

Press Release



04/15/13



PUBLICIS GROUPE **2013 Q1 Revenue** **higher than Groupe objectives**

1st Quarter 2013
(EUR million)

- **Revenue:** **1,563**
- **Reported Growth:** **+7.6%**
- **Organic Growth:** **+1.3%**

- **New Business net wins:** **USD 2.1 billion**

Maurice Lévy, Chairman and CEO of Publicis Groupe:

“ As I predicted, 2013 is turning out to be a difficult and contrasted vintage, with on the one hand the United States consolidating their growth and on the other Europe suffering. Our first quarter ended satisfactorily, and while 1.3% organic growth may seem modest, it is above our internal objectives and compares with the strong growth recorded in the first quarter of 2012. This is particularly true for Europe with a 10 points gap between 2012 first quarter (+3.6% increase) and 2013 (6.5% decrease). The Groupe’s transformation continues apace: digital activities now represent 37% of total revenue, and strongly stands as our first activity. When combined with revenue from the so-called “emerging” markets, our business in these high-growth segments generates close to 60% of our total revenue, in keeping with our five-year goal of 75% from these segments. North America accounted for 50% of our revenue in the first quarter of 2013. This rebalancing is very encouraging in order to meet the challenges of 2013 and 2014. They bear fruit as shown by our performance in net New Business wins surpassing the high level of USD 2 billion. The pipeline remains solid and comforts us in the Groupe’s ability to reach its objectives for 2013, namely to improve its margin and to outperform the market and our own 2012 in terms of organic growth.”

I – Revenue

Publicis Groupe's consolidated revenue for the first quarter of 2013 was 1,563 million euro, up 7.6% from 1,452 million for the same period in 2012. The impact of exchange rates was a negative 19 million euro, i.e. 1.2% of revenue.

✓ Organic Growth

Organic growth of 1.3% reflects two elements: the Q1 2012 unfavorable comparables (+4.1% growth), and Europe* sharp decline (-6.5% after +3.6% in Q1 2012). However, growth was good in North America (+4.4%) and in the BRIC+MISSAT countries (+5.5%). Digital activities also posted strong growth (+8.5%)

**Excluding Russia and Turkey.*

II – Business in Q1 2013

In Europe, where the economic situation is very difficult, France and the southern European countries continue to be the main risk areas. Despite this deterioration, Publicis Groupe has grown its business mainly due to its exposure to North America (50% of revenue), the BRIC+MISSAT countries and the digital sector.

In Q1 2013, digital settles as the Groupe's main activity and accounts for 37% of total revenue (33% in 2012), followed by Advertising at 29% (versus 31% in 2012), Media at 17% (also 17% in 2012) and the SAMS – Specialized Agencies and Marketing Services - with 17% (down from 19% in 2012).

Revenue from the high-growth countries remained stable as a percentage of total revenue (23.6%).

The combined revenue of digital activities and the emerging economies was close to 60 % of the consolidated revenue in Q1 2013, in keeping with the Groupe's medium-term goal of 75% from these two growth segments.

Q1 2013 revenue by region

(EUR million)	Revenue		Organic growth	Reported growth
	Q1 2013	Q1 2012	Q1 2013	Q1 2013 / Q1 2012
Europe*	442	412	-6.5%	+7.3%
North America	776	724	+4.4%	+7.0%
BRIC+MISSAT**	201	176	+5.5%	+14.2%
Rest of the world	144	140	+3.2	+2.9%
Total	1,563	1,452	+1.3%	+7.6%

* Europe excluding Russia and Turkey

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

- **Europe*** (-6.5%) saw advertising investments decline sharply, mainly in the non-digital segment (analog). The vast majority of countries in this region recorded negative growth, including Germany (-4.8%), the UK (-6.1%), France (-11.3%), Spain (-13.1%) and Italy (-13.7%). Central Europe grew by 3.8%.
* *Excluding Russia and Turkey*
- **North America**, where the proportion of digital activities is high, achieved +4.4% growth thanks to strong dynamics.
- In the **BRIC + MISSAT countries**, despite weak performance in South Africa, Brazil and Mexico, growth continued at a satisfactory pace thanks to strong performance in China (+15.2%), India (+10.7%) and Russia (+5.7%).
- **Rest of the World** recorded growth of +3.2%.

III – Activities

As shown in the table below, “analog” activities (i.e. non-digital) declined by 2.3% (-8.3% in Europe excluding Russia and Turkey), while digital activities returned double-digit growth figures everywhere (except in Europe where the downturn is moderate with a nominal -0.4%).

	Europe*	North America	BRIC+MISSAT	Rest of the world	Total
Digital	-0.4%	+10.2%	+15.1%	+16.4%	+8.5%
Analog	-8.3%	-1.1%	+4.4%	+1.1%	-2.3%
Total	-6.5%	+4.4%	+5.5%	+3.2%	+1.3%

IV – Cost control

Publicis Groupe has continued to rigorously manage its costs while accelerating the adaptation of its structures to local requirements, in order to preserve profitability now before enhancing it in the medium term.

V – External growth, financial transactions

- LBi:

On January 15, 2013, upon expiry of the public offer for all outstanding LBi shares, Publicis Groupe declared its offer unconditional.

On January 29, 2013, Publicis Groupe and LBi jointly announced the final outcome of the public offer, notably that Publicis Groupe held 98.13% of LBi's outstanding shares.

Following the acquisition and in agreement with NYSE Euronext Amsterdam LBi's ordinary shares were delisted on March 7, 2013.

Publicis Groupe has initiated a squeeze-out procedure to buy up all remaining shares not held by the Groupe.

Subsequently, Publicis announced on February 5 that it was to merge Digitas, its integrated global network, and LBi, the digital technology and marketing network it had just successfully acquired in January. The new network thus constituted, DigitasLBi, will be a world's leading digital communications networks.

In creating this network, Publicis Groupe has illustrated the major role it is playing in this crucial, fast-moving digital sector. With global revenue of some 820 million dollars, DigitasLBI will be the most powerful and most complete digital agency network in the world, leveraging the longstanding dominance of Digitas in the USA – where it is the largest digital agency – together with LBI's strong position in Europe and the leading position enjoyed by both agencies in Asia Pacific. DigitasLBI will comprise 5,700 best-in-class digital and technology experts in 25 countries around the world.

- **Dentsu**

Following the proposal made by Dentsu, on February 15, 2013 prior to the opening of the Paris Stock Market, Publicis Groupe completed a block-transaction buyback of approximately 3.9 million shares for a total price of 181 million euro, i.e. 46.82 euro per share.

The transaction was concluded at a 4.7% discount to the February 14 closing price of 49.11 euro. It will have an accretive effect of some 1.5% on diluted earnings per share in 2013 and of 1.7% on a full-year basis.

The 3,875,139 shares acquired in the transaction will be held as treasury stock and will be used for retention and performance-based share awards or stock options schemes.

The buyback was funded entirely from Publicis Groupe's available funds.

- **India**

On March 11, Publicis Groupe announced the acquisition of Convonix, one of India's leading digital marketing consultancies based in Mumbai. The company will align with Starcom MediaVest Group (SMG) in India to provide search engine optimization, paid search engine marketing (SEM), social media marketing and online reputation management to an extensive roster of clients.

VI – New Business

Accounts awarded net of losses totaled 2.1 billion dollars in the first quarter (list attached).

Major accounts won recently include the following:

Godiva (Japan), HSBC (UK/worldwide), Bold International Ceramics (UAE), Thanachart Bank (Thailand), Kohl's (USA), Kayak (worldwide), Abu Dhabi Commercial Bank (UAE), Hainan Airlines (China), Talenti (USA), Pfizer Consumer Health – Nexium OTC (USA), Peters Ice Cream (Australia), PTG Energy (Thailand), Abbott Laboratories (USA), Mondelez (Kraft group) (USA), American Honda Motors (USA), Spotify (USA), KAO (USA), Playstation (USA), Europcar (UK), Garuda Indonesia (Indonesia), Mango (UAE), STC (UAE), Pfizer (USA, France), Whirlpool (USA), Adobe (USA), PayPal (USA, Canada), Mojo (Australia), Coca Cola (Spain), Habib's (Brazil).

VII – Net debt at March 31, 2013

At March 31, 2013, the Groupe's net debt was 847 million euro, down from 1,158 million at March 31, 2012.

VIII – Outlook

The early part of 2013 has confirmed that this vintage will be very much as expected: a difficult year, a year of uncertainty, with a number of bridges to be crossed, especially for most of the European countries. Given the prevailing economic situation, advertising investments will clearly be impacted in countries most adversely affected by the crisis.

Despite that, the global advertising market is expected to grow by some 3% in 2013, shored up by the USA, the high-growth countries and digital services.

Pursuing its partnership strategy, Publicis Groupe announced a global strategic partnership between Razorfish and Adobe to jointly create and deliver solutions based on Adobe Marketing Cloud, including integration with Razorfish's Fluent software.

In accordance with its strategy Publicis Groupe will continue to leverage its strong balance sheet to implement priority investments targeting segments that will ensure its future growth while bolstering its profitability over time.

By virtue of the positions it has built up in these segments, the Groupe expects its revenue stream to grow slowly in the first half-year, then gathering pace in the second half-year, with annual growth for 2013 exceeding the market and its own performance in 2012.

The Groupe's internal objective is between 3.2 and 3.6%.

Forthcoming Annual General Meeting of Shareholders: May 29, 2013 at 10:00 am 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, CAC 40] is one of the world's leading communications groups. We offer the full range of services and skills: digital (DigitasLBi, Razorfish, Rosetta, VivaKi), creative services (BBH, Leo Burnett, Publicis Worldwide, Saatchi & Saatchi), public affairs, corporate communications and events (MSLGROUP), media strategy, planning and buying (Starcom MediaVest Group and ZenithOptimedia) and healthcare communications, with Publicis Healthcare Communications Group (PHCG). Present in 108 countries, the Groupe employs 58,000 professionals.

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Viva la Difference !

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Appendix

New Business

Q1 2013

USD 2.1 billion (net)

Main accounts awarded

BBH/NEOGAMA

Pirelli (UK); Playstation (USA, Brazil); Haagen Dazs (Singapore); Basf (Brazil).

DigitasLBi

Lenovo (USA); Kao (USA); Whirlpool (USA); HP (India); Dunkin' Donuts (USA); Sprint (USA); Samsung (Brazil); MillerCoors (USA); Comcast (USA); Eureka Forbes (India); Dogs Trust (UK); AXA UK (UK); - FOSS (Nordics); Johnson & Johnson (UK); LeipzigerMesse (Germany); HSBC (Australia); Roompot (Germany); ParcelHero.com (UK); PWC (Germany); StadtwerkeBayreuth (Germany); PortalTech Reply (UK); Navigate GmbH Systeme und Consulting (Germany); DSGVO (Germany); Commonwealth Bank (UK); Microsoft (UK); Langenscheidt GmbH & Co. KG (Germany); Lloyds TSB (UK); E2X (UK); JKL (Nordics); Viking Line (Nordics); ASSTEL Lebensversicherung AG (Germany); Ticket Online Software GmbH (Germany); SCA TENA (Nordics); Primera Travel Group (Nordics); Adobe (USA); Moleskine (USA); P&G (USA); Spotify (USA).

Fallon

Talenti (USA); (Giffgaff (UK).

Leo Burnett

AEON Superstores (Malaysia); Bols Spirits (Poland); Dubai International Film Festival (UAE); Pfizer Consumer Health - Nexium OTC (USA); Peters Ice Cream (Australia); Unipol Insurance (Italy); Castorama Home Improvement Stores (Poland); PTG Energy (Thailand); Co-operative Social Media (United Kingdom); Institute of Chartered Accountants of Sri Lanka (Sri Lanka).

MSLGROUP

PayPal (USA, Canada); Emirates Air (PR) (USA); LaSalle Investment Management (USA).

PHCG

Astellas (USA); AbbVie (USA, Australia); Pfizer (USA, Global); Genentech/Roche (USA, Global); Novartis (USA, Global).

Publicis Worldwide

Habib's (Brazil); CVC (Brazil); FS (Bulgaria); Samex (Bulgaria); Dairy Queen (Canada); Nestle (Romania, USA); URBB (Romania); Farmstandart (Romania); Coca Cola (Spain); Vue Cinemas (UK); Novartis Croatia and BIH (Croatia); RBI Croatia, BIH and Kosovo (Croatia); Qld Dept of Transport (Australia); FS (Bulgaria); Barmer GEK (Germany); BNI (Indonesia); Metropolitan Life (Romania); Subway Franchisee (Romania); URBB (Romania); P&G (USA); Burgas municipality (Bulgaria); Invest Bulgaria Agency (Bulgaria); BMW (Slovenia); NT Government (Australia); Avocadoil (Bulgaria); TP Vision (Bulgaria); Kofola (Czech Republic); Subway (India); Automobile Dacia (Romania); BASF (Romania); InBev (Romania); JTI (Romania); FFA (USA); Karlovačka pivovara (Croatia).

Saatchi & Saatchi

Salmoiraghi Vigano (Italy); Stroili (Italy); Godiva (Japan); St.George (Australia); HSBC global premier wealth and sponsorship (global); Bold International Ceramics (UAE/GCC); YBM Mastery E900 (Korea); PTT RM : Jiffy Brand (Thailand); Thanachart Bank (Thailand).

StarcomMediaVest Group

American Honda Motors (USA); Beirut City Centre (UAE); Dubbizle (UAE); Europcar (UK); Garuda Indonesia (Indonesia); GLA 360 Mall (UAE); Hartmann (Czech); Kuwait Flour Mills (UAE); Mango (UAE); Meydan Group (UAE); Mondelez International (USA); Namshi (UAE); STC (UAE); Vivus (Poland).

ZenithOptimedia

Kohl's (USA); KAYAK (Worldwide); Abu Dhabi Commercial Bank (UAE); Hainan Airlines (China); Sharp Middle east (UAE); Ministry of Health (Singapore); Unipex (UAE); Bold International (UAE); Haier Electronics (Kingdom of Saudi Arabia- KSA); Haw Par (Singapore); Ministry of Defense (Singapore); Dao Games (UAE).

2013 Press Releases

01-02-2013...	Publicis Groupe S.A. – Share purchases in LBi International N.V.
01-10-2013	Liquidity Contract with CA Cheuvreux: Half-Year Financial Statement
01-15-2013	Successful outcome of Publicis Groupe S.A.'s recommended public cash offer for LBi: offer now declared unconditional
01-29-2013	Publicis Groupe S.A. – Final results public offer for LBi
02-05-2013	Publicis Groupe to create the world's leading digital network – DigitasLBi will pool the global market leadership and cutting-edge skill-sets of top agencies Digitas and LBi
02-14-2013	2012 Annual Results
02-15-2013	Publicis Groupe announces the completion of a share buyback from Dentsu of nearly 3.9 million shares
03-11-2013	Publicis Groupe acquires Convonix India's leading full service digital marketing and consulting agency

Glossary

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

Average net debt: 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 2013
2012 Revenue	1,452
Currency impact	(19)
2012 Revenue at 2013 exchange rate (a)	1,433
2013 Revenue before impact of acquisitions ⁽¹⁾ (b)	1,452
Revenue from acquisitions ⁽¹⁾	111
2013 Revenue	1,563
Organic Growth (b/a)	+1.3%

Currency impact (EUR million)	
GBP ⁽²⁾	(2)
USD ⁽²⁾	(5)
Others ⁽²⁾	(12)
Total	(19)

(1) Acquisitions (Webformance Saint Brieuc, Indigo, Flip, King Harvests, UBS, Pixelpark, Longtuo, BBR, BBH, Neogama, CNC, Webformance Bordeaux, AR Media, Arachnid, Resultrix, Webformance Spain, Diplomatic Cover, Grita, Istrat, Outside Line, Bromley, Monterosa, Rokkan, LBi, Blue Parrot, Market Gate, Taterka, Convonix) net of disposals.

(2) Average exchange rate March 31, 2013: 1 USD = 0.758 EUR
1 GBP = 1.174 EUR