PUBLICIS GROUPE ACQUIRES CHINESE DIGITAL AGENCY WANGFAN

Move boosts Publicis Groupe in the fast-growing Shanghai market

Paris, November 2, 2011 - Publicis Groupe [EURONEXT Paris: FR0000130577] announced today that it has acquired 100% of Wangfan, an innovative digital agency based in Shanghai that focuses on piloting interactive campaigns, web branding, and the conception and design of websites.

Founded in 1997, Wangfan was among the first digital agencies in China, and has won numerous creative awards. The agency has seen rapid revenue growth in recent years, with a 19% increase in 2010 over 2009 and a projected 16% increase in 2011. Its clients include Puma and Shanghai General Motors, alongside a broad range of other international and Chinese companies.

Wangfan will be rebranded to become part of Publicis Modem Shanghai, the digital arm of Publicis Shanghai, and Wangfan CEO Bill Wang will become Managing Director of Publicis Modem Shanghai. Wangfan’s 61-person team will provide a fresh boost to Publicis’ local skill-set in the surging digital market. According to ZenithOptimedia, ad expenditure rose by 25.3% in China in 2010. Further double-digit growth is expected through 2013, driven specifically by Internet advertising, whose share of total spend will rise from around 18% in 2010 to 25% by the end of 2013.

The acquisition of Wangfan, which remains subject to the approval of the relevant authorities, is another step towards Publicis Groupe’s ambitious objective of doubling its size in the fast-growing Chinese market between 2010 and 2012. This goal is part of an overall strategy of strongly boosting revenue derived from emerging economies and from the digital sector. In the past twelve months the Groupe has acquired Chinese agencies Genedigi (June 2011), Dreams (May 2011), Interactive Communications Ltd (ICL) (February 2011), and Eastwei Relations (November 2010). In terms of organic growth (not including acquisitions and foreign exchange movements), China was one of eleven countries where the Groupe’s growth hit double digits in the first half of 2011.

Jean-Yves Naouri, Publicis Groupe COO and Chairman of China Publicis Groupe, commented, “China is a core priority for us. It’s a market where we aim to be perceived as essential interlocutors. Wangfan is a superb agency with a talented and fast-moving team. They began as pioneers and they have kept moving ahead of the creative and technological wave in the ongoing digital boom. We’re pleased to welcome them to our team in Shanghai.”
“Through this acquisition, Publicis Shanghai is able to integrate more talents and resources, and to offer our clients more services,” added Chenghua Yang, Managing Director of Publicis Shanghai.

“We’re delighted to be coming to Publicis,” said Bill Wang. “We’ve been working on big digital campaigns for international and local clients for a number of years. Now that we’ll be operating from within a major international communications group we can sharpen some new skills and put them at the service of our clients. It’s a win-win move for all of us.”

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About Publicis Groupe
Publicis Groupe [Euronext Paris FR0000130577, part of the CAC 40 index] is the third largest communications group in the world, offering the full range of services and skills: digital and traditional advertising, public affairs and events, media buying and specialized communication. Its major networks are Leo Burnett, MSLGROUP, PHCG (Publicis Healthcare Communications Group), Publicis Worldwide, Rosetta and Saatchi & Saatchi. VivaKi, the Groupe’s media and digital accelerator, includes Digitas, Razorfish, Starcom MediaVest Group and ZenithOptimedia. Present in 104 countries, the Groupe employs 50,000 professionals.
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About Publicis Modem
Publicis Modem is a global digital agency network that works with world-class companies in more than 40 countries and has over 1,000 digital employees. Publicis Modem offers a range of integrated marketing services, including strategy and planning; award winning creative design and execution; media research, planning and buying; search marketing; online and offline direct marketing; and technology enablement. Publicis Modem is part of the Publicis Worldwide network and a member of the Paris-based Publicis Groupe.
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