

## PRESS RELEASE

Paris, October 21, 2010

# 3<sup>rd</sup> Quarter 2010 Revenue

# Q3 2010 (in euro million)

| <ul><li>Revenue</li></ul>               | 1,320  |
|---|--------|
| <ul><li>Growth (as published)</li></ul> | +26.1% |
| <ul><li>Organic growth</li></ul>        | +9.2%  |

# First 9 months of 2010 (in euro million)

| <ul> <li>Revenue</li> </ul>              | 3,858           |
|--|-----------------|
| <ul><li>Growth (as published )</li></ul> | +18.5%          |
| <ul><li>Organic growth</li></ul>         | +6.6%           |
| <ul> <li>Net New Business</li> </ul>     | USD 4.8 billion |



### Maurice Lévy, Chairman and Chief Executive Officer of Publicis Groupe, said:

"The 9.2% organic growth achieved in the third quarter is partly due to an upturn in the global advertising market, but more importantly, it is the outcome of our investment strategy in two high-growth areas, digital and emerging markets.

Our 12.0% growth in North America is a striking illustration of that strategy's success. Digital now accounts for 44.4% of Publicis Groupe revenue in North America.

A further indication that we are making the right investment choices is our strong performance in the BRIC countries, where revenue growth is up 15.6%. In addition to reshaping our strategy to accelerate growth in China, we have made acquisitions in this country (G4), in India (20:20) and in Brazil (AG2 and Talent Group).

We have every reason to be pleased with our results. Despite traditional fourth-quarter uncertainties, we are confident about how the year will end. I would like to take this opportunity to thank our clients for their confidence, and our teams for their determination, as this is what made the Group's performance possible.

With competitive strengths like our positions in digital communications and fast growing countries (the two sectors we expect to eventually generate 60% of our revenue), we believe we can and will sustainably outperform the market."

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# 3<sup>rd</sup> quarter of 2010

#### Revenue

Consolidated revenue in the third quarter of 2010 was **1,320 million euro**, up **26.1%** compared with the third quarter of 2009 (1,047 million).

Third quarter organic growth was **9.2%** by comparison with the prior-year period, in contrast to a 7.4% decrease in the third quarter of 2009.

### Breakdown of 3<sup>rd</sup> quarter revenue by region

| (in euro million)       | Revenue |         | Organic growth | Variation |  |
|-------------------------|---------|---------|----------------|-----------|--|
|                         | Q3 2010 | Q3 2009 | Q3             | 2010/2009 |  |
| Europe                  | 399     | 359     | +5.0%          | +11.4%    |  |
| North America           | 666     | 488     | +12.0%         | +36.5%    |  |
| Asia-Pacific            | 151     | 114     | +9.8%          | +31.9%    |  |
| Latin America           | 71      | 58      | +9.8%          | +21.7%    |  |
| Africa & Middle<br>East | 33      | 28      | +6.5%          | +20.4%    |  |
| Total                   | 1,320   | 1,047   | +9.2%          | +26.1%    |  |

Publicis Groupe saw positive growth in all regions. The pace of growth accelerated in North America. Meanwhile, the upward trend continued in Europe, with growth of 12.6% in France and 9.3% in the United Kingdom. Although the figures in Germany are still negative, results picked up significantly during the third quarter, while performance is still quite low in Southern Europe. Asia-Pacific is back with high growth rates, particularly in China (24.8%). In Latin America, the growth momentum has continued, driven once again by Venezuela, Mexico, Argentina and Brazil. Business in Africa and the Middle East is back on the path to growth after several quarters of decline caused by the financial crisis in Dubai.



# **September 30, 2010**

### Revenue

Publicis Groupe consolidated revenue in the first nine months of 2010 was **3,858 million euros,** up **18.5%** from the 3,256 million reported in the prior-year period.

Organic growth at September 30 was **6.6%**, in contrast to a 6.9% year-on-year decrease reported at September 30, 2009.

Revenue for the period breaks down as follows: 33% from advertising (vs. 37% in 2009), 19% from media business (vs. 21% in 2009) and 48% from SAMS – Specialized Agencies and Marketing Services (vs. 42% in 2009), which includes digital.

Digital communications generated **28.7%** of total revenue at September 30, 2010 (21.3% in 2009) and were a major growth driver.

By way of comparison, revenue totalled 1,162 million euro in the first quarter and 1,376 million in the second quarter (vs. 1,075 million euro in Q1 2009 and 1,134 million in Q2 2009). Organic growth was 3.1% in the first quarter and 7.1% in the second quarter (in contrast to -4.4% in Q1 2009 and -8.6% in Q2 2009).

### Revenue breakdown by region at September 30, 2010 Year-to-Date

| (in euro<br>million)    | Revenue        |           | Organic growth | Variation |  |
|-------------------------|----------------|-----------|----------------|-----------|--|
|                         | Sept. 30, 2010 | 2010/2009 | Sept. 30, 2009 | 2010/2009 |  |
| Europe                  | 1,205          | 1,096     | +3.7%          | +9.9%     |  |
| North America           | 1,923          | 1,549     | +8.4%          | +24.1%    |  |
| Asia-Pacific            | 436            | 352       | +7.2%          | +24.0%    |  |
| Latin America           | 197            | 167       | +10.4%         | +18.0%    |  |
| Africa & Middle<br>East | 97             | 92        | -0.2%          | +5.7%     |  |
| Total                   | 3,858          | 3,256     | +6.6%          | +18.5%    |  |

High-growth markets accounted for 22.3% of total revenue, compared with 22.1% at September 30, 2009 (23.4% not counting Razorfish).



# Highlights in the first nine months of 2010

### New Business: 4.8 billion dollars

Net New Business wins, at 4.8 billion dollars, remain satisfactory and compare to the 4.8 billion dollars reported in the first nine months of 2009.

In the third quarter alone, the following wins are worth noting:

ABN Amro (Netherlands), Glaxo Smith Kline (Europe), H&R Block (USA), Gucci (Europe, Asia), Orbitz (North America), Sony Playstation (USA, LATAM), Telefonica/O2 (Europe), Travelocity (USA).

### **External Growth and Strategic Initiatives**

After acquiring a minority interest in Taterka Comunicações in Brazil in the first quarter, Publicis Groupe announced its buyout of the G4 agency in China in July, followed by two further acquisitions in Brazil: the digital communications agency AG2 in August, and a 49% stake in Talent Group in October. Publicis Groupe also announced in October the acquisition of 20:20, a public relations agency in India. This makes MSLGROUP India's leading player in this discipline.

These acquisitions should be seen as a component of the Group's drive to expand its footprint in emerging markets and fast-growing economies.

Publicis Groupe has undertaken a strategic review of its operations in China to accelerate business growth in a country expected to become the world's second largest advertising market.

### Financial Position at September 30, 2010

At September 30, 2010, Publicis Groupe had net debt of 512 million euro, a figure 277 million lower than at September 30, 2009, and this after repurchasing and immediately cancelling Publicis Groupe shares in the amount of 218 million euro.

Over the first nine months of 2010, average net debt is 666 million euro, down by 295 million from the average net debt for the nine months ended September 30, 2009. At September 30, 2010, Publicis Groupe had available liquidity of 3.6 billion euro (not including 231 million in uncommitted facilities).

### Outlook

The latest ZenithOptimedia figures confirm the steady improvement from quarter to quarter in the global advertising market. The full-year growth outlook for 2010 has been revised upwards – from 3.5% to 4.8% according to the most recent estimate. This comforts the IMF projections which raised global GDP forecast to 4.6% in July.

The very high growth achieved by Publicis Groupe in the last three quarters, its large roster of New Business wins, and its excellent positions in digital communications and emerging markets all provide solid foundations for sustainable above market growth for the years to come.



In order to serve its clients more effectively in a rapidly changing world, Publicis Groupe is investing in both talent and technology, to ensure growth acceleration.

Publicis Groupe should once again outperform the market in terms of growth in 2010.

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About Publicis Groupe Publicis Groupe [listed on the Euronext Paris Exchange - FR0000130577 - and part of the CAC 40 index] is the world's third largest communications group. With activities spanning 104 countries on five continents, Publicis Groupe offers local and international clients a complete range of advertising services through three global advertising networks, Leo Burnett, Publicis, Saatchi & Saatchi, and numerous agencies including Fallon, 49%-owned Bartle Bogle Hegarty, and Kaplan Thaler Group. VivaKi combines digital and media expertise, allowing to connect with consumers in a holistic way, with Starcom MediaVest Group and ZenithOptimedia worldwide media networks; and interactive and digital marketing led by Digitas and Razorfish networks. VivaKi develops new services, tools, and next generation digital platforms. Publicis Groupe's specialized agencies and marketing services offer healthcare communications with Publicis Healthcare Communications Group (PHCG, the first network in healthcare communications), sustainability communications and multicultural communications. With MSLGROUP, one of the world's top three PR and Events networks, expertise ranges from corporate and financial communications to public relations and public affairs, branding, social media marketing and events.

Web site: www.publicisgroupe.com

"Certain statements in this report, apart from historical facts, may constitute forward-looking statements or unaudited financial forecasts. These forward-looking statements involve certain risks and uncertainties and may prove to be materially different from actual future results. All forward-looking statements are expectations as of the date of this report, and Publicis Groupe undertakes no obligation to update them for new events or for any other reason except as required by law. Publicis Groupe encourages you to study carefully all information concerning factors that may impact its business, as described in the Reference Document filed with the French market authority (Autorité des Marchés Financiers)."

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# <u>Appendix</u>

New Business – 9 months (September 2010 – Year to Date)

USD 4.8 billion (net)

# **KEY WINS**

#### **DIGITAS**

Electronic Arts (Brazil), Topper (Brazil), CA (USA), Goodyear (USA), Aflac (USA), Sears (USA), Whitewave (USA), Olay (Hong Kong/ Taiwan), Airtel (India), Nestle (India), Renault ZE (France), Zimmer (USA), Brickell (Brazil), Chrysler (Brazil), Whirlpool (Brazil), ConocoPhillips (USA)

### **FALLON**

Cadbury Flake (UK), French Connection (global), Nokia (global), The Cosmopolitan of Las Vegas. (USA), Cadillac (USA), H&R Block (USA)

### LEO BURNETT

Chrysler (UK, Germany, Turkey, Japan), Samsung (Malaysia, Czech Republic, Thailand, Kazakhstan), COI/BIS (UK), Research in Motion- Blackberry (UK), DUFRY- duty free (Mexico), Sigma Alimentos (Mexico), Koleston (Colombia), Nestlé (Guatemala), Sanofi-Aventis (Guatemala), Canon (Thailand), Amway (China), Siemens (China), Merrill Lynch (Korea), British Council (Sri Lanka), BMW (Malaysia), Pilipinas Shell (Philippines), Arla Food (Russia), Nycomed (Latvia), The ITI Group (Poland), Altıparmak (Turkey), El-Bi Electrics (Turkey), Turkcell (Turkey), Ülker (Turkey), SFR (France), Delipapier Sofidel (France), Campero (Guatemala, Salvador), V-Inspired (UK), Cemex (Costa Rica), World Gold Council (Turkey), Dubai International Film Festival, Tele2 (Kazakhstan), Fiat (Mexico), Cipher Lab (Taiwan), Lenovo (Japan), Lindt & Sprungli (UK), British Film Institute (UK), P&G (UK), Samsung (India), Mc Donald's (Japan), Boon Rawd (Thailand), Oishi (Vietnam), ZDF (Germany), Vera Bradley (Japan), Merial (Japan), Innocent (UK), Travelocity (USA)

### **MSLGROUP**

What's on (India), World Gold Council (China), Central agency for national insurance (France), National Defense Ministry (France), Klépierre Ségécé (France), Pernod Ricard (France), RapidShare



(Germany), Apoteket (Sweden), Brand South Africa (China), United Technologies Corporation (India), Fortis Healthcare (India), Nike (India), Tim Hortons (Canada)

#### **PUBLICIS WORLDWIDE**

Dolce Gusto (France, USA), Chrysler (Canada), City of Toronto (Canada), Metro (Canada), Siemens Energy (Germany, Asia), Telefonica / Movistar (Spain), Sky News / Online project (UK), Cafè do Brasil (Italy), Orogel (Italy), J.K. Helene Curtis (India), Reserve Bank of India / VIP Bags (India), SCMP Classified Post (Hong Kong), Le Monde (France), Ricola (France), Descamps (France), Carte d'Or (France), Cyrillus (France), GT Land Plaza (China), La Halle (France), Aéroports de la Côte d'Azur (France), Nestlé (Mexico), Bupa (UK), Concha y Toro / VCT (Brazil), Hamburger Financial (Germany), Bud Light (Canada), Beefeater Gin (UK), Randstad (UK), Belle Avenue (Thailand), Black Canyon (Thailand), Wellcome / Social business (Germany), Emirates Airlines (Netherlands), Stivoro/ Anti-smoking campaign (Netherlands), Louvre Museum (France), Losc / Lille Football Club (France), Hammerson (France), Shanghai World Expo's / Information & communication pavilion account, Virgin Mobile (Australia), City of Dreams / Digital account (Hong Kong), Indigo Books / Largest Canadian book retailer (Canada), Hasbro (Canada), Canadian Olympic Foundation (Canada), Fiat / Punto Evo / International launch in Spain, Portugal, Netherlands, Belgium, Ireland, Poland (France), BNP Paribas Investment Partners (Netherlands), Nestlé Maggi (Malaysia), Little Liushen (China), V-Guard (India), Procter & Gamble (Brazil), Microsoft (Romania), ALJ Group (Malaysia), Burger King (Singapore), Common Wadden Sea Secretariat / Wadden Sea Unesco World Heritage (Germany), CBID- China Business Intelligence (China), Aegis Global Academy (India), Nestlé (Thailand), Yun He Soy Milk (China), Edenred (Italy), Renault Zero Emissioni (Italy), Zambon (Italy), Movi (Italy), U Mobile Malaysia (Malaysia), Amway (China), HP (China), Yu He Soy Milk (China), SuperB of Skoda (China), GDB brand TVC (China), Lucky Lotto of DJI Holding (China), The Hill of CMPD (China), CongDu of Kingold (China), Dinghu (China), Oenobiol (France), Ministry of Finance (France), Orange Challenge (France), Luxottica (France), Nestlé (Ghana), Rider Levett Bucknall (UK), Edelweiss (Germany), Randstad (Germany), Orange Challenge (France), Orange Pro (France)

### RAZORFISH

The Hollywood Reporter (USA), Pattex (Germany)

### SAATCHI & SAATCHI

Arla Foods - Lurpak (Global except for UK), BNP Paribas (Poland), Red.es *digital TV* (Spain), Chrysler & Dodge SUV (China), Vinda (China), Carlsberg: Dali, Wusu, XiXia (China), Petrobras (Brazil), Sanitarium (New Zealand), Toyota (Italy), Harley-Davidson (India), CIBIL (India), Sony Playstation (LATAM), Honda (Brazil), Procter & Gamble Digital Communications (Brazil), Chivas Regal (China), York Timbers (South Africa), Diageo Global Travel (UK)

#### STARCOM MEDIAVEST GROUP

Honda (Germany, Italy, Norway, Poland, Sweeden, UK), CBS Film (USA), Turner (USA), Napa Auto Parts (USA), Nintendo (Netherlands), Dutch Government (Netherlands), Van Haren (Netherlands), Silesia Voivodship (Poland), Ministry of Environment (Poland), Skyways (Sweeden), FEW *Online Retail* (Sweeden), Prudential Direct Insurance (Taiwan), Coca-Cola (France), Mitre 10 (Australia), Mars Wrigley (China), in.gr (Greece), General Mills (China), Supermac's (Ireland), AIB (Ireland), IKKS (Netherlands), Provident (Poland), Adidas (United Arab Emirates), Aflac (USA), Avon (USA), Kraft/Cadbury (global), American Egg Board (USA), GlaxoSmithKline (Europe), Westin



(India), IDA (Ireland), ABN Amro (Netherlands), Singapore Navy, TMB Bank (Thailand), Comcast (USA)

### THE KAPLAN THALER GROUP

Aflac (USA)

### **ZENITHOPTIMEDIA**

Aviva (global), Reckitt Benckiser (global), Beijing Tourism Board, China Merchant Bank, Maoduoli (China), Electrolux (Vietnam), Georgia Pacific (Romania), Vivartia (Romania), BN Telecom (Turkey), Dyo (Turkey), Pegasus Airlines (Turkey), SAB Miller (Ecuador), Axtel (Mexico), Lindt (United Arab Emirates), Catalonian Government (Spain), Ministry of Environment (Spain), Perfume Shop (UK), Remington Consumer Products (USA), Beijing Lan Hai Cold Mineral Water (China), Warner Bros (Singapore), Universal Pictures (Mexico), Hubei Mobile (China), Reckitt Benckiser (China), AS Watson (APAC), BGL Group (UK), Travelocity (USA), Asia Pacific Breweries (Singapore), O2 (Europe), Orbitz (USA)



# 2010 Press Releases

| 08/01/10 | Share Repurchase Program  |  |  |  |  |
|----------|---|--|--|--|--|
| 11/01/10 | Partnership between the Women's Forum and Terrafemina   |  |  |  |  |
| 18/01/10 | OCEANES 2018 – Early Redemption   |  |  |  |  |
| 05/02/10 | Lov Group and Publicis Groupe in Exclusive Negotiations   |  |  |  |  |
| 17/02/10 | 2009 Annual Results   |  |  |  |  |
| 16/03/10 | Management Board Bonuses  |  |  |  |  |
| 30/03/10 | Publicis Groupe Acquires a Minority Stake of Brazilian Agency Taterka<br>Comunicações   |  |  |  |  |
| 06/04/10 | Publicis Groupe Acquires In-Sync Healthcare Agency  |  |  |  |  |
| 22/04/10 | Publicis Groupe: First Quarter 2010 Revenue - Back to Growth  |  |  |  |  |
| 26/04/10 | Re-Elections at the Publicis Groupe Supervisory Board   |  |  |  |  |
| 29/04/10 | Publicis Groupe Acquires Remaining Capital of Leo Burnett / W&K Beijing Advertising Co. Ltd   |  |  |  |  |
| 10/05/10 | Publicis Groupe announces its Acquisition from Dentsu Inc. of 7,500,000 of its own Shares in Order to Cancel Them   |  |  |  |  |
| 19/05/10 | Publicis Groupe acquires Resolute Communications, in Healthcare Communications  |  |  |  |  |
| 01/06/10 | Publicis Groupe Annual General Shareholders' Meeting - Dividend set at $0.60\ \mathrm{Euros}$ per Share   |  |  |  |  |
| 01/06/10 | Supervisory Board and Management Board of Publicis Groupe   |  |  |  |  |
| 28/06/10 | Danièle Bessis Joins Publicis Groupe as CEO of Re:Sources Worldwide   |  |  |  |  |
| 12/07/10 | Publicis Groupe Acquires G4 Advertising co. Ltd. in China   |  |  |  |  |
| 29/07/10 | Publicis Groupe: First Half 2010 Results  |  |  |  |  |
| 02/08/10 | Publicis Groupe Pursues its Global Digital Expansion and Acquires AG2, Top Brazilian Interactive Agency   |  |  |  |  |
| 09/09/10 | Publicis Groupe and Lov Group Put an End to the Acquisition Project of a Stake in France Télévisions Publicité  |  |  |  |  |
| 01/10/10 | Publicis Groupe to Acquire 20:20 Media, 2020Social in India and Establish MSLGROUP India – India's Leader in PR, Social Media and Specialty Communications Services |  |  |  |  |
| 06/10/10 | Publicis Groupe Acquires a 49% Stake in the Talent Group in Brazil Further Strengthening its Footbold in the BRIC Markets   |  |  |  |  |

For further information: <a href="https://www.publicisgroupe.com">www.publicisgroupe.com</a>



**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

**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.

# Revenue and Organic Growth Calculation

| (EUR million)                                      | Н1    | Q3    | Sept.<br>YTD |
|--|-------|-------|--------------|
| 2009 Revenue                                       | 2,209 | 1,047 | 3,256        |
| Currency impact                                    | 55    | 90    | 145          |
| 2009 Revenue at 2010 exchange Rate (a)             | 2,264 | 1,137 | 3,401        |
| 2010 Revenue before impact of acquisitions (1) (b) | 2,383 | 1,242 | 3,624        |
| Revenue from acquisitions (1) <sup>1</sup>         | 155   | 78    | 234          |
| 2010 Revenue                                       | 2,538 | 1,320 | 3,858        |
| Organic Growth (b/a)                               | +5.3% | +9.2% | +6.6%        |

| Currency impact (EUR million) |    |    |           |
|-------------------------------|----|----|-----------|
|                               | H1 | Q3 | Sept. YTD |
| GBP                           | 4  | 4  | 8         |
| USD                           | 5  | 52 | 57        |
| Others                        | 44 | 35 | 80        |
| Total                         | 55 | 90 | 145       |

<sup>&</sup>lt;sup>1</sup> Acquisitions (Amazon; Razorfish; Women's Forum; Pour Tout Vous Dire; Chesteroc; Elevator; In-Sync; Resolute; Nemos; AG2; Intelligent Communication Health; G4; Purple Hat Communications; SiChuan Yong Yang; Pub. Bulgaria) net of disposals