



Press Release

04/19/12



Q1 2012 Revenue

- Revenue: 1,452 million euro
- Growth (as published): +12,9%
- Organic growth: +4,1%

Maurice Lévy, Chairman & CEO of Publicis Groupe:

“Despite the economic situation remaining hesitant during the early part of the year, growth has risen again from the fourth quarter to reach 4.1%. It was reasonably steady in the mature markets (Europe +3.6%, North America +3.3%), and reached double digits in the emerging markets (BRIC +10%, MISSAT +11.8%). Digital continued to perform well, posting growth of 15.6%.

This is further evidence that the Groupe has made the right strategic investment decisions. We will continue to give pride of place to digital activities and high-growth markets.

We remain confident about this year despite macroeconomic uncertainties that beg caution. We believe that the second half of the year will see stronger and steadier growth than the first half-year.”

I. Revenue

Consolidated revenue in the first quarter of 2012 was 1,452 million euro, up 12.9% from 1,286 million in the corresponding period in 2011.

Organic growth

Organic growth reached 4.1%, a good achievement given the strong performance (+6.5% posted in Q1 2011).

This is a higher growth rate than in the last quarter of 2011, and continues to be steady in mature countries (Europe grew 3.6%, North America 3.3%) and strong in the high-growth markets (BRIC +10.0%, MISSAT* +11.8%).

II. Business in Q1 2012

Despite the economic situation remaining uncertain, Publicis Groupe performed well in the first quarter of 2012. This positive momentum can largely be ascribed to good results in the USA and parts of western Europe, as well as to growth in the BRIC (Brazil, Russia, India and China) and MISSAT (Mexico, Indonesia, Singapore, South Africa and Turkey) countries. Digital posted 15.6% organic growth (up from 12.6% in Q1 2011) and shows progress on all the fronts.

In the first quarter of 2012, digital services became the Groupe's foremost activity with 33% of its total revenue (versus 28% in 2011), followed by advertising at 31% (vs. 32% in 2011), media activities at 17% (after 19% in 2011) and Specialized Marketing Services (SAMS) at 19% (vs. 21% in 2011) exclusive of digital activities which are presented as a standalone segment.

When combined, digital activities and the emerging economies accounted for 54.1% of consolidated revenue in Q1 2012. This is in line with the Groupe's medium-term objective of deriving 75% of its revenue from these two expanding sectors.

The client portfolio is well balanced and growth was recorded in all sectors in the first quarter.

*MISSAT : Mexico, Indonesia, Singapore, South Africa, Turkey

Q1 2012 revenue by region

(EUR million)	Revenue		Organic Growth	Growth (as published)
	Q1 2012	Q1 2011	Q1 2012	Q1 2012 / Q1 2011
Europe*	412	394	+3.6%	+4.6%
North America	724	632	+3.3%	+14.6%
BRIC + MISSAT**	176	134	+10.3%	+31.3%
Rest of the world	140	126	+3.7%	+11.1%
Total	1,452	1,286	+4.1%	+12.9%

*Europe excluding Russia

**MISSAT: Mexico, Indonesia, Singapore, South Africa and Turkey

Europe posted satisfactory growth despite highly contrasted results from one country to another. France achieved +4.6%, the UK returned strong growth (+8.6%) and Germany did very well (+10.1%). Spain and Italy continued to contract.

North America resisted well (+3.3%) despite a very strong corresponding period in 2011 (+8.1%). The BRIC countries achieved 10.0% growth overall, a good reflection of the strong performance of all these countries and ample justification of the Groupe's decision to invest in these markets. China and Brazil both grew by 15.3% and Russia by 8.8%.

The MISSAT countries (i.e. Mexico, Indonesia, Singapore, South Africa and Turkey) posted aggregate growth of 11.8%.

Despite weak performance in countries like Japan, South Korea or Australia, the Rest of the world nonetheless recorded +3.7%.

Expressed in USD, revenue in Q1 2012 totaled 1,904 million dollars.

III. Cost control

Publicis Groupe continued to implement its strict cost control program.

IV. External growth & financial transactions

Publicis Groupe has made several acquisitions since the start of 2012. Firstly with Mediagong in France, specialized in digital strategy consulting, social media, advergames and mobile communications. The Groupe then purchased The Creative Factory in order to broaden Saatchi & Saatchi's footprint in Russia. This Moscow-based company has a big reputation in its specialist fields, i.e. digital services, digital production and video. In its endeavor to step up its development in Asia in general and in China in particular, Publicis Groupe acquired U-Link Business Solutions Co. Ltd., one of China's top agencies specialized in healthcare communications, as well as King Harvests and Luminous, two specialized marketing agencies based in China and Singapore.

On January 26, Publicis Groupe tabled a friendly bid for Pixelpark, Germany's largest independent group in digital communications. The proposed takeover was approved by the German Federal Cartel Office on February 15, 2012. By the end of March, Publicis Groupe had acquired over 76% of Pixelpark's shares.

On February 1, the Groupe announced the acquisition of Flip Media, a large network of digital agencies in the Middle East. This full-service network is positioned throughout the digital chain, offering services ranging from strategy, digital design and production, to content and technological platforms.

In March 2011, France Télécom-Orange and Publicis Groupe announced a partnership with Iris Capital Management, thus setting up the leading European venture capital investor in the digital economy. Orange and Publicis will together contribute 150 million euro to this initiative. Along with pre-existing commitments from current investors including the European Investment fund and French public investor CDC Entreprises (Groupe Caisse des Dépôts), the total investment capacity will exceed 300 million euro. Orange and Publicis Groupe will each take a 24.5% minority stake in Iris.

On January 31, 2012, Publicis Groupe SA redeemed its 2012 Eurobonds at maturity for a total of 506 million euro in principal. This redemption was funded by available liquidities within the Groupe. Given the Groupe's current liquidity situation, Publicis Groupe SA has no intention at present of refinancing this bond issue in the short term.

Further to the Dentsu proposal of February 13, Publicis Groupe bought back 18 million of its own shares, in the form of a block transaction on February 17, for a total 644,4 million euro, i.e. 35,80 € per share. The buyback was at a discount of 13.35% to the closing price on February 16, 2012. It will enhance diluted earnings per share by approximately 7% on a full year basis. Of the 18 million shares purchased, Publicis cancelled 10,8 million shares which was the maximum number of shares that could be cancelled given the previous cancellation on May 10, 2010. The Groupe thus cancelled 10% of its share capital, i.e. the maximum authorized by law, over the last 24 months. The remaining 7,2 million shares are being held as Treasury stock and will serve to cover presence- and performance-based share attributions, stock options plans and acquisitions programs. This share buyback was entirely funded by available liquidity within the Groupe.

V. New Business

New Business net of losses amounted to USD 811 million. This total does not include the loss of the GM media contract.

(List attached in appendix)

VI. Net debt at March 31, 2012

At March 31, 2012, the Groupe's net debt totaled 1,158 million euro, compared with 286 million euro at March 31, 2011. This increase was mainly due to the buyback of 18 million Publicis shares held by Dentsu for 644 million euro (10.8 million of these shares have been cancelled).

VII. Outlook

The trend observed in the advertising market since the end of 2011 has been one of reasonable growth, a trend that was confirmed in the first quarter of 2012. For instance, in its latest forecast in March, ZenithOptimedia forecast that the global market would grow by 4.8% in 2012.

Publicis Groupe has performed well in this environment, thanks to its exposure to the digital economy, its presence in the USA and its expansion in high-growth countries such as Brazil, China or Russia. Despite the difficult economic context, Publicis Groupe has also fared well in Europe, especially in Germany the UK and France. Growth should show a deceleration in the second quarter, but the second half of the year should be steadier and stronger than the first half-year.

The Groupe remains confident with its strategic options and will continue to roll-out its two-pronged strategy worldwide, namely high-growth markets and digital activities which will consistently outperform the market due to the rapid expansion of social media and mobile advertising.

Publicis Groupe confirms its medium-term objective of deriving 75% of its revenue from high-growth businesses and markets.

Constant attention is paid to the structure of the cost base, particularly in the light of the work and investments required by high-growth markets, digital businesses and the Groupe's strategy in the world of technology.

The Groupe's financial situation remains very solid.

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Forthcoming Annual General Meeting of shareholders: May 29, 2012 at 10 a.m. at publiciscinemas

This presentation contains forward-looking statements. The use of the words "aim(s)," "expect(s)," "feel(s)," "will," "may," "believe(s)," "anticipate(s)" and similar expressions in this presentation are intended to identify those statements as forward-looking. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Other than as required by applicable securities laws, Publicis Groupe undertakes no obligation to publish revised forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events. Publicis Groupe urges you to review and consider carefully the various disclosures it has made concerning the factors that may affect its business, including the disclosures made under the caption "Risk Factors" in the 2011 Registration Document filed with the French financial markets authority (AMF).

About Publicis Groupe

Publicis Groupe [Euronext Paris FR0000130577, part of the CAC 40 index] is the third largest communications group in the world, offering the full range of services and skills: digital and traditional advertising, public affairs and events, media buying and specialized communication. Its major networks are Leo Burnett, MSLGROUP, PHCG (Publicis Healthcare Communications Group), Publicis Worldwide, Rosetta and Saatchi & Saatchi. VivaKi, the Groupe's media and digital accelerator, includes Digitas, Razorfish, Starcom MediaVest Group and ZenithOptimedia. Present in 104 countries, the Groupe employs 54,000 professionals.
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Appendix
New Business
Q1 2012

811 USD million (net)
Excluding GM media contract loss

Main accounts awarded

Leo Burnett

Novartis – Thera-Flu, Otrivin, Voltaren brands (Lithuania); Inse – (China); Merchant Bank of Sri Lanka – Corporate (Sri Lanka); Mengniu Dairy Company – Zengouli Milk (China); Le Sun Chine Hotel (China); HNH Line – Mobile App (China); Goodyear Dunlop Tires Operations S.A. (Germany); GlaxoSmithKline – Iodex Pain Balm (India); Atria/Campomos Meat Processing Company (Russia); Fragrant Group Ltd. – The Circle, Sukhumvit 11 properties (Thailand); Avis Budget Group – Avis Rent A Car (USA); Ping An Insurance – Vehicle insurance (China); Procter & Gamble and Teva (PGT); BKS Investment Services (Russia); Bacardi (UK); Bridgestone Americas – Firestone (USA).

Publicis Worldwide

Confused.com (United Kingdom).

Saatchi & Saatchi

Kraft Foods - Kool-Aid, Capri Sun (USA); Air new Zealand (New Zealand); Parmalat (Italy); Virgin Strauss (UK); Big W (Australia).

Starcom MediaVest Group

Dabur India (India); DiGi Telecommunications Sdn Bhd (Malaysia); Lazurde (UAE); Polbank (Poland); ZhuJiang Beer (China).

ZenithOptimedia

ABD IBRAHIM (Turkey); VAKKO (Turkey); Santander (Mexico); Kobe & Lyne (Indonesia).

Digitas

eBay (USA); Puma (UK); Onstar (China).

2012 Press Releases

- 01-11-2012 Half-Year financial statement liquidity contract with SG Securities (Paris)
- 01-18-2012 Publicis Groupe acquires Mediagong, one of France's most innovative digital agencies
- 01-25-2012 Publicis Groupe acquires The Creative Factory, strengthening Saatchi & Saatchi in Russia
- 01-25-2012 Publicis Groupe regrets that a long-lasting relationship with GM has ended
- 01-26-2012 Publicis Groupe to acquire Pixelpark AG, Germany's largest independent digital group, via a friendly takeover bid for Eur 1.70 per share
- 02-01-2012 Publicis Groupe acquires Flip Media, a leading middle eastern digital agency
- 02-09-2012 Publicis Groupe : 2011 Annual Results
- 02-13-2012 Publicis Groupe publishes public tender offer document for Pixelpark AG
- 02-17-2012 Publicis Groupe announces buy-back of 18 million of its own shares from Dentsu
- 02-22-2012 Publicis Groupe accelerates China expansion with acquisition of U-Link business solutions Co. Ltd
- 03-08-2012 Publicis Groupe acquires King Harvests and Luminous, accelerating its expansion in China and Singapore
- 03-08-2012 Pixelpark: Publicis Groupe waives minimum acceptance quota of 75% and re-opens the acceptance period until March 21, 2012
- 03-08-2012 France Télécom-Orange and Publicis Groupe partner with Iris Capital Management to create a leading European venture capital investor in the digital economy
- 03-15-2012 Publicis Groupe announces Sébastien Danet's appointment as Chairman of VivaKi France
- 03-20-2012 Pixelpark: Publicis secures more than 76% of the shares in Pixelpark AG
- 03-29-2012 Press Release of the Supervisory Board

Glossary

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

Average quarterly net debt: quarter average of average monthly net debt.

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

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

Operating margin rate: operating margin/revenue.

Organic growth calculation

(EUR million)	Q1 2012
2011 Revenue	1,286
Currency impact	38
2011 Revenue at 2012 exchange rate (a)	1,324
2012 Revenue before impact of acquisitions ⁽¹⁾ (b)	1,379
Revenue from acquisitions ⁽¹⁾	73
2012 Revenue	1,452
Organic Growth (b/a)	+4.1%

Currency impact (EUR million)	
	Q1 2012
GBP ⁽²⁾	2
USD ⁽²⁾	26
Total	38

(1) Acquisitions (Frequence Medicale, C4L – MVS, Kitkatt Nohr, Airlock, Holler, Chemistry Communications, Talent, ICL Taiwan, GP7 Red Lion, Watermelon, S&S South Africa, Genedigi, Rosetta Marketing Group, Big Fuel, Nuatt, Spillman Felser, DPZ, Schwartz, Brand Connections, Wangfan, Gomye, Ciszewski, Creative Factory, Luminous, Mediagong, Webformance Saint Brieuc, Pixelpark), net of disposals

(2) Average Exchange rate at March. 31, 2012: 1 USD = 0.763 EUR
1 GBP = 1.198 EUR