestitures and foreign currency conversion, revenues reached M€ 416.9, a decrease of 0.1% compared to M€ 417.2 in 2002 for the first semester.

Revenues from Billboard activity decreased by 1.5% from M€ 218.2 in 2002 to M€ 214.9 in 2003 for the first semester.
Excluding acquisitions and divestitures and foreign currency conversion, revenues reached M€ 218.7, having increased by 1.3% compared to M€ 215.9 in 2002 for the first semester.

Transport activity's revenues turned out to be M€ 135.1 for the first semester, 2003, having decreased by 6.5% compared to M€ 144.5 as at June 30, 2002.
Excluding acquisitions and divestitures and foreign currency conversion, revenues increased by 3.5% to M€ 149.5 for the first semester, 2003.

3.2 EBITDA

The Group measures the operating performance of its activities on the basis of EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation).
As at June 30, 2003, the Group's EBITDA amounted to M€ 196.2, having decreased by 2.0% compared to M€ 200.2 as at June 30, 2002.

As at June 30, 2003, the Group's EBITDA represented 25.9% of the consolidated revenues compared to 25.7% for the same period last year.

Street furniture EBITDA rose to M€ 167.9 for the first semester, 2003, a decrease of 2.3% compared to M€ 171.8 as at June 30, 2002.
Billboard EBITDA reached M€ 24.0 during the first semester, a decrease of 15.0% compared to M€ 28.2 as at June 30, 2002.
Transport EBITDA reached to M€ 4.3 for the first semester, 2003, compared to M€ 0.2 as at June 30, 2002.

3.3 Operating income

The JCDecaux Group's operating income amounts to M€ 110.3 for the first semester 2003 compared to M€ 106.2 for the same period last year, increasing by 3.9% despite a 2.0% receding EBITDA. This growth results mainly from the reversal of provisions for bad debt, and from a decrease in the depreciation costs.

The contribution as of June 30 ,2003 of each business line in the total Group's operating income is as follows:
- Street furniture : 91.1% compared to 94.2% for the same period last year
- Billboard : 8.6% compared to 10.5% for the same period last year
- Transport : 0.3% compared to (4.7)% for the same period last year
The street furniture segment is still representing the largest part of the Group's operating income whereas the Transport segment is just break even at the end of June 2003.

The operating income breakdown by geographic areas is as follows :
France with an operating income amounting to M€ 62.4 represents 56.6% of the Group's consolidated operating income, compared to 5.1% for the United Kingdom and 49.5% for the rest of Europe, (6.7)% in the Americas, and (4.5)% in Asia-Pacific. Over the same period last year the figures were respectively 56.6%, 7.6%, 56.2%, (13.8)%,and (6.6)%. The decrease of the losses in the two Group development geographic areas- the Americas and Asia-Pacific- reflects the new projects emerging in these regions.

3.4 Net financial income / (loss)

As at June 30, 2003, financial loss is M€ (15.8) compared to M€ (19.5) in 2002 for the same period, thanks to a decrease of net financial indebtedness as at June 30, 2003, and to a decrease in the short term rates in Euros and in Dollars.

3.5 Non recurring income/ (loss)

As at June 30, 2003, non-recurring income is not material (M€ 0.2).

3.6 Income tax

As at June 30, 2003, income tax amounted to M€ (37.9), of which M€ (32.0) was current tax and M€ (5.9) to deferred tax expenses. The effective tax rate before amortization of goodwill and before net income from equity affiliates remains stable, amounting to 40 % as at June 30, 2003 compared to 41.3 % for the same period last year.

3.7 Net income from equity affiliates

Net income from equity affiliates as at June 30, 2003 turned out to be M€ 2.4 compared to M€ 2.8 on June 30, 2002. This amount is mainly composed of the contribution of M€ 1.8 from Affichage Holding (Switzerland).

4. *COMMENTS ON THE CASH FLOW STATEMENT*

Net cash provided by the operating activities in the first semester 2003 is M€ 129.9.

Funds from operations amount to M€ 151.5 having increased by M€ 6 compared to M€ 145.5 in June 2002, and consisting principally of the net income of M€ 26.7 increased by the amortisation and depreciation charges of M€ 123.3.
The increase of M€ 21.6 in working capital is mainly related to a decrease in trade payables.

Net cash used in investing activities in the first semester 2003 amounts to M€ (67.1), consisting of M€ (62) for net capital expenditures, M€ (6.8) for acquiring financial assets, M€ (2.5) for acquiring other financial assets, M€ 5.3 from the sale of financial assets and of M€ (1.1) for fluctuations in receivables and payables on assets. It decreased compared to the net cash used in investment activities in the first semester 2002,which amounted to M€ (96.8), consisting of M€ (73.8) for net capital expenditures, M€ (20.5) for acquiring financial assets, M€ (0.4) for acquiring other financial assets, M€ 1.6 from the sale of financial assets and of M€ (3.7) for fluctuations in receivables and payables on assets. This reduction of one third in capital expenditure is due to:

- *an amount of acquisitions of financial assets partially maintained in 2003, most of the acquisitions in 2002 having occurred during the first semester with for instance the acquisition of Unicom (the Netherlands), Klett (Germany) and Publiflor (Italy)*
- *the sharp decrease in 2003 in Net capital expenditures in France, Spain, Brazil, Australia, partly offset by the capital expenditures in Chicago.*

Net cash used in financing activities amounts to M€ 110.5 for the first semester 2003, consisting mainly of M€ (250) for the reimbursement (including M€ (163) of early reimbursement) of the syndicated credit facility and of the issuance by JCDecaux SA of a private placement in the United-States for M€ 380.

5. *SEGMENT REPORTING (in M€)*

5.1 *By activity*

	Revenues	*EBITDA (1)*
Street furniture		
June 30, 2003	*408.2*	*167.9*
December 31, 2002	*840.3*	*340.3*
June 30, 2002	*417.2*	*171.8*
Billboard		
June 30, 2003	*214.9*	*24.0*
December 31, 2002	*442.6*	*55.4*
June 30, 2002	*218.2*	*28.2*
Transport		
June 30, 2003	*135.1*	*4.3*
December 31, 2002	*294.8*	*9.6*
June 30, 2002	*144.5*	*0.2*
Total		
June 30, 2003	*758.2*	*196.2*
December 31, 2002	*1,577.7*	*405.3*
June 30, 2002	*779.9*	*200.2*

(1) EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation.

5.2 By geographic zone

	Revenues	*EBITDA (1)*
France		
June 30, 2003	*280.2*	*92.5*
December 31, 2002	*570.9*	*185.2*
June 30, 2002	*285.9*	*97.9*
United Kingdom		
June 30, 2003	*104.5*	*15.5*
December 31, 2002	*231.6*	*38.0*
June 30, 2002	*111.8*	*18.7*
Europe (excl. France & United Kingdom)		
June 30, 2003	*286.4*	*92.1*
December 31, 2002	*568.9*	*192.9*
June 30, 2002	*282.9*	*94.9*
Americas		
June 30, 2003	*50.0*	*-1.7*
December 31, 2002	*104.2*	*-8.0*
June 30, 2002	*50.0*	*-7.1*
Asia / Pacific		
June 30, 2003	*37.1*	*-2.2*
December 31, 2002	*102.1*	*-2.8*
June 30, 2002	*49.3*	*-4.2*
Total		
June 30, 2003	*758.2*	*196.2*
December 31, 2002	*1,577.7*	*405.3*
June 30, 2002	*779.9*	*200.2*

(1) EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation.

6. *SUBSEQUENT EVENTS*

JCDecaux SA Group and B&C Holding have decided to put an end to their joint agreement in Austria and in Central Europe, concluded in April 2001. The put option has been exercised by B&C Holding for M€ 138.
Following this operation which took place in August 2003, the JCDecaux SA Group holds, via its 100% owned subsidiary JCDecaux central Eastern Europe Holding GmbH, 30% of Affichage Holding and 67% of Gewista.
This operation should lead, during the 2003 second semester, to the recording of a goodwill amounting to around M€ 120. This operation will not have any impact on revenues and on EBITDA of the Group, but the share of minority interests in the second 2003 half-year total net result of the Group should decrease to the benefit of Group's share in total net result.

* * * * * *