PUBLICIS GROUPE

HALF YEAR FINANCIAL REPORT

(FOR THE SIX MONTHS ENDED ON JUNE 30, 2011)

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Message from Chairman & CEO of Publicis Groupe

Maurice Lévy

On July 20, 2011, Maurice Lévy, Chairman of the Management Board, presented the accounts for the 1st half-year 2011 to the Publicis Groupe's Supervisory Board under the chairmanship of Elisabeth Badinter.

Maurice Lévy, Chairman and CEO of Publicis Groupe, said:

"Organic growth has risen to an excellent 7.6% in the second quarter, bringing overall growth in this Half to 7.1%, exceeding our forecasts. This confirms the validity of our strategic choices.

In order to fuel the Group's goal of boosting Internet-related and digital work to take a dominant share of our activity, this First Half has been rich in acquisitions. They notably include Rosetta, one of the largest independent digital and consulting agencies – and, more recently, BIG Fuel, a little golden nugget in terms of social media communication.

We're progressing according to plan with our ambitious goals for the BRIC markets.

Overall, all our acquisitions, whatever their size, share a number of qualities. They are particularly creative; their skills are widely recognized in their market; and they will be key elements for the growth of our networks.

Clearly, in order to accelerate our profitable development, we will need to give priority to investment and to talent, particularly after two years of a salary and hiring freeze. This is in line with our announcement in February 2011.

Boosting our margin remains a priority, and in the Second Half we'll be harvesting the first results of that goal.

With our net debt at June 30 reduced to 210 million euros, a debt ratio close to zero and more than 4 million euros of available liquidity, our financial situation gives us some leeway to achieve our ambitious goals, although we will continue to be very attentive to the world economy which is showing some signs of fragility.

2011 should confirm our goal of higher-than-market growth and improved margins."

Maurice Lévy

Chairman & CEO

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INTERIM MANAGEMENT REPORT

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Key figures

Data from the Income statement in EUR million, excepting percentages and per-share data (in euros)	H1 2011	H1 2010	2011/2010
Revenue	2,699	2,538	+6.3%
Operating margin before Depreciation & Amortization	411	422	-2.6%
% of revenue	*15.2%*	*16.6%*	
Operating margin	364	369	-1.4%
% of revenue	*13.5%*	*14.5%*	
Operating income	349	353	-1.1%
Net Income attributable to the Group	231	213	+8.5%
Earnings Per Share [1]	1.14	1.04	+10%
Diluted Earnings Per Share [2]	1.03	0.95	+8%
Data from the Balance Sheet	**June 30, 2011**	**December 31, 2010**	
Total Assets	14,284	14,941	
Group's share of consolidated shareholders' equity	3,384	3,361	

(1) Earnings per share calculations based on an average of 202.2 million shares in circulation in H1 2011, and 204.5 million in H1 2010.
(2) Diluted Earnings per share (EPS) calculations based on an average of 237.2 million shares in H1 2011, and 237.1 million shares in H1 2010. These calculations include stock options, free shares, equity warrants and convertible bonds that dilute EPS. In H1 2011, the instruments diluting EPS were convertible bonds (Oceanes), equity warrants, free share issues and certain stock option tranches at a strike price below the average share price for the period.

Global growth reached an annualized 4.3% in the first quarter and forecasts for the full year 2011 are largely unchanged despite a temporary slowdown observed in the second quarter. This very moderate slowdown is not reassuring and is a reflection of weaker than expected economic activity in the USA as well as higher volatility in the capital markets due to the serious budget problems in peripheral countries of the euro zone. The budgetary imbalances of a number of developed countries and the clear risk of economic overheating in emerging or developing countries constitute a higher level of risk that is not conducive to short-term growth. In summary, global growth has slowed moderately while risks have increased significantly.

ZenithOptimedia, after forecasting 4.2% growth of advertising expenditure in April 2011, revised that down to 4.1% on July 13. This marginal decrease of 0.1% mainly because of the markets in the USA and Western Europe, is being offset by growth in developing countries, and particularly China.

In this context, Publicis Groupe reported a 6.3% revenue increase and 7.1% organic growth. In the second quarter, its revenue rose 2.7% and organic growth reached 7.6%. It should be noted that currency translation adversely affected 1st Half revenue by 58 million euros, with the US dollar alone having a 67 million euro impact.

Digital activities accounted for 29.0% of total revenue, up from 27.7% (at 2011 exchange rates) in H1 2010. The acquisitions made in H2 2010 (AG2 Publicis Modem, Digital District...) and H1 2011 (Kitcatt Nohr, Chemistry Digital...) contribute to increase these activities. The innovations at the VivaKi Nerve Center enable the Group's networks to continue to support their clients throughout the deep transformation taking place among digital audiences and in consumer behavior.

Reinforcement of the Group's presence in high-growth countries – which is the second pillar of the strategy – was stepped up through a number of acquisitions in the first half-year, in India, China, and especially in Brazil which in 2011 became Publicis Groupe's sixth biggest market, after ranking only tenth just two years ago. On a full year basis, the Group exposure in Brazil has doubled. The Group thus confirmed its intention to double its revenue in China within three years, through targeted acquisitions in Public Relations, healthcare and digital services, but also by way of strong organic growth driven by the region's dynamic economy.

The Group's strong financial situation enabled it to grasp investment opportunities while maintaining a healthy balance sheet.

The different cost management and optimization programs were again at the heart of its concerns and their deployment continued. One of the most important such programs is the regionalization of shared service centers (SSCs) which will soon see the completion of the "Americas" platform for the American continent, and the start of work on the Asia platform (excluding India and China). The ERP project is still being developed and the pilot tests to be conducted in the coming months in France and the UK should enable it to be rolled out worldwide over the next three years. These investments should substantially reduce the Group's operating expenditure by harmonizing its processes and systems.

The operating margin rate in H1 2011 was 13.5%, i.e. 100 basis points lower than in H1 2010. This was partly due to an increase in certain investments but also, and more importantly, to higher personnel expenses. After nearly two years of adjusting headcount through an almost complete freeze on recruitment and salaries, the Group had to proceed with a number of readjustments in the light of the growth observed. This return to normal levels of activity will require the Group to readjust staffing levels and salaries in the coming months for the purposes of consistency with its growth and profitability objectives. When personnel expenses are factored out, the increase in operating costs including depreciation was 7.0%.

Headline Earnings per share (as defined in Note 8 to the Consolidated Financial Statements) stood at 1.19 euro – with Headline diluted EPS at 1.08 euro – i.e. respective increases of 9% and 8% over H1 2010. Earnings per share (EPS) reached 1.14 euro with diluted EPS at 1.03 euro, i.e. respective increases of 10% and 8%.

At June 30, net debt stood at EUR 210 million, i.e. down 408 million euros from net debt of 618 million euros at June 30, 2010.

The first half-year was busy in terms of new business and enabled the Group to record 2.4 billion dollars in new business. As with the equivalent period in 2010, the second quarter was characterized by numerous gains of smaller accounts, while media space accounts were mainly awarded during the first quarter.

Creativity

At the 58th edition of the Cannes international advertising festival, Publicis Groupe received 117 Lions including 16 gold, 39 silver and 62 bronze awards. Leo Burnett took 40 Lions (7 gold, 16 silver and 17 bronze), Publicis 29 Lions, and Saatchi & Saatchi 27 Lions.

Leo Burnett was also awarded the Best of Show prize at the National Addys Awards in the USA, took more awards than any other agency for the second consecutive year at the Andy Awards, and was the big winner at the 2011 Clio Awards, while Leo Burnet/Arc Worldwide received 10 Effie Awards in the USA.

Digitas and American Express won the Grand Clio at the Clio Awards, and Digitas took gold at the Effies for the "Real Women of Philly" campaign. Kitcatt Norh Digitas won the award for the best integrated campaign at the Revolution Awards in the UK.

Publicis Brazil received a Grand prix in the Integrated Media category for Nestlé-Purina-Proplan. Publicis also brought home 15 trophies from the 2011 New York Festivals. ZenithOptimedia was named Media Agency of the Year by Top Marketers in Singapore. Starcom MediaVest took more awards than any other competitor at the Internationalist Awards for Innovation in Media, and received the Grand Prix at the Mediacat Out of Home Awards.

External growth

The first half-year proved a very busy period for Publicis Groupe in terms of external growth. During the first quarter it strengthened its UK presence in interactive communications and public relations through the acquisitions of Chemistry, Airlock, Holler, and Kittcat Nohr. In France, the Group acquired Publicis Consulting in the field of healthcare. Again in healthcare, the acquisition of Watermelon bolstered the Group's position in India. In public relations, it bought consulting firm ICL in Taiwan. In the second quarter, the Group considerably reinforced its operations in Brazil through the acquisition of a controlling stake in Talent (in which it had already acquired a minority stake in 2010), but also via the acquisition of GP7 and a minority stake in Tailor Made. In China, Publicis Groupe bought the Dreams Agency, which is very active in healthcare, and Genedigi, one of the biggest and best known agencies in public relations.

Finally, in May the Group announced the acquisition of Rosetta in the USA, a deal which was then closed in early July. Rosetta was one of the last independent interactive agencies of significant size and will contribute new skills and positioning in consulting.

All these acquisitions are clearly consistent with the Group's strategy of expansion in high-growth countries – with priority given to China and Brazil – and reinforcement of its digital skill sets to enable Publicis Groupe to broaden the spectrum of its offering while keeping abreast of the very rapid developments taking place in the communications sector.

Analysis of financial position and results

SIMPLIFIED CONSOLIDATED INCOME STATEMENT

(EUR million)	H1 2011	H1 2010	2011/2010
Revenue	**2,699**	**2,538**	**+6.3%**
Operating margin	364	369	-1.4%
Amortization of intangibles arising from acquisitions	(17)	(17)	
Impairment loss	0	0	
Non-current income (expenses)	2	1	
Operating income	**349**	**353**	**-1.1%**
Financial income (expense)	(28)	(42)	
Income taxes	(91)	(89)	
Share of profit of Associates	10	0	
Minority interests	(9)	(9)	
NET INCOME ATTRIBUTABLE TO THE GROUP	**231**	**213**	**+8.5%**

Q2 2011 revenue

Consolidated revenue for the second quarter totaled 1,413 million euros, i.e. a 2.7% increase over the 1,376 million euros reported for the corresponding period in 2010 (the considerable impact of exchange rates was 87 million euros).

Q2 organic growth was +7.6%, up from +6.5% in the first quarter.

Breakdown of Q2 revenue by region

	Revenue			
(EUR million)	Q2 2011	Q2 2010	2011/2010	Organic growth
Europe	487	437	+11.4%	+11.5%
North America	639	679	-5.9%	+5.3%
Asia-Pacific	159	154	+3.2%	+5.5%
Latin America	89	71	+25.4%	+3.7%
Africa and Middle East	39	35	+11.4%	+17.6%
TOTAL	**1,413**	**1,376**	**+2.7%**	**+7.6%**

Europe performed very well in the second quarter, and France achieved 15% growth. In Southern Europe, only Greece remained sharply negative. Excluding Japan and Australia, Asia-Pacific returned 11.5% growth.

H1 2011 revenue

Consolidated revenue for the first half-year 2011 totaled 2,699 million euros, up 6.3% from 2,538 million euros in the first half of 2010 (the impact of exchange rates was -58 million euros).

Organic growth was 7.1%.

First half-year growth is a reflection of the fact that advertising expenditure was back to normal levels after the historic slump brought about by the crisis in 2009 and which was still felt up to Q1 2010. Digital activities and media activities in particular, Publicis Healthcare Communications Group (PHCG), the large networks, all benefited from this recovery.

Consolidated revenue in H1 2011 breaks down as follows: 31% from advertising (33% in 2010), 20% from media (20% in 2010), 49% from the SAMS (all digital activities included) after 47% in 2010.

Breakdown of H1 revenue by region

(EUR million)	Revenue H1 2011	Revenue H1 2010	H1 2011/H1 2010	Organic growth
Europe	895	805	+11.2%	+9.1%
North America	1,272	1,258	+1.1%	+6.7%
Asia-Pacific	307	286	+7.3%	+3.5%
Latin America	157	126	+24.6%	+6.0%
Africa and Middle East	68	63	+7.9%	+9.1%
TOTAL	**2,699**	**2,538**	**+6.3%**	**+7.1%**

All regions posted growth once again even though the situation can be somewhat contrasted within any given region.

Europe achieved remarkable growth given the very different situations of certain countries. France grew by 11.9%, Germany by over 10%, and the UK improved its growth to 3%. In Southern Europe, Italy reached 7.7% growth while Spain is positive at +3%. Greece and Portugal both posted very negative growth. The central European countries and Russia grew by 9.1%, though Russia alone grew more than 20% over the period.

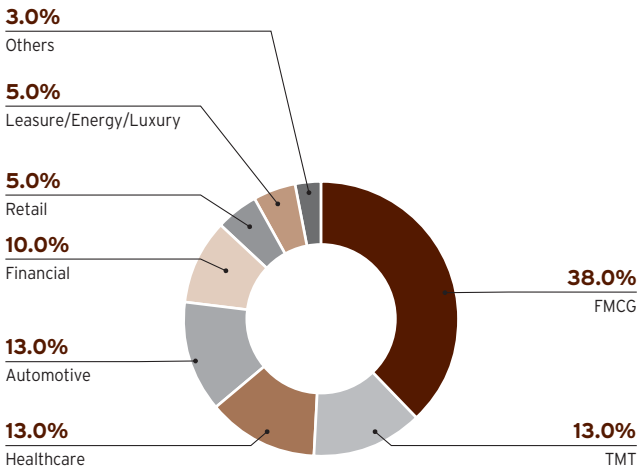
North America continued to post growth and reached +6.7%. Despite a moderate slowdown in the second quarter, the USA achieved organic growth of 7.2% driven by solid media growth and the sizeable contribution of the healthcare sector.

Asia-Pacific is growing, mainly due to China (+9.2% for the Greater China region) and despite the weakness of Japan and Korea's slower pace of growth.

Latin America's high growth rate can be attributed to most of its countries, most notably Brazil with 7.3% growth.

Africa and the Middle East continue to suffer from the geopolitical situation, though the region achieved overall growth thanks to the United Arab Emirates.

Breakdown of H1 revenue by client sector



Note : Based on 1,219 clients representing 81% of total Group revenue.

Operating margin and Operating income

The Operating margin before depreciation and amortization was 411 million euros in H1 2011, down 2.6% from 422 million euros in H1 2010.

Depreciation and amortization expense totaled 47 million euros in the first half-year, compared with 53 million euros in 2010.

The Operating margin was 364 million euros, i.e. a 1.4% decrease from 369 million euros for the corresponding period in 2010.

Operating margin rate was 13.5% in H1 2011, compared with 14.5% in H1 2010. This downturn was partly due to certain investments but can mainly be ascribed to higher personnel expenses, given the Group's need to start recruiting again due to the pick-up in business, but also to the readjustment of salaries after the two-year freeze on recruitment and salaries. Personnel expenses thus amounted to 1,740 million euros for the first half-year, up 7.9% on the corresponding period in 2010. The ratio of personnel expenses to revenue stood at 64.5% for the period. Other operating costs, which include depreciation and amortization expense as well as acquisition-related costs, rose 7% to 595 million euros.

When this growth-induced period of adjustment comes to an end, special attention will be paid to the costs structure to ensure it remains compatible with the Group's objectives.

Amortization of intangibles arising from acquisitions was 17 million euros, i.e. at the same level as in H1 2010.

No impairment loss was booked at the end of H1 2011, as it was the case in the first half 2010.

Non-current income reached 2 million euros, up from 1 million euros in 2010.

Operating income was 349 million euros in the first half-year 2011, down 1.1% from the 353 million euros reported in the corresponding period in 2010.

Other Income Statement items

Net financial expense (i.e. the cost of Net financial debt and Other financial income and expenses) was 28 million euros in H1 2011, compared with a net expense of 42 million euros in H1 2010. This improved financial result is largely due to higher financial income (+10 million euros) as a result of a stronger average cash situation (50% higher than in H1 2010) and higher interest rates. Other financial expenses (net of income) also improved, especially the foreign exchange gain/loss.

Income tax in respect of H1 2011 stands at 91 million euros based on a forecast effective tax rate of 28.2%, i.e. a 50 bp improvement on H1 2010 when the income tax was 89 million euros, corresponding to an effective tax rate of 28.7%.

The share of profit of Associates (i.e. entities accounted for under the equity method) was 10 million euros, after zero for the previous period, the improvement coming mainly from the better performance of BBH and Somupi.

Minority interests totaled 9 million euros in the first half-year, i.e. unchanged by comparison with H1 2010.

Net income attributable to the Group was 231 million euros for the period, i.e. an 8.5% increase over the 213 million euros reported for the corresponding period in 2010.

BALANCE SHEET AND CASH SITUATION

Simplified Balance Sheet

(EUR million)	June 30, 2011	December 31, 2010
Goodwill, net	4,350	4,278
Other intangible assets	827	856
Tangible assets	609	717
Current and deferred tax	(81)	(110)
Working Capital Requirements	(1,548)	(1,889)
TOTAL ASSETS	**4,157**	**3,852**
Shareholders' equity	3,384	3,361
Minority interests	23	21
	3,407	3,382
Short-term and long-term provisions	540	576
Net financial debt	210	(106)
TOTAL LIABILITIES	**4,157**	**3,852**
Debt/Equity ratio (incl. Minority interests)	**0.06**	**-** [1]

(1) N/A due to positive cash position of 106 million euros at December 31, 2010.

The Group's share of consolidated shareholders' equity rose from 3,361 million euros at December 31, 2010 to 3,384 million euros at June 30, 2011. This increase is mainly due to net income for the period (231 million euros) and to the sales of treasury shares due to the exercise of stock options (41 million euros), though this was largely offset by the impact of exchange rates on shareholders' equity (143 million euros). Minority interests totaled 23 million euros, up from 21 million euros at December 31, 2010.

The debt/equity ratio was 0.06 at June 30, 2011, compared with 0.20 at June 30, 2010. However, it should be recalled that the Group's net cash position was positive at December 31, 2010. During the first half-year 2011, the Group's average net debt was 191 million euros, down from 673 million euros during the first half-year 2010, i.e. a reduction of 482 million euros.

NET FINANCIAL DEBT

(EUR million)	June 30, 2011	Dec. 31, 2010	June 30, 2010
Financial debt (long and short-term)	2,147	2,073	2,039
Fair value of the derivative hedging exposure on the 2012 and 2015 Eurobond [1]	(6)	(15)	(25)
Fair value of derivatives hedging intragroup loans and borrowings [1]	2	-	22
Total financial debt including market value of associated derivatives	2,143	2,058	2,036
Cash and cash equivalents	(1,933)	(2,164)	(1,418)
NET FINANCIAL DEBT	**210**	**(106)**	**618**

(1) Reported under "Other receivables and current assets" and "Other creditors and current liabilities" on the consolidated balance sheet.

Net financial debt went from (106) million euros (i.e. a surplus cash position) at December 31, 2010 to 210 million euros at June 30, 2011. This increase in net financial debt by over 300 million euros can be attributed to the downswing in available cash resources which is customary at this time of year. Compared to June 30, 2010, net financial debt is down by 408 million euros.

The Group's available liquidity position remained highly satisfactory at 4,303 million euros (4,088 million euros when only confirmed facilities are taken into account) at June 30, 2011, slightly below the level at December 31, 2010 (4,531 million euros including 4,319 million euros when only confirmed facilities are considered). A new syndicated credit facility (Club Deal) was negotiated in July 2011 and is described below under "Recent events".

Cash flow from operations generated a requirement of 83 million euros in H1 2011, compared with a surplus 45 million euros in H1 2010. As is customary at this time of year, working capital requirements rose by 396 million euros, which is a sharper increase than in H1 2010 (266 million euros). The increase of this negative change is due mostly to the increase in payment of bonuses which happened early 2011 based on the 2010 performance when, in 1st Half 2010, the amount was lower due to 2009 performance. Income tax paid in H1 2011 stood at 104 million euros, which is almost unchanged by comparison with the 103 million euros paid in H1 2010. Interest expense totaled 32 million euros in H1 2011, down from 36 million euros for the corresponding period in 2010. Interest received more than doubled from 7 million euros in H1 2010 to 15 million euros in H1 2011.

Cash flow from investments comprises purchases and disposals 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 in H1 2011 was 158 million euros (up from 86 million euros in H1 2010) of which 142 million euros were used to acquire subsidiaries during the first half-year (compared with 48 million euros in H1 2010), half of this amount being in the form of up-front payments and the remaining half being on an earn-out basis.

Cash flow from financing activities includes dividends paid, changes in borrowing, and trading in the Company's shares and equity warrants. Financing activities generated 86 million euros in H1 2011, stemming from net sales of Treasury shares for 41 million euros subsequent to the exercising of stock options, compared with net purchases of 249 million euros in H1 2010, though this included 218 million euros for the Dentsu-held shares. Furthermore, early redemption of part of the 2018 Oceane bond issue cost a further 28 million euros in H1 2010.

Overall, the Group's cash position net of bank balances decreased by 230 million euros in H1 2011, after a 177 million euro decrease in H1 2010.

FREE CASH FLOW

The Group's free cash flow, excluding changes in working capital requirements, was 269 million euros, i.e. unchanged at constant exchange rates but -2.9% at current rates.

The Group uses this indicator to measure liquidity generated by operating activities after accounting for investments in fixed assets, but before acquisitions or disposals of subsidiaries and financing activities (including the financing of working capital requirements).

The table below shows the Group's free cash flow (excluding changes in working capital requirements):

(EUR million)	June 30, 2011	June 30, 2010
Operating margin before depreciation & amortization	411	422
Net interest expense	(17)	(28)
Income tax paid	(104)	(103)
Others	23	20
Cash flow from operating activities excl. changes in WCR	**313**	**311**
Net investment in fixed assets	(44)	(34)
Free cash flow excluding change in WCR	**269**	**277**

MAIN RELATED-PARTY AGREEMENTS

No new significant related-party agreement was entered into during the first half-year 2011.

PUBLICIS GROUPE S.A. (PARENT COMPANY OF THE GROUP)

Publicis Groupe S.A.'s revenue consists exclusively of rental income from property and management fees for services to subsidiaries of the Group. This revenue was 28 million euros in H1 2011, up from 18 million euros for the corresponding period in 2010. This increase in revenue was mainly due to the re-invoicing of the Group's entities for their share of the cost of the 2009 free share attribution under the co-investment program.

Financial income totaled 212 million euros for H1 2011, up from 83 million euros in H1 2010, an increase attributable to the payment in H1 2011 of 140 million euros in dividends from Publicis Groupe Investment BV (dividends that were only received in the second half-year 2010).

Operating expenses totaled 28 million euros, up from 21 million euros in H1 2010. Financial expenses were 71 million euros in H1 2011, compared with 62 million euros in H1 2010.

Pre-tax profit from recurring operations rose to 141 million euros, from 18 million euros in H1 2010.

After a 17 million-euro tax credit arising from tax consolidation in France, Publicis Groupe S.A, the Group's parent company, posted net income of 158 million euros at June 30, 2011, compared with 35 million euros for the first half-year 2010.

Recent events

ACQUISITIONS

On July 5 Publicis Groupe announced the Rosetta acquisition in the USA for a consideration of 575 million dollars in cash from the Group's liquidities. According to the terms of the agreement, the Rosetta executives with a stake in the capital are also eligible for an earn-out in 2014, based on the agency's performance over the 2011-2013 period.

Rosetta will continue to operate autonomously, as a standalone brand within Publicis Groupe, under the leadership of founder and CEO Chris Kuenne who will remain at the helm. Chris Kuenne will report directly to Jean-Yves Naouri, Chief Operating Officer of Publicis Groupe.

The addition of Rosetta to the Group's other digital activities (including Digitas, Razorfish and Publicis Modem) will bolster its position as a major global player in digital communications. This acquisition means digital would now account for over 30% of the Group's revenue.

Publicis Groupe's consolidated results will include those of Rosetta from July 1, 2011. Organic growth figures will not include Rosetta's results for one year after the initial consolidation of the new acquisition, i.e. until June 30, 2012.

On July 11, the Group announced the acquisition of a majority stake in DPZ, one of Brazil's top advertising agencies. According to the terms of the agreement, Publicis Groupe has acquired a 70% interest in the new agency with immediate effect, and has an option to purchase the remaining 30% within two to three years. DPZ will retain its name and will operate as a standalone entity within Publicis Groupe.

On July 18, the Group announced it had acquired a stake in BIG Fuel, the New York-based social media agency. According to the terms of the agreement, Publicis Groupe acquired a 51% stake up front with an option on the remaining capital from 2014.

With over 170 employees, BIG Fuel is the only agency exclusively dedicated to social media. Its staff focuses all its endeavors on the strategy, creation, distribution, management and analysis of social media.

FINANCE

On July 13, 2011, Publicis Groupe S.A. penned a new syndicated five-year multicurrency facility for 1.2 billion euro. This Club Deal is a general-purpose facility that follows on the previous facility dated December 17, 2004.

Syndication commenced on June 21, 2011 for 1 billion euro and was well oversubscribed at the closing date, enabling Publicis Groupe to raise the amount to 1.2 billion euro.

This facility enhances the Group's management of its liquidity maturities. Furthermore, once again there are no financial covenants attached to this new facility.

NEW BUSINESS

The start of H2 2011 continues to prove a busy period for new business, notably with the awarding of the Burger King account.

Outlook

After first-quarter organic growth of 6.5%, followed by 7.6% in the second quarter, the growth rate for the first half-year 2011 was 7.1%, thus consolidating the pick-up observed in the advertising market since the second quarter of 2010.

These growth rates constitute an excellent level of performance. Digital business continuing to develop, and to create conditions to innovation and the creation of value for all the networks. Growth is further boosted by our reinforced presence in high-growth countries, a strategy that has been gathering pace over the last year, particularly in China and Brazil. These two pillars of Publicis Groupe's strategy open up new prospects while ensuring both current and future growth.

ZenithOptimedia's most recent forecast for 2011, down marginally from 4.2% in April to 4.1% in July, is a reflection of the potential impact of a slowdown in the US economy offset by improvements in other parts of the world (especially in fast-growing countries) and by the sustained development of the Internet.

Investment in talent, emerging economies and digital businesses continues to take pride of place, whilst cost control and a sound financial position are still top priorities. The Group will consistently improve its operating margin in the coming quarters.

In a context of growth in France, Germany and the USA – despite a moderate slowdown in the second quarter in the latter – and thanks to the very satisfactory level of business in fast-growing countries, notably China, Publicis Groupe confirms its objective of outperforming the advertising market in terms of growth in 2011.

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Consolidated income statement

(EUR million)	Notes	June 30, 2011	June 30, 2010	2010
REVENUE		**2,699**	**2,538**	**5,418**
Personnel expenses	3	(1,740)	(1,613)	(3,346)
Other operating expenses		(548)	(503)	(1,105)
OPERATING MARGIN BEFORE DEPRECIATION AND AMORTIZATION		**411**	**422**	**967**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	4	(47)	(53)	(111)
OPERATING MARGIN		**364**	**369**	**856**
Amortization of intangibles arising from acquisitions	4	(17)	(17)	(34)
Impairment loss	4	-	-	(1)
Non-current income and expenses	5	2	1	14
OPERATING INCOME		**349**	**353**	**835**
Financial expense		(42)	(40)	(81)
Financial income		16	6	16
COST OF NET FINANCIAL DEBT	**6**	**(26)**	**(34)**	**(65)**
Other financial income and expenses	6	(2)	(8)	(11)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES		**321**	**311**	**759**
Income taxes	7	(91)	(89)	(216)
NET INCOME OF CONSOLIDATED COMPANIES		**230**	**222**	**543**
Share of profit of associates	10	10	-	8
NET INCOME		**240**	**222**	**551**
Of which:				
• Net income attributable to non-controlling interests (minority interests)		9	9	25
• **Net income attributable to equity holders of the parent company (Group share)**		**231**	**213**	**526**
Per share data (in euros) – Net income attributable to equity holders of the parent company	8			
Number of shares		*202,244,660*	*204,545,563*	*202,149,754*
Earnings per share		1.14	1.04	2.60
Number of diluted shares		*237,179,816*	*237,073,116*	*235,470,461*
Earnings per share – diluted		1.03	0.95	2.35

Consolidated statement of comprehensive income statement

(EUR million)	June 30, 2011	June 30, 2010	2010
NET INCOME FOR THE PERIOD (A)	240	222	551
Other comprehensive income			
• Revaluation of available-for-sale investments	7	(1)	12
• Actuarial gains and losses on defined benefit plans	6	(24)	(10)
• Consolidation translation adjustments	(145)	431	297
• Deferred taxes on other comprehensive income	(1)	7	4
TOTAL OTHER COMPREHENSIVE INCOME (B)	(133)	413	303
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A) + (B)	**107**	**635**	**854**
Of which:			
• Attributable to non-controlling interests (minority interests)	7	18	33
• Attributable to equity holders of the parent company (Group share)	100	617	821

Consolidated balance sheet

(EUR million)	Notes	June 30, 2011	December 31, 2010
Assets			
Goodwill, net	9	4,350	4,278
Intangible assets, net		827	856
Property, plant and equipment, net		445	464
Deferred tax assets		85	75
Investments in associates	10	47	140
Other financial assets	11	117	113
NON-CURRENT ASSETS		5,871	5,926
Inventory and work in progress		313	326
Accounts receivable		5,607	5,953
Other receivables and current assets		560	572
Cash and cash equivalents		1,933	2,164
CURRENT ASSETS		8,413	9,015
TOTAL ASSETS		**14,284**	**14,941**
Liabilities and equity			
Share capital		77	77
Additional paid-in capital and retained earnings, Group share		3,307	3,284
Equity attributable to holders of the parent company (Group share)	**12**	**3,384**	**3,361**
Non-controlling interests (minority interests)		23	21
TOTAL EQUITY		3,407	3,382
Long-term borrowings	14	1,327	1,783
Deferred tax liabilities		208	219
Long-term provisions	13	413	458
NON-CURRENT LIABILITIES		1,948	2,460
Trade payables		6,493	7,216
Short-term borrowings	14	820	290
Income taxes payable		57	39
Short-term provisions	13	127	118
Other creditors and current liabilities		1,432	1,436
CURRENT LIABILITIES		8,929	9,099
TOTAL LIABILITIES AND EQUITY		**14,284**	**14,941**

Consolidated statement of cash flows

(EUR million)	June 30, 2011	June 30, 2010	2010
Cash flows from operating activities			
Net income	240	222	551
Neutralization of non-cash income and expenses:			
Income taxes	91	89	216
Cost of net financial debt	26	34	65
Capital (gains) losses on disposals (before tax)	(1)	(1)	(14)
Depreciation, amortization and impairment loss on property, plant and equipment and intangible assets	64	70	146
Non-cash expenses on stock options and similar items	13	15	26
Other non-cash income and expenses	2	3	6
Share of profit of associates	(10)	-	(8)
Dividends received from associates	9	11	14
Taxes paid	(104)	(103)	(219)
Interest paid	(32)	(36)	(76)
Interest received	15	7	17
Change in the working capital requirement [(1)]	(396)	(266)	287
NET CASH FLOWS GENERATED BY (USED IN) OPERATING ACTIVITIES (I)	**(83)**	**45**	**1,011**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(46)	(35)	(103)
Proceeds from sale of property, plant and equipment and intangible assets	2	1	25
Purchases of investments and other financial assets, net	(1)	(5)	5
Acquisitions of subsidiaries	(142)	(48)	(166)
Disposals of subsidiaries	29	1	1
NET CASH FLOWS GENERATED BY (USED IN) INVESTING ACTIVITIES (II)	**(158)**	**(86)**	**(238)**
Cash flows from financing activities			
Capital increase	-	-	-
Dividends paid to holders of the parent company	-	-	(107)
Dividends paid to non-controlling interests	(11)	(14)	(21)
Proceeds from borrowings	71	13	7
Repayment of borrowings	(12)	(59)	(52)
Net purchases of non-controlling interests	(3)	-	(9)
Net (purchases)/sales of treasury shares and warrants	41	(249)	(198)
NET CASH FLOWS GENERATED BY (USED IN) FINANCING ACTIVITIES (III)	**86**	**(309)**	**(380)**
Impact of exchange rate fluctuations (IV)	**(75)**	**173**	**188**
NET CHANGE IN CONSOLIDATED CASH AND CASH EQUIVALENTS (I + II + III + IV)	**(230)**	**(177)**	**581**
Cash and cash equivalents on January 1	2,164	1,580	1,580
Bank overdrafts on January 1	(36)	(33)	(33)
Net cash and cash equivalents at beginning of year (V)	**2,128**	**1,547**	**1,547**
Cash and cash equivalents on June 30	1,933	1,418	2,164
Bank overdrafts on June 30	(35)	(48)	(36)
Net cash and cash equivalents at end of year (VI)	**1,898**	**1,370**	**2,128**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(230)**	**(177)**	**581**
(1) Breakdown of change in the working capital requirement			
Change in inventory and work in progress	*(11)*	*(73)*	*(14)*
Change in accounts receivable and other receivables	*(17)*	*(458)*	*(855)*
Change in accounts payable, other creditors and provisions	*(368)*	*265*	*1,156*
Change in the working capital requirement	*(396)*	*(266)*	*287*

Consolidated statement of changes in equity

Number of outstanding shares	(EUR million)	Capital stock	Additional paid-in capital
187,168,768	**JANUARY 1, 2010**	**79**	**2,600**
	Net income		
	Other comprehensive income:		
	Fair value adjustments to available-for-sale investments		
	Actuarial gains and losses on defined benefit plans [1]		
	Consolidation translation adjustments		
	TOTAL OTHER COMPREHENSIVE INCOME	-	-
	TOTAL INCOME AND EXPENSES FOR THE PERIOD	-	-
	Dividends		
	Share-based compensation [1]		
	Additional interest on Oranes		
	Effect of acquisitions and commitments to buy out non-controlling interests		
(7,500,000)	Publicis Groupe S.A. capital increase and cancellation of treasury shares	(3)	(215)
(807,764)	Purchases/sales of treasury shares		
178,861,004	**JUNE 30, 2010**	**76**	**2,385**

Number of outstanding shares	(EUR million)	Capital stock	Additional paid-in capital
182,371, 070	**JANUARY 1, 2011**	**77**	**2,432**
	Net income		
	Other comprehensive income:		
	Fair value adjustments to available-for-sale investments		
	Actuarial gains and losses on defined benefit plans [1]		
	Consolidation translation adjustments		
	TOTAL OTHER COMPREHENSIVE INCOME		
	TOTAL INCOME AND EXPENSES FOR THE PERIOD	-	-
150,575	Publicis Groupe S.A. capital increase	-	
	Dividends		
	Share-based compensation [1]		
	Additional interest on Oranes		
	Effect of acquisitions and commitments to buy out non-controlling interests		
1,485,457	Purchases/sales of treasury shares		
184,007,102	**JUNE 30, 2011**	**77**	**2,432**

(1) The actuarial gains and losses on defined benefit plans as well as share-based compensation take into account the associated deferred taxes.

Reserves and retained earnings	Translation reserve	Fair value reserve	Equity attributable to the holders of the parent company	Non-controlling interests	Total equity
390	**(377)**	**121**	**2,813**	**25**	**2,838**
213			213	9	222
		(1)	(1)		(1)
(17)			(17)		(17)
	422		422	9	431
(17)	**422**	**(1)**	**404**	**9**	**413**
196	**422**	**(1)**	**617**	**18**	**635**
(107)			(107)	(14)	(121)
19			19		19
(3)			(3)		(3)
			-	(8)	(8)
			(218)		(218)
(31)			(31)		(31)
464	**45**	**120**	**3,090**	**21**	**3,111**

Reserves and retained earnings	Translation reserve	Fair value reserve	Equity attributable to the holders of the parent company	Non-controlling interests	Total equity
807	**(88)**	**133**	**3,361**	**21**	**3,382**
231			231	9	240
		7	7		7
5			5		5
	(143)		(143)	(2)	(145)
5	**(143)**	**7**	**(131)**	**(2)**	**(133)**
236	**(143)**	**7**	**100**	**7**	**107**
(129)			(129)	(12)	(141)
15			15		15
(4)			(4)		(4)
				7	7
41			41		41
966	**(231)**	**140**	**3,384**	**23**	**3,407**

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The interim consolidated financial statements for the half-year ending June 30, 2011 and the accompanying notes were approved by the Management Board on July 19, 2011 and examined by the Supervisory Board on July 20, 2011.

The main transactions during the period concern changes in the Group scope and are described in "Note 2. Changes in the scope of consolidation".

Note 1 Accounting policies and methods

Publicis Group's consolidated financial statements were prepared in accordance with IAS/IFRS international standards applicable on June 30, 2011 as approved by the European Union.

The IAS/IFRS international standards are available on the European Commission's website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

For the purposes of Publicis Groupe consolidated financial statements there are no differences between the standards as approved by the European Union and the standards and interpretations published by the IASB.

The interim summary consolidated financial statements at June 30, 2011 have been prepared in accordance with IAS 34 "Interim financial reporting".

Accounting policies and methods applied in these interim financial statements are consistent with those used for the consolidated financial statements at December 31, 2010.

The European Union's adoption of the following rules and interpretations has no impact on the Group's financial statements:

- IAS 24 (revised) – Related parties disclosures;
- IFRIC 19 – Extinguishing financial liabilities with equity instruments;
- amendment to IAS 32 – Classification of rights issues;
- amendment to IFRIC 14 – The limit on a defined benefit asset, minimum funding requirements and their interaction;
- improvements made in 2010 – Rule published in May 2010.

These principles do not differ from IFRS rules as published by the IASB, since the application of the following rules and interpretations is not mandatory in fiscal years beginning on or after January 1, 2011:

- measurement of fair value IFRS 9 – Financial instruments: classification and measurement of financial liabilities;
- amendment to IFRS 7 – Disclosures on transfers of financial assets;
- amendment to IAS 12 – Deferred tax: recovery of underlying assets;
- IFRS 10 – Consolidated financial statements;
- IFRS 11 – Joint arrangements;
- IFRS 12 – Disclosure of interests in other entities;
- IFRS 13 – Fair value measurement;
- IAS 28 (revised) – Investments in associates and joint ventures;
- IAS 19 (revised) – Defined benefit plans;
- amendments to IAS 1 – Presenting comprehensive income.

Publicis Groupe is currently in the process of determining the potential impact of these new standards and interpretations on the Group's consolidated financial statements.

Note 2 Changes in the scope of consolidation

Acquisitions over the period

In April 2011, the Group acquired an additional 11% in Talent Group, on top of its 49% initial investment in October 2010, taking the total investment to 60%. Talent Group has two Brazilian agencies: Talent, which was founded in 1980 and QG, which was founded in 1991. Talent is one of Brazil's biggest advertising groups. It offers a full range of communications services, including strategy, creative, media planning, digital communication, below-the-line, promotion, events, staff training, incentive programs, activation and PR.

Previously accounted for under the equity method, Talent Group has been fully consolidated since its exclusive takeover. This change in consolidation method had no impact on the income statement. The valuation assumptions that had underpinned the initial 49% investment held good for the subsequent 11% acquisition and the income accrued since Talent Group was first consolidated in October 2010 was distributed to shareholders. Consequently, on the acquisition date of the additional 11% the fair value of the 49% prior investment was unchanged from its acquisition price.

This acquisition cost includes the purchase price for the 60% stake of 104 million euros and the fair value of debt linked to commitments to buy out the 40% non-controlling interests of 41 million euros.

The acquisition cost was allocated as follows (in millions of euros):

ACQUISITION PRICE (A)	**145**
Non-current assets	2
Current assets excluding cash and cash equivalents	46
Cash and cash equivalents	9
Total assets (B)	57
Non-current liabilities	-
Current liabilities	55
Total liabilities (C)	55
NET ASSETS ACQUIRED BEFORE FAIR VALUE ADJUSTMENT (D = B - C)	**2**
Client relationships	30
Deferred tax on the above adjustment	(10)
TOTAL FAIR VALUE ADJUSTMENTS (E)	**20**
NET ASSETS ACQUIRED AFTER FAIR VALUE ADJUSTMENTS (F =D+E)	**22**
GOODWILL (G = A - F)	**123**

The other main acquisitions in the period are as follows:

- in March 2011, following a friendly takeover bid, the Group took exclusive control of all the shares in Chemistry, one of the UK's leading integrated communications agencies, specializing in integrated marketing services and digital marketing;
- in March 2011, the Group acquired 100% of UK agency Kitcatt Nohr. Kitcatt Nohr, which was founded in January 2002, specializes in interactive communication;
- in June 2011, the Group acquired 100% of Genedigi Group in China. Genedigi Group, which was launched in 1997, specializes in communication, encompassing public relations, events, digital marketing and has an in-house market research centre.

The acquisition cost (excluding cash and cash equivalents) of all entities that were fully consolidated with an exclusive takeover during the period (those described above and smaller scale acquisitions) totaled 346 million euros. This includes:

- 76 million paid out during the period;
- 76 million in earn-out commitment payments;
- 61 million in debt;
- 46 million in commitments to buy out non-controlling interests; and
- 87 million for the book value of associates at the time they were taken over.

All acquisitions made over the period represent around 1% of consolidated revenue and a positive contribution to consolidated net income attributable to equity holders of the parent company.

Disposals over the period

In April 2011, the Group sold its majority investment in Freud Communications, a UK public relations agency, held since 2005, for 28 million pounds sterling, equivalent to 32 million euros (the gain from the disposal is included in Note 5).

Note 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 and free share plans and expenses related to pensions (excluding the net effect of unwinding the discount on benefit obligations, which is included in "Other financial income and expense").

(EUR million)	June 30, 2011	June 30, 2010
Compensation	(1,343)	(1,244)
Social security charges	(235)	(211)
Post-employment benefits	(41)	(38)
Stock option expense	(13)	(15)
Temporary employees and freelancers	(108)	(105)
TOTAL	**(1,740)**	**(1,613)**

CHANGES IN AND BREAKDOWN OF HEADCOUNT BY REGION

	June 30, 2011	June 30, 2010
Europe	16,490	15,304
North America	17,896	16,432
Latin America	3,941	3,087
Asia Pacific	10,705	9,618
Middle East and Africa	2,019	1,699
TOTAL	**51,051**	**46,140**

Note 4 Depreciation, amortization and impairment

(EUR million)	June 30, 2011	June 30, 2010
Amortization of other intangible assets (excluding intangibles arising from acquisitions)	(7)	(10)
Depreciation of property, plant and equipment	(40)	(43)
DEPRECIATION AND AMORTIZATION EXPENSE (EXCLUDING INTANGIBLES ARISING FROM ACQUISITIONS)	**(47)**	**(53)**
AMORTIZATION OF INTANGIBLES FROM ACQUISITIONS	**(17)**	**(17)**
IMPAIRMENT	**-**	**-**
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENT	**(64)**	**(70)**

Impairment tests were carried out on cash generating units (agencies or groups of agencies) and on intangible assets where triggering events (general decline in business, decline in business with one of the unit's major clients, etc.) were identified. At June 30, 2011, the discount rates after tax were between 8.0% and 12.5%. The terminal growth used in the projections ranged from 0% to 3.0%.

These tests did not result in recognizing impairment losses.

Note 5 Non-current income and expenses

This item includes non-recurring income and expenses, mainly gains and losses realized on the disposal of assets.

(EUR million)	June 30, 2011	June 30, 2010
Capital gains (losses) on the disposal of assets [1]	1	2
Other non-current income and expenses	1	(1)
OTHER NON-CURRENT INCOME AND EXPENSES	**2**	**1**

(1) At June 30, 2011, this item mainly includes the proceeds from the disposal of Freud Communications for 1 million euros.

Note 6 Financial income and expenses

(EUR million)	June 30, 2011	June 30, 2010
Interest expense on loans and bank overdrafts	(38)	(36)
Interest expense on finance lease commitments	(4)	(4)
Financial expense	(42)	(40)
Financial income	16	6
COST OF NET FINANCIAL DEBT	**(26)**	**(34)**
Foreign exchange gains (losses)	(1)	41
Change in the fair value of derivatives	-	(47)
Net financial expense related to unwinding of discount on pension provisions	(2)	(3)
Dividends received from unconsolidated companies	1	1
OTHER FINANCIAL INCOME AND EXPENSES	**(2)**	**(8)**
TOTAL NET FINANCIAL INCOME AND (EXPENSES)	**(28)**	**(42)**

Note 7 Income taxes

Effective tax rate

Income tax expense for the half-year to June 30, 2011 is calculated by applying the estimated effective tax rate for the full year to profit before tax for the period.

Based on profit before tax and income taxes, the effective tax rate is 28.2% in the first half of 2011, compared to 28.7% in the first half of 2010.

The effective tax rate is obtained as follows:

(EUR million)	June 30, 2011	June 30, 2010
Pre-tax income of consolidated companies	321	311
Income taxes per the income statement	(91)	(89)
EFFECTIVE TAX RATE	**28.2%**	**28.7%**

Tax effect on other comprehensive income

	June 30, 2011			June 30, 2010		
(EUR million)	Gross	Tax	Net	Gross	Tax	Net
Valuation of available-for-sale investments at fair value	7	-	7	(1)	-	(1)
Actuarial gains and losses on defined benefit plans	6	(1)	5	(24)	7	(17)
Foreign exchange differences	(145)	-	(145)	431	-	431
TOTAL	**(132)**	**(1)**	**(133)**	**406**	**7**	**413**

Note 8 Earnings per share

Earnings per share (basic and diluted)

(in EUR million, except for share data)		June 30, 2011	June 30, 2010
Net income used for the calculation of earnings per share			
Group net income	**A**	**231**	**213**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax [1]		14	13
Group net income – diluted	**B**	**245**	**226**
Number of shares used to calculate (net) earnings per share			
Average number of shares that make up the share capital		191,676,022	195,469,852
Treasury shares to be deducted (average for the year)		(8,176,910)	(11,231,966)
Shares to be issued to redeem the Oranes		18,745,548	20,307,677
Average number of shares used for the calculation	**C**	**202,244,660**	**204,545,563**
Impact of dilutive instruments: [2]			
• Free shares and dilutive stock options		5,377,868	3,904,161
• Warrants		1,171,104	172,692
• Shares resulting from the conversion of convertible bonds [1]		28,386,184	28,450,700
Number of diluted shares	**D**	**237,179,816**	**237,073,116**
(in euros)			
EARNINGS PER SHARE	**A/C**	**1.14**	**1.04**
EARNINGS PER SHARE – DILUTED	**B/D**	**1.03**	**0.95**

(1) In 2011 and 2010, the 2018 and 2014 Oceanes are included in the calculation.
(2) Only stock options and warrants with a dilutive impact, i.e., whose strike price is lower than the average strike price for the period, are included in the calculation.

Headline earnings per share (basic and diluted)

(in EUR million, except for share data)		June 30, 2011	June 30, 2010
Net income used to calculate headline [1] earnings per share			
Group net income		231	213
Items excluded:			
• Amortization of intangibles arising from acquisitions, net of tax		10	10
• Impairment, net of tax		-	-
Recurrent Group net income	**E**	**241**	**223**
Impact of dilutive instruments:			
• Savings in financial expenses linked to the conversion of debt instruments, net of tax		14	13
Recurrent Group net income, diluted	**F**	**255**	**236**
Number of shares used to calculate net earnings per share			
Average number of shares comprising the share capital		191,676,022	195,469,852
Treasury shares to be deducted (average for the year)		(8,176,910)	(11,231,966)
Shares to be issued to redeem the Oranes		18,745,548	20,307,677
Average number of shares used for the calculation	**C**	**202,244,660**	**204,545,563**
Impact of dilutive instruments:			
• Free shares and dilutive stock options		5,377,868	3,904,161
• Warrants		1,171,104	172,692
• Shares resulting from the conversion of convertible bonds		28,386,184	28,450,700
Number of diluted shares	**D**	**237,179,816**	**237,073,116**
(in euros)			
HEADLINE EARNINGS PER SHARE [1]	**E/C**	**1.19**	**1.09**
HEADLINE EARNINGS PER SHARE – DILUTED [1]	**F/D**	**1.08**	**1.00**

(1) Net earnings per share before amortization of intangibles resulting from acquisition and impairment.

Note 9 Goodwill

Changes in goodwill

(EUR million)	Gross amount	Impairment	Net amount
JANUARY 1, 2010	**4,074**	**(146)**	**3,928**
Acquisitions	68	-	68
Impairment	-	-	-
Changes related to the recognition of commitments to purchase non-controlling interests [1]	45	-	45
Disposals and derecognition	(1)	1	-
Translation adjustments and other	244	(7)	237
DECEMBER 31, 2010	**4,430**	**(152)**	**4,278**
Acquisitions	125	-	125
Impairment	-	-	-
Changes related to the recognition of commitments to purchase non-controlling interests [1]	16	-	16
Disposals and derecognition	(27)	-	(27)
Translation adjustments and other	(46)	4	(42)
JUNE 30, 2011	**4,498**	**(148)**	**4,350**

(1) Pending a specific interpretation of IFRIC or IFRS, commitments to purchase non-controlling interests are booked under financial debt with a corresponding entry under goodwill. Any future variations in non-controlling interests and any revaluation of the commitment will change the goodwill recognized on business combinations prior to January 1, 2010.

Regarding the principal acquisition in the first half of 2011, the work of allocating Talent Group's purchase price was largely completed during the period, but some tasks involving reviews and valuation at the takeover date have yet to be finalized.

There was no other major acquisition in the first half 2011.

Note 10 Investments in associates

Investments accounted using the equity method amounted to 47 million euros on June 30, 2011 (versus 140 million euros on December 31, 2010).

(EUR million)	Investments in associates
AMOUNT ON JANUARY 1, 2011	**140**
Acquisitions	-
Disposals [1]	(87)
Share of profit of associates	10
Dividends paid	(9)
Effect of translation and other	(7)
AMOUNT ON JUNE 30, 2011	**47**

(1) In April 2011, Publicis Groupe took control of Talent Group in Brazil, by purchasing an additional 11% investment taking its total holding to 60%. As a result, Talent Group ceased to be accounted for under the equity method (for details of the accounting treatment applied see Note 2.1).

The Group's main associates are Bartle Bogle Hegarty (BBH), Spillman Felser Leo Burnett, Bromley Communications and Burrell Communications. As at June 30, 2011, the carrying amount of these four associates stood at 16 million, 8 million, 6 million, and 5 million euros respectively.

Note 11 Other financial assets

"Other financial assets" mainly include investments classified as "available for sale".

(EUR million)	June 30, 2011	December 31, 2010
Available-for-sale financial assets		
• IPG securities	42	39
• Others	6	7
Guarantees	31	28
Loans to non-consolidated companies	13	11
Receivables attached to equity interests	6	9
Other financial assets	36	37
Gross amount	**134**	**131**
Impairment	(17)	(18)
NET AMOUNT	**117**	**113**

Note 12 Shareholders' equity

The table of changes in shareholders' equity is presented along with the other consolidated financial statements.

Share capital of the parent company

(in shares)	June 30, 2011	December 31, 2010
Share capital on January 1	191,645,241	197,583,112
Capital increase	150,575	1,562,129
Cancellations	-	(7,500,000)
SHARES COMPRISING THE SHARE CAPITAL AT THE END OF PERIOD	**191,795,816**	**191,645,241**
Treasury shares on June 30	(7,788,714)	(9,274,171)
SHARES IN CIRCULATION AT THE END OF PERIOD	**184,007,102**	**182,371,070**

Publicis Groupe S.A.'s share capital was increased by 60,230 euros in the first half of 2011, due to the creation of 150,575 new shares with a par value of 0.40 euro following the distribution of free shares awarded on May 20, 2009.

As at June 30, 2011, the share capital of Publicis Groupe S.A. totaled 76,718,326.40 euros, split into 191,795,816 shares with a par value of 0.40 euro.

Neutralization of the treasury shares existing on June 30, 2011

Treasury shares held at the end of the year, including those owned under the liquidity contract, are deducted from the share capital.

Changes in treasury shares held during the first half of 2011 were as follows:

	Number of shares	Gross amount (EUR million)
TREASURY SHARES HELD ON DECEMBER 31, 2010 [1]	**9,274,171**	**248**
Disposals (exercise of stock options)	(1,503,224)	(40)
Shares delivered following Oceane 2014 conversion requests	(1)	-
Movements as part of the liquidity contract	17,768	1
TREASURY SHARES HELD ON JUNE 30, 2011 [1]	**7,788,714**	**209**

(1) Including shares held as part of the liquidity contract (none on December 31, 2010 and 17,768 shares on June 30, 2011).

Dividends

Publicis Groupe S.A. paid dividends totaling 129 million euros on July 7, 2011. This payment will have no tax effect.

Note 13 Provisions for liabilities and charges

(EUR million)	Restructuring	Vacant property commitments	Sub-Total	Pension commitments and other retirement benefits	Litigation and claims	Others	Total
JANUARY 1, 2010	**24**	**78**	**102**	**248**	**17**	**182**	**549**
Increases	11	12	23	22	7	71	**123**
Utilizations	(18)	(17)	(35)	(29)	(7)	(25)	**(96)**
Other releases	-	(14)	(14)	(2)	-	(8)	**(24)**
Changes in consolidation scope	-	-	-	3	-	-	**3**
Actuarial losses (gains)[1]	-	-	-	10	-	-	**10**
Translation and other	5	4	9	7	(2)	(3)	**11**
DECEMBER 31, 2010	**22**	**63**	**85**	**259**	**15**	**217**	**576**
Increases	2	3	5	8	3	7	**23**
Utilizations	(9)	(9)	(18)	(19)	(1)	(20)	**(58)**
Other releases	(3)	(1)	(4)	-	-	(1)	**(5)**
Changes in consolidation scope	-	-	-	-	-	30	**30**
Actuarial losses (gains)[1]	-	-	-	(6)	-	-	**(6)**
Translation and other	2	(3)	(1)	(10)	(1)	(8)	**(20)**
JUNE 30, 2011	**14**	**53**	**67**	**232**	**16**	**225**	**540**
Of which short-term	6	16	22	31	8	66	**127**
Of which long-term	8	37	45	201	8	159	**413**

(1) The discount rates were recommended by an independent valuer and applied by the Group as follows (weighted average rates):

	Pension plans				Retirement health cover			
	North America	Europe	Rest of the world	Total	North America	Europe	Total	Group total
June 30, 2011	4.80%	5.43%	3.91%	5.10%	4.80%	5.60%	4.92%	5.09%
December 31, 2010	4.83%	5.29%	3.67%	5.02%	4.83%	5.50%	4.93%	4.81%

Note 14 Borrowings

Number of securities on June 30, 2011	(EUR million)	June 30, 2011	December 31, 2010
	Bonds (excluding accrued interest) issued by Publicis Groupe:		
505,725	Eurobond 4.125% – January 2012 (Effective interest rate 4.30%)	527	533
253,242	Eurobond 4.25% – March 2015 (Effective interest rate 3.85%)	259	263
2,624,538	Oceane 2.75% – January 2018 (Effective interest rate 2.75%)	122	121
25,761,646	Oceane 3.125% – July 2014 (Effective interest rate 5.50%)	666	658
1,562,129	Orane 0.82% variable – September 2022 (Effective interest rate 8.50%)	19	21
	Other debt:		
	Accrued interest	24	18
	Other borrowings and credit lines	100	41
	Bank overdrafts	35	36
	Debt related to finance lease contracts	75	81
	Debt related to acquisitions of shareholdings	132	124
	Debt arising from commitments to purchase non-controlling interests	188	177
	TOTAL BORROWINGS	**2,147**	**2,073**
	Of which short-term	820	290
	Of which long-term	1,327	1,783

The bonds issued by Publicis Groupe are at a fixed rate and are denominated in euros.

In accordance with IAS 39, the fixed rate/variable rate swaps were qualified as a hedge of the fair value of the Eurobond 2012 and 2015 liabilities. The Eurobond 2012 and 2015 swapped to a variable rate were thus revalued at their fair value at the year-end.

The fair value of the swap on the Eurobond 2012 is booked under "Other receivables and current assets" in the amount of 4 million euros on June 30, 2011 (10 million euros on December 31, 2010). The fair value of the swap on the Eurobond 2015 is also booked under "Other receivables and current assets" as at June 30, 2011 for an amount of 2 million euros versus 5 million euros as at December 31, 2010.

Debt relating to commitments to repurchase non-controlling interests and earn-out clauses are centralized and valued at the period-end on the basis of the contractual clauses, the latest available data and the relevant data projections for the period.

Changes in debt resulting from commitments to purchase non-controlling interests are as follows:

(EUR million)	Debt arising from commitments to purchase non-controlling
AS AT DECEMBER 31, 2010	**177**
Debt contracted during the period	43
Buyouts	(1)
Revaluation of the debt and translation adjustment	(31)
AS AT JUNE 30, 2011	**188**

The buyouts during the half-year were paid for in cash. The same will apply to future buyouts relating to the debt existing as at June 30, 2011.

Analysis by date of maturity

(EUR million)	June 30, 2011						
		Maturity					
	Total	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	+5 years
Bonds and other bank borrowings	1,752	686	4	125	928	2	7
Debt related to finance lease contracts	75	-	-	-	-	-	75
Debt related to acquisitions of shareholdings	132	21	38	43	21	9	-
Debt related to commitments to purchase non-controlling interests	188	113	48	10	8	4	5
TOTAL	**2,147**	**820**	**90**	**178**	**957**	**15**	**87**

(EUR million)	December 31, 2010						
		Maturity					
	Total	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	+5 years
Bonds and other bank borrowings	1,691	96	538	3	781	265	8
Debt related to finance lease contracts	81	-	-	-	-	-	81
Debt related to acquisitions of shareholdings	124	79	12	29	4	-	-
Debt related to commitments to purchase non-controlling interests	177	115	23	16	14	2	7
TOTAL	**2,073**	**290**	**573**	**48**	**799**	**267**	**96**

Analysis by currency

(EUR million)	June 30, 2011	December 31, 2010
Euros	1,675	1, 752
US dollars	104	122
Other currencies	368	199
TOTAL	**2,147**	**2,073**

Analysis by interest rate type

Borrowings comprise fixed rate loans (48% of gross borrowings excluding borrowings for acquisitions of investment securities and commitments to buy out non-controlling interests on June 30, 2011) whose average rate for the period is 6.0% (this rate includes an additional interest reflecting the separation of Oceanes and Oranes bonds into part borrowings and part equity). The share of borrowings at fixed rates fell slightly from 50% at December 31, 2010.

Interest on the variable rate part (52% of total borrowings on June 30, 2011) averaged 2.3% for the half-year. In 2010, the average rate on variable-rate borrowings was 1.8%.

Exposure to liquidity risk

In order to manage its liquidity risk, Publicis holds a substantial amount of cash (cash and cash equivalents for a total of 1,933 million euros as at June 30, 2011) and unused credit lines (for a total of 2,370 million euros as at June 30, 2011 of which 2,155 million euros in confirmed credit lines and 215 million euros in unconfirmed credit lines). The main component of these credit lines is a syndicated multicurrency loan of 1,500 million euros, maturing in 2012. These immediately available or almost immediately available amounts allow the Group to pay its financial debt maturing in less than one year (see also "Note 19. Subsequent events", for details of the new multi-currency syndicated loan).

Apart from bank overdrafts, most of the Group's debt consists of bonds, which do not include financial "covenants". They only include standard credit default event clauses (liquidation, cessation of payment, default on the debt itself or on the repayment of another debt above a given threshold) which are generally applicable above a threshold of 25 million euros. The only early redemption option exercisable by the holders relates to the Oceane 2018 which can be exercised in January 2014.

The Group has not established any credit derivatives to date.

Finance leases

The reconciliation between future minimum payments in respect of finance lease contracts and the discounted value of minimum net payments for those leases is as follows:

	June 30, 2011						
		Maturity					
(EUR million)	Total	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	+5 years
Minimum payments	219	8	8	9	9	9	176
Effect of discounting	(144)	(8)	(8)	(9)	(9)	(9)	(101)
DISCOUNTED VALUE OF MINIMUM PAYMENTS	**75**	**-**	**-**	**-**	**-**	**-**	**75**

	December 31, 2010						
		Maturity					
(EUR million)	Total	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	+5 years
Minimum payments	241	9	9	9	9	10	195
Effect of discounting	(160)	(9)	(9)	(9)	(9)	(10)	(114)
DISCOUNTED VALUE OF MINIMUM PAYMENTS	**81**	**-**	**-**	**-**	**-**	**-**	**81**

Note 15 Off-balance sheet commitments

Operating leases

(EUR million)	June 30, 2011						
		Maturity					
	Total	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	+5 years
Commitments given							
Operating leases	1,357	209	182	162	149	134	521
Commitments received							
Sub-lease commitments	18	9	5	3	1	-	-

(EUR million)	December 31, 2010						
		Maturity					
	Total	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	+5 years
Commitments given							
Operating leases	1,461	225	206	169	156	140	565
Commitments received							
Sub-lease commitments	19	8	7	2	1	1	-

Other commitments

(EUR million)	June 30, 2011			
		Maturity		
	Total	-1 year	1 to 5 years	+5 years
Commitments given				
Commitments to sell investments	6	-	-	6
Guarantees [1]	142	48	59	35
Other commitments [2]	820	136	448	236
TOTAL	**968**	**184**	**507**	**277**
Commitments received				
Undrawn credit facilities [3]	2,370	420	1,950	-
Other commitments [4]	82	27	54	1
TOTAL	**2,452**	**447**	**2,004**	**1**

(1) At June 30, 2011, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of 80 million euros until 2019. They also include around 21 million euros of guarantees for media buying.

(2) These included 726 million euros of minimum fees guaranteed under advertising space usage contracts. In addition, the Group has committed to minimum purchases over four years which if not concluded could entail up to 69 million euros in payments (cash and services) for the entire term of the contract expiring on June 30, 2015 (maximum of 17 million euros each year).

(3) The undrawn credit lines included 2,155 million euros of confirmed credit lines.

(4) This refers to 17 million euros of annual billing commitments received for the remaining four-year period.

	December 31, 2010			
		Maturity		
(EUR million)	Total	-1 year	1 to 5 years	+5 years
Commitments given				
Commitments to sell investments	8	-	-	8
Guarantees [1]	132	38	51	43
Other commitments [2]	886	142	473	271
TOTAL	**1,026**	**180**	**524**	**322**
Commitments received				
Undrawn credit facilities [3]	2,367	417	1,950	-
Other commitments [4]	104	38	65	1
TOTAL	**2,471**	**455**	**2,015**	**1**

(1) On December 31, 2010, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of 92 million euros until 2019. They also include around 12 million euros of guarantees for media buying.

(2) These included 771 million euros of minimum fees guaranteed under advertising space usage contracts. In addition, the Group has committed to minimum purchases over five years which if not concluded could entail up to 93 million euros in payments (cash and services) for the entire term of the contract expiring on June 30, 2015 (maximum of 19 million euros each year).

(3) The undrawn credit lines included 2,155 million euros of confirmed credit lines.

(4) This refers to 19 million euros of annual billing commitments received for a five-year period starting in 2010 and ending on June 30, 2015.

Commitments related to bonds and Oranes

Oceanes 2018 – 2.75% actuarial January 2018

With respect to the Oceane 2018, bondholders may request that bonds be converted, at the rate of one share for each bond (which had a unit value of 39.15 euros on issue), at any time from January 18, 2002 until the seventh business day before the maturity date (January 18, 2018). In view of the early redemptions made in February 2005, January 2006, January 2009 and January 2010, Publicis Groupe has an obligation, if conversion is requested, to deliver 2,624,538 shares which may, at Publicis Groupe's discretion, be either newly issued shares or existing own shares held in its portfolio.

In addition, the holders of these securities can request early redemption in cash of part or all of the value of the bonds they own on January 18, 2014. The early redemption price is calculated in such a way as to provide a gross annual actuarial yield on the bond of 2.75% on the redemption date.

Orane – Bonds redeemable in new or existing shares – September 2022

After the redemption of the first six tranches of the bond issue every September since September 2005, each Orane confers a right to 12 new or existing Publicis Groupe shares, at the rate of one share per year until the twentieth anniversary of the bond's issue. Publicis Groupe is therefore committed to delivering 1,562,129 shares each year from 2011 to 2022, representing a total of 18,745,548 shares which may be, at Publicis Groupe's discretion, either newly issued shares or existing shares held in its portfolio.

Oceane 2014 – 3.125% – July 2014 issued on June 24, 2009

With respect to the Oceane 2014, bondholders may request that bonds be converted, at the rate of 1.003 shares for each bond (which had a unit value of 27.90 euros when issued), allowing for the effect of the conversion parity adjustment clause due to a rise in dividend, at any time starting on August 3, 2009 until the seventh business day before the maturity date (July 2014). The conversion rate before the decision to increase the dividend taken at the General Shareholders' Meeting of June 7, 2011 had been one share per bond. Publicis Groupe is therefore required, if conversion is requested, to deliver 25,838,932 shares (versus 25,761,647 previously) that may be, at Publicis Groupe's discretion, either newly issued shares or existing shares held in its portfolio.

These bonds are in principle fully amortizable on July 30, 2014 by redemption at par. However, Publicis Groupe retains an option to redeem all or part of the bonds at any time from July 30, 2012 if Publicis Groupe S.A. shares trade at 130% of the bond's par value.

Obligations related to warrants

The exercise of warrants – which could occur at any time between September 24, 2013 and September 24, 2022 – would lead to an increase in Publicis Groupe's capital stock. After cancellation of the warrants bought back in 2005 and 2006, Publicis Groupe would be committed to creating (if all warrants were to be exercised) 5,602,699 shares with a par value of 0.40 euro and a premium of 30.10 euros.

Other commitments

As at June 30, 2011, there were no significant commitments such as pledges, guarantees or collateral, or any other significant off-balance sheet commitments according to the accounting standards in force.

Note 16 Segment reporting

Information by business sector

The Publicis Groupe structure, developed over several years, is designed to provide the Group's clients with comprehensive, holistic communication services involving all disciplines.

The Group has identified nine operating segments which correspond to our networks of agencies and which may be categorized together since they share similar economic features (similar margins across the various operating segments) and provide similar services (a full range of advertising and communications services) and do so for similar types of clients (the Group's top 20 clients are clients of several operating segments). The nine operating segments are thus pooled into a single sector in accordance with IFRS 8.

Reporting by region

Given of the importance of geographic location in the analysis of our business, the Group has chosen to provide specific information by region.

Data are established on the basis of the location of the agency.

JUNE 2011

(EUR million)	Europe	North America	Asia Pacific	Latin America	Middle East and Africa	Total
Income statement items						
Revenue [1]	895	1,272	307	157	68	**2,699**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	(18)	(21)	(5)	(2)	(1)	**(47)**
Operating margin	79	217	30	24	14	**364**
Amortization of intangibles arising from acquisitions	(3)	(12)	(1)	(1)	-	**(17)**
Impairment	-	-	-	-	-	**-**
Share in net income of associates	7	2	-	1	-	**10**
Statement of financial position items						
Goodwill and intangible assets, net	1,475	2,727	537	371	67	**5,177**
Property, plant and equipment, net	258	143	26	12	6	**445**
Deferred tax assets	33	5	23	8	16	**85**
Investments in associates	29	14	4	-	-	**47**
Other financial assets	22	66	24	3	2	**117**
Current assets (liabilities) [2]	(343)	(1,207)	(90)	(4)	15	**(1,629)**
Deferred tax liabilities	(54)	(143)	(1)	(12)	2	**(208)**
Long-term provisions	(188)	(144)	(35)	(20)	(26)	**(413)**
Disclosures in respect of the statement of cash flows						
Acquisitions of tangible and intangible assets	(24)	(14)	(4)	(3)	(1)	**(46)**
Net acquisitions of financial assets	3	(2)	(2)	-	-	**(1)**
Acquisitions of subsidiaries	(87)	(9)	(33)	(14)	1	**(142)**
Non-cash expenses on stock options and similar items	6	6	1	-	-	**13**
Other non-cash income and expenses	2	-	-	-	-	**2**

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.
(2) Current assets (liabilities) consist of the following balance sheet items: inventories and work in progress, accounts receivable, other receivables and current assets, trade payables, corporate tax payables, short term provisions and other borrowings and current liabilities.

JUNE 2010

(EUR million)	Europe	North America	Asia Pacific	Latin America	Middle East and Africa	Total
Income statement items						
Revenue [1]	805	1,258	286	126	63	**2,538**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	(18)	(27)	(5)	(2)	(1)	**(53)**
Operating margin	70	243	30	22	4	**369**
Amortization of intangibles arising from acquisitions	(4)	(12)	(1)	-	-	**(17)**
Impairment	-	-	-	-	-	**-**
Share in net income of associates	1	(1)	-	-	-	**-**
Statement of financial position items						
Goodwill and intangible assets, net	1,479	3,185	429	186	74	**5,353**
Property, plant and equipment, net	269	169	26	10	6	**480**
Deferred tax assets	43	25	18	10	-	**96**
Investments in associates	19	17	4	-	2	**42**
Other financial assets	24	61	24	2	2	**113**
Current assets (liabilities) [2]	(320)	(1,244)	(95)	21	20	**(1,618)**
Deferred tax liabilities	(63)	(170)	(1)	(2)	1	**(235)**
Long-term provisions	(205)	(209)	(37)	(13)	(35)	**(499)**
Disclosures in respect of the statement of cash flows						
Acquisitions of tangible and intangible assets	(21)	(12)	(1)	(1)	-	**(35)**
Net acquisitions of financial assets	(1)	1	(5)	-	-	**(5)**
Acquisitions of subsidiaries	(20)	(24)	(2)	-	(2)	**(48)**
Non-cash expenses on stock options and similar items	6	7	1	1	-	**15**
Other non-cash income and expenses	1	2	-	-	-	**3**

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.
(2) Current assets (liabilities) consist of the following balance sheet items: inventories and work in progress, accounts receivable, other receivables and current assets, trade payables, corporate tax payables, short term provisions and other borrowings and current liabilities.

YEAR 2010

(EUR million)	Europe	North America	Asia Pacific	Latin America	Middle East and Africa	Total
Income statement items						
Revenue [1]	1,761	2,606	617	284	150	**5,418**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	(46)	(48)	(11)	(4)	(2)	**(111)**
Operating margin	193	511	74	59	19	**856**
Amortization of intangibles arising from acquisitions	(8)	(23)	(2)	(1)	-	**(34)**
Impairment	(1)	-	-	-	-	**(1)**
Share in net income of associates	7	-	-	1	-	**8**
Statement of financial position items						
Goodwill and intangible assets, net	1,494	2,935	419	221	65	**5,134**
Property, plant and equipment, net	261	160	28	10	5	**464**
Deferred tax assets	40	5	23	8	(1)	**75**
Investments in associates	30	15	4	89	2	**140**
Other financial assets	25	63	22	2	1	**113**
Current assets (liabilities) [2]	(192)	(1,691)	(80)	5	-	**(1,958)**
Deferred tax liabilities	(60)	(158)	(1)	(2)	2	**(219)**
Long-term provisions	(202)	(163)	(37)	(19)	(37)	**(458)**
Disclosures in respect of the statement of cash flows						
Acquisitions of tangible and intangible assets	(52)	(36)	(9)	(4)	(2)	**(103)**
Net acquisitions of financial assets	1	7	(3)	-	-	**5**
Acquisitions of subsidiaries	(39)	(27)	(10)	(89)	(1)	**(166)**
Non-cash expenses on stock options and similar items	11	12	1	2	-	**26**
Other non-cash income and expenses	2	4	-	-	-	**6**

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.

(2) Current assets (liabilities) consist of the following balance sheet items: inventories and work in progress, accounts receivable, other receivables and current assets, trade payables, corporate tax payables, short term provisions and other borrowings and current liabilities.

Note 17 Publicis Groupe S.A. stock option and free share plans

The free share plan implemented during the first half of 2011, called the "Long-term incentive plan" or "LTIP 2011", has the following characteristics:

- a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter, three-year vesting period but an additional two-year lock-in period;
- the shares are subject to additional (non-market) performance criteria, so that the total number of shares received will depend on the growth and profitability objectives attained in 2011;
- the allocation, made in April 2011, will take effect in April 2015, with the exception of French employees for whom it will take effect in April 2014.

Stock options originated by Publicis Groupe

Characteristics of Publicis Groupe stock option plans outstanding at June 30, 2011

Shares with 0,40 euros par value	Type of option	Grant date	Exercise price of options (in euros)	Options outstanding at June 30, 2011	Of which exercisable at June 30, 2011	Expiry date	Remaining contract life (in years)
13th tranche	Acquisition	01/18/2002	29.79	48,700	48,700	2012	0.55
14th tranche	Acquisition	06/10/2002	32.43	5,000	5,000	2012	0.94
15th tranche	Acquisition	07/08/2002	29.79	220,000	220,000	2012	1.02
16th tranche	Acquisition	08/28/2003	24.82	443,400	443,400	2013	2.16
17th tranche	Acquisition	08/28/2003	24.82	1,195,628	1,195,628	2013	2.16
19th tranche	Acquisition	09/28/2004	24.82	611,499	611,499	2014	3.24
20th tranche	Acquisition	05/24/2005	24.76	209,980	209,980	2015	3.90
21st tranche	Acquisition	08/21/2006	29.27	100,000	100,000	2016	5.14
22nd tranche	Acquisition	08/21/2006	29.27	2,901,171	2,901,171	2016	5.14
23rd tranche	Acquisition	08/24/2007	31.31	570,684	570,684	2017	6.15
TOTAL OF ALL TRANCHES				**6,306,062**	**6,306,062**		
Average exercise price				27.74	27.74		

Movements in Publicis Groupe stock option plans in the first half of 2011

Shares with 0,40 euros par value	Exercise price of options (in euros)	Options outstanding at Dec. 31, 2010	Options awarded in the first half 2011	Options exercised in the first half 2011	Options cancelled or lapsed in the first half 2011	Options outstanding at June 30, 2011
11th tranche	33.18	307,500	-	(272,500)	(35,000)	-
13th tranche	29.79	71,700	-	(23,000)	-	48,700
14th tranche	32.43	5,000	-	-	-	5,000
15th tranche	29.79	220,000	-	-	-	220,000
16th tranche	24.82	443,400	-	-	-	443,400
17th tranche	24.82	1,502,602	-	(294,213)	(12,761)	1,195,628
19th tranche	24.82	649,330	-	(37,831)	-	611,499
20th tranche	24.76	228,695	-	(18,715)	-	209,980
21st tranche	29.27	100,000	-	-	-	100,000
22nd tranche	29.27	3,585,951	-	(649,323)	(35,457)	2,901,171
23rd tranche	31.31	692,808	-	(103,554)	(18,570)	570,684
TOTAL OF ALL TRANCHES		**7,806,986**	**-**	**(1,399,136)**	**(101,788)**	**6,306,062**
Average exercise price (in euros)		28.02	-	29.07	30.43	27.74
Average share price on exercise (in euros)				38.56		

Publicis Groupe free share plans

Characteristics of Publicis Groupe free share plans outstanding at June 30, 2011

Shares with 0,40 euros par value	Beneficiaries	Grant date	Number of shares yet to vest at June 30, 2011	Vesting date of shares (1)	Remaining contract life (in years)
Co-investment plan	France	03/19/2009	810,864	03/19/2012	0.72
Co-investment plan	Outside France	03/19/2009	2,397,844	03/19/2013	1.72
France Plan – all employees	France	05/20/2009	-	05/20/2011	-
LTIP Plan 2010	France	08/19/2010	98,550	08/19/2013	2.14
LTIP Plan 2010	Outside France	08/19/2010	533,450	08/19/2014	3.14
LTIP Plan 2010-2012 (Management Board members)	France	09/22/2010	152,000	09/22/2013	2.23
LTIP Plan 2010-2012 (Management Board members)	Outside France	09/22/2010	100,000	09/22/2014	3.23
USA Plan – all employees	United States	12/01/2010	553,500	12/01/2014	3.42
LTIP Plan 2011	France	04/19/2011	95,450	04/19/2014	3.14
LTIP Plan 2011	Outside France	04/19/2011	577,200	04/19/2015	4.14
TOTAL OF FREE SHARE PLANS			**5,318,472**		

(1) After this date French beneficiaries must observe an additional two-year lock-in period.

The award of the free shares listed above is conditional on continued employment by the employee throughout the vesting period. The grant is also subject to non-market performance conditions for all or part of the following plans: co-investment, LTIP 2010, LTIP 2010-2012, LTIP 2011.

Movements in Publicis Groupe free share plans in the first half of 2011

Shares with 0,40 euros par value	Beneficiaries	Number of shares yet to vest at Dec. 31, 2010	Shares awarded in the first half 2011	Shares cancelled or lapsed in the first half 2011	Shares vesting in the first half 2011	Number of shares yet to vest at June 30, 2011
Co-investment plan	France	810,864	-	-	-	810,864
Co-investment plan	Outside France	2,497,844	-	(100,386)	-	2,397,844
France Plan – all employees	France	159,975	-	(9,400)	(150,575)	-
LTIP Plan 2010	France	99,050	-	(500)	-	98,550
LTIP Plan 2010	Outside France	554,500	-	(21,050)	-	533,450
LTIP Plan 2010-2012 (Management Board members)	France	152,000	-	-	-	152,000
LTIP Plan 2010-2012 (Management Board members)	Outside France	100,000	-	-	-	100,000
USA Plan – all employees	United States	638,950	-	(85,450)	-	553,500
LTIP Plan 2011	France	-	96,950	(1,500)	-	95,450
LTIP Plan 2011	Outside France	-	577,700	(500)	-	577,200
TOTAL OF FREE SHARE PLANS		**5,013,183**	**674,650**	**(218,786)**	**(150,575)**	**5,318,472**

Publicis Groupe free share plans granted to certain Razorfish employees

The Publicis Groupe free share plan, established on December 1, 2009 to replace the plans granted to certain Razorfish employees that were in effect at the time of the acquisition, resulted in the granting of 493,832 free shares in Publicis Groupe. For the majority of shares the vesting period runs for four years (2010-2013), with a smaller portion running until 2018. At June 30, 2011, the number of free shares yet to be vested was 217,144.

Fair value of free shares granted in the first half of 2011 under LTIP 2011

	04/19/2011	
Date of management Board Meeting	France [1]	Outside France [1]
Number of shares originally granted	96,950	577,700
Initial value per share granted (in euros)	35.45	34.60
Assumptions:		
Share price at the grant date (in euros)	37.71	37.71
Vesting period (in years)	3	4
Lock-in period (in years)	2	-

(1) Conditional shares whose vesting depends on continued employment throughout the vesting period and the achievement of targets set for 2011.

Stock option and free share plans originated by Digitas

On the acquisition of Digitas, these plans were converted into Publicis Groupe stock option plans, applying the ratio existing between the acquisition price of our public offer for Digitas (translated into euros) and the Publicis Groupe 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, 2011

Shares with 0,40 euros par value	Grant date		Exercise price of options (in euros)		Options outstanding at June 30, 2011	Of which exercisable at June 30, 2011	Expiry date		Remaining contract life
	min	max	min	max			min	max	
Digitas plans									
2001	03/01/2001	01/24/2007	5.08	35.42	377,888	377,888	03/01/2011	01/24/2017	3.59
2005 UK	06/01/2005	12/01/2006	21.70	35.42	6,189	6,189	06/01/2015	12/01/2016	5.06
Modem Media plans									
1997	03/26/1997	09/29/2004	18.30	19.18	370	370	01/01/2008	09/29/2014	3.25
1999	04/12/2000	06/22/2004	2.62	54.05	2,853	2,853	04/12/2010	06/22/2014	2.02
TOTAL OF TRANCHES					**387,300**	**387,300**			
Average exercise price (in euros)					23.89	23.89			

Movements in Digitas stock option plans in the first half 2011

Shares with 0,40 euros par value	Exercise price of options (in euros)		Options outstanding at Dec. 31, 2010	Options exercised in the first half 2011	Options cancelled or lapsed in the first half 2011	Options outstanding at June 30, 2011
	min	max				
Digitas plans						
2000	13.73	50.65	9,416	-	(9,416)	-
2001	5.08	35.42	434,799	(44,450)	(12,461)	377,888
2005 UK	21.70	35.42	6,189	-	-	6,189
Modem Media plans						
1997	18.30	19.18	370	-	-	370
1999	2.62	54.05	2,853	-	-	2,853
TOTAL OF TRANCHES			**453,627**	**(44,450)**	**(21,877)**	**387,300**
Average exercise price (in euros)			22.99	16.68	19.92	23.89
Average share price on exercise (in euros)				38.56		

There are no more shares to be vested within the framework of the Digitas "Restricted Shares" grant.

Effect of Publicis Groupe and Digitas stock option and free share plans on the interim 2011 income statement

The total impact of these plans on the interim income statement for 2011 was 13 million euros (excluding taxes and social security charges) compared to 15 million euros for the first half of 2010. Regarding the free share plans awarded subject to off-market performance conditions, which were yet to vest on June 30, 2011, in calculating the number of "performance shares" to vest under these plans it was assumed that there was a 100% probability that targets would be met.

Note 18 Related party disclosures

There have been no significant developments in related party operations since December 31, 2010.

Note 19 Subsequent events

Acquisition of Rosetta

On July 1, 2011, Publicis Groupe acquired 100% of the shares in US digital agency Rosetta for 575 million US dollars paid from group cash. This acquisition will allow Publicis Groupe to strengthen its positioning in digital. Also, under the agreement, the shareholders managers of Rosetta could receive an additional deferred payment in 2014 based on the performance of the agency in 2011-2013.

Multi-currency syndicated loan

On July 13, 2011, Publicis Groupe agreed a new five-year multi-currency syndicated loan for 1,200 million euros. This syndicated loan will meet the Company's general financing needs and will replace the syndicated loan arranged on December 17, 2004.

STATUTORY AUDITOR'S REPORT ON INTERIM FINANCIAL INFORMATION FOR 2011

This is a free translation into English of the statutory auditors' report on the interim financial statements issued in the French language and is provided solely for the convenience of English speaking readers. The report must be read in conjunction and construed in accordance with French law and French auditing professional standards.

In accordance with the assignment entrusted to us by your General Meeting and in accordance with article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- our limited review of the accompanying condensed half-yearly consolidated financial statements of Publicis Groupe S.A. for the period from January 1, 2011 to June 30, 2011;
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements, based on our limited review.

1 CONCLUSION ON THE FINANCIAL STATEMENTS

We have conducted our limited review in accordance with the professional standards applicable in France.

A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the professional standards applicable in France and consequently does not enable us to obtain assurance that the financial statements, taken as a whole, are free from material misstatements, as we would not 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, nothing has come to our attention that causes us to believe that these condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

2 SPECIFIC VERIFICATION

We have also verified the information provided in the interim management report in respect of the half-yearly financial statements that were the subject of our limited review.

We have no matters to report on the fairness and consistency of this information with the condensed half-yearly consolidated financial statements.

Neuilly-sur Seine and Courbevoie, July 21, 2011

The statutory auditors

ERNST & YOUNG ET AUTRES	MAZARS
Jean Bouquot et Christine Staub	Loïc Wallaert

CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE FIRST HALF YEAR FINANCIAL REPORT

As Chairman of the Management Board of Publicis Groupe, I hereby certify that, to the best of my knowledge, the consolidated interim financial statements for the 6 months ended on June 30, 2011 were prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company as well as the entities consolidated by Publicis Groupe and that the here enclosed interim management report provides a true and fair schedule of the highlights of the first half of the financial year and of their impact on the financial statements, of the main transactions with related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

Maurice Lévy

Chairman and CEO of Publicis Groupe

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Publicis Groupe S.A.

Société anonyme (French public limited company) with a Management Board and a Supervisory Board, with share capital of 76,718,326 euros

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