



Press Release

02/09/12



2011 Annual Results

2011 annual results (EUR million except EPS and dividend)

▪ Revenue	5,816
▪ Published growth	+7.3%
▪ Organic growth	+5.7%
▪ New Business (net)	7.9 bn USD
▪ Operating margin	931
▪ Percentage operating margin	16.0% +8.8%
▪ Net income	600
▪ EPS*	2.64 euro +14.1%
▪ Free Cash Flow **	704 +12.3%
▪ Dividend ***	0.70 euro +9%

* Diluted Earnings Per Share

** excl. changes in Working Capital Requirements (WCR)

*** Payable on July 2 subject to approval at the AGM of May 29, 2012

Message from Maurice Lévy, Chairman & CEO of Publicis Groupe:

“In a context of sovereign debt crisis and economic slowdown, Publicis has not only outperformed the market, more remarkably it has improved on its own outstanding performance of 2010. The Group’s margin, which has improved very satisfactorily, is back on the 16% mark while we continued investment in technology and talent.

We have continued to pursue our strategy of making targeted acquisitions in digital communications and high-growth countries.

Our good performance in 2011 should be attributed, first and foremost, to the loyalty of our clients who trust us to help them win in a digitized, globalized and hyper-competitive world. Our teams have put their talent, creativity and inventiveness at the service of our clients successfully and effectively. I would like to express my gratitude to both. We ended the year with a strong balance sheet and a record result in new business.

Our considerable financial flexibility, our undiminished ability to innovate and our creativity should see us through this new era of short cycles that require flexibility and agility, qualities that remain intact within the Group.

We should be able to continue to achieve strong, sustainable and profitable growth.

Though we remain very cautious all along, our situation enables us to stride confidently towards the future and particularly in 2012”.

* * *

Publicis Groupe's Supervisory Board met on February 8, 2012, under the chairmanship of Elisabeth Badinter, to examine the annual accounts for 2011 presented by Maurice Lévy, Chairman of the Management Board.

KEY FIGURES

Data from the Consolidated Income Statement

<i>EUR million, excepting percentages and per share data (in EUR)</i>	2011	2010	2009
Data from the Income Statement			
Revenue	5,816	5,418	4,524
Operating margin before Depreciation & Amortization	1,034	967	772
<i>% of revenue</i>	<i>17.8%</i>	<i>17.8%</i>	<i>17.1%</i>
Operating margin	931	856	680
<i>% of revenue</i>	<i>16.0%</i>	<i>15.8%</i>	<i>15.0%</i>
Operating income	914	835	629
Net Income attributable to the Groupe	600	526	403
Earnings Per Share ⁽¹⁾	2.96	2.60	1.99
Diluted Earnings Per Share ⁽²⁾	2.64	2.35	1.90
Dividend per share	0.70	0.70	0.60
Free cash flow before changes in working capital requirements	704	646	524
Data from the Balance Sheet			
	December 31, 2011	December 31, 2010	December 31, 2009
Total Assets	16,450	14,941	12,730
Group share of consolidated shareholders' equity	3,898	3,361	2,813

⁽¹⁾ Earnings Per Share calculations based on an average of 202.5 million shares in circulation in 2011, 202.1 million in 2010 and 202.3 million in 2009.

⁽²⁾ Diluted Earnings Per Share (EPS) calculations based on an average of 237.1 million shares in 2011, after 235.5 million in 2010 and 220.9 million in 2009. These calculations include stock options, free shares, equity warrants and convertible bonds that dilute EPS. Stock options and equity warrants are deemed to have a dilutive effect when their strike price is below the average share price for the period. In 2011, all these instruments were dilutive.

ANALYSIS OF THE KEY FIGURES

Activity in 2011: Good performance of all activities in all regions

In a year characterized by sound economic growth in the first half-year, followed by a slowdown from the summer onwards, Publicis Groupe achieved good results in all its businesses and in the vast majority of its markets.

2011 revenue: +7.3%

Consolidated revenue in 2011 reached 5,816 million euro, up 7.3% from 5,418 million euro in 2010. (The impact of exchange rates was 126 million euro).

Organic growth was 5.7% in 2011. This level of growth is still outstanding, especially on top of the very difficult standard set in 2010 when growth was an exceptional 8.3% due to very strong recovery in the market after the downswing in 2009.

All activities grew in 2011:

- Digital accounted for 30.6% of total revenue (vs. 28% the previous year) and clearly outperformed the market with organic growth of 13.7%
- High-growth economies generated 24.3% of total revenue (vs. 22.7% in 2010).

Breakdown of consolidated revenue in 2011:

- advertising: 31% (32.6% in 2010),
- media: 19% (20% in 2010),
- SAMS, which include all digital services: 50% (vs. 47.4% in 2010).

-Breakdown of 2011 revenue by geography

<i>(EUR million)</i>	<i>Revenue</i>		<i>Organic growth</i>		<i>Published growth</i>	
	<i>2011</i>	<i>2010</i>	<i>2011/2010</i>		<i>2011/2010</i>	
Europe	1,872	1,761	+4.8%		+6.3%	
North America	2,721	2,606	+5.9%		+4.4%	
Asia-Pacific	690	617	+5.7%		+11.8%	
Latin America	374	284	+8.8%		+31.7%	
Africa & Middle East	159	150	+6.1%		+6.0%	
Total	5,816	5,418	+5.7%		+7.3%	

Every region without exception posted growth in 2011.

- **Europe:** Nearly all western European countries, excepting Greece and Portugal, achieved positive growth. France grew by +8.2%, and Germany by +6.9%. Northern Europe boasted +5%. Eastern Europe grew by 9.1%, supported by Russia's +15.6%.
- **Americas:** With growth of 5.9%, North America continued to show good resilience despite economic difficulties in the USA, largely thanks to digital services which now account for 46.4% of this region's revenue. All the Latin American countries posted strong growth in 2011, especially Argentina, Venezuela and Colombia. With growth of +2.8%, Brazil has yet to reap the benefits of organic growth from the major acquisitions made in 2011, but was also adversely affected by the sharp, one-off downturn in activity of one of its agencies.
- **Asia Pacific:** This region fared well with growth of +5.7%, despite contrasts from one country to another. China (i.e. the Greater China region) achieved growth of 8.5% while Japan is still in negative growth, despite improvements.
- **Africa and Middle East:** The region achieved growth of +6.1%, i.e. a sustained level of growth despite the instability prevailing in the Middle East

Q4 2011 revenue

Consolidated revenue in Q4 2011 was 1,697 million euro, up 8.8% from 1,560 million in the corresponding period in 2010 (no exchange rate impact).

Organic growth was **2.9%** in Q4, a very good achievement considering the outstanding growth posted for the corresponding period in 2010 (12.5%) a difficult comparison basis.

For the record, revenue in Q1, Q2 and Q3 2011 was 1,286, 1,413 and 1,419 million euro, respectively. Organic growth was 6.5% in Q1, 7.6% in Q2, and 6.4% in Q3.

- Breakdown of Q4 2011 revenue by region

<i>(EUR million)</i>	<i>Revenue</i>		<i>Organic growth</i>		<i>Published growth</i>	
	<i>2011</i>	<i>2010</i>	<i>2011/2010</i>		<i>2011/2010</i>	
Europe	549	556	-2.5%		-1.3%	
North America	764	683	+5.0%		+11.9%	
Asia-Pacific	211	180	+7.6%		+17.2%	
Latin America	116	87	+9.4%		+33.3%	
Africa & Middle East	57	54	+4.7%		+5.6%	
Total	1,697	1,560	+2.9%		+8.8%	

Fourth-quarter growth reflects good levels of activity in virtually all regions worldwide. Europe's -2.5% was due to a downturn in business levels in the Western European countries, compounded by the very difficult situation in Southern Europe. Northern Europe and particularly Central Europe and Russia showed good growth (>10%).

- **Operating margin of 16.0%**

The Operating margin before depreciation and amortization was 1,034 million euro in 2011, up 6,9% from 967 million in 2010.

The Operating margin was 931 million euro, i.e. an 8.8% increase on 2010.

Personnel expenses totaled 3,615 million after 3,346 million in 2010, i.e. an 8% increase and 62.2% of consolidated revenue. When the freeze on hiring and compensation ended in the summer of 2010, headcount and the wage bill were increased accordingly to ensure the Group resources required to keep abreast of growth. This trend then continued throughout the first half of 2011. Fixed personnel expenses amounted to 54.1% of consolidated revenue, up from 53.4% in 2010.

Faced with the crisis, the Group decided to renew a selectively freeze recruitment and to keep a tight rein on personnel expenses.

These measures have enabled the Group to commence 2012 with a recruitment rate that is under control. Strict management of personnel expenses is a core issue and control of fixed cost ratios is an on-going objective.

Other operating costs totaled 1,167 million euro, i.e. a 5.6% increase over 2010.

Administrative costs continued to decline as a result of the optimization of various operating costs, a measure that is part of the shared services centers centre program.

By aligning systems, implementation of the ERP will provide an overview of own-account expenditure, thus enabling the Group to control operating costs more efficiently.

The percentage operating margin for 2010 was 16.0% as a result of two factors: revenue growth and the fact that expenses on restructuring were reduced by 10 million euro (to 39 million in 2011).

Rigorous cost control throughout the Group is independent of variations in revenue and undeniably gives a competitive edge making possible to absorb the cost of acquisitions integration and the accelerated roll-out of digital services worldwide.

- **Net income attributable to the Groupe: + 14.1%**

Net income attributable to the Groupe was 600 million euro, up from 526 million in 2010. This result was after net financial expense of 54 million euro, income tax amounting to 248 million, the 17 million share of profit of associates and 29 million minority interests.

- **Free Cash Flow: + 9%**

The Group's free cash flow, before changes in working capital requirements, rose 9% to 704 million euro.

- **Average net debt reduced by 143 million**

Net financial debt was 110 million euro at December 31, 2011, leaving the debt /equity ratio standing 0.03, after a net cash position of 106 million euro at the end of 2010.

The Group's average net debt was reduced by 143 million euro in 2011, dropping from 608 million euro in 2010 to 465 million euro in 2011.

The Group's available liquidity position at December 31, 2011 remained above the 4 billion euro mark. This figure includes a 1.2 billion euro syndicated credit facility (replacing the 1.5 billion euro facility) and a cash position of 2.2 billion euro, i.e. at the same level as in 2010 despite the net funding of acquisitions (i.e. net of disposals) for 700 million euro in 2011.

At December 31, 2011, total liquidity amounts to 4,029 million euros (not including 224 million of uncommitted credit lines).

Available liquidity stands comparison with the 4,319 million liquidity position at year-end 2010 (not including 212 million euro in uncommitted credit lines).

- **Shareholders' equity**

Consolidated shareholders' equity, including minority interests, amounted to 3,931 million euro at December 31, 2011, compared with 3,382 million euro at December 31, 2010.

- **Dividend**

At the Annual General Meeting of Shareholders next May 29, a dividend of 0.70 euro will be proposed for approval. Subject to approval by the shareholders, the dividend will be payable as of July 2, 2012.

THE GROUPE IN 2011

- **Distinctions/creativity**

Since 2004, Publicis Groupe has been ranked No. 1 for Creative Performance by the *Gunn Report*. In its ranking of advertising networks with the most awards, our networks are 4th (Leo Burnett), 8th (Saatchi & Saatchi), 12th (Publicis) and 14th (BBH).

In the 2011 issue of the Big Won Report, Publicis Groupe was ranked No. 3 of all holding companies, with its agencies respectively ranked 4th (Leo Burnett), 8th (Saatchi & Saatchi) and 9th (Publicis).

Within the networks, several entities received distinctions in 2011:

- VivaKi was acclaimed as one of the most creative agencies in the world of advertising and marketing by Fast Company magazine in 2011.
- Audience on Demand (AOD), the flagship product of the VivaKi Nerve Center, was named one of the most compliant of all advertising platforms.

- Leo Burnett continues to be acknowledged as one of the most creative of all agencies, whether by YoungGuns Network of the Year, the Golden Drum Network of the Year, or as the top network in terms of awards at the 2011 ANDYs, the 2011 One Show and the National Addy Awards.
 - Advertising Age named PHCG the best Healthcare network in 2011.
- **The Group continued to implement its Corporate Social Responsibility (CSR) policy**

The Group's policy is articulated around four main pillars (Social, Society, Governance and Economics, Environment) that structure the work carried out within the Groupe and in each and every agency and network. 2011 focused on the internal roll-out of CSR and on greater involvement of staff in all four areas of emphasis (Social, Society, Governance and Economics, Environment).

Cost management

The Group's future growth, from which profitability cannot be dissociated, is based on its strategic decisions to develop its digital services and expand in high-growth regions.

In order to deliver profitable growth, the Groupe is continuing to actively manage its operating costs. However, talent management remains a core issue.

So it was that, once again, Publicis Groupe decided to freeze recruitment and salaries in order to commence 2012 with staff costs that were more consistent with the profitability targets.

Furthermore, the Horizon project continues its roll-out through a number of major programs: the regionalization of shared service centers (SSCs) which is proceeding well, the completion of the Americas platform, progress with the building of the Asia platform (excluding China and India), the optimization of real estate and purchasing at global level, not only for the Groupe's own purchases but also for production costs.

The ERP project has entered the test phase in the first half of 2012. This project will enable operating costs to be reduced sharply by 2015.

External growth

All external growth operations carried through 2011 answer to Publicis Groupe's strategic decisions in order to consolidate its leadership position in digital communication and to reinforce its foothold in high growth countries.

In the first half-year, sustained external growth activity enabled the Group to increase its footprint in:

- **in the UK**, in interactive communications and public relations (Chemistry, Airlock, Holler and Kittcat Nohr);
- **in Brazil** by taking a controlling stake in Talent and through the acquisition of GP7;

- **in the USA** through the acquisition of Rosetta in digital services in the USA on July 1, thereby repositioning the Groupe in customer advisory services;
- **in France and in India in healthcare**, with the acquisitions of Publicis Healthcare Consulting in France and Watermelon in India;
- **in the Greater China region**, in pursuance of its strategy announced a year ago to expand in China, Publicis Groupe acquired Tai wan-based consultancy firm ICL, followed by healthcare communications agency Dreams in China, and Genedigi, one of China's most renowned public relations firms.

In the second half of the year, acquisitions continued at the same place:

- **in Brazil:** in July 2011, acquisition of DPZ to complete the Group's Brazilian and footprint and achieve the critical size sought by the Group. Combined with organic growth, these acquisitions now make Brazil the Group's sixth biggest market, in line with Brazil's ranking in world advertising.
- **in the USA:** also in July 2011, acquisition of high-potential New York agency Big Fuel, which is the only advertising agency entirely dedicated to the social media. This was followed by the acquisition in September of Schwartz, the Boston PR agency with subsidiaries in Stockholm and London.
- **in Switzerland:** The Group also announced it would fully acquire its affiliate Spillman/Felser/Leo Burnett, one of the most important agencies in Switzerland.
- **in China:** in the last quarter, Publicis Group strengthened its position in digital services in China through two acquisitions: Wangfan and Gomye. The various acquisitions made throughout the year in China are clearly part of the strategy to double the Group's revenue in this region by 2013/2014. China is currently the Group's 4th biggest market, but ranks No. 3 in the world.
- **in Poland:** the last acquisition of the year was Polish PR agency Ciszweski.

Also in 2011, Publicis Groupe announced the launch of a new agency, Publicis Ecuador, with offices in Quito and Guayaquil, the country's main business centre.

Together, these acquisitions represent an estimated 400 million euro in additional revenue on a full year basis, a good indication of strong momentum of the Group's external growth in 2011.

- **New Business: 7.9 billion dollars in net gains**

2011 was an outstanding year in terms of accounts won, and the 7.9 billion dollars in new business net of losses is ample evidence of the relevance and competitiveness of Publicis

Groupe's offerings. Of the numerous new accounts won, mention might be made of the following: Microsoft, Darden, Burger King, Delta, Avaya, Sonic, Sprint (USA), Nescafé (worldwide), Ferrero (Europe), X-Step Sporting Apparel, Kraft Ritz, Merck OTC Brands (Asia Pacific), Embryform, Jaccar (China), Continental Tires, Kasinski Motorcycles – Zongshen, SECOM - Secretary of Communications for the Cabinet of President, Samsung, Lenovo, Disney (Brazil)

RECENT EVENTS

- Acquisitions

Since the start of 2012, Publicis Groupe has made two acquisitions:

- Mediagong, one of France's most innovative digital agencies specialized in digital strategy consulting, the social media, *advergaming* and mobile communications.
- The Creative Factory in Russia: highly reputed in its specialized areas, namely, marketing, digital services, digital production and video. This Moscow-based agency will enable Saatchi&Saatchi to expand its foothold in Russia.

In addition to these two acquisitions, Publicis Groupe has launched a friendly takeover bid on Pixelpark, the independent German leader in digital communications.

Pixelpark's core businesses range from the creation of digital brands, consulting, content management, the social media, mobile marketing, eBusiness solutions and data analysis and management. Publicis Groupe's public offering has the support of Pixelpark AG's Management Board and Supervisory Board. The bid will be tabled by the Groupe's German subsidiary MMS Germany Holdings GmbH (MMS) registered on the Dusseldorf trade register under the reference HRB 50291.

MMS will offer Pixelpark (ISIN DE000A1KRMK3) shareholders a consideration of 1.70 euro per share in exchange for their bearer shares of no nominal value.

This offer is at a premium of some 28% over the estimated average share price of Pixelpark (1.33 euro) as traded on the German stock exchange during the three months up to January 20, 2012. The offer is scheduled to begin in mid-February.

To date, the shares tendered by Pixelpark shareholders to MMS represent approximately 56.51% of the authorize share capital and voting rights.

- Among others conditions precedent, the bid will be subject to MMS acquiring at least 75% of the current share capital. The acquisition by MMS of the majority of Pixelpark shares must also be approved by Germany's Federal Cartel Office.

The offer is not being made, directly or indirectly, in or into, or by use of mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, e-mail and other forms of electronic transmission) of interstate or foreign

commerce of, or any facility or a national securities exchange of, the United States of America and the offer cannot be accepted by such use, means or instrumentality from or within the United States of America. No person in the United States of America will be permitted to accept the offer. Neither this announcement nor the offer document may be distributed or sent in, into or from the United States of America, and doing so may render invalid any purported acceptance.

- On February 1, the Group announced the acquisition of Flip Media, one of the large digital agency networks in the Middle East. Flip Media is present throughout the digital chain, offering a comprehensive range of services from strategy, digital design and production, content to technological platforms. With an original, proprietary creation technology that has received many awards, Flip Media works with a number of emblematic brands.

- General Motors

On January 24, Publicis Groupe was informed that it had lost the GM media account. This account, in which Starcom was in partnership with GM, represents approximately 0.5% of the Groupe's revenue over a full year. Publicis Groupe regrets GM's decision but is proud of the very high level of professionalism Starcom brought GM over the years.

More generally, Publicis Groupe is proud of the support it gave this large account in recent years and particularly during the serious difficulties that had to be overcome when GM went bankrupt. The contract ends in June 2012.

- Finance: 2012 Eurobond redemption

On January 31, 2012, Publicis Groupe SA redeemed its expired 2012 Eurobonds at a cost of 506 million euro in principal. This redemption was carried out using the Group's available liquidities. Given the Groupe's current liquidity levels, Publicis Groupe SA has no intentions of refinancing this bond issue in the short term.

OUTLOOK

The crisis brought on by investor fears of certain countries being unable to repay their debts has led the forecasting institutions to revise their forecasts for the full year 2011. ZenithOptimedia, for instance, which forecast advertising market growth of 4.1% in July, revised that figure down to 3.6% in October and again to 3.5% in December 2011.

Against this backdrop, Publicis Groupe posted a very good performance with 5.7% growth, i.e. higher than the anticipated growth rate of the market. This was made possible by the Group's exposure to the digital sector and high-growth countries which accounted for 52.4% of its revenue.

The Group intends to continue implementing its tried and tested strategy based on the rapid development of digital services and economic expansion in high-growth countries, and this includes, in particular, the plan to double the Group's revenue in China by 2013, the major investments made in Brazil, but also the bolstering of its footprint in India.

The Group's medium-term goal is to derive close to two-thirds of its revenue from high-growth activities or countries.

Thanks to a strong demand and rigorous management of costs and cash, the Group ended 2011 with a very strong financial situation.

The exceptional level of new business generated in 2011 (7.9 billion dollars) is testimony to the relevance and energy of Publicis Groupe's offering and to its presence alongside its clients, and confirms the Group's objectives in terms of gaining market share.

Despite a difficult 2012, these dynamics enable the Group to envisage a growth rate in excess of the current market growth forecasts. The continued improvement of operating costs goes hand in hand with revenue growth.

The Group intends to focus its action with a view to achieving its objectives through organic growth and targeted acquisitions.

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About Publicis Groupe

Publicis Groupe [Euronext Paris FR0000130577, part of the CAC 40 index] is the third largest communications group in the world, offering the full range of services and skills: digital and traditional advertising, public affairs and events, media buying and specialized communication. Its major networks are Leo Burnett, MSLGROUP, PHCG (Publicis Healthcare Communications Group), Publicis Worldwide, Rosetta and Saatchi & Saatchi. VivaKi, the Groupe's media and digital accelerator, includes Digitas, Razorfish, Starcom MediaVest Group and ZenithOptimedia. Present in 104 countries, the Group employs 53,000 professionals.

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Appendix

New Business

December 31, 2011 – 12 months

USD 7,9 billion (net)

Main accounts awarded

Leo Burnett

MAS Institute of Management & Technology (India); Micro Cars Limited (India); POM Wonderful (Japan); Triumph International (Japan); LSH Holding (Kuwait); LibanPost (Lebanon); Petronas Dagangan (Malaysia); Universidad Mexicana (Mexico); McDonald's (UK and USA); Flight Network (Canada); IKEA (Canada); Samsung (Hong Kong); Sun Hung Kai Properties (Hong Kong); Six senses resorts & spas (India); Sinar Mas (Indonesia); Indofood (Indonesia); Allergan (Mexico); Airphil Express (Philippines); Yahoo (Singapore); Dorchester Hotel Collection (UK); Wanke Shenyang (China); Costa Croisieres (France); Stepper Eyewear (Hong Kong); Beit Misk (Lebanon); Red Cross (UK); Giant Bicycles (Australia); DHL (Colombia); APM Terminals (Costa Rica); Sri Lanka Telecom (India); Petronas (Malaysia); Coca Cola (Colombia); Samsung (India); Indofood (Indonesia); OB Beer (Korea); 22nd Philippine Advertising Congress (Philippines); Pernod Ricard (Thailand); Property Perfect (Thailand); Ikea (Thailand); Wanke Shenyang (China); Temposcan Pharmaceuticals (Indonesia); Parrot (Japan); Petronas Group (Malaysia); Wijeya Newspapers (Sri Lanka); Chevrolet (Thailand); Nongpho Dairy Co-operative Ltd. (Thailand); Coca-Cola (Costa Rica, India); Wikimedia (Germany); Lankem Ceylon Ltd (India); Tokyo Cement (India); Auro Holdings (India); Samsung (Indonesia); Ilusión (Mexico); Walmart (Mexico); Asia Motor Works (India); Gumtree (Australia); Pakistan International Airlines (Pakistan) ; Pakistan State Oil (Pakistan); TaxSpanner (India); Qtel (Qatar); Sinar MasIMSIG (Indonesia); E.Land Group (Korea); Olabuenaga Fonatur (Mexico); Mega Bangna (Thailand); Fox TV Channel (Turkey); Studio Moderna (Turkey); Fifth Third (USA); Masan (Vietnam); Jon One Men's Clothing (China); Caribbean Export (Regional Trade and Investment Promotion Agency) (Dominican Republic); Terna Energy (Renewable Energy Source Production) (Italy); Universal Robina Corporation (Philippines); People's Leasing Company (Sri Lanka); Cargils Ceylon PLC (Sri Lanka); Thai Yamaha Motor Co., Ltd. (Thailand); Conwood Co., Ltd. (Construction Materials) (Thailand); AIS (Telco) (Thailand); Electricity Generating Authority of Thailand (Thailand); Bangkok Insurance (Thailand); TRUenergy (Australia); McDonal'ds (Australia); Schincariol Group (Brazil); Disney (Brazil); GlaxoSmithKline (Japan); Esurance (USA); Sing Tel (Singapore); Great Eastern Life Insurance (Singapore); Freewiew (Turkey, UK); Shiv Nadar Education Trust (India); GCL Energy (China); Langham Luxury Hotels (China); Warrnambool Cheese and Butter (Australia); Pfizer Taiwan

(Taiwan); Sprint (Digitas/Leo Burnett - USA); MillerCoors – Foster’s, Molson Canadian, and Sparks brands (USA); Chobani Yogurt (USA); YouSwoop Daily Deals (USA); Shriners Hospitals for Children (USA); Kasinski Motorcycles – Zongshen brand (Brazil); SECOM – Secretary of Communications for the Cabinet of President (USA); Lego (Japan); Symantec Norton (Japan); Bacardi White Rum (India); Telefonica/Movistar (Colombia); Crocs (Turkey); Coca Cola – Frestea, Minute Maid, Ades Water brands (Indonesia); Coca Cola – Minute Maid, Eight O’Clock & developmental brands (Philippines); Diageo – Jose Cuervo & Captain Morgan brands (Turkey); Dwarka Dairy (India); GlaxoSmithKline – Iodex portfolio (India); HomeGreen Solar and Home Energy Experts (Australia); Indofoods – Promina Babyfood brand (Philippines); Kellogg’s Krave (Central America); ODEL Department Store (Sri Lanka); Phillip Morris International – Fortune Cigarettes (Philippines) & Chesterfield (Turkey); Regalia Hotel Management (China); Telefonica Espana – Movistar (Costa Rica); The Energy Policy and Planning Office (Thailand); Yung Shin Pharmaceutical (Taiwan); Huawei Information and Communications Technology Solutions (China); Yingxue Kitchenware (China); P&G Downy (Indonesia); Philip Morris International – Chesterfield brand (Turkey); Samsung (Sri Lanka); Continental Tires (Brazil); Pharmavite – Nature Made Vitamins (USA).

MSLGROUP

TAQA (UK and Dubai); Ancestry.com (USA); AQMD-Incremental (USA); AstraZeneca (China); ADP (China); Insinkerator (China); Star TV (India); Bosch (Germany); Sécurité Routière (France); Schott (China); History Channel (India); Tech Data (Poland); Greene King (UK); Royal Institute of British Architects (UK); The World Water Forum (France).

Publicis Worldwide

Fresco/Vogliazzi (Italy); Heineken (Italy); Bernina International (Switzerland); Università Bocconi (Italy); Ministro del Lavoro (Italy), Jùpiter (Spain); Merino/Merinolam-Vegit (India); LG/global digital business (World); PMU (France); RATP (France); Fnac (France); Aéroports de Paris (France); Cortal Consors (France); Institut Géographique National (France); Amway/Nutriline (China); Nestlé Infant Nutrition/Nestlé Mio (Italy); Jigsaw (UK); Betboo (Brazil); Tourism Ireland (UK); Cascades Groupe Tissu (Canada); SCA-Tena (Hong Kong); Duracell (Hong Kong); Sara Lee/Ball Park (USA); Assurance Maladie (France); Les Vins de Bordeaux (France); Angel Broking (India); Haribo/Dragibus (France); L’Oréal (Czech Republic); Groupe SEB (Czech Republic); Cici’s Pizza (USA); Red Lion (Brazil); AKTV (Philippines); HP (Czech Republic); Nestlé (Thailand); Globe (Philippines); P&G (Philippines); Honda (Philippines); Axa (Czech Republic); Soda Club (Belgium); Weight Watchers (Belgium); ANIA (Italy); Jequiti Cosmetics (Brazil); Nestlé Infant Nutrition (Mexico); Nescafé (World); Ferrero (Italie, Espagne, Portugal, Fance, Belgique, Pays-Bas, Turquie, Grèce); Weight Watchers (Belgium); Soda Club (Belgium); Pasteur Mex Pharmacia (Mexico); Nestle – Nestea (Mexico); KPMG (Belgium); coop (United Kingdom); G.U. ((United Kingdom).

PHCG

Somaxon (USA); United Therapeutics (USA); Savient (USA).

Razorfish

Starwood (USA); Disney (USA); Microsoft (USA); Nike Social (USA); Unilever Surf (US); Unilever Dove (USA); Lion Dairy & Drinks (Australia); Sportsgirl (Australia).

Saatchi & Saatchi

Lenovo Group Limited (USA); Piaget (France); Assogestioni (Italy); Kavli (Sweden); UNIMED RJ (Brazil); Hanaka kyselka (Czech Republic); Toyota-Aygo, SUV range and Yaris (Italy); Swissôtel (Switzerland); Club Brugge (Belgium); Excellent (Belgium); Vlerick (Belgium); DG Sanco/EC anti smoking (Belgium); Haagen-Dazs (Belgium); Fostplus (Belgium) ; Wonderful Pistachios (UK, Germany); Swisscom (Switzerland); Skoda Auto India (India); OLX India (India); Bharat Petroleum (India); Mando (Korea); Handelsbanken (Sweden); Avis (Germany); WeightWatchers (UK); ARD-Werbung Sales & Services (Germany); Kraft Foods/Milka (Argentina); Subway (Mexico); Paso Interlomas (Mexico); Enel (Italy); Marktplaats.nl (Netherlands); flydubai (UAE); Carlsberg (India); Kingdee (China); Samsonite Europe (Belgium); EUROPA Versicherungen (Germany); Agthia/Yoplait (UAE); Wave Infratech (India); CCA/Pump, L&P, Deep Spring, Baker Halls (New Zealand); Union Investment (Germany); Lenovo (Brazil); HTC South Asia (Singapore); HTC EMEA (UK/SSX - Retail/Shopper Marketing); Phonak (Switzerland); Kraft Foods - Trident (USA/global); Veltins (Germany); Pirelli (Germany- SSX); Salewa (Germany - SSX); Schott (Korea); Icelandic Glacial Water (USA); Chase - Sapphire Credit Card (USA); AIA (Italy); Illy (Italy); FrieslandCampina (Russia); Coca-Cola/Nidan and Multan Juices (Russia); Paramount Comedy Channel (Russia); Boxer (Sweden); Coca-Cola Amatil (New Zealand); Mall of the Emirates (UAE); Citroen (China); China Telecom (China); Invida Asia (Singapore); Red.es (Spain); Sharp (USA - SSX); Tracfone (USA - SSX).

Starcom MediaVest Group

Tourism Malaysia (Malaysia); Heineken (Czech Republic); Dairy Queen (USA); China Telecom (China); SATS (Singapore); Singapore Grand Prix (Singapore), Uniqlo (Singapore); Nyhavn Rejser (Denmark); Full Tilt Poker (Italy); BZWBK (Poland); Lotos (Poland); Upstream (United Arab Emirates); Dreams (UK); YPF (Argentina); Microsoft (USA); Disney (USA); Disney Pan regional TV Cable (Argentina); hotels.com-Expedia (China); Regione Lombardia (Italy); I mobile (Thailand); Kraft Foods (United Arab Emirates); Lactel (United Arab Emirates); MAC (GM dealer) (United Arab Emirates); ZAFCO (United Arab Emirates); Dyson (Canada); Aeromexico (Chile); Spin Palace (Chile); Future Brands (India); VIA (India); Mars (Philippines, Indonesia, Thailand); Orang Tua Group (Indonesia); Dixons (Ireland); Comcast/NBCU (Studios) (USA – Miami); Boiron Laboratories (Poland); Czerwona Torebka (Poland); Burger King (USA); NBCU/Comcast (Theme Parks) (USA); AB/In Bev (USA); Aircel (Dishnet Wireless) (India); BF Distribuidores (Chile); Cerveza Corona (Chile); Dwarka Milk (India); Ferrero (Spain); Flexalum luxaflex (Chile); MULTI SCREEN MEDIA PRIVATE LTD-SAB TV (India); Nille (Norway); Novartis (Global); Sony Pix (India); Super Max (India); Zee Learn (India).

ZenithOptimedia

Rioja Wines (Spain); JPMorgan Chase (USA); Walmart (China); ABB (China); Motorcorp (New Zealand); United Overseas Bank (Singapore); Emporiki Bank (Greece); Banco Financiero y de Ahorro (Espagne); Interbrands (Sweden); RecycleBank (USA); Jenny Craig (USA); Autotrader (USA); AZ/Medimmune (USA); C&A (China); Tourism Malaysia (Malaysia); MOM (Singapore); city of Antwerp (Belgium); Nyhavn Rejser

(Denmark); L'Oreal (Greece); Khazan (Kuweit); MarCons (Kuweit); Galderma (Sweden); Parship (Sweden); Unum (UK); L'Oreal (USA); EDMC Incremental (USA); Reckitt Benckiser (India), Disney (USA); Jazeera Childrens Channel (Mideast and Africa); Hachette Fascicoli (Romania); Pegasus (Romania); EU Funds campaign (Romania); Fire Prevention Campaign (Spain); Deli (Belgium); KMDA (Belgium); Rich Bake (Egypt); Peak Performance (Europe, USA, Asia); Carlsberg (China); PPTV (China); Honda (India); Infocom Development Authority (Singapore); Merino (India); Science Centre Singapore (Singapore); Dunelm Mills (UK); Pizza Hut (US); C&A (Austria); Unicharm (India); Agrostar (Romania); City Cinema (Romania); Sandals (USA); Charter Hall Ltd (Australia); Singapore University of Technology & Design (Singapore); Dubai Electricity & Water Authority (UAE); Vitrac (Egypt); CEPESA (Spain); Clarins (Mexico); Officemax (Mexico); Hoteles CITY Express (Mexico); Royal Caribbean Cruises (Mexico); Petrobras (Pan Regional); Sura - ING (Mexico); Verizon (USA); Tencent Weibo (China); Best Foods (India); PayPal (Singapore); Motorola Digital (Singapore); Groupement des Mousquetaires (France); TE Data (Egypt); RBS (UK); Gulf States Toyota (USA); Merial (New Zealand); Singapore Management University (Singapore); KPMG (Belgium); Isracard (Israel); Bel Groupe (MENA); Royal Bakery (UAE); SAP (UAE), IFFCO (UAE), Vontobel (UAE); Super-Max (UAE); Bridgestone Tires (USA); Air Asia (Philippines).

Digitas

Pages jaunes (France); Dassault (France); Chili's (USA); Kaiser-Permanente (USA); Intuit (USA); Mars Petcare (USA); Comcast (USA); Delta (USA); Mead Johnson (USA); Post (USA); American Express (USA); Harley Davidson (China); L'Oreal (China, France); OnStar (China); Nestlé (France); Samsung (UK, Brazil, USA); Samsung Mobile (India); Samsung Electronics (India); Equifax (USA); Nationwide (UK); Owens Corning (USA); Dunkin's Brands (USA); L'Oreal (China); Asus (China); Onstar (China); Samsung Mobile (India); Sprint (Digitas/Leo Burnett - USA); Nissan (France).

Fallon

Axa (UK); Roundhouse (UK); MTV (UK).

Kaplan Thaler Group

Edmunds.com (US).

2011 Press Releases

- 01-26-2011 Publicis Groupe Proposes to Acquire Chemistry through a Recommended Cash Offer
- 01-27-2011 Publicis Groupe Increases its Stake in Wefcos - Véronique Morali Appointed Wefcos President
- 02-10-2011 Publicis Groupe 2010 Annual Results
- 02-17-2011 Publicis Groupe Acquires London-Based Holler Strengthening Leo Burnett Digital Offer
- 02-21-2011 Publicis Groupe Launches Publicis Webformance - An Initiative Aimed at Supporting Small and Medium Businesses
- 02-23-2011 Publicis Groupe Acquires Interactive Communications Ltd. in Taiwan
- 03-03-2011 Publicis Groupe Acquires Kitcatt Nohr in the UK
- 03-10-2011 Publicis Groupe Acquires London-Based Airlock in its Latest UK Digital Operation
- 03-22-2011 Publicis Groupe Acquires India-Based Watermelon
- 03-30-2011 Jean-Yves Naouri Is Named Executive Chairman of Publicis Worldwide
- 04-15-2011 Publicis Groupe Sells Its Stake in Freud Communications
- 04-18-2011 Publicis Groupe Takes Majority Stake in Brazil's Talent Group
- 04-21-2011 Publicis Groupe : 1st Quarter 2011 Revenue
- 04-26-2011 Publicis Groupe Acquires Sao Paulo Agency GP7 Furthering Its Expansion into the Brazilian Market
- 04-27-2011 Publicis Groupe Revitalizes Leo Burnett Brazil Operations
- 05-12-2011 Publicis Groupe Acquires Beijing-Based Dreams
- 05-17-2011 Publicis Groupe to Acquire Rosetta. One of the Fastest Growing Digital Marketing Agencies in North America
- 06-07-2011 Publicis Groupe Annual General Shareholders Meeting
- 06-20-2011 Publicis Groupe Further Expands in China with Acquisition of Genedigi
- 06-28-2011 Publicis Groupe launches Operations in Ecuador
- 07-04-2011 Publicis Groupe Acquires leading Swiss Agency Spillmann/Felser/Leo Burnett
- 07-05-2011 Acquisition of Rosetta closed
- 07-06-2011 Notice of adjustment to the conversion ratio for the 2014 convertible bonds (OCEANE)
- 07-11-2011 Publicis Groupe Acquires Brazilian Agency DPZ
- 07-15-2011 Publicis Groupe S.A. signs a EUR 1.2 billion multi-currency revolving credit facility
- 07-18-2011 Publicis Groupe Takes Majority Stake in Social Agency Big Fuel
- 07-21-2011 Publicis Groupe: H1 2011 Results
- 09-15-2011 Publicis Groupe Acquires PR Agency Schwartz Communications
- 10-03-2011 Publicis Groupe Appoints Stéphanie Atellian as Investor Relations Officer
- 11-02-2011 Publicis Groupe Acquires Chinese Digital Agency Wangfan
- 11-29-2011 Publicis Groupe Further Accelerates Digital Expansion in China with Gomye Acquisition
- 11-30-2011 Composition of the Management Board
- 12-01-2011 Publicis Groupe Acquires Ciszewski Public Relations, Poland's largest PR Agency

Glossary

Net financial debt (or net debt): equals the long and short term financial debt plus associated derivatives fair value, less cash and cash equivalent

Average half-year net debt: half-year average of average monthly net debt.

Operating margin: The operating margin is equal to the revenue after deduction of personnel expenses, other operating expenses (excluding non current income and expenses), depreciation and amortization (excluding intangible arising from acquisitions).

Operating margin rate: operating margin/revenue.

Free cash flow: cash flow from operations minus capital expenditures for tangible and intangible fixed assets, excluding acquisitions.

Net new business: this figure is derived not from financial reporting but from estimated media-marketing budgets based on annual business (net of losses) from new and existing clients.

Revenu and Organic growth calculation

(EUR million)	H1	H2	2011
2010 Revenue	2,538	2,880	5,418
Currency impact	(58)	(68)	(126)
2010 Revenue at 2011 exchange rate (a)	2,480	2,812	5,292
2011 Revenue before impact of acquisitions ⁽¹⁾ (b)	2 656	2,938	5,594
Revenue from acquisitions (1)	43	179	222
2011 Revenue	2,699	3,117	5,816
Organic Growth (b/a)	+ 7.1 %	+ 4.5%	+ 5.7%

(1) Acquisitions (In-Sync, Resolute, AG2, G4, Amazon, Publicis Romania, 20:20, EastWei, Casablanca, Digital District, Publicis healthcare consulting, Frequence Medicale, C4L, Kitkatt Nohr, Airlock, Holler, Chemistry, Talent, ICL, GP7, Watermelon, S&S South Africa, Genedigi Group, Dreams, Rosetta Marketing Group, Big Fuel, LB Zurich Spillman/Felser, DPZ Group, Nuatt, Schwartz, Brand Connections, Gomye, Wangfan, Ciszewski) net of disposals

Average Exchange rate Dec. 31, 2011: 1 USD = 0.719 EUR

1 GBP = 1.153 EUR

Consolidated income statement

(in millions of euros)

	2011	2010	2009
Revenue	5,816	5,418	4,524
Personnel expenses	(3,615)	(3,346)	(2,812)
Other operating expenses	(1,167)	(1,105)	(940)
Operating margin before Depreciation & Amortization	1,034	967	772
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	(103)	(111)	(92)
Operating margin	931	856	680
Amortization of intangibles arising from acquisitions	(38)	(34)	(30)
Impairment loss	-	(1)	(28)
Non-current income and expenses	21	14	7
Operating Income	914	835	629
Financial expenses	(89)	(81)	(73)
Financial income	33	16	12
Cost of net financial debt	(56)	(65)	(61)
Other financial income and expenses	2	(11)	(9)
Pre-tax Income of consolidated companies	860	759	559
Income taxes	(248)	(216)	(146)
Net income of consolidated companies	612	543	413
Share of profit of associates	17	8	4
Net income	629	551	417

Of which:

- Net income attributable to non-controlling interests (minority interests)	29	25	14
- Net income attributable to equity holders of the parent company (Group share)	600	526	403

Per share data (in euros) – Net income attributable to equity holders of the parent company

Number of shares	202,547,757	202,149,754	202,257,125
Earnings per share	2.96	2.60	1.99
Number of diluted shares	237,066,159	235,470,461	220,867,344
Diluted earnings per share	2.64	2.35	1.90

Consolidated statement of comprehensive income

<i>(in millions of euros)</i>	2011	2010	2009
Net income for the period (a)	629	551	417
Other comprehensive income			
- Revaluation of available-for-sale investments	(3)	12	12
- Actuarial gains and losses on defined benefit plans	(51)	(10)	(4)
- Consolidation translation adjustments	49	297	(59)
- Deferred taxes on other comprehensive income	16	4	1
Total Other comprehensive income (b)	11	303	(50)
Total comprehensive income for the period (a) + (b)	640	854	367
Of which:			
- Attributable to non-controlling interests (minority interests)	29	33	17
- Attributable to equity holders of the parent company (Group share)	611	821	350

Consolidated balance sheet

<i>(in millions of euros)</i>	December 31, 2011	December 31, 2010	December 31, 2009
Assets			
Goodwill, net	5,207	4,278	3,928
Intangible assets, net	985	856	835
Property, plant and equipment	496	464	458
Deferred tax assets	82	75	73
Investments in associates	43	140	49
Other financial assets	113	113	94
Non-current assets	6,926	5,926	5,437
Inventories and work in progress	343	326	290
Trade receivables	6,446	5,953	4,875
Other receivables and current assets	561	572	548
Cash and cash equivalents	2,174	2,164	1,580
Current assets	9,524	9,015	7,293
Total Assets	16,450	14,941	12,730
Equity and liabilities			
Share capital	77	77	79
Additional paid-in capital and retained earnings, Group share	3,821	3,284	2,734
Equity attributable to holders of the parent company (Group share)	3,898	3,361	2,813
Non-controlling interests (minority interests)	33	21	25
Total equity	3,931	3,382	2,838
Long-term borrowings	1,460	1,783	1,796
Deferred tax liabilities	240	219	214
Long-term provisions	486	458	449
Non-current liabilities	2,186	2,460	2,459
Trade payables	7,745	7,216	5,835
Short-term borrowings	838	290	214
Income taxes payable	66	39	63
Short-term provisions	137	118	100
Other creditors and current liabilities	1,547	1,436	1,221
Current liabilities	10,333	9,099	7,433
Total equity and liabilities	16,450	14,941	12,730

Consolidated statement of cash flows

<i>(in millions of euros)</i>	2011	2010	2009
Cash flows from operating activities			
Net income	629	551	417
Neutralization of non-cash income and expenses:			
Income taxes	248	216	146
Cost of net financial debt	56	65	61
Capital (gains) losses on disposals (before tax)	(19)	(14)	(10)
Depreciation, amortization and impairment loss on property, plant and equipment and intangible assets	141	146	150
Non-cash expenses on stock options and similar items	26	26	24
Other non-cash income and expenses	1	6	11
Share of profit of associates	(17)	(8)	(4)
Dividends received from associates	14	14	9
Taxes paid	(212)	(219)	(157)
Interest paid	(80)	(76)	(75)
Interest received	29	17	16
Change in working capital requirements ⁽¹⁾	73	287	59
Net cash flows generated by (used in) operating activities (I)	889	1,011	647
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(116)	(103)	(74)
Disposals of property, plant and equipment and intangible assets	4	25	10
Purchases of investments and other financial assets, net	13	5	10
Acquisitions of subsidiaries	(728)	(166)	(273)
Disposals of subsidiaries	28	1	1
Net cash flows generated by (used in) investing activities (II)	(799)	(238)	(326)
Cash flows from financing activities			
Dividends paid to holders of the parent company	(129)	(107)	(107)
Dividends paid to non-controlling interests	(14)	(21)	(26)
Proceeds from borrowings	77	7	744
Repayment of borrowings	(29)	(52)	(108)
Net purchases of non-controlling interests	(11)	(9)	(25)
Net (purchases)/sales of treasury shares and warrants	51	(198)	5
Net cash flows generated by (used in) financing activities (III)	(55)	(380)	483
Impact of exchange rate fluctuations (IV)	(17)	188	(94)
Net change in consolidated cash and cash equivalents (I + II + III + IV)	18	581	710
Cash and cash equivalents on January 1	2,164	1,580	867
Bank overdrafts on January 1	(36)	(33)	(30)
Net cash and cash equivalents at beginning of year (V)	2,128	1,547	837
Cash and cash equivalents on December 31 (Note 18)	2,174	2,164	1,580
Bank overdrafts on December 31 (Note 22)	(28)	(36)	(33)
Net cash and cash equivalents at end of year (VI)	2,146	2,128	1,547
Net change in cash and cash equivalents (VI - V)	18	581	710
<i>(1) Breakdown of change in working capital requirements</i>			
Change in inventory and work in progress	(6)	(14)	29
Change in accounts receivable and other receivables	(267)	(855)	160
Change in accounts payable, other payables and provisions	346	1,156	(130)
Change in working capital requirements	73	287	59

Consolidated statement of changes in equity

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital	Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to the holders of the parent company	Non-controlling interests (minority interests)	Total equity
178,854,301	December 31, 2008	78	2,553	(105)	(315)	109	2,320	30	2,350
	Net income			403			403	14	417
	Other comprehensive income:								
	Fair value adjustments to available-for-sale investments					12	12		12
	Actuarial gains and losses on defined benefit plans ⁽¹⁾			(3)			(3)		(3)
	Consolidation translation adjustments				(62)		(62)	3	(59)
	Total other comprehensive income	-	-	(3)	(62)	12	(53)	3	(50)
	Total income and expenses for the period	-	-	400	(62)	12	350	17	367
1,562,129	Publicis Groupe SA capital increase	1	47	(48)			-		-
	Equity component of Oceane 2014			49			49		49
	Dividends			(107)			(107)	(26)	(133)
	Share-based compensation ⁽¹⁾			26			26		26
	Additional interest on Orane			(6)			(6)		(6)
	Effect of acquisitions and commitments to buy out non-controlling interests (minority interests)						-	4	4
6,752,338	Purchases/sales of treasury shares			181			181		181
187,168,768	December 31, 2009	79	2,600	390	(377)	121	2,813	25	2,838
	Net income			526			526	25	551
	Other comprehensive income:								
	Fair value adjustments to available-for-sale investments					12	12		12
	Actuarial gains and losses on defined benefit plans ⁽¹⁾			(6)			(6)		(6)
	Consolidation translation adjustments				289		289	8	297
	Total other comprehensive income	-	-	(6)	289	12	295	8	303
	Total income and expenses for the period	-	-	520	289	12	821	33	854
(5,937,871)	Publicis Groupe SA capital increase and cancellation of treasury shares	(2)	(168)	(48)			(218)		(218)
	Dividends			(107)			(107)	(21)	(128)
	Share-based compensation ⁽¹⁾			39			39		39
	Additional interest on Orane			(7)			(7)		(7)
	Effect of acquisitions and commitments to buy out non-controlling interests (minority interests)						-	(16)	(16)
1,140,173	Purchases/sales of treasury shares			20			20		20
182,371,070	December 31, 2010	77	2,432	807	(88)	133	3,361	21	3,382
	Net income			600			600	29	629
	Other comprehensive income:								
	Fair value adjustments to available-for-sale investments					(3)	(3)		(3)
	Actuarial gains and losses on defined benefit plans ⁽¹⁾			(35)			(35)	-	(35)
	Consolidation translation adjustments				49		49	-	49
	Total other comprehensive income	-	-	(35)	49	(3)	11	-	11
	Total income and expenses for the period	-	-	565	49	(3)	611	29	640
1,712,704	Publicis Groupe SA capital increase	-	47	(47)			-		-
	Dividends			(129)			(129)	(14)	(143)
	Share-based compensation ⁽¹⁾			25			25		25
	Additional interest on Orane			(8)			(8)		(8)
	Effect of acquisitions and commitments to buy out non-controlling interests (minority interests)			(13)			(13)	(3)	(16)
1,912,289	Purchases/sales of treasury shares			51			51		51
185,996,063	December 31, 2011	77	2,479	1,251	(39)	130	3,898	33	3,931

Earnings per share and diluted earnings per share

<i>(in millions of euros, except for share data)</i>	2011	2010	2009
Net income used for the calculation of earnings per share			
Group net income	600	526	403
<i>Impact of dilutive instruments:</i>			
- Savings in financial expenses related to the conversion of debt instruments, net of tax ⁽¹⁾	27	27	16
Group net income - diluted	627	553	419
Number of shares used to calculate earnings per share			
Average number of shares that make up the share capital	191,738,061	192,754,345	196,020,983
Treasury shares to be deducted (average for the year)	(7,935,852)	(10,912,268)	(15,633,664)
Shares to be issued to redeem the Oranes	18,745,548	20,307,677	21,869,806
Average number of shares used for the calculation	202,547,757	202,149,754	202,257,125
<i>Impact of dilutive instruments:</i>			
- Free shares and dilutive stock options ⁽¹⁾	5,161,031	4,389,680	1,770,247
- Warrants ⁽¹⁾	893,900	480,327	-
- Shares resulting from the conversion of convertible bonds ⁽²⁾	28,463,470	28,450,700	16,839,972
Number of diluted shares	237,066,159	235,470,461	220,867,344
<i>(in euros)</i>			
Earnings per share	2.96	2.60	1.99
Diluted earnings per share	2.64	2.35	1.90

(1) Only stock options and warrants with a dilutive impact, i.e., whose strike price is lower than the average strike price, are included in the calculation. In 2011, all of the stock options and warrants not yet exercised at the year-end had a dilutive effect.

(2) Over the three years 2011, 2010 and 2009, all of the Oceane had a dilutive impact and are therefore factored into the calculation of diluted EPS.

Headline earnings per share (basic and diluted)

<i>(in millions of euros, except for share data)</i>	2011	2010	2009
Net income used to calculate headline ⁽¹⁾ earnings per share			
Group net income	600	526	403
<i>Items excluded:</i>			
- Amortization of intangibles from acquisitions, net of tax	23	21	18
- Impairment, net of tax	-	1	27
- Net capital gains (losses) on disposals of land, buildings and securities	(18)	(12)	(6)
- Revaluation of earn-out payments	(4)		
- Deferred tax assets related to the Oceane 2014 ⁽²⁾		-	(23)
Headline group net income	601	536	419
<i>Impact of dilutive instruments:</i>			
- Savings in financial expenses linked to the conversion of debt instruments, net of tax	27	27	16
Headline group net income, diluted	628	563	435
Number of shares used to calculate earnings per share			
Average number of shares that make up the share capital	191,738,061	192,754,345	196,020,983
Treasury shares to be deducted (average for the year)	(7,935,852)	(10,912,268)	(15,633,664)
Shares to be issued to redeem the Orane	18,745,548	20,307,677	21,869,806
Average number of shares used for the calculation	202,547,757	202,149,754	202,257,125
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- Free shares and dilutive stock options	5,161,031	4,389,680	1,770,247
- Warrants	893,900	480,327	-
- Shares resulting from the conversion of the convertible bonds	28,463,470	28,450,700	16,839,972
Number of diluted shares	237,066,159	235,470,461	220,867,344
<i>(in euros)</i>			
Headline earnings per share ⁽¹⁾	2.97	2.65	2.07
Headline earnings per share - diluted ⁽¹⁾	2.65	2.39	1.97

(1) EPS before amortization of intangibles resulting from acquisitions, impairment, capital gains (losses) on disposal of land, buildings, securities, revaluation of earn-out payments and the deferred tax asset linked to the Oceane 2014 bond.

(2) Impact of the deferred tax asset recognized in the amount of the deferred tax liability booked on the equity portion of the Oceane 2014 bond.