PUBLICIS GROUPE

First Half 2017 Results

July 20, 2017

1st half 2017 results

(EUR million)	H1 2017	2017 vs 2016
Revenue	**4,843**	**+1.9%**
Organic growth	***-0.2%***	
Operating margin	**638**	**+3.1%**
Operating margin rate	***13.2%***	
Net income attributable to the Groupe	**387**	**+1.6%**
Headline EPS, diluted (euro) (1)	**1.89**	**+4.4%**
Free cash flow before changes in WCR	**594**	**+5.3%**

(1) After elimination of impairment charges, amortization of intangibles arising from acquisitions, main capital gains (losses) on disposals and revalued earn-out payments

Q2 2017

Revenue	**2,515**
Reported growth	**+2.2%**
Growth at constant exchange rates	**+1.1%**
Organic growth	**+0.8%**

Arthur Sadoun, CEO and Chairman of the Management Board:

"Launched 18 months ago, The Power of One has been one of the boldest moves the Groupe has made. Maurice Lévy has been the architect and has designed it. We are now moving to the next stage. The first 6 months of 2017 were particularly dense, as we modified our governance, defined our action plan and brought together the teams responsible for taking The Power of One to new heights. Thanks to our capabilities in consulting, creativity, media and technology, Publicis Groupe is in a unique position to help transform and grow our clients' businesses, through big ideas.

We have one objective: become the market leader of marketing and business transformation. This means being recognized as the indispensable partner of our clients in their transformation. To achieve this ambition, we need to accelerate in execution and go deeper in integration. We have set 4 priorities for the months to come: make our model a reality for all of our clients, leverage our competitive advantage in technology and consulting, simplify our organizational structures for greater efficiency; design a culture that attracts and retains the best talents.

Improving organic growth is our number one imperative. This is because organic growth is the key metric of the industry, it is the demonstration of our attractiveness in the market, it is the demonstration that we are competitive and that our model is both built on our clients' needs and sustainable. Organic growth is required to attract and retain the best talent on the market. And obviously it has to come with greater efficiency. This is vital, as we must remain competitive for our clients and invest in our talents.

We have the right strategy. Our first half results are encouraging. Thanks to the good account win momentum over the last 12 months, resulting directly from The Power of One, organic growth exceeded our own expectations in the second quarter at +0.8% with the US returning to positive territory, and margin improved by 20 basis points in a low growth context.

When it comes to the outlook for the year, we expect the sequential improvement in organic growth to continue in third quarter. And we should return to a growth rate comparable with peers in the second half of the year. For the longer term, my goals are clear: accelerate growth and increase efficiency. We are at the beginning of implementing an action plan with our new governing bodies and we will come back in an articulate and concrete way in the coming months."

Publicis Groupe's Supervisory Board met on July 19, 2017, under the chairmanship of Maurice Lévy, to examine the half-yearly accounts at June 30, 2017, presented by Arthur Sadoun, Chairman of the Management Board and Chief Executive Officer.

KEY FIGURES

EUR million, except percentages and per share date (in euro)	*H1 2017*	*H1 2016*	*2017 vs. 2016*
Revenue	4,843	4,753	+1.9%
Operating margin before Depreciation & Amortization	719	704	
% of revenue	*14.8%*	*14.8%*	
Operating margin	638	619	+3.1%
% of revenue	*13.2%*	*13.0%*	
Operating income	604	595	+1.5%
Net income attributable to the Groupe	387	381	+1.6%
Headline EPS, diluted (1)	1.89	1.81	+4,4%
Free cash flow before changes in working capital requirements	594	564	+5,3%

(1) after elimination of impairment charges, amortization of intangibles arising from acquisitions, main capital gains (losses) on disposals and revalued earn-out payments

Q2 2017 REVENUE

Publicis Groupe's consolidated revenue for the second quarter of 2017 was 2,515 million euro, up 2.2% from 2,462 million euro in Q2 2016. Exchange rates had a 26-million euro positive impact, i.e. 1.1% of revenue in Q2 2016. Net acquisitions contributed 8 million euro in Q2 2017, i.e. 0.3% of the revenue reported in Q2 2016. Growth at constant exchange rates was +1.1%.

Organic growth was +0.8% in Q2, a slight improvement on the -1.2% organic growth recorded in Q1 thanks to the lesser impact of residual difficulties and the good performance registered in North America. In Q2 2017, while organic growth continued to be hampered by the weak FMCG sector, it benefited nonetheless from the growing contributions of account wins since Q2 2016 (particularly Walmart, HPE, USAA, Asda, Motorola and Lowe's).

Breakdown of Q2 revenue by region

EUR million	Revenue		Organic growth	Reported growth
	Q2 2017	Q2 2016		
Europe	722	718	+3.2%	+0.6%
North America	1,353	1,319	+0.2%	+2.6%
Asia Pacific	268	273	-3.3%	-1.8%
Latin America	97	81	+2.8%	+19.8%
Middle East & Africa	75	71	+0.2%	+5.6%
Total	**2,515**	**2,462**	**+0.8%**	**+2.2%**

H1 2017 REVENUE

For the first half-year, Publicis Groupe's consolidated revenue amounted to 4,843 million euro, up 1.9% from 4,753 million for the corresponding period in 2016. Exchange rates had a 76-million euro positive impact, i.e. the equivalent of 1.6% of revenue in H1 2016. Net acquisitions contributed 22 million euro to revenue in H1 2017, i.e. 0.5% of revenue in H1 2016. Growth at constant exchange rates was +0.3%.

Organic growth was -0.2% in the first half year 2017, bearing in mind that the impact of previous difficulties was around 300 basis points.

Breakdown of H1 2017 revenue by region

EUR million	Revenue		Organic growth	Reported growth
	H1 2017	H1 2016		
Europe	1,377	1,349	+4.3%	+2.1%
North America	2,644	2,620	-2.4%	+0.9%
Asia Pacific	511	503	-1.4%	+1.6%
Latin America	174	152	+3.5%	+14.5%
Middle East & Africa	137	129	+0.8%	+6.2%
Total	**4,843**	**4,753**	**-0.2%**	**+1.9%**

Europe grew by 2.1%. When the impact of acquisitions and exchange rates is factored out, organic growth was +4.3%. France performed well at +6.2%, while the UK and Italy posted strong momentum at +7.8% and +10.5% respectively. Germany recorded negative growth of -2.1% against a very difficult comparable basis.

Organic growth in North America was back in positive territory in the second quarter (+0.2%) due to the ramp-up of accounts awarded since the summer of 2016. For the first six months of 2017, organic growth remained negative at -2.4% as a result of past issues and at a time when more recent accounts have yet to build up to cruising speed. Revenue was up 0.9% on a reported basis.

Asia Pacific reported positive growth of +1.6% despite organic growth of -1.4%. China fell 6.9% as a result of difficulties encountered by certain entities. Singapore was up 6.2% while business is consolidating in India (+0.4% in Q1 followed by +6.4% in Q2).

Latin America reported +14.5% and organic growth of +3.5%. Brazil improved by 1.0% and Mexico continued its strong growth trend at +14.7%.

The Middle East & Africa region reported +6.2% and organic growth of 0.8%.

ANALYSIS OF THE KEY FIGURES

Income statement

The Operating margin before depreciation and amortization was 719 million euro at June 30, 2017, up 2.1% from 704 million euro in 2016, i.e. a percentage margin of 14.8% of revenue, unchanged from the first half of 2016.

- Personnel costs amounted to 3,095 million euro at June 30, 2017, up 0.8% from 3,071 million euro the previous year. Fixed personnel costs of 2,740 million euro represented 56.6% of total revenue, up from 56.3% in 2016. Freelance costs totaled 199 million euro in H1 2017, down from 219 million in 2016. Restructuring costs stood at 52 million euro in H1 2017 (55 million euro in 2016) as the Groupe reorganizes around The Power of One which increasingly integrates structures and activities. Operational efficiency will be enhanced by the various projects in which the Groupe continues to invest (ERP roll-out, the development of production platforms, on-going regionalization of the Shared Services Centers, as well as a number of technological developments).

- Other operating costs (excluding Depreciation & amortization) amounted to 1,029 million euro versus 978 million euro in H1 2016. These costs represented 21.2% of consolidated revenue (versus 20.6 % in H1 2016).

Depreciation & amortization for the first half-year was 81 million euro, down slightly from 85 million in H1 2016.

The Operating margin rose 3.1% to 638 million euro, i.e. a percentage operating margin of 13.2% (up 20 basis points on 2016). This improvement was achieved by cost savings thanks to the implementation of Power of One which were partly offset by investments in new contracts, new IT projects and higher other operating expenses.

The operating margin by region was 13.7% in Europe, 14.1% in North America, 11.9% in Asia Pacific, 5.7% in Latin America and 4.4% in the Middle East & Africa region.

Amortization of intangibles arising from acquisitions totaled 35 million euro at June 30, 2017, after 40 million euro for the corresponding period in 2016. Other non-recurring income (expenses) for the period amounted to income of 1 million euro, compared with income of 16 million euro in H1 2016.

Operating income totaled 604 million euro in H1 2017, up 1.5% from 595 million euro in H1 2016.

Financial income (expense) – not including the revaluation of earn-out costs – amounted to an expense of 38 million euro over the first six months of 2017, after an expense of 40 million euro for the corresponding period in 2016. The cost of net debt was 32 million euro at June 30, 2017, down slightly from 39 million euro in 2016. Other financial income and expenses amounted to a net expense of 6 million euro in the first half of 2017, compared with a net expense of 1 million euro in 2016.

The revaluation of earn-out costs was an expense of 22 million euro (versus 10 million in 2016).

Income tax in H1 2017 was 151 million euro (i.e. an effective tax rate of 27.8%), after 162 million euro in H1 2016 (i.e. an effective tax rate of 29.7%). Over the full year 2016, the effective tax rate was 29.0%.

The Associates' share of profit was a negative 2 million euro in H1 2017, compared with a positive 2 million in 2016. Minority interests totaled 4 million euro at June 30, 2017, i.e. at the same level as in H1 2016.

Overall, Net income attributable to the Groupe amounted to 387 million euro at June 30, 2017, after 381 million euro at June 30, 2016.

Free cash flow

The Groupe's free cash flow before working capital requirements increased by 5.3% by comparison with the previous year to reach 594 million euro for the first half of 2017.

Net debt

Net debt totaled 2,092 million euro at June 30, 2017 (i.e. a debt / equity ratio of 0.37), after 1,244 million euro at year-end 2016 (when the gearing ratio was 0.21). At June 30, 2016, the gearing ratio was 0.38. The Groupe's average net debt for the first half-year was 1,993 million euro, compared with an average of 2,380 million euro in H1 2016.

HIGHLIGHTS FROM THE FIRST HALF YEAR 2017

Governance and appointments

Since June 1, 2017, Arthur Sadoun has been CEO and Chairman of a Management Board reinforced by the arrival of Steve King, the current CEO of Publicis Media, who has teamed up with Jean-Michel Etienne, Executive Vice-President, Group Chief Financial Officer, and Anne-Gabrielle Heilbronner, Secretary General.

Véronique Weill has been appointed General Manager of Publicis Groupe. She will take on her position as of September 1, 2017 and will be in charge of Re:Sources, IT, real estate, insurance and M&A. Véronique spent 21 years with J.P. Morgan, mainly in the USA, where she was in charge of operations and IT at global level. She then joined Axa in 2006, where, as a member of the Management Committee, she focused on operations, technology, digital, marketing and innovation. As Axa's Chief Operating Officer and then Chief Customer Officer, she helped make Axa one of the world's leading insurance brands.

Carla Serrano, CEO of Publicis New York and Chief Strategy Officer at Publicis Communications, has been promoted to Chief Strategy Officer at Publicis Groupe. Throughout her career, Carla has held strategic management positions in large networks and creative agencies. Before joining Publicis, Carla Serrano was CEO of Naked NA, CSO of TBWA Chiat/DAY NY and Chair at Berlin Cameron and Partners.

Publicis Groupe announced the creation of two new management committees in addition to its Management Board (*Directoire*).

The first is known as the Executive Committee and is responsible for the Groupe's transformation. It will meet every month and is comprised of the following members, in addition to the members of the Management Board:

- Chip Register, Co-CEO, Publicis.Sapient
- Carla Serrano, Chief Strategy Officer, Publicis Groupe
- Nigel Vaz, President, DigitasLBi
- Véronique Weill, General Manager, Publicis Groupe
- Alan Wexler, Co-CEO, Publicis.Sapient

The second committee, the Management Committee, will meet every quarter and will oversee Groupe operations and execution of its strategy. It is comprised of the Executive Committee members plus the following:

- Valérie Beauchamp, EVP Business Development, Publicis Groupe
- Justin Billingsley, COO Publicis Communications
- Agathe Bousquet, Présidente France, Publicis Groupe (taking office from September 1)
- Gerry Boyle, CEO APAC, Publicis Media
- Andrew Bruce, CEO North America, Publicis Communications
- Nick Colucci, CEO, Publicis Health
- Lisa Donohue, Global Brand President, Starcom
- Tim Jones, CEO North America, Publicis Media
- Loris Nold, COO Publicis Communications
- Rishad Tobaccowala, Chief Growth Officer, Publicis Groupe
- Alexandra Von Plato, Group President, Publicis Health
- Jarek Ziebinski, CEO, Publicis One

As submitted by the Supervisory Board, Maurice Lévy has become a member of the Supervisory Board which he now chairs. This proposal was approved by the shareholders at the Shareholders' meeting of May 31, 2017.

External growth

In January 2017, Publicis Communications acquired two digital agencies, namely The Abundancy and Ardent. These agencies will add to Leo Burnett's arsenal of data, creative and technological capabilities. Ardent provides proprietary technology that uses search data to understand behavior and predict consumer intent, while The Abundancy applies these learnings to inform custom content. Together, these two agencies count 60 professionals who have now joined Leo Burnett under newly appointed CEO Andrew Swinand in the USA.

Finance

On March 13, 2017, Publicis Groupe entered into a share buyback agreement with an Investment Services Provider under the share buyback program authorized by the Shareholders' meeting of May 25, 2016. The buyback period extended from March 14 to June 30, 2017.

This agreement was capped at 5,000,000 shares at an average price not exceeding the limits set by the Shareholders' meeting of May 25, 2016. Shares purchased on the last two days in June were only settled and delivered at the start of July, pursuant to stock market regulations. On June 30, 2017, the 4,878,002 treasury shares effectively delivered, and bought within this agreement for a consideration of 316 million euro, had been purchased at an average of 64.66 euro per share (64.86 euro including tax on financial transactions).

OUTLOOK

The early part of 2017 has shown encouraging signs. Publicis Groupe returned to positive growth in the second quarter and the operating margin has been improved despite the backdrop of weak growth. The momentum of accounts won has been good, including some prestigious wins such as HSBC, Bel and McDonald's.

The Groupe's top priority is to improve its organic growth and there are quite a number of projects still on-going. Our ambition is to post higher growth than our competitors by becoming the leader in marketing and operational transformation. Four concrete measures have been taken for this purpose: make our model a reality for all of our clients, leverage our competitive advantage in technology and consulting, simplify our organizational structures for greater efficiency; design a culture that attracts and retains the best talents.

We expect the sequential improvement in organic growth to continue in Q3. And we should return to a growth rate comparable with peers in the second half of the year. For the longer term, goals are identified: accelerate growth and increase efficiency. The Groupe is at the beginning of implementing an action plan with new governing bodies. A concrete and articulate update will be provided in the coming months.

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Disclaimer

Certain information contained in this document, other than historical information, may constitute forward-looking statements or unaudited financial forecasts. These forward-looking statements and forecasts are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These forward-looking statements and forecasts are presented as at the date of this document and, other than as required by applicable law, Publicis Groupe does not assume any obligation to update them to reflect new information or events or for any other reason. Publicis Groupe urges you carefully to consider the risk factors that may affect its business, as set out in the Registration Documents filed with the French Autorité des Marchés Financiers (AMF) and which is available on the website of Publicis Groupe (www.publicisgroupe.com), including an unfavorable economic climate, an extremely competitive market sector, the possibility that our clients could seek to terminate their contracts with us at short notice, the fact that a substantial part of the Group's revenue is derived from certain key clients, conflicts of interest between advertisers active in the same sector, the Group's dependence on its directors and employees, laws and regulations which apply to the Group's business, legal action brought against the Group based on allegations that certain of the Group's commercials are deceptive or misleading or that the products of certain clients are defective, the strategy of growing through acquisitions, the depreciation of goodwill and assets listed on the Group's balance sheet, the Group's presence in emerging markets, exposure to liquidity risk, a drop in the Group's credit rating and exposure to the risks of financial markets.

About Publicis Groupe – The Power of One

Publicis Groupe [Euronext Paris FR0000130577, CAC 40] is a global leader in marketing, communication, and digital transformation, driven through the alchemy of creativity and technology. Publicis Groupe offers its clients seamless access to its tools and expertise through modular offering. Publicis Groupe is organized across four Solutions hubs: **Publicis Communications** (Publicis Worldwide, Saatchi & Saatchi, Leo Burnett, BBH, Marcel, Fallon, MSL, Prodigious), **Publicis Media** (Starcom, Zenith, Spark Foundry, Blue 449, Performics), **Publicis.Sapient** (SapientRazorfish, DigitasLBi, Sapient Consulting) and **Publicis Health**. These 4 Solution hubs operate across principal markets, and are carried across all others by **Publicis One**, a fully integrated service offering bringing together the Groupe's expertise under one roof. Present in over 100 countries, Publicis Groupe employs nearly 80,000 professionals.

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Appendices

Organic growth calculation

(in million euro)	Q1	Q2	H1
2016 revenue	**2,291**	**2,462**	**4,753**
Currency impact (2)	50	26	76
2016 revenue at 2017 exchange rates (a)	2,341	2,488	4,829
2017 revenue before impact of acquisitions (1) (b)	2,314	2,507	4,821
Revenue from acquisitions (1)	14	8	22
2017 revenue	**2,328**	**2,515**	**4,843**
Organic growth (b/a)	**-1.2%**	**+0.8%**	**-0.2%**

Impact of currencies in H1 2017 ***(in million euro)***	
GBP (2)	(41)
USD (2)	78
Others	39
Total	**76**

(1) *Acquisitions (MercerBell, Vertiba, Seven Seconds, Insight Redéfini, Venus Communications, Arcade, Digitouch, PT Publicis Metro Indonesia, PT Indonesia Media Exchange, North Notch, Metadesign, Regicom, Ardent, The Abundancy), net of disposals.*

(2) *EUR = USD 1.082 at end June 2017 vs. USD 1.116 at end June 2016*
EUR = GBP 0.860 at end June 2017 vs. GBP 0.779 at end June 2016

New Business: Main wins at end June 2017

PUBLICIS COMMUNICATIONS

Bradesco (Brazil), Petrobras (Brazil), eBay (France), Nokia (South Africa), Uber (Singapore), Singtel (Singapore), Marriott (USA), SNHU (USA), Chromebook (USA), Truecaller (Sweden), Match.com (Meetic) (Pan-Europe), Great West Life (Canada), USAA (USA), AkzoNobel (Global), Culligan (water filtration/conditioning systems) (USA)

PUBLICIS MEDIA

20th Century Fox (Australia), Aldi Stores Limited (Australia), Coty Luxury (Denmark), Ego (Australia), Expedia (Singapore), KFC (USA), Lowe's (USA), Mattel (USA), Merck (EMEA), Molson Coors (USA & UK), NBCF (National Breast Cancer Foundation) (USA), PartyPoker (Norway), Royal Caribbean Cruises (UK), Singapore Tourism (Global), Southern Cross Travel Insurance (Australia), Bel Group (Global), Carpetright (UK), CCU (Compania de las Cervecerias Unidas) (Argentina), Coty Luxury (Norway), Credit Suisse Group (Italy), Danks Hardware (Australia), Dubai Corporation for Tourism & Commerce Marketing (Middle East), Euroloan Consumer Finance (Poland), Fondazione Ania (Italy), Grupa Allegro (Poland), H&R Block (USA), JC Jeans & Clothes (Sweden), Kolonial.no (Norway), Luminous Power Technologies (India), Materialgruppen AB Kimberly-Clark (Sweden), P&G (UK), PayU India (India), Procter & Gamble (UK & Ireland), ZTE Mobile (India)

PUBLICIS.SAPIENT

Mattel (USA), Carnival Corporation (USA), FirstNet / AT&T Government Solutions (USA), Lyft (USA), GSK (USA), The Nature Conservancy (USA), Intermarche (France)

PUBLICIS ONE

OCBC (Malaysia), Reckitt Beckenzier (Malaysia), 20th Fox Century (Malaysia), Ikea (Czech Republic), BEL (Czech Republic), l'Oréal (Czech Republic), Société Générale (Serbia), P&G (The Nertherlands), FCA (The Nertherlands), Skoda (The Nertherlands), Aldi (Belgium), Informazout (Belgium), ABinBEV (Colombia), Renault (Argentina)

PUBLICIS HEALTH

Novartis (USA), Genentech (USA), Shire (USA), Adapt (USA), AMAG (USA), Sunovion (USA), Clinigen Group (Global), Purdue (USA), Merck & Co (USA), Intarcia Therapeutics (USA), Flexion Therapeutics (USA), AbbVie (USA), Ipsen (USA)

2017 press releases

09-01-2017	Publicis Communications: Appointment at Leo Burnett USA and two acquisitions in digital
11-01-2017	Publicis Communications: Appointment at Saatchi & Saatchi; Robert Senior leaves the Groupe
18-01-2017	Publicis One: Appointment in Japan
19-01-2017	Publicis One: Appointment in Turkey
26-01-2017	Governance announcement at Publicis Groupe
01-02-2017	Publicis Communications: Appointment for the Nordics region
03-02-2017	Publicis.Sapient: Appointment at DigitasLBi; Luke Taylor leaves the Groupe
07-02-2017	Appointment of Laurent Carozzi as Publicis Groupe's Chief Performance Officer
09-02-2017	2016 annual results
21-02-2017	Viva Technology: 2nd edition on June 15-17, 2017
13-03-2017	Share Repurchase Agreement
16-03-2017	Publicis.Sapient: launch of SapientRazorfish's integrated offering
22-03-2017	Partnership between Publicis Groupe and Microsoft
18-04-2017	Appointment of Agathe Bousquet as President of the Groupe in France
20-04-2017	Q1 2017 Revenue
09-05-2017	Publicis Groupe announces the appointment of Céline Fronval as Groupe General Counsel
31-05-2017	Combined General Shareholders' Meeting
14-06-2017	Publicis Groupe Boosts Management Structure with Two Senior Nominations and New Governing Bodies
19-06-2017	Publicis Groupe and Alibaba Announce China Uni Marketing Partnership
20-06-2017	Publicis Groupe Builds the First Professional Assistant Platform Powered by AI and Machine Learning

Définitions

EBITDA: operating margin before depreciation.

Operating margin: Revenue after personnel costs, other operating expenses (excl. non-current income and expense) and depreciation (excl. amortization of intangibles arising on acquisitions).

Operating margin rate: Operating margin as a percentage of revenue.

Headline Group Net Income: Group net income after elimination of impairment charges, amortization of intangibles arising from acquisitions, main capital gains (or losses) on disposals and revaluation of earn-out payments.

EPS (Earnings per share): Group net income divided by average number of shares, not diluted.

EPS, diluted (Earnings per share, diluted): Group net income divided by average number of shares, diluted.

Headline EPS, diluted (Headline Earnings per share, diluted): Group net income after elimination of impairment charges, amortization of intangibles arising from acquisitions, main capital gains (or losses) on disposals and revaluation of earn-out payments, divided by average number of shares, diluted.

Capex : Net acquisitions of tangible and intangible assets, excluding financial investments and other financial assets.

ROCE (Return On Capital Employed): Operating Margin after Tax (using Effective Tax Rate) / Average employed capital. Capital employed include Saatchi & Saatchi goodwill which is not recognised in consolidated accounts under IFRS.

Free Cash Flow before changes in working capital requirements: Net cash flow from operating activities before changes in WCR linked to operating activities.

Net Debt (or financial net debt): Sum of long and short financial debt and associated derivatives, net of treasury and cash equivalents.

Average net debt: Average of monthly net debt at end of month.

Dividend pay-out: Dividend per share / Headline diluted EPS.

Consolidated income statement

(in millions of euros)	Notes	**June 30, 2017 (6 months)**	**June 30, 2016 (6 months)**	**December 31, 2016 (12 months)**
Revenue		**4,843**	**4,753**	**9,733**
Personnel expenses	3	(3,095)	(3,071)	(6,059)
Other operating expenses		(1,029)	(978)	(1,992)
Operating margin before depreciation and amortization		**719**	**704**	**1,682**
Depreciation and amortization expense (excluding intangibles from acquisitions)	4	(81)	(85)	(166)
Operating Margin		**638**	**619**	**1,516**
Amortization of intangibles from acquisitions	4	(35)	(40)	(79)
Impairment	4	-	-	(1,440)
Non-current income and expenses	5	1	16	12
Operating income		**604**	**595**	**9**
Financial expenses		(54)	(54)	(107)
Financial income		22	15	33
Cost of net financial debt	6	**(32)**	**(39)**	**(74)**
Revaluation of earn-out payments on acquisitions	6	(22)	(10)	(108)
Other financial income and expenses	6	(6)	(1)	-
Pre-tax income of consolidated companies		**544**	**545**	**(173)**
Income Taxes	7	(151)	(162)	(342)
Net income of consolidated companies		**393**	**383**	**(515)**
Share of profit of associates	10	(2)	2	(5)
Net income		**391**	**385**	**(520)**
Of which:				
- Net income attributable to non-controlling interests		4	4	7
Net income attributable to equity holders of the parent company		**387**	**381**	**(527)**
Per share data *(in euros)* - **Net income attributable to equity holders of the parent company**	8			
Number of shares		*224,581,868*	*221,728,433*	*223,498,871*
Earnings per share		*1.72*	*1.72*	*(2.36)*
Number of diluted shares		*228,808,205*	*224,617,656*	*223,498,871*
Diluted earnings per share		*1.69*	*1.70*	*(2.36)*

Consolidated statement of comprehensive income

(in millions of euros)	June 30, 2017 (6 months)	June 30, 2016 (6 months)	December 31, 2016 (12 months)
Net income for the period (a)	**391**	**385**	**(520)**
Comprehensive income that will not be reclassified to income statement			
- Actuarial gains (and losses) on defined benefit plans	6	(48)	(4)
- Deferred taxes on comprehensive income that will not be reclassified to income statement	(18)	15	14
Comprehensive income that may be reclassified to income statement			
- Revaluation of available-for-sale investments and hedging instruments	(20)	(11)	31
- Consolidation translation adjustments	(358)	(67)	100
Total other comprehensive income (b)	**(390)**	**(111)**	**141**
Total comprehensive income for the year (a) + (b)	**1**	**274**	**(379)**
Of which:			
- Total comprehensive income attributable to non-controlling interests	2	4	7
- Total comprehensive income attributable to equity holders of the parent company	(1)	270	(386)

Consolidated balance sheet

(in millions of euros)	Notes	June 30, 2017	December 31, 2016
Assets			
Goodwill, net	9	8,718	9,150
Intangible assets, net		1,213	1,345
Property, plant and equipment, net		581	640
Deferred tax assets		143	150
Investments in associates	10	77	87
Other financial assets	11	183	182
Non-current assets		**10,915**	**11,554**
Inventories and work in progress		429	406
Trade receivables		9,086	10,010
Other current receivables and assets		653	698
Cash and cash equivalents		1,151	2,228
Current assets		**11,319**	**13,342**
Total assets		**22,234**	**24,896**
Equity and liabilities			
Share capital		92	90
Additional paid-in capital and retained earnings, Group share		5,526	5,965
Equity attributable to holders of the parent company	**12**	**5,618**	**6,055**
Non-controlling interests		12	10
Total equity		**5,630**	**6,065**
Long-term borrowings	14	2,589	3,028
Deferred tax liabilities		589	649
Long-term provisions	13	533	556
Non-current liabilities		**3,711**	**4,233**
Trade payables		10,071	11,992
Short-term borrowings	14	555	283
Income taxes payable		123	88
Short-term provisions	13	131	130
Other creditors and current liabilities		2,013	2,105
Current liabilities		**12,893**	**14,598**
Total equity and liabilities		**22,234**	**24,896**

Consolidated statement of cash flows

(in millions of euros)	June 30, 2017 (6 months)	June 30, 2016 (6 months)	December 31, 2016 (12 months)
Cash flows from operating activities			
Net income	391	385	(520)
Neutralization of non-cash income and expenses:			
Income taxes	151	162	342
Cost of net financial debt	32	39	74
Capital (gains) losses on disposals (before tax)	-	(16)	(9)
Depreciation, amortization and impairment loss on property, plant and equipment and intangible assets	116	125	1,685
Non-cash expenses on stock options and similar items	28	19	55
Other non-cash income and expenses	25	15	115
Share of profit of associates	2	(2)	5
Dividends received from associates	1	-	3
Taxes paid	(115)	(79)	(257)
Interest paid	(26)	(22)	(106)
Interest received	26	10	40
Change in working capital requirements(1)	(1,013)	(1,102)	(355)
Net cash flows generated by (used in) operating activities (i)	**(382)**	**(466)**	**1,072**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(39)	(73)	(173)
Disposals of property, plant and equipment and intangible assets	2	1	7
Purchases of investments and other financial assets, net	(6)	(2)	(12)
Acquisitions of subsidiaries	(176)	(129)	(240)
Disposals of subsidiaries	2	11	7
Net cash flows generated by (used in) investing activities (ii)	**(217)**	**(192)**	**(411)**
Cash flows from financing activities			
Dividends paid to holders of the parent company	-	-	(193)
Dividends paid to non-controlling interests	(5)	(16)	(20)
Proceeds from borrowings	25	61	513
Repayment of borrowings	(22)	(1)	(517)
Net purchases of non-controlling interests	(23)	(30)	(44)
Net (purchases)/sales of treasury shares and exercise of equity warrants	(287)	8	24
Net cash flows generated by (used in) financing activities (iii)	**(312)**	**22**	**(237)**
Impact of exchange rate fluctuations (IV)	**(166)**	**19**	**126**
Change in consolidated cash and cash equivalents (i + ii + iii + iv)	**(1,077)**	**(617)**	**550**
Cash and cash equivalents on January 1	2,228	1,672	1,672
Bank overdrafts on January 1	(25)	(19)	(19)
Net cash and cash equivalents at beginning of year (V)	**2,203**	**1,653**	**1,653**
Cash and cash equivalents at closing date	1,151	1,064	2,228
Bank overdrafts at closing date	(25)	(28)	(25)
Net cash and cash equivalents at end of year (VI)	**1,126**	**1,036**	**2,203**
Change in consolidated cash and cash equivalents (vi – v)	**(1,077)**	**(617)**	**550**

(1) Breakdown of change in working capital requirements

Change in inventory and work in progress	(44)	(74)	28
Change in trade receivables and other receivables	424	325	(222)
Change in accounts payable, other payables and provisions	(1,393)	(1,353)	(161)
Change in working capital requirements	**(1,013)**	**(1,102)**	**(355)**

Consolidated statement of changes in equity

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital	Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to the holders of the parent company	Non-controlling interests	Total equity
225,367,784	**January 1, 2017**	**90**	**3,429**	**2,118**	**255**	**163**	**6,055**	**10**	**6,065**
	Net income			387			387	4	391
	Other comprehensive income, net of tax				(355)	(33)	(388)	(2)	(390)
	Total income and expenses for the period			**387**	**(355)**	**(33)**	**(1)**	**2**	**1**
3,992,216	Dividends	2	242	(414)			(170)	(5)	(175)
383,457	Share-based compensation, net of tax			30			30		30
	Effect of acquisitions and commitments to buy-out non-controlling interests			(9)			(9)	5	(4)
298,085	Equity warrant exercise		9				9		9
(3,754,991)	Purchases/sales of treasury shares			(296)			(296)		(296)
226,286,551	**June 30, 2017**	**92**	**3,680**	**1,816**	**(100)**	**130**	**5,618**	**12**	**5,630**

Earnings per share (basic and diluted)

(in millions of euros, except for share data)		**June 30, 2017**	**June 30, 2016**
Net income used for the calculation of earnings per share			
Net income attributable to equity holders of the parent company	**A**	387	381
Impact of dilutive instruments:			
- Savings in financial expenses linked to the conversion of debt instruments, net of tax		-	-
Group net income – diluted	**B**	387	381
Number of shares used to calculate earnings per share			
Number of shares at January 1		225,945,387	222,540,740
Shares created over the period		344,728	197,830
Treasury shares to be deducted (average for the year)		(1,708,247)	(1,010,137)
Average number of shares used for the calculation	**C**	224,581,868	221,728,433
Impact of dilutive instruments:			
Free shares and dilutive stock options[1]		3,588,145	2,093,218
Equity warrants[1]		638,192	796,005
Number of shares - diluted	**D**	228,808,205	224,617,656
(in euros)			
EARNINGS PER SHARE	A/C	**1.72**	**1.72**
Diluted earnings per share	B/D	**1.69**	**1.70**

(1) Only stock options and warrants with a dilutive impact, i.e. whose strike price is lower than the average strike price, are included in the calculation. For H1 2017 and 2016, all stock options and warrants not yet exercised at the reporting date had a dilutive impact.

Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)		**June 30, 2017**	**June 30, 2016**
Net income used to calculate headline earnings per share(1)			
Group net income		**387**	**381**
Items excluded:			
Amortization of intangibles from acquisitions, net of tax		23	25
Revaluation of earn-out payments		22	10
Main capital gains (losses) on disposal of assets, net of tax		-	(10)
Headline Group net income	**E**	432	406
Impact of dilutive instruments:			
- Savings in financial expenses linked to the conversion of debt instruments, net of tax		-	-
Headline Group net income, diluted	**F**	432	406
Number of shares used to calculate earnings per share			
Number of shares at January 1		225,945,387	222,540,740
Shares created over the period		344,728	197,830
Treasury shares to be deducted (average for the year)		(1,708,247)	(1,010,137)
Average number of shares used for the calculation	**C**	224,581,868	221,728,433
Impact of dilutive instruments:			
- Free shares and dilutive stock options		3,588,145	2,093,218
- Equity warrants		638,192	796,005
Number of diluted shares	**D**	228,808,205	224,617,656
(in euros)			
Headline earnings per share(1)	E/C	**1.92**	**1.83**
Headline earnings per share – diluted(1)	F/D	**1.89**	**1.81**

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