Publicis Groupe SA to Acquire Nelson Communications, Top Healthcare Marketing/Communications Company

--Acquisition of Nelson Communications Makes Publicis Groupe #1 Worldwide in Healthcare Marketing/Communications--

Paris and New York (November 13, 2000) – Publicis Groupe SA (NYSE: PUB) announced today that it has completed its acquisition of Nelson Communications Inc. The transaction, which will be immediately accretive to Publicis’s earnings, adds the number one American healthcare marketing/communications company, based on worldwide annual billings of over $1 billion in 1999, to the world’s fifth-largest advertising/communications group.

N°1 Worldwide in Healthcare Marketing/Communications:
When combined with Publicis Groupe’s existing healthcare assets, the renamed Nelson Communications Worldwide will have the number one ranking in global healthcare marketing/communications services.

N°1 US Healthcare Marketing/Communications Agency:
Founded in 1987 and with offices in North America and Europe, Nelson Communications Inc. has grown to industry leadership in billings, number of pharmaceutical clients, and breadth of services. Nelson offers consulting, advertising, public relations, scientific exchange and selling services to over 200 clients, including 19 of the 20 largest pharmaceutical companies in the world.

Publicis Groupe SA, with offices and affiliated agencies in 192 cities in 100 countries on 5 continents, including an extensive, full-service presence in the US, is acquiring Nelson Communications, a privately-held company, in its entirety. Financial terms of the transaction were not disclosed. Payment will be made in Treasury Stock and partially in cash.

Strengthened Marketing Services:
The Group’s other holdings in healthcare marketing/communications services include Saatchi & Saatchi Healthcare, Klemtner Advertising, one of the top ten agencies in this field, and Publicis Wellcare. The transaction will increase Publicis Groupe’s marketing services revenues from 22% to 28% of total group revenues.
Saatchi & Saatchi Healthcare and Klemtner Advertising, both of which joined Publicis Groupe through its acquisition of Saatchi & Saatchi last month, will be combined with Publicis Wellcare and Nelson Communications to form a larger entity under the name Nelson Communications Worldwide, which will focus exclusively on healthcare marketing and communications. The combined company will head the worldwide billing league in its field, and bring together approximately 2000 pharmaceutical marketing/communications industry veterans worldwide, serving the broadest client list in its market.

Maurice Levy, Publicis Groupe SA Chairman and CEO, said, “Wayne Nelson and his team have created an extraordinary communications force in the healthcare marketing field. We are very proud to have been chosen to continue what is still the most formidable success story in the sector and pursue its development on a worldwide scale. The quality of its people, its innovative approach, its superb client list – all make Nelson Communications not only the uncontested market leader in this sector in the USA in terms of numbers, but equally in terms of its unique service offering and unrivalled expertise. This acquisition enables us to create the world leader in the healthcare field by combining the activities of Saatchi & Saatchi Healthcare, Klemtner, and Publicis Wellcare under the leadership of Tom Moore. Moreover, this acquisition, coming immediately after that of Saatchi & Saatchi just recently, reinforces our presence in the USA, increasing our revenues from US operations from 38% to 43% and consolidates in a spectacular fashion Publicis Groupe SA’s roster of specialized and marketing services agencies, thus confirming our strategy of greatly strengthening the Group’s offerings in this area. In addition, Nelson’s number one position worldwide will allow us to benefit from the very profitable healthcare sector, reaping positive advantages from the combined strengths of all our operations. I’d like to thank Wayne Nelson for agreeing to stay with us in a consulting capacity and as Chairman Emeritus.”

Mr. Levy said that Nelson Communications will operate autonomously from other Publicis Groupe operations in the United States. Thomas Moore, President and CEO of Nelson Communications, will serve as President and CEO of Nelson Communications Worldwide, and will report directly to Kevin Roberts, Chief Executive Worldwide of Saatchi & Saatchi, and member of the Executive Management Board of Publicis Groupe.

Wayne Nelson, founder of Nelson Communications, said, “As the founder of this company, I am delighted with this partnership. Publicis Groupe shares the strategic vision that I started Nelson Communications with, one of placing top-quality client service as our foremost priority. Publicis Groupe is the best partner for Nelson Communications, our employees, and our clients.”

Mr. Roberts said, “We have for some time been studying how best to leverage Klemtner and Saatchi & Saatchi’s existing healthcare expertise. This partnership with Nelson gives us the unprecedented opportunity to bring together, under one
An ideal partnership:

Commenting on the transaction, Mr. Moore said, “This partnership with Publicis Groupe is ideal for Nelson Communications. First, Publicis has a tradition of encouraging local management autonomy within its worldwide network in order to best facilitate the creative processes of each partner company within the group. Thus, Nelson will have the autonomy and freedom it needs in order to continue to do what it does best: Excelling and pioneering within the field of integrated healthcare marketing and communications services. Most importantly, our new company will combine the expertise of over 2,000 healthcare marketing experts in a whole new way. Publicis adds global reach, broadened client relationships, and great people to Nelson. Nelson adds depth of medical expertise, multiple new clients, and the best set of face-to-face marketing and sales capabilities in the world to Publicis. Nelson Communications Worldwide will be well prepared to deliver deeper, broader industry perspective, enhanced insight, and more options to our clients. This, in turn, will drive their businesses to greater success.”

Nelson Communications has established itself as a leading and growing provider of marketing communications services to the healthcare industry. According to Advertising Age, Nelson Communications is the nation’s largest independent healthcare marketing and communications organization, based on its 1999 billings of over $1 billion. The company provides many of the largest healthcare sector companies with a broad range of specialized medical marketing, communications, and professional sales services designed to build and maintain leadership positions for their products and services. Nelson’s broad service offerings and extensive healthcare expertise provide clients with high quality, variable cost solutions to meet the full range of their marketing communications needs. The Company's clients include such multinational companies as American Home Products, AstraZeneca, Bayer, Bristol-Myers Squibb, Glaxo Wellcome, Johnson & Johnson, Merck, Novartis, Pfizer, SmithKline Beecham, and Warner Lambert, to name but a few.

Publicis Groupe SA is the fifth-largest advertising/communications group in the world, with offices and affiliated agencies in 192 cities in 100 countries on 5 continents and pro forma total annual billings in 1999 of over 10 billion euros. Publicis Groupe includes organizations such as Publicis Worldwide, the fastest growing agency; the award-winning Saatchi & Saatchi network; creative branding agency Fallon; media buying networks Zenith and Optimedia, and marketing services companies Frankel and Publicis Dialog. Founded in 1926 by Marcel
Bleustein-Blanchet, one of the fathers of modern advertising, Publicis Groupe offers a comprehensive range of services worldwide, including traditionally integrated advertising, interactive/multimedia advertising, marketing, market research, public relations, and public affairs. The Company is listed on the Paris Bourse (PUB), and its American Depositary Receipts trade on the NYSE (PUB).

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