



# PUBLICIS GROUPE

## PRESS RELEASE

Paris, February 10, 2011

### 2010 Annual Results

Q4 2010

Million euro

▪ Revenue	1,560	+23,0%
▪ Organic growth		+12,5%

2010

Million euro

▪ Revenue	5,418	+19.8%
▪ Organic growth		+8.3%
▪ Operating margin	856	+25.9%
▪ As percentage of revenue (2009: 15.0%)	15.8 %	
▪ Net income (Groupe share)	526	+30.5%
▪ Free Cash Flow <sup>(1)</sup>	646	+23.3%
▪ Headline diluted EPS <sup>(2)</sup> (euro)	2.39	+21.0%
▪ Net cash	106	
▪ Dividend per share <sup>(3)</sup> (euro)	0.70	+16.7%

(1) Excluding changes in WCR  
(2) Excluding amortization of intangibles arising from acquisitions, impairment, capital gains on sales of property  
(3) Subject to Shareholders' approval at June 7, 2011 AGM.



## PUBLICIS GROUPE

### **Maurice Lévy, Chairman and Chief Executive Officer of Publicis Groupe, commented:**

*"The figures speak for themselves: organic growth of 8.3% for the year as a whole with a marked acceleration in the fourth quarter (12.5%), taking the Groupe's annual revenue to well above the five billion euro mark (5,418 million). The operating margin has improved by 80bp to 15.8%, compared to 2009 and net profit has risen to 526 million euro (+30.5%)."*

*My first reaction to this remarkable performance is to address my warmest thanks to our clients for their trust in us, and to our staff for the talent they have displayed in doing their jobs, their tireless efforts, and their devotion to our clients.*

*Our financial situation is extremely robust and enables us to look ahead to the future with serenity. Investment will be aimed first and foremost at consolidating our two growth pillars: the digital sector in which we intend to strengthen our leadership position, and high-growth countries in which we must increase our presence even more rapidly.*

*For some years now we have regularly out-performed the market, and I am convinced that we shall continue to forge ahead in the years to come. There are several reasons for this: our asset profile perfectly matches the needs of advertisers, particularly in the field of digital communication (the Internet, social networks, mobile communication, etc.), our well-balanced business portfolio, our culture based on client service and cost control, and – though I hardly need to say it – the exceptional motivation of all our staff. Publicis Groupe's excellent 2010 annual results have put an end to the impact of the global financial crisis, and the Groupe has emerged from this difficult context considerably stronger."*

\* \* \*

The Supervisory Board of Publicis Groupe, at its meeting on February 9, 2011, chaired by Mrs Elisabeth Badinter, examined the accounts for the 2010 financial period presented by Mr Maurice Lévy, Chairman and CEO.

## Key figures

<i>million euro, except for percentages and per-share data (in euro)</i>	<b>2010</b>	<b>2009</b>	<b>2010/2009</b>
<b>Data from the Income Statement</b>			
Revenue	5,418	4,524	+19.8%
Operating margin before depreciation & amortization <i>% of revenue</i>	967 17.8%	772 17.1%	+25.3%
Operating margin <i>% of revenue</i>	856 15.8%	680 15.0%	+25.9%
Operating Income	835	629	+32.8%
Net Income attributable to the Groupe	526	403	+30.5%
Earnings Per Share <sup>(1)</sup>	2.60	1.99	+31.0%
Diluted Earnings Per Share <sup>(2)</sup>	2.35	1.90	+23.0%
Dividend proposed	0.70	0.60	
<b>Data from the Balance Sheet</b>			
	<b>December 31, 2010</b>	<b>December 31, 2009</b>	
Total Assets	14,941	12,730	
Equity attributable to the parent company	3,361	2,813	

<sup>(1)</sup> Earnings Per Share calculations based on an average of 202.1 million shares in 2010, 202.3 million in 2009, and 202.5 million in 2008.

<sup>(2)</sup> Diluted Earnings Per Share calculations based on an average of 235.5 million shares in 2010, 220.9 million shares in 2009 and 220.7 million shares in 2008. These calculations include the stock options, free shares, equity warrants and the convertible bonds that dilute EPS. Stock options and warrants deemed to dilute EPS are those whose exercise price is below the average share price for the period. In 2010, all these instruments diluted EPS.

## Analysis of key figures

### I. Business in 2010: Performance of all sectors in all regions

During this year of stabilization and then of recovery, Publicis Groupe achieved very good results in all sectors of business in all parts of the world.

- **2010 Revenue**

Consolidated revenue totaled **5,418** million euro in 2010, up 19.8% from **4,524** million euro in 2009. The exchange rate impact was +242 million euro.

Organic growth was 8.3% for the year, with very strong growth in the last quarter. This is to be compared with 6.5% decrease in 2009. Razorfish is only factored into the calculation of organic growth from October 13, 2010.

All activities posted growth in 2010. Digital activities accounted for 28.0% of total revenue, compared with 22.4% during the previous period, and achieved much higher growth than the overall market.

Fast growing economies represented 22.7% of total revenue (if we factor out Razorfish, which contributed to the increase in revenue in the North America, high-growth economies accounted for 23.8% of total revenue).

The breakdown of consolidated revenue in 2010 is as follows: 32.6% from advertising (35% in 2009), 20.0% from media (21% in 2009), 47.4% from SAMS which included all digital activities (44% in 2009).

#### - Breakdown of 2010 revenue by geography

<i>(million euro)</i>	Revenue		Organic growth	2010/2009
	2010	2009		
Europe	1,761	1,579	+6.0%	+11.5%
North America	2,606	2,094	+9.9%	+24.4%
Asia-Pacific	617	498	+7.0%	+23.8%
Latin America	284	218	+13.7%	+30.4%
Africa and Middle East	150	135	+4.8%	+12.3%
<b>Total</b>	<b>5,418</b>	<b>4,524</b>	<b>+8.3%</b>	<b>+19.8%</b>

All regions without exception posted growth in 2010.

Europe, after being severely affected in 2009, especially in the south, returned to growth at a rate of 6.0%. Almost every country in Western Europe achieved positive figures, with France turning in the best performance at +11.2%. Northern Europe improved but was still slightly negative, while southern Europe is back posting positive growth. Eastern Europe and Russia posted 7.2% growth.

North America achieved a remarkable turnaround, posting growth of 9.9% in 2010, after strong resilience in 2009 thanks to the high contribution of digital services to the region's revenue. This growth was largely shored up by the strong performance of digital business which accounted for 42.6% of the region's revenue in 2010.

Asia-Pacific also posted a significant recovery, and while the performances of individual countries are quite contrasted, the vast majority of countries achieved positive growth.

All the Latin American countries generated strong growth in 2010 (e.g. Mexico, Argentina, Venezuela, Colombia).

The Africa and Middle East region was back to positive growth in 2010 after being severely affected by the financial crisis in Dubai.

- **Q4 2010 Revenue : Exceptional Organic Growth of 12.5%**

Consolidated revenue in Q4 2010 was 1,560 million euro, i.e. a 23.0% increase over the 1,268 million for the corresponding period in 2009 (the exchange rate impact was +97 million euro). For the record, organic growth was 3.1%, 7.1% and 9.2% in the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters, respectively.

- **Breakdown of Q4 2010 Revenue by Geography**

(million euro)	Revenue		Organic growth	2010/2009
	Q4 2010	Q4 2009		
Europe	556	483	+11.3%	+15.1%
North America	683	545	+14.0%	+25.2%
Asia-Pacific	180	146	+6.4%	+23.1%
Latin America	87	51	+22.1%	+70.9%
Africa and Middle East	54	43	+15.3%	+26.4%
<b>Total</b>	<b>1.560</b>	<b>1.268</b>	<b>12.5%</b>	<b>23.0%</b>

Growth in Q4 2010 was outstanding in almost every country and region of the world. This performance is consistent with the ongoing improvement observed quarter after quarter, and reflects the strength of the Groupe's activities in all market sectors throughout the whole world.

## Operating margin

**Operating margin before depreciation and amortization** was **967 million euro** in 2010, a 25.3% increase from 772 million euro in 2009.

Operating margin was 856 million euro, up 25.9% by comparison with 2009.

**Personnel expenses** rose 19.0% from 2,812 million in 2009 to **3,346 million euro** in 2010 representing 61.8% of consolidated revenue. Given the return of growth, the pace of recruitment had to be stepped up. Serious efforts were made to limit the fixed component of personnel costs, and this was successfully achieved during this year of redeployment and growth.

Thanks to the results posted by the Groupe and the efforts made by staff, it will be possible to pay performance-related bonuses normally.

**Other operating expenses** totaled **1,105 million euro**, up 17.6% from 2009, mainly due to higher commercial costs, increased travel expenses and higher depreciation and amortization, though administrative costs fell as a result of the continued emphasis on cost optimization in line with the Shared Services Centers program.

**Operating margin rate was 15.8% in 2010.** This improved percentage margin compared to 2009 is a reflection of the Groupe's strong revenue growth, especially in the last quarter and more particularly in December, and does factor in Razorfish integration costs.

In addition, **the cost of restructuring and other structural operations** in 2010 alone stood at **49 million euro**, i.e. 31 million euro less than in 2009.

Rigorous cost management across the Groupe, irrespective of revenue fluctuations, is undeniably a competitive strength and enables us to simultaneously absorb the cost of

integrating various acquisitions and speed up the roll-out of digital services throughout the world.

## Net income

After net financial expenses of 76 million euros, tax charges of 216 million, profits of entities accounted for by the equity method totaling 8 million and minority interests of 25 million, **net income** attributable to the Groupe amounted to 526 million euros for 2010 compared with 403 million in 2009 i.e. a **30.5%** increase.

## Free Cash Flow

**The Groupe's free cash flow**, excluding changes in working capital requirements, rose 23% to **646 million euro**.

## Net debt

Net financial debt was reduced by 499 million euro, with the situation moving from net debt of 393 million euro at year-end 2009 to a positive cash situation of 106 million euro at year-end 2010. This demonstrates the marked improvement in cash flow from operations.

This debt reduction completely wiped out the net debt, compared with a Debt/Equity ratio of 0.14 at the end of 2009. The Groupe's average net debt in 2010 was reduced by over 300 million euro, i.e. down from 929 million euro in 2009 to 608 million euro in 2010.

Importantly, the Groupe's available liquidity position was further improved by comparison with December 31, 2009, rising from 3,968 million euro to 4,531 million euro at the end of 2010 (4,319 million when only committed facilities were taken into account).

## Shareholders' equity

**Consolidated shareholders' equity**, including minority interests, rose from 2,838 million euros on December 31, 2009 to **3,382 million euros on December 31, 2010**.

## Dividend

A dividend of **0.70 euro per share** will be proposed and -subject to Shareholders' approval at the June 7, 2011 AGM- payable on July 5, 2011.

## The Groupe in 2010

Since 2004, Publicis Groupe has held the **Gunn Report number one spot for Creative Performance**. In its classification of advertising networks that have received the most awards, our networks are ranked 4<sup>th</sup> (Leo Burnett), 8<sup>th</sup> (Saatchi & Saatchi), 12<sup>th</sup> (Publicis), and 14<sup>th</sup> (BBH).

- Publicis Worldwide came second overall at the *Eurobest* festival, with a total of 22 awards.
- PHCG was named the best healthcare network in the USA by *Advertising Age*

- Kekst & Company (MSLGROUP) was voted *Corporate & Financial agency* of the decade by *The Holmes Report*.
- Leo Burnett had an outstanding year, taking "network of the year" awards at the *Young Guns Festival*, *International Andy Awards*, *Cristal Awards*, *Kinsale Shark Awards* and *New York International Festival*.

## **Festivals**

Publicis Groupe entities took top prizes in all the major global industry festivals, particularly the *ADDY Awards*, *Cannes Lions International Advertising Festival*, *CLIO*, *Cresta*, *D&AD*, *Dubai Lynx Festival*, *Effie Awards*, *Eurobest*, *Festival of Media Awards*, *FIAP*, *Golden Drum*, *IPA Effectiveness Awards*, *M&M Awards*, *MM&M Awards*, *New York Festivals*, *Spikes*, *The One Show*, and *The One Show Interactive*.

Our entities also received numerous awards at local festivals including the *American Advertising Federation (AAF) Awards*, *Anvil Awards*, *Aspid Awards*, *Association of National Advertisers (ANA) Awards*, *BTA Craft Awards*, *CAANZ Awards*, *China Advertising Annual Awarding Ceremony*, *CLIO Healthcare Awards*, *Creative Circle*, *Cristal*, *El Sol Iberoamerican Festival of Advertising Communication*, *Epica*, *European Excellence Awards*, *Hatch Awards*, *HSMIAI Adrian Awards*, *International Business Awards*, *Internationalist Awards*, *Internet Advertising Competition (IAC) Awards*, *Kinsale Shark Awards*, *Latin Spots*, *London International Awards*, *Media Federation of Australia (MFA) Awards*, *Mena Cristal Awards*, *MIXX Awards*, *Mobi Awards*, *OMMA Awards*, *PMAA Dragons*, *PRSA Del Oro Awards*, *Quill Awards (IABC)*, *REGGIE Awards*, *Rx Club Show*, *SABRE Awards*, *Singapore Media Awards*, and *Webby Awards*.

## **Grand Prix**

At the 2010 Cannes Lions Festival, Publicis Groupe took two Grand Prix (Del Campo/Nazca Saatchi & Saatchi, Buenos Aires for Andes Beer, and Leo Burnett Sydney for Canon) and 116 Lions, including 24 gold, 39 silver and 51 bronze. At the 2010 *Clio Awards*, Publicis Groupe received 33 prizes, including 1 Grand Clio (Publicis Mojo, Walsh Bay for James Boag's Draught), 4 gold, 16 silver and 12 bronze.

Other Grand Prix included the Grand Prix at the New York Festivals for Duval Guillaume Antwerp and Touring Mobilis, the Grand Prix at the *Dubai Lynx Festival* for SMG Dubai and GM Chevrolet, the Grand Prix at *Spikes* for Starcom New Zealand and the Yellow Pages, the Grand Prix at the *Media Federation Awards* for Starcom Australia and Mars Pedigree, the Grand Prix at the *International Digital Awards* for Starcom Netherlands and Samsung, the Prix "Grand Cristal" for Publicis Conseil and PMU, and a Grand *Effie* for Leo Burnett and Detroit Publics Schools.

## **Agency of the Year Awards**

Furthermore, various Publicis Groupe agencies received "Agency of the Year" awards in countries all over the world (Argentina, Australia, Belgium, China, Ecuador, USA, France, Porto Rico, UK, Russia, Singapore (Southeast Asia region), Slovakia, Slovenia. The award winners included Badillo Nazca Saatchi & Saatchi, BBH London, Conill, Del Campo Nazca Saatchi & Saatchi, Duval Guillaume Antwerp-Modem, Leo Burnett Moscow, Leo Burnett Sydney, Phonevalley, Publicis Slovenia, Publicitas Nazca Saatchi & Saatchi, Saatchi & Saatchi Los Angeles, Saatchi & Saatchi Slovakia, Saatchi & Saatchi X, and ZenithOptimedia UK.

## **Talent**

Among the important events of 2010 was the special stress laid on skills, including the Groupe's talent review (performance analysis, examination of succession plans) and continuation of the

training scheme including three EDP (Executive Development Program) sessions in America, Europe and Asia for high-potential managers from all the networks.

In addition, Publicis Groupe extended the reach of the "50 free shares" program by rolling out the plan in the USA following the French roll-out in 2009. Furthermore, the *LTIP* (Long-Term Incentive Plan) resumed in 2010 after a two-year break.

## Social responsibility and sustainable development

Publicis Groupe has demonstrated its continuing commitment to social and environmental responsibility by publishing a CSR report compliant with GRI standards and carrying out a carbon audit at the Groupe level. For the record, the action plan is organized along 4 major lines with the aim of bringing about simultaneous improvements in all these sectors:

**-Corporate:** strengthen concrete actions in favor of employees: training, diversity, incentives. The *Publicis Groupe Diversity Council* in the United States has continued to promote and coordinate the actions undertaken by the networks to encourage all forms of diversity.

**-Social:** continue to participate actively in the community, with schools, universities and professional organizations. Continue to support worthwhile causes through *pro bono* campaigns.

**-Governance/Economy:** strengthen the application of the "Janus" Corporate Policy Code, take account of new ethical issues in our professions, improve our CSR reporting, etc.

**-Environment:** reduce the Groupe's footprint.

## II. Cost control

Operational management within the Groupe continued to focus on growth and enhanced profitability, with special emphasis as usual on costs:

- **on one hand to rigorously manage the need for extra talent** arising from the advertising sector's return to growth and the development of digital services,

- **on the other hand to continue with the implementation of the Horizon plan.** The Shared-Services Centers (SSC) deployment plan continued throughout the year on all continents and the establishment of regional platforms (commenced in America and South-East Asia in 2009) has been a source of satisfaction. The *Americas* platform, which will serve the American continent, is nearing completion. The property consolidation programs were implemented very actively in the Groupe's main markets in 2010 (USA, UK, Germany, France, Italy, Spain, Poland, Australia, Argentina, etc.) as were the global and regional procurement programs aimed at Groupe expense items and production costs.

The Groupe continues to implement its ERP system, thanks to the integration of a large number of agencies using the Shared-Services Centers and the standardization of common processes. Once this project is up and running, it will substantially reduce operating costs in the years to come.

## III. New Business: Net gains of 5.9 billion dollars

Publicis Groupe made net gains of New Business worth **5.9** billion US dollars during the year: clear proof of the attractiveness of its offering (see list in appendix).

## IV. Acquisitions

During the year, Publicis Groupe made several acquisitions in various parts of the world and took a minority stake in Taterka Comunicações, a Brazilian advertising agency based in São Paulo and covering 18 countries in Latin America. All these transactions fall under Publicis Groupe's policy of continuing to expand its digital business while reinforcing its presence in high-growth countries, healthcare and public relations.

**-Acquisition in the digital sector: AG2**, one of Brazil's top digital and interactive agencies, specialized in economic intelligence and bringing new skills in the field of interactive brand management.

### **-Acquisitions in the healthcare communications field:**

- **In-Sync**, based in Toronto, an agency specialized in healthcare communications and market surveys;
- **Resolute Communications**, a London-based healthcare communications agency with operations in New York as well. Resolute Communications provides healthcare communications programs that encompass strategic advisory services, medical training and public relations. Resolute joined Publicis Life Brands in London;
- **Digital District**, a German-based agency with specialized skills in the definition and roll-out of communication strategies;
- **Healthcare Consulting**, acquired in December. Now Publicis Healthcare Consulting, this Paris-based agency with operations in New York offers a broad range of advisory solutions in several fields of expertise such as access to markets, promotions, distribution, new technologies, the emerging markets, capitalizing on research, industrial transfers and new industry players.

### **-Acquisitions in the public relations business**, targeting essentially high-growth economies:

- **20:20 Media and 2020Social**, two agencies specialized in public relations and social media in India. 20:20 Media is the leading agency for clients in the field of technology communications, an area in which it has played a pioneering role. 2020Social brings us the expertise of India's first agency to specialize in strategic advisory services in social media. This acquisition enabled the Groupe to launch MSLGROUP India which is now the leading communications network specializing in public relations and the social media.
- **Eastwei Relations** in China. This PR and strategic consulting business – which boasts tools, processes and proprietary software packages that are specific to the management of strategic communications campaigns in the Chinese market – has been renamed Eastwei MSL and is now part of the MSLGROUP network.

These two acquisitions should re-energize the know-how of MSLGROUP, which is the main specialized communications, PR and events network in Asia.

- Still in the PR field, Publicis Groupe consolidated its stake in Andreoli MS&L in Brazil, thus becoming the majority shareholder in one of the five biggest multidisciplinary PR agencies in Brazil, setting up a reference platform for MSLGROUP in South America.

### **-Acquisitions in the domain of integrated communications**

- the **G4** agency: Beijing-headquartered G4 provides integrated communications solutions including advertising, design and consulting services on behalf of Nestlé in China. This agency, now known as Publicis G4, has taken on Publicis Beijing's Nestlé team to accompany this major client more extensively throughout China.
- **W&K Beijing Advertising Co.**, in China: The Groupe has acquired the remainder of the capital, and this subsidiary is now wholly-owned. It has been renamed Leo Burnett

Beijing Communications Co. Ltd., and contributes to Leo Burnett's expansion in the Beijing market.

- **Talent Group**, in Brazil: acquisition of a 49% stake in Talent Group, one of the country's biggest advertising firms, with the option of becoming majority shareholder at a later stage. Talent Group comprises two São-Paulo-based agencies: Talent and QG. The group provides the full range of media and below-the-line communications services, offers training courses for sales teams and field staff, operates in incentive programs, promotion and activation, and is committed to developing its digital communications.
- Finally, in late November, Publicis Groupe acquired three agencies in Romania. These long-standing affiliates (Publicis Roumanie, Focus Advertising and Publicis Events) will be merged into **Grupul Publicis Communication Services Bucurest**. The new entity will be a full-services company in communications, advertising, brand strategy, creation, sales promotion, events marketing and digital services.

The Groupe's acquisitions have been very focused in terms of business area and geographic region in order to meet customers' new needs, while devising the solutions expected by consumers and boosting the Groupe's growth.

## V. Finance

A noteworthy event early in 2010 was the accelerated redemption, in January, of part of the Oceane 2018 issue still in circulation. According to the Oceane 2018 contract, all bond-holders could request early redemption of all or part of their Oceanes at a unit price of 45.19 euro. On January 18, 2010, 617,985 Oceanes were redeemed in this way for a total sum of 28 million euro.

The number of these Oceane bonds still in circulation after that date is 2,624,538, i.e. 14.9% of the original issue which totaled 17,624,521.

Furthermore, on January 8, 2010, following the authorization granted by the Combined Ordinary and Extraordinary General Meeting held on June 9, 2009, Publicis Groupe SA signed a contract with an accredited intermediary with a view to acquiring 2.7 million Publicis Groupe shares. The program was authorized for a period of eighteen months starting from June 9, 2009; i.e. until December 8, 2010. 2,487,959 shares have been acquired through this program.

On May 10, 2010, Publicis Groupe repurchased from Dentsu Inc a block of 7,500,000 of its own shares held by SEP Dentsu-Badinter, for a total price of 218 million euro, i.e. 29 euro per share. These shares were immediately canceled.

## VI. 2011: Recent events

### Acquisitions

Publicis Groupe has announced its intention to purchase, through a public takeover bid, all the shares in **Chemistry**, an independent integrated communications agency, for a consideration of approximately 14.45 million pounds Sterling. Chemistry's Board of Directors recently recommended that its shareholders tender their shares at a price of 37p per share, to be paid in cash.

Chemistry is one of the UK's leading agencies, and is specialized in integrated marketing services, particularly in digital. Its offering includes advertising communications, strategic consulting and digital marketing, direct marketing and promotional marketing.

Chemistry's Board of Directors has recommended that its shareholders tender their shares at a price of 37p per share, to be paid in cash.

## **New Business**

The start of the year has been very active in terms of new business gains. Since January 1, the Groupe is proud to count ADP, C&A China, Carl Zeiss Sports Optic, FNAC, Guerlain, Lenovo, Pages Jaunes and Sonic among its new clients.

## **VII. Outlook**

The market trends anticipated since late 2009 materialized in 2010, and were then confirmed by the sharp recovery of the advertising market in all regions in the second half of the year, and more notably during an exceptional last quarter.

In this more buoyant market, Publicis Groupe achieved excellent results thanks to its positioning in digital services and its ever-increasing exposure in high-growth countries, these two growth drivers already accounting for close to half the Groupe's revenue.

The Groupe intends to continue to roll out its now well-established strategy based on two components: digital services, which continue to grow strongly thanks to the social networks and mobility, and high-growth markets.

The fact that the merits of this strategy have been proven suggests the Groupe should continue to invest in digital services, taking care to accelerate this expansion outside the USA. Another priority is to expand in high-growth countries as the Groupe plans to double the size of its business in China, while reinforcing its positions in India and Latin America.

Thanks to a very good volume of business and strict cost control, the Groupe succeeded in ending the year with a very robust financial situation.

The very satisfactory level of new business wins in 2010 bears witness to the Groupe's dynamic approach and strong presence alongside its clients, thus confirming its ability to reach its market-share targets. All these factors authorize the Groupe to envisage growth in excess of the current market estimations while continuing to improve its operating margins.

In the medium term the Groupe's goal is to derive 35% of its revenue from digital activities and 30% from high-growth markets. Publicis Groupe intends to focus its actions so as to reach these targets both by internal growth and targeted acquisitions. Almost two-thirds of its revenue will then be generated in high-growth sectors or countries.

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*« Some information other than historic data contained in this document may constitute forward-looking statements or unaudited financial forecasts. This information is subject to risks and chance events that may lead to substantive changes in the eventual real data. These data are presented as known at the date of this press release and Publicis Groupe accepts no liability for their updating in the light of new events or any other reason, with the exception of applicable regulations. Publicis Groupe invites you to refer carefully to the information concerning factors liable to affect its business that is presented in its reference document submitted to the Financial Market Authorities. »*

**About Publicis Groupe**

Publicis Groupe [listed on the Euronext Paris Exchange - FR0000130577 - and part of the CAC 40 index] is the world's third largest communications group. With activities spanning 104 countries on five continents, Publicis Groupe employs approximately 49,000 professionals and offers local and international clients a complete range of advertising services through three global networks: Leo Burnett, Publicis, Saatchi & Saatchi, and numerous agencies including Fallon, 49%-owned Bartle Bogle Hegarty, and Kaplan Thaler Group. VivaKi combines digital and media expertise, allowing clients to connect with consumers in a holistic way, with Starcom MediaVest Group and ZenithOptimedia worldwide media networks; and interactive and digital marketing led by Digitas and Razorfish networks. VivaKi develops new services, tools, and next generation digital platforms. Publicis Groupe offers healthcare communications with Publicis Healthcare Communications Group (PHCG, the first global network in healthcare communications). And with MSLGROUP, one of the world's top five PR and Events networks, expertise ranges from corporate and financial communications to public relations and public affairs, branding, social media marketing and events.

**Web site:** [www.publicisgroupe.com](http://www.publicisgroupe.com)

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# Appendices

## New Business 2010

**USD 5.9 billion (net)**

### **KEY WINS**

#### **DIGITAS**

Electronic Arts (Brazil), Topper (Brazil), CA (USA), Goodyear (USA), Aflac (USA), Sears (USA), Whitewave (USA), Olay (Hong Kong/ Taiwan), Airtel (India), Nestle (India), Renault ZE (France), Zimmer (USA), Brickell (Brazil), Chrysler (Brazil), Whirlpool (Brazil), ConocoPhillips (USA), American Red Cross (USA), Cadillac (USA), Emerson (USA), Harley Davidson (USA), Intuit (USA), 1-800 Contacts (USA), Azul Linhas Aereas (USA), Itau (Brazil), Maphre (Brazil), M Dias Branco (Brazil), Mead Johnson (Brazil), Procter & Gamble (Brazil), Samsung (Brazil)

#### **FALLON**

Cadbury Flake (UK), French Connection (global), Nokia (global), The Cosmopolitan of Las Vegas. (USA), Cadillac (USA), H&R Block (USA)

#### **LEO BURNETT**

Chrysler (UK, Germany, Turkey, Japan, Brazil, Venezuela), Samsung (Malaysia, Czech Republic, Thailand, Kazakhstan), COI/BIS (UK), Research in Motion- Blackberry (UK), DUFY- duty free (Mexico), Sigma Alimentos (Mexico), Koleston (Colombia), Nestlé (Guatemala), Sanofi-Aventis (Guatemala), Canon (Thailand), Amway (China), Siemens (China), Merrill Lynch (Korea), British Council (Sri Lanka), BMW (Malaysia), Pilipinas Shell (Philippines), Arla Food (Russia), Nycomed (Latvia), The ITI Group (Poland), Altıparmak (Turkey), El-Bi Electrics (Turkey), Turkcell (Turkey), Ülker (Turkey), SFR (France), Delipapier Sofidel (France), Campero (Guatemala, Salvador), V-Inspired (UK), Cemex (Costa Rica), World Gold Council (Turkey), Dubai International Film Festival, Tele2 (Kazakhstan), Fiat (Mexico), Cipher Lab (Taiwan), Lenovo (Japan), Lindt & Sprungli (UK), British Film Institute (UK), P&G (UK), Samsung (Malaysia, Czech Republic, Thailand, Kazakhstan, India), Mc Donald's (Japan), Boon Rawd (Thailand), Oishi (Vietnam), ZDF (Germany), Vera Bradley (Japan), Merial (Japan), Innocent (UK), Travelocity (USA), Seek Think (Australia), FFSA -French Federation of Insurance Societies- (France), Milkmaid (India), Gruma (Mexico), Coca-Cola (Thailand, Columbia), Wines of Turkey (Turkey), Groupama (France), WWF (France), Moet Hennessy Diageo (France), VLCC Health Care Lanka (India), Commonwealth Bank (Indonesia), Airtricity (Ireland), Honda (Indonesia), Cruicer (Mexico), McDonald's (Philippines), Information Communication Technology Agency of Sri Lanka (ICTA), Mead Johnson (Thailand), Captain Coating (Thailand), Fathai Seasoning Powder (Thailand), Ziraat Bankasi Turkey), Covidien (Turkey), Miller (UK), Reliance Telcomm (India), United Overseas Bank (Singapore), Wataniya Telcomm (Sri Lanka), P&G/ Hard Surface Cleaners Brand Agency Leader Assignment, P&G/ Pampers Brand Agency Leader Assignment, Invesco (US & UK), Sealy (USA), White Wave (USA)

## **MSLGROUP**

What's on (India), World Gold Council (China), Central agency for national insurance (France), National Defense Ministry (France), Klépierre Ségécé (France), Pernod Ricard (France), RapidShare (Germany), Apoteket (Sweden), Brand South Africa (China), United Technologies Corporation (India), Fortis Healthcare (India), Nike (India), Tim Hortons (Canada), Schiesser (Germany), ICBC (France), L'Oréal for Women & Science (France), UPS (USA), Nestle (USA), eLab (USA), OCI (USA)

## **PUBLICIS WORLDWIDE**

Dolce Gusto (France, USA), Chrysler (Canada), City of Toronto (Canada), Metro (Canada), Siemens Energy (Germany, Asia), Telefonica / Movistar (Spain), Sky News / Online project (UK), Café do Brasil (Italy), Orogel (Italy), J.K. Helene Curtis (India), Reserve Bank of India / VIP Bags (India), SCMP Classified Post (Hong Kong), Le Monde (France), Ricola (France), Descamps (France), Carte d'Or (France), Cyrillus (France), GT Land Plaza (China), La Halle (France), Aéroports de la Côte d'Azur (France), Nestlé (Mexico), Bupa (UK), Concha y Toro / VCT (Brazil), Hamburger *Financial* (Germany), Bud Light (Canada), Beefeater Gin (UK), Randstad (UK), Belle Avenue (Thailand), Black Canyon (Thailand), Wellcome / *Social business* (Germany), Emirates Airlines (Netherlands), Stivorol / *Anti-smoking campaign* (Netherlands), Louvre Museum (France), Losc / Lille Football Club (France), Hammerson (France), Shanghai World Expo's / Information & communication pavilion account, Virgin Mobile (Australia), City of Dreams / Digital account (Hong Kong), Indigo Books / *Largest Canadian book retailer* (Canada), Hasbro (Canada), Canadian Olympic Foundation (Canada), Fiat / Punto Evo / International launch in Spain, Portugal, Netherlands, Belgium, Ireland, Poland (France), BNP Paribas Investment Partners (Netherlands), Nestlé Maggi (Malaysia), Little Liushen (China), V-Guard (India), Procter & Gamble (Brazil), Microsoft (Romania), ALJ Group (Malaysia), Burger King (Singapore), Common Wadden Sea Secretariat / Wadden Sea Unesco World Heritage (Germany), CBID- China Business Intelligence (China), Aegis Global Academy (India), Nestlé (Thailand), Yun He Soy Milk (China), Edenred (Italy), Renault Zero Emission (Italy), Zambon (Italy), Movil (Italy), U Mobile Malaysia (Malaysia), Amway (China), HP (China), Yu He Soy Milk (China), SuperB of Skoda (China), GDB brand TVC (China), Lucky Lotto of DJI Holding (China), The Hill of CMPD (China), CongDu of Kingold (China), Dinghu (China), Oenobiol (France), Ministry of Finance (France), Orange Challenge (France), Luxottica (France), Nestlé (Ghana), Rider Levett Bucknall (UK), Edelweiss (Germany), Randstad (Germany), Orange Challenge (France), Orange Pro (France), Nestle (Mexico), Swiss Post (Switzerland), Air Asia (UK), Fresco (Italy), Bernina International (Switzerland), Subway Restaurants (New Zealand), Nestle (Singapore), PMU/digital (France), RATP (France), Paypal/digital (Brazil), Cleartrip (India), Haco Group of Thailand (Thailand), Virgin Unite (UK), LG/digital (Publicis Modem WW)

## **RAZORFISH**

The Hollywood Reporter (USA), Pattex (Germany), Home Depot (USA)

## **SAATCHI & SAATCHI**

Arla Foods - Lurpak (Global except for UK), BNP Paribas (Poland), Red.es *digital TV* (Spain), Chrysler & Dodge SUV (China), Vinda (China), Carlsberg: Dali, Wusu, XiXia (China), Petrobras (Brazil), Sanitarium (New Zealand), Harley-Davidson (India), CIBIL (India), Sony Playstation (and Sony Cyber-shot (Argentina with Conill/Latin America), Honda (Brazil), Procter & Gamble Digital Communications (Brazil), Chivas Regal (China), York Timbers (South Africa), Diageo Global Travel (UK), Tuffy (South Africa), LaForet Department Store (Japan), Electoral

Commission (New Zealand), Coca-Cola (Argentina/ Latin-America), CartaSi (Italy), FMG (New Zealand), Record Bank (Belgium), Essent (Belgium), Pioneer Foods/Nulaid (South Africa), Dubai Global Energy Forum 2011 (UAE), Agorex (Argentina), Berlingske Media (Denmark), Danske Bank (Denmark), Gillette (Argentina), Healthy Weight Commitment Foundation (USA), Mead Johnson (Middle East), Mead Johnson/Enfamil (Netherlands - pan-Euro), Pacena beer (Argentina), Scotts (Canada), Timberland (Argentina), Toyota (Czech Republic/Slovakia, Denmark, Italy and Hungary), Vestas - S&S (global)

#### **STARCOM MEDIAVEST GROUP**

Honda (Germany, Italy, Norway, Poland, Sweeden, UK), CBS Film (USA), Turner (USA), Napa Auto Parts (USA), Nintendo (Netherlands), Dutch Government (Netherlands), Van Haren (Netherlands), Silesia Voivodship (Poland), Ministry of Environment (Poland), Skyways (Sweeden), FEW *Online Retail* (Sweeden), Prudential Direct Insurance (Taiwan), Coca-Cola (France), Mitre 10 (Australia), Mars Wrigley (China), in.gr (Greece), General Mills (China), Supermac's (Ireland), AIB (Ireland), IKKS (Netherlands), Provident (Poland), Adidas (United Arab Emirates), Aflac (USA), Avon (USA), Kraft/Cadbury (global), American Egg Board (USA), GlaxoSmithKline (Europe), Westin (India), IDA (Ireland), ABN Amro (Netherlands), Singapore Navy, TMB Bank (Thailand), Comcast (USA), Darden Restaurants (USA, Canada) , Amar Remedies (India) , Yahoo (Taiwan), Cineworld (UK), Dreams (UK), 1-800 Contacts (USA), Best Buy (Poland), Harry Winston (Middle East, North Africa, India)

#### **THE KAPLAN THALER GROUP**

Aflac (USA), Shire (USA), Pfizer (additional brands) (USA)

#### **ZENITHOPTIMEDIA**

Aviva (global), Reckitt Benckiser (global), Beijing Tourism Board, China Merchant Bank, Maoduoli (China), Electrolux (Vietnam), Georgia Pacific (Romania), Vivartia (Romania), BN Telecom (Turkey), Dyo (Turkey), Pegasus Airlines (Turkey), SAB Miller (Ecuador), Axtel (Mexico), Lindt (United Arab Emirates), Catalanian Government (Spain), Ministry of Environment (Spain), Perfume Shop (UK), Remington Consumer Products (USA), Beijing Lan Hai Cold Mineral Water (China), Warner Bros (Singapore), Universal Pictures (Mexico), Hubei Mobile (China), Reckitt Benckiser (China), AS Watson (APAC), BGL Group (UK), Travelocity (USA), Asia Pacific Breweries (Singapore), O2 (Europe), Orbitz (USA), Reckitt Benckiser (Poland), Canal + (Poland), Inco-Veritas (Poland), Triumph (Poland), Sonic (USA), Deutsche Post/DHL (Germany), CartaSi (Italy), Raiffeisen Bank (Russia), HTC (China), Sanofi-Aventis( France, Americas, Asia), Travelocity (USA), Pinnacle Foods (USA), Square Enix (USA)

## 2010 Press Releases

08/01/10	Share Repurchase Program
11/01/10	Partnership between the Women's Forum and Terrafemina
18/01/10	OCEANES 2018 – Early Redemption
05/02/10	Lov Group and Publicis Groupe in Exclusive Negotiations
17/02/10	2009 Annual Results
16/03/10	Management Board Bonuses
30/03/10	Publicis Groupe Acquires a Minority Stake of Brazilian Agency Taterka Comunicações
06/04/10	Publicis Groupe Acquires In-Sync Healthcare Agency
22/04/10	Publicis Groupe: First Quarter 2010 Revenue - Back to Growth
26/04/10	Re-Elections at the Publicis Groupe Supervisory Board
29/04/10	Publicis Groupe Acquires Remaining Capital of Leo Burnett / W&K Beijing Advertising Co. Ltd
10/05/10	Publicis Groupe announces its Acquisition from Dentsu Inc. of 7,500,000 of its own Shares in Order to Cancel Them
19/05/10	Publicis Groupe acquires Resolute Communications, in Healthcare Communications
01/06/10	Publicis Groupe Annual General Shareholders' Meeting - Dividend set at 0.60 Euros per Share
01/06/10	Supervisory Board and Management Board of Publicis Groupe
28/06/10	Danièle Bessis Joins Publicis Groupe as CEO of Re:Sources Worldwide
12/07/10	Publicis Groupe Acquires G4 Advertising co. Ltd. in China
29/07/10	Publicis Groupe: First Half 2010 Results
02/08/10	Publicis Groupe Pursues its Global Digital Expansion and Acquires AG2, Top Brazilian Interactive Agency
09/09/10	Publicis Groupe and Lov Group Put an End to the Acquisition Project of a Stake in France Télévisions Publicité
01/10/10	Publicis Groupe to Acquire 20:20 Media, 2020Social in India and Establish MSLGROUP India – India's Leader in PR, Social Media and Specialty Communications Services
06/10/10	Publicis Groupe Acquires a 49% Stake in the Talent Group in Brazil Further Strengthening its Foothold in the BRIC Markets
21/10/10	Publicis Groupe Publishes 3rd Quarter 2010 Revenue
17/11/10	Publicis Groupe Acquires Eastwei Relations in China

- 29/11/10 Publicis Groupe Acquires Publicis Romania, Focus Advertising and Publicis Events Strengthening the Communications Offer on the Romanian Market
- 13/12/10 Publicis Groupe Acquires Digital District
- 16/12/10 Publicis Groupe Takes Majority Stake in Brazil's Andreoli MS&L
- 20/12/10 Publicis Groupe Acquires Healthcare Consulting Creating a New Strategic Consulting Agency
- 26/01/11 Publicis Groupe Proposes to Acquire Chemistry through a Recommended Cash Offer
- 27/01/11 Publicis Groupe Increases its Stake in Wefcos - Véronique Morali Appointed Wefcos President

**For further information: [www.publicisgroupe.com](http://www.publicisgroupe.com)**

## Glossary

<b>Net financial debt</b> (or net debt):	Equals the long and short term financial debt plus associated derivatives fair value, less cash and cash equivalent
<b>Average half-year net debt:</b>	Yearly average of average monthly net debt
<b>Net new business:</b>	This figure is derived not from financial reporting but from estimated media-marketing budgets based on annual business (net of losses) from new and existing clients.
<b>Operating Margin:</b>	The operating margin is equal to the revenue after deduction of personnel expenses, other operating expenses (excluding non current income and expenses), depreciation and amortization (excluding intangible arising from acquisitions).
<b>Operating Margin rate:</b>	The operating margin rate (operating margin / revenue %) is a KPI followed by the Group in order to measure the performance of the cash-generating units and the Group.

## Revenue and Organic Growth Calculation

(€ Million)	H1 2010	H2 2010	Q4 2010	2010
2009 Revenue	2,209	2,315	1,268	4,524
Currency Impact	55	187	97	242
2009 Revenue at 2010 exchange rate (a)	2,264	2,502	1,365	4,766
2010 Revenue before impact of acquisitions <sup>(1)</sup> (b)	2,383	2,778	1,536	5,161
Revenue from acquisitions	155	102	24	257
2010 Revenue	2,538	2,880	1,560	5,418
<b>Organic Growth</b> (b/a)	+5.3%	+11.0%	12.5%	+8.3%

(1) Net of disposals

Average Exchange rate Dec. 31, 2010 : 1 USD = 0.7551 EUR    1 GBP = 1.1660 EUR

# Publicis Groupe

## Consolidated accounts (Unaudited)

### **Consolidated Income Statement**

<i>(in millions of euros)</i>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Revenue</b>	<b>5,418</b>	<b>4,524</b>	<b>4,704</b>
Personnel expenses	(3,346)	(2,812)	(2,852)
Other operating expenses	(1,105)	(940)	(963)
<b>Operating margin before depreciation and amortization</b>	<b>967</b>	<b>772</b>	<b>889</b>
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	(111)	(92)	(104)
<b>Operating margin</b>	<b>856</b>	<b>680</b>	<b>785</b>
Amortization of intangibles arising from acquisitions	(34)	(30)	(29)
Impairment	(1)	(28)	(13)
Non-current income and expenses	14	7	8
<b>Operating income</b>	<b>835</b>	<b>629</b>	<b>751</b>
Interest expense	(81)	(73)	(110)
Interest income	16	12	29
<b>Cost of net financial debt</b>	<b>(65)</b>	<b>(61)</b>	<b>(81)</b>
Other financial income and expenses	(11)	(9)	2
<b>Pre-tax Income of consolidated companies</b>	<b>759</b>	<b>559</b>	<b>672</b>
Income taxes	(216)	(146)	(196)
<b>Net income of consolidated companies</b>	<b>543</b>	<b>413</b>	<b>476</b>
Share of profit of associates	8	4	2
<b>Net income</b>	<b>551</b>	<b>417</b>	<b>478</b>
Of which:			
- Net income attributable to non- controlling interests (minority interests)	25	14	31
<b>- Net income attributable to equity holders of the parent (Group share)</b>	<b>526</b>	<b>403</b>	<b>447</b>

### **Per share data (in euros) – Net income attributable to equity holders of the parent**

Number of shares	202,149,754	202,257,125	202,536,963
Earnings per share	2.60	1.99	2.21
Number of shares - diluted	235,470,461	220,867,344	220,728,941
Earnings per share – diluted	2.35	1.90	2.12

## Consolidated statement of comprehensive income

<i>(in millions of euros)</i>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Net income for the period (a)</b>	<b>551</b>	<b>417</b>	<b>478</b>
<b>Other comprehensive income</b>			
- Revaluation of available-for-sale investments	12	12	(15)
- Actuarial gains and losses on defined benefit plans	(10)	(4)	(45)
- Cumulative translation adjustment	297	(59)	(5)
- Deferred taxes on other comprehensive income	4	1	16
<b>Other comprehensive income for the period (b)</b>	<b>303</b>	<b>(50)</b>	<b>(49)</b>
<b>Total comprehensive income for the period (a) + (b)</b>	<b>854</b>	<b>367</b>	<b>429</b>
Of which:			
- Attributable to non-controlling interests (minority interests)	33	17	28
- Attributable to equity holders of the parent (Group share)	821	350	401

## Consolidated Balance Sheet

(in millions of euros)

	December 31, 2010	December 31, 2009	December 31, 2008
<b>Assets</b>			
Goodwill, net	4,278	3,928	3,693
Intangible assets, net	856	835	794
Property and equipment, net	464	458	480
Deferred tax assets	75	73	91
Investments in associates	140	49	44
Other financial assets	113	94	101
<b>Non-current assets</b>	<b>5,926</b>	<b>5,437</b>	<b>5,203</b>
Inventory and work in progress	326	290	319
Accounts receivable	5,953	4,875	4,843
Other receivables and current assets	572	548	628
Cash and cash equivalents	2,164	1,580	867
<b>Current assets</b>	<b>9,015</b>	<b>7,293</b>	<b>6,657</b>
<b>Total assets</b>	<b>14,941</b>	<b>12,730</b>	<b>11,860</b>
<b>Liabilities and shareholders' equity</b>			
Share capital	77	79	78
Additional paid-in capital and retained earnings	3,284	2,734	2,242
<b>Equity attributable to holders of the parent company</b>	<b>3,361</b>	<b>2,813</b>	<b>2,320</b>
Non-controlling interests (minority interests)	21	25	30
<b>Total equity</b>	<b>3,382</b>	<b>2,838</b>	<b>2,350</b>
Long-term financial debt (more than 1 year)	1,783	1,796	1,323
Deferred tax liabilities	219	214	232
Long-term provisions	458	449	459
<b>Non-current liabilities</b>	<b>2,460</b>	<b>2,459</b>	<b>2,014</b>
Accounts payable	7,216	5,835	5,802
Short-term financial debt (less than 1 year)	290	214	218
Income taxes payable	39	63	68
Short-term provisions	118	100	110
Other creditors and current liabilities	1,436	1,221	1,298
<b>Current liabilities</b>	<b>9,099</b>	<b>7,433</b>	<b>7,496</b>
<b>Total liabilities and equity</b>	<b>14,941</b>	<b>12,730</b>	<b>11,860</b>

## Consolidated Cash Flow Statement

<i>(in millions of euros)</i>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Cash flow from operating activities</b>			
Net income	551	417	478
Neutralization of non-cash income and expenses:			
Income tax	216	146	196
Cost of net financial debt	65	61	81
Capital (gains) losses on disposals (before tax)	(14)	(10)	(2)
Depreciation, amortization and impairment on property and equipment and intangible assets	146	150	146
Non-cash expenses on stock options and similar items	26	24	9
Other non-cash income and expenses	6	11	8
Share in net income of associates	(8)	(4)	(2)
Dividends received from associates	14	9	10
Taxes paid	(219)	(157)	(169)
Interest paid	(76)	(75)	(89)
Interest received	17	16	37
Change in working capital requirements <sup>(1)</sup>	287	59	12
<b>Net cash provided by (used in) operating activities (I)</b>	<b>1,011</b>	<b>647</b>	<b>715</b>
<b>Cash flows from investing activities</b>			
Purchases of property and equipment and intangible assets	(103)	(74)	(92)
Proceeds from sale of property and equipment and intangible assets	25	10	28
Purchases of investments and other financial assets, net	5	10	(1)
Acquisitions of subsidiaries	(166)	(273)	(155)
Disposals of subsidiaries	1	1	-
<b>Net cash flows provided by (used in) investing activities (II)</b>	<b>(238)</b>	<b>(326)</b>	<b>(220)</b>
<b>Cash flows from financing activities</b>			
Capital increase	-	-	1
Dividends paid to parent company shareholders	(107)	(107)	(106)
Dividends paid to non-controlling interests	(21)	(26)	(24)
Cash received on new borrowings	7	744	482
Reimbursement of borrowings	(52)	(108)	(1,128)
Net purchases of non-controlling interests <sup>(2)</sup>	(9)	(25)	(17)
Net (purchases)/sales of treasury shares and warrants	(198)	5	(174)
<b>Net cash flows provided by (used in) financing activities (III)</b>	<b>(380)</b>	<b>483</b>	<b>(967)</b>
<b>Impact of exchange rate fluctuations (IV)</b>	<b>188</b>	<b>(94)</b>	<b>19</b>
<b>Net change in consolidated cash flows (I + II + III + IV)</b>	<b>581</b>	<b>710</b>	<b>(452)</b>
Cash and cash equivalents at January 1	1,580	867	1,313
Bank overdrafts at January 1	<u>(33)</u>	<u>(30)</u>	<u>(24)</u>
<b>Net cash and cash equivalents at beginning of period (V)</b>	<b>1,547</b>	<b>837</b>	<b>1,289</b>
Cash and cash equivalents at December 31	2,164	1,580	867
Bank overdrafts at December 31	<u>(36)</u>	<u>(33)</u>	<u>(30)</u>
<b>Net cash and cash equivalents at end of year (VI)</b>	<b>2,128</b>	<b>1,547</b>	<b>837</b>
<b>Net change in cash and cash equivalents (VI – V)</b>	<b>581</b>	<b>710</b>	<b>(452)</b>
<i>(1) Breakdown of change in working capital requirements</i>			
Change in inventory and work in progress	(14)	29	64
Change in accounts receivable and other receivables	(855)	160	(110)
Change in accounts payable, other creditors and provisions	<u>1156</u>	<u>(130)</u>	<u>58</u>
<b>Change in working capital requirements</b>	<b>287</b>	<b>59</b>	<b>12</b>

(2) In accordance with the application of revised IFRS 3, net purchases of non-controlling interests, which were previously shown under investing activities, are presently classified under financing activities

## Statement of Changes in Consolidated Shareholder's Equity

Number of outstanding shares	(in millions of euros)	Capital stock	Additional paid-in capital	Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to holders of the parent company	Non-controlling interests (minority interests)	Total equity
183,600,411	<b>December 31, 2007</b>	81	2,742	(436)	(313)	124	2,198	27	2,225
	Net income			447			447	31	478
	<b>Other comprehensive income:</b>								
	Fair value adjustments to available-for-sale investments					(15)	(15)		(15)
	Actuarial gains and losses on defined benefit plans <sup>(1)</sup>			(29)			(29)		(29)
	Translation adjustments				(2)		(2)	(3)	(5)
	<b>Total of other comprehensive income</b>	-	-	(29)	(2)	(15)	(46)	(3)	(49)
	<b>Total of income and expenses for the period</b>	-	-	418	(2)	(15)	401	28	429
1,633,629	Publicis Groupe SA capital increase and cancellation of treasury shares	(3)	(189)	192			-		-
	Dividends			(106)			(106)	(25)	(131)
	Share-based compensation <sup>(1)</sup>			8			8		8
	Additional interest on ORANes			(7)			(7)		(7)
(6,379,739)	Purchases/sales of treasury shares			(174)			(174)		(174)
178,854,301	<b>December 31, 2008</b>	78	2,553	(105)	(315)	109	2,320	30	2,350
	Net income			403			403	14	417
	<b>Other comprehensive income:</b>								
	Fair value adjustments to available-for-sale investments					12	12		12
	Actuarial gains and losses on defined benefit plans <sup>(1)</sup>			(3)			(3)		(3)
	Translation adjustments				(62)		(62)	3	(59)
	<b>Total of other comprehensive income</b>	-	-	(3)	(62)	12	(53)	3	(50)
	<b>Total of income and expenses for the period</b>	-	-	400	(62)	12	350	17	367
1,562,129	Publicis Groupe SA capital increase	1	47	(48)			-		-
	Equity component of OCEANE 2014			49			49		49
	Dividends			(107)			(107)	(26)	(133)
	Share-based compensation <sup>(1)</sup>			26			26		26
	Additional interest on ORANes			(6)			(6)		(6)
	Effect of acquisitions and commitments to buy out non-controlling interests						-	4	4
6,752,338	Purchases/sales of treasury shares			181			181		181
187,168,768	<b>December 31, 2009</b>	79	2,600	390	(377)	121	2,813	25	2,838
	Net income			526			526	25	551
	<b>Other comprehensive income:</b>								
	Fair value adjustments to available-for-sale investments					12	12		12
	Actuarial gains and losses on defined benefit plans <sup>(1)</sup>			(6)			(6)		(6)
	Translation adjustments				289		289	8	297
	<b>Total of other comprehensive income</b>	-	-	(6)	289	12	295	8	303
	<b>Total of income and expenses for the period</b>	-	-	520	289	12	821	33	854
(5,937,871)	Publicis Groupe SA capital increase and cancellation of treasury shares	(2)	(168)	(48)			(218)		(218)
	Dividends			(107)			(107)	(21)	(128)
	Share-based compensation <sup>(1)</sup>			39			39		39
	Additional interest on ORANes			(7)			(7)		(7)
	Effect of acquisitions and commitments to buy out non-controlling interests						-	(16)	(16)
1,140,173	Purchases/sales of treasury shares			20			20		20
182,371,070	<b>December 31, 2010</b>	77	2,432	807	(88)	133	3,361	21	3,382

(1) The actuarial gains and losses on defined benefit plans and the share-based compensation are reported with the related deferred tax

## Earnings per Share

### Earnings per share and diluted earnings per share

<i>(in millions of euros, except for share data)</i>		2010	2009	2008
<b>Net income used for the calculation of earnings per share</b>				
Net income attributable to equity holders of the parent	a	526	403	447
<i>Impact of dilutive instruments:</i>				
- Savings in financial expenses related to the conversion of debt instruments, net of tax <sup>(1)</sup>		27	16	20
Net income attributable to equity holders of the parent - diluted	b	553	419	467
<b>Number of shares used to calculate earnings per share</b>				
Average number of shares that make up the share capital		192,754,345	196,020,983	196,277,148
Treasury shares to be deducted (average for the year)		(10,912,268)	(15,633,664)	(16,651,410)
Shares to be issued to redeem the ORANES		20,307,677	21,869,806	22,911,225
Average number of shares used for the calculation	c	202,149,754	202,257,125	202,536,963
<i>Impact of dilutive instruments:</i>				
- Free shares and dilutive stock options <sup>(1)</sup>		4,389,680	1,770,247	137,404
- Warrants <sup>(1)</sup>		480,327	-	-
- Shares resulting from the conversion of convertible bonds <sup>(2)</sup>		28,450,700	16,839,972	18,054,574
Number of shares - diluted	d	235,470,461	220,867,344	220,728,941
<i>(in euros)</i>				
<b>Earnings per share</b>	a/c	<b>2.60</b>	<b>1.99</b>	<b>2.21</b>
<b>Earnings per share – diluted</b>	b/d	<b>2.35</b>	<b>1.90</b>	<b>2.12</b>

(1) Only stock options and warrants with a dilutive impact, i.e. whose exercise price is lower than the average share price of the period are taken into consideration in the calculation. In 2010, all of the stock options and warrants outstanding at year end had a dilutive effect.

(2) Over the three years 2010, 2009 and 2008, all of the OCEANES had a dilutive impact and are therefore factored into the calculation of diluted EPS.

## Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)

		2010	2009	2008
<b>Net income used to calculate Headline<sup>(1)</sup> earnings per share</b>				
Net income attributable to equity holders of the parent		526	403	447
<i>Items excluded:</i>				
- Amortization of intangibles from acquisitions, net of tax		21	18	18
- Impairment, net of tax		1	27	11
- Net capital gains (losses) on disposals of land, buildings and long-term real estate leases		(12)	(6)	(5)
- Deferred tax assets linked to the OCEANE 2014 <sup>(2)</sup>		-	(23)	-
Headline net income attributable to equity holders of the parent	e	536	419	471
<i>Impact of dilutive instruments:</i>				
- Savings in financial expenses linked to the conversion of debt instruments, net of tax		27	16	20
Headline net income attributable to equity holders of the parent - diluted	f	563	435	491
<b>Number of shares used to calculate earnings per share</b>				
Average number of shares that make up the share capital		192,754,345	196,020,983	196,277,148
Treasury shares to be deducted (average for the year)		(10,912,268)	(15,633,664)	(16,651,410)
Shares to be issued to redeem the ORANEs		20,307,677	21,869,806	22,911,225
Average number of shares used for the calculation	c	202,149,754	202,257,125	202,536,963
<i>Impact of dilutive instruments:</i>				
- Free shares and dilutive stock options		4,389,680	1,770,247	137,404
- Warrants		480,327	-	-
- Shares resulting from the conversion of the convertible bonds		28,450,700	16,839,972	18,054,574
Number of shares - diluted	d	235,470,461	220,867,344	220,728,941
<i>(in euros)</i>				
<b>Headline earnings per share<sup>(1)</sup></b>	e/c	<b>2.65</b>	<b>2.07</b>	<b>2.33</b>
<b>Headline earnings per share - diluted<sup>(1)</sup></b>	f/d	<b>2.39</b>	<b>1.97</b>	<b>2.22</b>

(1) Earnings per share before amortization of intangibles arising from acquisitions, impairment, capital gains (losses) on disposal of land and buildings, and the deferred tax asset linked to the OCEANE 2014 bond.

(2) Impact of the deferred tax asset recognized in the amount of the deferred tax liability booked on the equity portion of the OCEANE 2014 bond.