PUBLICIS GROUPE

2008 Annual Results

Paris, February 11, 2009

The Context: A Crisis Without Precedent

- Financial sector collapse
- Skyrocketing and collapsing of prices
  - Oil: 145 / 34 USD
  - Corn: 755 / 294 USD
  - Wheat: 1280 / 458 USD
- The first global economy crisis
- Economic turbulences

Source : World Bank

The Context: A Crisis Without Precedent

- Unpredictability of the crisis, revised world growth forecasts throughout 2008...

Zones	Jan.08	April 08	June 08	Sept.08	Febr.09
United-States	+2.3%	+1.8%	+1.4%	+1.3%	-1.5%
Euro Zone	+1.9%	+1.7%	+1.0%	+0.9%	-1.5%
Russia	+7.0%	+6.5%	+6.5%	+6.5%	-3.2%
Latin America	+4.5%	+4.5%	+4.5%	+4.0%	+1.6%
China	+10.2%	+10.1%	+10.2%	+9.8%	+5.4%
World	+3.1%	+2.9%	+2.7%	+2.4%	-0.5%

- ...with readjustments continuing into 2009

Source : IMF & Natixis

Advertising Expenditures: Latest ZenithOptimedia estimates Full Year and 4th Quarter 2008

Change in %	2008	Q4 2008
United States	-3.8	-20.0
Japan	-1.8	-11.4
United Kingdom	-0.8	-4.4
Germany	-2.0	-16.7
China	18.8	18.8
France	-0.5	-2.0
Italy	-1.1	-5.6
Spain	-9.7	-28.9
WORLD	1.3	-7.4

Source : ZenithOptimedia - December 2008

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Fourth Quarter 2008

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Fourth Quarter 2008

	Q4 2008
Revenue (EUR million)	**1,373**
Revenue growth 2008 vs 2007	***+5.5%***
Growth at constant exchange rate*	**+4.2%**
Organic Growth	**+1.1%**

* 2007 at 2008 exchange rate

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2008
Good Performances

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Full Year 2008: Key Figures

	2008	2007
Revenue (EUR million)	4,704	+ 0.7%
*excl. exchange rate impact**	*4,953*	*+ 6.0%*
Organic Growth	+ 3.8%	
Operating Margin (EUR million)	785	+ 0.8%
*excl. exchange rate impact**	*830*	*+ 6.5%*
As a % of revenue	16.7%	
Free Cash Flow excl. change in WCR (EUR million)	639	+ 4%
*excl. exchange rate impact**	*654*	*+ 6.0%*
Net debt ratio	0.29	
Liquidity	EUR 2.8 billion	

* 2008 to 2007 exchange rate

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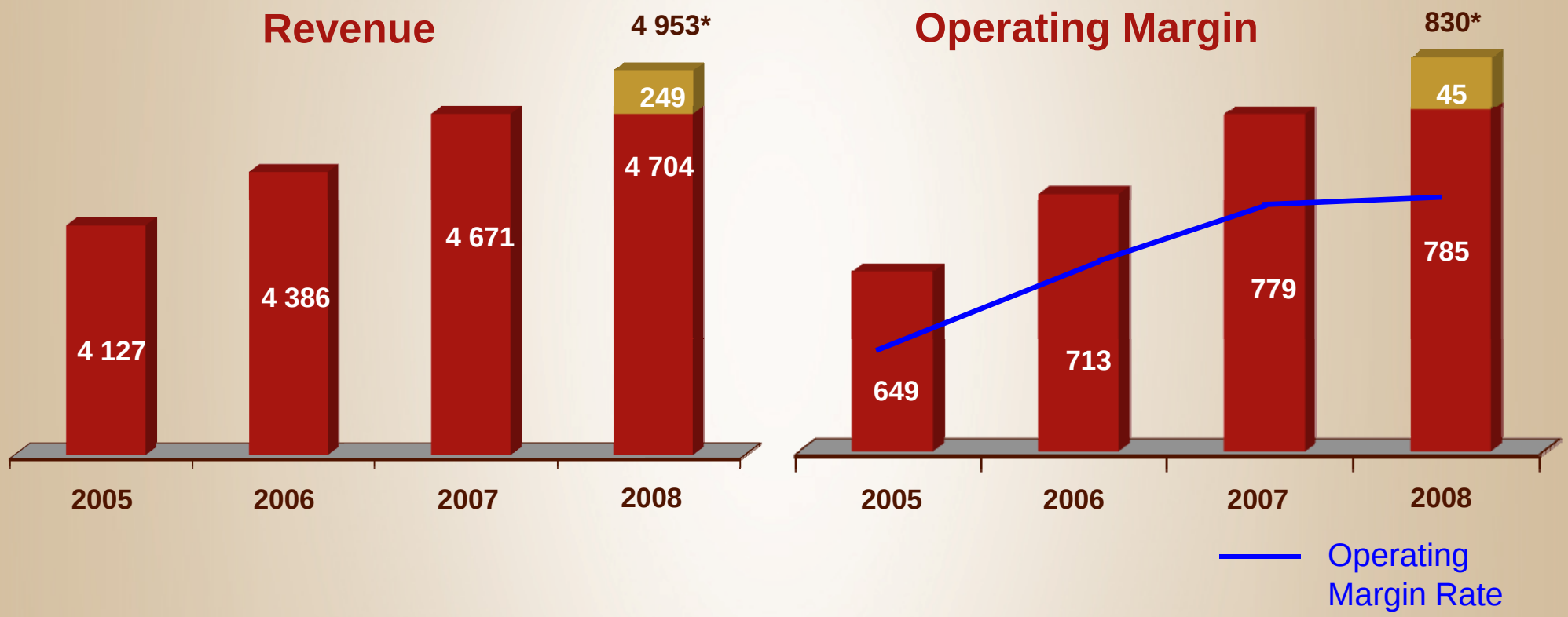
Full Year 2008: Highlights

- **Operations**
  - Breakthrough in digital: 19% of total revenue
    Organic growth: 29%
  - Good growth in emerging economies : 23% of Groupe revenue
    Organic growth BRIC : 14.2%
  - Healthcare stabilized
  - Number 1 in New Business* : USD 5 billion
  - Number 1 in creative performance (Gunn Report), second most awarded group at Cannes
  - 2007 record margins (16.7%) confirmed in 2008
  - Total available liquidity: EUR 2.8 billion

* Nomura - ex Lehman Ranking

2008: Excellent Operating Results

(millions EUR)



Continuous growth of operating margin

* 2008 at 2007 exchange rate

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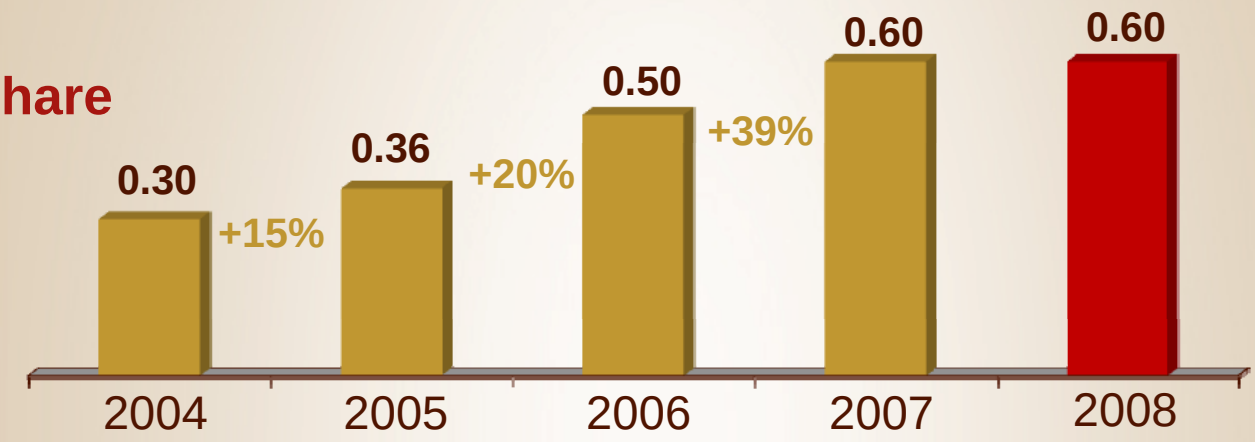
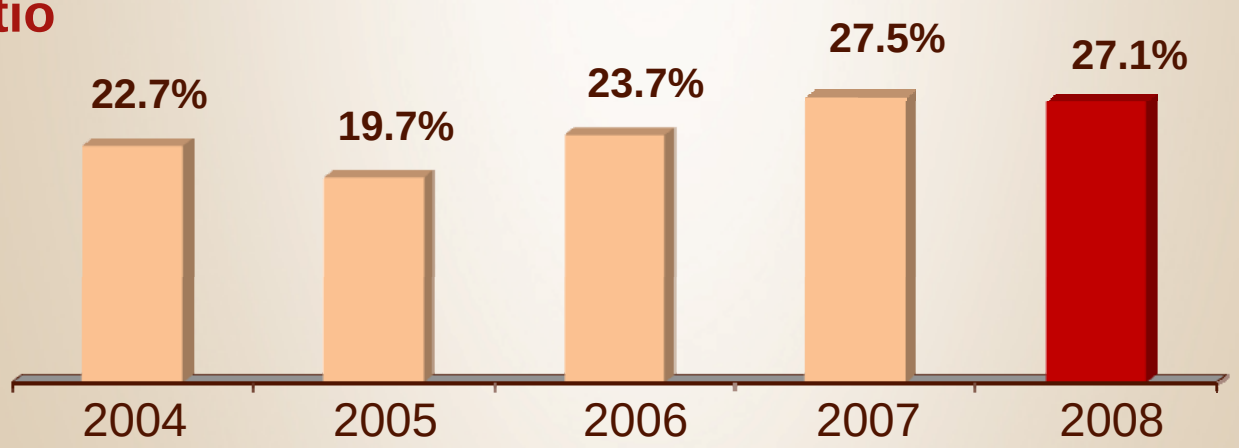
Dividend

EUR per share



Pay-out ratio



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2008 Financials

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Consolidated Income Statement

(millions EUR)	2008	2007*	Var. 08/07
Revenue	4,704	4,671	0.7%
Operating margin	785	779	0.8%
Amortization of intangibles arising on acquisitions	(29)	(30)	
Impairment	(13)	(6)	
Non-current income (expense)	8	3	
Operating income	751	746	
Net financial costs	(79)	(78)	
Income taxes	(196)	(201)	
Associates	2	9	
Minority interests	(31)	(24)	
Group net income	447	452	-1.1%

* published

2008 Revenue by Geography in EUR

(EUR million)	2008	2007	Variation excl. exch. rate impact*	Organic Growth
Europe	1,805	1,799	3.9%	1.3%
North America	2,008	2,016	6.7%	4.4%
Asia Pacific	519	502	7.8%	5.0%
Latin America	238	237	5.3%	6.5%
Middle East & Africa	134	117	20.1%	21.8%
Total consolidated revenue	**4,704**	**4,671**	**6.0%**	**3.8%**

*2007 at 2008 exchange rate

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Full Year 2008: Revenue and Operating Margin in USD & GBP

	USD	Growth vs FY 07	GBP	Growth vs FY 07
Revenue	6,900 M$	**+ 7.9%**	3,733 M£	**+ 16.8%**
Operating margin	1,151 M$	**+ 8.0%**	623 M£	**+ 16.9%**

All entities translated into US dollar or GBP using the following exchange rates:
FY 2007 : 1 USD = EUR 0.73070 1 GBP = 1.46141
FY 2008 : 1 USD = EUR 0.68174 1GBP = 1.26014

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Operating Margin

(EUR million)	2008	2007*	Var. 08/07
Revenue	4,704	4,671	0.7%
Personnel expenses	(2,852)	(2,829)	0.8%
Other operating expenses	(963)	(954)	0.9%
Operating margin before depreciation and amortization	889	888	0.1%
Depreciation and amortization (excl. intangibles arising on acquisitions)	(104)	(109)	-4.6%
Operating margin	785	779	0.8%
%	16.7%	16.7%	

* published

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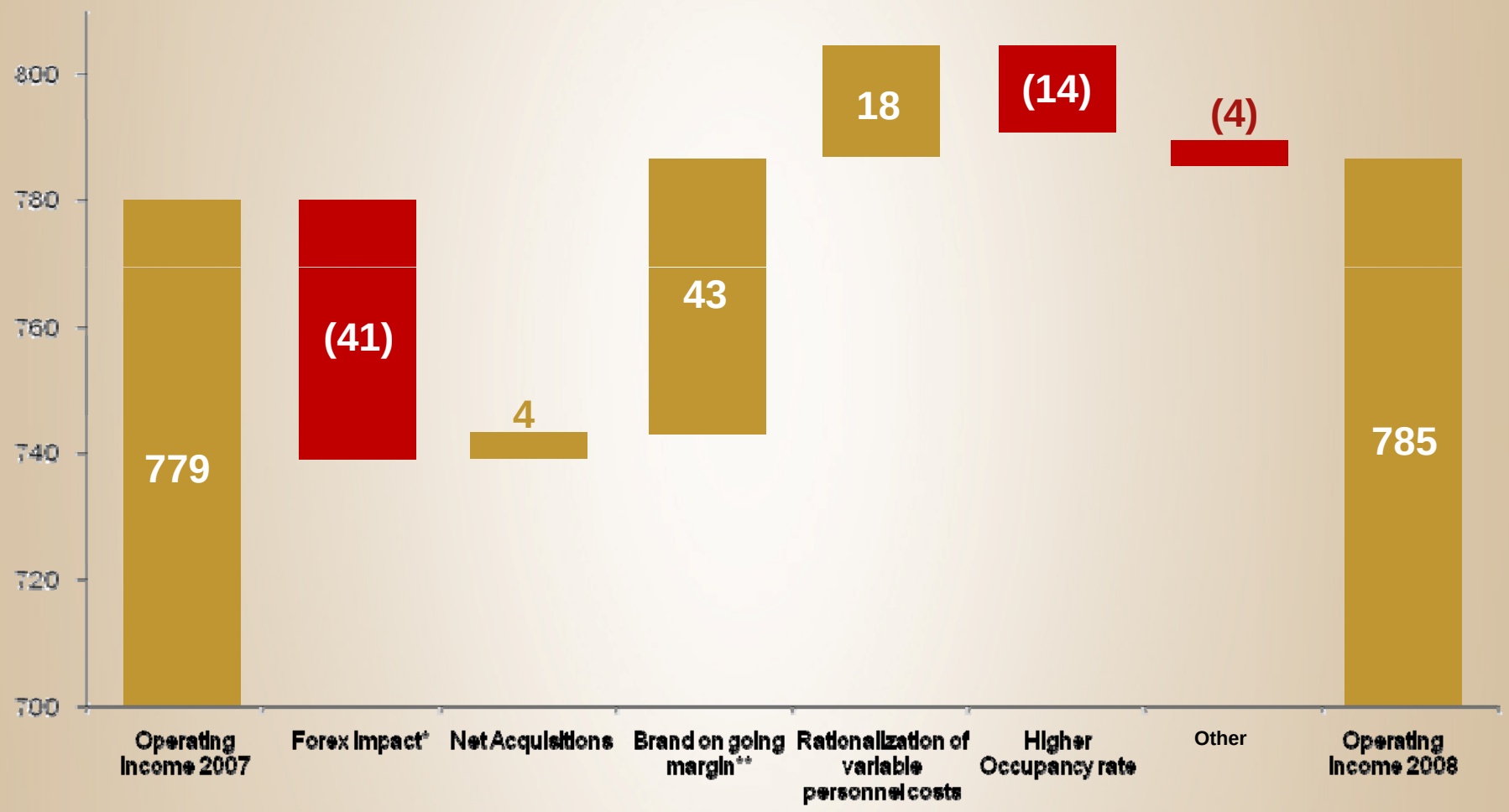
2007-2008 Change in Operating Margin



** 2007 at 2008 exchange rate*
*** excluding client, occupancy and other operating costs*

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Net Financial Costs

(EUR million)	2008	2007	Variation
Eurobond 2012	(43)	(45)	2
OCEANE 2008	(23)	(42)	19
5 Year revolving credit facility (Club Deal)	(8)	-	(8)
OCEANE 2018	(7)	(6)	(1)
Orane	(2)	(3)	1
Other interest income, net	10	32	(22)
Finance lease	(8)	(9)	1
Cost of net financial debt (1)	**(81)**	**(73)**	**(8)**
FX gain (loss)	6	1	5
Other financial expense	(4)	(6)	2
Net financial costs	(79)	(78)	(1)
USD interest rate - average	1.93%	5.02%	-62%

(1) Change in costs of net financial debt :

- Of which impact of decrease in USD interest rate on 2007 av. Cash	(14)
- And savings on Oceane 08 refinancing (5.5 months)	5

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Tax Rate

	2007		2008
Effective tax rate	30.0%	- 80 bp	29.2%
« Cash tax rate » (1)	29.4%	- 420 bp a reduction of EUR 28m	25.2%

(1) Taxes paid as % of income before tax

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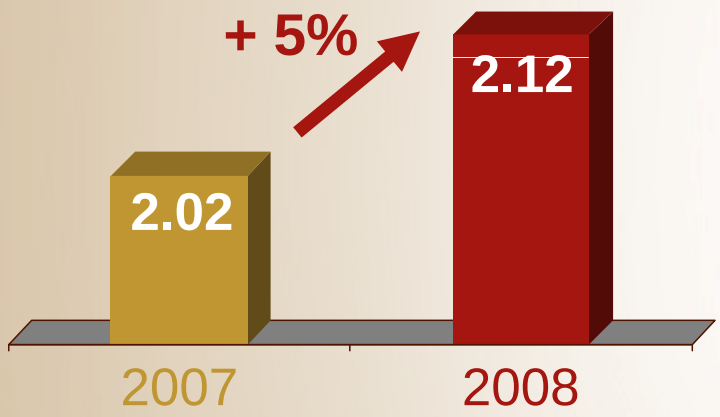
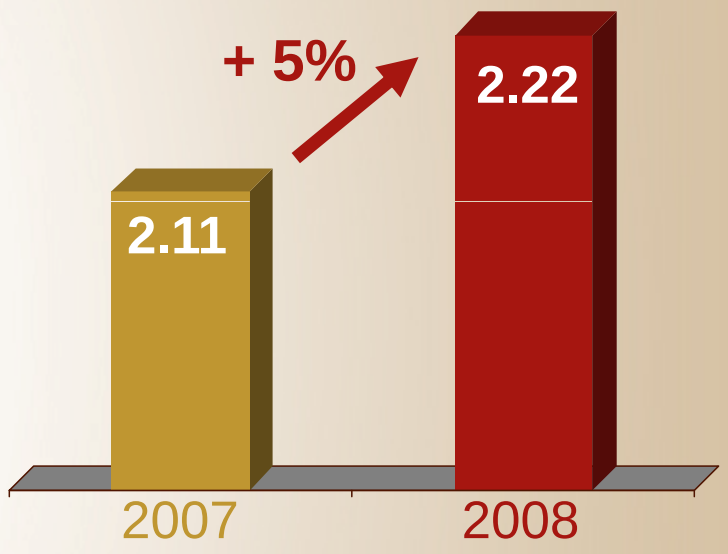
EPS Growth

(EUR)

Diluted EPS



Diluted Headline EPS (1)



(1) Earnings per share before amortization of intangibles arising on acquisition, impairment and real estate disposal

Improvement in diluted EPS is mainly due to:

- Buy-back of 8 million additional treasury shares (after cancellation of an equivalent amount)
- Oceane 2008 reimbursement in July 2008: elimination of 23,172,413 potential new shares

Note: in January 2009, buy-back of 2,241,811 Oceane 2018 thus eliminating an equivalent number of potential shares

Balance Sheet at 31 December 2008

(EUR million)

	2008	2007
Goodwill	3,693	3,546
Other Intangibles	794	826
Other Fixed Assets	625	662
Deferred and Current Tax Assets	(144)	(116)
Working Capital	(1,373)	(1,300)
Total Assets	**3,595**	**3,618**
Shareholders' Equity	2,320	2,198
Minority Interests	30	27
Total Shareholders' Equity	2,350	2,225
LT/CT Provisions	569	556
Net Debt	676	837
Total Liabilities and Equity	**3,595**	**3,618**
Net Debt to Equity Ratio	**0.29**	**0.38**

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Reduction in Gross Debt at 31 December

(millions EUR)

	2008	2007	Variation
OCEANE 2018	243	238	5
OCEANE 2008	-	652	(652)
Eurobond 2012 *	775	775	0
ORANE	26	30	(4)
5 Year revolving credit facility (Club Deal)	-	-	-
Earn-out / Buy-out	297	306	(9)
Other debt *	202	149	53
Total gross debt	**1,543**	**2,150**	**(607)**

(*) including fair value of associated derivatives

- Reimbursement of the Oceane 2008 in July 2008
- 174 m€ of shares buy-back

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Reduction in Average Net Debt

- Reduction mostly due to EBITDA at 18.9% of revenue
- Improvement in average negative Trade Working Capital for 75 m€ vs 2007 at same exchange rate
- Control of net Capex at 1.4% of revenue
- After 174 m€ of share buy-back (net of disposals)

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Net Debt at 31 December: Split by Maturity

(EUR million)

	TOTAL	2009	2010	2011	2012	2013 onward
OCEANE 2018	243					243 (1)
Eurobond 2012 (2)	775				775	
ORANE	26	3	3	3	3	14
5 Y revolving credit facility	-	-	-	-	-	-
Earn-out / Buy-out	297	113	62	86	27	9
Other debt (2)	202	111	14			77
Total gross debt	**1,543**	**227**	**79**	**89**	**805**	**343**
Cash & Marketable Securities	(867)	(867)				
Net Debt	**676**	**(640)**	**79**	**89**	**805**	**343**

(1) Put options in January 2010 & 2014
(2) including fair value of associated derivatives

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Liquidity at 31 December 2008

(EUR million)

	Total Amount	Drawn	Available
Committed Facilities			
364-day revolving credit facilities	166	0	166
5-year revolving credit facility	1,500	0	1,500
Total Committed Facilities	**1,666**	**0**	**1,666**
Uncommitted Facilities	292	27	265
Total Credit Facilities	**1,958**	**27**	**1,931**
Cash and Marketable Securities			867
Total Liquidity available			**2,798***

Total available: EUR 2.8 billion
No covenants

( ) 2 533 m€ excluding uncommitted facilities*

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Financial Ratios

	2008	2007	Optimum ratio
Average Net Debt / EBITDA*	1.2	1.4	< 1.50
Net Debt / Shareholders' Equity	0.29	0.38	< 0.50
Interest Cover (EBITDA* / Cost of Net Financial Debt)	11	12	> 7

Main financial ratios have been improved or maintained enhancing our solid financial structure

* EBITDA: Operating margin before depreciation and amortization

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Free Cash Flow

(EUR million)

	2008		2007
Cash Flow from Operations	**715**		**798**
Investments (Capex)	**(64)**		**(77)**
Free Cash Flow	**651**		**721**
Deduction of Change in WCR	**(12)**		**(106)**
Free Cash Flow excluding change in WCR	**639**	**+ 4%**	**615**
*Excl. exchange rate impact**	*654*	*+ 6%*	*615*

* 2008 at 2007 exchange rate

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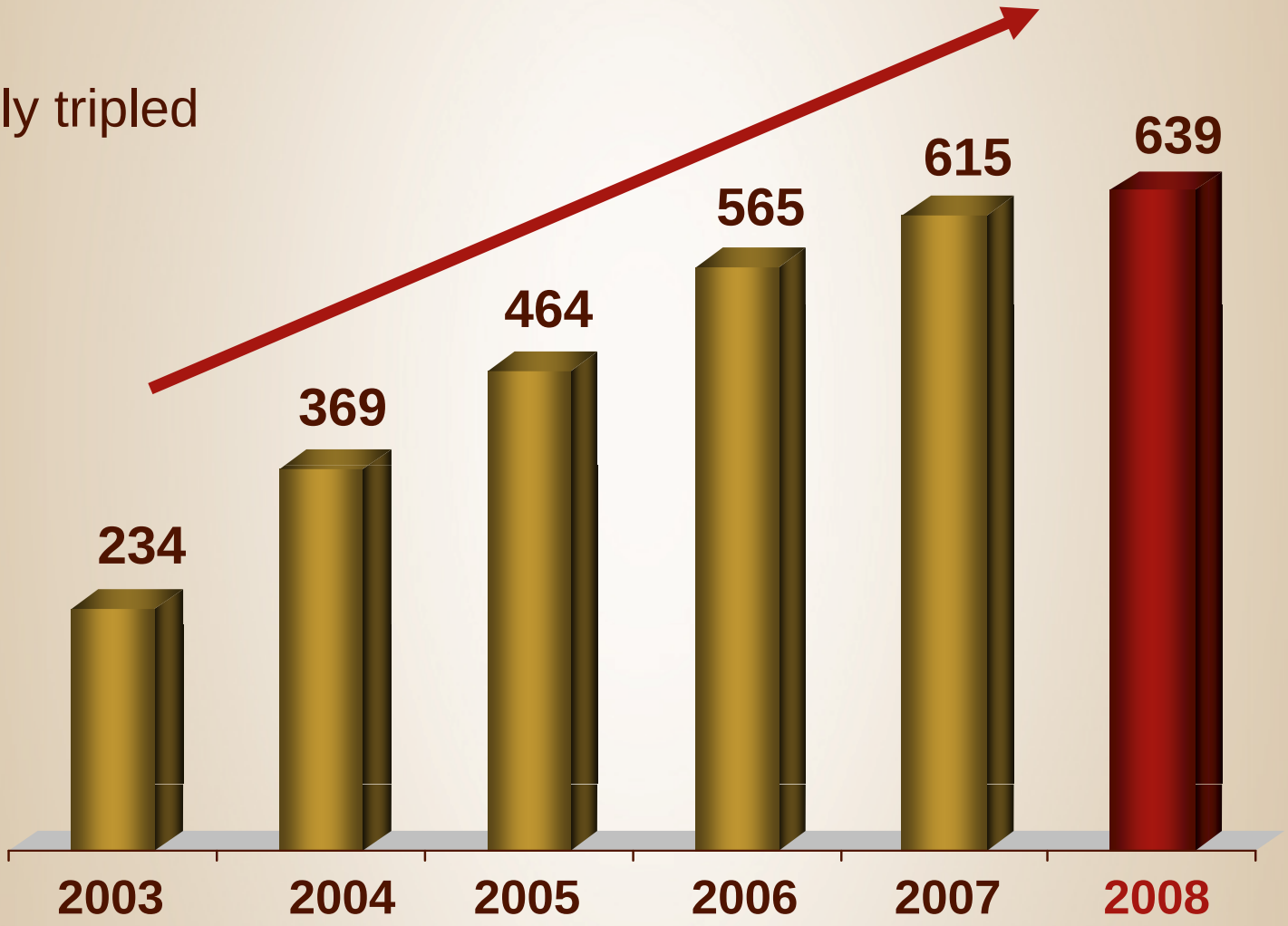
Free Cash Flow excluding Change in WCR: Continuous improvement

(EUR million)

- Nearly tripled



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Use of Free Cash Flow in 2008

(EUR million)

	2008	2007
Free Cash Flow	651	721
Acquisitions*	(128)	(912)
Earn-outs Impact	(31)	(52)
Buy-outs Impact	(14)	(38)
Dividends paid	(130)	(118)
Capital Increase (stock options)	1	2
Share Buy-back (net of disposals)	(174)	(162)
Non-cash Impact on Net Debt	(14)	(57)
Change in Net Debt	161	(616)

** Including other financial assets*

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Full Year 2008: Financial Highlights

- Strong cash generation
- Reduction in gross debt and average net debt
- Financial ratios improvement
- Total of potential shares eliminated: 31 million
  - February 2008: Cancellation of 8 million shares;
    Share buy-back for equivalent amount
  - OCEANE 2008 Redemption (elimination of 23 million potential new shares)
- Syndicated Credit facility (Club deal) draw down brought to 0

Financial structure reinforcement and high level of liquidity

Subsequent Events:
Partial Buy-Back of Oceane 2018

- 19 January 2009: Buy-back of 12.7% initial amount of OCEANE 2018 for EUR 95 million, or 2,241,811 bonds at EUR 42.3585
- Upcoming offer to all bondholders at equivalent conditions
- Subject to the result of the offer, further balance sheet improvement and elimination of potential new shares

Outlook

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Advertising Expenditures: Latest ZenithOptimedia Estimates for 2009

Change in %	December 2008 Forecast for 2009	Readjusted Forecast January 2009
United States	-6.2	-6.3
Japan	-0.5	-5.7
United Kingdom	+1.5	-4.0
Germany	-4.6	-5.1
China	+8.8	+8.8
France	-1.9	-1.9
Italy	+0.1	-2.7
Spain	-4.9	-8.0
WORLD	-0.2	-1.8

Source : ZenithOptimedia

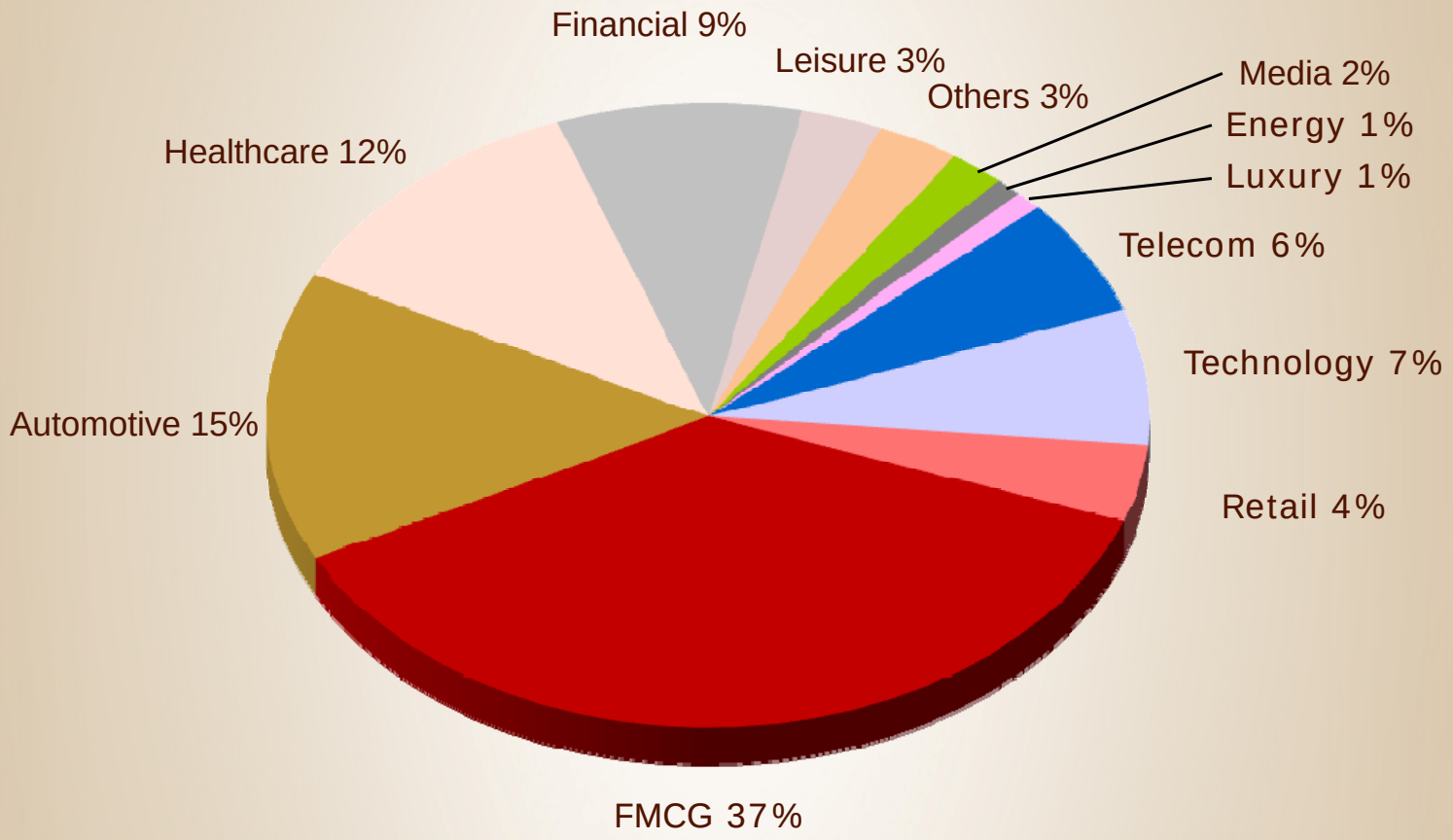
Outlook 2009: A Crisis Without Precedent

- **Advertisers**
  - « Cash is King »
  - Company margins severely squeezed
  - Expected consolidations
- **Consumers**
  - Worried (the future, employment…)
  - Cautious
  - Newfound awareness of societal issues (social responsability, ethics, sustainable development)
  - Refrained consumption

Strong Fundamentals:
Learning Curve and 2008 Performances

- **Experience overcoming previous crises, a strong « management » culture**
  - Flexibility of the organisations
  - Quick decision making
- **2008 positive basis to start 2009**
  - The highest margins in the sector (good costs control)
  - Strength and liquidity
  - High level of New Business further confirmed in January 2009
  - The allure of Publicis Groupe's culture:
    - For its teams
    - For its clients

Strong Fundamentals:
A Balanced and Resilient Client Portfolio



> 50% of total revenue from « resilient » sectors

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Strong Fundamentals:
A Clear Strategy Validated by Results

- **Digital: 19% of total 2008 revenue**
  - Digital present in all our entities, "at the heart of our business"
  - Digitas:
    - 2006: 4 offices in 2 countries
    - 2008: 31 offices in 17 countries
- **Emerging economies: 22.9% of total revenue**

42% of total revenue in high growth areas

Target: 50% in 2010

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Strong Fundamentals:
An Attractive Offer

- A continuous adaptation to respond to evolving demands VivaKi / medias / emerging markets

  ➔ China Mobile win

- A well positionned offer for traditional agencies: Holistic/Full service

  ➔ Carrefour global win

Publicis Groupe: No. 1 in New Business in January 2009

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Offer, Organization, Management: 3 fundamental strengths to take on 2009

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A Constantly Innovative Offer

- **Permanently innovating to better serve clients**
  - « The Pool » creation of a video standard for online advertising (partnership with AOl, Broadband Entreprise, CBS, Discovery, Hulu, Microsoft, Yahoo !)
  - Google: several interactions to develop specific solutions (« Audience on Demand », automation of media operations…)
- **A flexible organization focused on the client**
  - Elimination of silos
  - New approaches to managing clients (Samsung, Carrefour….)

Target: Increase Market Share

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A Strong Reactivity

- Efficient organization focused on client needs
- A solid and consistent management team: short decision-making circuit
- A permanent adjustment of skills and resources:
  - Instant adjustment to anticipated activity level
  - Streamlined management: merging of certain jobs or functions
  - Accelerated implementation of « 2-door » agencies

A Result-Oriented Culture

- **Attention particularly focused on costs**
  - Variable costs: 8% of total revenue:
    - Rigorous management of staff and freelancers
    - Staff management based on natural « attrition » specific to the industry
  - Resource pooling: support functions consolidated into Shared Services Centers:
    - Regional platforms (Costa Rica for « Americas »)
    - Regrouping of IT functions (ERP, Datacenters…)
  - Reduction of operating costs
- **Attention particularly focused on cash generation**

2009 Target: Margin and Cash

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Summary

- In a strong position with a solid balance sheet, Publicis Groupe is well armed on several fronts:
  - With dynamic and comitted teams
  - With multiple talents
  - With an enriched client portfolio
  - With faithfull and renewed clients

« I was asked what
I thought about the recession.
I thought about it and
decided not to take part. »

Sam Walton, Founder of Wal-Mart

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Q & A

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Appendix

Appendix 1: Revenue

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Organic Growth Calculation
Fourth Quarter and Full Year

(EUR million)	Q4 2008	2008
2007 Revenue	1,301	4,671
Currency Impact	16	(234)
2007 Revenue at 2008 exchange Rate (a)	1,317	4,437
2008 Revenue before impact of acquisitions (1) (b)	1,332	4,605
Revenue from acquisitions (1)	41	99
2008 Revenue	1,373	4,704
Organic Growth (b/a)	*+ 1.1%*	*+ 3.8%*

(1) Net of disposals

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2008: Full Year Organic Growth by Country

Organic Growth	Countries
• >10%	Greater China, Russia, India, Poland, Arab Emirates, Venezuela
• 5-10%	Brazil, Philippines, Austria
• 0-5%	US, France, Singapore, Australia, Canada
• <0%	Germany, UK, Spain, Japan, Mexico

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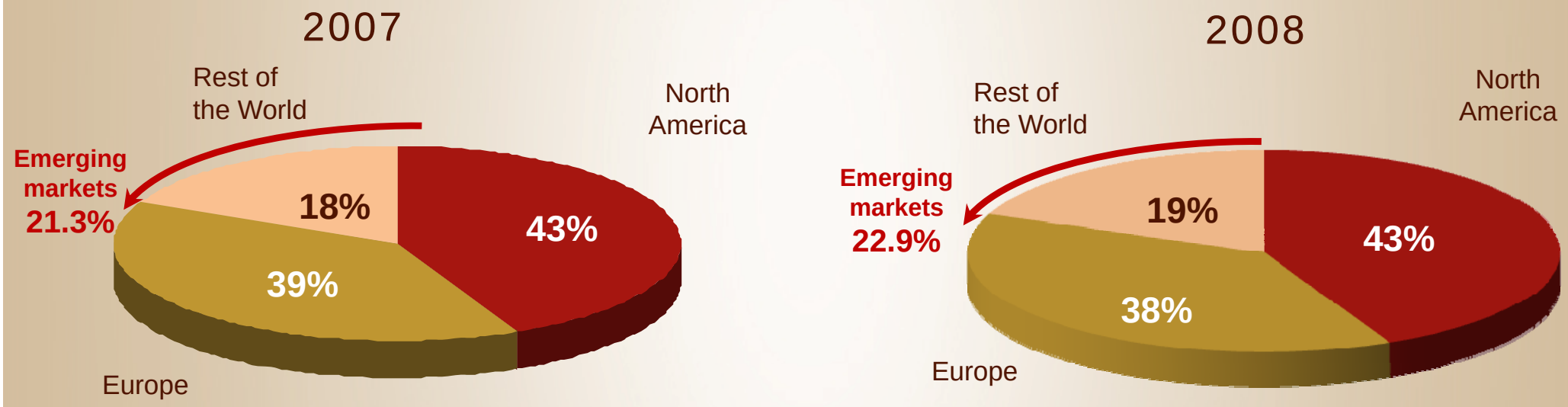
Emerging Markets in 2008

Emerging Markets 2008 Full Year
- Share in total revenue: 22.9% vs 21.3% in 2007
- Organic growth rate: + 9.1%



- Strengthening our presence in high growth economies

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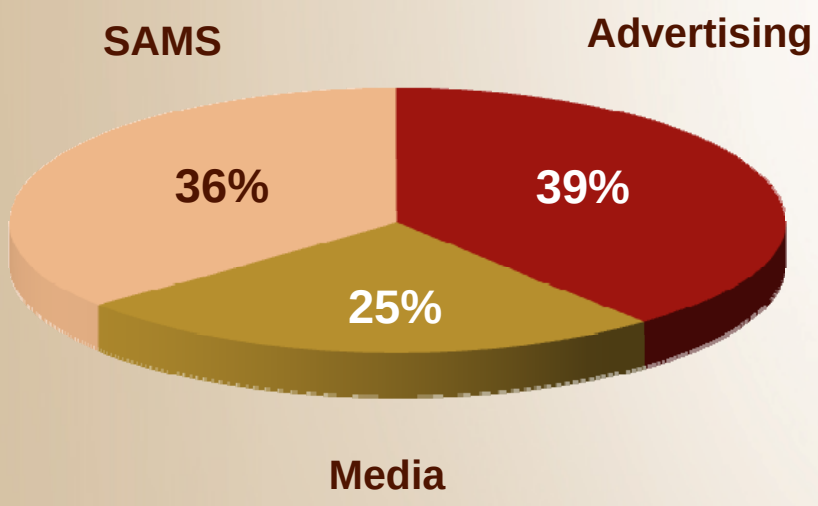
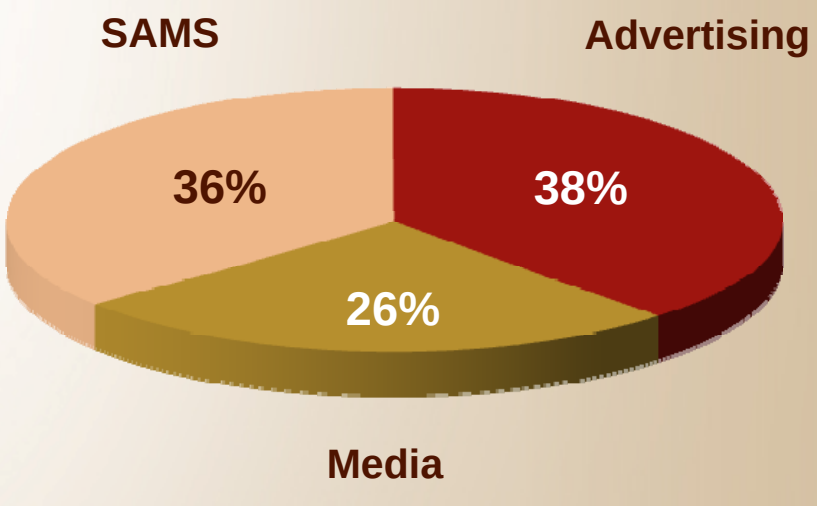
2008: Full Year Revenue by Activity

Digital 2008 Full Year
- Share in total revenue : 19% of total revenue vs 15% in 2007
- Organic Growth: +29%

2007



2008



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2008 Revenue by Geography in USD

(USD million)	2008	2007	Variation
Europe	2,648	2,462	+7.6%
North America	2,946	2,760	+6.7%
Asia Pacific	760	687	+10.6%
Latin America	349	324	+7.7%
Middle East & Africa	197	160	+23.1%
Total consolidated revenue	**6,900**	**6,393**	**+7.9%**

All entities translated into US dollar using the following exchange rates:

2007 : 1 USD = EUR 0.73070

2008 : 1 USD = EUR 0.68174

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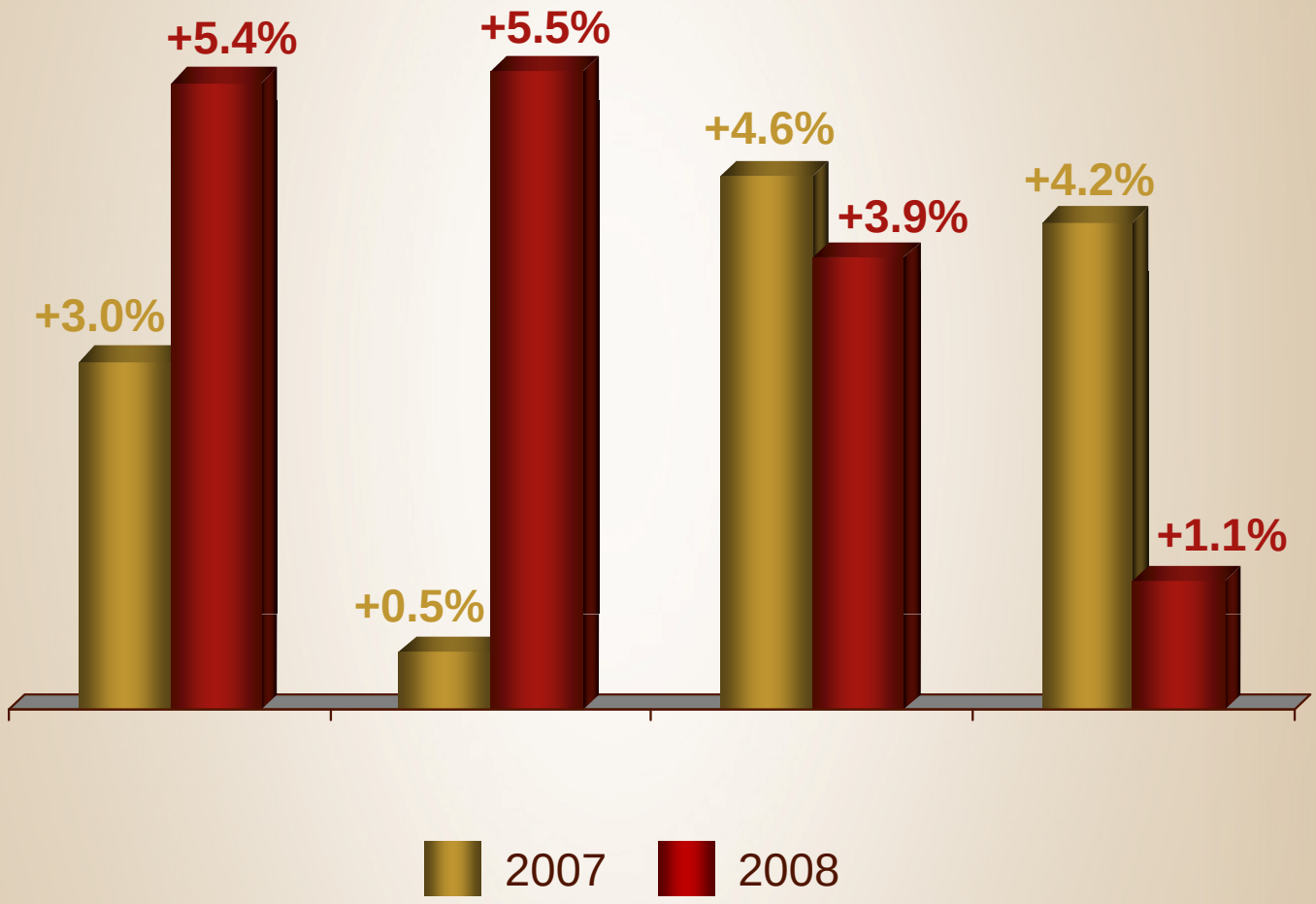
2008: Organic Growth by Quarter



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Fourth Quarter 2008 Revenue by Geography in EUR

(millions EUR)	Q4 2008	Q4 2007	Variation excl. exch. rate impact*	Organic Growth
Europe	521	535	0.9%	-1.8%
North America	585	521	4.8%	1.8%
Asia Pacific	152	142	6.9%	-1.1%
Latin America	65	67	1.6%	2.8%
Middle East & Africa	50	36	35.2%	36.7%
Total consolidated revenue	**1,373**	**1,301**	**4.2%**	**1.1%**

*2007 at 2008 exchange rate

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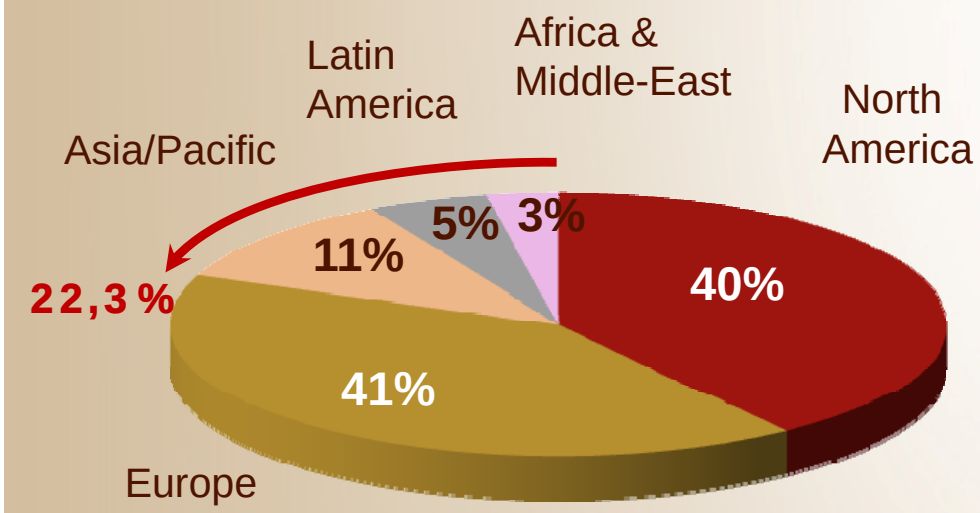
2008 - Fourth Quarter
Organic Growth by Country

Organic Growth	Countries
• >10%	Greater China, Russia, Arab Emirates, Turkey, Saudi Arabia, Venezuela
• 5-10%	Brazil, Canada, Norway
• 0-5%	US, France
• <0%	Spain, UK, Germany, Mexico, Poland, India

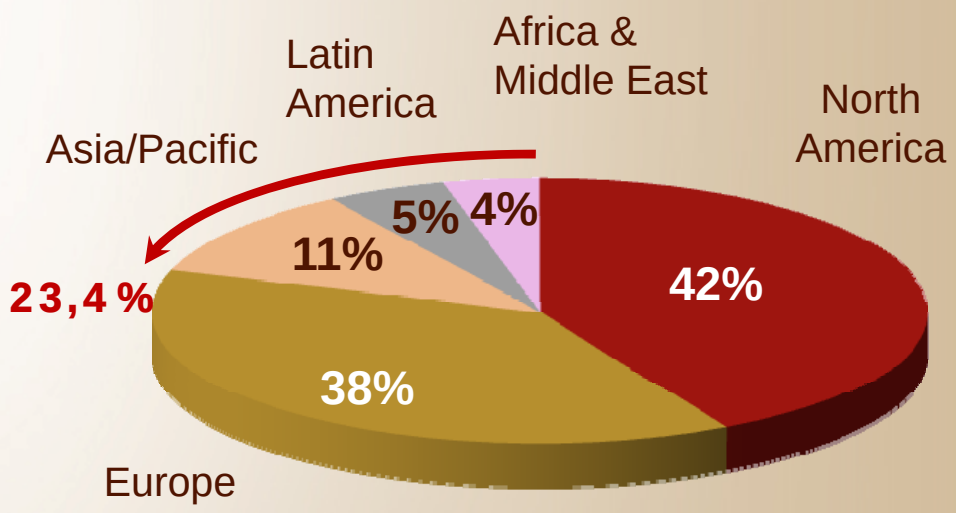
2008 - Fourth Quarter
Revenue by Geography

Emerging markets Q4 2008
- Share in total revenue : 23.4% vs 22.3% in 2007
- Organic growth : +5.3%

Q4 2007



Q4 2008



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Appendix 2:
Cash & Debt

Net Debt at 31 December 2008: Split by Currency

(EUR million)	Total	EUR	USD	GBP	Autres
OCEANE 2018	243	243			
Eurobond 2012 *	775	775			
ORANE	26	26			
5 Y revolving credit facility (Club Deal)	-				
Earn-out / Buy-out	297	115	74	21	87
Other debt *	202	30	83		89
Total gross debt	**1,543**	**1,189**	**157**	**21**	**176**
Cash & Marketable Securities	(867)	698	(1 053)	(41)	(471)
Net Debt	**676**	**1 887**	**(896)**	**(20)**	**(295)**

(*) Including fair value of associated derivatives

Gross Debt at 31 December 2008 : Split by Rate
(after interest rate swap)

	Total 2008	Earn-out / Buy-out	Fixed rate	Variable rate	Total 2007	Variation
Oceane 2018	243		243		238	5
Oceane 2008	-				652	(652)
Eurobond 2012 (1)	775			775	775	0
Orane	26		26		30	(4)
Syndicated loan	-				-	-
Other debt (1)	202		77	125	149	53
Total gross debt (excl. Earn-out / Buy-out)	**1,246**		**346** **28%**	**900** **72%**	**1,844**	**(598)**
Earn-out/Buy-out	297	297			306	(9)
Total gross debt	**1,543**	**297**	**346**	**900**	**2,150**	**(607)**

(1) Including fair value of associated derivatives

PUBLICIS GROUPE

2008 Share Buy-Back
(cash impact)

	Number of shares	Amount (m€)
Buy-back of 8 million treasury shares @ average price of 24.37 euros (following cancellation of 8 million shares)	8,000,000	(195)
Repurchase of Digitas restricted shares cancelled	47,583	(1)
Disposals following stock option exercises (Digitas plans)	(1,120,329)	9
Disposal of 100% of shares held in the context of liquidity contract	(547,000)	13
Total	**6,380,254**	**(174)**

PUBLICIS GROUPE

Appendix 3 :
New Business & Awards 2008

PUBLICIS GROUPE

2008: a Dynamic Year…

New Business: N 1 in 2008*
5 billion USD**

- Major wins :

  Bank of America, BI, Cadbury, Disneyland Resorts, Dopod, Easyjet Emirates, GDF Suez, Guinness, Harrah's Entertainment, Hertz, Hindustan Petroleum Corporation Ltd, Homebase, HP, L'Oréal, Lunesta, MTS-Shyam Telelink, Orange, Samsung, StarHub, Sony Computer Entertainment, Videocon, Wyeth…

* Nomura Ranking (former Lehman Brothers team)
** 2008 net New Business

PUBLICIS GROUPE

2008: a Creative Year

- Gunn Report: No. 1 in Creative Performance since 2004
- Cannes International Advertising Festival: No. 2 in 2008 - Grand Prix in Film (Cadbury-Gorilla), 101 Lions
- Clio Awards: No. 2 in 2008 - Grand Prix Innovative Media, 5 Golds in TV/Cinema and digital, 51 Clios
- The One Show: No. 2 in 2008 - 81 awards