

From a
Digital Leader



to a Business, Marketing,
Communication,
Transformation Leader

Strategic Update

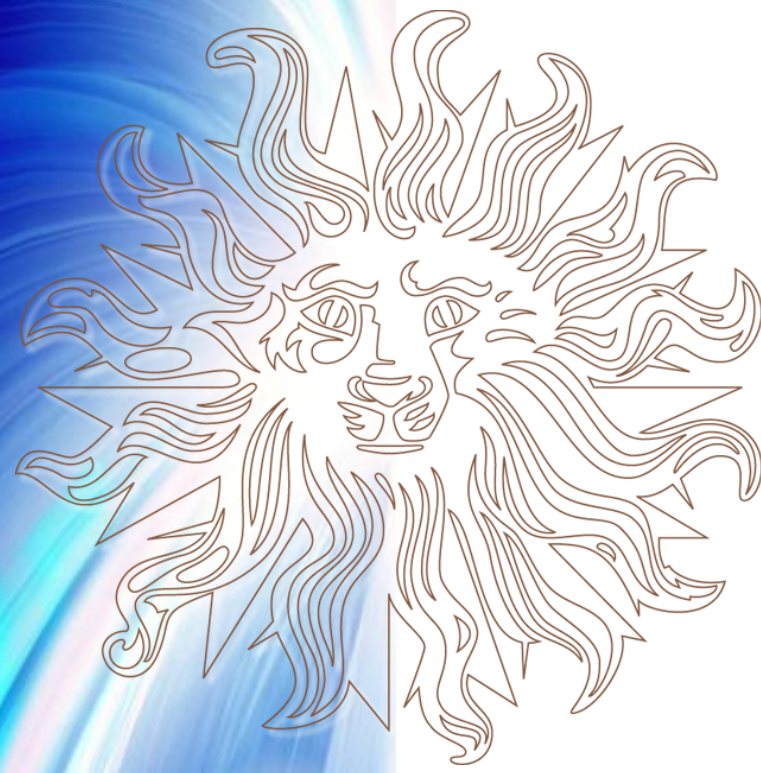
December 4, 2014

Disclaimer

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 2013 Registration Document filed with the French financial markets authority (AMF).

Agenda

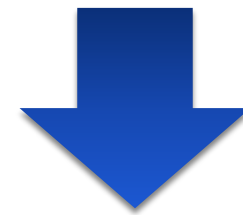
- April 23, 2013 objectives
- Internal Process
- The Publicis Groupe Transformation
 - Context: the world We Live In
 - Sapient proposed Acquisition
 - The Transformed Publicis Groupe
- 2018 Objectives
- Conclusion



Reminder
2018 objectives
announced April 23, 2013

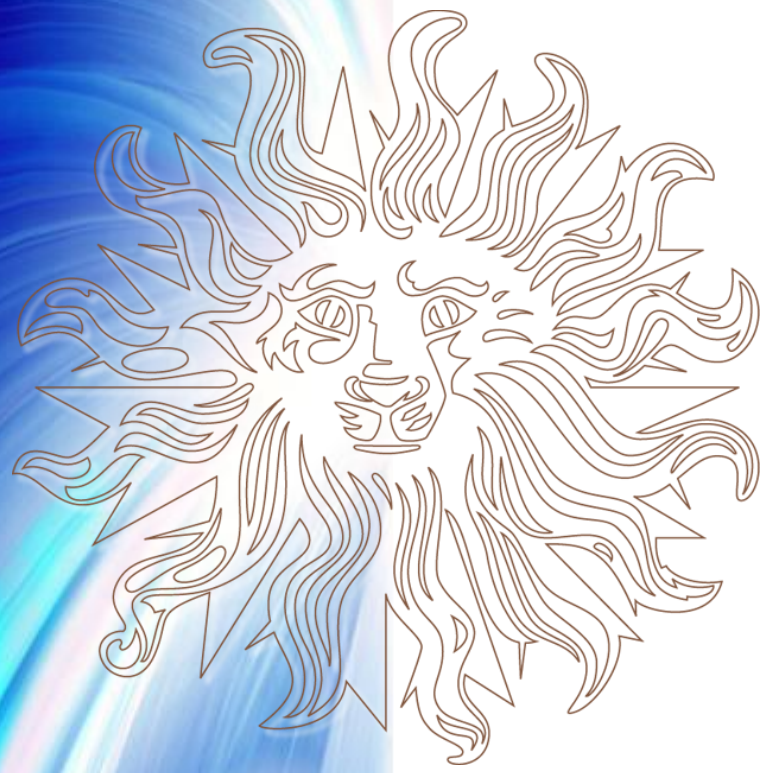
2018 objectives: April 23, 2013

By 2018: new services, digital at the core, commerce +



75% of revenues from digital operations and fast growing markets
(**50%** from digital, **35%** FGM, **10%** overlap)

Margin improvement by +200 to +400 basis points vs 2012



Strategic Update: Internal Process

- Bottom up approach: “Bastille Day”
- Iteration process
- Conseil de Surveillance approval (September 15, 2014)
- Sapient proposed Acquisition
- Plan fine tuning
- Rebased of 2012 proforma numbers with Sapient
- Objectives 2018 (Conseil de Surveillance December 1, 2014)



2014-2018 Strategic Update



Strategic Update: The World We Live In

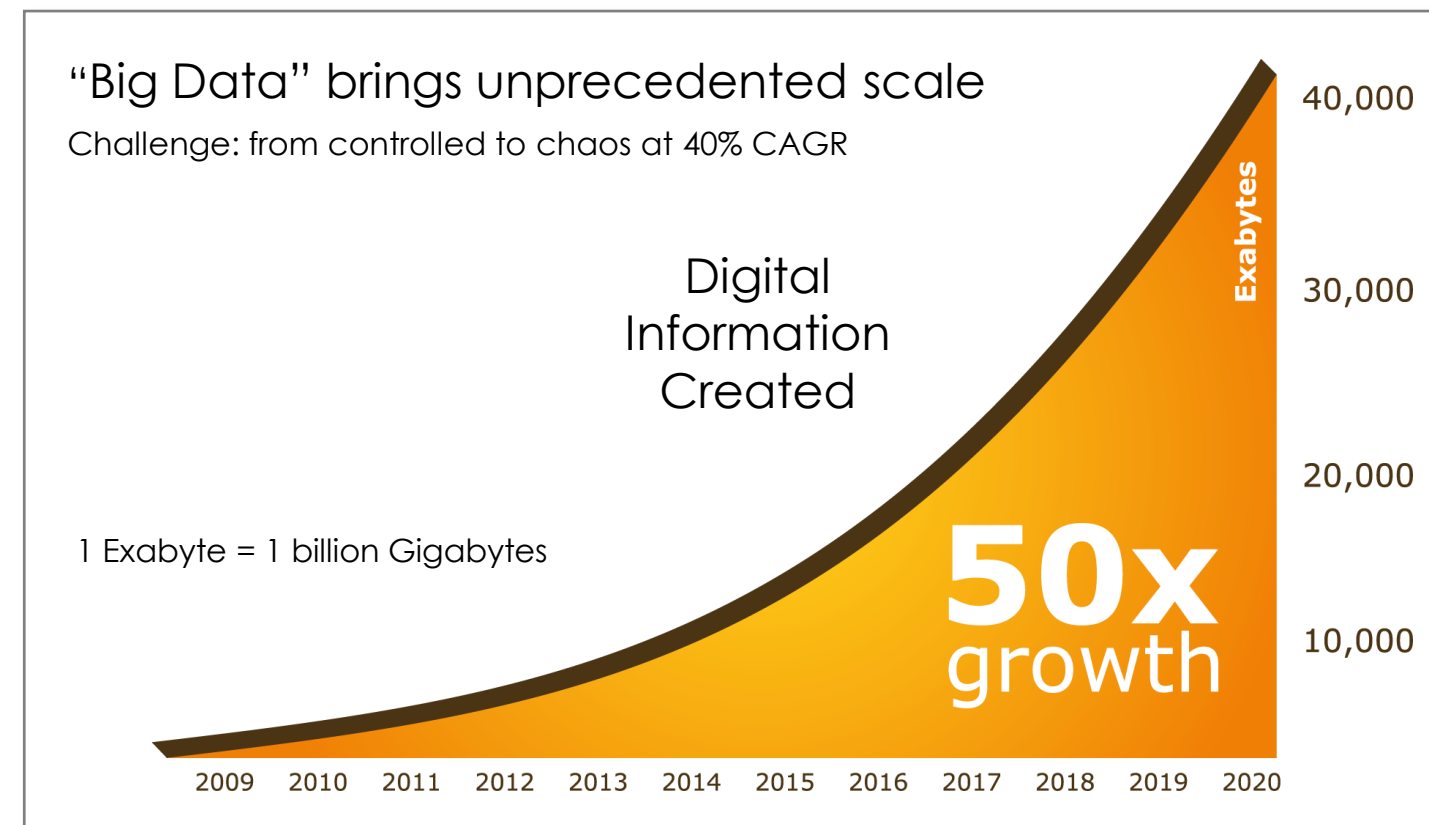
What does one say when in 2014...

- iPhone 6 has **625X** the computing power of a 1995 Pentium Class Desktop computer
- 800 billion photos posted on social networks: **10X** all the photographs taken globally in 1999
- We will create **50X** data in the next 3 years than created in human history
- E-Commerce will grow by **15X** by the end of decade to 32 billion in India
- A 15 year old internet company from China becomes one of the 15 most valuable companies in the world with a nearly **300 billion** market cap (Alibaba)
- **7.3 trillion** SMS messages sent this year will be on a five year old platform with 30 employees (Whatsapp)
- After a thousand days, BuzzFeed has **130 million** unique visitors
- Paypal, Apple Pay, Bitcoin, Square, MPesa change the nature of payments

**Companies everywhere worry about being
“ubered”, “netflixed” or “airbnbbed”**

**Consumers expect
anything, anywhere, any time**

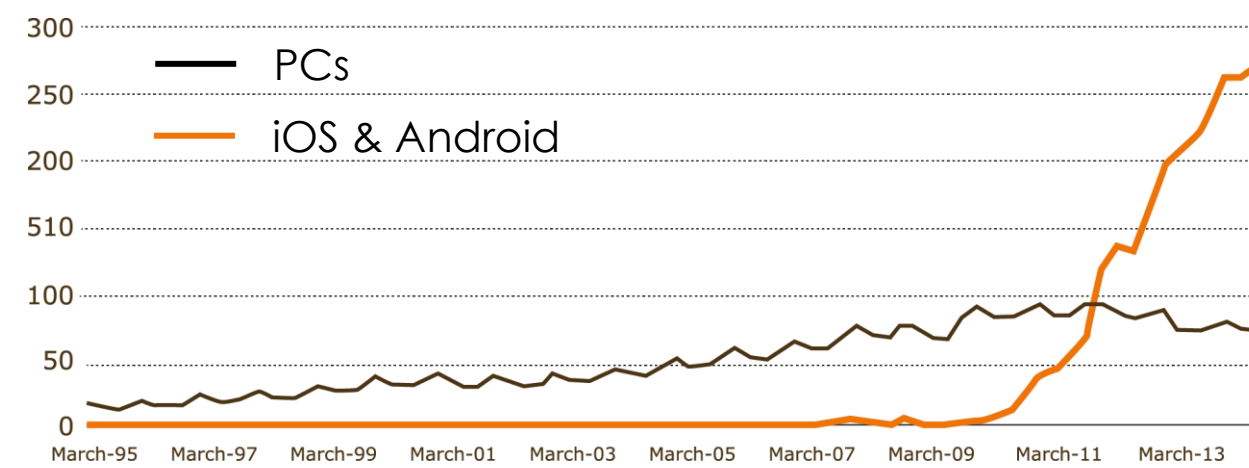
“We ain’t in Kansas anymore Toto...”



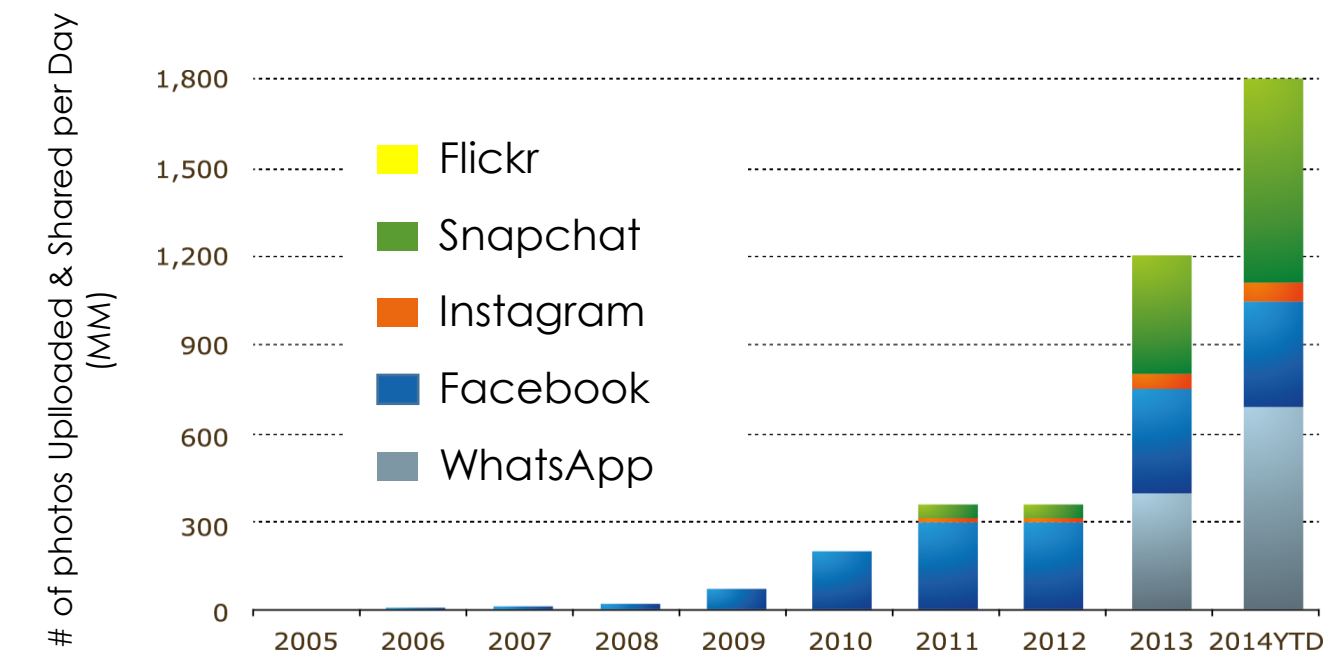
The smartphone industry dwarf PCs

4bn people buying every 2 years instead of 1.6bn buying every 5 years

Quarterly unit shipments (m)

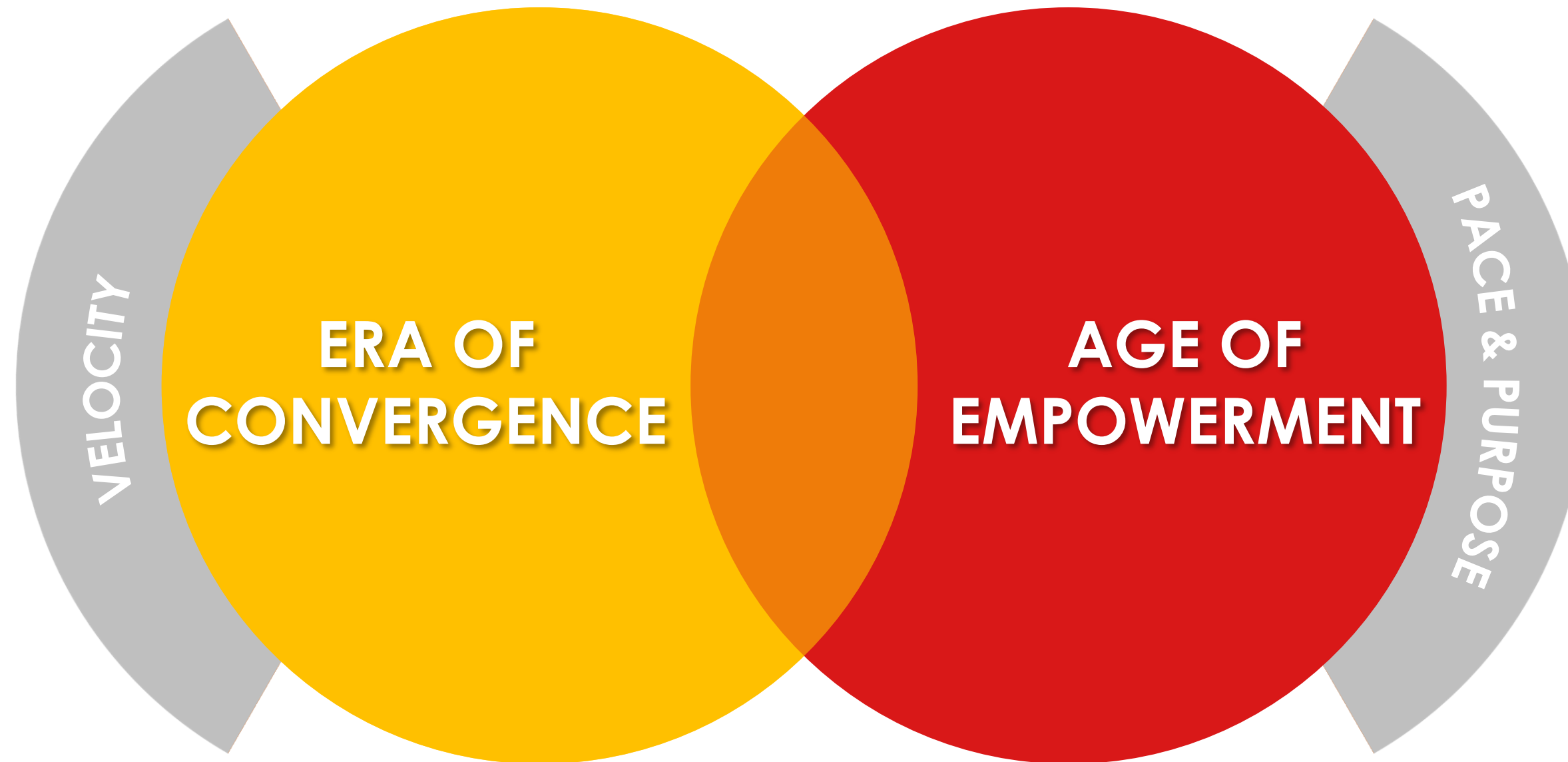


Daily Number of Photos Uploaded & Shared on Select Platforms, 2005 – 2014 YTD



Next decade of disruption will break everything

2 GIANT FORCES



**Business, Marketing & Communication
Transformation**

This is the Empowered Age

Tech is slingshot for David vs. Goliath

- Empowered People

- Enabled by mobile
- Energized via social

- Enslaved less and less by "Because that's the way it is.."

"I share my experiences, my life with my friends..."

It's my time and I will not fit on their calendar. I want it when I want it where I want it..."

- Expecting More From Brands and Companies

- Quality services and products on demand at a value
- Seamless Experiences
- Personalized Service

"Choice is one search, one friend recommendation, one click away..."

"If Uber & Netflix & Amazon can give me what I want, why can't the more established companies?"

This is the Converged Era

Digital leakage

- **Industries converge** in a digital age giving rise to new competitors
 - The iPhone was not just a phone that hurt Nokia but a game player that hurt Nintendo, a map that hurt Garmin, a camera that hurt Nikon..
- **Competitive boundaries blur** with existing competitors mattering less
 - The leading competitor in search and discovery to Google is the leading social (Facebook) and e-commerce company (Amazon) and not its search competitor of Yahoo or Bing...
- Peoples behavior and expectations now become **channel, media, place and time agnostic**
 - Content, distribution, tech and strategy leak into each other
 - Storytelling, Audience Aggregation, CRM and Commerce link to each other
 - Screens matter more while channels matter less

Empowered Age / Converged Era: Marketers Struggles

- Most companies are not behind their existing competitors but **behind consumers**
- **Failing to engage** with empowered people with extreme expectations
- **New competitors** rewrite the rules of business and engagement leveraging
- **New economic models** built on digital economics and network effects
- **Advanced Data & Analytics** to better segment, design and deliver products and services
- **E-Commerce and Word of Mouth/Sophisticated Search** to overcome **distribution** hurdles
- **Modern storytelling** and **content development** in a consumer versus channel driven age



**How to balance today's revenue streams
with future business models?**

Empowered Age / Converged Era: Advertisers Struggles

- How to allocate and measure spending?
- How to engage and connect with consumers?
- How to grow again via new business models and launch new revenue streams?
- How to engage people in a fragmented and on-demand world?
- How to do more with less?
- How to deliver today to get me to tomorrow?

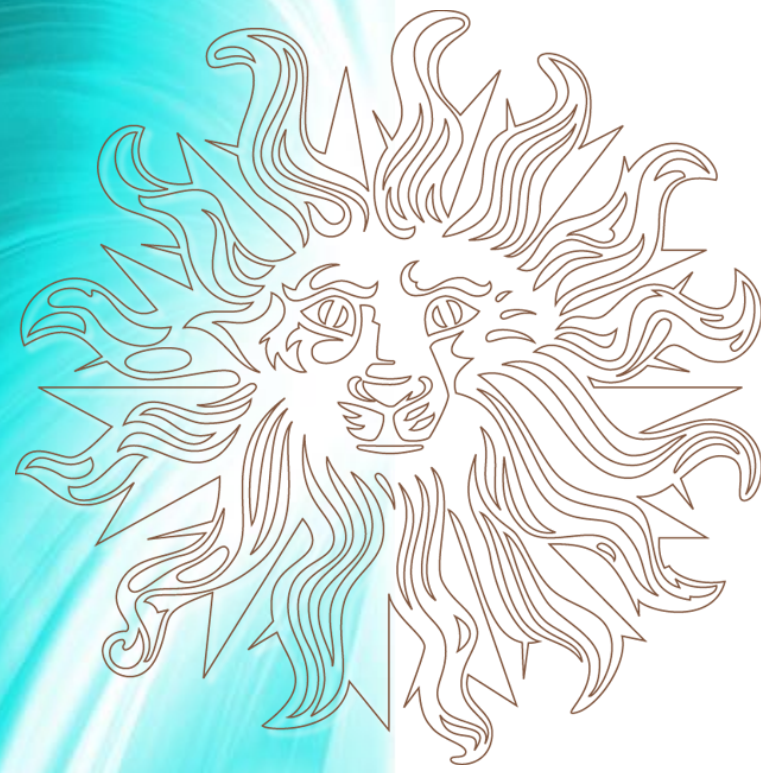


How to win in a disrupted world?

Clients have never been as uncertain,
confused and worried about their brands,
their organization and their future business model



Business, marketing and communication transformation



“The Publicis Groupe Transformation”

Empowered Age / Converged Era: 2006 strategic shift to digital

Publicis Groupe first mover
and consistently investing



Building the strongest base for the new era

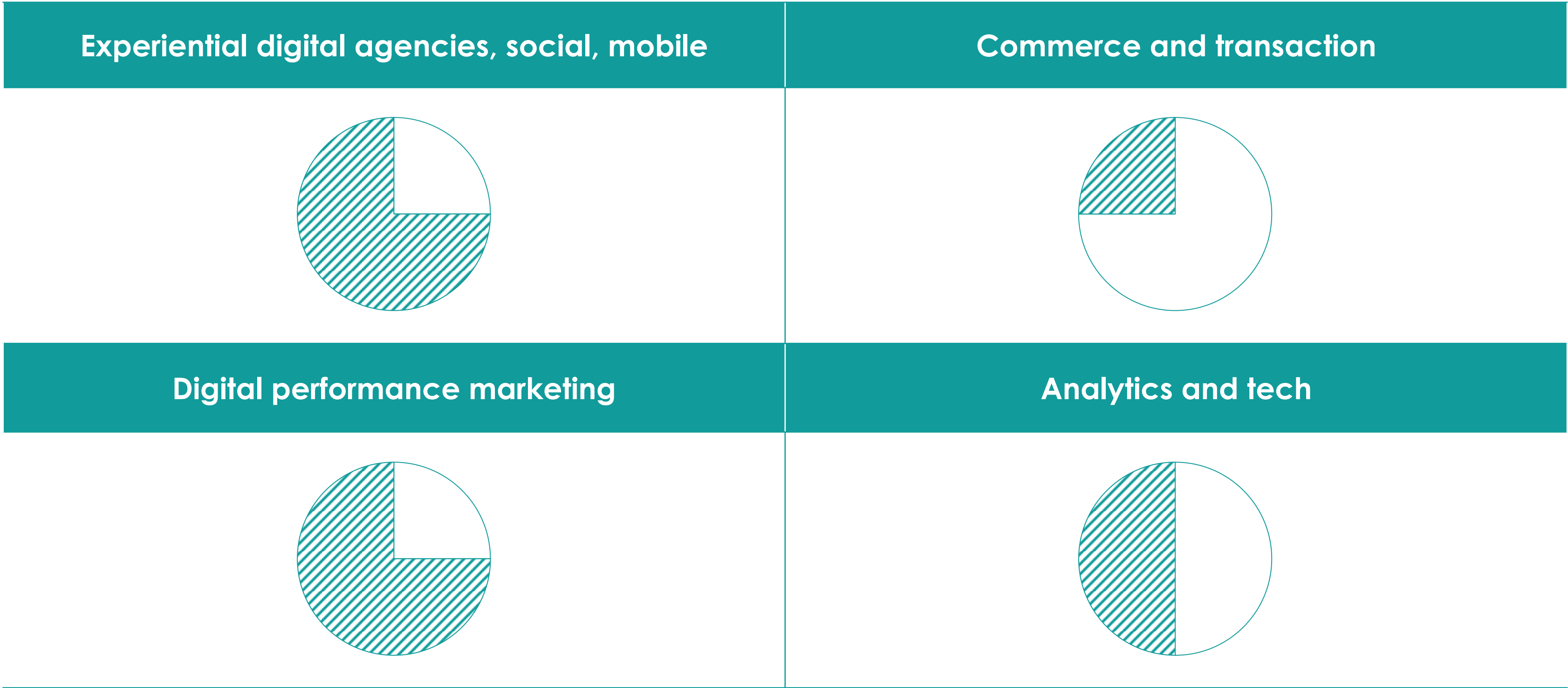
Empowered Age / Converged Era: Shift to Digital

Filling capabilities

Experiential digital agencies, social, mobile			Commerce and transaction	
<ul style="list-style-type: none">• Razorfish• Digitas• Big Fuel• LBi• Phonevalley• Moxie• ETO	<ul style="list-style-type: none">• Monterosa• Rokkan• MRY• Poke• Lead2Action• Ambito5• Net@lk	<ul style="list-style-type: none">• Pixelpark• AG2• Flip Media• Outside Line• Wangfan• LongTuo	<ul style="list-style-type: none">• Rosetta• Razorfish• LBi• Nurun• Crown• Emporio Asia	
Digital performance marketing			Analytics and tech	
<ul style="list-style-type: none">• Digitas• Rosetta• Performics• Lighthouse Digital• Convonix	<ul style="list-style-type: none">• Razorfish• Resultrix• Performix Search Marketing Business• SMG Search	<ul style="list-style-type: none">• Nurun• RUN• Rosetta• Liquorice• Hawkeye• LBi• Neev• Bosz• Engauge• Digitas		
Investments / Creation				
<ul style="list-style-type: none">• Vivaki X• Vivaki OS		<ul style="list-style-type: none">• Iris Capital• AoD	<ul style="list-style-type: none">• Matomy• Jana	
Strategic Partnerships				
<ul style="list-style-type: none">• Google• Facebook		<ul style="list-style-type: none">• Microsoft• Yahoo!	<ul style="list-style-type: none">• Adobe• Tencent	

Empowered Age / Converged Era: Shift to Digital

Publicis Groupe 2014



 Publicis Groupe assets

Empowered Age / Converged Era: A World of “and/and”

Not only Digital “pure player” Publicis assets modernized, transformed

- Publicis Worldwide ≈**27%** digital (Nurun global digital arm)
- Saatchi & Saatchi ≈**24%** digital integrated
- Leo Burnett ≈**21%** digital (Arc and Rokkan digital expertise)
- Zenith Optimedia ≈**34%** Digital (Performics, Moxie and Engauge)
- SMG is ≈**50%** digital and contents
- PHCG ≈**34%** digital and still growing
- MSLGroup ≈**18%**
- Prodigious: production and transcreation

Adapted for the new era

Empowered Age / Converged Era

- For the past 8 years, we have built a critical and hard to duplicate base
- Leapfrog the competition to deliver what clients need and want:
 - Consulting help to re-think their needs and business models
 - Greater tech enablement to transform their businesses
 - Seamless collaboration and data driven decision making in a world of speed
 - Next generation story telling and content that engage and build brands
 - Modern data driven message distribution to well segmented audiences



Powered by creativity

Empowered Age / Converged Era

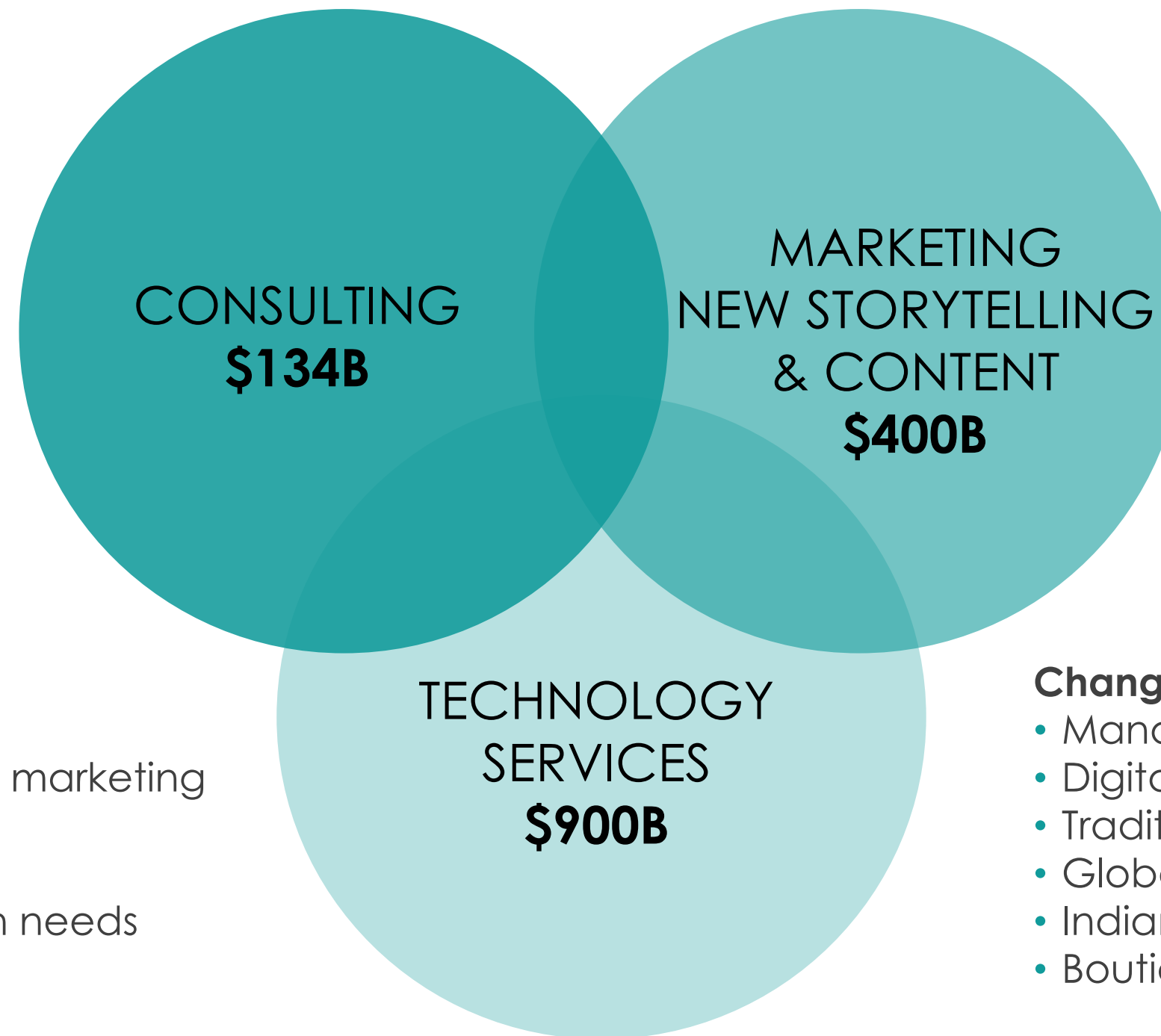
The \$1 trillion + prize...

Change Created By The Recession

- Cost pressure high
- Capital expenditure uncertain
- Regulatory changes
- Business model break –“the new normal”

Change in Technology Cycle

- Migrating from 10 year cost reduction cycle to consumer and marketing focused initiatives
- SaaS emerges
- Cloud expands system integration needs



Change in Consumer

- Consumer empowerment
- Shift to digital
- Shift in media consumption
- Anywhere, anytime commerce

Change In Competitive Context - Blur

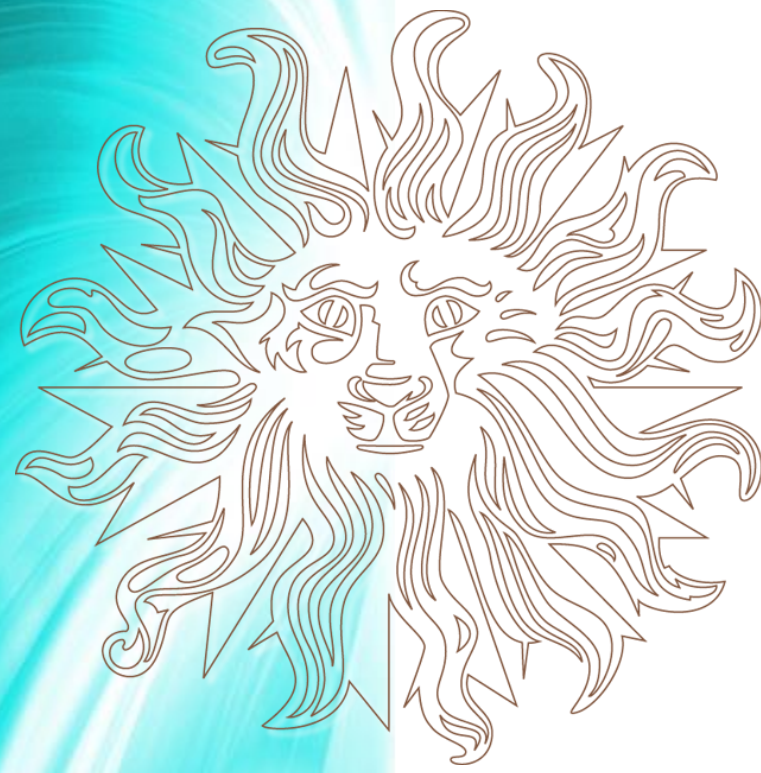
- Management Consultancies
- Digital Agencies
- Traditional Agencies
- Global Systems Integrators
- Indian Pure Play
- Boutiques

Empowered Age / Converged Era: “Coopetition”

- Blurred lines as digital/data/platforms merge, creating entry points for several of these new players; CMO, CIO and CTO roles and budgets overlap...
 - Consulting (McKinsey,...)
 - Tech Enablers (Adobe,...)
 - Platforms (Google, Facebook, Tencent,...)
 - Media Companies (Time, BuzzFeed,...)



Re-invent marketing: \$1 trillion + global industry
larger than hardware/software services combined



Sapient: A transformational acquisition for the Empowered Age/Converged Era

Sapient proposed acquisition

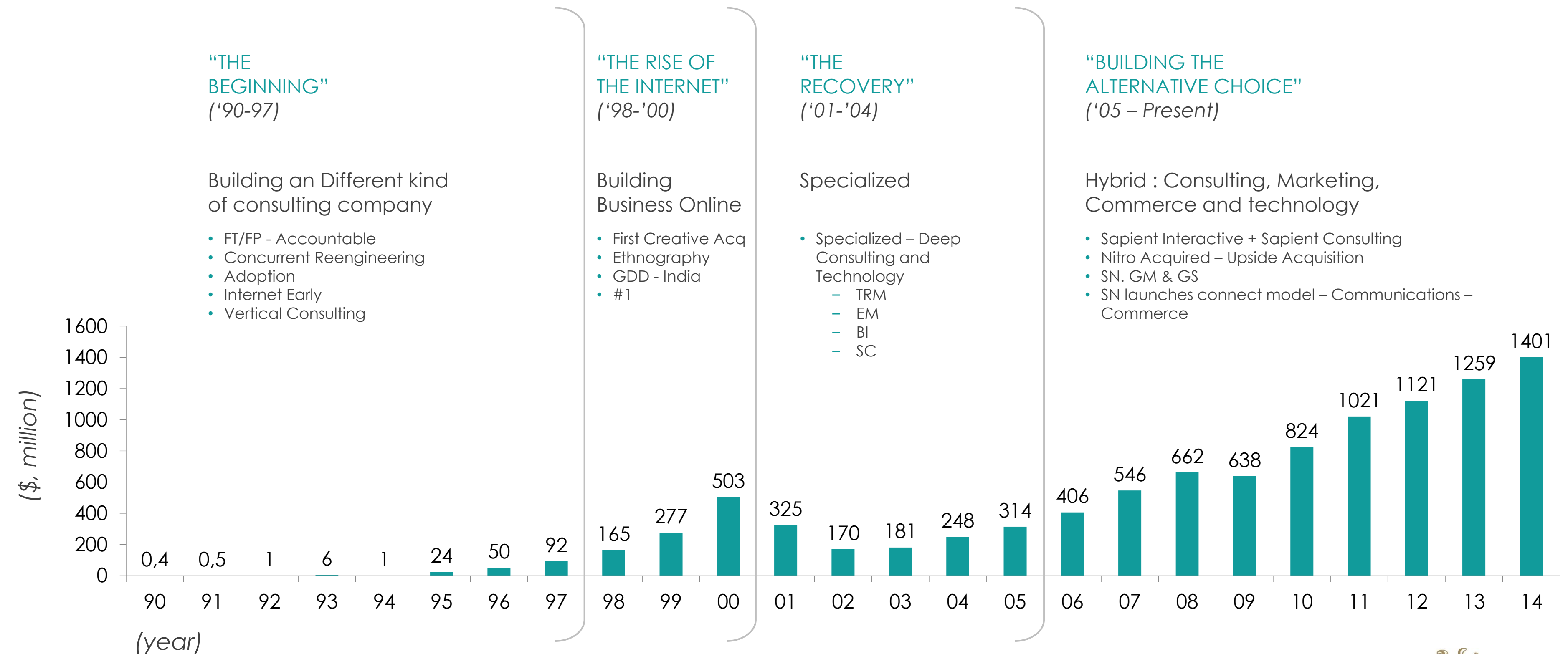
“We believed that technology would continue to fundamentally change the way the world works, and along the way it could truly enable human potential.”

1990 origins

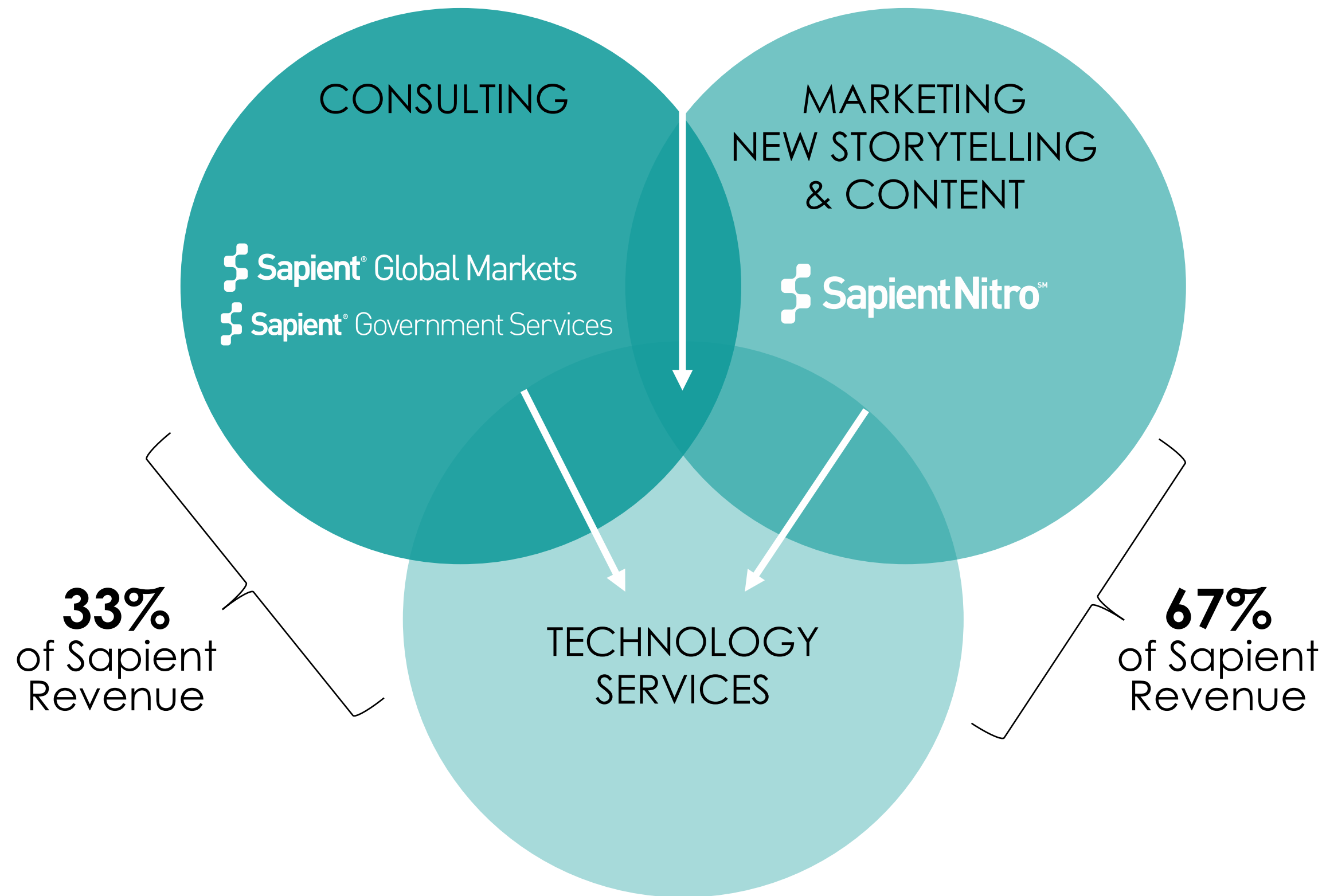
Sapient proposed acquisition: Key Facts

- Founded in 1990
- Purpose, Vision & Values Driven
- Public in 1996
- Growth mostly organic over the years
- 2014 Revenues ~USD 1.4B+
- 35 Offices
- ~13,000 People

Sapient proposed acquisition: Timeline



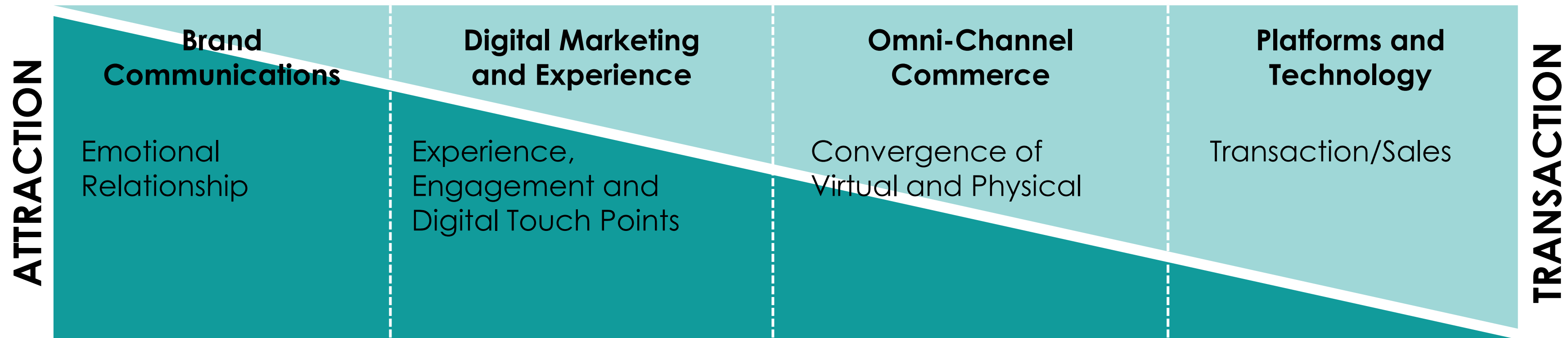
Sapient proposed acquisition



\$1
↓
\$3-\$6

Sapient proposed acquisition: SapientNitro strategy

- **Connecting Capabilities from Communications through Commerce**

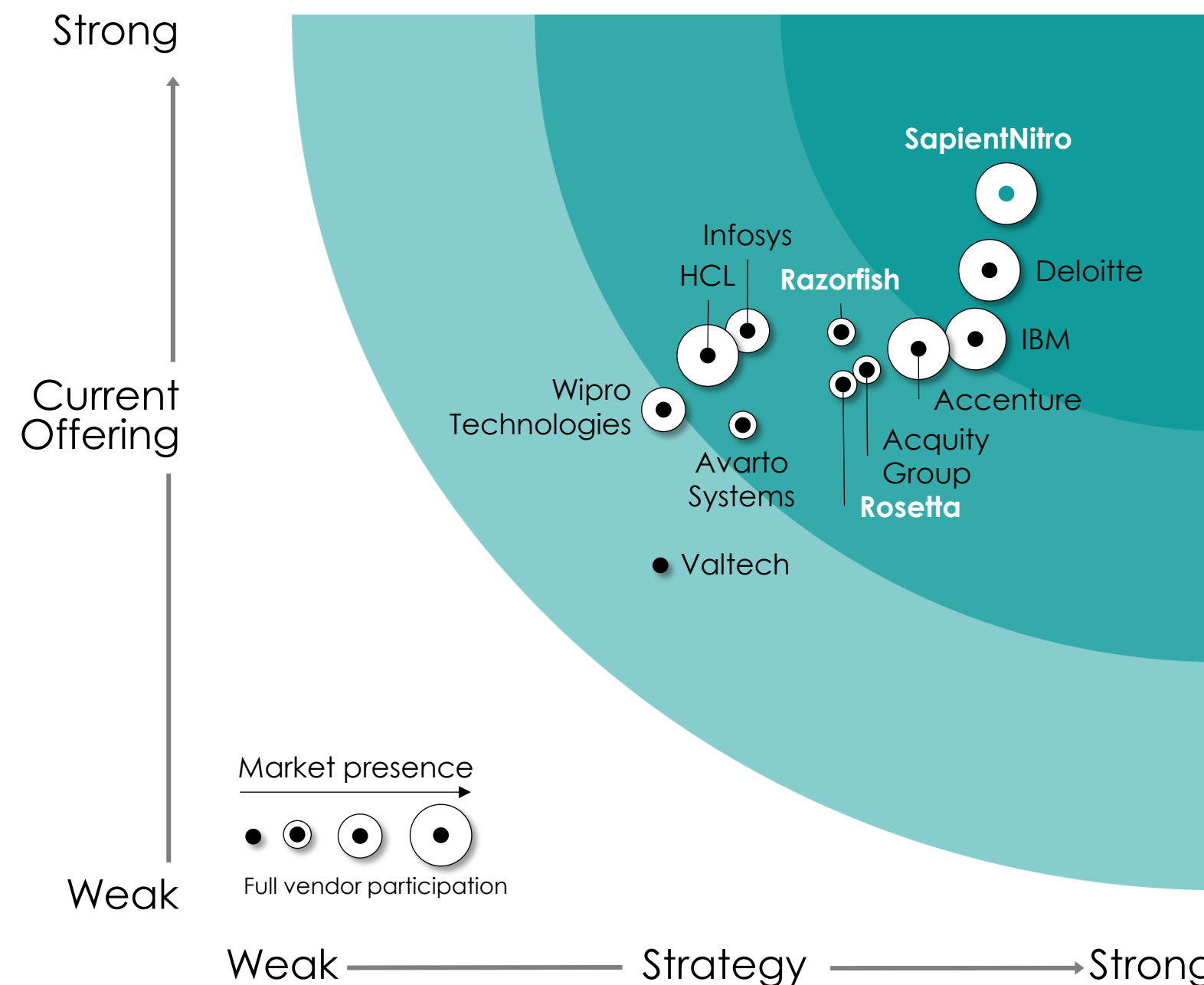


Global Distributed Delivery

Sapient proposed acquisition: Industry leader

- **E-COMMERCE**

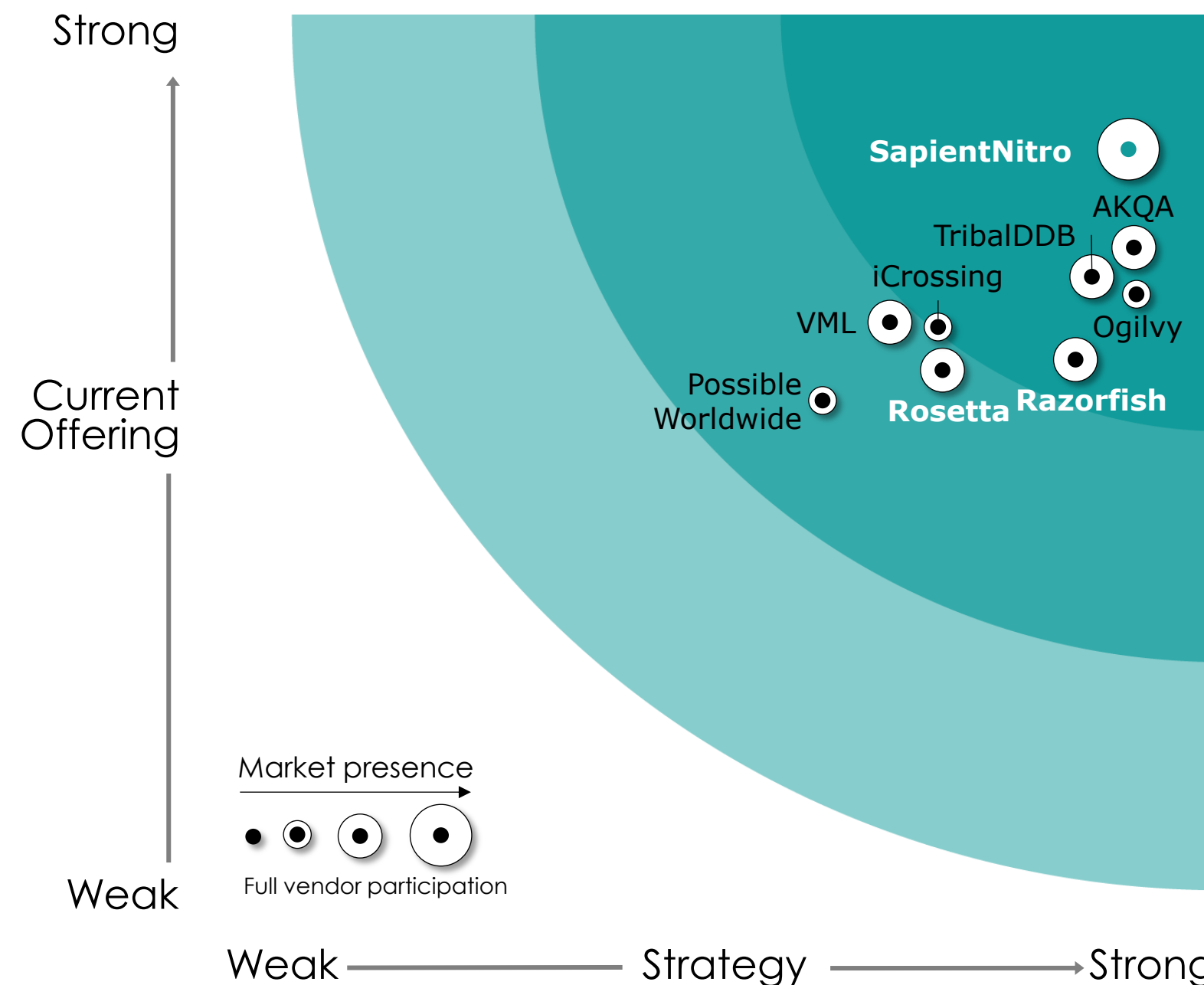
- Fig. 1 Forrester Wave™: Global Commerce Service Providers, Q1'12



Sapient proposed acquisition: Industry leader

- **MOBILE**

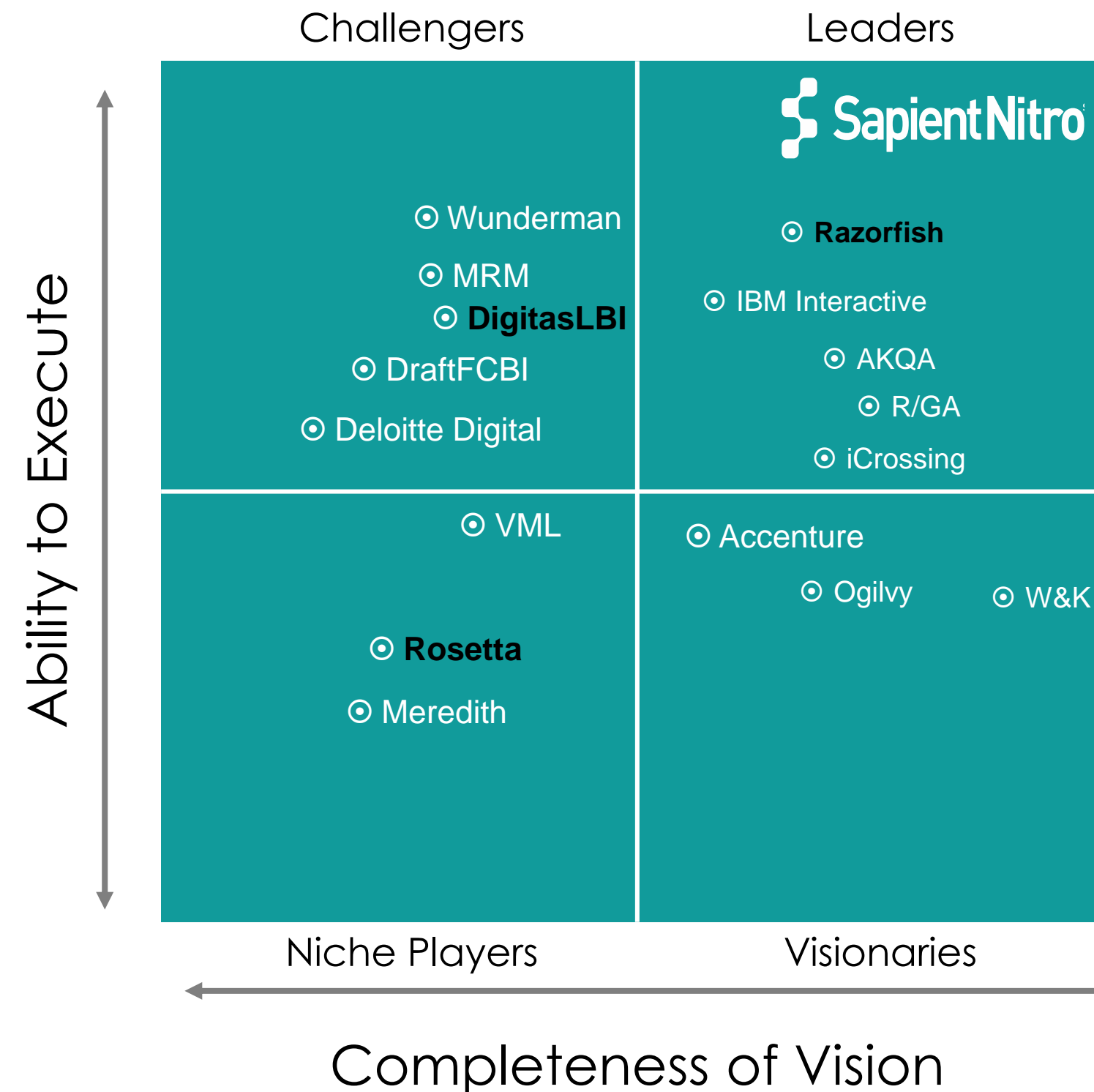
- Fig. 2 Forrester Wave™: U.S. Digital Agencies Mobile Marketing Strategy and Execution, Q1'12



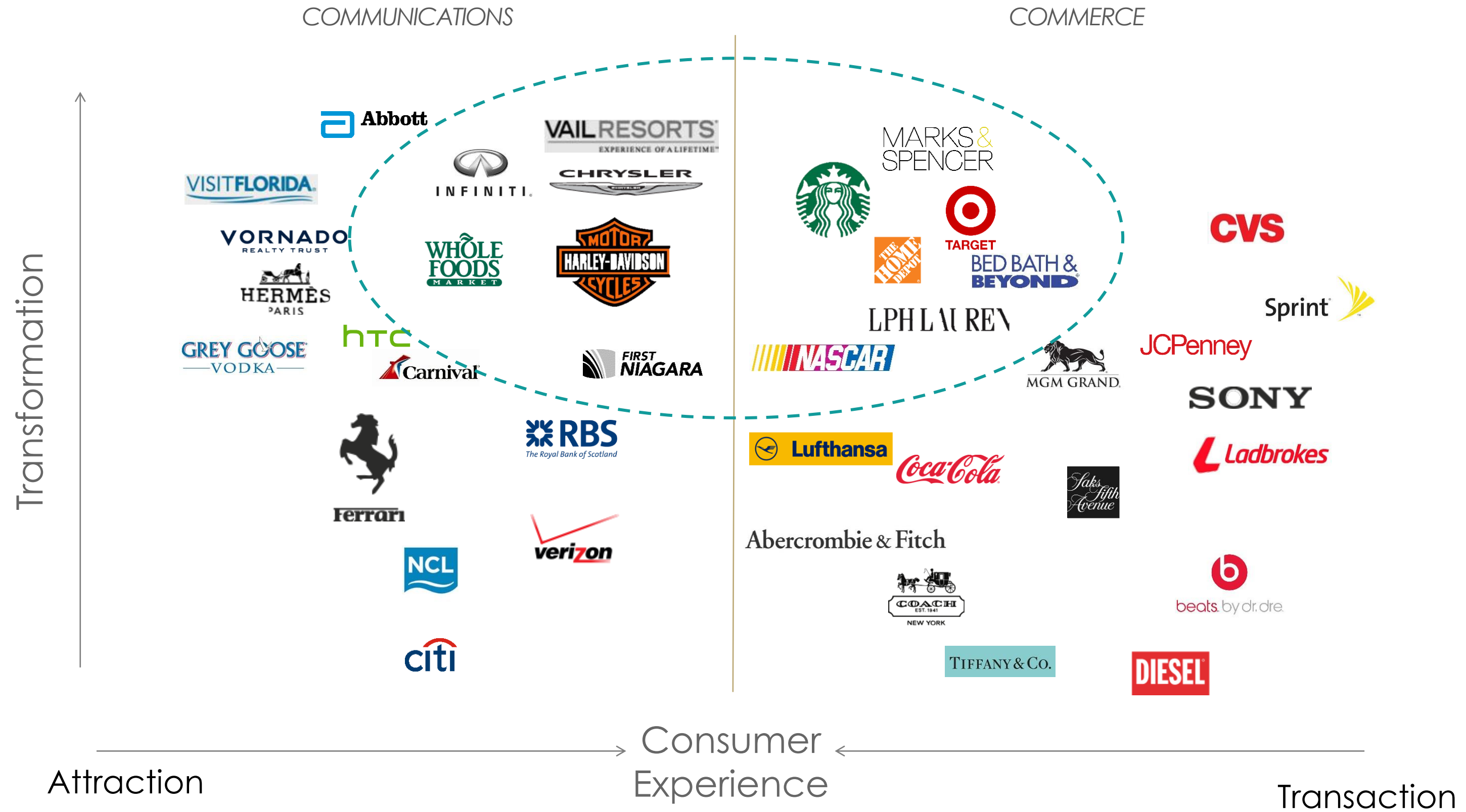
Sapient proposed acquisition: Industry leader

- **DIGITAL MARKETING**

- Gartner Magic Quadrant: Digital Marketing Agencies Dec 2013



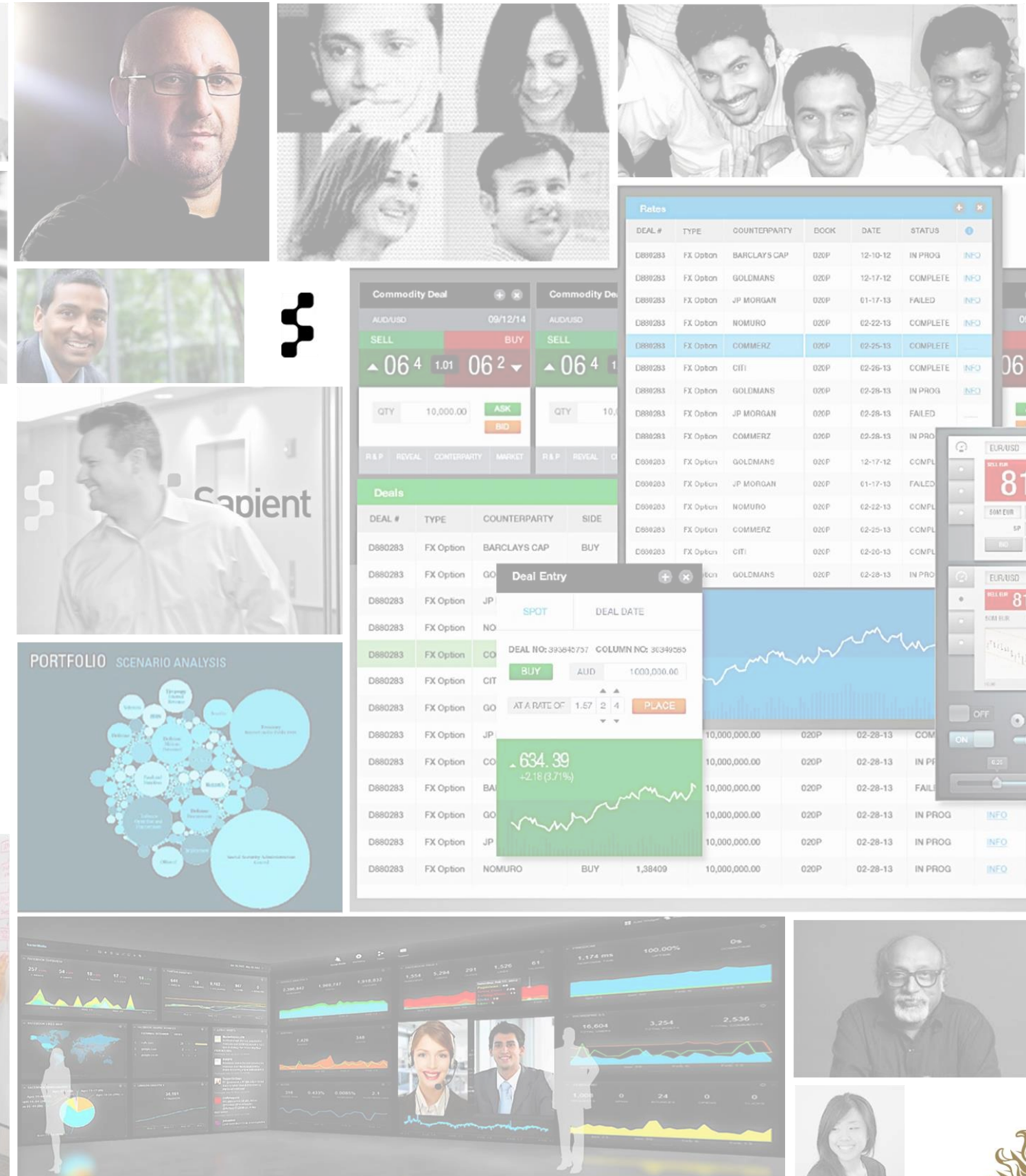
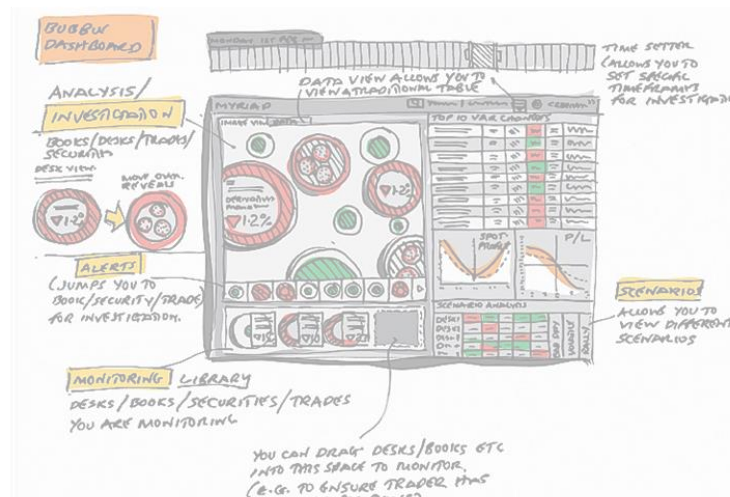
Sapient proposed acquisition



Sapient proposed acquisition



- To unify deep industry expertise, technology, design and creativity enabling clients to compete and win in markets transformed by the Centennial Moment.



Sapient proposed acquisition: Brands in Sapient Consulting portfolio



Sapient proposed acquisition

Publicis Groupe, from a digital leader to a scaled marketing and business transformation leader

- 1. Publicis Groupe: 50% of revenues from digital**
(in 2015, 2018 objective already achieved)
- 2. Massive Acquisition of Talent: 13,000 +** business consulting, marketing transformation and tech enabled story
- 3. New Capabilities:** business consulting, e-commerce, global production at scale...
- 4. Leader for the next India:** 8,500 employees in a market that in 2015 will be the number 2 mobile and social market (by scale) in the world
- 5. Expert in global delivery in an always on world**



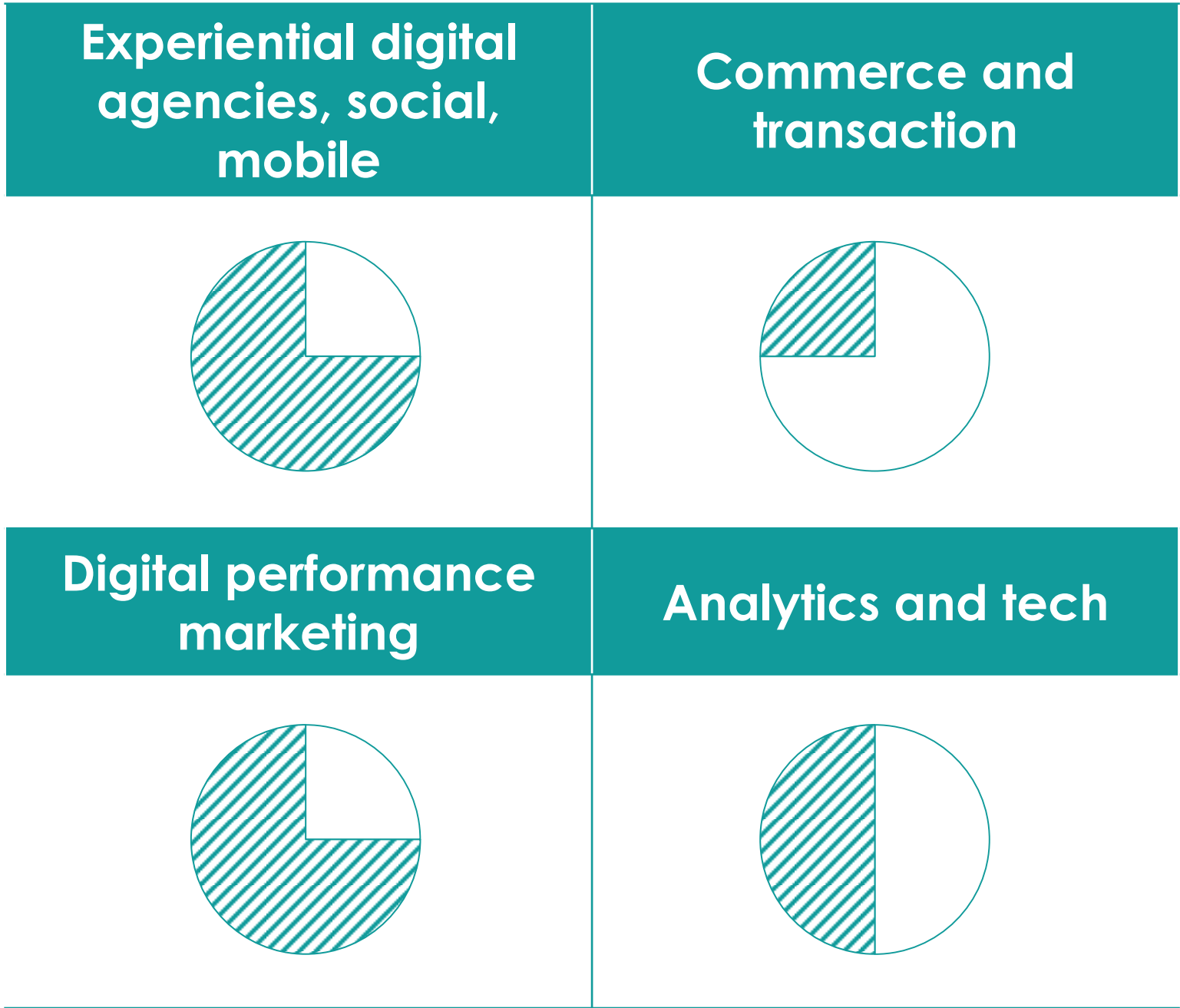
Breadth of Scaled Capabilities

Sapient proposed acquisition: update

- Where we are
 - **November 24.** Filing with the Committee on Foreign Investments in the United-States (CFIUS).
 - **November 26.** Approval of the acquisition by German antitrust authorities, without condition.
 - **November 28.** End of the waiting period under the HSR antitrust filing in the United-States.
 - **November 30.** Filing with the Defense Security Service.
 - **December 1.** Kick off meeting for integration workstreams.
- Key dates to come
 - **December 10.** End of the initial 20 business days tender offer period, to be renewed until all conditions precedent are satisfied.
 - Closing **Q1 2015**

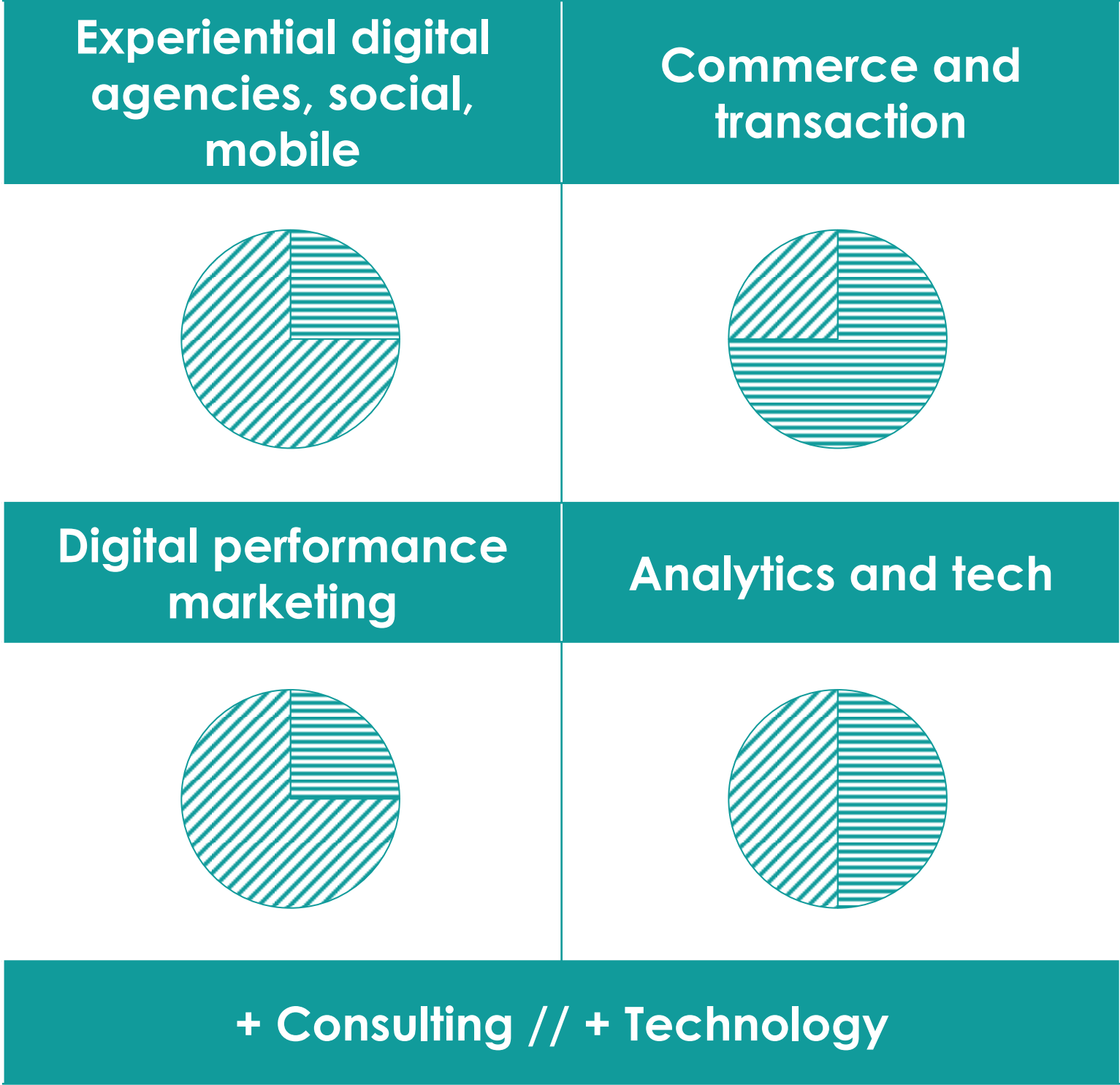
Empowered Age / Converged Era: Publicis Groupe Transformed

Publicis Groupe 2014



 Publicis Groupe assets

After Sapient proposed acquisition



 Sapient proposed acquisition



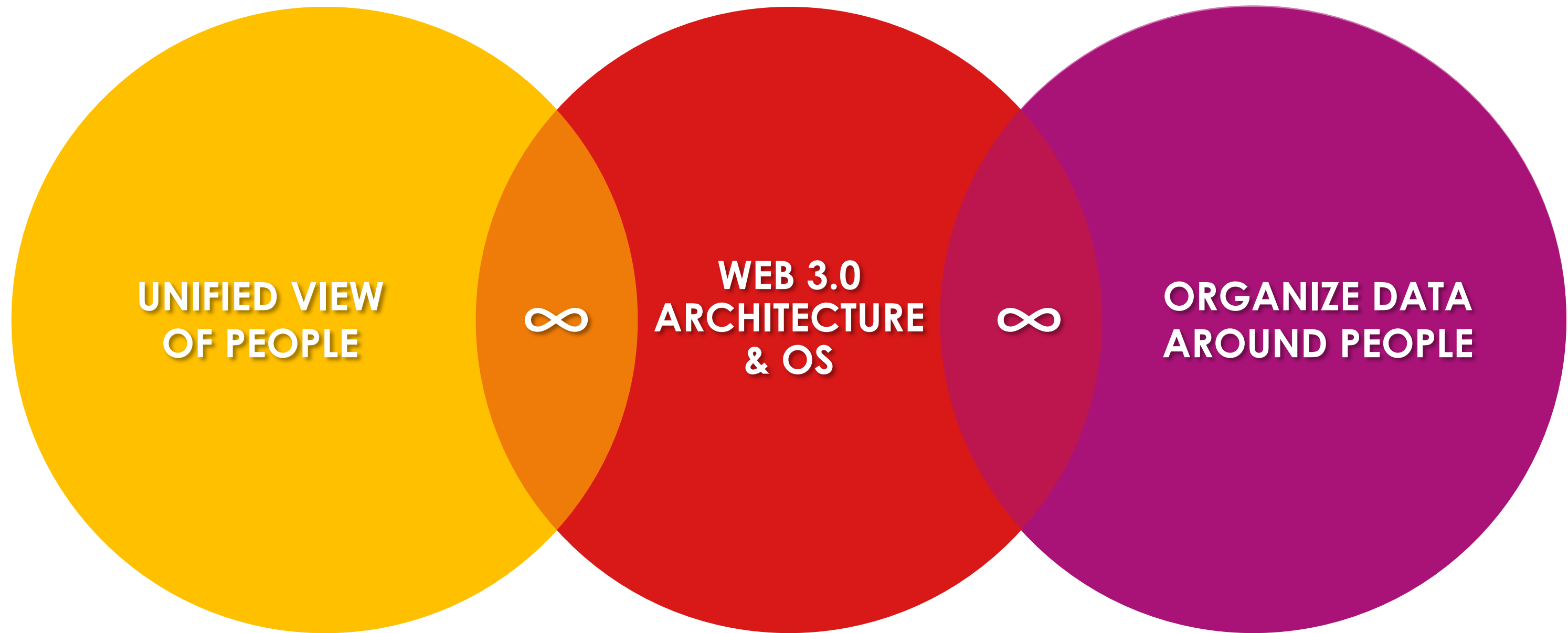
Empowered Age / Converged Era: Playbook 2017 means...

USING
data
TO MAKE
FASTER & BETTER
DECISIONS

CONNECTING
at the
PACE OF
PEOPLE

driving
PRECISION TO
ACCELERATE
PURCHASE & ADVOCACY

Empowered Age / Converged Era: Our advantage



**Across Screens
Addressable Media
Addressable Content**

**Cloud based
Global DMP and
OS hierarchy**

**Device Ids, not cookies
Mobile First, not PC**



The Transformed Publicis Groupe for an Empowered Age and Converged Era

Empowered Age / Converged Era: Future Challenges

Clients Struggles

1. How to allocate and measure spending?
2. How to engage and connect with customers?
3. How to grow again via new business models and launch new revenue streams?
4. How to engage people in a fragmented and demand world?
5. How to do more with less?
6. How to deliver today to get me to tomorrow?

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Agencies Challenges The new value chain

Technology pendulum

From analog to digital

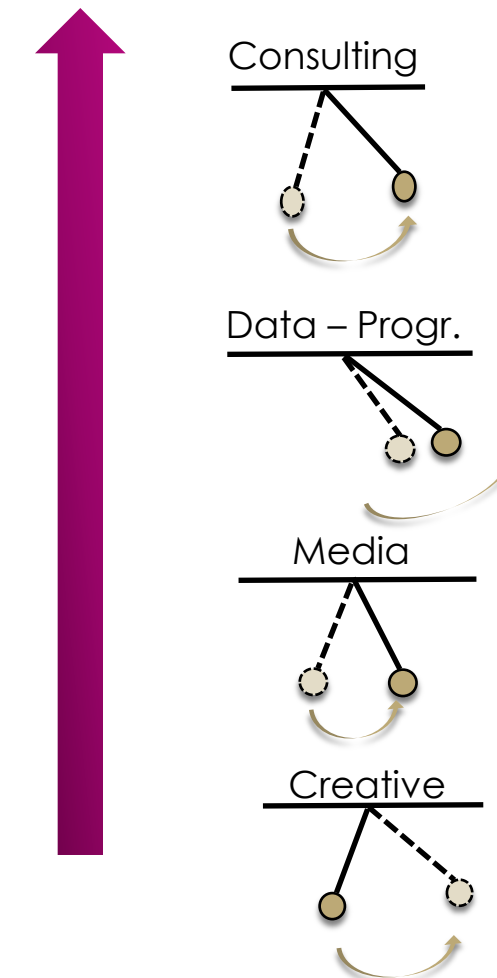
Value Chain pendulum

Consulting

DMP/DSP Programmatic

Media

Integration



Empowered Age / Converged Era: Future Challenges

Clients Struggles



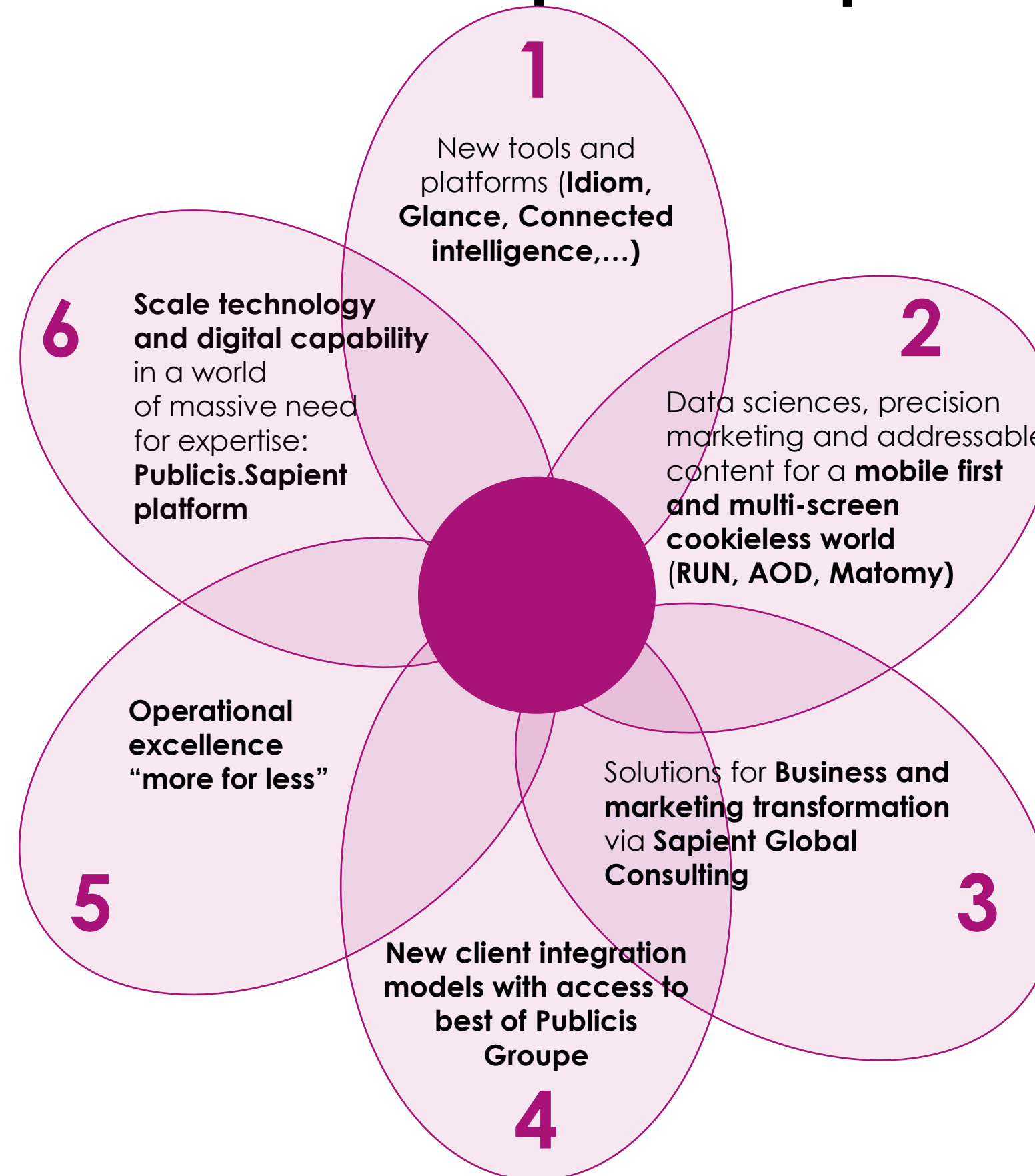
Publicis Groupe
ANTICIPATES

Agencies Challenges
The new value chain



Publicis Groupe
TRANSFORMS

Publicis Groupe Anticipates



Empowered Age / Converged Era

Publicis Groupe Transforms

- Publicis.Sapient Platform
- **The ecosystem:**
 - A united global platform that allows linkage to a wide variety of technology and data partners (Adobe, Acxiom...)
 - A unique combination of creativity, consulting, technology, digital, analytics, data and production resources
 - A united partnering point for critical e-commerce enablers (Hybris, IBM..)
 - 22,000+ digital/tech professionals
- **Powers and builds on the momentum** of all Publicis Groupe assets (Leo Burnett, Publicis Worldwide, Saatchi & Saatchi , Starcom Media Group, Zenith Optimedia Group, MSL Group, Publicis Healthcare Communications Group...) for all clients

Delivering a new framework including insights, strategy, creativity, consulting, technology, content, execution and measurement

Disrupted World: Empowered Age / Converged Era

Publicis Groupe uniquely positioned to deliver

Powered by creativity
At the speed of digital age

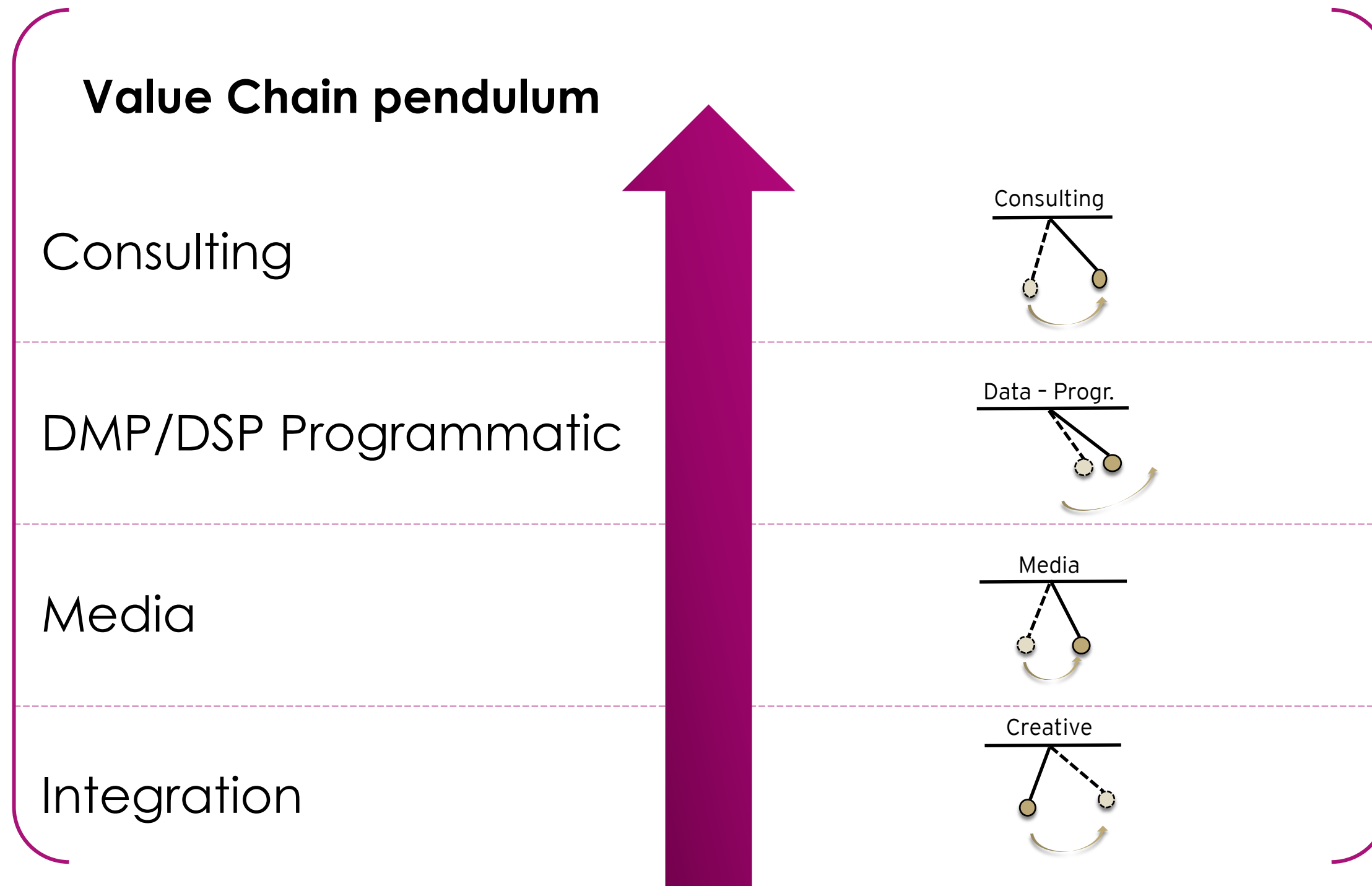
- **Creativity:** Ability to tell stories and build brands that consultants do not have
- **Strategy:** Ability to identify, segment and distribute stories across screens which neither tech platforms nor consultants can
- **Technology:** Ability to deliver tech enablement and commerce and CRM at scale that other holding companies and consultants cannot
- **Consulting:** Ability to deliver today to get the client to tomorrow with deep knowledge of brands and consumers emotion that consultants have not

Alchemy: **(IQ+EQ+TQ+BQ)^{CQ}**

The next generation of clients relations

Empowered Age / Converged Era: Future Challenges

Publicis Groupe uniquely positioned in the new value chain



From a
Digital Leader



to a Business, Marketing,
Communication,
Transformation Leader



2018 Objectives

Changes since the April 23, 2013 Investor day

- Growth April 2013 Objectives

PUBLICIS GROUPE ACTIVITIES WEIGHT	2012	2018
DIGITAL	33%	50%
FAST GROWING MARKETS	25%	35%
OVERLAP	3%	10%
REVENUE IN DIGITAL / FGM	55%	75%

- Margin Rebased 2012

	PUBLICIS	SAPIENT	COMBINED PROFORMA
REVENUES m€	6,610	872	7,482
Operating margin %	16.1%	9.6% (1)	15.3%
EBITDA m€	1,190	102	1,292
CASH FLOW m€	759	72	831
OBJECTIVE +200bp	18.1%		17.3%

(1) Sapient 2012 GAAP operating margin, as restated: 8.6%
 2012 non-GAAP operating margin, as restated: 12.1%
 2012 operating margin, as restated, as per Publicis Groupe methodology: 9.6%

Exchange rate: EUR 1 = USD 1.285

Organic growth objective upgraded

Drivers

New Leading Position & New Markets

- New services
- Consulting/transformation
- Technology
- e-commerce
- Platforms, tools, data

2015 / 2016

- Digital 50% of revenue achieved as soon as 2015
- 2015 confirmation of progressive recovery
- 2016 Sapient contribution to Publicis Groupe organic growth: additional 100bp (one year post acquisition)

2018 Objectives

- New above average market organic growth target: + 200bp (100bp original plan plus 100bp Sapient contribution)

Margin Enhancement Confirmed

Drivers

- Digital scale and higher added value services
- Operational efficiencies/On going costs initiatives / Procurement
- Sapient dilution reduced by synergies and additional scale effect on digital

2018 Objectives

Margin increase by a minimum of +200bp to +400 bp
On 2012 rebased margin
17.3% to 19.3%

Publicis Groupe Transformed: Digital/Higher added value services

- Improvement from:
 - Continuous enhancement in Digital activities margin
 - High added value products / systems
 - Tools / platforms
 - Razorfish 2014 issues

Margin improvement from 200bp to 300bp

Publicis Groupe Transformed:

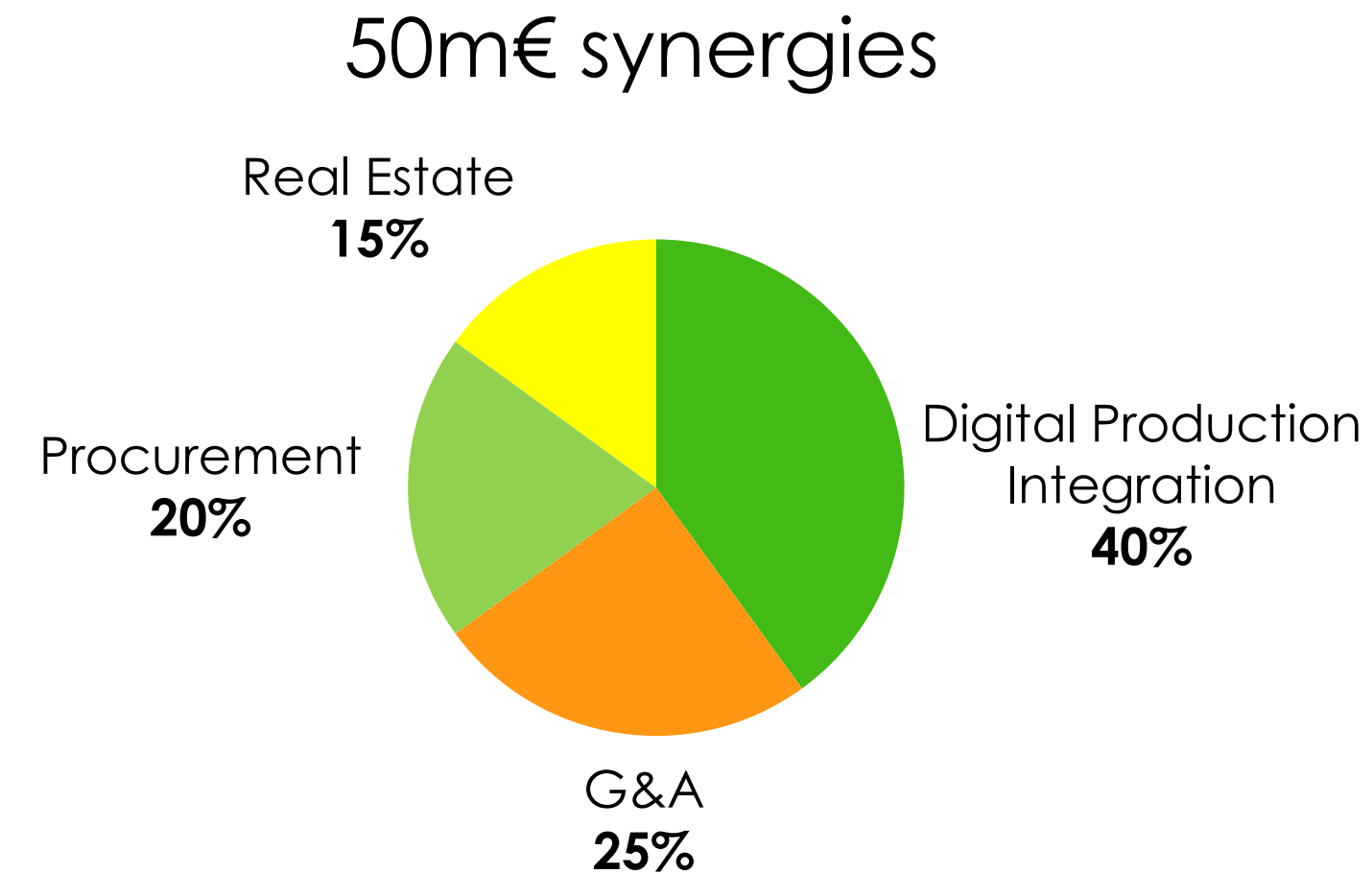
Operational efficiencies/On going costs initiatives / procurement

- Main actions
 - Productivity
 - Continuation of improvement of underperforming entities margin
 - Acceleration of multi-doors agencies programs (Creative/Media)
 - Regionalization of SSCs and optimization of SSC process
 - VivaKi Exchange (VX) and VivaKi Operating Services effectiveness
 - Procurement

Margin improvement from 170bp to 270bp

Publicis Groupe Transformed: Sapient proposed acquisition

- 50M€ synergies, contributing to the 200bp+ improvement of margin,
 - Efficiencies from the development of Publicis.Sapient platform
 - Increase scale
 - Global Distribution Delivery model



Margin improvement from 30bp to 80bp

Publicis Groupe Transformed: Contingencies

- Additional resources necessary to deliver the plan
- Implementation costs due to SSC regionalization
- Costs related to multi-doors initiatives
- Other execution risks

From -200bp to -250bp

Publicis Groupe Transformed: Summary of margin improvement

2012 Proforma rebased margin: 15.3%

ACTIONS	MARGIN IMPROVEMENT
Digital higher added value services	200bp to 300bp
Operational efficiencies / On-going costs initiatives / procurement	170bp to 270bp
Sapient acquisition	30bp to 80bp
Contingencies	-200bp to -250bp
MARGIN IMPROVEMENT	200bp to 400bp

Publicis Groupe Transformed: 2018 objectives

- Digital/Tech: **60%**
- Organic growth enhancement: **+200bp**
- Margin improvement: **+200bp** to **+400bp**

Rebased 2012: 15.3%
New Margin targets: 17.3% to 19.3%

Publicis Groupe Transformed: Financial Matters

1. ORANE's early redemption

- Subject to Shareholders' approval at May 2015 Annual General Meeting: reimbursed through share buy back and treasury shares (50/50)
- Accretive transaction

2. Dividend

- Pay-out ratio 2015 on 2014 results: 35%
- Pay-out ratio 2018 on 2017 results: 42%

3. Recurring strong cash flows allowing a quick deleveraging and current rating maintained at 2.0 Net Debt / EBITDA ratio



In Summary

Publicis Groupe Transformed for the disrupted world

- 8 years ago Publicis was prescient in seeing how digital would change the world
- We built the strongest hard to duplicate portfolio of digital assets for the digital age
- Today we are moving to an empowered (consumer focused) age and a converged (screens rather than channels) age which requires us to leap ahead once more to meet Clients massive new needs of:
 - A. New business and marketing models (transformation)
 - B. New ways to engage and connect with consumers in measurable ways
 - C. Balance the business of today with that of tomorrow
 - D. Deliver the Alchemy of (IQ+EQ+TQ+BQ)^{CQ} in a converged world
 - E. Win precision marketing in a mobile first, multi-screen, data intensive way

Publicis Groupe Transformed for the disruptive world

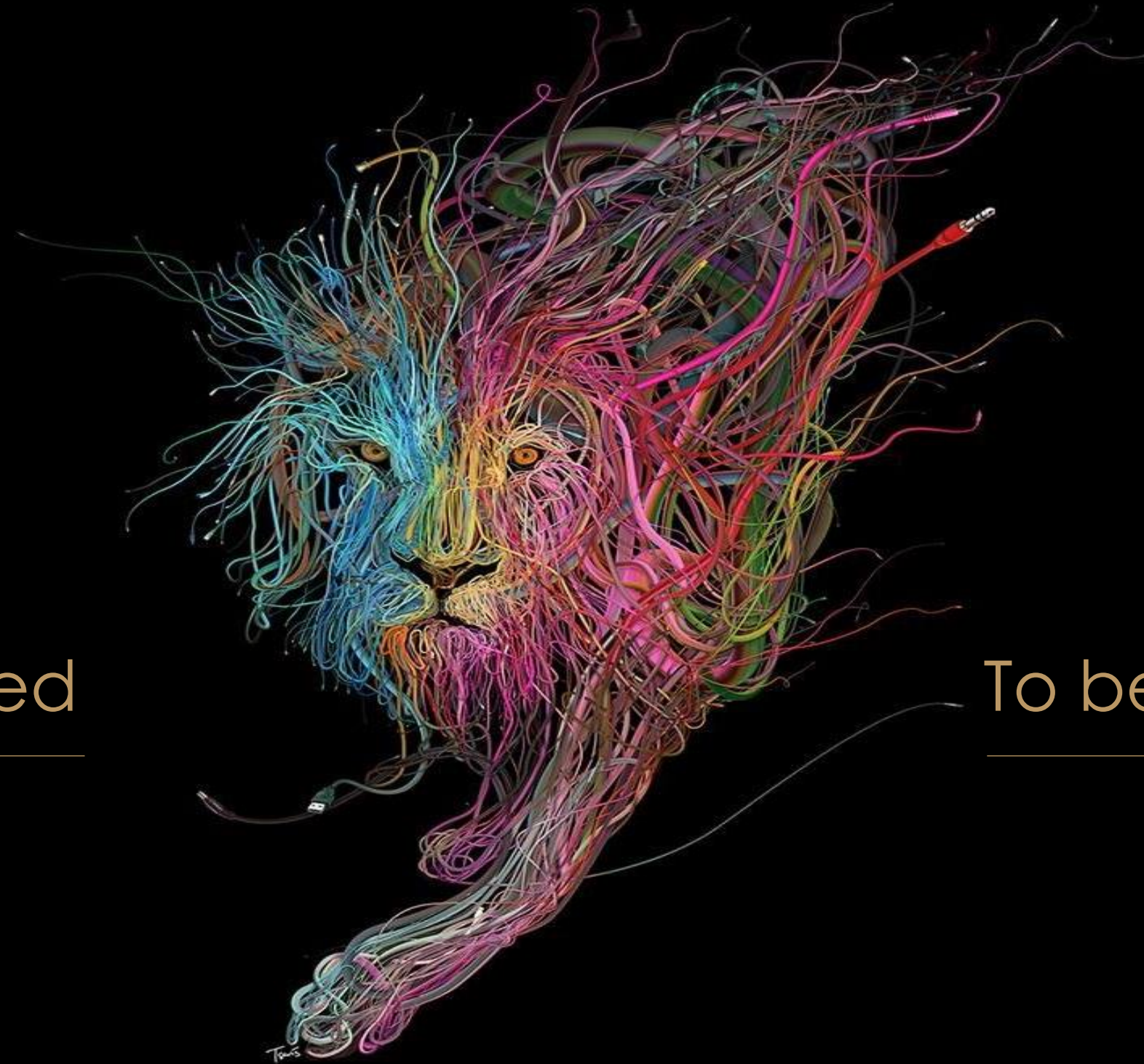
- Post proposed Sapiient acquisition, Publicis will be uniquely positioned to help all Clients with true depth of expertise in all key areas for the future of marketing that will organize in modern ways and work with the best of technology platforms and data to ensure our Clients win in the Converged Era and Empowered Age.
- Publicis Groupe, the only one to deliver a new framework including insights, strategy, creativity, consulting, technology, content, execution and measurement adapted for the empowerment age and converged era.
- Organic Growth upgraded to +200bp
- Digital = 60% of Groupe revenue
- Confirmation of margin enhancement: +200bp to + 400bp in 2018 (vs. 2012 rebased)
- Shareholders return maximized:
 - Oranes
 - Dividends policy (42% by 2018)
 - Strict financial policy

From a
Digital Leader



to a Business, Marketing,
Communication,
Transformation Leader

A Lion transformed



To be continued...
