Publicis Groupe S.A.

First half year financial report

For the 6 months ended June 30, 2007

Maurice Lévy, Chairman and CEO, presented the first half 2007 financial statements and management report to the Supervisory Board, chaired by Mrs Elisabeth Badinter, at its meeting on Tuesday, July 24, 2007.

"Organic growth in the second quarter, and for the first half as a whole, does not reflect what Publicis Groupe has regularly achieved nor its potential.

In contrast to this modest organic growth, however, all other indicators again showed improvement: new business, margin, free cash flow and level of debt. This clearly illustrates the capabilities and the potential of Publicis Groupe.

Organic growth is the most frequently watched indicator, although it sometimes tends to mask the weaknesses or strengths of a company. A combination of factors interfered with our organic growth during the first half:

- a particularly high and unfavorable base of comparison due to clients lost at the end of 2005 and in 2006, resulting in a high billing level during the first half-year of 2006 – in particular with Publicis Worldwide (HPPC, Sprint) and Leo Burnett (US Army, Cadillac).

- problems specific to the pharmaceutical sector led to the cancellation of substantial campaigns, in particular with Publicis Healthcare and Publicis Events.

- an excellent level of new business, which nevertheless has not yet been translated in revenues. Publicis Groupe ranks first in Lehman's score-card for the month of June and for the entire first half-year.

None of these problems encountered during the first half-year are of a structural nature. They were the result of issues that for the most part have already been resolved.

Leo Burnett, which experienced difficulties long before its acquisition by our Groupe, has recovered its dynamism by significantly modifying its structure: the integration of Arc provides an innovative response to advertisers' needs. Buick, GMC and Comcast wins are examples of this initial success.

I am very confident in the success of this offer that we are currently expanding.

The Publicis Worldwide network has also undergone significant changes that are now starting to pay off. After a few difficult years, Publicis Conseil (France) is showing improvement with some real achievements under its belt: significant expansion of collaboration with long-standing clients, new business wins from BNP Paribas (retail banking) and the global account of Cap Gemini. The impressive success of our American teams should also be noted, with remarkable global account wins of Citi and Oral B.

I would like to highlight our profit margin for the first half of 2007. On a comparable basis, that is to say excluding the effects of Digitas, our profit margin equalled 15.3% compared with 15.2% previously – and this despite a modest level of organic growth. This should allow us to easily achieve our objective of 16.7% for 2008, meaning that we are raising our target in light of the dilutive effect of Digitas' relatively smaller margin, as well as acquisitions in the digital sector.

Allow me to explain the reasons for my confidence in our future success. Despite first half growth was not as high as normal, however our full-year growth, as things stand now, will likely be between 4% and 5%.

Many factors are extremely positive:

- *Our new business is very healthy, with more than USD 3.5 billion in the first half. Publicis Groupe is ranked First in the Lehman Brothers score-card for the month of June and over the entire first half. Our teams are fully committed to creating profitable growth.*
- *Above all, we were the first to recognize the major changes within the digital/interactive/mobile sector and were also the first to take strategic steps with the acquisition of Digitas. This trend was then followed by Google, Microsoft and others…*

Our efforts in the digital sector are impressive: from numerous investments to changes in our approach with advertisers, to innovations focused on creative work and consumers (Blogband, Honeyshed…).

With a new and strong increase in our cash position and a solid balance sheet, we are in a leading position to respond to the ongoing transformation of communications and marketing. This is because we are well ahead of the pack in building a comprehensive offering of unparalleled world-class services.

Along with the exceptional performances of our creative teams acclaimed by juries all over the world, these are the reasons for my optimism."

Maurice Lévy
Chairman and CEO of Publicis Groupe

I. Certificate of person responsible for the first half year financial report

As Chairman of the Management Board of Publicis Group, I hereby certify that, to the best of my knowledge, the accounts were prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer and the undertakings in the consolidation taken as a whole; and that the interim management report provides a fair understanding of the information referred to in article 222-6.

Maurice Lévy
Chairman and CEO of Publicis Groupe

II. Interim management report

Key Figures :

in millions of euros, except percentages and per share data	June 30, 2007	June 30, 2006[3]	June 30, 2005
IFRS Income statement data :			
Revenue	2,248	2,122	1,932
Operating margin before amortization	392	376	342
as % of revenue	*17.4%*	*17.7%*	*17.7%*
Operating margin	337	323	288
as % of revenue	*15.0%*	*15.2%*	*14.9%*
Operating income	331	312	251
Net earnings attributable to Publicis Groupe	198	197	130
Earnings per share : basic[1]	0.95	0.94	0.62
Earnings per share : diluted[2]	0.89	0.88	0.61
IFRS Balance sheet data :	**June 30, 2007**	**June 30, 2006 [3]**	**June 30, 2005 [4]**
Total assets	12,115	11,438	10,741
Shareholders' equity	2,213	1,910	1,786

(1) The average number of shares outstanding in each period used to compute basic earnings per share was equal to 210, 541,236 shares in the first half-year of 2005, 210,447,414 shares in the first half-year of 2006 and 208,854,265 shares in the first half-year of 2007.
(2) The average number of shares outstanding in each period used to compute diluted earnings per share was equal to 233,978,190 shares in the first half-year of 2005, 241,491,601 shares in the first half-year of 2006 and 241,572,582 million shares in the first half-year of 2007.
(3) The figures as of June 30, 2006 were restated to take into account new accounting methods relating to commitments which are described in note 1.2 of the consolidated financial statements at June 30, 2007.
(4) The figures as of June 30, 2005 were restated in connection with the implementation of IFRS standards which are described in note 1.a of the notes to consolidated financial statements at June 30, 2006.

The figures for the first half of 2007 are a study in contrasts: growth that hardly corresponds to Publicis Groupe's potential alongside excellent performance with respect to margins and cash-flow. As anticipated by the Groupe, performance in the second quarter was hindered by slower economic growth in the United States and the fear of a significant depreciation of the dollar. The result was modest growth that does not reflect the Groupe's capabilities.

The operating margin rate was 15%, compared to 15.2% during the first half 2006. Groupe share of net income was EUR 198 million, slightly higher than net income for the first half 2006. Excluding Digitas, and despite very modest growth, the margin increased to 15.3% compared to 15.2% last year.

Net debt was EUR 965 million at June 30, 2007, compared to EUR 532 million at June 30, 2006. During the first six months of the year the debt rose by EUR 744 million. The acquisition of Digitas increased the Groupe's debt by EUR 779 million. Excluding Digitas, net debt at the end of June was, for the first time, lower than it was in December. Free Cash Flow, excluding variations in working capital was EUR 295 millions, representing an impressive 36% increase over the same period in 2006.

In terms of its creative work, Publicis Groupe achieved remarkable results during the 54th Cannes International Advertising Festival by winning 93 Lions and placing second after Omnicom. Publicis Groupe obtained nearly one quarter of all prizes at Cannes. Relative to the Groupe's size, this classification clearly places Publicis Groupe in the lead.

In addition to seven Cannes Young Creatives prizes, the networks and agencies of Publicis Groupe were nominated in all categories. The Groupe's agencies won one Grand Prix, 17 Gold Lions, 31 Silver Lions and 37 Bronze. Saatchi & Saatchi topped the list with 33 awards and Saatchi & Saatchi New York was named "Agency of the Year". Leo Burnett was awarded 26 Lions and Publicis, 17. It should be noted that the agencies' performances were particularly evident in outdoor, radio, press and titanium and integrated mediums: Publicis Groupe was awarded the Festival's highest score in these categories. The efforts over the past several years to make Publicis the best holistic communication group paid off.

The Groupe was also very successful at the Clio Awards 2007, one of the most prestigious international advertising competitions. In total, 418 prizes were awarded in 27 countries, of which 112 were awarded to Omnicom, 97 to Publicis Groupe, 43 to WPP, and 16 to Interpublic, a remarkable performance, considering that Publicis Groupe is half the size of WPP or Omnicom.

Saatchi & Saatchi was awarded an impressive 52 prizes, notably "Agency Network of the Year". Two "Grand Prix" in Television and Outdoor for Leo Burnett exemplifies the network's dynamism (29 prizes). But Publicis, Fallon and BBH also contributed to make Publicis Groupe the second highest prizewinner.

Finally, Publicis Groupe performed well at the 2007 Effie Awards for most creative and effective agencies, ranking second in the general classification behind WPP out of 42 nominated agencies. The Groupe's agencies were awarded a total of 24 prizes, 5 of which were gold, 16 silver and 3 bronze.

Organic growth for the first six months was 1.6%, reflecting the unfavorable impact on revenue linked to certain account losses and budget reductions in 2006 – a situation which should be resolved in the third quarter. This essentially concerns Leo Burnett and Publicis Worldwide. Saatchi & Saatchi and Publicis Groupe Media showed significant growth. The difficulties of certain pharmaceutical had an important impact on Publicis Healthcare Communication Group and Publicis Events. By region, strong growth is evident in most of the emerging markets, with particularly good results in China. Results in Europe, like North America, are practically unchanged.

The second half is already looking strong, with USD 3.5 billion in new accounts awarded since the beginning of the year, which should bear fruit in the second half.

This first part of the year also showed important external growth.

On January 29, 2007, Publicis Groupe announced the success of its takeover bid for Digitas Inc. It is important to note the remarkable integration of Digitas within Publicis Groupe only six months after the conclusion of this friendly takeover.

On April 2, 2007, Publicis Groupe announced the acquisition of a majority stake in Chengdu-based Yong Yang, a leader in field force logistics and retail and promotional marketing in China. The transaction illustrates Publicis Groupe's strategic commitment to expand and deepen its marketing services operations in the fast-growing Chinese market and across Asia. In 2006, the Groupe had announced the acquisition of control of Shanghai-based Betterway Marketing Solutions, one of China's largest and most innovative full-range marketing services and digital agencies. The acquisition of 51% of Betterway's share capital was finally concluded on July 11th, 2007.

Yong Yang, an independent agency founded in 1995, has in-depth knowledge of China's regional urban markets and understands the different consumer profiles. With 29 offices across China, and notably in the heartland of the country, Yong Yang is the only marketing services company with a substantial presence in Chengdu, the rapidly growing capital of the Sichuan province. The agency's key clients include Budweiser, Wilansheng Liquor, Marlboro and Sony Ericsson. Upon completion of the transaction, Yong Yang will retain its name.

On April 11, 2007, Publicis Groupe announced the acquisition of "The McGinn Group", a corporate communications firm based in Arlington (Virginia), specializing in risk and innovation, corporate affairs, litigation communication, advocacy issues and crisis management. This acquisition significantly adds to the position of MS&L within the corporate communication sector.

The McGinn Group has been re-named McGinn MS&L, and will continue to provide strategic advice to Fortune 500 companies, universities, American government agencies and law firms and to provide solutions for its clients concerning complex employment, litigation, environment or intellectual property issues. The vast knowledge of the firm is based notably on its research, allowing it to develop specialized communications programs for companies including General Motors, First Data, Symantec, Pacific Gas & Electric and Choicepoint.

On June 14, 2007, Publicis Groupe announced its intention to acquire Business Interactif, a French company listed on the Eurolist of Euronext Paris. An agreement was reached with the senior managers, who hold 49.32% of the group's share capital. In early July, the transfer of the senior managers' shares was agreed for the price of EUR 10.10 per share, with payment consisting of 50% in cash and 50% in new Publicis Groupe shares. A proposal for a mixed public offer aimed at acquiring the remaining Business Interactif shares not yet held by Publicis was filed on July 10, 2007 under the same conditions as those of the share transfer contract with the founding senior managers. This transaction represents a total investment of EUR 137 million, split between a EUR 68 million cash component and 2 million newly-issued Publicis Groupe shares. The project should be finalized during the third quarter of 2007 and will have no impact on the earnings per share of Publicis Groupe during 2007.

Founded in 1996, Business Interactif is the top independent French digital and interactive communications group, and is among the most successful companies in the industry. Business Interactif provides an extensive range of services including recruitment and loyalty programs, sponsored links, e-mail and marketing campaigns, search engine optimization, site design, implementation and maintenance. Clients include L'Oréal, Nestlé, EDF, Bouygues Telecom, PPR, Ventes Privées, Lancôme, Seb and the International Olympic Committee.

This acquisition fits into Publicis Groupe's strategy as it aims to increase its leadership in digital communications and develop its expertise within the industry. The acquisition of Business Interactif is the first step in a strategic plan that aims to provide advertisers with the benefits of Digitas' unique know-how through well-targeted international expansion, starting in France.

On June 26, "Blogbang" was launched which as of this date accounts for more than 20 million pages and views and nearly 1000 members.

On June 28 2007, Publicis Groupe and Dassault Systèmes announced the signing of an agreement relating to the launch of 3dswym, a global joint venture in the field of web-based 3D. The joint venture company, based in Paris, will offer a collaborative web-based platform allowing marketers of major brand names and consumers to jointly create and adapt new consumer goods and new retail environments using advanced Web and 3D tools. 3dswym was created by an unprecedented alliance between two global leaders in their respective sectors. It relies on Publicis Groupe's knowledge of consumers and the technological know-how of Dassault Systèmes in the areas of 3D technology and Product Lifecycle Management Solutions. 3dswym will benefit from the large client portfolios of the two groups, each of which include several of the most important global groups and most prestigious global brands in the areas of industrial products and consumer goods, and distribution networks.

These initiatives show the Groupe's mastery of transformations in technology and its ability to be present in all fields useful to its clients.

On June 29, 2007, Publicis Groupe launched, as announced on April 20, 2007, a joint venture in the global events field: PublicisLive. PublicisLive will focus exclusively on the most prestigious international conference and corporate events in the world, in particular in Switzerland and in the Middle East. It is designed to meet the increasingly strong demand on the part of governments, institutions and corporations for highly sophisticated and content-rich events. PublicisLive will be autonomous from the Publicis Events Worldwide network. The two entities are part of the Groupe's Specialized Agencies and Marketing Services (SAMS).

On July 3, 2007, Publicis Groupe announced an agreement to acquire Muraglia, Calzolari & Associati (M,C&A), the largest independent special media agency in Italy. Upon closing, M,C&A will be re-branded M,C&A MediaVest and will operate as a separate agency under Starcom MediaVest Group Italia. As a result, Starcom MediaVest Group Italia will become the fourth largest media agency, and Publicis Groupe will consolidate its position as the third media group in Italy.

On July 5, the acquisition of Pharmagistics (USA), announced on March 7, was completed.

These growth transactions and these different agreements are clearly consistent with the Groupe's strategy to favor a rapid development in the digital field, in SAMS, in the expansion of media buying activities and in development in high-growth economies.

Income statement

Simplified consolidated income statement

(EUR million)	1st half 2007	1st half 2006 (1)	Change 07/06
Revenue	**2,248**	**2,122**	**+ 6%**
Operating Margin	**337**	**323**	**+ 4%**
Amortization of intangibles arising on acquisition	(15)	(12)	
Non-current income (expense)	9	1	
Operating Income	**331**	**312**	
Net interest charge	(38)	(29)	
Income tax	(88)	(88)	
Associates	6	17	
Minority Interests	(13)	(15)	
Net Income attributable to the Group	**198**	**197**	**+ 1%**

(1) *After recognition of actuarial gains and losses on pension obligations directly in equity*

Revenues

Consolidated revenues of Publicis for the year at June 30, 2007 were €2,248 million, an increase of 6% from €2,122 million for the year ended December 31, 2006. The principal reason for this increase was the outstanding performance of Saatchi & Saatchi, PGM, and the merger of Digitas and Modem Media at the end of January. The impact of converting revenues of companies outside the euro zone into euros was slightly negative during the first half-year of 2007 (negative impact of €83 million). The average dollar exchange rate against the euro decreased by 7.6%.

Organic growth over the first six months was 1.6%, after 3% growth in the first quarter. As indicated, this weak growth was due both to an unfavorable basis of comparison resulting from budget losses that occurred at the end of 2005 and in 2006, but which continued to contribute to revenues in the first quarter of 2006, and to the fact that the contracts concluded during these last months did not generate revenue in 2007. Most notable is the below average performance of both Leo Burnett and Publicis Worldwide. Saatchi&Saatchi and Publicis Groupe Media showed significant growth, while the difficulties of certain pharmaceutical clients provoked an important regression of Publicis Healthcare Communication Group and Publicis Events. By region, strong growth is evident in most of the emerging countries, with particularly good results in China. Results in Europe, like North America, were practically unchanged.

It should be noted that the revenue does not include the purchase and the sale of media space but only the commissions and the fees received by the Group from these transactions.

Operating Margin and Operating Income

Group operating margin before depreciation and amortization was €392 million, an increase of 4% from the €376 million realized in the first semester of 2006.
Personnel expenses, which increased by 8%, grew more rapidly than revenue, amounting to €1,402 million over the first six months of the year versus €1,304 million for the same period in 2006. This increase is mainly due to the recruitment of personnel to service new accounts and respond to growing activity in the digital sector. Other operating expenses increased by 3%, the relative weight of general and commercial expenses having considerably decreased (20.2% of revenues in 2007 compared to 20.8% for the same period in 2007).

Depreciation and amortization for the half was €55 million, compared to €53 million in 2006.

Operating margin increased by 4% to €337 million, compared to €323 million for the first six months of 2006.

The operating margin rate for the first half year was 15%, compared to 15.2% for the first half of 2006. This moderate decrease was due to the dilution resulting from the consolidation of Digitas. Excluding acquisitions, this rate was 15.3% compared to 15.2% for the first half-year of 2006.

After amortization of intangibles relating to increased acquisitions (€15 million in the first half of 2007, compared to €12 million in the previous year) as a result of the Digitas integration, and non-current income of €9 million (resulting from the sale of capital assets and investments), compared to €1 million in 2006, operating income amounted to €331 million in the first half of 2007, compared to €312 million in the previous year.

Other Income Statement Items

The Group’s net financial expense, consisting of the net cost of financial debt and other financial expenses, was €(38) million in the first half of 2007, compared to €(29) million in 2006. This increase is principally due to the financing costs for the Digitas acquisition ($1.3 billion, paid at the end of January 2007).

The income tax charge for the period is €88 million in 2007, taking into account a provisional effective tax rate of 30%, consistent with the Group's objectives for 2007. The income tax charge is at a level that is equivalent to that of the previous year, but for an effective tax rate of 31.1% in 2006. The Group is actively pursuing its plan to reorganize and optimize its tax position.

The Group’s share of income from companies accounted for by the equity method is €6 million, a decrease from the previous year (€17 million) but this figure includes the share in the income of iSe amounting to €13 million (against €1 million for the first half of 2007).

Minority interests totaled €13 million for the first half of 2007 (compared to €15 million in the previous year).

In total, net income attributable to the Publicis Groupe was €198 million, compared to €197 million for the first half of 2006.

Revenues by geographic region

Growth in Group revenue throughout the first half of 2007 (6%) reflects distinct geographic realities, and the organic growth of 1.6% over this period may be broken down as follows :

in millions of euros	**First half**		**1st half 2007 Growth**	
	2007	**2006**	**Global**	**Organic**
Europe	846	820	3.2%	0.2%
North America	1,008	922	9.3%	1.2%
Pacific Asia	235	224	4.9%	5.1%
Latin America	104	104	-	5.4%
Rest of the world	55	52	5.8%	10.4%
Total	**2,248**	**2,122**	**6%**	**1.6%**

Globally, increased spending on advertising in 2006 was particularly beneficial in Africa and the Middle East, Pacific Asia, North America and, to a lesser degree, Latin America, while Europe remained quite weak. Health-related activities showed strong growth in Pacific Asia, but remained weak in other regions. Media related activities also showed strong growth across all regions, with the exception of Africa and the Middle East.

- **Europe**

Overall organic growth in Europe was negligible, despite strongly contrasting results. Although Western Europe did not continue to grow over the first half in almost all areas of business except for media, Central and Eastern Europe's performance improved. Despite a slow first quarter, Southern Europe ended the half-year with positive growth.
France, the United Kingdom and the Netherlands finished the half-year with the same limited growth as in the first quarter. Switzerland continued to show notable progress.

- **North America**

North America's overall growth was weak, consistent with the first quarter. Underachievement in the special events industry and in selling solutions for health related activities overshadowed the outstanding performance of the networks in the first half, in particular Saatchi & Saatchi, specialized communications, and media over this period. Leo Burnett and Publicis Worldwide will benefit from increased spending in the second half.

- **Pacific Asia**

Following somewhat disappointing global growth in the first quarter, a majority of countries in the region, with the exception of Korea and Australia, achieved growth rates consistent with the accelerated development associated with emerging markets. Japan benefited from strong performance by agency networks, in particular by Saatchi & Saatchi, as well as from health-related activities. Strong growth was evident in China, as a result of the right strategic choices made in that country.

- **Rest of the World**

The first half ended with weak growth in Latin America, due in large part to a specific problem in Brazil and despite the excellent performance of Leo Burnett. Africa and the Middle East ended the half-year with strong growth.

For the second quarter alone, the revenue and growth rates are as follows :

in millions of euros	**Second quarter**		**2nd quarter 2007 Growth**	
	2007	**2006**	**Global**	**Organic**
Europe	457	446	2.5%	- 1.1%
North America	516	477	8.2%	- 0.6%
Pacific Asia	127	116	9.5%	8.9 %
Latin America	57	57	-	1.9%
Rest of the world	32	32	-	5.9%
Total	**1,189**	**1,128**	**5.4%**	**0.5%**

Balance Sheet and Cash

Simplified Balance Sheet

(EUR million)	**June 30, 2007**	**June 30, 2006** [(1)]	**December 31, 2006**
Other Goodwill and intangible	1,993	1,747	1,778
Bcom3Goodwill	1,711	1,817	1,755
Digitas Goodwill	691	-	-
Other fixed assets	690	706	673
Current and deferred taxes	(132)	(132)	(116)
Working capital	(1,180)	(1,027)	(1,137)
Total assets	**3,773**	**3,111**	**2,953**
Shareholders' equity	2,213	1,910	2,080
Minority interests	29	21	27
	2,242	1,931	**2,107**
Long term/short term provisions	566	648	625
Net debt	965	532	221
Total liabilities and shareholders' equity	**3,773**	**3,111**	**2,953**
Net debt to equity ratio	**0.43**	**0.28**	**0.10**

(1) After recognition of actuarial gains and losses on pension obligations directly in equity

Consolidated shareholder's equity rose from EUR 2,080 million on December 31, 2006 to EUR 2,213 million on June 30, 2007. The increase in shareholder equity is due to two main factors: (i) the net income for the period (EUR 198 million) and (ii) the recognition of the cost of the Digitas stock options for the period before the acquisition (EUR 64 million) in equity (against Goodwill). Minority interests were EUR 29 million, compared to EUR 27 million at December 31, 2006.

Net financial debt rose from EUR 221 million at December 31, 2006 to EUR 965 million at June 30, 2007: this increase in net debt is largely due to the use of available cash to finance the Digitas acquisition (USD1.3 billion) and, to a lesser degree, to the decrease in cash resources related to the working capital requirement, as is always the case in the first half-year. Nevertheless, the variation in working capital requirements during the first half of 2007 improved in relation to the comparable period of the previous year due in particular to the efforts of management to shorten collection delays.

Net financial debt at June 30, 2007 and December 31, 2006 is presented in the following table:

(EUR million)	**At June 30, 2007**	**At December 31, 2006**
Financial debt (long- and short-term)	2,107	2,114
Fair value of derivatives covering exposure on net investments [(1)]	24	25
Fair value of derivatives covering exposure on intragroup loans/ borrowings [(1)]	0	2
Cash and cash equivalents	(1,166)	(1,920)
Net financial indebtedness	**965**	**221**

(1) Reported in the balance sheet on the lines "Other receivables and current assets" and "Other debts and current assets".

The ratio of net debt to shareholders' equity rose from 0.10 at December 31, 2006 to 0.43 at June 30, 2007. Average net debt for the first half of 2007 rose to EUR 1,166 million from EUR 677 million for the first half of 2006. Had the effects of the Digitas acquisition been excluded, average net debt for the first semester of 2007 would have been EUR 453 million, which represents an improvement of EUR 224 million over last year.

Net cash flow from operating activities was EUR 132 million in the first half of 2007, compared to EUR 4 million in 2006. Working capital requirements were increased as is normal for this period by EUR 183 million, compared to an increase of EUR 252 million in 2006. Income taxes amounting to EUR 84 million were paid in the first half, compared to EUR 119 million for the previous year, principally as a result of the decrease in taxes paid and the favorable euro/dollar exchange rate. Interest paid amounted to EUR 39 millions in the first half 2007, slightly less than in 2006, and the same decrease occurred for interest received (EUR 28 million in 2007 compared to EUR 30 million 2006).

Net cash flow from investments includes purchases and sales of tangible and intangible assets, net acquisitions of financial assets and acquisitions and sales of subsidiaries. The net amount of cash used for investment activities was EUR 842 million in the first half of 2007, compared to EUR 71 million in 2006.

Net investments in tangible assets were only EUR 26 million, compared to EUR 35 million 2006. Acquisitions of subsidiaries, net of sales, represented an investment of EUR 822 million, the majority of which (EUR 779 million) corresponds to the net cash paid for the Digitas acquisition compared to EUR 32 millions in 2006. Several other acquisitions, as well as earn-out and buy-out payments, were also carried out for a total of EUR 63 million.

Net cash flow from financing activities includes dividends paid to minority shareholders of subsidiaries, changes in debt position, loan variations, share repurchase transactions and warrants issued by the company. Financing transactions required EUR 54 million in cash in the first half of 2007, compared to EUR 268 million for the same period in 2006. This is largely due to the repurchase of warrants for EUR 200 million, and by loan reimbursements (essentially OCEANE 2018 following a partial exercise of the put option by certain holders in January 2006) for EUR 50 million. In the first half of 2007, Publicis used EUR 60 million to buy treasury shares in the framework of its share buyback program (excluding the liquidity contract). Acquisitions, net of sales carried out following the exercise of the option including sales and purchases under the liquidity contract, were EUR 29 million for the first half of 2007. Company-held shares represented 7.44% of share capital at June 30, 2007 (14,805,674 shares).

In total, our cash position net of bank credits decreased by EUR 765 million, which corresponds approximately to the net amount paid out for the Digitas acquisition, compared with a decrease of EUR 368 million in the previous year.

Free cash flow

The Group's free cash flow (excluding changes in working capital requirement) increased by 36%, rising from EUR 217 million (in the first half of 2006) to EUR 295 million (in the first half of 2007). Free cash flow is an indicator used to measure our liquidity from operating activities after accounting for investments in fixed assets, but before acquisitions or sales of subsidiaries, and before financing activities (including financing the working capital requirement). The following table shows the Group's free cash flow (excluding changes in working capital requirement) for the first half-years of 2007 and 2006:

	At June 30	
(EUR million)	**2007**	**2006**[(1)]
Operating cash flow	132	4
Investments in fixed assets (net)	(20)	(39)
Free cash flow	**112**	**(35)**
Changes in working capital requirement	183	252
Free cash flow before changes in working capital requirement	**295**	**217**

(1) Free cash flow (excluding changes in working capital requirement) published for the first half of 2006 amounted to EUR 208 million. Due to the reclassification of the restructuring costs paid in the change in working capital requirement,

Principal related party transactions

The Company is not aware of any new contracts subject to article L. 225-86 of the Commercial Code that would have been concluded since the end of 2006.

The Company is not aware either of any new contracts with related parties concluded since the end of 2006, other than the one signed on June 28, 2007 with Deutsche Bank acting as intermediary for the share buyback program, pursuant to an authorization granted by the general shareholders' meeting held on June 4, 2007 in its tenth resolution, which is discussed in 21.1.3 of this document.

Outlook for 2007

The results of the first half of 2007 do not reflect either Publicis Groupe's potential or capabilities. New Business, an essential indicator of the vitality of any company, is very healthy, generating over USD 3.5 billion in the first six months of the year. Publicis Groupe is ranked first in the industry for the entire half-year.

Given current trends, growth for the second half-year should be much stronger than the first half, and growth for the entire year, as things stand now, is likely to be between 4% and 5%.
Several factors are encouraging:

- New Business, of course, but above all, the energy of our teams and the ability of Publicis Groupe to meet the needs of advertisers and to understand how consumer behaviour is evolving.
- The fact that well before our competitors, we identified the major acceleration and change in scale of the digital sector. This led us to acquire Digitas very early on.
- Publicis Groupe's constant innovation in the digital sector, which have been ongoing for years, allow us to master the use of technology, and to develop new, attractive and innovative offers, such as Blogbang and Honeyshed. At the same time, the convergence of analog and digital fields in all of our branches is underway.
- A strong balance sheet and increasing cash flow, both of which allow us to pursue new developments in our industry.

These are the reasons why Publicis Groupe is well-prepared to face the challenges of a market in full transformation – and to be the leader in it.

2007 will be marked by the pursuit of the "Horizon" cost-reduction program and, more significantly, by the integration of Digitas (the exceptional costs of which will be reported in the 2007 income statement in accordance with IFRS standards). The effect of the expected synergies from the Digitas integration (estimated at EUR 12 million) and the various acquisitions carried out over the period will be noticeable in 2008.

All of these factors, alongside a stable economic environment, allow the Groupe to confirm its target of a 16.7% rate of operating margin in 2008.

III. Consolidated interim financial statement

Consolidated income statement

Millions of euros	*Notes*	**June 30, 2007**	**June 30, 2006 [1]**	**2006**
Revenue		**2,248**	**2,122**	**4,386**
Personnel expenses	*3*	(1,402)	(1,304)	(2,630)
Other operating expenses		(454)	(442)	(936)
Operating margin before depreciation and amortization		**392**	**376**	**820**
Depreciation and amortization expense (excluding intangibles arising on acquisition)	*4*	(55)	(53)	(107)
Operating margin		**337**	**323**	**713**
Amortization of intangibles arising on acquisition	*4*	(15)	(12)	(22)
Impairment	*4*	-	-	(31)
Non-current income (expense)	*5*	9	1	29
Operating income		**331**	**312**	**689**
Cost of net financial debt	*6*	(35)	(23)	(36)
Other financial income (expense)	*6*	(3)	(6)	(14)
Income of consolidated companies before taxes		**293**	**283**	**639**
Income taxes	*7*	(88)	(88)	(192)
Net income of consolidated companies		**205**	**195**	**447**
Equity in net income of non-consolidated companies	*10*	6	17	22
Net income		**211**	**212**	**469**
Net income attributable to minority interests		13	15	26
Net income attributable to equity holders of the parent		198	197	443

Per share data [1] *(in euros)*	*8*			
Number of shares		*208,854,265*	*210,447,414*	*209,611,690*
Net earnings per share		0.95	0.94	2.11
Number of shares – diluted		*241,572,582*	*241,491,601*	*240,064,428*
Net earnings per share - diluted		0.89	0.88	1.97

[1] After impact of the adjustments set out in Note 1.2.

Consolidated balance sheet

Millions of euros	*Notes*	**June 30, 2007**	**December 31, 2006** [(1)]
Assets			
Goodwill, net,	*9*	3,515	2,840
Intangible assets, net		879	693
Property and equipment, net		522	511
Deferred tax assets		263	186
Investments accounted for by the equity method	*10*	51	44
Other financial assets	*11*	117	118
Non-current assets		**5,347**	**4,392**
Inventory and costs billable to clients		548	430
Accounts receivable		4,579	4,550
Other receivables and other current assets		475	413
Cash and cash equivalents		1,166	1,920
Current assets		**6,768**	**7,313**
Total assets		**12,115**	**11,705**

Liabilities and shareholders' equity			
Capital stock		80	79
Additional paid-in capital and retained earnings		2,133	2,001
Shareholders' equity	*12*	**2,213**	**2,080**
Minority interests		29	27
Total equity		**2,242**	**2,107**
Long-term financial debt (more than 1 year)	*14*	1,914	1,911
Deferred tax liabilities		283	216
Long-term provisions	*13*	446	509
Non-current liabilities		**2,643**	**2,636**
Accounts payable		5,285	5,270
Short-term financial debt (less than 1 year)	*14*	193	203
Income taxes payable		193	149
Short-term provisions	*13*	120	116
Other creditors and other current liabilities		1,439	1,224
Current liabilities		**7,230**	**6,962**
Total liabilities and shareholders' equity		**12,115**	**11,705**

[(1)] *After impact of the adjustments set out in Note 1.2.*

Consolidated cash flow statement

Millions of euros	June 30, 2007	June 30, 2006 [(1)]	2006 [(1)]
I- Cash flows from operating activities			
Net income	211	212	469
Income taxes	88	88	192
Cost of net financial debt	35	23	36
Capital (gains) losses on disposal (before tax)	(9)	(1)	(27)
Depreciation, amortization and impairment on property and equipment and intangible assets	70	65	160
Non-cash expenses on stock-options and similar items	14	7	16
Other non-cash income and expenses	4	5	11
Equity in net income of unconsolidated companies	(6)	(17)	(22)
Dividends received from equity accounted investments	3	4	19
Taxes paid	(84)	(119)	(229)
Interest paid	(39)	(41)	(85)
Interest received	28	30	74
Change in working capital requirements [(2)]	(183)	(252)	(21)
Net cash provided by operating activities	**132**	**4**	**593**
II- Cash flows from investing activities			
Purchases of property and equipment and intangible assets	(35)	(36)	(81)
Proceeds from sale of property and equipment and intangible assets	9	1	32
Proceeds from sale of investments and other financial assets, net	6	(4)	(3)
Acquisitions of subsidiaries	(842)	(39)	(58)
Disposals of subsidiaries	20	7	11
Net cash flows provided by (used in) investing activities	**(842)**	**(71)**	**(99)**
III- Cash flows from financing activities			
Increase in capital stock of Publicis Groupe SA	2	-	-
Dividends paid to parent company shareholders	-	-	(66)
Dividends paid to minority shareholders of subsidiaries	(12)	(12)	(23)
Cash received on new borrowings	-	5	19
Reimbursement of borrowings	(15)	(50)	(52)
Net (purchases)/sales of treasury stock and equity warrants	(29)	(211)	(264)
Cash received on hedging transactions	-	-	36
Net cash flows provided by (used in) financing activities	**(54)**	**(268)**	**(350)**
IV- Impact of exchange rate fluctuations	**(1)**	**(33)**	**(139)**
Net change in consolidated cash flows (I + II + III + IV)	**(765)**	**(368)**	**5**
Cash and cash equivalents at January 1	1,920	1,980	1,980
Bank overdrafts at January 1	(30)	(95)	(95)
Net cash and cash equivalents at beginning of period	1,890	1,885	1,885
Cash and cash equivalents at end of period	1,166	1,612	1,920
Bank overdrafts at end of period	(41)	(95)	(30)
Net cash and cash equivalents at end of period	1,125	1,517	1,890
Net change in cash and cash equivalents	**(765)**	**(368)**	**5**

[(2)] ***Breakdown of change in working capital requirements***

Change in inventory and costs billable to clients	(96)	(24)	(46)
Change in accounts receivable and other receivables	(60)	(387)	(526)
Change in accounts payable, other creditors and provisions	(27)	159	551
Change in working capital requirements	**(183)**	**(252)**	**(21)**

[(1)] *After impact of adjustments set out in Note 1.2 and reclassification of restructuring expenditure into change in working capital requirements.*

Statement of changes in shareholders' equity

Number of shares in circulation	*Millions of euros*	Capital stock	Additional paid-in capital	Reserves and retained earnings	Gains and losses recognized through equity	Share-holders' equity	Minority interests	Total equity
184,069,246	**December 31, 2005**	**79**	**2,584**	**(725)**	**118**	**2,056**	**20**	**2,076**
	Gains and (losses) recognized through equity [1]				(70)	(70)	(1)	(71)
	Net income for the period [1]			197		197	15	212
	Total recognized income and (expenses) for the period			**197**	**(70)**	**127**	**14**	**141**
2,500	Increase in capital stock of Publicis Groupe SA							
	Dividends			(66)		(66)	(12)	(78)
	Share-based compensation			7		7		7
	Buyback of equity warrants (BSA)			(201)		(201)		(201)
	Additional interest on Oranes			(1)		(1)		(1)
	Effect of changes in scope of consolidation and of commitments to purchase minority interests						(1)	(1)
(358,550)	Purchases/sales of treasury stock			(12)		(12)		(12)
183,713,196	**June 30, 2006 [1]**	**79**	**2,584**	**(801)**	**48**	**1,910**	**21**	**1,931**

Number of shares in circulation	*Millions of euros*	Capital stock	Additional paid-in capital	Reserves and retained earnings	Gains and losses recognized through equity	Share-holders' equity	Minority interests	Total equity
183,603,878	**December 31, 2006**	**79**	**2,631**	**(645)**	**15**	**2,080**	**27**	**2,107**
	Gains and (losses) recognized through equity				(23)	(23)	-	(23)
	Net income for the period			198		198	13	211
	Total recognized income and (expenses) for the period			**198**	**(23)**	**175**	**13**	**188**
212,970	Increase in capital stock of Publicis Groupe SA	1	1			2		2
	Dividends			(92)		(92)	(12)	(104)
	Share-based compensation			14		14		14
	Fair value of the stock-options included in the acquisition cost of Digitas			64		64		64
	Additional interest on Oranes			(1)		(1)		(1)
	Effect of changes in scope of consolidation and of commitments to purchase minority interests						1	1
299,677	Purchases/sales of treasury stock			(29)		(29)		(29)
184,116,525	**June 30, 2007**	**80**	**2,632**	**(491)**	**(8)**	**2,213**	**29**	**2,242**

[1] *After impact of adjustments set out in Note 1.2.*

Breakdown of gains and losses recognized directly through equity in the period

Millions of euros	**June 30, 2007**	**June 30, 2006 (1)**
Revaluation of available-for-sale investments	(3)	(6)
Hedge on net investments	-	(2)
Actuarial gains and losses on defined benefit plans	12	20
Cumulative translation adjustment	(32)	(82)
Total gains and (losses) recognized directly through equity in the period	**(23)**	**(70)**

(1) *After impact of adjustments set out in Note 1.2.*

Notes to the consolidated financial statements

1. Accounting policies

1.1 Accounting policies

The Publicis Group's consolidated financial statements are prepared in accordance with IAS/ IFRS international standards applicable at June 30, 2007 as approved by the European Union. There are no differences with the standards published by the IASB. The condensed consolidated interim financial statements are prepared in accordance with IAS 34 "Interim financial reporting".

Effect of IFRS standards and interpretations applicable as from January 1, 2007

The accounting policies applied in the interim financial statements at June 30, 2007 are identical to those applied in the consolidated financial statements published at December 31, 2006, with the exception of the following amendments to IFRS standards and interpretations that are obligatorily applicable as from January 1, 2007:

- IFRIC 7 on practical methods for restating financial statements in accordance with IAS 29 when an entity must apply IAS 29 for the first time in a given period (no hyperinflation during the previous period),
- IFRIC 8 which confirms the application of IFRS 2 to transactions through which the shareholders of an entity contract an obligation to transfer cash or other assets for amounts based on the price of shares or other equity instruments of the entity,
- IFRIC 9 on the identification of embedded derivatives,
- IFRIC 10 which states that impairment losses recognized in interim financial statements must not be reversed at subsequent balance sheet dates.

The additional disclosures required by IFRS 7 (Financial instruments: disclosures) and IAS 1 as amended (Presentation of financial statements) will be presented for the first time in the Group's consolidated financial statements at December 31, 2007.

The condensed consolidated interim financial statements at June 30, 2007, and the related notes, were approved by the Management Board on July 20, 2007 and reviewed by the Supervisory Board on July 24, 2007.

1.2 Adjustment of prior periods

a. Classification of unbilled cost of media space

Classification of unbilled cost of media space was clarified and harmonized throughout the Group in the first half of 2007: these costs are presented in "Accounts receivable" with a double entry to "Accounts payable".

The impact of this harmonization, for a certain number of subsidiaries, on the consolidated balance sheet at December 31, 2006 was as follows:

Millions of euros	**Balance sheet at December 31, 2006 - published**	**Reclassifications**	**Balance sheet at December 31, 2006 after reclassifications**
Inventory and costs billable to clients	688	(258)	430
Accounts receivable	4,214	336	4,550
Accounts payable	5,192	78	5,270

The impact of the adjustments on the change in working capital requirements at December 31, 2006 and at June 30, 2006 are as follows:

Millions of euros	**December 31, 2006 - published [1]**	**Reclassifications**	**December 31, 2006 after reclassifications**
Change in inventory and costs billable to clients	(152)	106	(46)
Change in accounts receivable and other receivables	(338)	(188)	(526)
Change in accounts payable, other creditors and provisions	469	82	551
Change in working capital requirements	**(21)**	**-**	**(21)**

Millions of euros	**June 30, 2006 - published [1]**	**Reclassifications**	**June 30, 2006 after reclassifications**
Change in inventory and costs billable to clients	(21)	(3)	(24)
Change in accounts receivable and other receivables	(390)	3	(387)
Change in accounts payable, other creditors and provisions	159	-	159
Change in working capital requirements	**(252)**	**-**	**(252)**

[1] *After reclassification of restructuring expenditure into "Change in accounts payable, other creditors and provisions"*

b. Treatment of actuarial gains and losses on pension commitments

At December 31, 2006, Publicis decided to retain the option provided by IAS 19 under which actuarial gains and losses on pension commitments arising in the period are recognized directly in equity.

In order to take account of the impacts of this change in accounting policy, the financial statements published at June 30, 2006 have been modified as follows:

- Reduction in financial expenses ("Other financial income (expense)") of 3 MEUR and an increase in income tax expense of 1 MEUR, resulting in an increase of 2 MEUR in net income. Net income attributable to equity holders of the parent after this adjustment amounts to 197 MEUR,
- Reduction of 20 MEUR in losses recognized directly through equity in the period. Adjusted shareholders' equity amounts to 1,910 MEUR.

2. Changes in scope of consolidation

2.1 Acquisitions in the period

In December 2006, Publicis Group made a friendly public takeover offer for Digitas Inc. (USA), a leader in the area of marketing services and digital and interactive communications. As a result of this offer, which expired on January 29, 2007, the Group, through one of its American subsidiaries, acquired more than 90% of the share capital of Digitas.

This transaction was followed by a merger, following which MMS USA Holdings now holds 100% of Digitas. This acquisition was financed using the available cash of the Group's American subsidiaries.

Digitas is consolidated as from January 25, 2007, being the date at which control was obtained.

The preliminary allocation of the acquisition price is as follows (millions of euros):

Acquisition price of Digitas shares	947
Costs related to the transaction	8
Fair value of stock-options, net of tax	39
Acquisition cost (A)	**994**
Non-current assets [1]	42
Current assets	293
Total assets (B)	**335**
Non-current liabilities	(36)
Current liabilities	(214)
Total liabilities (C)	**(250)**
Net assets acquired before fair value adjustments [1] (D =B+C)	**85**
Intangible assets	218
Adjustment of inventories and cost billable to clients to fair value	10
Provisions on property commitments	(12)
Provisions for tax risks	(2)
Adjustment of deferred lease rental	8
Other adjustments	(3)
Tax impact of the above adjustments	(83)
Recognition of deferred tax assets on tax loss carry forwards not recognized by Digitas	38
Recognition of deferred taxes on temporary differences not recognized by Digitas	17
Total fair value adjustments (E)	**191**
Net assets acquired after fair value adjustments (F =D+E)	**276**
Goodwill (G=A-F)	**718**

[1] *Excluding goodwill and intangible assets related to acquisitions made by Digitas.*

The goodwill reflects the development prospects for the Group in the area of interactive communications offered by the acquisition of a major player in this sector. It includes the synergies related to the business combination and the know-how developed by Digitas' employees.

Revenues and net income of Digitas for the period between January 25, 2007 and June 30, 2007 amount, respectively, to 147 MEUR and 7 MEUR.

If the acquisition had been completed on January 1, 2007, the combined revenue and net income (attributable to equity holders of the parent) of Publicis and Digitas for the six-month period would have amounted, respectively, to 2,269 MEUR and 198 MEUR.

Other acquisitions in the period, taken together, represent 0.1% of consolidated revenue and made a positive contribution of 0.5% to net income attributable to equity holders of the parent.

2.2 Disposals in the period

The Group did not make any material disposal in the period.

The companies sold contributed 0.2% and 0.3%, respectively, to consolidated revenue and net income attributable to equity holders of the parent.

3. Personnel expenses and headcount

Personnel expenses include salaries, commissions, bonuses, employee profit sharing and holiday pay. They also include expenses related to stock-option plans and expenses related to pensions (excluding the net effect of unwinding of discount on benefit obligations which is included in "Other financial income (expense)").

Millions of euros	**June 30, 2007**	**June 30, 2006**
Remuneration	1,110	1,037
Social security expenses	182	174
Post-employment benefits	36	38
Stock-option expense	14	7
Temporaries and freelances	60	48
Total	**1,402**	**1,304**

Breakdown of headcount

By geographical area:

	June 30, 2007	**June 30, 2006**
Europe	15,589	15,320
North America	14,009	12,026
Rest of the world	13,033	12,477
Total	**42,631**	**39,823**

4. Depreciation, amortization and impairment

Millions of euros	**June 30, 2007**	**June 30, 2006**
Amortization expense on other intangible assets (excluding intangibles arising on acquisition)	(8)	(8)
Depreciation of property and equipment	(47)	(45)
Depreciation and amortization expense (excluding intangibles arising on acquisition)	**(55)**	**(53)**
Amortization of intangibles arising on acquisition	**(15)**	**(12)**
Impairment of intangibles arising on acquisition	-	-
Impairment of goodwill	-	-
Impairment of property and equipment	-	-
Impairment	**-**	**-**
Total depreciation, amortization and impairment	**(70)**	**(65)**

5. Non-current income (expense)

This caption brings together unusual items of income and expense. It notably includes capital gains and losses on disposal of assets.

Millions of euros	**June 30, 2007**	**June 30, 2006**
Capital gains (losses) on disposal of assets	9	1
Other non-current income (expense)	-	-
Non-current income (expense)	**9**	**1**

6. Net financial costs

Millions of euros	**June 30, 2007**	**June 30, 2006 [1]**
Interest expense on loans and bank overdrafts	(59)	(53)
Interest expense on finance lease obligations	(5)	(5)
Interest income	29	35
Cost of net financial debt	**(35)**	**(23)**
Foreign exchange gains (losses)	(2)	9
Change in the fair value of derivatives	1	(10)
Financial expense related to unwinding of discount on long-term vacant property provisions (at a rate of 5%)	(2)	(3)
Net financial expense related to unwinding of discount on pension provisions	(2)	(2)
Dividends received from unconsolidated companies	2	-
Other financial income (expense)	**(3)**	**(6)**
Net financial costs	**(38)**	**(29)**

[1] *After impact of adjustments set out in Note 1.2.*

7. Income taxes

The income tax expense for the interim period ended June 30, 2007 is calculated by applying the estimated average effective rate for the full year to the pre-tax result for the interim period.

On this basis, the effective tax rate is 30 % for the first half of 2007 as against 31.1% for the first half of 2006.

8. Earnings per share

Earnings per share and diluted earnings per share

		June 30, 2007	June 30, 2006 [1]
Net income used for the calculation of earnings per share *(millions of euros)*			
Net income attributable to equity holders of the parent	a	198	197
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		16	16
Net income attributable to equity holders of the parent - diluted	b	214	213
Number of shares used for the calculation of earnings per share			
Average number of shares in circulation (after deduction of treasury stock)		183,860,201	183,891,221
Shares to be issued to redeem the Oranes		24,994,064	26,556,193
Average number of shares used for the calculation	c	208,854,265	210,447,414
Impact of dilutive instruments [2]:			
- Effect of exercise of dilutive stock-options		3,478,916	2,043,274
- Effect of exercise of equity warrants		582,654	344,166
- Shares resulting from the conversion of the convertible bonds		28,656,747	28,656,747
Number of shares - diluted	d	241,572,582	241,491,601

(in euros)

Earnings per share	a/c	**0.95**	**0.94**
Earnings per share – diluted	b/d	**0.89**	**0.88**

[1] *After impact of adjustments set out in Note 1.2.*

[2] *Only the equity warrants, stock-options and convertible bonds with a dilutive effect are taken into consideration. At June 30, all these instruments have a dilutive effect except for stock-options whose exercise price is higher than the average share price for the period*

Headline earnings per share (basic and diluted)

		June 30, 2007	June 30, 2006 [(1)]
Net income used for the calculation of Headline earnings per share [(2)] *(in millions of euros)*			
Net income attributable to equity holders of the parent		198	197
Items excluded:			
- Amortization of intangibles arising on acquisition, net of tax		9	7
- Impairment, net of tax		-	-
Adjusted net income attributable to equity holders of the parent	e	207	204
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		16	16
Adjusted net income attributable to equity holders of the parent – diluted	f	223	220
Number of shares used for the calculation of earnings per share			
Average number of shares in circulation (after deduction of treasury stock)		183,860,201	183,891,221
Shares to be issued to redeem the Oranes		24,994,064	26,556,193
Average number of shares used for the calculation	c	208,854,265	210,447,414
Impact of dilutive instruments:			
- Effect of exercise of dilutive stock-options		3,478,916	2,043,274
- Effect of exercise of equity warrants		582,654	344,166
- Shares resulting from the conversion of the convertible bonds		28,656,747	28,656,747
Number of shares - diluted	d	241,572,582	241,491,601

(in euros)

Headline earnings per share [(2)]	e/c	**0.99**	**0.97**
Headline earnings per share [(2)] - diluted	f/d	**0.92**	**0.91**

(1) *After impact of adjustments set out in Note 1.2.*

(2) *Earnings per share before amortization of intangibles arising on acquisition and impairment.*

No material operations affecting ordinary shares or potential ordinary shares took place during the first six months.

9. Goodwill

Changes in goodwill

Millions of euros	**Gross value**	**Impairment**	**Net value**
January 1, 2006	**3,006**	**(123)**	**2,883**
Acquisitions / impairment	110	(30)	80
Changes related to the recognition of commitments to purchase minority interests [(2)]	39	-	39
Disposals and derecognition	(13)	13	-
Translation adjustment and other	(169)	7	(162)
December 31, 2006	**2,973**	**(133)**	**2,840**
Acquisitions [(1)]	744	-	744
Impairment	-	-	-
Changes related to the recognition of commitments to purchase minority interests [(2)]	2	-	2
Disposals and derecognition	(31)	18	(13)
Translation adjustment and other	(57)	(1)	(58)
June 30, 2007	**3,631**	**(116)**	**3,515**

[(1)] *Including 718 MEUR related to the acquisition of Digitas (See Note 2).*

[(2)] *While awaiting a specific IFRS or an IFRIC interpretation, commitments to purchase minority interests have been recognized in financial debt with the double entry being booked to minority interests and, for the balance, to goodwill. Any future changes in such minority interests as well as any change in the valuation of such commitments will modify the related goodwill balance.*

At June 30, 2007, the gross value of goodwill arising from the acquisition of Digitas is 691 MEUR, taking account of foreign exchange fluctuations since the acquisition. At this date, the gross value of goodwill resulting from the Bcom3 acquisition amounts to 1,727 MEUR. Impairment recognized in respect of this goodwill amounts to 16 MEUR. It corresponds to the amount of tax loss carry forwards of Bcom3 used since 2004.

10. Investments accounted for by the equity method

Investments accounted for by the equity method at June 30, 2007 amounted to 51 MEUR (as against 44 MEUR at December 31, 2006).

Changes in this account caption in the first half of 2007 were as follows:

Millions of euros	**Carrying amount**
Amount at January 1, 2007	**44**
Acquisitions	7
Disposals	-
Group share of earnings of equity accounted investments	6
Dividends paid	(3)
Effect of translation and other	(3)
Amount at June 30, 2007	**51**

The main entities accounted for under the equity method are Bartle Bogle Hegarty (BBH), Bromley Communications and International Sports and Entertainment (iSe). The carrying amounts of the investments in BBH, Bromley Communications and iSe amount, respectively, to 17 MEUR, 8 MEUR and 8 MEUR.

iSe, which was created jointly in 2003 between Publicis (45%) and Dentsu (45%), managed the "Hospitality and Prestige Ticketing" program in respect of the 2006 World Cup Football Championship. This company is currently being liquidated.

11. Other financial assets

Other financial assets are principally comprised of investments considered to be available-for-sale.

The portion of other financial assets maturing in less than one year is classified in current assets.

Millions of euros	**June 30, 2007**	**December 31, 2006**
Available-for-sale financial assets		
- IPG shares (1.23% of the share capital)	45	49
- Other	7	8
Loans and advances to equity accounted and non-consolidated companies	2	5
Other non-current financial assets	89	82
Gross value	**143**	**144**
Provisions	(26)	(26)
Net value	**117**	**118**

12. Shareholders' equity

The statement of changes in shareholders' equity is presented at the start of this document with the other consolidated financial statements.

Share capital of the parent company

Publicis Groupe SA's share capital increased by 85,188 euros in the first half of 2007, corresponding to 212,970 shares with a par value of 0.40 euro each issued in respect of stock-options exercised. At June 30, 2007 the company's share capital was 79,568,880 euros, comprised of 198,922,199 shares with a par value of 0.40 euro each.

Deduction of treasury stock existing at June 30, 2007

Treasury stock held at the end of the period, including treasury stock held in the context of the liquidity contract, is deducted from shareholders' equity.

The following movements took place on the treasury stock portfolio in the first half of 2007:

Millions of euros (except shares)	**Number of shares**	**Gross value**
Treasury stock held at December 31, 2006	**15,105,351**	**387**
Acquisitions	1,796,490	60
Disposals (options exercised)	(2,552,167)	(66)
Movements in the context of the liquidity contract	456,000	15
Treasury stock held at June 30, 2007 (1)	**14,805,674**	**396**

(1) *Including 456,000 shares held under the liquidity contract for an amount of 15 MEUR*

Dividends

Publicis Groupe SA made a dividend payment of 92 MEUR at the start of July 2007. This payment will not have any tax impact for the company.

13. Provisions

Millions of euros	Re-structuring	Vacant property	Sub-Total	Pensions and other post-employment benefits	Litigation and claims	Other	Total
January 1, 2006	**34**	**182**	**216**	**286**	**48**	**152**	**702**
Increases	11	10	21	27	4	47	99
Releases on use	(9)	(21)	(30)	(30)	(6)	(31)	(97)
Other releases	-	(5)	(5)	-	-	-	(5)
Changes to scope of consolidation	-	-	-	(5)	-	1	(4)
Actuarial losses (gains)	-	-	-	(5)	-	-	(5)
Translation and other	(12)	(30)	(42)	(17)	(10)	4	(65)
December 31, 2006	**24**	**136**	**160**	**256**	**36**	**173**	**625**
Increases	2	-	2	9	4	6	21
Releases on use	(7)	(9)	(16)	(18)	(1)	(7)	(42)
Other releases	-	(5)	(5)	-	-	-	(5)
Changes to scope of consolidation	3	20	23	4	1	3	31
Actuarial losses (gains)	-	-	-	(17)	-	-	(17)
Translation and other	(1)	(10)	(11)	(3)	(1)	(32)	(47)
June 30, 2007	**21**	**132**	**153**	**231**	**39**	**143**	**566**
Of which short-term	**14**	**24**	**38**	**34**	**24**	**24**	**120**
Of which long-term	**7**	**108**	**115**	**197**	**15**	**119**	**446**

14. Financial debt

Number of securities at June 30, 2007	*Millions of euros*	**June 30, 2007**	**December 31, 2006**
	Bonds (excluding accrued interest) issued by Publicis Groupe S.A.:		
750,000	Eurobond 4.125% - January 2012 (Effective rate 4.30%)	727	742
5,484,334	Oceanes 2.75% - January 2018 (Effective rate 7.37%)	236	234
23,172,413	Oceanes 0.75% - July 2008 (Effective rate 6.61%)	633	615
1,562,129	Oranes 0.82% variable - September 2022 (Effective rate 8.50%)	31	33
	Bond convertible into IPG shares – 2% – January 2007	-	7
	Other debt:		
	Accrued interest	21	16
	Other borrowings and lines of credit	30	38
	Bank overdrafts	41	30
	Debt related to finance leases	81	83
	Debt related to acquisition of shareholdings	133	140
	Debt arising from commitments to purchase minority interests	174	176
	Total financial debt	**2,107**	**2,114**
	Of which short-term	**193**	**203**
	Of which long-term	**1,914**	**1,911**

Commitments to purchase minority interests, as well as earn-out clauses, are identified on a centralized basis and are valued at the balance sheet date on the basis of contractual clauses and the most recent available data as well as on projections for the relevant figures over the period.

Changes in debt arising from commitments to purchase minority interests are presented hereafter:

Millions of euros	**Debt arising from commitments to purchase minority interests**
At December 31, 2006	**176**
Debts contracted in the period	7
Buyouts exercised	(6)
Revaluation of the debt and translation adjustments	(3)
At June 30, 2007	**174**

Analysis by date of maturity

	June 30, 2007				**December 31, 2006**			
Millions of euros	**Total**	**Maturity**			**Total**	**Maturity**		
		Less than 1 year	**1 to 5 years**	**More than 5 years**		**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Bonds and other bank borrowings	1,719	90	1,377	252	1,715	87	634	994
Debt related to finance leases	81	2	-	79	83	-	-	83
Debt related to acquisition of shareholdings	133	46	86	1	140	59	71	10
Debt arising from commitments to purchase minority interests	174	55	92	27	176	57	94	25
Total	**2,107**	**193**	**1,555**	**359**	**2,114**	**203**	**799**	**1,112**

Analysis by currency

Millions of euros	**June 30, 2007**	**December 31, 2006**
Euros	1,030	1,024
US dollars	909	913
Other currencies	168	177
Total	**2,107**	**2,114**

In order to hedge its net dollar-denominated assets, and thus to significantly reduce sensitivity of Group shareholders' equity to future exchange rate fluctuations between the euro and the US dollar, the Group swapped its 750 MEUR Eurobond issued in January 2005 into 977 MUSD of dollar debt. As a result, the Eurobond is considered to be dollar denominated debt.

Analysis by interest rate category

The Group’s financial indebtedness in comprised of fixed rate borrowings (55% of gross financial debt at June 30, 2007, excluding debt related to acquisition of shareholdings and debt arising from commitments to purchase minority interests) at an average interest rate for the half year of 6.1% (this rate takes account of the additional interest related to the separate recognition of the debt and equity components of both the Oceane convertible bonds and the Oranes). Variable rate indebtedness, (approximately 45% of indebtedness at June 30, 2007) incurred an average interest rate of 6.1% in the half year.

Exposure to liquidity risk

To manage its liquidity risk, Publicis has, firstly, substantial cash (cash and cash equivalents in an amount of 1,166 MEUR at June 30, 2007) and, secondly, unused credit lines (amounting to 1,544 MEUR at June 30, 2007). The main component of its credit lines is a five-year syndicated multicurrency credit facility of 1,035 MEUR, put in place in December 2004 and expiring in 2009, which has not been drawn down at June 30, 2007. This credit facility is expected to be amended on July 24, 2007 to extend its maturity to July 2012, with an option to extend until July 2014 after agreement of the banks and in parallel to increase the amount of the facility to 1,500 MEUR.

No other lines of credit were in the course of being negotiated either at June 30, 2007 or at the date of approval of the interim financial statements. These amounts, which are available or can be accessed almost immediately, enable the Group to very comfortably meet the short-term portion (less than 1 year) of its financial debt (including commitments to purchase minority interests, which form part of the Group’s financial debt).

Apart from bank overdrafts, most of the Group’s debt consists of bonds which do not include specific covenants. They only include standard credit default event clauses (i.e., liquidation, bankruptcy, or default, either on the debt itself or on repayment of another debt if higher than a given threshold) and are generally applicable above a threshold of 25 MEUR. The only early redemption options exercisable by bondholders are in respect of the Oceane 2018 and are exercisable successively in January 2010 and 2014.

The company has not put in place any credit derivatives to date.

15. Off-balance sheet commitments

Operating lease commitments

	June 30, 2007				December 31, 2006			
Millions of euros	**Total**	**Maturity**			**Total**	**Maturity**		
		Less than 1 year	**1 to 5 years**	**More than 5 years**		**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Commitments given								
Operating lease commitments [1]	1,388	197	683	508	1,325	198	678	449
Commitments received								
Sub-lease commitments [1]	48	13	31	4	73	18	45	10

[1] *Lease rent expense (net of sub-lease income) was 94 MEUR in the first half of 2007 (as against 92 MEUR in the first half of 2006).*

Finance lease commitments

The reconciliation between future minimum payments required under finance lease contracts and the present value of net minimum payments under these leases is as follows

Millions of euros	June 30, 2007				December 31, 2006			
	Total	**Maturity**			**Total**	**Maturity**		
		Less than 1 year	**1 to 5 years**	**More than 5 years**		**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Minimum payments	268	10	34	224	280	8	35	237
Effect of discounting	(187)	(8)	(34)	(145)	(197)	(8)	(35)	(154)
Present value of minimum payments	**81**	**2**	**-**	**79**	**83**	**-**	**-**	**83**

Other commitments

	June 30, 2007				December 31, 2006			
Millions of euros	**Total**	**Maturity**			**Total**	**Maturity**		
		Less than 1 year	**1 to 5 years**	**More than 5 years**		**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Commitments given								
Commitments to sell investments	8	8	-	-	8	8	-	-
Guarantees (1)	192	77	40	75	180	53	44	83
Other commitments (2)	59	18	41	-	46	24	22	-
Total	**259**	**103**	**81**	**75**	**234**	**85**	**66**	**83**
Commitments received								
Unutilized credit facilities (3)	1,544	509	1,035	-	1,546	511	1,035	-
Credit facility dedicated to the acquisition of Digitas (4)	-	-	-	-	759	759	-	-
Other commitments	-	-	-	-	2	1	1	-
Total	**1,544**	**509**	**1,035**	**-**	**2,307**	**1,271**	**1,036**	**-**

(1) At June 30, 2007, guarantees include a guarantee of payment of real estate taxes and operating expenses relating to the Leo Burnett building in Chicago, for a total amount of 124 MEUR over the period until 2019. They also include approximately 46 MEUR of guarantees on media space purchase transactions.

(2) These include, in an amount of 46 MEUR, minimum royalties guaranteed in the context of contracts for the operation of media space resources.

(3) This credit facility is expected to be amended on July 24, 2007 to extend its maturity from 2009 to July 2012, with an option to extend until July 2014 after agreement of the banks and in parallel to increase the amount of the facility to 1,500 MEUR.

(4) This credit facility amounted to 1 billion dollars at December 31, 2006. The Group finally officially decided not to use this credit facility at the end of January 2007, as available cash and credit facilities were sufficient to finance the acquisition.

Commitments related to bonds, Oranes and equity warrants

These remain unchanged since December 31, 2006.

16. Financial instruments

Fair value

The table below sets out a comparison, by category of assets and liabilities, of the carrying amounts and the fair values of all the Group's financial instruments at June 30, 2007 (except for operating receivables and payables).

Financial assets belonging to the "held-for-trading" and "available-for-sale" categories are already valued at fair value in the financial statements.

Financial debts are valued at amortized cost in the financial statements, in accordance with the effective interest rate method.

Millions of euros	June 30, 2007		December 31, 2006	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets:				
Cash and cash equivalents	1,166	1,166	1,920	1,920
Available-for-sale assets (IPG and others)	49	49	54	54
Other financial assets	68	68	64	64
Derivatives in asset position	2	2	9	9
Financial liabilities:				
Convertible bonds (Oceanes) – debt component	869	845	849	852
Oranes – debt component	31	42	33	43
Eurobond	727	744	742	776
Debt related to finance leases	81	140	83	150
Commitments to purchase minority commitments and earn-outs payable	307	307	316	316
Other loans	92	92	91	91
Derivatives in liability position	26	26	36	36

The fair value of the Eurobond and of the debt components of convertible bonds and Oranes has been calculated by discounting the expected future cash flows at market interest rates.

17. Segment reporting

Information by geographical area

The information is calculated on the basis of location of the agencies.

Millions of euros	**Europe**	**North America**	**Rest of the world**	**Total**
June 2007				
Income statement items:				
Revenue [1]	846	1,008	394	**2,248**
Depreciation and amortization expense (excluding intangibles arising on acquisition)	(21)	(26)	(8)	**(55)**
Operating margin	104	185	48	**337**
Amortization of intangibles arising on acquisition	(4)	(10)	(1)	**(15)**
Impairment	-	-	-	**-**
Equity in net income of non-consolidated companies	3	3	-	**6**
Balance sheet items:				
Goodwill and intangible assets, net	1,225	2,617	552	**4,394**
Property and equipment, net	286	189	47	**522**
Deferred tax assets	32	214	17	**263**
Investments accounted for by the equity method	27	22	2	**51**
Other financial assets	28	72	17	**117**
Current assets (liabilities) [2]	(161)	(1,138)	(136)	**(1,435)**
Deferred tax liabilities	(138)	(143)	(2)	**(283)**
Long-term provisions	(184)	(237)	(25)	**(446)**
Disclosures in respect of the cash flow statement:				
Purchases of property and equipment and intangible assets	(13)	(16)	(6)	**(35)**
Proceeds from sale of investments and other financial assets, net	5	-	1	**6**
Acquisitions of subsidiaries	(17)	(817)	(8)	**(842)**
Non-cash expenses on stock-options and similar items	5	8	1	**14**
Other non-cash income and expenses	1	3	-	**4**

Millions of euros	**Europe**	**North America**	**Rest of the world**	**Total**
Full year 2006				
Income statement items:				
Revenue [1]	1,747	1,842	797	**4,386**
Depreciation and amortization expense (excluding intangibles arising on acquisition)	(43)	(46)	(18)	**(107)**
Operating margin	277	332	104	**713**
Amortization of intangibles arising on acquisition	(6)	(15)	(1)	**(22)**
Impairment	(16)	(14)	(1)	**(31)**
Equity in net income of non-consolidated companies	20	2	-	**22**
Balance sheet items:				
Goodwill and intangible assets, net	1,176	1,805	552	**3,533**
Property and equipment, net	292	169	50	**511**
Deferred tax assets	42	125	19	**186**
Investments accounted for by the equity method	27	15	2	**44**
Other financial assets	30	72	16	**118**
Current assets (liabilities) [2]	(95)	(1,139)	(132)	**(1,366)**
Deferred tax liabilities	(147)	(68)	(1)	**(216)**
Long-term provisions	(197)	(284)	(28)	**(509)**
Disclosures in respect of the cash flow statement:				
Purchases of property and equipment and intangible assets	(38)	(27)	(16)	**(81)**
Proceeds from sale of investments and other financial assets, net	7	(7)	(3)	**(3)**
Acquisitions of subsidiaries	(31)	(2)	(25)	**(58)**
Non-cash expenses on stock-options and similar items	6	7	3	**16**
Other non-cash income and expenses	3	8	-	**11**

Millions of euros	**Europe**	**North America**	**Rest of the world**	**Total**
June 2006				
Income statement items:				
Revenue (1)	820	922	380	**2,122**
Depreciation and amortization expense (excluding intangibles arising on acquisition)	(21)	(24)	(8)	**(53)**
Operating margin	107	170	46	**323**
Amortization of intangibles arising on acquisition	(4)	(7)	(1)	**(12)**
Impairment	-	-	-	**-**
Equity in net income of non-consolidated companies	16	1	-	**17**
Disclosures in respect of the cash flow statement:				
Purchases of property and equipment and intangible assets	(20)	(9)	(7)	**(36)**
Proceeds from sale of investments and other financial assets, net	-	(4)	-	**(4)**
Acquisitions of subsidiaries	(24)	(1)	(14)	**(39)**
Non-cash expenses on stock-options and similar items	3	3	1	**7**
Other non-cash income and expenses	4	4	-	**8**

(1) As a result of the manner in which this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.

(2) Current assets (liabilities) are comprised of the following balance sheet captions: inventories and costs billable to clients, accounts receivable, other receivables and other current assets, accounts payable, income taxes payable, short-term provisions and other creditors and other current liabilities.

Segment reporting

After performing detailed analysis of risks and profitability by area of business in accordance with IAS 14 "Segment reporting", the Group considers that it operates in a single segment.

The Group's operational structure does not correspond to a coherent configuration of companies by standard types of business or discipline. This structure, which has been in the making for several years, is designed to provide the Group's clients with a global, holistic service offering involving all disciplines.

Segmented presentation by standard types of business or discipline does not correspond to the current Group structure.

18. Publicis Groupe S.A. stock-options

Description of existing plans

Stock-option plans are the same as those in place at December 31, 2006, apart from the Digitas plans, converted into Publicis plans following the merger, whose characteristics are set out below.

1- Stock-options originated by Publicis

Characteristics of Publicis stock-option plans outstanding at June 30, 2007

Shares with 0.40 euro par value	**Type of option**	**Date of grant**	**Exercise price of options (€)**	**Outstanding options at 30/06/07**	**Of which exercisable 30/06/07**	**Expiry date**	**Remaining contractual life (in years)**
8th tranche	Subscription	11/03/1998	8.66	27,000	27,000	2008	0.69
9th tranche	Subscription	04/11/1998	10.24	62,500	62,500	2008	1.34
10th tranche	Acquisition	07/09/2000	43.55	100,000	100,000	2010	3.18
11th tranche	Acquisition	23/04/2001	33.18	367,000	367,000	2011	3.81
13th tranche	Acquisition	18/01/2002	29.79	93,400	93,400	2012	4.55
14th tranche	Acquisition	10/06/2002	32.43	5,000	5,000	2012	4.94
15th tranche	Acquisition	08/07/2002	29.79	220,000	220,000	2012	5.02
16th tranche	Acquisition	28/08/2003	24.82	496,067		2013	6.15
17th tranche	Acquisition	28/08/2003	24.82	4,450,404	4,450,404	2013	6.15
18th tranche	Acquisition	28/09/2004	24.82	11,000		2014	7.24
19th tranche	Acquisition	28/09/2004	24.82	1,381,166	1,381,166	2014	7.24
20th tranche	Acquisition	24/05/2005	24.76	549,838	549,838	2015	7.89
21st tranche	Acquisition	21/08/2006	29.27	100,000		2016	9.14
22nd tranche (1)	Acquisition	21/08/2006	29.27	9,993,050		2016	9.14
Total of all tranches				**17,856,425**	**7,256,308**		
Average exercise price (€)				27.62	25.53		

(1) *Conditional options whose exercise is subject to meeting objectives over the course of a 3 year plan (LTIP 2006-2008)*

Movements in the half year period on Publicis stock-option plans

Shares with 0.40 par value	Exercise price (euros)	Outstanding options at 31/12/2006	Options granted in the first half of 2007	Options exercised in the first half of 2007	Options cancelled or lapsed in the first half of 2007	Outstanding options at 30/06/2007
7th tranche	5.63	17,510		(9,470)	(8,040)	0
8th tranche	8.66	27,000				27,000
9th tranche	10.24	266,000		(203,500)		62,500
10th tranche	43.55	100,000				100,000
11th tranche	33.18	367,000				367,000
13th tranche	29.79	93,400				93,400
14th tranche	32.43	5,000				5,000
15th tranche	29.79	220,000				220,000
16th tranche	24.82	496,067				496,067
17th tranche	24.82	5,679,827		(1,218,790)	(10,633)	4,450,404
18th tranche	24.82	11,000				11,000
19th tranche	24.82	1,517,004		(131,585)	(4,253)	1,381,166
20th tranche	24.76	779,761		(222,851)	(7,072)	549,838
21st tranche	29.27	100,000				100,000
22nd tranche	29.27	10,097,850			(104,800)	9,993,050
Total of all tranches		**19,777,419**	**0**	**(1,786,196)**	**(134,798)**	**17,856,425**
Average exercise price (€)		27.21		23.05	27.13	27.62
Average share price on exercise (€)				34.04		

2- Stock-options originated by Digitas

On the acquisition of Digitas, these plans were converted into Publicis share purchase option plans, applying the ratio existing between the purchase price set in the public offer for Digitas shares (translated into euros) and the Publicis share price at the completion date of the merger. The subscription price was correspondingly adjusted.

Characteristics of Digitas stock-option plans outstanding at June 30, 2007

Publicis shares with 0.40 euro par value	Date of grant		Exercise price of the options (€)		Outstanding options at 30/06/07	Of which exercisable 30/06/07	Expiry date		Remaining contractual life (in years)
	min	**max**	**min**	**max**			**min**	**max**	
Digitas plans:									
1999	01/12/1999	10/03/2000	21.36	21.36	37,948	37,948	01/12/2009	10/03/2010	2.49
2000	03/04/2000	01/02/2001	13.73	58.58	83,136	83,136	03/04/2010	01/02/2011	3.21
2001	01/03/2001	24/01/2007	4.59	35.42	1,057,795	533,490	01/03/2011	24/01/2017	7.19
2005 UK	01/06/2005	01/12/2006	20.24	35.42	21,392	4,220	01/06/2015	01/12/2016	8.90
Modem Media Plans:									
1997	26/03/1997	29/09/2004	13.74	20.19	9,435	5,721	26/03/2007	29/09/2014	6.10
1999	12/04/2000	22/06/2004	2.62	54.05	17,618	17,618	12/04/2010	22/06/2014	6.05
2000	12/10/2000	25/05/2004	11.16	19.18	1,279	1,279	12/10/2010	25/05/2014	3.28
B.S.H Plans [(1):]									
1998a	01/05/1999	01/06/1999	6.16	6.16	1,040,199	1,040,199	01/05/2009	01/06/2009	1.52
1998b	06/01/1999	06/01/1999	2.47	2.47	246,294	246,294	06/01/2009	06/01/2009	1.52
Total of all tranches					**2,515,096**	**1,969,905**			
Average exercise price					14.17	10.64			

[(1)] *Bronner Slosberg Humphrey*

Movements in the half year period on Digitas stock-option plans

Publicis shares with 0.40 euro par value	Exercise price of the options (€)		Outstanding options at the acquisition date	Options exercised in the period	Options cancelled or lapsed in the period	Outstanding options at 30/06/2007
	min	**max**				
Digitas plans:						
1999	21.36	21.36	40,059	(1,890)	(221)	37,948
2000	13.73	58.58	103,243	(5,184)	(14,923)	83,136
2001	4.59	35.42	1,462,941	(322,358)	(82,788)	1,057,795
2005 UK	20.24	35.42	24,655	-	(3,263)	21,392
Modem Media plans:						
1997	13.74	20.19	22,446	(12,477)	(534)	9,435
1999	2.62	54.05	25,815	(7,553)	(644)	17,618
2000	11.16	19.18	5,690	(4,411)	-	1,279
B.S.H plans [(1):]						
1998a	6.16	6.16	1,152,414	(112,215)	-	1,040,199
1998b	2.47	2.47	362,493	(116,199)	-	246,294
Total of all tranches			**3,199,756**	**(582,287)**	**(102,373)**	**2,515,096**
Average exercise price (€)			14.16	11.41	29.76	14.17
Average share price on exercise (€)				32.76		

[(1)] *Bronner Slosberg Humphrey*

Furthermore, a plan to grant Restricted Shares of Digitas put in place between January 4, 2005 and January 23, 2007, is still in operation. It was converted into a Publicis share plan using the same ratios as for ordinary stock-option plans (see above). At the acquisition date, outstanding Restricted Shares of Digitas represented the equivalent of 396,654 Publicis shares.
The 316,739 Restricted Shares still outstanding at June 30, 2007 will progressively cease to be subject to restrictions on dates between August 1, 2007 and January 23, 2010. Once the period of restriction is completed, and subject to meeting conditions regarding continued presence, the 316,739 Restricted Shares outstanding at June 30, 2007 will become equivalent to ordinary Publicis shares.

Impact of stock-option plans on the income statement for the half year period

The total impact of Publicis and Digitas stock-option plans on the income statement for the first half of 2007 is 14 MEUR, excluding tax and social security expenses, as against 7 MEUR for the first half of 2006 (see note 3 – Personnel expenses).

For the Long Term Incentive Plan 2006-2008 (22nd tranche), in respect of which the exercise of options is conditional depending on the achievement of objectives, a probability of achievement of 80% was applied to calculate the number of shares that could be obtained under these plans at June 30, 2007 (as against 75% for the calculation of the 2006 expense).

19. Related part disclosures

Transactions with related parties did not change significantly since December 31, 2006.

20. Post-balance sheet events

On June 14, 2007, Publicis Groupe announced its intention to acquire Business interactif, France's leading independent digital and interactive communications group, which is listed on the Eurolist™ market of Euronext Paris. An agreement was reached with the principal managers controlling 49.32% of the group's share capital. Under this agreement, these managers' shares were acquired at the start of July for €10.10 per share, paid 50% in cash and 50% in new Publicis Groupe shares. A mixed public offer for the remainder of Business Interactif's share capital was filed on July 10, 2007. This offer contained the same conditions as those in the contract signed with the founding managers. This transaction represents a total investment of 137 MEUR, being 68 MEUR in cash and 2 million new Publicis Groupe shares. This transaction should be finalized during the third quarter of 2007 and will have a break even impact on Publicis Groupe's earnings per share for 2007. This transaction is described in more detail in the information memorandum which is submitted for the approval of the French Financial Markets Authority (AMF) meeting of July 24, 2007.

IV. Statutory auditor's report on interim financial information 2007

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

- A limited review of the attached interim condensed consolidated financial statements of Publicis Groupe S.A for the six-month period ended June 30, 2007.
- An examination of the information provided in the Company's interim report.

The interim condensed consolidated financial statements were prepared under the responsibility of the Board of Directors (Directoire). Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

We conducted our limited review in accordance with French auditing standards. A limited review of interim financial statements consists of obtaining information considered necessary, primarily from persons responsible for financial and accounting matters, and applying analytical and other appropriate procedures. A limited review is substantially less in scope than an audit conducted in accordance with French auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our limited review, we have not identified any material errors that would cause us to believe that the interim condensed consolidated financial statements did not comply, in all material respects, with IAS 34 –the IFRS standard relating to interim financial reporting adopted by the European Union.

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

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

Neuilly-Sur-Seine and Courbevoie, July 25, 2007

Statutory Auditors

Mazars & Guérard

Philippe Castagnac   Isabelle Massa

Ernst & Young et Autres

Jean Bouquot   Valérie Descleve