



# PUBLICIS GROUPE

## PRESS RELEASE

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### 2008 Annual Results

- **Organic Growth: +3.8%**
- **Operating margin: 16.7%**

▪ <b>Revenue</b>	<b>EUR 4,704 million</b>	<b>+0.7%</b>
<i>Excluding exchange rate impact<sup>(1)</sup></i>	<i>4,953 million</i>	<i>+6.0%</i>
▪ <b>Organic growth</b>	<b>+3.8%</b>	
▪ <b>Operating margin</b>	<b>EUR 785 million</b>	<b>+0.8%</b>
<i>Excluding exchange rate impact<sup>(1)</sup></i>	<i>830 million</i>	<i>+6.5 %</i>
▪ <b>Operating margin rate</b>	<b>16.7%</b>	
▪ <b>Net income (Groupe share)</b>	<b>EUR 447 million</b>	
▪ <b>Free cash flow</b>	<b>EUR 639 million</b>	<b>+4.0%</b>
<i>Excluding exchange rate impact<sup>(1)</sup></i>	<i>654 million</i>	<i>+6.0 %</i>
▪ <b>Diluted Headline<sup>(2)</sup> EPS</b>	<b>EUR 2.22</b>	<b>+5.0%</b>
▪ <b>Net debt to equity ratio</b>	<b>0.29</b>	
▪ <b>Dividend<sup>(3)</sup></b>	<b>EUR 0.60</b>	

(1) 2008 at 2007 exchange rate

(2) Before amortization of intangibles arising on acquisitions, impairment and real estate disposal

(3) Subject to approval at Shareholders' Meeting on 9 June 2009



**Maurice Lévy, Chairman and CEO of Publicis Groupe, states:**

“2008 will remain in all memories as the one of the deepest systemic crisis of the financial world. We will leave to the economists and historians to explain it. Today we are confronted with the very first global crisis affecting all economies in various ways. Some sectors, financial, real-estate or the automotive industry have already been severely damaged. However a credit-crunch could very negatively impact other sectors of the economy.

This year has also been the year of the American elections, the Olympic Games and the European football cup which traditionally guarantee an excellent year for the advertising industry. But our industry has not been immune to the crisis with a negative fourth quarter.

In this extremely difficult environment, Publicis Groupe has achieved good results, and I thank very warmly all our teams throughout the world, who have successfully been able to provide our clients with creative, efficient and effective solutions.

A series of good figures testify to the relevance of our strategic choices that bear promises for the future: 3.8% organic growth for the year, although it slowed in the fourth quarter, continuation of the operating margin at its record level, 16.7%, strong cash generation and new business worth more than five billion dollars, which again put us at number one in the world.

A fundamental factor in our success has been the Groupe’s expectation concerning the change, particularly in emerging economies, and the accelerated development of digital communication. These choices are now decisive in the existing environment and are core to the Publicis Groupe offer already recognized as one of the most attractive.

Mature economies going into recession, the first signs of a slowdown in emerging economies, the change in social issues with serious unemployment, and the change in consumption habits, have defined the configuration in which we all will have to evolve, forced to adapt quickly.

To this effect, the permanent optimisation of our organisations and our structures, along the lines with the creation of VivaKi, the rigorous management of our costs and the ongoing debt reduction and simplification of our balance sheet, give us solidity and significant resources to face 2009, one of the most difficult years that the world has had to endure for decades.

Our agility and spirit of innovation have enabled us to continuously adapt our organizations and structures. Everybody’s objective, starting with the management, the Management Board and the P12, is to come out of this crisis stronger and more robust. We are entering 2009 with great serenity and serious-minded, ready to provide our clients with the most innovative, the most creative and the most effective solutions. This is the year to win market share and consolidate our margins.”

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**Maurice Lévy, Chairman and CEO, presented the financial statements and management report for 2008 to the Supervisory Board of Publicis Groupe at its meeting chaired by Elisabeth Badinter on 10 February 2009.**

### Key figures

in EUR million, except for percentages and per-share data (in euros)	2008	2007	Variation 2006/2007
Revenue	4,704	4,671	+0.7%
Operating margin before depreciation and amortization	889	888	+0.1%
<i>As % of revenue</i>	18.9%	19.0%	-
Operating margin	785	779	+0.8%
<i>As % of revenue</i>	16.7%	16.7%	-
Operating income	751	746	+0.7%
Net income attributable to Publicis Groupe	447	452	-1.1%
Earnings per share	2.21	2.18	
Diluted earnings per share	2.12	2.02	
Dividend per share	0.60	0.60	
<b>Balance sheet data</b>	<b>31/12/2008</b>	<b>31/12/2007</b>	
Total assets	11,860	12,244	
Shareholders' Equity	2,320	2,198	

A dividend of EUR 0.60 per share will be submitted for the approval of shareholders, at the General Meeting to be held on 9 June 2009. It will be paid as of 6 July 2009.

## Analysis of the Key Figures

### ▪ 2008 Revenue

Consolidated revenues for 2008 amounted to **EUR 4,704 million compared with EUR 4,671 million** in 2007, up 0.7%, or 6.0% excluding exchange rate fluctuations (with a 2008 revenue at 2007 exchange rate).

Organic growth was 3.8%, the last quarter having been markedly more difficult. The growth of the digital business continues to contribute to good growth pretty much everywhere in the world, and very clearly in the United States and Western Europe. The digital business in 2008 represents 19% of total revenue, compared with 15% in 2007, in line with our goal as leader of the strong-growth segments to earn 25% of our revenue from digital at the end of 2010. Similarly, the revenues originating in extremely high-growth countries in emerging economies represent 22.9% of the Groupe's total revenue in 2008, compared with 21.3% for 2007, thus confirming the intention of Publicis Groupe to have 25% of its revenue coming from these regions by 2010.

2008 consolidated revenue was distributed as follows (including Digital activities): 38% of revenue coming from advertising, 26% from media, 36% from the Specialized Agencies and Marketing Services (SAMS).



## - Geographical distribution of revenues for 2008:

For 2008, the geographical distribution of revenue is as follows:

(EUR million)	<i>Revenue</i>		<i>Growth</i>	
	<b>2008</b>	<b>2007</b>	<b>2008 vs 2007</b>	<b>Organic</b>
Europe	1,805	1,799	0.3%	1.3%
North America	2,008	2,016	-0.4%	4.4%
Asia-Pacific	519	502	3.3%	5.0%
Latin America	238	237	0.7%	6.5%
Africa and Middle East	134	117	14.6%	21.8%
<b>Total</b>	<b>4,704</b>	<b>4,671</b>	<b>0.7%</b>	<b>3.8%</b>

All the regions contribute positively to the Groupe's organic growth for 2008. Europe is positive thanks to a very good performance by France due in large measure to the numerous budget gains of Publicis Conseil. Central and Eastern Europe, Northern Europe, Italy remain at balance, the United Kingdom, Germany and Spain being in negative territory. North America, with organic growth at +4.4%, benefits particularly from the dynamism of the digital business and media, even though a slowdown is observed during the last quarter. The Asia-Pacific region is extremely contrasted depending on the country, China and India respectively posting organic growth of 12.8% and 17.4% that offset the declines in growth observed in Japan and Korea particularly. Latin America benefits from the strong growth of Venezuela, Argentina and from good growth in Brazil. The combined organic growth of the greater China region, Russia, India and Brazil is 14.2% for 2008.

Should the 2008 revenue be accounted for in US dollars, it would amount to 6,900 million dollars or a 7.9% growth. In GBP, this same revenue would be 3,733 million pounds.

### ▪ 2008 Fourth Quarter Revenue

Consolidated revenue for the fourth quarter was 1,373 million euro, up 5.5% compared with revenue of 1,301 million for the equivalent period of 2007.

Organic growth was 1.1% in the last quarter. Although positive, this growth – down compared with the previous quarters – reflects the decline of the real economy in several sectors and various regions of the world. It is, however, of note that high growth continues in the media and digital businesses, and in many countries of the emerging economies.



## - Geographical distribution of Q4 revenue

In Q4 2008, the geographical distribution of revenue is as follows:

(EUR million)	<i>Revenue</i>		<i>Growth</i>	
	4 <sup>th</sup> quarter 2008	4 <sup>th</sup> quarter 2007	2008 vs 2007	Organic
Europe	521	535	-2.6%	-1.8%
North America	585	521	12.3%	1.8%
Asia-Pacific	152	142	6.3%	-1.1%
Latin America	65	67	-3.3%	2.8%
Africa and Middle East	50	36	42.2%	36.7%
<b>Total</b>	<b>1,373</b>	<b>1,301</b>	<b>5.5%</b>	<b>1.1%</b>

The Groupe's revenue growth in the fourth quarter is clearly stalling, with the exception of the Africa and Middle East region. Continued strong growth in China does not for this quarter offset the slowdown in the other countries of the Asia-Pacific region. While France still grew, Europe overall is suffering as a result of the continued decline of Southern Europe. North America enjoys positive growth, due to the buoyancy of the digital businesses.

### ▪ Operating margin

The operating margin before depreciation of 889 million euro in 2008 remains stable by comparison with the figure of 888 million achieved in 2007.

Currency exchange effects on the 2008 operating margin have a negative impact of 46 million (2007 at 2008 rates).

**The operating margin rate for 2008 comes to 16.7%.** The ongoing efforts to control costs for the entire Groupe made it possible to absorb both the costs of integrating the various acquisitions and the accelerated deployment of the digital activities throughout the world.

The optimization of various on-going costs and capex allowed the Groupe to secure its margin.

### ▪ Net income

The Groupe's net financial expense amounted to 79 million euros, income tax charge is 196 million, group share of income from equity-accounted companies is 2 million and minority interest 31 million. **Net income** attributable to Publicis Groupe amounted to **447** million euros compared to 452 million in 2007.

### ▪ Free Cash Flow (excluding changes in working capital requirement)

The Groupe's free cash Flow, excluding changes in working capital requirement, increased by 4% over the previous year to reach an amount of **639** million due to the high level of EBITDA (18.9%).



#### ▪ Net Debt

The net financial debt – well down – declined from 837 million euro at 31 December, 2007 to **676** million at 31 December, 2008 thanks to a high free cash flow (651 million), and is taken as being after 174 million of share buybacks (net of disposals). Note is made that the Groupe's debt is not subject to any covenant.

The Groupe's average net debt at 31 December, 2008 is also significantly lower, amounting to 1,102 million euro versus 1,207 million on 31 December, 2007.

It is important to note that cash and available lines of credit comes to **2,798** million euro (2,533 million considering exclusively committed facilities) despite the Oceane 2008 bond repayment.

#### ▪ Shareholders' Equity

Total equity, including minorities, rose from 2,225 million at 31 December, 2007 **2,350** million as at 31 December 2008.

The net debt / equity ratio thus declined from 0.38 as at 31 December, 2007 to **0.29** as at 31 December, 2008.

## Groupe Life in 2008

#### ▪ Awards/Creativity

Publicis Groupe has been ranked **Number 1 in the Gunn Report since 2004 for the best creative performance.**

This distinction is a recognition of the creative qualities of the teams in Publicis Groupe agencies over the years – talents that are all the more precious in a digital world where quality of content takes on increasing significance.

This creative quality is also reflected in many other awards and industry rankings during the year.

On the creative side, Publicis Groupe ranked second at the 55th edition of the **International Advertising Festival of Cannes** with 101 Lions, and won a Grand Prix in Film (Gadbury-Gorilla). At the **Clio Awards**, the Groupe won second place in 2008 with notably a "Grand Prix Innovative Media", five Television/Movie and Digital "Golds", making a total of 51 Clios.

Publicis Groupe came second in "**The One Show**" with 81 prizes.

Same recognition of the creative quality of Publicis Groupe at the 2008 **Effie Awards**, which reward the campaigns that are the most creative and the most effective.



## ▪ **New Business**

2008 was again fertile in budget gains with \$ 6.9 billion of budgets conquered, i.e., a net budget of 5 billion USD in the year, placing Publicis Groupe at first spot worldwide. (Nomura-ex Lehman-ranking)

Campaigns that will be remembered include: L'Oréal, Bank of America, Emirates, Schering Plough, Cadbury for media; Lunesta, Samsung, Sony Bravia, Guinness, Miller Chill for the agencies.

## ▪ **External Growth**

In line with its strategy of focusing development in the two strong growth sectors, digital communication and emerging markets, and thus supplementing its networks of specialist agencies throughout the world, Publicis Groupe has pursued an active policy of external growth throughout the year.

### – **Acquisitions in digital**

**Emporio Asia**, a digital marketing agency based in **Shanghai**, become Emporio Asia Leo Burnett, **Portfolio**, a digital marketing services agency in **Korea**, **PBJS**, the leading agency in the **United States** in digital marketing and strategic communication, **Performics Search Marketing Business**, the leader of marketing search, based in **Chicago** and present in **San Francisco, New York, London, Hamburg, Sydney, Singapore** and **Beijing**, **Tribal**, one of the premier independent digital agencies in **Brazil**.

Moreover, in March 2008 Publicis Groupe began a new phase in the international deployment of the **Digitas** network: **Solutions**, a specialist of the Groupe in services marketing in India and Singapore, took the name of **Solutions | Digitas**, thus uniting the expertise in services marketing of Solutions on the Indian market and the international digital expertise of Digitas.

In June, **creation of Saatchi & Saatchi Energy Source Integrated Interactive Solutions** that unites the world-wide advertising network of Saatchi & Saatchi and the Chinese leader of interactive solutions Energy Source. Named Saatchi & Saatchi Energy Source Integrated Interactive solutions, the new entity specialising in integrated digital solutions, customer-relationship centred marketing and public relations is based in **Shanghai** and **Guangzhou**.

In June 2008, Publicis Groupe announced the launch of **VivaKi**, a new strategic initiative designed to significantly improve the performance of advertisers' marketing investments as well as boost Publicis Groupe's gains in market share in the context of rapidly expanding digital markets. At the same time, the Groupe created, in the framework of the **VivaKi Nerve Center**, a new technology platform, the largest network "of audience on demand" reliant on the technologies of Microsoft, Google, and Yahoo! Platform A offering the advertisers the possibility of reaching audiences that are defined with precision everywhere in the world, in a single campaign and on multiple networks.

### – **Other acquisitions**

At the start of 2008, Publicis Groupe acquired:

**Act Now**, a pioneer in sustainable development consulting based in **San Francisco** and that joined the Saatchi&Saatchi network.

**La Vie est Belle**, in **Paris**, an agency whose range of services relies on advertising, public relations, promotional events and online communication, which was purchased in February 2008, joined Paname to create **Publicis Full Player**.



In July of last year, the Groupe purchased **Kekst and Company Incorporated**, the leading agency in strategic and financial consulting, based in **New York**. In December 2008, Publicis Groupe announced the acquisition of **W&K Communications**, a specialist in advertising, promotion, television production and the space purchasing, based in **China** with offices in Beijing and Guangzhou. W&K joins the Great China network of Leo Burnett and takes the name Leo Burnett W&K Beijing Advertising Co.

## ▪ **Corporate Governance**

### – **The AFEP-MEDEF recommendations**

At its 2 December 2008 meeting, the Supervisory Board of Publicis Groupe SA examined the AFEP-MEDEF recommendations released on 6 October 2008 on the compensation of board members and officers of listed companies.

It considers that these recommendations are in line with the tenor of the Groupe's corporate governance and notes that the existing commitments with respect to the members of the Executive Board are already in accordance with these recommendations.

Pursuant to the law of 3 July 2008 transposing the European Community directive 2006/46/EC published on 14 June 2006, the Publicis Groupe declared that the AFEP-MEDEF code amended in this way is the one to which it will refer for the drafting of the report specified in Article L.225-68 of the French commercial code as of financial year 2008.

## **2009**

## ▪ **Recent events**

### – **Innovations**

At the start of this year Starcom unveiled a new initiative, in the framework of VivaKi, to develop a new format of video advertising that could become the new standard of the online advertising world. This initiative, dubbed "**The Pool**," will enjoy the collaboration of the largest suppliers of online video (AOL, Broadband Enterprises, CBS, Discovery, Hulu, Microsoft and Yahoo!). The advertisers participating in this project include Applebee's, Capital One, Nestlé, Purina as well as some others, all clients of the agencies of Publicis Groupe.

This innovative project fits perfectly with the objectives of **VivaKi**:

- access to open standards
- open to all forms of collaboration with media owners and our clients
- benefits from the scale effect in order to create standards for our clients that consider the consumer more
- a global potential that can be extended to any new digital channel.

Just six months after the acquisition of **Performics** from Google, VivaKi is launching the brand on the French market. Attached to **VivaKi Nerve Center**, VivaKi's center of digital expertise, Performics offers a range of services focussed on marketing to performance by uniting the



expertise of three entities that are recognised as leaders in their fields: **iBase, Webformance and Click2Sales.**

#### – Finance

January 19, 2009 Publicis Groupe bought back 12.7% of the original amount of Oceane 2018 bonds for an amount of 95 million euro (Oceane Publicis Groupe SA 2018-2.75%-FR0000180127) or 2.241.811 bonds at EUR 42.3585 per bond. A similar operation could be realised for all bond holders soon at equivalent conditions.

#### – New Business

Publicis Groupe had a successful start to the year, winning several new budgets. These budgets include the media budget of CMCC (China Mobile), renewing its confidence in ZenithOptimedia, and Carrefour's global budget.

#### ▪ Outlook

With the intensification of the financial sector's problems over the last months of 2008, the economic crisis changed its dimension. Until the third quarter, the mature economies were operating in an environment of low growth, though the conviction remained that there was a possibility that the United States was "uncoupled" from the rest of world and that the real economy would slow down but would remain comparatively immune to the financial crisis.

After the bankruptcy of Lehman Brothers and given the state of quasi-bankruptcy of many large financial institutions, the crisis suddenly changed its scope, to affect nearly all the sectors of activity and an increasing number of countries. This is the first worldwide economical crisis and its effects are as yet unforeseeable.

In a difficult environment with global economy growth of 2.5% in 2008, down significantly from the previous year, Publicis Groupe attains practically all its objectives, closing the year with very good performance, including gains of new budgets, organic growth, operating margin, and free cash flow growing again, and enters the year 2009 with a solid balance sheet, sizeable liquidity and a flexible and adaptable structure.

2009 will be very difficult, with an estimate of global GDP growth of 0.9%. The most recent forecasts (ZenithOptimedia) report negative growth worldwide in advertising expenditure of 1.8%. By region, only the emerging economies are currently expected to grow significantly by comparison with 2008: Brazil +10%, China +8.8%, but United States should decline by 6.3%, Japan by 5.7%, Spain by 8%, Germany by 5.1%, while UK and France would experience a decrease of 4% and 1.9% respectively. However, it is important to stress that the estimates continue to be reviewed downwards on a regular basis.

In this environment marked by the entry into recession of various Western economies and by an expected slowdown in the growth of the emerging economies, Publicis Groupe intends more than ever to take advantage of its many assets. First of all, the Groupe has shown its ability to control its costs, as illustrated by the steady increase over the years in operating margin. This thorough work is independent from the fluctuations of the economy and is supplemented by great flexibility in the organization that enables it to adapt quickly. The strategy undertaken of growing digital business and expanding activities into strong-growth regions that is beginning to bear fruit, should, at least partially, offset the decline in certain activities or regions, on the understanding that the emerging



economies are still growing despite everything and that online advertising expenditures will continue to post an increase close to or higher than 10%.

The fact that Publicis Groupe has won new budgets in recent years is testimony to the energy and attractiveness of the Groupe.

Faced with the many challenges of the next few quarters, Publicis Groupe remains confident, buoyed by its fine recent operating performance, a solid balance sheet, a very flexible organisation and teams who are highly committed to the Groupe's clients.

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#### **About Publicis Groupe**

Publicis Groupe [Euronext Paris: FR0000130577] is the world's fourth largest communications group. In addition, it is ranked as the world's second largest media counsel and buying group, and is a global leader in digital and healthcare communications. With activities spanning 104 countries on five continents, the Groupe employs approximately 45,000 professionals. The Groupe offers local and international clients a complete range of communication services, from advertising through three autonomous global advertising networks, Leo Burnett, Publicis, Saatchi & Saatchi and two multi-hub networks, Fallon and 49%-owned Bartle Bogle Hegarty; to media consultancy and buying, through two worldwide networks, Starcom MediaVest Group and ZenithOptimedia; interactive and digital marketing led by Digitas; Specialized Agencies and Marketing Services offering healthcare communications, corporate and financial communications, sustainability communications, shopper marketing, public relations, CRM and direct marketing, event and sports marketing, and multicultural communications.

Web Site: [www.publicisgroupe.com](http://www.publicisgroupe.com)



**Appendix**  
**New Business**  
**2008**

**5 billion USD (net)**

**Leo Burnett:**

*AC Delco (United States), Allstate Direct (United States), Alpina (Colombia), Ambev (Brazil), Aviva Insurance (Taiwan), AXA (Spain), AXN – Sony (Italy), Audi (Russia), BI (Brazil), Baltimor (Russia), Bell Canada (Canada), Borges & Almeida (Venezuela), Bosch Siemens (Czech Republic), CAMIL (Brazil), Carlsberg (Israel), Carrefour Telecom (Taiwan), Caterpillar (China), China Mobile (Greater China), Clear Blue Easy (Italy), COI Department of Work and Pensions (United-Kingdom), Coca Cola Company (Russia and United-Kingdom), Coke (United States), Comcast (United States), Comitato Moda (Italy), Confitecol (Latin America), Credit Mutual (France), Dean Foods: Silk Soy Brand (United States), DeVry (United States), Don Q. Limon (United States), Eidos – software game (United-Kingdom), Exclusive Resorts (United States), Ferrero Rocher (China), Ferreti Group (Italy), Fox (Dubai), Fundagao Energy (Brazil), GMR Sports Pvt Ltd (India), Govt of Ontario (Canada), Harrah's Promotions (United States), Hasbro (Mexico), Heineken (Hong-Kong), HP (Malaysia), Home Retail Group (United-Kingdom), Homebase (United-Kingdom), Hongguo (China), IKEA (Poland and Czech Republic), Ind. Alimenticas Corralito (Venezuela), ING Direct (Italy, France and Malaysia), Intesa (Italy), ISPA (United States), John Middleton Tobacco (United States), Johnnie Walker (Venezuela), Karsten (Brazil), Kellogg's – Special K (Germany), Kuwait Telecom Company (Kuwait), Leumi Card (Israel), Mars (Dubai, United Arab Emirates), Mayfair (Morocco), Mazola (United States), McDonald's (United-Kingdom), Mercedes (Portugal), Metlife (Mexico), Mobicom Telco (Hong Kong), Mont Blanc (Italy), MSD (Korea), Night Fever (France), Norumbi Shopping (Brazil), Novartis (Korea), Oracle (Italy), P&G Clearblue (Italy), P&G – Dash (Germany), P&G Digital (Columbia), PAAT (Australia), Pfizer (Italy), Phoenix (Israel), Purina Retail (United States), Q House Real Estate (Thailand), Rossi (Brazil), SAB Miller (United-Kingdom), SAMS Club (Brazil), Samsung – B2C (Global), Samsung USA (United States), Sanofi Aventis – Allegra (Japan), Saudi Telecom (Kuwait), Sberbank (Russia), Sino Diamond Outlander (Taiwan), Sobeys (Canada), Staples (Spain), Suzuki (Guatemala), Tesco (Poland and Czech Republic), Thalys (France), Tommy's Children's Charity (United-Kingdom), Trip (Brazil), Veinsa – Mitsubishi (Latin America), Waitrose (France), Walgreens Hispanic (United States)*

**Publicis:**

*Alcatel Lucent (United-Kingdom), ATP Tennis (United-Kingdom), AXA (France, New Zealand), Beam Global Spirits (United States), BNP (Belgium), British Council (United-Kingdom), Bundesministerium für Bildung und Forschung (Germany), Carfax (Germany), Citi (United-*



Kingdom), Citibank (Brazil), COI EWDC EYPS (United-Kingdom), Comunidad de Madrid (Spain), Constellation Europe – Kumala (United-Kingdom), EasyJet (United-Kingdom), Elections Canada (Canada), Fortis (France, Belgium), General Mills (United States), Groupe SEB (United States), HP (Europe and Middle East), Homeaway (United States), Investitionsbank Berlin (Germany), L’Oreal (United States), LG Electronics (Italy), Life Technologies (United States), Lion Nathan (Australia), Manpower (France), Migros Aare (Switzerland), Nestlé (Mexico), New World (China), Orange (France), P&G (Brazil, United States), Paypal (United States), Pernod Ricard (Glenlivet) (France), PMU (France), Qantas (Australia), Sandisk (United States), Sanofi-Aventis (Germany), Sara Lee (United States), SCA Paper (Austria), Servicemaster (United States), Shell Oil Germany (Germany), Slendertone (United-Kingdom), Stock (Italy), Swiss Air Lines (Switzerland), Swiss International Airlines (Switzerland), T-Mobile (United States), Tata Steel (United-Kingdom), Telefonica (Brazil), Theater Bonn (Germany), Trugreen (United States), Two Way Gaming Ltd (United-Kingdom), Virgin (Australia), Yoplait (France)

### **Saatchi & Saatchi:**

Alpitour travel agency (Italy), Amplifon (Italy), APACS (United-Kingdom), Appleton Estates (Canada), ArcelorMittal (United-Kingdom), Asia Five Nations (Hong Kong), Atlantis/Kerzner Group (United-Kingdom, United Arab Emirates), Australia - Dept of the Prime Minister & Cabinet (Australia), AXA (United-Kingdom), Banca Fideuram (Intesa S. Paolo Group) (Italy), Cadbury (Multiregional – SSF Group), Comedy Central TV Chanel (Italy), Continental Airlines (United Kingdom), Energy Policy and Planning Office (OPPO) (Thailand), Flybaboo (Switzerland), Fresh Retail Ventures/Jamie Oliver (United-Kingdom), GDF Suez (France/Global), General Mills/Pillsbury International (United Kingdom), Guinness – 250th Anniversary Celebrations (United-Kingdom), JTI (Russia), Kerzner Group (United-Kingdom & United Arab Emirates), Kroger (Canada), Merck Serono (Switzerland/global excluding US), Miller Chill (United States), Mondadori (Italy), MTS (j/v between Sistema/MTS and Shyam Telelink) (India), Oesterreichisches Verkehrsbuero (Austria), ParalympicsGB (United-Kingdom), Pillsbury – Green Giant Soup (United-Kingdom), Pinko - Skelanimals (Italy), Sanyo Electronics (New Zealand), Senior’s Money (Canada), Shenzhen Mobile (China), Singapour Navy (Singapore), MengNiu (China), Videocon (India), Volvo (Germany), Wal-Mart (United States), WellPoint (United States)

### **Starcom MediaVest Group:**

Anton Sport (Norway), Avon Cosmetics (Colombia), Bank of America (United States), Bauer (United-Kingdom), BBS (Norway), Borusan Automotiv (Turkey), Cadbury (France and Turkey), CasinòLugano (Italy), City (Greece), Coca-Cola (Asia Pacific), Eko (Greece), Emirates (Global), E-on (Italy), Europcar (United-Kingdom), Evyap (Turkey), Farmatodo (Colombia), FEO (Singapore), GE-Money (Russia, Poland, Czech and Romania), Genting Resorts World (Malaysia), Heineken (Czech Republic and United Kingdom), Honda (Portugal), IKEA (Greece), Inbev (Romania), IMP (Italy), Inps (Italy), Korasides (Greece), KRKA (Poland), Kuwait National Airways (Kuwait), M-Video (Russia), McCormick (France and United-Kingdom), Media Prima (Malaysia), Nakheel (United Arab Emirates), NZ Post (New Zealand), Panrico (Portugal), Regione Piemonte (Italy), Samsung (Global), Sberbank (Russia), Snasco (United Arab Emirates), Snieszka (Romania), Soraya (Poland), Strauss (Romania), TUI (Poland), Unibet (Sweden), Unibrew (Poland), Visit Britain (Netherlands), Wisconsin Milk (United States), Wyeth (Mexico)



## **ZenithOptimedia:**

2XL (United Arab Emirates), Aerogal (Ecuador), Al Barari (United Arab Emirates), Al Majid Motors (United Arab Emirates), Ali & Sons (United Arab Emirates), Alpha Bank (Romania), AMVIX (Greece), Aspiat-Lee Hwa (Singapore), Aston Martin (United-Kingdom), AXA (New Zealand), Banyan Tree Hotels & Resorts Pte Ltd (Singapore), Barclay's (Spain), Berker Mama (Turkey), Betek (Turkey), Bob-Mobile (Greece), Bratz (Spain), Butlins (United Kingdom), Cadbury Wedel (Poland), Campofrio (Spain), Cargill (India), Carrefour Online (Spain), Changan Suzuki (China), Chateau d'Ax (Belgium), Chicco (Spain), Clarks (China), Collective Brands, Inc. (United States), Contender Entertainment Group (United-Kingdom), Control (Spain), DASK (Turkey), Darden Restaurants (United States), Dexia (Slovakia), Discovery (India), Disneyland Resorts Paris (International), Doğuş Tea (Turkey), Dopod (Greater China), Dominos Pizza (Turkey), Dubai Investments (United Arab Emirates), EDB (Global), Emaar / King Abdulah Economic City (Saudi Arabia), Emperador Distillery (Philippines), Euroko Insurance (Turkey), European Lease Fund (Poland), Evyap (Turkey), FHB (Hungary), Galata Town (Turkey), Godfrey's (Australia), Goldas (Turkey), Guangzhou Mobile (China), Handelsblatt (Germany), Haribo (Spain), Harrah's Entertainment (United-States), HDFC Asset Management (India), Hertz (International), Honda (United Arab Emirates), Hyundai (China), Inbev (China), James Boags (Australia), Jazeera Children's Channel (United Arab Emirates), Kervan (Turkey), Kiler (Turkey), Kilim (Turkey), Kuveyt Turk (Turkey), Lamoian, Inc. (Philippines), Lievitalia (Italy), Lila Kağıt (Turkey), L'Oréal - Media Buying (France), LVMH (India), Marks & Spencer (China), Masvision (Spain), Mavi Jeans (Turkey), MCYS (Singapore), Mega Brands (United-Kingdom), Mail Today (India), Mentholatum (China), Ministère de l'Agriculture (Poland), Ministerul Mediului (Romania), MOT (India), Multiopicas (Spain), O2 Digital (United-Kingdom), Omega (China), Opfermann (Germany), Panasonic (United Arab Emirates), Orkla Foods (Romania), Panasonic (New Zealand), Pertamina Pas (Indonesia), PGA (Greece), Pin An Insurance (China), Poltronsofa (Italy), Posta Romana (Romania), Qijing Mobile (China), RATP (France), Rawdah Poultry (Saudi Arabia), RCA (Belgium), Schering Plough (United-Kingdom), Sirvent S.A. (Spain), Swarovski (Europe), Swarovski Special Store (China), Synutra (China), Tadiran Carrier (Israel), Telepizza (Spain), Typhoo (United-Kingdom), Texwood Jeans (China), Ubisoft (United States), Viajes Iberia (Spain), W. Jordans (United Kingdom), Wagner (Belgium), Warner Music Group (United-Kingdom), Wirtschaftswoche (Germany), WWF (United-Kingdom), Wyeth (China), YSL Beaute (Global), Zhuhai Mobile (China)

## **Publicis Healthcare Communications Group (PHCG):**

AstraZeneca / Recentin - Saatchi & Saatchi Healthcare Innovations (United States), AstraZeneca / Zactima - Saatchi & Saatchi Healthcare Innovations (United States), AstraZeneca / ZD4054 - Saatchi & Saatchi Healthcare Innovations (United States), Auxilium/Testim - Medicus (United States), Biovail - PSS (United States), Eisai/Epilepsy Franchise - Saatchi & Saatchi Healthcare London (United-Kingdom), GTx/Acadopene -- Medicus (United States), Pierre Fabre/Javlor -- BOZ (France), Pfizer/Diversified Products - Arista (United States), Solvay/Zolip (United States), Sanofi-Aventis/Multag – Saatchi & Saatchi Consumer Health and Wellness (United States), UCB/brivaracetam - Medicus (United States), Wyeth/Enbrel - Arista (United States)



## **Publicis Public Relations and Corporate Communications Group (PRCC):**

*AXA (France, The Netherlands), Bouygues (France), Bureau Veritas (France), Caisse des Dépôts (France), EBSCO (United States), EU-China (Europe / China), GDF SUEZ (France), Groupama (France), Jardiland (France), Michelin (France), Ministère de l'Ecologie, de l'Energie, du Développement Durable et de l'Aménagement du Territoire - Direction régionale Ile de France (France), Ministère de l'Economie, de l'Industrie et de l'Emploi (France), Moer Dijk Region (The Netherlands), Morgan (France), Rio Tinto (Europe), Saison Culturelle Européenne (France), National Office of Family Allocations (France), Wyeth (United States)*

## **Digitas:**

*AstraZeneca's Crestor & Pulmicort (United States), AOL (United States), CDiscount (France), Comcast (United States), Cultura (France), Disney Nature (France), Disponis – Société Générale (France), E-TF1 (France), Hindustan Petroleum Corporation Ltd (India), HomeAway (United States), Kooples (France), Legrand (France), Liberation (France), Mars – Starburst (United States), Nouvelle Frontière (France), P&G – Crest (United States), Quick (France), Shire's Lialda (United States), Total (France), Vin-Malin (France)*

## **Fallon:**

*BoConcept (Asia), Boston Market (United States), Cheestrings ATL and Cheestrings Digital (United Kingdom), DeLonghi (Asia), Diagio (Japan), Diners Club (Asia), Kerry Foods (United Kingdom), Herman Miller (Asia), Rock Corps (United Kingdom), Sony Playstation (Sony Japan), Old Parr Scotch (Diageo Moet Hennessy) (Asia), Orange Gold Sony Computer Entertainment – Playstation 3 (Japan), Spots (United Kingdom),*

## **Kaplan Thaler Group:**

*Lunesta (United States), DRTV (United States)*



## Definitions

**Operating margin rate:** operating margin as a percentage of revenues

**Average net debt:** 12-months average of average net debt of each month

**Free cash flow:** cash flow from operations after net capital expenditure excluding acquisitions

**Net New Business:** this figure does not result from financial reporting, but is based on an estimate of annualised advertising media spending on new business, net of losses, from new and existing clients

# Publicis Groupe

## 2008 Consolidated financial statements

### Income statement

<i>Millions of euros</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Revenue</b>	<b>4 704</b>	<b>4 671</b>	<b>4 386</b>
Personnel expenses	(2 852)	(2 829)	(2 630)
Other operating expenses	(963)	(954)	(936)
<b>Operating margin before depreciation and amortization</b>	<b>889</b>	<b>888</b>	<b>820</b>
Depreciation and amortization expense (excluding intangibles arising on acquisition)	(104)	(109)	(107)
<b>Operating margin</b>	<b>785</b>	<b>779</b>	<b>713</b>
Amortization of intangibles arising on acquisition	(29)	(30)	(22)
Impairment	(13)	(6)	(31)
Non-current income (expense)	8	3	29
<b>Operating income</b>	<b>751</b>	<b>746</b>	<b>689</b>
Cost of net financial debt	(81)	(73)	(36)
Other financial income (expense)	2	(5)	(14)
<b>Income of consolidated companies before taxes</b>	<b>672</b>	<b>668</b>	<b>639</b>
Income taxes	(196)	(201)	(192)
<b>Net income of consolidated companies</b>	<b>476</b>	<b>467</b>	<b>447</b>
Equity in net income of non-consolidated companies	2	9	22
<b>Net income</b>	<b>478</b>	<b>476</b>	<b>469</b>
Net income attributable to minority interests	31	24	26
<b>Net income attributable to equity holders of the parent</b>	<b>447</b>	<b>452</b>	<b>443</b>

<b>Per share data (in euros)</b>			
<i>Number of shares</i>	<i>202 536 963</i>	<i>207 599 301</i>	<i>209 611 690</i>
Net earnings per share	2.21	2.18	2.11
<i>Number of shares – diluted</i>	<i>220 728 941</i>	<i>239 365 113</i>	<i>240 064 428</i>
Net earnings per share – diluted	2.12	2.02	1.97

## Consolidated balance sheet

<i>Millions of euros</i>	<b>December 31, 2008</b>	<b>December 31, 2007</b>	<b>December 31, 2006</b>
<b>Assets</b>			
Goodwill, net,	3 693	3 546	2 840
Intangible assets, net	794	826	693
Property and equipment, net	480	501	511
Deferred tax assets	91	148	186
Investments accounted for by the equity method	44	49	44
Other financial assets	101	112	118
<b>Non-current assets</b>	<b>5 203</b>	<b>5 182</b>	<b>4 392</b>
Inventory and costs billable to clients	319	391	430
Accounts receivable	4 843	4 926	4 550
Other receivables and other current assets	628	432	413
Cash and cash equivalents	867	1 313	1 920
<b>Current assets</b>	<b>6 657</b>	<b>7 062</b>	<b>7 313</b>
<b>Total assets</b>	<b>11 860</b>	<b>12 244</b>	<b>11 705</b>
<b>Liabilities and shareholders' equity</b>			
Capital stock	78	81	79
Additional paid-in capital and retained earnings	2 242	2 117	2 001
<b>Shareholders' equity</b>	<b>2 320</b>	<b>2 198</b>	<b>2 080</b>
Minority interests	30	27	27
<b>Total equity</b>	<b>2 350</b>	<b>2 225</b>	<b>2 107</b>
Long-term financial debt (more than 1 year)	1 323	1 293	1 911
Deferred tax liabilities	232	240	216
Long-term provisions	459	449	509
<b>Non-current liabilities</b>	<b>2 014</b>	<b>1 982</b>	<b>2 636</b>
Accounts payable	5 802	5 662	5 270
Short-term financial debt (less than 1 year)	218	819	203
Income taxes payable	68	99	149
Short-term provisions	110	107	116
Other creditors and other current liabilities	1 298	1 350	1 224
<b>Current liabilities</b>	<b>7 496</b>	<b>8 037</b>	<b>6 962</b>
<b>Total liabilities and shareholders' equity</b>	<b>11 860</b>	<b>12 244</b>	<b>11 705</b>

## Consolidated cash flow statement

<i>Millions of euros</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>I- Cash flows from operating activities</b>			
Net income	478	476	469
Income taxes	196	201	192
Cost of net financial debt	81	73	36
Capital (gains) losses on disposal (before tax)	(2)	(3)	(27)
Depreciation, amortization and impairment on property and equipment and intangible assets	146	145	160
Non-cash expenses on stock options and similar items	9	22	16
Other non-cash income and expenses	8	9	11
Equity in net income of unconsolidated companies	(2)	(9)	(22)
Dividends received from equity accounted investments	10	11	19
Taxes paid	(169)	(197)	(229)
Interest paid	(89)	(87)	(85)
Interest received	37	51	74
Change in working capital requirements <sup>(1)</sup>	12	106	(21)
<b>Net cash provided by operating activities</b>	<b>715</b>	<b>798</b>	<b>593</b>
<b>II- Cash flows from investing activities</b>			
Purchases of property and equipment and intangible assets	(92)	(88)	(81)
Proceeds from sale of property and equipment and intangible assets	28	11	32
Purchases of investments and other financial assets, net	(1)	(6)	(3)
Acquisitions of subsidiaries	(172)	(1 006)	(58)
Disposals of subsidiaries	-	10	11
<b>Net cash flows (used in) investing activities</b>	<b>(237)</b>	<b>(1 079)</b>	<b>(99)</b>
<b>III- Cash flows from financing activities</b>			
Capital increase	1	2	-
Dividends paid to parent company shareholders	(106)	(92)	(66)
Dividends paid to minority shareholders of subsidiaries	(24)	(26)	(23)
Cash received on new borrowings	482	12	19
Reimbursement of borrowings	(1 128)	(24)	(52)
Net (purchases)/sales of treasury stock and equity warrants	(174)	(162)	(264)
Cash received on hedging transactions	-	52	36
<b>Net cash flows provided by (used in) financing activities</b>	<b>(949)</b>	<b>(238)</b>	<b>(350)</b>
<b>IV- Impact of exchange rate fluctuations</b>	<b>19</b>	<b>(82)</b>	<b>(139)</b>
<b>Net change in consolidated cash flows (I + II + III + IV)</b>	<b>(452)</b>	<b>(601)</b>	<b>5</b>
Cash and cash equivalents at January 1	1 313	1 920	1 980
Bank overdrafts at January 1	<u>(24)</u>	<u>(30)</u>	<u>(95)</u>
Net cash and cash equivalents at beginning of year	1 289	1 890	1 885
Cash and cash equivalents at December 31	867	1 313	1 920
Bank overdrafts at December 31	<u>(30)</u>	<u>(24)</u>	<u>(30)</u>
Net cash and cash equivalents at end of year	837	1 289	1 890
<b>Net change in cash and cash equivalents</b>	<b>(452)</b>	<b>(601)</b>	<b>5</b>
<sup>(1)</sup> Breakdown of change in working capital requirements			
Change in inventory and costs billable to clients	64	32	(46)
Change in accounts receivable and other receivables	(110)	(689)	(526)
Change in accounts payable, other creditors and provisions	<u>58</u>	<u>763</u>	<u>551</u>
<b>Change in working capital requirements</b>	<b>12</b>	<b>106</b>	<b>(21)</b>

## Statement of changes in shareholders' equity

Number of shares	<i>Millions of euros</i>	Capital stock	Additional paid-in capital	Reserves and retained earnings	Gains and losses recognized through equity	Shareholders' equity	Minority interests	Total equity
<b>184 069 246</b>	<b>December 31, 2005</b>	<b>79</b>	<b>2 584</b>	<b>(725)</b>	<b>118</b>	<b>2 056</b>	<b>20</b>	<b>2 076</b>
	Gains and (losses) recognized through equity				(103)	(103)	(4)	(107)
	Net income for the year			443		443	26	469
	<b>Total recognized income and (expenses) for the year</b>			443	(103)	340	22	362
1 600 219	Increase in capital stock of Publicis Groupe	-	47	(47)				
	Dividends paid			(66)		(66)	(23)	(89)
	Share-based compensation			16		16		16
	Buyback of equity warrants (BSA)			(201)		(201)		(201)
	Additional interest on Oranes			(1)		(1)		(1)
	Effect of changes in scope of consolidation and of commitments to purchase minority interests						8	8
(2 065 587)	Purchases/sales of treasury stock			(64)		(64)		(64)
<b>183 603 878</b>	<b>December 31, 2006</b>	<b>79</b>	<b>2 631</b>	<b>(645)</b>	<b>15</b>	<b>2 080</b>	<b>27</b>	<b>2 107</b>
	Gains and (losses) recognized through equity				(229)	(229)	(3)	(232)
	Net income for the year			452		452	24	476
	<b>Total recognized income and (expenses) for the year</b>			<b>452</b>	<b>(229)</b>	<b>223</b>	<b>21</b>	<b>244</b>
3 678 125	Increase in capital stock of Publicis Groupe	2	111	(48)		65		65
	Dividends paid			(92)		(92)	(26)	(118)
	Share-based compensation			22		22		22
	Fair value of the stock options included in the acquisition cost of Digitas and Business Interactif			65		65		65
	Additional interest on Oranes			(3)		(3)		(3)
	Effect of changes in scope of consolidation and of commitments to purchase minority interests						5	5
(3 681 592)	Purchases/sales of treasury stock			(162)		(162)		(162)
<b>183 600 411</b>	<b>December 31, 2007</b>	<b>81</b>	<b>2 742</b>	<b>(411)</b>	<b>(214)</b>	<b>2 198</b>	<b>27</b>	<b>2 225</b>
	Gains and (losses) recognized through equity				(47)	(47)	(3)	(50)
	Net income for the year			447		447	31	478
	<b>Total recognized income and (expenses) for the year</b>			<b>447</b>	<b>(47)</b>	<b>400</b>	<b>28</b>	<b>428</b>
<b>1 633 629</b>	Increase (Decrease) in capital stock of Publicis Groupe and cancellation of treasury stock	<b>(3)</b>	<b>(189)</b>	<b>192</b>		-		-
	Dividends paid			(106)		(106)	(25)	(131)
	Share-based compensation			9		9		9
	Additional interest on Oranes			(7)		(7)		(7)
(6 379 739)	Purchases/sales of treasury stock			(174)		(174)		(174)
<b>178 854 301</b>	<b>December 31, 2008</b>	<b>78</b>	<b>2 274</b>	<b>228</b>	<b>(261)</b>	<b>2 320</b>	<b>30</b>	<b>2 350</b>

## Gains and losses recognized directly through equity

### a/ Changes in the year

<i>Millions of euros</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Revaluation of available-for-sale investments	(15)	(16)	11
Hedge on net investments	-	(1)	(8)
Actuarial gains and losses on defined benefit plans	(29)	8	2
Deferred taxes on stock options	(1)	(8)	2
Cumulative translation adjustment	(2)	(212)	(110)
<b>Total gains and (losses) recognized directly through equity in the year</b>	<b>(47)</b>	<b>(229)</b>	<b>(103)</b>

### b/ Balances at year end

<i>Millions of euros</i>	<b>December 31, 2008</b>	<b>December 31, 2007</b>	<b>December 31, 2006</b>
Revaluation of property	105	105	105
Revaluation of available-for-sale investments	4	19	35
Hedge on net investments	-	-	1
Actuarial gains and losses on defined benefit plans	(48)	(19)	(27)
Deferred taxes on stock options	(8)	(6)	2
Cumulative translation adjustment	(314)	(313)	(101)
<b>Cumulative gains and losses recognized directly through equity at year end</b>	<b>(261)</b>	<b>(214)</b>	<b>15</b>

## Appendices

1. Organic Growth calculation
2. Effective tax rate calculation
3. Cash tax rate calculation
4. Earnings per share calculation (EPS)
5. Detail of net financial debt

## 1. Organic Growth calculation

*Millions of euros*

2007 Revenue	4 671
Currency impact	<u>(234)</u>
2007 Revenue at 2008 exchange rate (a)	4 437
2008 Revenue before impact of acquisitions <sup>(1)</sup> (b)	4 605
Revenue from acquisitions <sup>(1)</sup>	<u>99</u>
2008 Revenue	4 704
Organic Growth (b) / (a)	3,8%

*(1) net of disposals*

## 2. Effective tax rate calculation

<i>millions of euros</i>	<b>2008</b>	<b>2007</b>
Income of consolidated companies before taxes	672	668
Goodwill impairment, excluding impairment arising from the use of tax losses which were not recognized at the time of acquisition of Bcom3	4	2
Capital gain on Chicago land	(5)	0
<b>Income before non-current gains and losses</b>	<b>671</b>	<b>670</b>
<b>Income taxes per the income statement</b>	<b>(196)</b>	<b>(201)</b>
<b>ETR</b>	<b>29.2%</b>	<b>30.0%</b>

## 3. Cash tax rate calculation

<i>millions of euros</i>	<b>2008</b>	<b>2007</b>
Income tax paid during the year	169	197
Income before non-current gains and losses	671	670
<b>Cash tax rate</b>	<b>25.2%</b>	<b>29.4%</b>

#### 4. Earnings per share calculation (EPS)

Earnings per share and diluted earnings per share

		2008	2007	2006
<b>Net income used for the calculation of earnings per share</b>				
<i>(Millions of euros)</i>				
Net income attributable to equity holders of the parent	a	447	452	443
<i>Impact of dilutive instruments:</i>				
- Savings in financial expenses related to the conversion of debt instruments, net of tax <sup>(1)</sup>		20	32	31
Net income attributable to equity holders of the parent - diluted	b	467	484	474
<b>Number of shares used for the calculation of earnings per share</b>				
<i>Average number of shares composing the company's capital stock</i>				
Treasury stock to be deducted (average for the year)		196 277 148	200 072 094	197 648 765
Shares to be issued to redeem the Oranes		(16 651 410)	(16 946 147)	(14 072 558)
Average number of shares used for the calculation	c	22 911 225	24 473 354	26 035 483
<i>Impact of dilutive instruments: <sup>(2)</sup></i>				
- Effect of exercise of dilutive stock options		202 536 963	207 599 301	209 611 690
- Effect of the exercise of the equity warrants		137 404	2 941 554	1 736 783
- Shares resulting from the conversion of the convertible bonds <sup>(1)</sup>		-	167 511	59 208
Number of shares – diluted	d	18 054 574	28 656 747	28 656 747
		220 728 941	239 365 113	240 064 428
<i>(in euros)</i>				
<b>Earnings per share</b>	a/c	<b>2.21</b>	<b>2.18</b>	<b>2.11</b>
<b>Earnings per share – diluted</b>	b/d	<b>2.12</b>	<b>2.02</b>	<b>1.97</b>

(1) In 2006, 2007 and 2008, both the 2008 and 2018 Oceanes are taken into account in the calculation; however the Oceane 2008 is only taken into account in the calculation of diluted net income for the period January 1 to July 17, 2008 as it was redeemed on maturity at the latter date.

(2) Only the equity warrants and stock options with a dilutive effect, being those whose exercise price is lower than the average share price for the year, are taken into consideration.

It should be noted that 8 million shares of treasury stock were cancelled on February 28, 2008. This cancellation was followed by the purchase of an equivalent number of shares (8 million) between March and June 2008.

Redemption of the Oceane 2008 on maturity automatically led to the elimination of 23,172,413 potentially dilutive shares as from July 17, 2008.

Headline earnings per share (basic and diluted)

		2008	2007	2006
<b>Net income used for the calculation of headline earnings per share</b> <sup>(1)</sup>				
<i>(Millions of euros)</i>				
Net income attributable to equity holders of the parent		447	452	443
<i>Items excluded:</i>				
- Amortization of intangibles arising on acquisition, net of tax		18	18	13
- Impairment, net of tax		11	4	23
- Sale of land in Chicago		(5)		
- Sale of the Saatchi & Saatchi building (Ile de la Jatte)		-	-	(27)
Adjusted net income attributable to equity holders of the parent	e	471	474	452
<i>Impact of dilutive instruments:</i>				
- Savings in financial expenses related to the conversion of debt instruments, net of tax		20	32	31
Adjusted net income attributable to equity holders of the parent – diluted	f	491	506	483
<b>Number of shares used for the calculation of earnings per share</b>				
Average number of shares composing the company's capital stock		196 277 148	200 072 094	197 648 765
Treasury stock to be deducted (average for the year)		(16 651 410)	(16 946 147)	(14 072 558)
Shares to be issued to redeem the Oranes		22 911 225	24 473 354	26 035 483
Average number of shares used for the calculation	c	202 536 963	207 599 301	209 611 690
<i>Impact of dilutive instruments:</i>				
- Effect of exercise of dilutive stock options		137 404	2 941 554	1 736 783
- Effect of the exercise of the equity warrants		-	167 511	59 208
- Shares resulting from the conversion of the convertible bonds		18 054 574	28 656 747	28 656 747
Number of shares - diluted	d	220 728 941	239 365 113	240 064 428

*(in euros)*

<b>Headline earnings per share</b> <sup>(1)</sup>	e/c	<b>2.33</b>	<b>2.28</b>	<b>2.16</b>
<b>Headline earnings per share - diluted</b> <sup>(1)</sup>	f/d	<b>2.22</b>	<b>2.11</b>	<b>2.01</b>

(1) Earnings per share before amortization of intangibles arising on acquisition, impairment and the capital gain (loss) on the disposals of the Ile de la Jatte building in Neuilly, in 2006, and the sale of land in Chicago, in 2008.

In January 2009, the company purchased 2,241,811 Oceane 2018 bonds, thus eliminating an equivalent number of potentially dilutive shares.

## 5. Detail of net financial debt

<i>Millions of euros</i>	<i>December 31, 2008</i>	<i>December 31, 2007</i>
Financial debt (long and short term)	1 541	2 112
Fair value of derivatives covering exposure on Eurobond <sup>(1)</sup>	(7)	39
Fair value of derivatives covering exposure on intragroup loans/borrowings <sup>(1)</sup>	9	(1)
Total financial debt including fair value of associated derivatives	1 543	2 150
Cash and cash equivalents	(867)	(1 313)
<b>Net financial debt</b>	<b>676</b>	<b>837</b>

(1) Reported under "Other receivables and other current assets" and "Other creditors and other current liabilities" in the consolidated balance sheet.

## **2008 Press Releases:**

- 10/01/08 Marcel Bleustein Blanchet – First Frenchman inducted into the American Advertising Hall of Fame
- 18/01/08 Maurice Lévy honored by the American Anti-Defamation League's 2008 Award
- 22/01/08 Collaboration between Google and Publicis Groupe
- 31/01/08 Acquisition of Act Now in the USA
- 07/02/08 Publicis Groupe acquires La Vie est Belle
- 14/02/08 Publicis Groupe annual results 2007
- 13/03/08 Buy-back and cancellation of 8 million shares
- 26/03/08 Digitas launches Solutions | Digitas in India and Singapore
- 09/04/08 Maurice Lévy says Global Advertising Industry faces bright future, but must adapt to Unprecedented Changes in Media Landscape
- 24/04/08 Richard Attias to Step Down John Rossant to become Executive Chairman, Anthony Gazagne to become Managing Director
- 29/04/08 Publicis Groupe files its 2007 Registration Document
- 22/05/08 Publicis Groupe acquires Emporioasia, leading digital agency in China
- 03/06/08 Publicis Groupe Annual General Meeting of Shareholders - Dividend set at 0.60 euro per share
- 17/06/08 Redemption of bonds convertible into new shares and/or exchangeable into existing shares
- 19/06/08 Publicis Groupe in Strategic Joint Venture in China - Launches Saatchi & Saatchi Energy Source Integrated Interactive Solutions
- 24/06/08 Publicis Groupe in No. 2 Position at Cannes: 101 Lions
- 25/06/08 Publicis Groupe Creates First Open-Source Audience On Demand Network
- 25/06/08 Publicis Groupe Launches VivaKi - A New Growth Engine for the New Media and Digital Environment
- 25/06/08 Publicis Groupe and Yahoo! Unveil broad technology initiatives to drive greater advertiser effectiveness and consumer engagement online and on-the-go
- 27/06/08 Notice to the Holders of Bonds Convertible into New Shares and/or exchangeable into Existing Shares
- 30/06/08 Results for the First Half of 2008
- 02/07/08 Publicis Groupe Acquires Kekst and Company, Incorporated World's Premier Strategic and Financial Public Relations Firm
- 22/07/08 Publicis Groupe Acquires Portfolio - Leading South Korean Full Service Digital Marketing Agency
- 24/07/08 2008 First Half Results - Good performance in terms of growth, margins and New Business
- 25/07/08 John Farrell resigns as President & CEO of Publicis Groupe SAMS worldwide
- 29/07/08 Jean-Yves Naouri to oversee Publicis Healthcare Communications Group (PHCG)
- 06/08/08 Publicis Groupe to Acquire Performics Search Marketing Business
- 13/08/08 Publicis Groupe files its First Half Financial Report
- 03/09/08 Publicis Groupe Acquires PBJs, leading Interactive Marketing and Events Agency

08/09/08 Publicis Groupe and Taschen announce the launch of a history of advertising by Stéphane Pincas and Marc Loiseau

10/09/08 Publicis Groupe completes acquisition of Performics Search Marketing Business

11/09/08 Performics' Nick Beil and ZenithOptimedia's Fred Joseph Join VivaKi Nerve Center Executive Team

22/09/08 Robert Namias joins Publicis Groupe

28/10/08 Third Quarter Revenue 2008

19/11/08 Publicis Groupe to acquire Tribal, leading Brazilian independent digital agency

02/12/08 Publicis Groupe acquires W&K Communications agency further strengthening its operations in China

08/12/08 Fabrice Fries is appointed President of Publicis Consultants | France

10/12/08 Publicis Groupe most awarded group at prestigious French advertising award show

12/12/08 AFEP-MEDEF Recommendations

**For further information: [www.publicisgroupe.com](http://www.publicisgroupe.com)**