



# 2010 ANNUAL REPORT



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# A MESSAGE FROM ELISABETH BADINTER

Chair, Supervisory Board of Publicis Groupe



The greatest accomplishment of Publicis Groupe has been to preserve a spirit of conquest in the men and women it brings together everywhere in the world. This was clear in 2010. Last year was one in which our employees demonstrated once again that they have both the desire and the ability to go beyond their past accomplishments, no matter how difficult the challenge. That means being ambitious, winning new accounts and opening up new approaches to business development, in the midst of a challenging environment.

Despite the tough business climate, our people refused to take 'no' for an answer and followed their drive to win. They took on the future with confidence, mastering the obstacles in their way, with the determination that overcomes pessimism and fatalism. And so, while they achieved great things this year, the spirit that drove those achievements may be even more impressive and admirable.

Our people have reminded us that they are clearly our most valuable asset. If the recent crisis had a silver lining, it was in fully revealing their value. On behalf of the Supervisory Board and on my personal behalf, I would like to thank each and every one of them for the job they have done.

We would also like to thank the Management Board and its Chairman, Maurice Lévy, in particular. Their visionary strategies have made it possible for Publicis Groupe not only to achieve robust growth as we come out of one of the world's most serious economic downturns, but to actually emerge strengthened from that downturn. Publicis Groupe is now brimming with health and making us believe anything is possible.

It is gratifying and encouraging that - very early on and before everyone else - the Groupe was able to identify the sources of future growth that were emerging from new patterns of social behaviour; these are important to understand for any company, let alone a communications group. The way Publicis Groupe continues to monitor those changes and advise our clients on what they mean to their strategies and operations is one reason why they value our counsel. Indeed, our partners are keenly aware of the Publicis Groupe spirit as a whole and have proven it by continuing to place their trust in us.

Keeping ahead of the pack and moving forward without preconceived notions - such have been the hallmarks of Publicis since its creation. This is reflected in its strategic choices, what it does, how

it does it, and in its governance practices.

At a time when adjusting the male/female balance in senior management is still on the drawing boards at many companies, it is a source of great pride for me to preside over the Supervisory Board with the largest number of women in Europe. I am even prouder when I think that this happened naturally. Our appointments were made without regard to quotas, affirmative action or other regulations. We simply acknowledged the value of the people around us, among whom there happened to be as many women as men.

I am the least surprised of anyone!





### Elisabeth Badinter, *Chair*

The daughter of Marcel Bleustein-Blanchet, founder of Publicis, Ms. Badinter is a philosopher, 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, *Vice-chair*

The granddaughter of Marcel Bleustein-Blanchet, founder of Publicis, and the niece of Elisabeth Badinter, Ms. Dulac is the founder and managing director of a recruitment counselling company, and has been Chair of the 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

The son of Elisabeth Badinter, Simon Badinter joined Médias & Régies Europe in 1991, where he held several positions before becoming the Chairman & CEO. Today he manages MRE North America.



### Claudine Bienaimé

Claudine Bienaimé joined Publicis in 1966 as part of Technical Management. She was promoted Financial Controller, before becoming General Secretary of Publicis Conseil (1978) as well as President of the French media department (1995). Named General Secretary of Publicis Groupe in 2001, and member of the Management Board from 2004, until the end of 2007 she supervised the Groupe HR, legal and internal audit functions. Since June 2008 she has been on the Supervisory Board and on two of its committees.



### Michel Cicurel

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, and has also held management positions with Compagnie Bancaire, the Danone Group and Cerus.



### Michel Halpérin

An attorney at the Geneva bar, Michel Halpérin was a member of the Conseil de l'Ordre, then Bâtonnier of the Ordre des Avocats de Genève. He is an independent director on the Board of several different companies, Mr. Halpérin is also Vice-President of the Board of Directors of BNP Paribas (Switzerland).





## Tadashi Ishii

Tadashi Ishii joined Dentsu in April 1973. After holding several management positions at Dentsu, he was appointed Executive Officer in July 2002 and Senior Executive Officer at headquarters in July 2004. He sits on The Board of Dentsu Inc, and is now Dentsu's CEO.



## Marie-Josée Kravis

Marie-Josée Kravis is an economist specialized in public policy analysis and strategic planning. She is the Chair of the Museum of Modern Art (New York) and a member of several boards including the Board of the Hudson Institute and of The Robin Hood Foundation.



## Marie-Claude Mayer

Marie-Claude Mayer began her career at Publicis Conseil in 1972. Since then, she has held several different management positions within the agency. In 1998, she was named Worldwide Account Director for the L'Oréal Group, supervising the L'Oréal brands managed by the Publicis network in more than 70 countries.



## Véronique Morali

After serving in the French civil service (*inspecteur des finances*), Véronique Morali joined Fimalac in 1990. Today she is Chair of Fimalac Développement, and member of the Board and Vice-Chair of Fitch Group. She is also a member of the Board of Fimalac, la Compagnie Financière Edmond de Rothschild, Coca Cola Entreprise, Publicis and the Women's Forum. She is the founder and president of terrafemina.com, of the association Force Femmes and the co-founder of Women Corporate Directors Paris.



## Hélène Ploix

Hélène Ploix is Chair of Pechel Industries Partenaires, Pechel fund manager and, since 1997, Chair of Pechel Industries SAS investment firm. 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

Felix Rohatyn is Special Advisor to the Chairman & CEO of Lazard Frères and Co LLC. Previously US Ambassador to France, he 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 ("MAC").



### Amaury de Sèze

Amaury de Sèze is Chairman of the Board of Carrefour SA (France). Mr. de Sèze previously held several senior operating and management positions in a number of major companies including the Volvo Group (Volvo AB).



### Henri-Calixte Suaudeau

Henri-Calixte Suaudeau became Director of Publicis Conseil after holding several management positions within the Groupe. He also oversees the Fondation Marcel Bleustein-Blanchet pour la Vocation.



### Tatsuyoshi Takashima

Tatsuyoshi Takashima is Chairman of Dentsu Inc. Mr. Takashima joined Dentsu in 1966, where he held several senior positions before joining the Dentsu Board of Directors in 1997. He became the 11th President of Dentsu in 2007.



### Gérard Worms

Gérard Worms is Vice Chairman of Rothschild Europe and Senior Advisor of Rothschild & Cie. He is also Chairman of the International Chamber of Commerce (France). 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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### *Appointments Committee*

Elisabeth Badinter, Chair  
Michel Cicurel  
Henri-Calixte Suaudeau

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### *Compensation Committee*

Michel Cicurel, Chairman  
Elisabeth Badinter  
Claudine Bienaimé  
Amaury de Sèze  
Véronique Morali

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### *Audit Committee*

Gérard Worms, Chairman  
Claudine Bienaimé  
Hélène Ploix

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### *Statutory Auditors*

Mazars  
Ernst & Young et Autres

### *Alternate Auditors*

Gilles Rainaut  
Auditex

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# A MESSAGE FROM MAURICE LÉVY

Chairman & CEO of Publicis Groupe



Publicis Groupe's excellent 2010 performance in terms of organic growth (8.3%) and margins (15.8%) reflects the trust shown in us by our clients and the quality and commitment of our employees. The fruitful cooperation between them has resulted in the transformation of our group and propelled it to the cutting edge of the industry.

To our clients, I say, thank you for trusting us as partners.

To our employees, I say thank you for your dedication to serving clients with a dynamism that responds to - and anticipates - the changing communications landscape. You, our employees, have shown amazing resourcefulness and resiliency in meeting a challenging environment over the past few years. At the same time you succeeded in dramatically transforming our group, a feat that required truly colossal efforts. The net result of your extraordinary commitment is continued client satisfaction in our quality of service, and this has translated into the very strong Publicis Groupe performance we see today.

There have been a number of challenges that we - clients and Publicis Groupe teams - faced together. The first was the emergence of the digital world. Beginning in 2006, with foresight and determination, we began a major transformation. That head start catapulted us into a leadership position in this critical communications resource today, placing us at the forefront of the trends that are transforming our society: mobile, social networks, co-creation, e-commerce and borderless communications. If I say that digital is a 'resource', it is because it opens up opportunities for clients to reach their audiences with a level of power, immediacy, impact and engagement that were previously unimaginable. We believed in digital, we invested in digital, we created new organizations like VivaKi, and we have become successful leaders in digital.

We have done all this without sacrificing the Publicis values and culture that have made us distinctive and true leaders in the global competitive arena. In fact, it is not only our investments that have enabled us to massively increase our market share; our values have ensured the smooth integration of our

acquisitions and made us welcome in new countries where growth remains strong.

Our gratifying performances in terms of growth and margin are due not just to the professional qualities and the dynamism of our teams, which are the sources of our competitive advantage; they are also the fruit of our unique approach to communications and our desire to place human values at the heart of everything we do.

While it might surprise some people, I have always thought that the concept of profit is not inconsistent with high standards, recognition of our people and social responsibility. Indeed, it must remain a key priority if we wish to preserve the group's independence, and it will provide us with the resources needed for sustainable growth.

With the year 2010 complete, we can now examine the results: they are excellent, with a very solid balance sheet on which we can securely build for the future. But we must not rest on our laurels; Publicis Groupe has succeeded over the years

precisely because we have never been satisfied to stand still. We will continue to move forward with new initiatives on the two strategic pillars where we have successfully concentrated our efforts over the past few years: digital and high-growth markets.

For digital, the first of these pillars of our success, we aim to pursue a selective investment approach in order to complete our presence in the top 20 countries worldwide and to consolidate our leadership. Our objective is for this segment to generate 35% of Publicis Groupe revenue within three years. It is not just a matter of figures, or even growth, but the need to increase our capacity in order to become the truly dominant leader in this sector, which is so vital to our clients.

Our approach in emerging economies is also succeeding. We have created a solid base that enables us to establish new objectives - such as doubling our size in China and Brazil - and to make further inroads into the so-called 'Next Eleven'.

Based on expert forecasts for the next three years, and while remaining cautious, I believe that our group has the right profile for the new economic order and for the new communications landscape. I also believe that we will be in a position to outperform the market and continue to generate very healthy margins. We will continue to put into place 'game changing' transformation involving our organization and to enhance our people through training and development. We will also continue to source our strength from the diversity of our talent and through a small but growing contribution to sustainable development.

Finally, I would like to say a word of appreciation to one other group that has been essential to our success - our shareholders. They have stood by us with confidence and support, and this has enabled us to take the prudent risks that are important to ensure successful future performance. We aim to ensure that our shareholders are rewarded appropriately for their investment through dividends as well as appreciation in the share price and which reflect the progress to which we are committed.

While it is true that a company like ours is made of our clients and our teams, there is also a Management Board and a Supervisory Board, who represent our shareholders as well as watching over the interests of all of those participating in the great enterprise that Publicis Groupe is today. Their support during the times of economic crisis and the excellence of their counsel at all times has been a key to Publicis Groupe matching and regularly surpassing the growth of our industry.

The harmonious relationship between the Executive Committee (P12), the Management Board and the Supervisory Board, as well as the various administrative bodies within Publicis Groupe, is no doubt one of the secrets of our success.



## Maurice Lévy

*Chairman & CEO, Publicis Groupe*

Maurice Lévy is widely recognized as one of the leading figures in the industry. He joined Publicis in 1971 and very quickly moved into the heart of the agency's business, before being named President of Publicis Conseil in 1975. He took personal responsibility for the international development of Publicis from the 1980s, and became Chairman in 1984. He was named Chairman and CEO of Publicis Groupe in 1987.



## Tom Bernardin

*Chairman & CEO, Leo Burnett Worldwide*

Tom Bernardin is Chairman and CEO of Leo Burnett Worldwide, comprising the Leo Burnett brand agency and marketing partner Arc Worldwide. Previously, Bernardin was Chief Executive Officer of Lowe New York, the flagship office of Lowe Worldwide. He was also president and Chief Executive Officer of Bozell, which during his tenure grew at an unprecedented pace and reached new creative heights.



## Laura Desmond

*Global CEO, Starcom MediaVest Group*

Prior to her appointment to Global CEO of Starcom MediaVest Group, Laura was CEO of MediaVest (2003-2007), and then CEO of SMG-The Americas, where she managed a network spanning the United States, Canada and Latin America. Early on Laura also tapped into the need to reach multicultural consumers by launching SMG Multicultural and creating 42 Degrees at MediaVest.



## Mathias Emmerich

*Senior Vice President, Publicis Groupe*

In 1999, Mathias Emmerich joined the SNCF Group. In 2004, he was appointed CEO of Voyages-sncf.com and in 2007 he became Deputy CEO of the Freight Division. He joined Publicis Groupe in January 2009 as Senior Vice President and General Secretary. He is in charge of Internal Audit, Human Resources (Groupe), Communication and Sustainable Development.



## Jean-Michel Etienne

*Executive Vice President - CFO; Member of the Publicis Groupe Management Board*

Jean-Michel Etienne worked closely on the acquisitions of Saatchi & Saatchi and Bcom3, which propelled Publicis Groupe to the 3rd largest communications group worldwide. In 2006 he was appointed Executive Vice President - CFO. He sits on the Publicis Groupe Executive Committee (P12) and in 2010 he was appointed to the Publicis Groupe Management Board.



## Olivier Fleurot

*CEO, MSLGROUP*

From 1999 to 2006 Olivier Fleurot was with the Financial Times Group in London, first as Managing Director of the newspaper, then as CEO of the FT Group. He joined Publicis Groupe in 2006 as Executive Chairman of Publicis Worldwide. Since the end of 2009 he has been the CEO of MSLGROUP, the global PR network that includes MSL, Publicis Consultants and Publicis Events networks.





### Steve King

*CEO Worldwide, ZenithOptimedia*

Before becoming CEO of Zenith Media Europe, Middle East and Africa, in August 1997, Steve King was appointed director of TV buying, overseeing the largest TV group of its kind in Europe. He was made Deputy Managing Director in 1992 and Managing Director in 1993. Following the creation of ZenithOptimedia in October 2001, he was appointed Chief Executive of ZenithOptimedia EMEA and subsequently Worldwide CEO in March 2004.



### Jack Klues

*CEO, VivaKi; Member of the Publicis Groupe Management Board*

Jack Klues applies his experience as one of the chief architects of 21st century media strategy and buying to his role of CEO of VivaKi. Klues represents Publicis Groupe's media networks as a member of its Executive Committee (the P12) and Management Board (the Directoire).



### Laura Lang

*CEO, Digitas*

Prior to joining Digitas as CEO in 1999, Laura Lang was president of Marketing Corporation of America. With her executive team, she works on expanding the Digitas network worldwide to better serve clients on a global basis. The agency pairs media, marketing, technology, creativity, imagination and analytics to ignite emotional bonds between people and brands.



### Jean-Yves Naouri

*Chief Operating Officer, Publicis Groupe; Member of the Management Board*

Jean-Yves Naouri joined Publicis Groupe in 1993. In 2005, he was appointed to head the Shared Service Centers, Procurement, IT, Real Estate and Insurance. Since 2008 he's also overseen Publicis Healthcare Communications Group (PHCG) and, since 2009, the Publicis Groupe Production Platforms. In 2010, he was appointed to lead China Publicis Groupe and was named Chief Operating Officer of Publicis Groupe.



### Richard Pinder

*COO, Publicis Worldwide*

Before being named COO responsible for the Publicis global network in October 2006, Richard was Regional Managing Director of Leo Burnett Asia Pacific in 2000 and President of Leo Burnett's EMEA region where he oversaw offices in over 54 countries. He has been part of Publicis Groupe since its merger with Bcom3 in 2002.



### Kevin Roberts

*CEO, Saatchi & Saatchi Worldwide; Member of the Publicis Groupe Management Board*

Kevin Roberts started in 1960 with Mary Quant and was a senior marketing executive for Gillette and Procter & Gamble in Europe and the Middle East. He became CEO Worldwide with Saatchi & Saatchi in 1997. Under his leadership, Saatchi & Saatchi has grown revenue year by year and achieved record financial performance and outstanding creative success at the Cannes International Advertising Festival, consistently placing in the top three networks worldwide.

## A Leading Global Communications Group

- Publicis Groupe is the 3rd largest communications group worldwide
- Leader in digital and interactive communication (28% of 2010 revenue)
- 2nd largest global media group and largest digital operation (RECMA)
- World leader in healthcare communications

## Creative Talent Recognized

- Since 2004, Publicis Groupe ranks first in Creative Performance in The Gunn Report
- Cannes Advertising Festival 2010: 2 Grand Prix and 116 Lions, with 24 Gold, 39 Silver and 51 Bronze
- Clio Awards 2010: 33 awards, including 1 Grand Clio, 4 Gold, 16 Silver & 12 Bronze
- In 2010, Publicis Groupe agencies received 16 Agency of the Year awards

### World leader in digital communication with a unique expertise in the digital media universe:

VivaKi aggregates the marketplace influence of four autonomous brands, including two global media agencies: ZenithOptimedia and Starcom MediaVest Group and two leading digital marketing agencies: Digitas and Razorfish. On behalf of its agency brands and their clients, VivaKi faces the market to help identify and build technology and content solutions for the future. Sitting at the core of VivaKi is the VivaKi Nerve Center, which serves as a think tank, R&D center and testing ground to activate new pathways for clients to connect with consumers in an increasingly digital world.

- **Other leading digital brands:** Audience on Demand, Blogbang, Denuo, Digitas Health, Emporioasia Leo Burnett, Freethinking, iMed Studios, Marcel, Moxie Interactive, MSLGROUP, Mundocom, Net Intelligenz, PBJs, Performics, Phonevalley, Pharmagistics, Pixel, The Pool, Prodigious Worldwide, Publicis Entertainment, Publicis Healthcare International, Publicis Modem, Razorfish Health, SMG Liquid Thread, SMG Performance Marketing, Spark Communications, The Third Act and Zed Digital.

### Includes three of the top global advertising networks: Leo Burnett, Publicis, Saatchi & Saatchi

- **Multi-hub networks and creative boutiques:** Bartle Bogle Hegarty (BBH)\*\*, Fallon, The Kaplan Thaler Group

\*\* 49% owned

### Leader in healthcare communications:

Publicis Healthcare Communications Group (PHCG) is one of the largest and most innovative health oriented agency networks in the world. PHCG manages top-tier agencies specializing in a comprehensive range of healthcare communications including advertising, medical education, medical and scientific affairs, sales and marketing. Brands include Publicis Life Brands, Medicus Life Brands, Saatchi & Saatchi Healthcare, Publicis Touchpoint Solutions, Publicis Healthcare International, Beacon Healthcare, DIME, Discovery Chicago, In-sync Consumer Insight, Maxcess Managed Markets, Medicus International, Science & Medicine and Williams-Labadie.

- **Digitas Health** and **Razorfish Health** are other next-generation digital healthcare marketing agencies.

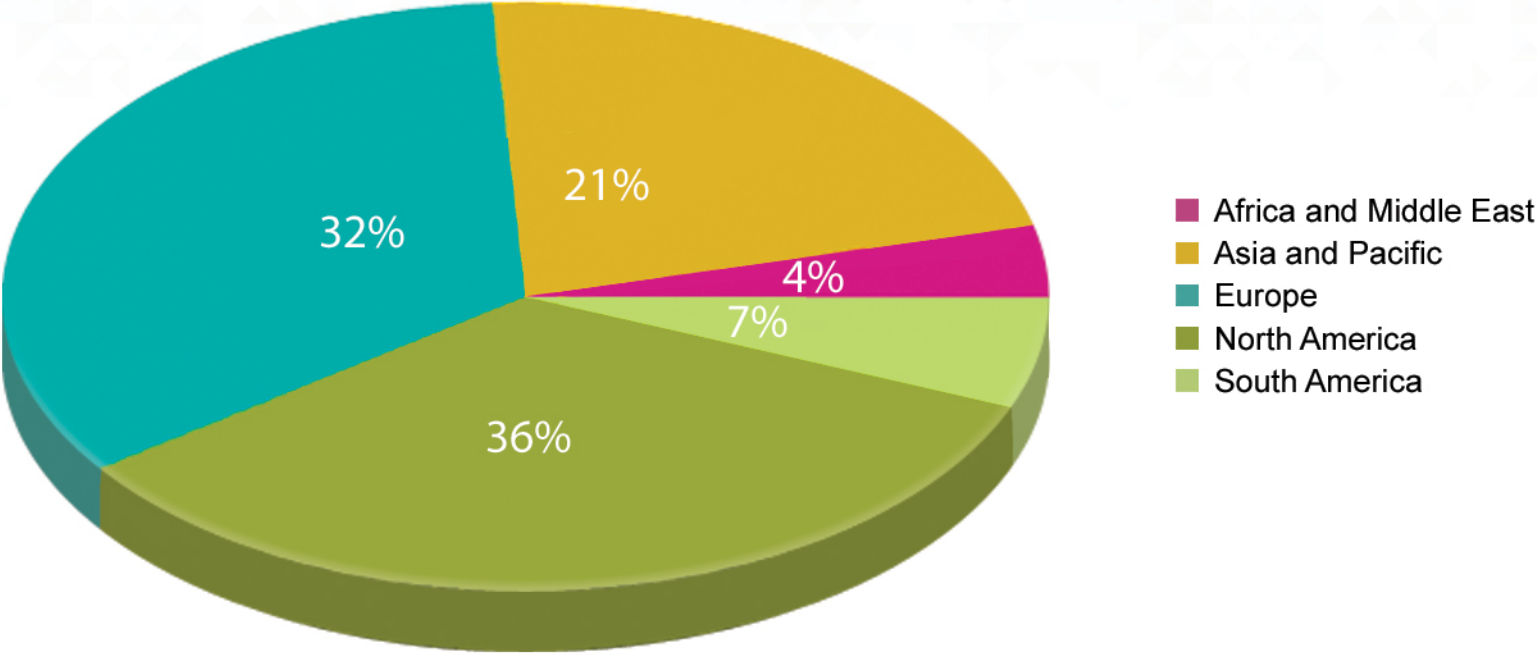
### Premiere corporate communications, public relations and events management services offered through MSLGROUP international network:

MSLGROUP offers best-in-class public relations, corporate and financial communications, reputation management, public affairs, social media, digital and live events management. The group leverages the collective scale and expertise of JKL, Kekst and Company, MSL, PBJs, Publicis Consultants, Publicis Events, PublicisLive, ECA2, Emotion, SAS, TMG Strategies, Winner & Associates and The Women's Forum.





HEADCOUNT BY REGION  
AT 31 DECEMBER 2010









The past 12 months have proven that our industry is not undergoing an evolution. Rather, we are in the midst of a digital revolution. Technology has forever transformed the consumer journey. We are in completely new territory, and if you pause for even one minute, the landscape shifts again.

The pace is awe-inspiring, but the shift is certainly not a surprise to us. In 2006, anticipating the break-neck speed of pending change, Maurice Levy led a team of global leaders from the Groupe to re-invent the organization into The Human Digital Agency. Strategic investments were made. Structures and organizational models were retooled.

VivaKi was one by-product of that journey into the future.

VivaKi was launched in June of 2008 as a work in progress, but it was a work founded on a simple organizing principle, which is this: as hard as we had to push to get ahead of the change, no single agency was going to get there as fast as we could if we combined our strength and pushed together.

The concept of VivaKi was a scale and skill proposition. We would leverage the clout and influence of the media companies to accelerate the skill and acumen of the digital AND the media agencies. We would aggregate the investments any one of us might make in new capabilities and tools. We would build things at the center and let

the agencies take the outcome to market.

We would approach talent much the same way, as a central focus, multiplying the investments times four to attract and retain the world's best talent. VivaKi has delivered digital training and development, change management, performance management and a fluid talent initiative that deploys people in new ways to the benefit of the agencies and our people.

In VivaKi, we created a microcosm in which new approaches could be tested. The goal was to gain momentum inside VivaKi and quickly apply our experience to the broader Groupe. Within three months after the launch of VivaKi, however, the world economy was in crisis. VivaKi's purpose shifted from that of accelerator to that of protector. We were suddenly all about driving efficiencies, protecting margins and leveraging our scale for survival. This is how we entered 2010.

Shortly after the first of the year, however, our clients started to crawl out of the recession. And they emerged with a pent-up list of things they wanted and needed. Our remit was no longer about scale and tech and talent alone.

Clients wanted solutions: hybrid, best in class, tailor made solutions. They wanted those solutions to be flexible with a single point of entry through which they could access our full roster of talent and capabilities.

VivaKi never stopped being about new tools, talent and technology. But the emphasis shifted to tearing down silos, and collaborating to help our clients engage holistically to create a dialogue between people and brands.

We once again focused on making our agencies FIRST to market and first to the future. Giving clients the right tools, talent and opportunities to win. Our intention is to make our agencies the BEST: the best people, agencies, capabilities and offerings. We were intent on being the ONLY organization to aggressively partner with each other and with external stakeholders to deliver the full scope of solutions clients were asking for. No silos inside, and none outside. No frenemies. No disintermediators. We work aggressively with the likes of Google, Microsoft, Twitter, Facebook and other global media and technology companies to activate first-mover opportunities and unprecedented pipelines for our clients.

Looking back on 2010, it is clear that the promise of VivaKi is benefitting our agencies and their clients. We are collaborating in new ways to bring best-in-class solutions to marketers. Our Nerve Center is accelerating the digital capabilities of our agencies and the Groupe at large. This was a year to gain traction, and 2011 will be the year of momentum.



There has never been a more exhilarating time to be in marketing - and never a better time to be at Digitas. 2010 was a year of achievement: double-digit growth, global expansion, nearly 60 new clients and, most importantly, brand building work for our industry-leading partners. We pushed hard to innovate, breaking boundaries in creativity and technology to expand and enrich the relationships that people have with our clients' products and services. Our new Active Branding process brought brands to life in relevant situations and focused on delivering consumer value. Active Brands in 2010 increasingly required a convergence of mobile and social, and we made those engagements a part of virtually every experience we created for our clients.

### Outstanding Growth

Our approach is integrated, full service, with digital at the core, an advantage that distinguished us in 2010. We added six additional Fortune 500 companies to our roster in the U.S.: Aflac, ConocoPhillips, Emerson Electronics, Goodyear, and Sears. We also added more than 50 clients globally and earned nearly 100 new assignments from existing clients. In fact, nearly 70% of our existing client relationships in the U.S. grew in 2010, including multinational partnerships with P&G, Samsung and Whirlpool. Our deep client relationships allow us to make bold steps on behalf of their brands and earn their continued trust. Our first and flagship client, American Express, is still growing with us after 30

years. Additionally, AT&T, Delta, and General Motors have been partners for over 15 years, and Kraft and P&G for over 10 years. Digitas Health remains an industry leader, helping clients transform their approach to healthcare marketing and embrace the way patients and professionals use new platforms and technologies. We won 9 new clients and 14 new brands. In 2010, most of our growth was from new clients, in addition to growth from Digitas Health's existing clients, including our biggest healthcare partners AstraZeneca and Sanofi-Aventis.

### Industry Innovation

Digitas continues to be a pioneer in the industry, challenging our competitors and setting industry trends. For GM's Buick, we helped launch the first live Google Goggles for a car brand. We brought the same technology to our Delta client. For American Express, we implemented the first-ever event-based Tweet aggregation deal with Twitter in support of a Fashion Week campaign. And for Mead Johnson we created the first mobile marketing campaign for a baby formula, giving moms on the go information, advice, and tools at their fingertips.

Our innovation extended beyond client work to the industry. In March, we held a live-content pitch for our MillerCoors client at SXSW, a digital event that merges music, interactive, and film. In June we also hosted our third Digital Content NewFront (DCNF) to showcase leading-edge content. It was streamed live over 250,000 syndicated channels.

### Exceptional Talent & Thought Leadership

From the most senior management to rising stars worldwide, the breadth of our talent is the envy of the industry, and includes such diverse expertise as artists, filmmakers and scientists.

Digitas Health provided a point of view on the FDA's First Facebook Enforcement Action in August that earned national recognition. In support of its global expansion, it commissioned research to evaluate the differences in adoption of social media technologies in healthcare. These findings were released at the ThinkDigital 2010 symposium in London, an event underwritten by Digitas Health.

To reward innovation and encourage idea sharing, we hosted our first ever Inspiration Exchange. Employees from across our global offices - India, France, the U.S., and China - were sent to London to share, connect and inspire.

We're looking forward to doing it again in 2011 - which is already shaping up to be another outstanding year of growth, invention and innovation.



**Moment of Truth**  
*Buick Regal (GM) - Digitas Boston*

With MomentOfTruth.com, Digitas handed over control to Buick's consumers and fearlessly gave them an unbiased, transparent forum to follow and create conversations about the new Buick Regal. Demonstrating Digitas' expertise in merging social, creative, and technology, the site aggregated real-time social media and blogosphere commentary for all mentions of the Regal, pulling content from YouTube videos, Flickr photos, Facebook posts, Twitter, automotive reviews, consumer blogs and more.



**My Movie Pitch**  
*Tribeca Film Festival (American Express) - Digitas New York*

A winner of the One Show Entertainment Silver Pencil, 'My Movie Pitch' gave film enthusiasts everywhere the chance to upload their own 60-second, dream movie pitch in the hopes of seeing their idea brought to life. The winner's pitch will be made into a 15-minute short film by one of the Tribeca Film Directors and it will debut at the 2011 Tribeca Film Festival.



**Samsung Galaxy Tab Stories**  
*Galaxy Tab (Samsung) - Digitas New York*

When Samsung asked us to celebrate the Galaxy Tab, we knew that a list of technical specs and hero shots couldn't begin to do the product justice. Instead, we put the Galaxy Tab into the hands of entrepreneurs, artists and community activists, and filmed a series of mini-documentaries showing them using the Galaxy Tab in their real lives. The result: a branded YouTube channel launched on Facebook in mid-October 2010 garnered 70,000 unique views in the first 30 days.



**Dancing Nurses**  
*Head & Shoulders (P&G) - Digitas UK*

Who said that treating dandruff had to be an unpleasant experience? Definitely not Head & Shoulders. With the help of a few dancing nurses, Digitas UK created fun, flirty ads for a website that showed off the enjoyable side to soothing an itchy scalp and visibly reducing flakes. The ads were a huge hit, appealing to consumers' sense of humor. Viewers everywhere shared the ads on their social media networks - and it kept them coming back for more Head & Shoulders.



## SMG: The Human Experience Company

2010, with its many challenges and opportunities, proved to be a remarkable year for Starcom MediaVest Group (SMG). We navigated daunting terrain with courage and care for our clients, our company and our people.

United by the purpose of BEING The Human Experience Company, SMG has consistently delivered on our dream: To grow our clients' business by transforming human behavior through uplifting, meaningful human experiences. Our two powerful global agency brands, MediaVest and Starcom - armed with the distinct points-of-view of Truth & Design and Space for Ideas - are led by fearless leaders who have grown both Starcom and MediaVest by future-proofing our talent for a content-led, digital-dominant world.

## Growth: Win As One

We believe that the future of digital is focused on consumer understanding, communications planning and strategy. We see digital as an enduring environment that impacts all aspects of marketing. Our talent development and training, our product and client focus are inspired by a single vision where marketing, technology and human understanding meet, merge, and marry.

As evidence of growth, we have met and exceeded our digital revenue goal globally. In select dynamic and emerging markets, and in markets such as the

USA we are on pace for a repeat performance in 2011. More broadly, we have grown our top multinational client relationships worldwide including Coke (France), Mars-Wrigley (China) and GlaxoSmithKline (multi-market). Overall, we welcomed 304 new and organic growth assignments around the world including Best Buy, Carrefour, Darden, Harley-Davidson, Honda, Samsung and Yahoo!.

While it is thrilling to welcome these partners, one of our proudest moments in 2010 came from existing clients General Motors and P&G. Both of these marketers named SMG 'Supplier of the Year'. Considering that these companies work with hundreds, perhaps even thousands, of partners, this was a very meaningful honor for our network.

It is on behalf of our clients that SMG seeks strategic partnerships that will help us advance our capabilities, widen our purview and enable us to innovate faster. I am proud of all our future-focused, innovation-inspired partnerships with companies like ANA, DirectTV, Facebook, Google, Microsoft, and TED, to name a few.

Our growth, clients, and partnerships are three critical areas where we will continue to 'win as one'.

## 'Bright' Product

In 2010, our product shone brightly on local, regional and global stages. Starcom MediaVest Group won over 150 individual honors spanning 40 offices and 50 clients. Seven were Grand Prix trophies - more than any other media agency in the world.

Additionally, at the Cannes International Advertising Festival, SMG was the most awarded media network, taking home 22 shortlist and Lion honors.

To remain one of the most decorated networks on the planet, we have instituted rewards programs that incent and excite our people to create product that wins on the global stages, and more importantly wins for our clients.

## The SMG Tribe: Our People

People are the heart and soul of our organization. Today we are a tribe of 6,700 strong and growing. While the economy was contracting we expanded our investments in training and development. We expanded our elite leadership training program, Top Gun, from the Americas to the world. We invested in our people mobility program, which complements VivaKi's Fluid Talent initiative. Today, 10% of our global staff operates outside their home market. We believe that a diverse tribe is a strong tribe, and our mobility program is just one way to further strengthen our network.

Our success is shared. And our people have every right to claim credit for it. It would not be possible to be and behave like a Human Experience Company without our people. I have never been more proud to lead SMG.

Look forward to winning as one in 2011.





**It's Popnetic**  
*Corn Pops (Kellogg's) - SMG Canada, Toronto*

Corn Pops, a popular cereal from Kellogg's, had not crafted an advertising campaign in years and were starting to loose their grip with their consumer group, tweens. To resonate with the powerful youth market, Corn Pops created an online video game entitled "It's Popnetic" through which users connected with their friends and played a cereal-inspired game. A web application was introduced so tweens could customize their profile.



**Bird Feeder**  
*Dobry (Multon) - Starcom Russia, Moscow*

Dobry in Russian means kindness and many consumers reflect the brand name by using their empty Dobry containers to create bird feeders. But who will feed the birds if they're not available? Dobry crafted a digital campaign in which users could go to the Dobry website and click to feed the birds. In parks, Dobry feed machines were set up and after every 25 clicks on the website, the birds were fed.



**Coke with Food**  
*Coca Cola (The Coca Cola Co.) - Starcom China, Shanghai*

Coke in China was struggling to capture the attention of young adults in snack outlets. To reintroduce Coke into the marketplace, it partnered with Zhejiang Satellite to produce a Coke primetime series. Coke was integrated into every show, which was a mixture of game show and travel and food program. This skyrocketed awareness and put Coke back on top in China.



**20 Percent More**  
*Duracell (P&G) - SGM LATAM, Puerto Rico*

Duracell's perception in the battery market had taken a hit as customers turned to cheaper alternatives. Duracell rewarded smart shoppers by giving them something more - 20% more to be exact. Duracell negotiated with TV networks to provide 20% more of their favorite shows. Customers could see and feel that Duracell offered 20% more value than its rivals, creating 4% sales growth and securing the top battery brand slot.



In 2009, we described the steps ZenithOptimedia had initiated to not just survive but to take advantage of the worst advertising downturn for over fifty years.

We redirected talent and resources into areas and geographies that would be more resilient and those that would be first to return to growth.

With our ubiquitous positioning as 'The ROI Agency', we anticipated that advertisers would be seeking a communications partner that could deliver the best possible media advantage. We believed there would be an increase in new business opportunities and that advertisers would look to maximise returns from their media investments.

As a result, we created a new global business development team made up of dedicated managers based in our regional offices. They were supported by a newly established 'Value Delivery' unit which was focussed on obtaining and delivering best value to our clients.

In order to ensure we could best counsel our clients on the optimal investment strategy, we augmented and expanded our econometric modelling unit - Ninah.

Since 2005, we have interviewed 470,000 consumers in 43 markets as part of our ROI 'Touchpoints'® proprietary research. At a time

when advertisers are pushing to achieve the maximum return on their media investment, we introduced a new Touchpoints online which provided automated animation of trends over time.

In addition, the ZenithOptimedia China Mega Touchpoints project (17,000 interviews across 10 categories and five city tiers) provided the largest and most ambitious project of its type in the fastest growing global market.

We implemented a new approach to the management of our client performance. This included the nomination of a dedicated global leader and monthly health check for the 15 largest ZenithOptimedia 'World Plan' clients.

We have been widely recognised as a pioneer in digital innovation. Having already established Zed as a subsidiary unit which provided a pure digital media operation, in 2010 we added the more specialised assets of Performics. Following the acquisition of Performics from Google in 2008, we were keen to exploit their performance marketing skills across our client basis.

#### The result of these actions ?

Probably the most successful year in the history of ZenithOptimedia.

We were able to win and deliver to a number of large multimarket clients, including Reckitt

Benckiser, Lactalis, Swatch, BBC and Aviva.

We were able to increase the scope and scale of our assignments across our 'World Plan' clients. Their revenues outgrew the market average by a factor of three.

Despite competitive reviews, we maintained and extended our relationships with both Sanofi-aventis and Telefonica/O2.

Our content capabilities in Newcast were extended to 14 markets, while our US digital agency, Moxie, concluded the year with their appointment to handle the L'Oréal digital media assignment.

We could not have achieved this success without the dedication and commitment of our management and staff.

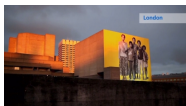
We were able to hire 300 additional executives during 2010, reflecting our strong growth. The majority were employed in our fastest growth areas - digital, content, analytics and in the BRIC markets.

Finally, and most importantly, the staff 'pulse' surveys that we conduct in our key markets showed improved confidence in their job satisfaction, motivation and belief that ZenithOptimedia has a clear market positioning, differentiation and competitive advantage.



**Coffee World of Nescafé**  
*Nescafé (Nestlé) - ZenithOptimedia (Romania)*

In an R&G dominated market, Nestlé's mission to fight consumers' lack of trust in soluble coffee took shape in the online arena. The launch of a social viral game platform allowed users to experience first-hand every step of instant coffee production, from seed to hot cup, while providing a relaxing, engaging environment. More than 50% of the Romanian online population were engaged and the 'Coffee World' project's success delivered great brand results for a fraction of standard media investment.



**You Are The Big Picture**  
*Aviva - ZenithOptimedia (Worldwide)*

In October 2010 Aviva launched its first global brand campaign, 'You are the Big Picture', marking the latest chapter in its commitment to putting individuals at the heart of the business. Featuring real stories of the people most important to Aviva - customers, employees, business partners and communities - the campaign used a range of innovative approaches, including wrapping landmark buildings and high impact public projections, supported by a social media and advertising campaign.



**Winter Is The New Summer**  
*Puma Apac - ZenithOptimedia (China)*

PUMA's Winter 09/10 campaign sought an unprecedented sales result with 40% less budget. We created 'Winter is the New Summer' - a big idea which strove to transform the muted, sombre image of winter into a joyful, energetic experience. Spanning every aspect of marketing, from ATL to in-store, to events and PR, the campaign was PUMA's most successful ever in Asia. Sales increased by 73% year on year in the key Korean market and PUMA rose by 54 places in Campaign Magazine's Top 1000 Brands Asia.



**T-Ford Offer**  
*Riding Boots (Tretorn) - Zenith Media (Sweden)*

Tretorn launched a revolutionary riding boot in this highly conservative and traditional category. We shifted the focus to youths aged 15-24, driven by fashion and a digital mindset. We established a digital platform where they could create their own design for their boots and compete as individuals, but also as members of their riding club. 54% of the target group participated and sales exceeded expectations by 170%.



### Turning Brand Perception into Brand Reality

It was a long time in the making, but 2010 brought about a fundamental shift in the way brands interact with customers. With that shift, our basic expectations of a brand have evolved. Communicating a brand promise is no longer enough. In an age of instant and amplified customer voices, the risk of not delivering on that promise has the potential to cause irreparable damage. As an agency Razorfish creates more than a brand perception: we help our clients transform perception into brand reality and move their business forward.

Authenticity and transparency are key in this new digital and technology-driven world. Brands that make good on their promise to deliver experiences, customer service and entertainment to customers in exciting and relevant ways will win.

### Constantly Shifting

Brands are adapting to an increasingly connected and social world. Social media will not be confined to campaigns; social will be a lens through which we solve client challenges. We have pushed into new ways to improve customer conversations with new and unique formats. For example, Razorfish recently launched a shopping application within Facebook for a major retail client; customers no longer need to leave the social network to make a purchase.

We are developing mobile apps, in-store experiences, mobile e-commerce and ad models for technology and devices that didn't exist a year ago. With a financial services client, we helped conceive and incubate a new startup, Bundle - a personal finance community that brings together and makes sense of a myriad of existing consumer spending data.

### Digital and Technology at the Core

Leading capabilities across search, digital advertising, interaction design, emerging media, analytics and technology have already established Razorfish as a differentiated player in the digital space. But the ability to seamlessly weave those capabilities to deliver captivating digital experiences has made us a leader. The integration of creative, media and technology seamlessly is essential to the future of marketing. No longer can a marketer think in one dimension. A marketer must start with the consumer needs and drive solutions that surround that customer with a creative interaction that expresses the brand in ways that delight, as well as inform.

Our founding mantra from 1995, 'Anything that can be digital will be,' has been realized. With clients such as The Hollywood Reporter, Razorfish proved that a digital strategy can pave the way, redesigning the iconic publication's online, iPad and print properties - a first for the agency.

### A Legacy of Innovation

At the core of our culture lies our talent. Razorfish is made up of over 2,000 talented individuals driven by innovation and experimentation. Proprietary thought capital such as the 2010 Outlook report, and Razorfish 5: Five Technologies That Will Change Your Business, on top of award-winning work, solidified our stance in the industry.

Even with dozens of trademarks and patents for digital solutions in our history, we constantly seek to develop new solutions and ways to interact. Our team created a proprietary touch application for use in classrooms to demonstrate the laws of physics, then took the concept further by making the experience touchless. This innate desire in our agency's culture to innovate has resulted in the creation of novel experiences for clients: in-store touch displays, augmented reality shopping and tailored mobile experiences.

This coming year brings a new set of opportunities, challenges, screens and touch points for brands as well as agencies. By focusing on delivering exceptional work and the brand promise, Razorfish will continue to lead clients to success.





**AXE Music Final**  
*Music Product Line (AXE) - Razorfish (USA)*

Razorfish developed the One Night Only Campaign, a series of small venue concerts featuring artists such as Weezer and O.A.R, to launch AXE's new Music fragrance. Razorfish created a Facebook page that invited fans to compete for tickets by generating votes from their friends. For those who could not attend the shows in-person, the agency created a microsite that featured video footage of the musicians on stage, a live backstage chat and an augmented reality game.



**Bundle Reel Narrated**  
*Bundle.com - Razorfish (USA)*

Razorfish collaborated with a financial social media start-up, Bundle, to launch its business. Bundle is a social media venture dedicated to helping people make smarter spending and saving choices, with Citigroup, Microsoft and Morningstar as its investors. Razorfish provided branding, identity design, product strategy, user experience, visual design, online marketing and technology development needed to launch a successful digital business.



**The Next Big Thing**  
*Audi 1 - Neue Digitale Razorfish (Germany)*

Neue Digitale/Razorfish developed a comprehensive digital campaign for the international launch of the Audi A1 - from viral films and social media, to marketing material and a microsite. On the website, Audi designers explain the features via video interviews. The style advisor helps the user to easily find the right Audi A1 for them, which can be almost limitlessly individualized. This form of customization is also realized as an interactive Surface Table application.



**McDonald's Kick The Trash**  
*McDonald's - Razorfish (UK)*

In a playful way, this viral campaign encourages youngsters to stop littering the area outside McDonald's restaurants. To accomplish this Neue Digitale/Razorfish let the users slip into the role of football players. They could map their own face into the video and kick the trash in the bin to win tickets for the Fifa World Cup in South Africa.





In 2010, Leo Burnett Worldwide experienced what, by any measure, was a remarkable year. With a relentless focus on creativity and our HumanKind philosophy, our results demonstrate that creativity not only has the power to transform human behavior, but is also a critical driver of a strong business performance.

Leo Burnett experienced strong growth from a wide variety of sources. We generated new business wins from a broad geographic and industry base and organic growth from existing clients, demonstrating that as our clients began to increase their marketing spend, they chose to spend it with Leo Burnett.

Nothing drives our brand more than our creative reputation and 2010 was truly a year when Leo Burnett, and our work, was showcased on the global stage. We made company history at the International Advertising Festival at Cannes, winning a record 52 prestigious Lions. We won Grand Prix at every major creative show in the world - 22 in total - were named 'Network of the Year' at the International Andy's, the New York

Festivals and the Shark Awards. And for the third year in a row, we were named number one agency in the 'All Gunns Blazing' category of the Gunn Report, which recognizes new world thinking. Most importantly, we have 31 offices contributing to our creative reputation, more than any other creative network.

From a people and talent standpoint we have continued to make the investments necessary to ensure our competitive edge. We have new agency leadership in Canada and China, both coming from within our creative organization. We have new regional leadership in Latin America and we have expanded our global Energy Pool to attract even more of the talent of tomorrow to join our agency, bringing innovative thinking to our clients. Our global leadership team represents our most critical markets and disciplines and is uncompromisingly focused on creativity and business success. Our investment in training didn't waver in 2010 and we look to triple that investment in 2011. We know we simply can't deliver outstanding creative product day after day without attracting and retaining top talent.

2010 marked a year in which we have chosen to invest in our brand. Mark Tutssel and I co-authored a book called HumanKind, which gave us a platform to tell the Leo Burnett story and showcase the brilliant work of our clients framed in HumanKind language, in a way that only we could.

And finally, 2010 was a remarkable year for Leo Burnett because, as we look ahead to a bright future, we also paused to look back and honor the 75th Anniversary of this great agency, an event appropriately themed, 'A Celebration of Star Reachers.' Our founder's legacy reminds us that great ideas can come from anywhere and anyone.

Together we will work tirelessly to achieve Leo's objective, and our own, to be the world's best creator of ideas that truly move people.



Bus  
*ING Direct* - Leo Burnett Milan

ING Direct in Italy realised that positive word of mouth from happy customers was one of the best ways of bringing new clients to the bank. So Leo Burnett Milan created live interactive billboards that turned the bank's customers into advocates. Real people posed against the billboards - one of them was even stuck to a bus side - conversing with passersby about the benefits of banking with ING. People loved the idea. After all, the customer is always right.



Magttraction  
*Tide (P&G)* - Leo Burnett Mumbai

A series of four print ads bring alive Tide's claim of being a Dirt Magnet. The visuals show people getting stains their clothes. But then readers notice an orange tab that reads 'pull'. When they do so, the Tide Dirt Magnet magically removes the stain. It's all done with iron filings and a magnet.



Favourable Lie  
*Bundy Rum* - Leo Burnett Sydney

Bundy is the thinking man's rum. The insight at the core of all its activity is: 'Guys want to create and share legendary stories that live forever.' The execution, Favourable Lie, depicted Bundaberg's founding fathers instilling wisdom in modern guys. By juxtaposing the founding fathers' grandiose achievements with today's relatively trivial issues, we helped guys understand the appeal of Bundy: a thread of ingeniousness runs from 1885 right through to their lives today.



Hidden Sound  
*Zoo Records* - Leo Burnett Hong Kong

Zoo Records champions the hidden sound of alternative music. To promote the label, we took 14 local indie bands and embedded their songs into QR Codes in the shape of animals that live hidden in the city. Scanning the codes reveals the songs and allows you to buy the CDs.





### Contagious ideas that change the conversation

Four years ago, when we set out to re-position Publicis Worldwide as a digitally-centric creative network, we set ourselves a mantra of becoming the agency network that best delivers *Contagious Ideas that Change the Conversation*. 2010 was the year in which these efforts started to pay off in a significant way, with growth coming from four areas: digital, top three markets, fast growing markets and better creativity.

Publicis revenues were buoyed by international new business wins such as Luxottica, Telefonica/MoviStar, Siemens Energy and Hilton Hotels plus growth from existing clients including Renault, LG, P&G, Citi, L'Oréal and Nestlé.

### Digital

Led by global CEO Jean-Philippe Maheu, who joined us early in the year, Publicis Modem delivered nearly 20% of Publicis Worldwide revenues, up from only 2% four years earlier. The digital network is growing faster than the market with new clients Subway, Cartier, Macau City of Dreams, BUPA and Edenred.

We expect to see this trend continue towards our end 2012 target of 30% of revenues from digital. Also on the digital front, branded-content company Publicis Entertainment built the largest branded TV network platform in Europe for Renault with a potential audience of over 20 million.

### Top three

With the majority of global new business decisions made in the US, France and the UK, strong operations in these markets are critical.

Publicis USA had a strong new business year, winning 23 new clients and assignments including Hilton Worldwide's global marketing and HHonors loyalty programme, Target and Nestlé's Dolce Gusto; and significant growth through existing clients such as Citi, P&G (Oral Care and Family Care) and General Mills.

In our home market of France, Publicis agencies continued their success of recent years. In 2010 they were named *Agency of the Year*, *Digital Agency of the Year* and *Group of the Year*. They retained Orange in a hotly contested review, as well as winning Luxottica and iconic French brands Descamps, Aeroports de Paris, RATP, La Halle, Ministry of Finance and FNAC.

Publicis in the UK continues an impressive turn-around. In 2009 it topped the local new business league and this year added Nestlé's Maggi, BUPA, Randstad, Britvic, Barratt Homes and SCA global baby care. It was also shortlisted for Campaign's Agency of the Year.

### BRIC and beyond

In Brazil, two recent acquisitions - leading advertising group Talent, and AG2, one of the

largest independent digital agencies - will make Brazil the third largest market for us by the end of 2011. We expanded our operations in China with the acquisition of Nestle agency G4 in Beijing on top of excellent organic growth from our Shanghai base. Elsewhere, we finalized acquisitions in the Balkans to take control of our operations in Romania.

In 2009 Publicis launched in West Africa with world-class leadership, and in 2010 delivered an impressive 50%+ growth, landing assignments for P&G, Vodafone, Western Union on top of Nestle. Importantly, in the growth region of Asia, Publicis catapulted into Campaign Asia's regional top five new business league - up from number 17 in 2009.

### Creative Revival

The journey towards becoming a top five creative network by the end of 2012 continues as investment in top creative talent pays dividends. Publicis was the most awarded network at The Cristal Festival. It was the second most creative network at Cresta and Eurobest and did very well at the Golden Drum and at Epica. The network jumped three places in The Big Won global rankings issued in January 2011. There is a lot more work to do, but we are on the right track.

We look forward to making 2011 a year of even more Contagious Ideas.



Ride  
*Burn (The Coca Cola Co.) - Publicis Mojo (Australie)*

Made in collaboration with LA skate legend Steve Berra, Burn uses real fire and skaters from a street skateboarding collective in Mexico City. It follows the skaters from dawn until dusk as they cross the city, catching fire as they pick up speed and perform tricks and stunts. The film sets out to capture both the sense of community and individualism synonymous with the pursuit.



PMU Get's into Sport  
*PMU - Publicis Conseil (France)*

In June 2010, the market for online games in France opened to competition. It was therefore quite natural that the historical operator of Horse Race betting, PMU, turned to sports. Publicis Conseil & Publicis Net agencies delivered a creative, punchy 360° campaign highlighting its new offer as well as its new communication territory - more fun, more entertaining in order to be legitimate in the world of sports betting whilst never losing its essential character.



Wristbands  
*Swatch - Publicis Brazil*

To launch Swatch's new Colorcode collection Publicis Brazil transformed simple party bracelets, used to identify guests at parties and events throughout the world, into wristbands shaped like the new Colorcode collection watches. The idea was launched at the best parties and nightclubs in Brazil, finally reaching one of the most famous events in the world: Rio de Janeiro's Carnival.



Axa Brings Print to Life  
*Axa - Duval Guillaume (Belgium, Publicis Worldwilde)*

Axa is the first insurance company in Belgium to launch an iPhone application. Their iPhone app helps you out when you have a car accident. Such an innovative product deserves an equally innovative launch. So Duval Guillaume created a print ad that came to life when you held your iPhone over the image.



Creativity, springing from an unshakeable belief and clear direction, is the only way to thrive in tough times. Saatchi & Saatchi's unshakeable belief is Nothing Is Impossible.

Its role was clear for Toyota's recall programme. The 'Swagger Wagon' campaign, created by our LA office for the new Toyota Sienna, saw market share jump 3% in the first month. Conill's 'Somos Muchos' campaign, saw favourable opinion of Toyota rise 13% and purchase consideration by 8%. And Sydney secured Toyota's number one status in rural Australia with its 'Nothing Soft Gets In' campaign.

Our creativity led to over 500 awards. At Cannes we picked up 32 Lions. Del Campo Nazca Saatchi & Saatchi Argentina won nine including a Grand Prix for Andes Beer 'Teletransporter'. Sydney's seven Lions included five Golds for Toyota 'Nothing Soft Gets In'. Our creativity translated into top effectiveness awards. New York picked up three gold Effies for MillerCoors High Life '1 Second Ad', and another for JCPenney 'Beware of the Dog House'.

Del Campo Nazca Saatchi & Saatchi, Badillo Nazca Saatchi & Saatchi, Publicitas Nazca Saatchi & Saatchi, Conill, LA, and Saatchi & Saatchi X, UK, were all named Agency Of The Year. Also, Ad Age named Del Campo Nazca Saatchi & Saatchi International Agency Of The Year and Conill Multicultural Agency Of The Year.

The clear direction our creativity springs from is embodied in Lovemarks and defined by 2010's creative agenda 'The Expressway to Love'.

Our Lovemarks Academy attracted many senior clients. Against the trend, the turnover of AMR Lovemarks research has increased by 20% in 2 years. In 2010, we completed 95 research projects in 26 countries, for our own and other clients.

Lovemarks is highly influential in new business success. Key wins in 2010 included Lurpak (global excluding UK); Coca-Cola, for Latin America through Argentina; Sony PlayStation, Sony Cyber-shot, Latin America/Hispanic through Conill/Argentina; Honda, Petrobras in Brazil; Chivas, Chrysler in China; Danske Bank in Denmark, Harley-Davidson in India; Sanitarium, NZ Electoral Commission in New Zealand; Coca-Cola non-carbonated beverages, Twinings, Dixy in Russia. Significant organic new business gains came from Diageo/GTME, Cadbury/Kraft Foods, Mead Johnson, Novartis, Procter & Gamble, Sara Lee and Toyota.

'The Expressway to Love' is a creative agenda and direction. It's also a strategic weapon in today's creative and media landscape. This was reflected in new talent hires in 10 key markets to further enhance our digital offering. Integrated and digital campaigns for Toyota in the US and P&G Ariel in Western Europe were two highlights. Another was the award-winning Toyota Ecodriving 'Glass of Water' campaign by Saatchi & Saatchi Sweden.

'Glass of Water' epitomises how Saatchi & Saatchi S's True Blue philosophy is being applied increasingly to existing client business. And it's winning new business in its own right, such as Vestas, the world's largest wind turbine company. Saatchi & Saatchi X opened up in Mumbai, Moscow, and São Paulo.

One of a number of key hires was Dina Howell as CEO Worldwide of Saatchi & Saatchi X. Robert Senior was appointed Chairman of the Worldwide Creative Board and CEO, EMEA.

2010 saw two more manifestations of Nothing Is Impossible.

We wanted our 20<sup>th</sup> New Directors' Showcase in Cannes to be introduced by the legendary Paul Arden, who'd introduced the first one. Unfortunately, he'd passed away in 2008. But we still found a way to have him appear on stage.

At a party in September, we celebrated 40 years of Nothing Is Impossible with 1500 guests and Charles and Lord Maurice Saatchi, the originators of our unique spirit. 40 years of knowing how dangerous it is to just focus on survival, and how it makes sense not to hide in the harbour, but to sail through the storm.



**Teletransporter**  
*Andes Beer - Del Campo Nazca Saatchi & Saatchi (Argentina)*

'Teletransporter' was created to promote Andes - one of Argentina's leading beer brands. It's a revolutionary idea capable of doing the impossible. The invention provides an 'escape' for men when they're out with their friends. If your girlfriend calls while you're in the bar, just step into the 'Teletransporter' sound booth, and select one of 1,000 ambient sounds, such as being stuck in traffic, or working out at the gym. The idea was not only a huge success in Argentina, but across the world.



**Swagger Wagon**  
*Toyota Sienna - Saatchi & Saatchi USA: Los Angeles*

No one really wants to own a minivan, but they do, because it's the right vehicle for families. So it was a huge challenge for Toyota to get parents to actually desire the newly redesigned Sienna. But by showing parents just how awesome they can be, Toyota spotted an opportunity that would make the minivan the star of the blogosphere and a YouTube sensation. The idea was fun, sassy, audacious and spread like wildfire, with 8 million+ views. Even people without kids wanted a 'swagger wagon'.



**My Computer My Stage**  
*HP - Saatchi & Saatchi China*

For the last 3 years, Saatchi & Saatchi and Hewlett-Packard have transformed Chinese youth culture through the integrated campaign 'My Computer, My Stage'. As a platform for creative expression, the campaign has tapped into design, music and film. To date, more than 15 million youth have participated in the campaign over the 3 years. For last year's campaign, youth came together to create a collaborative film that was actually aired in theatres around China.



**Pee in the Shower**  
*SOS Mata Atlantica Foundation - F/Nazca Saatchi & Saatchi Brazil*

SOS Atlantic Forest Foundation asked for an awareness-raising campaign about the preservation of natural resources. The insight of the campaign consists in reducing the use of water, inviting the public to adhere to the habit of peeing in the shower. Avoiding at least one flush per day saves up to 12 litres, which represents 4,380 litres of water per year.



Chris Foster - CEO, Fallon North America  
Gail Gallie - CEO, Fallon London



2010 was an incredible year for Fallon Minneapolis, with impressive new business wins: Cadillac, H&R Block and The Cosmopolitan of Las Vegas. And amazingly, all this new business was won without a pitch.

Fallon also strengthened its business with key existing clients: Travelers, Purina, NBC and General Mills. Clients in new roles with new companies chose to return to Fallon, citing the fact that they had done the best work of their careers with us. Overall, 2010 was a year of phenomenal growth, with the agency increasing revenue more than 30%.

We continued to develop our digital acumen and are now digital by nature, not design. This has been celebrated not only by our clients, but in the industry as well, with our digital work for Syfy Channel being awarded at Cannes and many global media award shows.

The agency continues to flourish behind the founding principle of outsmarting, not outspending, the competition, and the belief that brands should be generous and give as much as they take.

Fallon London saw major change in 2010, with two of its founders, Chairman Laurence Green and Executive Creative Director Richard Flintham, leaving the agency in the autumn. They were replaced in October 2010 with a new CEO, Gail Gallie, a former client of Fallon, who presided over a rapid senior management reorganization with particular focus on the creative department.

Fallon also appointed Matt Groves its Director of Output - a significant hire, because Matt was the Digital Director at Goodby. So far at Fallon, he has accelerated the happy spread of digital thinking across and throughout the agency.

Despite these changes, we had a good business year, being elevated to the global Nokia roster, as well as continuing to handle the whole of the Cadbury business in the UK. Creative highlights included work for French Connection, the Cadbury 2012 Spots v Stripes campaign, Skoda Fabia, Orange Gold Spots, Eurostar, and multiple work across the BBC portfolio.

Fallon London aims to produce the best work, and to become the best place to work, in the world. It has always believed, and will continue to believe, in the unreasonable power of creativity to fuel both culture and profit.



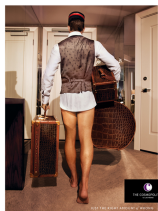
**Made of Meaner Stuff**  
*Fabia VRS (Skoda) - Fallon London*

Fallon's latest campaign for Skoda reveals the meaner side of the Fabia VRS. Filmed in Skoda's native Czech Republic, the advert replaces the famous 'Cake' ad with a much tougher, darker and more technologically-enhanced production. The new campaign includes national, consumer lifestyle, sports and motoring print advertising as well as a significant schedule of cinema advertising, PR, online, digital and social media activity.



**Eat Meat Dress Well**  
*French Connection S/S 2010 - Fallon London*

Fallon has launched its latest global advertising push for French Connection's Spring/Summer collection, which will run across TV, digital and print. The work follows last year's award-winning campaign that introduced The Man and The Woman across all channels and in-store branding. The campaign also includes a number of print executions that will run in the fashion press, and in-store branding including shopping bags, window design, wall design and audio.



**Bellboy**  
*The Cosmopolitan of Las Vegas - Fallon Minneapolis*

The 'Just the Right Amount of Wrong' campaign, like The Cosmopolitan of Las Vegas itself, was designed to be the antidote to 'What happens in Vegas stays in Vegas.' The campaign, and the new \$4 billion luxury resort, promises an experience that leaves visitors with stories worth telling. This provocative campaign uses lavish visual imagery and storytelling to give intriguing dimension to 'Just the Right Amount of Wrong.'



**Greenback**  
*Tax Prep (H&R Block) - Fallon Minneapolis*

H&R Block believes people should never settle for less than the best when it comes to getting their taxes prepared. The best service, the best expertise, the best chance at getting the most back at tax time. Whether you go into one of over 10,000 retail locations or file yourself online with H&R Block at Home, H&R Block is committed to making sure that the service, experience and results are best in class. H&R Block. Never Settle for Less.

## KAPLAN THALER GROUP

Linda Kaplan Thaler, CEO and Chief Creative Officer  
Robin Koval, President



Simply put, 2010 was the strongest, most successful year in the history of the Kaplan Thaler Group. We started the year with the belief that challenge ignites momentum. This philosophy served us well and was a driving force in all aspects of our success.

In addition to exceeding our financial goals, we successfully absorbed the culture-changing impact of the Wendy's business, received record high evaluations from key clients including Pfizer, P&G, Champion, and U.S. Bank, and significantly transformed and expanded our digital offering. Last but not least, we undertook an extensive re-branding effort that included moving to 1675 Broadway and designing a space that truly reflects the modern total communications company that we are today. Our new branding builds on our 'Bang!' heritage in a way that is sophisticated, ownable, and will adapt to our future needs.

Significant growth came from the expansion of our digital assignments including becoming the digital creative agency for Wendy's, NAPA, and Continental. The Kaplan Thaler Group also expanded its digital involvement with P&G (Global Dish Project), and U.S. Bank. With 15% of our staff now dedicated to digital, we launched a CRM practice and added expertise in social media strategy/content. We completed a reorganization of the way digital assignments are handled to

ensure that thinking and acting digitally is an organic part of everything we do. Of significant importance is the recognition Kaplan Thaler is receiving for its digital success in the marketplace. In 2010, we won two coveted Webby Awards for our website redesign on behalf of Aflac. We also won several Internet Advertising Competition (IAC) awards for Aflac, Trojan and Wendy's, including 'Best Restaurant Interactive Application' and 'Best Restaurant Rich Media Ad.' Fast Company recognized Wendy's for having the best 'social media currency' among the fast food chains.

On the new business front, we resumed working with marquee client Aflac in partnership with Digitas and MediaVest. We also won major pharmaceutical business including significant assignments from Shire and Pfizer. New business activity was at an all time high at the end of 2010. We kicked off this year by winning the SUPERVALU account, a Fortune 500 leading grocery retailer. In partnership with Razorfish, we also won Sheraton Hotels.

The Kaplan Thaler Group continued to benefit from its noteworthy public profile. We were ranked number 30 by Advertising Age and among the top 3% in growth. Media visibility for the Kaplan Thaler Group and its leadership included the Aflac advertising case study featured in The Harvard Business Review, quotes in The New York Times,

USA Today, Forbes, Fast Company and appearances on MSNBC, CNBC. Industry trade coverage highlighted Kaplan Thaler's digital efforts and the success of P&G's Dawn's Wildlife campaign. Advertising Age named Dawn one of America's Hottest Brands for striking the right balance between cause marketing and brand awareness. Ace Metrix named the Dawn wildlife campaign the second most effective ad of the year. In addition, Robin Koval and Linda Kaplan Thaler are featured contributors on Huffington Post, the leading global blog.

We are especially proud that Robin Koval will be receiving the prestigious 2010 Matrix Award from New York Women in Communications. Earlier in 2010, Robin was named one of '20 Amazing Women Entrepreneurs' by Blogtreprenuer. Self-Made Magazine also featured Robin in its cover story, '50 Women Entrepreneurs Who Inspire Us.'

The strong momentum that we experienced throughout 2010 is continuing to build in 2011. We are inspired by all that we have done to transform our own brand as well as those of our clients. Our passion and enthusiasm for what we do, and what we have yet to do will continue to propel us forward.



**Fry For All**  
*Wendy's New Natural Sea Salt Fries - Kaplan Thaler Group (USA)*

When Wendy's debuted its Natural-Cut Fries with Sea Salt, it was their largest product overhaul to date. And with the help of the Kaplan Thaler Group's dynamic social media campaign, it was also a huge success. 'Fry for All' encouraged Wendy's Facebook fans to 'share' fries by offering free coupons and instant prize giveaways. Within eight weeks, 50% of Wendy's Facebook community members had used the application and daily 'Likes' doubled, with 112,602 participants and 3.5 million paid impressions.



**Greener Planes Mean Bluer Skies**  
*Continental Airlines - Kaplan Thaler Group (USA)*

Through its continued work with the Kaplan Thaler Group, Continental, now merging with United to form the world's largest airline, has maintained its position as the go-to airline for international business travelers who 'Work Hard. Fly Right.' The airline's latest digital efforts took this message to a new height. Leveraging Continental's ongoing green 'Eco-Skies' commitment, banner ads highlighted a new, low-emission, fuel-efficient fleet that makes business travel literally 'a breath of fresh air.'



**Don't Kid Yourself**  
*Lipitor (Pfizer) - Kaplan Thaler Group (USA)*

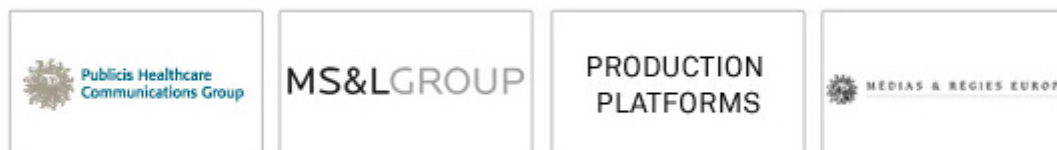
The Kaplan Thaler Group has long been Pfizer's top direct-to-consumer partner and its recently-launched fully integrated campaign for Lipitor illustrates why. 'Don't Kid Yourself' communicates in a compelling way that exercise and healthy diet aren't always enough to reduce high cholesterol. Lipitor, shown to lower bad cholesterol and FDA-approved to reduce the risk of heart attack and stroke in patients who have heart disease or risk factors for heart disease, may help.



**One Bank For All**  
*U.S. Bank - Kaplan Thaler Group (USA)*

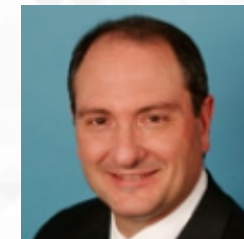
As the nation's fifth-largest bank, U.S. Bank provides its customers with superior-and personalized-service. The Kaplan Thaler Group's 'All of us serving you,' tagline and brand platform elegantly explains to consumers how they do it. This mission is further emphasized in the agency's latest 30-second TV spot, 'One Bank for All,' which captures attention and drives traffic to their website with one simple idea: whether your business is global or your world is local, U.S. Bank is there to help.





# PUBLICIS HEALTHCARE COMMUNICATIONS GROUP (PHCG)

Nick Colucci, CEO and President



Publicis Healthcare Communications Group (PHCG) transformed the network in 2010 by advancing our business model and delivering new services and strategic alignment to help clients meet growth challenges. PHCG increased its presence in emerging markets, while expanding the focus on digital, multichannel, and interactive marketing capabilities around the world.

For the second year in a row, PHCG exceeded year-over-year new-business revenue, including global clients tapping multiple network agencies. This was also the fourth consecutive year of growth in digital revenue in non-CSO (contract health organization) businesses. The network strengthened relationships with clients such as AstraZeneca, sanofi-aventis, Bristol-Myers Squibb, Pfizer and Merck, and further expanded its regional work with Abbott, Boehringer Ingelheim, Daiichi Sankyo and Astellas.

PHCG achieved solid expansion into new and emerging markets, in line with its growth strategy. We expanded our position in China and made our first foray into India, transferring Saatchi & Saatchi Focus into PHCG under the Saatchi & Saatchi Health banner.

PHCG grew its digital presence, pioneering emerging technologies through: 1) Expanding digital strength at our traditional advertising and branding agencies, including acquisitions, such as

Elevator, which became part of Saatchi & Saatchi Healthcare London. 2) Growing the global presence of our pure-play digital agency Publicis Healthware International, by merging it with iMed Studios and acquiring German-based Digital District.

In 2010, we expanded the global structure of our flagship advertising brands, Saatchi & Saatchi Health and Publicis Life Brands, while maintaining strong regional brands. With an emphasis on multichannel expertise, including digital and social media, PHCG's advertising and brands units delivered the most relevant information when and where customers want it most.

Publicis Medical Education Group (PMEG) has become the next-generation medical education company, serving multinational clients through its five core brands. We streamlined the sales and marketing offering at Publicis Touchpoint Solutions, creating a dynamic and multi-dimensional organization. The team partnered with Sermo on a survey examining how well the biopharma industry is fulfilling its value proposition to physicians, as well as healthcare professionals' attitude towards emerging digital and social media.

Through a new offering at PHCG's Cortex Healthcare Marketing and Central Strategy & Analytics (CS&A), we are expanding our client-centric approach. We offer tailored business solutions and customer insights, from

analytics-driven promotional strategy to integrated communications channels that are both audience and channel agnostic.

Our growth was recognized by Advertising Age, which ranked PHCG as the top healthcare agency network by revenue. The network's outstanding work also netted over 60 awards, and we had four network leaders named to PharmaVOICE's '100 Most Inspiring People' - a first for the publication and any health network.

PHCG is poised to deliver in tomorrow's healthcare world. The industry has shifted in its approach to global branding, with companies demanding greater efficiency and effectiveness. Recognizing this trend, PHCG is centralizing; mimicking its clients' needs and ensuring all global campaigns are aligned. PHCG will also expand its footprint in the health-emerging markets and key growth regions as our clients look for new areas of growth.

In 2011, PHCG will continue its transformation to a digitally focused, interactive multichannel organization. The network will also continue its incorporation of stronger customer insights, enabling brand teams to uncover the transformational insights that lead to bold new ideas.



Fade Campaign  
*Seroquel XR (AstraZeneca) - Saatchi & Saatchi Wellness US*

Saatchi & Saatchi Welleness' 'Fade' campaign is a 90 second broadcast and print campaign for AstraZeneca's Seroquel XR. Seroquel treats bipolar disorder and schizophrenia, and this campaign illustrates the emotions of an individual suffering from the disease. The campaign shows patients fading into the world around them, unable to engage in their daily lives. For its effective portrayal of the patient experience, 'Fade' won many awards including the MedAdNews' 2010 Manny Award for Best Consumer Advertising Campaign.



Hero Baby 25<sup>th</sup> Anniversary  
*Hero Baby - Publicis Life Brands Spain*

This 57 second promotional video was produced by Publicis Life Brands Madrid to celebrate the 25th anniversary of Spain's Hero Baby, made by Hero España. The goal was to remind their target audiences-parents and pediatricians-about the quality and nutritious values of Hero Baby products, as well as to thank them for supporting Hero Baby products. This commercial features various images of mothers and their babies interacting in a loving manner to support the overall 'Hero Baby' anniversary theme.



Germ Kill  
*Betadine (Sanofi Aventis Consumer Health) - Saatchi & Saatchi Health Australia*

The 'Germ Kill' campaign is a 15 second television spot created by Saatchi & Saatchi Health Australia for sanofi-aventis Benadine. Betadine gargle is an iodine-based compound that treats inflammatory conditions of the mouth and pharynx, and battles sore throat. 'Germ Kill' uses digital animation to illustrate the power of Betadine to eliminate viruses. It ends with the tagline: 'We don't care where viruses go after they die - we just kill them.'



Pagine Mediche.it Glossary  
*Publicis Healthware International - Publicis Healthware International*

This 35 second video demonstrates the paginemediche.it Glossary, an application for the Apple iPhone and iPad. The application is powered by paginemediche.it - the health portal of Publicis Healthware International - and provides informational services to health-related professionals. The application was part of a multi-channel communication approach to encourage greater involvement and engagement with its users.



### The Conversation Economy, and the year in review for MSLGROUP

In November of 2009, the Publicis Groupe combined all of its Public Relations, Financial Communications, Experiential/Events assets under one brand, MSLGROUP, to create a global powerhouse and one of the top five networks in the category. In 2010, as the lines between advertising, digital and PR grew increasingly blurred, we were busy shaping our offering to combine PR's authentic and credible storytelling tradition with the cross-channel attributes of digital marketing and the theatre of advertising. This delivers an 'Art + Science' approach that will help our clients evolve their organisations into the engagement engines that will become the hallmarks of today's conversation economy.

### Emerging markets were high on our agenda

In India we acquired two agencies, 2020 MEDIA and 20:20Social, establishing MSLGROUP there as the indisputable leader in PR, Social Media and specialty communications. In China we invested in the country's top independent PR agency, Eastwei and brought them into the MSLGROUP family. In Poland we absorbed 180 PR and are today busy reshaping our Warsaw office as an important hub for us in Central and Eastern Europe. And finally in Brazil we took majority ownership of Andreoli, a move which provides us with a key launch pad for our growth plans in South America.

### Social media continued to redefine our business and industry

2010 saw us make significant investments in the social media space. In the Americas we hired Steve Marino as North America Director of Digital. As one of the first true innovators in social media, Marino led social media strategy for the BP oil crisis just prior to joining MSLGROUP. In Asia we lured social media evangelist and author of one of Ad Age's top 150 marketing blogs, Gaurav Mishra, to the role of Director of Digital there. Meanwhile in EMEA, we launched our regional digital practice, bringing together 70+ staff across seven hubs under the direction of Stanislas Magniant, servicing clients including P&G, Carrefour and GDF Suez.

### Increasing collaboration and growth

These were two key focus areas in 2010. As a result - despite a still harsh economic environment and our first operational year as a single company - in 2010 we saw double digit growth in our New York, Chicago, Washington DC, Seattle, Stockholm, Geneva, London, China, India, Japan and Singapore operations. Our Asia operation delivered more than 30% organic growth. The global economy of course remained sluggish, but in 2010 MSLGROUP combined won significant global new business including major assignments from World Gold Council, Air France, UPS, the Swiss Banking Association and ICBC - the world's biggest bank - to name just a few.

### Outstanding Client Work

With a platinum client list including P&G, Coca-Cola, Microsoft, Sanofi-Aventis, China's IABC and Carrefour, nearly 75% of our largest global clients are served by more than five MSLGROUP offices and several practice groups around the world. This year, the MSLGROUP has worked on some of the industry's most impressive and assignments including the World Economic Forum in Davos, the merger of United/Continental airlines, the Dawn Saving Wildlife Program (as a result of the Gulf oil spill) for Procter & Gamble, communications for the Bill and Melinda Gates Foundation, Shanghai World Expo (PR for the Expo in Europe, and handling the Opening and Closing ceremonies), the launch of Pop Tarts World in Times Square and the First Coke of the Year Campaign in China.

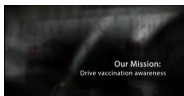
We look forward to a dynamic, creative and engaging 2011.





**Elevating The DSC Jaipur Literary Festival To the International Stage**  
*DSC Jaipur Literary Festival (TeamWork Productions) - Hanmer MSL (India)*

DSC JLF is a popular national literary hub for writers, publishers, media, critics and book lovers in India. In 2010 the organizers gave the agency a tough challenge: changing the perception of the festival to echo its founding ethos of being 'free and open to all' while raising its profile globally by aligning it with established international literary events. Hanmer MSL strategized and executed a highly creative and integrated campaign which achieved results beyond expectations.



**Driving Awareness Of The Pneumococcus Vaccine**  
*Pneumovax (Merck Sharp & Dohme Corp.) - MSL Japan*

Pneumonia is the fourth largest cause of death in Japan, yet studies showed that there was low awareness among the elderly of the fact that pneumonia can be prevented. MSL Japan was asked to address both low consumer awareness as well as improve government vaccine support for Pneumovax, Japan's only vaccine for pneumonia. The agency's insights-driven educational programme targeting consumers and stakeholders not only increased vaccination rates but also local government funding.



**'Take It Easy' Comic Book**  
*Société Générale - Publicis Consultants France*

As part of its diversity plan, Societe Generale wanted to recruit 50 mobility-impaired employees and ensure that they truly felt part of the company. The result? A fun comic book that takes a tongue-in-cheek look at mobility issues from a disabled person's perspective.



**Pop Tarts Store Times**  
*Pop Tarts (Kellogg's) - MSL New York*

Pop-Tarts, an iconic brand that continues to inspire excitement and passion among consumers and fans after almost 50 years, was poised to open its first retail store and café in NYC's Times Square to create the ultimate interactive brand experience for families.



## The Efficient Global Mousetrap

Despite the economic rebounds made in 2010, marketers continue to echo the prevailing maxim of do more with less. Globally, companies of every shape and size are seeking solutions to market themselves more efficiently. Making budgets work smarter is the mode of today and tomorrow. As such, the movement to a decoupled production framework continues to gain momentum. Mundocom Marketforward and WAM are ideally positioned to serve this industry shift.

## Brand Logistics - Creating a Malleable Advertising Supply Chain

At its heart, advertising is a basic manufacturing process: its raw materials are brands and creative ideas, and its output is interest, desire, preference and loyalty. To succeed, manufacturers must grow beyond the basic processes. Strategies like centralization vs. decentralization and just-in-time inventory management were created to gain competitive advantage. A marketer must also adopt new strategies and techniques for getting the brand materials down the line and into market. But how does everything remain adaptive across the many parameters: brands, campaigns, audiences, geographies and a myriad of other points of differentiation?

Herein lies the unique value that Mundocom provides to its global clients - custom brand logistics solutions that leverage:

- Offshore capabilities of our Chesteroc Ltd. facility in Mauritius: The potential cost-savings of producing advertising offshore is worthless if brand equity is put at risk. Mundocom has carefully orchestrated the integration of its facility in Mauritius to ensure brand consistency across all media channels and build complete transparency into every stage of the production process.
- Optimized production workflows and web-based campaign management tools developed by our fellow company Market Forward. These technologies are integral for successful production delivery to initiate, monitor, control and expedite processes. The Q1 release of BrandVault 6.0 will bring innovative new capabilities for creative asset management and distribution, as well as keeping us several steps ahead of the competition.
- The extensive expertise of our global staff of experts in cross-media production-now over 700 people strong.

## 2010 Highlights for Publicis Groupe Production Platforms

Mundocom continued to augment and mature its production capabilities across media channels and around the globe.

In 2010, we added capabilities in the three major cities of Italy (Milan, Turin, Rome) and expanded the presence of WAM broadcast and post-production services into the UK. In the US, we strengthened our New York City presence with the addition of key staff, enhanced capabilities and more new clients.

## Delivering Value to Our Clients

2010 brought our vision for advertising production to life in the form of new relationships with Toyota, Fagor, Newell-Rubbermaid, Pierre & Vacances, UBS Investments, PPG Industries, Sara Lee, Anheuser-Busch, Homebase, nGenX, Cohn & Wolfe and many others. Work with Sanofi-Aventis, Renault and L'Oréal is the result of our integration with Publicis Groupe agencies, with each account growing significantly in 2010.

## Feeding the Momentum into 2011 and Beyond

Mundocom offers the most compelling and competitive brand asset production solutions in the market. Brands and marketers are receiving the Mundocom message positively and find it compelling on various levels. It's rewarding to see our strategies help so many brands succeed, and we look forward to reaching more brands and seeing the compounded benefits of Mundocom's powerful evergreen solutions.



**Heineken's Paper Bottle**  
*Heineken - Mundocom France*

Mundocom worked for the agency Publicis Conseil on this Heineken campaign. Mundocom retouched of the beer bottle, worked on the prepress (execution and repro) of the ad and then printed the communication materials for press, posters and bus shelters.



**Driving Jeep iPad Banner**  
*Jeep (Leo Burnett) - Mundocom Digital France*

Mundocom's digital department worked with Leo Burnett on this Jeep advertising campaign for the iPad. Mundocom digital developed an HTML5 animated banner for the Paris Match e-magazine.



**French Touch for Twingo Gordini**  
*Renault - Mundocom Image*

For the launch of the new Twingo Gordini, Renault wanted to develop a close association between the car and the city of Paris. Mundocom Image produced seven pictures giving the car the French touch. For each photograph, the car was reworked using Computer Generated Images (CGI).

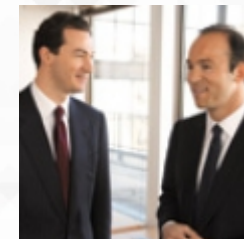


**An Introduction to Induction**  
*De Dietrich - Mundocom France*

For the launch of De Dietrich's new induction hob Mundocom designed and produced the distributor booklet (1,500 printed) and the client leaflet (10,000 printed). Mundocom realised pack shots, mock-ups, texts, prepress and printing of the communication materials.

## MÉDIAS & RÉGIES EUROPE (MRE)

Simon Badinter, Chairman & CEO Médias & Régies Europe and North America  
Benjamin Badinter, Chairman & CEO Médiavision, Executive Vice President Métrobus



Médias & Régies Europe did very well in 2010, with double-digit growth in sales (which returned to their level of 2008) as well as income.

Metrobus won the bid to operate the ad spaces of the RATP (the Paris regional transit authority) and thus renewed the Group's historical concession for a period of nine years. During the year, the company entered into agreements with Strasbourg, alongside the Veolia group, and won the Mulhouse bus concession. In addition, Metrobus pursued its policy of innovation, particularly in installing hundreds of digital billboards in the Paris Metro.

A new staff completely dedicated to train stations led to the spectacular rise in sales of Mediatisports (Mediagare and Mediarail). This was supplemented by the solid showing in state-of-the-art devices (Expo Gare) and in event-related media.

2010 was a turning point for French cinema. Quality films attracted record-breaking audiences (the previous record dated back to 1967), with more than 206 million moviegoers. Mediavision rode this fast growth and got a boost from 3D, while continuing to expand its portfolio of clients wanting to advertise at the cinema. By the end of December, Médiavision was able to provide digital services to 810 screens. The company benefited fully from its marketing strategy, which aims to raise media impact through 3D and film follow. Its Dutch subsidiary is doing much the same.

There was other good news. Mediavista's network of spectacular billboards, which specialises in shopping centres, has carved out a place in the ad market. Médias & Régies Europe has undertaken an aggressive strategy to expand this offer in the US in the near future: Régie 1 posted double-digit revenue growth; Somupi did well despite a decline in the

number of Vélib users; revenues rose rapidly at our ad kiosk subsidiary based in Cleveland, Ohio. The only dark spot was the media sector (Le Monde Publicité and Espace Libération), which continued to see tough times.





'Nothing to Declare'  
(Pathé-distributed film) - MediaTransports

For the release of the film Nothing to Declare, MediaTransports' train station unit transformed an entire platform at Paris's Gare du Nord into an imaginary customs post on the French-Belgian border. This included outfitting three transit shelters with French and Belgian coats of arms and flags, personalising shelter seats with photos of the film's stars, Dany Boon and Benoît Poelvoorde, installing a customs barrier at the head of the platform, and laying down floor markings.



'Expos Gares', a unique network of train station billboards  
MediaTransports

'Expos Gares' is a network of billboards set up by MediaTransports' train station division in Paris's six main train stations and in major stations elsewhere in France. This network offers advertisers an emerging high-visibility event-focused medium made up of 12m<sup>2</sup> panels suspended from the stations' vaulted ceilings.



France's top digital network  
NumériFlash - Metrobus

Metrobus has developed an innovative medium consisting of 400 2m<sup>2</sup>, 70-inch HD screens in 90 Paris underground (Métro) and suburban rail (RER) stations. NumériFlash is the first outdoor advertising network that addresses the advertiser's target audience, for example, business customers during peak hours and young people in the evening. NumériFlash is highly flexible in offering numerous creative possibilities that are bound only by the imagination of advertisers and their agencies.

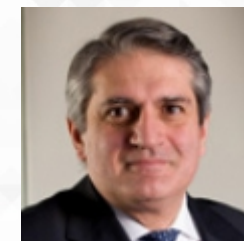


Ikea transforms Paris underground stations into living rooms!  
Ikea - MediaTransports

Metrobus offered underground riders a chance to discover and test Ikea furniture in an unexpected setting: the Paris underground! For 15 days, about 100 chairs and sofas were set up on the platforms of four Métro stations in the heart of Paris that were chosen mainly for their heavy foot traffic. To add to the atmosphere, the stations were completely fitted out in Ikea livery.

# SHARED SERVICE CENTERS

Jean-Yves Naouri, COO, Publicis Groupe



As the global economy, agencies and their clients emerged from an unprecedented slump in 2010, Publicis Groupe was provided with further proof of the flexibility of its Shared Service Centers. SSCs in individual countries and regional platforms in Costa Rica and Malaysia assisted agencies in returning to a level of growth that is unparalleled in more than 15 years. Sharing of back-office facilities was extended to new countries (in Central Europe, the Middle East and the Nordic countries) and to new processes.

SSCs continued to play a role in securing our operations, controlling risks and complying with rules established by the Groupe and its main clients. The network has now reached a sufficient level of maturity vis-à-vis its 'clients' - i.e., the Groupe's agencies - as seen in satisfaction surveys and key performance indicators (KPIs) linked to service level agreements (SLAs). SSCs continue to focus on training in order to develop a culture of customer service.

The greatest progress was seen in the following areas:

## Consolidation of real-estate holdings

Begun three years ago, the objective of this plan is to reduce the number of major - city locations, to

cut real-estate expenses and to select the operational venues likely to attract top talent. The plan also aims to reduce energy consumption and to choose high environmental quality (HEQ) buildings. In 2010, the results were highly satisfactory, with a 97% occupancy rate worldwide (and a 98% target for 2011) and almost 99% in North America. At 5.85% of revenues, our real-estate spending has hit an all-time low (falling by 100 basis points from 2009).

## Taxes and cash holdings

Concerted action by SSC staff, central office teams and agencies has led to a spectacular reduction in working capital needs and payment terms, as well as cuts in the effective tax rate and agency operating costs.

## Global Procurement

This program continued, with the goal of generating new savings. The first expiring global contracts have been opened up to bids in the areas of travel and IT software and hardware, while in the areas of telecoms and IT applications, sourcing that was until recently managed locally has been internationalized. This strategy has been successfully extended to certain production assets, which is a priority source of development for 2011.

## Project Altaïr

While efforts continue to set up an ERP solution, SSC teams have begun to prepare the Groupe for roll-out, including the adoption of shared processes, the harmonization of databases and training. The first pilot sites are scheduled for testing in late 2011 and early 2012, prior to worldwide deployment. The Groupe has undertaken similar initiatives in human resources and space buying.

## Technology and Digital

The Groupe's expansion in digital (which accounts for about 30% of revenue) includes the adoption of the most innovative technologies. After reducing the risk and breakdown rates, consolidating our infrastructure within regional data centers, and adopting the most cutting-edge technologies in virtualization, the Groupe has begun setting up a private cloud for its most sensitive needs, while some applications will be within public clouds. These technologies are tested, adopted and rolled out on the basis of in-depth assessments, in order to ensure security, agility and quality of services to the Groupe's agencies and their clients.

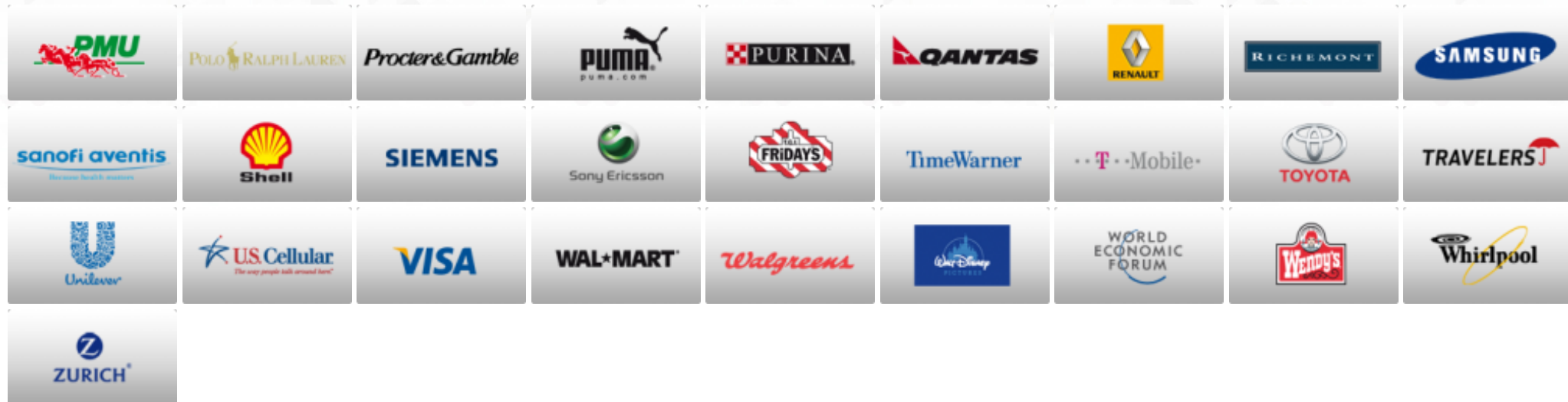
# THE GROUPE

# MAJOR CLIENTS



# THE GROUPE

# MAJOR CLIENTS







In May 2010, Publicis Groupe released its first Corporate Social Responsibility (CSR) report, accessible at [www.publicisgroupe.com](http://www.publicisgroupe.com). This report is structured around four main areas of action (Social, Societal/Communities, Governance/Economy and the Environment) and is a significant step forward in the Groupe's determination to publicize its ambitions and actions. It is based on the GRI (Global Reporting Initiative) grid, with 35 quantitative and qualitative indicators to monitor developments and determine where further improvements can be made.

The Groupe has chosen to proceed in these four distinct areas simultaneously, albeit based on different timetables. The complexity of CSR challenges requires setting overall objectives at the Groupe level, based on a real-world assessment of what has already been accomplished and what can be achieved locally. This is also a way to involve an increasing number of employees in the Groupe's CSR initiative and to give it even greater meaning.

Here is an update on each of these four areas:

- **Social:** 2010 was an atypical year, with fewer new employees hired and greater use of free-lancers. Actions involving permanent employees continued along two lines: 1) training

them to meet the challenge of enhancing all agencies' digital skillsets; and 2) diversity in the broadest sense of the word. Coordinating agencies' activities on a national scale, as has been the case in the US, has demonstrated the relevance of such actions to both the Groupe and each individual entity, and has helped develop a unique and attractive model for cooperation between networks.

- **Societal:** pro bono campaigns remain numerous and have provided crucial assistance to many organizations committed to social and charity causes and hit hard by the economic climate. Meanwhile, many agencies have increased their capacities for bringing in students from various disciplines and introducing them to Group career paths, in order to maintain the attractiveness of those career paths in the midst of a difficult economy.

- **Governance/Economy:** the release of the dedicated CSR report has been well received by the various stakeholders, including employees, clients, shareholders and investors. It has also underpinned the Group's ambitions to enrich its analysis perimeter and criteria, to help it improve how it sets and meets objectives and the results that are achieved. In addition, the Group is actively rolling out ISO 26 000 guidelines, based on an overall and voluntary approach.

- **Environment:** the Group's first Carbon Balance in 2009 provided a quantified snapshot of its overall impact. The 2010 Carbon Balance will help set and fine-tune emissions-reduction targets in various countries, which will continue to be aligned with European-level targets (i.e., a reduction of at least 20% of greenhouse gas emissions by 2020)

More than ever, the Group's CSR strategy is part of a highly pragmatic approach to defining avenues of progress and ongoing improvement. It respects the initiatives of each of our networks and agencies in all regions and supports those initiatives by setting common objectives and values and by introducing consistency and shared performance metrics. The CSR strategy also includes shared projects that dovetail with policies and actions taken in these areas by both our clients and our suppliers.



**Making Home Affordable**  
*Ad Council - Kaplan Thaler Group*

This Pro-Bono effort created by the Kaplan Thaler Group supports the Obama Administration's Making Home Affordable Program, a series of efforts designed to keep Americans in their homes. The public service advertising campaign - developed in partnership with the Ad Council, the U.S. Department of the Treasury and the U.S. Department of Housing and Urban Development - encourages homeowners who are struggling with monthly mortgage payments to seek help through the program's resources.



**Help the Oma**  
*Diakonie - Saatchi & Saatchi*

Diakonie created an unusual team of promotion girls consisting of 3 Omas (Grandmas). They took to the streets, and like anyone of their age had difficulties overcoming some every-day situations, which they staged deliberately. Out of goodwill, pedestrians started to help our Omas, proof that they were right for voluntary work at Diakonie. Our Omas handed them leaflets, prompting them to visit [help-the-oma.de](http://help-the-oma.de) website, and learn more about the organisation and how to become a volunteer.



**Monkey**  
*WWF - Leo Burnett Sydney*

For the WWF, Leo Burnett sent a group of different companies a personalized letter concerning the specific threats faced by their company mascots and steps they could take to help us save the species. The envelope was personalized with the image of the mascot and enclosed inside was a real picture of the endangered animal.



**Old Man**  
*Samu Social de Paris - Publicis Conseil*

For Samusocial, the French emergency service helping the homeless, Publicis Conseil created a shock campaign in the press on the concept of 'Asphaltisation' a word describing all the physical and mental symptoms developed by people living on the street, loss of identity, orientation in time and space. Conceived, produced and distributed free of charge, this campaign sought to challenge the general public and the institutions on the role that each individual plays in helping the marginalised.



As the effects of the financial crisis of 2008 and 2009 begin to fade, 2010 shaped up as a year in which unprecedented efforts were made to lay the groundwork for the post-crisis world of 2011. The year was marked by major milestones. Global economic growth turned the corner and plans to reform the financial sector began to bear fruit. 2010 was also the year that China became the world's second-largest financial power, thus setting the stage for a coexistence of rapid growth in emerging economies and growth only slightly above trend in developed economies.

2010 was a very good year for new business, which came to 5.9 billion dollars net of lost accounts, thus showing how relevant and competitive Publicis Groupe's offering is.

Consolidated revenue in 2010 came to 5,418 million euros, up by 19.8% from 4,524 million euros in 2009. (Currency fluctuations had a +242 million euro impact, or 5.3% of total revenues). Organic growth came to 8.3% for the year, driven growth that was very strong in the last quarter and

exceptionally strong in December. This compares with a 6.5% contraction in 2009. Razorfish is included in the organic growth figure only as of October 13, 2010, i.e. 12 months after the closing of its acquisition.

Digital activities continued to grow briskly and accounted for 28.0% of total revenue for 2010.

Revenues from emerging economies, including high-growth countries, accounted for 22.7% of total Group revenues in 2010.

Operating income prior to depreciation and amortization came to 967 million euros in 2010, up 25.3% from 772 million euros in 2009.

The operating margin came to 856 million euros, up by 25.9% vs. 2009. In 2010, the operating margin came to 15.8%, an improvement of 80 bp on 2009. This rate improvement was due to strong revenue growth. It also includes Razorfish results which have a dilutive effect on the Group's margin essentially due to integration costs, estimated at 40 bp.

Meanwhile, the costs of restructuring and structural simplification came to 49 million euros in 2010, down by 31 million euros from 2009.

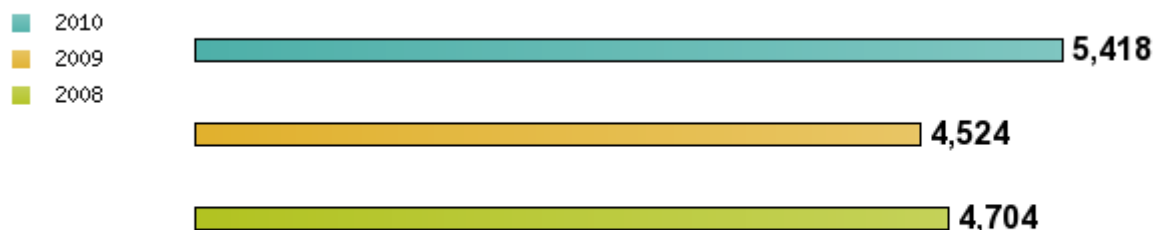
Net financial debt shrank by 499 million euros, from 393 million euros at 31 December 2009 to a positive net cash position of 106 million euros in 2010, thanks to the solid improvement in cash flow from operations.

As of December 31, 2010, the Group's liquidity position amounted to 4.3 billion euros.

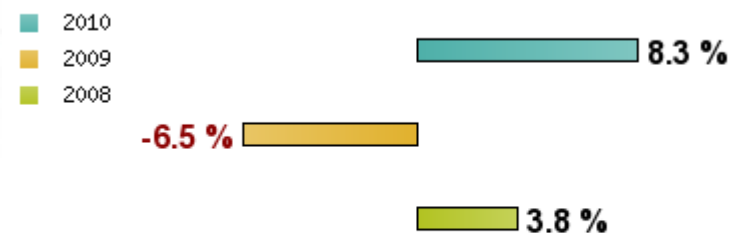
The dividend was raised by 16.7% to 0.70 euros, with a 26.9% payout.

2010 ended with the CAC down by 3.34% and the Dow Jones Europe Stoxx Media (the European media index) up by 13.63%. Publicis' share price did very well, gaining 36.84%, thus strongly outperforming both the CAC 40 and the sector benchmark index.

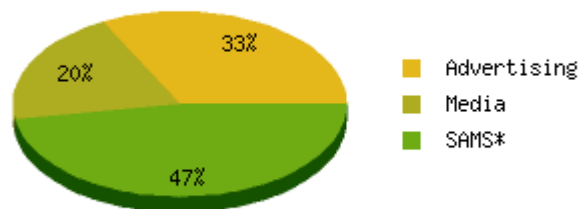
## Revenue at 31 December (in €M)



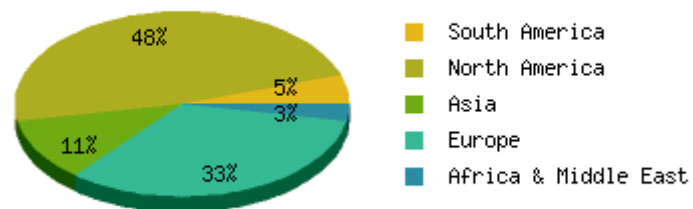
## Organic Growth Rate at 31 December



## Revenue by Activity at 31 December 2010 - YTD



## Revenue by Geography at 31 December 2010

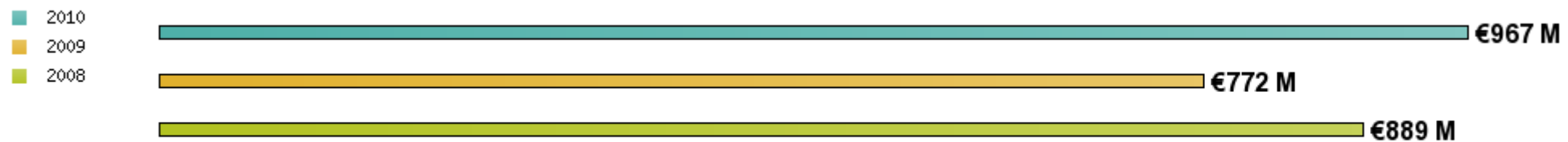


## Organic Growth by Geography at 31 December 2010

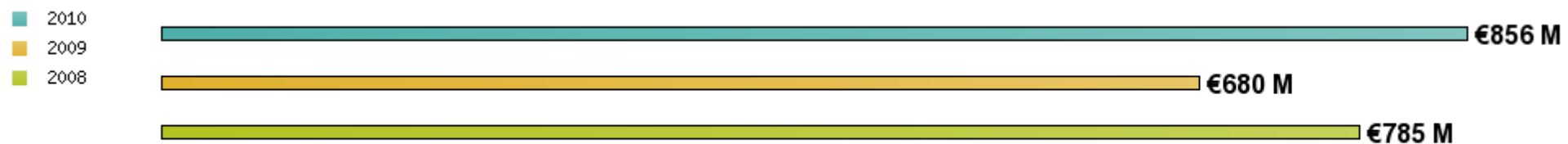
Latin America	13.7 %
North America	9.9 %
Asia Pacific	7.0 %
Europe	6.0 %
Africa and Middle East	4.8 %
Group Total	8.3 %

\*Including 100% of digital activities

### Operating Margin before Depreciation and Amortization as of 31 December

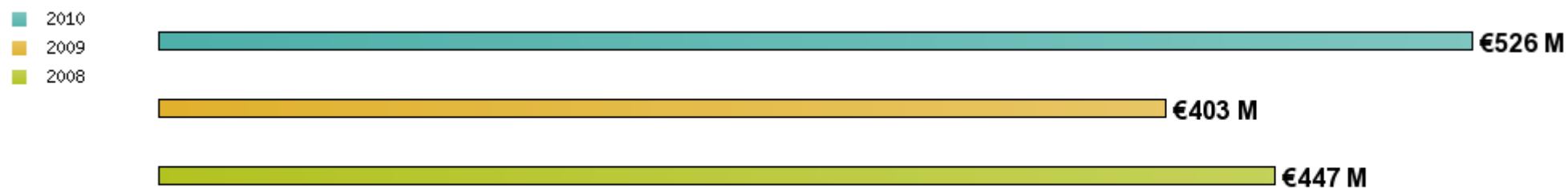


### Operating Margin as of 31 December

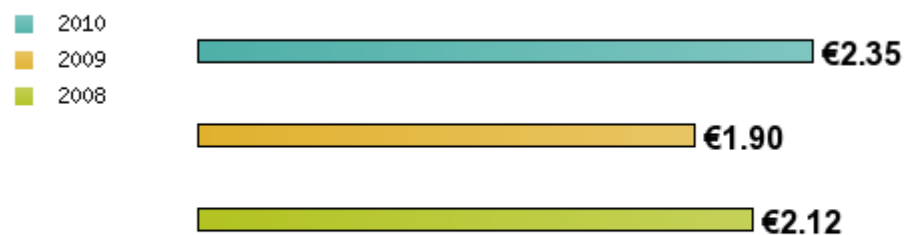




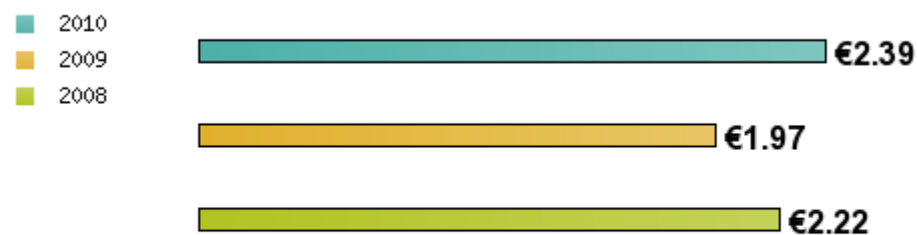
## Group Net Income - 31 December



## Diluted Earnings Per Share as of 31 December



## Headline\* Diluted Earnings Per Share as of 31 December

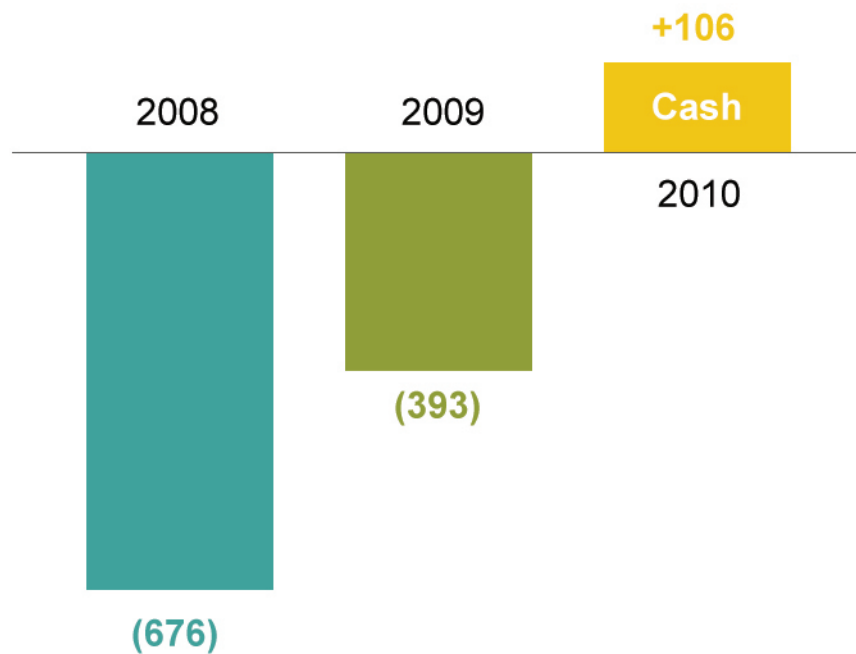


\*After elimination of impairment charge, amortization on intangible arising on acquisition, capital gain on land and building disposals and income tax credit linked to the Oceane 2014 Deferred Tax Liability (for 2009)

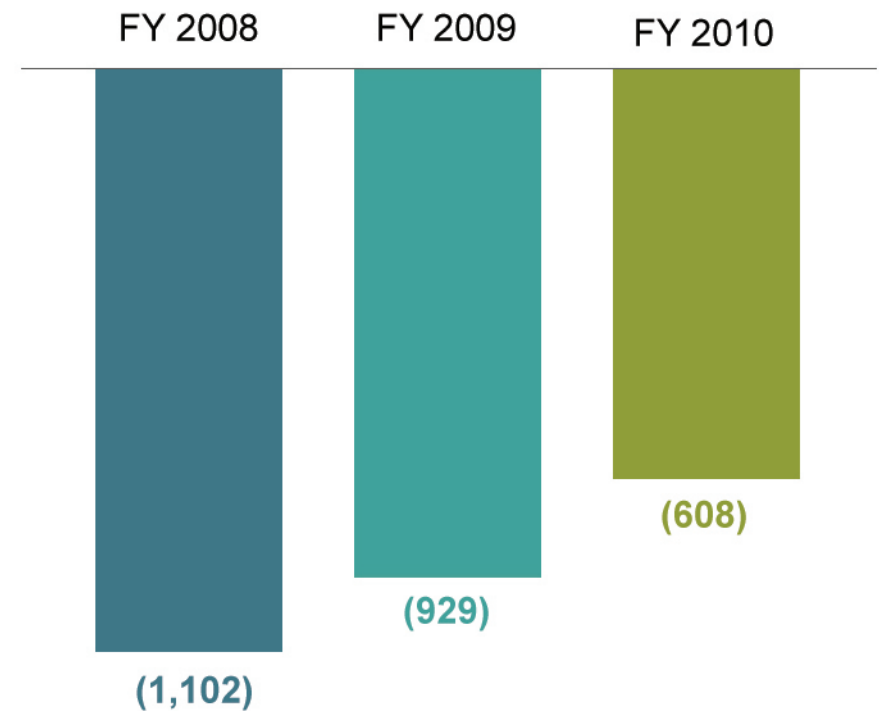
**Positive Net Cash Position of EUR 106M**

**Average Net Debt Reduced by 35%**

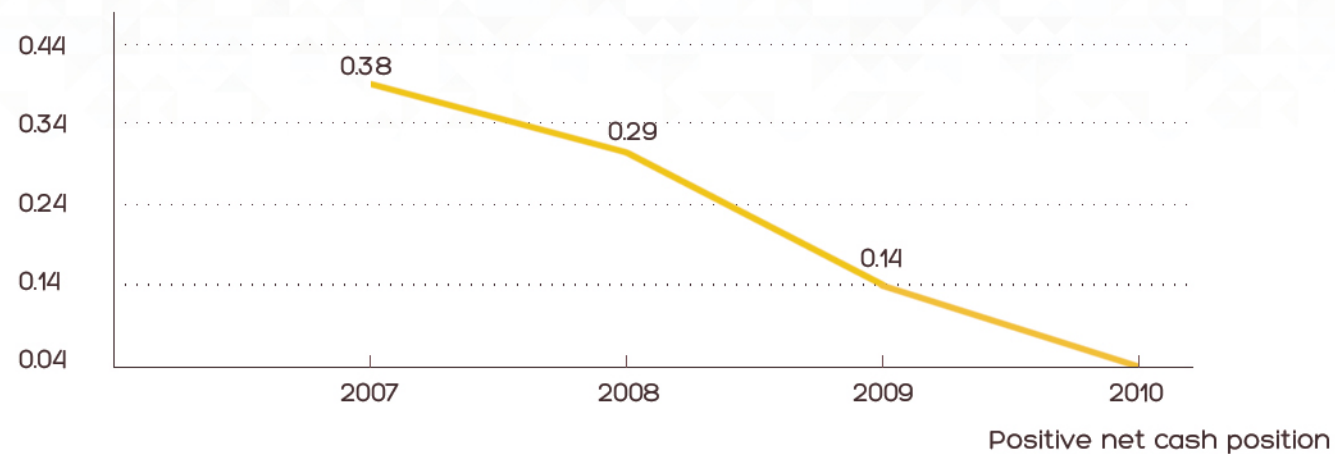
December. 31 (EUR. million)



Average Net Debt (EUR. million)

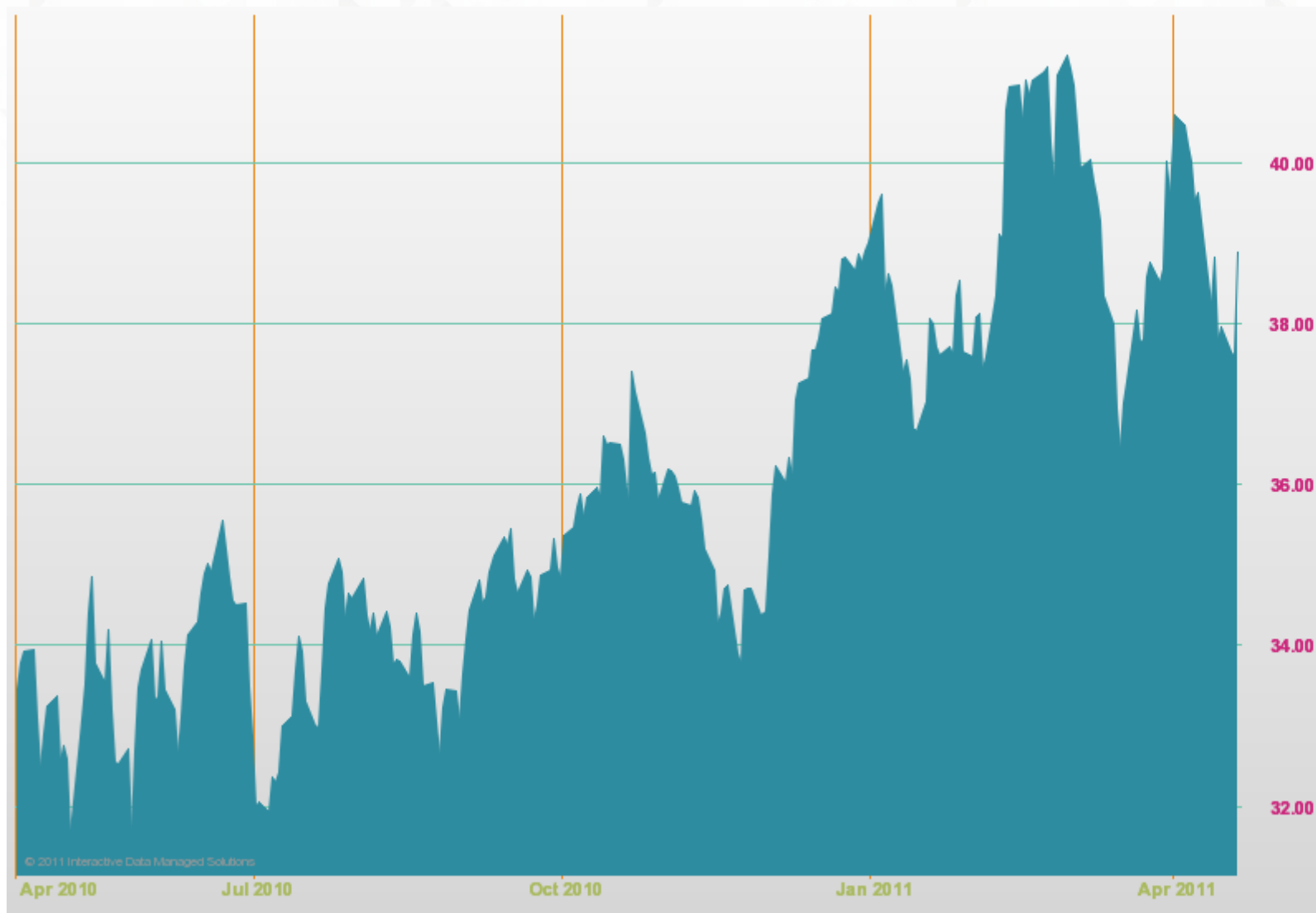


### Net Debt / Shareholders' Equity Ratio



### Free cash flow excluding change in WCR









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