PUBLICIS GROUPE

MAY 2006

# Notice of Meeting

We are pleased to inform you that the Ordinary and Extraordinary Meeting of PUBLICIS GROUPE S.A. shareholders will be held on Wednesday, June 7, 2006 at 10:00 a.m., at the Publiciscinémas, 133, avenue des Champs Elysées, Paris.

## 1 AGENDA:

**of the Ordinary Meeting of the shareholders:**

- management Board Report;
- reports by the Supervisory Board and its Chairman;
- reports by the Auditors;
- approval of operations and the annual financial statements for fiscal year 2005;
- approval of the consolidated financial statements for fiscal year 2005;
- allocation of the net income and establishment of the dividend;
- ratification of the management acts of the Management Board members;
- ratification of the acts of the Supervisory Board members;
- establishment of the attendance fees to be awarded to the members of the Supervisory Board and to the members of the Audit Committee and the Appointments and Compensation Committee;
- approval of the agreements referred to in Article L. 225-86 of the French Commercial Code;
- reelection of two Supervisory Board members;
- appointment of a new Supervisory Board member;
- ratification of the cooptation of a new Supervisory Board member;
- authorization and delegation to be given to the Management Board so that the Company can purchase its own shares;

**of the Extraordinary Meeting of the shareholders:**

- authorization to the Management Board to decrease the capital stock by canceling Publicis shares held by the Company;
- delegation of authority to the Management Board, pursuant to Article L. 225-129-6 paragraph 2 of the French Commercial Code, to increase the capital stock for the benefit of Group employees;
- amendment of the following articles of the bylaws: Article 7 on Transfer of shares; Article 11 on Deliberations, Article 21 on presiding Officers – Attendance sheet – Votes, and Article 22 on Ordinary Shareholders' Meeting.

**of the Ordinary and Extraordinary Meeting of the shareholders:**

- powers to carry out formalities;
- any other business.

## ❷ REASONS FOR THE RESOLUTIONS

| | |
|---|---|
| 1st resolution: | • approval of the transactions and single-entity financial statements for fiscal year 2005. |
| 2nd resolution: | • approval of the consolidated financial statements for fiscal year 2005. |
| 3rd resolution: | • appropriation of the net profits for 2005 and establishment of the dividend. |
| 4th and 5th resolutions: | • ratification of the acts of the members of the Management Board and the Supervisory Board for fiscal year 2005. |
| 6th resolution: | • establishment of the attendance fees for the members of the Supervisory Board for fiscal year 2005 and for each ot the fiscal years thereafter and taking note of the allotment decided by the Supervisory Board. |
| 7th resolution: | • approval of the regulated agreements mentioned in the special report of the Statutory Auditors. |
| 8th and 9th resolutions: | • reelection of Elisabeth Badinter and Henri-Calixte Suaudeau to the Supervisory Board for six years. |
| 10th resolution: | • appointment of Léone Meyer as a new Supervisory Board member for six years. |
| 11th resolution: | • ratification of the cooptation of Michel Halpérin as a new member of the Supervisory Board. |
| 12th resolution: | • authorization to the Management Board, for 18 months, such that the Company can purchase its own shares, up to the limit of 10% of the capital stock; the maximum purchase price is EUR 45 and the minimum selling price is EUR 18. |
| 13th resolution: | • authorization to the Management Board, for 26 months, to decrease the capital stock by canceling Publicis shares held by the Company. |
| 14th resolution: | • pursuant to Article L.225-129-6 paragraph 2 of the French Commercial Code and Articles L. 443-1 ff. of the French Labor Code, authorization to the Management Board, for 26 months, to increase the capital stock by a maximum nominal amount of EUR 2.8 million, in favor of Group employees. |
| 15th resolution: | • proposal to amend Article 7 III of the bylaws (Transfer of shares) to bring it into line with Article L.233-7 of the French Commercial Code, and particularly to take into account the fact that the deadline for reporting the crossing of thresholds has been reduced to five trading days. |

| | |
|---|---|
| 16th resolution: | • proposal to amend Article 11 III of the bylaws (Deliberations) to reflect the statutory obligation to prepare minutes of each Management Board meeting. |
| 17th resolution: | • proposal to amend Article 21 last paragraph (Officers – Attendance sheet – Votes) so that the method of voting can be determined by the officers presiding over the meeting. |
| 18th resolution: | • proposal to amend Article 22 (annual shareholders' meeting) to include the possibility to allow the Management Board to issue bonds. |
| 19th resolution: | • powers to accomplish formalities. |

## ❸ RESOLUTIONS PROPOSED

### Resolutions falling within the prerogatives of the Ordinary Meeting of Shareholders

**First resolution**

Having read the reports of the Management Board, the Supervisory Board and its Chairman and the report of the Auditors along with the balance sheet, the statement of income and the relevant notes for the 2005 fiscal year, the Shareholders' Meeting approves the transactions and operations summarized in these reports as well as the annual financial statements showing a profit of EUR 254,044,499.

**Second resolution**

The Shareholders' Meeting approves the consolidated financial statements for 2005 as they have been presented and drawn up in accordance with the provisions of Articles L. 233-16 ff. of the French Commercial Code, showing a profit of EUR 414,000,000, Group interest of EUR 386,000,000.

**Third resolution**

The Shareholders' Meeting, approving the recommendation of the Management Board, resolves to charge:

| | | |
|---|---|---|
| the profit for fiscal year 2005 in the amount of | EUR | 254,044,499 |
| to the legal reserve in the amount of | EUR | 65,517 |
| for distribution to shareholders (EUR 0.36 x 197,111,510 shares as of March 31, 2006), i.e., | EUR | 70,960,144 |
| to carry forward | EUR | 183,018,838 |
| for a total allocation of | EUR | 254,044,499 |

The net dividend is EUR 0.36 per share with a par value of EUR 0.40. It will be payable on July 4, 2006, and will include, as applicable, the reduction of 40% mentioned in Article 158-3 2 of the General Tax Code, for physical persons.

In accordance with Article L. 225-210 Paragraph 4 of the French Commercial Code, the Shareholders' Meeting further resolves that the dividend on treasury shares held at the date such dividend becomes payable will be carried forward.

The shareholders acknowledge that the Management Board's report indicates that the following dividends were paid in the previous three years:

- 2002: EUR 0.24 per share with a par value of EUR 0.40, EUR 0.12 dividend tax credit;
- 2003: EUR 0.26 per share with a par value of EUR 0.40, EUR 0.13 dividend tax credit.
- 2004: EUR 0.30 per share with a par value of EUR 0.40, eligible for the reduction of 50% for physical persons.

**Fourth resolution**
The Shareholders' Meeting ratifies the acts of the Management Board for their management during the 2005 fiscal year.

**Fifth resolution**
The Shareholders' Meeting ratifies the acts of the members of the Supervisory Board for their duties for the 2005 fiscal year.

**Sixth resolution**
For the 2005 fiscal year and for each of the fiscal years thereafter, the Shareholders' Meeting establishes the total annual amount of attendance fees to be granted to all of the members of the Supervisory Board at EUR 600,000 and notes that the Supervisory Board has decided, subject to approval of this resolution, to distribute this total amount such that Supervisory Board members will receive EUR 5,000 for each meeting they attend and that Audit Committee and the Appointments and Compensation Committee members will receive EUR 5,000 for each meeting they attend.
The Shareholders' Meeting decides that this amount will remain in effect until a new decision is made by the shareholders.

**Seventh resolution**
Having heard the Auditors' special report provided for in Article L. 225-86 of the French Commercial Code, the Shareholders' Meeting approves the terms of that report, in accordance with Article L. 225-88 of said Code.

**Eighth resolution**
The Shareholders' Meeting reelects Elisabeth Badinter to the Supervisory Board for a six-year term that will expire at the end of the Annual General Meeting called to approve the financial statements for fiscal year 2011.

**Ninth resolution**
The Shareholders' Meeting reelects Henri-Calixte Suaudeau to the Supervisory Board for a six-year term that will expire at the end of the Annual General Meeting called to approve the financial statements for fiscal year 2011.

**Tenth resolution**
The Shareholders' Meeting appoints Léone Meyer as a new member of the Supervisory Board, to replace Robert Seelert, who did not desire to serve another term as Supervisory Board member, for a six-year term that will expire at the end of the Annual General Meeting called to approve the financial statements for fiscal year 2011.

**Eleventh resolution**
The Shareholders' Meeting ratifies the Supervisory Board's cooptation of Michel Halpérin, approved by the Supervisory Board on March 2, 2006, as a new Supervisory Board member, to replace Robert Badinter for the remainder of Mr. Badinter's term, i.e., until the end of the Annual General Meeting called to approve the financial statements for fiscal year 2007.

**Twelfth resolution**

The Shareholders' Meeting, after having examined the report by the Management Board and in accordance with Articles L. 225-209 ff. of the French Commercial Code and Regulation No. 2273/2003 of the European Commission dated December 22, 2003, authorizes the Management Board, with the right to subdelegate powers on the terms stipulated by law and the Company's Bylaws, to purchase the Company's shares or have such purchases made, to accomplish the following objectives:

- to award shares to the employees and/or officers and directors of the Company and/or its group, particularly as part of mandatory profit-sharing with employees, to satisfy stock options, pursuant to group savings plans, or pursuant to awards of free shares as provided under Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code,

- to deliver or exchange shares, and in particular to honor obligations related to shares or other securities giving immediate or future access to the capital, or in the framework of external growth operations,

- to make a secondary market for or enhance the liquidity of the Publicis share through an investment services provider intervening on behalf and for the account of the Company with total independence and without being influenced by the Company, under a liquidity contract that complies with a charter of ethics which is recognized by the Financial Market Authority or any other applicable provision.

- to cancel the shares acquired in this manner, a solution which would require an authorization from the Shareholders' Meeting voting in an extraordinary capacity,

This program would also allow the Company to act within any other authorized means or which would be authorized by the applicable law or regulations. In that case, the Company would formally inform its shareholdres.

The Company may hold the repurchased shares, sell or transfer them in any manner, in compliance with the regulations in force, and in particular selling them on the stock market or over the counter, in a public offering or a stock swap, by using options or derivatives, and/or cancel the shares acquired in this manner, subject to the authorization of the Shareholders' Meeting voting in an extraordinary capacity.

The maximum number of shares that can be purchased shall not exceed 10% of the number of shares making up the capital stock on the date of the initial implementation of this authorization. As of March 31, 2006, the Company had 13,216,814 shares with a par value of EUR 0.40 each that were acquired pursuant to previous authorizations, and the overall ceiling for this transaction is EUR 292 million.

The maximum purchase price per share is set at EUR 45 and the minimum selling price per share at EUR 18, with the specification that these prices will not apply to a buyback of shares so that options can be exercised (or so that shares can be awarded to employees free of charge), because in these cases, the selling price or the monetary equivalent is determined in accordance with the specific provisions that apply.

The Shareholders' Meeting delegates to the Management Board, in the event of a change in the par value of the shares, a capital increase through the incorporation of reserves, a free allotment of shares, a reverse stock split, a distribution of reserves or any other assets, redemption of shares, or any other transaction involving equity capital, the power to adjust the aforementioned purchase and selling prices to take account of the repercussion of these transactions on the value of the share.

The Shareholders' Meeting decides that the acquisition, sale or transfer of the shares may be carried out and paid by any means, including the use of options, derivatives or warrants, including the purchase of call options, on the terms established by current regulations, and that the maximum share of the capital that can be transferred in the form of blocks of shares may be the entire amount of the share repurchase program.

The Shareholders' Meeting decides that the Company may utilize this resolution and carry out the stock redemption program, even in the event of tender offers involving the Company's shares, instruments or other securities or initiated by the Company, in compliance with applicable regulations.

The Shareholders' Meeting grants full powers to the Management Board, with the right to subdelegate powers on the terms provided for by law and the Company's Bylaws, to sign all acts, agreements, perform all formalities and, generally to do whatever is necessary to carry out this resolution.

This authorization is granted for a period of eighteen (18) months. It terminates, for the portion which has not been utilized and the period which has not lapsed, and replaces the authorization granted previously under the eleventh resolution approved by the Meeting of the Company's shareholders on June 1, 2005.

## Resolutions falling within the prerogatives of the Extraordinary Meeting of the shareholders

### Thirteenth resolution

The Shareholders' Meeting, after having examined the report by the Management Board and the special report by the Statutory Auditors, and ruling in accordance with Article L. 225-209 of the French Commercial Code:

- authorizes the cancellation, on one or more occasions, up to the statutory limit of 10% of the capital (this ceiling is set to an amount of capital which might be adjusted to take into account any change on the capital stock after today's Shareholdres' Meeting) and at 24-month intervals, of all or part of the Publicis shares acquired under the stock purchase program authorized by the approval of the twelfth resolution above, by the stock purchase program authorized at the Shareholders' Meeting on June 1, 2005, in the eleventh resolution, or any stock purchase programs that may be authorized after today's meeting;
- delegates to the Management Board, with full powers of substitution, the authority to cancel, in its sole discretion, on one or more occasions, in these proportions and at the times it deems appropriate, the shares so acquired, and to reduce the capital as a result, and to modify the Bylaws to reflect these events;
- establishes that this authorization will be in effect for twenty-six (26) months from the date of today's Shareholders' Meeting. As of today, this authorization supersedes the unutilized portion of any prior authorization given to the Management Board to reduce the capital by cancelling treasury shares.

**Fourteenth resolution**

The Shareholders' Meeting, after having examined the report by the Management Board and the special report by the Statutory Auditors, and having noted that the employees of the Company and companies affiliated with it within the meaning of Article L. 225-180 of the Commercial Code hold less than 3% of the capital, and ruling in the context of Article L. 443-5 et seq. of the French Labor Code and Article L. 225-138-1 of the French Commercial Code and in accordance with Articles L. 225-129-2 and L. 225-129-6 paragraph 2 of the French Commercial Code,

1) terminates with immediate effect, for the unutilized portion and the period which has not lapsed, the delegation granted by the Combined Annual and Special Meeting of Shareholders on January 9, 2002, in the tenth resolution;

2) delegates to the Management Board its authority, for a term of twenty-six (26) months as of today's meeting, to decide, on one or more occasions, to issue new shares or other securities reserved for the employees of the Company and/or of companies affiliated with the Company within the meaning of Article L. 225-180 of the French Commercial Code, which employees are members of an employee savings plan (plan d'épargne d'entreprise) or a collective retirement savings plan, and/or of any mutual fund through which the new shares so issued can be subscribed to by them, and/or reserved for free award to said employees of shares or other securities giving access to the Company's capital within the limits provided for by Article L. 443-5 of the French Labor Code;

3) decides that the total nominal amount of an immediate capital increase or a capital increase over time resulting from all issues of shares, equity securities or other securities implemented pursuant to a delegation of authority given to the Management Board, by this resolution is two million eight hundred thousand euros (EUR 2,800,000) or its equivalent in any other authorized currency, with the understanding that this ceiling is set without taking into account the effects that any adjustments made may have on the amount of the capital, in accordance with the laws and regulations following the issue of shares or giving access to the capital and that the nominal amount of a capital increase implemented pursuant to this authorization will count towards the total ceiling of forty million euros (EUR 40,000,000) established by shareholders at a special meeting on June 1, 2005, in the twenty-second resolution;

4) decides that the subscription price of the shares issued pursuant to this delegation of authority will be determined in accordance with Article L. 443-5 of the French Labor Code;

5) decides to eliminate the shareholders' preemptive right to subscribe to shares issued under this resolution, to the benefit of employees or former employees who are members of an employee stock ownership plan or a retirement savings plan of the Company or companies affiliated with it within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 444-3 of the French Labor Code.

The Shareholders' Meeting grants all authority to the Management Board, with powers of substitution on the terms provided for by law and the Company's Bylaws, to implement this delegation of authority, on one or more occasions, in compliance with the terms just established and in particular, the Meeting grants all authority to determine the terms of the security issue or issues made pursuant to this delegation of authority, including but not limited to:

- to determine that the issues can take place directly in favor of the beneficiaries or through collective organizations;

- to determine the terms and conditions of issues to be made under this authorization and in particular the terms governing the payment of dividends and the procedures for making full payment for shares;

- to establish the subscription price of the shares in accordance with the legal rules;

- to award shares free of charge to subscribers to new shares as a substitute for the discount and/or as a matching contribution;

- to establish the opening and closing dates of the subscription period;

- to establish the deadline by which shares must be paid for in full, which shall not exceed the maximum period granted under the applicable law and regulations, and, if applicable, the seniority required of employees in order to participate in the transaction or receive a matching contribution from the Company;

- to make the necessary amendments to the Bylaws and to take any necessary action and, if the Board deems it suitable, to deduct the costs of the capital increase from the amount of the premiums corresponding to these increases, and to levy the necessary sums from this amount to raise the legal reserve to one tenth of the new capital after each increase.

**Fifteenth Resolution**

Having heard the report of the Management Board, the shareholders resolve to amend Article 7 Section (III) of the Bylaws as follows.

Section III of Article 7 is replaced in its entirety by the following text:

*« **III -** Any person or entity, acting alone or in concert, who holds or will hold, in any way whatsoever within the meaning of Articles L. 233-7 et seq. of the Commercial Code, a portion greater than or equal to 1% of the share capital or the voting rights, or any multiple of such percentage, including beyond the disclosure thresholds established by law and regulations, must inform the Company of the total number of shares and voting rights owned by such person or entity, as well as of any securities giving access to the capital and the voting rights that may be attached thereto, by means of a registered letter with return receipt requested sent to the registered office within five trading days from the date on which one of the thresholds was exceeded.*

*Such obligation also applies whenever the portion of capital or voting rights held becomes lower than one of the thresholds provided for in the paragraph above.*

*In the event of failure to comply with the provisions above, the penalties provided for by law for failure to meet the obligation to disclose that statutory thresholds have been exceeded shall also apply, at the request, recorded in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least 1% of the capital or the voting rights of the Company."*

**Sixteenth resolution**

Having heard the report of the Management Board, the shareholders resolve to amend Article 11 Section (III) of the Bylaws as follows.

Section III of Article 11 is replaced in its entirety by the following text:

*« **III -** Minutes must be prepared after every Management Board meeting."*

**Seventeenth resolution**

Having heard the report of the Management Board, the shareholders resolve to amend Article 21 of the Bylaws as follows.

The last paragraph of Article 21 is replaced in its entirety by the following text:

*"The method of voting shall be determined by the officers presiding over the Meeting."*

**Eighteenth resolution**

Having heard the report of the Management Board, the shareholders resolve to amend Article 22 of the Bylaws as follows.

In the first paragraph of Article 22, the phrase *"the reports presented by the Management Board and the Statutory Auditors as well as the comments presented by the Supervisory Board,"* is replaced by the following phrase: *"the reports presented by the Management Board, the Supervisory Board and the Statutory Auditors."*

The second paragraph of Article 22 is amended as follows:

- The phrase "authorize any borrowings through issuance of bonds non-convertible into shares and rule on the creation of specific securities to grant to them" is supplemented with the following phrase: *"with the understanding that this power is not reserved to the Shareholders' Meeting and that the Management Board is entitled to decide or authorize these borrowings and the creation of specific securities to grant them, unless the Shareholders' Meeting decides to exercise this authority."*

- In the last line of this paragraph, the word *"Ordinary"* is replaced by the word *"Extraordinary."*

**Resolutions falling within the prerogatives of the Ordinary and Extraordinary Meeting of the shareholders**

**Nineteenth resolution**

The Shareholders' Meeting grants full powers to the bearer of a copy or extract of the Minutes of this Shareholders' Meeting to file all documents and perform all legal publicity and other formalities required.

## 4 BRIEF PRESENTATION OF THE GROUP AND PUBLICIS GROUPE S.A.'S SITUATION FOR FISCAL YEAR 2005.

2005 was a year of record new business and marked acceleration in growth for Publicis Groupe. Management believes that the current pace of growth results from the implementation of its strategy and the creation of appropriate organizational structures to deal with the acquisitions made at the beginning of the decade. Management believes that its offering matches the strategic needs of advertisers.

The transformation of 1996, when Publicis became a single worldwide network, followed by the acquisition of Saatchi & Saatchi in 2000 and Bcom3 in 2002, have radically changed the shape of our Group, giving us the capacity to meet all of our clients' advertising and communications needs. It was an essential objective of our strategic plan, and we can today confirm that this plan has become a reality.

We have the resources necessary to help advertisers deal effectively with a radically new media environment marked by constant change and create ties to increasingly elusive consumers. We believe that our 2005 performance reflects the leverage that results from the breadth, depth and quality of our offering.

During the year, trends remained positive in North Americe, the Asia-Pacific region, Latin America and the Middle East. In Europe, overall moderate growth continued in the U. K., France, Germany, Spain and Italy, altough growth rates varied from country to country. The Netherlands were an exception to the general trend.

Against a backdrop of favorable market trends, Publicis Groupe turned in a satisfactory performance in terms of both revenue growth and new business. Organic growth showed what we consider to be a significant shift from earlier trends, holding well above the levels of previous years. It reached 6.8% for the full 2005 financial year. Momentum was mainly from major new accounts booked at the end of 2004 and in early 2005, in particular by media and healthcare communications agencies, although advertising also contributed to the growth.

Net new business remained at exceptional levels, with Publicis Groupe setting a new record of $9.8 billion (€7.8 billion) in 2005. This performance has been one of the best in the market, with the Group listed as first and second worldwide in net New Business in the rankings by Bear Stearns and Lehman Brothers (New Business Scorecard), respectively.

### The Group

Consolidated revenues of Publicis for the year ended December 31, 2005 was €4,127 million, an increase of 7.7% from €3,832 million in the year ended December 31, 2004. The principal reason for the increase was organic growth (6.8%), with additional revenue contributions attributable to acquisitions net of disposals limited to €5 million, while the impact of conversion of revenues of companies outside the euro zone into euros was slightly positive for the first time since the first half of 2002, contributing €27 million. The dollar average exchange rate against the euro remained stable from 2004 to 2005.

The 6.8% overall growth included organic growth all over the geographic zones and reached 3.8% in Europe, 8.0% in North America and 11.2% in the rest of the world.

Group operating margin before amortization and depreciation was €765 million in the year ended December 31, 2005, compared to €699 million in the year ended December 31, 2004, showing a rise of 9.4%.

Depreciation and amortization was little changed from the previous year, standing at €116 million in the year ended December 31, 2005, but declined as a proportion of revenues, easing from 3.1% to 2.8%, a figure reflecting the limited capital intensity of the sector.

Operating margin rose 11.9% from €580 million in 2004 to €649 million in 2005.

Operating income thus came to €652 million in the 2005 financial year, nearly doubling from €326 million in 2004. In 2004, operating income included an impairment charge of €215 million, comprising €123 million for brands, mainly concerning Fallon, Frankel and Nelson, and €92 million for goodwill on various acquisitions made at the end of the 1990s, and other non-current charges amounting to €10 million.

Total interest expense, consisting of the cost of net financial debt and other financial expense, totaled (€92) million in 2005, showing a €22 million decline from (€114) million in 2004, primarily as a result of a decline in charges for net financial debt over the year.

The tax rate was 32% in the 2005 financial year (compared to 36.5% in 2004). This reflects the continuation of the efforts to optimize tax positions and simplify legal structures that began in the wake of the Bcom3 acquisition. The tax charge for the year was €157 million in the 2005 financial year compared with €112 million in 2004 (excluding a positive net deferred tax impact from the OBSA and CLN transactions, and excluding net deferred tax assets recorded upon transition to IFRS).

Contributions of companies accounted for by the equity method doubled in 2005 from the previous year to reach €11 million, a result largely attributable to improved contributions from iSe and BBH, while minority interests remained practically unchanged at €28 million. Consolidated net income, excluding minority interests, thus came to €386 million in 2005, showing a rise of 38.8% from €278 million in 2004. In 2004, the consolidated net income included €198 million of positive impact related to the OBSA and CLN transactions, as well as to the transition to IFRS.

Net earnings per share came to €1.83, or €1.76 after full dilution, which reflected increases from the previous year of 38.6% and 36.4%, respectively. On the basis of Headline earnings per share (before amortization of intangibles related to acquisitions, impairment and capital gains (or losses) related to the disposal of JC Decaux Netherlands, VKM and SOPACT, the disposal of 33% of Metrobus and to the 2018 OCEANEs), the diluted net earnings per share was €1.62, 30% more than in 2004.

### Parent company Publicis Groupe

Operating revenues of parent company Publicis Groupe, which are made up solely of real-estate rents, fees for rental management, and fees charged for services to Group companies came to €26 million in 2005 compared with €39 million for the same period of 2004. This results from the termination of the rental management fees received from Metrobus following the divestiture of the Metrobus *"fonds de commerce"* to Publicis Groupe SA.

Financial income came to €773 million compared with €89 million for 2004. This surge mainly results from the receipt of dividends amounting to €304 million from Publicis USA Holdings and €221 million from Publicis Groupe Investments BV, as well as an increase in interest on loans to subsidiaries. In addition, a provision related to Publicis USA Holding shares was reversed in an amount of €87 million.

Operating expense eased from €28 million in 2004 to €30 million in 2005, while interest and other financial expense eased from €82 million to €79 million, as a provision for impairment of the value of Publicis Groupe treasury shares booked in 2004 was reversed. The Company's interest in results of partnerships went from (€7) million to flat as the transfer of interests in Publicisdrugstore to another entity eliminated the loss charged to parent company income in 2004.
Pre-tax income on ordinary business came to €690 million compared with €11 million in 2004. A net exceptional charge of (€470) million included a €464 million capital loss on capital reduction at Publicis USA Holdings and contribution of Publicis USA Holdings shares to MMS USA Holdings, plus a (€16) million capital loss resulting from the early redemption of 62% of the 2018 Oceane convertible bond. After a tax credit of €34 million resulting from the tax integration gain on the French tax group, net income of parent company Publicis Groupe came to €254 million in 2005 after €418 million in 2004, when the amount included a capital gain of €405 million resulting from the sale of credit-linked notes and redemption of the bond component of bonds with equity warrants attached (OBSAs).

## ❺ FULL-YEAR OUTLOOK

Business prospects for 2006 are favorable for the Group. New accounts booked in 2005 have yet to yield their full benefits and should fuel growth in the year ahead. European business should get a lift from firmer trends in France and Germany, as well as positive fallout from major sporting events including the World Football Cup and, to a lesser extent, the Winter Olympics.

# RESULTS OF PUBLICIS GROUPE S.A. OVER THE LAST FIVE YEARS

| | 2005 | 2004 | 2003 | 2002 | 2001 |
|---|---|---|---|---|---|
| **Capital stock at year-end** | | | | | |
| Capital stock (thousands of euros) | 78 844 | 78 188 | 78 151 | 78 432 | 55 840 |
| Number of shares in issue | 197 109 010 | 195 471 061 | 195 378 253 | 196 081 129 | 139 599 996 |
| Maximum number of future shares to be issued: | | | | | |
| - through the exercise of stock options granted (1) | 361 470 | 441 440 | 525 080 | 650 553 | 918 196 |
| - through the conversion of bonds (2) | 56 362 527 | 68 921 934 | 68 921 934 | 45 749 521 | - |
| **Operations and results for the year** (thousands of euros) | | | | | |
| Billings, excluding VAT | 25 574 | 31 011 | 17 914 | 10 997 | 11 436 |
| Net income, before taxes, depreciation, amortization and provisions | 143 611 | 417 618 | (559 520) | (698 213) | 25 009 |
| Income taxes | (33 554) | (1 857) | (8 399) | (94) | 0 |
| Net income after taxes, depreciation, amortization and provisions | 254 045 | 418 108 | 25 677 | (926 174) | (469 109) |
| Income distributed to shareholders | 70 959(3) | 54 722 | 50 803 | 46 871 | 29 423 |
| **Earnings per share (in euros)** | | | | | |
| Earnings per share after taxes but before depreciation, amortization and provisions | 0.90 | 2.15 | (2.82) | (3.56) | 0.18 |
| Earnings per share after taxes, depreciation, amortization and provisions | 1.29 | 2.14 | 0.13 | (4.72) | (3.36) |
| Dividends per share | 0.36 | 0.30 | 0.26 | 0.24 | 0.22 |
| **Headcount** | | | | | |
| Average number of salaried employees | 3 | 9 | 9 | 5 | 5 |
| Gross salary expense (thousands of euros) | 1 938 | 2 550 | 3 183 | 637 | 745 |
| Social charges and benefits (social security, charities, and similar benefits) (thousands of euros) | 671 | 699 | 1 561 | 476 | 359 |

(1) The equity warrants previously attached to the OBSAs are not included due to their strike price of 30.50 euros, which is higher than the stock market price of Publicis shares since they were issued.
(2) It was assumed that new shares would be issued for both Oceanes and Oranes.
(3) Estimate on the basis of existing shares as at December 31, 2005, including treasury stock.