



PUBLICIS GROUPE

PRESS KIT



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Publicis Groupe Governance as of June 1, 2017

- Arthur Sadoun named Chairman & CEO of Publicis Groupe
- Steve King to join the Management Board (Directoire)
 - Maurice Lévy nominated to take on role of Chair of the Supervisory Board (Conseil de Surveillance)

PARIS, January 26, 2017 - The Publicis Groupe [Euronext Paris: FR0000130577, CAC 40] Supervisory Board (Conseil de Surveillance) has chosen Arthur Sadoun to succeed Maurice Lévy as Chairman & CEO of Publicis Groupe.

With the support of the Nominating Committee and Maurice Lévy, Elisabeth Badinter, the Chair of the Supervisory Board and President of the Nominating Committee, have led a thorough analysis. They concluded that the Groupe is rich with talent, leaving no need to search for an external candidate.

Beginning June 1, 2017, Arthur Sadoun will become Chairman & CEO, presiding over the Management Board (Directoire), which will also be strengthened with the arrival of Steve King, currently CEO of Publicis Media. Steve King will join current Management Board members Jean-Michel Etienne, Executive Vice President-CFO, and Anne-Gabrielle Heilbronner, Secretary General.

This management team will be able to count on the world-class leaders and the full range of the Groupe's expertise in transformation including, Alan Wexler and Chip Register of Publicis.Sapient, Nick Colucci of Publicis Health, Jarek Ziebinski of Publicis One, and Rishad Tobaccowala for strategy and our client-centric approach.

One of the points of pride for the Supervisory Board and one of the reasons for Publicis Groupe's success are the incredible expertise found across the Groupe, allowing clients access to The Power of One - an approach tailored to best fit client needs, at the service of their own transformations, in a constantly changing world.

Elisabeth Badinter stated: "The highly respected professional qualities of Arthur Sadoun, his unique understanding of clients and their needs, his accomplishments both during his time at Publicis Groupe and before, and his human qualities, all make him the prime candidate. He will be able to count on Steve King, who is joining the Management Board, as well as Jean-Michel Etienne and Anne-Gabrielle Heilbronner, members of the Management Board. On behalf of the Supervisory Board, we have every confidence in this team to meet the challenges ahead. The Supervisory Board and myself would like to particularly note the exceptional work accomplished under the stewardship and thanks to the personal commitment of Maurice Lévy over the last 30 years; our Groupe has profoundly transformed itself, ranked today not only as the 3rd group globally but above all as the 1st when it comes to the engine of the future: digital. It would be too long to list all of the accomplishments achieved under his direction. It suffices to say that, over this period, our headcount went from around 3,000 people to nearly 80,000; our revenue has multiplied by nearly 50 and our market capitalization by close to 100. I would like to warmly thank him and tell him how much the Supervisory Board and myself are grateful to him. Succession is never an easy task and this is the reason why I very much insisted that Maurice Lévy remain at our side to provide Arthur Sadoun with guidance in and recommendations for his difficult task. Therefore, I have proposed that Maurice Lévy join the Supervisory Board as Chairman, if the shareholders agree with my recommendation and that of the Supervisory Board at the next Annual General Meeting."



Effectively, the Supervisory Board has proposed that Maurice Lévy, upon completion of his mandate, join as Chairman. This proposition will be submitted to a vote by the shareholders at the Annual General Meeting on May 31, 2017.

Maurice Lévy declared: "First of all, I'd like to warmly congratulate Arthur. I am extremely happy with this choice, which is the most appropriate and judicious for the future of our Groupe, and congratulate Arthur warmly. It's not just any choice, it's a measured and well thought out choice that opens new doors for the future of our amazing Groupe. I have known Arthur for many years. We have worked very closely together. He is a seasoned professional with an inspiring vision of our industry and of our clients' needs. He knows them well, he understands them well and he knows how to deliver the solutions and services they need to grow, develop and transform by selecting the best talent. He has the intelligence, the energy and the passion necessary to master our trade in a connected world that is changing and evolving constantly. He's also a man with admirable human qualities. It is all this together that will drive him, with the help of his team, to lead the Groupe on the path to success and to rise above any obstacle. In handing him the "keys to the future", (as Marcel Bleustein-Blanchet, the founder of Publicis said to me) the Supervisory Board has made an excellent choice. I have every confidence.

Particularly since Arthur will be able to count on a first-rate team. The Supervisory Board has made a point to highlight Steve's path, talent and unquestionable accomplishments in various fields. I have always greatly admired Steve and thought of him as a friend, as he has been able to meet every challenge and make necessary change with talent and impact. His promotion to the Management Board, alongside Jean-Michel Etienne and Anne-Gabrielle Heilbronner, who both know the Groupe inside-out, is well deserved and will allow him to provide his support and professionalism to the Groupe's development. The Management Board, in its new form, is balanced and based upon high standards of rigor and expertise. I feel most confident this team is fit for the Groupe's lofty ambitions. In direct support of the Management Board, talented leaders head our Solutions to best serve our clients and help them grow. It's another reason to feel confident.

We owe where we are today to our clients, and we thank them for their trust. In order for us to continue to be worthy of this trust, we need to put in place the strongest team possible to drive the future. This has now Finally, I am extremely thankful to Elisabeth Badinter, who has placed her trust in me over the last 20 years. The harmony that has always existed between the Supervisory and Management Boards, the friendly, transparent and trustful collaboration between Elisabeth Badinter and myself, have, without a doubt, been the secret to the success of Publicis. Elisabeth Badinter has placed an enormous amount of trust in me by proposing I take over as Chairman of the Supervisory Board, for which I thank her deeply. In this position, if the shareholders so vote it, alongside the members of the Supervisory Board, I will do my very best to accompany the new team who, under Arthur's leadership, I am sure, will go above and beyond to take Publicis Groupe even higher."

Arthur Sadoun said: "First, I'd like to deeply thank Elisabeth Badinter, Maurice Lévy and the Supervisory Board for their trust.

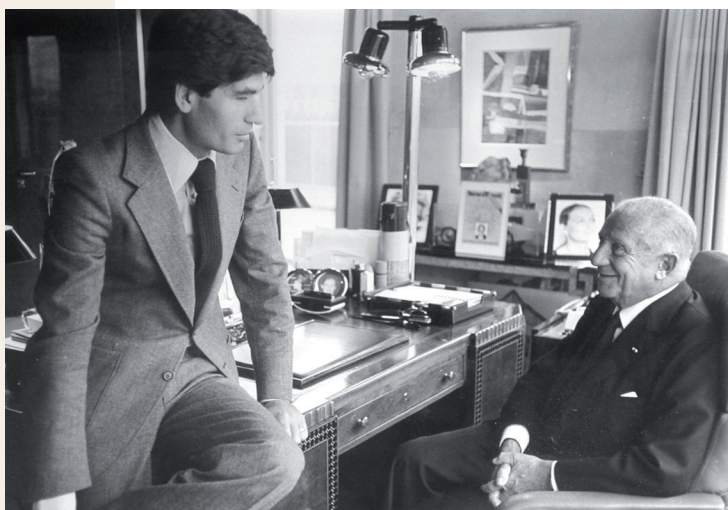
I'm also extremely grateful to Publicis Groupe's clients and teams around the world, with whom I've had the pleasure of working for the past 10 years.

Leading the company founded by visionary Marcel Bleustein-Blanchet and made into a global communications leader by Maurice Lévy is an immense honor and an incredible challenge. A challenge that I'll meet with open arms, thanks to the continued contribution of Maurice's wisdom and experience, and the support of Steve King, the Management Board and the talented individuals who make up Publicis Groupe.

Thanks to each of them, I'm taking on this new role with confidence, determination and one objective in mind: accelerating our transformation and development through The Power of One to continue to make Publicis shine like Marcel and Maurice have done for the past 90 years."



Maurice Lévy



This is the story of a dually unique destiny that would drive a French, family success story to the top of the global advertising world. It is a destiny that started with the meeting of two men, Marcel Bleustein-Blanchet and Maurice Lévy, two captains of industry who recognized themselves in one another, across the decades that separated them, to pass the baton between their two visions. It is the destiny that stemmed from something of a wild dream, a combination of constants - great enthusiasm about the future, at the service of brands, and notions of honesty and freedom - and transformations -

winning over the world, especially a world that was predominantly Anglo-Saxon - without ever departing from their original values.

The story began on Tuesday, March 2, 1971, in the France of President Pompidou, towards the end of the thirty-year boom period known as "The Glorious Thirty", a period of soaring household consumption. This was also the time of France's three ORTF television channels, the era of the European project with the possibility of the UK joining the Common Market. Elsewhere, the USA applied the Nixon Doctrine with a view to easing its way out of the quagmire that was Vietnam, and the victors of WWII divvied up Berlin ten years after the Wall was built. Northern Ireland was ablaze as the IRA took up arms, and India and Pakistan waged war on one another as Bangladesh claimed its independence. The era also ushered in bell-bottoms, the sexual revolution and flower power. And on this day, Maurice Lévy walked through the snow to his first meeting with his new boss, Marcel Bleustein-Blanchet.

And what an intimidating experience that was! Marcel Bleustein-Blanchet was a member of the French Resistance who joined De Gaulle in London to fly US Air Force bombers, he was the inventor of advertising in France, a well-known member of Parisian high society and highly respected "Monsieur" well beyond the business world. He was a visionary known as the "Pope of advertising" and had founded Publicis 45 years earlier, at the age of 20, winning acclaim for modern advertising when others were still churning out basic and misleading ads of bygone days. Though he had never worked in an Anglo-Saxon environment, he was already a living legend in advertising, alongside the likes of Bill Bernbach, Leo Burnett or David Ogilvy. In the mythical office in the Champs-Élysées building where Eisenhower had established his headquarters during the war, the young Maurice sat - with a tight throat and shaky legs - at a small bridge table with a Louis XV armchair either side, and old masters on the walls. The meeting, which was scheduled to last 10 minutes, continued for an hour and ended with "Young man, one day you'll be running this business". Whether this had been a sudden premonition or lofty words of encouragement, the Chairman was sufficiently convinced to back this up by dedicating a copy of his book *La Rage de Convaincre* (The Rage to Persuade) "To Maurice Lévy, whose rage to persuade I found very persuasive indeed".

Marcel was persuaded he could implement the tools of the future in areas that were still embryonic, namely data and processing. Intel's 4004 processor, launched in 1971, was about to pave the way for micro computing for companies and individuals alike. In fact, just a few weeks earlier, Publicis' No. 2 had hired exactly this young expert to completely redesign the Groupe's IT system.



However, he was also persuaded that this young man had a lot to offer beyond his programming expertise in Assembly or COBOL. Indeed, at just 29 years of age, Maurice Lévy had already been offered the position of CEO of Synergie (France's then third largest advertising agency with a staff of 250), after rising rapidly through the ranks from Head of IT. Given his great interest in new business and creativity, he turned down the offer he felt had come too soon, preferring to continue learning his trade: "If, at 29, I'm considered the best, then I must be in the wrong agency". And so, he joined Publicis, eager to conquer.



Maurice Lévy worked relentlessly to set up information systems, notably to back up data on magnetic tapes, an unprecedented move at the time. He also worked on internal controls and the organization of the agency. Some months later, it was his futuristic back-up work that would prove crucial for Publicis when a fire ravaged the premises on September 27, 1972. His fireproof storage boxes not only saved vital data from the flames, but also from the water sprayed on the building by the firemen. The next day, admittedly with staff scattered over 65 different places, thanks to these data and the support of its clients, Publicis was able to resume its business

almost as usual; salaries were paid, supplier accounts were settled and campaigns were carried out without missing a single advert.

The very least that can be said is that Maurice Lévy stood out in everyone's eyes, beginning with those of Marcel Bleustein-Blanchet. When he died a quarter of a century later, in 1996, the Groupe's founder left his successor one of only two items that survived the fire: a Bible whose first few pages had been devoured by the flames. At the foot of the first legible page was a quotation in Latin, taken from the book of Genesis, about destruction by fire. Ever since, Maurice Lévy has kept this precious legacy - proudly exhibited in his office - as Publicis' symbol of continuity and destiny, but also of fragility.

The fire of 1972 almost dashed a life-long dream. A number of clients were leaving the agency, and it became urgent to take action. Maurice Lévy moved rapidly towards the core business: advertising and marketing. He became, and more importantly remained, an Account Executive irrespective of the positions he would later take on. He would always feel that managing campaigns for clients was the best job in advertising.





For the handful of people working directly with him, these were the halcyon days of new business, with no less than 24 accounts won in succession between 1974 and 1976, including the likes of Heineken, still managed by the Groupe to this day.

This was also a period marked by the agency's large clients - Renault, Nestlé, L'Oréal - and great campaigns - Dim, Boursin and Nescafé inevitably spring to mind. Creativity was the watchword and Publicis characteristically called on the top movie directors such as Sergio Leone, Michelangelo Antonioni, Marco Ferreri, Claude Chabrol, Ridley Scott, Bob Rafelson, Constantin Costa-Gavras, Robert Enrico or Jean-Jacques Annaud, Adrian Lyne and many others. Audacity went hand in hand with creativity in breaching codes and stereotypes. Publicis went against the grain of forced conviviality with a campaign for beer, portraying a discerning man admiring the sparkle and fizz, murmuring, "I love its finesse". Certain campaigns would leave their mark on society at large, including the Renault 5, which was launched in 1972 and became what sociologists called the "first socially indistinct car", i.e. a car for everyone in France; other campaigns would forge industrial decisions: Renault's choice of front-wheel drive, the rear door on hatchbacks, the folding rear seat, indeed the very modularity of automotive interiors which would become a hallmark of the brand, with its "Les voitures à vivre" (Family cars) slogan from 1985 onwards.



Publicis was always in the front line alongside its clients, inventing communication models that have left a lasting mark on French and European industries. For instance, Maurice Lévy was directly involved in the first model of communication for a corporate privatization (Saint Gobain), or at the heart of major crisis communication plans (Nestlé's battle to take over Perrier, the bailout of Lagardère or alongside Sanofi in the Aventis acquisition).

In parallel to this creative effervescence is the story of a rapid rise through the ranks that would soon lead to a succession. In 1973, Marcel Bleustein-Blanchet offers Maurice Lévy the position of CEO of Publicis Conseil. Maurice Lévy turned down the offer, considering he was too much of an IT man to run a creative agency. He did, however, accept to work on secondment with the agency to turn around its financial situation after the fire. However, he was soon jointly running Publicis Conseil with Claude Marcus, before being appointed CEO in 1976 and subsequently Chairman in 1984 - very much a symbol and a major decision on the part of Marcel Bleustein-Blanchet who had never let anyone other than himself lead the agency. The CEO / "Advertising Executive" focused notably on reinforcing the French position through the acquisition and creation of subsidiaries, as well as by reconstructing the international network not yet under his stewardship. From 1986, Maurice Lévy became Vice-Chairman of Publicis S.A., effectively overseeing management operations. It was in 1987 that he became Chairman of Publicis S.A.



In fact, this was only the beginning of the story of Maurice Lévy and his mentor who had just handed over what he referred to as “the keys to the future” of Publicis Groupe. He began on the institutional level when, in late 1987, Marcel Bleustein-Blanchet had the company’s articles of incorporation amended to prepare his succession: he created a Management Board of which he appointed Maurice Lévy as Chairman, and a Supervisory Board which he chaired himself. But mostly, this handing over of the keys was on the human and collaborative level. From 1987 until he passed away in 1996, Marcel Bleustein-Blanchet -

for whom retirement was a completely baroque idea even after 61 years in leadership and who claimed that “in military terms, it’s the same thing as being put to rout” - sought to push back Maurice Lévy’s limits to see how far he could take the company. Maurice Lévy made a point of ensuring these limits were never reached. That was how the game was played by the two men.

How does one “push back the limits” when one has the “keys to the future”? By preparing, without further ado, for the globalization of markets and consequently for new and fiercer competition than in the somewhat sheltered world of the 1970s. Advertisers were going global, and it was only a matter of time before agencies followed suit. Hadn’t the Chairman of Renault, a long-standing client of Publicis, once said to Marcel Bleustein-Blanchet over lunch: “You should think about the international markets”? For quite some time, Maurice Lévy had been doing a lot more than just think about them: he was encouraging Publicis to go out, conquer the world, and develop its clients’ businesses in other countries.

Two things tempered this shift towards what could well be the key to not only the Groupe’s development, but indeed that of the advertising industry.

The first was a certain bewilderment. Marcel Bleustein-Blanchet, even though he had laid the foundations for the Groupe’s future expansion worldwide, was reluctant to make big changes and preferred to focus on France and Europe. Of the American market, he said “Maurice, they have it all, what more can you bring them?” Of the Chinese market, he simply asked, “Do you speak Chinese, Maurice?”

The second was the size of the step-up. Maurice Lévy felt that Publicis did not have the means to go global on its own, in order to accompany its clients as they ventured out to win over new markets. In 1987, Publicis was the number one advertising agency in France and ranked 7th in Europe, but was near the bottom of the global leaderboard. Its tripartite organization (advertisers - agencies - media) was original in the world of advertising: from the onset, Publicis always had advertising networks and media alongside its agencies in France and elsewhere. With 3,600 employees, Publicis was generating revenue equivalent to 220 million euros today. As a listed company, the stock was appreciated by investors even though its market capitalization (the equivalent of 160 million euros) was dwarfed by the industrial behemoths of France’s CAC 40 index (Elf-Aquitaine, Peugeot, BSN and Air Liquide).



In 1988, Maurice Lévy decided to enter into an alliance with the American group FCB, an alliance that would allow Publicis to keep control of the company and its European operations, while becoming FCB's biggest shareholder. Publicis thus became Europe's second largest network, behind the No. 1 group worldwide, Saatchi & Saatchi, and the Publicis-FCB alliance became the world's 7th largest advertising group. This newfound global clout helped anchor and develop the Groupe's relations with its long-standing clients like Nestlé, but also to win back L'Oréal.

Two very different setbacks then slowed this momentum of the early 1990s.

Firstly, a weakening that bordered on humiliation. In addition to the economic crisis of 1993 - which increased unemployment across Europe and postponed the prospect of stabilization after the fall of the Soviet block - there were the castrating effects of the Sapin law in France. On top of the very considerable economic consequences (despite Maurice Lévy's success in cushioning the shock and in avoiding layoffs thanks to employees who accepted a temporary salary decrease), the regulatory change was part of an anti-corruption package. In effect, it was trampling on the efforts Marcel Bleustein-Blanchet and Publicis staff had been making to promote honest advertising practices since 1926. Over and beyond the economic consequences, it was the association with corrupt practices that was deemed humiliating.

Secondly, the disillusion that comes with a separation. The alliance with FCB was not working out, and the relationship became acrimonious. FCB's new management was prepared to forego 55% of its profits to destabilize the alliance - using methods as worthy of Hollywood as they were lacking in elegance (tapping conversations, tailing individuals, etc.) - to take control of Publicis. The divorce, at Publicis' request, was painful but left the Groupe wiser on two counts.

On the one hand, the importance of keeping one's destiny in one's own hands while preserving the Groupe's interests. Maurice Lévy, who likes to call a spade a spade, surprised investors and journalists by recognizing that this difficult decision was the consequence of failure. This was to become Publicis' strategic decision-making mantra, particularly concerning the financial packaging of future acquisitions, in its determination to avoiding any loss of control.

On the other hand, this had enabled the Publicis management to learn a lot about how American Boards of Directors and networks are run, lessons that would soon become invaluable when the Groupe began its globalization after the loss of Marcel Bleustein-Blanchet in 1996.

This globalization did take place between 1996 and 1999, and it was a sprint. Some thirty agencies were integrated into the Groupe within three years. He emphasis was placed on North America where, after the acquisition of a foothold in Canada in 1996 came the so-called "American year" (1998) which would see North America's contribution to Groupe revenue rise from 11% in 1997 to 24% in 1998.

This pro-active approach was well controlled and, from 1998, the management of Publicis began grooming the Groupe for its new role as a global player. To do so meant establishing a stable shareholder base after the buyback of shares from Michèle Bleustein-Blanchet, one of the founder's daughters. This entailed opening up the share capital to financial investors, but also to the Groupe's employees.





Moreover, Publicis needed to rethink its organization and operating methods if it was to take up the global challenges facing its clients, as they too had gone global.

Global issues require cross-functional solutions. As early as 1998, the Groupe anticipated developments in its own business by adopting a holistic approach: from communications designed because of the characteristics of its tools, Publicis migrated to an approach based on global solutions, irrespective of the media or means required.

Global budgets but a single point of contact. Increasingly, Publicis' major international accounts could count on their Worldwide Account Directors (WWADs) whose strategic importance had grown consistently since they were introduced in the early 1980s. WWADs were "custodians" of the brand and its development on behalf of Publicis. They established creative standards, motivated and managed teams to ensure quality, successful completion, the transfer of knowledge, while also encouraging the profitability of the account.

And, in the final analysis, global brands went hand in hand with a celebration of differences. Whereas the Anglo-Saxon companies and campaigns were much alike, Publicis was convinced of the need to respect differences in order to reach and hopefully move consumers. Rather than a method, it offered a frame of mind, its curiosity, its way of looking at things, a form of empathy, and from this difference stemmed a preference. By celebrating other cultures - and Publicis notably drew inspiration from the Russian tale of the Firebird - Publicis was awarded the iconic Coca-Cola account in some twenty European countries. "Viva la Difference!" would become the Groupe's motto.

The year 2000 proved a turning point for the Groupe, both a metamorphosis and the ultimate recognition. The acquisition of the world's greatest advertising brand - the Saatchi & Saatchi network - suddenly made the advertising industry take heed of what Europe's Publicis, now a global player, had in fact achieved over the previous five years. This took the Groupe to a completely new level since it had become a multi-network operator with two global networks, i.e. Publicis Worldwide and Saatchi & Saatchi Worldwide, in addition to the first healthcare communications network called Nelson Communications Worldwide. This was not simply a change of scale, it changed the very nature of Publicis which had now joined the world's advertising greats with new clients such as Toyota, Procter & Gamble, General Mills, Johnson & Johnson, AstraZeneca and Visa. The enhanced credibility also boosted its financial status with listing on the New York Stock Exchange - under the ticker symbol "PUB" as it was then known in Paris as on Wall Street - and a sharp increase in the share price.



This multi-network strategy still needed to fully establish its merits, which is what Publicis achieved in 2001, in the extremely sensitive geopolitical and economic context that prevailed following the 9/11 attacks. In the eye of this cyclone, Publicis pulled off two remarkable feats.

Firstly, it consolidated its fundamentals by seamlessly integrating Saatchi & Saatchi, while combining Zenith Media and Optimedia to create ZenithOptimedia, the world's No. 3 media planning and buying network.



Then it successfully completed delicate negotiations that had a structural impact on the Groupe. A mere ten days after the attacks on the World Trade Center, with New York deserted and deeply wounded, and markets in disarray, Maurice Lévy trusted in the future of the US and signed the acquisition of Bcom3, including some of the industry's top assets such as Leo Burnett, Starcom MediaVest and D'Arcy. The agreement reached with Dentsu at the closing of the deal, an investor in Bcom3, not only brought a stable shareholder on board but opened the doors to Japan. Like Omnicom, WPP and Interpublic, the Groupe now had three worldwide advertising networks after the strategic decision to reinforce Publicis Worldwide, Saatchi & Saatchi Worldwide and Leo Burnett by redistributing the D'Arcy assets.



On October 1, 2004, Publicis Groupe went public and was listed on the CAC 40, France's leading stock index. From the investors' point of view, "PUB" was both a growth and a value stock insofar as the Groupe's margin was the highest in its sector. Its high profitability owed a lot to its Shared Resource Centers, a first in the sector. Publicis Worldwide was the first network to benefit, as early as the mid-1990s, before they were extended to Saatchi & Saatchi and the former Bcom3. By relieving the agencies of their administrative burden (accounting, IT, purchasing, real estate, legal affairs), the Groupe reduced its operating expenses. This solid profitability was to prove essential in implementing the Groupe's next strategic move from 2006 onwards: digital.

At the end of 2005, Publicis Groupe was performing well. With 39,000 employees and operations in 104 countries, the Groupe ranked 4th in the world, some distance behind the top three. It was not only posting growth, it had good profitability, was generating satisfactory cash flow, deleveraging, and the simplification of its balance sheet was nearing completion. So why change everything when all is well in the best of worlds?

Because the world was accelerating its transformation around two paradigms. The first of these was technology, as digital gradually permeated the economy and society, ringing in profound changes in behavior. The second paradigm was geography, given that after five centuries of western growing predominance, the emerging economies seemed to have better growth prospects. This led the Groupe to anticipate developments by resolutely embracing these two transformations. However, these two strategic orientations were of a clearly different nature and significance, and their outcomes were to prove highly contrasted. The so-called "emerging" markets disappointed insofar as the USA has been the world's only growth region after the 2008 financial crisis, while digital's future turned out to be very promising.

Indeed, digital was a major breakthrough for Publicis. In broad terms, the decade from 1996 to 2005 was a period during which it rapidly caught up with its Anglo-Saxon competitors. Publicis was by then a follower gathering speed, reaping the benefits of the specific and fertile intuition of "Viva la Difference". To gain access to the global club, Publicis played three trump cards: daring acquisitions, a commercial aggressiveness which produced the best organic growth in the sector for 15 years, and a high operating margin to preserve its independence.



2006 was a tipping point, a change of paradigm. his was about vision, grasping the moment when Publicis found itself in a position to anticipate developments by taking a strategic initiative. This began in 2003 when it observed that, though the Internet bubble had burst, the public had not wavered in its adoption of new technologies: the iPhone did not yet exist (the Nokia 3310 reigned supreme) but text messaging and MPEG data compression were harbingers of the revolution in the making. Maurice Lévy, a trained computer scientist, was quick to spot the potential of the digital tsunami taking place, despite the stock market's hesitations. It was time to move, and while in-house development was clearly an option, the decision was taken to acquire Digitas, the American digital pure player, in late 2006. After being a follower, Publicis was now a leader in an area of future growth for the sector and a leader in terms of strategic thinking.

That was when the Groupe's digital metamorphosis began, through the combined effects of three decisive elements.

Firstly, a major coup. Vision and anticipation are synonymous with an awareness of the importance of radically repositioning the Groupe's portfolio of assets, well ahead of everyone else. Publicis Groupe had no hesitations in paying 1.3 billion dollars for Digitas, and the impact proved considerable. At the time, it was the biggest transaction the sector had ever experienced, and while some contended the price was exorbitant, they turned out to be the same people who would soon have no qualms about paying much higher multiples themselves.

Secondly, a great gamble, taken with the support of the Supervisory Board. Within a decade, Publicis Groupe considerably enhanced its array of digital expertise with the acquisition of Performics in 2008, Razorfish in 2009, Rosetta in 2011, LBi in 2013, Nurun in 2014 - and, of course, Sapient in 2015. In doing so, Publicis Groupe became a world leader in e-commerce, customer relationship management (CRM), omnichannel marketing and consulting. More generally, Publicis Groupe was gradually putting together a whole ecosystem. In 2011, in parallel with the G8 summit, Maurice Lévy was asked to organize the e-G8 Forum in France aimed at promoting the digital economy; in 2012, Orange and Publicis Groupe joined forces with Iris Capital to set up a multi-corporate venture capital fund dedicated to digital activities; in 2016, Les Echos and Publicis Groupe jointly created Viva Technology, a global event focusing on cooperation between large groups and start-ups, with the intention of putting Paris on the global digital map.



Finally, and maybe especially, was the Groupe's willingness to use technology, alongside creativity, as one of the ingredients of an alchemy that would serve as a transformational force for its clients.

This transformational force could have been obtained by the acquisition of critical mass in order to accentuate the Groupe's clout in a world where the scale of things had been turned upside down. In 2013, Maurice Lévy initiated talks with Omnicom CEO John Wren, with a view to creating the world's foremost advertising and communications group. However, Omnicom's intentions suggested that the balance and terms of the deal would not be respected. The project was ultimately abandoned by mutual consent, leaving Maurice Lévy free to explore a second strategic option he had been considering since 2011 and his first contacts with Sapient.



In the same way that Publicis had stepped back to look at the bigger picture in the 90s before defining its highly innovative holistic approach, the Groupe was now drawing its conclusions on the radical changes underway. These changes included the convergence of technologies, which implied the advent of new competitors from related sectors, the extraordinary acceleration of the pace of technological innovation, and the empowerment of consumers in a world of platform companies. Rather than offer expertise in a given technological area, the Groupe's goal was to be a vector of transformation for its clients and to help them transform themselves. In other words, to be a solution.

In the spring of 2015, Maurice Lévy launched a new strategic undertaking that would crown his efforts of the previous decade, arrange the pieces of the puzzle and take up a huge challenge, i.e. the transformation of Publicis Groupe under a single banner, The Power of One. The Groupe's governance bodies - the Supervisory Board, Management Board, P12 (Executive Committee) - were all called upon and all contributed substantially to this strategic repositioning for the Groupe's future.

The upcoming generation of executives stepped up to play a more central part with the creation of a Directoire+, unburdened of the legal responsibilities of the Management Board or Directoire, to prepare its members to, one day, reposition the Groupe for a new future.



Based on an in-depth repurposing process and a new motto ("No Silo, No Solo, No Bozo"), the very nature of Publicis Groupe was completely rethought: from a "holding company", the Groupe became a "connecting company". Connected and structured around four Solutions to meet its clients' increasingly complex needs: Publicis. Sapient, the technology and consulting expertise gained by combining Sapient with the digital assets acquired since 2006; Publicis Communications, the creative force bringing together the three large historical networks, as well as a strategic communications and PR network; Publicis Media,

the media business born of the combining and reorganization of two flagship entities inherited from the former Bcom3 and ZenithOptimedia; and Publicis Health, dedicated to the healthcare sector. Connected also so as to provide its clients with seamless, easy access to all its assets, as embodied in the creation of the Global Client Leader role, an improved global version of the former Worldwide Account Director (WWAD). This connectivity also enhances the Groupe's management of a given region, whether by country in the case of its top 20 markets, or through the creation of Publicis One, which brings all skill sets under one roof.

On January 26, 2017, Maurice Lévy decided to hand over "the keys to the Groupe's future" to Arthur Sadoun. In 91 years of existence, Publicis will have had only two CEOs, namely its founder, Marcel Bleustein-Blanchet, for 61 years, and the craftsman who took it global, Maurice Lévy, for 30 years.

With the latter at the helm between 1987 and 2017, the Groupe's talent was multiplied by 25, its revenue by 44 and its market capitalization by 93. "Not bad", would have modestly remarked Maurice Lévy. One can only imagine the appraisal of his mentor and friend, Marcel Bleustein-Blanchet, who once expressed the wish to see "Publicis entirely focused on the future". In his new capacity, Maurice Lévy will continue to ensure that the Groupe remains resolutely forward-looking.



This is also a success story that Maurice Lévy owes partly to three sources of strength and inspiration that have always given him crucial support.

First and foremost, the Chair of the Supervisory Board, Elisabeth Badinter, with whom he has worked in tandem, in a relationship of complete trust, since the passing of her father in 1996. For 20 years, every important decision has been discussed in close conjunction and complete transparency and harmony with the two governing bodies, the Management Board (Directoire) and the Supervisory Board (Conseil de Surveillance). Elisabeth Badinter has always been the custodian of Publicis' values, and, at key moments, has had no hesitations about taking difficult decisions to defend the Groupe's interests and uphold the original dream with force. The success of the last 30 years can be ascribed to her as much as to Maurice Lévy.



The second source is the talent of the wonderful and diverse teams of Publicis Groupe, who have played an important part at every milestone along its route. From the business recovery after the fire to the implementation of The Power of One, via all the great campaigns and new business gains, the teams have always taken it to heart to exceed expectations.

The third and final source is his constant involvement in and commitment to society. Some of these endeavors have been related to Publicis, such as the organization of the World Youth Day in Paris in 1997 - shortly before he died, Marcel Bleustein-Blanchet asked, with emotion in his voice, how the "Pope's campaign" was progressing, a campaign that would have been his Legion of Honor, though virtually every honor had been bestowed on him already - or the communications campaign for the introduction of the single currency on January 1, 2002. Other pursuits were of a more personal nature, with numerous awards including Commandeur of France's Legion of Honor, an honorary doctorate from the University of Tel Aviv and the title of Grand Officier de l'Ordre National du Mérite.

On many occasions, Maurice Lévy has spoken out on public affairs: on economic issues, of course, at the World Economic Forum in Davos, as President of AFEP (French association of private companies) or by launching the debate on competitiveness in the run-up to the French presidential campaign in 2012, as Co-Chair of the French American Business Council (FABC) or as co-author of the report on l'Economie de l'immatériel (The Intangible Economy) in 2006, as well as inventing the expression "uberization" in 2014 to describe the new economy of platforms. Furthermore, he contributed to the freedom of speech by speaking out on togetherness and society, denouncing the increase and trivialization of anti-Semitic activity against a backdrop of widespread indifference, particularly during the 2002 French presidential campaign.



Maurice Lévy has been involved in promoting culture and scientific research, convinced, as he is that knowledge is the best peace envoy of all. Appointed as President of the Palais de Tokyo (Paris), he worked to save the institution. He is also a founding member of the French Brain and Spine Institute (Institut de Cerveau et de la Moelle Epinière - ICM), which specializes in damage to the central nervous system, and is President of the Pasteur-Weizmann Council which is at the forefront of scientific collaboration between

France and Israel. Finally, Maurice Lévy - who was the artisan behind the dialogue that helped draft the Israeli-Palestinian peace campaign presented at the 2005 World Economic Forum held at the Dead Sea - has been a member of the Peres Center for Peace from its inception, and has been President of its International Board of Governors since 2014.

Echoing this dually unique destiny, dual inspiration from two giants who have been his mentors from the beginning: Marcel Bleustein-Blanchet who enjoyed citing the words of Jules Romain, "Youth is the handful of the future we scatter before us" and Shimon Peres for whom youth was a matter of dreams rather than time, "All it takes is that your list of dreams remain longer than that of your feat of arms." Thenceforth, let's wage that this story, which began one afternoon in 1971, remains to be continued.



PUBLICIS GROUPE

TIMELINE 1926 - 2017

- 1926** Marcel Bleustein founded Publicis in 1926 at 17, rue du Faubourg Montmartre (Paris, France).
- 1938** Publicis creates Régie Presse, an independent company selling newspaper and magazine space.
- 1946** After WWII, Marcel Bleustein-Blanchet, as he is known after taking his pilot name, reopens Publicis Groupe.
- 1954** Publicis Assists with the creation of the very first public opinion survey in France.
- 1957** Creating the New York-based Publicis Corporation, Publicis becomes the first French company to prepare for international expansion.
- 1958** Publicis opens the Publicis Drugstore, an “all-night” (until 2am) bar, restaurant, store, newsstand, tobacconist, and pharmacy, revolutionizing Parisian culture.
- 1968** Publicis creates the first television commercial broadcast in France for Boursin cheese featuring Jacques Duby in October 1968.
- 1970** Publicis is first quoted on the Paris stock exchange.
- 1971** Publicis continue to diversify, establishing new departments dedicated to sales promotion, marketing research, and recruitment communications.
- 1971** Maurice Lévy is hired as the agency’s first director of IT, his first mission is to implement a system of backing up data using magnetic tapes, unheard of at the time..
- 1972** A fire ravages the Publicis HQ on the Champs-Élysées in Paris. Thanks to the magnetic tapes, not all is lost and business can quickly pick up as usual.
- 1972** The iconic ad for the Renault 5 is diffused, marking what sociologists would call the “first socially indistinct car”.
- 1974** Thanks to its subsidiaries, Publicis becomes the undisputed front-runner in Europe’s advertising and communications sector, covering 14 countries under the Intermarco/Farner trade name.
- 1976** Maurice Lévy is appointed CEO of Publicis Conseil, the flagship agency of the Groupe.



- 1984** Maurice Lévy is named Chairman of Publicis Conseil, a significant move as Marcel Bleustein-Blanchet had never let anyone other than himself lead the agency.
- 1986** Publicis celebrates its 60th anniversary and launches TV6, the first French music channel.
- 1987** Publicis creates its new management structure with a Supervisory Board and a Management Board. Marcel Bleustein-Blanchet is named Chairman of the Supervisory Board while Maurice Lévy is named Chairman of the Management Board of Publicis S.A. which would later become Publicis Groupe.
- 1987** Publicis launches Optimedia with offices in France, the UK and Switzerland, and inaugurates a European network of direct marketing agencies, later branded Publicis Dialog.
- 1988** Publicis, with its 40 agencies in Europe and the US, enters into an alliance with FCB, which counted 176 agencies in 40 countries. Publicis-FCB becomes the 2nd largest group in Europe, behind Saatchi & Saatchi, and the 7th largest group in the world.
- 1993** Publicis acquires FCA, the 4th largest French communications network, with offices across Europe & the US.
- 1993** Publicis ends the alliance with FCB, strengthening the Groupe's belief in the importance of keeping one's destiny in one's own hands while preserving the Groupe's interests.
- 1996** The beginning of the Groupe's sprint to globalization which lasted from 1996 to 1999 during which 30 agencies integrated into the Groupe, focusing on North America.
- 1998** Publicis introduces the holistic approach by offering clients transversal solutions based on global solutions and also introduced its major clients to the Worldwide Account Director (WWAD) as a single point of entry to the Groupe.
- 1999** Publicis Groupe adopts Viva La Difference! As its slogan.
- 2000** Publicis Groupe marks a major turning point with the acquisition of the British agency network Saatchi & Saatchi, taking it to a new level as a multi-network operator with two global networks - Publicis Worldwide and Saatchi & Saatchi Worldwide. Publicis Groupe is now listed on both the New York and Paris stock exchanges.
- 2001** Publicis Groupe consolidates its fundamentals by seamlessly integrating Saatchi & Saatchi while combining Zenith Media and Optimedia to form ZenithOptimedia, the world's number 3 media planning and buying network.
- 2001** Maurice Lévy completes the acquisition of Bcom3, including some top assets like Leo Burnett, Starcom MediaVest and D'Arcy. The agreement with Dentsu at the closing, an investor in Bcom3, opens the doors to Japan for Publicis Groupe. Publicis Groupe now counts three worldwide advertising networks, Publicis Worldwide, Saatchi & Saatchi, and Leo Burnett - like its peers Omnicom, WPP and Interpublic.



- 2003** Publicis Healthcare Communications Groupe is created uniting Medicus, Saatchi & Saatchi Healthcare, Nelson Communications and Klemtner advertising.
- 2004** Publicis Groupe went public and was listed on the CAC 40 index in France.
- 2004** Publicis Groupe forms its Shared Resource Centers, later to become Re:Sources, relieving agencies of their administrative burden (accounting, IT, purchasing, real estate, legal) and reducing operating expenses.
- 2005** Publicis Groupe assembles its different entities specialized in Corporate Communications and PR by creating Publicis Public Relations and Corporate Communications Groupe (PRCC).
- 2006** Publicis Groupe reaches a tipping point. Publicis acquires the American digital pure-player, Digitas, making the Groupe a leader in an area of future growth for the sector and a leader in strategic thinking.
- 2006** Maurice Lévy publishes the Report on the Intangible Economy.
- 2008** Publicis Groupe acquires Performics, and launches VivaKi, a new engine for growth for new media and digital.
- 2008** Marcel Bleustein-Blanchet is the first French person honored at the American Advertising Hall of Fame.
- 2009** Publicis Groupe acquires Razorfish and signs a strategic alliance with Microsoft. This same year, Publicis Groupe transforms PRCC into MS&L Group, a strategic communications and PR network.
- 2011** Publicis Groupe acquires Rosetta, one of the fastest growing digital agencies in North America.
- 2011** Maurice Lévy is asked to host the eG8 Summit in Paris, reuniting the world's leading players in the digital economy.
- 2012** Publicis Groupe goes from being a minority stakeholder to acquiring BBH 100%, including Neogama in Brazil.
- 2012** Publicis Groupe and Orange join forces with Iris Capital to set up a multi-corporation venture capital fund dedicated to digital activities.
- 2013** Publicis Groupe acquires LBi and merges it with Digitas to create DigitasLBi. This same year, Publicis Groupe and AOL launch PAL, the first global advertising platform in real time in the era of multi-screen marketing.
- 2013** Maurice Lévy initiates talks with John Wren, CEO of Omnicom Group, with a view to creating the world's foremost communications group.



- 2014** The merger of equals project between Publicis Groupe and Omnicom Group is called off by mutual consent.
- 2014** Publicis Groupe acquires Nurun.
- 2015** Publicis Groupe acquires Sapient.
- 2015** Maurice Lévy launches a new strategic undertaking that would crown his efforts of the past 10 years, by uniting the transformation of Publicis Groupe under the banner "The Power of One".
- 2016** Publicis Groupe celebrates its 90th anniversary by launching Publicis90, a startup competition in which Publicis Groupe will invest in 90 startups from around the world.
- 2016** Publicis Groupe co-hosts the first edition of Viva Technology along with Groupe Les Echos, a 3 day event dedicated to business transformation.

Under the stewardship and thanks to the personal commitment of Maurice Lévy over the last 30 years, our Groupe has profoundly transformed itself, ranked today not only as the 3rd group globally but also as the 1st when it comes to the engine of the future: digital. With the latter at the helm between 1987 and 2017, the Groupe's talent was multiplied by 25, its revenue by 44 and its market capitalization by 93.



Arthur Sadoun



Arthur Sadoun, 45, is Chief Executive Officer of Publicis Worldwide.

At the age of 21, after graduating from the European Business School, Arthur left for Chili where he founded his own advertising agency, which he later sold to BBDO/Chili.

Returning to France in 1997, he completed an MBA at INSEAD and joined the TBWA network (Omnicom Group) as International Director of Strategic Planning and then as Director of Development.

In 2000 he was appointed Executive Officer of TBWA/Paris, becoming CEO in 2003.

Under his management and for four consecutive years, TBWA\Paris received the 'Agency of the Year' award at the International Festival of Creativity in Cannes.

It was the first time that a French agency both received the award and then retained it for four years in a row. During the same period the agency witnessed two-figure growth every year.

In December 2006, Arthur Sadoun became CEO of Publicis Conseil, the leading agency of the group founded by Marcel Bleustein-Blanchet and presided over by Maurice Lévy. His initial focus was on development winning key accounts: BNP Paribas, Capgemini, Intermarché, AXA, Yoplait, Luxottica, Orange, GDF SUEZ, Carrefour and Total.

In January 2009, Maurice Lévy appointed Arthur Sadoun CEO of Publicis France, the first network employing 1,600 people, to bring together fifteen entities with under Publicis Conseil, Publicis Dialog, Marcel, Carré Noir as well as a market-leading regional network present across major cities in France and the French departments and territories overseas.

Publicis Conseil was crowned Agency of the Year in France in 2008, 2009 and 2010. Publicis France was Group of the Year in 2009, 2010, 2011 and 2012.

In April 2011, Arthur Sadoun was appointed Managing Director of Publicis Worldwide, before being named as the network's Chief Executive Officer in October 2013.

In July 2015 Maurice Lévy asked Arthur Sadoun to add to his responsibilities the supervision of MSLGROUP, Publicis Groupe's PR, strategic communication and engagement network.

In January 2016 he was named CEO of Publicis Communications, Publicis Groupe's creative hub composed of the Leo Burnett, Saatchi & Saatchi, Publicis Worldwide, BBH, MSLGROUP and Prodigious networks.



PHOTO CREDIT: ARTHUR DELLOYE



PUBLICIS GROUPE

FOUNDED IN 1926, PUBLICIS GROUPE IS NOW THE 3RD LARGEST COMMUNICATIONS GROUP IN THE WORLD. THROUGH A POWERFUL ALCHEMY OF CREATIVITY AND TECHNOLOGY, WE ARE DRIVING BUSINESS TRANSFORMATION ACROSS THE ENTIRE VALUE CHAIN.

Publicis Groupe, founded in 1926, is the world's third largest communications group. Known for its world-renowned creativity, best in class technology, digital and consulting expertise, Publicis Groupe is the only one in the industry able to best accompany its clients in their digital business transformation journey- anywhere in the world.

Publicis Groupe is organized across four Solutions hubs: Publicis Communications (Publicis Worldwide, Saatchi & Saatchi, Leo Burnett, BBH, Marcel, Fallon, MSL, Prodigious), Publicis Media (Starcom, Zenith, Mediavest | Spark, Blue 449, Performics), Publicis.Sapient (SapientNitro, Razorfish, DigitasLBi, Sapient Consulting) and Publicis Health. These 4 Solution hubs operate across principal markets, and are carried across all others by Publicis One, a fully integrated service offering bringing together the Groupe's expertise under one roof.

Present in over 100 countries, Publicis Groupe employs nearly 80,000 professionals.

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