PUBLICIS GROUPE

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Annual Results — 2005

Record performances for all indicators

Operating margin*: **60 basis points increase to 15.7%.**

Operating income on ordinary business before amortization of acquisition-related intangibles and impairment of goodwill: up **11.9% to €649 million.**

Revenue: up 7.7%, as announced Feb. 7, with **organic growth* nearing 7%.** Total exceeding four billion euro, at **€4,127 million.**

Net income: up 39% to €386 million.

Net debt*: €207 million at December 31, 2005, down from €618 million a year earlier.

Average net debt*: 27% lower than in 2004, at €925 million.

Debt ratio*: down to 0.10 compared with 0.37 at December 31, 2004.

Free cash flow* before changes in working capital: **18% improvement** to €478 million.

Fully diluted EPS*: up 36.4% to €1.76.

Shareholders will be asked to approve a **dividend of €0.36 per share**, a 20% increase over 2004, after a 15% increase a year earlier.

*See appended definitions and notes

Publicis Groupe Chairman & CEO **Maurice Lévy** commented on the year's results:

"We are extremely satisfied with our 2005 results. Teams from across Publicis Groupe more than met expectations once again, with significant improvement in all key indicators. The results clearly demonstrate their capacity to meet all their commitments -- and more.

Successes during the year included remarkable creative achievements as well as a combination of strong organic growth, a net new business total which sets an industry record, and marked improvement in profitability. Healthy cash inflows provided scope for the reduction of our net debt/equity ratio to just 0.10, its lowest level in six years. At the same time, we completed a notable simplification of our balance sheet.

This performance is rooted in a virtuous circle of action that encompasses strategy and flawless execution by intensely motivated teams — teams wholeheartedly dedicated to the interests of their clients. It shows how much our group can accomplish thanks to the breadth of its resources, and the depth and quality of its offering. These results certainly owe nothing to chance. I believe that we are now at the beginning of a fresh cycle of growth that will enable us to consistently outperform our competitors. Not only have we shown that we have a winning strategy, but our successes are creating their own momentum. All this leads me to be confident that we will again report very satisfactory results in 2006."

Maurice Lévy, Chairman and CEO, presented the financial statements and management report for the 2005 financial year to the Supervisory Board, presided by Mrs Elisabeth Badinter, at its meeting on Thursday, March 2, 2006.

The Annual General Meeting is to be held at Publiciscinemas, 133 avenue des Champs Elysées, Paris 8, at 10 a.m. on Wednesday June 7, 2006.

*See appended definitions and notes

Key Figures for the Year to December 31, 2005

IFRS — € millions

	2005	2004	**Change**
Revenue	**4,127**	3,832	**6.8% Organically**
Operating income before depreciation and amortization	**765**	699	**+9.4%**
As a percentage of revenue	***18.5%***	*18.2%*	
Operating income on ordinary business before amortization of acquisition-related intangibles and impairment of goodwill	**649**	580	**+11.9%**
As a percentage of revenue	***15.7%***	*15.1%*	
Profit attributable to equity holders of the parent	**386**	278	**+39%**
Fully diluted EPS	**€1.76**	€1.29	**+36.4%**
Dividend per share	**€0.36**	€0.30	**+20%**

1 – Vigorous organic growth

Revenue for 2005 amounted to €4,127 million, driven by **organic growth** (i.e., at constant scope of consolidation and exchange rates) **reaching 6.8%.** Significantly, all geographical regions contributed to this performance, with growth at 3.8% in Europe, 8.0% in North America, 10.3% in the Asia-Pacific area, 9.7% in Latin America and 17.7% in the rest of the world. All group entities made positive contributions.

2 – Net New Business sets record

Net new business won in 2005 reached a record $9.8 billion (€7.8 billion), the highest figure ever recorded in the worldwide advertising industry. This won Publicis Groupe first place in the New Business rankings published by Bear Stearns on Jan. 9, 2006.

*See appended definitions and notes

3 – Operating margin at 15.7%

Operating margin rose from **15.1%** in 2004 to **15.7%** in 2005, the best performance in the industry worldwide. This reflected a satisfactory conversion rate of incremental revenue from new business wins in 2004 and 2005, as well as an overall decline in operating costs as a result of the rationalization of our organization.

Significantly, operating margin calculated on an IFRS basis was also better than the 15.4% reported on the basis of French GAAP in 2004 despite additional charges (primarily for stock options).

All geographical regions contributed to this improvement in operating margin.

In 2006 and 2007, we will see a continuation of the implementation of the Horizon program, aimed at reducing costs and rationalizing our business structures around the world.

4 – Net income up 39%

Net income, excluding minority interests, rose 39% to €386 million, from €278 million in 2004. This strong performance was mainly attributable to an improvement in operating income, together with a decline of €22 million in net interest and other financial expenses. The effective tax rate declined from 36.5% in 2004 to 32% in 2005 in connection with the reorganization of legal structures and the reduction in the number of corporate entities.

Net income also includes non-recurring items, among them a capital gain on the sale to JC Decaux of equity interests held by Média & Régies Europe. Headline net income showed a rise of 31.2% from €269 million in 2004 to €353 million in 2005.

5 – Fully diluted EPS up 36.4%

Fully diluted earnings per share rose 36.4% from €1.29 to €1.76, while diluted headline earnings per share increased to €1.62, a rise of 30% from €1.25 in 2004.

6 – Working capital improved by €74 million

Working capital again showed a significant improvement, adding €74 million. This follows the €264 million improvement registered in 2004, an important stage in the drive for more efficient cash management. This provides a further illustration of the effectiveness of the Focus on Cash program.

7 – Debt at its lowest since 1999

Net debt, which stood at €618 million on an IFRS basis at the end of 2004, **fell two-thirds to €207 million at December 31, 2005.**

Average net debt over the year registered a €345 million decline to €925 million – a drop of 27% from €1,270 million in 2004.

The net debt/equity ratio fell from 0.37 to an exceptionally low 0.10, a level not reached since 1999. This is significantly better than the 0.5 included in our Groupe's **optimum ratios**.

In December 2005, Publicis Groupe won investment-grade rating from the world's two leading rating agencies. These were BBB+ from Standard & Poors and Baa 2 from Moody's, with both adding a stable outlook.

Finally, at December 31, 2005 available cash and credit facilities represented a total of €3.6 billion, with undrawn committed credit facilities accounting for €1.3 billion and cash for €2 billion.

8 – Balance-sheet simplification

In 2005 and early 2006, Publicis Groupe completed three important new stages in the process of balance-sheet simplification:

- Early redemption of 62% of the nominal amount of the 2018 OCEANE convertible bond issue through the exercise of an additional put option granted to holders in February 2005, followed by early redemption of a further 6.5% with the exercise of the January 2006 put option
- A related straight Eurobond issue, the group's first, for an amount of €750 million in January 2005
- A tender offer initiated in January 2005 for the purchase of equity warrants issued in 2002, winning a favorable response with 79.78% of the 27,709,748 warrants in circulation tendered. The Group committed €199 million for this purpose.

Altogether, over a period of 18 months, a significant number of complex securities with potential for dilution were pared down or eliminated completely from the balance sheet. This removed the potential for the issuance of almost 35 million shares, equal to 17% of shares currently outstanding.

9 – Free cash flow tops €500 million

As announced, Publicis Groupe continued its drive to bolster treasury and in 2005 generated free cash flow totaling €552 million, including €478 million before changes in working capital -- an 18% improvement over 2004. This healthy performance reflects an increase in cash flow from operations combined with a tight rein on capital expenditure. Publicis Groupe thus confirms its capacity to consistently generate free cash flow before changes in working capital of at least €400 million a year.

10 – Dividend per share up 20%

Shareholders will be asked to approve a further healthy increase in the dividend to €0.36 per share at their Annual General Meeting on June 7, 2006. This proposed dividend increase represents a 20% increase over 2004. It will be payable on July 4, 2006.

11 – Supervisory Board membership

The Supervisory Board has approved the resolutions to be submitted to shareholders at their next general meeting on June 7.

Mr Robert L. Seelert, whose term of office expires on that date, has asked that it not be renewed. To succeed him, shareholders will be asked to appoint Mrs Léone Meyer, Chairman of the Supervisory Board of Société Anonyme des Galeries Lafayette from 1998 to 2005 and currently Chairman of Phison Capital SAS. Phison Capital recently became a Publicis Groupe shareholder, with an equity interest over 4%.

Following Mr Robert Badinter's decision to end his term of office on the occasion of his 78th birthday, the Supervisory Board co-opted Mr Michel Halpérin, attorney and President of the Grand Conseil of Geneva, Switzerland, for the remainder of Mr Badinter's term.

The Supervisory Board thanked Mr Seelert and Mr Badinter for their valuable contribution during their terms of office.

12 – Continuing deployment of development strategy

In 2005, Publicis Groupe continued its strategy of targeted acquisitions to reinforce its positions in SAMS (Specialized Agencies and Marketing Services). Additions to the Groupe included eventive, the leader in event communications in Austria and Germany, which is joining Publicis Events Worldwide; Solutions, the number-one marketing service agency in India; and PharmaConsult, a leader for healthcare communications in Spain. Acquisitions also included a majority interest in Freud Communications, a leading public relations agency in the UK.

Publicis Groupe's development priorities are above all to provide effective service to clients by giving them the tools and resources they need to win a competitive advantage. Our growth is equally contingent on offering clients a wider range of services, most notably through a holistic approach to communications. This growth will be underpinned by winning new business, notably in local markets, and by strengthening our positions in emerging markets and in SAMS, through targeted acquisitions in direct marketing, public relations, CRM and interactive communications, events and healthcare communications.

Publicis Groupe (Euronext Paris: FR0000130577 and member of the CAC40 Index - NYSE: PUB) is the world's fourth largest communications group, as well as world's second largest media counsel and buying group. Its activities span 104 countries on six continents.

Groupe's communication activities cover advertising, through three autonomous global advertising networks: Leo Burnett, Publicis, Saatchi & Saatchi, as well as through its two multi-hub networks Fallon Worldwide and 49%-owned Bartle Bogle Hegarty,; media consultancy and buying through two worldwide networks ZenithOptimedia and Starcom MediaVest Group; and marketing services and specialized communications including direct marketing, public relations, corporate and financial communications, event communications, multicultural and healthcare communications.

Web sites: *www.publicis.com* and *www.finance.publicis.com*

Appendix 1
Definitions and Notes

Organic Growth:

2004 Revenue	3, 832
Currency Impact	27
Acquisitions and disposals	5
2004 Revenue @ 2005 rates and structure (b)	3, 864
2005 Revenue (a)	4, 127
Organic growth: (a/b)	6.8%

Operating margin: operating margin on ordinary business before amortization of acquisition-related intangibles and impairment of goodwill as a percentage of revenue.

Headline net income:

(in millions of euros)	**2005**	**2004**
Group net income	386	278
- Amortization of intangibles arising on acquisition, net of tax	14	18
- Impairment, net of tax	24	164
- Capital gains, net of tax, on the sale of subsidiaries to JCDecaux	(87)	-
- Capital loss, net of tax, on the redemption of the Oceane	16	-
- Capital gains, net of tax, on the OBSA/CLN transactions	-	(134)
- Deferred tax assets related to conversion to IFRS	-	(57)
Headline net income	353	269

Diluted Headline EPS: Diluted EPS calcuted with Headline net income as shown above.

Net Debt to Equity ratio: net debt at year end as a percentage of shareholder's equity including minority interests.

Average net debt: yearly average of average net debt of each month for the year.

Free cash flow: cash flow from operations after net capital expenditure, excluding acquisitions.

Net New Business: this figure does not result from financial reporting, but is based on an estimate of annualized advertising media spending on new business, net of losses, from new and existing clients.

Appendix 2

Consolidated Financial Statements
Year ended December 31, 2005

Consolidated Income Statement

Millions of euros	2005	2004
Revenues	**4 127**	**3 832**
Personnel expenses	(2 454)	(2 271)
Other operating expenses	(908)	(862)
Operating income before depreciation and amortization	**765**	**699**
Depreciation and amortization expense (excluding intangibles arising on acquisition)	(116)	(119)
Operating income before amortization of intangibles arising on acquisition and impairment	**649**	**580**
Amortization of intangibles arising on acquisition	(23)	(29)
Impairment	(33)	(215)
Non-current income (expense)	59	(10)
Operating income	**652**	**326**
Cost of net financial debt	(78)	(108)
Other financial income (expense)	(14)	(6)
Income of consolidated companies before taxes	**560**	**212**
Income taxes	(157)	(112)
Net change in deferred taxes related to the OBSA/CLN transactions and deferred tax assets related to the conversion to IFRS	-	198
Net income of consolidated companies	**403**	**298**
Equity in net income of non-consolidated companies	11	6
Net income	**414**	**304**
Profit attributable to minority interests	28	26
Profit attributable to equity holders of the parent	**386**	**278**

Per share data *(in euros)*

Number of shares	*210 415 990*	*210 535 541*
Net earnings per share	1.83	1.32
Number of shares – diluted	*233 816 994*	*233 984 337*
Net earnings per share – diluted	1.76	1.29

Consolidated Balance Sheet

Millions of euros	**2005**	**2004**
Assets		
Goodwill, net,	2 883	2 623
Intangible assets, net	763	740
Property and equipment, net	580	609
Deferred tax assets	216	368
Investments accounted for by the equity method	33	17
Other financial assets	118	143
Non-current assets	**4 593**	**4 500**
Inventory and costs billable to clients	580	437
Accounts receivable	4 014	3 282
Other receivables and other current assets	577	450
Cash and cash equivalents	1 980	1 186
Current assets	**7 151**	**5 355**
Total assets	**11 744**	**9 855**
Liabilities and shareholders' equity		
Capital stock	79	78
Additional paid-in capital and retained earnings	2 006	1 551
Shareholders' equity	**2 085**	**1 629**
Minority interests	20	31
Total equity	**2 105**	**1 660**
Long-term financial debt (more than 1 year)	1 913	1 492
Deferred tax liabilities	220	365
Long-term provisions	539	537
Non-current liabilities	**2 672**	**2 394**
Accounts payable	4 605	3 694
Short-term financial debt (less than 1 year)	224	273
Income taxes payable	263	206
Short-term provisions	120	106
Other creditors and other current liabilities	1 755	1 522
Current liabilities	**6 967**	**5 801**
Total liabilities and shareholders' equity	**11 744**	**9 855**
Net financial debt	207	618

Consolidated Cash Flow Statement

Millions of euros	**2005**	**2004**
I- Cash flows from operating activities		
Net income	414	304
Income taxes	157	(86)
Cost of net financial debt	78	108
Capital (gains) losses on disposal (before tax)	(58)	10
Depreciation, amortization and impairment on property and equipment and intangible assets	172	363
Calculated expenses on stock options and similar items	20	20
Other calculated income and expenses	11	13
Equity in net income of unconsolidated companies	(11)	(6)
Dividends received from equity accounted investments	9	7
Restructuring expenditure	(30)	(79)
Taxes paid	(167)	(114)
Interest paid	(93)	(73)
Interest received	44	46
Change in working capital requirements (1)	74	264
Net cash provided by operating activities	**620**	**777**
II- Cash flows from investing activities		
Purchases of property and equipment and intangible assets	(83)	(104)
Proceeds from sale of property and equipment and intangible	8	3
Purchases of investments and other financial assets, net	7	468
Acquisitions of subsidiaries	(71)	(124)
Disposals of subsidiaries	98	-
Net cash flows provided by (used in) investing activities	**(41)**	**243**
III- Cash flows from financing activities		
Dividends paid to parent company shareholders	(55)	(47)
Dividends paid to minority shareholders of subsidiaries	(19)	(23)
Cash received on new borrowings	747	455
Reimbursement of borrowings	(460)	(1 307)
Net purchases of treasury stock and equity warrants	7	(9)
Net cash flows provided by (used in) financing activities	**220**	**(931)**
IV- Impact of exchange rate fluctuations	**72**	**(39)**
Net change in consolidated cash flows (I + II + III + IV)	**871**	**50**
Cash and cash equivalents at January 1	1 186	1 415
Bank overdrafts at January 1	(172)	(451)
Net cash and cash equivalents at beginning of year	1 014	964
Cash and cash equivalents at December 31	1 980	1 186
Bank overdrafts at December 31	(95)	(172)
Net cash and cash equivalents at end of year	1 885	1 014
Net change in cash and cash equivalents	**871**	**50**

1) Breakdown of change in working capital requirements

Change in inventory and costs billable to clients	(97)	(47)
Change in accounts receivable and other receivables	(391)	76
Change in accounts payable, other creditors and provisions	562	235
Change in working capital requirements	**74**	**264**

Statement of Changes in Consolidated Shareholders' Equity

Number of shares	*Millions of euros*	Capital stock	Additional paid-in capital	Reserves and retained earnings	Gains and losses recognized through equity	Sharehol-ders' equity	Minority interests	Total equity
195 378 253	**January 1, 2004 before deduction of treasury stock**	**78**	**2 557**	**(968)**	**154**	**1 821**	**28**	**1 849**
(13 012 389)	Deduction of treasury stock existing at January 1 *(a)*			(323)		(323)		(323)
182 365 864	**January 1, 2004 after deduction of treasury stock**	**78**	**2 557**	**(1 291)**	**154**	**1 498**	**28**	**1 526**
	Change in value of available for sale assets [(1)]				(9)	(9)		(9)
	Change in cumulative translation adjustment				(107)	(107)	(1)	(108)
	Gains and losses recognized through equity	**-**	**-**	**-**	***(116)***	***(116)***	***(1)***	***(117)***
	Net income for the year			278		278	26	304
	Total income and expenses in the year	-	-	***278***	***(116)***	***162***	***25***	***187***
92 808	Increase in capital stock of Publicis Groupe SA	-	-	-	-	-	-	-
	Dividends paid		(20)	(27)		(47)	(23)	(70)
	Share-based remuneration			20		20		20
	Effect of acquisitions and of commitments to purchase minority interests						1	1
	Reversal of Saatchi & Saatchi provisions			2		2		2
	Reversal of Italian Bond provisions			3		3		3
195 471 061	**December 31, 2004 before deduction of treasury stock**	**78**	**2 537**	**(692)**	**38**	**1 961**	**31**	**1 992**
(367 000)	Purchases/sales of treasury stock *(b)*			(9)		(9)		(9)
(13 382 843)	Deduction of treasury stock existing at December 31, 2004 *(c=a+b)*			(332)		(332)		(332)
182 088 218	**December 31, 2004 after deduction of treasury stock**	**78**	**2 537**	**(1 024)**	**38**	**1 629**	**31**	**1 660**
	Change in value of available for sale assets [(1)]				(16)	(16)		(16)
	Hedge on net investment				9	9		9
	Change in cumulative translation adjustment				116	116	5	121
	Gains and losses recognized through equity				109	109	5	114
	Net income for the year			386		386	28	414
	Total income and expenses in the year			386	109	495	33	528
1 637 949	Increase in capital stock of Publicis Groupe SA	1	47	(48)		-		-
	Dividends paid			(55)		(55)	(19)	(74)
	Share-based remuneration			20		20		20
	Buyback of equity warrants (BSA)			(2)		(2)		(2)
	Additional interest on Oranes			(2)		(2)		(2)
	Partial early redemption of the 2018 Oceane (option component)			(9)		(9)		(9)
	Effect of acquisitions and of commitments to purchase minority interests						(25)	(25)
197 109 010	**December 31, 2005 before deduction of treasury stock**	**79**	**2 584**	**(402)**	**147**	**2 408**	**20**	**2 428**
343 079	Purchases/sales of treasury stock *(d)*			9		9		9
(13 039 764)	Deduction of treasury stock existing at December 31, 2005 *(e=c+d)*			(323)		(323)		(323)
184 069 246	**December 31, 2005 after deduction of treasury stock**	**79**	**2 584**	**(725)**	**147**	**2 085**	**20**	**2 105**

(1) Amounts net of tax

Millions of euros	**December 31, 2005**	**December 31, 2004**
Revaluation of property	105	105
Revaluation of available for sale assets	24	40
Hedge on net investment	9	-
Cumulative translation adjustment	9	(107)
Total gains and losses recognized through equity	**147**	**38**

Earnings Per Share and Diluted Earnings Per Share

		2005	2004
Net income retained for the calculation of earnings per share *(in millions of euros)*			
Group net income	a	386	278
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments (1)		25	23
Group net income - diluted	b	411	301
Number of shares retained for the calculation of earnings per share			
Average number of shares in circulation		182 818 378	182 410 541
Shares to be issued to redeem the ORANEs		27 597 612	28 125 000
Average number of shares retained for the calculation	c	210 415 990	210 535 541
Impact of dilutive instruments: (2)			
- Effect of exercise of dilutive stock options		228 591	276 383
- Shares resulting from the conversion of the convertible bonds (1)		23 172 413	23 172 413
Number of shares - diluted	d	233 816 994	233 984 337

(in euros)

Earnings per share	a/c	**1.83**	**1.32**
Earnings per share – diluted	b/d	**1.76**	**1.29**

(1) Only the 2008 OCEANEs are taken into account for the calculation of earnings per share as the 2018 OCEANEs have a relutive effect on EPS.

(2) Equity warrants and stock options whose exercise price is greater than the average share price for 2005, as well as the 2018 OCEANEs, are not taken into account in the calculation of diluted earnings per share because of their relutive nature.

Earnings Per Share and Diluted Earnings Per Share (con't)

		2005	2004
Net income retained for the calculation of Headline earnings per share [(1)] *(in millions of euros)*			
Group net income		386	278
Items excluded:			
- Amortization of intangibles arising on acquisition, net of tax		14	18
- Impairment, net of tax		24	164
- Capital gains, net of tax, on the sale of JCDecaux Netherlands, Sopact et 33 % interest in Metrobus		(87)	-
- Capital loss, net of tax, on the redemption of the Oceane		16	-
- Capital gains, net of tax, on the OBSA/CLN transactions		-	(134)
- Deferred tax assets related to conversion to IFRS		-	(57)
Current net income	e	353	269
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments		25	23
Current net income – diluted	f	378	292
Number of shares retained for the calculation of earnings per share			
Average number of shares in circulation		182 818 378	182 410 541
Shares to be issued to redeem the ORANEs		27 597 612	28 125 000
Average number of shares retained for the calculation	c	210 415 990	210 535 541
Impact of dilutive instruments:			
- Effect of exercise of dilutive stock options		228 591	276 383
- Shares resulting from the conversion of convertible bonds		23 172 413	23 172 413
Number of shares – diluted	d	233 816 994	233 984 337

(en euros)

Headline earnings per share [(1)]	e/c	**1.68**	**1.28**
Headline earnings per share [(1)] **– diluted**	f/d	**1.62**	**1.25**

(1) *Earnings per share before amortization of intangibles arising on acquisition, impairment, capital gain (loss) on the disposals of JCDecaux Netherlands, Sopact et 33 % interest in Metrobus, the OBSA/CLN transactions (net of tax) and the recognition of deferred tax assets related to conversion to IFRS.*