



# HALF-YEAR RESULTS 2014



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For comparative purposes and in accordance with IFRS, 2013 figures have been restated to reflect the implementation of IFRIC 21.



# H1 2014 KEY FIGURES

(EUR million)

	H1 2014	H1 2014 vs H1 2013*
Revenue	3,358	Reported: +0.2% <b>Constant currency : +4.8%</b>
Organic growth	+1.8%	
Operating margin	435	-5.4%
	<i>% of revenue</i>	
	13.0%	
Net income	260	-16.9%
Headline EPS ** (diluted)	1.31€	-7.7%

\* For comparative purposes and in accordance with IFRS, 2013 figures have been restated to reflect the implementation of IFRIC 21

\*\* Headline EPS: after elimination of impairment charge, amortization on intangibles arising on acquisition, main capital gains (losses), earn out revaluation



# REVENUE Q2/H1 2014 HIGHLIGHTS

- **Q2 slowdown**
  - Unfavorable comps
  - Europe rebound not materialized : UK, Germany, Southern Europe negative
  - Analog decline confirmed, including in fast growing markets
  - US:
    - Unfavorable comps : Q2 2013 +7.7%
    - Specific client issues: BlackBerry, Motorola ...
  - Exchange rates impact
- **Management focused on merger**
- **H1: The very good news**
  - Good results on our strategy
  - Shift to digital very positive (+8.8% organic growth)
  - Potential in e-commerce confirmed
  - Good growth in media agencies
  - Double digit growth in healthcare



# Q2 2014: REVENUE BY GEOGRAPHY

(EUR million)	Q2 2014	Q2 2013	Q2 2014 Organic Growth
Europe *	531	528	- 2.4%
North America	842	854	+ 1.3%
BRIC + MISSAT **	222	233	+ 0.4%
RoW	166	173	+ 6.1%
<b>Total</b>	<b>1,761</b>	<b>1,788</b>	<b>+ 0.5%</b>

\* Europe excluding Russia and Turkey

\*\* MISSAT includes Mexico, Indonesia, Singapore, South Africa, Turkey

# H1 2014: REVENUE BY GEOGRAPHY

(EUR million)	H1 2014	H1 2013	H1 2014 Organic Growth
Europe *	1,005	970	- 0.3%
North America	1,637	1,630	+ 2.8%
BRIC + MISSAT **	412	434	+ 0.4%
RoW	304	317	+ 5.6%
<b>Total</b>	<b>3,358</b>	<b>3,351</b>	<b>+ 1.8%</b>

\* Europe excluding Russia and Turkey

\*\* MISSAT includes Mexico, Indonesia, Singapore, South Africa, Turkey



# REVENUE BY GEOGRAPHY IN USD

(USD million)	H1 2014	H1 2013	Var. 2014/2013
Europe*	1,377	1,274	+8.1%
North America	2,243	2,141	+4.8%
BRIC + MISSAT**	564	570	-1.1%
RoW	416	416	-
<b>Total</b>	<b>4,600</b>	<b>4,401</b>	<b>+4.5%</b>

\* Europe excluding Russia and Turkey

\*\* MISSAT includes Mexico, Indonesia, Singapore, South Africa, Turkey

All entities translated into US dollars using the following average exchange rates:

2014: 1 EUR = 1.370 USD

2013: 1 EUR = 1.314 USD



# GROWTH BY COUNTRY

## Organic Growth

## H1 2014

**> 5 %**

Arab Emirates, Australia, Chile, Mexico, Russia, Singapore, Switzerland

**From 0 to 5%**

Canada, France, Greater China, Japan, Netherlands, Norway, Sweden, Turkey, USA

**< 0%**

All other Western European Countries, India, Israel, Korea, Philippines...



# H1 2014: REVENUE HIGHLIGHTS

- France: Positive in H1 2014, after 2 years of slowdown
- UK: Decrease in spending in retail sector
  - BlackBerry impact on digital activities
- Germany: Unfavorable comps in Q2 (Q2 2013: +10.6%)
- Southern Europe: Budget reductions in Italy, Spain and Greece
- Brazil: Phasing issues
- China: Progressive return to growth
  - Delayed campaigns for new products (H2)



# DIGITAL

**H1 2014**

**H1 2013**

% of Group  
revenue

**40.6%**

**36.9%**

EUR Million

**1,365**

**1,237**



**Organic Growth**

**+8.8%**



# FAST GROWING MARKETS

	H1 2014	H1 2013
% of Group revenue	22.9%	24.0%
EUR Million	770	806

 Organic Growth **+2.2%**



# Q2 - ORGANIC GROWTH BY REGION AND SEGMENT

	EUROPE *	NORTH AMERICA	BRIC + MISSAT**	ROW	TOTAL
DIGITAL	+9.0%	+2.9%	+26.8%	+50.9%	+7.4%
ANALOG	-7.3%	-0.4%	-3.6%	-2.9%	-3.6%
<b>Total</b>	<b>-2.4%</b>	<b>+1.3%</b>	<b>+0.4%</b>	<b>+6.1%</b>	<b>+0.5%</b>

\*Europe excluding Russia and Turkey

\*\* MISSAT includes Mexico, Indonesia, Singapore, South Africa, Turkey



# H1 - ORGANIC GROWTH BY REGION AND SEGMENT

	EUROPE *	NORTH AMERICA	BRIC + MISSAT **	ROW	TOTAL
DIGITAL	+9.5%	+5.5%	+28.2%	+41.8%	+8.8%
ANALOG	-4.6%	-0.1%	-3.4%	-1.6%	-2.4%
<b>Total</b>	<b>-0.3%</b>	<b>+2.8%</b>	<b>+0.4%</b>	<b>+5.6%</b>	<b>+1.8%</b>

\* Europe excluding Russia and Turkey

\*\* MISSAT includes Mexico, Indonesia, Singapore, South Africa, Turkey



# ACQUISITIONS 2014

## PR



US

SALTERBAXTER

UK

## CREATIVE



SA\*

## DIGITAL



US (start-up)



India



LIGHTHOUSE  
DIGITAL

SA\*

## MEDIA



SA\*

## E-COMMERCE



US

hawkeye

vision\_velocity

US



Europe

South Africa\*

# AWARDS



- **Publicis Groupe, 208 Lions**
  - 1 Network of the Year Award
  - 2 Awards for Creative efficiency
  - 27 Gold Lions, 86 Silver, 92 Bronze



- **Publicis Groupe, 16 Health Lions**
  - 1 Network of the Year Award
  - 1 Grand Prix for Good
  - 2 Gold Lions, 8 Silver and 4 Bronze



- **Publicis Groupe, most efficient Holding Company of the year in North America**



- **Publicis Groupe, 1<sup>st</sup> in creative performance since 2004**



- **Publicis Groupe ranked #1 holding company in North America and #2 in the world**



#1



#3



**Media  
Agency Network  
WORLDWIDE**



# AdAge AGENCY REPORT 2014

**#1** **IN DIGITAL**  
(USA & WORLDWIDE)

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**#1** **SEARCH MARKETING**  
(USA)

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**#1** **HEALTHCARE**  
(USA)



# CORPORATE SOCIAL RESPONSIBILITY



# CSR HIGHLIGHTS

- 5<sup>th</sup> year of CSR reporting
- 2<sup>nd</sup> year of CSR audits
- Gender balance
  - **53.4% Women, 46.6% Men**
  - Publicis Supervisory Board: women = **50%**
  - Agency Management Committees: women = **39%**
  - VivaWomen! steadily gaining ground
- Training
  - **57% of all employees involved in training programs**
  - 3,600 programs totaling 100,457 training days and 174,000 hours of e-learning
- Diversity
  - ***Viva la Difference!***: New internal networks launched in the US and Europe



# FINANCIAL RESULTS

# CONSOLIDATED INCOME STATEMENT

<b>(EUR million)</b>	<b>H1 2014</b>	<b>H1 2013*</b>	<b>Var. '14 / '13</b>
Revenue	3,358	3,351	+0.2%
Operating margin	435	460	-5.4%
<b>as % of revenue</b>	<b>13.0%</b>	<b>13.7%</b>	
Amortization of intangibles arising on acquisitions	(24)	(23)	
Impairment	(24)	(1)	
Non current income (expense)	8	13	
<b>Operating income</b>	<b>395</b>	<b>449</b>	
Net financial costs	(19)	(5)	
Income taxes	(113)	(124)	
Associates	2	2	
Minority interests	(5)	(9)	
<b>Group net income</b>	<b>260</b>	<b>313</b>	<b>-16.9%</b>

\* For comparative purposes and in accordance with IFRS, 2013 figures have been restated to reflect the implementation of IFRIC 21



# OPERATING MARGIN

(EUR million)

H1 2014

H1 2013\*

Revenue

3,358

3,351

Personnel costs

(2,199)

(2,168)

Other operating expenses

(666)

(662)

Depreciation

(58)

(61)

**Operating margin**

**435**

**460**

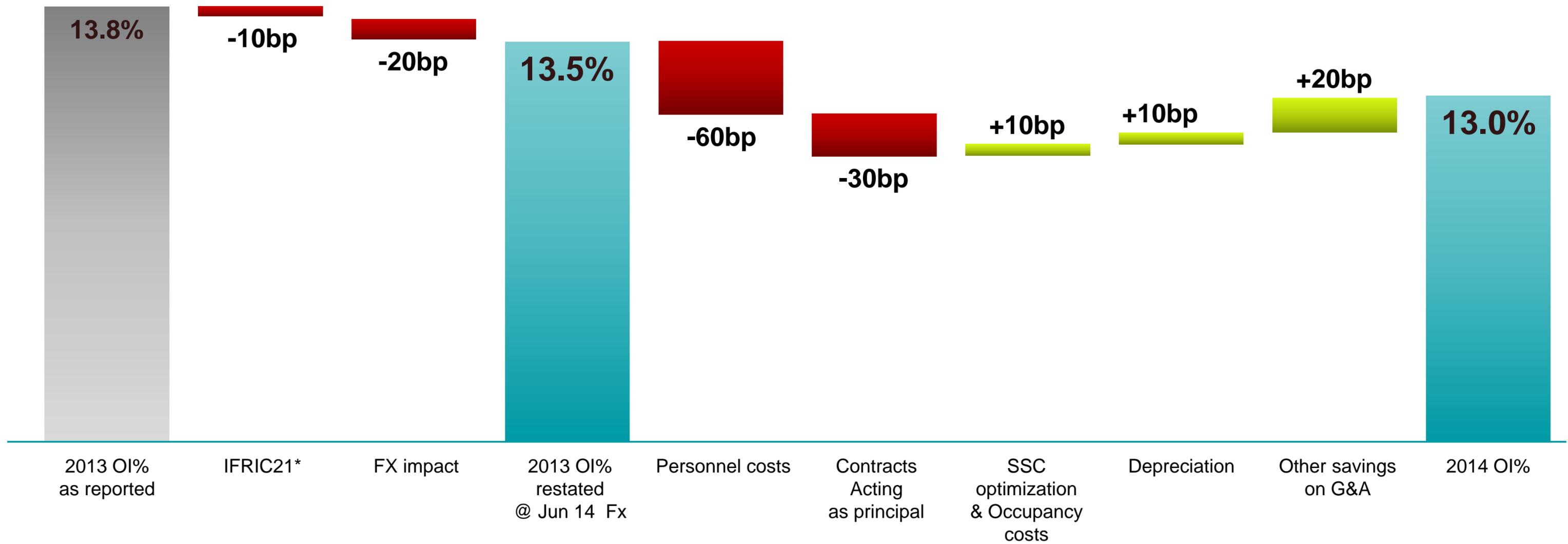
**13.0%**

**13.7%**

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# H1 2014: CHANGE IN OPERATING MARGIN RATE



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# NET FINANCIAL COSTS

(EUR million)	H1 2014	H1 2013	Var. '14 / '13
Eurobond 2015	(2)	(2)	-
Oceane 2018 <sup>(1)</sup>	-	(2)	2
Oranes	(1)	(1)	-
Interest on bank debt	(10)	(9)	(1)
<b>Financial charges on bonds and bank debt (a)</b>	<b>(13)</b>	<b>(14)</b>	<b>1</b>
<b>Interest income on cash and cash equivalents (b)</b>	<b>11</b>	<b>10</b>	<b>1</b>
<b>Total (a) + (b)</b>	<b>(2)</b>	<b>(4)</b>	<b>2</b>
Earn Out Revaluation	(2)	2	(4)
Foreign exchange gain/(loss)	(2)	9	(11)
Other financial expenses <sup>(2)</sup>	(13)	(12)	(1)
<b>Net financial costs</b>	<b>(19)</b>	<b>(5)</b>	<b>(14)</b>

(1) Oceane 2018: At the end of January 2014, 100% of the bonds have been either converted or reimbursed

(2) Includes: Interest on finance lease, Interest on discounted Earn Out Debt, provision on financial assets, dividends outside the Group and interest on long term provisions.



# EFFECTIVE TAX RATE

**H1 2014**

**H1 2013**

	(€M)	%	(€M)	%
Income taxes	<b>113</b>	<b>28.4%</b>	<b>124</b>	<b>28.8%</b>



# EARNINGS PER SHARE



\* After elimination of impairment charge, amortization on intangibles arising on acquisition, main capital gains (losses) and earn-out revaluation

For comparative purposes and in accordance with IFRS, 2013 figures have been restated to reflect the implementation of IFRIC 21



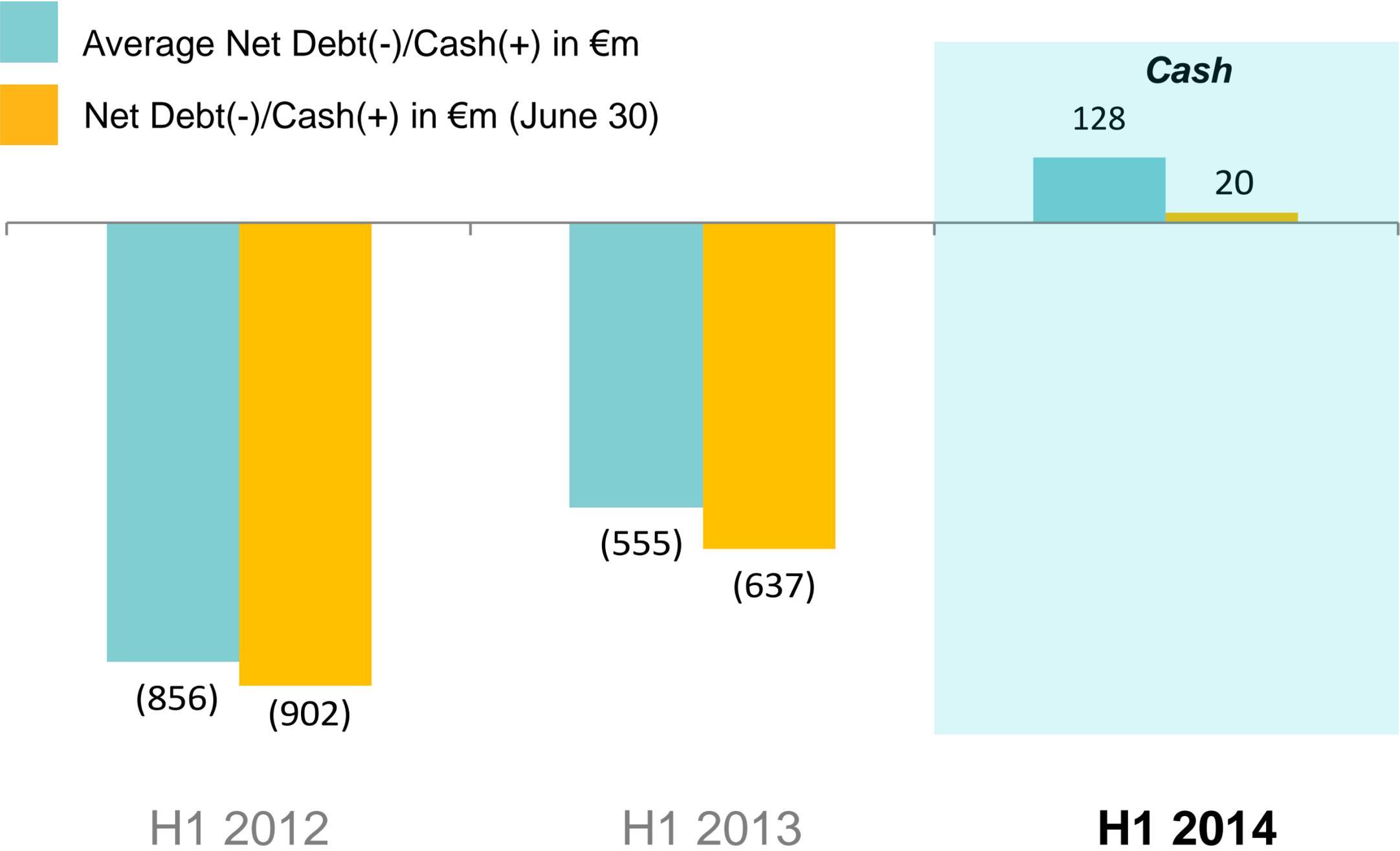
# BALANCE SHEET

<b>(EUR million)</b>	<b>June 30, 2014</b>	<b>June 30, 2013</b>	<b>Dec. 31, 2013</b>
Goodwill and intangibles	7,228	7,053	7,062
Other fixed assets	647	703	662
Current and deferred tax	(121)	(32)	(132)
Working capital	(2,034)	(1,939)	(2,545)
<b>TOTAL</b>	<b>5,720</b>	<b>5,785</b>	<b>5,047</b>
Group equity	5,181	4,552	5,095
Minority interests	39	48	38
<b>Equity</b>	<b>5,220</b>	<b>4,600</b>	<b>5,133</b>
Provisions for risk & charges	520	548	507
Net (cash) debt	(20)	637	(593)
<b>TOTAL</b>	<b>5,720</b>	<b>5,785</b>	<b>5,047</b>
<b>Net Debt/Equity Ratio</b>	<b>cash positive</b>	<b>0.14</b>	<b>cash positive</b>

*For comparative purposes and in accordance with IFRS, 2013 figures have been restated to reflect the implementation of IFRIC 21*



# NET DEBT





# FREE CASH FLOW

(EUR million)	H1 2014	H1 2013
EBITDA <sup>(1)</sup>	493	521
Interest paid	(16)	4
Tax paid	(165)	(159)
Other items	19	29
<b>Cash flows from operations before change in WCR</b>	<b>331</b>	<b>395</b>
Investments (Capex), net of proceeds <sup>(2)</sup>	(37)	(51)
<b>Free Cash Flow before change in WCR</b>	<b>294</b>	<b>344</b>

(1) EBITDA: operating margin before depreciation and amortization

(2) Acquisition of tangible and intangible fixed assets net, excluding the purchase of investments and other financial assets, net

For comparative purposes and in accordance with IFRS, 2013 figures have been restated to reflect the implementation of IFRIC 21



# USE OF CASH

(EUR million)	H1 2014	H1 2013
Free Cash Flow before change in WCR	294	344
Change in WCR	(779)	(511)
Acquisitions (net of disposals)	(61)	(363)
Earn-out	(42)	(78)
Buy-out	(4)	(58)
Dividends paid	(8)	(14)
Share buy-back	-	(182)
Sales of Treasury shares due to exercise of stock options	20	13
Exercise of warrants	19	-
Non-cash impact on Net Debt	(12)	(6)
<b>Variation of Net Debt</b>	<b>(573)</b>	<b>(855)</b>

*For comparative purposes and in accordance with IFRS, 2013 figures have been restated to reflect the implementation of IFRIC 21*



# FINANCIAL RATIOS

	Past 12 months ending June 30, 2014	Past 12 months ending June 30, 2013	Optimum Ratio
Average Net Debt / EBITDA <sup>(1)</sup>	<b>0.12</b>	<b>0.38</b>	< 1.5
Net Debt / Shareholders' Equity	<b>Cash positive</b>	<b>0.14</b>	< 0.50
Interest Cover (EBITDA <sup>(1)</sup> / Cost of Net Financial Debt)	<b>48</b>	<b>43</b>	> 7

*(1) EBITDA: Earnings (operating margin) before depreciation and amortization*

*For comparative purposes and in accordance with IFRS, 2013 figures have been restated to reflect the implementation of IFRIC 21*



# LIQUIDITY

(EUR million)	Total	Drawn	Available
<b>Committed Facilities</b>			
364-day revolving credit facilities	205	-	205
5-year revolving credit facility*	505	-	505
5-year syndicated facility (Club Deal) - maturing July 2016**	1,200	-	1,200
<b>Total Committed Facilities</b>	<b>1,910</b>	<b>-</b>	<b>1,910</b>
Cash and Marketable Securities	836	-	836
<b>Total liquidity</b>	<b>2,746</b>	<b>-</b>	<b>2,746</b>
Group other uncommitted facilities	227	8	219

\* 400m€ maturing 2018, 50m€ maturing 2019, 55m€ maturing 2017

\*\* Maturing 2016



# OUTLOOK



# 2014 OUTLOOK

## REVENUES

- **Challenges:**
  - Persistent weakness in India
  - Slow recovery in China
  - Uncertainties in Russia and Brazil
  - Europe still in recovery mode
- **Opportunities:**
  - Strong Growth in Digital
  - Strong recovery in Healthcare
  - Very good growth in Media Agencies
  - Postponed campaigns to materialize

## SUSTAINED GROWTH



# 2014 OUTLOOK

## MARGIN

- Forex impact (-20Bp in H1)
- Contracts acting as principal (-30Bp in H1)
- Challenges:
  - Clients' fees pressure
  - Talent scarcity
- Opportunities:
  - Scale effect in Digital
  - Strong costs management

## STRONG MARGIN



# OBJECTIVES FOR 2018 PRESENTED IN APRIL 2013

## REVENUE

Publicis Groupe, weight by activity	2012	2013	H1 2014	2018
Digital	33%	38.4%	40.6%	50%
Fast-growing countries	25%	24.4%	22.9%	35%
Overlap	3%	4.1%	4.7%	10%
<b>TOTAL</b>	<b>55%</b>	<b>58.7%</b>	<b>58.8%</b>	<b>75%</b>

**OPERATING MARGIN: +200 to +400bps**



# 2018 PLAN ACCELERATION

## BOTTOM UP PROCESS

- Each entity asked to submit its own plan
  - Digital Transformation
  - Higher Growth
  - Enhanced Margin
- First indications very positive
  - Confident to submit a strong plan in September
  - Enhanced growth, margin and shareholders compensation



**PRESENTATION: 1<sup>ST</sup> HALF OF OCTOBER 2014**



Q&A



## APPENDIX

# Q2 2014 - REVENUE BY GEOGRAPHY



(EUR million)	Q2 2014	Q2 2013	Q2 Var. vs 2013	Q2 2014 Organic Growth
Europe*	531	528	+0.6%	-2.4%
North America	842	854	-1.4%	+1.3%
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RoW	166	173	-4.0%	+6.1%
<b>Total</b>	<b>1,761</b>	<b>1,788</b>	<b>-1.5%</b>	<b>+0.5%</b>

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# H1 2014 - REVENUE BY GEOGRAPHY

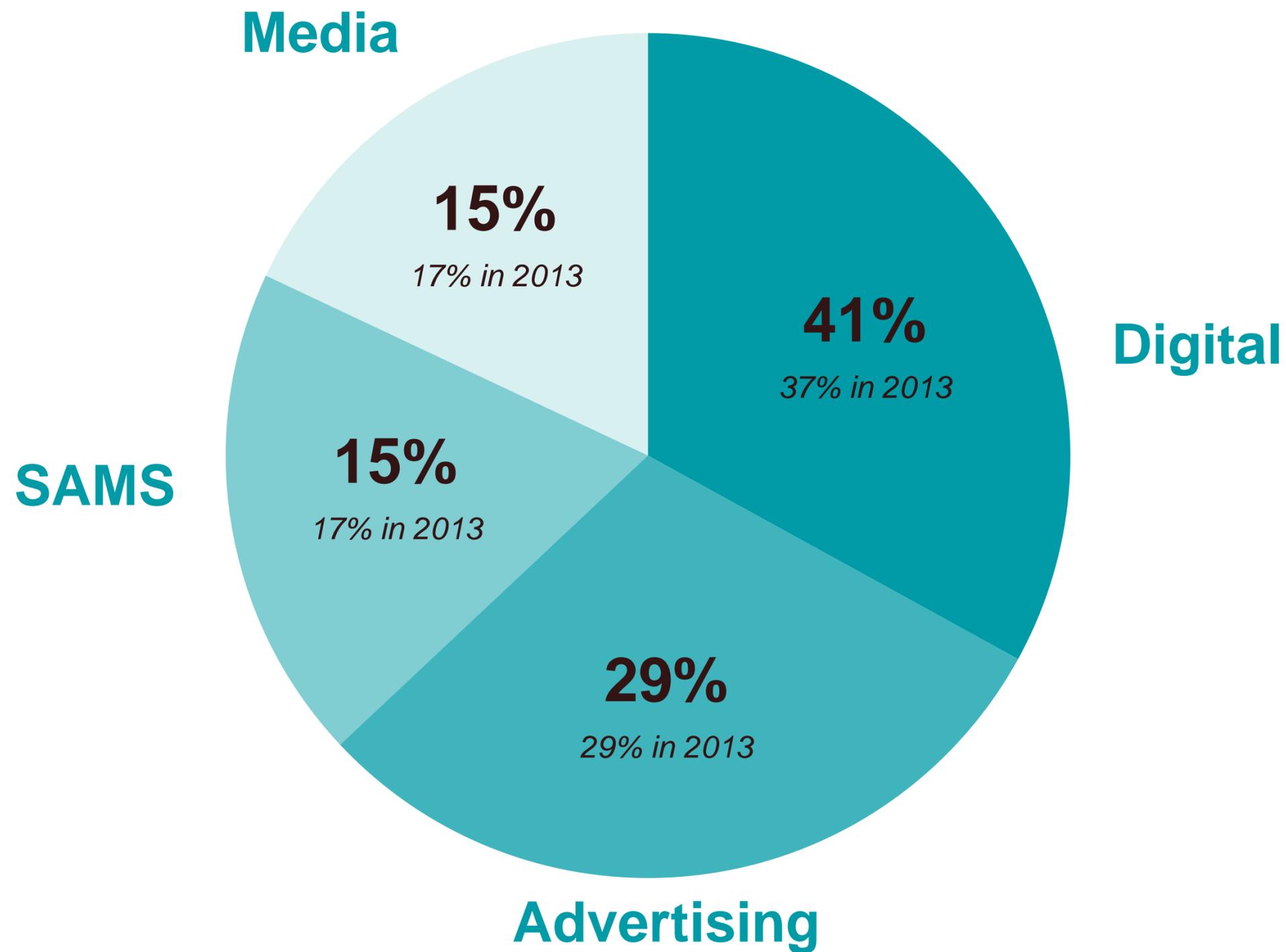
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Europe*	1,005	970	+3.6%	-0.3%
North America	1,637	1,630	+0.4%	+2.8%
BRIC + MISSAT**	412	434	-5.1%	+0.4%
RoW	304	317	-4.1%	+5.6%
<b>Total</b>	<b>3,358</b>	<b>3,351</b>	<b>+0.2%</b>	<b>+1.8%</b>

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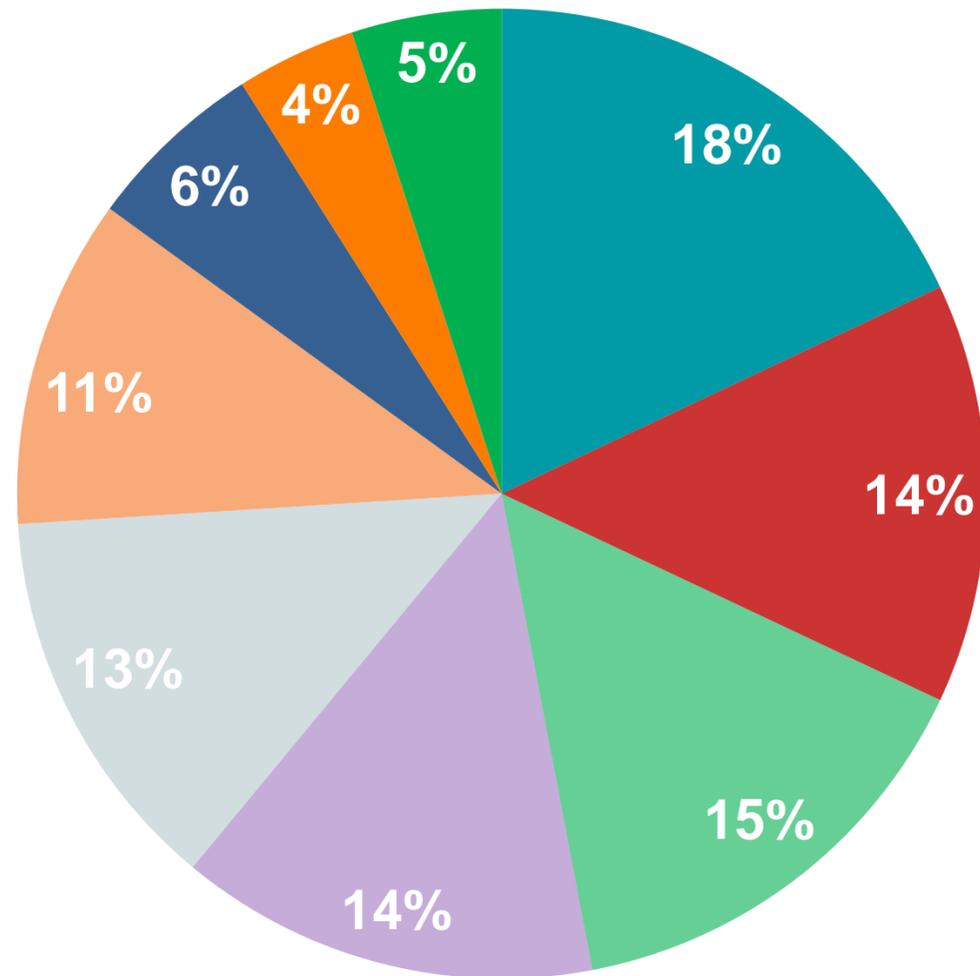
# H1 2014 - REVENUE BY ACTIVITY



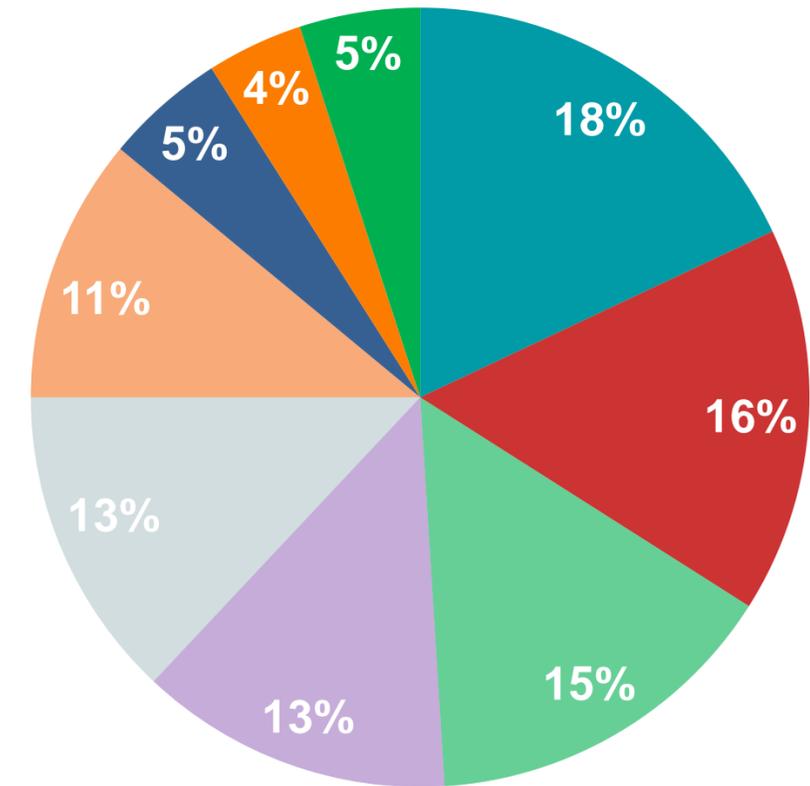


# H1 2014 - REVENUE BY SECTOR

## H1 2014



## H1 2013

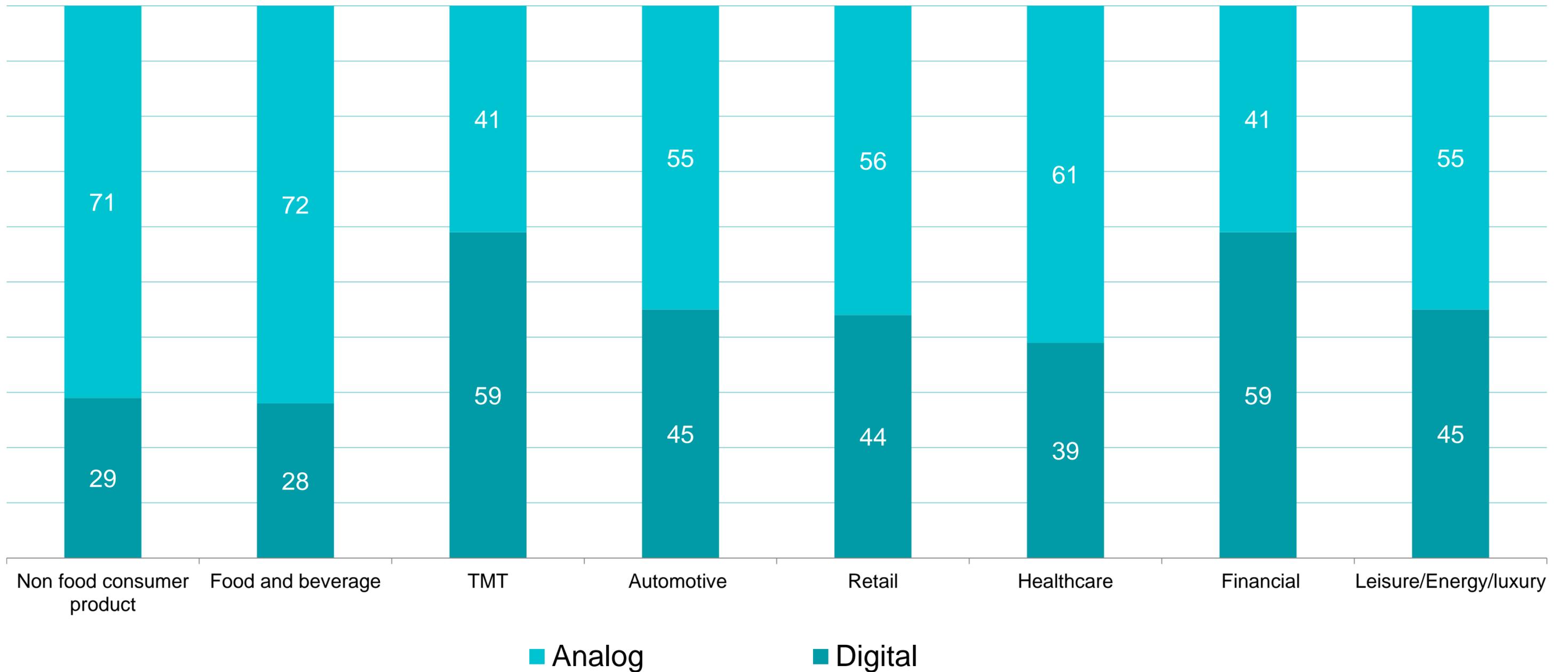


- Non food consumer product
- TMT
- Food and beverage
- Healthcare
- Automotive
- Financial
- Leisure/Energy/luxury
- Retail
- Others

Based on 2.085 clients representing 83% of Group revenue



# SPLIT OF REVENUE BY SECTOR



Based on 2.085 clients representing 83% of Group revenue

# REVENUE & ORGANIC GROWTH

## Calculation

(EUR million)	H1	Q2	Q1
2013 Revenue	3,351	1,788	1,563
Currency impact	(148)	(81)	(67)
2013 Revenue at 2014 exchange rate <sup>(a)</sup>	3,203	1,707	1,496
2014 Revenue before impact of acquisitions <sup>(1) (b)</sup>	3,260	1,715	1,545
Revenue from acquisitions <sup>(1)</sup>	98	46	52
2014 Revenue	3,358	1,761	1,597
<b>Organic growth (b/a)</b>	<b>+1.8%</b>	<b>+0.5%</b>	<b>+3.3%</b>

Currency impact (EUR million)			
(EUR million)	H1	Q2	Q1
GBP	10	6	4
USD	(66)	(39)	(27)
Other	(92)	(48)	(44)
<b>Total</b>	<b>(148)</b>	<b>(81)</b>	<b>(67)</b>

(1) Acquisitions (Lbi, Convonix, Netalk, Neev, BosZ, Espalhe, Engauge, Poke, TPM, ZO Romania, Interactive Solutions, ETO, Heartbeat, Verilogue, Synergize, Walker Media, Beehive, Prima, ZO South Africa, Lighthouse, Polarix, Owen Kessel, Qorvis, L&K India, Hawkeye) nettes de cessions  
 2014: 1 EUR = 1.370 USD    2013: 1 EUR = 1.314 USD  
 1 EUR = 0.821 GBP        1 EUR = 0.851 GBP

# H1 2014 - REVENUE BY GEOGRAPHY - OTHER SPLIT



(EUR million)	H1 2014	H1 2013	Organic Growth 2014	Var. 2014 vs 2013
Europe	1,046	1,015	-0.1%	+3.1%
North America	1,637	1,630	+2.8%	+0.4%
Asia Pacific	384	397	+0.9%	-3.3%
Latin America	195	216	+4.6%	-9.7%
Middle-East/Africa	96	93	+4.5%	+3.2%
<b>Total</b>	<b>3,358</b>	<b>3,351</b>	<b>+1.8%</b>	<b>+0.2%</b>



# GROSS DEBT

## Split by MATURITY

(EUR million)	Total	July 2014 - June 2015	July 2015 – June 2016	July 2016 - June 2017	July 2017 - June 2018	July 2018 onwards
Eurobond 2015	258	258				
Oranes	42	42				
Earn out / Buy out	383	210	103	44	24	2
Other debt*	133	47	7			79
<b>Total gross debt</b>	<b>816</b>	<b>557</b>	<b>110</b>	<b>44</b>	<b>24</b>	<b>81</b>



**No covenants**

\* Including fair value of associated derivatives

# GROSS DEBT

## Split by CURRENCY

(EUR million)	Total	EURO	USD	GBP	Others
Eurobond 2015	258	258			
Oranes	42	42			
Earn out / Buy out	383	32	91	42	218
Other debt*	133	12	86	-	35
<b>Total gross debt</b>	<b>816</b>	<b>344</b>	<b>177</b>	<b>42</b>	<b>253</b>
Cash & marketable securities**	(836)	(715)	368	(15)	(474)
<b>Net debt (cash)</b>	<b>(20)</b>	<b>(371)</b>	<b>545</b>	<b>27</b>	<b>(221)</b>

\* Including fair values of associated derivatives

\*\* After effect of currency swaps

# NET DEBT

## Split by RATE

(EUR million)	Total	Earn-out / Buy-out	Fixed Rate	Variable Rate
Eurobond 2015	258		258	
Oranes	42		42	
Other debt*	133		79	54
<b>Total gross debt excluding earn out/buy out</b>	<b>433</b>		<b>379</b>	<b>54</b>
Earn out / Buy out	383	383		
Cash & marketable securities	(836)			(836)
<b>Net debt (cash)</b>	<b>(20)</b>	<b>383</b>	<b>379</b>	<b>(782)</b>

\* Including fair values of associated derivatives



# ZENITHOPTIMEDIA AD SPEND FORECAST

## 2014 Forecast\*

<b>Worldwide (Media)</b>	<b>5.4%</b>
United States	4.8%
Japan	1.9%
<b>Eurozone including</b>	<b>0.8%</b>
Germany	1.7%
France	-0.4%
Italy	-2.1%
Spain	2.0%
United Kingdom	7.4%
China	11.1%
Brazil	11.7%
<b>Ad Agencies Revenue Growth Estimate</b>	<b>≈ 3.5%</b>

\* ZenithOptimedia Ad Forecasts for 2014 - Current prices (%) – As of June 2014



# HALF-YEAR RESULTS 2014