



JUNE 2002

## Meeting notice

We have the honor of informing you that the Combined, Annual Ordinary and Extraordinary Shareholders' Meeting of PUBLICIS GROUPE S.A. is called for Tuesday, 18 June 2002, at 11:30 a.m., at the Maison des Arts et Métiers, 9 bis, avenue d'Iéna, in Paris 16<sup>e</sup>.

## Agenda

### **Falling within the field of jurisdiction of the Annual Ordinary Shareholders' Meeting:**

- management Board's management report;
- supervisory Board's report;
- statutory Auditors' reports;
- approval of the operations and of the annual financial statements for financial year 2001;
- approval of the consolidated financial statements for financial year 2001;
- allocation of the result and determination of the dividend to be paid to the shares;
- discharge for the Members of the Management Board for their management;
- discharge for the Members of the Supervisory Board from their mandate;
- determination of the attendance fees to be allocated to the Supervisory Board for financial year 2001;
- approval of the conventions mentioned in the Statutory Auditors' special report;
- renewal of the terms of two Members of the Supervisory Board;
- authorization and delegation to be granted to the Management Board with a view to purchase by the Company of its own shares.

### **Falling within the field of jurisdiction of the Extraordinary Shareholders' Meeting:**

- authorization and delegation granted to the Management Board for the purpose of reducing the share capital by cancellation of shares;
- renewal of the delegation granted to the Management Board to issue new shares as remuneration of the contribution of the Saatchi & Saatchi shares following the exercises of options for subscription to the Saatchi & Saatchi securities;
- delegation to be granted to the Management Board for increasing the share capital by issue of shares, of various securities or of equity warrants, with maintenance or elimination of the preferential subscription right, including during a period of a public tender offer (purchase or exchange offer);

- approval of the “Agreement and Plan of Merger”, known as the “Merger Agreement”, signed on 7 March 2002 by the Company, Philadelphia Merger Corp., Philadelphia Merger LLC and Bcom3 Group, Inc.;
- delegation to be granted to the Management Board with a view to increasing the share capital, with a premium on shares, by issue of new shares with elimination of the preferential subscription right;
- related modification of article 5 of the articles of incorporation concerning the share capital;
- delegation to be granted to the Management Board for the purpose of issuing bonds with equity warrants (“OBSA”);
- delegation to be granted to the Management Board for the purpose of issuing bonds redeemable in new or existing shares (“ORANE”);
- modification of article 21 of the articles of incorporation;
- authorization to be granted to the Management Board for the purpose of carrying out a share capital increase reserved for the members of a Company savings plan and/or a payroll savings partnership plan.

**Falling within the field of jurisdiction of the Ordinary Shareholders’ Meeting:**

- appointment of two new members of the Supervisory Board subject to conditions precedent;
- powers for the execution of the decisions made and for formalities;
- Miscellaneous questions.

## Proposed resolutions

### RESOLUTIONS FALLING WITHIN THE FIELD OF JURISDICTION OF THE ANNUAL ORDINARY SHAREHOLDERS' MEETING

#### First resolution

The Shareholders' Meeting, after having familiarized itself with the reports by the Management Board, by the Supervisory Board and by the Statutory Auditors, as well as with the balance sheet, the income statement and the appendix (notes) for financial year 2001, approves the operations summed up in the said reports as well as the annual financial statements showing a loss of 469,109,040 euros.

#### Second resolution

The Shareholders' Meeting approves, as presented, the consolidated financial statements established pursuant to the provisions of articles L. 357-1 ff of the Code of Commerce, showing a profit of 170,228,000 euros, and a Group share profit of 151,215,000 euros.

#### Third resolution

The Shareholders' Meeting decides, on the basis of a proposal by the Management Board, to charge:

the loss for financial year 2001 of . . . . .	469,109,040 euros
to the retained earnings . . . . .	188,110,587 euros
to the optional reserve . . . . .	91,670,158 euros
to the reserve for long-term capital gains . . . . .	23,659,026 euros
to the premium on shares and on merger . . . . .	165,669,269 euros

after charging of the loss, the account for "premium on shares and on merger" shows a distributable balance of . . . . . 1,868,338,585 euros

which the Meeting decides to assign to payment to the shares (0.22 euro x 139,781,849 shares closed out as of 28 February 2002) in an amount of . . . . . 30,752,007 euros

The net dividend is 0.22 euro per share of 0.40 euro par value, with a tax credit of 0.11 euro. The dividend shall be paid on 10 July 2002.

Pursuant to the provisions of article L. 225-210, paragraph 4, of the Code of Commerce, the Shareholders' Meeting decides that the amount of the dividend corresponding to the treasury shares on the payment date shall be charged to the carryover account (retained earnings).

It acknowledges that the Management Board's report indicates the dividends paid for the last three financial years, namely:

- 1998: 1.22 euro per share of 25 francs par value, 0.61 euro tax credit;
- 1999: 1.70 euro per share of 25 francs par value, 0.85 euro tax credit;
- 2000: 0.20 euro per share of 0.40 euro par value, 0.10 euro tax credit.

#### Fourth resolution

The Shareholders' Meeting grants a discharge to the Management Board for its management during financial year 2001.

#### Fifth resolution

The Shareholders' Meeting grants a discharge to the members of the Supervisory Board for performance of their mandate for financial year 2001.

### **Sixth resolution**

The Shareholders' Meeting sets the amount of the attendance fees to be allocated to each of the members of the Supervisory Board at 7,622.45 euros for financial year 2001, the said attendance fees being increased by one-third for the Members who are part of the Audit Committee and of the Appointments and Compensation Committee, subject to their effective attendance.

### **Seventh resolution**

The Shareholders' Meeting, after having heard a reading of the special report by the Statutory Auditors mentioned in article L. 225-86 of the Code of Commerce, approves the terms of the said report on the conditions laid down in article L. 225-88 of the said Code.

### **Eighth resolution**

The Shareholders' Meeting renews the term as a Member of the Supervisory Board of Mr Robert Badinter for a duration of six years, to end at the conclusion of the Ordinary Shareholders' Meeting called to rule on the financial statements for financial year 2007.

### **Ninth resolution**

The Shareholders' Meeting renews the term as a Member of the Supervisory Board of Mr Michel David-Weill for a duration of six years, to end at the conclusion of the Ordinary Shareholders' Meeting called to rule on the financial statements for financial year 2007.

### **Tenth resolution**

The Shareholders' Meeting, on the basis of a proposal by the Management Board and after having familiarized itself with the information note approved by the Commission des Opérations de Bourse (Market Operations Commission):

1°) Authorizes the Management Board to purchase the Company's shares for a period of eighteen months starting with this very day.

2°) Decides that the said share purchases may be carried out by any means, including by private contract and by blocks of shares, all at once or in installments, in the proportions and at the times chosen by the Management Board within a maximum limit of 10% of the total number of shares constituting the share capital, it being recalled that as of 28 February 2001, the Company possesses 4,758,024 shares of 0.40 euro acquired under previous authorizations.

3°) Decides that the shares, within the limit laid down above, may be acquired on the basis of a decision by the Management Board within the framework of financial management of the Company's equity with a view:

- to allocation to the Company's employees as profit-sharing or in case of exercise of purchase options, or else within the framework of a shareholding plan or of a Company savings plan;
- to intervening on the market for purposes of regularizing the market price of the Company's shares;
- to being transferred, by any means whatsoever, and particularly with a view to acquisition of holdings or of interests in other companies and to redemption, conversion or exercise of any financial instrument giving access to the Company's share capital;
- to being retained;
- to cancellation by way of a share capital reduction.

4°) Decides that the maximum price for purchase by the Company of its own shares may not exceed 60 euros per share, and that the minimum selling price may be no less than 25 euros per share, subject to adjustments connected with possible operations on the Company's share capital.

## RESOLUTIONS WITHIN THE FIELD OF JURISDICTION OF THE EXTRAORDINARY SHAREHOLDERS' MEETING:

### Eleventh resolution

The Shareholders' Meeting, on the basis of a proposal by the Management Board and after having heard a reading of the Statutory Auditors' report:

grants full powers to the Management Board to decide on cancellation of the shares purchased by virtue of the authorization granted under the tenth resolution, to record the resulting reduction of the share capital, and to assign the excess amount of their purchase price to the par value of the cancelled shares in the reserves.

The shares that are bought in this way may be cancelled only within a limit of 10% of the Company's share capital for each period of twenty-four months.

### Twelfth resolution

The Shareholders' Meeting, after having familiarized itself with the report by the Management Board and by the Supervisory Board:

- notes that the Management Board used the delegation provided for under the first resolution adopted on an extraordinary basis by the Shareholders' Meeting held on 29 August 2000, and therefore proceeded with the share capital increase of Publicis Groupe S.A. within the framework of the public exchange offer made by the Company for the Saatchi & Saatchi shares;
- renews the delegation that is the object of the second resolution adopted on an extraordinary basis by the Shareholders' Meeting of 29 August 2000, for the sole purpose of remunerating the holders of new Saatchi & Saatchi shares within the framework of the public offer;
- decides that the Management Board shall hold full powers with subdelegation option, within the limit of the number of new Saatchi & Saatchi shares that may still be tendered to the offer and representing a maximum of 266,046 shares of Publicis Groupe S.A. of 0.40 euro par value, and within a period of 2 years starting on 29 August 2002:
- to proceed, all at once or in installments, with the increase of the Company's share capital to determine the dates and conditions for issue of the Company's new shares;
- to enter in the balance sheet, in an account called "contribution premium", the difference between the issue price of the new shares and their par value;
- to proceed, if appropriate, with the charging to the said contribution premium of all of the expenses and fees resulting from the authorized operation, and to deduct, from the said premium, the amount needed to bring the legal reserve up to one-tenth of the new share capital;
- and generally, to decide and to do the necessary with a view to realization of the share capital increase and of the related modification of the Company's articles of incorporation.

### Thirteenth resolution

The Shareholders' Meeting, after having familiarized itself with the report by the Management Board, the Supervisory Board and the Statutory Auditors:

1°) Delegates power to the Management Board to increase, all at once or in installments, the share capital by a maximum nominal amount of 40 million euros or the equivalent value thereof in any other currencies:

- a) by the issue of new shares, paired or not paired with equity warrants, to be subscribed for cash or by offsetting of claims, or, within the framework of a public exchange offer initiated by the Company, as remuneration of securities mentioned in article L. 225-148 of the Code of Commerce, with or without a share premium;
- b) by issue of securities, other than shares, creating a right, directly or indirectly, by conversion, exchange, redemption, presentation of a right or in any other way, to the allocation of shares, at any time or on fixed dates;
- c) by issue of equity warrants, to be subscribed in cash, or to be allocated free, it being specified that the said rights may be issued alone or attached to securities mentioned in b) above issued simultaneously;
- d) or by simultaneous application of several of these procedures.

The total nominal amount of the shares issued, directly or otherwise, by virtue of following resolution shall be charged to this ceiling of 40 million euros.

Furthermore the maximum nominal amount of the securities representing debts on the Company that may be issued by virtue of the present resolution may not exceed the ceiling of 900 million euros or the equivalent value of the said amount in foreign currencies or in any other unit of account established with reference to a set of currencies. The nominal amount of the debt securities issued by virtue of the following resolution shall be charged to the said ceiling.

2°) Decides that the owners of shares existing at the time of the issue for cash of the shares, securities and rights mentioned in paragraph 1) shall hold a preferential subscription right to acquire the said securities by right and in proportion to the number of shares then held by them.

The Management Board shall be entitled to do one of the following at its option, if the subscriptions to shares by right do not absorb the totality of the issue of shares and other securities:

- limit, under the legal conditions, the issue to the amount of subscriptions received;
- or freely distribute the shares or the other securities and the rights not subscribed to by right;
- or else offer them to the public, in all or in part.

The delegation granted in paragraph 1) entails, to the benefit of the owners of the issued securities and rights, an explicit acceptance by the shareholders of the suppression of their preferential subscription right to the securities to which issued securities and rights create a right, immediately or eventually.

3°) Decides:

- that to the amount of 40 million euros laid down in paragraph 1) one is to add the amount of the additional share capital increases made necessary for reservation of the

rights of the holders of securities and rights, in any way whatsoever, to the allocation of Company shares;

- that in case of a distribution of free shares, the rights constituting fraction of share shall not be negotiable and the corresponding shares shall be sold. Full powers are granted to the Management Board to carry out the said sale under the conditions laid down in the legislative and regulatory provisions.

4°) Grants full powers to the Management Board, with an option for subdelegation to its Chairman under the conditions laid down in law:

a) to implement, all at once or in installments, the delegation granted under paragraph 1), particular for the following purposes:

- determine the dates and procedures of the issues;
- determine the prices and interest rates;
- set the amounts to be issued and the form of the securities to be created, their date of dividend rights, even retroactive, the conditions of their conversion, exchange, redemption and/or repurchase;
- make any required adjustments in accordance with the legislative and regulatory provisions;
- make the modifications in the articles of incorporation made necessary by use of the present delegation;
- and more generally, take all steps and useful measures and conclude any agreements and conventions in the interest of proper execution of the contemplated issues, all this pursuant to the applicable laws and regulations.

b) in case of issue of securities creating a right to allocation of shares upon presentation of a warrant, to purchase the said warrants on the market with a view to canceling them or otherwise, pursuant to the applicable legal provisions;

c) to deduct, from the amount of premiums relating to share capital increases, the expenses of such operations and the amounts needed in order to bring the legal reserve up to one-tenth of the new share capital.

5°) Decides that the present delegation is valid for a period of twenty-six months starting with the date of this Meeting.

#### **Fourteenth resolution**

The Shareholders' Meeting, after having familiarized itself with the report by the Management Board, the Supervisory Board and the Statutory Auditors:

1°) Delegates power to the Management Board to increase, all at once or in installments, the share capital by a maximum nominal amount of 40 million euros or the equivalent value thereof in any other currencies:

- a) by the issue of new shares, paired or not paired with equity warrants, to be subscribed for cash or by offsetting of claims, or, within the framework of a public exchange offer initiated by the Company, as remuneration of securities mentioned in article L. 225-148 of the Code of Commerce, with or without a premium on shares;
- b) by issue of securities other than shares creating a right, directly or indirectly, by conversion, exchange, redemption, presentation of a right or in any other way, to the allocation of shares, at any time or on fixed dates;

c) by issue of equity warrants, to be subscribed in cash, or to be allocated free, it being specified that the said rights may be issued alone or attached to securities mentioned in b) above issued simultaneously;

d) or by simultaneous application of several of these procedures.

The total nominal amount of the shares issued, directly or otherwise, by virtue of following resolution shall be charged to this ceiling of 40 million euros.

Furthermore the maximum nominal amount of the securities representing debts on the Company that may be issued by virtue of the present resolution may not exceed the ceiling of 900 million euros or the equivalent value of the said amount in foreign currencies or in any other unit of account established with reference to a set of currencies. The nominal amount of the debt securities issued by virtue of the preceding resolution shall be charged to the said ceiling.

2°) Decides to suppress the shareholders' preferential subscription right to the securities that are the object of the present resolution.

If the authorized issue or issues is or are carried out on the French market, the Management Board, all the same, shall be entitled to reserve subscription priority for the shareholders for a period and in accordance with procedures that it is to determine.

3°) Notes and decides, insofar as need be, that the present delegation entails an explicit waiver to the benefit of the holders of the securities issued by the shareholders of their preferential subscription right to the securities to which the securities issued create a right.

4°) Decides that the amount due or becoming due to the Company for each of the shares issued within the framework of the present delegation of powers, after taking account, in case of issue of equity warrants, of the issue price of the said rights, shall be at least equal to the average of the first prices of the share recorded during ten consecutive trading days chosen from among the twenty trading days preceding the beginning of the issue of the above-mentioned securities, after correction, if the case arises, of the said average to allow for the settlement date.

5°) Decides:

- that to the amount of 40 million euros laid down in paragraph 1) one is to add to the amount of the additional share capital increases made necessary for reservation of the rights of the holders of securities and rights creating a right, in any way whatsoever, to allocation of Company shares;
- that in case of a distribution of free shares, the rights constituting fractions of share shall not be negotiable and the corresponding shares shall be sold. Full powers are granted to the Management Board to carry out the said sale under the conditions laid down in the legislative and regulatory provisions.

6°) Grants full powers to the Management Board, with an option for subdelegation to its Chairman under the conditions laid down in law:

a) to implement, all at once or in installments, the delegation granted under paragraph 1), in particular for the following purposes:

- determine the dates and procedures of the issues;
- determine the prices and interest rates;



- set the amounts to be issued and the form of the securities to be created, their date of dividend rights, even retroactive, the conditions of their conversion, exchange, redemption and/or repurchase;
  - make any required adjustments in accordance with the legislative and regulatory provisions;
  - make the modifications in the articles of incorporation made necessary by use of the present delegation;
  - and more generally, take all steps and useful measures and conclude any agreements and conventions in the interest of proper execution of the contemplated issues, all this pursuant to the laws and regulations in effect.
- b) in case of an issue of securities creating a right to allocation of shares upon presentation of a warrant, to purchase the said warrants on the market with a view to canceling them or otherwise, pursuant to the applicable legal provisions;
- c) to deduct, from the amount of premiums relating to share capital increases, the expenses of such operations and the amounts needed in order to bring the legal reserve up to one-tenth of the new share capital.
- 7°) Decides that the present delegation is valid for a period of twenty-six months starting with the date of this Meeting.

#### **Fifteenth resolution**

After having familiarized itself with the report by the Management Board and pursuant to the provisions of article L. 225-129-IV of the Code of Commerce, the Shareholders' Meeting explicitly decides that the delegations and authorizations granted to the Management Board under the thirteenth and fourteenth resolutions above, for the purpose of issuing, with maintenance or suppression of the preferential subscription right, any securities of any nature whatsoever offering access, immediately and/or eventually, to the Company's share capital and hence to carry out the Company's share capital increase, are maintained during a period of a public offer to purchase or to exchange concerning the Company's securities.

#### **Sixteenth resolution**

After having familiarized itself with the report by the Management Board as well as with the original version and with the French translation, certified by the sworn translator, of the "Agreement and Plan of Merger" signed on 7 March 2002 by the Company, Philadelphia Merger Corp., Philadelphia Merger LLC and Bcom3 Group, Inc. (hereinafter designated as the "Merger Agreement"), the Shareholders' Meeting decides to approve the said agreement, which provides for merger of Bcom3 Group, Inc. ("Bcom3") and Philadelphia Merger Corp.

The copies of the Merger Agreement and of its translation shall be attached to the minutes.

#### **Seventeenth resolution**

The Shareholders' Meeting, after having familiarized itself with the report by the Management Board, with the special report by the Statutory Auditors and with the report of the independent appraisers, and subject to the conditions precedent (a) of approval by the Company's shareholders of the 16th, 19th, 20th and 21st resolutions, (b) of realization of the conditions precedent concerning the merger operation as detailed in the Merger Agreement and in the report by the Management Board including, in particular, approval by the Bcom3 shareholders of the merger operation described in the said report by the

Management Board and by the Merger Agreement that is the object of the 16th resolution:

1°) Delegates full powers to the Management Board, with a subdelegation option under the conditions laid down by law, for the purpose of increasing the share capital by 22,500,000 euros, thus raising it from 55,912,739.60 euros to 78,412,739.60 euros, by issue, with a premium of 30.10 euros per share, 56,250,000 new shares with a par value of 0.40 euro each.

The new shares shall be paid up in cash to the total extent of their par value and of the subscription premium at the time of their subscription.

This authorization is granted for a period of six months starting with the date of the present meeting.

2°) Eliminates the shareholders' preferential subscription right and reserves subscription to the new shares to be issued by virtue of the present resolution in toto to Philadelphia Merger LLC, a company operating under the law of the State of Delaware (United States of America) whose head office is c/o National Registered Agents, Inc., 9 East Loockerman Street, city of Dover, Kent County, Delaware 19901 (United States of America), an indirect subsidiary of the Company.

As explained in the Management Board's report and in the Merger Agreement approved by the shareholders in the 16th resolution, the said reserved issue is part of the merger of American company Bcom3 by absorption into and with Philadelphia Merger Corp.

3°) The shares shall have to be paid up in cash at the time of their subscription. The subscription shall be received at the registered office starting with the time of recording by the Management Board of realization of the conditions precedent regarding the present issue and until the seventh business day following the said recording. However, the subscription shall be closed early as soon as all of the shares have been subscribed to by the subscriber for which the present share capital increase is reserved.

4°) As of the date of definitive realization of the share capital increase, the new shares shall be treated entirely on the same basis as the old ones. Subject to the following, they shall enjoy the same rights and shall be subject to all of the provisions of the articles of incorporation and to the decisions made by shareholders' meetings.

The issued shares shall bear dividend rights starting on the day of their issue, it being understood that they shall not be entitled to the dividend for financial year 2001.

The said shares shall be negotiable as of the date of definitive realization of the share capital increase.

5°) Grants full powers to the Management Board, with a subdelegation option, under the conditions laid down in law for the following purposes:

- record realization of the conditions precedent mentioned in the present resolution;
- decide on and realize the issue of the shares that are the object of the present resolution;
- to that end, gather the subscriptions to the new shares, receive the payments required on the said shares at the time of their subscription, carry out the deposit within the legal periods, either itself or by the party delegated by it for that purpose, of the payments in support of the subscriptions, and in a general way carry out all formalities necessary for realization of the share capital increase that is the object of these presents;

- take any necessary steps in order to make it possible to list the new shares for trading on the Euronext Paris S.A. market.

The Shareholders' Meeting grants full powers to the Management Board to conclude any conventions, take any steps and carry out formalities required for application of the present resolution.

### **Eighteenth resolution**

As a result of the foregoing resolution and subject to the condition precedent of definitive realization of the share capital increase, the Shareholders' Meeting decides to modify article 5 of the articles of incorporation as follows:

«Article 5 - Share capital

The share capital is set at seventy-eight million four hundred and twelve thousand seven hundred and thirty-nine euros and sixty cents (78,412,739.60 euros) divided into one hundred and ninety-six million thirty-one thousand eight hundred and forty-nine (196,031,849) shares of forty euro cents (0.40 euro) par value, paid up full and of the same rank.»

### **Nineteenth resolution**

The Shareholders' Meeting, after having familiarized itself with the report by the Management Board, with the special report by the Statutory Auditors and with the report of the independent appraisers, and subject to the conditions precedent (a) of approval by the Company's shareholders of the 16th, 17th, 20th and 21st resolutions, (b) of realization of the conditions precedent concerning the merger operation as detailed in the Merger Agreement and in the report by the Management Board including, in particular, approval by the Bcom3 shareholders of the merger operation described in the said report by the Management Board and by the Merger Agreement that is the object of the 16th resolution:

1°) Delegates full powers to the Management Board, with a subdelegation option under the conditions laid down in law, for the purpose of carrying out a bond issue in a nominal amount of 857,812,500 euros, divided into 2,812,500 bonds of 305 euros each with 10 equity warrants immediately detachable, each entitling the holder to subscribe to one Company share (hereinafter designated as the "OBSA").

The present authorization is granted for a duration of six months starting with the date of the present meeting.

2°) Lays down the following principal terms of the borrowing:

#### **A. Characteristics of the Bonds:**

- Effective date and settlement date:

The effective date and settlement date shall be the date of realization of the operation for merger of Bcom3 and Philadelphia Merger Corp., as defined in the Merger Agreement.

- Issue price of the Bonds:

The Bonds are issued at their par value, namely 305 euros.

- Duration:

The duration of the borrowing is set at 20 years starting with the settlement date.

- Annual interest:

Subject to the following, the bondholders shall receive annual interest of 2.75% of the nominal amount of the Bonds paid semiannually in cash on June 30 and December 31 of each year.

- Normal redemption:

Saving cases of early redemption or of prepayability, the Bonds shall be redeemed and their nominal value shall be reduced to that extent in the form of an annual tranche of 10% on June 30 of each year starting on 30 June 2013.

- Early redemption:

Redemption of the bonds may be requested under the conditions laid down in the issue contract if one of the following events or an event having analogous or equivalent effects occurs:

- the Company's failure to pay any amount due, in terms of principal or interest, in connection with the Bonds if the said shortcoming is not remedied within a period of thirty business days starting with the date of payability;
- lack of performance by the Company of another one of its commitments in connection with the Bonds if the said shortcoming is not remedied within a period of thirty business days starting with the date of notification of the said shortcoming;
- failure by the Company or by one of its important subsidiaries in meeting obligations in connection with another important financial commitment;
- cessation of payments, legal settlement with creditors, agreed liquidation or reorganization or judicial liquidation of the Company or one of its important subsidiaries.

## **B. Characteristics of the Equity warrants ("Bons de souscription d'actions", "BSA"):**

- Number of BSA:

Ten BSA shall be attached to each Bond issued and shall be detachable immediately after issue.

- Exercise price of the BSA and number of shares to which they offer access:

Subject to the adjustments necessary for maintenance of the rights of the holders of BSA in case of financial operations, each BSA shall entitle its holder to subscribe to one Company share at a price of 30.5 euros.

- Period for exercise of the BSA:

The BSA shall be exercisable at any time starting with the eleventh anniversary of the payment date and until its twentieth anniversary. They may be exercised early at any time if one of the following cases occurs:

- publication of notice of the opening of a public offer bearing on the totality of the securities issued by the Company;
- transfer to a third party of a substantial part of the Company's assets or business;
- change of the control of the Company held by the concert group formed by Mrs Elisabeth Badinter, Somarel and Dentsu;
- cessation of payments, legal settlement with creditors, agreed liquidation or reorganization or judicial liquidation of the Company or one of its important subsidiaries.

3°) Eliminates the shareholders' preferential subscription right and reserves the totality of the subscription to the OBSA for Philadelphia Merger LLC, a company operating under the law of the State of Delaware (United States of America) whose head office is c/o National Registered Agents, Inc., 9 East Loockerman Street, city of Dover, Kent County, Delaware 19901 (United States of America), an indirect subsidiary of the Company.

As explained in the Management Board's report and in the Merger Agreement approved by the shareholders in the 16th resolution, the said reserved issue is part of the merger of American company Bcom3 by absorption into and with Philadelphia Merger Corp.

The Extraordinary Shareholders' Meeting takes note of the fact that pursuant to the provisions of article L. 225-151, paragraph 2, of the Code of Commerce, the present decision entails by right, to the benefit of the holders of the BSA mentioned in the present resolution, a waiver by the Company's shareholders of their preferential subscription right to the shares to be issued at the time of exercise of the said BSA.

4°) Authorizes the Management Board to increase the share capital by a maximum amount of 11,250,000 euros by issue of the maximum number of 28,125,000 new shares to be subscribed by exercise of BSA, it being specified that the said ceiling is set without regard to the consequences on the amount of the share capital increase of the adjustments that might be made, pursuant to law, in case of financial operations.

Sets the exercise price of each BSA at 30.5 euros pursuant to the agreement between the Company and Bcom3 in the Merger Agreement.

5°) Decides that the new shares resulting from the subscription to the BSA shall bear current dividend rights and shall be treated entirely on the same basis as the existing shares.

6°) Grants full powers to the Management Board, with a subdelegation option under the conditions laid down in law, for the following purposes:

- record realization of the conditions precedent mentioned in the present resolution;
- decide on and carry out the issue of the OBSA that are the object of the present resolution;
- determine any other terms of the OBSA, and particularly the stipulations making it possible to reserve or re-establish the holders' rights in case of a financial operation on securities, within the limits provided under the Code of Commerce, and generally to ensure to the conformity of the stipulations of the said issue contract to the applicable legal and regulatory provisions;
- take all measures for the borrowing service;
- take any necessary steps in order to make it possible to list the BSA, as well as the bonds if the case arises, for trading on the Euronext Paris S.A. market;
- gather the requests for subscription to shares by exercise of the BSA, record the number and nominal amount of the shares issued in connection with exercise of the BSA, lay down the procedures of such issues in accordance with the above stipulations and with the legislation in effect, and carry out the related modifications of the articles of incorporation;
- conclude any conventions, take any steps and carry out any formalities required for application of the present resolution.

#### **Twentieth resolution**

The Shareholders' Meeting, after having familiarized itself with the report by the Management Board, with the special report by the Statutory Auditors and with the report of the independent appraisers, and subject to the conditions precedent (a) of approval by the Company's shareholders of the 16th, 17th, 19th and 21st resolutions, (b) of realization of the conditions precedent concerning the merger operation as detailed in the Merger

Agreement and in the report by the Management Board including, in particular, approval by the Bcom3 shareholders of the merger operation described in the said report by the Management Board and by the Merger Agreement that is the object of the 16th resolution:

1°) Delegates full powers to the Management Board, with a subdelegation option under the conditions laid down in law, for the purpose of carrying out a bond issue in a nominal amount of 857,812,500 euros, divided into 1,562,500 bonds of 549 euros each, redeemable in new or existing shares of the Company, at the latter's option (hereinafter designated as the "ORANE").

The present authorization is granted for a duration of six months starting with the date of the present meeting.

2°) Lays down the following principal term of the borrowing:

- Effective date and settlement date:

The effective date and settlement date shall be the date of realization of the operation for merger of Bcom3 and Philadelphia Merger Corp., as defined in the Merger Agreement.

- Issue price of the ORANE:

The ORANE shall be issued at their par value, namely 549 euros.

- Duration:

The duration of the borrowing is set at 20 years starting with the date of issue.

- Annual interest:

- subject to the following, the bondholders shall receive minimum annual interest of 0.82% of the nominal amount (par value) of each ORANE (the said nominal amount shall be reduced by 30.5 euros per year starting in 2005 because of redemption by delivery of a share) payable every year on September 1 (and for the last year, on the date of the borrowing maturity).
- for the period beginning on the settlement date and ending on 31 August 2002, the bondholder shall receive interest calculated *pro rata temporis* on the basis of an interest rate of 0.82% and of a year of 365 days.
- for the period between 1 September 2002 and 31 August 2004 inclusive, the bondholders shall received fixed annual interest of 4.50 euros.
- starting on 31 August 2005 inclusive, the annual interest rate on the ORANE will be revised every three years so as to be equal to the product of the number of shares still redeemable by ORANE times 110% the average of the dividends payment of which has been voted for the three financial years preceding the beginning of each three-year period (including any distribution approved before August 31 of the first year initiating the said three-year period), without ever being less than 0.82% of the nominal value (par value) of the ORANE on the date of calculation. As an example, the interest rate paid on 1 September 2005 will be adjusted by taking account of the average dividends per share paid between 1 September 2003 and 31 August 2005. The annual interest will be paid to the bondholders on September 1 of each year (and for the last year, on the date of maturity of the borrowing), except in the case described below.
- subject to the early redemption conditions described below, in case no dividend is paid by the Company to its shareholders for a given financial year, payment of the annual interest on the ORANE at the end of the financial year in question will be deferred (and not

capitalized) to be paid in the first year in which payment of a dividend is again decided on, this applying whatever the amount of the said dividend may be.

- in case of early redemption having some cause other than the absence of payment of a dividend for five consecutive financial years, as well as in case, on the date of maturity of the ORANE, annual interest exists that has been carried forward for one or several of the last five financial years, the Company shall be entitled, at its option, to pay the interest due in cash or by delivery of shares. In this case, the value of the share to which reference will have to be made shall be the value resulting from the average of the first prices of the Company's shares during the ten trading days preceding the date of maturity of the borrowing or of the request for early redemption, depending on the case.
- in case of early redemption due to the absence of payment of the dividend for five consecutive financial years, no coupon will be due on the date of early redemption.
- the interest due on the ORANE shall be paid without any deduction or withholding. In case of a change in applicable legislation or if such deduction or withholding becomes applicable for any reason whatsoever, the amount of the sums due from the Company for payment of the interest shall be increased so that the net amount received by the ORANE holders is the same.

- Normal redemption:

- each ORANE shall be redeemed by delivery of eighteen new or existing shares (at the Company's option) making a total of 28,125,000 shares, subject to adjustments of the said ratio in order to maintain the rights of the holders of ORANE in case of financial operations.
- except for early redemption, the redemptions shall be carried out by tranches of 1/18th starting on 1 September 2005 inclusive and until the date of maturity of the borrowing, namely one share per year.

- Early redemption (only in shares):

Any bondholder shall be entitled to apply for redemption of his ORANE under the conditions laid down in the issue contract, if one of the following events occurs:

- absence of payment of the annual interest at the end of five consecutive financial years due to the absence of dividend payments to the shareholder. In this case, the interest payment of which has been deferred shall be cancelled;
- publication of a notice concerning opening of a public offer bearing on the totality of the securities issued by the Company;
- transfer to a third party of a substantial part of the Company's assets or business;
- change of the control of the Company held by the concert group consisting of Mrs Elisabeth Badinter, Somarel and Dentsu;
- failure to pay the annual interest or of redemption under the conditions described above, if the said shortcoming is not remedied within a period of thirty business days starting with the date of notification of the said shortcoming;
- failure by the Company to perform another one of its obligations under the issue contract if the said shortcoming is not remedied within a period of thirty business days starting with the date of notification of the said shortcoming;
- failure by the Company by one of its important subsidiaries to meet another important financial commitment.

In case of cessation of payments, of legal settlement with creditors or of agreed liquidation as well as in case of the Company's reorganization or judicial liquidation, the ORANE shall automatically be redeemed.

In all of the cases mentioned above, the early redemption of the ORANE may take place only in shares.

3°) Decides to eliminate the shareholders' preferential subscription right and to reserve the totality of the subscription for Philadelphia Merger LLC, a company operating under the law of the State of Delaware (United States of America) whose head office is c/o National Registered Agents, Inc., 9 East Loockerman Street, city of Dover, Kent County, Delaware 19901 (United States of America), an indirect subsidiary of the Company.

As explained in the Management Board's report and in the Merger Agreement approved by the shareholders in the 16th resolution, the said reserved issue is part of the merger of American company Bcom3 by absorption into and with Philadelphia Merger Corp.

The Extraordinary Shareholders' Meeting takes note of the fact that pursuant to the provisions of article L. 228-92, paragraph 2, of the Code of Commerce, the present decision entails by right, to the benefit of the holders of ORANE, a waiver by the Company shareholders of their preferential right to subscribe to the shares to be subscribed at the time of redemption of the said ORANE.

4°) Authorizes the Management Board to increase the share capital by a maximum amount of 11,250,000 euros by issue of a maximum amount of 28,125,000 new shares to make it possible to redeem the ORANE in new Company shares, it being specified that the said ceiling is set without regard to the consequences on the amount of the share capital increase of the adjustments that might be made pursuant to law in case of financial operations.

5°) Decides that the new shares resulting from redemption of the ORANE shall have current dividend rights and shall be treated entirely on the same basis as the existing shares.

6°) Grants full powers to the Management Board, with a subdelegation option under the conditions laid down in law, for the following purposes:

- record realization of the conditions precedent mentioned in the present resolution;
- decide on and carry out the issue of the ORANE that are the object of the present resolution;
- determine any other terms of the ORANE, and particularly in the issue contract, the stipulations making it possible to reserve or re-establish the holders' rights in case of a financial operation on securities, within the limits provided under the Code of Commerce, and generally to ensure the conformity of the stipulations of the said issue contract to the applicable legal and regulatory provisions;
- carry out any necessary steps to make it possible to list the ORANE for trading on the Euronext Paris S.A. market;
- take any steps to provide for borrowing service;
- opt, at the time of redemption of the ORANE in Company shares, between delivery of newly issued shares and delivery of existing shares held by the Company, it being possible to combine the two solutions as the Management Board wishes;



- record the number and the nominal amount of the shares issued by way of redemption of the ORANE, lay down the procedures of the said issues within the framework of the above stipulations and in compliance with the legislation in force, and carry out the related modifications of the articles;
- conclude any conventions, take any steps and carry out any formalities necessary for application of the present resolution.

#### **Twenty-first resolution**

Subject to the conditions precedent (a) of approval by the Company shareholders of the 16th resolution, as well as of the 17th, of the 19th and of the 20th resolutions, (b) of realization of the conditions precedent concerning the merger operation as detailed in the Merger Agreement and in the Management Board's report, particularly including approval by the Bcom3 shareholders of the merger operation described in the Management Board's report and by the Merger Agreement that is the object of the 16th resolution and (c) of realization of the said operation, the Shareholders' Meeting decides to modify article 21 of the articles by inserting the following new paragraph between the sixth and the seventh paragraphs:

«In case of conventional separation of ownership of the Company shares, the usufructuaries (holders of usufruct) and the bare legal title owners ("*nu-propriétaires*") of shares may freely divide between themselves the voting right at extraordinary and ordinary shareholders' meetings, subject to serving advance notice of their convention on the Company, by providing it with a certified copy at the latest twenty calendar days before the holding of the first Shareholders' Meeting following the said separation, by registered mail with receipt. In the absence of notice within the said period, the distribution provided for under article L. 225-110, paragraph 1, of the Code of Commerce shall apply by right.»

#### **Twenty-second resolution**

The Shareholders' Meeting, after familiarizing itself with the report by the Management Board and with the Statutory Auditors' special report, and pursuant, on one hand, to the provisions of the Code of Commerce, and particularly articles L. 225-139-VII and L. 225-138 thereof, and, on the other hand, articles L. 443-1 ff of the Labor Code:

- 1°) Delegates the necessary powers to the Management Board for the purpose of carrying out the increase of the share capital, all at once or in installments, on the basis of its decisions alone, by issue of shares reserved to the members of a Company savings plan and/or of a voluntary payroll savings partnership plan in whose favor it does away with the shareholders' preferential subscription right.
- 2°) Decides that the beneficiaries of the authorized share capital increases shall be, directly or through the intermediary of a corporate joint investment fund, the members of a Company savings plan and/or of a voluntary payroll savings partnership plan established jointly by the Company and the companies connected with it in the meaning of article L. 225-180 of the Code of Commerce and that also meet the conditions that may be laid down by the Management Board.
- 3°) Also delegates the required powers to the Management Board for the purpose of carrying out, to the benefit of the same beneficiaries, free allocations of shares or of other securities offering access to the share capital, as long as the resulting advantage does not exceed, depending on the procedure chosen, the limits laid down in law.
- 4°) Sets the duration of validity of the present delegation at five years starting with the day of the present Shareholders' Meeting.
- 5°) Decides to set at 2,800,000 euros the maximum nominal amount of the shares that may be issued in this way and may be allocated free.

This ceiling is set independently. Hence the nominal amount of the shares to be issued by virtue of the present delegation shall not be charged to the ceiling on the share capital increases that the Management Board is authorized to carry out by virtue of the general delegations constituting the three foregoing resolutions.

6°) Decides that the price of the shares to be issued by application of point 1) of the present delegation may not be more than 20% less, or 30% within the framework of a payroll saving partnership plan, than the average of the first quoted prices of the share at the 20 trading sessions preceding the Management Board's decision concerning the share capital increase and the corresponding issue of shares, and may not be greater than the said average.

7°) Decides that the Management Board shall hold full powers within the limits and on the conditions specified above and the ones laid down by legislation and regulations in force for the purpose of taking all steps for realization of the share capital increases and, if the case arises, the free allocations of shares or of other securities granting access to the share capital, and particularly to determine their conditions and procedures, make the related modifications in the articles of incorporation, charge all expenses to the amount of the premiums paid in connection with the issue of shares, and deduct, from the said amount, the amounts necessary to bring the legal reserve up to one-tenth of the new share capital, after each increase.

## RESOLUTIONS FALLING WITHIN THE FIELD OF JURISDICTION OF THE ORDINARY SHAREHOLDERS' MEETING

### **Twenty-third resolution**

Subject to the conditions precedent (a) of approval by the Company shareholders of the 16th resolution, as well as of the 17th, of the 19th, of the 20th and of the 21st resolutions, (b) of realization of the conditions precedent concerning the merger operation as detailed in the Merger Agreement and in the Management Board's report, particularly including approval by the Bcom3 shareholders of the merger operation described in the Management Board's report and by the Merger Agreement that is the object of the 16th resolution and (c) of realization of the said operation, the Shareholders' Meeting appoints Mr Yutaka Narita as a new Member of the Supervisory Board, for a period of six years to end at the conclusion of the Ordinary Shareholders' Meeting called to rule on the financial statements for financial year 2007.

### **Twenty-fourth resolution**

Subject to the conditions precedent (a) of approval by the Company shareholders of the 16th resolution, as well as of the 17th, of the 19th, of the 20th and of the 21st resolutions, (b) of realization of the conditions precedent concerning the merger operation as detailed in the Merger Agreement and in the Management Board's report, particularly including approval by the Bcom3 shareholders of the merger operation described in the Management Board's report and by the Merger Agreement that is the object of the 16th resolution and (c) of realization of the said operation, the Shareholders' Meeting appoints Mr Fumio Oshima as a new Member of the Supervisory Board, for a period of six years to end at the conclusion of the Ordinary Shareholders' Meeting called to rule on the financial statements for financial year 2007.

### **Twenty-fifth resolution**

The Shareholders' Meeting grants full powers to the bearer of a copy of an extract from the present minutes to carry out all filings and formalities relating to legal notice and for other appropriate purposes.

## Explanation of the reasons:

1st resolution: approval of the operations and of the corporate financial statements for financial year 2001.

2nd resolution: approval of the consolidated financial statements for financial year 2001.

3rd resolution: allocation of the 2001 net income and determination of the dividend.

4th and 5th resolutions: discharge for members of the Management Board and of the Supervisory Board for financial year 2001.

6th resolution: determination of the attendance fees paid to the Supervisory Board for financial year 2001.

7th resolution: approval of the Auditors' special report provided for under article L. 225-86 of the Code of Commerce.

8th resolution: renewal of Mr Robert Badinter's mandate as a member of the Supervisory Board for six years.

9th resolution: renewal of Mr Michel David-Weill's mandate as a member of the Supervisory Board for six years.

10th resolution: authorization to be granted to the Management Board, for a period of eighteen months, with a view to purchase by the company of its own shares within a limit of 10% of the capital. The maximum purchase price is 60 euros and the minimum selling price is 25 euros.

11th resolution: authorization to be granted to the Management Board for a period of twenty-four months and within a limit of 10% of the share capital to cancel, if appropriate, the shares purchased under the conditions of the 10th resolution.

12th resolution: renewal of the delegation granted to the Management Board to issue new shares as remuneration for the conveyance of the Saatchi & Saatchi shares following exercises of options for subscription to the Saatchi & Saatchi securities.

13th resolution: delegation to be granted to the Management Board, for 26 months, to increase the share capital, all at once or in installments, by issue of shares, of various securities or of equity warrants, in a maximum nominal amount of 40,000,000 euros, with maintenance of the preferential subscription right.

14th resolution: delegation to be granted to the Management Board to increase the share capital under the same conditions as the ones provided for in the 13th resolution, but with the option of doing away with the preferential subscription right.

15th resolution: maintenance of the delegations granted under the 13th and 14th resolutions during a period of public purchase or exchange offer targeting the company's securities.

16th resolution: approval of the "Agreement and Plan of Merger" (known as the "Merger Agreement") signed on 7 March 2002 by the company, Philadelphia Merger Corp., Philadelphia Merger LLC and Bcom3 Group, Inc.

17th resolution: within the framework of the merger of American company Bcom3 by absorption into and with Philadelphia Merger Corp., authorization and delegation to be granted to the Management Board to increase the share capital by an amount of 22,500,000 euros by issue, with a premium of 30.10 euros per share, of 56,250,000 new shares of 0.40 euro with suppression of the preferential subscription right. The said increase is reserved in toto for the company Philadelphia Merger LLC, an indirect company subsidiary.

18th resolution: related modification of article 5 of the articles of incorporation, subject to realization of the capital increase mentioned below.

19th resolution: within the framework of the merger of American company Bcom3 by absorption into and with Philadelphia Merger Corp., authorization and delegation to be granted to the Management Board to carry out a bond issue in a nominal amount of 857,812,500 euros, divided into 2,812,500 bonds of 305 euros each with 10 share warrants each creating a right to subscribe to one company share: determination of the conditions of the borrowing, elimination of the preferential subscription right and subscription to the bonds reserved in toto for the company Philadelphia Merger LLC.

20th resolution: within the framework of the merger of American company Bcom3 by absorption into and with Philadelphia Merger Corp., authorization and delegation to be granted to the Management Board to carry out a bond issue in a nominal amount of 857,812,500 euros, divided into 1,562,500 bonds of 549 euros each, redeemable in new or existing shares of the company, at the latter's option: determination of the conditions of the borrowing, elimination of the preferential subscription right and subscription to the bonds reserved in toto for the company Philadelphia Merger LLC.

21st resolution: modification of article 21 of the articles of incorporation: in case of conventional separation of ownership of the company's shares, the usufructuaries and the bare owners of shares may freely divide the voting right at extraordinary and ordinary shareholders' meetings as long as they serve notice of their convention in advance on the company.

22nd resolution: pursuant, in particular, to articles L. 225-139-VII and L. 225-138 of the Code of Commerce and to articles L. 443-1 ff of the Labor Code, authorization to be granted to the Management Board for five years for the purpose of carrying out an increase of the share capital in a maximum nominal amount of 2,800,000 euros, reserved for the members of a company savings plan and/or of a payroll savings partnership plan.

23rd resolution: appointment of a new member of the Supervisory Board, Mr Yutaka Narita, for a duration of 6 years.

24th resolution: appointment of a new member of the Supervisory Board, Mr Fumio Oshima, for a duration of 6 years.

25th resolution: powers for formalities.

## Brief presentation of the company's situation:

As of the outset, the year 2001 promised to be a year of maximum challenge to the new Publicis Group (integration of Saatchi & Saatchi, of Fallon, of Frankel, of Nelson, transformation of Publicis from a single-network group to a multi-network group, challenge of applying a new approach to customer relations within Publicis Worldwide: "the Holistic Difference"), but the challenge represented by the economic situation proved to be infinitely tougher than anticipated.

The year 2000 beat all growth records and brought the world advertising economy up to a level never previously reached. The forecasts on which everybody agreed for the year 2001 called for growth on the order of 4 to 5% of the world advertising market. But things turned out quite differently: American recession, the bursting of the Internet bubble, and the tragic September 11 events overturned these forecasts. Finally, we witnessed a market decline on the order of 4 to 5%, a difference of 8 to 10 points as between forecasts and reality.

To crown everything, those corrections did not occur all at once, but rather slowly, in small adjustments, in painful fashion throughout the year, producing repetitive structural adjustments.

So that is the context in which one must view our Group's performance. Even though the usual modesty with which we judge that performance is still appropriate, all the same we must not underestimate the exceptional quality of our results, the real growth we were able to record, the market shares gained, and above all the fact that, unlike our fellow companies, the integration of our very large acquisitions, particularly Saatchi & Saatchi, occurred without any friction, constituting an absolute success from every viewpoint. Finally, let us emphasize the considerable efforts made by all teams throughout the world to come up with this performance, despite the repeated structural adjustments due to economic changes.

Group income rose by 37.50%, which naturally reflects the integration of our acquisitions, but also an organic growth performance of 3.10%. That growth should be compared with the decline recorded by the world advertising market, and it represents an overperformance of 7 to 8 points. It very clearly marks the gains in market share posted by our group during the year 2001. Hence we may well be satisfied with these accomplishments, which constituted good evidence of the consolidation of our positions as well as of our ability to grow on a tight market without any great visibility.

The activity aimed at conquering "New Business" highly satisfactory as a whole, with maintenance of good performance all year long: total net gains of new budget came to more than 2,300 million euros, much more than in 2000. That enables us to remain among the leaders in budget gains established every month by Credit Suisse First Boston. Its latest edition of "New Business Encyclopaedia 2001" shows us as ranking third in the world. From the creative viewpoint, the Group's agencies again won a large number of national or international awards in the year 2001. We should emphasize the fact that the Group ranked 2nd at the awards given at the Cannes International Festival with 28 Lions, particularly thanks to Saatchi & Saatchi's talent (tied for first place as Festival agency).

During the year, the Group also continued its acquisition strategy, concentrating mainly on the SAMS sector (Specialized agencies and services marketing) with:

- the acquisition of *Triangle Group*, the most important independent group in sales promotion in the United Kingdom, of *Fisch.Meier.Direkt*, the leading direct marketing agency in Switzerland, of *FusionDM*, an important independent direct marketing agency in San Francisco, an acquisition of control by Frankel of *Creative AIM*, a sales promotion agency ("grassroots marketing"),
- the strengthening of Publicis in such disciplines as design (acquisition of *Carré Noir* in France), financial communication (acquisition of *Ecocom* in France and of *Fabianne Gershon & Associates* and of *Hudson Stone Group* in the United States), and ethnic communication with the acquisition of *Sanchez & Levitan*, an important Hispanic agency in the United States, making it possible to expand the Group's offerings in this high-growth sector.

More recently, Publicis acquired a communication agency in Japan, *Gravitas*, specializing in services marketing and public relations. Finally, Publicis Consultants, through its Winner & Associates subsidiary, acquired expertise in lobbying in the United States by taking majority control of the *Johnston & Associates* firm.

At geographical level, at the end of 2001 Publicis acquired the Indonesian agency *Metro Advertising*, one of the country's most highly reputed agencies.

The year 2001 also brought creation of the world's third-biggest media consulting and purchasing group: in July 2001, Publicis Groupe S.A. and Cordiant Communications Group Plc. announced a merger of their consulting and media purchasing activities, Publicis holding 75% and Cordiant 25% of the capital of a new entity grouping the Optimedia and Zenith Media networks. The new company, called *The Zenith Optimedia Group*, was launched on 1 October 2001 and ranks as n°. 3 in the world in the sector

(rankings of the Advertising Age magazine on 23 July 2001). Thus Publicis is the majority shareholder in one of the world's leaders in the highly strategic sector of media agencies.

Finally, Fallon Worldwide continued its international deployment: already present in Minneapolis, New York and London, Fallon Worldwide expanded its network with the creation of establishments in São Paulo, Singapore and Hong Kong. This marks an important step in the international development of the Group's third network, which is aiming in the long run at having a set of "regional hubs" making it possible to offer customers coverage of the world's major economic regions.

The Group's consolidated sales came to 16.7 billion euros in 2001, against 11.8 billion euros in 2000, a 41.20% increase.

Group income stood at 2,434 million euros in 2001 compared with 1,770 million in 2000, up 37.50%. On the basis of constant perimeter and exchange rates, the growth came to 3.10%. This organic growth came in at 6.40% for Publicis network, 0.50% for the Saatchi & Saatchi network, and - 2.60% for Médias & Régies Europe.

The Group's EBITDA (earnings before interest, taxes and depreciation) came to 426 million euros in 2001 compared with 334 million in 2000. The EBITDA/income ratio stood at 17.50%. The EBIT reached 342 million euros compared with 275 million the previous year, and the EBIT/income ratio was 14.10% in 2001.

The consolidated net income (after minorities) before amortization of goodwill and extraordinary net income comes to 200 million euros for 2001 compared with 151 million euros in 2000, a 32.50% increase. After deduction of amortization of goodwill and of the extraordinary net income, the group's net earnings after minorities stood at 151 million euros in 2001 compared with 128 million in 2000, up 18%.

#### **Publicis Groupe S.A. (Group's parent company)**

The sales by Publicis Groupe S.A., the Group's parent company, consisting solely of property rentals and management lease fees, came to 11.4 million euros on 31 December 2001 compared with 11.6 million euros one year earlier, making a decline of about 1.50%.

Financial income came to 68 million euros compared with 44.8 million euros in 2000, consisting almost solely of income from holdings in subsidiaries (56.8 million euros).

After taking 12 million euros in operating charges into account and 42.3 million euros in financial charges as well as (5.4) million euros in share of results of private companies, the year 2001 shows a current profit before taxes of 23.4 million euros, compared with 28.2 million euros the previous year.

In 2001 the financial statements of parent company Publicis Groupe S.A. take account of extraordinary net income of - 492.5 million euros consisting mainly of a provision on the Saatchi & Saatchi securities in an amount of 496 million euros following a new determination of their value and compared with the one established in June 2000 at the time of announcement of this acquisition. That provision had no effect on the consolidated financial statements. It will be treated from the taxation viewpoint as a long-term capital loss. Payment of the CVG in 2002, which is to give rise to an increase of this holding to an appropriate extent, is already taken into account in calculation of this provision. In addition, a positive balance of 3.5 million euros corresponds to capital gains and losses recorded in connection with disposal operations or with exchanges of equity interests within the Group.

In the year 2000, the contribution of the interests held by Publicis Groupe S.A. in American companies to the benefit of Publicis USA Holdings had led to recording a capital gain of 186 million euros. The operation was carried out on the basis of a temporary tax

exemption (operation carried out with the approval of the General Taxation Department), and a provision for taxes in an amount of 40 million euros had been set aside.

On 31 December 2001, in view of the provision for depreciation of the Saatchi & Saatchi securities, the result posted by Publicis Groupe S.A., the Group's parent company, was a loss of 469 million euros compared with a profit of 192 million euros in 2000.

### **Forecast for 2002**

The forecast made by the research institutes indicate a stabilization (or even a slight decline) of the advertising market in 2002 by comparison with 2001, which all the same was already characterized by a strong correction. In view of the nature and quality of its clientele portfolio, and of its performance in connection with new business during financial year 2001, Publicis should again post real organic growth and a performance better than the market in 2002, as has generally been the case in the last ten years. In view of the still-high comparison basis with the first half of 2001, the organic growth for the first half of 2002 could be slightly negative, but it should recover in the second half of the year.

In terms of profitability, the materialization of the synergies relating to integration of Saatchi & Saatchi should continue in 2002 and enable Publicis to approach its year 2003 objective of an EBITDA/income ratio of 18% and 15% for the EBIT/income ratio. Moreover the Publicis account should also include a reduction of financial costs following the operations relating to refinancing of the debt at end 2001 and the start of 2002, but there should also be a few restructuring charges relative to various units (Fallon, Publicis & Hal Riney...). Publicis must pay 196 million euros in May 2002 in connection with the 45,460,922 CVG that, as a maximum, could be issued in connection with the Saatchi & Saatchi operation, in view of the market prices noted between February 20 and March 7. This commitment was already taken into account in the balance sheet as of 31 December 2001.

Finally, the Group, pursuing its objective of balancing its portfolio between traditional advertising and SAMS (Specialized agencies and services marketing) looking to the year 2003 –55% advertising and 45% SAMS– should make other acquisitions in 2002 in the direct marketing /CRM field, in sales promotion and in public relations.

### **Bcom3 merger operation**

On 7 March 2002, Publicis Groupe S.A. announced a major strategic operation: the acquisition of American communication group Bcom3 by way of what is called a “triangular” merger and conclusion of a strategic partnership with the leading Japanese communication group, Dentsu Inc. This operation is giving rise to the world's fourth-biggest communication group, the world's second-ranking media consulting services and purchasing group (Advertising Age rankings) and to emergence of the world only multi-cultural communication group associating a European group, an American group and an Asian group for its clients' benefit. The income of the new group, which is to retain the Publicis name, will be on the order of 4.6 billion euros.

The financing of this operation, valued at the time of negotiation at 3.4 billion euros, should come to an extent of one-half from the issue of new shares, one-quarter from issue of “ORANE” (bonds redeemable in new or existing shares), and one-fourth by issue of “OBSA” (bonds with share warrants).

Finally, within this framework, Dentsu should sign a 12-year shareholders' agreement with Mrs Elisabeth Badinter, acquire 15% of the Publicis Group voting rights (with a commitment not to go beyond that level), and receive two seats on the Supervisory Board. This operation will be subject to approval by the two groups' shareholders as well as by the American and European authorities. With respect to Publicis Groupe S.A., this operation will be submitted to the combined shareholders' meeting to be held on 18 June 2002, and its finalization should occur before 7 September 2002 or 7 December 2002 at the latest in case of lack of the administrative or regulatory authorization necessary for the operation. This operation will be the object of detailed documentation to be made available to the public.

# Results of the company Publicis Groupe S.A. for financial years 1997, 1998, 1999, 2000 and 2001 (in thousands of euros)

(Articles 133, 135 and 148 of the decree concerning commercial companies)

Nature of the indications	2001	2000	1999	1998	1997
<b>CAPITAL AT FINANCIAL YEAR END</b>					
Share capital	55,840	52,679	35,925	34,218	31,035
Number of shares issued	139,599,996	138,219,819	94,259,960	89,782,110	81,431,130
Maximum number of future shares to be created by exercise of allocated subscription options	918,196	726,600	797,310	5,275,160	4,774,420
<b>FINANCIAL YEAR OPERATIONS AND RESULTS</b>					
Sales excluding taxes	11,436	11,620	10,911	65,077	-
Net income before taxes, amortization and provisions	25,009	227,527	24,091	46,711	2,096
Taxes on profits	0	9	5,102	19	(1,221)
Net income after taxes, amortizations and provisions	(469,109)	192,019	20,711	28,010	3,313
Distributed result	30,752	27,852	16,030	10,951	6,462
<b>NET INCOME PER SHARE IN EURO</b>					
Net income after taxes but before amortization and provisions	0.18	1.64	0.20	0.52	0.04
Net income after taxes, amortization and provisions	(3.36)	1.38	0.22	0.31	0.04
Dividend paid to each share	0.22	0.20	0.17	0.12	0.08
<b>STAFF</b>					
Average staff	5	5	5	89	5
Payroll amount	745	811	515	3,912	561
Amount of fringe benefits (social security, social works...)	359	540	141	1,578	127

NB: The per-share earnings for the years 1997 to 1999 have been adjusted to allow for the division by 10 of the par value of the share carried out on 29 August 2000.