PUBLICIS GROUPE

HALF-YEAR FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2016

Summary

Message from Chairman & CEO

Maurice Lévy

This first half-year has ended very satisfactorily.

First with the results: organic growth of close to 3%, an operating margin at 13% and a double-digit increase of our free cash flow. Next the implementation of our new structure, the "Power of One" by the end of June, as expected.

The transformation process launched in December 2015 has completely changed our approach to communications and our understanding of the way our clients work in taking on the challenges of the future. This transformation means we can anticipate our clients' expectations with an "end-to-end" offering that provides them with full access to the Group's resources including our skills in consulting and technology. This initiative was very well received by our clients as it is original, modern and, most importantly, it is a comprehensive solution to the challenges they face. We are beginning to reap the benefits of this new approach.

Some expected this transformation would require several years to be implemented. I would like to express my gratitude to all our people who have had to contend with upheaval within the organization, reassignments, or changes in responsibility while, at the same time, continuing to provide our clients with Publicis service at its very best. Despite our concerns of seeing significant impact from the budgets lost in 2015, they were able to ensure new business developments which brought us to a satisfactory growth rate in the 2nd quarter.

Furthermore, they also left no stones unturned in ensuring the success of other Publicis initiatives such as Viva Technology, an undertaking organized in conjunction with Groupe Les Echos. This event was further evidence of the Group's interest and involvement in the digital economy and innovative ideas, and of the importance it places in supporting start-ups that are the companies of the future. The great success of this event is also a testament to the Group's credibility in this sector and in the eyes of the major players. During this event, our "Publicis90" project rewarded 90 start-ups with financial support: this was our way of celebrating Publicis' 90th anniversary in a constructive and forward-looking manner. It should also be noted that 25 of the 90 winners came from within the Group, further evidence of the entrepreneurial spirit that reigns within the Group.

Finally, during Viva Technology, Publicis Groupe and Tencent – the Chinese internet giant – announced a strategic agreement at global level. This partnership further reinforces our leadership in digital and technology.

After this particularly active and productive first half-year, we expect the third quarter to be more difficult due to the full impact of the account losses of 2015, though this should not jeopardize the upward trend of all the Group's indicators over the full year 2016.

We should not be heavily impacted from the Brexit. Since we operate in the UK in local currency, as we do in all the countries in which we have operations.

We remain very confident about reaching our 2018 objectives, and believe that we will start to see and feel the benefits of our transformation more fully as of 2017.

Maurice Lévy

Chaiman & CEO

INTERIM MANAGEMENT REPORT

Publicis Groupe's Supervisory Board met on July 20, 2016, under the chairmanship of Elisabeth Badinter, to examine the first half-year accounts at June 30, 2016 presented by Maurice Lévy, Chairman of the Management Board.

Key figures

in million of euros, percentages and per share data (in euros)	H1 2016	H1 2015	2016 *vs.* 2015
Data from the Consolidated Income Statement			
Revenue	4,753	4,542	+4.6%
Operating margin before Depreciation & Amortization	704	675	
% of revenue	*14.8%*	*14.9%*	
Operating margin	619	589	+5.1%
% of revenue	*13.0%*	*13.0%*	
Operating income	595	554	+7.4%
Group net income	381	363	+5.0%
Groupe share of EPS	1.72	1.62	
Groupe share of diluted EPS	1.70	1.59	
Groupe share of headline, diluted EPS (1)	1.81	1.68	+7.7%
Free Cash Flow before changes in working capital requirements	564	458	+23.1%
Data from the Balance Sheet	**June 30, 2016**	**Dec. 31, 2015**	
Total assets	24,162	25,446	
Groupe share of consolidated Shareholders' equity	6,495	6,556	
Net debt (net cash)	2,460	1,872	

(1) Group net income, after elimination of impairment charges, amortization of intangibles arising on acquisitions, the main capital gains (or losses) on disposals, acquisition or merger-related costs, and reappraisal of earn-out costs, divided by the average number of shares on a diluted basis.

In the USA, real GDP growth was 2% in the first quarter of 2016, compared with an average of 2.4% over the four previous quarters. This slowdown can be attributed to the strength of the dollar, the recessionary impact of the downturn in commodity prices, and low investment on the part of US corporations. The employment market remained vibrant with unemployment virtually at an all-time low, and wage increases beginning to exceed 2%. New jobs nevertheless came to a halt in May.

In China, growth dipped to 6.7% in the first quarter. Whilst the figure remains high, it is lower than in previous years. This phase of lesser growth is characterized by a dip in exports and, more generally, in trade with the rest of the world. However, domestic demand remained strong. The authorities are striving to manage the deflation of the credit, equity and real estate bubbles, but experience tells us that this is difficult to achieve. Monetary policy continues to be highly accommodative.

Only European growth is accelerating, though admittedly from a low starting point. This pick-up can be ascribed to the impact of the oil counter-shock in the euro zone and to a monetary policy that is very conducive to growth. Europe posted growth of 1.9% in the first quarter, with highly contrasting situations ranging from +6.5% in Ireland at -1.3% in Greece. The British economy is relatively buoyant at +2% despite the uncertainties surrounding the UK leaving the European Union, particularly since the outcome of the referendum only became known on June 23. French growth (+1.4%) was still below the European average, despite recovering somewhat by comparison with its average of +1.2% over the four previous quarters. Growth also picked up in Germany (+1.6% compared with an average of +1.4% over the four previous quarters). Italy could only manage +0.9% in the first quarter, though this was +0.2% better than the average of +0.7% observed over the four previous periods.

In the emerging markets outside of China, the slowdown of economic activity has been accentuated by the fall of commodity prices, particularly oil, and by the strong dollar. Export revenues have slumped and the cost of servicing debt, often denominated in dollars, has soared. Countries such as Brazil and Russia are in great economic difficulty (sharp decline of their GDP). Only India – which benefits from the slump in oil prices – is faring well, and recorded continued high growth (7.9%) in Q1 2016.

Inflation excluding the more volatile components remains very low, particularly in Europe and Japan where deflation is still a major cause of concern.

After estimating 2016 advertising media market growth at 4.7% in December 2015, ZenithOptimedia revised that down to 4.6% in April 2016, and has since revised it downwards again to 4.1%. The main cause of this downswing is Latin America where advertising investment is now expected to fall by 2.4% in 2016, compared to the previous growth estimate of +4.5%. The main reason these forecasts have been revised downwards is the recession in the main markets, and especially the devaluation in Argentina. Growth forecasts for advertising investment in all other regions of the world remain unchanged.

Publicis Groupe's consolidated revenue in Q2 2016 was 2,462 million euro, up 0.9% from 2,439 million euro in Q2 2015. Exchange rates had an -85 million euro negative impact, i.e. 3.5% of the revenue posted for Q2 2015. Net acquisitions contributed 44 million euro in revenue in Q2 2016, i.e. 1.8% of Q2 2015 revenue. Growth at constant exchange rates was +4.6%.

Organic growth was +2.7% in the second quarter, buoyed by growth in the digital sector (+5.1%). This growth has slowed from the 2.9% recorded in the first quarter due to the higher impact of media accounts lost during the so-called "Mediapalooza" in 2015. The impact will be higher again in the third quarter.

Over the first six months of the year, Publicis Groupe's consolidated revenue totaled 4,753 million euro, up 4.6% from 4,542 million euro for the corresponding period in 2015. Exchange rates had a negative impact of 105 million euro or 2.3% of the revenue posted for the first half of 2015. Net acquisitions contributed 191 million euro in revenue in H1 2016, i.e. 4.2% of the revenue reported for H1 2015. Growth at constant exchange rates was +7.1%. Organic growth was +2.8% in H1 2016. The healthcare sector performed well, and media followed on the sustained level of business recorded in Q1 2016 in spite of the account losses in 2015. It is worth noting Sapient's strong growth over the first six months of 2016.

This led to modest revenue growth in North America (+1.4%) in the first half-year, while revenue growth of 5.5% in Europe nevertheless revealed that Q2 growth was a net improvement on the first quarter (+3.4% and +7.3% respectively for Q1 and Q2), particularly in Germany, the UK and France. Digital, which continues to drive the Group's growth, rose 10.2% in H1 2016. When acquisitions and exchange rates are factored out, digital activities grew by 6.3% in H1 2016. Sapient – which has been included in the calculation of organic growth since February 6, 2016 – achieved organic growth of slightly over 10%. At June 30, 2016, digital represented 53.6% of the Group's revenue, after 50.9% one year ago. This broad exposure to digital confirms our innovative approach and will ensure Publicis Groupe's future growth.

In this context of modest growth, Publicis Groupe is more than ever focused on maintaining a solid operating margin and an ability to generate cash flow. The reorganization announced in December 2015 is geared towards a more efficient cost base through the elimination of overlapping and duplication. Various cost optimization programs have been planned or launched in order to meet the margin objectives set out in the 2018 strategic plan. These cost optimization programs include a simplification of the Group's structure subsequent to the reorganization, but also steps aimed at productivity gains, efforts to improve the margins of entities that have been underperforming, measures in procurement, the continued regionalization of the Shared Services Platforms, and on-going enhancement of processes. The ERP roll-out (already launched in France in July 2014) now includes the USA and continental Europe. The potential remains high as none of these programs has delivered its full results.

The operating margin rose 5.1% to 619 million euro. The percentage operating margin was 13.0%, unchanged by comparison with 2015. The stability of the margin hides several contrasting effects: on the one hand, the operating leverage produced by the build-up of digital, the measures aimed at savings and the synergies from the integration of Sapient, and, on the other hand, the dilutive effect of consolidating Sapient over only six months in 2016 (versus five months in 2015), and the increase in restructuring costs (55 million euro in 2016 compared with 39 million euro in 2015) incurred in reorganizing the Group and reaping the synergies with Sapient.

Group net income totaled 381 million euro versus 363 million euro in 2015, i.e. an increase of 5.0%.

Headline diluted earnings per share (as defined in note No. 8 to the Consolidated financial statements) rose 7.7% to 1.81 euro.

The balance sheet at June 30, 2016 shows net debt of 2,460 million euro after net debt of 1,872 million euro at December 31, 2015. Average net debt in H1 2016 was 2,380 million euro, versus an average of 1,881 million euro for the corresponding period in 2015.

On June 1, 2016, Publicis Groupe acknowledged the decision by JCDecaux to abandon the project to acquire the former's 67% stake in the share capital of Metrobus due to demands made by the French competition authority (Autorité de la concurrence). In conjunction with Metrobus and JCDecaux (which still owns a 33% stake), Publicis Groupe will now examine all the options to provide Metrobus with the best possible conditions for its development.

On June 7, 2016, the ANA (Association of National Advertisers) published a report incriminating business practices between communications agencies and advertisers. We can only be surprised by ANA's choice in particular as this report is based on allegations and situations that refer to undisclosed companies and individuals and are then used to make very broad-based and unverifiable accusations. Publicis Groupe was keen to state its position. Publicis Groupe has very stringent in-house rules and regulations, including a Code of Ethics, which serves as a reference in controlling procedures and financial reporting. We constantly revise our working methods to ensure that they are best in class and our employees have to apply them rigorously. All contract negotiations with our clients include standards of transparency that they deem appropriate and we commit to fully abide by the terms of the contract we enter into alongside our clients.

Transformation

During the first six months of 2016 Publicis Groupe implemented the most fully integrated organization in the entire sector, bringing down the curtain on the traditional holding company structure with siloed communications groups. For Publicis Groupe, the goal is to help clients by providing them with the means to succeed in their own transformation and optimize marketing performance through access to all of the Group's capabilities across the "Power of One" organization.

The purpose of this reorganization is to endow the Group with a more client-centric structure. Four dedicated "solution hubs" have been set up to serve clients on a cross-cutting basis:

- Publicis Communications, headed by CEO Arthur Sadoun, spans the creative and communications networks: Publicis Worldwide, Leo Burnett, Saatchi & Saatchi, BBH, Fallon, Marcel, MSL (public relations) and Prodigious (production);
- Publicis Media is run by CEO Steve King, and encompasses media and connectivity skills: Starcom, Zenith, Mediavest | Spark, Optimedia | Blue 449, and the performance entities such as Performics;
- Publicis.Sapient is led by CEO Alan Herrick and covers the consulting/technology/digital spectrum: SapientNitro, Sapient Consulting, DigitasLBi and Razorfish;
- Publicis Health, under CEO Nick Colucci, combines all the entities working for laboratories and healthcare companies: DigitasHealth LifeBrands, Publicis LifeBrands, Saatchi & Saatchi Wellness, Publicis Health Media, Touchpoint Solutions.

All these solution hubs operate in the top 20 markets. Elsewhere, Publicis One, headed by CEO Jarek Ziebinski, provides an integrated, one-stop organization in each country.

The solutions hubs are now fully operational. The Global Client Leaders have been appointed and are in charge of clients, across all capabilities, with direct accountability through client P&L.

The Group should reap the benefits of this reorganization in the forthcoming quarters.

THE GROUP'S COMMITMENT TO START-UPS

- **Viva Technology Paris.** In conjunction with Groupe Les Echos, Publicis Groupe staged a global event in Paris bringing together start-ups and the main stakeholders in the digital environment. This *rendez-vous*, held from June 30 to July 2, attracted 5,000 start-ups, dozens of large industrial groups and investors, and included over 300 conferences with the biggest names in the global hi-tech sector. With over 45,000 visitors in three days, Viva Technology proved a great success and underscored the pre-eminent place of Publicis Groupe in the global digital economy. This event should be staged again next year;
- **Publicis90.** On the occasion of its 90th anniversary, Publicis Groupe launched a project named Publicis90. This idea was to provide 90 projects or start-ups with financial aid and the support of the Group's digital experts. After an initial phase of stringent selection over a period of several months, the winners were selected from among the 3,500 contestants from 130 countries, and received their awards at a ceremony held during Viva Technology.

GLOBAL PARTNERSHIP WITH TENCENT

Publicis Groupe has signed a global strategic partnership with Tencent, the internet giant that operates the most popular social and media platforms in China. The partnership is the first-of-its-kind collaboration across a global advertising group and all 11 products of Tencent, China's largest internet company. It is also the first partnership that transcends the Group's three solution hubs of Publicis Media, Publicis Communications and Publicis.Sapient. This agreement will cement the two groups' relationship at a global level with a mission to breed innovations whilst offering clients all of Tencent's innovations through a unique borderless approach built on three pillars:

- **Future Capabilities:** Through this partnership, Publicis Groupe and Tencent will launch a "Drugstore" incubation facility, to curate, invest in and cultivate the start-ups of the future. This will provide breakthrough offerings to our clients in data and ad tech as well as across new VR and AR enabled platforms;
- **Data:** Through its connected strategy, Tencent will offer Publicis Groupe access to its vast and rich online behavioral data, benefiting clients through improved programmatic offerings, cross-screen planning capabilities and conversion performance;
- **Content:** The two companies will partner on the co-creation and co-investment of web native content to drive unique content opportunities and new content models for key clients.

Group CSR Policy

In 2016, Publicis Groupe is continuing its in-house analysis of the Sustainable Development Goals (SDGs) in order to identify the best themes to work on, whether independently or in partnership with others. This is the backdrop against which the Group is taking part, alongside five other major communications groups, in "Common Ground" which is the first sectoral initiative in favor of the UN's Sustainable Development Goals.

The Group's CSR report is structured around its three main stakeholder groups: Talent, i.e. employees; Clients; and Society, i.e. citizen-consumers. The cross-cutting fields of ethics and governance, on the one hand, and environmental matters on the other hand, are dealt with in two separate chapters.

Concerning talent, the Group is taking up the major challenges of diversity and inclusion, and continues, for instance, to roll out affinity networks locally (e.g. VivaWomen! or Egalité). It also continues to work on challenges such as professional development and continuing training, or well-being in the workplace. Several initiatives have been launched, in particular in training.

As for clients, the challenge for the agencies is to increase their involvement in responsible marketing and communications through efficient new approaches, while supporting clients in their digital transformation where innovation is at the very heart of their concerns. The supplier CSR assessment program has been implemented, and 100 suppliers (out of the 150 who were invited) have chosen to join the EcoVadis platform. The CSR Procurement Guidelines are now available on the Group's website.

In terms of Society and consumers-citizens, a Chief Data Privacy Officer has now been appointed to address the issues and take up the challenges of data protection.

The Group's agencies continue to work actively with local communities, with pro bono campaigns (provided free of charge) and volunteer work now coming under a single watchword: Create & Impact. The goal is to boost the positive impact we bring to Society and to reassert our commitment to human rights. Over the first half-year, the Women's Forum for the Economy & Society has held events in Mexico, Dubai and Mauritius, with considerable regional impact and close attention to recurring issues with which women are faced in these regions and countries.

In Ethics, the focus has been on updating the procedures supporting Janus, the in-house code of ethics, as well as collaborative work carried out within inter-professional organizations at national and international levels.

Finally, the Group is pursuing its ongoing efforts to contain and reduce its impact on the environment. The ambition is to "consume less and better". The 2020 goals for the reduction of our carbon footprint are guided by the EU policy known as "20-20-20".

The 2015 CSR report has been independently audited in compliance with the GRI-4 framework, and includes more information and indicators than the 2015 Registration Document. The 52 agencies audited on site represent 35% of total headcount and all consolidated data were checked and audited. The CSR reporting process began in late 2015 and continued throughout the first quarter of 2016.

Distinctions & awards

At the 2016 Cannes Lions International Festival of Creativity, Publicis Groupe agencies were awarded a total of 206 lions, including two Grand Prix, one for Leo Burnett in Cyber Lions and one for BBH in Integrated Lions. A Grand Prix in the Cyber category is a testament to the Group's belief in the transformational firepower that comes from the alchemy of creativity and technology. Leo Burnett Madrid was awarded a Glass Lion, the third consecutive year the Publicis Groupe agency has won this coveted lion celebrating culture-shifting creativity since its inception.

PUBLICIS COMMUNICATIONS

SAATCHI & SAATCHI

- **AXIS Direct Marketing Awards 2016 (New Zealand):** Saatchi & Saatchi Auckland has done brilliantly at winning for Snap Scholarships for ASB Bank (2 Grand Prix, 6 Golds), Clever Kash for ASB (1 Grand Prix, 5 Golds, 2 Silvers and 1 Bronze);
- **Andy Awards 2016:** Saatchi & Saatchi received 4 Andy Awards;
- **Cannes International Festival of Creativity:** Saatchi & Saatchi won 35 Cannes Lions. Furthermore Saatchi & Saatchi Singapore was the most awarded agency in Singapore and Saatchi & Saatchi Australia won a second Innovation Lion in a row (2015 & 2016);
- **D&AD Awards 2016:** Saatchi & Saatchi received 3 Graphite Pencils and 3 Yellow Pencils out of a total of 14 this year;
- **One Show Awards 2016:** Saatchi & Saatchi won 15 One Show Pencils;
- **Wave Festival 2016 (Brazil):** Saatchi & Saatchi won 1 Grand Prix;
- **ADC Global Awards 2016:** 5 ADC Global Awards received by Saatchi & Saatchi.

MSLGROUP

- PRWeek Awards Campaign of the year 2016, Healthcare Campaign of the year, Multicultural campaign of the year.

BBH

- **Sunday Times 100 Best Companies List 2016:** BBH for the 7th year running, remaining as the highest ranked creative agency in the study;
- **Cannes International Festival of Creativity 2016:** BBH took home 12 awards, including a Grand Prix for BBH New York's "FU2016" campaign for Netflix House of Cards;
- **Andy Awards (New York):** The Campaign for Netflix House of Cards has also taken home a Gold at the Andy Awards;
- **ADC Global Awards:** The same campaign got a Silver ADC Global Awards;
- **D&AD Awards 2016:** BBH received 2 Yellow Pencils for the Campaign for Netflix House of Cards and BBH London took home 2 silvers for Barclays Code Playground, and one bronze for The Guardian;
- The same campaign received 2 **Yellow Pencils**;
- **Webby Awards:** It also took home 2 wins at the Webby Awards;
- **One Show Awards 2016 (New York):** In May this year, BBH won a total of 4 golds, 2 silvers and 4 bronze Pencils;
- **Roses Creative Awards 2016:** Both Audi and Marshall picked up awards at the Roses Creative Awards in May 2016;
- **Creative Circle Awards 2016:** A total of 8 awards were won at the Creative Circle Awards, including Golds for the Guardian "Own Your Weekend" campaign;
- BBH London: **Sunday Times Best Companies to Work For** – Number 62, British Arrows – The Guardian 'Fun Run' – Best 30 Second TV Commercial – Gold;
- BBH Shanghai: Named Agency with the highest client satisfaction in China by **R3**, **AME** Bronze Medallion – Anti-bacterial Red Packet – Use of Medium-guerilla/alt media.

PUBLICIS WORLDWIDE

- **Contagious Pioneers 2016:** Marcel, ranked 3rd in the Contagious Pioneers 2016 – the best and bravest agencies on the planet. This ranking is indicative of the agencies from around the globe that consistently set the standard for excellence and innovation in marketing;
- **Gunn Report 2015:** Most Awarded All Gunns Blazing in the World Marcel ranked 3rd "Most Awarded All Gunns Blazing in the World" in the recently released Gunn Report 2015 for their work with Intermarché, "Inglorious Fruit & Vegetables";
- **Most Awarded Countries & Agencies in the World:** Marcel is the Gunn Report's most awarded agency in France, Publicis Mexico, Publicis Italy, Publicis Bucharest and Publicis Switzerland, 2nd most awarded in their respective markets; Publicis Singapore; 3rd most awarded in Singapore; Publicis London & Publicis Shanghai, 5th most awarded in the UK/China;
- **Cannes Young Lions 2016:** Ricardo Avilés & Aldo Ramírez (Print), and Rodrigo del Oso & Rodolfo López (TV), 2 creative teams from Publicis México won Gold at this year's Creative Circle Mexico and will represent Publicis Mexico at Cannes Young Lions 2016;
- **Cannes International Festival of creativity 2016:** PWW received 28 Cannes Lions;
- **The Directory Big Won Rankings 2015:** Marcel is the first French agency represented in this ranking and appears in 20th place (out of 1,443) among Top Agencies For Creativity;
- **ADC Awards (Switzerland):** Publicis Switzerland won a total of 11 awards, reclaiming the number 1 spot as "most creative agency of the year". The biggest winner of the night was the agency's retirement campaign for UBS Switzerland, with 3 awards for film, campaign and radio;
- **Mobile Excellence Awards:** Publicis Singapore won an incredible 6 Gold, 5 Silver and 3 Bronze at Mobile Excellence Awards. Publicis Singapore were also awarded "Best in Show" for work with Audi Singapore, as well as an overall "Best in Show-Agency/Solution Provider";
- **Caboré Awards 2015 (Brazil):** Talent Marcel awarded "Agency of the Year" at the 2015 Caboré Awards in Brazil. The Caboré Awards honour the key professionals and companies that contribute to the development of the communication industry in Brazil;
- **Advertising Age:** Anne de Maupeou, Marcel's Creative Chairman, recognised as one of Advertising Age's 2016 "Women to Watch". Arthur Sadoun, CEO of Publicis Communications, awarded Advertising Age's 2016 "Agency Executive of the Year";
- **One Show Awards 2016 (New York):** PWW received 15 One Show pencils 2016 (including 2 Best in Show);
- **D&AD Awards 2016:** PWW got 15 D&AD Awards;
- **New York Festival 2016:** PWW got 20 NYF Prizes (including 1 Grand Prix).

LEO BURNETT WORLDWIDE

- **Gunn Report 2015:** Leo Burnett led the industry in new world thinking, ranking the "No. 1 Creative Network in the World" in the All Gunns Blazing category. The network was also the 2nd most awarded creative network in the world;
- **Advertising Age 2015:** Leo Burnett Worldwide was named the "No. 1 Creative Network in the World" winning more awards than any other network;
- **International ANDY Awards 2016:** Leo Burnett Worldwide was named Network of the Year;
- **ADC Global Awards 2016 (New York):** Leo Burnett Worldwide was named "Network of the Year" and won 26 ADC Global Cubes;
- **AdFest Awards 2016:** The 2nd Most Awarded Network with 2 Grand Prix. Regionally the network ranked No.2 in Asia Pacific at the AdFest Awards 2016;
- **Cannes International Festival of creativity 2016:** Leo Burnett was the top performing network in the Publicis Groupe (1 Grand Prix, 1 Glass Lion and 53 Cannes Lions);
- **Lynx Awards 2016 (Dubai):** 2 Grand Prix;
- **El Sol Awards 2016 (Spain):** 2 Grand Prix and Platinium Award;
- **One Show Awards 2016:** Leo Burnett Worldwide won 23 One Show Pencils and was the recipient of the "One Show Green Pencil";
- **D&AD Awards 2016:** Leo Burnett Worldwide was honored with 36 D&AD Pencils, including 4 Yellow Pencils.

PUBLICIS MEDIA

- Publicis Media was the most successful media holding company at **Cannes in 2016**, ranked according to the festival's points system;
- Publicis Media owned 15 spots on the **WARC's Top 100 Media Agency** rankings overall;
- To date, Publicis Media agencies have been involved on **8 Grand Prix awards and 9 Agency of the Year/#1 Agency** rankings around the world;
- #1 Ranking, WARC Top 100 Media Agencies (including 15 of top 100);
- Media Network and Agency of the Year, The Big Won report;
- #1 Ranking, Media Network, Effies North America;
- Agency and Media Network of the Year, I-COM Data Creativity Awards;
- Media and Mobile Marketing Agency of the Year, MARKIES Malaysia;
- Agency Network of the Year, The Media Awards (Ireland; as Core Media);
- 1 Grand Prix, MENA Cristal;
- 1 Grand Prix, Dubai Lynx*;
- 1 Best in Show, OBIE Awards;
- 1 Grand Prix, Stockholm Media Awards;
- 1 Grand Prix, The Media Awards (Ireland);
- 3 Grand Prix, Cannes Lions*;
- Gold Lion, Cannes Lions (Media).

Over 450 total awards and credit across all Publicis Media agencies since beginning of 2016, including:

- 3 Grand Prix, 19 Gold, 28 Silver, 12 Bronze and 122 Shortlists, Cannes Lions*;
- 1 Grand Prix, 2 Gold, 10 Silver, 7 Bronze and 31 Shortlists, Dubai Lynx*;
- 3 Gold, 2 Silver, 3 Bronze, 18 Finalists, Festival of Media Global;
- 4 Gold, 3 Bronze, 5 Finalists, Festival of Media Asia;
- 3 Gold, 5 Bronze, 16 Finalists, Festival of Media MENA;
- 2 Winners, 2 Finalists, Creative Media Awards (USA).

ZENITH

- Media agency credits for 8 **Cannes Lions**: 1 Grand Prix, 3 Gold, 4 Silver;
- **European Performance Marketing Awards** winner (Performics);
- 3 **Festival of Media Asia (FOMA) Awards** in Australia, China and India;
- 2 **Festival of Media MENA Awards**;
- **UK Media Research Awards 2016:** Media Agency of the Year;
- **UK TV Sponsorship Awards 2016:** Best TV Sponsorship;
- **Brand Republic Digital Awards 2016 (UK):** 2 category wins (Mobile; Video);
- **The Drum Marketing Awards 2016 (UK):** Customer Insight Strategy of the Year;
- France's **Grand Prix du Brand Content:** Gold, Silver and Bronze awards.

STARCOM

- **The Drum's Big Won report:** Starcom Mediavest Group was ranked the #1 media network in the world and Starcom Sydney was named Media Agency of the Year;
- **WARC's Top 100 Media Agency** rankings: Starcom Chicago was ranked #1.

MEDIAVEST

- **WARC's Top 100 Media Agency** rankings: Mediavest New York was ranked #2.

** As media agency.*

PUBLICIS.SAPIENT

SAPIENTNITRO

- Art Directors Club: The Community won a Bronze Cube at for its City of Buenos Aires, Never Stop Riding campaign;
- Festival Of Media Asia: SapientNitro won Bronze for Best Entertainment Platform for its work on Asia Pacific's Unilever "World of Max" campaign for "Paddle Pop";
- Ame Awards: SapientNitro North America and India won two Bronze AME Medallions this year for their respective work on the Halo "Purely Pets" campaign and DBS Bank's "Chilli Paneer 2" campaign;
- Mobius Awards: SapientNitro North America won a First Place Mobius award for Digital Online Ads with Celebrity Endorsements for ADT's "I am ADT" campaign;
- Mumbrella Awards: Social Idea of the Year was awarded to Asia Pacific's Unilever "World of Max campaign for "Paddle Pop";
- Andy Awards: The community secured 3 shortlists at the Andy Awards for the City of Buenos Aires, "Never Stop Riding" campaign;
- Clio sports: 2 awards;
- One Show Awards (New York): Sapient won a Bronze Pencil along with 3 Merit Awards;
- Campaign India Digital Crest Awards: Sapient received a Grand Prix;
- Cannes International Festival of Creativity: 2 Cannes Mobile Lions shortlists;
- Hermes Awards: 3 Platinum Hermes Awards;
- Kyoorius awards: Blue Elephant in 2016;
- EFFIE Awards: 1 China Bronze;
- Facebook studio Award: 1 prize;
- 10 Communicator Awards;
- Great Place to Work – Best Workplaces in Canada 2016 – #9;
- Adobe Marketing Cloud EMEA Growth: Partner of the Year;
- Demandware's North America Sales: Partner of the Year;
- Americas Service Delivery: Partner of the Year (Hybris);
- Leader in the 2016 Gartner Magic Quadrant for Global Digital Marketing Agencies.

DIGITASLBI

- Marketing Magazine's Digital Agency of the year 2016: DigitasLBi Singapore won Marketing Magazine's Digital Agency of the Year award;
- Gartner, Inc.'s 2016 Magic Quadrant for Global Digital Agencies: DigitasLBi Global was named a "Leader" in Gartner, Inc.'s 2016 Magic Quadrant for Global Digital Agencies;
- Ecoconsultancy: In 2016 DigitasLBi UK was named the "#3 Most Respected Agency";
- Rosoff Awards: the Rosoff Awards honored DigitasLBi North America with the Company Award in Marketing & Media. This award is given to organizations for "embracing diversity not as a mandate, but as a movement, and showing corporate America how it's done.";
- Atlanta Business Chronicle: DigitasLBi Atlanta was named a 2016 Top Advertising and Marketing Firm by the Atlanta Business Chronicle;
- Crain Chicago's 2016 Best Places to Work: DigitasLBi Chicago won award Crain Chicago's 2016 Best Places to Work;
- New York State Society for Human Resource Management: DigitasLBi New York was named a "2016 Best Company to Work" For by the New York State Society for Human Resource Management;
- Human Rights Campaign's Corporate Equality Index 2016: In 2016, DigitasLBi North America scored 100 percent on the" Human Rights Campaign's Corporate Equality Index" for the fourth consecutive year;
- 100 Best Companies List for Working Mother Magazine: In 2016, DigitasLBi North America was listed on the "100 Best Companies list" for Working Mother Magazine;
- AdWeek's Creative 100 2016: In 2016, José Ripol and Samantha Salzano of DigitasLBi North America were listed on Adweek's Creative 100 list;
- One Show Award 2016: DigitasLBi North America was a Gold Pencil (Teladoc) and a Merit Award at the One Show;
- Creative Circle Awards: Lost Boys UK (part of DigitasLBi UK) won two Bronze Creative Circle awards ((#MINDFCUK);

- Cannes International Festival of Creativity 2016: DigitasLBi UK won two Bronze Lions in Mobile/A01 Activation by Location and in Cyber/A10 Commercial Public Services (Pigeon Air Patrol). Also, Eleanor Howe and Lina Benmansour of DigitasLBi France won the 2016 Young Lions Health Award (UNICEF Brain Food);
- Webby Awards: DigitasLBi won 1 Webby Award (Taco Bell);
- Effie Awards: DigitasLBi won 4 Effie Awards (Taco Bell, Whirlpool);
- Chicago ADDY: 1 ADDY Award for its Campaign' Maytag Man'. Best in Category Online/Interactive and also 30 other ADDY awards (DigitasLBi, Maytag, Whirlpool, Coors Light, Miller High Life, Miller Lite, Chicago Parks District);
- MITX 2016 Awards (Boston): DigitasLBi Global won 1 MITX Award (Goodyear).

RAZORFISH

- IAB Australia Creative Showcase: First Place in the 10.3 Winners Category for Qantas #FeelsLikeHome Instameet;
- Social Media Summit and Awards: Winner for the Best Use of Twitter for Alto #25LakhAltos (India);
- Shorty Awards: 6 for Spotify "Found Them First", "Taste Rewind" and "Singles", Motorola "Selfie Stick", and the Ikea Germany Facebook page;
- One Show Awards: Automotive interactive award for Mercedes Benz USA, Build a GLA on Instagram;
- SXSW Innovation Award, People's Choice Innovation, for GetTheMayor.com for Heidelberg.

THE COMMUNITY/LA COMUNIDAD

- ANDY awards 2016: 3 Gold and 1 Silver;
- Cannes Festival of Creativity 2016: 4 Silver Print and Publishing Lions;
- D&AD Awards 2016: 2 Graphite and 3 Wooden Pencils;
- Art Directors Club 2016: 2 Bronze Cube Awards;
- El Sol Awards 2016: 4 wins and the El Sol Grand Premio;
- Wave Festival 2016 (Brazil): Grand Prix winner;
- FIAP – winner of the "Gran Sol de Iberoamerica" in 2016;
- Epica Awards 2016: 7 Epica awards including Bronze, Silver and Gold;
- LIA Awards 2016: Bronze, Silver and Gold Wins;
- New York Festival Awards 2016: 7 New York Festivals awards won by the Community this year;
- One Show Awards 2016: 2 Bronze Pencils;
- Communication Arts Illustration winner 2016.

PUBLICIS HEALTH

- Publicis Health was named the *No.1 Largest US Healthcare Agency Network by Advertising Age*, ranked for largest revenue than any other US healthcare agency network;
- Publicis LifeBrands Medicus, Saatchi & Saatchi Wellness, Digitas Health LifeBrands, Razorfish Health and Discovery USA were ranked among *Medical Media & Marketing*'s 100 Top Healthcare Agencies;
- **Cannes Lions Health 2016:** Silver Lion as "Agency Network of the Year" and Gold Lion for Langland as "Network of the Year";
- **AVA Digital Awards 2016:** 3 Platinum Awards (Saatchi & Saatchi Wellness);
- **Graphis Awards:** 4 Gold Awards (Saatchi & Saatchi Wellness);
- **The Hermes Awards:** 1 Platinum Award (Saatchi & Saatchi Wellness);
- **The Communicator Awards:** 4 Gold Awards (Saatchi & Saatchi Wellness).

External growth

MercerBell is a leading Australian agency in the field of customer experience. MercerBell is specialized in CRM and digital strategy, creativity, content and technology, and will be integrated into Saatchi & Saatchi. This agency, which was founded in 1999, has a team of 65 professionals and a customer base that includes Toyota, Foxtel, Quantas, BT, Allianz and ASX.

Vertiba, the Salesforce partner, is specialized in marketing solutions. Founded in 2010, Vertiba is headquartered in Boulder, Colorado. Vertiba's skills will be integrated into the Publicis.Sapient platform.

Seven Seconds, the London (UK) based e-commerce and digital specialist, was founded in 2013 and will be integrated into BBH. Its main clients are British Airways, Barclays, Boots, Tesco Retail and Tesco Bank.

Venus Communications, is one of the leading public relations agencies in Vietnam. Venus has been integrated into the MSL brand, which in turn is part of Publicis One in Vietnam. Over the last 10 years, Venus and MSL have worked together successfully on numerous assignments. The agency, which was founded in 1998, has over 40 employees and a prestigious client portfolio that includes MasterCard, FedEx, Rolls Royce, BAT, Mead Johnson and Sanofi.

Troyka Group: in which Publicis Groupe has taken a stake, is West Africa's first fully integrated communications services group. The Troyka group is comprised of six agencies, i.e. Insight Communications, The Thinkshop, All Seasons Media, Media Perspectives, The Quadrant Company, and Hotsauce.

Starting out with Insight Communications in 1980, the Troyka group now has 300 employees over six agencies across the entire region. The Troyka agencies work with prestigious international brands such as Heineken, Shell, Samsung, Unilever, Google, P&G, Microsoft, Ford and Axa, as well as with national brands including Oando, Nestoil, Africa Investor, Jagal, and Olam.

Publicis Groupe has been investing regularly in Africa in recent years, in view of the high growth potential of this market. By way of this equity investment, Publicis Groupe will use Troyka to launch its network in Nigeria, thereby creating a powerful communications entity that will have a competitive edge in all skill sets in West Africa.

Analysis of the financial situation and result

SIMPLIFIED CONSOLIDATED INCOME STATEMENT

(in millions of euros)	H1 2016	H1 2015	2016 *vs.* 2015
Revenue	**4,753**	**4,542**	**+4.6%**
Personnel costs	(3,071)	(2,944)	
Other operating costs	(978)	(923)	
Operating margin before Depreciation & Amortization	**704**	**675**	
Depreciation & Amortization	(85)	(86)	
Operating margin	**619**	**589**	**+5.1%**
Percentage operating margin (% of revenue)	13.0%	13.0%	
Amortization of intangibles arising from acquisitions	(40)	(43)	
Other non-recurring income (expenses)	16	8	
Operating income	**595**	**554**	**+7.4%**
Financial income (expense)	(50)	(33)	
Income tax	(162)	(159)	
Share of profit of Associates	2	3	
Minority interests	(4)	(2)	
GROUP NET INCOME	**381**	**363**	**+5.0%**

REVENUE

Q2 2016 revenue by region

	Revenue			
(in millions of euros)	Q2 2016	Q2 2015	Organic growth	Reported Growth
Europe	718	681	+7.3%	+5.4%
North America	1,319	1,323	-0.1%	-0.3%
Asia Pacific	273	265	+5.5%	+3.0%
Latin America	81	101	+4.8%	-19.8%
Middle East & Africa	71	69	-1.5%	+2.9%
TOTAL	**2,462**	**2,439**	**+2.7%**	**+0.9%**

Publicis Groupe's consolidated revenue for the second quarter of 2016 was 2,462 million euro, up 0.9% from 2,439 million euro in Q2 2015. Exchange rates impacted revenue negatively by 85 million euro, i.e. the equivalent of 3.5% of Q2 2015 revenue. Net acquisitions contributed 44 million euro in revenue in Q2 2016, the equivalent of 1.8% of Q2 2015 revenue. Growth at constant exchange rates was +4.6%.

Organic growth was +2.7% in the second quarter, buoyed by the growth of digital activities (+5.1%). Development efforts allowed to significantly mitigate the impact of the loss of media accounts of 2015. However, the impact of these losses should be much greater in the third quarter.

First half 2016 revenue by region

(in millions of euros)	Revenue H1 2016	H1 2015	Organic growth	Reported growth
Europe	1,349	1,269	+5.5%	+6.3%
North America	2,620	2,475	+1.4%	+5.9%
Asia Pacific	503	486	+4.7%	+3.5%
Latin America	152	191	+0.9%	-20.4%
Middle East & Africa	129	121	-0.5%	+6.6%
TOTAL	**4,753**	**4,542**	**+2.8%**	**+4.6%**

Over the first half-year, Publicis Groupe's consolidated revenue totaled 4,753 million euro compared with 4,542 million euro in 2015, i.e. an increase of 4.6%. The impact of exchange rates was a negative 105 million euro, i.e. the equivalent of 2.3% of H1 2015 revenue. Net acquisitions contributed 191 million euro to revenue in the first half of 2016, i.e. the equivalent of 4.2% of H1 2015 revenue. Growth at constant exchange rates was +7.1%.

And organic growth stood at +2.8% for the first half of 2016. It should be noted that the Healthcare sector performed well, and that the Media business continued the sustained momentum built up in Q1 2016 despite the impact of the accounts lost in 2015.

Europe grew its revenue by 6.3%. When the impact of acquisitions and exchange rates is factored out, organic growth was +5.5%. Over the entire region, digital achieved strong growth (+12.5%). France continued to perform well (+5.0%) and Germany and Italy continued their strong momentum (growth in the region of 9%), shored up by better economic situations. The situation was volatile in Russia with 4.6% growth at June 30, after 9.4% in the first quarter. The situation is much improved in the UK where growth was 3.6% in H1 (7.4% in Q2).

North America reported growth of 5.9% with organic growth standing at +1.4%. This growth stemmed mainly from the media and health businesses. Growth was nevertheless impacted by the 2015 media account losses (Mediapalooza).

Asia Pacific achieved reported growth of 3.5% and organic growth of 4.7%, with good levels of performance in China (+4.4%).

Latin America was down 20.4% on a reported basis but recorded positive organic growth of 0.9%. This downturn was notably attributable to the downswing in Brazil (revenue fell 4.6% despite business stabilizing in the second quarter at -0.7%). Conversely, Mexico returned to positive growth once again with +11.5% in H1 (after -14.6% in the first quarter).

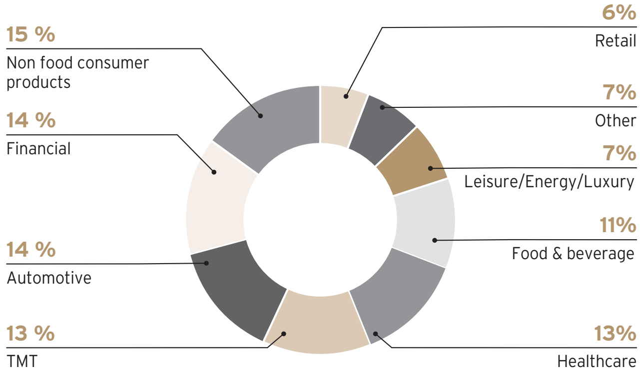
The Middle East & Africa achieved reported growth of +6.6% but negative organic growth of -0.5%.

Organic growth in H1 2016 by region and activity

The Group's growth continued to be driven by its digital activities (organic growth of +6.3%), with double-digit growth in all regions except North America – where the Group is still experiencing difficulties with Razorfish – and Latin America. It should also be pointed out that analog activities continued to decline.

	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Digital	+12.5%	+2.5%	+23.0%	+1.3%	+10.7%	+6.3%
Analog	-0.1%	-0.4%	-3.6%	+0.9%	-3.5%	-0.8%
TOTAL	**+5.5%**	**+1.4%**	**+4.7%**	**+0.9%**	**-0.5%**	**+2.8%**

First half 2016 revenue by client sector



OPERATING MARGIN & OPERATING INCOME

Personnel costs amounted to 3,071 million euro at June 30, 2016, up 4.3% from 2,944 million euro for the corresponding period in 2015. Fixed personnel costs totaled 2,676 million euro, representing 56.3% of revenue after 57.1% in 2015. Freelance costs stood at 219 million euro in H1 2016, compared with 197 million in H1 2015. Restructuring costs rose by 16 million to total 55 million euro in H1 2016 (versus 39 million euro in H1 2015) as the Group undergoes its reorganization and adjusts to an environment that is increasingly digital-oriented, while continuing to generate synergies subsequent to the Sapient acquisition. Operational efficiency will be improved by the various projects in which the Group is investing (ERP roll-out, the development of production platforms, the continued regionalization of its Shared Services Centers, as well as various technological developments).

Other operating costs (excluding depreciation and amortization) totaled 978 million euro after 923 million euro in H1 2015, i.e. 20.6% of total revenue versus 20.3% in 2015.

The **Operating margin before depreciation and amortization** rose to 704 million euro in H1 2016, up 4.3% from 675 million euro for the corresponding period in 2015, i.e. 14.8% of revenue (versus 14.9% in H1 2015).

Depreciation and amortization totaled 85 million euro in H1 2016, compared with 86 million euro in the first half of 2015.

The **Operating margin** rose 5.1% to 619 million euro, after 589 million euro in H1 2015. As a percentage of revenue, the margin was 13.0%, i.e. the same percentage as for the corresponding period in 2015.

By region, the operating margins were 13.0% in Europe, 14.1% in North America, 11.1% Asia-Pacific, -0.7% in Latin America and 14.7% in the Middle East & Africa.

Amortization of intangibles arising from acquisitions totaled 40 million euro in H1 2016, down from 43 million euro in H1 2015. Other non-recurring income (expenses) netted out at income of 16 million euro, mainly in the form of capital gains and losses on asset disposals, after 8 million for the corresponding period in 2015.

Operating income for the first six months of 2016 amounted to 595 million euro, up 7.4% from 554 million euro in H1 2015.

OTHER INCOME STATEMENT ITEMS

Financial income (expense), which comprises the cost of net debt and other financial income and expenses, was a net expense of 50 million euro in the first half of 2016, after an expense of 33 million euro in 2015. The cost of net debt was quite stable by comparison with last year (39 million euro in H1 2016 versus 40 million euro in H1 2015). Other financial income (expense) amounted to income of 11 million euro (mainly due to the revaluation of earn-out payments), after income of 7 million euro in H1 2015.

Income tax for the period was 162 million euro, i.e. an estimated effective tax rate of 29.7%, compared with 159 million euro in 2015, corresponding to an effective tax rate of 30.5%.

The Associates share of profit was 2 million euro versus 3 million euro in H1 2015. Minority interests totaled 4 million euro in 2016, after 2 million euro in H1 2015.

In total, group net income amounted to 381 million euro in the first half-year 2016, compared with 363 million euro for the corresponding period in 2015.

BALANCE SHEET AND CASH FLOW STATEMENT

SIMPLIFIED BALANCE SHEET

(in millions of euros)	June 30, 2016	Dec. 31, 2015
Goodwill (net)	10,115	10,211
Other intangibles (net)	1,473	1,541
Other fixed assets (net)	932	950
Current and deferred income tax	(472)	(455)
Working capital requirements	(2,354)	(3,102)
TOTAL ASSETS	**9,694**	**9,145**
Shareholders' equity	6,495	6,556
Minority interests	19	27
Total shareholders' equity	***6,514***	***6,583***
Long- and short-term provisions	720	690
Net debt	2,460	1,872
TOTAL LIABILITIES	**9,694**	**9,145**

Consolidated shareholders' equity attributable to the Group decreased from 6,556 million euro at December 31, 2015 to 6,495 million euro at June 30, 2016.

Minority interest totaled 19 million euro, after 27 million euro at December 31, 2015.

NET FINANCIAL DEBT

(in millions of euros)	June 30, 2016	Dec. 31, 2015
Financial debt (long- and short-term)	3,432	3,391
Fair value of the derivative hedging the 2021 and 2024 Eurobonds [1]	151	170
Fair value of the derivatives hedging intra-group loans and borrowings [1]	(59)	(17)
TOTAL FINANCIAL DEBT INCLUDING MARKET VALUE OF THE ASSOCIATED DERIVATIVES	**3,524**	**3,544**
Cash and cash equivalents	(1,064)	(1,672)
NET FINANCIAL DEBT	**2,460**	**1,872**
DEBT/EQUITY RATION (INCL. MINORITY INTERESTS)	**0.38**	**0.28**

(1) Carried under "Other receivables and current assets" and/or under "Other debts and current liabilities" on the consolidated balance sheet.

Net debt at June 30, 2016 stood at 2,460 million euro (i.e. a debt/equity ratio of 0.38) compared with 1,872 million euro at December 31, 2015. The Group's average net debt in the first half of 2016 was 2,380 million euro, versus 1,881 million euro for H1 2015. For the record, the Sapient acquisition was completed on February 6, 2015.

CASH FLOW

Net cash flow from operations used up 466 million euro in H1 2016 after an outflow of 273 million euro during the corresponding period in 2015. Income tax paid in H1 2016 amounted to 79 million euro, after 136 million euro in H1 2015. Interest paid totaled 22 million euro, compared with 36 million euro in 2015. Interest received amounted to 10 million euro versus 18 million in H1 2015. Working capital requirements rose by 1,102 million euro, compared with an increase of 814 million euro in the first half of 2015.

Net cash flow in investments includes acquisitions and disposals of tangible and intangible assets, net acquisitions of financial assets and acquisitions and disposals of subsidiaries. Net cash flow from investment activities used up 192 million euro in the first half-year 2016, compared with a net outflow of 3,155 million euro in H1 2015 when the landmark event was the acquisition of Sapient at a cost of 3,211 million euro. Net investments in fixed assets (tangible and intangible) amounted to 72 million euro, after 83 millions in the first half of 2015.

Financing activities generated a surplus of 22 million euro in the first half-year, after a surplus of 1,123 million in H1 2015. The surplus in 2015 came from amounts received from a new borrowing (medium-term syndicated loan) totaling 1.6 billion dollars.

Overall, the Group's cash position net of bank balances decreased by 617 million euro in H1 2016, after a decrease of 2,149 million euro during the corresponding period in 2015.

Including lines of credit that can be accessed at short notice, the Group's available liquidities totaled 3,786 million euro at June 30, 2016 versus 4,394 million euro at December 31, 2015.

FREE CASH FLOW

The Group's free cash flow, before changes in working capital requirements, rose 23.1% over H1 2015 to reach 564 million euro.

The Group uses this indicator to measure liquidity generated by the business after investments in fixed assets but before acquisitions and disposals of equity interests and before financing (including working capital requirements).

The table below shows how the Group's free cash flow is calculated (before changes in working capital requirements).

(in millions of euros)	H1 2016	H1 2015	2016 *vs.* 2015
Operating margin before depreciation and amortization	**704**	**675**	**29**
Net interest paid	(12)	(18)	6
Taxes paid	(79)	(136)	57
Other	23	20	3
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WCR	**636**	**541**	**95**
Net investment in fixed assets	(72)	(83)	11
FREE CASH FLOW BEFORE CHANGES IN WCR	**564**	**458**	**106**

RELATED PARTY TRANSACTIONS

The only significant change in related-party transactions in H1 2016 was the sale by Publicis Groupe, for euro 19 million, of 42,500 shares (56.67% of the share capital and voting rights) in Médiavision et Jean Mineur to BDC, represented by Benjamin Badinter (sale of 52% of the share capital) and to the Mineur family (sale of 4.67% of the share capital).

PUBLICIS GROUPE (GROUP PARENT COMPANY)

Publicis Groupe S.A.'s revenue consists exclusively of rental income from property and fees for services to its subsidiaries. This revenue amounted to 19 million euro in H1 2016, up from 7 million for the corresponding period in 2015 when a -12 million euro credit was booked for reinvoicing of costs relating to the previous period.

Financial income for the period was 154 million euro, up from 132 million in H1 2015. This increase in income came from dividends received from subsidiaries (up from 63 million euro in H1 2015 to 95 million euro in H1 2016).

Operating expenses totaled 17 million euro in H1 2016, down from 24 million for the corresponding period in 2015.

Financial expenses stood at 73 million euro for the period, after 85 million euro in H1 2015. This downswing was due to the redemption, in 2015, of the 2015 Eurobond and 2022 Orane bonds (early redemption).

Pre-tax profit from recurring operations rose to 83 million euro for the period, after 30 million euro in H1 2015.

After inclusion of a -4 million euro tax credit resulting from tax consolidation in France, Publicis Groupe S.A., the parent company of the Group, reported a net profit of 87 million euro in the first half of 2016, compared with a loss of 291 million euro for the corresponding period in 2015 (after an exceptional expense of 346 million euro relating to the provision for losses on the early redemption of the Orane bonds).

Outlook

The IMF's recent announcements underscore the uncertainties surrounding the global economic environment, on top of geopolitical risks. The result of the "Brexit" referendum on June 23, 2016 increases anxiety with respect to the impact the UK exit could have in the UK but more broadly in Europe overall. The violent events in the US, France and Turkey add to those uncertainties. Despite this environment and the difficulties in certain sectors of the economy, the good results achieved by Publicis Groupe confirm its previous guidance of improved financial indicators across the board: revenue, operating margin, adjusted diluted EPS, and dividend payout, even though we expect a more difficult 3rd quarter.

The Group's transformation is the most radical ever imagined in its sector. It is being carried out to meet clients' new requirements brought about by the fierce competition ushered in by the development of digital technology. Digital has not only empowered consumers, it has caused the physical and digital worlds to converge, with the emergence of numerous newcomers that are completely challenging the established order. Publicis Groupe has abolished the notion of holding company with silo-type operating structures and now provides a complete array of services from consulting right up to the materialization of campaigns through the alchemy of creation and technology within an operating entity of "connecting company".

CONSOLIDATED INTERIM FINANCIAL STATEMENTS HALF-YEAR ENDED JUNE 30, 2016

Consolidated income statement

(in millions of euros)	Notes	June 30, 2016 (6 months)	June 30, 2015 (6 months)	December 31, 2015 (12 months)
REVENUE		**4,753**	**4,542**	**9,601**
Personnel expenses	3	(3,071)	(2,944)	(5,988)
Other operating expenses		(978)	(923)	(1,952)
OPERATING MARGIN BEFORE DEPRECIATION AND AMORTIZATION		**704**	**675**	**1,661**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	4	(85)	(86)	(174)
OPERATING MARGIN		**619**	**589**	**1,487**
Amortization of intangibles arising from acquisitions	4	(40)	(43)	(89)
Impairment loss	4	-	-	(28)
Non-current income and expenses	5	16	8	8
OPERATING INCOME		**595**	**554**	**1,378**
Financial expenses		(54)	(56)	(109)
Financial income		15	16	35
COST OF NET FINANCIAL DEBT	**6**	**(39)**	**(40)**	**(74)**
Other financial income and expenses	6	(11)	7	(15)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES		**545**	**521**	**1,289**
Income taxes	7	(162)	(159)	(386)
NET INCOME OF CONSOLIDATED COMPANIES		**383**	**362**	**903**
Share of profit of associates	10	2	3	8
NET INCOME		**385**	**365**	**911**
Of which:				
• Net income attributable to non-controlling interests		4	2	10
• **Net income attributable to equity holders of the parent company**		**381**	**363**	**901**

Per share data (in euros) – Net income attributable to equity holders of the parent company	8			
Number of shares		*221,728,433*	*224,245,793*	*222,677,137*
Earnings per share		1.72	1.62	4.05
Number of diluted shares		*224,617,656*	*228,586,966*	*226,018,018*
Diluted earnings per share		1.70	1.59	3.99

Consolidated statement of comprehensive income

(in millions of euros)	June 30, 2016 (6 months)	June 30, 2015 (6 months)	December 31, 2015 (12 months)
NET INCOME FOR THE PERIOD (A)	385	365	911
Comprehensive income that will not be reclassified to income statement			
• Actuarial gains (and losses) on defined benefit plans	(48)	26	4
• Deferred taxes on comprehensive income that will not be reclassified to income statement	15	(7)	(1)
Comprehensive income that may be reclassified to income statement			
• Revaluation of available-for-sale investments and hedging instruments	(11)	10	5
• Consolidation translation adjustments	(67)	218	156
• Deferred taxes on comprehensive income that may be reclassified to income statement	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME (B)	(111)	247	164
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A) + (B)	**274**	**612**	**1,075**
Of which:			
• Total comprehensive income attributable to non-controlling interests	4	4	13
• Total comprehensive income attributable to equity holders of the parent company	270	608	1,062

Consolidated balance sheet

(in millions of euros)	Notes	June 30, 2016	December 31, 2015
Assets			
Goodwill, net	9	10,115	10,211
Intangible assets, net		1,473	1,541
Property, plant and equipment, net		626	660
Deferred tax assets		173	159
Investments in associates	10	128	116
Other financial assets	11	178	174
NON-CURRENT ASSETS		12,693	12,861
Inventories and work in progress		479	411
Trade receivables		9,198	9,733
Other current receivables and assets		728	769
Cash and cash equivalents		1,064	1,672
CURRENT ASSETS		11,469	12,585
TOTAL ASSETS		**24,162**	**25,446**
Equity and liabilities			
Share capital		89	89
Additional paid-in capital and retained earnings, Group share		6,406	6,467
Equity attributable to holders of the parent company	**12**	**6,495**	**6,556**
Non-controlling interests		19	27
TOTAL EQUITY		6,514	6,583
Long-term borrowings	14	2,996	3,086
Deferred tax liabilities		636	658
Long-term provisions	13	575	527
NON-CURRENT LIABILITIES		4,207	4,271
Trade payables		10,316	11,766
Short-term borrowings	14	436	305
Income taxes payable		87	110
Short-term provisions	13	145	162
Other creditors and current liabilities		2,457	2,249
CURRENT LIABILITIES		13,441	14,592
TOTAL EQUITY AND LIABILITIES		**24,162**	**25,446**

Consolidated statement of cash flows

(in millions of euros)	June 30, 2016 (6 months)	June 30, 2015 (6 months)	December 31, 2015 (12 months)
Cash flows from operating activities			
Net income	385	365	911
Neutralization of non-cash income and expenses:			
Income taxes	162	159	386
Cost of net financial debt	39	33	74
Capital (gains) losses on disposals (before tax)	(16)	(11)	(7)
Depreciation, amortization and impairment on property, plant and equipment and intangible assets	125	129	291
Non-cash expenses on stock options and similar items	19	16	38
Other non-cash income and expenses	15	6	19
Share of profit of associates	(2)	(3)	(8)
Dividends received from associates	-	1	2
Taxes paid	(79)	(136)	(303)
Interest paid	(22)	(36)	(114)
Interest received	10	18	37
Change in working capital requirements (1)	(1,102)	(814)	79
NET CASH FLOWS GENERATED BY (USED IN) OPERATING ACTIVITIES (I)	**(466)**	**(273)**	**1,405**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(73)	(84)	(231)
Disposals of property, plant and equipment and intangible assets	1	1	2
Purchases of investments and other financial assets, net	(2)	(4)	(18)
Acquisitions of subsidiaries	(129)	(3,070)	(3,265)
Disposals of subsidiaries	11	2	3
NET CASH FLOWS GENERATED BY (USED IN) INVESTING ACTIVITIES (II)	**(192)**	**(3,155)**	**(3,509)**
Cash flows from financing activities			
Dividends paid to holders of the parent company	-	-	(240)
Dividends paid to non-controlling interests	(16)	(7)	(18)
Proceeds from borrowings	61	1,866	1,453
Repayment of borrowings	(1)	(259)	(265)
Net purchases of non-controlling interests	(30)	(27)	(33)
Net (purchases)/sales of treasury shares and equity warrants	8	(450)	(441)
NET CASH FLOWS GENERATED BY (USED IN) FINANCING ACTIVITIES (III)	**22**	**1,123**	**456**
Impact of exchange rate fluctuations (IV)	**19**	**156**	**169**
CHANGE IN CONSOLIDATED CASH AND CASH EQUIVALENTS (I + II + III + IV)	**(617)**	**(2,149)**	**(1,479)**
Cash and cash equivalents on January 1	1,672	3,158	3,158
Bank overdrafts on January 1	(19)	(26)	(26)
Net cash and cash equivalents at beginning of period (V)	**1,653**	**3,132**	**3,132**
Cash and cash equivalents at closing date	1,064	1,090	1,672
Bank overdrafts at closing date	(28)	(107)	(19)
Net cash and cash equivalents at closing date (VI)	**1,036**	**983**	**1,653**
CHANGE IN CONSOLIDATED CASH AND CASH EQUIVALENTS (VI – V)	**(617)**	**(2,149)**	**(1,479)**
(1) Breakdown of change in working capital requirements			
Change in inventory and work in progress	*(74)*	*(90)*	*(65)*
Change in accounts receivable and other receivables	*325*	*398*	*(1,311)*
Change in accounts payable, other payables and provisions	*(1,353)*	*(1,122)*	*1,455*
Change in working capital requirements	***(1,102)***	***(814)***	***79***

Consolidated statement of changes in equity

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital
221,323,901	**JANUARY 1, 2016**	**89**	**3,252**
	Net income		
	Other comprehensive income, net of tax		
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		
	Dividends		
462,580	Share-based compensation, net of tax		
	Effect of acquisitions and commitments to buy-out non-controlling interests		
85,762	Equity warrant exercise		3
320,702	Purchases/sales of treasury shares		
222,192,945	**JUNE 30, 2016**	**89**	**3,255**

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital
213,308,491	**JANUARY 1, 2015**	**88**	**3,236**
	Net income		
	Other comprehensive income, net of tax		
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		
	Dividends		
479,552	Share-based compensation, net of tax		
	Effect of acquisitions and commitments to buy-out non-controlling interests		
492,794	Equity warrant exercise	1	14
	Effect of early redemption of the Orane bonds		
(6,119,149)	Purchases/sales of treasury shares		
208,161,688	**JUNE 30, 2015**	**89**	**3,250**

Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to the holders of the parent company	Non-controlling interests	Total equity
2,938	**155**	**122**	**6,556**	**27**	**6,583**
381			381	4	385
	(67)	(44)	(111)	-	(111)
381	**(67)**	**(44)**	**270**	**4**	**274**
(356)			(356)	(16)	(372)
19			19		19
(2)			(2)	4	2
			3		3
5			5		5
2,985	**88**	**78**	**6,495**	**19**	**6,514**

Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to the holders of the parent company	Non -controlling interests	Total equity
2,646	**3**	**113**	**6,086**	**29**	**6,115**
363			363	2	365
	216	29	245	2	247
363	**216**	**29**	**608**	**4**	**612**
(251)			(251)	(7)	(258)
20			20		20
(10)			(10)	3	(7)
			15		15
18			18		18
(465)			(465)		(465)
2,321	**219**	**142**	**6,021**	**29**	**6,050**

Notes to the consolidated interim financial statements

DETAILED SUMMARY OF THE NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The consolidated interim financial statements for the half-year ending June 30, 2016 and the accompanying notes were approved by the Management Board on July 18, 2016 and reviewed by the Supervisory Board on July 20, 2016.

The consolidated interim financial statements are presented in euros rounded to the nearest million.

Note 1 Accounting policies

Pursuant to European Regulation no. 1606/2002 of July 19, 2002, Publicis Groupe's consolidated financial statements as of June 30, 2016 were prepared in accordance with the IAS/IFRS international accounting standards as approved by the European Union and mandatory at that date. The IAS/IFRS are available on the European Commission's website:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

The consolidated interim financial statements as of June 30, 2016 were prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies applied to the interim financial statements are consistent with those used by the Group for the consolidated financial statements as of December 31, 2015, presented in the Registration Document filed with the *Autorité des marchés financiers* (the French Financial Markets Authority, or AMF) on April 4, 2016, ("2015 Registration Document", page 130 to 139), except for the standards and interpretations adopted by the European Union applicable as of January 1, 2016 and described below.

New applicable standards and interpretations

Application of new standards and interpretations

The Group's application of the following standards and interpretations, adopted by the European Union and mandatory in financial years beginning on or after January 1, 2016, had no major impact on the Group's financial statements:

- Amendments to IAS 16 and IAS 38 on Clarification of Acceptable Methods of Depreciation and Amortization;
- Amendments to IAS 19 on Employee Contributions;
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations;
- IFRS annual improvements cycle 2010-2012;
- IFRS annual improvements cycle 2012-2014.

Early application

As at June 30, 2016 the Group has not introduced the early application of any new standard or interpretation.

Standards published by the IASB, for which application is not mandatory

The principles applied by the Group do not differ from IFRS standards as published by the IASB, since the application of the following standards and interpretations is not mandatory in financial years beginning on or after January 1, 2016:

- IFRS 9 and amendments to IFRS 9 – Financial Instruments: Classification and Measurement of financial assets, fair value option for financial liabilities and hedge accounting;
- IFRS 15 – Revenue from Contracts with Customers;
- IFRS 16 – Leases.

The Group is currently in the process of determining the potential impact of the application of these new standards and interpretations on the Group's consolidated financial statements.

Use of estimates

The Group's financial position and earnings depend on the accounting methods applied and the assumptions, estimates and judgments made when the consolidated financial statements are prepared. The Group bases its estimates on its past experience and on a series of other assumptions considered reasonable under the circumstances to measure the amounts to be used for the Group's assets and liabilities. The assumptions on which the main estimates considered for the first half of 2016 are based are of the same nature as those described as of December 31, 2015 in the 2015 Registration Document. Management revises these estimates when it identifies new events to take into account or in the event of a change in the circumstances on which these assumptions were based. Actual outcomes may, however, vary significantly from these estimates.

Note 2 Changes in the scope of consolidation

Acquisitions during the period

No material acquisitions were made over the period.

Taken as a whole, all acquisitions made over the period represented less than 1% of consolidated revenue and consolidated net income attributable to equity holders of the parent company.

Disposals during the period

No material disposals (individually or taken as a whole) were made during the period.

Taken as a whole, all disposals made over the period represented less than 1% of consolidated revenue and consolidated net income attributable to equity holders of the parent company.

Note 3 Personnel expenses and headcount

Personnel expenses include salaries, commissions, employee profit sharing, vacation pay and bonus estimation. They also include expenses related to share-based payments (stock option and free share plans) and expenses related to pensions (excluding the net effect of unwinding the discount on benefit obligations, which is included in other financial income and expenses).

(in millions of euros)	June 30, 2016	June 30, 2015
Compensation	(2,390)	(2,310)
Social security charges	(364)	(354)
Post-employment benefits	(79)	(66)
Share-based payments	(19)	(17)
Temporary employees and *freelancers*	(219)	(197)
TOTAL	**(3,071)**	**(2,944)**

Changes in and breakdown of headcount by region

	June 30, 2016	June 30, 2015
Europe	22,487	21,662
North America	26,143	25,849
Latin America	5,604	5,734
Asia Pacific	21,890	20,354
Middle East & Africa	3,729	2,679
TOTAL	**79,853**	**76,278**

Note 4 Depreciation, amortization and impairment

(in millions of euros)	June 30, 2016	June 30, 2015
Amortization of other intangible assets (excluding intangibles arising from acquisitions)	(10)	(11)
Depreciation of property, plant and equipment	(75)	(75)
DEPRECIATION AND AMORTIZATION EXPENSE (EXCLUDING INTANGIBLES ARISING FROM ACQUISITIONS)	**(85)**	**(86)**
AMORTIZATION OF INTANGIBLES FROM ACQUISITIONS	**(40)**	**(43)**
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENT	**(125)**	**(129)**

Impairment tests were performed on cash-generating units (CGUs) presenting external or internal indicators of impairment loss (sector in sharp decline, general decline in business in relation to a cash-generating unit or brand, decline in business with one of the unit's major clients or relating to a brand's client relationships, etc.). It was not necessary, as of June 30, 2016, to perform impairment tests on intangible assets.

At June 30, 2016, these tests did not result in the Group recognizing any impairment loss.

At June 30, 2015, it was not necessary to perform impairment tests on cash-generating units or intangible assets.

Note 5 Non-current income and expenses

This covers non-recurring income and expenses. This line item mainly includes gains and losses on the disposal of assets.

(in millions of euros)	June 30, 2016	June 30, 2015
Capital gains (losses) on disposal of assets	16	8
TOTAL OTHER NON-CURRENT INCOME AND EXPENSES	**16**	**8**

In the first half of 2016, the majority of the gain resulted from the sale of 56.67% of Mediavision.

Note 6 Financial income and expenses

(in millions of euros)	June 30, 2016	June 30, 2015
Interest expense on loans and bank overdrafts	(48)	(50)
Interest expense on finance leases	(6)	(6)
Financial expenses	**(54)**	**(56)**
Financial income	15	16
COST OF NET FINANCIAL DEBT	**(39)**	**(40)**
Foreign exchange gains (losses) (including the change in the fair value of derivatives)	3	5
Net financial expense related to the discounting of pension provisions	(4)	(3)
Revaluation of earn-out payments on acquisitions	(10)	5
OTHER FINANCIAL INCOME AND (EXPENSES)	**(11)**	**7**
TOTAL NET FINANCIAL INCOME AND (EXPENSES)	**(50)**	**(33)**

Note 7 Income taxes

Effective tax rate

Income tax expense for the half-year to June 30, 2016 was calculated by applying the estimated effective tax rate for the full year to profit before tax for the period.

(in millions of euros)		June 30, 2016	June 30, 2015
PRE-TAX INCOME OF CONSOLIDATED COMPANIES	A	545	521
RESTATED PRE-TAX INCOME OF CONSOLIDATED COMPANIES	B	545	521
EFFECTIVE TAX RATE	C	29.7%	30.5%
INCOME TAX IN THE INCOME STATEMENT	**B X C**	**(162)**	**(159)**

Note 8 Earnings per share

Earnings per share (basic and diluted)

(in millions of euros, except for share data)		June 30, 2016	June 30, 2015
Net income used for the calculation of earnings per share			
Group net income	**A**	**381**	**363**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Group net income – diluted	**B**	**381**	**363**
Number of shares used to calculate earnings per share			
Number of shares at January 1		222,540,740	221,203,857
Shares created over the period		197,830	396,323
Treasury shares to be deducted (average for the year)		(1,010,137)	(10,038,874)
Shares to be issued to redeem the Orane		-	12,684,487
Average number of shares used for the calculation	**C**	**221,728,433**	**224,245,793**
Impact of dilutive instruments:			
• Free shares and dilutive stock options (1)		2,093,218	3,358,856
• Equity warrants (1)		796,005	982,317
Number of diluted shares	**D**	**224,617,656**	**228,586,966**
(in euros)			
EARNINGS PER SHARE	**A/C**	**1.72**	**1.62**
DILUTED EARNINGS PER SHARE	**B/D**	**1.70**	**1.59**

(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. For H1 2016 and 2015, all stock options and warrants not yet exercised at the reporting date had a dilutive impact.

Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)		June 30, 2016	June 30, 2015
Net income used to calculate headline earnings per share [1]			
Group net income		**381**	**363**
Items excluded:			
• Amortization of intangibles from acquisitions, net of tax		25	28
• Impairment, net of tax		-	-
• Revaluation of earn-out payments		10	(5)
• Main capital gains (losses) on disposal of assets, net of tax		(10)	(3)
Headline Group net income	**E**	**406**	**383**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Group net income, diluted	**F**	**406**	**383**
Number of shares used to calculate earnings per share			
Number of shares at January 1		222,540,740	221,203,857
Shares created over the period		197,830	396,323
Treasury shares to be deducted (average for the year)		(1,010,137)	(10,038,874)
Shares to be issued to redeem the Orane		-	12,684,487
Average number of shares used for the calculation	**C**	**221,728,433**	**224,245,793**
Impact of dilutive instruments:			
• Free shares and dilutive stock options		2,093,218	3,358,856
• Equity warrants		796,005	982,317
Number of diluted shares	**D**	**224,617,656**	**228,586,966**
(in euros)			
HEADLINE EARNINGS PER SHARE [1]	**E/C**	**1.83**	**1.71**
HEADLINE EARNINGS PER SHARE – DILUTED [1]	**F/D**	**1.81**	**1.68**

(1) EPS after elimination of the impairment losses, amortization of intangibles from acquisitions, the main capital gains and losses on disposal of assets and the revaluation of earn-out payments.

Note 9 Goodwill

Changes in goodwill

(in millions of euros)	Gross amount	Impairment [1]	Net amount
JANUARY 1, 2016	**10,432**	**(221)**	**10,211**
Acquisitions	82		82
Changes related to the recognition of commitments to buy-out non-controlling interests	1		1
Translation adjustments and other	(181)	2	(179)
JUNE 30, 2016	**10,334**	**(219)**	**10,115**

(1) See Note 4.

Allocation of goodwill

Following the Group's internal reorganization by division, goodwill has been reallocated in accordance with the level at which goodwill is monitored for internal management purposes. Impairment tests were conducted prior to this reallocation and no impairment loss was identified.

(in millions of euros)	Carrying amount of goodwill
Publicis Communications	3,473
Publicis Media	1,678
Publicis.Sapient	3,884
Publicis Health	517
Publicis One	492
Other goodwill	71
TOTAL GOODWILL	**10,115**

Note 10 Investments in associates

Investments accounted for using the equity method amounted to euro 128 million on June 30, 2016 (*versus* euro 116 million as of December 31, 2015).

(in millions of euros)	Investments in associates
AMOUNT AT JANUARY 1, 2016	**116**
Acquisitions	7
Disposals	(1)
Share of profit of associates	2
Dividends paid	0
Effect of translation and other	4
AMOUNT AT JUNE 30, 2016	**128**

The Group's main investments in associates are Jana Mobile, Burrell Communications, Somupi, On Point and Matomy Media Group. As of June 30, 2016, the carrying amounts of these five associates amounted to euro 24 million, euro 6 million, euro 6 million, euro 7 million and euro 70 million respectively.

Note 11 Other financial assets

Other financial assets mainly include investments classified as "available for sale".

Balances related to other non-current financial assets maturing in less than one year are classified under current assets.

(in millions of euros)	June 30, 2016	December 31, 2015
Other available-for-sale financial assets		
• Venture Capital Fund [1]	64	63
• Other	20	18
Security deposits	37	37
Loans to non-consolidated companies	11	18
Loans and receivables owed by associates and non-consolidated companies	11	12
Other	49	50
Gross value	**192**	**198**
Impairment	(14)	(24)
NET AMOUNT	**178**	**174**

(1) These Venture Capital Funds are dedicated to businesses that create value in the digital economy.

Note 12 Equity

Share capital of the parent company

(in shares)	June 30, 2016	December 31, 2015
Share capital on January 1	222,540,740	221,203,857
Capital increase	548,342	1,336,883
SHARES COMPRISING THE SHARE CAPITAL AT THE END OF PERIOD	**223,089,082**	**222,540,740**
Treasury shares at the end of period	(896,137)	(1,216,839)
SHARES IN CIRCULATION AT THE END OF PERIOD	**222,192,945**	**221,323,901**

Publicis Groupe SA's share capital increased by euro 219,336 in the first half of 2016, corresponding to 548,342 shares with a par value of euro 0.40, of which 85,762 shares issued following the exercise by certain holders of their warrants, and 462,580 shares created as part of free share plans.

As of June 30, 2016, the share capital of Publicis Groupe SA totaled euro 89,235,632.80 divided into 223,089,082 shares with a par value of euro 0.40.

Neutralization of the treasury shares existing on June 30, 2016

Treasury shares held at the end of the period, including those owned under the liquidity contract, are deducted from the share capital.

The portfolio of treasury shares showed the following movements in the first half of 2016:

	Number of shares
TREASURY SHARES HELD ON DECEMBER 31, 2015 [1]	**1,216,839**
Disposals (exercise of stock options) and deliveries of free shares	(335,702)
Movements as part of the liquidity contract	15,000
TREASURY SHARES HELD ON JUNE 30, 2016 [1]	**896,137**

(1) Including shares held as part of the liquidity contract (85,000 at December 31, 2015 and 100,000 at June 30, 2016).

Dividends

As resolved by the shareholders at the General Shareholders' Meeting held on May 25, 2016, Publicis Groupe SA, on July 4, 2016:

- issued 2,742,448 new shares for the dividend payment in shares to bearers who exercised this option;
- paid out euro 193 million in dividends (i.e. euro 1.60 per share). This payment is subject to the 3% tax on cash dividends.

Note 13 Provisions for liabilities and charges

(in millions of euros)	Restructuring	Vacant property commitments	Pensions and other long-term benefits	Risks and litigation	Other provisions	Total
JANUARY 1, 2016	54	26	320	200	89	689
Increases	29	1	25	5	15	75
Releases with usage	(30)	(6)	(22)	(14)	(3)	(75)
Other releases	(1)	-	-	(1)	(5)	(7)
Changes to consolidation scope	-	-	-	-	(1)	(1)
Actuarial losses (gains)	-	-	47	-	-	47
Translation adjustments and other	-	-	(5)	(2)	(1)	(8)
JUNE 30, 2016	52	21	365	188	94	720
Of which short-term	32	5	52	34	22	145
Of which long-term	20	16	313	154	72	575

Actuarial assumptions (weighted average rates)

The provision for pension commitments was discounted at June 30, 2016. Discount rates are calculated using rates of long-term investment grade corporate bonds (minimum AA rating) with maturities equivalent to the length of the plans assessed. They were determined based on external indexes commonly considered to be benchmarks, namely the iBoxx in Europe and the Citigroup Index in the United States.

JUNE 30, 2016

	Pension plans				Post-employment health coverage	
	United States	United Kingdom	Euro Zone	Others	United States	United Kingdom
Discount rate	2.94%	2.65% - 2.80%	1.05%	0.10% - 7.42%	2.94%	2.65% - 2.80%

DECEMBER 31, 2015

	Pension plans				Post-employment health coverage	
	United States	United Kingdom	Euro Zone	Others	United States	United Kingdom
Discount rate	3.65%	3.45% - 3.75%	2.10%	0.70% - 7.90%	3.65%	3.45% - 3.75%

Note 14 Borrowings and other financial liabilities

Number of securities at June 30, 2016	(in millions of euros)	June 30, 2016	December 31, 2015
	Bonds (excluding interest accrued) issued by Publicis Groupe:		
7,000	Eurobond 1.125% – December 2021 (Effective interest rate 1.261%) (1)	695	694
6,000	Eurobond 1.625% – December 2024 (Effective interest rate 1.732%) (1)	604	604
	Other debt:		
	Medium-term syndicated loan	1,438	1,458
	Accrued interest	24	3
	Other borrowings and credit lines	160	60
	Bank overdrafts	28	19
	Debt related to finance leases	96	98
	Debt related to acquisitions of shareholdings	304	369
	Debt arising from commitments to buy-out minority interests	83	86
	TOTAL BORROWINGS AND OTHER FINANCIAL LIABILITIES	**3,432**	**3,391**
	Of which short-term	436	305
	Of which long-term	2,996	3,086

(1) Net of issuance costs.

Bonds

Publicis Groupe SA bonds are issued at a fixed rate and denominated in euros.

In December 2014, Publicis Groupe issued a bond for the amount of euro 1.3 billion in two tranches:

- euro 700 million in bonds maturing on December 16, 2021, with an annual coupon rate of 1.125%;
- euro 600 million in bonds maturing on December 16, 2024, with an annual coupon rate of 1.625%.

The tranche of euro 700 million maturing in December 2021 (Eurobond 2021) and the tranche of euro 600 million maturing in December 2024 (Eurobond 2024) are swapped into US dollars, at a fixed rate, for the purposes of financing the acquisition of Sapient Corporation.

The swaps were qualified as cash flow hedges for intercompany US dollar financing. The fair value of these swaps was booked in the balance sheet under "Other creditors and current liabilities" in the amount of euro 151 million as at June 30, 2016 (euro 170 million as at December 31, 2015). The change in the fair value of these instruments was booked in "Other comprehensive income" and transferred to the income statement as interest on debt was paid and the asset value changed in US dollars.

These financial instruments are recognized at fair value according to the level 2 measurement method that corresponds to observable data other than quoted prices for identical instruments in active markets. This observable data corresponds primarily to exchange rates and interest rates.

Other debt

The syndicated, variable-rate, medium-term loan, which was concluded on January 20, 2015 and matures in 2018, 2019 and 2020, comprises two components:

- euro 992 million denominated in US dollars, i.e. US dollar 1,100 million;
- euro 446 million denominated in euros.

Changes in debt resulting from commitments to purchase non-controlling interests are as follows:

(in millions of euros)	Debt arising from commitments to buy-out non-controlling interests
AT DECEMBER 31, 2015	**86**
Debt contracted during the period	7
Buy-outs	(16)
Revaluation of the debt and translation adjustments	6
AT JUNE 30, 2016	**83**

Analysis by date of maturity

	June 30, 2016						
		Maturity					
(in millions of euros)	Total	-1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	+5 years
Bonds and other bank borrowings	2,949	204	479	479	480	-	1,307
Debt related to finance leases	96	-	-	-	-	-	96
Debt related to acquisitions of shareholdings	304	187	82	29	6	-	-
Debt related to commitments to purchase non-controlling interests	83	45	18	8	7	5	-
TOTAL	**3,432**	**436**	**579**	**516**	**493**	**5**	**1,403**

	December 31, 2015						
		Maturity					
(in millions of euros)	Total	-1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	+5 years
Bonds and other bank borrowings	2,838	73	9	486	486	486	1,298
Debt related to finance leases	98	-	-	-	-	-	98
Debt related to acquisitions of shareholdings	369	172	94	74	29	-	-
Debt related to commitments to purchase non-controlling interests	86	60	8	10	8	-	-
TOTAL	**3,391**	**305**	**111**	**570**	**523**	**486**	**1,396**

Analysis by currency

(in millions of euros)	June 30, 2016	December 31, 2015
Euros [1]	1,938	1,827
US dollars	1,228	1,274
Other currencies	266	290
TOTAL	**3,432**	**3,391**

(1) Including euro 1,299 million in Eurobond swapped in USD as at June 30, 2016 (euro 1,298 million as at December 31, 2015).

Analysis by interest rate type

Borrowings comprise fixed rate loans that make up 49% of gross borrowings (excluding borrowings for acquisitions of investment securities and commitments to buy-out non-controlling interests) at June 30, 2016, and variable rate loans for the remaining 51%.

Exposure to liquidity risk

In order to manage its liquidity risk, Publicis holds a substantial amount of cash (cash and cash equivalents for a total of euro 1,064 million as at June 30, 2016) and undrawn confirmed credit lines (representing a total of euro 2,602 million as at June 30, 2016). The main component of these credit lines is a multi-currency syndicated facility in the amount of euro 2,000 million, maturing in 2020. These immediately or almost immediately available sums allow the Group to meet its general funding requirements.

Apart from bank overdrafts, most of the Group's debt is comprised of bonds, which are not subject to financial covenants. They only include standard credit default event clauses (liquidation, cessation of payment, default on the debt itself or on the repayment of another debt above a given threshold) which are generally applicable above a threshold of euro 25 million.

Note 15 Commitments

Operating leases

	June 30, 2016						
		Maturity					
(in millions of euros)	Total	-1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	+5 years
Commitments given							
Operating leases	1,988	336	297	246	214	196	699
Commitments received							
Sub-lease commitments	12	3	2	2	2	1	2

	December 31, 2015						
		Maturity					
(in millions of euros)	Total	-1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	+5 years
Commitments given							
Operating leases	2,099	352	310	268	217	200	752
Commitments received							
Sub-lease commitments	12	3	2	2	1	1	3

Other commitments

	June 30, 2016			
		Maturity		
(in millions of euros)	Total	-1 year	1 to 5 years	+5 years
Commitments given				
Guarantees [1]	196	93	47	56
Other commitments [2]	472	120	346	6
TOTAL	**668**	**213**	**393**	**62**
Commitments received				
Undrawn credit lines [3]	2,820	303	2,517	-
Other commitments	19	3	8	8
TOTAL	**2,839**	**306**	**2,525**	**8**

(1) At June 30, 2016, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago, Fallon and ZenithOptimedia buildings in London, for a total of euro 46 million staggered between 2019 and 2022. They also included guarantees of approximately euro 14 million relating to media-buying operations.

(2) These included euro 417 million of minimum fees guaranteed under advertising space usage contracts. In addition, the Group remains committed to minimum purchases which, if not concluded, could entail cash payments of up to euro 22 million for the entire term of the contract expiring on June 30, 2017.

(3) The undrawn credit lines include euro 2,602 million of confirmed credit lines (see note 14).

In June 2016, JCDecaux announced that it was abandoning its plans to acquire the 62% capital interest in Metrobus owned by Publicis.

	December 31, 2015			
		Maturity		
(in millions of euros)	Total	-1 year	1 to 5 years	+5 years
Commitments given				
Guarantees [1]	201	81	63	57
Other commitments [2]	469	149	317	3
Commitments to purchase investment [3]	10	10	-	-
TOTAL	**680**	**240**	**380**	**60**
Commitments received				
Undrawn credit lines [4]	2,948	431	2,517	-
Other commitments [5]	96	77	8	11
TOTAL	**3,044**	**508**	**2,525**	**11**

(1) At December 31, 2015, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of euro 40 million, staggered until 2019 and the Parisquare building for euro 27 million. They also included guarantees of approximately euro 14 million relating to media-buying operations.

(2) These included euro 385 million of minimum fees guaranteed under advertising space usage contracts. In addition, the Group remains committed to minimum purchases over two years which, if not concluded, could entail cash payments of up to euro 46 million for the entire term of the contract expiring on June 30, 2017.

(3) This refers to obligations to buy securities.

(4) The undrawn credit lines included euro 2,722 million of confirmed credit lines (see note 14).

(5) This primarily relates to the obligation of JCDecaux to buy the Group's interest in Metrobus SA.

Obligations related to warrants

The exercise of warrants, which could occur at any time from September 24, 2013 to September 24, 2022, will lead to an increase in the Publicis Groupe's capital stock. The conversion ratio was adjusted by a factor of 1,015 so as to reflect those distributions drawn from the Company's reserves and premiums. Following the cancellation of the warrants bought in previous years or exercised since September 24, 2013, Publicis Groupe was, at June 30, 2016, committed to creating (in the event that the 1,575,819 outstanding warrants were exercised) 1,599,456 shares with a euro 0.40 par value and a euro 30.10 premium.

Other commitments

As at June 30, 2016, there were no significant commitments such as pledges, guarantees or collateral, or any other significant off-balance sheet commitments in accordance with currently applicable standards.

Note 16 Operating segment information

Information by business sector

The Publicis Groupe structure, developed over several years, is designed to provide the Group's clients with comprehensive, holistic communication services involving all disciplines. The new Group structure, put in place on January 1, 2016, primarily led to existing agency networks being grouped together by division, but retains a client-centered approach. In consequence, the new structure has not resulted in any fundamental changes to the way in which operating segment information to be presented is analyzed.

The Group has, therefore, identified operating segments which correspond to hubs and which may be categorized together since they share similar economic features (similar margins across the various operating segments) and provide similar services (a full range of advertising and communications services) and do so for similar types of clients (the vast majority of the Group's top 50 clients are clients of several operating segments). The operating segments are thus pooled into a single sector in accordance with IFRS 8.

Reporting by region

Given the importance of geographic location for the analysis of the business, the Group has chosen to provide specific information by region.

Data are established on the basis of the location of the agency.

First half 2016

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue [1]	1,349	2,620	503	152	129	4,753
Depreciation and amortization expense (excluding intangibles from acquisitions)	(31)	(38)	(11)	(3)	(2)	(85)
Operating margin	176	369	56	(1)	19	619
Amortization of intangibles from acquisitions	(11)	(27)	(1)	(1)	-	(40)
Balance sheet items						
Goodwill, net	2,670	5,381	1,459	412	193	10,115
Intangible assets, net	169	1,288	2	13	1	1,473
Property, plant and equipment, net	311	243	46	17	9	626
Other financial assets	109	33	30	5	1	178
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(28)	(32)	(10)	(2)	(1)	(73)
Purchases of investments and other financial assets, net	(3)	1	-	-	-	(2)
Acquisitions of subsidiaries	(24)	(77)	(26)	(2)	-	(129)

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), there are no intercompany eliminations between the different zones.

Year 2015

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue [1]	2,664	5,184	1,066	412	275	9,601
Depreciation and amortization expense (excluding intangibles from acquisitions)	(63)	(75)	(27)	(5)	(4)	(174)
Operating margin	297	933	163	44	50	1,487
Amortization of intangibles from acquisitions	(18)	(64)	(3)	(4)	-	(89)
Impairment	-	(17)	-	(11)	-	(28)
Balance sheet items						
Goodwill, net	2,730	5,442	1,479	374	186	10,211
Intangible assets, net	153	1,372	2	12	2	1,541
Property, plant and equipment, net	318	267	48	17	10	660
Other financial assets	103	34	31	5	1	174
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(80)	(116)	(25)	(7)	(3)	(231)
Purchases of investments and other financial assets, net	(18)	1	(3)	-	2	(18)
Acquisitions of subsidiaries	(142)	(3,039)	(13)	(7)	(64)	(3,265)

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), there are no intercompany eliminations between the different zones.

First half 2015

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue [1]	1,269	2,475	486	191	121	4,542
Depreciation and amortization expense (excluding intangibles from acquisitions)	(28)	(39)	(14)	(3)	(2)	(86)
Operating margin	114	411	52	-	12	589
Amortization of intangibles from acquisitions	(9)	(31)	(1)	(2)	-	(43)
Balance sheet items						
Goodwill, net	2,683	5,356	1,416	415	129	9,999
Intangible assets, net	187	1,339	4	30	-	1,560
Property, plant and equipment, net	320	232	60	18	9	639
Other financial assets	94	34	30	7	1	166
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(33)	(35)	(11)	(3)	(1)	(83)
Purchases of investments and other financial assets, net	(3)	3	(2)	(2)	-	(4)
Acquisitions of subsidiaries	(69)	(2,990)	(9)	-	(2)	(3,070)

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), there are no intercompany eliminations between the different zones.

Note 17 Publicis Groupe SA stock option and free share plans

Three types of free share option plan were created in the first half of 2016, with the following features:

- Long-Term Incentive Plan "LTIP 2016" (June 2016) and "LTIP 2016-2018" (June 2016) solely for members of the Management Board (Directoire)

  Under this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the three-year vesting period. Furthermore, the free shares are subject to performance criteria, such that the total number of shares received will depend on the overall attainment of growth and profitability targets in 2016 (or over the 2016-2018 period, solely for members of the Management Board). The shares, awarded in June 2016, will vest in June 2019.

- Long-Term Incentive Plan "Sapient 2016 Plan" (April 2016)

  In accordance with the agreements entered into during the acquisition of Sapient, and as a transitional measure for 2015 and 2016, at the same time as LTIP 2016, which concerns only Group employees to the exclusion of Sapient employees, two specific plans were introduced in respect of 2016 to the exclusive benefit of Sapient directors and employees. The first plan is conditional only upon continued employment and gives rise to the delivery of one-quarter of the shares awarded on the dates of the first four anniversaries of the plan (i.e. in April 2016, 2017, 2018 and 2019). The second plan, in addition to the condition of continued employment, is conditional upon performance criteria, such that the total number of shares delivered shall depend on the level of attainment of targets in respect of 2016, 2017 and 2018. The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a three-year period, i.e. in April 2018.

- 2016-2018 three-year free share plan ("LionLead3") France and International (June 2016)

  Under this plan, a certain number of Group managers (excluding Directoire & *Directoire +*) who are shareholders were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the vesting period (three years for the France plan and four years for the International plan). Secondly, the free shares are subject to non-market performance criteria (for 100% of shares for the France plan and 85% of shares for the International plan), namely achieving – or exceeding – a target operating margin set in the annual budget, as well as achieving a certain rate of organic growth and an operating margin compared to a reference group. Furthermore, part of these shares is subject to a supplementary performance criteria (Publicis Groupe share price after each year-end closing). In this way, the total number of shares received will depend on the level of attainment of all of these criteria for each year in the 2016-2018 period. The shares, awarded in June 2016, will vest in June 2019 for the France plan and 2020 for the International plan.

In addition, in the first half of 2016, the following performance awards were made based on the following plans:

- LTIP 2015: the performance targets set for 2015 were 50% achieved. The free shares are still subject to the continued employment condition until April 2018 (French beneficiaries) or April 2019 (foreign beneficiaries);
- LTIP 2013-2015 (Management Board): the rate of attainment of the performance targets for 2013-2015 was 53.2%. The free shares are still subject to the continued employment condition until April 2017 for non-French members of the Management Board;
- Co-investment Plan 2013-2015 – Stock options: the rate of attainment of the performance targets for 2013-2015 was 50%. The stock options are still subject to the continued employment condition until April 2017 for non-French beneficiaries of the plan.

Share subscription or purchase options originated by Publicis Groupe

Characteristics of Publicis Groupe stock option plans outstanding at June 30, 2016

Plans	Type [1]	Date of grant	Exercise price of options (in euros)	Options outstanding at January 1, 2016	Options canceled, lapsed or transferred [2] in the first half 2016	Options exercised in the first half 2016	Options outstanding at June 30, 2016	Of which exercisable at June 30, 2016	Expiry date	Remaining contract life (in years)
22nd tranche LTIP 2006-2008	A	08/21/2006	29.27	342,600	-	(85,997)	256,603	256,603	08/21/2016	0.13
23rd tranche LTIP 2006-2008	A	08/24/2007	31.31	136,966	-	(12,847)	124,119	124,119	08/24/2017	1.14
Co-investment 2013 France – options	A	04/30/2013	52.76	828,963	(474,941)	(14,707)	339,315	339,315	04/30/2023	6.83
Co-investment 2013 Outside France – options	A/S	04/30/2013	52.76	4,064,414	(2,189,990)	-	1,874,424	-	04/30/2023	6.83
TOTAL OF ALL TRANCHES				**5,372,943**	**(2,664,931)**	**(113,551)**	**2,594,461**	**720,037**		

(1) A = share purchase options S = share subscription options.
(2) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.

Movements in Publicis Groupe stock option plans in the first half of 2016

	First half 2016	
	Number of options	Average exercise price (in euros)
Options at January 1	5,372,943	50.72
Options exercised [1]	(113,551)	32.54
Cancelled or lapsed options	(2,664,931)	52.76
STOCK OPTIONS AT JUNE 30, 2016	**2,594,461**	**49.41**
Of which exercisable	720,037	40.69
(1) Average share price on exercise (in euros)		*59.82*

Free share plans originated by Publicis Groupe

Characteristics of Publicis Groupe free share plans outstanding at June 30, 2016

Plans	Date of initial grant	Grants as of January 1, 2016 (or if later: date of grant)	Shares canceled, lapsed or transferred (1) in the first half 2016	Shares vesting in the first half 2016 (3)	Shares yet to vest at June 30, 2016	Vesting date of shares (2)	Remaining contract life (in years)
LTIP Plan 2012 – Outside France	04/17/2012	451,684	(398,319)	(53,365)	-	04/17/2016	-
50 free shares plan 2013 – 26 countries	02/01/2013	152,675	-	-	152,675	02/01/2017	0.59
LTIP Plan 2013 – France	04/16/2013	42,237	(4,847)	(37,390)	-	04/16/2016	-
LTIP Plan 2013 – Outside France	04/16/2013	273,067	(527)	(2,389)	270,151	04/16/2017	0.79
LTIP Plan 2013-2015 (Management Board members France)	06/17/2013	48,932	(30,300)	(18,632)	-	06/17/2016	-
LTIP Plan 2013-2015 (Management Board members Outside France)	06/17/2013	24,466	(5,834)	-	18,632	06/17/2017	0.96
2013 co-investment plan – Free shares France	04/30/2013	117,920	(24,525)	(93,395)	-	04/30/2016	-
2013 co-investment plan – Free shares Outside France	04/30/2013	578,162	(50,129)	(12,707)	515,326	04/30/2017	0.83
LTIP Plan 2014 – France	03/20/2014	37,046	(600)	-	36,446	03/20/2017	0.72
LTIP Plan 2014 – Outside France	03/20/2014	249,961	(3,625)	(1,000)	245,336	03/20/2018	1.72
LTIP Plan 2015 – France	04/17/2015	78,060	(39,853)	-	38,207	04/17/2018	1.80
LTIP Plan 2015 – Outside France	04/17/2015	549,030	(287,721)	(2,000)	259,309	04/17/2019	2.80
Sapient 2015 Plan (4-year)	04/17/2015	364,855	(7,731)	(78,360)	278,764	04/17/2019	2.80
Sapient 2015 Plan (3-year)	04/17/2015	51,196	(8,531)	-	42,665	04/17/2018	1.80
LTIP Plan 2016	06/23/2016	770,300	-	-	770,300	06/23/2019	2.98
LTIP Plan 2016-2018 Directoire & Directoire +	06/23/2016	120,000	-	-	120,000	06/23/2019	2.98
LionLead3 plan 2016-2018 excluding Directoire & Directoire +	06/16/2016	3,760,614	-	-	3,760,614	06/16/2019	2.96
Sapient 2016 Plan (4 year)	04/15/2016	381,342	-	-	381,342	04/15/2020	3.80
Sapient 2016 Plan (3 year)	04/15/2016	61,262	-	-	61,262	04/15/2019	2.80
TOTAL OF FREE SHARE PLANS		**8,112,809**	**(862,542)**	**(299,238)**	**6,951,029**		

(1) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.
(2) For plans allocated prior to 2016, French beneficiaries must observe an additional two-year lock-in period.
(3) For plans that are still vesting, deliveries may take place in the exceptional cases provided for under the plan regulations.

The award of the free shares under the above plans is conditional on continued employment throughout the vesting period. Awards are, or were, also subject to non-market performance conditions for all LTIP 2010 to 2016 plans, the 2015 and 2016 Sapient three-year plans, the 2013 co-investment (free share) plan concerning solely Management Board members, as well as for the 2016 LionLead3 plan (the latter being subject to a market condition).

Movements in Publicis Groupe free share plans in the first half of 2016

	First half 2016
Provisional share grants at January 1	3,019,291
Provisional share grants in H1	5,093,518
Grants vesting (deliveries)	(299,238)
Grants lapsed	(862,542)
PROVISIONAL GRANTS AT JUNE 30, 2016	**6,951,029**

Fair value of Publicis Groupe free shares granted in the first half of 2016:

Free shares	LTIP 2016	LTIP 2016-2018 Directoire & Directoire +	LionLead3 2016-2018 (excluding Directoire & Directoire +)	Sapient 2016 (4 year)	Sapient 2016 (3 year)
Date of Management Board meeting	06/23/2016	06/23/2016	06/16/2016	04/15/2016	04/15/2016
Number of shares originally granted	770,300	120,000	3,760,614	381,342	61,262
Initial valuation of shares granted (weighted average, in euros)	57.65	57.65	20.63 (1)	58.67	57.79
Assumptions:					
Share price on the grant date (in euros)	63.48	63.48	59.30	63.09	63.09
Lock-in period (in years)	3	3	4 (2)	1 to 4	3

(1) The number of shares that will effectively be delivered depends not only on the abovementioned non-market performance conditions but also, for part of the shares, the share price (market condition) at the close of each plan year. For this reason, the Monte Carlo method was used to calculate the fair value of shares subject to a market performance condition.

(2) Except for French beneficiaries, for whom the vesting period is only three years.

Effect of share subscription or stock option plans and free share plans on profit (loss)

The total impact of these plans on the interim income statement for the first half 2016 was euro 19 million (excluding taxes and social security charges) compared to euro 17 million for the first half 2015.

With regard to the free share plans granted subject to non-market performance conditions, and for which performances have not yet been definitively measured as of June 30, 2016, the probability of the targets for first half 2016 being met has been estimated as follows:

- LTIP Plan 2016: 50%;
- LTIP Plan 2016-2018 (Directoire & *Directoire +*): 83.33%;
- LionLead3 2016-2018 three-year plan (Directoire & *Directoire +*): 91.66%;
- Sapient 2016 Plan (three years): 100%.

Note 18 Related party disclosures

On June 16, 2016, Publicis Groupe sold 42,500 shares in Mediavision et Jean Mineur SA, accounting for 56.67% of the share capital and voting rights. The transaction reduced Publicis Groupe's capital interest and voting rights to 10%. Following this transaction:

- BDC, represented by Benjamin Badinter, acquired 39,000 shares, representing 52% of the share capital and voting rights, and
- the Mineur family acquired 3,500 shares representing 4.67% of the share capital and voting rights in Mediavision.

The sale price for 56.67% of the share capital and voting rights was euro 19 million.

Note 19 Subsequent events

None.

STATUTORY AUDITOR'S REPORT ON INTERIM FINANCIAL INFORMATION FOR 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying consolidated interim financial statements of Publicis Groupe, for the period from January 1 to June 30, 2016;
- the verification of the information presented in the half-yearly management report.

These consolidated interim financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

I. CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. SPECIFIC VERIFICATION

We have also verified the information presented in the half-yearly management report on the consolidated interim financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the consolidated interim financial statements.

Courbevoie and Paris-La Défense, July 21, 2016

The statutory auditors

French original signed by

MAZARS		ERNST & YOUNG et Autres	
Philippe Castagnac	Anne-Laure Rousselou	Vincent de La Bachelerie	Valérie Desclève

CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE FIRST HALF-YEAR FINANCIAL REPORT

As Chairman of the Management Board of Publicis Groupe, I hereby certify that, to the best of my knowledge, the consolidated interim financial statements for the 6 months ended on June 30, 2016 were prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company as well as the entities consolidated by Publicis Groupe and that the here enclosed interim management report provides a true and fair schedule of the highlights of the first half of the financial year and of their impact on the financial statements, of the main transactions with related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

Maurice Lévy

Chairman & CEO of Publicis Groupe

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Publicis Groupe SA

Société anonyme (French public limited company) with a Management Board and a Supervisory Board, with share capital of euro 89,235,632

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