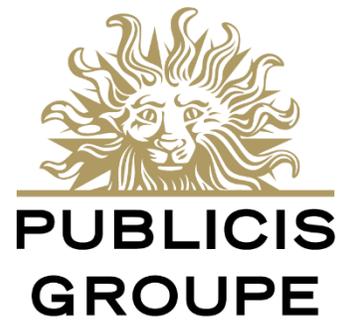




# FULL YEAR 2016 RESULTS

9 February 2017





## DISCLAIMER

Certain information contained in this document, other than historical information, may constitute forward-looking statements or unaudited financial forecasts. These forward-looking statements and forecasts are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These forward-looking statements and forecasts are presented as at the date of this document and, other than as required by applicable law, Publicis Groupe does not assume any obligation to update them to reflect new information or events or for any other reason. Publicis Groupe urges you carefully to consider the risk factors that may affect its business, as set out in the Registration Documents filed with the French Autorité des Marchés Financiers (AMF) and which is available on the website of Publicis Groupe (**[www.publicisgroupe.com](http://www.publicisgroupe.com)**), including an unfavourable economic climate, an extremely competitive market sector, the possibility that our clients could seek to terminate their contracts with us at short notice, the fact that a substantial part of the Group's revenue is derived from certain key clients, conflicts of interest between advertisers active in the same sector, the Group's dependence on its directors and employees, laws and regulations which apply to the Group's business, legal action brought against the Group based on allegations that certain of the Group's commercials are deceptive or misleading or that the products of certain clients are defective, the strategy of growing through acquisitions, the depreciation of goodwill and assets listed on the Group's balance sheet, the Group's presence in emerging markets, exposure to liquidity risk, a drop in the Group's credit rating and exposure to the risks of financial markets. This presentation contains inside information as per the definition of article 7 of Regulation n°596/2014.



# HIGHLIGHTS



## HIGHLIGHTS 2016 FINANCIALS

Publicis Groupe delivers, as announced, an increase in all financial indicators in 2016: revenue, operating margin, headline diluted EPS, dividend pay-out <sup>(1)</sup>

2016 results confirm the strength of Publicis Groupe's business model, against the backdrop of a modest 0.7% organic growth rate

- Revenue of €9.7 billion up 3.3% at constant currency
- EBITDA of €1.7 billion representing 17.3% of revenue
- Solid operating margin rate up 10 basis points at 15.6% and +30 basis points at constant currency and perimeter
- Best year ever for FCF generation, above €1.26 billion up 14.9% <sup>(2)</sup>

Proposed dividend of €1.85 up 15.6% year-on-year

Non cash impairment charge on Publicis.Sapient goodwill

(1) See definitions in Supplemental Information

(2) FCF before change in WCR



# HIGHLIGHTS

## UPDATE ON STRATEGY & MANAGEMENT

### The Power of One, a successful new approach for a new era

- New organization
- End-to-end offering to meet clients' new needs
- Positive account winning momentum
- Attractive perspectives

### Management succession announced

- Maurice Lévy to be proposed at the next AGM to join Publicis Groupe's Supervisory Board (Conseil de Surveillance) as Chairman
- Arthur Sadoun to become CEO & Chairman of the Publicis Groupe's Management Board (Directoire)
- Steve King to join the Publicis Groupe's Management Board (Directoire)



## KEY FIGURES

<b>(EUR million)</b>	<b>2016</b>	<b>2016 vs. 2015</b>
<b>Revenue</b>	<b>9,733</b>	<b>+1.4%</b>
Organic growth	+0.7%	
At constant currency	+3.3%	
<b>Operating margin</b>	<b>1,516</b>	<b>+2.0%</b>
As a % of revenue	15.6%	+10bps
At constant currency and perimeter		+ 30bps
<b>Headline Group Net Income <sup>(1)</sup></b>	<b>1,015</b>	<b>+2.3%</b>
Non cash impairment charge, net of tax	(1,383)	
Group Net Income	(527)	
<b>Free Cash Flow <sup>(2)</sup></b>	<b>1,261</b>	<b>+14.9%</b>
<b>Net debt <sup>(1)</sup></b> (as of December 31) (in EUR billion)	<b>1.2bn</b>	<b>vs. 1.9bn</b> (end 2015)

(1) See definitions in Supplemental Information

(2) FCF before change in WCR



# 2016 REVENUE



## 2016 REVENUE

(EUR million)	Q4	FY
<b>2016 REVENUE</b>	<b>2,665</b>	<b>9,733</b>
2015 REVENUE	2,734	9,601
Reported growth	-2.5%	+1.4%
Growth excluding FX	-1.6%	+3.3%
<b>Organic growth</b>	<b>-2.5%</b>	<b>+0.7%</b>



## 2016 ORGANIC GROWTH

Q4 2016 organic growth: -2.5%

- Unfavorable comps
- Unusual negative Q4 volatility

FY 2016 organic growth: +0.7%

- Hit BIG TIME by 2015 and H1 2016 account losses
- Weak Razorfish performance

⇒ Both account for 320 basis point negative impact on 2016 growth

⇒ Impact to be felt in H1 2017



## 2016 REVENUE BY GEOGRAPHY

(EUR million)	2016	2015	2016 vs. 2015	Organic growth
Europe	2,760	2,664	+3.6%	+5.9%
North America	5,236	5,184	+1.0%	-2.2%
Asia Pacific	1,085	1,066	+1.8%	+1.5%
Latin America	365	412	-11.4%	+2.9%
Middle East Africa	287	275	+4.4%	+1.1%
<b>Total</b>	<b>9,733</b>	<b>9,601</b>	<b>+1.4%</b>	<b>+0.7%</b>



## Q4 2016 REVENUE BY GEOGRAPHY

(EUR million)	Q4 2016	Q4 2015	Q4 2016 vs. Q4 2015	Organic growth
Europe	768	770	-0.3%	+5.1%
North America	1,362	1,417	-3.9%	-6.9%
Asia Pacific	321	320	+0.3%	-1.5%
Latin America	124	134	-7.5%	-1.1%
Middle East Africa	90	93	-3.2%	+1.3%
<b>Total</b>	<b>2,665</b>	<b>2,734</b>	<b>-2.5%</b>	<b>-2.5%</b>



## FOCUS ON NORTH AMERICA

PERFECT STORM IN 2016 AFTER A GOOD END 2015

Lower market growth overall

Sales warnings from several US clients in the FMCG sector

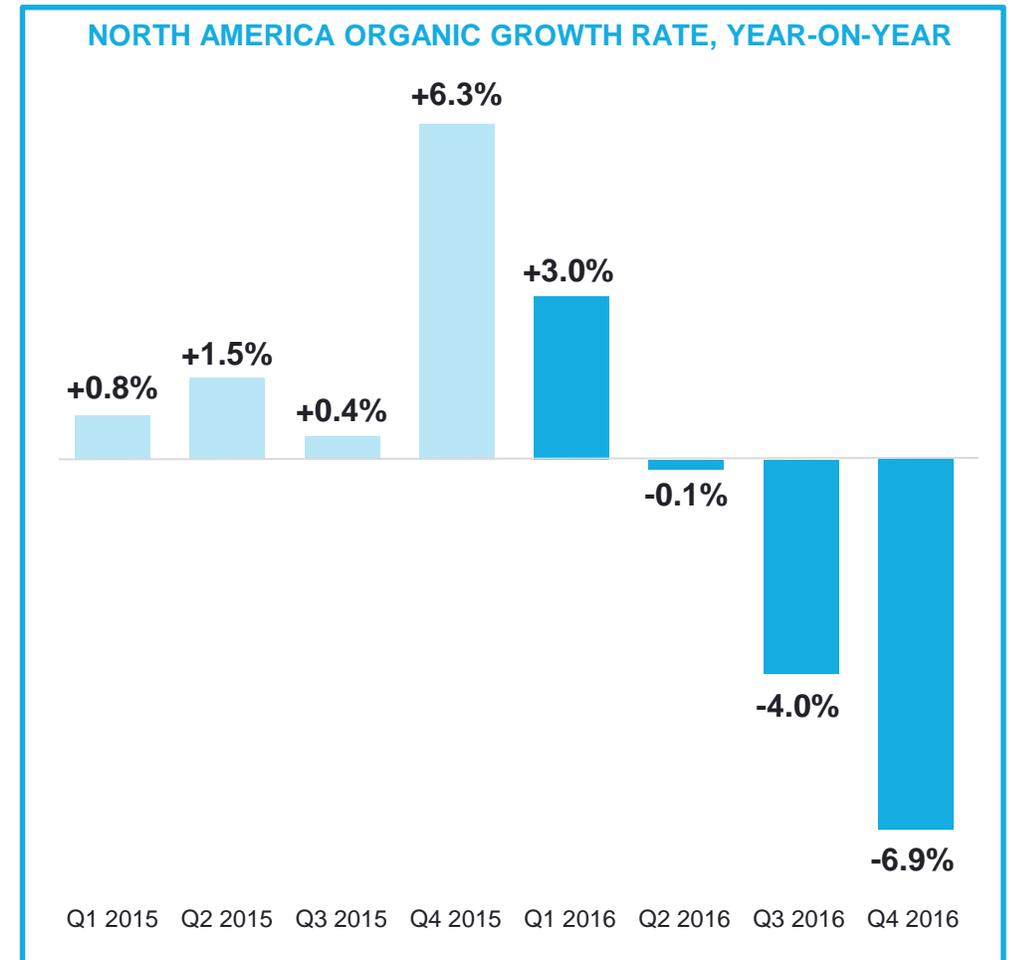
Comps in Q4 were particularly high (+6.3% in 2015)

Most of the *Mediapalooza* losses were located in the US

Most of the impact was in the second half of 2016

Low digital growth with issues at Razorfish

➔ Expect impact to be felt in H1 2017





## 2016 ORGANIC GROWTH BY COUNTRY

**> +10%**

Argentina, Israel, Netherlands, Poland, Russia,  
Turkey, Venezuela, Vietnam

**+5% to +10%**

Australia, Chile, France, Germany, Italy, South Korea,  
Mexico, Singapore, Thailand, UK

**0 to +5%**

Colombia, Greece, India, United Arab Emirates

**< 0%**

Brazil, Canada, China, Japan,  
South Africa, Spain, USA



## DIGITAL REVENUE

	2016	2015	2016 vs. 2015
EUR million	5,214	4,984	+4.6% <sup>(1)</sup>
% of Groupe revenue	53.6%	51.9%	

**2016 organic growth: +3.2%**  
**of which -1.1% in Q4**

(1) Despite Razorfish performance



# UPDATE ON PUBLICIS.SAPIENT

## 1. RAZORFISH

Razorfish has been facing challenges over the past years including:

- Too much reliance on one-off projects
- Several management changes: Bob Lord until July 2013, Pete Stein until end 2014, Tom Adamski passed away in October 2015, Shannon Denton until merger of Razorfish and SapientNitro
- Good new business but insufficient to offset end of projects
- 2016 revenue: -15% year-on-year

Actions have been taken:

- [Merger with SapientNitro to create SapientRazorfish](#), combining consumer experience, omni-channel, and technology deployment
- [Development of innovative products and launch of Cosmos](#), a new AI data platform that uniquely combines cognitive algorithms, data intelligence and machine learning
- [Re-fill of new business pipeline](#)



# UPDATE ON PUBLICIS.SAPIENT

## 2. DIGITAL TRANSFORMATION

Digital business transformation has become an increasing top priority focus for our clients in 2016

- The expected shift of client demand towards digital business transformation has sharply accelerated
- Requiring an even faster adaptation of clients' organization and Publicis.Sapient's services: combination of consulting, technology and creativity

Publicis.Sapient, a unique combination of communication & marketing assets and consulting capabilities to deliver end-to-end services to our clients

- *Sapient Inside* leveraging "The Power of One"
- Publicis Groupe to leverage its global delivery platform located in India
- Promising results on clients' transformation business

New approach for Publicis.Sapient

- To increase competitiveness in clients transformation
- To increase potential growth of all services with a better focus of Sapient Consulting, SapientRazorfish, DigitasLBI
- To reduce volatility



## UPDATE ON PUBLICIS.SAPIENT

### 3. ORGANIZATION ALIGNED WITH BUSINESS TRANSFORMATION

- ➔ *Sapient Inside* implementation
- ➔ New management team at Publicis.Sapient
- ➔ Merger of SapientNitro and Razorfish
- ➔ New investment program
- ➔ More integrated in “The Power of One”

**Digital business transformation  
to provide significant growth potential**



# 2016 RESULTS



## CONSOLIDATED INCOME STATEMENT

(EUR million)	2016	2015	2016 vs. 2015
Revenue	9,733	9,601	+1.4%
<b>EBITDA <sup>(1)</sup></b>	<b>1,682</b>	<b>1,661</b>	
As a % of revenue	17.3%	17.3%	
<b>Operating margin</b>	<b>1,516</b>	<b>1,487</b>	<b>+2.0%</b>
Non-current income and expenses	12	8	
Net financial income (expenses)	(74)	(77)	
Income taxes	(427)	(424)	
<b>Consolidated Headline Net Income</b>	<b>1,027</b>	<b>994</b>	<b>+3.3%</b>
Associates	(5)	8	
Minority interests	(7)	(10)	
<b>Headline Group Net Income <sup>(1)</sup></b>	<b>1,015</b>	<b>992</b>	<b>+2.3%</b>
Amortization of intangibles arising on acquisitions, net of tax	(51)	(61)	
Impairment loss, net of tax	(1,383)	(18)	
Revaluation of earn-out	(108)	(12)	
<b>Group Net Income</b>	<b>(527)</b>	<b>901</b>	

(1) See definitions in Supplemental Information

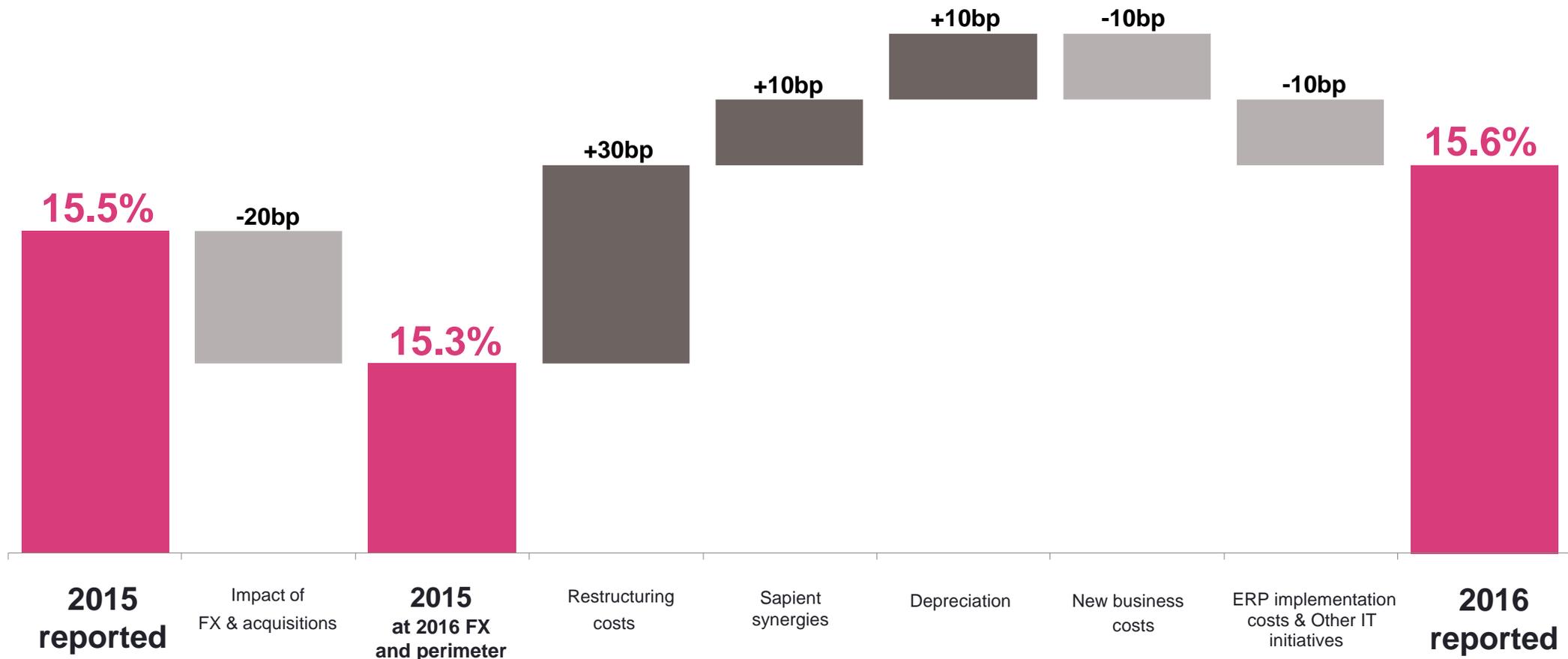


## OPERATING MARGIN

<b>(EUR million)</b>	<b>2016</b>	<b>2015</b>
Revenue	<b>9,733</b>	<b>9,601</b>
Personnel costs	(6,059)	(5,988)
Other operating expenses	(1,992)	(1,952)
Depreciation	(166)	(174)
<b>Operating margin</b>	<b>1,516</b>	<b>1,487</b>
<b>As a % of revenue</b>	<b>15.6%</b>	<b>15.5%</b>



## CHANGE IN OPERATING MARGIN AS A % OF REVENUE





# IMPAIRMENT

Impairment tests conducted at the level of the cash-generating units (CGUs)

Market context & triggering events:

- Delayed Razorfish/SapientNitro integration
- Digital markets shift leading to higher investments requirements & slower short term growth
- Mid to long term prospects maintained

Total impairment charge of €1,383 million, net of tax (€1,440 million before tax):

- €1,340 millions on Publicis.Sapient (out of €4.9 billion of goodwill & intangible assets)
- €43 millions other impairment

➔ **Impairment charge has no impact on headline EPS, cash and dividend**

➔ **New financial assumptions at Publicis.Sapient already reflected in 2018 margin objective**



## NET FINANCIAL INCOME (EXPENSES)

(EUR million)	2016	2015	2016 vs. 2015
2020 BNP Paribas loan, 2021 & 2024 Eurobond, 2023 bond	(61)	(61)	-
Other financial expense net of interest income	7	7	-
Discount on long term debt (earn-out and finance leases)	(20)	(20)	-
<b>Interest on net financial debt</b>	<b>(74)</b>	<b>(74)</b>	-
Foreign exchange gain (loss)	10	8	2
Other financial expenses <sup>(1)</sup>	(10)	(11)	1
<b>Net financial income (expenses) <sup>(2)</sup></b>	<b>(74)</b>	<b>(77)</b>	<b>3</b>

(1) Include provisions on financial assets, dividends outside the Group and finance costs on long term provisions

(2) Excluding earn-out revaluation



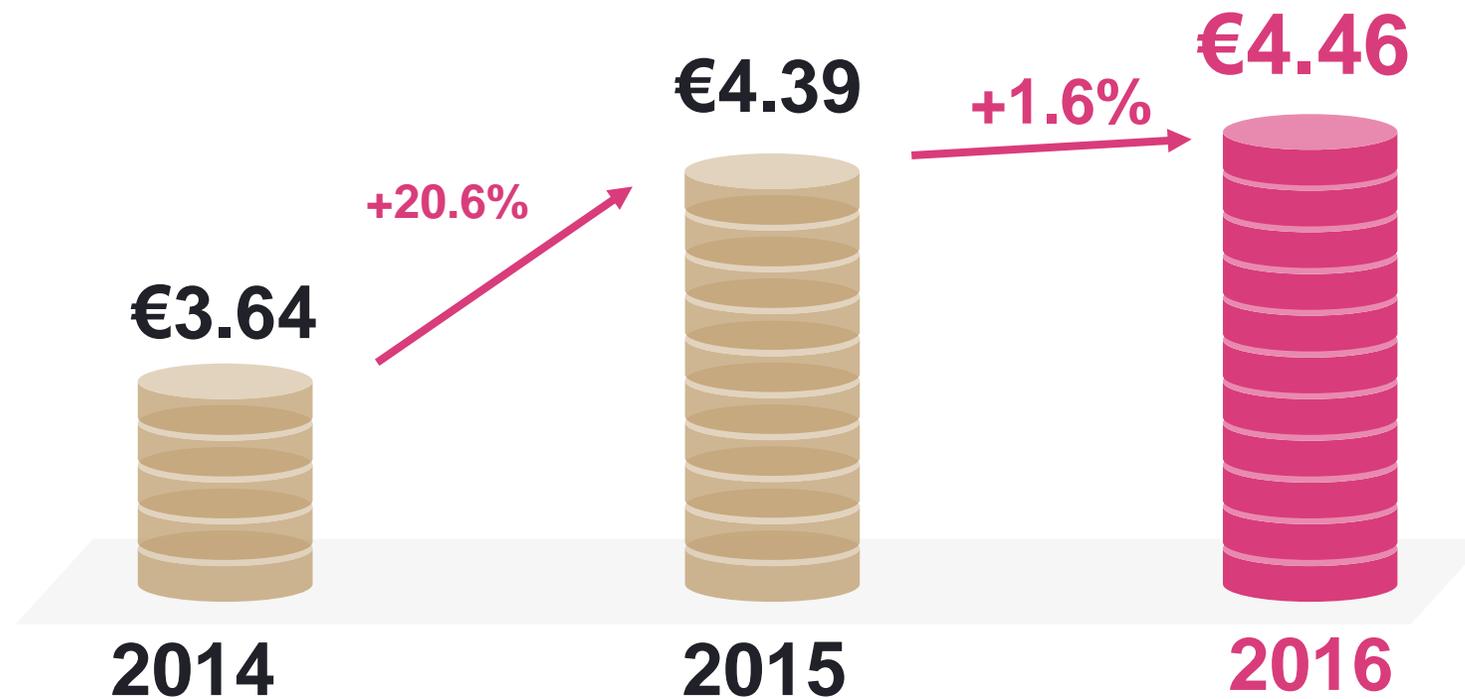
## EFFECTIVE TAX RATE

	2016	2015
Income taxes (EUR million) <sup>(1)</sup>	342	386
<b>Effective tax rate</b>	<b>29.0%</b>	<b>29.9%</b>

(1) See reconciliation in Supplemental Information



## HEADLINE EARNINGS PER SHARE, DILUTED <sup>(1)</sup>

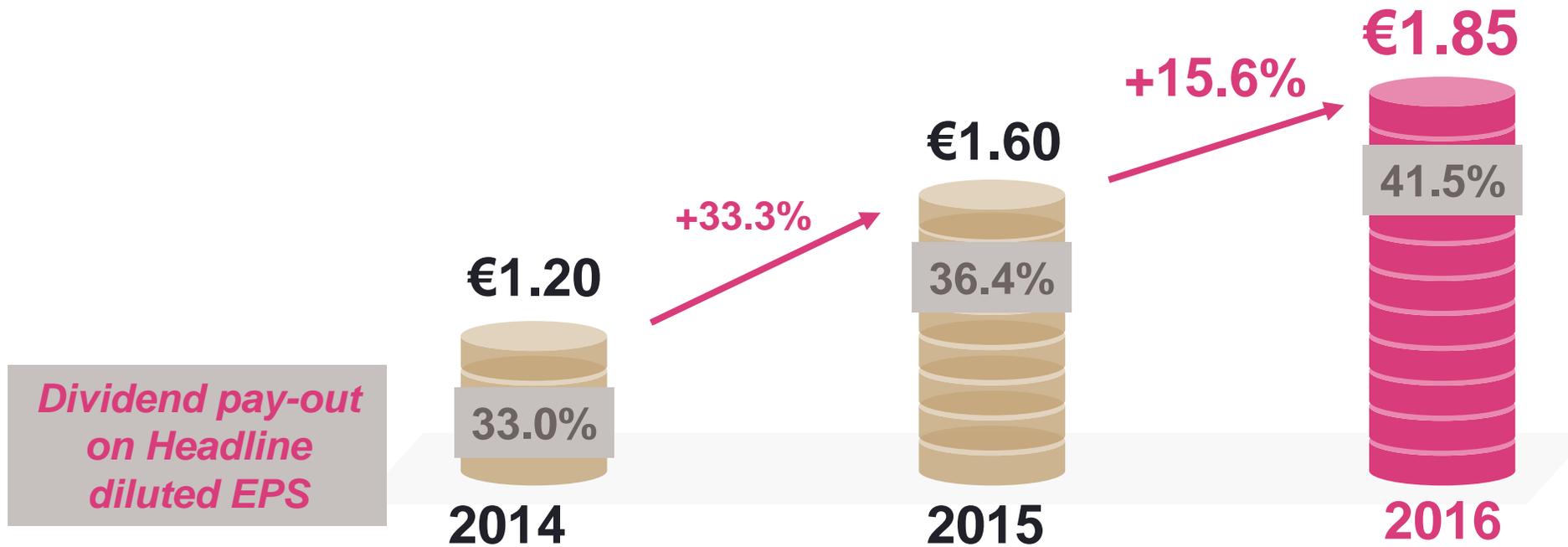


(1) See definitions in Supplemental Information



## DIVIDEND

PROPOSED DIVIDEND OF €1.85 PER SHARE,  
REPRESENTING CIRCA 42% OF HEADLINE DILUTED EPS



*Dividend pay-out  
on Headline  
diluted EPS*

**Option: cash or shares**  
**To be submitted to May 31, 2017 AGM vote**



## FREE CASH FLOW

<b>(EUR million)</b>	<b>2016</b>	<b>2015</b>	<b>2016 vs. 2015</b>
EBITDA <sup>(1)</sup>	1,682	1,661	
Interest paid	(66)	(77)	
Tax paid	(257)	(303)	
Other items	68	45	
<b>Cash flows from operations before change in WCR</b>	<b>1,427</b>	<b>1,326</b>	<b>+7.6%</b>
Capex, net of disposals <sup>(1)</sup>	(166)	(229)	
<b>Free Cash Flow before change in WCR</b>	<b>1,261</b>	<b>1,097</b>	<b>+14.9%</b>

(1) See definitions in Supplemental Information



## USE OF CASH

<b>(EUR million)</b>	<b>2016</b>	<b>2015</b>
<b>Free Cash Flow before change in WCR</b>	<b>1,261</b>	<b>1,097</b>
Change in WCR	(355)	79
Acquisitions (net of disposals)	(65)	(3,113)
Earn-out	(198)	(180)
Buy-out	(28)	(23)
Dividends paid	(213)	(258)
Share buy-back, net of sales <sup>(1)</sup>	4	(470)
Sales of treasury shares due to exercise of stock options	14	13
Exercise of warrants	6	16
Non-cash impact on net debt	202	(18)
<b>Reduction (Increase) in net debt</b>	<b>628</b>	<b>(2,857)</b>

(1) including (purchases) and sales in the liquidity contract



## BALANCE SHEET

<b>(EUR million)</b>	<b>Dec. 31, 2016</b>	<b>Dec. 31, 2015</b>
Goodwill and intangibles	10,495	11,752
Other fixed assets	910	950
Current and deferred tax	(494)	(455)
Working capital	(2,916)	(3,102)
<b>TOTAL</b>	<b>7,995</b>	<b>9,145</b>
Group equity	6,055	6,556
Minority interests	10	27
<b>TOTAL EQUITY</b>	<b>6,065</b>	<b>6,583</b>
Provisions for risk & charges	686	690
Net debt (cash)	1,244	1,872
<b>TOTAL</b>	<b>7,995</b>	<b>9,145</b>
<b>Net Debt / Equity Ratio</b>	<b>0.21</b>	<b>0.28</b>



## NET DEBT / (NET CASH)

(EUR million)	2016	2015	2014
Net Debt (Net Cash), average	2,385	2,429	(93)
Net Debt (Net Cash), at end of period	1,244	1,872	(985)



## FINANCIAL RATIOS

	2016	2015	Internal objectives
Average net debt / EBITDA <sup>(1)</sup>	1.42	1.46	< 1.50
Net Debt / Shareholders' Equity	0.21	0.28	< 0.50
Interest Cover <sup>(2)</sup>	23	22	> 7

(1) See definitions in Supplemental Information

(2) EBITDA / Cost of Net Financial Debt



## LIQUIDITY AS OF DECEMBER 31, 2016

(EUR million)	TOTAL	DRAWN	AVAILABLE
<b>Committed Facilities</b>			
364-day revolving credit facilities	165	0	165
5-year revolving credit facility <sup>(1)</sup>	521	0	521
5-year syndicated facility (Club Deal) <sup>(2)</sup>	2,000	0	2,000
<b>Total Committed Facilities</b>	<b>2,686</b>	<b>0</b>	<b>2,686</b>
Cash and Marketable Securities	2,228		2,228
<b>Total liquidity</b>	<b>4,914</b>	<b>0</b>	<b>4,914</b>
<b>Group other uncommitted facilities</b>	251	10	241

(1) €67m maturing in 2017, €400m maturing in 2018 and €50m maturing in 2019

(2) Maturing in 2020

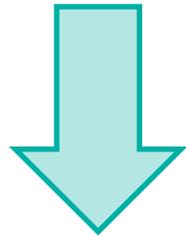


# STRATEGIC UPDATE



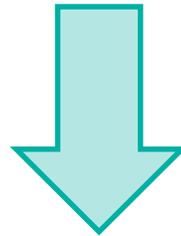
## 2016 KEY ACHIEVEMENT

**THE ORGANIZATION  
FOR A NEW ERA**



Clients facing a **new era**  
**The Power of One**

**FUEL THE PIPELINE**



**Integrated** offering  
and revenue **synergies**  
Improved account  
winning **momentum**

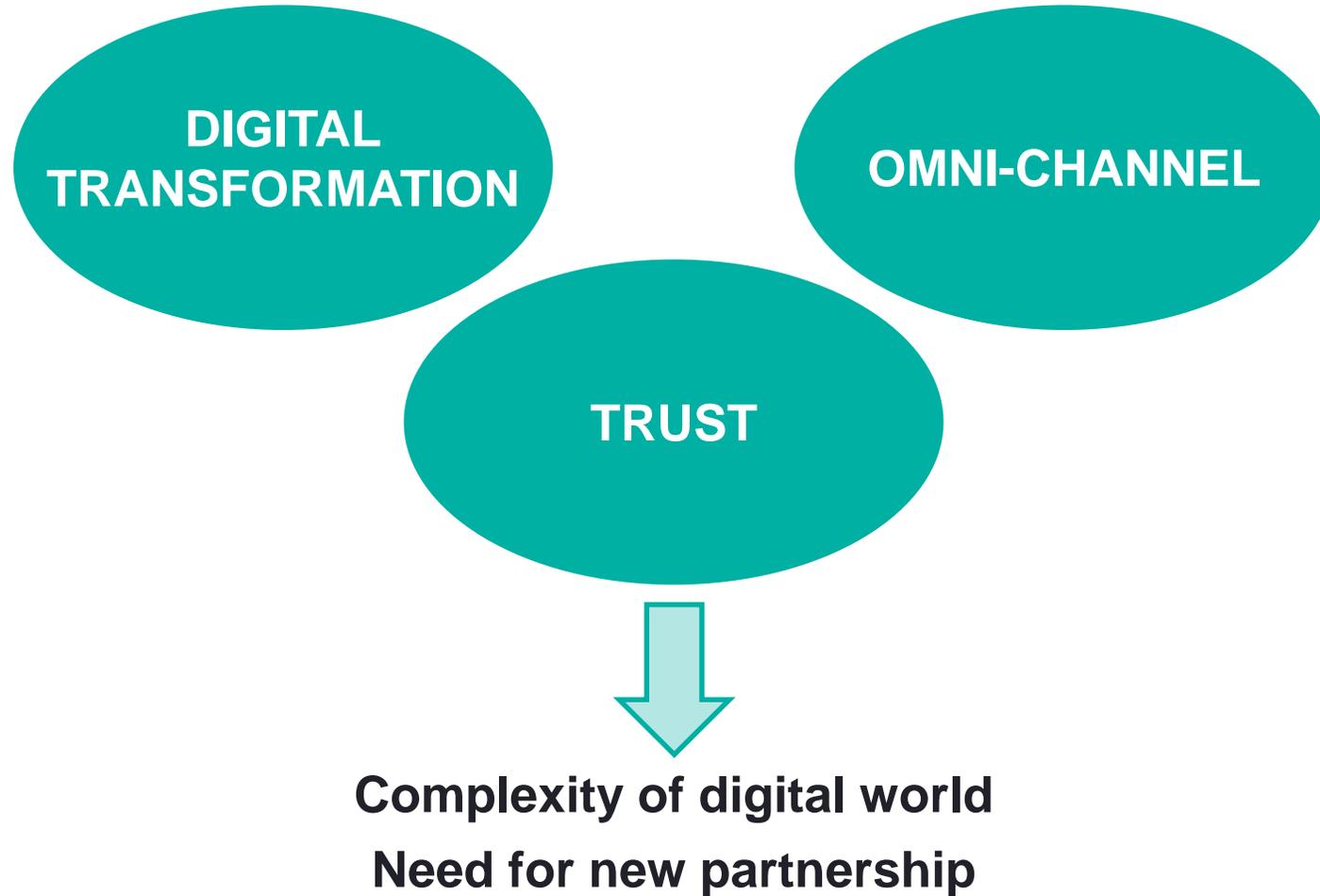
**FOCUS ON MARGIN  
AND FCF GENERATION**



Greater **efficiency**  
**Profitable** growth  
**Selective** capex policy



## CLIENTS: FACING A NEW ERA





## **PUBLICIS GROUPE: ENTERED THE NEW ERA**

**“ONE”**

From a “holding” company to a “connecting” company

**SOLUTION HUBS**

“The Power of One”

**CLIENT CENTRICITY**

Global Client Leaders (GCL) and Country Client Leaders (CCL)

**DIGITAL TRANSFORMATION**

**DATA**



## CURRENT ORGANIZATION

### Conseil de Surveillance (Supervisory Board)

- Chaired by Elisabeth Badinter



### Directoire (Management Board)

- Chaired by Maurice Lévy, CEO
- Members: Anne-Gabrielle Heilbronner, Secretary General  
Jean-Michel Etienne, CFO



### Directoire+ combined with Directoire (Executive Committee)

- Members: Arthur Sadoun, CEO of Publicis Communications  
Steve King, CEO of Publicis Media  
Chip Register, co-CEO of Publicis.Sapient  
Rishad Tobaccowala, Strategy and Growth Officer
- Extended to: Alan Wexler, co-CEO of Publicis.Sapient  
Nick Colucci, CEO of Publicis Health  
Jarek Ziebinski, CEO of Publicis One  
Frank Voris, CEO of Re:sources





## **SUCCESSION PLAN**

AS OF JUNE 1, 2017

Maurice Lévy to join the Conseil de Surveillance (Supervisory Board) of Publicis Groupe as Chairman (subject to shareholder approval)

Arthur Sadoun to be promoted to “Président du Directoire” of Publicis Groupe (Chairman of the Management Board) & CEO

Steve King to join the Directoire (Management Board) of Publicis Groupe



# REGAINED ACCOUNT WINNING MOMENTUM

MAIN WINS SINCE Q3 2016

BACARDI  
KFC  
FCA  
FIAT CHRYSLER AUTOMOBILES  
MUSIC TELEVISION  
HSBC  
Heinz  
MERCK  
NATIONAL VISION  
STARZ  
MOLSON Coors  
Groupama  
MATTEL  
Singapore TOURISM BOARD  
MOTOROLA

Special K  
Win back  
MARS  
Retained and extended  
GMC  
Retained



# FOCUS ON MARGIN AND FCF GENERATION

MANY ACTIONS TAKEN IN 2016

Simplification of management structures:

- From 14 brands to 5 Solution hubs, of which one integrated Solution offer at country level with Publicis One

Shared services optimization

ERP roll-out representing more than 50% of Groupe revenue

Sapient cost synergies in line with target

Selective capex policy: -28% year-on-year and representing 1.7% of revenue

➔ New cost saving opportunities have been identified



## CONCLUSION

- ➔ Unique strength of Publicis Groupe business model
  
- ➔ The Power of One: Growth is our top priority for 2017-2018
  - Stimulate cross-selling across the group, in every country
  - Integrated offer, more capabilities, delivered faster
  
- ➔ Firing on all cylinders to achieve our 2018 objectives



# Supplemental Information



## 2016 REVENUE IN USD MILLION

	2016	2015	2016 vs. 2015
Revenue	10,765	10,648	+1,1%



## REVENUE & ORGANIC GROWTH CALCULATION

(EUR million)	2016	Q4	Sept YTD
<b>2015 revenue</b>	<b>9,601</b>	<b>2,734</b>	<b>6,867</b>
Currency impact <sup>(2)</sup>	(177)	(27)	(150)
2015 revenue at 2016 exchange rate (a)	9,424	2,707	6,717
2016 revenue before impact of acquisitions <sup>(1)</sup> (b)	9,486	2,640	6,846
Revenue from acquisitions <sup>(1)</sup>	247	25	222
<b>2016 revenue</b>	<b>9,733</b>	<b>2,665</b>	<b>7,068</b>
<b>Organic growth (b/a)</b>	<b>+0.7%</b>	<b>-2,5%</b>	<b>+1.9%</b>

	Currency impact (EUR million)		
	2016	Q4	Sept YTD
GBP <sup>(2)</sup>	(100)	(39)	(61)
USD <sup>(2)</sup>	13	19	(6)
Other	(90)	(7)	(83)
<b>Total</b>	<b>(177)</b>	<b>(27)</b>	<b>(150)</b>

(1) Acquisitions (Star Reacher, Sapient, B2B, Expicient, Practice iLeo Romania, Relaxnews, C, Match Media, Domani, AKOM 360, TMC, Voden, 2DataFish, Frubis, The Solution Group, Glickman, TCC, First Click, August Media, Langland, PDI, MercerBell, Vertiba, Seven Seconds, Insight Redéfini, Venus Communications, Arcade, Digitouch, PT Publicis Metro Indonesia, PT Indonesia Media Exchange, Noch Notch, Metadesign, Regicom), net of disposals

(2) EUR = USD 1.106 en 2016 vs. USD 1.109 en 2015  
 EUR = GBP 0.817 en 2016 vs. GBP 0.726 en 2015

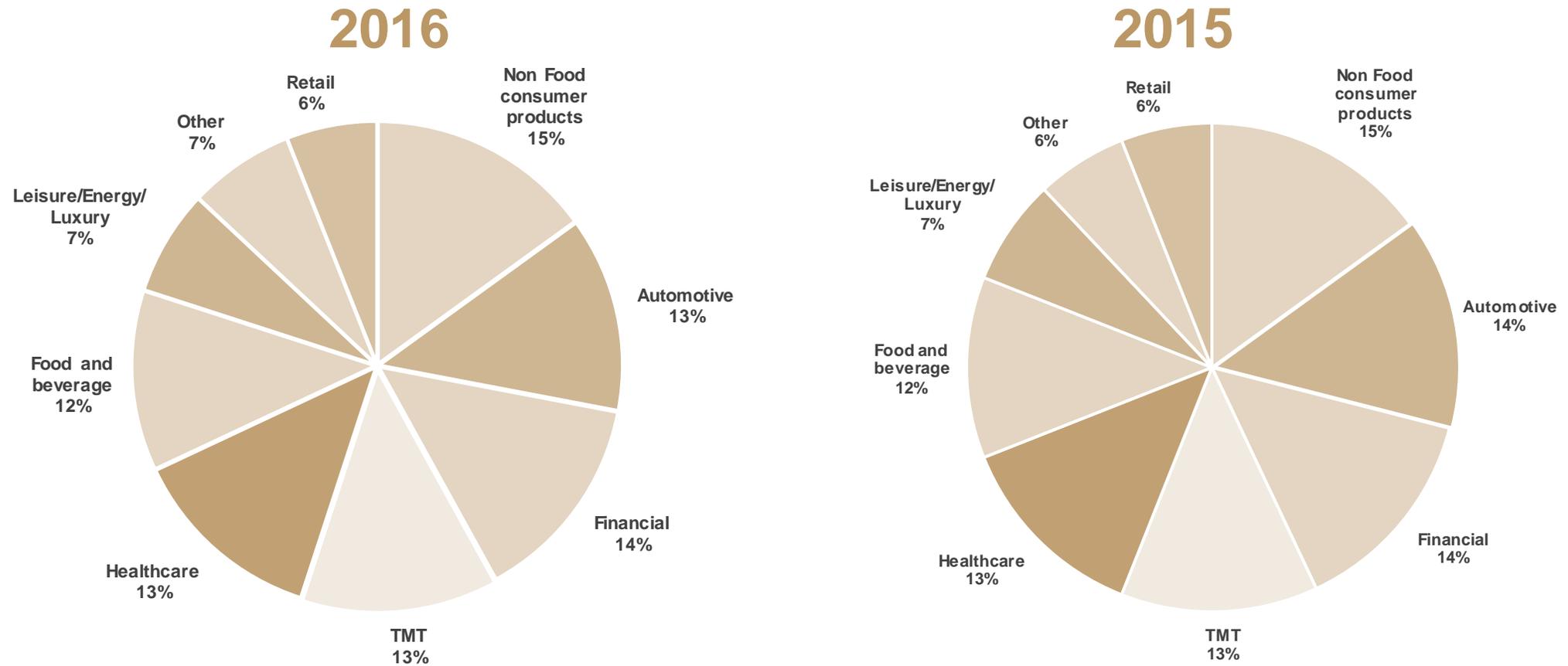


## 2016 ORGANIC GROWTH

	Europe	North America	Asia Pacific	Latin America	Middle East Africa	Total
Digital	+11.1%	-0.4%	+9.5%	-1.4%	+11.2%	+3.2%
Analog	+1.5%	-5.3%	-2.8%	+4.0%	-1.5%	-2.0%
<b>Total</b>	<b>+5.9%</b>	<b>-2.2%</b>	<b>+1.5%</b>	<b>+2.9%</b>	<b>+1.1%</b>	<b>+0.7%</b>



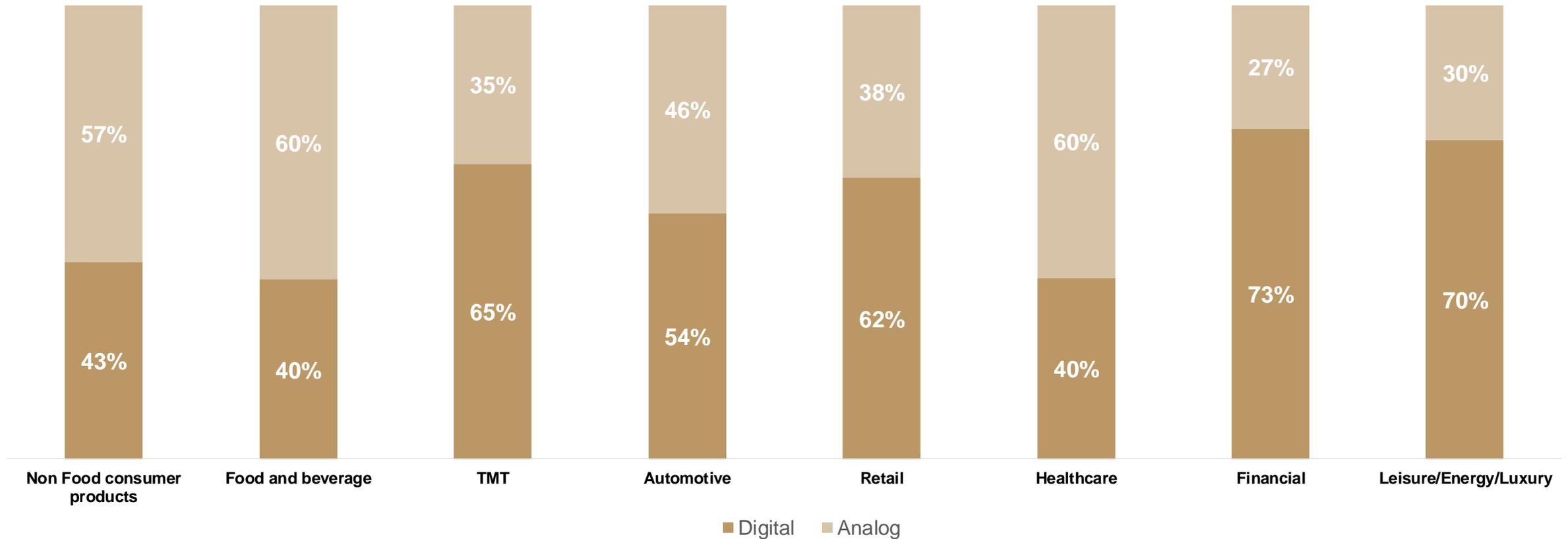
## REVENUE BY SECTOR (1)



(1) Based on 3,163 clients representing 86% of Groupe revenue



## 2016 REVENUE BY SECTOR <sup>(1)</sup> : ANALOG VS. DIGITAL



(1) Based on 3,163 clients representing 86% of Groupe revenue



## Q4 2016 REVENUE BY GEOGRAPHY (ALTERNATIVE BREAKDOWN)

(EUR million)	Q4 2016	Q4 2015	Reported growth	Organic growth
Europe <sup>(1)</sup>	745	749	-0.5%	+5.0%
North America	1,362	1,417	-3.9%	-6.9%
BRIC + MISSAT <sup>(2)</sup>	308	329	-6.4%	-5.5%
Rest of the world	250	239	+4.6%	+6.2%
<b>Total</b>	<b>2,665</b>	<b>2 734</b>	<b>-2.5%</b>	<b>-2.5%</b>

(1) Europe excluding Russia and Turkey

(2) BRIC = Brazil. Russia. India. China

MISSAT = Mexico. Indonesia. Singapore. South Africa. Turkey



## 2016 REVENUE BY GEOGRAPHY (ALTERNATIVE BREAKDOWN)

(EUR million)	2016	2015	Reported growth	Organic growth
Europe <sup>(1)</sup>	2,692	2,598	+3.6%	+5.7%
North America	5,236	5,184	+1.0%	-2.2%
BRIC + MISSAT <sup>(2)</sup>	1,011	1,042	-3.0%	+0.7%
Rest of the world	794	777	+2.2%	+4.0%
<b>Total</b>	<b>9,733</b>	<b>9,601</b>	<b>+1.4%</b>	<b>+0.7%</b>

(1) Europe excluding Russia and Turkey

(2) BRIC = Brazil. Russia. India. China

MISSAT = Mexico. Indonesia. Singapore. South Africa. Turkey



## CONSOLIDATED INCOME STATEMENT

<b>(EUR million)</b>	<b>2016</b>	<b>2015</b>
<b>Operating margin</b>	<b>1,516</b>	<b>1,487</b>
Amortization of intangibles arising from acquisitions	(79)	(89)
Impairment	(1,440)	(28)
Non-current income and expense	12	8
<b>Operating income</b>	<b>9</b>	<b>1,378</b>
Net financial income (expenses)	(74)	(77)
Earn-out revaluation	(108)	(12)
Income taxes <sup>(1)</sup>	(342)	(386)
Associates	(5)	8
Minority interests	(7)	(10)
<b>Group Net Income</b>	<b>(527)</b>	<b>901</b>

(1) See details in Supplemental Information



## INCOME TAX

<b>(EUR million)</b>	<b>2016</b>	<b>2015</b>
<b>Income tax</b>	<b>(342)</b>	<b>(386)</b>
Income tax on Amortization of intangibles arising from acquisitions	(28)	(28)
Income tax on Impairment	(57)	(10)
<b>Headline Income tax</b>	<b>(427)</b>	<b>(424)</b>



## GROSS DEBT AS OF DECEMBER 31, 2016

### Breakdown by MATURITY

(EUR million)	Total	2017	2018	2019	2020	2021 onwards
Eurobond 2021 <sup>(1) (2)</sup>	800					800
Eurobond 2023	492					492
Eurobond 2024 <sup>(1) (2)</sup>	662					662
Medium term loan	972		324	324	324	
Earn out / Buy out	378	220	95	41	20	2
Other debt <sup>(1)</sup>	168	67				101
<b>Total gross debt</b>	<b>3,472</b>	<b>287</b>	<b>419</b>	<b>365</b>	<b>344</b>	<b>2,057</b>

(1) Including fair values of associated derivatives

(2) Eurobond issued in December 2014 swapped in USD at fixed rate



**No covenants**



## NET DEBT AS OF DECEMBER 31, 2016

### Breakdown by CURRENCY

(EUR million)	Total	EURO	USD	GBP	Others
Eurobond 2021 <sup>(1) (2)</sup>	800		800		
Eurobond 2023	492	492			
Eurobond 2024 <sup>(1) (2)</sup>	662		662		
Medium term loan	972	446	526		
Earn out / Buy out	378	35	167	34	142
Other debt <sup>(1) (3)</sup>	168	18	108	7	35
Cash & marketable securities <sup>(3)</sup>	(2,228)	(83)	(1,200)	(45)	(900)
<b>Net debt (cash)</b>	<b>1,244</b>	<b>908</b>	<b>1,063</b>	<b>(4)</b>	<b>(723)</b>

(1) Including fair values of associated derivatives

(2) Eurobond issued in December 2014 swapped in USD at fixed rate

(3) After impact of currency swaps



## NET DEBT AS OF DECEMBER 31, 2016

### Breakdown by RATE

(EUR million)	Total	Earn-out / Buy-out	Fixed rate	Floating rate
Eurobond 2021 <sup>(1)</sup> <sup>(2)</sup>	800		800	
Eurobond 2023	492		492	
Eurobond 2024 <sup>(1)</sup> <sup>(2)</sup>	662		662	
Medium term loan	972			972
Other debt <sup>(1)</sup>	168		101	67
<b>Total gross debt excluding earn out/buy out</b>	<b>3,094</b>		<b>2,055</b>	<b>1,039</b>
Earn-out / Buy-out	378	378		
Cash & marketable securities	(2,228)			(2,228)
<b>Net debt (cash)</b>	<b>1,244</b>	<b>378</b>	<b>2,055</b>	<b>(1,189)</b>

(1) Including fair values of associated derivatives

(2) Eurobond issued in December 2014 swapped in USD at fixed rate



## DEFINITIONS

**EBITDA:** operating margin before depreciation.

**Operating margin:** Revenue after personnel costs, other operating expenses (excl. non-current income and expense) and depreciation (excl. amortization of intangibles arising on acquisitions).

**Operating margin rate:** Operating margin as a percentage of revenue.

**Headline Group Net Income:** Group net income after elimination of impairment charges, amortization of intangibles arising from acquisitions, main capital gains (or losses) on disposals and revaluation of earn-out payments.

**EPS (Earnings per share):** Group net income divided by average number of shares, not diluted.

**EPS, diluted (Earnings per share, diluted):** Group net income divided by average number of shares, diluted.

**Headline EPS, diluted (Headline Earnings per share, diluted):** Group net income after elimination of impairment charges, amortization of intangibles arising from acquisitions, main capital gains (or losses) on disposals and revaluation of earn-out payments, divided by average number of shares, diluted.

**Capex:** Net acquisitions of tangible and intangible assets, excluding financial investments and other financial assets.

**ROCE (Return On Capital Employed):** Operating Margin after Tax (using Effective Tax Rate) / Average employed capital. Capital employed include Saatchi & Saatchi goodwill which is not recognised in consolidated accounts under IFRS.

**Net Debt (or financial net debt):** Sum of long and short financial debt and associated derivatives, net of treasury and cash equivalents.

**Average net debt:** Average of monthly net debt at end of month.

**Dividend pay-out:** Dividend per share / Headline diluted EPS.



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