

2012 Q3 RESULTS

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CONTEXT

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Le Point.fr - Publié le 12/10/2012 à 18:32 - Modifié le 12/10/2012 à 22:34

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La croissance française sera plus basse que prévue en 2012 et 2013, selon le FMI

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Saving the euro

Tick tock

Events as early as next week could challenge the assumption that time is on the euro zone's side

CONTEXT

- ▲ Headwinds on economies – 2012 GDP growth forecast lowered to +3.3% by the IMF
 - ▶ USA
 - ▶ ROW } Growth deceleration
- ▶ Europe worrying trend

- ▲ Impacts on the sector
 - ▶ ZenithOptimedia revised forecast downward
 - ▶ Clients' cautious attitude (even more so in Europe)

Q3 2012 REVENUE

	Q3 2012	Q3 2011	
Revenue	1,627 M€	1,419 M€	+14.7%

Organic Growth Q3 2012 **+2.0%**
Last year +6.4%

	YTD 2012	YTD 2011	
Revenue	4,711 M€	4,118 M€	+14.4%

Organic Growth YTD 2012 **+2.5%**
Last year +6.9%

Q3 2012

JULY – AUGUST: IN LINE

SEPTEMBER: UNEXPECTED DECLINE

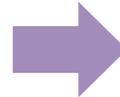
- Published Guidance in July :

H2>H1 and Q3>Q1

- Based on internal forecasts:

- Q3: +6.3% expected

- September: +6.6% expected



- July-August broadly in line

- September -1.6% vs +6.6% expected

= Q3 2012 : +2%

- Budget cuts (mainly in Europe)
- Timing issues
- Campaigns delayed

Q3 2012

SLOWDOWN IN DIFFERENT REGIONS

▲ North America

- ▶ Impact on Groupe's performance
 - GM loss (media and search): -110bps
 - Healthcare Group: -60bps*
 - Retail: -60bps

▲ Europe **

- ▶ Negative organic growth: analog down by -5.4%
(Group impact: -120bps)

* Excluding Sales Group

** Europe excluding Russia and Turkey

Q3 2012

REVENUE BY GEOGRAPHY

(EUR million)	Q3 2012	Q3 2011	Organic Growth Q3 2012	Var. 2012 vs 2011
Europe (*)	429	406	- 3.6%	+5.7%
North America	805	685	+3.2%	+17.5%
BRIC + MISSAT (**)	220	184	+8.5%	+19.6%
Row	173	144	+3.6%	+20.1%
Total	1,627	1,419	+2.0%	+14.7%

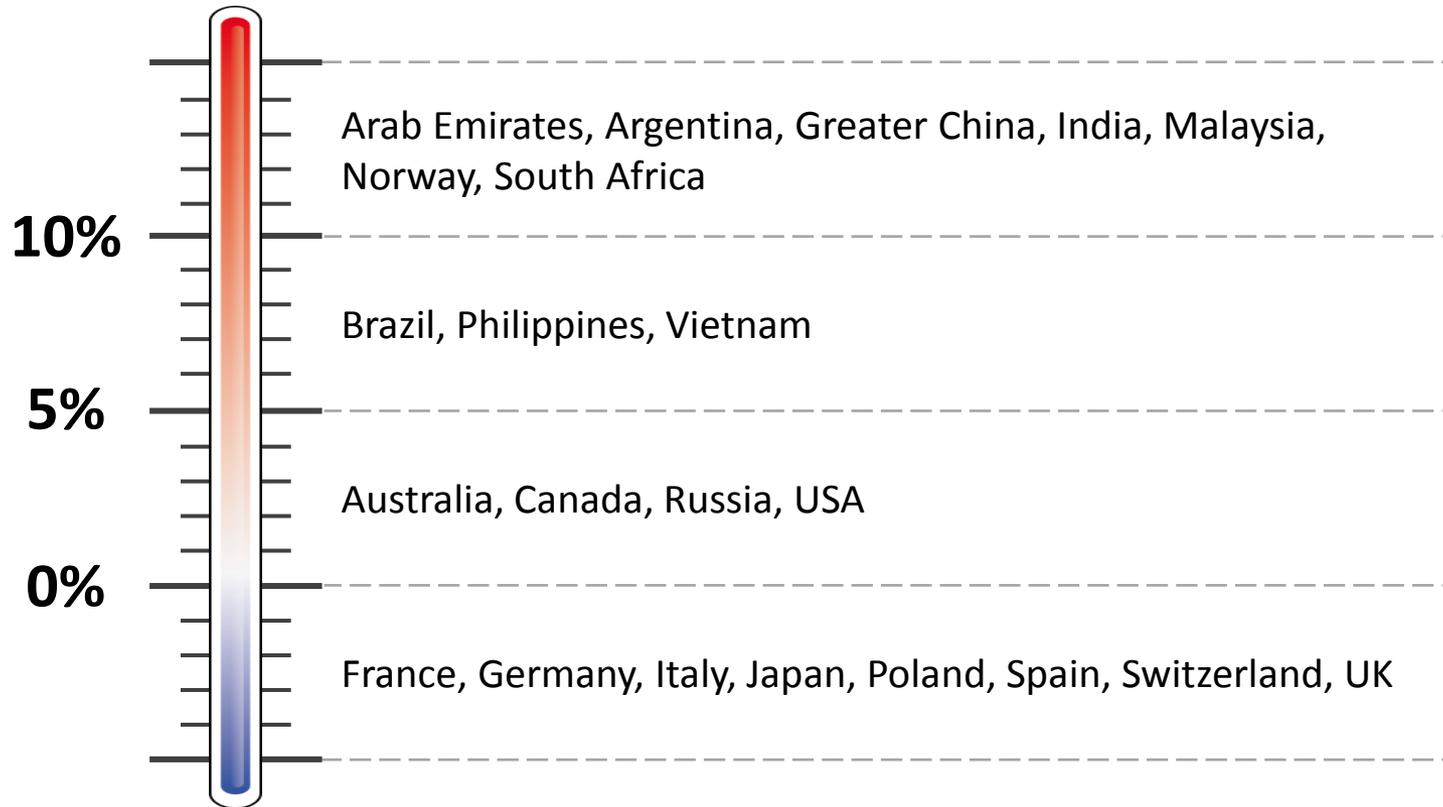
(*) : Europe excluding Russia and Turkey

(**) : MISSAT includes Mexico, Indonesia, Singapore, South Africa, Turkey

Q3 2012

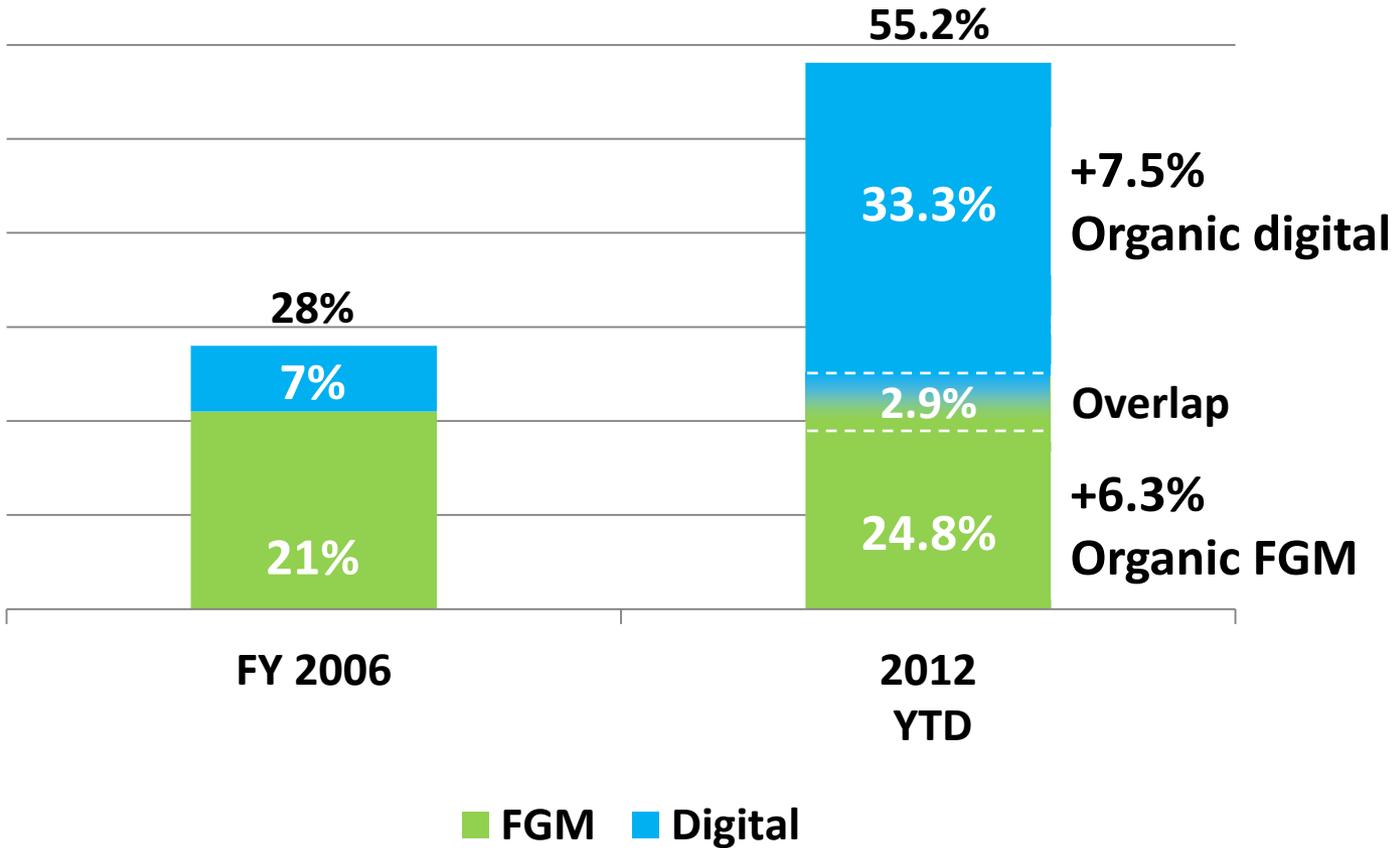
ORGANIC GROWTH

KEY COUNTRIES



PUBLICIS GROUPE

Digital and Fast Growing Markets



SEPTEMBER 30, 2012 - YTD

ORGANIC GROWTH BY GEOGRAPHY

(EUR million)	Sept. 30 2012 YTD	Sept. 30 2011 YTD	Organic Growth YTD 2012	Var. 2012 vs 2011
Europe (*)	1,308	1,258	-0.8%	+4.0%
North America	2,312	1,957	+2.8%	+18.1%
BRIC + MISSAT (**)	605	483	+8.8%	+25.3%
Row	486	420	+3.8%	+15.7%
Total	4,711	4,118	+2.5%	+14.4%

(*) : Europe excluding Russia and Turkey

(**) : MISSAT includes Mexico, Indonesia, Singapore, South Africa, Turkey

SEPTEMBER 30, 2012 - YTD ORGANIC GROWTH BY COUNTRY



FINANCE

SUCCESSFUL CALL EXERCISE ON OCEANE 2014

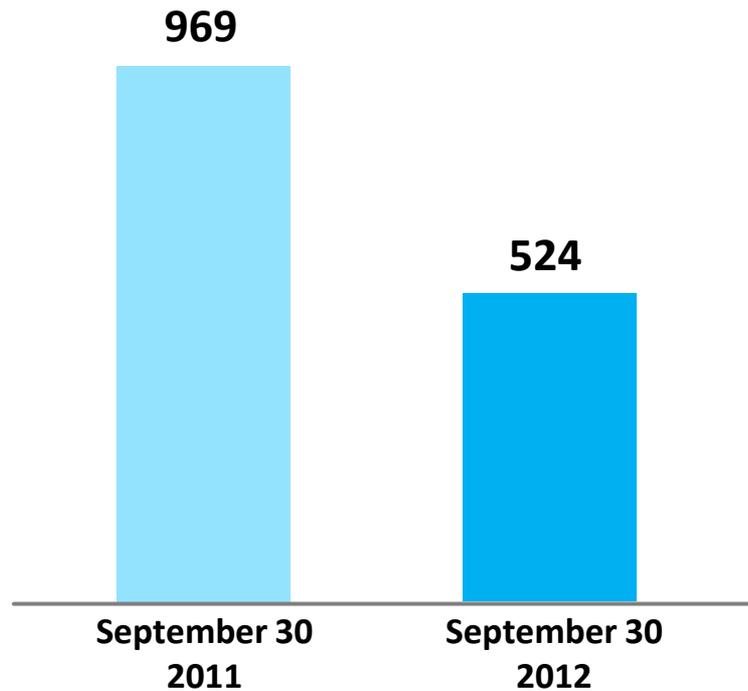
- ▲ On July 30, 2012, 24,257,895 bonds (99.95% of outstanding bonds) were converted into 24,403,416 shares
- ▲ Effects on 2012 financials:
 - ▶ Decrease of Net Debt: €644 m
 - ▶ Net Debt/Equity: from 0.25 (June 2012) to 0.06 (Proforma)
 - ▶ Decrease of interest charges: €16 m (5 months from July 31, 2012) and €39 m on a full year basis

SEPTEMBER 30, 2012 - YTD

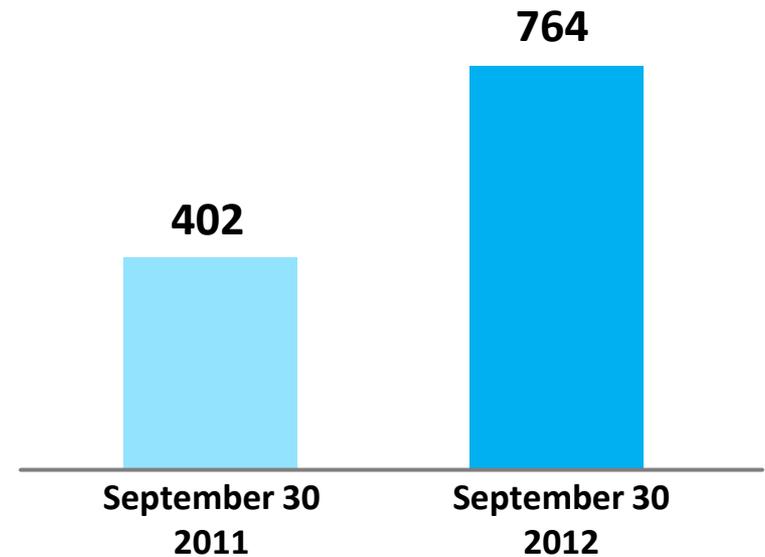
NET DEBT

In € million

Net Debt



Average net Debt



GROSS DEBT AT SEPTEMBER 30, 2012

SPLIT BY MATURITY

(EUR million)	Total	Oct 2012 – Sep 2013	Oct 2013 – Sep 2014	Oct 2014 – Sep 2015	Oct 2016 – Sep 2017	Oct 2017 onwards
Oceane 2018*	125	-	125	-	-	-
Eurobond 2015**	256	-	-	256	-	-
Oranes	16	3	2	2	2	7
Earn-out / Buy-out	444	240	113	53	35	3
Other debt**	360	275	2	-	-	83
Total gross debt	1,201	518	242	311	37	93

No Covenants

* Put Option in January 2014

** Including fair value of associated derivatives

LIQUIDITY AT SEPTEMBER 30, 2012

(EUR million)	Total	Drawn	Available
Committed Facilities:			
364-day revolving credit facilities	205	-	205
5-year revolving credit facilities	450	-	450
5-year syndicated facility (Club Deal)	1,200	-	1,200
Total Committed Facilities	1,855	-	1,855
Cash and Marketable Securities	677	-	677
Total Liquidity	2,532	-	2,532
Groupe other uncommitted Facilities	221	5	216

UPDATE AND KEY FACTS

Q3 2012

NET NEW BUSINESS

Q3 USD 887 million
YTD USD 2.4 billion

Q3 2012 NEW BUSINESS

everything
everywhere™



Carrefour 

Coca-Cola

Kellogg's



wonderbra



lenovo



kraft foods 
Make today delicious



SIEMENS

Q3 2012

KEY FACTS: ACQUISITIONS

▲ **Arachnid (Malaysia) – Digital**

- ▶ Highly awarded Asian digital agency

▲ **BBH – Creative**

- ▶ Legendary agency

▲ **Neogama/BBH (Brazil) – Creative**

- ▶ One of the most innovative agencies in the Brazilian marketplace

▲ **CNC (Germany) – Consulting & Communications**

- ▶ One of the premier strategic and financial communications firms in Europe

▲ **Resultrix (India) – Digital**

- ▶ An award winning digital marketing agency with an international footprint in Singapore, UAE and the USA

SEPTEMBER 30, 2012 - YTD

DIGITAL REVENUE BY GEOGRAPHY

(EUR million)	% of Digital revenue
Europe (*)	23.8%
North America	48.9%
BRIC + MISSAT (**)	10.2%
Row	13.8%
Total	33.3%

(*) : Europe excluding Russia and Turkey

(**) : MISSAT includes Mexico, Indonesia, Singapore, South Africa, Turkey

KEY FACTS: DIGITAL

- ▲ Leader : 1/3 of revenues
- ▲ AOD since 2008
- ▲ E-CRM a rich offer: e365, Digitas
- ▲ E-commerce: Razorfish, Rosetta
- ▲ Social network: Fluent, Big Fuel
- ▲ New technology developments
- ▲ Razorfish: N°2 Global Network - Gartner Magic Quadrant
- ▲ Digitas: N°1 Global Network

LBi: BOOSTING DIGITAL IN EUROPE

▲ Strengthens Publicis Groupe's digital leadership

- ▶ Revenue 2011: 196M€ ⁽¹⁾
- ▶ Adjusted Ebitda Margin: 16,2%⁽¹⁻²⁾
- ▶ Increases share of revenue derived from digital operations to over 35%, in line with the company's strategic goals (mid term objective 50%)

▲ Enlarges Publicis Groupe's digital footprint

- ▶ Scale is key (platforms, volume of transactions, data)
- ▶ The largest independent digital agency
- ▶ Attractive client base
- ▶ 2/3 of revenue in Northern Europe (Germany, UK, Scandinavia)

▲ Post integration of LBi : Digital will represent 30% of European revenues

Notes:

1. Metrics should not be viewed as fully comparable with Publicis Groupe
2. Metrics adjusted for exceptional items, mainly restructuring and integration costs

Source: LBi FY2011 results

OUTLOOK

AD SPEND FORECAST REDUCED TO 3.8% FROM 4.8%

	2012 As of September	2012 As of March
Worldwide	(+3.8%) +3.2% *	+4.8%
United States	(+4.3%) 2.4% *	+3.6%
Japan	+3.3%	+3.1%
United Kingdom	+2.2%	+3.2%
Germany	+1.1%	+2.1%
China	+12%	+16.3%
France	-0.9%	+1.3%
Italy	-6.5%	-1.6%
Spain	-12.2%	-2.8%
Brazil	+11%	+7.7%

* Excluding US election impact

FY 2012

GROWTH TRENDS

- ▲ **Europe: negative**
- ▲ **USA: deceleration**
- ▲ **ROW/BRIC: promising**
- ▲ **Digital: good growth**

FY 2012

ACTIONS: GROWTH

▲ PHCG

- ▶ Expand geographically
- ▶ Grow market share (ex: Pfizer)

▲ Digital

- ▶ Expand geographically (e-hubs to be developed)
- ▶ E-commerce
- ▶ Productization

▲ Other

- ▶ Aggressive new business plans
- ▶ Ramping up production platforms

VIVAKI 2.0

- ▲ **Build on VivaKi success**
- ▲ **VNC: access to all agencies**
- ▲ **Open VNC+AOD to market**

Accelerate growth in media and digital

FY 2012

ACTIONS: MARGIN

- ▲ **Target confirmed: 16%**
- ▲ **Currently in line**
- ▲ **Personnel costs containment: strict control**
- ▲ **Flexibility**
 - Freelance costs
 - Bonuses
- ▲ **G&A control**

MID TERM OBJECTIVES CONFIRMED

MARGIN ENHANCEMENT = +200 to +400bps

▲ Operational leverage

- ▶ Scalability: Digital and Fast Growing Markets
- ▶ Synergies with acquired companies
- ▶ Productization
- ▶ E-commerce

▲ Costs savings

- ▶ Shared services
- ▶ Costs containment
- ▶ ERP

▲ Dividend Policy Confirmed: 35% pay out

INVESTOR DAY

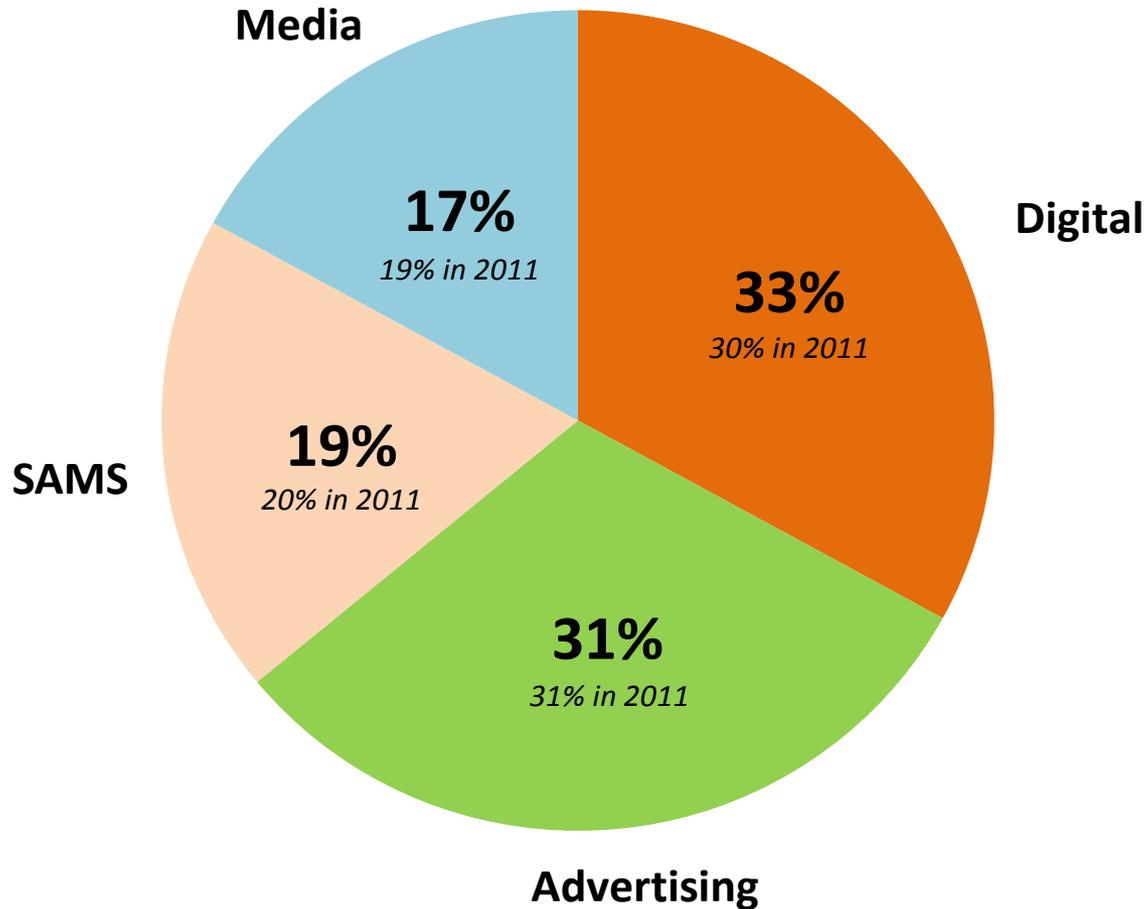
TUESDAY 23 APRIL 2013
SAVE THE DATE

APPENDIX

SEPTEMBER 30, 2012 - YTD REVENUE BY GEOGRAPHY

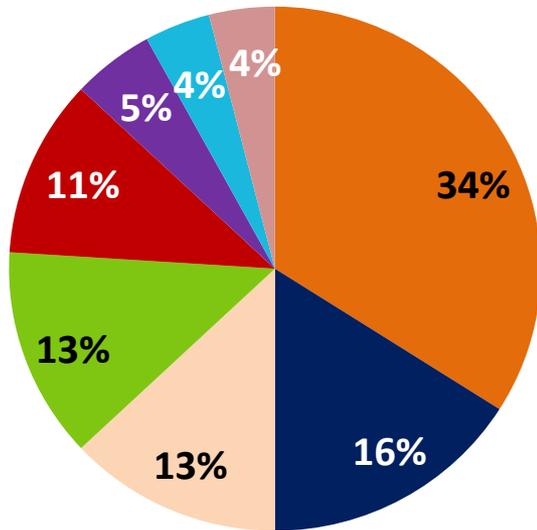


SEPTEMBER 30, 2012 - YTD REVENUE BY ACTIVITY

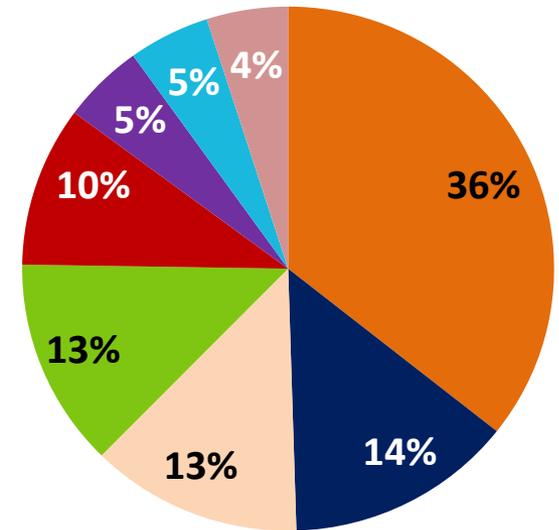


SEPTEMBER 30, 2012 - YTD REVENUE BY SECTOR

September YTD 2012



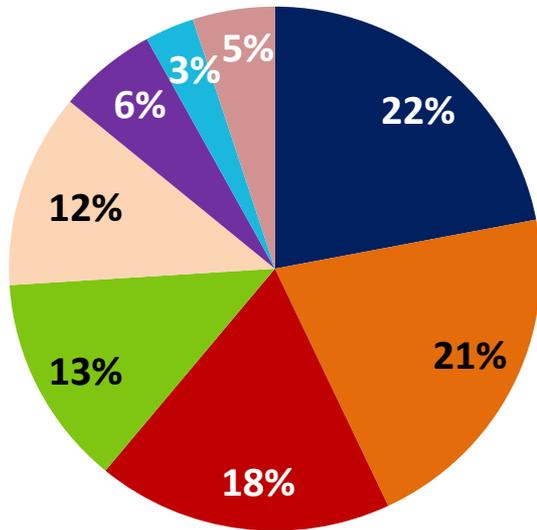
September YTD 2011



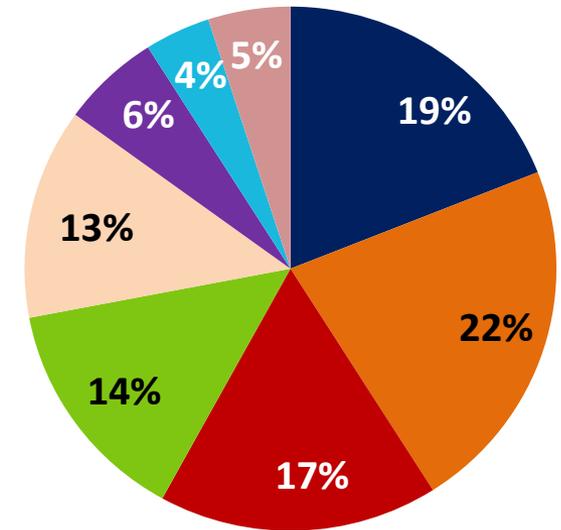
- FMCG
- TMT
- Healthcare
- Automotive
- Financial
- Leisure/Energy/Luxury
- Retail
- Other

SEPTEMBER 30, 2012 - YTD DIGITAL REVENUE BY SECTOR

September YTD 2012



September YTD 2011

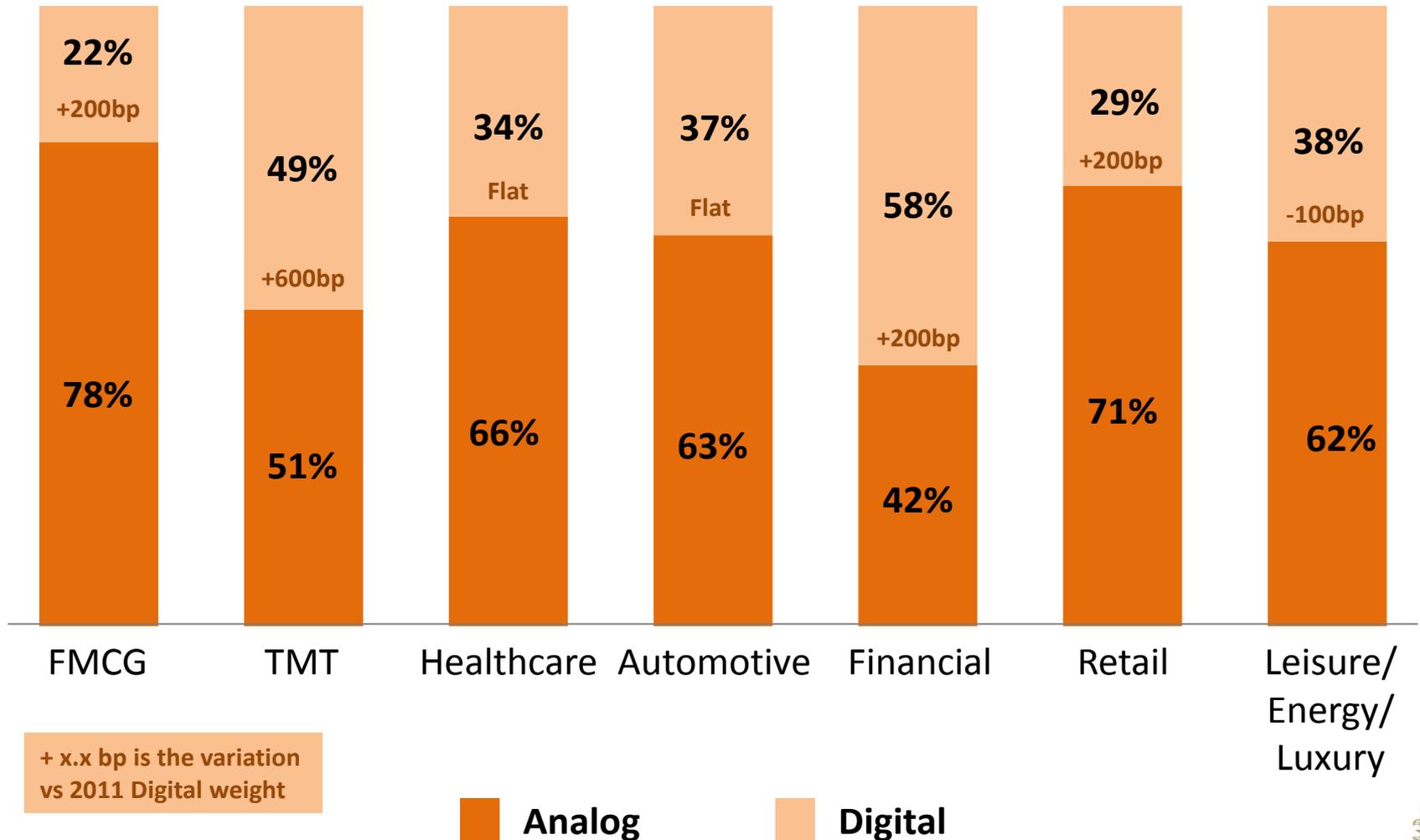


- TMT
- FMCG
- Financial
- Automotive
- Healthcare
- Leisure/Energy/Luxury
- Retail
- Other

SEPTEMBER 30, 2012 - YTD

SPLIT OF REVENUES BY SECTOR

DIGITAL vs. ANALOG



Based on 1,339 clients representing 84% of Group revenue

Q3 2012 and SEPTEMBER 30, 2012 - YTD REVENUE & ORGANIC GROWTH CALCULATION

(EUR million)	H1 2012	Q3 2012	Sep. YTD
2011 Revenue	2,699	1,419	4,118
Currency impact	139	119	258
2011 Revenue at 2012 exchange rate (a)	2,838	1,538	4,376
2012 Revenue before impact of acquisitions ⁽¹⁾ (b)	2,917	1,569	4,486
Revenue from acquisitions ⁽¹⁾	167	58	225
2012 Revenue	3,084	1,627	4,711
Organic Growth (b/a)	+2.8%	+2.0%	+2.5%

Currency impact (EUR million)	
	Q3 2012
GBP	10
USD	84
Others	25
Total	119

(1) Acquisitions (Frequence Medicale, C4L – MVS, Kitkatt Nohr, Airlock, Holler, Chemistry Communications, Talent, ICL Taiwan, GP7 Red Lion, Watermelon, S&S South Africa, Genedigi, Rosetta Marketing Group, Big Fuel, Nuatt, Spillman Felser, DPZ, Schwartz, Brand Connections, Wangfan, Gomye, Ciszewski, The Creative Factory, Luminous, Mediagong, U-Link Business solutions, King Harvests, Indigo, Flip, Webformance Saint Brieuc, Pixelpark, Longtuo, BBR, BBH, Neogama, CNC, Webformance Bordeaux, AR Media) net of disposals. Average exchange rate Sep. 30,

2012: 1 USD = 0.781 EUR

1 GBP = 1.232 EUR

SEPTEMBER 30, 2012 - YTD

REVENUE BY REGION IN US DOLLARS

(USD million)	Sept YTD 2012	Sept YTD 2011	Var. 2012/2011
Europe (*)	1,675	1,768	-5.3%
North America	2,961	2,751	+7.6%
BRIC + MISSAT (**)	775	679	+14.1%
ROW	623	590	+5.6%
Total Groupe	6,034	5,788	+4.3%

(*) : Europe excluding Russia and Turkey

(**) : MISSAT includes Mexico, Indonesia, Singapore, South Africa, Turkey

All entities translated into US dollars using the following average exchange rates:

2012: 1 USD = 0.78078 EUR

2011: 1 USD = 0.71157 EUR

SEPTEMBER 30, 2012 - YTD

NET DEBT SPLIT BY CURRENCY

(EUR million)	Total	EURO	USD	GBP	Others
Oceane 2018	125	125	-	-	-
Eurobond 2015*	256	256	-	-	-
Orane	16	16	-	-	-
Earn-out / Buy-out	444	55	31	23	335
Other debt*	360	-	333	-	27
Total gross debt	1,201	452	364	23	362
Cash and marketable securities	(677)	(52)	(19)	(83)	(523)
Net debt (Cash)	524	400	345	(60)	(161)

* Including fair values of associated derivatives

SEPTEMBER 30, 2012 - YTD

NET DEBT SPLIT BY RATE

AFTER INTEREST RATE SWAP

(EUR million)	Total	Earn-out / Buy-out	Fixed Rate	Variable Rate
Oceane 2018	125	-	125	-
Eurobond 2015*	256	-	-	256
Orane	16	-	16	-
Other debt*	360	-	83	277
Total gross debt excl. Earn-out / Buy-out	757	-	224	533
Earn-out / Buy-out	444	444	-	-
Cash and marketable securities	(677)	-	-	(677)
Net debt (Cash)	524	444	224	(144)

* Including fair values of associated derivatives

Q3 2012

REVENUE BY GEOGRAPHY - OLD SPLIT

(EUR million)	Q3 2012	Q3 2011	Organic Growth Q3 2012	Var. 2012 vs 2011
Europe	451	427	-3.5%	+5.6%
North America	805	685	+3.2%	+17.5%
Asia Pacific	211	172	+7.2%	+22.7%
Latin America	113	101	+4.4%	+11.9%
Middle East Africa	47	34	+11.0%	+38.2%
Total	1,627	1,419	+2.0%	+14.7%

Q3 2011

REVENUE BY GEOGRAPHY – NEW SPLIT

(EUR million)	Q3 2011	Q3 2010	Organic Growth Q3 2011	Var. 2011 vs 2010
Europe (*)	406	378	+6.4%	+7.4%
North America	685	666	+5.5%	+2.9%
BRIC + MISSAT (**)	184	138	+10.1%	+33.3%
RoW	144	138	+6.9%	+4.3%
Total	1,419	1,320	+6.4%	+7.5%

(*) Europe excluding Russia and Turkey

(**) MISSAT includes Mexico, Indonesia, Singapore, South Africa, Turkey