# Press Release 02/09/12

PUBLICIS GROUPE

## 2011 Annual Results

### 2011 annual results
**(EUR million except EPS and dividend)**

| | |
|---|---|
| ▪ Revenue | 5,816 |
| ▪ Published growth | +7.3% |
| ▪ Organic growth | +5.7% |
| ▪ New Business (net) | 7.9 bn USD |
| ▪ Operating margin | 931 +8.8% |
| ▪ Percentage operating margin | 16.0% |
| ▪ Net income | 600 +14.1% |
| ▪ EPS* | 2.64 euro +12.3% |
| ▪ Free Cash Flow ** | 704 +9% |
| ▪ Dividend *** | 0.70 euro |

* *Diluted Earnings Per Share*

** *excl. changes in Working Capital Requirements (WCR)*

*** *Payable on July 2 subject to approval at the AGM of May 29, 2012*

***Message from Maurice Lévy, Chairman & CEO of Publicis Groupe:***

*"In a context of sovereign debt crisis and economic slowdown, Publicis has not only outperformed the market, more remarkably it has improved on its own outstanding performance of 2010. The Group's margin, which has improved very satisfactorily, is back on the 16% mark while we continued investment in technology and talent.*

*We have continued to pursue our strategy of making targeted acquisitions in digital communications and high-growth countries.*

*Our good performance in 2011 should be attributed, first and foremost, to the loyalty of our clients who trust us to help them win in a digitized, globalized and hyper-competitive world. Our teams have put their talent, creativity and inventiveness at the service of our clients successfully and effectively. I would like to express my gratitude to both. We ended the year with a strong balance sheet and a record result in new business.*

*Our considerable financial flexibility, our undiminished ability to innovate and our creativity should see us through this new era of short cycles that require flexibility and agility, qualities that remain intact within the Group.*

*We should be able to continue to achieve strong, sustainable and profitable growth.*

*Though we remain very cautious all along, our situation enables us to stride confidently towards the future and particularly in 2012".*

* * *

**Publicis Groupe's Supervisory Board met on February 8, 2012, under the chairmanship of Elisabeth Badinter, to examine the annual accounts for 2011 presented by Maurice Lévy, Chairman of the Management Board.**

**KEY FIGURES**

***Data from the Consolidated Income Statement***

| *EUR million, excepting percentages and per share data (in EUR)* | ***2011*** | ***2010*** | ***2009*** |
|---|---|---|---|
| **Data from the Income Statement** | | | |
| Revenue | 5,816 | 5,418 | 4,524 |
| Operating margin before Depreciation & Amortization | 1,034 | 967 | 772 |
| *% of revenue* | *17.8%* | *17.8%* | *17.1%* |
| Operating margin | 931 | 856 | 680 |
| *% of revenue* | *16.0%* | *15.8%* | *15.0%* |
| Operating income | 914 | 835 | 629 |
| Net Income attributable to the Groupe | 600 | 526 | 403 |
| Earnings Per Share (1) | 2.96 | 2.60 | 1.99 |
| Diluted Earnings Per Share (2) | 2.64 | 2.35 | 1.90 |
| Dividend per share | 0.70 | 0.70 | 0.60 |
| Free cash flow before changes in working capital requirements | 704 | 646 | 524 |
| **Data from the Balance Sheet** | **December 31, 2011** | **December 31, 2010** | **December 31, 2009** |
| Total Assets | 16,450 | 14,941 | 12,730 |
| Group share of consolidated shareholders' equity | 3,898 | 3,361 | 2,813 |

(1) *Earnings Per Share calculations based on an average of 202.5 million shares in circulation in 2011, 202.1 million in 2010 and 202,3 million in 200.*

(2) *Diluted Earnings Per Share (EPS) calculations based on an average of 237.1 million shares in 2011, after 235.5 million in 2010 and 220.9 million in 2009. These calculations include stock options, free shares, equity warrants and convertible bonds that dilute EPS. Stock options and equity warrants are deemed to have a dilutive effect when their strike price is below the average share price for the period. In 2011, all these instruments were dilutive.*

## ANALYSIS OF THE KEY FIGURES

Activity in 2011: Good performance of all activities in all regions
In a year characterized by sound economic growth in the first half-year, followed by a slowdown from the summer onwards, Publicis Groupe achieved good results in all its businesses and in the vast majority of its markets.

### 2011 revenue: +7.3%

Consolidated revenue in 2011 reached 5,816 million euro, up 7.3% from 5,418 million euro in 2010. (The impact of exchange rates was 126 million euro).

Organic growth was 5.7% in 2011. This level of growth is still outstanding, especially on top of the very difficult standard set in 2010 when growth was an exceptional 8.3% due to very strong recovery in the market after the downswing in 2009.

All activities grew in 2011:

- Digital accounted for 30.6% of total revenue (vs. 28% the previous year) and clearly outperformed the market with organic growth of 13.7%
- High-growth economies generated 24.3% of total revenue (vs. 22.7% in 2010).

Breakdown of consolidated revenue in 2011:

- advertising: 31% (32.6% in 2010),
- media: 19% (20% in 2010),
- SAMS, which include all digital services: 50% (vs. 47.4% in 2010).

### -Breakdown of 2011 revenue by geography

| *(EUR million)* | *Revenue* | | *Organic growth* | *Published growth* |
|---|---|---|---|---|
| | *2011* | *2010* | *2011/2010* | *2011/2010* |
| Europe | 1,872 | 1,761 | +4.8% | +6.3% |
| North America | 2,721 | 2,606 | +5.9% | +4.4% |
| Asia-Pacific | 690 | 617 | +5.7% | +11.8% |
| Latin America | 374 | 284 | +8.8% | +31.7% |
| Africa & Middle East | 159 | 150 | +6.1% | +6.0% |
| **Total** | **5,816** | **5,418** | **+5.7%** | **+7.3%** |

Every region without exception posted growth in 2011.

- ***Europe:*** Nearly all western European countries, excepting Greece and Portugal, achieved positive growth. France grew by +8.2%, and Germany by +6.9%.
  Northern Europe boasted +5%.
  Eastern Europe grew by 9.1%, supported by Russia's +15.6%.
- ***Americas:*** With growth of 5.9%, North America continued to show good resilience despite economic difficulties in the USA, largely thanks to digital services which now account for 46.4% of this region's revenue.
  All the Latin American countries posted strong growth in 2011, especially Argentina, Venezuela and Colombia. With growth of +2.8%, Brazil has yet to reap the benefits of organic growth from the major acquisitions made in 2011, but was also adversely affected by the sharp, one-off downturn in activity of one of its agencies.
- ***Asia Pacific:*** This region fared well with growth of +5.7%, despite contrasts from one country to another. China (i.e. the Greater China region) achieved growth of 8.5% while Japan is still in negative growth, despite improvements.
- ***Africa and Middle East:*** The region achieved growth of +6.1%, i.e. a sustained level of growth despite the instability prevailing in the Middle East

## Q4 2011 revenue

Consolidated revenue in Q4 2011 was 1,697 million euro, up 8.8% from 1, 560 million in the corresponding period in 2010 (no exchange rate impact).

Organic growth was **2.9%** in Q4, a very good achievement considering the outstanding growth posted for the corresponding period in 2010 (12.5%) a difficult comparison basis.

For the record, revenue in Q1, Q2 and Q3 2011 was 1,286, 1,413 and 1,419 million euro, respectively. Organic growth was 6.5% in Q1, 7.6% in Q2, and 6.4% in Q3.

***- Breakdown of Q4 2011 revenue by region***

| *(EUR million)* | *Revenue* | | *Organic growth* | *Published growth* |
|---|---|---|---|---|
| | *2011* | *2010* | *2011/2010* | *2011/2010* |
| Europe | 549 | 556 | -2.5% | -1.3% |
| North America | 764 | 683 | +5.0% | +11.9% |
| Asia-Pacific | 211 | 180 | +7.6% | +17.2% |
| Latin America | 116 | 87 | +9.4% | +33.3% |
| Africa & Middle East | 57 | 54 | +4.7% | +5.6% |
| **Total** | **1,697** | **1,560** | **+2.9%** | **+8.8%** |

Fourth-quarter growth reflects good levels of activity in virtually all regions worldwide. Europe's -2.5% was due to a downturn in business levels in the Western European countries, compounded by the very difficult situation in Southern Europe. Northern Europe and particularly Central Europe and Russia showed good growth (>10%).

- **Operating margin of 16.0%**

The Operating margin before depreciation and amortization was 1,034 million euro in 2011, up 6,9% from 967 million in 2010.
The Operating margin was 931 million euro, i.e. an 8.8% increase on 2010.

Personnel expenses totaled 3,615 million after 3,346 million in 2010, i.e. an 8% increase and 62.2% of consolidated revenue. When the freeze on hiring and compensation ended in the summer of 2010, headcount and the wage bill were increased accordingly to ensure the Group resources required to keep abreast of growth. This trend then continued throughout the first half of 2011. Fixed personnel expenses amounted to 54.1% of consolidated revenue, up from 53.4% in 2010.

Faced with the crisis, the Group decided to renew a selectively freeze recruitment and to keep a tight rein on personnel expenses.

These measures have enabled the Group to commence 2012 with a recruitment rate that is under control. Strict management of personnel expenses is a core issue and control of fixed cost ratios is an on-going objective.

Other operating costs totaled 1,167 million euro, i.e. a 5.6% increase over 2010.

Administrative costs continued to decline as a result of the optimization of various operating costs, a measure that is part of the shared services centers centre program.

By aligning systems, implementation of the ERP will provide an overview of own-account expenditure, thus enabling the Group to control operating costs more efficiently.

The percentage operating margin for 2010 was 16.0% as a result of two factors: revenue growth and the fact that expenses on restructuring were reduced by 10 million euro (to 39 million in 2011).

Rigorous cost control throughout the Group is independent of variations in revenue and undeniably gives a competitive edge making possible to absorb the cost of acquisitions integration and the accelerated roll-out of digital services worldwide.

- **Net income attributable to the Groupe: + 14.1%**

Net income attributable to the Groupe was 600 million euro, up from 526 million in 2010. This result was after net financial expense of 54 million euro, income tax amounting to 248 million, the 17 million share of profit of associates and 29 million minority interests.

- **Free Cash Flow: + 9%**

The Group's free cash flow, before changes in working capital requirements, rose 9% to 704 million euro.

- **Average net debt reduced by 143 million**

Net financial debt was 110 million euro at December 31, 2011, leaving the debt /equity ratio standing 0.03, after a net cash position of 106 million euro at the end of 2010.

The Group's average net debt was reduced by 143 million euro in 2011, dropping from 608 million euro in 2010 to 465 million euro in 2011.

The Group's available liquidity position at December 31, 2011 remained above the 4 billion euro mark. This figure includes a 1.2 billion euro syndicated credit facility (replacing the 1.5 billion euro facility) and a cash position of 2.2 billion euro, i.e. at the same level as in 2010 despite the net funding of acquisitions (i.e. net of disposals) for 700 million euro in 2011.

At December 31, 2011, total liquidity amounts to 4,029 million euros (not including 224 million of uncommitted credit lines).

Available liquidity stands comparison with the 4,319 million liquidity position at year-end 2010 (not including 212 million euro in uncommitted credit lines).

- **Shareholders' equity**

Consolidated shareholders' equity, including minority interests, amounted to 3,931 million euro at December 31, 2011, compared with 3,382 million euro at December 31, 2010.

- **Dividend**

At the Annual General Meeting of Shareholders next May 29, a dividend of 0.70 euro will be proposed for approval. Subject to approval by the shareholders, the dividend will be payable as of July 2, 2012.

**THE GROUPE IN 2011**

- **Distinctions/creativity**

Since 2004, Publicis Groupe has been ranked No. 1 for Creative Performance by the *Gunn Report*. In its ranking of advertising networks with the most awards, our networks are 4th (Leo Burnett), 8th (Saatchi & Saatchi), 12th (Publicis) and 14th (BBH).
In the 2011 issue of the Big Won Report, Publicis Groupe was ranked No. 3 of all holding companies, with its agencies respectively ranked 4th (Leo Burnett), 8th (Saatchi & Saatchi) and 9th (Publicis).

Within the networks, several entities received distinctions in 2011:
- VivaKi was acclaimed as one of the most creative agencies in the world of advertising and marketing by Fast Company magazine in 2011.
- Audience on Demand (AOD), the flagship product of the VivaKi Nerve Center, was named one of the most compliant of all advertising platforms.

- Leo Burnett continues to be acknowledged s one of the most creative of all agencies, whether by YoungGuns Network of the Year, the Golden Drum Network of the Year, or as the top network in terms of awards at the 2011 ANDYs, the 2011 One Show and the National Addy Awards.
- Advertising Age named PHCG the best Healthcare network in 2011.

- **The Group continued to implement its Corporate Social Responsibility (CSR) policy**

The Group's policy is articulated around four main pillars (Social, Society, Governance and Economics, Environment) that structure the work carried out within the Groupe and in each and every agency and network. 2011 focused on the internal roll-out of CSR and on greater involvement of staff in all four areas of emphasis (Social, Society, Governance and Economics, Environment).

**Cost management**

The Group's future growth, from which profitability cannot be dissociated, is based on its strategic decisions to develop its digital services and expand in high-growth regions.

In order to deliver profitable growth, the Groupe is continuing to actively manage its operating costs. However, talent management remains a core issue.

So it was that, once again, Publicis Groupe decided to freeze recruitment and salaries in order to commence 2012 with staff costs that were more consistent with the profitability targets.
Furthermore, the Horizon project continues its roll-out through a number of major programs: the regionalization of shared service centers (SSCs) which is proceeding well, the completion of the Americas platform, progress with the building of the Asia platform (excluding China and India), the optimization of real estate and purchasing at global level, not only for the Groupe's own purchases but also for production costs.
The ERP project has entered the test phase in the first half of 2012. This project will enable operating costs to be reduced sharply by 2015.

**External growth**

All external growth operations carried through 2011 answer to Publicis Groupe's strategic decisions in order to consolidate its leadership position in digital communication and to reinforce its foothold in high growth countries.

In the first half-year, sustained external growth activity enabled the Group to increase its footprint in:

- **in the UK**, in interactive communications and public relations (Chemistry, Airlock, Holler and Kittcat Nohr);

- **in Brazil** by taking a controlling stake in Talent and through the acquisition of GP7;

- **in the USA** through the acquisition of Rosetta in digital services in the USA on July 1, thereby repositioning the Groupe in customer advisory services;

- **in France and in India in healthcare**, with the acquisitions of Publicis Healthcare Consulting in France and Watermelon in India;

- **in the Greater China region**, in pursuance of its strategy announced a year ago to expand in China, Publicis Groupe acquired Tai wan-based consultancy firm ICL, followed by healthcare communications agency Dreams in China, and Genedigi, one of China's most renowned public relations firms.

In the second half of the year, acquisitions continued at the same place:

- **in Brazil:** in July 2011**,** acquisition of DPZ to complete the Group's Brazilian and footprint and achieve the critical size sought by the Group. Combined with organic growth, these acquisitions now make Brazil the Group's sixth biggest market, in line with Brazil's ranking in world advertising.

- **in the USA**: also in July 2011, acquisition of high-potential New York agency Big Fuel, which is the only advertising agency entirely dedicated to the social media. This was followed by the acquisition in September of Schwartz, the Boston PR agency with subsidiaries in Stockholm and London.

- **in Switzerland**: The Group also announced it would fully acquire its affiliate Spillman/Felser/Leo Burnett, one of the most important agencies in Switzerland.

- **in China:** in the last quarter, Publicis Group strengthened its position in digital services in China through two acquisitions: Wangfan and Gomye. The various acquisitions made throughout the year in China are clearly part of the strategy to double the Group's revenue in this region by 2013/2014. China is currently the Group's 4th biggest market, but ranks No. 3 in the world.

- **in Poland:** the last acquisition of the year was Polish PR agency Ciszweski.

Also in 2011, Publicis Groupe announced the launch of a new agency, Publicis Ecuador, with offices in Quito and Guayaquil, the country's main business centre.
Together, these acquisitions represent an estimated 400 million euro in additional revenue on a full year basis, a good indication of strong momentum of the Group's external growth in 2011.

- **New Business: 7.9 billion dollars in net gains**

2011 was an outstanding year in terms of accounts won, and the 7.9 billion dollars in new business net of losses is ample evidence of the relevance and competitiveness of Publicis

Groupe's offerings. Of the numerous new accounts won, mention might be made of the following: Microsoft, Darden, Burger King, Delta, Avaya, Sonic, Sprint (USA), Nescafé (worldwide),Ferrero (Europe), X-Step Sporting Apparel, Kraft Ritz, Merck OTC Brands (Asia Pacific), Embryform, Jaccar ( China), Continental Tires, Kasinski Motorcycles – Zongshen, SECOM - Secretary of Communications for the Cabinet of President, Samsung, Lenovo, Disney (Brazil)

**RECENT EVENTS**

- **Acquisitions**

Since the start of 2012, Publicis Groupe has made two acquisitions:

- Mediagong, one of France's most innovative digital agencies specialized in digital strategy consulting, the social media, *advergaming* and mobile communications.
- The Creative Factory in Russia: highly reputed in its specialized areas, namely, marketing, digital services, digital production and video. This Moscow-based agency will enable Saatchi&Saatchi to expand its foothold in Russia.

In addition to these two acquisitions, Publicis Groupe has launched a friendly takeover bid on Pixelpark, the independent German leader in digital communications.

Pixelpark's core businesses range from the creation of digital brands, consulting, content management, the social media, mobile marketing, eBusiness solutions and data analysis and management. Publicis Groupe's public offering has the support of Pixelpark AG's Management Board and Supervisory Board. The bid will be tabled by the Groupe's German subsidiary MMS Germany Holdings GmbH (MMS) registered on the Dusseldorf trade register under the reference HRB 50291.

MMS will offer Pixelpark (ISIN DE000A1KRMK3) shareholders a consideration of 1.70 euro per share in exchange for their bearer shares of no nominal value.

This offer is at a premium of some 28% over the estimated average share price of Pixelpark (1.33 euro) as traded on the German stock exchange during the three months up to January 20, 2012. The offer is scheduled to begin in mid-February.

To date, the shares tendered by Pixelpark shareholders to MMS represent approximately 56.51% of the authorize share capital and voting rights.

- Among others conditions precedent, the bid will be subject to MMS acquiring at least 75% of the current share capital. The acquisition by MMS of the majority of Pixelpark shares must also be approved by Germany's Federal Cartel Office.

  The offer is not being made, directly or indirectly, in or into, or by use of mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, e-mail and other forms of electronic transmission) of interstate or foreign commerce of, or any facility or a national securities exchange of, the United States of America and the offer cannot be accepted by such use, means or instrumentality from or within the United States of America. No person in the United States of America will be permitted to accept the offer. Neither this announcement nor the offer document may be distributed or sent in, into or from the United States of America, and doing so may render invalid any purported acceptance.

- On February 1, the Group announced the acquisition of Flip Media, one of the large digital agency networks in the Middle East. Flip Media is present throughout the digital chain, offering a comprehensive range of services from strategy, digital design and production, content to technological platforms. With an original, proprietary creation technology that has received many awards, Flip Media words with a number of emblematic brands.

- **General Motors**

On January 24, Publicis Groupe was informed that it had lost the GM media account. This account, in which Starcom was in partnership with GM, represents approximately 0.5% of the Groupe's revenue over a full year. Publicis Groupe regrets GM's decision but is proud of the very high level of professionalism Starcom brought GM over the years.
More generally, Publicis Groupe is proud of the support it gave this large account in recent years and particularly during the serious difficulties that had to be overcome when GM went bankrupt. The contract ends in June 2012.

- **Finance: 2012 Eurobond redemption**

On January 31, 2012, Publicis Groupe SA redeemed its expired 2012 Eurobonds at a cost of 506 million euro in principal. This redemption was carried out using the Group's available liquidities.
Given the Groupe's current liquidity levels, Publicis Groupe SA has no intentions of refinancing this bond issue in the short term.

## OUTLOOK

The crisis brought on by investor fears of certain countries being unable to repay their debts has led the forecasting institutions to revise their forecasts for the full year 2011. ZenithOptimedia, for instance, which forecast advertising market growth of 4.1% in July, revised that figure down to 3.6% in October and again to 3.5% in December 2011.

Against this backdrop, Publicis Groupe posted a very good performance with 5.7% growth, i.e. higher than the anticipated growth rate of the market. This was made possible by the Group's exposure to the digital sector and high-growth countries which accounted for 52.4% of its revenue.

The Group intends to continue implementing its tried and tested strategy based on the rapid development of digital services and economic expansion in high-growth countries, and this includes, in particular, the plan to double the Group's revenue in China by 2013, the major investments made in Brazil, but also the bolstering of its footprint in India.

The Group's medium-term goal is to derive close to two-thirds of its revenue from high-growth activities or countries.

Thanks to a strong demand and rigorous management of costs and cash, the Group ended 2011 with a very strong financial situation.

The exceptional level of new business generated in 2011 (7.9 billion dollars) is testimony to the relevance and energy of Publicis Groupe's offering and to its presence alongside its clients, and confirms the Group's objectives in terms of gaining market share.

Despite a difficult 2012, these dynamics enable the Group to envisage a growth rate in excess of the current market growth forecasts. The continued improvement of operating costs goes hand in hand with revenue growth.

The Group intends to focus its action with a view to achieving its objectives through organic growth and targeted acquisitions.

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## About Publicis Groupe

Publicis Groupe [Euronext Paris FR0000130577, part of the CAC 40 index] is the third largest communications group in the world, offering the full range of services and skills: digital and traditional advertising, public affairs and events, media buying and specialized communication. Its major networks are Leo Burnett, MSLGROUP, PHCG (Publicis Healthcare Communications Group), Publicis Worldwide, Rosetta and Saatchi & Saatchi. VivaKi, the Groupe's media and digital accelerator, includes Digitas, Razorfish, Starcom MediaVest Group and ZenithOptimedia. Present in 104 countries, the Group employs 53,000 professionals.

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**Publicis Groupe**

| | | |
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# Appendix

## New Business

December 31, 2011 – 12 months

**USD 7,9 billion (net)**

## Main accounts awarded

**Leo Burnett**

MAS Institute of Management & Technology (India); Micro Cars Limited (India); POM Wonderful (Japan); Triumph International (Japan); LSH Holding (Kuwaït); LibanPost (Lebanon); Petronas Dagangan (Malaysia); Universidad Mexicana (Mexico); McDonald's (UK and USA); Flight Network (Canada); IKEA (Canada); Samsung (Hong Kong); Sun Hung Kai Properties (Hong Kong); Six senses resorts & spas (India); Sinar Mas (Indonesia); Indofood (Indonesia); Allergan (Mexico); Airphil Express (Philippines); Yahoo (Singapore); Dorchester Hotel Collection (UK); Wanke Shenyang (China); Costa Croisieres (France); Stepper Eyewear (Hong Kong); Beit Misk (Lebanon); Red Cross (UK); Giant Bicycles (Australia); DHL (Colombia); APM Terminals (Costa Rica); Sri Lanka Telecom (India); Petronas (Malaysia); Coca Cola (Colombia); Samsung (India); Indofood (Indonesia); OB Beer (Korea); 22nd Philippine Advertising Congress (Philippines); Pernod Ricard (Thailand); Property Perfect (Thailand); Ikea (Thailand); Wanke Shenyang (China); Temposcan Pharmaceuticals (Indonesia); Parrot (Japan); Petronas Group (Malaysia); Wijeya Newspapers (Sri Lanka); Chevrolet (Thailand); Nongpho Dairy Co-operative Ltd. (Thailand); Coca-Cola (Costa Rica, India); Wikimedia (Germany); Lankem Ceylon Ltd (India); Tokyo Cement (India); Auro Holdings (India); Samsung (Indonesia); Ilusión (Mexico); Walmart (Mexico); Asia Motor Works (India); Gumtree (Australia); Pakistan International Airlines (Pakistan) ; Pakistan State Oil (Pakistan); TaxSpanner (India); Qtel (Qatar); Sinar MasIMSIG (Indonesia); E.Land Group (Korea); Olabuenaga Fonatur (Mexico); Mega Bangna (Thailand); Fox TV Channel (Turkey); Studio Moderna (Turkey); Fifth Third (USA); Masan (Vietnam); Jon One Men's Clothing (China); Caribbean Export (Regional Trade and Investment Promotion Agency) (Dominician Republic); Terna Energy (Renewable Energy Source Production) (Italy); Universal Robina Corporation (Philippines); People's Leasing Company (Sri Lanka); Cargils Ceylon PLC (Sri Lanka); Thai Yamaha Motor Co., Ltd. (Thailand); Conwood Co., Ltd. (Construction Materials) (Thailand); AIS (Telco) (Thailand); Electricity Generating Authority of Thailand (Thailand); Bangkok Insurance (Thailand); TRUenergy (Australia); McDonal'ds (Australia); Schincariol Group (Brazil); Disney (Brazil); GlaxoSmithKline (Japan); Esurance (USA); Sing Tel (Singapore); Great Eastern Life Insurance (Singapore); Freewiew (Turkey, UK); Shiv Nadar Education Trust (India); GCL Energy (China); Langham Luxury Hotels (China); Warrnambool Cheese and Butter (Australia); Pfizer Taiwan

(Taiwan); Sprint (Digitas/Leo Burnett - USA); MillerCoors – Foster's, Molson Canadian, and Sparks brands (USA); Chobani Yogurt (USA); YouSwoop Daily Deals (USA); Shriners Hospitals for Children (USA); Kasinski Motorcycles – Zongshen brand (Brazil); SECOM – Secretary of Communications for the Cabinet of President (USA); Lego (Japan); Symantec Norton (Japan); Bacardi White Rum (India); Telefonica/Movistar (Colombia); Crocs (Turkey); Coca Cola – Frestea, Minute Maid, Ades Water brands (Indonesia); Coca Cola – Minute Maid, Eight O'Clock & developmental brands (Philippines); Diageo – Jose Cuervo & Captain Morgan brands (Turkey); Dwarka Dairy (India); GlaxoSmithKline – Iodex portfolio (India); HomeGreen Solar and Home Energy Experts (Australia); Indofoods – Promina Babyfood brand (Philippines); Kellogg's Krave (Central America); ODEL Department Store (Sri Lanka); Phillip Morris International – Fortune Cigarettes (Philippines) & Chesterfield (Turkey); Regalia Hotel Management (China); Telefonica Espana – Movistar (Costa Rica); The Energy Policy and Planning Office (Thailand); Yung Shin Pharmaceutical (Taiwan); Huawei Information and Communications Technology Solutions (China); Yingxue Kitchenware (China); P&G Downy (Indonesia); Philip Morris International – Chesterfield brand (Turkey); Samsung (Sri Lanka); Continental Tires (Brazil); Pharmavite – Nature Made Vitamins (USA).

**MSLGROUP**

TAQA (UK and Dubai); Ancestry.com (USA); AQMD-Incremental (USA); AstraZeneca (China); ADP (China); Insinkerator (China); Star TV (India); Bosch (Germany); Sécurité Routière (France); Schott (China); History Channel (India); Tech Data (Poland); Greene King (UK); Royal Institute of British Architects (UK); The World Water Forum (France).

**Publicis Worldwide**

Fresco/Vogliazzi (Italy); Heineken (Italy); Bernina International (Switzerland); Università Bocconi (Italy); Ministro del Lavoro (Italy), Jùpiter (Spain); Merino/Merinolam-Vegit (India); LG/global digital business (World); PMU (France); RATP (France); Fnac (France); Aéroports de Paris (France); Cortal Consors (France); Institut Géographique National (France); Amway/Nutrilite (China); Nestlé Infant Nutrition/Nestlé Mio (Italy); Jigsaw (UK); Betboo (Brazil); Tourism Ireland (UK); Cascades Groupe Tissu (Canada); SCA-Tena (Hong Kong); Duracell (Hong Kong); Sara Lee/Ball Park (USA); Assurance Maladie (France); Les Vins de Bordeaux (France); Angel Broking (India); Haribo/Dragibus (France); L'Oréal (Czech Republic); Groupe SEB (Czech Republic); Cici's Pizza (USA) ; Red Lion (Brazil); AKTV (Philippines); HP (Czech Republic); Nestlé (Thailand); Globe (Philippines); P&G (Philippines); Honda (Philippines); Axa (Czech Republic); Soda Club (Belgium); Weight Watchers (Belgium); ANIA (Italy); Jequiti Cosmetics (Brazil); Nestlé Infant Nutrition (Mexico); Nescafé (World); Ferrero (Italie, Espagne, Portugal, Fance, Belgique, Pays-Bas, Turquie, Grèce); Weight Watchers (Belgium); Soda Club (Belgium); Pasteur Mex Pharmacia (Mexico); Nestle – Nestea (Mexico); KPMG (Belgium); coop (United Kingdom); G.U. ((United Kingdom).

**PHCG**

Somaxon (USA); United Therapeutics (USA); Savient (USA).

**Razorfish**

Starwood (USA); Disney (USA); Microsoft (USA); Nike Social (USa); Unilever Surf (US); Unilever Dove (USA); Lion Dairy & Drinks (Australia); Sportsgirl (Australia).

**Saatchi & Saatchi**

Lenovo Group Limited (USA); Piaget (France); Assogestioni (Italy); Kavli (Sweden); UNIMED RJ (Brazil); Hanaka kyselka (Czech Republic); Toyota-Aygo, SUV range and Yaris (Italy); Swissôtel (Switzerland); Club Brugge (Belgium); Exellent (Belgium); Vlerick (Belgium); DG Sanco/EC anti smoking (Belgium); Haagen-Dazs (Belgium); Fostplus (Belgium) ; Wonderful Pistachios (UK, Germany); Swisscom (Switzerland); Skoda Auto India (India); OLX India (India); Bharat Petroleum (India); Mando (Korea); Handelsbanken (Sweden); Avis (Germany); WeightWatchers (UK); ARD-Werbung Sales & Services (Germany); Kraft Foods/Milka (Argentina); Subway (Mexico); Paso Interlomas (Mexico); Enel (Italy); Marktplaats.nl (Netherlands); flydubai (UAE); Carlsberg (India); Kingdee (China); Samsonite Europe (Belgium); EUROPA Versicherungen (Germany); Agthia/Yoplait (UAE); Wave Infratech (India); CCA/Pump, L&P, Deep Spring, Baker Halls (New Zealand); Union Investment (Germany); Lenovo (Brazil); HTC South Asia (Singapore); HTC EMEA (UK/SSX - Retail/Shopper Marketing); Phonak (Switzerland); Kraft Foods - Trident (USA/global); Veltins (Germany); Pirelli (Germany- SSX); Salewa (Germany - SSX); Schott (Korea); Icelandic Glacial Water (USA); Chase - Sapphire Credit Card (USA); AIA (Italy); Illy (Italy); FrieslandCampina (Russia); Coca-Cola/Nidan and Multan Juices (Russia); Paramount Comedy Channel (Russia); Boxer (Sweden); Coca-Cola Amatil (New Zealand); Mall of the Emirates (UAE); Citroen (China); China Telecom (China); Invida Asia (Singapore); Red.es (Spain); Sharp (USA - SSX); Tracfone (USA - SSX).

**Starcom MediaVest Group**

Tourism Malaysia (Malaysia); Heineken (Czech Republic); Dairy Queen (USA); China Telecom (China); SATS (Singapore); Singapore Grand Prix (Singapore), Uniqlo (Singapore); Nyhavn Rejser (Denmark); Full Tilt Poker (Italy); BZWBK (Poland); Lotos (Poland); Upstream (United Arab Emirates); Dreams (UK); YPF (Argentina); Microsoft (USA); Disney (USA); Disney Pan regional TV Cable (Argentina); hotels.com-Expedia (China); Regione Lombardia (Italy); I mobile (Thailand); Kraft Foods (United Arab Emirates); Lactel (United Arab Emirates); MAC (GM dealer) (United Arab Emirates); ZAFCO (United Arab Emirates); Dyson (Canada); Aeromexico (Chile); Spin Palace (Chile); Future Brands (India); VIA (India); Mars (Philippines, Indonesia, Thailand); Orang Tua Group (Indonesia); Dixons (Ireland); Comcast/NBCU (Studios) (USA – Miami); Boiron Laboratories (Poland); Czerwona Torebka (Poland); Burger King (USA); NBCU/Comcast (Theme Parks) (USA); AB/In Bev (USA); Aircel (Dishnet Wireless) (India); BF Distribuidores (Chile); Cerveza Corona (Chile); Dwarka Milk (India); Ferrero (Spain); Flexalum luxaflex (Chile); MULTI SCREEN MEDIA PRIVATE LTD-SAB TV (India); Nille (Norway); Novartis (Global); Sony Pix (India); Super Max (India); Zee Learn (India).

**ZenithOptimedia**

Rioja Wines (Spain); JPMorgan Chase (USA); Wallmart (China); ABB (China); Motorcorp (New Zealand); United Overseas Bank (Singapore); Emporiki Bank (Greece); Banco Financiero y de Ahorro (Espagne); Interbrands (Sweden); RecycleBank (USA); Jenny Craig (USA); Autotrader (USA); AZ/Medimmune (USA); C&A (China); Tourism Malaysia (Malaysia); MOM (Singapore); city of Antwerp (Belgium); Nyhavn Rejser

(Denmark); L'Oreal (Greece); Khazan (Kuweït); MarCons (Kuweït); Galderma (Sweden); Parship (Sweden); Unum (UK); L'Oreal (USA); EDMC Incremental (USA); Reckitt Benckiser (India), Disney (USA); Jazeera Childrens Channel (Mideast and Africa); Hachette Fascicoli (Romania); Pegasus (Romania); EU Funds campaign (Romania); Fire Prevention Campaign (Spain); Deli (Belgium); KMDA (Belgium); Rich Bake (Egypt); Peak Performance (Europe, USA, Asia); Carlsberg (China); PPTV (China); Honda (India); Infocom Development Authority (Singapore); Merino (India); Science Centre Singapore (Singapore); Dunelm Mills (UK); Pizza Hut (US); C&A (Austria); Unicharm (India); Agrostar (Romania); City Cinema (Romania); Sandals (USA); Charter Hall Ltd (Australia); Singapore University of Technology & Design (Singapore); Dubai Electricity & Water Authority (UAE); Vitrac (Egypt); CEPSA (Spain); Clarins (Mexico); Officemax (Mexico); Hoteles CITY Express (Mexico); Royal Caribbean Cruises (Mexico); Petrobras (Pan Regional); Sura – ING (Mexico); Verizon (USA); Tencent Weibo (China); Best Foods (India); PayPal (Singapore); Motorola Digital (Singapore); Groupement des Mousquetaires (France); TE Data (Egypt); RBS (UK); Gulf States Toyota (USA); Merial (New Zealand); Singapore Management University (Singapore); KPMG (Belgium); Isracard (Israel); Bel Groupe (MENA); Royal Bakery (UAE); SAP (UAE), IFFCO (UAE), Vontobel (UAE); Super-Max (UAE); Bridgestone Tires (USA); Air Asia (Philippines).

**Digitas**

Pages jaunes (France); Dassault (France); Chili's (USA); Kaiser-Permanente (USA); Intuit (USA); Mars Petcare (USA); Comcast (USA); Delta (USA); Mead Johnson (USA); Post (USA); American Express (USA); Harley Davidson (China); L'Oreal (China, France); OnStar (China); Nestlé (France); Samsung (UK, Brazil, USA) ; Samsung Mobile (India); Samsung Electronics (India); Equifax (USA); Nationwide (UK); Owens Corning (USA); Dunkin's Brands (USA); L'Oreal (China); Asus (China); Onstar (China); Samsung Mobile (India); Sprint (Digitas/Leo Burnett - USA); Nissan (France).

**Fallon**

Axa (UK); Roundhouse (UK); MTV (UK).

**Kaplan Thaler Group**

Edmunds.com (US).

# 2011 Press Releases

| | |
|---|---|
| 01-26-2011 | Publicis Groupe Proposes to Acquire Chemistry through a Recommended Cash Offer |
| 01-27-2011 | Publicis Groupe Increases its Stake in Wefcos - Véronique Morali Appointed Wefcos President |
| 02-10-2011 | Publicis Groupe 2010 Annual Results |
| 02-17-2011 | Publicis Groupe Acquires London-Based Holler Strengthening Leo Burnett Digital Offer |
| 02-21-2011 | Publicis Groupe Launches Publicis Webformance - An Initiative Aimed at Supporting Small and Medium Businesses |
| 02-23-2011 | Publicis Groupe Acquires Interactive Communications Ltd. in Taiwan |
| 03-03-2011 | Publicis Groupe Acquires Kitcatt Nohr in the UK |
| 03-10-2011 | Publicis Groupe Acquires London-Based Airlock in its Latest UK Digital Operation |
| 03-22-2011 | Publicis Groupe Acquires India-Based Watermelon |
| 03-30-2011 | Jean-Yves Naouri Is Named Executive Chairman of Publicis Worldwide |
| 04-15-2011 | Publicis Groupe Sells Its Stake in Freud Communications |
| 04-18-2011 | Publicis Groupe Takes Majority Stake in Brazil's Talent Group |
| 04-21-2011 | Publicis Groupe : 1st Quarter 2011 Revenue |
| 04-26-2011 | Publicis Groupe Acquires Sao Paulo Agency GP7 Furthering Its Expansion into the Brazilian Market |
| 04-27-2011 | Publicis Groupe Revitalizes Leo Burnett Brazil Operations |
| 05-12-2011 | Publicis Groupe Acquires Beijing-Based Dreams |
| 05-17-2011 | Publicis Groupe to Acquire Rosetta. One of the Fastest Growing Digital Marketing Agencies in North America |
| 06-07-2011 | Publicis Groupe Annual General Shareholders Meeting |
| 06-20-2011 | Publicis Groupe Further Expands in China with Acquisition of Genedigi |
| 06-28-2011 | Publicis Groupe launches Operations in Ecuador |
| 07-04-2011 | Publicis Groupe Acquires leading Swiss Agency Spillmann/Felser/Leo Burnett |
| 07-05-2011 | Acquisition of Rosetta closed |
| 07-06-2011 | Notice of adjustment to the conversion ratio for the 2014 convertible bonds (OCEANE) |
| 07-11-2011 | Publicis Groupe Acquires Brazilian Agency DPZ |
| 07-15-2011 | Publicis Groupe S.A. signs a EUR 1.2 billion multi-currency revolving credit facility |
| 07-18-2011 | Publicis Groupe Takes Majority Stake in Social Agency Big Fuel |
| 07-21-2011 | Publicis Groupe: H1 2011 Results |
| 09-15-2011 | Publicis Groupe Acquires PR Agency Schwartz Communications |
| 10-03-2011 | Publicis Groupe Appoints Stéphanie Atellian as Investor Relations Officer |
| 11-02-2011 | Publicis Groupe Acquires Chinese Digital Agency Wangfan |
| 11-29-2011 | Publicis Groupe Further Accelerates Digital Expansion in China with Gomye Acquisition |
| 11-30-2011 | Composition of the Management Board |
| 12-01-2011 | Publicis Groupe Acquires Ciszewski Public Relations, Poland’s largest PR Agency |

# Glossary

**Net financial debt (or net debt)**: equals the long and short term financial debt plus associated derivatives fair value, less cash and cash equivalent

Average half-year net debt: half-year average of average monthly net debt.

Operating margin: The operating margin is equal to the revenue after deduction of personnel expenses, other operating expenses (excluding non current income and expenses), depreciation and amortization (excluding intangible arising from acquisitions).

Operating margin rate: operating margin/revenue.

Free cash flow: cash flow from operations minus capital expenditures for tangible and intangible fixed assets, excluding acquisitions.

Net new business: this figure is derived not from financial reporting but from estimated media-marketing budgets based on annual business (net of losses) from new and existing clients.

## Revenu and Organic growth calculation

| (EUR million) | H1 | H2 | 2011 |
|---|---|---|---|
| 2010 Revenue | 2,538 | 2,880 | 5,418 |
| Currency impact | (58) | (68) | (126) |
| 2010 Revenue at 2011 exchange rate (a) | 2,480 | 2,812 | 5,292 |
| 2011 Revenue before impact of acquisitions [(1)] (b) | 2 656 | 2,938 | 5,594 |
| Revenue from acquisitions (1) | 43 | 179 | 222 |
| 2011 Revenue | 2,699 | 3,117 | 5,816 |
| **Organic Growth (b/a)** | **+ 7.1 %** | **+ 4.5%** | **+ 5.7%** |

*(1) Acquisitions (In-Sync, Resolute, AG2, G4, Amazon, Publicis Romania, 20:20, EastWei, Casablanca, Digital District, Publicis healthcare consulting, Frequence Medicale, C4L, Kitkatt Nohr, Airlock, Holler, Chemistry, Talent, ICL, GP7, Watermelon, S&S South Africa, Genedigi Group, Dreams, Rosetta Marketing Group, Big Fuel, LB Zurich Spillman/Felser, DPZ Group, Nuatt, Schwartz, Brand Connections, Gomye, Wangfan, Ciszewski) net of disposals*

*Average Exchange rate Dec. 31, 2011: 1 USD = 0.719 EUR*
*1 GBP = 1.153 EUR*

## *Consolidated income statement*

| *(in millions of euros)* | 2011 | 2010 | 2009 |
|---|---|---|---|
| **Revenue** | **5,816** | 5,418 | 4,524 |
| Personnel expenses | (3,615) | (3,346) | (2,812) |
| Other operating expenses | (1,167) | (1,105) | (940) |
| **Operating margin before Depreciation & Amortization** | **1,034** | 967 | 772 |
| Depreciation and amortization expense (excluding intangibles arising from acquisitions) | (103) | (111) | (92) |
| **Operating margin** | **931** | 856 | 680 |
| Amortization of intangibles arising from acquisitions | (38) | (34) | (30) |
| Impairment loss | - | (1) | (28) |
| Non-current income and expenses | 21 | 14 | 7 |
| **Operating Income** | **914** | 835 | 629 |
| Financial expenses | (89) | (81) | (73) |
| Financial income | 33 | 16 | 12 |
| **Cost of net financial debt** | **(56)** | (65) | (61) |
| Other financial income and expenses | 2 | (11) | (9) |
| **Pre-tax Income of consolidated companies** | **860** | 759 | 559 |
| Income taxes | (248) | (216) | (146) |
| **Net income of consolidated companies** | **612** | 543 | 413 |
| Share of profit of associates | 17 | 8 | 4 |
| **Net income** | **629** | 551 | 417 |
| Of which: | | | |
| - Net income attributable to non-controlling interests (minority interests) | 29 | 25 | 14 |
| - **Net income attributable to equity holders of the parent company (Group share)** | **600** | 526 | 403 |

| **Per share data** *(in euros)* **– Net income attributable to equity holders of the parent company** | | | |
|---|---|---|---|
| *Number of shares* | *202,547,757* | 202,149,754 | 202,257,125 |
| Earnings per share | 2.96 | 2.60 | 1.99 |
| *Number of diluted shares* | *237,066,159* | 235,470,461 | 220,867,344 |
| Diluted earnings per share | 2.64 | 2.35 | 1.90 |

## *Consolidated statement of comprehensive income*

| *(in millions of euros)* | **2011** | **2010** | **2009** |
|---|---|---|---|
| **Net income for the period (a)** | 629 | **551** | **417** |
| **Other comprehensive income** | | | |
| *- Revaluation of available-for-sale investments* | (3) | 12 | 12 |
| *- Actuarial gains and losses on defined benefit plans* | (51) | (10) | (4) |
| *- Consolidation translation adjustments* | 49 | 297 | (59) |
| *- Deferred taxes on other comprehensive income* | 16 | 4 | 1 |
| **Total Other comprehensive income (b)** | 11 | **303** | **(50)** |
| **Total comprehensive income for the period (a) + (b)** | **640** | **854** | **367** |
| Of which: | | | |
| - Attributable to non-controlling interests (minority interests) | 29 | 33 | 17 |
| - Attributable to equity holders of the parent company (Group share) | 611 | 821 | 350 |

## *Consolidated balance sheet*

| *(in millions of euros)* | *December 31, 2011* | *December 31, 2010* | *December 31, 2009* |
|---|---|---|---|
| **Assets** | | | |
| Goodwill, net | 5,207 | 4,278 | 3,928 |
| Intangible assets, net | 985 | 856 | 835 |
| Property, plant and equipment | 496 | 464 | 458 |
| Deferred tax assets | 82 | 75 | 73 |
| Investments in associates | 43 | 140 | 49 |
| Other financial assets | 113 | 113 | 94 |
| **Non-current assets** | **6,926** | 5,926 | 5,437 |
| Inventories and work in progress | 343 | 326 | 290 |
| Trade receivables | 6,446 | 5,953 | 4,875 |
| Other receivables and current assets | 561 | 572 | 548 |
| Cash and cash equivalents | 2,174 | 2,164 | 1,580 |
| **Current assets** | **9,524** | 9,015 | 7,293 |
| **Total Assets** | **16,450** | 14,941 | 12,730 |

| | | | |
|---|---|---|---|
| **Equity and liabilities** | | | |
| Share capital | 77 | 77 | 79 |
| Additional paid-in capital and retained earnings, Group share | 3,821 | 3,284 | 2,734 |
| **Equity attributable to holders of the parent company (Group share)** | **3,898** | 3,361 | 2,813 |
| Non-controlling interests (minority interests) | 33 | 21 | 25 |
| **Total equity** | **3,931** | 3,382 | 2,838 |
| Long-term borrowings | 1,460 | 1,783 | 1,796 |
| Deferred tax liabilities | 240 | 219 | 214 |
| Long-term provisions | 486 | 458 | 449 |
| **Non-current liabilities** | **2,186** | 2,460 | 2,459 |
| Trade payables | 7,745 | 7,216 | 5,835 |
| Short-term borrowings | 838 | 290 | 214 |
| Income taxes payable | 66 | 39 | 63 |
| Short-term provisions | 137 | 118 | 100 |
| Other creditors and current liabilities | 1,547 | 1,436 | 1,221 |
| **Current liabilities** | **10,333** | 9,099 | 7,433 |
| **Total equity and liabilities** | **16,450** | 14,941 | 12,730 |

## *Consolidated statement of cash flows*

| *(in millions of euros)* | 2011 | 2010 | 2009 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net income | 629 | 551 | 417 |
| Neutralization of non-cash income and expenses: | | | |
| Income taxes | 248 | 216 | 146 |
| Cost of net financial debt | 56 | 65 | 61 |
| Capital (gains) losses on disposals (before tax) | (19) | (14) | (10) |
| Depreciation, amortization and impairment loss on property, plant and equipment and intangible assets | 141 | 146 | 150 |
| Non-cash expenses on stock options and similar items | 26 | 26 | 24 |
| Other non-cash income and expenses | 1 | 6 | 11 |
| Share of profit of associates | (17) | (8) | (4) |
| Dividends received from associates | 14 | 14 | 9 |
| Taxes paid | (212) | (219) | (157) |
| Interest paid | (80) | (76) | (75) |
| Interest received | 29 | 17 | 16 |
| Change in working capital requirements [1] | 73 | 287 | 59 |
| **Net cash flows generated by (used in) operating activities (I)** | **889** | 1,011 | 647 |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment and intangible assets | (116) | (103) | (74) |
| Disposals of property, plant and equipment and intangible assets | 4 | 25 | 10 |
| Purchases of investments and other financial assets, net | 13 | 5 | 10 |
| Acquisitions of subsidiaries | (728) | (166) | (273) |
| Disposals of subsidiaries | 28 | 1 | 1 |
| **Net cash flows generated by (used in) investing activities (II)** | **(799)** | (238) | (326) |
| **Cash flows from financing activities** | | | |
| Dividends paid to holders of the parent company | (129) | (107) | (107) |
| Dividends paid to non-controlling interests | (14) | (21) | (26) |
| Proceeds from borrowings | 77 | 7 | 744 |
| Repayment of borrowings | (29) | (52) | (108) |
| Net purchases of non-controlling interests | (11) | (9) | (25) |
| Net (purchases)/sales of treasury shares and warrants | 51 | (198) | 5 |
| **Net cash flows generated by (used in) financing activities (III)** | **(55)** | (380) | 483 |
| **Impact of exchange rate fluctuations (IV)** | **(17)** | 188 | (94) |
| **Net change in consolidated cash and cash equivalents (I + II + III + IV)** | **18** | 581 | 710 |
| Cash and cash equivalents on January 1 | 2,164 | 1,580 | 867 |
| Bank overdrafts on January 1 | (36) | (33) | (30) |
| **Net cash and cash equivalents at beginning of year (V)** | **2,128** | 1,547 | 837 |
| Cash and cash equivalents on December 31 (Note 18) | 2,174 | 2,164 | 1,580 |
| Bank overdrafts on December 31 (Note 22) | (28) | (36) | (33) |
| **Net cash and cash equivalents at end of year (VI)** | **2,146** | **2,128** | **1,547** |
| **Net change in cash and cash equivalents (VI – V)** | **18** | 581 | 710 |
| *(1) Breakdown of change in working capital requirements* | | | |
| Change in inventory and work in progress | (6) | (14) | 29 |
| Change in accounts receivable and other receivables | (267) | (855) | 160 |
| Change in accounts payable, other payables and provisions | 346 | 1,156 | (130) |
| **Change in working capital requirements** | **73** | **287** | **59** |

## *Consolidated statement of changes in equity*

| Number of outstanding shares | *(in millions of euros)* | Share capital | Additional paid-in capital | Reserves and earnings brought forward | Translation reserve | Fair value reserve | Equity attributable to the holders of the parent company | Non-controlling interests (minority interests) | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| 178,854,301 | **December 31, 2008** | **78** | **2,553** | **(105)** | **(315)** | **109** | **2,320** | **30** | **2,350** |
| | Net income | | | 403 | | | 403 | 14 | 417 |
| | **Other comprehensive income:** | | | | | | | | |
| | Fair value adjustments to available-for-sale investments | | | | | 12 | 12 | | 12 |
| | Actuarial gains and losses on defined benefit plans [1] | | | (3) | | | (3) | | (3) |
| | Consolidation translation adjustments | | | | (62) | | (62) | 3 | (59) |
| | **Total other comprehensive income** | - | - | **(3)** | **(62)** | **12** | **(53)** | **3** | **(50)** |
| | **Total income and expenses for the period** | - | - | **400** | **(62)** | **12** | **350** | **17** | **367** |
| 1,562,129 | Publicis Groupe SA capital increase | 1 | 47 | (48) | | | - | | - |
| | Equity component of Oceane 2014 | | | 49 | | | 49 | | 49 |
| | Dividends | | | (107) | | | (107) | (26) | (133) |
| | Share-based compensation [1] | | | 26 | | | 26 | | 26 |
| | Additional interest on Orane | | | (6) | | | (6) | | (6) |
| | Effect of acquisitions and commitments to buy out non-controlling interests (minority interests) | | | | | | - | 4 | 4 |
| 6,752,338 | Purchases/sales of treasury shares | | | 181 | | | 181 | | 181 |
| 187,168,768 | **December 31, 2009** | **79** | **2,600** | **390** | **(377)** | **121** | **2,813** | **25** | **2,838** |
| | Net income | | | 526 | | | 526 | 25 | 551 |
| | **Other comprehensive income:** | | | | | | | | |
| | Fair value adjustments to available-for-sale investments | | | | | 12 | 12 | | 12 |
| | Actuarial gains and losses on defined benefit plans [1] | | | (6 ) | | | (6) | | (6) |
| | Consolidation translation adjustments | | | | 289 | | 289 | 8 | 297 |
| | **Total other comprehensive income** | - | - | **(6)** | **289** | **12** | **295** | **8** | **303** |
| | **Total income and expenses for the period** | - | - | **520** | **289** | **12** | **821** | **33** | **854** |
| (5,937,871) | Publicis Groupe SA capital increase and cancellation of treasury shares | (2) | (168) | (48) | | | (218) | | (218) |
| | Dividends | | | (107) | | | (107) | (21) | (128) |
| | Share-based compensation [1] | | | 39 | | | 39 | | 39 |
| | Additional interest on Orane | | | (7) | | | (7) | | (7) |
| | Effect of acquisitions and commitments to buy out non-controlling interests (minority interests) | | | | | | - | (16) | (16) |
| 1,140,173 | Purchases/sales of treasury shares | | | 20 | | | 20 | | 20 |
| 182,371,070 | **December 31, 2010** | **77** | **2,432** | **807** | **(88)** | **133** | **3,361** | **21** | **3,382** |
| | Net income | | | 600 | | | 600 | 29 | 629 |
| | **Other comprehensive income:** | | | | | | | | |
| | Fair value adjustments to available-for-sale investments | | | | | (3) | (3) | | (3) |
| | Actuarial gains and losses on defined benefit plans [1] | | | (35) | | | (35) | - | (35) |
| | Consolidation translation adjustments | | | | 49 | | 49 | - | 49 |
| | **Total other comprehensive income** | | | (35) | 49 | (3) | 11 | - | 11 |
| | **Total income and expenses for the period** | - | - | **565** | **49** | **(3)** | **611** | **29** | **640** |
| 1,712,704 | Publicis Groupe SA capital increase | - | 47 | (47) | | | - | | |
| | Dividends | | | (129) | | | (129) | (14) | (143) |
| | Share-based compensation [1] | | | 25 | | | 25 | | 25 |
| | Additional interest on Orane | | | (8) | | | (8) | | (8) |
| | Effect of acquisitions and commitments to buy out non-controlling interests (minority interests) | | | (13) | | | (13) | (3) | (16) |
| 1,912,289 | Purchases/sales of treasury shares | | | 51 | | | 51 | | 51 |
| **185,996,063** | **December 31, 2011** | **77** | **2,479** | **1,251** | **(39)** | **130** | **3,898** | **33** | **3,931** |

## *Earnings per share and diluted earnings per share*

| *(in millions of euros, except for share data)* | 2011 | 2010 | 2009 |
|---|---|---|---|
| **Net income used for the calculation of earnings per share** | | | |
| Group net income | 600 | 526 | 403 |
| *Impact of dilutive instruments:* | | | |
| - Savings in financial expenses related to the conversion of debt instruments, net of tax (1) | 27 | 27 | 16 |
| Group net income - diluted | 627 | 553 | 419 |
| **Number of shares used to calculate earnings per share** | | | |
| Average number of shares that make up the share capital | 191,738,061 | 192,754,345 | 196,020,983 |
| Treasury shares to be deducted (average for the year) | (7,935,852) | (10,912,268) | (15,633,664) |
| Shares to be issued to redeem the Oranes | 18,745,548 | 20,307,677 | 21,869,806 |
| **Average number of shares used for the calculation** | **202,547,757** | **202,149,754** | **202,257,125** |
| *Impact of dilutive instruments:* | | | |
| - Free shares and dilutive stock options (1) | 5,161,031 | 4,389,680 | 1,770,247 |
| - Warrants (1) | 893,900 | 480,327 | - |
| - Shares resulting from the conversion of convertible bonds (2) | 28,463,470 | 28,450,700 | 16,839,972 |
| **Number of diluted shares** | **237,066,159** | **235,470,461** | **220,867,344** |
| *(in euros)* | | | |
| **Earnings per share** | **2.96** | **2.60** | **1.99** |
| **Diluted earnings per share** | **2.64** | **2.35** | **1.90** |

*(1) Only stock options and warrants with a dilutive impact, i.e., whose strike price is lower than the average strike price, are included in the calculation. In 2011, all of the stock options and warrants not yet exercised at the year-end had a dilutive effect.*

*(2) Over the three years 2011, 2010 and 2009, all of the Oceane had a dilutive impact and are therefore factored into the calculation of diluted EPS.*

### *Headline earnings per share (basic and diluted)*

| *(in millions of euros, except for share data)* | **2011** | **2010** | **2009** |
|---|---|---|---|
| **Net income used to calculate headline (1) earnings per share** | | | |
| Group net income | 600 | 526 | 403 |
| *Items excluded:* | | | |
| - Amortization of intangibles from acquisitions, net of tax | 23 | 21 | 18 |
| - Impairment, net of tax | - | 1 | 27 |
| - Net capital gains (losses) on disposals of land, buildings and securities | (18) | (12) | (6) |
| - Revaluation of earn-out payments | (4) | | |
| - Deferred tax assets related to the Oceane 2014 (2) | | - | (23) |
| Headline group net income | 601 | 536 | 419 |
| *Impact of dilutive instruments:* | | | |
| - Savings in financial expenses linked to the conversion of debt instruments, net of tax | 27 | 27 | 16 |
| Headline group net income, diluted | 628 | 563 | 435 |
| **Number of shares used to calculate earnings per share** | | | |
| Average number of shares that make up the share capital | 191,738,061 | 192,754,345 | 196,020,983 |
| Treasury shares to be deducted (average for the year) | (7,935,852) | (10,912,268) | (15,633,664) |
| Shares to be issued to redeem the Orane | 18,745,548 | 20,307,677 | 21,869,806 |
| Average number of shares used for the calculation | 202,547,757 | 202,149,754 | 202,257,125 |
| *Impact of dilutive instruments:* | | | |
| - Free shares and dilutive stock options | 5,161,031 | 4,389,680 | 1,770,247 |
| - Warrants | 893,900 | 480,327 | - |
| - Shares resulting from the conversion of the convertible bonds | 28,463,470 | 28,450,700 | 16,839,972 |
| Number of diluted shares | 237,066,159 | 235,470,461 | 220,867,344 |
| *(in euros)* | | | |
| **Headline earnings per share (1)** | **2.97** | **2.65** | **2.07** |
| **Headline earnings per share - diluted (1)** | **2.65** | **2.39** | **1.97** |

*(1) EPS before amortization of intangibles resulting from acquisitions, impairment, capital gains (losses) on disposal of land, buildings, securities, revaluation of earn-out payments and the deferred tax asset linked to the Oceane 2014 bond.*

*(2) Impact of the deferred tax asset recognized in the amount of the deferred tax liability booked on the equity portion of the Oceane 2014 bond.*