

Viva

La Difference

2005 ANNUAL REPORT



PUBLICIS GROUPE



visionary

Founder of Publicis, 1906-1996

When young Marcel rode up the Champs-Élysées in a horse-drawn carriage on one of his family's regular outings, his eyes sparkled and he dreamed of living at the very top, right alongside the Arc de Triomphe. That dream later became a reality as he transformed advertising from the slightly disreputable display of goods into a noble profession with a code of ethics and a sense of values, a profession that also makes an undeniable contribution to the economy.

1906–2006: Marcel Bleustein-Blanchet was born a century ago this year, and while he passed away ten years ago his spirit is still very much alive at Publicis Groupe. It is a source of inspiration for management and creative teams alike. The name of our most recently created agency speaks for itself: Marcel. One cannot “tell” the Marcel Bleustein-Blanchet story within the simple confines of a book or a film, much less in a few lines of text. His personality had something magical about it. That was what enabled him

But he found nothing more entertaining, more fascinating, than creation itself. Given a new idea, his imagination took flight and he quickly grasped its full potential. Just as he flew into a rage when he saw an advertisement he considered unworthy of his agency. Genius, creator or master builder? He was no doubt a little of each. Forging his way through the century with a wave of innovation and invention, intensely interested in aviation and new ideas, he gave Publicis the strength and vitality to drive it on to ever new heights.

But that was not all. While the passion and preferences of Marcel Bleustein-Blanchet were attuned to a century of invention, he was also a man of principle and commitment, making his way across Occupied France, then Spain, to finally join General de Gaulle in London. Just as he unhesitatingly chose the Resistance in the earliest hours of World War II, he lived in accordance with his values, providing support for a home for

By Maurice Lévy

Marcel Bleustein-Blanchet

to pioneer modern advertising through a combination of daring, flashes of genius, passion, energy and conviction—a conviction strong enough to move mountains. His taste for creation, invention and new ideas was legendary. He was a pioneer in so many sectors of the communications industry, from the first radio broadcasts in the 1930s, to cinema advertising, to ground-breaking research tools. Although he had the uncanny ability to feel the public pulse instantly, intuitively—especially that of Parisians!—he still set store by the opinion polls he helped launch in France, along with research into motivation and semiology. He wanted hard data to back up his intuition, and he understood our industry's need for rational structures and method.

the elderly in Montmartre, funding expansion of childcare facilities for Jewish infants, and, of course setting up the Fondation de la Vocation. A foundation embodying a promise he had made to himself: to he make young people's dreams come true—a promise kept many many times over.

This centennial year of the birth of Marcel Bleustein Blanchet is not a sad and reflective time for Publicis nor for anyone who knew and loved him. He loved it! And he would love today's Publicis Groupe, bringing brands, ideas and dreams to life in all four corners of the earth—and, of course, on the corner of his own street, the Champs-Élysées.

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2005 highlights

02-03



**No. 1 worldwide in new business
with a net total close to \$10 billion**

performance

With net new business totaling \$9.8 billion, Publicis Groupe came in first worldwide in Bear Stearns' rankings for 2005—what was just a vision yesterday is today a reality. These wins are the fruit of a careful strategy to build a complete offering tailored to the needs of advertisers in an environment marked by rapid changes in media and consumer behavior patterns.

To take just a few examples of successes recorded during the year—spanning all continents and all types of communication services—new business included all General Motors media buying in the US, Gillette media planning and buying globally, L'Oréal's media buying in Europe, advertising accounts for Telefónica Movistar in Spain and Latin America, and Rogers Communications in Canada. It goes without saying that every new account booked is a promise of organic growth to come.



Operating margin 15.7% in 2005
Target for 2008: 16.7%

profitability

As in each of the two previous years, our operating margin in 2005 set a new record for the advertising and marketing services industry, rising 60 basis points to reach 15.7% on an IFRS basis. This vigorous performance results from the tight control of operating costs as well as the successful integration of Bcom3, which was completed in 2005.

We are now setting our sights even higher, aiming for 16.7% operating margin (IFRS) in 2008, which we consider achievable without any added impetus from world economic growth or new accounts.

In working towards this goal—already defined at the end of 2004—we will thus be relying solely on optimization of internal costs and improvements at some entities to catch up with the Groupe average. If, in addition, we get the benefit of revenue growth as in the past year, it is definitely well within reach.

05





Acquisitions of Freud Communications, PharmaConsult, eventive and Solutions

expertise

Two priorities have guided our Groupe's acquisition strategy in recent years: expanding the international reach of our holistic offering and building a new presence in high-growth markets in Asia, Latin America and Russia.

We take a highly selective approach, aiming in particular to raise the contribution of Specialized Agencies and Marketing Services to our overall revenues—through targeted acquisitions of agencies offering scope for immediate synergies and additional services in growth segments such as customer relationship management, direct marketing, sales promotion, event marketing and public relations.

Acquisitions in 2005 and early 2006 illustrating this strategy include Freud Communications, a leading UK public relations agency; eventive, offering event marketing services in German and Austrian markets; PharmaConsult, a Spanish healthcare communications agency; and Solutions, one of India's top marketing services specialists.

responsibility

**The right valuation
and effective control**

Recent examples like Cordiant in 2003 and Grey in 2004 show that Publicis Groupe will not be tempted into acquisitions at any price—and may simply decide not to make any offer at all for some potential targets.

There could be no better illustration of this approach than the talks with Aegis Group plc in 2005.

The quality of Aegis staff and assets as well as its highly complementary geographical presence clearly had strategic appeal. But we were not ready to pay more than the fair price or get caught up in a bidding battle. Nor were we prepared to accept anything short of the full control needed to realize potential synergies. Considering that these conditions were not met, we thus broke off talks in October 2005.





**66 Lions including seven Gold
at the Cannes Advertising Festival
No. 2 ranking in the Gunn Report
World's most creative media organization**

creativity

Publicis Groupe was again the world's second biggest winner of awards for creative advertising in 2005.

Winning 66 Lions, including 7 Gold and 17 Silver to come in second at the Cannes International Advertising Festival, our Groupe also placed second in the Gunn Report, the authoritative industry guide that factors in awards from the current year but also those obtained over the preceding seven years. A number of our businesses also won Agency of the Year honors from leading industry journals at regional and international level.

These consistent successes, year after year, demonstrate the depth and range of creative resources within our Groupe. Saatchi & Saatchi, Leo Burnett, and Bartle Bogle Hegarty, a 49% subsidiary, were particularly outstanding in 2005.

Last but not least, the Gunn Report named Publicis Groupe Media the world's most creative media services organization just a year after its launch.



Denuo
breaking new ground in digital communications

anticipating

Denuo, launched at the beginning of 2006, is in a class of its own, pursuing a unique mission to place our Groupe and our clients at the cutting edge of digital and interactive technology. Denuo has operations in Chicago and New York.

Headed by Rishad Tobaccowala, the new entity brings together top talent combining outstanding knowledge and experience in marketing and on-line technology, with three priorities:

- Strategic consulting: Denuo delivers foresight and strategic direction which can give clients a prescriptive advantage as they identify marketing touchpoints of the future. Denuo will also align with media owners, developers, technology companies and other content creators, to advise them on developing strategic opportunities for their clients.
- Ventures and partnerships: Denuo aims to partner with new companies and individuals who are inventing future pathways to elusive consumers. By so doing, it earns first-mover rights for clients in these ventures. The team is also partnering with key venture capital firms working in new media to help them decide how to invest, develop and market products to clients.
- Catalyst and activation: A primary focus of Denuo will be to prepare clients for the activation phase of their marketing plans. A liaison with other Publicis Groupe companies, they will execute ideas by leveraging their relationships, insights and expertise to marry media, marketing and technology.





commitment

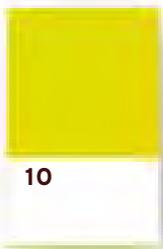
Investment-grade ratings

In December 2005, Publicis Groupe obtained its first investment-grade ratings from the world's two leading rating agencies: BBB+ from Standard & Poor's and Baa2 from Moody's, with both adding stable outlooks.

These ratings reflect favorable assessments of both our capital structures and the conduct of our business. They provide official recognition for the new standing of our Groupe and reward the continuing efforts to consolidate our financial base since 2003.

Along with the ratings, the Groupe announced a series of target ratios, defined on an IFRS basis, to serve as guides for financial management:

- average net debt/operating margin before depreciation and amortization below 1.5
- net debt/shareholders' equity below 0.5
- interest cover (operating margin before depreciation and amortization/net financial expense) above 7.



recent events

early 2006

In January 2006, our Groupe made a public offer for all equity warrants issued in connection with the Bcom3 acquisition that were still in circulation.

Marking a decisive new step in the process of balance sheet simplification, the offer proved a success with nearly 80% of warrants tendered in response, allowing for the elimination of the potential for issuance of 27.7 million shares.

Moves to streamline the balance sheet got under way in September 2004 with the sale of credit-linked notes acquired in 2003 and the redemption of the bond component of bonds with attached equity warrants (OBSAs), which represented an amount of €858 million at issue.

This was followed in January 2005 by the early redemption of 62% of OCEANE convertible bonds maturing in 2018 for a total of €464 million. A further 6.5% of the issue was redeemed in January 2006.

Altogether, the potential for the creation of 35 million new shares was eliminated over a period of 18 months.





a message from

message

The past year is in several ways one of the most exceptional I can remember in the history of our Groupe.

Our teams turned in their strongest-ever performance, benefiting as never before from the Groupe's remarkable networking potential to make the most of talent not only in creation but also in client relationships and management. With the resulting momentum, our agencies took the offensive on all fronts, demonstrating their commitment and know-how to win new clients and new business—and thus achieving results that far exceeded our hopes.

Looking beyond the figures, the year was exceptional in two other ways. First, there was the launch of a new agency named after our Groupe's founder. The lean team at Marcel has everything it takes for outstanding creative success, combining youthful spirit, vitality, and curiosity with natural flair.

Its ability to surprise, stimulate and attract has already won over top international advertisers, including two of the largest, Coca-Cola and Orange.

A second highlight for me, personally, was the decision of astronomer Jean-Claude Merlin to name the new asteroid he discovered "Bleustein", in recognition of the support he received from the Marcel Bleustein-Blanchet Foundation. I am grateful for his generosity, and very moved by it.

It is always a joy for me to see our Groupe continuing on the course set by my father, with the same optimism and the same persevering spirit that were so important to him. That also applies to the successes achieved by the Foundation. Established in 1960, this institution offers financial support to 20 young people each year on the basis of only one criterion: their desire to excel in any field, from tight-rope walking to genetics or astrophysics.



Elisabeth Badinter

Chair, Supervisory Board

None of them has ever disappointed us and they have all reached the top in their fields—with our support, of course, but above all thanks to the energy and enthusiasm the Foundation saw in them. The Foundation also offers Hope Scholarships enabling underprivileged young people without high school degrees to learn skills. Here, too, results have exceeded our expectations.

Just as these successes show how much can be achieved through sheer energy and determination, so has our Groupe prospered remarkably over the past 50 years. That history is also all about turning a vision into a reality, about a French advertising agency becoming the world's fourth largest communications business.

I am convinced, too, that it is a story that has only just begun. New talent is taking its place in our Groupe, carrying on the task with the same

enthusiasm and dedication to success as their predecessors, the same commitment to continued improvement. They are holding the Publicis Groupe banner high, and they deserve our thanks for it.

In conclusion let me say that it is my hope that the optimism and perseverance that have brought our Groupe this far will continue to drive it forward with the same creative flair that has never failed us.



interview with

What do you see as the main highlight of 2005?

Growth would be an obvious choice, but I think, even more, new business. This was exceptional not only in terms of volume, but also in the quality of clients, their geographical range and the variety of business sectors represented. I believe we have seen a real turning point. No group has ever posted such a high figure for new business, demonstrating without the shadow of a doubt that we have won a lasting place in the top tier of our industry worldwide.

You also achieved impressive organic growth. Do you think Publicis Groupe can go on doing better than the market?

Yes I do. For three good reasons.

Firstly, our people are out to win—and that makes them very tough competitors.

Secondly, our offering is far better than what many of our rivals have. Most importantly, it is much more in tune with the needs of advertisers.

And finally, we have the advantage of being the leaders in media planning, holistic communications and healthcare communications.

What makes the Publicis Groupe offering superior?

Many things. But the most important can be summed up fairly quickly.

In terms of creativity driving success, we have a genuine obsession with both brand performances and our clients' market share, and we put every ounce of energy into achieving our clients' goals.

This obsession has also won us industry recognition, illustrated by our second place at the Cannes International Advertising Festival and in the Gunn Report.

Then there is our capacity to look ahead and innovate—a strength we see throughout the Groupe today, and one which will be even more visible in the future. A good example is our new initiative in digital communications with Denuo.

Maurice Lévy

Chairman & CEO



Last, but very far from least, there is the quality of our staff, something I can never emphasize enough. With our Peak Performance program, we are able to bring them added inspiration and motivation, making them want to go one step further than others, to achieve more and dedicate themselves wholeheartedly to our clients. And also be aware that they can never rest on their laurels.

Do you feel ready to deal with media fragmentation? Are you truly media-neutral?

We definitely are media-neutral and do not hold any particular beliefs about one media or another. The only thing we truly believe in is results. Because our job is not to manage media. It is about offering our clients the solutions and creative strategies that best match their needs and enable them to do better than their rivals. Which of course means looking for the best value for money, the most appropriate media and the most effective solutions, in both media and below-the-line operations. Sometimes that will mean

a 30-second TV commercial—still far from a thing of the past—while in other cases we will be looking at a holistic approach factoring in all aspects of consumer attributes and behavior.

Five years from now, what will be the right positioning for an agency and the right kind of services?

I have always thought that the strategy of a communications business is fairly easy to define. It is a matter of really understanding consumer behavior and developments in media so as to be able to respond to advertisers' needs as effectively as possible. Looking five years down the road, the best positioning will be the one that allows the agency to stay ahead in those areas—although clearly technology and mobility will have completely changed the media scene by then. Society as a whole will be radically different and, by the same token, so will consumers, the relationships between them and the way they go about buying things. So there are some very exciting challenges ahead of us.



interview

with Maurice Lévy

Business in Europe is picking up, but it still trails other regions. Are you satisfied with the reorganization of your big European agencies?

Yes and no. Yes, because we have attracted a lot of talent, reinforced our teams, and renewed a good number of agencies. No, because when we think about the way our agencies work—about cutting costs, innovation, logistics and so on—we have to constantly ask new questions and regularly reinvent our business. You can't afford to be complacent in our business and it's a dangerous mistake to think that the work is ever over. Which means, yes, we have made a lot of progress, and, yes, we still have a lot more to do.

What about your plan for reorganization running through to 2008?

By the end of 2005, we had shared resource centers already operating or about to go into operation in twelve countries that together account for 79% of revenues, including our six largest markets. We are now setting the process in motion in China and Brazil. In all these countries, our information systems, accounting, legal and other administrative resources are shared by all our brands. We have also moved to optimize resources in smaller emerging markets where local conditions allow—this has been achieved

in Puerto Rico, Guatemala, Panama, Venezuela, Colombia, Taiwan and Vietnam.

This year, we are planning to extend these moves to other parts of Asia, Latin America, Europe and the Middle East.

Finally, as regards procurement, we have already reached worldwide agreements on hotels and credit cards, and will now be turning our attention to airfares and car rentals.

You now have the financial resources for acquisitions and your recently obtained investment-grade rating means a clearer framework. What are your plans?

We achieved some important things in 2005—we simplified our balance sheet, we won what is a very satisfactory rating, we cut back debt. To put it a little simply, the Bcom3 acquisition is now behind us.

We said that we would be very selective about acquisitions and that was certainly the case in 2005, in terms of both quality and the segments targeted, with PharmaConsult, Freud Communications, eventive, Solutions, and others.

We are now in a position to step up the pace, but there will be no relaxation of our rigorous standards.

We know very well that in our industry supposedly great deals have often led to painful impairments.

You have objectives for operating margin, for staff motivation and for client satisfaction. How do you bring all that together?

We live in an increasingly complex world that puts pressures on all of us. Our clients are increasingly demanding, and they want to pay less for what they get because of pressure on their own prices. However, it is dangerous for clients to put too much pressure on remuneration. That's short-term thinking, since it could seriously weaken their agencies. At the same time, there is constant pressure on our costs, as we are committed to recruiting the best talent, inventing new services and offering more and more effective solutions, and improving our financial ratios. It's a tricky balance and we owe our satisfactory operating margins to unrelenting efforts to contain operating costs.

Isn't there a limit to how far you can raise margins?

Our target for 2008 is an operating margin of 16.7% calculated on an IFRS basis. That is ambitious, but we will achieve it with constant attention to productivity, operating costs and, of course, growth. So before we look too far ahead we will be focusing all our efforts on that target, although it could later become a lower rather than an upper limit.

This is the year of the Football World Cup. What does that mean for your subsidiary iSe? And do you think you have the place you deserve in sports marketing?

The news from iSe has been very satisfactory. But, no, we don't really have the place we could have in sports marketing. We are latecomers to the segment and we have opted for a step-by-step approach. And we have flatly refused to buy rights, since we believe that is an entirely different and very risky business.

Are you satisfied with your alliance with Dentsu?

We have an excellent relationship and our cooperation is very fruitful. Following moves that included the launch of iSe, in which we have equal interests, and joint successes in winning some accounts, we together had a very close look at the possibility of acquiring an agency

in Japan. That didn't work out, but we are now considering other avenues for development.

The market hailed your group's performance in 2005 and Publicis Groupe shares scored one of the two best performances in the sector worldwide. Do you think there is potential for more to come?

Don't expect me to say there isn't. More to the point, you have to remember that our shares had suffered from market concerns about our capacity to integrate Bcom3, about debt reduction, share flowbacks, growth prospects and so on. Since then, investors have seen that there was nothing to worry about and that we have been able to overcome all those difficulties without too much trouble. But don't take my word for it—talk to some of the analysts who see potential for gains of 25% to 30% in 2006.

This year is the centenary of the birth of Publicis' founder. What would he say about the business today?

When Marcel Bleustein-Blanchet founded Publicis, he also gave it the ambition, the vitality, and the fundamental attitudes that have made it France's most distinguished agency. Those solid foundations have made it possible to build the powerful group we have become today.

His work and his values continue to guide us and are a constant reference for what we do. And I like to think that he would be just as proud of what we have become and our potential for the future as we are proud of the heritage he left us.



corporate

Supervisory Board

Elisabeth Badinter

Chair

Sophie Dulac

Vice-Chair

Simon Badinter

Chairman & CEO, Médias & Régies Europe

Monique Bercault

Technical Advisor to the Chairman & CEO,
Médias & Régies Europe

Michel Cicurel

Chairman & CEO, Compagnie Financière Edmond
de Rothschild Banque and Compagnie Financière
Saint-Honoré

Michel David-Weill

Chairman of the Supervisory Board of Eurazeo SA

Michel Halpérin⁽¹⁾

President of the Grand Conseil de Genève, Switzerland

Tateo Mataka

President & CEO, Dentsu Inc.

Léone Meyer⁽²⁾

Chair of Phison Capital SAS

Yutaka Narita

Principal Advisor & Chairman, Dentsu Inc.

Hélène Ploix

Chair, Pechel Industries Partenaires

Felix Rohatyn

CEO, Rohatyn Associates LLC

Amaury de Seze

Chairman, PAI Partners

Henri-Calixte Suaudeau

Director, Publicis Conseil

Gérard Worms

Managing Partner, Rothschild & Cie Banque and
Rothschild & Cie SCS

Management Board

Maurice Lévy

Chairman & CEO

Claudine Bienaimé

General Secretary

Jack Klues

Chairman, Publicis Groupe Media

Kevin Roberts

CEO Worldwide, Saatchi & Saatchi

Bertrand Siquier

Executive Vice President, Publicis

Audit Committee

Gérard Worms

Chairman

Michel David-Weill

Hélène Ploix

Compensation and Appointments Committee

Michel Cicurel

Chairman

Elisabeth Badinter

Henri-Calixte Suaudeau

Statutory Auditors

Mazars & Guérard

Ernst & Young Audit

Alternate Auditors

Patrick de Cambourg

Denis Thibon

(1) Ratification of cooptation submitted to the AGM held June 7, 2006.

(2) Nomination submitted to the AGM held June 7, 2006.

governance

Supervisory Board

Elisabeth Badinter is the daughter of Marcel Bleustein-Blanchet, the founder of Publicis. Ms. Badinter is a philosopher and author of numerous books, and has been a lecturer at the Ecole Polytechnique in Paris. She has been a member of the Supervisory Board since 1987 and its Chair since 1996.

Sophie Dulac is the granddaughter of Marcel Bleustein-Blanchet, the founder of Publicis, and the niece of Elisabeth Badinter. Ms. Dulac was the founder and managing director of a recruitment counselling company, and has been Chair of movie-theater company Les Ecrans de Paris since 2001. She also manages Sophie Dulac Productions (film production) and Sophie Dulac Distribution (film distribution).

Simon Badinter is the son of Elisabeth Badinter. Mr. Badinter joined Médias & Régies Europe in 1991, where he held several positions before becoming its Chairman & CEO.

Monique Bercault is Technical Advisor to the Chairman & CEO Médias & Régies Europe. She has held a variety of positions with the company, including head of human resources at Médias & Régies Europe.

Michel Cicurel is currently Chairman of the Management Board of Compagnie Financière Edmond de Rothschild Banque and Compagnie Financière Saint-Honoré. Mr. Cicurel was previously a senior official in the French Treasury Department, after which he held management positions with Compagnie Bancaire, the Danone Group and Cerus.

Michel David-Weill is Chairman of the Supervisory Board of Eurazeo SA after previously holding a variety of senior positions

in the Lazard Group including Chairman of Lazard LLC, Chairman & CEO of Lazard Frères Banque SA and Chairman & Managing Partner of Maison Lazard.

Michel Halpérin⁽¹⁾ is currently President of the Grand Conseil de Genève, Switzerland. An attorney, he was a member of the Conseil de l'Ordre, then Bâtonnier of the Ordre des Avocats of Geneva. A director of several companies, Mr. Halpérin is Vice-President of BNP Paribas (Switzerland).

Tateo Mataki has been President and CEO of Dentsu Inc. since 2004. Mr. Matak joined Dentsu in 1962, where he held several positions until he joined the Dentsu board of directors in 1995, first as Managing Director for the Newspaper and Magazine Divisions, then as Senior Managing Director in charge of Account Services. Named Executive Vice President in 1999, he became the tenth President of Dentsu in 2002.

Léone Meyer⁽²⁾ is Chair of Phison Capital SAS, a company managing Meyer family assets. She served as head of the Supervisory Board of Groupe Galeries Lafayette from the end of 1998 to March 2005, and was a member of the Supervisory Board of the Casino retail group from 2002 to 2003. A medical doctor, Léone Meyer worked in a hospital in Paris for forty years.

Yutaka Narita has been Principal Advisor and Chairman of Dentsu Inc. since 2004. Mr. Narita joined Dentsu in 1953, where he held several senior positions before joining the Dentsu board of directors in 1981. In 1993, he became the ninth President of Dentsu, and between 2002 and 2004, he served as Chairman and Chief Executive Officer.

Hélène Ploix is Chair of Pechel Industries Partenaires, and manages Pechel Industries SAS which she has chaired since 1997, and FCPR Pechel Industries II. Ms. Ploix previously held several senior positions, notably with BIMP, the Caisse des Dépôts et Consignations and the Caisse Autonome de Refinancement. She has also been an advisor to the French Prime Minister and a director at the International Monetary Fund and the World Bank.

Felix Rohatyn is CEO of Rohatyn Associates LLC. He previously served as the US Ambassador to France, after holding several management positions in the Lazard Group, including Managing Director of Lazard Frères & Co. He has also served as a member of the Board of Governors of the New York Stock Exchange and as the Chairman of the Municipal Assistance Corporation of the City of New York.

Amaury de Seze is Chairman of PAI Partners. Mr. de Seze previously held several senior operating and management positions in a number of major companies including the Volvo Group (Volvo AB).

Henri-Calixte Suaudeau is a Director of France-based agency Publicis Conseil. Mr. Suaudeau has held several management positions within the Groupe, including President of the Drugstores unit, then head of the Real Estate Department.

Gérard Worms is managing partner of Rothschild & Cie Banque and Rothschild & Cie SCS. Mr. Worms has been Chairman & CEO of the Compagnie de Suez and Chair of Banque Indosuez and has held management positions at Société Générale de Belgique, Rhône Poulenc and the Hachette Group.



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5



9



11



10



6



8



7

January 1, 2006

the p-12

- 1 < **Maurice Lévy**, Chairman & CEO;
- 2 < **Jack Klues**, Chairman, Publicis Groupe Media;
- 3 < **Kevin Roberts**, CEO Worldwide, Saatchi & Saatchi;
- 4 < **Bertrand Siquier**, Executive Vice President, Publicis;
- 5 < **Claudine Bienaimé**, General Secretary, Publicis Groupe;
- 6 < **Rick Bendel**, COO, Publicis;
- 7 < **Tom Bernardin**, Chairman & CEO, Leo Burnett Worldwide;
- 8 < **Steve King**, CEO Worldwide, ZenithOptimedia;
- 9 < **John Farrell**, President & CEO, SAMS Worldwide;
- 10 < **Jean-Michel Etienne**, CFO, Publicis Groupe;
- 11 < **John Rossant**, Vice President, Communications & Public Affairs, Publicis Groupe.

20-21



Diversity that makes La Difference

identity

Publicis Groupe offers clients in both global and local markets a wealth of services that few can match and with a style that is all its own.

Difference is the key concept defining the identity of our Groupe, a business that is unique by its origins, its history, the way it operates and its vision. A pioneer of French advertising and the first European group with worldwide reach, it is the only communications business with French roots to win a recognized place in markets across Europe, the Americas and Asia. Proud to stand apart, we are committed to preserving the diversity that allows us to offer an innovative alternative on advertising markets so long dominated by organizations with a single, rigid model. And going by 2005 results, it is an alternative that advertisers welcome as an effective response to their needs and expectations.

4th largest communications group worldwide

3 global advertising networks: Publicis, Saatchi & Saatchi, Leo Burnett

2 multi-hub creative agency networks: Fallon Worldwide, Bartle Bogle Hegarty*

3 leading creative brands: The Kaplan Thaler Group, Beacon Communications, Marcel

No. 2 worldwide in media buying and consultancy

2 global brands: Starcom MediaVest Group, ZenithOptimedia

A management board serving the two networks: Publicis Groupe Media

World's leading agency in healthcare communications

Publicis Healthcare Communications Group

A complete, global range and recognized expertise in specialized communications

- Direct marketing/sales promotion: Arc Worldwide, Publicis Dialog
- Public relations: Public Relations and Corporate Communications Group (MS&L, Publicis Consultants, Freud Communications)
- Publishing and pre-press production: Mundocom, Capps
- Multicultural communications services: Burrell Communications, Bromley Communications
- Events and sports marketing: Publicis Events Worldwide, iSe.

* 49% owned.





g l o b a l

Publicis Groupe has operations in 104 countries providing virtually complete coverage of the world's communication markets. In total, nearly 39,000 employees based in 196 cities provide services to advertisers.

WORLDWIDE PRESENCE BY REGION

	EUROPE	NORTH AMERICA	ASIA PACIFIC	LATIN AMERICA	REST OF WORLD	TOTAL
REVENUES (€ MILLION)	1,642	1,763	434	189	99	4,127
EMPLOYEES	14,642	12,153	7,572	2,804	1,439	38,610
NUMBER OF COUNTRIES	35	2	18	21	28	104
NUMBER OF CITIES	71	39	31	23	32	196

TOP 15 ADVERTISING MARKETS

(\$ BILLION)

US	166.2
JAPAN	40.9
UK	21.3
GERMANY	20.2
FRANCE	12.7
CHINA (incl. HK)	12.2
ITALY	10.7
SPAIN	8.2
AUSTRALIA	7.5
CANADA	7.1
SOUTH KOREA	6.6
BRAZIL	6.6
NETHERLANDS	4.6
MEXICO	3.7
INDIA	3.7

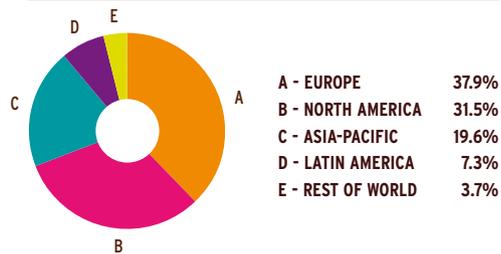
Source: ZenithOptimedia - Advertising Expenditure Forecast - December 2005.

2005 REVENUES OF TOP 10 MARKETS

(€ MILLION)

US	1,667
FRANCE	424
UK	384
GERMANY	196
ITALY	134
SPAIN	127
CHINA	101
AUSTRALIA	92
CANADA	91
BRAZIL	65

EMPLOYEES BY GEOGRAPHY



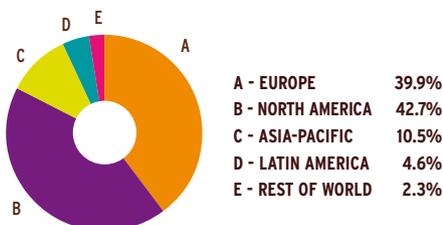
reach

2005 ORGANIC GROWTH BY GEOGRAPHY

EUROPE	+3.8%
NORTH AMERICA	+8.0%
ASIA-PACIFIC	+10.3%
LATIN AMERICA	+9.7%
REST OF WORLD	+17.7%
TOTAL	+6.8%

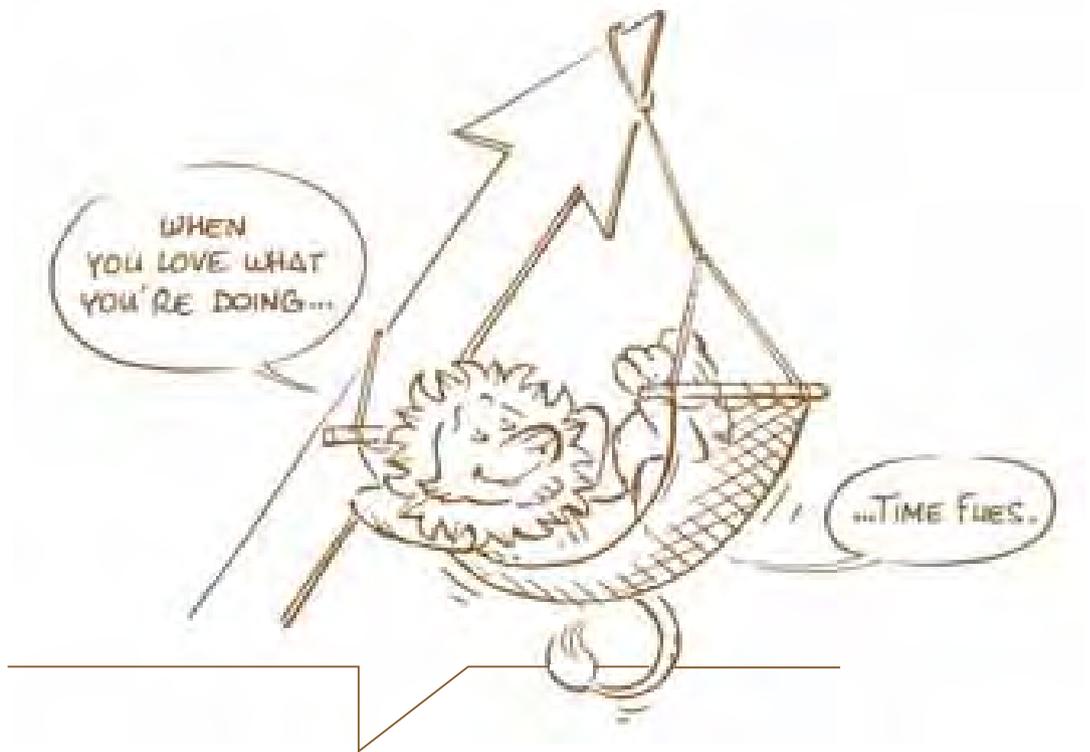


REVENUES BY GEOGRAPHY



HEADCOUNT OVER 5 YEARS

2005	38,610
2004	36,384
2003	35,166
2002	35,681
2001	20,592



financial high

Publicis Groupe had a highly satisfactory year in 2005, posting strong performances in both growth and earnings. The Groupe was also able to significantly improve its financial structure and obtain investment-grade ratings of BBB+ from Standard & Poor's and Baa2 from Moody's.

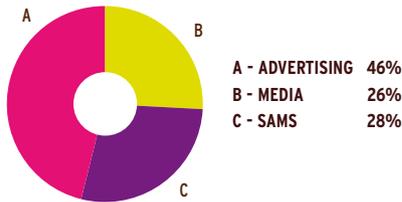
REVENUES (€ MILLION)



ORGANIC GROWTH (%)



2005 REVENUES BY BUSINESS (%)



NET INCOME (€ MILLION)



OPERATING MARGIN BEFORE DEPRECIATION AND AMORTIZATION (€ MILLION)



French GAAP from 2000 to 2003.
IFRS in 2004 and 2005.

Revenues rose 7.7% to top the €4 billion mark at €4,127 million. Organic growth neared 7% at 6.8%, reflecting positive contributions from all geographical regions and business entities. Advertising, media agencies and healthcare communications were the main sources of momentum.

Net new business booked during the year reached a record \$9.8 billion (€7.8 billion), a figure unprecedented in the history of the Groupe and the worldwide advertising industry.

This placed Publicis Groupe first in the Bear Stearns ranking published on January 9, 2006.

Strong results

Operating margin showed a rise of 11.9%, from €580 million in 2004 to €649 million in 2005, representing an operating margin rate of 15.7% compared with 15.1% on an IFRS basis for 2004.

Margin rate was thus again among the highest in the worldwide communications sector, reflecting an overall reduction in operating costs as a result of organizational streamlining. All regions contributed to this improvement in operating margin rate.

Net income excluding minority interests rose 39% from €278 million in 2004 to €386 million in 2005. This vigorous performance was mainly attributable to an improvement in operating income combined with a decline in net interest and other financial expense to €22 million. The rate of corporate income tax

h l i g h t s

declined a further 450 basis points from 36.5% in 2004 to 32% in 2005 as a result of the reorganization of legal structures. Net income also includes non-recurring items, among them a capital gain on the sale to JC Decaux of equity interests held by Média & Régies Europe. Headline net income showed a rise of 31.2% from €269 million in 2004 to €353 million in 2005.

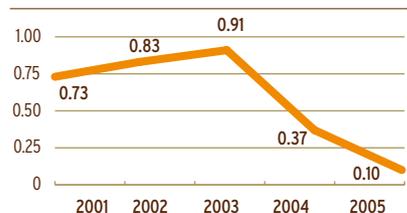
OPERATING MARGIN (€ MILLION)



NET CASH FLOWS FROM OPERATING ACTIVITIES (€ MILLION)



NET DEBT-TO-EQUITY RATIO AT 12/31



EPS on the rise

Basic earnings per share kept step with net income, showing a 39% rise from €1.32 to €1.83, while fully diluted earnings per share rose 36.4% from €1.29 to €1.76. Headline earnings per share came to €1.62, showing a rise of 30% from 2004.

Significant debt reduction

Net debt, which stood at €618 million on an IFRS basis at the end of 2004, fell two-thirds to €207 million at December 31, 2005. Average net debt over the year, a more telling indicator given significant seasonal variations, declined €345 million from €1,270 million to €925 million, and the debt/equity ratio fell from 37% to an exceptionally low 10%, a level unparalleled since 1999.

Commitments met

Results are within the target ranges announced in December 2005. These called for:

- ratios of average net debt to operating margin before depreciation and amortization below 1.5
- net debt to equity below 0.5
- operating margin before depreciation and amortization to interest and other financial expense (or interest cover) above 7.

Final steps in balance sheet simplification

Two important new stages in balance sheet simplification came in 2005 and at the beginning of 2006. Exercise of an additional put option granted to holders of 2018 OCEANE convertible bonds led to early redemption of 62% of the nominal amount of the issue, and was followed by the redemption of a further 6.5% with the exercise of the February 2006 put option. Publicis Groupe also launched its first straight bond issue for €750 million in January 2005, and in February 2006 made a successful offer to buy back equity warrants issued in 2002, with nearly 80% of outstanding warrants tendered in response. Over a period of 18 months, a significant number of complex instruments with potential for earnings dilution were thus retired, eliminating potential for the issue of nearly 35 million shares.

Strong cash generation

Finally, efforts to improve cash generation continued in 2005, with free cash flow (i.e., cash flow from operations before changes in working capital requirement less net capital expenditure) up 18% from 2004 to reach €478 million. This reflected a healthy increase in cash from operations combined with a tight rein on net capital expenditure, held to €75 million or 1.8% of revenues. At the same time, working capital requirement again showed a significant improvement, adding €74 million to resources after €264 million in 2004, which marked an important stage in the drive for more efficient cash management. This provides a further illustration of the effectiveness of the Focus on Cash program.

Shareholders will be asked to approve a further steady increase in dividend to €0.36 per share, 20% more than in the previous year, at their Annual General Meeting on June 7, 2006.



peak performance

Taking achievement
to new heights

In a business where creative excellence is a critical competitive advantage, talented people are clearly our agencies' most valuable assets. This makes it strategically vital for us to identify these people, attract them to our teams and win their loyalty through an approach that underpins self-fulfillment and ever higher levels of achievement—an approach that is clearly a matter of principle for a business that aims for quality to make the Difference.

The Peak Performance management program thus aims to focus all the energies within the Groupe through a commitment to shared values and ambitious goals that are also a source of inspiration, encouraging all staff members to strive for ever higher levels of service to their clients. The Peak Performance workshops take participants through a process that begins with the definition of a common dream and the greatest imaginable challenge, the next step being to share that dream with all staff members and partners of the business. This underpins a sense of belonging that becomes a source of contagious energy when new challenges arise. And as soon as initial objectives are achieved, new targets are set to maintain motivation and mobilization.

human resources

Behind the success that Publicis Groupe achieved in 2005, multidisciplinary and multicultural teams provided the dynamic energy essential to the future. One of the year's highlights was the priority given to staff training at all levels throughout the Groupe.

TRAINING TOMORROW'S LEADERS

The **Saatchi & Saatchi** Management Training Program (MTP) rallies clients, agencies and employees to build future generations of Inspirational Ideas People. Introduced more than 20 years ago, the program educates entry-level personnel about "the Saatchi way" of advertising. The MTP leaves a lasting impression on participants, who graduate with enthusiastic connections to the industry, the client, the agency, the people and—most importantly—the work.

In 2005, **Leo Burnett Worldwide** focused on three employee development initiatives: senior executive coaching for members of the Global Operating Committee, redesigning the Chicago flagship's orientation program for newcomers, and a week-long cross-functional training program known as "TANK" for junior-level employees in the US. TANK's purpose is to instill a passion for the advertising industry, promote a spirit of teamwork, show participants how the agency works and how to leverage its vast internal and external resources, and encourage them to think and execute creatively.

Publicis in the UK and Germany held several internal seminars in 2005 to enhance professional development, skills and expertise with a focus on "la Holistic Difference."

Publicis Italy initiated two programs to formalize internal training and develop junior account and creative team members: "Outvertising" and training in holistic marketing.

Saatchi & Saatchi opened its "Love University" in Guangzhou, China in November 2004. Each week, employees meet for a two-hour course on topics ranging from "What is an Idea?" to "How to be a Great Account Leader". Students "graduate" when they have attended 80% of the 30 sessions held over the year.

Publicis Asia-Pacific established "*L'école de La Difference*," a proprietary training program with six modules designed to help agencies and their people grow. They provide a consistent training platform for developing staff skill sets to continue fulfilling Publicis's mission of being "clients' preferred business partner." So far, the program has trained 1,100 participants in eight countries.

Leo Burnett Worldwide is developing a *competency library* for "human capital" initiatives, such as recruiting, selection, development and succession planning. In first quarter of 2005, human resources representatives worked with the Global Operating Committee to define competencies for the network. Core competencies, such as creativity, collaboration and star reaching, are considered critical for the agency's strategy and apply to all employees. Leadership competencies include visionary and strategic leadership, for effectively leading people.

SHARING THE CREATIVE SPIRIT

To foster the creative spirit across the network while respecting local cultures, in 2005 **Publicis Asia-Pacific** organized a *Regional Creative Challenge*,

asking each country to design posters capturing the Publicis identity in the local context. The agency also publishes a newsletter to share knowledge and forge a common culture and team spirit among the 22 Publicis offices in Asia-Pacific.

In Europe in 2005, **Saatchi & Saatchi** launched *The Ideas Academy*. Mixing teams across the network over several days, it uses the concept of "tribe," arts, theater, and high-pressure teamwork exercises to create a hothouse work environment and respond creatively to real client briefs. Clients see the value of the process and many potentially award-winning ideas have come out of it. The Academy is set to expand into a global training format and the concept may be applied to other roles in the network, such as Account Management.

MOBILITY AND EXCHANGE PROGRAMS

Saatchi & Switch began nearly two years ago in Sydney, Australia. By trading jobs for four to six weeks, young professionals better understand cultural differences while sharing ideas and acting as "ambassadors" for their offices. The program fits the agency's "one team, one dream" philosophy and has attracted applause from top management. To date, 24 people have participated in Saatchi & Switch, notably from Australia, Brazil, France, India, Italy, the United Arab Emirates, UK and US.

Leveraging the shared cultures between China, Taiwan and Hong Kong, **Publicis Greater China** launched a *Planner Exchange Program* in September 2005. By promoting the short-term exchange of strategy, planning and consumer insight staff from one market to another, the program brings two key benefits: the planners involved get "cross market" experience while the host office gets new perspectives and input on their business.

MOTIVATING TEAMS

Leo Burnett considers individual *performance appraisals* and development a priority. In 2005, the agency facilitated on-line appraisals for the top 300 leaders worldwide. Including sections on career aspirations, business goals, and the evaluated employee's core and leadership competencies, the appraisals provided information for succession planning and employee development discussions.

KEY FIGURES

At December 31, 2005, Publicis Groupe had 38,610 employees in 104 countries. Once again this year, estimates of the male/female ratio favor females by a small margin: 53.8% female, 46.2% male. Women represent approximately 30% of our management teams.

A number of agencies have *awards programs* to motivate their teams. **Publicis Asia-Pacific** has taken this to a regional level and distinguishes teams and individuals. In 2005, during a regional management meeting in Bangkok, it gave Best Agency Awards to Publicis Welcomm in Korea (gold), Publicis India (silver) and Publicis Manila (bronze). Publicis Asia-Pacific also holds a "Holistic Case of the Year" contest, which has proven an effective way to share experiences and best practices among offices.

Leo Burnett Worldwide also *measures employee satisfaction* worldwide each year. The voluntary survey is administered on-line in 18 languages through an independent firm. In 2005 the agency achieved an impressive 83% response rate.



DIVERSITY & GIVING YOUNG PEOPLE A CHANCE

Starcom MediaVest Group has undertaken a significant diversity effort throughout the US and been recognized for its efforts by a local organization. A multi-pronged approach has included employee and manager education, and an audit of existing processes and policies. This has culminated in a go-forward strategy, as well as Diversity Council and Affinity Groups which are in the process of being established in the US business units.

INTERNSHIP PROGRAMS

Publicis New York was named Agency of the Year by the American Association of Advertising Agencies (AAAA) for its work with the *Minority Advertising Internship Program (MAIP)*. The agency received the *2005 MAIP Service Award* for its dedication and contributions to the AAAA's diversity initiatives. Now in its 33rd year, the MAIP program encourages African-American, Asian-American, Hispanic, and Native-American college students to strongly consider advertising as a career and places them at agencies throughout the US.

The **Saatchi & Saatchi New York Internship Program** has introduced students to the world of advertising for over 20 years. Each year Saatchi & Saatchi partners with organizations such as the AAAA's MAIP Program, the Advertising Club of New York, the Harlem School for the Arts, and the *CosmoGirl* Internship Program, as well as consider independently submitted applications, to recruit a diverse and talented group of promising advertising students for a 10-week internship in the New York office.

COLLABORATION AMONG THE NETWORKS

Cooperation among the different networks was very much on the agenda in 2005, to share best practices and adopt common methods of analysis. Progress was made in fostering a sense of cooperation and team spirit—key core values for the Groupe. This approach holds promise for the future as a way to enhance efficiency while making work easier for everyone—not least for the CEOs of smaller agencies who also handle human resources.

Across the Groupe, four themes were prominent:

1/Best Practices

The first best practices for human resources management were defined in 2005; others will follow. In addition to technical systems, these involved the establishment of common methods for the networks to identify the professional profile of their "talent", and potential paths for professional development.

2/Long-Term Incentive Plan (LTIP)

Performance criteria developed in 2003 for the first LTIP were met in 2005; in all, 500 employees benefited from the first plan (2003–2005). Having demonstrated its effectiveness, the plan's innovative structure will be used for the 2006–2008 LTIP, which will be open to a wider group of managers.

3/Peak Performance Seminars

Continuing the initiative begun in 2003, several dozen senior managers attended sessions in 2005. This program has two advantages: as the most cross-functional program, involving all units, it provides an opportunity to promote the Groupe's corporate culture. It also creates a virtuous circle of success as individual staff members learn to continuously maximize performance, thereby contributing to the Groupe's progress.

4/Shared Services Centers (SSC)

While the Groupe's efficiency is judged on business development, it requires a full contribution from support services. Over the past three years, Shared Service Centers have been created to pool common business and administrative functions, and technical support. In human resources, various examples of best practices have been applied to ensure overall consistency.



The top performing advertising stock in Europe

recoanition

Publicis Groupe shares outperformed the rest of the advertising and marketing service sector in Europe last year, coming in second worldwide with a 23.4% rise. Compared with an average gain of around 7% for the sector, this strong showing suggests that markets are now recognizing our Groupe's real potential for growth and earnings. Market capitalization topped the €6 billion mark in early 2006, or \$7.2 billion. This places Publicis Groupe 37th among the 40 stocks represented in the CAC 40, the benchmark index for the French stock market.

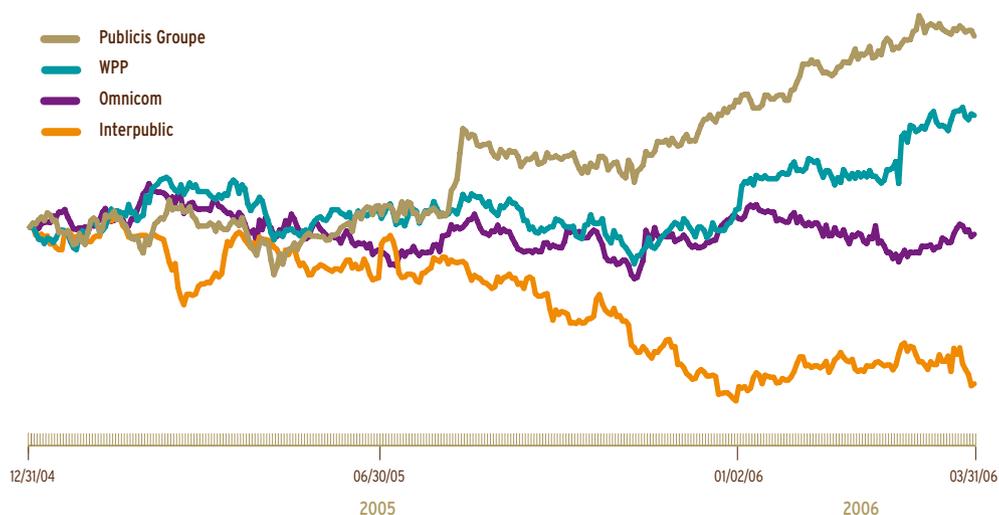
publicis groupe share performance

The world advertising sector (as represented by Omnicom, WPP, Interpublic, Dentsu, Havas and Aegis together with Publicis Groupe) posted a modest average rise of around 7% in 2005, reflecting declines for Interpublic and Havas combined with stagnation for Omnicom. Only Dentsu and Publicis Groupe turned in satisfactory showings.

PUBLICIS GROUPE SHARES BACK ON AN UPWARD TRACK

Publicis Groupe turned in the strongest stock market performance for any European contender in the advertising sector and the second best worldwide with a 23.4% gain. Publicis Groupe shares performed in line with the CAC 40 index, the main benchmark for the French market, which gained 23.5% over the year. Publicis Groupe's market performance went through three different phases in the course of 2005. From January to April, prices held fairly steady in a range of €21 to €25.50, reflecting general disenchantment with

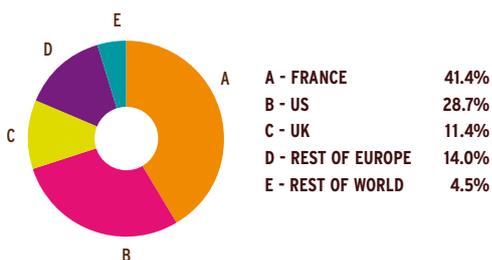
the advertising sector and the view of many investors that Publicis Groupe shares were fully priced, leaving little room for good surprises. It was during this period that they hit their low for the year at €21.43 on April 29. It was followed in the next two months by a period of improvement with the price picking up to a narrower range of €23 to €25. Finally, announcement of excellent first-half results and quickening organic growth from the second quarter triggered a clear upward trend that carried over to the close of the year. There was some temporary disruption as the announcement of talks with Aegis and the possibility of an acquisition slowed



NET DIVIDEND PER SHARE (€)

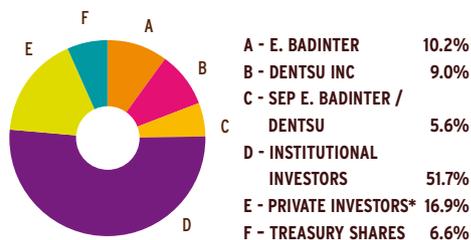


INSTITUTIONAL SHAREHOLDERS BY GEOGRAPHY AT DECEMBER 31, 2005



Excludes "strategic" shareholders, Groupe employees and private investors.
Source: Euroclear/Thomson Financial, January 2006.

SHARE OWNERSHIP BY TYPE OF SHAREHOLDER AT DECEMBER 31, 2005



* Includes employees and former Bcom3 shareholders.
Source: Euroclear/Caceis/Thomson Financial, January 2006.

INVESTMENT-GRADE RATINGS

A highlight of 2005 was the obtaining of investment-grade ratings from the world's two leading agencies, fulfilling a commitment given in 2003 when the move to balance-sheet simplification began. Standard & Poor's rated Publicis Groupe BBB+ and Moody's Baa2, with both adding stable outlooks.

progress in October, but the gains resumed in November and December. The high for the year was €30.19 on December 13 and the closing price on December 30, 2005 was €29.40. Since January 2006, the share price trend has been positive and the closing price on March 31, 2006 was €32.20, setting market capitalization at €6.3 billion.

In contrast to the situation in 2003 and 2004, holders of Publicis American Depositary Receipts gained less than holders of ordinary shares denominated in euros as a result of the dollar's vigorous rebound. The ADRs thus rose 9.5% from \$32.51 on January 3, 2005 to \$35.59 on January 3, 2006, comparing unfavorably with the 23.4% rise in the euro-denominated shares.

Publicis Groupe shares continue to offer upward potential even though market prices in 2005 began to factor in the strengths of the business. Publicis Groupe now benefits from renewed prospects for organic revenue growth associated in particular with the many new accounts booked in 2005, which make for high visibility. Results for 2005 confirm the success of a strategy for vigorous action on finances with marked improvements in working capital requirement and free cash flow as well as lower average debt and simplification of the balance sheet through the elimination of complex instruments and related dilution. This was also rewarded with investment grade ratings. Looking ahead, Publicis Groupe remains fully committed to margin targets for 2008 that are both ambitious and realistic, aiming to preserve and consolidate its lead on the key sectors of the future.

Close ties to investors

In 2005, Publicis Groupe continued the deployment of an extensive Investor Relations program in response to growing interest, with the US a special focus of attention. Altogether some 300 investors from 14 countries attended private meetings and Publicis Groupe management participated in seven investor conferences organized in New York, London, Paris and Barcelona. In addition, the launch of the Groupe's first straight bond issue was an occasion to forge ties to bond investors.

Regular investor relations events include analyst webcasts, analyst meetings, conference calls, private meetings in Paris and other financial centers, and investors' days dedicated to subjects of special interest. Managers present generally include the Chairman and other members of the Management Board or the Chief Financial Officer.

Finally the www.finance.publicisgroupe.com site offers ready access to a wealth of information including downloadable publications such as press releases, annual reports and financial presentations covering several years.

Publicis Groupe's inaugural straight bond issue

Publicis Groupe's first straight bond issue, for €750 million maturing in seven years and paying an annual coupon of 4.125%, proved a big success on the euro market. Oversubscribed three times, it was placed principally in France and the UK. The issue was launched to finance the proposed early redemption of the 2018 OCEANE convertible issue. These transactions were part of a process of balance sheet simplification initiated in 2004 with a view to retiring complex securities and reducing potential dilution from indirect claims on equity, as well curbing debt and interest expense, in particular considering the impact of IFRS. The first steps in the process were the sale of credit-linked notes and redemption of the bond component of bonds with attached equity warrants in September 2004, representing an aggregate amount of €858 million at issuance.

Balance sheet simplification completed in February 2006

On January 3, 2006, Publicis Groupe launched a tender offer fully financed out of available cash resources for the purchase of all equity warrants issued in connection with the Bcom3 acquisition in September 2002. The offer was highly successful with 80% of warrants tendered in response, eliminating potential for the creation of 22 million new shares.

Overall, balance sheet simplification thus eliminated almost 35 million potential shares in the space of only 18 months.

The Groupe is not currently considering further transactions to simplify its balance sheet.



Faith in people

values

The Difference defining Publicis Groupe is founded on values that can be summed up in the words **pioneering and challenging, multicultural and creative, agile and innovative, humanist and committed**. They are the foundations of all our relationships with clients, shareholders, staff members and business partners.

We respect people and the human spirit, differences and the diversity that is the true wealth of individuals and groups.

We believe in the power of creativity and we do all we can to favor the development and expression of talent.

We are passionately committed to our clients and totally dedicated to their service. Our priority is not to be number one but to be the best in our markets, for each of our clients, through our capacity to innovate and our willingness to move into new territory. At the same time, we constantly target new growth, both for the advertisers we serve and for our Groupe, in the conviction that it is essential to lasting success. In all areas, we strive to remain faithful to our origins, which continue to inspire our strategy and guide our development.

corporate social responsibility

The corporate social responsibility commitment of Publicis Groupe is deeply rooted in the values of the Groupe, and is brought to life in many different ways by our employees around the world. All of our entities share a core conviction: communication can be used to make the world a little better. As a member of the Global Compact of the United Nations since 2003, Publicis Groupe supports the Compact's 10 fundamental principles and encourages their adoption.

SPECIFIC COMMITMENTS

The Groupe in 2005 devoted the majority of its efforts to specific commitments made over the previous year to causes or organizations for whom communication is an important tool but who lack the means and the know-how to implement programs appropriately.

These contributions take many forms. Although we offer direct financial support, we above all donate capabilities and time for the development of specific actions. We also encourage volunteer participation of employees. Finally, in certain important cases, we lead a full-scale campaign free of charge for large, global causes.

The value of all of these Publicis Groupe contributions in 2005, direct and indirect, amounted to nearly \$30 million.

PRO BONO EFFORTS

In 2005, Publicis Groupe made a difference in local communities across the globe through the development of more than 250 creative campaigns for a wide variety of non-profit organizations, associations, community groups and social causes. Each agency within the Groupe is free to choose the cause or causes that are closest to its heart.

Examples include:

Arts, Culture and Education: Center for Puppetry Arts (MS&L, US), National Art Museum of Ukraine (Leo Burnett, Ukraine), Art Pace (Bromley Communications, USA), El Almendral College (Publicis, Chile), French Regional American Museums Exchange (FRAME) (Publicis Groupe, France).

Health: Red Cross/Red Crescent (Publicis Amsterdam, Netherlands; Zenith, Turkey; Saatchi & Saatchi, Mexico), Partnership for a Drug-Free America (Leo Burnett, USA), MADD (Mothers Against Drunk Driving) (Saatchi & Saatchi, Canada), Muntinlupa City Government & US AID (Jiminez Basic/Publicis, Philippines).

AIDS: Debt AIDS Trade Africa (Freud Communications, UK), USAID (Leo Burnett, Indonesia), World AIDS Day (Publicis, China), Camp Heartland (Fallon, US), Dance for Life (i4design, US), Orphans AIDS Russia (ZenithOptimedia, Belgium).

Cancer: Hong Kong Cancer Fund (Leo Burnett, Hong Kong), Institut National du Cancer (Publicis Conseil, France), Fondazione Piemontese Ricerca Cancro (Publicis, Italy).

Other Specific Illnesses: Institut du Cerveau et de la Moelle Epinaire (ICM) (Publicis Conseil and Publicis Consultants, France), l'daad (Friends of the Disabled Association) (H&C Leo Burnett Beirut, Lebanon), Bombay City Eye Institute (BCEI) (Leo Burnett, India).

Community: Rotary Club (Styx & Leo Burnett, Kazakhstan; ADS Limited, Ghana; Publicis, Italy), United Nations Development Programme (Leo Burnett, Romania), World Vision (Lobedu Leo Burnett, South Africa), Ad Council/US Department of Transportation (Leo Burnett, USA), Comic Relief (Leo Burnett, UK).

Environment and Animal Protection: World Wildlife Fund (Leo Burnett, Australia; Saatchi & Saatchi, Vietnam), ROC Animal Life Welfare Environmental Protection Association (Publicis, Taiwan), Turkish Foundation for Combating Soil Erosion, for Reforestation & the Protection of Natural Habitats (Markom/Leo Burnett, Turkey), Evolving Technologies & Enterprise Development Co. Ltd (Publicis Caribbean, Trinidad), Greenpeace (Saatchi & Saatchi, Singapore).

Social and Political Efforts: Amnesty International (Leo Burnett Budapest, Hungary; Publicis, Switzerland; Publicis Frankfurt, Germany; Zenithmedia, Poland), Depaul Trust (Publicis, UK), Action Contre la Faim (Publicis Consultants, France), Make Poverty History (Freud Communications, UK), The Peace Campaign (Publicis Dialog New York, USA), United Nations International Day of Peace (Saatchi & Saatchi, Australia), Refugees International Japan (RIJ) (Beacon Communications, Japan).

Children: UNICEF (Optimedia, Australia; Publicis and ZenithOptimedia Belgium; Publicis, Peru; Publicis Erlangen, Germany), Juvenile Diabetes Research Foundation (Fallon and Rowland, USA), Christina Noble Foundation (Leo Burnett M&T and Saatchi & Saatchi, Vietnam), Girls/Boys Club of America (Leo Burnett, USA).

Women's Health/Rights: UNIFEM (Leo Burnett London, UK; Saatchi & Saatchi, Australia; Optimedia, Australia), Women's Aid Organisation (WAO) (Leo Burnett, Malaysia), Centre for Enquiry into Health and Allied Themes (Leo Burnett, India).

GLOBAL FUND

For the second consecutive year, Publicis Groupe mobilized to support a continued commitment to The Global Fund to Fight AIDS, Tuberculosis and Malaria. A global team developed a holistic communications program that included advertising, public relations and partnerships, particularly with the media. Following the pilot launch in France in 2004, the worldwide communications program was launched in 3 other countries. Publicis Groupe offered over \$8.5 million in services to the Global Fund in 2005.

DONATIONS

In response to hurricane Katrina, which devastated the Gulf Coast of the United States in August 2005, Publicis Groupe and many of its companies provided immediate material aid to several American humanitarian organizations such as the Red Cross.

Groupe entities also offered financial support to a wide variety of organizations in 2005. Approximately 300 corporate donations were made, benefiting charities of all kinds. A few of the major donations went to The Advertising Council (Leo Burnett and Publicis, USA), Camp Heartland (Fallon, USA), the Fondation Marcel Bleustein-Blanchet (Publicis Conseil, France), Anti-Defamation League (Publicis and ZenithOptimedia, USA), American Red Cross (ZenithOptimedia, USA), Goodman Theatre (Leo Burnett, USA), International Radio & Television Society Foundation (ZenithOptimedia, USA), Primary School Project (ZenithMoremedia, Germany), United Way (Leo Burnett and Publicis, USA), Rebuilding Together (Leo Burnett, USA).

corporate social responsibility

TSUNAMI RELIEF AID: RESULTS AFTER 12 MONTHS

This is the first time in the history of the company that Publicis Groupe made such a strong commitment to a humanitarian project.

One year ago, Publicis Groupe reacted and responded immediately to the tsunami tragedy that struck Southeast Asia (costing more than 200,000 lives in 13 countries), and swiftly donated \$1 million in aid. The amount was divided into two sums: \$500,000 was given to the Red Cross, to provide immediate assistance after the disaster as well as to support long-term rehabilitation projects, and another \$500,000 was given to a number of local associations in the affected regions under the responsibility of our local management through a dedicated committee. This contribution was complemented by many other efforts undertaken by our different networks and agencies for \$700,000. In total, the Publicis Groupe family gave approximately \$1.8 million.

Now more than one year after this catastrophic event, Publicis Groupe is able to identify how these contributions have helped to reconstruct homes, families and communities in 6 main projects:

Project Trang and the Community of Koh Mook

Like many other coastal villages, the community of Koh Mook in southern Thailand lost almost everything after the series of tidal waves hit their shoreline. Project Trang, a small independent team of volunteers, is working with the local people on the recovery efforts. The Publicis Groupe donation of \$50,200 contributed to the survival and continuous growth of the community by restoring its livelihood: the fishing industry. The income generated by fishing is the sole source of livelihood for the 400 families on the islands. In addition, aid helped provide food, medicine, shelter, child care, and so forth.

Orapim Memorial Fund

On December 26, Khun Orapim, the country manager for Procter & Gamble in Thailand, was fatally injured in Thailand, and P&G set up the *Orapim Foundation* in her memory, working in collaboration with the Rajaprachanukrao King Foundation. This foundation set up a school in Phang Nga in the Kao Lak area where Orapim was killed. Our contribution of \$20,000, along with those of others, has been used to facilitate the construction of the Computing Centre Building project dedicated to Khun Orapim. The new structure will increase the capacity of the school which will provide free education. The dormitories can house more than 1,000 students.

Leo Hope Project in Sri Lanka

The Leo Hope Project, led by a group of dedicated individuals from Leo Burnett Sri Lanka, received a total of \$500,000 from Publicis Groupe and our network agencies, particularly Leo Burnett, to revitalize the village of Kosgoda. The initial project was to restore or build the 27 homes in the hamlet. However, this number grew to 69 homes for more than 311 people. Leo Hope Kosgoda has also prioritized the rehabilitation of around 100 children that were left destitute and traumatized by the destructive waves. The Leo Hope team assisted in "finding at least one job for each of the 67 families that form the protectorate at Kosgoda."

Light Up the World Foundation

Publicis Groupe also supported the *Light Up the World Foundation* (a former Saatchi & Saatchi Award for World Changing Ideas winner) which provides "ultra-efficient, durable and near-permanent White Light Emitting Diode (WLED) lighting solutions powered by renewable energy". The contribution of \$50,000 made a real difference to the lives of survivors of the tsunami in Sri Lanka, by providing an initial supply of 1,000 lighting systems for a refugee tent village.

Kompas Gramedia Group–Integrated School in Meulaboh Aceh

The December 26, 2004 disaster destroyed most parts of Nanggroe Aceh Darussalam territory on the northern tip of the island of Sumatra. Aceh took the brunt of the tsunami and earthquake, leaving hundreds of thousands dead or displaced, and levelling thousands of buildings, leaving behind a flat, barren expanse. The Kompas TV7 Nat Sumut institution was established by the Kompas Gramedia Group to assist the victims with the rebuilding of their community.

Publicis Groupe donated \$115,000 to the project to help construct an integrated school in Meulaboh that includes a TK (kindergarten school), SD (Elementary School), SMP (Junior High School), plus other supporting facilities such as a mosque, assembly hall and sporting facilities. The Groupe's contribution was applied to rebuild the entire kindergarten section of the integrated school, providing a sustainable resource for young generations that, in turn, will participate in developing the region and the country.

Ruhunu Hospital Hamburg Trust - Project

A future project includes the Ruhunu Hospital Hamburg Trust (RHHT) located in the Galle coastal district in Sri Lanka. The donation will help fund parts of the medical health center in Peraliya village (district of Galle) in Sri Lanka which was established to help rebuild the devastated coastal village. Its role will grow to include educational courses and hygiene training.

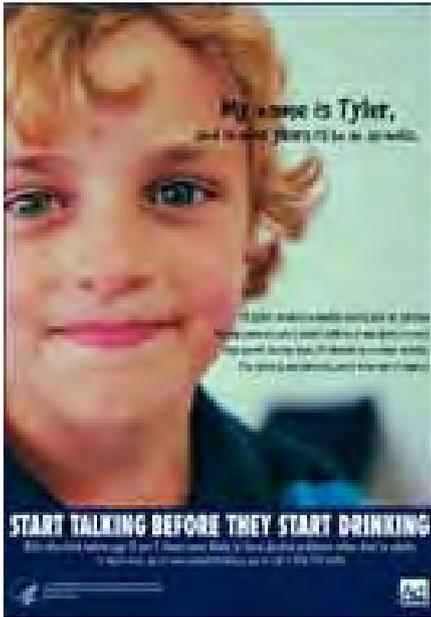
VOLUNTEER SERVICE

In addition to the donation of professional services, Publicis Groupe entities encourage employees to make a difference by participating in volunteer activities to further assist local groups with a personal commitment. Approximately 50 officially sponsored projects in 2005 included activities such as holiday collections, mentoring of local children, or aiding disabled or disadvantaged people. Publicis Groupe agencies make every effort within their means to encourage staff to support their surrounding communities.

ENVIRONMENT

Publicis Groupe continues to examine best practices in environmental sustainability and to capitalize on various agency initiatives potentially applicable on a larger scale.

The challenge for the Groupe: to develop ever more efficient management of resources (energy, water, raw materials, etc.) utilized by the Groupe's different sectors of activity, while rigorously applying principles of economic management to avoid waste.



AD COUNCIL / US DEPARTMENT OF HEALTH AND HUMAN SERVICES
The Kaplan Thaler Group, New York - US



DEPAUL TRUST
Publicis UK, London - UK

pro hono campaigns



ENVIRONMENTAL EDUCATION FOUNDATION
Leo Burnett Mexico - Mexico





RED CROSS
Saatchi & Saatchi Mexico - Mexico



AWARE
Fallon Singapore -
Singapore



42-43

ACTION CONTRE LA FAIM
Publicis Consultants, Paris - France

**CRYSTAL METH
TASK FORCE**
Lápiz, Chicago - US





Consumers meet brands

innovation

Publicis Groupe's mission is to bring brands and consumers together as efficiently as possible, using all relevant channels. To do so, it draws on the expertise and resources of its advertising, media and marketing services teams, which are constantly evolving to adapt to consumer tastes and technology. Innovation is as crucial to success as creative talent and the capacity to win new business. Innovation means knowing consumers inside and out; knowing which groups to target and how to reach them. It means anticipating emerging trends, mastering technology and defining effective processes. It means measuring impact to do even better next time.

innovation

During the year, the Groupe developed new expertise, tools, client initiatives and partnerships with key players, to further enhance its position at the cutting edge of innovation. The major initiative in new expertise was the Groupe's launch in February 2006 of Denuo, a strategic venture to anticipate and exploit the rapidly changing digital, interactive and mobile communication environment.

2005 MAJOR INITIATIVES

Arc Worldwide created ArcEdge, a global team of marketers dedicated to the continual identification and sharing of emerging, provocative technologies and marketing trends. ArcEdge's research helps account teams identify strategies to connect clients with consumers. Launched in 2005, ArcEdge's work is already attracting attention: AdWeek magazine described Arc's mobile marketing and podcasting campaign for Nestlé Purina PetCare as "the latest frontier of marketing."

PR agency **Freud Communications** created Nucleus, a new tool to provide market intelligence, analysis, and planning support to Freud's account teams, based in the UK.

Manning Selvage & Lee (MS&L) formed a new practice to leverage the burgeoning field of citizen journalism through weblogs, or "blogs." Known as BlogWorks, the practice advises clients on corporate blog strategy, hosting and implementation, blog monitoring and blogger media relations.

Saatchi & Saatchi London launched two initiatives to help clients better navigate the new business

landscape. Marketing consultancy Industry@Saatchi acts as an R&D lab for strategy and creativity in business. It works with clients' senior management on major strategic issues. Launched in the summer of 2005 it is already working with Procter & Gamble and Dr. Martens.

The agency also entered the urban youth marketing arena by launching GUM. The new unit engages urban youth by using their language and communications platforms and by combining branded communication with entertainment. The GUM team draws on a worldwide network of street-wise young players within the Saatchi & Saatchi network for insights into local issues, trends and happenings.

NEW TOOLS AND TECHNOLOGY

Saatchi & Saatchi X (SSX) launched three initiatives in 2005: Shopper Passport is a proprietary program to give clients a better understanding of the shopping experience, while Hot Labs are forums for shopper reactions to agency work in process. The third initiative, Shopper Focus, is SSX's own database of shoppers who participate in focus groups, hot labs, etc. via incentive programs.



innovation

Major clients around the world continued to show interest in Touchpoints, **ZenithOptimedia's** proprietary planning system. Launched in 2004, the Touchpoints system evaluates all forms of contact between brands and consumers to correlate media strategies with sales results. The network completed its 100th Touchpoints project in December and has another 83 in the pipeline. As of the end of 2005, projects had been completed for 20 clients in 21 countries across 52 product and service categories.

Several companies made progress in measuring campaign effectiveness in 2005. With this in mind, **Arc Worldwide** brought together a dozen marketers from all of its disciplines to form an Accountability Practice. While Arc has focused on measurement since it was founded, the new practice is charting new territory by formalizing measurement across every discipline and every account around the world. Arc and its partners, Leo Burnett and Starcom MediaVest Group, will use the findings to improve future marketing offers, allowing clients to further optimize their marketing investments.

Relay Sponsorship and Event Marketing expanded its research capabilities in 2005 with the addition of London-based Sponsorship Intelligence (SI). SI brings new industry-leading research and metrics to assess clients' returns on their sponsorship and event investments.

INNOVATE TO PROMOTE BRANDS OR TO ENHANCE CLIENT SERVICES

Ad agency **BBH** and client Audi UK made broadcasting history with the October 2005 launch of the Audi Channel. A brand-specific entertainment channel broadcasting 24 hours a day, seven days a week on the Sky digital satellite TV platform, the Audi Channel marks the first time worldwide that a carmaker has been licensed to transmit its own digital TV network.

Among **Burrell's** innovative projects in 2005, two truly stand out. As part of a multicultural campaign for US telecom company Verizon, Burrell developed an event to house a budding entrepreneur for three weeks in a storefront "incubator"—under the gaze of passers-by and a webcam. The entrepreneur, Addye Joy Durant of Philadelphia, had to rely on Verizon services and computer technology to make her dream of creating a graphic art and product design business a reality. She met the challenge, winning \$10,000 to start her business and a print advertising contract with Verizon, as well as consulting help from a local enterprise center.

To attract the attention of young, affluent African-Americans for luxury car brand Lexus, Burrell produced Lexus podcasts (lexusfusion.com). They feature specially selected music mixes, which fuse improvisational jazz with hip-hop classics. They also feature commercials for the Lexus IS, with original music composed by rising recording artists, video footage and links to a site for consumer information about the IS model.

Publicis Healthcare Communications Group's

interactive division, iMed studios, gave pharmaceutical clients an even bigger competitive edge in 2005. Instead of using printed documents, sales representatives call on doctors with a tablet PC programmed with a full arsenal of clinical and promotional materials. The result: representatives can engage healthcare providers in customized, memorable product discussions. By collaborating with sister PHCG agencies, iMed deployed this complex solution to many key pharmaceutical clients in 2005 and its innovative solution is shaping the future of communications with pharmaceutical brands.

Arc North America created two examples of proprietary technology that make life easier for clients. It created Metabasic CM, a web content management

system that clients can use for free. Thanks to the system, some clients don't need to invest in more robust and expensive systems. Metabasic CM does about 70% of what the more robust systems do, which is often enough for clients' needs. The agency also launched Arc.Framework, which saves time and money for clients investing in interactive marketing. Arc.Framework is a vast library of pre-written codes for web site templates, database access and other on-line applications.

WIN-WIN PARTNERSHIPS

Continuing to expand into new media, **Saatchi & Saatchi** established a strategic alliance with interactive mobile marketing specialist, The Hyperfactory. Teaming up with this key player will help the network find new ways to connect with consumers, especially with the advent of 3rd generation mobile networks.

MediaVest teamed up with several cable partners to develop and launch the first automated transaction system for the US cable TV industry. Known as Media in Motion, it forms a pipeline allowing changes in cable inventory to travel quickly between buyers and sellers. The new system is a significant step forward in terms of streamlining transactions and synchronizing information while eliminating paper and fax communications. To date, 60 cable networks and nearly all MediaVest clients are enrolled in the system.

CAPPS TAKES ON NEW YORK

Capps has a 50-year history in Chicago but is a newcomer to New York. Capps New York developed a strategic alliance with DigiChrome Studios to be its on-site resource for digital photography. The relationship has also proven to be a great tool for making inroads with New York's agencies and creative community.

MS&L created a partnership with the Hay Group to host panel discussions on the strategies, similarities and secrets that distinguish *Fortune's* Most Admired Companies. Each year, the Hay Group consults with the editors of Fortune magazine to develop criteria for the Most Admired list. The sessions examined the attributes that contribute to a company being included on the list, and discussed how companies can apply these principles to the way they work. After sessions in New York and Atlanta in 2005, more panels are planned in 2006.



Understanding the

The Groupe's companies are experts at understanding consumer behavior and during the year they continued to deepen their knowledge and leverage their insights. By nature, the consumer is complex and no two are exactly alike.

Key themes for research in 2005 included "engagement" (how involved the consumer is with the medium or the message), the role of content in advertising recall, and trends among consumers of various ethnic communities or geographic regions.

Saatchi & Saatchi Shopper Led Design opened its first office in 2005, in Shanghai. This new, specialized unit of Saatchi & Saatchi Design offers clients the opportunity to employ world-class branding and design expertise to transform brands throughout the myriad consumer connection points. Shopper Led Design plans to expand into Moscow, Mumbai, New York and Los Angeles.

Starcom USA delivered a new method of measuring viewer engagement in 2005. It partnered with the Court TV cable network to measure engagement with a formula that values "involved viewers," based on factors such as interest, involvement and brand recall. The result: Court TV claims to have a competitive advantage in viewer involvement, saying its programming keeps viewers watching through commercial breaks. The deal represents a milestone for the industry and could pave the way to changes in the advertising pricing model for marketers and networks alike.

On the advertising side, **BBH London** added an "engagement planning" discipline to its creative, planning and account management disciplines.

The goal is to understand the changing media landscape and how consumers navigate it, to inspire creativity. It will work holistically and upfront in the creative process and work proactively with clients' media agencies. The goal is to create this discipline in every BBH office.

SMG in the UK has established an engagement panel, which regularly surveys 10,000 to 20,000 television viewers about what they watch, why, and what resonates. SMG was also behind the Accountability, Connectivity and Engagement (A.C.E.) study in print media in the US. First completed in 2004, it features qualitative and quantitative studies of 7,500 respondents. It was updated and expanded in 2005, to dig even deeper into recall, brand association and readership. Based on the results, six engagement factors were developed that bring the network closer to understanding what consumers really love about print media and how to leverage it.

consumer

In another area of media research, **MediaVest** teamed up with the Weather Channel to verify the links between message exposure, content environment and advertising recall. This groundbreaking project will provide insights about the role of content to clients and serve to guide cable and programming selection. More importantly, it will deliver real accountability measures to marketers' cable investments.

In keeping with the Groupe's philosophy of constantly deepening its understanding of consumer behavior around the world, all networks increased their spending in **consumer research**. In 2005, some networks notably looked at shopping trends among African-Americans and in the Asia-Pacific region.

Burrell partnered with research organization Yankelovich for the 2005 Yankelovich Monitor Multicultural Marketing Study, the only study in the US to offer comparative and contrasting views of the African-American, US Hispanic and non-Hispanic white markets. The study notably revealed that a company's treatment of African-American consumers, involvement in their communities and how they are portrayed in advertising, weigh on the minds of African Americans when they shop. And while there is

CATALYST, THE LARGEST-EVER STUDY OF ASIA-PACIFIC CONSUMER INSIGHTS

Because available research in the Asia-Pacific region lacked the depth and insights to effectively develop communications strategies in today's holistic environment, Starcom MediaVest Group invested over \$2 million to develop "Catalyst," a proprietary brand and consumer insights survey. Piloted in Hong Kong and launched in 2005, it is the most comprehensive survey of its kind and provides consistent, up-to-date consumer insights across the Asia-Pacific region. Rolled out across the region in 2005, the survey is now being expanded across the globe.

increasing segmentation among African-American consumers based on socio-economic status, African Americans still largely filter messages through the lens of their ethnicity.

48-49

advertising networks

Publicis Groupe offers three global advertising networks, two multi-hub creative agency networks and several regional agencies. Each operates independently and has its own distinctive positioning and service offering. The Groupe had a banner year in 2005, breaking its own and industry records by generating over \$3 billion in new business. It also won 66 Lions to place second at the Cannes International Advertising Festival for the second consecutive year.



Long before “holistic” became a catchword in communications, in 1997 Publicis set out to become “the most holistic agency in the world.” For Publicis, holistic means considering all aspects of communications—particularly related to consumers—to identify the most effective emphasis and appropriate tools. To be the most holistic agency in the world entails having such a large palette of skills and expertise that it can address all of a client’s communications needs.

This philosophy is based on understanding consumers and clients’ business issues better than the competition to deliver relevant communications programs that go far beyond the realm of advertising. As clients increasingly look to marketing to make a tangible difference—not just to generate demand but to convert shoppers into customers and keep their loyalty—the network will increasingly provide end-to-end marketing solutions. This combination of deep consumer insight, business analysis and marketing expertise is paying off and its “Holistic Difference” should continue to generate business for the Publicis network, in 2006 and beyond.

Rick Bendel, COO



PUBLICIS: THE MOST HOLISTIC AGENCY IN THE WORLD

Founded in 1926, Publicis has 8,900 employees and 251 offices in 82 countries. In 2005, the network won high-profile assignments from new and existing clients, launched new ventures, and enhanced the visibility of its brand around the world. It invested in fast-growing emerging markets and reinforced its management teams. It also invested in technologies to promote efficiencies in working together as a network and raise the creative bar.

New business and creative wins

Prominent new business wins in 2005 included an assignment to launch Telefónica’s Movistar mobile services in 13 countries and a record-setting contract with Rogers Communications in Canada. Building on their strong relationship, Hewlett-Packard awarded Publicis a multi-country marketing services contract covering Europe, the Middle East and Africa—the network’s largest such contract to date. Following their takeover of historic client Allied Domecq, drinks groups Pernod Ricard and Fortune named Publicis their preferred agency and entrusted it with further assignments. The network also won substantial new business from existing clients, including Cadbury, Coca-Cola, Heineken, Nestlé, Procter & Gamble, Renault and Sanofi-Aventis.

publicis

In regional terms, Publicis **USA** won a contract with Tumi Luggage for communications across the US, Europe and Asia-Pacific, as well as new assignments from MTV, health benefits company Wellpoint and EchoStar's Dish Network in satellite TV.

In Latin America, Publicis won Sony Pictures' Home Box Office (HBO) pay-TV account in several countries, as well as Telefonica Movistar.

Publicis was hired by US fund manager Fidelity for communications across the Asia-Pacific region and by China's largest listed telecom manufacturer, ZTE Mobile Phones, for Asia-Pacific, Europe, Africa and Latin America. Publicis also secured accounts with Marie-France BodyLine slimming centers (Southeast Asia), Bohae Breweries (Korea) and Taishin Bank (Thailand).

In Europe, Publicis won the Wonderbra and Playtex accounts for France, with further business foreseen in the UK, Spain and Italy. The Paris agency added the national sugar council (CEDAL), Banque Palatine (formerly Banque Sanpaolo) and travel agency network Selectour to its client roster, and was named Agency of Record by food group Bongrain. Publicis in the UK secured accounts with food groups Jacobs and Maynards, the Visit London tourism authority and dentistry products leader Nobel Biocare. Thanks to the new business performance, Publicis agencies in the UK, Switzerland and Poland were named Agency of the Year by local trade publications. In addition to posting record growth for the third consecutive year, Publicis USA won five EFFIE effectiveness awards. Creativity was on the agenda and the network had an impressive awards performance, notably taking home prizes in all categories at the Cannes International Advertising Festival. With 24 winner points, the network recorded its second highest score ever in the Gunn Report, an industry ranking based on award contest results worldwide.

Network news

Stemming from the merger of Publicis Norton and Salles Norton D'Arcy, Sao Paulo-based Publicis Brazil officially opened in 2005.

In Asia-Pacific, Publicis established a hub to serve Renault even more effectively across the region. The Tokyo hub is already producing creative work on safety, which Renault is planning to run worldwide. Publicis Manila has completely relaunched its strategy/planning department, with added tools and the establishment of a new Shopper Marketing unit, whereas at JimenezBasic, a stand-alone brand and strategic consultancy called "MaxMarketing" was established.

The network reinforced and leveraged expertise within its executive ranks. Among the top moves, Graeme Wills, Chairman of the Australia and New Zealand operations, was appointed Joint Regional Chairman in Asia-Pacific specifically overseeing our operations in China/Hong Kong and India, alongside Guillaume Levy-Lambert. Jack de Graff joined Publicis Holland as Chief Executive Officer (CEO) and Thierry Lacaze was appointed Director of the Nordic Region. Following the end-2004 creation of Spanish agency Publicis Lado C for Renault, a specific executive team was formed to lead the account under newly appointed CEO Isabel Ontoso. We also aligned Grupo K in Spain with Publicis Dialog to partner with all Publicis agencies in Spain for marketing services. Grupo K's arrival in the network offers clients an enhanced, world-class holistic communication product.

50-51





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managers

Publicis



Publicis

- 1 < **Rick Bendel**, Chief Operating Officer;
- 2 < **Susan Gianinno**, Regional Chairman, CEO, USA;
- 3 < **Guillaume Lévy-Lambert**, Regional Chairman, Asia-Pacific;
- 4 < **Paulo Salles**, Regional Chairman & CEO, Latin America;
- 5 < **Paulo de Abreu**, Regional Chairman, Italy, Portugal, Spain, Greece & Cyprus;
- 6 < **Tomasz Pawlikowski**, Regional Director, Central and Eastern Europe;
- 7 < **Manfred Schüller**, CEO, Germany;
- 8 < **Tim Lindsay**, Chairman, UK;
- 9 < **Christophe Lambert**, President & CEO, Publicis Conseil;
- 10 < **Colin Hearn**, Global CEO, Publicis Dialog.



saatchi & saatchi



As power has shifted from brands to retailers and now to consumers, this is the age of the Attraction Economy. Consumers no longer welcome demands on their attention; they can easily switch or click to more attractive ideas.

In the Attraction Economy, job number 1 is coming up with insights and ideas to entice consumers closer. Saatchi & Saatchi aims to put the consumer at the center by creating Lovemarks—brands that consumers love and find irresistible.

The agency's dream is to be the hothouse for world-changing ideas that create sustainable growth for clients. Its spirit: Nothing is Impossible. Its focus: To fill the world with Lovemarks and empower them with "Sisomo"—Sight, Sound, & Motion.

The winners in the new Screen Age will be those agencies that can move from information, through knowledge, through insight, to foresight. The winners will be those agencies that create idea-based Sisomo content for every screen and reinvent themselves around consumers, content, velocity and ideas.

Saatchi & Saatchi is leading the creation of on-demand, on the go, compelling screen content. This is great news for clients and a potent offering in the 2006 new business race.

Kevin Roberts, CEO Worldwide



SAATCHI & SAATCHI: THE IDEAS COMPANY

Founded in the UK in 1970, Saatchi & Saatchi has been part of Publicis Groupe since 2000.

With 4,800 employees and 132 offices in 82 countries, it is the Groupe's third largest agency network.

Saatchi & Saatchi continued to experience significant growth and develop its reputation for creativity in 2005. It continued to strengthen its internal operations by attracting new talent, developing a highly successful new business machine and constantly uncovering innovative marketing solutions.

New business activity

Saatchi & Saatchi's new business activity hit a record high in 2005, with 170 new assignments worldwide, including 70 from existing clients. The network notably added a fourth global marketer to its roster as Novartis Consumer Health named it global Agency of Record for Analgesics (Voltarin, Excedrin) and Cough/Cold products (Theraflu, Triaminic).

Other significant new business in 2005 included global assignments for Piaget, Dr. Martens and Alitalia, and mandates from Ameriprise Financial Advisors (formerly American Express Financial Advisors) in the US, Standard Life in the UK, Meng Nui Dairy and eBay in China, and Bel Group in the US, Canada and France.

The network also continued to generate new business with longstanding clients, including Procter & Gamble, Toyota and General Mills. In 2005, Procter & Gamble added assignments for four brands, in the US, UK, Argentina and Chile, while Toyota added assignments in China, Singapore, Croatia, Mexico, Slovenia and Sri Lanka.

Saatchi & Saatchi expanded its business with food giant General Mills. Including new assignments in 2005 (product launches, new initiatives and international promotional assignments), the network is now serving General Mills in 45 countries.

Saatchi & Saatchi X has also proven to be a key contributor to our overall growth this past year. Widely heralded as the pioneer of shopper marketing, this new unit launched last year with three offices in the USA, and is rapidly expanding into Europe, Latin America and Asia.

Talent and creativity

Fresh thinking and new talent are crucial to a business that thrives on innovation and creativity. In 2005, Saatchi & Saatchi significantly increased its depth of talent, making major hires in its New York, UK and New Zealand offices and adding creative talent throughout the network. Some key players were reassigned within the network to better serve clients or allow bright stars to assume more responsibility. Among the key executive changes of 2005, Anthony Plant was named Chief Executive Officer (CEO) in Hong Kong, Simone Bartley CEO in Australia and Mike Rebelo CEO in Singapore while Guangzhou CEO Pully Chau was also named CEO of Shanghai. In addition, a Worldwide Strategy Board was established to redefine strategic planning and integrate the Lovemarks concept.

The strength of the agency's creative talent is illustrated by its performance at the YoungGuns International Advertising Awards: Saatchi & Saatchi won more awards than any other network, making it Agency Network of the Year for the second consecutive year.

SISOMO: THE FUTURE ON THE SCREEN

In 2005, Saatchi & Saatchi embraced a new concept developed by CEO Worldwide Kevin Roberts and articulated in his November-launched book: *Sisomo—the future on screen. Creating emotional connections in the market with sight, sound and motion.* Sisomo is a major advance in the agency's positioning at the forefront of business ideas, creativity and media. It provides a clear and compelling voice for creating strategies to bring technology and emotion together. Sisomo is the agency's response to the fragmented media landscape, stretching creativity across all screen-based media, from the web to mobile phones and games.

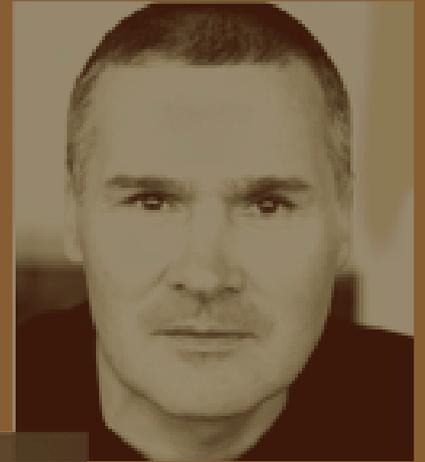
The network won a significant share of the world's most prestigious creative and effectiveness awards. It continued to be a top network performer at the Cannes International Advertising Festival, receiving 20 Lions in 2005. In addition, it took home 27 awards from the Asia-Pacific Advertising Festival, 17 from the International Clio Awards in the US, 25 from the Latin American FIAP awards, and 12 from New York's One Show.

Worldwide, the network received 18 EFFIEs, which celebrate the most effective advertising for the year.





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managers

Saatchi & Saatchi



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Saatchi & Saatchi

- 1 < **Kevin Roberts**, CEO Worldwide;
- 2 < **Mary Baglivo**, Worldwide Marketing Director & CEO New York;
- 3 < **Richard Hytner**, Chairman & CEO, Europe, Middle East & Africa;
- 4 < **Bob Isherwood**, Worldwide Creative Director;
- 5 < **Jim O'Mahony**, Chairman & CEO, Asia, Australasia & Latin America;
- 6 < **Geoff Vuleta**, CEO, Fahrenheit 212;
- 7 < **Vaughan Emsley**, General Manager, P&G, Publicis Groupe;
- 8 < **Andy Murray**, CEO, Saatchi & Saatchi X.



56-57

leo burnett



Creativity intelligently applied to move minds, hearts and markets. Capturing consumers' attention to create enduring market space for brands is a bigger challenge today than ever before. Having created, sustained and returned more brands to leadership status than any other agency in the world, Leo Burnett knows the future is ideas. Ideas so intelligent, human, daring, funny, charming, entertaining and useful that people want to interact with them. Ideas so powerful they not only change how people look at a brand, they transform how people perceive an entire industry. This belief in the transformative power of creatively intelligent ideas defines Leo Burnett's people, culture and client relationships. Its people are the most talented in the world and have an infectious enthusiasm for ideas. Its culture values innovation and marketplace success as highly as it values creativity, because creativity without results is irrelevant. Its clients share this belief as well. 2005 was filled with evidence of Leo Burnett's commitment to harnessing the power of creatively intelligent ideas; the network's performance underscores the relevance of this approach.



Tom Bernardin, Chairman & CEO

LEO BURNETT WORLDWIDE: THE TRANSFORMATIVE POWER OF CREATIVE IDEAS

Founded in Chicago in 1935, Leo Burnett Worldwide boasts 7,900 employees and 94 offices in 83 countries. Part of Publicis Groupe since 2002, the agency network is committed to a standard of "the best in the world, bar none". In 2005, Leo Burnett made progress in all areas, including new business, creativity and development.

Major management changes

The major event of 2005 was a change at the top as Leo Burnett Worldwide Chairman and Chief Executive Officer Linda Wolf retired. Her hand-picked successor, Thomas Bernardin, moved into the role in April. He built a foundation for future success with a focus on common goals, the creative product, talent, client partnerships and collaboration with other Groupe entities. Among the CEO's first moves, Bernardin appointed Rich Stoddart President of Leo Burnett USA and gave full leadership responsibility for the marketing services company Arc Worldwide to President Marc Landsberg. Bernardin also reorganized Burnett's Global Operating Committee assembling a worldwide team of leaders with front-line experience and accountability to drive growth.

New business activity

On a regional level, new business **in North America** grew steadily, driven by a strong turnaround in the US. The flagship agency won high-profile business from blue-chip clients including Coca-Cola, Washington Mutual Bank and beverage group Diageo. Additional accounts won included children's publisher and experimental retailer American Girl as well as Turner Classic Movies. It also won new assignments from several brands from food group ConAgra.

The **Latin American** network won assignments for newspaper Diario La Nacion in Argentina, Diageo's Smirnoff Ice brand in Colombia and Venezuela, and Sony Ericsson in Mexico.

In Asia-Pacific, Leo Burnett won business from McDonald's in Australia, Siemens and Coca-Cola in China, and KX Water Purification, Tetrapak and Woolworths in India.

In the Europe, Middle East and Africa (EMEA) region, the network garnered assignments from Czech Airlines, InBev's Bergen Bier in Belgium, mobile operator Djuice and GM's Chevrolet brand in Hungary, Gillette in Dubai, financial services company Scottish Widows in London, Arla Foods in Sweden, and Statoil and InBev in Poland.

Talent and creativity

On the creative front, Bernardin named Mark Tutssel Deputy Chief Creative Officer of Leo Burnett Worldwide to partner with Chief Creative Officer Miguel Angel Furones and focus on further improving the network's global creative product.

In an important creative succession, it was announced that John Condon would succeed Cheryl Berman as Chief Creative Officer at the Chicago flagship agency in March 2006. Berman continues to provide senior counsel to clients and helps target new business prospects.

The Latin American creative team was further strengthened as Leo Burnett Bogotá President and Chief Creative Officer Juan Carlos Ortiz was promoted to Regional President and Alexandre Okada was named Regional Creative Director.

Bernardin's renewed focus on creativity is already having an impact, as Leo Burnett Worldwide improved for the second year in a row, ranking fifth among the most awarded global networks in the 2005 Gunn Report. Fueling the ranking was success at major



SAMSUNG & LEO BURNETT: WINNERS

Leo Burnett's 2005 worldwide growth was fueled in part by a key win with Samsung, one of the largest consumer electronics companies and fastest growing brands in the world. The new account affects the entire Leo Burnett network and involves certain account planning and creative responsibilities for Samsung's global brand campaign. Leo Burnett's work for Samsung started with new marketing communications for the 2006 Winter Olympics.

shows, including 16 Lions at the Cannes International Advertising Festival, four awards at New York's International ANDY Awards, eight Clio Awards, three One Show "Pencils" and 12 awards at the Latin American FIAP festival.

At the Golden Drum Awards, the leading show in Central and Eastern Europe, the network took home 15 awards and Leo Burnett Bucharest was named Agency of the Year. The network also won 19 medals at the Asia-Pacific Advertising Festival and nine awards at the 2005 Long Xi Chinese language awards show. Burnett also had a strong showing in effectiveness awards shows, as Leo Burnett USA won 12 Awards and the title of Most Effective Agency in America for the fourth year in a row at the EFFIE Awards and Leo Burnett Asia-Pacific received five awards at the Asian Brand Marketing Effectiveness Awards.



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managers

Leo Burnett



- 1 < **Tom Bernardin**, Chairman & CEO;
- 2 < **Marc Landsberg**, President, Arc Worldwide;
- 3 < **Miguel Angel Furones**, Chief Creative Officer;
- 4 < **Michelle Kristula Green**, President, Asia-Pacific;
- 5 < **Richard Pinder**, President, Europe, Middle East & Africa;
- 6 < **Juan Carlos Ortiz**, President, Latin America;
- 7 < **Rich Stoddart**, President, Leo Burnett, USA;
- 8 < **Mark Tutssel**, Deputy Chief Creative Officer;
- 9 < **Tom Dudreck**, President of Multinational Accounts.



other advertising networks

FALLON WORLDWIDE

Founded in 1981, Fallon Worldwide “outsmarts the competition” through highly creative and original advertising. With 500 employees and offices in Minneapolis, London, Singapore, Hong Kong, São Paulo and Tokyo, it has been part of the Groupe since 2000. 2005 was a key year as Fallon laid the foundations for future growth, notably by consolidating its US and international operations. While not completely offsetting a tough 2005, Fallon rang up new business and continued to win recognition for its work, boding well for the future.

Indeed, 2006 started on a good note as Fallon and new Publicis hot shop Marcel teamed up to win a high-profile global rebranding assignment for France Telecom’s Orange mobile business.

The agency also beefed up its senior management by appointing Bill Westbrook as Vice Chairman.

A closer-knit network

In 2005, Fallon closed its New York office to consolidate its US operations under a single roof. Highlighting the strength of their relationship, most New York clients followed the agency to Minneapolis.

To gain more control and flexibility in the complex Asia-Pacific business environment, Fallon signed a shareholder’s agreement with its Tokyo partners and assumed full ownership of the Singapore and Hong Kong offices. In São Paulo, a new management team was put in place under the leadership of Eugenio Mohallem.

New business activity

Fallon’s client roster evolved in 2005 as new arrivals replaced some older clients. New clients in the US included National Car Rental, Alamo Rent A Car, KitchenAid Home Appliances and NBC Universal, while in Asia-Pacific they included CNBC Asia and Yahoo! Hong Kong. London won assignments for Bacardi rum, Dorset Cereals and More Th>n insurance, while Tokyo

MARCEL: THE NEW KID ON THE BLOCK

Publicis is experimenting with new agency models to push the envelope in creativity, agility and flexibility. In 2005 it launched Marcel, an international “hot shop” based in Paris. Led by creative stars Frederic Raillard and Farid Mokart—better known in the industry as “Fred & Farid”—Marcel opened with a staff of 20 and a dozen big brand accounts. Teaming up with fellow Groupe creative boutique Fallon, Marcel notably won the landmark consumer account for rebranding France Telecom’s Orange mobile telephony business and the Coca-Cola Classic and Coca-Cola Blak accounts in France.

signed up Volkswagen Jetta and Passat, Cartier, and Dyson. The São Paulo office launched Citibank in Brazil and was asked to extend this to other Latin American markets.

Fallon won numerous awards in 2005, including five Cannes Lions and seven EFFIEs for effectiveness. It was also nominated for a prestigious Emmy Award for the fourth consecutive year.

THE KAPLAN THALER GROUP: A BIG BANG PHILOSOPHY

Linda Kaplan Thaler founded her eponymous agency in New York in 1997. Its often spectacular campaigns combine emotion and entertainment to make a “Big Bang” for clients. Operating independently, it has 150 employees in New York and has been part of the Groupe since 2002.

One of the fastest growing ad agencies in the US, according to Advertising Age magazine, the Kaplan Thaler Group (KTG) had an exceptional 2005.

It won major new business in multiple categories, expanded its resource offerings and significantly raised its profile in the marketplace.

New business activity

KTG's new business activity was at an all-time high in 2005. New clients included three Revlon Inc. brands (Revlon and Vital Radiance cosmetics and Mitchum deodorant), US retail chain Marshalls, Church & Dwight's Trojan condom and Elexa feminine intimacy brands, and Outback Steakhouse restaurants.

In addition, KTG garnered a major assignment for Pfizer, making it the pharmaceutical giant's leading agency in the US with the largest number of direct-to-consumer brand assignments.

New "Big Bang"

The agency continued to make Big Bangs for clients in 2005. Its campaign for Trojan broke new ground as US TV networks agreed to allow condom advertising during prime time for the first time. KTG's "Underage Drinking" campaign won the coveted Ad Council Gold Bell for Creative Excellence 2005 and the agency won four Addy Awards from the American Advertising Federation.

Governance

In 2005, Robin Koval was named KTG's first President and an Executive Steering Committee was formed to guide the agency through the next phase of its development.

BARTLE BOGLE HEGARTY (BBH): STRONG CREATIVE FLAIR

Founded in London in 1982, BBH has 650 employees and offices in London, New York, São Paulo, Singapore and Tokyo. BBH is 49% owned.

Known for its strong creative flair and impact, BBH truly was the Agency of the Year in 2005.

BBH had an outstanding 2005 in terms of new business, notably winning global assignments for Unilever's Omo/Persil laundry detergent brands, British Airways, Smirnoff Ice vodka, Vaseline and Google. BBH was named Agency of the Year by four organizations in 2005. AdAsia magazine bestowed the title on BBH Singapore while BBH London earned it from Marketing and Campaign magazines and the British Television

Advertising Awards (BTAA). Indeed, Advertising Age magazine named BBH Worldwide Network of the Year. The agency also won a number of prizes, including five Lions at the International Advertising Festival in Cannes and a silver EFFIE for advertising effectiveness. Building on Leap Music, BBH launched Leap Masters, a venture to acquire and exploit the copyright in sound recordings. Leap Masters already has more than 15 clients, including Sony Ericsson, Unilever's Signal toothpaste and Levi's.

The London office launched BBH Cutlets, an initiative to open doors for fresh directing talent who might not otherwise get the opportunity to work in advertising.

BEACON COMMUNICATIONS: OPENING DOORS IN JAPAN

With 350 employees in Tokyo, Beacon helps international businesses and brands win their place in the complex Japanese market—the second largest marketing and communications market in the world. Publicis Groupe holds a 66% stake in the agency and Japanese advertising leader Dentsu Inc. holds 34%. Beacon had a good year in 2005, enhancing its internal and external creative capabilities while racking up several new business wins and awards.

The key management change of 2005 was the appointment of Kazuhiro Obata as Beacon's Executive Creative Director, to work in partnership with Whit Friese. An executive on loan from Dentsu, he brings a wealth of creative experience in Japanese domestic business.

Further boosting its creative capabilities, Beacon formed an alliance with One Sky Inc. Led by award-winning creative director Tohru Tanaka, One Sky is one of Japan's top creative boutique agencies.

New business wins included GlaxoSmithkline and Prudential Life Insurance (in association with One Sky), and an extension of assignments from McDonald's Japan.

For the second year in a row, Beacon won recognition at Media Magazine's Asian Branding and Marketing Effectiveness Awards, taking home Gold and Silver prizes.

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managers

Fallon Worldwide
The Kaplan Thaler Group
Beacon Communications
Marcel



Fallon Worldwide

- 1 < **Pat Fallon**, Chairman;
- 2 < **Michael Wall**, President, Fallon International;
- 3 < **Rob White**, President, Fallon Minneapolis;
- 4 < **Mike Buchner**, Chief Operating Officer.

The Kaplan Thaler Group

- 5 < **Linda Kaplan Thaler**, CEO & Chief Creative Officer;
- 6 < **Robin Koval**, President.

Beacon Communications

- 7 < **Megumi Niimura**, Chairman & Representative Director;
- 8 < **Alejandro Lopez**, President, Representative Director.

Marcel

- 9 < **Fred Raillard**, Co-President;
- 10 < **Farid Mokart**, Co-President.



media networks

2005 was clearly the Year of Media

as the Groupe's media buying networks, Starcom MediaVest Group (SMG) and ZenithOptimedia, brought in record new business. Publicis Groupe Media (PGM), the management board headed by Jack Klues and created to oversee and develop the two networks, was named Global Media Agency Network of the Year by *The Gunn Report for Media*. Médias & Régies Europe improved its performance.



In the new world of consumer-focused devices and technologies, it is increasingly difficult and expensive to capture people's attention. SMG's role is to understand this new world and master the connections that engage and motivate consumers. While developing and mastering tomorrow's contact mechanisms, SMG continues to leverage established media for optimum results. SMG's blueprint for delivering this promise is built on powerful pillars: consumer insights, contact innovation and value creation.

Each pillar is supported by people, tools and systems working together to deliver actionable data. The data mined across the SMG network is distinguished by its ability to tap consumers' passions, moving well beyond traditional demographic profiles.

People are the key. Tools and systems might be benchmarked and copied, but the competition cannot duplicate the "braintrust" nurtured inside SMG. The network deploys a team of experts—call it an "Insight Ecosystem"—who propel insights into ideas that are turned into action plans that are turned into measured results.

This approach is putting the network ahead of the pack in terms of not only measuring success but in predicting it.

Renetta McCann, CEO



STARCOM MEDIAVEST GROUP: CONNECTIONS THAT CAPTIVATE

Founded in 2000 and part of the Groupe since 2002, SMG is a full-service media network with 5,300 employees and 110 offices in 73 countries. It had an outstanding 2005, winning the biggest account of the year while deepening its understanding of consumer trends and enhancing its mastery of the complex and fast-changing media landscape.

The clear highlight of 2005 for SMG came in May when it captured the \$3.2 billion media buying contract for General Motors in the US. In another big win, Procter & Gamble appointed MediaVest in New York as broadcast buying Agency of Record for its newly acquired Gillette brands while giving print and "out-of-home" buying to Starcom Chicago. Across the network, SMG offices were tapped to buy for Gillette in 19 countries. In a subsequent pitch, SMG earned the opportunity to handle planning for the Gillette business in the US as well.

The network also won a global assignment from the Singapore Tourism Board, as well as assignments for British Telecom and Cadillac in the UK, Starbucks coffee shops in Japan, pharmaceutical group Novartis in China and Hong Kong, and business software company Oracle in several markets. In addition, MediaVest was chosen by toymaker Mattel and Internet service provider Earthlink for their media buying in the US. In an unprecedented team effort, SMG won the media planning and buying business of luxury group

starcom mediavest group



Richemont in Latin America and the Middle East, with sister agency ZenithOptimedia handling the business in North America and Europe.

Changes at the top

Underscoring the depth of his vision and leadership abilities, in November, Jack Klues was appointed Chairman of Publicis Groupe Media (PGM). He was succeeded as SMG Chief Executive Officer by SMG Americas CEO Renetta McCann.

Also in 2005, D. Sriram was promoted to CEO of SMG Asia-Pacific and, upon the retirement of Mark Cranmer, Iain Jacob was named CEO of SMG for Europe, the Middle East and Africa (EMEA).

In addition, John Muszynski was named Chief Executive Officer of Starcom USA and Ken Zasky was promoted to President of StarLink, which provides media services to small and medium-sized ad agencies.

Awards performance

SMG continued to reap awards for creativity and effectiveness in 2005. For the first time in its 37-year history, the US EFFIE Awards honored a media agency for advertising effectiveness—SMG. In all, the US network walked away with 11 EFFIEs, and later won two Clios.

THE DEAL OF THE CENTURY

SMG made advertising history in May 2005 when it won the \$3.2 billion media buying and planning contract for General Motors (GM), one of the biggest advertisers in the US. Hailed by the press as “the deal of the century,” the three-year assignment is being managed by an expanded GM Planworks, an SMG operation solely dedicated to the service of the General Motors brands. While the focal point (including print media strategy and buying) remains in Detroit, a dedicated unit has been set up in New York to handle the video negotiations strategy (including national broadcast). Local buying is being handled through five regional buying offices dedicated exclusively to the GM business.

The global network won two Media Lions at the Cannes International Advertising Festival, two top prizes at the inaugural Singapore Media Awards, and four honors at FIAP, the Spanish-speaking world’s most important advertising and media award show. At the 2005 *Media & Marketing* Europe Awards, SMG was a finalist in virtually every category and won a total of five awards. SMG won Agency of the Year honors in the US (Advertising Age and Media Magazine). Starcom Malaysia also was named agency of the year after it won the Grand Prix for its client Malaysia Airlines MAS KL Monorail Train & Column Sponsorship at the Malaysian Media Awards. The Philippines Advertising Association also gave AOY honors to Starcom Philippines.



managers

Publicis Groupe Media
Médias & Régies Europe



Publicis Groupe Media

- 1 < **Jack Klues**, Chairman;
- 2 < **Steve King**, CEO Worldwide, ZenithOptimedia;
- 3 < **Adrian Sayliss**, COO Worldwide, ZenithOptimedia;
- 4 < **Renetta McCann**, Global CEO, Starcom MediaVest Group;
- 5 < **Frank Voris**, CFO, Starcom MediaVest Group;
- 6 < **Rishad Tobaccowala**, Chief Innovation Officer, Publicis Groupe Media & CEO, Denuo;
- 7 < **Tim Jones**, CEO, ZenithOptimedia USA;
- 8 < **John Taylor**, Client Service Director, ZenithOptimedia;
- 9 < **Philip Talbot**, CEO, ZenithOptimedia, Asia-Pacific;
- 10 < **Iain Jacob**, CEO, Starcom;
- 11 < **D. Sriram**, CEO, Starcom MediaVest Group, Asia.

Médias & Régies Europe

- 12 < **Simon Badinter**, Chairman & CEO;
- 13 < **Benjamin Badinter**, Chairman & CEO, Mediavision;
- 14 < **Gérard Unger**, Chairman & CEO, Métrobus;
- 15 < **Serge de Messimy**, CFO.



zenithoptimedia



ZenithOptimedia's positioning as "The ROI Agency" is unique among media and communications agencies worldwide. The philosophy is based on five principles, which define how the network conducts its client and media relationships:

- ZenithOptimedia doesn't "spend" clients' money; it invests it
- it is interested in outcome; not output
- it believes in creating powerful connections with consumers that deliver the best returns
- it aims to increase marketing productivity
- it is committed to measurement, evaluation and continuous improvement.

This positioning provides a clear vision and guidance on how ZenithOptimedia's business will develop.

It constitutes a constructive framework for determining which tools, processes, recruitment and training are incorporated into the network's local and regional businesses. All of ZenithOptimedia's key clients and managers can articulate how the ROI positioning has been brought to life in their own specific circumstances. As the media world evolves and new technologies and means of connecting with consumers rapidly develop, the ability to measure improvement in clients' return on investment will become more critical than ever—making ZenithOptimedia's ROI positioning as relevant for the future as it is today.

Steve King, CEO Worldwide



ZENITHOPTIMEDIA: THE RETURN ON INVESTMENT (ROI) AGENCY

ZenithOptimedia has 3,700 employees and 169 offices in 64 countries. For the network, 2005 was another outstanding year as it won substantial business from new and current clients. It also basked in the glow of industry recognition as it was named Media Agency of the Year by two key trade publications.

Winning business

For ZenithOptimedia, 2005 was dominated by successes in extending assignments with four major multinational clients—L'Oréal, Nestlé, Hewlett-Packard (HP) and Toyota—and the win of Richemont globally, in partnership with Starcom MediaVest Group.

Following a media review for L'Oréal's global Consumer Product Division (CPD), which started at the beginning of 2005, ZenithOptimedia picked up two substantial pieces of new business. In the US, it added beauty brand Maybelline to its existing Garnier haircare products assignment. Even more significantly, it won all of CPD's business across all of Europe—a \$1 billion assignment which will have an enormous impact on the network's European operations in 2006. In the process, ZenithOptimedia estimates it tripled its share of L'Oréal's total media business worldwide to approximately 77%.

Similarly, as part of the global media review initiated in 2004 by Nestlé, in 2005 the network won assignments for 20 countries in Western and Eastern Europe, the Middle East and Asia. In December, it added the Agency of Reference title for Nestlé France. These wins are in addition to assignments secured in 2004 for the US, Japan (with Dentsu) and other markets. The network estimates it now holds approximately 65% of Nestlé's total media business worldwide, versus 19% at the start of the review process. ZenithOptimedia also added new markets to its existing Toyota assignments and extended its remit from HP to cover all strategic and implementation planning on a global basis.

On the new client front, thanks to an unprecedented team effort, ZenithOptimedia won the media planning and buying business of Richemont in North America and Europe, with SMG handling the business in Latin America and the Middle East. The business was transferred to the two Publicis Groupe Media networks on January 1, 2006, and is being coordinated by ZenithOptimedia France.

In addition, ZenithOptimedia won new business from financial services companies JP Morgan Chase in the US, Lloyds TSB in the UK and DaimlerChrysler in Spain, among others.

Other developments

Already one of the most cohesive networks among the multinational media agencies, ZenithOptimedia was further strengthened at the beginning of 2005 when it took over management control of all Publicis—and Saatchi & Saatchi—owned ZenithOptimedia operating entities. The move extended the ZenithOptimedia brand into a further 22 countries.

ZenithOptimedia formally launched operations in Korea in 2005 and has rapidly become one of the leading media agencies in this key advertising market.

Among the major management moves of 2005, Adrian Sayliss was promoted to Chief Operating Officer of ZenithOptimedia Worldwide and Tim Jones was appointed Chief Executive Officer of ZenithOptimedia USA.

INTRODUCING ZED DIGITAL

In early 2006, the network rebranded all of its digital and interactive units in Europe under the name “Zed Digital” in the first phase of a global roll-out. The move is designed to leverage ZenithOptimedia’s positioning for best-in-class service for common clients, as well as generate new opportunities for direct business. Frederic Joseph was named CEO of Zed Digital Europe which is starting off with 180 employees and a regional client roster that includes HP, L’Oréal and Toyota.

The network had a banner year in terms of awards, winning five top prizes at *Media & Marketing’s* 2005 show to take the International Agency of the Year title for the second year in a row. The network was also named Global Media Agency of the Year by Advertising Age magazine, and took home two Media Lions from Cannes, two Gold EFFIE effectiveness awards, and a host of prizes in national contests around the world.

médias & régies europe

Founded in 1938, Médias & Régies Europe has 600 employees and is France’s leading independent provider of advertising sales services. 2005 was the year of evolving partnerships as it struck major deals to boost its service offering and geographic reach. Médias & Régies Europe and outdoor advertising specialist JC Decaux reorganized their equity interests in 2005. After buying Médias & Régies Europe’s stakes in JC Decaux Netherlands (which manages Dutch urban furniture contracts) and SOPACT (which manages ad contracts for Paris bus shelters), JC Decaux took a 33% stake in Métrobus.

In addition, Médias & Régies Europe signed a long-term agreement with US real estate giant Simon Property Group. Their joint venture will operate a digital network

through nearly 1,500 plasma screens in Simon shopping malls in major US markets.

Médias & Régies Europe improved its performance in 2005, particularly in radio and electronic media representation. In digital display, Mediavista now manages approximately 1,200 plasma screens in shopping centers and department stores. In the cinema segment, Mediavision completed the renewal of medium-term contracts with its main movie theater partners.

Métrobus had two big contract wins in 2005: its Spanish unit Publisistemas won the tender for the Madrid bus system while Sodex—which merged with Métrobus at the end of 2005—won the bus contract for Strasbourg, France.

specialized agencies and marketing services (sams)

To provide clients with holistic solutions, the Groupe offers specialized services to complement its advertising and media activities. These include healthcare communications, direct marketing, promotions, corporate and financial communications, events and multicultural communications. The Groupe continued to consolidate and enhance its services portfolio and geographic reach in 2005, notably making acquisitions in marketing services, events and corporate communications.

HEALTHCARE COMMUNICATIONS

PUBLICIS HEALTHCARE COMMUNICATIONS GROUP

Despite numerous challenges, the pharmaceutical industry is extremely strong and spending in healthcare marketing remains substantial. Formed in 2003 to encompass the Groupe's activities in this field, Publicis Healthcare Communications Group (PHCG) has 2,600 employees and 38 offices in 10 countries. A world leader in innovative and integrated solutions, its capabilities include advertising and medical education, sales and marketing services, medical and scientific affairs, and healthcare consulting. PHCG is the only player to offer holistic solutions while guaranteeing media neutrality.

Leadership

The US-based advertising units of **PHCG** are **Nelson Group, Medicus Group,** and **Saatchi & Saatchi Healthcare Communications Group (SSHC)**. PHCG also includes **Publicis Medical Education Group (PMEG), Publicis Healthcare Sales & Marketing Services (PHSMS),** the **Medical & Scientific Affairs Group,** and the PHCG International Division, which encompasses the operations outside of North America of Medicus, Medicus International, Discovery, and Saatchi & Saatchi Healthcare.

Led by Chief Executive Officer Ed Rady and President and Chief Operating Officer Nick Colucci, in 2005 PHCG continued to consolidate its assets, build its leadership team, generate operational efficiencies from its vast network and develop its client base. Building on its relationship with PharmaConsult Healthcare Communications, in which it held a 20% stake, in July PHCG acquired the remaining 80% of shares in Spain's largest healthcare communications specialist. The move reinforces PHCG's offering and stature in Europe.

Success stories in virtually every unit

PHCG experienced unprecedented growth in 2005: Publicis Healthcare Sales & Marketing Services nearly doubled its business in 2005, helped by an excellent performance at Publicis Selling Solutions. Of the division's 14 new business wins in 18 months, the most significant in 2005 was the placement of 500 sales representatives with Takeda, to ramp up the Japanese pharmaceuticals group's US presence for new product launches.

Saatchi & Saatchi Healthcare Communications Group had robust growth, led by its consumer division—the leading direct-to-consumer communications agency in the US. Significant new assignments included Crestor from AstraZeneca and Clarinex and Avelox from Schering-Plough in pharmaceuticals, and Crizal



Alize lenses from optical specialist Essilor. Saatchi & Saatchi Healthcare in Sydney won six out of seven new business presentations in 2005, including the Levitra impotence medication account.

The Medicus Group enjoyed double-digit growth in 2005, thanks to a number of new assignments, including Procter & Gamble's Asacol digestive disorder treatment in the New York office and Bayer's Levitra account in Toronto. Medicus and Discovery London jointly won an assignment for Schering-Plough's Noxafil antifungal treatment and Pfizer's Celebrex arthritis pain medication. Medicus PharmaConsult Madrid won three campaigns—for "Youth and Alcohol," "Rational Use of Medicines" and "Generics"—from the Spanish Health Ministry.

The newly formed Publicis Medical Education Group won 10 new assignments in 2005, from clients including AstraZeneca, Bayer, Bristol-Myers Squibb, ESP Pharma and Sanofi-Aventis.

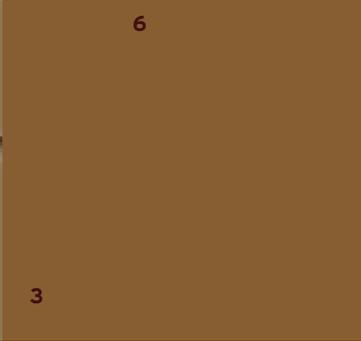
Science Oriented Solutions (SOS), the market leader in outsourced "medical science liaison" (high level scientific or medical representation), won assignments from Amgen, AstraZeneca and Otho-McNeil.

In 2005, the Nelson Group was revitalized under the leadership of new president Lorraine Pastore. Two new business units were formed: LifeBrands, a "hot shop" agency for specialty and high science products, and Brand Pharm (formerly Nelson

PHCG WINS AWARDS IN 2005

Medicus New York's Prilosec over-the-counter integrated campaign was named Marketing Campaign of the Year at the Pharmaceutical Achievement Awards, and the CardioAlert patient screening program developed by the network's Barcelona office won Best Patient Initiative of the Year from the Spanish Farmaindustria Society. Saatchi & Saatchi Healthcare Communications Group received the Doctors' Choice Award for Enbrel RA (rheumatoid arthritis) and Enbrel Psoriasis, while its consumer division—S&S Consumer Healthcare—was named Direct-To-Consumer Agency of the Year by DTC Perspectives, Inc.

Communications), which uses fresh and different thinking to develop brands. Significant wins in 2005 included assignments for the Taxotere cancer treatment from Sanofi-Aventis (LifeBrands) and for Ross Laboratories' infant formula and nutritional products (Brand Pharm).



managers

SAMS



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1 < **John Farrell**, President & CEO SAMS Worldwide.

Publicis Healthcare Communications Group (PHCG)

2 < **Edward Rady**, CEO;

3 < **Max Jackson**, President, Publicis Healthcare Communications Group, International Division;

4 < **Nick Collucci**, President & COO, Advertising & Medical Education Group;

5 < **Mike Iafolla**, Chairman, Publicis Healthcare Sales & Marketing Services Group;

6 < **Steve Huber**, President, Publicis Medical & Scientific Affairs;

7 < **Deborah Kelleher**, Chief Strategic Officer.

Public Relations and Corporate Communications Group (PRCC)

8 < **Lou Capozzi**, Chairman;

9 < **Eric Giully**, Co-President, Publicis Consultants;

10 < **Mark Hass**, CEO, MS&L;

11 < **Matthew Freud**, CEO, Freud Communications.



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sams

DIRECT MARKETING/SALES PROMOTION

With Arc Worldwide, Publicis Dialog and the new Saatchi & Saatchi X unit, the Groupe was already a major player in marketing services. It enhanced its position across Asia in 2005 and 2006 by acquiring a 60% stake in Indian leader Solutions Integrated Marketing Services and an 80% stake in Betterway Marketing Solutions, one of the top Chinese marketing service agencies.

ARC WORLDWIDE

Created in 2004 to encompass Leo Burnett's various marketing services operations, Arc Worldwide has 1,300 employees and 36 offices in 31 countries. In 2005 it continued to integrate businesses while increasing revenues and reaping rewards for creativity. It also appointed key members to its top management team, expanded its geographic reach and continued to enhance its client services.

Among the high-profile appointments of 2005, Arc Worldwide President Marc Landsberg was given full leadership responsibilities for the company and named to oversee Arc North America. Andrew Edwards was promoted to President of Arc Europe, Middle East and Africa, and Mark Reardon was named President of Arc New York.

The agency launched offices in Bangkok, Hong Kong, Jakarta, Kuala Lumpur, Melbourne, Singapore, Sydney and Taipei in 2005. Arc's New York office officially opened in June, after integrating several East Coast operations; the San Francisco office followed in July. The agency had significant new business wins in 2005. In North America, it notably won assignments from Miller Brewing Company, telecom operator Sprint, drinks group Diageo, appliance maker Whirlpool, the American Medical Association, and software group Oracle. In the UK, it won contracts with Baxters Food Group, Sunny Delight Beverages, Fiat Commercial Vehicles and Intercontinental Hotels Group.

SAATCHI & SAATCHI X

The pioneer in shopper marketing, launched with three offices in 2004, Saatchi & Saatchi X (SSX) expanded significantly in 2005. It opened 14 new offices in Europe, Asia-Pacific and Latin America and proved a key contributor to Saatchi & Saatchi's overall organic growth in 2005. It notably secured several new brand assignments from General Mills and Procter & Gamble and added three Fortune 500 companies (Novartis, American Express and Coca-Cola) to its client portfolio. SSX is also working closely with retail giant Wal-Mart to develop new ways to attract the attention of shoppers and transform them into buyers.

Since its founding in 2004, Arc Worldwide has been recognized more than 160 times through creative awards and significant rankings, including a Bronze Lion in Cannes. Arc Worldwide was awarded the title of "Best UK Agency of the year for record new business growth" and the one of "Best Marketing Campaign in the World" for its work for GM's Cadillac "Under 5".

PUBLICIS DIALOG

With 1,800 employees and 40 offices in 35 countries, Publicis Dialog is a leading global marketing services network.

It had a good 2005 as all agencies gained significant new business, either independently or with the Publicis advertising network.

Much of the new business came from existing clients, including Nestlé, L'Oréal, Procter & Gamble and Whirlpool. Hewlett-Packard provided the biggest win from an existing client, as it entrusted the network with most of its marketing services business in Europe and other markets.

Major new clients included McDonald's in France, Telefonica Movistar in Spain and Latin America, Powergen and McArthurGlen in the UK, the Australian Wool Innovation research institute in China, Lindt and Hamilton Beach home appliances in Mexico, and Tumi luggage in the US.

The network expanded its geographic reach, launching Publicis Dialog in Israel and opening offices in Romania, Russia and Venezuela. In November, it acquired Shanghai-based agency Tarantula to bolster its presence and resources in China and, in early 2006, Betterway Marketing Solutions, a major marketing service agency with operations in 29 cities.

In Madrid, Grupo K joined the Publicis Dialog network, which now encompasses all Publicis marketing services agencies in Spain.

The network reinforced its management team in 2005, appointing Nicholas Zunz and Christian Verger as joint CEOs of Publicis Dialog France, promoting Simon Marshall to CEO of Publicis Dialog UK and naming Ted Barton CEO of Publicis Dialog San Francisco.

In addition to her role as CEO of Publicis Dialog New York, Debbie Yount was named Chief Holistic Officer for Publicis Dialog USA.

Creativity was a strong factor in 2005, as Publicis Dialog won over 100 awards around the world.

PUBLIC RELATIONS AND CORPORATE COMMUNICATIONS

To leverage its effectiveness and growth potential in this fast-growing area, in 2005 the Groupe created the Public Relations and Corporate Communications Group (PRCC). All of its public relations, public affairs and corporate communications resources will ultimately come together in PRCC to offer best-in-class, integrated services, across disciplines, worldwide.

A PRCC Executive Committee was created, chaired by Lou Capozzi, and the Groupe's two largest PR and corporate communications brands were brought into the PRCC fold: together, Manning Selvage & Lee and Publicis Consultants represent 1,200 employees in 25 countries. In September, PRCC acquired a 50.1% stake in UK-based PR firm, Freud Communications.

MANNING SELVAGE & LEE (MS&L)

MS&L had a strong 2005, notably extending its relationships with Philips into new product areas and markets in Europe, Asia and South America, and with Procter & Gamble in Europe, Canada and the US. It expanded its Agency of Record relationship with Sanofi-Aventis by adding six new drugs—including the Acomplia tobacco and obesity treatment—and was named Agency of Record for Roche's new drug, Cera. It added a pet food brand with Nestlé and expanded its work with retailer Home Depot into Canada, Mexico and China.

Among new client assignments, in North America MS&L was named Agency of Record for restaurant chain Arby's and added three major telecom clients: Cingular, Vonage and Rogers Wireless & Cable (Canada). In Europe, it added DeBeers diamond jewelry and Barilla pasta to its client roster. Capital MS&L, the firm's financial communications arm, advised on several high-profile transactions in 2005, including Investcom's initial public offering—the first on the Dubai Stock Exchange and largest to date in the Middle East—and the privatization of Telecom Egypt. In Australia, the firm advised drinks group Foster's on its acquisition of wine producer Southcorp. MS&L won nearly 50 PR awards in 2005, including a coveted Silver Anvil—the top award—from the Public Relations Society of America.



managers

SAMS



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- 1 < **Fay Ferguson**, Co-CEO, Marketing Operations, Burrell Communications;
- 2 < **McGhee Williams**, Co-CEO, Marketing Innovation, Burrell Communications;
- 3 < **Ernesto Bromley**, CEO, Bromley Communications;
- 4 < **Cynthia McFarlane**, EVP, Managing Director, Conill Advertising;
- 5 < **Dolores Kunda**, President & CEO, Lapiz;
- 6 < **Stephanie Blackwood**, Co-Founder/Account Director, Double Platinum;
- 7 < **Larry Woodard**, President & Chief Strategy Officer, Vigilante;
- 8 < **Brent Moncrief**, CEO, Capps;
- 9 < **Jean-François Valent**, CEO, Mundocom & CEO, Market Forward;
- 10 < **Richard Attias**, Chairman & CEO, Publicis Events Worldwide;
- 11 < **Wally Hayward**, Chairman & CEO, Relay Sponsorship & Event Marketing.



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FREUD COMMUNICATIONS

Freud Communications is a leading PR firm in the UK and the largest media and entertainment PR firm in Europe.

Freud saw strong growth in 2005, particularly in strategic consulting and corporate reputation management. Major new clients included the Mayor of London's office for a program to promote the city in key emerging markets. Other wins included transportation authority Transport for London, Volkswagen and Digital UK, the organization coordinating the UK's transition to digital television, as well as assignments for Sony Ericsson, mobile operator Vodafone and Reuters. In July, Freud opened an office in New York and named Matthew Hiltzik CEO.

PUBLICIS CONSULTANTS

Publicis Consultants merged with Mediasystemgroup to form France's largest corporate communications firm. Mediasystem CEO Serge Perez was appointed co-President of the new company alongside Eric Giully, who is also CEO of Publicis Consultants Worldwide.

Publicis Consultants strengthened relationships with several major clients, notably winning the global re-launch of video technology group Thomson and conducting a corporate communications campaign for steel giant Arcelor. Carré Noir, the design arm, created branding programs for several Fiat and Lancia models and a new corporate identity for French railway operator SNCF.

New client assignments included the stock market listing of Gaz de France, which attracted more than 3 million individual shareholders. Philips retained Publicis Consultants Van Sluis for a global human resources and internal communications program. In addition to numerous local awards, Publicis Consultants won two top prizes at *The Holmes Report's* European Sabre Awards. The Paris firm was also named Agency of the Year for both financial and corporate communications by a consortium of industry bodies in France.

PUBLISHING AND PRE-PRESS PRODUCTION

A resource for Groupe entities as well as for external clients, these activities were further optimized in 2005.

The **Mundocom** pre-press and **MarketForward** marketing technology units were brought closer together to enhance the delivery of digital and traditional media services. To promote synergies, MarketForward CEO Jean François Valent was named CEO of both companies, as of January 2006. Mondocom consolidated its control over the Group's pre-press activities in France and developed its digital imaging and photography expertise in 2005.

MarketForward released a new version of its web-based collaborative platform, BrandGuard, which is now the standard platform used within Publicis Groupe and has been adopted by Renault and other clients. Chicago-based **Capps** specializes in digital photography and illustration, package and corporate identity design, presentation support, and digital consulting services for print marketing automation. In 2005, it launched L'Image, a group of high-end retouchers and illustrators, for print media as well as motion graphics for presentations. While the Digital Consulting unit completed two projects for the US Army, the Design unit, i4design, gained new business from PepsiCo and American Licorice.

In December, President and CEO Rick Capps announced plans to retire. His designated successor, Brent Moncrief, took over day-to-day management responsibilities on January 1, 2006.

In France, **WAM** specializes in TV production, post production, sound, duplication services and rights management, for the Groupe's broadcast production teams.

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Led by new CEO Pierre Marcus, WAM restructured its operations to provide more services through internal resources. It hired key professionals for its post production and sound departments, and opened a post production studio in Leo Burnett's suburban Paris offices.

MULTICULTURAL COMMUNICATIONS

A leading player in multicultural communications in the US, Publicis Groupe provides services through its big networks but also through two specialized agencies. Burrell and Bromley cater, respectively, to the African-American and Hispanic communities. In addition the agencies Láviz, Vigilante and Double Platinum complement the Groupe's offer in this field.

BURRELL COMMUNICATIONS

Burrell is a full-service agency with 130 employees and offices in Chicago and Atlanta. To leverage growth opportunities, in 2005 it established Healthcare Services and Youth Marketing practices.

Burrell grew at a record pace in 2005, expanding its relationship with Procter & Gamble and entering the healthcare market with pharmaceutical company NitroMed Inc. It was named African-American Agency of Record by Allstate Insurance and increased revenues from its two largest clients, Verizon and McDonald's.

During the year, Managing Partners McGhee Williams and Fay Ferguson assumed the title of co-CEO to more accurately reflect their leadership of the agency. On the awards front, Burrell won two Grand Prizes at the Association of National Advertisers (ANA) Multicultural Excellence Awards. And the firm's founder and Chairman Emeritus, Tom Burrell, was inducted into the Advertising Hall of Fame.

BROMLEY COMMUNICATIONS

With 160 employees and offices in New York, Miami, Los Angeles and San Antonio, Texas, Bromley is the leading US agency for Hispanic communications. Among new business wins in 2005, the agency expanded its relationships with AstraZeneca and Nestlé, and brewer Coors named it Hispanic Media Agency of Record. New clients included aluminum group Alcoa (Reynold's Wrap), which named Bromley its Hispanic Agency of Record.

Among distinctions for creativity, Bromley won a Grand Prize at the ANA 2005 Multicultural Excellence Awards and the O'Toole Multicultural Award from the American Association of Advertising Agencies.

EVENTS AND SPORTS MARKETING

The Groupe boosted and consolidated its activities around the Publicis Events Worldwide brand in 2005. It notably acquired eventive, a leading player in Austria, Germany and Switzerland, and realigned Relay Sponsorship and Event Marketing with Publicis Events.

PUBLICIS EVENTS WORLDWIDE

With these additions, Publicis Events Worldwide is one of the largest events management agencies in the world, boasting 400 employees and 13 offices in 8 countries. It offers turnkey capabilities—planning, production, logistics and global account management—for international conferences, corporate and consumer events, and business travel.

November saw the creation of an Events Executive Board to identify growth opportunities, chaired by Publicis Events Worldwide CEO Richard Attias. In January 2006, the World Economic Forum extended for another seven years its partnership with Publicis Events as the exclusive organizer of WEF summits, including the famous Annual Meeting in Davos, Switzerland.

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INTERNATIONAL SPORTS AND ENTERTAINMENT (iSe)

iSe continued to prepare for the World Cup in 2005, generating ticket sales well above expectations. The Publicis Groupe-Dentsu joint venture is the only company worldwide that can officially sell hospitality packages for the 2006 FIFA World Cup.

In 2005, iSe managed the FIFA Confederations Cup hospitality program, which allowed it to test suppliers and processes under “real” conditions for the World Cup. It also marketed media rights outside of Japan for a new event, the FIFA Club World Championship Toyota Cup Japan 2005—delivering record coverage with 194 territories.

iSe also continued to work on a new Grand Prix racing series for GPMA Holdings BV, which is scheduled to make its debut by 2008.

Publicis Events produced more than 70 events in Europe and the US for Sanofi-Aventis in 2005, and handled the global launch of Renault’s new Clio model.

The ECA2 public events unit produced some spectacular events, including the Toyota Pavilion show at the 2005 World Exposition in Aichi, Japan, and the wedding of the Crown Prince of Qatar. The Swiss office notably organized the Petra Conference of Nobel Prize Winners in Jordan, as well as WEF summits. Relay launched operations in China and formed

an alliance with London-based Sponsorship Intelligence (SI), which made SI a Relay division.

The French agency diversified its portfolio of clients and activities, with newcomers including MAAF insurance, Nike, Martell Cognacs, Eurotunnel and Sony Playstation. Among established clients, it added assignments for L’Oréal, Electricité de France (EDF), oil company Total and steel giant Arcelor.

In the US, new clients included L’Oréal, consumer goods group Brown-Forman, Samsung, real estate investment trust Mills Corporation, and CNN.



The Groupe's showcase

publicis drugstore

In 2005 the Publicisdrugstore kept its focus on innovation while remaining true to its core values.

A leading landmark on the most famous avenue in the world, the Champs-Élysées, the establishment confirmed its status as the meeting place for Parisians and tourists alike, welcoming 5,000 people a day on weekdays and 8,000 on weekends.

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publicisdrugstore

A MEETING AND MIXING PLACE FOR LIFESTYLES AND CULTURES

Throughout the year, Publicisdrugstore's restaurants offered constantly changing dishes to delight the palate, created and staged by chef Alain Soulard and the Alain Ducasse team. The Brasserie partnered with *Elle à Table* to feature recipes and with Publiciscinemas to offer special "CineResto" deals. After a brief period of renovation, the Marcel restaurant re-opened its doors on the Champs-Élysées to satisfy clients' cravings for fine cuisine.

Publicisdrugstore continued to refine its style and develop its reputation, as it embellished its gourmet food hall, international news stand and cigar cellar. Fashion got the star treatment as the women's corner welcomed trend-setting jeweler Dinh Van alongside "God Save the Rock" vintage accessories. In 2005, children got their very own mini concept store, with a focus on "Urban Babies."

Opening the door to creative spirits, Publicisdrugstore joined forces with independent labels "Naive" and MK2 for its CD and DVD selection.

Publicisdrugstore held musical events throughout the year. It notably installed a grand piano in its wine cellar for a recital, held DJ-driven parties in the Brasserie, and partnered with the prestigious Blue Note jazz festival.

Publicisdrugstore also continued to build its reputation as a potent medium in the communications world. It teamed up with the Reporters Without Borders association to exhibit the works of legendary photographer Jean-Loup Sieff on its 40 windows lining the Champs-Élysées. It also wore the colors of Paris to support the city's bid to host the 2012 Olympics. These events further enhanced Publicisdrugstore's position as the symbol and showcase of the Groupe.

The year ended with a bang of light on the theme "I light Noël," thanks to a festive decor specially designed by Mat & Jewski.



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