PUBLICIS GROUPE

2011 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

Summary

The elements of the Annual Financial Report are clearly identified in the table of contents using the pictogram ✤

PUBLICIS GROUPE

2011 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

This Registration Document contains all the elements of the annual financial report.

Profile

3rd-ranked Global Communications Group

Publicis Groupe offers its local and international clients a complete range of communication services

Operating in **109 countries** on 5 continents,
Publicis Groupe has around **53,000** employees

Leader in digital and interactive communications
30.6% of 2011 revenue

Recognized creativity

Number 1 in Creative Performance (since 2004 - the Gunn Report)

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the Autorité des marchés financiers (AMF) on March 19, 2012, in accordance with article 212 – 13 of the AMF general regulations. It may be used in the framework of a financial transaction only if supplemented by a Transaction Note certified by the AMF.

This document has been prepared by the issuer and involves the liability of its signatories.

Copies of the Registration Document are available from Publicis Groupe SA, 133 avenue des Champs-Élysées, 75008 Paris, and on the website of Publicis Groupe SA: **www.publicisgroupe.com** and on the AMF website: **www.amf-france.org.**

Message from the Chairman

Maurice Lévy

In early 2011, we believed that we were set for a new growth cycle and that the downturn was behind us. The only remaining concern was sovereign debt, and I hardly imagined that investors' confidence in European countries' sovereign debt could be shaken, and so trigger a downturn of such magnitude.

The year saw sound growth in the first half, and serious problems in the second. Against this backdrop, Publicis once again managed to generate growth at a significantly higher level than the market, as well as a very satisfactory margin.

On that note, I would like to start by thanking our customers for their trust and loyalty, and then thank our teams for their dedication and talent. They have made it through a difficult year and gone to a lot of trouble, and I am proud of them, just as I am very proud of the team around me.

Alongside the Management Board and the P12 (Executive Committee), we have created the Strategic Leadership team, which, in addition to the P12 members, includes some of the most brilliant talents in the Publicis Group. I am convinced that their involvement in our strategic thinking will enable us to go even further, and to reach even greater heights.

In 2011, we pursued our strategy according to our two clearly identified focus areas: digital services and emerging markets. We made targeted acquisitions in these two areas, which allow us to approach 2012 with enriched assets, and should enable us to continue our growth in a strong and sustainable way, especially since we experienced a record year in New Business in 2011.

The future will no longer consist of long cycles, and we may fear that we will face a series of short, sharp downturns; hence the need to be much more agile, much faster in our decisions and our organization, and to adapt to the most unexpected situations. This is the challenge we are setting ourselves, which assumes we will be able to harness the creativity and innovation we offer our clients to serve our own organization and our operational choices.

Maurice Lévy

Chairman of the Management Board

Message from the Chairperson

Élisabeth Badinter

The Company had a wonderful year in 2011, both in terms of figures and events.

Nonetheless, the economic situation is hardly favorable, while our outlook has become less clear.

However, adversity has never held the Group back, on the contrary. It heightens its fighting spirit, and reflects once again the way in which the Group was able to react to the adverse environment in 2011, where our performance exceeded forecasts, and was in line with the best in the sector.

In this context, I am especially pleased that Maurice Lévy has accepted to remain in his position at the head of the Group, at my express request. No company has ever had a better captain, and it is reassuring to know that he is at the helm during an extremely difficult period for the French, European and global economies.

His broad experience, both in terms of integrating acquired companies and navigating through stormy weather, is essential for our company, and it is in the knowledge that he will be able to steer us safely to harbor that the Supervisory Board has renewed its trust in him.

That trust of course includes Publicis' men and women.

In 2011, our teams once again showed their determination to hold a steady course and to move forward. Their conquering spirit has never been as strong, and our results are consistent with the energy that has been expended!

On behalf of the Supervisory Board, and on a personal level, I would like to congratulate and thank them for their efforts and the quality of their commitment.

When I take stock of how much our Group has changed in the past few years, I am always surprised by the speed and continuity of its transformation. What daring was required to lead the company to where it operates today!

We will need such daring again in the coming years, although we must not throw caution to the winds. At a time when economists are predicting a bleak outlook, especially for 2012, we are preparing to sail close to the wind, with the most thorough and safest management possible.

We have undoubtedly ensured that we are prepared to face the coming years.

And we will continue to adapt our profile in order to support changes in a world where everything - economic, social, political, global and local issues – is now linked.

We remain faithful to our strategy, which confirms its pertinence every year, and will pursue it while investing to shore up the future. We have spread our net very wide in order to seize new opportunities.

The quality and strength of our balance sheet allows us to do so. Having resources at hand in order to continue the transformation and expansion of the Group is a fundamental advantage during a downturn.

Equally essential are our values, our steady performance, our legendary caution, as well as our employees' fighting spirit and their creative and commercial talents, which are recognized and appreciated worldwide.

These have always been the pillars of Publicis and also its engines; the strength of their moorings has proved their worth and enables us to face the future with confidence.

Élisabeth Badinter

Chairperson of the Supervisory Board

1

PRESENTATION OF THE GROUP

1.1 Key figures

In application of European regulation No. 1606/2002 of July 19, 2002 on international norms, the Group's consolidated financial statements for the financial years presented herein have been drawn up according to the IAS/IFRS international accounting standards and the applicable IFRIC interpretations at December 31, 2011, as approved by the European Union.

The tables below present selected consolidated financial data for Publicis Groupe. The selected financial data for the years ended December 31, 2011, 2010 and 2009 are derived from Publicis' consolidated financial statements included in this document, which have been prepared in accordance with IFRS standards. These financial statements were audited by Publicis Groupe's statutory auditors, Mazars and Ernst & Young et Autres.

KEY FIGURES

Data from the Income Statement In thousands of euros, excepting percentages and per-share data (in euro)	2011	2010	2009
Revenue	5,816	5,418	4,524
Operating margin before Depreciation & Amortization	1,034	967	772
% of revenue	*17.8%*	*17.8%*	*17.1%*
Operating margin	931	856	680
% of revenue	*16.0%*	*15.8%*	*15.0%*
Operating income	914	835	629
Net Income attributable to equity holders of the parent	600	526	403
Earnings Per Share (1)	2.96	2.60	1.99
Diluted Earnings Per Share (2)	2.64	2.35	1.90
Dividend per share	0.70	0.70	0.60
Free cash flow before changes in working capital requirements	704	646	524
Data from the Balance Sheet	**December 31, 2011**	**December 31, 2010**	**December 31, 2009**
Total Assets	16,450	14,941	12,730
Equity attributable to holders of the parent company	3,898	3,361	2,813

(1) Earnings Per Share calculations based on an average of 202.5 million shares in 2011, 202.1 million in 2010, and 202.3 million in 2009.

(2) Diluted Earnings Per Share calculations based on an average of 237.1 million shares in 2011, 235.5 million shares in 2010 and 220.9 million shares in 2009. These calculations include the stock options, free shares, warrants and the convertible bonds that dilute EPS. Stock options and warrants deemed to dilute EPS are those whose exercise price is lower than the average share price for the period. In 2011, all these instruments diluted EPS.

1.2 Group history

Founded in 1926 by Marcel Bleustein-Blanchet, the Company's name originates from the combination of *Publi*, for *Publicité*, which means advertising in French, and "six" for 1926. The founder's ambition was to transform advertising into a true profession with social value, applying a rigorous methodology and ethics, and to make Publicis a "pioneer of new technologies". The Company quickly won widespread recognition. In the early 1930s, Marcel Bleustein-Blanchet was the first to recognize the power of radio broadcasting, a new form of media at the time, to establish brands. Publicis became the exclusive representative for the sale of advertising time on the government-owned public broadcasting system in France. But in 1934, the French government withdrew advertising from State radio; Marcel Bleustein-Blanchet therefore decided to launch his own radio station, *Radio Cité*, the first-ever French private radio station. In 1935, he joined forces with the Chairman of Havas to form a company named "Cinéma et Publicité", which was the first French company specialized in the sale of advertising time in movie theaters. Three years later he launched *Régie Presse*, an independent subsidiary dedicated to the sale of advertising space in newspapers and magazines.

After suspending operations during the Second World War, Marcel Bleustein-Blanchet reopened Publicis in 1946, and not only renewed his relationships with pre-war clients but went on to win major new accounts: Colgate-Palmolive, Shell and Sopad-Nestlé. Recognizing the value of qualitative research, in 1948 he made Publicis the first French advertising agency to conclude an agreement with the survey specialist IFOP. Later, he created an in-house market research unit. At the end of 1957, Publicis relocated its offices to the former Hotel Astoria at the top of the Champs Élysées. In 1958, it opened the Drugstore on the first floor, which has since become a Paris landmark. In 1959, Publicis set up its department of "Industrial Information", a forerunner of modern corporate communications.

From 1960 to 1975, Publicis grew rapidly, benefiting in particular from the beginnings of advertising on French television in 1968. The campaign for Boursin cheese inaugurated this new medium: this was the first TV-based market launch in France, and its slogan soon became familiar to everyone in the country: *Du pain, du vin, du Boursin* (bread, wine and Boursin). Several months later, Publicis innovated again by siding with one of its clients in a new kind of battle: the defense of Saint-Gobain for which BSN had launched the first-ever hostile takeover bid in France.

In June 1970, 44 years after its creation, Publicis became a listed company on the Paris stock exchange.

However, on September 27, 1972, Publicis' head offices were entirely destroyed by fire. A new building was built on the same site and the Company set about pursuing a strategy of expansion in Europe through acquisitions the same year, taking over the Intermarco network in the Netherlands (1972), followed by the Farner network in Switzerland in 1973; this resulted in the creation of the Intermarco-Farner network to support the expansion of major French advertisers in other parts of Europe. In 1977, Maurice Lévy was appointed Chief Executive Officer of Publicis Conseil, the Group's main French business.

In 1978, Publicis set up operations in the United Kingdom after acquiring the McCormick advertising agency. In 1984, Publicis had operations in 23 countries around the globe.

In 1987, Marcel Bleustein-Blanchet decided to reorganize Publicis as a company with Supervisory and Management Boards. He became Chairman of the Supervisory Board, and Maurice Lévy was appointed Chairman of the Management Board. Since then, the strategy for Publicis has been defined by the Management Board and submitted to the Supervisory Board for approval; all operational decisions are made at the Management Board level.

In 1988, Publicis concluded a global alliance with the American firm Foote, Cone & Belding Communications (FCB) which merged with the European network. Publicis expanded its global footprint, notably thanks to the reputation achieved with US companies following the implementation of this alliance.

Growth accelerated in the 1990s: France's number four communications network, FCA!, was acquired in 1993, followed by the merger of FCA! with BMZ to form a second European network under the name FCA!/BMZ. In 1995, Publicis terminated its alliance with FCB.

On April 11, 1996, Publicis' founder died. His daughter, Élisabeth Badinter, replaced him as Chairperson of the Supervisory Board. Maurice Lévy redoubled the Company's drive to build an international network and offer the Group's clients the broadest possible presence in markets around the world. Publicis stepped up its acquisition program to a global scale, moving into Latin America and Canada, and subsequently the Asia Pacific region, India, the Middle East and Africa. The US was a prime focus from 1998 on, as the Company sought to build its presence in the world's largest advertising market. Acquisitions included Hal Riney, the Evans Group, Frankel & Co. (relationship marketing), Fallon McElligott (advertising and new media), DeWitt Media (media buying), Winner & Associates (public relations) and Nelson Communications (healthcare communications).

In 2000, Publicis acquired Saatchi & Saatchi, a business with a global reputation for its talent and creativity as well as a tumultuous history. This acquisition was a landmark in the development of the Group in Europe and the United States. In September, Publicis Groupe was listed on the New York Stock Exchange.

In 2001, Publicis Groupe formed ZenithOptimedia, a major international player in media buying and planning, by merging its Optimedia subsidiary with Zenith Media, which had previously been owned 50/50 by Saatchi & Saatchi and the Cordiant group.

In March 2002, Publicis Groupe announced its surprise acquisition of the US group Bcom3, which controlled Leo Burnett, D'Arcy Masius Benton & Bowles, Manning Selvage & Lee, Starcom MediaVest Group and Medicus, and held a 49% interest in Bartle Bogle Hegarty. At the same time, Publicis Groupe established a strategic partnership with Dentsu, the leading communications group in the Japanese market and a founding shareholder of Bcom3. As a result of this acquisition, Publicis Groupe established its position in the top tier of the advertising and communications industry, becoming the fourth largest advertising group worldwide, with operations in more than 100 countries and five continents.

From 2002 to 2006, Publicis Groupe successfully completed the integration of BCom3 and Saatchi & Saatchi and reorganized many of its entities. At the same time it made a number of acquisitions to create a coherent range of services that would address clients' needs and expectations, particularly offering different types of marketing services and access to the principal emerging markets. In late 2005, Publicis Groupe obtained its first official rating ("investment grade") from the two leading international rating agencies, Standard & Poor's and Moody's. In late December 2006, Publicis Groupe launched a friendly tender offer for Digitas Inc., a leader in the digital and interactive communications sector in the United States and worldwide. This operation, which was completed in January 2007, was the first step in the Group's remarkable advance into digital technology. The Group correctly foresaw at that time the profound changes that the arrival of digital communications would have on the media world and, with the acquisition of Digitas, immediately positioned Publicis as a market leader in that domain. With the launch of The Human Digital Agency project, the Group clearly signaled its intention to integrate digital technology into the heart of its business.

In 2007, the Group decided to end its listing on the New York Stock Exchange.

The acquisition of Digitas at end-2006 effectively doubled its footprint in the field of interactive communication and accelerated the evolution of Publicis Groupe towards digital activities, a strategy in full harmony with the objectives and vision of the Group's founder: to be a pioneer of new technologies.

During 2007 and 2008, Publicis Groupe undertook a profound reorganization of its structures and operational methods in order to adapt to the requirements of the digital era. It has thus added digital services to its well-known holistic service offer, while simultaneously pursuing the consolidation of its positions in fast-growing economies, both of which will be major challenges in the years to come.

2007 was the year of Publicis' integration of Digitas Inc. This rapid and successful integration triggered a series of acquisitions in the digital domain in order to complete the group's global offer in the fields of interactive and mobile communication and to accelerate its international deployment.

2008 and 2009 were devoted to pursuing Publicis Groupe's priority development in the two strong growth areas of interactive communications and developing countries.

In January 2008, Publicis Groupe and Google publicly announced a collaborative project. This collaboration, which began in 2007, is founded on a shared vision of using new technologies to develop the advertising business. The arrangement is not exclusive and is expected to complement other established partnerships with leaders in interactive media.

Amid brisk growth in the digital arena, the most visible sign of the Group's transformation was undoubtedly the launch of VivaKi, a new initiative aimed at optimizing the performance of client investments and maximizing Publicis Groupe's market share growth. At the same time, and in the framework of the VivaKi Nerve Center, the Group has created a new technological platform, the largest ever AOD - Audience on Demand network, supported by Microsoft, Google, Yahoo! and PlatformA (AOL) - technologies, and offering clients the possibility to target specifically defined audiences, in a single campaign and via multiple networks.

The global economic crisis in 2009, which saw numerous economies enter into recession and global trade shrink by 12%, did not hinder the development of Publicis Groupe's strategy.

The acquisition of Razorfish – the number two interactive agency in the world after Digitas – from Microsoft in October 2009, brought new strengths to the Group's digital activities, notably in e-commerce, interactive marketing, search engines, strategy and planning, social network marketing and the resolution of technological architecture and integration issues. With this acquisition, Publicis Groupe and Microsoft sealed a strategic alliance permitting the development of Microsoft's offer as well as new opportunities for Publicis Groupe's clients.

During 2009, Publicis Groupe and Microsoft entered into a global collaboration agreement defining three core objectives for the development of digital media. Microsoft's and VivaKi's respective teams will be able to provide clients with greater added value and effectiveness in all the domains of the digital sphere: contents, performance, definition, targeting, and audience ratings.

These developments prove Publicis Groupe's capacity to anticipate market changes in order to meet new client needs and provide solutions in line with consumer expectations, thereby ensuring the Group's continued growth.

In 2009, Publicis Groupe became the world's third-largest communications firm, overtaking its competitor IPG.

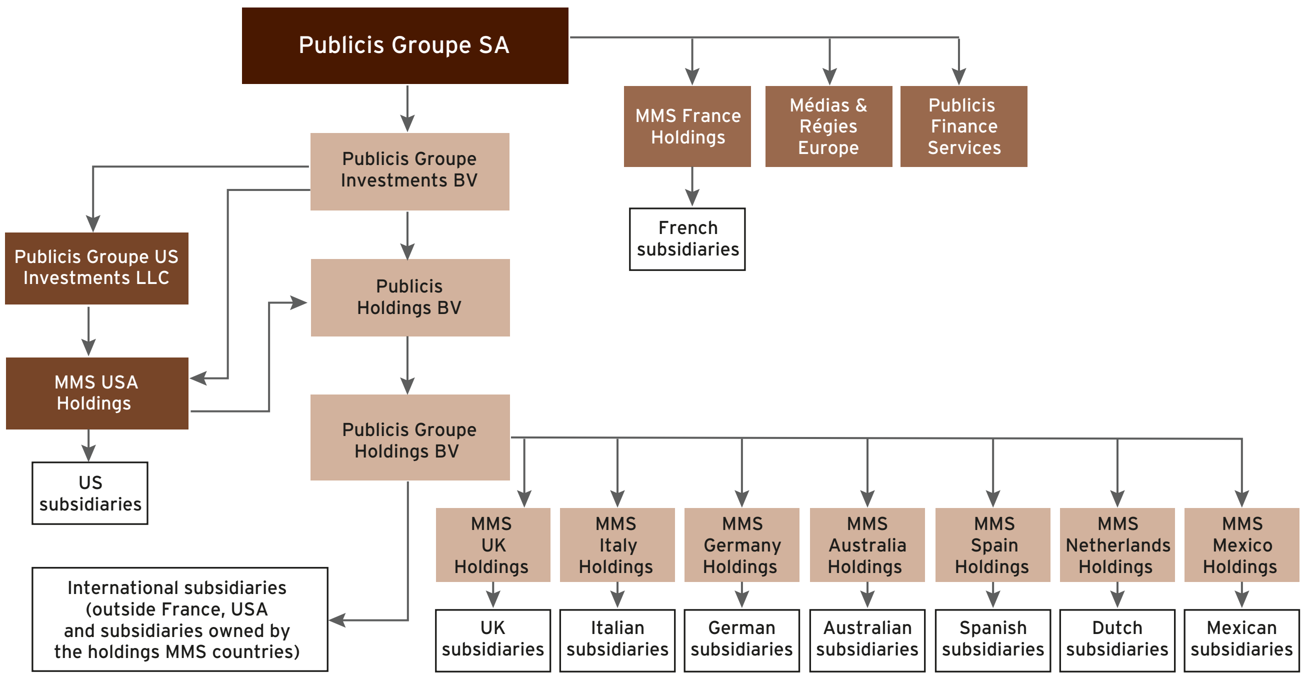
Thus, having confirmed the success of its strategy, in 2010 the Group continued its investments in digital activities and in high-growth areas of the world such as China, Brazil and India. By the end of 2010, the two pillars of this strategy – digital activities and the high-growth emerging countries – represented close to half of Publicis Groupe's total revenue. The targeted investments over the last three years have strengthened its leader position in the digital sphere and have significantly enhanced its presence in the regions of the world where the strongest economic growth is expected.

Despite the economic disruption in 2011, which was primarily due to sovereign debt in the euro zone and to another financial crisis in August, followed by the United States' debt rating downgrade, Publicis accelerated its expansion and the implementation of its strategy, prioritizing digital businesses and high-growth countries. In this vein, the Group purchased Rosetta, one of the largest digital agencies in North America, and Big Fuel, the only agency specializing in social networks, which is based in New York, thus significantly reinforcing its positions in digital media. It then also acquired the Talent and DPZ agencies in Brazil, and Genedigi in China.

1.3 Structure chart

1.3.1 DESCRIPTION OF THE GROUP

SIMPLIFIED STRUCTURE CHART AT DECEMBER 31, 2011 (1)



The members of the Management Board of the parent company may also exercise directorship mandates or hold executive offices at the subsidiaries (see the list of positions held by members of the Management Board in Section 2.1 - Members of the Management Board and Supervisory Board).

1.3.2 LIST OF MAJOR SUBSIDIARIES

Information concerning Publicis' principal consolidated subsidiaries at December 31, 2011, is provided in Note 32 to its consolidated financial statements in Section 4.6 of the current document.

None of the Company's subsidiaries accounts for more than 10% of the Group consolidated revenue or net income.

None of the companies in the list of principal companies consolidated at December 31, 2011 has been sold at the date of the current document.

The majority of the Group's subsidiaries are at least 90% owned by Publicis Groupe. Nevertheless, certain subsidiaries may be jointly held with minority owners whose interest may be substantial (up to 49%) and may be subject to shareholders' agreements.

However, these subsidiaries do not hold important assets and are not intended to hold any significant borrowings or financing. The borrowings and financing of the Group are 100% held and controlled by Publicis Groupe.

During 2011, Publicis Groupe SA took no significant stake in any company headquartered in France.

(1) *All companies individually named are more than 99% Group-owned.*

1.4 Activities and strategy

1.4.1 INTRODUCTION

At December 31, 2011, Publicis Groupe operates in more than 200 cities and 109 countries spanning five continents, with a headcount of roughly 53,000. Publicis Groupe is not only the world's third-largest group, but is also a leader in all of the world's fifteen largest advertising markets, except Japan. Overall, the Group is one of the top communications groups in Europe, North America, the Middle East, Latin America and Asia, ranking number one in media buying in the United States and China, and number two worldwide.

Although the internal management, reporting and compensation systems are not organized by business sector, Publicis Groupe does provide the financial markets with information concerning the relative size of each of the different business sectors for the sole purpose of allowing sector comparisons. The Group's principal business is traditional advertising (which accounted for 31% of Group revenue in 2011, compared with 33% in 2010), Specialized Agencies and Marketing Services ("SAMS", which in 2011 accounted for 50% of Group revenue vs. 47% in 2010, and include all digital activities), and media services (which accounted for 19% of Group revenue in 2011 compared with 20% in 2010).

With the creation of the VivaKi technological platform in June 2008, a strategic initiative involving Starcom MediaVest, ZenithOptimedia, Digitas and Denuo, the purchase in October 2009 of Microsoft's Razorfish, the world's second-largest interactive agency after Digitas, and the purchase of Rosetta in 2011, Publicis Groupe has consolidated its position as digital leader with 30.6% of the Group's revenue originating from digital and interactive communications, whereas digital services accounted for only 7% of revenue in 2006.

Today, the digital activities are managed either within dedicated, specialized, independent organizations like Digitas, Razorfish and Rosetta, or by structures that are fully integrated into networks, such as Leo Burnett, Publicis Worldwide and Saatchi & Saatchi, as well as MSLGROUP, ZenithOptimedia, Starcom Mediavest Group, and Publicis Healthcare Communications Group. In addition, the transversal nature of the VivaKi Nerve Center, which hosts and develops new technologies required by its clients, means that all VivaKi's strengths and capabilities are available to any Group entity. The VivaKi Nerve Center gives Group clients access to the best technological solutions and the assurance of high-performance campaigns. It also manages relations with the platforms (MSN, Google, Yahoo!) or social networks (MySpace, Facebook, etc.) and develops integrated media solutions and tools to optimize the analysis of data and "online" advertising productivity.

These developments reflect Publicis Groupe's view of the future: in addition to strong development of everything digital, advertisers worldwide will need integrated solutions that bring together digital and analog and whose performance and return on investment can be measured and analyzed.

1.4.2 STRATEGY

Publicis Groupe has at all times endeavored to anticipate the development of markets and the behavior of consumers. In this way, it has always been able to serve its clients, giving them the tools to benefit from winning trends that could deliver progress, growth and savings. As early as the middle of the 1990s, the Group had already foreseen the two major trends still shaping our sector today: globalization and holistic communications.

The Group's first international acquisitions at the end of the 1990s and from 2000 onwards gave credibility to the choice of globalization as a way of accompanying our clients as they develop global identities for their brands, their clients and their networks.

The anticipation of clients' needs in terms of integrated or holistic communications allowed Publicis Groupe to create new, more horizontally integrated, multidisciplinary and comprehensive working methods. Publicis Groupe, a pioneer of these communication techniques from the middle of the 1990s, was able to develop specific approaches for the benefit of its clients.

Gradually, with organic growth, the establishment of agencies and acquisitions, Publicis Groupe has constructed a substantial offering in Specialized Agencies and Marketing Services (SAMS), giving the Group a very interesting growth potential today.

Almost 20 years later, Publicis Groupe, true to its choices and conscious of the changes in the marketplace, especially the rapid fragmentation of media and consumers, is accelerating the pace of its investments in new information technologies. It is investing in major interactive communications agencies: Digitas in 2007, then Razorfish in 2009, respectively the first and second interactive global communication agencies, and lastly Rosetta in 2011. At the same time, the Group is investing in numerous structures in these disciplines across the world, whether in Europe, the United States or in high-growth countries.

The Group's strategic analysis has allowed it, yet again, to anticipate the competition and take key positions in major areas for innovation, growth and the future: the acquisitions of Digitas, and then of Razorfish and Rosetta increase its share of revenues derived from digital very significantly. Similarly, the Group's new technologies offer allows it to occupy a leading position in a segment with enormous potential and vital to the future of communications.

In this way, the Group has embraced the changes in a media scene that has been completely transformed by the breakup and fragmentation of audiences, the multiplication and then the inevitable merging of screens, the extraordinary development of digital under the influence of interactive and mobile communications, and the new forms of relations born of the social networks that have emerged from these technological innovations.

Today, strengthened by its presence in more than 100 countries, a diversified client portfolio of global and national leaders in their fields, a healthy financial balance sheet, and leadership in some segments and disciplines, Publicis Groupe is one of the leading communication groups, with a highly innovative profile and a number of marked characteristics:

- a strong focus on "clients", accompanying them and ensuring their marketing investments perform well;
- clearly a creative leader according to different rankings – notably the Gunn Report where, since 2004, Publicis Groupe has been ranked in top place for creative performance – a clear indication of its constant concern to deliver novel and strong ideas to its clients on every occasion, constructing the images and brands that create the links between them and consumers in the precious arena of emotion;
- equipped with the best analysis, measurement and research tools, allowing it to be at the cutting edge in terms of media purchasing, and to provide its customers with the most favorable returns (ROIs = Return on Investment; Return on Involvement). The Group's media agencies (Starcom MediaVest, ZenithOptimedia) enjoy an unrivalled recognition in the marketplace, double-digit growth, a strong position in digital media, and an impressive list of achievements in terms of new business;
- at the head of the third largest global communication network specializing in press relations, corporate communications and events built around MSLGROUP, with a leading position on the Chinese and Indian markets;
- a strong capacity for innovation and experimentation with, for example, the creation of VivaKi and the VivaKi Nerve Center, allowing the Group to stay ahead of demand and to build up high-level contacts with major platforms and digital media;
- thanks to a dynamic approach, driven by its large creative agencies, which are also among the best on the market. To name just a few: Leo Burnett, Publicis and Saatchi & Saatchi, with their spectacular ability to win new clients and stellar growth, demonstrate their outstanding ability to 'think outside the box', their teams' creativity and commitment to their clients;
- with a unique capacity in the digital sector: based both on the major specialized digital agencies, such as Digitas or Razorfish, and on the integrated digital competences within the network – Leo Burnett, Publicis Worldwide, Saatchi & Saatchi, ZenithOptimedia, and Starcom Mediavest Group, as well as MSLGROUP and Publicis Healthcare Communications Group. Publicis Groupe has a truly unique offering that meets the latest technological requirements, and the needs of the Group's clients, who benefit from all the developments and partnerships offered by the VivaKi Nerve Center.

These features offer advantages to the Group in a changing world where the traditional models of communication must be revised due to the pressure created by changes in the sociological, technological and new media realms.

The Group intends to remain at the forefront of innovation in all these domains, to ensure it continues to offer its clients the best solutions and to recruit new clients and drive tomorrow's market share growth.

This basic strategy will be built around the following:

- removing barriers between Group structures whenever there is no client conflict of interests;
- creating horizontally integrated, multidisciplinary teams under the same leadership for clients who desire a holistic and coordinated approach to their communications; this is also the approach that is increasingly adopted, with a successful outcome, in order to respond to the tenders launched by clients;
- creating tools, models and organizations that help clients to access the complex digital world, and to interact with their targets in an optimal manner and at the lowest possible cost.

The most visible sign of this new model was launched in June 2008 with the creation of VivaKi and the VivaKi Nerve Center, which brings together the strengths of the ZenithOptimedia, Starcom MediaVest Group, Digitas, Razorfish and Denuo networks. This organization leverages economies of scale and talent for the benefit of the Group's clients.

At the same time, and in the framework of the VivaKi Nerve Center, the Group has created a new technological platform, the largest AOD - "Audience on Demand" network, supported by Microsoft, Google, Yahoo!, and Platform-A technologies, and offering advertisers a chance to reach precisely defined audiences everywhere in the world, with a single, multiple-network campaign.

This innovative project is perfectly aligned with Publicis Groupe's strategic objectives:

- to access new standards;
- to be open to all forms of collaboration with media owners and our customers;
- to leverage scale and create new standards for our clients that take better account of the consumer;
- to offer our clients solutions that improve performance while reducing costs.

The VivaKi Nerve Center, a linchpin of the Group's strategy, will enable us:

- to better respond to clients' needs by offering fast, up-to-date, high-performing solutions that integrate all their communications needs. Publicis Groupe clients will thus have access to the future before their competitors;
- to focus market studies and research resources, tools and talents (rare in this world) within the VivaKi Nerve Center, and make the most advanced digital solutions available to all Group units;
- to encourage partnerships with the major internet portals, thanks to VivaKi's scale. The agreements with Google in 2008 and Microsoft in 2009 were born of a shared vision on the use of new technologies to develop advertising. The Group has since concluded several other collaborative agreements with the digital "majors". In this way, the Group precludes the need to make massive investments in ephemeral technologies, while also offering its clients a head-start and new opportunities:
  - "Audience on Demand" with Yahoo!, Microsoft, and Platform-A (AOL),
  - "Mobile Communications" with Yahoo! and Phone Valley, a Publicis Groupe subsidiary,
  - "The Pool", as part of establishing a video standard for advertising.

At the same time, Publicis Groupe implemented various initiatives with the goal of reducing operating expenses. These entailed sharing resources among operating units, centralizing back-office functions in shared service centers, and a policy of centralized purchasing. These actions resulted in the successful integration of acquired companies, the creation of significant synergies, a guarantee of better compliance with the Group's internal rules, and a strengthening and simplification of the Company's balance sheet. These optimization operations are carried out within the Group's strategy of offering its clients the best services at the best cost. In line with this, Publicis Groupe has now embarked on the regionalization of its shared service centers, in addition to major investments on the installation of an ERP system that will lead to a single, horizontal, global information system that will begin to be rolled out in 2012.

At the same time, a vigorous policy of liquidity creation and debt reduction has enabled the Group to benefit from an "investment grade" rating by the agencies Moody's and Standard & Poor's since 2005 (see details in Section 1.8.5 "Financial Risks").

Publicis Groupe holds key positions in digital and in emerging markets: it intends to strengthen its position by the means of the following strategy:

- continuing to develop the Specialized Agencies and Marketing Services (SAMS);
- accelerating the Group's growth in targeted emerging economies. The Group wants to develop, mainly by acquisitions, its presence in countries with fast-growing economies with strong potential, and with significantly higher growth than the global average;
- pursuing external growth targets supported by a sound financial policy. The Group's acquisitions must satisfy profitability and financial stability criteria. The Group intends to seek targets with significant potential for synergies and improvement in operating margin, which also present a good fit with its corporate culture and values;
- encouraging the most promising employees (about 1,000) to meet these criteria, by linking their annual compensation and long-term bonuses to targets based on growth and margins.

Value creation strategy

The media evolutions with the emergence and explosion of the internet, Google, Microsoft, the appearance of social networks (Facebook, YouTube, MySpace, Twitter), the development of digital television and the proliferation of channels, changing consumer behavior and consumer markets and the fragmentation and growing complexity caused by the interactions between all these actors led to the establishment of the first stage of Publicis' recent strategy. Since 2006, the Group has concentrated on the development of digital activities, which grew from 7% of total revenue in 2006 to 30.6% in 2011. At the same time, the Group has increased its presence in countries with strong economic growth, which today represent 24.3% of revenue. In 2011 alone, the Group made 12 acquisitions in emerging countries, including five in China, three in Brazil, one in Argentina, one in India, one in Poland, and one in South Africa. These acquisitions amount to around half of the number of acquisitions made over the year. This strategic direction is being continued, and the Group aims to earn 75% of its future revenue from these two growth segments, namely the digital sector and emerging economies, compared with 52.4% in 2011.

The new complexity of the media scene, interactivity with consumers and the increase in advertisers with the arrival of new actors from emerging economies, or made possible by new media, confirm the strategy chosen by Publicis and commit it to pursuing and developing a new phase which should lead the Group from the status of "supplier of services" to "creator of value". Its clients' new concerns - whether relating to the their search for value, the strength of brands, the new challenges represented by distributors' own brands, the "hard discount", the net, e-commerce, the new competition from emerging markets- all present opportunities for Publicis as it evolves towards a better recognition of the value created.

Publicis Groupe's strategy of being the best demands that we help customers use the growing quantity of available data and technologies. A growing population is discovering and choosing what it wants, when it wants it. Media are available on demand, and this will only be accelerated with new routers, networks and tools. The VivaKi Nerve Center lends its expertise to media agencies in order to help them target audiences directly (Audience on Demand), build new models by comparing client data with data on what people read or search for (Data on Demand), and to help understand the reality of the brand and sales with the aim of constantly fine-tuning advertising campaigns (Insight on Demand).

Today, the Group's clients are looking for the most creative and catchy ideas to be able to express themselves in a world of fragmented, cluttered communications; in addition, the Group's clients need access to the strongest skills in the use of data and technology so that their ideas grab the attention of their intended targets.

As in the past, all these future investments form an integral part of a chosen strategy whose aim is to create a Group with the capacity to create the best value for its customers and shareholders by taking advantage of a robust and vibrant combination of creativity, database science and technology.

This strategic development will be accompanied by investment in talent, technology and emerging economies. Talent is sought to increase our digital expertise and creative excellence in order to enrich content, strengthen the strategic teams, and drive innovation and new service offerings. In digital technologies, pursuing the development of international activities, strengthening the agencies and developing strategic partnerships and initiatives with the major internet players will allow Publicis Groupe to keep ahead of the pack and anticipate the changes and evolutions in the communications industries. In high-growth economies, investments will be designed to strengthen the presence of all entities belonging to Publicis Groupe.

Publicis Groupe is committed to ensuring that all its units are able to offer both creativity and technology in order to create value for its clients. Thanks to the centralization of support functions, the Group can release resources that can be reinvested in creativity. Creativity is core to the Group's strategy, and discussed at all management meetings. It is an essential factor, allowing Publicis Groupe to lead the pack in winning new business.

In order to meet this ambition, Publicis Groupe must focus on new forms of partnership and new remuneration models with its clients. The service provider is paid according to time spent, whereas a value creator is paid according to the wealth generated and shared with its clients. Publicis Groupe, as an acknowledged global leader in creative ideas, New Business and digital media, aims to gain greater market recognition for its contribution to the success of its customers. It intends doing this by innovating in organizational models and partnerships, with a strategic ambition to share in the value created. At the same time, it intends to remain prudent and open-minded in its investments, looking for partnerships with the greatest technological platforms such as the alliances developed with Google, Microsoft, Yahoo! and the mobile telephone operators.

Finally, along with its clients, the Company's employees constitute a strategic asset for which the Group has very clear objectives. The Group wishes to provide its most talented employees with the professional framework that will best encourage their development, and to be the best employer in the sector by offering top career and training opportunities, maintaining the ethical principles and human approach that have always been Publicis' "trademark", so that its employees may feel confident, give of their best, and work in harmony with the Group's core values.

1.4.3 KEY ACTIVITIES AND GROUP ORGANIZATION

Publicis provides a broad range of advertising and communications services, designing a customized package of services to meet each client's particular needs through a holistic and global approach. These encompass three main categories:

- traditional advertising;
- specialized agencies and marketing services –SAMS– including digital offers;
- media advice and purchasing.

Traditional advertising

Think "global", act "local" may sound like a cliché but it is a reality. For proof, we have only to look at our clients' brands, which are growing more and more global every day.

For this reason, besides the creative output of advertising agencies we see every day on billboards, TV, radio or in newspapers and all new media, advertising networks today play an essential role in accompanying their clients in the global development of their brands.

The first mission of advertising agencies and networks is to find ideas that are, at the same time, sufficiently universal to bridge borders and adaptable to local markets, so consumers can easily and effectively receive the ideas conveyed.

Publicis Groupe owns, at a global level, three main advertising networks: Leo Burnett, Publicis and Saatchi & Saatchi. Each of these networks has its own culture and philosophy, and each has been able to build long-lasting partnerships with its clients in all sectors.

Alongside these three networks, Publicis offers a wide range of creative agencies, each with a reputation for creative excellence, such as Fallon in Minneapolis and London, Kaplan Thaler in New York, Marcel in Paris and Bartle Bogle Hegarty (a 49% holding) in London, Mumbai, New York, São Paolo and Singapore.

In each agency and each network, the teams' strategic, creative expertise makes it possible to find the best ideas to serve clients either at a local and/or international level. These ideas lead to advertising campaigns that can be made available via traditional media, the internet, or interactive media, according to the best solution for each client.

The partnership between an advertising agency and its clients is often a long-term partnership, where there is a real dialogue based on the client's knowledge of its own company and brands and the agency's expertise in terms of creativity and consumer understanding.

The global brands with the greatest success are the fruit of this partnership and reciprocal confidence, and Publicis Groupe agencies are proud to manage a great number of these brands.

Publicis Groupe networks

- **Publicis Worldwide:** this network, based in Paris, is located in 82 countries on all continents, notably in Europe and the United States (the agencies Marcel, Duval Guillaume, and Publicis & Hal Riney). It includes the Publicis Dialog network, established in 44 countries, and Publicis Modem (dedicated to digital offerings), present in 40 countries, so as to present clients with a holistic offer.

  Its global expertise offer includes advertising, interactive communications and digital marketing (Publicis Modem), CRM and direct marketing (Publicis Dialog);
- **Leo Burnett:** based in Chicago, the network has a presence in 84 countries around the world. It also owns the international network Arc Worldwide for marketing services (SAMS), which focuses primarily on direct and interactive marketing and sales promotion. Leo Burnett also owns other agencies and independent advertising entities, generally more local or regional, with a well-specified target (because of their specific structure and creative styles) to respond to the particular needs of some clients;
- **Saatchi & Saatchi:** this network, based in New York, has a presence in 80 countries on five continents. It mainly includes the agencies Saatchi & Saatchi (including the agencies Team One and Conill in the United States), as well as the network Saatchi & Saatchi X, a specialist in point of sale marketing (shopper marketing). Saatchi & Saatchi S, a network created in 2008 after the acquisition of Act Now, is a sustainable development consultancy of renowned expertise in the United States, which gives clients expert advice on, and a solid understanding of, the major issues concerning sustainable development at the economic, social and environmental level;
- **Fallon:** a network based in Minneapolis and with regional platforms in London and Tokyo. "SSF" brings together the Saatchi & Saatchi and Fallon agencies;
- **Bartle Bogle Hegarty (BBH):** 49% held by Publicis Groupe, this network is based in London and has regional platforms in Mumbai, New York, Sao Paolo, Shanghai and Singapore;
- **other agencies:** The Kaplan Thaler Group in New York, a global communications agency famous for its talent in creating buzz moments in numerous areas.

Specialized Agencies and Marketing services (SAMS)

These units offer a set of techniques and specialties which can be deployed to complement or replace traditional advertising within a given communications campaign, or to provide a communications medium for specific targets or products (in particular, healthcare communications and multicultural communications). These specialized communications services are generally provided in conjunction with traditional advertising services. Specialized agencies (SAMS) offer, in particular, the following services:

- **Interactive Communication:** digital communications are provided partly via the "all digital" agencies such as Digitas, Razorfish and Big Fuel (acquired in 2011), and Denuo, an agency specializing in consultancy and intelligence in the new technology sector (internet, video games, mobile telephones and iPods) within VivaKi, and partly via all the agencies integrated within the Group's various media advertising networks. The digital activities also include Rosetta, an agency acquired in 2011, and that specializes in digital marketing. Rosetta has strong know-how and consulting capabilities in this area, and remains outside VivaKi. By digital activities we primarily mean the creation of corporate or commercial websites, intranet sites, advice about online direct marketing, social network expertise, e-commerce, search engine optimization, internet ads (especially banners and windows) and any other communication via the internet or mobile channels;
- **Direct marketing, CRM (Customer Relationship Management):** the aim is to create a direct relationship between a brand and a consumer (by contrast with traditional mass-market advertising) by a variety of methods (mail shots, internet, telephone) and to develop customer loyalty. Through its CRM operations, Publicis assists clients in creating programs that reach individual customers and enhance brand loyalty. In addition, Publicis provides the appropriate tools and database support to maximize the efficiency of those programs;
- **Sales promotion and point-of-sale marketing:** promotions seek to determine the most effective means for communicating with consumers at the point-of-sale, and to increase sales either directly at the point-of-sale, or through coupon programs, e-coupons, and similar means.
- **Healthcare communication:** this segment is concerned with the pharmaceutical industry, institutes, hospitals and insurance companies, as well as companies producing consumer goods aimed at health and well-being. It must reach healthcare professionals, public authorities and the general public. Healthcare communications cover the entire lifecycle of a product: from consulting prior to the release on the market, to communication tools (advertising, direct marketing, digital, telemarketing), medical training, scientific communications, public relations, events and recruitment of temporary sales staff.

Public relations activities, communications, corporate and financial communications and events communications have been regrouped within MSLGROUP since 2009:

  - **Public Relations:** the aim of these operations or actions is to help clients with the management of their ongoing relationship with the press, specialized audiences and the general public on commercial or corporate topics, client identity, products or services and to develop an image that is coherent with their strategy. These services include: (i) strategic message and identity development to help clients position themselves in their markets and differentiate themselves from their competitors, (ii) product and company launch or re-launch services, which aim to create awareness of, and position, a product or company with customers, (iii) media relations services, which help clients enhance their brand recognition and image, (iv) composing messages, organization of contacts or events, and (v) creating documents or other materials illustrating this strategy and these messages,
  - **Corporate and financial communications:** this encompasses all initiatives that allow customers to construct a company image or to communicate with interested parties, such as shareholders, employees, public authorities. In particular, it deals with financial communications (especially during initial public offerings – IPOs – or other financial transactions), in the context of stock market listings, disposals, proxy contests and similar matters. Publicis also provides services aimed at helping clients address the communications and public relations aspects of public crises and other major events,
  - **Events communication:** designing and organizing corporate or commercial events (conventions, trade shows, congresses, meetings and opening ceremonies) in order to promote a corporate image that is consistent with the client's strategic objectives;

- **Multicultural or ethnic communication:** an area mainly limited to the American market; it consists of advertising and other communication techniques aimed at culturally specific groups, such as Hispanics and African-Americans.

Media

Publicis' media services include planning to clients to ensure the most effective media are used for their communications campaigns and buying on their behalf the most suitable advertising space for its clients.

Advice services (media planning) and media buying are carried out by two entities of VivaKi: Starcom MediaVest Group, and ZenithOptimedia.

The following services are provided:

- **Media advice/Media planning:** using computer software and data analysis related to consumer behavior and analysis of different media audiences in order to build the most effective plan to implement an advertising or communications strategy, tailored to the marketing objectives, the target audience and the client's budget;
- **Media buying:** purchase of all advertising space (radio, television, billboards, press, internet and cell phones) on behalf of a client as part of an agreed media plan, using the Group's experience and buying power to obtain the most favorable rates and terms and conditions for our clients. Publicis Groupe is the second global group for its media activities and is in first place in the United States and in China.

The operation is structured around two independent entities, which manage media advice and purchasing.

- ZenithOptimedia, based in London, operates in 74 countries around the world and has a strong presence in the UK, the US, Germany, France and Spain; Performics, an agency specializing in understanding internet users' behavior in order to target and interact with them more effectively, also forms part of the company;
- Starcom MediaVest Group, based in Chicago, operates in 80 countries, with a strong presence in the United States.

VivaKi, which since June 2008 has grouped together Starcom MediaVest Group, ZenithOptimedia, Digitas, and Razorfish, allows the new structure to better respond to client needs by offering customized solutions. It pools all market study and research resources, tools and talents within the VivaKi Nerve Center, in order to make the most advanced digital solutions available to all Group units.

The Group also remains active in its original business, essentially in France: the sale of advertising time and/or space in newspapers, cinema, billboards and radio, carried out by Médias & Régies Europe.

Médias & Régies Europe includes the Media Transport entities, like Métrobus (billboard/poster advertising in France), Media Gare and Media Rail, Régie 1 (radio in France), and Mediavision (cinema, mainly in France).

Parent company

Publicis Groupe SA is the Group's holding company. Its main purpose is to provide advisory services to Group companies. The cost of such services by the Company and certain of its subsidiaries amounted to approximately 50 million euros in 2011, which was allocated among the operating entities of the Group based on the cost of the services rendered. In addition, the parent company received dividends from subsidiaries amounting to 285 million euros in 2011.

Finally, the parent company holds the Group's medium- and long-term borrowings.

1.4.4 GROUP ASSETS

The Group conducts operations in over 200 cities around the world. Except as stated below, it leases, rather than owns, the offices it occupies in most of the cities where it operates. At December 31, 2011, it owned real estate assets with a net carrying amount of 172 million euros. The Group's principal real estate asset is its corporate headquarters located at 133 avenue des Champs-Élysées in Paris. This seven-story building includes approximately 12,000 square meters of office space, occupied by the Group's companies, and approximately 1,500 square meters of commercial property occupied by the Publicis Drugstore, and by two public cinemas.

Publicis Groupe chose to restate this building at its fair value after IFRS was implemented and to consider this value as the agreed cost on the date of the transition to IFRS accounting standards. On this date, the fair value of the building was 164 million euros, representing an adjustment, at the time, of 159 million euros to its value under previous accounting standards. The valuation was performed by an independent expert using the rent capitalization method.

The main asset held under a finance lease is the Leo Burnett office building located at 35 West Wacker Drive in Chicago, Illinois, United States. Its net value recorded in the Group's consolidated financial statements at December 31, 2011 was 56 million euros (its gross value at the same date was 83 million euros, depreciable over 30 years).

The Group owns major IT systems and hardware that are used in the creation and production of advertising, the management of media buying and administrative functions.

Since December 31, 2011, the Company has not planned any significant capital expenditures with respect to property, plant and equipment or intangible assets, other than investments made by the Group in the regular course of its business.

1.4.5 MAIN CLIENTS

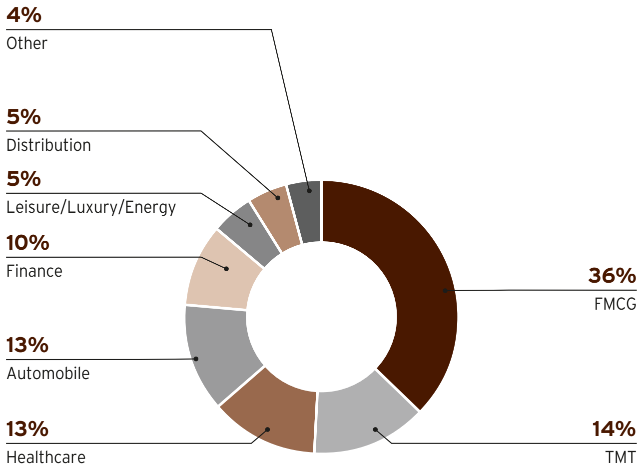
Publicis Groupe provides advertising and communications services to a diversified customer portfolio that is representative of the global economy. It has a significant number of clients that are both national and global leaders in their industries, and approximately half of its revenue is generated by international clients, i.e. clients whose accounts are managed in more than five countries. The top 30 clients represent 46% of the Group's consolidated revenue – see Section 4.6 "Notes to the consolidated financial statements" – Note 26. Payment terms are consistent with general market practices and the regulations in force in each of the countries in which the Group operates. Revenue from, and contracts with, different clients vary from year to year. Nevertheless, a significant share of Publicis Groupe's revenue comes from loyal clients that have been with the Company for years. On average, its retention rate of the ten biggest clients is 45 years.

The main clients of the Group's major networks in 2011 are listed below:

- **Publicis Worldwide:** BNP Paribas, Citigroup, Deutsche Telekom, France Télécom, Groupe Carrefour, L'Oréal, LG Electronics, Luxottica, Nestlé, Procter & Gamble, Qantas, Renault, sanofi, Siemens, UBS, and Walmart;
- **Leo Burnett:** Allstate, Coca-Cola Company, Diageo, Dubai Holding, Fiat Group, General Motors, Hallmark, Kellogg's-Keebler, McDonald's, Nintendo, Philip Morris International, Philip Morris USA, Procter & Gamble, Samsung, and Sony;
- **Saatchi & Saatchi:** ABInBev, Deutsche Telekom, Diageo, General Mills, the Carrefour Group, Honda, J.C. Penney, Kraft, Lenovo, Mead Johnson, Novartis, Petrobras, Procter & Gamble, Toyota, and Visa;
- **Starcom MediaVest Group:** Allstate, Bank of America, Bristol-Myers Squibb, Coca-Cola Company, Comcast, General Motors, Kellogg's-Keebler, Kraft, Mars, Microsoft, Procter & Gamble, Research in Motion, Samsung, Walmart, and Walt Disney;
- **ZenithOptimedia:** Deutsche Telekom, Fielmann Optical, Fox, General Mills, JP Morgan, L'Oréal, LVMH, Nestlé, PPR, Reckitt Benckiser, Richemont Groupe, Telefonica, Toyota, Verizon, and Walt Disney;
- **Publicis Healthcare Communications Group:** Abbott Laboratories, Astellas, AstraZeneca, Biovail, Boehring, Bristol-Myers Squibb, Eli Lilly, GlaxoSmithKline, Merck & Co, Novartis, Pfizer, Procter & Gamble, sanofi, Shire, and Takeda Pharm;
- **Digitas:** American Express, AstraZeneca, Bank of America, Comcast, Daimler, Delta Airlines, General Motors, Kraft, Microsoft, Nissan, Pfizer, Procter & Gamble, Research in Motion, State Farm, and Sun Trust;
- **Razorfish:** AT&T, Best Buy, Daimler, Delta Airlines, Ford, Intel, Kraft, J.C. Penney, Kellogg's-Keebler, Microsoft, Research in Motion, SAB-Miller, State Farm, Unilever, and Volkswagen;
- **Rosetta Marketing Group:** Apple, Citizens Bank, Danone, Deutsche Telekom, Forest Laboratories, Luxottica, Microsoft, MSC Industrial, Nationwide, Otsuka, Purdue Pharma, Research in Motion, Rogers Communications, Safeguard Properties, and US Mint.

On January 24, 2012, Publicis Groupe was informed that it had lost the General Motors media budget. This budget, which was entrusted to Starcom, represented around 0.5% of the Group's total budget on a full-year basis. The contract will end in June 2012.

In 2011, the Group's total revenue came from the following client business sectors:



The share of revenue by principal client sector is representative of the major economic players and the structure of the portfolio remains stable. More than half of this portfolio comprises clients whose resistance to economic fluctuations is strong.

1.4.6 MAIN MARKETS

The level of global advertising expenditure is the subject of regular reports issued by various forecasting bodies, such as ZenithOptimedia (Publicis Group), GroupM (WPP), as well as Magna (Interpublic Group of Cos), and Nielsen, etc. The data forecasts published by these bodies represent advertisers' media expenditure (space buying) intentions, are expressed as "billings" (i.e. expenditure by the advertiser), and therefore do not represent advertising agencies' potential revenue as such. A quarterly examination of these reports enables readers to assess the trend of the advertising market, even if the figures do not factor in a whole facet of advertising agencies' business activities (public relations, direct marketing, and CRM, etc.).

BREAKDOWN OF GLOBAL ADVERTISING EXPENDITURE BY MAJOR GEOGRAPHIC REGION*

(in thousands of dollars)	2010 actual	As a %	2011 estimated	As a %	2012 forecast	As a %	Breakdown of Publicis Groupe's 2011 revenue as a %
North America	161,707	36%	165,464	36%	171,455	35%	47%
Europe	125,235	28%	129,077	28%	133,172	28%	32%
Asia Pacific	114,833	26%	121,058	26%	129,769	27%	12%
Latin America	31,248	7%	31,110	7%	35,089	7%	6%
Africa & Middle East	15,674	3%	15,595	3%	16,439	3%	3%
TOTAL	**448,697**	**100%**	**464,304**	**100%**	**485,924**	**100%**	**100%**

* *Source ZenithOptimedia: December 2011.*

The ten largest countries in the global advertising market

Publicis Groupe's positioning on the ten largest global advertising markets in terms of its ranking on those markets is as follows (ZenithOptimedia-Spending Forecast estimates from December 2011):

	Global Market Ranking*		Publicis Groupe Ranking
1	United States	**1**	United States
2	Japan	**2**	France
3	China	**3**	United Kingdom
4	Germany	**4**	China
5	United Kingdom	**5**	Germany
6	Brazil	**6**	Brazil
7	France	**7**	Italy
8	Australia	**8**	Australia
9	Canada	**9**	Canada
10	Italy	**10**	Spain

* *Source ZenithOptimedia: December 2011*

Thanks to its investments in China and Brazil over the past two years, in addition to winning local accounts and to the expansion of its organic growth, in line with its expansion strategy in high-growth markets, Brazil (the sixth largest global market) became Publicis Groupe's sixth largest market in 2011, although it was only the Group's eighth largest market in 2010. Meanwhile, China (the third largest global market) now ranks as Publicis Groupe's fourth largest market. The pursuit of the Group's development strategy in China should enable it to align China's position within the Group with that country's ranking on the global advertising market by 2014.

1.4.7 SEASONALITY

Clients' advertising and communications expenditure fluctuates, often in response to actual or expected changes in consumer spending. Because consumer spending in many of the Group's markets is typically lower at the beginning of the year, following holidays, and in July and August, the most popular vacation months in Europe and North America, advertising and communication expenditures are lower during these periods as well. As a result, advertising and communication expenditure is not as high during these periods. Historically, the Group's revenue is often higher in the second and fourth quarters of the year than in the first and third quarters.

1.4.8 COMPETITION

Since 2009 the Group has been ranked in third place among global communication groups (ranked according to earnings; source: company annual reports).

See the table below for the published earnings of the top four groups in 2011:

	Omnicom (US GAAP) (in millions)	WPP (IFRS) (in millions)	Interpublic (US GAAP) (in millions)	Publicis Groupe (IFRS) (in millions)
Figures published in local currency	USD 13,872	GBP 10,022	USD 7,015	EUR 5,816
Figures published in dollars	USD 13,872	USD 16,063*	USD 7,015	USD 8,086*

* *2011 average exchange rates: 1 $ = 0.71921 €, 1 £ = 1.15276 €.*

The reader should note that the figures above are those published by the groups concerned, in the currency and according to the accounting standards used by each of them.

Publicis Groupe also competes with a number of local, independent advertising agencies in markets around the world, via its Specialized Agencies and Marketing Services (SAMS).

Advertising and communications markets are generally highly competitive, and Publicis is in constant competition for business with national and international agencies. Publicis expects that competition will continue to increase as a result of multinational clients' continuing consolidation of their advertising accounts among an increasingly limited number of agencies.

1.4.9 GOVERNMENTAL REGULATIONS

The Group's business is subject to government regulation in France, the US and elsewhere.

In France, media buying activities are subject to the *loi Sapin*, a law requiring transparency in media buying transactions. Pursuant to the *loi Sapin* an advertising agency may not purchase advertising space from media companies and then resell the space to clients on different terms. Instead, the agency must act exclusively as the agent of its clients when purchasing advertising space. The *loi Sapin* applies to advertising activities in France when the media company and the client or the advertising agency are French or located in France.

In many countries, the advertising and marketing of certain products, including tobacco, alcohol, pharmaceutical products and food products, is subject to strict government regulation and self-regulatory standards. New regulations or standards imposed on the advertising or marketing of such products could have an adverse impact on the Group's operations.

1.5 Investments

1.5.1 MAIN INVESTMENTS DURING THE PAST THREE YEARS

The Group's strategic development is centered on investments in talent, technology and high-growth economies. Talent is sought to increase our digital expertise and creative excellence in order to enrich content, strengthen the strategic teams, and drive innovation and new service offerings. In digital technologies, pursuing the development of international activities, strengthening the agencies and developing strategic partnerships and initiatives with the major internet players will allow Publicis Groupe to keep ahead of the pack and anticipate the changes and evolutions in the communications industries. Investments in emerging economies will strengthen the presence of all Publicis Groupe entities.

2009 was the year Publicis acquired Razorfish, the world's second largest interactive agency. This places the Group squarely at the forefront of digital services.

On October 14, 2009, Publicis Groupe announced that the acquisition of Razorfish (jointly announced with Microsoft Corporation on August 9, 2009) had been concluded. Razorfish is one of the world's largest companies specializing in interactive marketing technologies and services. Based in the United States, Razorfish is the second global interactive agency after Digitas. This acquisition confirms the Group's uncontested and durable leadership in interactive communications, both because of its market share and the additional skills it brings in e-commerce and websites.

The Group acquired Nemos, the leading Swiss agency in interactive communications. Established in 2002, Nemos is based in Zurich and considered one of the premier agencies in Flash programming and multimedia.

The acquisition of Yong Yang in China received the approval of the Chinese authorities, who authorized the closing of the transaction. The Chinese license necessary for the creation of a joint venture between Saatchi & Saatchi and Energy Source was obtained during the first quarter of 2009; the Company is already established.

On May 19, 2009, Publicis Groupe announced the acquisition of Bulgarian agency Publicis MARC, an integrated communications agency based in Sofia.

On September 1, 2009, Publicis Groupe announced an agreement for the purchase of Unilever's "*Pour Tout Vous Dire*", one of the four main multi-brand CRM platforms within France's fast-moving consumer goods (FMCG) sector.

On September 3, 2009, Publicis Groupe announced that it had taken a majority share in the organizing company of the "Women's Forum for the Economy and Society". Founded in 2005 by Aude Zieseniss de Thuin, the "Women's Forum for the Economy and Society" is an independent global forum for women.

Total acquisition costs for entities integrated during 2009 (gross payments, before acquired cash) come to 210 million euros. This amount only includes the portion of Razorfish's acquisition price paid in cash; there is an additional 173 million euros in treasury shares held in the portfolio. The total also omits 71 million euros in earn out payments and 23 million euros for buyouts.

In 2009, the group bought back 31,040 shares, liquidity contracts excluded, representing 0.02% of share capital, for a total of less than 1 million euros.

During 2010, 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.

Publicis Groupe thus acquired AG2, one of Brazil's top digital and interactive agencies which will contribute economic intelligence and new skills in the field of brand management in the interactive market.

Publicis Groupe made a significant number of acquisitions in the healthcare field, including Toronto-based In-Sync, an agency specialized in healthcare, well-being and market surveys, Elevator in the UK, and London-based Resolute Communications, a healthcare communications agency that also has operations in New York. Resolute Communications provides healthcare communications programs that encompass strategic advisory services, medical training and public relations. Resolute has been merged with Publicis Life Brands in London, and the new structure now combines Publicis Life Brands' expertise in brand management and digital solutions, with Resolute's know-how in strategic communications. In Germany, the group acquired Digital District, an agency with acclaimed expertise in healthcare communications and specialized skills in the definition and roll-out of communication strategies. Last but not least, in December, Publicis Groupe announced the acquisition of Healthcare Consulting.

In its endeavor to expand its public relations activities, especially in high-growth economies, Publicis Groupe announced in October the acquisition of 20:20Media and 2020social, agencies specialized in public relations and social media in India. 20:20Media is the leading agency for clients in the field of technology, an area in which it has played a pioneering role, and also offers a full portfolio of services, ranging from strategy consulting to campaign management and appraisal. 2020social brings us the expertise of India's first agency to specialize in strategic advisory services in social media. This acquisition enabled the group to launch MSLGROUP India which is now the leading communications network specialized in public relations and the social media. Again in PR and Events, the group also acquired 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. Elsewhere in PR, Publicis Groupe consolidated its stake in Andreoli MSL in Brazil within the MSLGROUP network, thus becoming the majority shareholder in one of the five biggest multidisciplinary PR agencies in Brazil while setting up a reference platform for MSLGROUP in South America.

In China, Publicis Groupe acquired G4. The G4 agency, which is based in Beijing, 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 the Publicis Beijing's Nestlé team to accompany this major client more extensively throughout China.

Also in China, Publicis Groupe acquired the remaining shares in its subsidiary W&K Beijing Advertising Co. which is now wholly-owned. This subsidiary has now been renamed Leo Burnett Beijing Communications Co. Ltd., and contributes to Leo Burnett's expansion in the Beijing market.

Back in Brazil, Publicis Groupe took a 49% stake in Talent Group, one of the country's most important 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 has undertaken to develop its digital communications.

Finally, in late November, Publicis Groupe acquired three agencies in Romania. These long-standing affiliates (Publicis Romania, Focus Advertising, and Publicis Events) will be merged into Grupul Publicis Communication Services Bucharest. The new entity will be a full-services company in communications, advertising, brand strategy, creation, sales promotion, events marketing and digital services.

The Group'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 group's growth.

So as to rationalize the situation in South Africa, the Leo Burnett, Starcom and MSLGROUP operations there were brought back under central control and then merged with Publicis to form an entity now controlled by the group. The holding in Amazon Advertising in San Francisco (Leo Burnett) has been increased from 35% to 59%.

Total acquisition costs for entities integrated during 2010 (gross payments, before acquired cash) come to 131.8 million euros. The total also omits 39.3 million euros in earn out payments and 7.1 million euros for buyouts.

In 2010 the Group bought back 9,987,959 shares, liquidity contracts excluded, representing 5.2% of share capital, for a total of 291 million euros. Theses buybacks include 7,500,000 shares owned by Dentsu. On May 10, 2010, following Dentsu's declaration of its intention to sell part of the shares in Publicis that it held via the Dentsu-Badinter SEP, Publicis Group SA bought a block of 7,500,000 shares for a total price of 218 million euros, with a view to their cancellation. These shares were immediately cancelled.

2011 was a positive year for Publicis Groupe's external growth.

During the first half of 2011, sustained external growth enabled the Group to increase its presence in interactive communications and public relations in the United Kingdom, by acquiring Chemistry, Airlock, Holler, and Kittcat Nohr, to expand its presence in Brazil by taking control of Talent and acquiring GP7, and to achieve a new positioning in the client advice field, via the acquisition of Rosetta, an agency in the digital arena, on July 1 in the United States.

Meanwhile, over the same period, the Group also acquired Watermelon in India and Publicis Healthcare Consulting in France in order to boost its presence in the healthcare field. The second agency, which is now called Publicis Healthcare Consulting, is a Paris-based agency with operations in New York, and 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 players in industry.

Finally, continuing with the Chinese expansion strategy that it announced a year ago, Publicis Groupe acquired ICL, a consulting company based in Taiwan, followed by Dreams in China, which operates in the healthcare field, and by Genedigi, one of the best-known Chinese public relations agencies.

In July 2011, Publicis Groupe finalized the purchase of Rosetta, which had been announced in May. Rosetta is one of the largest independent digital agencies in North America, and provides tailor-made interactive solutions to its clients, thanks to a unique approach based on its strategic know-how and on the integration of its creative and technological capabilities.

In April, the Group acquired an additional 11% interest in Brazil-based Talent, in which it had held a 49% interest since the end of 2010, thereby raising its holding to 60%.

The acquisition of the DPZ agency in Brazil, again in July, rounded out the organizational structure in that country, providing the critical mass sought by the Group. Together with organic growth, the acquisitions in Brazil enabled that country to become the Group's sixth largest market, thereby aligning it with Brazil's ranking in the global advertising market.

The Big Fuel agency, which was also acquired in July 2011, is a very high-potential New York-based-agency, and the only advertising agency that is entirely dedicated to social media.

In September, the Group acquired Schwartz, a public relations agency based in Boston, with subsidiaries in Stockholm and London.

The Group also announced that it was taking a majority (100%) stake in its affiliated agency, Spillman/Felser/Leo Burnett, one of the largest agencies in Switzerland.

Finally, during the last quarter, Publicis Groupe boosted its presence in the Chinese digital market thanks to the acquisition of Wangfan and Gomye.

The various acquisitions made in China during the course of the year are clearly in line with the strategic plan for China. The aim of this plan is to double the Group's revenue in this region by 2013/2014. China, the world's third largest advertising market, is now Publicis Groupe's fourth largest market.

The final acquisition of the year was that of Ciszweski, the Polish public relations agency.

During the course of 2011, Publicis Groupe also announced the launch of a new agency, Publicis Ecuador, with offices in Quito, the national capital, and in Guayacil, the country's business hub.

Overall, these acquisitions represent estimated additional revenue of 400 million euros on a full-year basis, which demonstrates the Group's external growth momentum in 2011.

These transactions are in line with Publicis Groupe's strategic decision to boost its position in high-growth countries, and to consolidate its ranking as a global group that is a leader in the digital communications sector.

Total acquisition costs for the entities integrated during 2011 (gross payments, before acquired cash) come to 671 million euros. The total also omits 87 million euros in earn out payments and 12 million euros for buyouts.

The Group did not buy back any of its own shares in 2011, except for those shares bought under the liquidity contract.

1.5.2 MAIN ONGOING INVESTMENTS

Publicis Groupe has made several acquisitions since the beginning of 2012. The first one was Mediagong, one of France's most innovative digital agencies, which specializes in digital strategy consulting, social media, "advergaming", and mobile communications. The Group then acquired The Creative Factory in Russia in order to enable Saatchi & Saatchi to expand in that country. The Creative Factory, which is based in Moscow, is well known for its specialty areas, namely marketing, the digital sector, digital production and video. Publicis Groupe, which is accelerating its expansion in China and more generally in Asia, acquired U-Link Business Solutions Co LTD, one of the main Chinese agencies specializing in healthcare communications, together with King Harvests and Luminous, two specialist marketing agencies, based in China and Singapore.

On January 26, 2011, Publicis Groupe announced its intention to acquire all the equity outstanding in Pixelpark, via a friendly takeover bid. Pixelpark is the leading independent German digital communications company. Pixelpark's core business ranges from management to digital brand creation, consultancy, content management, social media, mobile marketing, e-business solutions, and data management and analysis.

Publicis Groupe's takeover bid is supported by Pixelpark AG's Management and Supervisory Boards. The offer will be led by Publicis Group's German subsidiary, MMS Germany Holdings GmbH (MMS), which is registered with the Dusseldorf Administrative Court Trade Registry under reference HRB 50291. MMS will offer Pixelpark (ISIN DE000A1KRMK3) shareholders a cash payment of EUR 1.70 per share in exchange for their bearer shares, which have no par value. The offer price represents a premium of around 28% compared with Pixelpark's estimated average share price (EUR 1.33) on the German Stock Exchange over the last three months ending on January 20, 2012.

To date, Pixelpark shareholders have agreed to sell shares amounting to around 56.51% of the authorized share capital and voting rights to MMS. The offer document was published on February 14, and the bid began on the same day. On March 8, Publicis Group announced that it was extending the takeover bid until March 21, 2012, and was waiving the condition of acquiring at least 75% of Pixelpark's share capital. The German Federal Cartel Office approved the planned purchase of Pixelpark on February 15, 2012.

On February 1, the Group announced the acquisition of Flip Media, one of the major Middle Eastern digital agency networks. Flip Media, which is positioned along the entire digital chain, offers full services, including digital strategy, design and production, content supply and technological platforms. The company, which is equipped with a "proprietary" original creation technology that regularly wins awards, works on iconic brands.

Following the proposal made by Dentsu on February 13, Publicis Groupe bought back a block of 18 million of its own shares for a total amount of 644.4 million euros, i.e. 35.80 euros per share, on February 17, before the opening of the Paris Stock Market. At its meeting of February 14, 2012, the Supervisory Board examined the Management Board's proposal to proceed with this purchase. The Supervisory Board concluded that the purchase of the 18 million shares, followed by the cancellation of 10,759,813 shares under the buyback program approved by the General Meeting of Shareholders of June 7, 2011, was positive for the Group and for its shareholders as a whole. The Supervisory Board therefore unanimously approved the transaction, although interested parties did not take part in the vote. The transaction was executed at a 13.35% discount to the closing price on February 16, 2012. It will have a positive impact of around 6% on diluted earnings per share in 2012, and of 7% on a full-year basis. Publicis has cancelled 10,759,813 shares out of the 18 million shares purchased. This number amounts to the maximum number that could be cancelled given the cancellation transaction that had already been executed on May 10, 2010. 10% of the share capital (the maximum amount authorized in law) will therefore have been cancelled over the past 24 months. The remaining 7,240,187 shares are held as treasury stock, and will be used to fund attendance and performance share awards, stock options schemes, and acquisition programs. The purchase of the shares was entirely funded from Publicis Groupe's available funds. In order to enable the execution of this plan, Mrs. Badinter waived her rights under the shareholder agreement entered into with Dentsu following the latter's acquisition of a stake in Publicis Groupe SA in 2002. The transaction brings this agreement to a close, together with the resulting concert party and the SEP Dentsu-Badinter, which has been dissolved. It will also result in the termination of the shareholder agreement and of the "Strategic Alliance Agreement" entered into by Dentsu and Publicis Groupe in 2003.

In November 2011, France Telecom-Orange and Publicis Groupe announced their joint decision to launch an investment fund, in order to accelerate the expansion of the digital economy. In March 2011, France Telecom-Orange and Publicis Groupe disclosed their partnership with Iris Capital Management, thereby forming the largest European venture capital player in the digital economy. Orange and Publicis are undertaking to contribute 150 million euros to this initiative. Along with the commitments already made by current investors, including the European Investment Fund and CDC Entreprises (Caisse des Dépôts Group), the total investment capacity will exceed 300 million euros. Orange and Publicis Groupe will each acquire a minority interest of 24.5% in the Iris management company.

1.5.3 MAIN FUTURE INVESTMENTS

In world that is globalized, digitized and increasingly competitive, the Group intends to focus its future investments on selectively expanding either its service offerings, in particular its digital services, which are becoming its core business, or its geographic scope by focusing on markets with high growth rates. The Group reaffirmed its priorities for growth in two sectors – digital and fast-growth countries – which together could account for 75% of total revenue in the future. The Group also aims to take advantage of any opportunities to increase its business in the sectors, services and countries where it is already present.

In order to be the key player, the Group will continue to invest in the digital sector, in talent, new technologies, and in high-growth markets. In the digital sector, Publicis Groupe will support the ramp-up of digital in mass distribution, retail and a few other sectors, by investing in new business lines, such as social networks or e-commerce. Publicis Groupe will also invest in new technologies, develop new solutions (video and mobile), develop the "Nerve Center" platform (Audience on Demand (AOD) and video), as well as proprietary tools. Attracting talent remains a priority, and these investments will be designed to attract, develop and then retain talent, and so prepare the executives of tomorrow.

As in the past, all these future investments form an integral part of a chosen strategy whose aim is to create a Group with the capacity to create the best value for its customers and shareholders by taking advantage of a robust and vibrant combination of creativity, database science and technology.

Finally, at December 31, 2011, the Group also had commitments of 279 million euros under price-adjustment clauses and of 190 million euros for minority interest buyouts, a total of 469 million euros, 175 million euros of which is due within less than one year.

1.6 Significant contracts

On November 30, 2003, Publicis entered into an agreement (the "Strategic Alliance Agreement") with Dentsu, in order to reinforce the strategic alliance implemented between the two groups on March 7, 2002.

Pursuant to the Alliance Agreement, Publicis Groupe, Saatchi & Saatchi and ZenithOptimedia agreed to terminate their preexisting arrangements and agreements with partners in Japan. Publicis Groupe committed to an exclusive agreement with Dentsu and will not undertake any new activities in Japan without prior consultation with Dentsu. The Group represents Dentsu on behalf of its clients in North America, Europe, Australia and New Zealand, with a small number of exceptions.

Under the agreement, Dentsu will consult Publicis Groupe before making any investments, initiating any joint ventures or other new ventures in Australia, Europe or the United States, and will not enter into any new partnership agreements with WPP, Interpublic, Omnicom or Havas. Publicis Groupe also agreed not to partner with any of those companies or the Hakuhodo Group. The Company agreed to the continued expansion of the Dentsu network in Asia and acknowledged the existing Dentsu partnership with WPP and Dentsu Young & Rubicam, and Dentsu agreed not to expand that partnership.

In addition, Publicis Groupe and Dentsu have committed to share know-how, research and experience that can be used to develop and improve services to international clients. The Company and Dentsu also indicated the Company's expectation that it will jointly develop various communications businesses internationally, including, in particular, sports marketing businesses. Pursuant to the agreement, it founded iSe International Sports and Entertainment AG in 2003 in which the Company and Dentsu each had a 45% shareholding; Fuji Television Network, Inc. and Tokyo Broadcasting Service each had a 4% shareholding; SportsMondial owned the remaining 2%. Following the successful management and organization of the official hospitality programs of the 2006 FIFA World Cup for which the Company was principally created, the shareholders decided on March 2, 2007, to proceed with the liquidation of the joint venture.

With the purchase of Razorfish on October 13, 2009, Publicis Groupe replaced aQuantive as shareholder with a 19.35% stake in Dentsu Razorfish, a Japanese company set up in January 2007 to provide interactive marketing services in Japan.

Finally, Publicis Groupe and Dentsu created an Executive Committee to manage this alliance, comprising their Chairmen and Chief Executive Officers, respectively, as well as managers from the two groups. This committee shall be kept informed of Dentsu's development projects and the Company's in Asia. Dentsu, however, will have no obligation to inform the committee of its activity in Japan.

This contract was concluded for a 20-year term, and may be terminated by either party. The agreement will terminate if Dentsu's interest in Publicis Groupe share capital falls below 10%.

On February 17, 2012, following Mrs. Badinter's waiving of the provisions of the agreement that she had entered into and the sale to Publicis of 18 million shares held by Dentsu, the agreement signed by Dentsu and Publicis was terminated. The transaction also resulted in the termination of the Strategic Alliance Agreement described above.

1.7 Research and development

The various entities included in Publicis Groupe have developed different analysis and research methodologies, in particular concerning consumer behavior and sociological developments. They have also developed software and other tools to assist them in serving clients. Most of these tools concern the media planning businesses of ZenithOptimedia and Starcom MediaVest, and the identification of the most effective channels to reach their clients' target groups; others are integrated into the strategic planning of individual agencies, playing a key role in the unique brand positioning of each advertising brand. Finally, still others are used for the computerized processing of clients' marketing data, an activity conducted through its MarketForward entity. Several of these tools required significant investment in development or cooperation with outside suppliers. The Group's policy on this matter is described in Note 1.3 to the consolidated financial statements in Section 4.6 of this document.

- For **Publicis:** FreeThinking, Ignition Day Workshops, Brand 16, Talkmaster, and Publicis Insider;
- For **Leo Burnett:** Brand Prospect Segmentation, Human Journey, Experience Map, Risk Reward, Human Lab, What If Mapping, Red & Blue America, HumanKind Quotient, HumanKind Terrains, Behavioral Archetypes, Pin Point Quick Quant, Behavior Trek, BrandPersona Archetypes, Innerview, Motivation Analytics, Purpose Workshop, Asia HumanKind ToolKit, Dirty Feet, Reinventing Retail, Acts Lift, HumanKind Brand Purpose Workshop, Idea Spot, Trend Treck, Acts Workshop, ConceptLab, New Participation Tool, ChatCast Web Mining and Companion Survey, eConduit Suite of Analytic Tools, Return ePanel, QuickPredict, BrandTrack, and ArcLight;
- For **Saatchi & Saatchi:** Strategic Toolkit, Sisomo, Xploring, the Story Brief, Inside Lovemarks (in association with QiQ), Lovemarks Connector Kit (including the Lovemarks Discovery, Exploration, Inspiration, Attraction and Evaluation), Saatchi & Saatchi Ideas SuperStore, as well as Publicis Ideas IQ Protocol (developed by Saatchi & Saatchi for Publicis Groupe), Saatchi & Saatchi X, Shopper Cycle, Saatchi & Saatchi S, Star Mapping, and Ten Cycle;
- For **Fallon Worldwide:** Brand-Tube.

In media consulting:

- **ZenithOptimedia** uses the ZOOM and Touchpoints toolkits, including Budget Allocator, Catalyst, Frequency Planner, Competitive Profiler, ECCO, Global Analytics Centre (Glance), Innovations Database, Market Prioritisation Planner, Multi-Copy Planner, Multi-Media Calculator, ROI Modeller, Seasonality Planner, SEO Watch, SocialTools, Touchpoints ROI Tracker, TV Planner, TV Programme Selector/Persistence, ZIPP, and ZONE;
- **Starcom MediaVest** uses, among other tools, Tardiis, Tardiis Fusion, Innovest, Media Pathways, Digital Pathways, Pathfinder, BattleField, Contact Destinations, Intent Tracker/Modeler, Connections Stories, Captivation Blueprint, IPXact, Map, Beyond Demographics, Media in Motion (patent pending), Budget Allocator, Budget Calculator, Pearl, Ace, Brain Conquest, CVT (client targeting), SPACE ID, Truth Maps, Idea vet and Ideaweb, The Mic, Pulse, Webreader, Surveillance, Stardust, KPI Engine, BARometer, StarcomEQ, Starcom IQ, Soundwave, Titan, SMBI, EIC, Starprofiler, The Street MAD, Balance TV, .Poem, Benchtools, AOD, MaxxReach, Beacon, and ESQ;
- **Digitas** offers to sell its clients, among other tools, Media Futures, Agent209, Brand Story Window, Brand Inspiration Rooms, Web.Digitas, and DF;
- **Performics** leverages the following methodologies, tools and research for clients: PFX Forecasting & Planning Tool, PFX Opportunity Matrix, Performance on Demand (POD), Global Analytic Solutions (GAS – in partnership with Zenith), Digital Analytics Dashboard for PPC, SEO, Social, Mobile, Display (DAD – in partnership with Zenith), OneSearch, Program Management Suite, Search Governance Model (SGM), Resource Allocation Tool (RAT), Performance Knowledge Center (PKC), Competitive Benchmarking, Clickstream, Channelstream, Tagchecker, Microtargeting, Hyperflighting, Searcher Journey Analysis, Consumer Journey Analysis, Social Listening Analysis, PFX LinkWheel, Search Audit, 4 SEO Pillars, and SEO Deliverable Framework;
- **Razorfish** provides Edge, Edge, RIAx, RTS Live, CookieCutter, RankSource, Market Mapper, SEO Source, Segmenter, Site Optimization, Skymanager(UK), Razorfish Touch Framework, and Razorfish Mobile Framework to its clients;
- Finally, the **VivaKi Nerve Center** makes patented tools and methodologies available to Publicis Groupe agencies. VNC is the world's largest research and development center dedicated to building new technologies and approaches that connect brands with their customers in a digital world. These technologies and approaches take the form of customizable platforms and interfaces for Publicis Groupe's global clients, as well as the execution of support for activities like media planning and buying, online purchasing, advertising campaign management, optimization, analytics, and reporting. Our tools include the VivaKi Data Platform (centralizing data sources to support speed and scale with data processing needs) Data-Mart Campaigns On Demand (COD) (platform and alerts system for effective campaign management), Keyword Efficiency Estimator (feature within COD to optimize search keyword spend), Insight on Demand (IOD) (suite of robust analytical tools and custom dashboards), and Benchtools (competitive SEM/SEO benchmarking platform). VivaKi Nerve Center has also agreed partnerships with third-party companies, in order to create unique customizable models, which are the gateway to new functionalities and products that will be rolled out by Publicis Groupe agencies and their clients. This process involves Audience on Demand™ (AOD), AOD Premium,

AOD Reach, AOD Display, AOD Video, AOD Search, AOD Mobile, AOD Social, VivaKi Verified (proprietary methodology guaranteeing the positioning of advertising banners in locations that are not harmful to the brand), Audience Insights, VivaKi Partnerships, VivaKi Ventures, Ad Operations Center of Excellence (Ad Ops COE), and The Pool (a think-tank for new advertising models and formats, depending on the industry's new requirements). By leveraging these assets, Publicis Groupe agencies can concentrate on nurturing their client relationships and developing new advertising strategies and programs.

Publicis does not believe that it is materially dependent on patents, licenses and/or manufacturing processes. No asset required for the Group's business is held by members of the Management Board or Supervisory Board, or their families.

1.8 Risk factors

The risk factors described below, together with the other information concerning Publicis Groupe and its consolidated financial statements included in this Registration Document, should be carefully considered before making an investment in the shares or the other securities of Publicis Groupe. Each one of the risk factors may have a negative impact on the Group's earnings, financial position or share price. Other risks and uncertainties of which Publicis is unaware or which are not currently considered to be significant could also have a negative impact on the Group. Publicis Groupe is currently unaware of any governmental, economic, budgetary, monetary or political strategies or factors that have affected or likely to affect, directly or indirectly, its operations.

1.8.1 FACTORS SPECIFIC TO THE PUBLICITY AND COMMUNICATIONS SECTOR

Unfavorable economic conditions may adversely affect the Group's operations

The advertising and communications industry can be significantly affected by downturns in general economic conditions. As the previous years have shown, the sector is sensitive to the fluctuations in advertisers' business levels and to a reduction in their advertising spend. Economic downturns can have a more severe impact on the advertising and communications industry than on other sectors, in part because many companies often respond to a slowdown in economic activity by reducing their communications budgets in order to meet their earnings goals. In addition, it may be difficult or even impossible to collect outstanding fees receivable from bankrupt or insolvent customers. For this reason, the Group's business prospects, financial position and earnings may be materially adversely affected by a downturn in general economic conditions in one or more markets, and a reduction in client budgets for advertising and communications.

The Group's presence in geographically diversified markets makes it less sensitive to adverse economic conditions in a given market. In addition, the Group chose to make its expansion in emerging countries and in the digital advertising market a priority from 2006 onwards. This judicious choice, which has been validated by the transformation of the market and the changing requirements of our clients, has enabled us to maintain, and even improve, the relevance of our offering, while standing up well to competitive pressure.

Working together with senior management, the Group's Finance Department and the operating management teams, the Group's networks are continuing to pay particularly close attention to their cost structures and are adopting action plans to maintain their profitability levels.

The Group operates in an extremely competitive industry

The advertising and communications industry is highly competitive and is expected to remain so. The Group's competitors range from large multinational companies to smaller agencies that operate in local or regional markets. New players such as systems integrators, specialists in the creation and exploitation of databases, telemarketing companies and internet sector companies are now able to avail themselves of technical solutions that respond to specific marketing and communications requirements faced by clients. The Group must compete with these companies and agencies in order to maintain existing client relationships and to win new clients and accounts. Increased competition could have a negative impact on the Group's revenue and earnings.

The high staff turnover rate that has historically been seen in the communications sector (between 25% and 30%) enables adverse economic conditions to be absorbed more flexibly and easily in the event of a downturn in the market.

Working together with the Group's senior management, the networks' operating management teams monitor the market and competitors on an ongoing basis. The implementation of the Group's strategy, which focuses on the digital sector and is mainly based on changing client requirements, has permitted the Group to maintain and improve its competitive position.

Publicis' contracts may be terminated by its clients on short notice

Clients may choose to terminate a client-agency contract either on relatively short notice, generally between three and six months, or on the anniversary of the signing of the contract. Some clients solicit competitive bids for their advertising and communications contracts at regular intervals. In addition, there is a general trend for advertisers to reduce the number of agencies with which they work in order to concentrate their spending on a limited number of leading agencies. Finally, the recent trend towards consolidation of clients around the world increases the risk that a client will be lost following a merger and/or an acquisition.

In order to deal with this risk, significant existing contracts are monitored on a regular basis at the operating management and Group level, which enables us to make sure that customers are satisfied, and to anticipate the risk of a contract being terminated.

In addition, winning new advertising accounts is a priority for all the Group's agencies. In 2011, the Group won new accounts totaling 7.9 billion euros, net of losses.

A significant percentage of Publicis' revenue is generated by a small number of large advertisers

The Group's top 5, 10, 30 and 100 clients represent 20%, 28%, 46% and 63%, respectively, of its consolidated revenue (see also Section 4.6 "Notes to the consolidated accounts", Note 26: "Management of market risks"). One or several large clients may, at any time and for any reason, decide either to switch advertising and communications agencies or to curtail its spending on advertising. A substantial decline in the advertising and communications spend of a major client, or the loss of any of these accounts, could have a negative impact on Publicis' business and earnings.

Working with the Group's senior management, the management of the Group's networks continually analyzes the risks related to the loss of major contracts (please refer to the previous section).

See Section 1.4.5 of this document for a list of the principal clients from the Group's major networks in 2011. The Group has a diversified client portfolio that is representative of the global economy and counts among its clients a great number with a global or national leadership position in their sector. Revenue from, and contracts with, different clients vary from year to year. Nevertheless, a significant share of Publicis Groupe's revenue comes from loyal clients who have been with the Company for many years. On average, the retention rate for the Group's ten biggest clients is 45 years.

Conflicts of interest between Publicis' clients competing within the same business sector may negatively impact its business development

The Group has several different agency networks, thus limiting potential conflicts of interest. Nevertheless, except in agreement with the clients concerned, an agency may not propose its services to a competitor or an advertiser perceived as such, which may put a limit on its growth prospects and have a negative influence on Group income or profits.

Working with the Group's senior management, the management of the Group's networks continually analyzes the risks related to conflicts of interest.

Publicis' business is heavily dependent on the services of its management and employees

The advertising and communications industry is known for high mobility among its professionals. If the Group loses the services of key managers or other employees, its business and earnings could be negatively affected. Publicis' success is highly dependent on the skills of its creative, sales and media personnel, as well as on their relationships with the Group's clients. If the Group were no longer able to attract and retain new key personnel, or if it were unable to retain and motivate its existing key personnel, its prospects, business, earnings and financial position could be adversely affected.

Working together with the Group's Human Resources Department, the networks' Human Resources Departments make sure that key staff are identified, and offer them incentives and include them in the Group's long-term profit-sharing schemes in order to retain their loyalty.

The Group's Human Resources Department regularly transmits to senior management its analyses of the attraction and retention of talent and the risks related to the possible loss of key senior managers.

1.8.2 REGULATORY AND LEGAL RISKS

Laws, regulations or voluntary practices that apply to the sectors in which Publicis operates may have a negative impact on its business

The communications sector in which Publicis operates is subject to legislation, regulation and voluntary codes of conduct. Governments, regulatory authorities and consumer groups often impose prohibitions or restrictions on the advertising of certain products and services, or regulations on certain business activities conducted by the Group. Examples include the *loi Sapin* in France, which prohibits agencies from buying advertising space for resale to their clients, and, in most countries, regulations to restrict alcohol and tobacco advertising. The application of further such regulations could have a negative impact on the Group's business and earnings.

In order to limit this risk, and to ensure that its advertising campaigns comply with regulations, the Group has implemented, in its main markets, legal clearance procedures carried out by the Legal Department, whose role is to provide support to the creative teams as they develop these campaigns.

Publicis may be exposed to liabilities if any of its clients' advertising claims are found to be false, deceptive or misleading, or if its clients' products are defective

Publicis may be named as defendant or co-defendant in litigation brought against its clients by third parties, its clients' competitors, governmental or regulatory authorities, or a consumer association. These actions could, in particular, relate to the following complaints:

- advertising claims used to promote its clients' products or services are false, deceptive or misleading;
- its clients' products are defective or may be harmful to others;
- marketing, communications, or advertising materials created for its clients infringe the intellectual property rights of third parties, since client-agency contracts generally require the agency to indemnify the client against claims for infringement of intellectual or industrial property rights.

The damages, costs, and expenses, as well as the attorneys' fees arising from any of these claims could have an adverse effect on the Group's prospects, business, earnings and financial position if it were not adequately insured against such risks or indemnified by its clients. In any event, Publicis' reputation could be negatively affected by such allegations.

The Group has no knowledge of any legal or arbitration proceedings, initiated in the last 12 months, which could have a significant effect on the financial position or profitability of the Company and/or the Group.

See also Note 20 and Note 1.3 to the consolidated financial statements (Section 4.6), with respect to provisions for litigation and claims.

1.8.3 RISK ASSOCIATED WITH ACQUISITIONS

Publicis' strategy of development through acquisitions and minority investments may create risks

One strand of Publicis' business strategy involves broadening the range of its existing advertising and communications services. The Group has made a number of acquisitions and other investments in furtherance of this strategy, and may continue to do so in the future. The identification of acquisition and investment candidates is difficult, and there is always the possibility of misjudging the risks of any given acquisition or investment. In addition, acquisitions may be concluded on terms that are less favorable than anticipated, and the newly acquired companies may either fail to be successfully integrated into Publicis' existing operations or fail to generate the synergies or other benefits that were expected. Such cases could have negative consequences for the Group's earnings.

A description of the Group's main acquisitions during 2011 appears in Section 1.5.1 "Main investments made by the Group over the past three years". Also see Note 2 to the consolidated financial statements (Section 4.6) regarding the variation in the scope of consolidation.

The risks related to the external expansion policy are monitored by the Finance Department, together with senior management.

Goodwill and intangible assets, including brands and client relationships, recorded on the statement of financial position of acquired companies may be subject to impairment

Publicis has recorded a significant amount of goodwill on its statement of financial position. Given the nature of its business, the Group's most important assets are intangible, and are accounted for as such. Each year the Group carries out an evaluation of goodwill and intangible assets so as to determine whether these need to be depreciated. The hypotheses made in order to estimate the earnings and the provisional cash flow in the course of these reevaluations cannot be confirmed by subsequent real earnings. If the Group were to carry out any such depreciation, the loss could have an adverse effect on the Group's earnings and financial position.

Goodwill carried on the Group's statement of financial position is detailed in Note 10 to the consolidated financial statements (Section 4.6).

1.8.4 RISKS ASSOCIATED WITH THE GROUPE'S INTERNATIONAL PRESENCE

Publicis is exposed to a number of risks from operating in developing countries

Publicis conducts business in a number of developing countries around the world. The risks associated with conducting business in developing countries can include nationalization, social, political and economic instability, increased currency risk, restrictions on taking money out of the country and late payment of invoices. The Group may not be able to insure or hedge against these risks. In addition, commercial laws and regulations in many of these countries may be vague, arbitrary, contradictory, inconsistently administered or retroactively applied. It is, therefore, difficult to consistently and clearly determine the exact requirements of such laws and regulations. Non-compliance – actual or alleged – with applicable laws in developing countries could have a negative impact on Publicis' prospects, business, earnings, and financial position.

Working with the Group's senior management, the management of the Group's networks continually analyzes the Group's exposure to risks related to its business in politically or economically unstable countries.

Income from emerging economies represented 24.3% of the Group's total profits in 2011.

See Note 27 to the consolidated financial statements (Section 4.6) for the contribution to the Group's earnings by geographic zone for the years 2009, 2010 and 2011.

1.8.5 FINANCIAL RISKS

Exposure to liquidity risk

To manage liquidity risk, Publicis holds a substantial volume of cash and cash equivalents (2,174 million euros as at December 31, 2011) and unused credit lines (2,079 million euros as at December 31, 2011, of which 1,855 million euros is confirmed and 224 million euros is unconfirmed). The main credit line is a multi-currency syndicated facility in the amount of 1,200 million euros, expiring in 2016.

These amounts, which are available or can be made available almost immediately, are more than sufficient to cover the Group's obligations on its debt maturing in less than one year (including commitments to buy out minority shareholders, see Section 1.5.3).

The Group's treasury management arrangements are described in Section 3.4.3 of this document.

None of the Group's bonds or other debt is subject to financial covenants.

See also Note 22 to the consolidated financial statements (Section 4.6).

A credit rating downgrade could adversely affect Publicis' financial situation

Since 2005, Publicis Groupe SA has been publicly rated. Its rating has remained unchanged, at BBB+ from Standard & Poor's and Baa2 from Moody's Investors Service. A rating downgrade by either of these agencies could adversely affect the Group's ability to raise funds on the same terms as the current ones, and would likely result in the application of higher interest rates to any future borrowings.

See also Section 3.4.3 of this document.

Exposure to market risk

Note 26 to the consolidated financial statements in Chapter 4.6 of this document describes exposure to the following risks:

- exchange rate and interest rate risks;
- client counterparty risk;
- bank counterparty risk;
- stock market risk.

These risks are monitored by the Group's Finance Department in close liaison with senior management.

1.8.6 INSURANCE AND RISK COVERAGE

The Company's policy regarding insurance is to insure all subsidiaries and all companies in which it holds 50% or more of the voting rights, directly or indirectly, or for which it assumes the management or administrative control or the responsibility for insurance coverage without holding 50% or more of the voting rights.

Insurance coverage is achieved through complementary centralized and local insurance programs. The insurance programs cover the full range of insurable risks.

The insurance programs are the subject of regular tender offers, both on a local and global basis, which enables the Group to benefit from the latest guarantee extensions and from optimized policy subscription costs.

Centralized programs

These are programs with an international scope, such as third-party professional liability, personal liability of management and those related to corporate relations. Worldwide "umbrella" coverage also exists, which applies in the case of differences in conditions or limits of local programs, particularly for property damage insurance and business interruption insurance, general third-party, automobile third-party, and employer's third-party liability insurance.

Local programs

These are insurance policies for general and employer's third-party liability, property damage and business interruption, automobile policies, and other general risks. These policies are entered into locally in order to comply with local practices and regulations and to manage related risks.

Insurance contracts relating to filming and photography are issued on a country-by-country basis, depending on requirements.

Policies taken out

The overall amount is:

- damage to property and operational losses: up to USD 280 million dollars;
- civil liability: from 25 to 115 million US dollars, depending on the risks.

Terrorism risks are covered in the United States, France and the United Kingdom, in accordance with the legal requirements in each country.

These policies are arranged through brokers from major international insurance companies such as Chartis, XL, Chubb, Zurich and Generali. All the insurers chosen by the Group have a minimum S&P rating of A-.

The Group's global non-life premiums amounted to approximately 17 million euros in 2011.

1.9 Corporate Social Responsibility

The Group's Corporate Social and Environmental Responsibility Strategy is based around four major work areas:

- Social: means what is done for employees' benefit. The aim is to enable them to work effectively and to feel comfortable at work;
- Societal: means what the Group (and its employees) do to play an active role in the life of Society. The aim is to act as a recognized and committed economic and social player;
- Economy and Governance: means what the Group does in order to ensure that it operates in an ethical and profitable manner. The aim is to ensure that the Company operates in a responsible and transparent manner;
- Environmental: means what is done in order to consume less, in a better way. The aim is to reduce direct effects and to play a part in protecting the environment.

These four areas represent guidelines for organizing practical actions at the local level – within the agencies and networks – and at the central level, in order to obtain consistent data that enable the progress of some projects to be monitored, and progress margins to be assessed. The Group's CSR ambition is to engage in an ongoing improvement process.

The Group's CSR report is published every year, towards the end of May. The 2011 report is not yet available, and will be published at the same time as the 2011 Registration Document. Only a few figures relating to employee relations issues can be provided for 2011, such as:

- Headcount at December 31, 2011: 53,807 employees *(48,531 people in 2010*);*
- Recruitment of 2,469 new employees in 2011 (not including the consolidation of acquisitions);
- A stable breakdown by gender: 55% women & 45% men *(55% women & 45% men in 2010*).*

Publicis Groupe published its second CSR report, covering 2010, in May 2011 *(the report is publicly available at www.publicisgroupe.com).* This document is based on around 60 quantitative and qualitative indicators according to the GRI *(*Global Reporting Initiative*)* matrix, which cover a large area of the Group (90%). The report includes a correlation table including the French New Economic Regulations (NRE) Law, the United Nations Global Compact, which the Group signed in 2003, and an initial reference to the new non-certifying ISO 26000 standard.

We would underline the following among a few highlights in 2010:

- Social: a major effort was made in terms of training, in a very large numbers of agencies. Training on digital applications, new digital products, new uses, etc. is now an integral part of team development, and of our ability to anticipate and support the Group's clients' requirements more than ever before;
- Societal: the Group is involved in various major sector projects, like the finalization of the new ICC Consolidated Code on Best Practices in advertising and communications (*www.iccwbo.org*);
- Economy & Governance: the Group has worked on its own transparency and digital practice rules, especially in the "OBA" (Online Behavioral Advertising) area, and on training the teams involved;
- Environment: one of the main efforts involved improving the quality and traceability of the data used for calculating direct and indirect effects, such as the Carbon Report drawn up at the Group level.

We would list the following, *inter alia*, for 2011:

- the launch of Publicis Groupe's internal women's network, which is called VivaWomen! and is aimed at improving support for women in the Group in their professional and personal development, encouraging discussion and the sharing of experiences (United States, France, and China, etc.);
- the launch of a first "Green Week" in all the French agencies, which is aimed at raising all employees' awareness of environmental and societal issues.

* *Extract from the CSR report for 2010.*

2

CORPORATE GOVERNANCE

2.1 Members of the Management Board and the Supervisory Board

The Company is a French limited liability company *(société anonyme)* with a Management Board (*Directoire)* and a Supervisory Board *(Conseil de surveillance).* The members of the Management Board and Supervisory Board are collectively referred to as "corporate officers" in this document.

2.1.1 COMPOSITION OF THE MANAGEMENT BOARD AT DECEMBER 31, 2011

MAURICE LÉVY	**CHAIRMAN OF THE MANAGEMENT BOARD**
Born on February 18, 1942, French National First appointment: November 27, 1987 Expiration of current term: December 31, 2015 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Member of the Executive Committee (P12):** Publicis Groupe SA **Chairman and CEO:** Publicis Conseil SA (France) **Member of the Supervisory Board:** Médias & Régies Europe SA (France) **Director:** MMS USA Holdings, Inc. (United States), Zenith Optimedia Group Limited (United Kingdom), MMS USA Investments, Inc. (United States), MMS USA LLC Investments, Inc. (United States) **Management Board Member:** Publicis Groupe US Investments LLC (United States) **Main offices and positions held outside the Group** **Member of the Supervisory Board:** Deutsche Bank AG **Member of the Supervisory Board:** Compagnie Financière Edmond de Rothschild Banque SA (France) **Member of the Board:** World Economic Forum Foundation (Geneva) **Chairman** of the *Association Française des Entreprises Privées* (AFEP) **Member of the Board of Directors:** Arts décoratifs (Decorative Arts), *Institut du Cerveau et de la Moelle épinière* (Brain and Spine Institute) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following position: **Member of the Board of Directors:** *Amis du Musée du Quai Branly* (term expired in June 2011)

JEAN-MICHEL ÉTIENNE	MEMBER OF THE MANAGEMENT BOARD
Born on November 2, 1951, French National First appointment: July 1, 2010 Expiration of current term: December 31, 2015 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Executive Vice President, Group Finance:** Publicis Groupe SA **Member of the Executive Committee (P12):** Publicis Groupe SA **Chairman:** Multi Market Services France Holdings SAS (France) **Chairman and CEO:** Publicis Finance Services SAS (France) **Chairman:** MMS Italy Holdings S.r.l., Re:Sources Italy S.r.l. **Chairman and Director:** MMS Mexico Holdings S de RL de CV **Chairman and Director:** MMS Canada Holdings Inc. **Management Board Member:** Publicis Groupe US Investments LLC (United States), Publicis Groupe Holdings B.V. (Netherlands) **Permanent Representative of Multi Market Services France Holdings SAS** at Publicis Technology SA, Marcel SNC **Director:** Multi Market Services Australia Holdings Pty Limited, PG Lion Re:Sources Australia Pty Limited, Re:Sources Mexico SA de C.V., MMS Netherlands Holdings BV, Publicis Groupe Investments BV (Netherlands), Publicis Holdings BV (Netherlands), Multi Market Services Spain Holdings, S.L, Publicis Communicacion Espana, SA, Saatchi & Saatchi Limited (United Kingdom), MMS UK Holdings Limited, Lion Re:Sources UK Limited, Lion Re:Sources Ibéria S.L. (Spain), ZenithOptimedia International Limited, (United Kingdom), Saatchi & Saatchi Holdings Limited (United Kingdom), ZenithOptimedia Group Limited (United Kingdom), MMS USA Holdings, Inc., MMS USA Investments, Inc., MMS USA LLC Investments, Inc., Shanghai Ming Mong Song Commercial Consulting Co, Ltd **Director and Managing Director:** Bcom3 Holding Germany GmbH, MMS Germany Holdings GmbH, Re:Sources Germany GmbH **Director, President & Treasurer:** US International Holding Company, Inc. (United States) **Main offices and positions held outside the Group** None **Offices and positions held outside the Group in the last five years** Member of the Management Board of Impress Packaging (term expired in 2010)
JACK KLUES	**MEMBER OF THE MANAGEMENT BOARD**
Born on December 8, 1954, US National First appointment: December 7, 2004 (effective January 1, 2005) Expiration of current term: December 31, 2015 VivaKi, Inc. 35 West Wacker Drive Chicago, IL 60601 United States	**Other offices and positions held within the Group** **CEO:** VivaKi, Inc. (United States) **Member of the Executive Committee (P12):** Publicis Groupe SA **Director:** Starcom MediaVest Group, Inc. (United States) **Main offices and positions held outside the Group** None **Offices and positions held outside the Group in the last five years** None

JEAN-YVES NAOURI	MEMBER OF THE MANAGEMENT BOARD
Born on November 19, 1959, French National First appointment: December 4, 2007 (effective January 1, 2008) Expiration of current term: December 31, 2015 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Executive Vice President - Operations:** Publicis Groupe SA **Chief Operating Officer:** Publicis Groupe SA **Member of the Executive Committee (P12):** Publicis Groupe SA **Executive Chairman:** Publicis Worldwide **Chairman:** Re:Sources France SAS (France), Re:Sources 133 SAS (France) **Chairman and CEO:** Publicis Technology SA (France) **Member of the Supervisory Board:** Marcel SA (France) **Director:** VivaKi Performance SA (France), VivaKi Communications SA (France) **Permanent representative of Publicis Groupe SA:** Publicis Finance Services SA (France) **Permanent representative of Multi Market Services France Holdings** within the Shareholders' Committee of Wefcos SAS (France) **Member of the Management Committee:** Multi Market Services France Holdings SAS **Director:** Lion Re:Sources UK Limited (United Kingdom), Lion Re:Sources Iberia SL (Spain), Re:Sources Italy srl, Re:Sources Mexico SA de CV, Publicis Healthcare Communications Group, Inc. (United States), Starcom Sweden AB (Sweden), Publicis Graphics Groupe Holding SA (Luxembourg), Publicis Mojo Limited (New Zealand), MMS UK Holdings Limited (United Kingdom), Publicis Blueprint Limited (United Kingdom), Publicis Dialog Limited (United Kingdom), Publicis Limited (United Kingdom), Publicis Productif Limited (United Kingdom), DPZ – Duailibi Petit Zaragoza Propaganda Ltda (Brazil), Publicis Graphics Holdings Limited (Jersey), Publicis Modem Portfolio Co Ltd (Korea), Welcomm Publicis Worldwide Co, Ltd (Korea), Publicis Dialog Ltd (Korea), Publicis Net Media Limited (Israel), E-D.O Logic Limited (Israel), MMS Communications Israel Ltd, Publicis Communications Private Ltd (India), Arc Interactive Israel Ltd, Publicis Canada Inc. **Secretary:** Lion Re:Sources, SA (Costa Rica) **Director & Managing Director:** Re:Sources Germany GmbH (Germany) **Main offices and positions held outside the Group** None **Offices and positions held outside the Group in the last five years** None
KEVIN ROBERTS	**MEMBER OF THE MANAGEMENT BOARD**
Born on October 20, 1949, New Zealand and British National First appointment: September 14, 2000 Expiration of current term: December 31, 2015 Saatchi & Saatchi 375 Hudson Street New York NY 10014-3620 United States	**Other offices and positions held within the Group** **CEO:** Saatchi & Saatchi Worldwide (United States) **Member of the Executive Committee (P12):** Publicis Groupe SA **Director:** Fallon Group, Inc. (United States) DPZ – Duailibi Petit Zaragoza Propaganda Ltda (Brazil) **Main offices and positions held outside the Group** **Director:** Rowland Communications Worldwide, Inc. (United States), Red Rose Limited (New Zealand), Red Rose Charitable Services Limited (New Zealand), NZ Edge.com Holding Limited (New Zealand), USA Rugby (United States), Red Rose Music Limited (United Kingdom) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Director:** Lion Nathan Plc, New Zealand Rugby Football Union, North Harbour Rugby Football Union

2.1.2 COMPOSITION OF THE SUPERVISORY BOARD AT DECEMBER 31, 2011

ÉLISABETH BADINTER	**CHAIRPERSON OF THE SUPERVISORY BOARD** **CHAIRPERSON OF THE APPOINTMENTS COMMITTEE** **MEMBER OF THE STRATEGY AND RISK COMMITTEE**
Born on March 5, 1944, French National First appointment: November 27, 1987 Expiration of current term: June 30, 2012 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Chairperson of the Supervisory Board:** Médias & Régies Europe SA (France) **Main offices and positions held outside the Group** **Author** **Chairperson** of the Fondation Marcel Bleustein-Blanchet pour la Vocation **Offices and positions held outside the Group in the last five years** Position listed above
SOPHIE DULAC	**VICE-CHAIRPERSON OF THE SUPERVISORY BOARD**
Born on December 26, 1957, French National First appointment: June 25, 1998 Expiration of current term: June 30, 2016 Les Écrans de Paris 30 avenue Marceau 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairperson of the Board of Directors:** Les Écrans de Paris SA (France) **Manager:** Sophie Dulac Productions SARL (France), Sophie Dulac Distributions SARL (France) **Vice-Chairperson of the Board of Directors:** CIM de Montmartre SA **Chairperson:** Parisfilmfest association **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following position: **Chairperson:** Association Paris Tout Court (term expired in 2008)
SIMON BADINTER	**MEMBER OF THE SUPERVISORY BOARD**
Born on June 23, 1968, French National First appointment: June 17, 1999 Expiration of current term: June 30, 2016 Médias & Régies Europe 1 rond-point Victor-Hugo 92137 Issy-les-Moulineaux Cedex France	**Other offices and positions held within the Group** **Chairman of the Management Board:** Médias & Régies Europe SA * **CEO & Chairman:** Omnimedia Cleveland, Inc. (United States), **Chairman:** Gestion Omnimedia, Inc. (Canada) **Member of the Management Board:** Médias & Régies Europe SA **Director:** Régie Publicitaire des Transports Parisiens Métrobus Publicité (France) **Permanent representative of Médias & Régies Europe** at: Régie Publicitaire des Transports Parisiens Métrobus Publicité SA (France) *, Mediavision and Jean Mineur SA (France) **Permanent representative of Média Rail** at GIE (economic interest group) MédiaTransports (France) * **Main offices and positions held outside the Group** None **Offices and positions held outside the Group in the last five years** None
CLAUDINE BIENAIMÉ	**MEMBER OF THE SUPERVISORY BOARD** **MEMBER OF THE AUDIT COMMITTEE** **MEMBER OF THE COMPENSATION COMMITTEE**
Born on November 23, 1939, French National First appointment: June 3, 2008 Expiration of current term: June 30, 2014 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Director:** Gévelot SA (France), P.C.M. SA (France), Gévelot Extrusion SA (France), Gurtner SA (France) **Chairman and CEO:** Société Immobilière du Boisdormant SA (France) **Deputy Managing Director:** Rosclodan SA (France), Sopofam SA (France) **Chairman of the Audit Committee:** Gévelot SA (France) **Manager:** SCI Presbourg Etoile (France) **Offices and positions held outside the Group in the last five years** Positions listed above

* *Term expired during the 2011 financial year.*

MICHEL CICUREL	MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE COMPENSATION COMMITTEE MEMBER OF THE APPOINTMENTS COMMITTEE
Born on September 5, 1947, French National First appointment: June 17, 1999 Expiration of current term: June 30, 2016 La Compagnie Financière Edmond de Rothschild 47 rue du Faubourg-Saint-Honoré 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairman of the Management Board:** La Compagnie Financière Edmond de Rothschild Banque SA (France), Compagnie Financière Saint-Honoré SA (France) **Chairman of the Board of Directors:** ERS SA (France), Edmond de Rothschild Investment Services Limited (Israel), Edmond de Rothschild SGR Spa (Italy) **Chairman of the Supervisory Board:** Edmond de Rothschild Corporate Finance SAS (France) **Vice-Chairman of the Supervisory Board:** Edmond de Rothschild Private Equity Partners SAS **Member of the Supervisory Board:** SIACI Saint Honoré SA (France), Milestone SAS **Director:** Banque Privée Edmond de Rothschild SA (Switzerland), Edmond de Rothschild Limited (United Kingdom), Bouygues Telecom SA (France), Société Générale SA, listed company (France), Coe-Rexecode (Association) **Permanent representative of La Compagnie Financière Edmond de Rothschild Banque** **Chairman of the Board**, at: Edmond de Rothschild Asset Management SAS (France) **Permanent representative of La Compagnie Financière Edmond de Rothschild Banque**, at EDRIM Solutions (France) **Permanent representative of Compagnie Financière Saint-Honoré** at Cogifrance SA (France) **Observer** of Paris-Orléans SA, listed company (France) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Director:** La Compagnie Benjamin de Rothschild SA (Switzerland) (term expired in 2008), CdB Web Tech (Italy) (term expired in 2007), LCF Holding Benjamin and Edmond de Rothschild SA (Switzerland) (term expired in 2009), Edmond de Rothschild SIM SpA (Italy) (term expired in 2011) **Member of the Supervisory Board:** Assurances et Conseils Saint Honoré SA (term expired in 2008), SIACI SA (term expired in 2008), Newstone Courtage SA (term expired in 2011) **Permanent representative of La Compagnie Financière Edmond de Rothschild Banque,** at: Assurances et Conseils Saint Honoré (term expired in 2007), Edmond de Rothschild Corporate Finance (term expired in 2007), Edmond de Rothschild Financial Services SA (France) (now Edrim Solutions) (term expired in 2009), Equity Vision SA (France) (term expired in 2009) **Chairman of the Supervisory Board:** Edmond de Rothschild Multi Management SAS (France) (term expired in 2009)
MICHEL HALPÉRIN	MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE COMPENSATION COMMITTEE MEMBER OF THE APPOINTMENTS COMMITTEE
Born on October 27, 1948, Swiss National First appointment: March 2, 2006 Expiration of current term: June 30, 2014 Ming Halpérin Burger Inaudi 5 avenue Léon-Gaud 1206 Geneva Switzerland	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Honorary Chairman:** Human Rights Watch, Geneva International Committee **Chairman** of Swiss Friends of the Ben Gurion University of the Negev **Vice-Chairman of the Board of Directors:** BNP Paribas SA (Switzerland) **Member of the Board:** Geneva Financial Center Foundation **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Chairman and Vice-Chairman** of the Great Council of the Republic and Canton of Geneva (term expired in 2006) **Member of the Board** of Marc Rich Holding & Co GmbH, Zug (term expired in 2007) **Representative** of the Great Council of the Republic and Canton of Geneva (term expired in 2009)

TADASHI ISHII *	MEMBER OF THE SUPERVISORY BOARD
Born on March 10, 1951, Japanese National First appointment: March 10, 2009 Expiration of current term: June 30, 2014 Dentsu Inc. 1-8-1 Higashi-Shimbashi Minato-ku Tokyo 105-7001 Japan	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **President and CEO:** Dentsu Inc., listed company (Japan) **Director:** Japan Association for the Promotion of Creative Events **Committee Member:** Japan Association of Corporate Executives, IPPO IPPO NIPPON PROJECT **Vice President**: International Advertising Association Japan Chapter (IAA) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Chairman:** Transactions Efficiency Committee, Japan Advertising Agencies Association (JAAA) (term expired in March 2011) **Director:** Nagano AD Bureau Inc. (term expired in March 2011) **Director (Non-executive):** Frontage Inc. (term expired in March 2011)
MARIE-JOSÉE KRAVIS	**MEMBER OF THE SUPERVISORY BOARD CHAIRPERSON OF THE STRATEGY AND RISK COMMITTEE**
Born on September 11, 1949, US National First appointment: June 1, 2010 Expiration of current term: June 30, 2016 625 Park Avenue New York, NY 10065 United States	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairperson:** Museum of Modern Art (United States) **Senior Fellow:** Hudson Institute (United States) **Member of the Board of Directors:** Hudson Institute (United States), Robin Hood Foundation (United States), Overseers, Memorial Sloan-Kettering Cancer Center (United States) **Member of the International Advisory Committee:** Federal Reserve Bank of New York **Journalist** **Offices and positions held outside the Group in the last five years** Positions listed above
MARIE-CLAUDE MAYER	**MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE STRATEGY AND RISK COMMITTEE**
Born on October 7, 1947, French National First appointment: June 1, 2010 Expiration of current term: June 30, 2016 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Executive Vice-President:** Publicis Conseil SA (France) **Representative of Multi Market Services France Holdings** within the Shareholders' Committee of Wefcos SAS (France) **Main offices and positions held outside the Group** None **Offices and positions held outside the Group in the last five years** None

* *Term expires on February 17, 2012.*

VÉRONIQUE MORALI	**MEMBER OF THE SUPERVISORY BOARD** **MEMBER OF THE COMPENSATION COMMITTEE** **MEMBER OF THE STRATEGY AND RISK COMMITTEE**
Born on September 12, 1958, French National First appointment: June 1, 2010 Expiration of current term: June 30, 2016 Fimalac SA 97 rue de Lille 75007 Paris France	**Other offices and positions held within the Group** **Chairperson:** Wefcos SAS (France) **Representative of Multi Market Services France Holdings** within the Shareholders' Committee of Wefcos SAS (France) **Main offices and positions held outside the Group** **Chairperson:** Fimalac Développement (Luxembourg) **Vice-Chairman:** Fitch Group, Inc. (United States) **Founding Chairperson:** Femmes Associées SAS (France) **Director:** Coca-Cola Entreprises Inc., listed company (United States), Fitch, Inc. (United States), Fimalac SA, listed company, Wefcos **Member of the Supervisory Board and Member of the Audit Committee:** Compagnie Financière Edmond de Rothschild Banque SA (France), Compagnie Financière Saint-Honoré **Founding Chairperson of the Association:** Force Femmes, Terrafemina (France) **Member** of the Elle Business Foundation **Member of the Supervisory Commission** for future investments **Member** of the Observatory for equality between men and women **Manager:** Fimalac Services Financiers (non-trading company), Fimalac Tech Info (non-trading company) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Chairperson** of Chanel France SAS (term expired in 2007) **Deputy Managing Director:** Fimalac (term expired in 2007) **Director:** Algorithmics (Canada, term expired in 2008), Club Méditerranée SA (France) (term expired in 2007), Eiffage SA (France) (term expired in 2007), Fitch Risk Management (term expired in 2008), Valéo SA (France) (term expired in 2007), Havas (France) (term expired in 2010), Fcbs Gie **Chairperson of the commission** for economic dialog (Medef) (term expired in 2010) Member of Ernst & Young's strategy committee
HÉLÈNE PLOIX	**MEMBER OF THE SUPERVISORY BOARD** **MEMBER OF THE AUDIT COMMITTEE** **MEMBER OF THE STRATEGY AND RISK COMMITTEE**
Born on September 25, 1944, French National First appointment: June 25, 1998 Expiration of current term: June 30, 2016 Pechel Industries 162 rue du Faubourg-Saint-Honoré 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairperson:** Pechel Industries SAS (France), Pechel Industries Partenaires SAS (France), FSH Conseil SAS (France) **Director:** Lafarge SA, listed company (France), BNP Paribas SA, listed company (France), Ferring SA (Switzerland), Sofina (Belgium) **Permanent representative of Pechel Industries Partenaires:** Ypso Holding SA (Luxembourg), Laboratoires Goëmar, Goëmar Développement **Manager:** Hélène Ploix SARL (France), Hélène Marie Joseph SARL (France), Sorepe non-trading company (France), Goëmar Holding (Luxembourg) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Chairperson:** Pechel Services SAS (France) **Director:** HRF 6 SA (France) (term expired in 2007), Alliance Boots Plc (United Kingdom) (term expired in 2007), Completel Europe NV (Netherlands) (term expired in 2010) **Permanent representative of Pechel Industries** at Quinette Gallay SA (France) (term expired in 2007), CVBG-Dourthe Kressman SA (France) (term expired in 2007) **Permanent representative of Pechel Industries Partenaires** at SVP Management et Participations SA (France) (term expired in 2007)

FELIX G. ROHATYN	MEMBER OF THE SUPERVISORY BOARD
Born on May 29, 1928, US National First appointment: June 14, 2001 Expiration of current term: June 30, 2013 Lazard Frères & Co. LLC 30 Rockefeller Plaza, 62nd Fl. New York, NY 10020 United States	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairman:** FGR Associates LLC (United States) **Observer:** LVMH Moët Hennessy Louis Vuitton SA, listed company (France) **Member:** French American Foundation (United States) **Honorary Trustee:** Carnegie Hall (United States) **Trustee:** Center for Strategic and International Studies (CSIS) (United States) **Honorary Trustee Board:** Middlebury College (United States) **Member Council** on Foreign Relations (United States) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Member of the Supervisory Board:** Lagardère Groupe SA (France) (term expired in 2008) **Vice-Chairman:** Lehman Brothers (United States) (term expired in 2008) **Director:** Rothschilds Continuation Holdings AG (term expired in 2006)
AMAURY DE SEZE	**MEMBER OF THE SUPERVISORY BOARD** **CHAIRMAN OF THE COMPENSATION COMMITTEE**
Born on May 7, 1946, French National First appointment: June 25, 1998 Expiration of current term: June 30, 2016 PGB 1 rond-point des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairman of the Supervisory Board:** PAI Partners (France) **Vice-Chairman:** Corporation Financière Power du Canada Ltd **Director:** Carrefour SA, listed company (France), Imerys, listed company (France), Suez Environnement, listed company (France), BW Group, listed company, Groupe Bruxelles Lambert SA, listed company (Belgium), Erbe SA (Belgium), Pargesa, listed company (Switzerland), Thales SA, listed company (France) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Chairman of the Board of Directors:** Carrefour SA (France) (term expired in 2011) **Chairman of the Supervisory Board:** PAI Partners SAS (France) (term expired in 2007) **Chairman:** PAI Partners UK Ltd (United Kingdom) (term expired in 2007) **Vice-Chairman of the Supervisory Board:** Carrefour SA (term expired in 2007) **Director:** Eiffage SA (term expired in 2007), PAI Europe III General Partner NC (Guernsey) (term expired in 2007), PAI Europe IV General Partner NC (Guernsey) (term expired in 2007), PAI Europe IV UK General Partner Ltd (United Kingdom) (term expired in 2007), PAI Europe V General Partner NC (Guernsey) (term expired in 2007), PAI Partners Srl (Italy) (term expired in 2007), Saeco SpA (Italy) (term expired in 2007), Power Corporation of Canada (Canada) (term expired in 2007)
HENRI-CALIXTE SUAUDEAU	**MEMBER OF THE SUPERVISORY BOARD** **MEMBER OF THE APPOINTMENTS COMMITTEE**
Born on February 4, 1936, French National First appointment: November 27, 1987 Expiration of current term: June 30, 2012 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Director:** Publicis Conseil SA **Main offices and positions held outside the Group** **Director:** Fondation Marcel Bleustein-Blanchet pour la Vocation **Offices and positions held outside the Group in the last five years** Position listed above

TATSUYOSHI TAKASHIMA *	MEMBER OF THE SUPERVISORY BOARD
Born on January 1, 1944, Japanese National First appointment: June 3, 2008 Expiration of current term: June 30, 2014 Dentsu Inc. 1-8-1 Higashi-Shimbashi Minato-ku Tokyo 105-7001 Japan	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairman:** Dentsu, Inc., listed company (Japan) **Director:** Museum of Contemporary Art Tokyo **President:** Japan Advertising Agencies Association **Executive Director:** Japan Marketing Association **Member** of the Foundation Board of the International Institute for Management Development **Board Director:** Tokyo Broadcasting System Television, Inc. **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Director** of J-Wave, Inc., (term expired in June 2010) **Temporary Committee Member:** Information Economy Committee, Industrial Structure Council, Ministry of Economy, Trade and Industry of Japan (term expired in February 2009)
GÉRARD WORMS	**MEMBER OF THE SUPERVISORY BOARD CHAIRMAN OF THE AUDIT COMMITTEE MEMBER OF THE APPOINTMENTS COMMITTEE**
Born on August 1, 1936, French National First appointment: June 25, 1998 Expiration of current term: June 30, 2016 Rothschild & Cie Banque 23 bis, avenue de Messine 75008 Paris France	**Other offices and positions held within the Group** **Member of the Supervisory Board:** Médias & Régies Europe SA (France) **Main offices and positions held outside the Group** **Vice-Chairman:** Rothschild Europe **Member of the Supervisory Board:** Métropole Télévision SA, listed company (France) **Director:** Cofide SA, listed company (Italy), Editions Atlas SAS (France) **Observer:** SIACI Saint-Honoré SA (France), Degrémont SA (France) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Managing Partner:** Rothschild & Cie Banque (France) (term expired in 2007) **Associate Managing Partner:** Rothschild & Cie (France) (term expired in 2007) **Chairman of the Board of Directors:** SGIM SA (term expired in 2007) **Director:** Mercapital SA (Italy) (term expired in 2011) **Observer and Member of the Supervisory Board:** Paris-Orléans SA (France) (term expired in 2008) **Chairman:** chaîne thématique Histoire SA **Member of the Supervisory Board:** SIACI SA (term expired in 2007)

** Term expires on February 17, 2012.*

2.1.3 TERMS RENEWED DURING 2011

At the June 7, 2011 General Shareholders' Meeting, Mr. Simon Badinter's term as member of the Supervisory Board was renewed for a six-year period.

The Supervisory Board Meeting of November 29, 2011 renewed the terms of all the members of the Management Board, namely Mr. Maurice Lévy, whose term as Chairman of the Management Board was also renewed, Mr. Kevin Roberts, Mr. Jack Klues, Mr. Jean-Yves Naouri and Mr. Jean-Michel Étienne, for a four-year period from January 1, 2012.

2.1.4 RESIGNATIONS DURING 2012

The Agreement between Dentsu and Publicis provided for Dentsu to be represented by two members on Pulblicis Groupe SA's Supervisory Board for as long as Dentsu held at least 10% of the share capital. Upon completion of the acquisition transaction by Publicis Groupe of 18 million shares held by Dentsu on February 17, 2012, Dentsu's holding was reduced to 2.12% of the share capital. As a result, Mr. Ishii and Mr. Takashima, members of the Supervisory Board representing Dentsu, submitted their resignations to the Board on February 17, 2012.

2.1.5 GOVERNANCE

To the best of the Company's knowledge, there are no existing family ties between the corporate executives of the Company, except between Élisabeth Badinter, daughter of the founder of Publicis Groupe Marcel Bleustein-Blanchet, her son Simon Badinter, and her niece Sophie Dulac.

No member was designated as an employee representative, although Marie-Claude Mayer joined the Supervisory Board as an employee of Publicis Groupe, and no Observer was appointed.

To the best of the Company's knowledge, over the past five years:

- no member of the Management Board or the Supervisory Board of Publicis Groupe has been sentenced for fraud;
- no member of the Management Board or the Supervisory Board has been associated with a bankruptcy, or been subject to a sequestration or liquidation;
- no indictment and/or official public sanction has been pronounced against these people by statutory or regulatory authorities or professional organizations;
- no member of the Management Board or the Supervisory Board of Publicis Groupe has been banned by a court of law from acting as member of a corporate body, Management or Supervisory Board of a company issuing securities, nor from taking part in the management or business operations of an issuer.

2.1.6 CONFLICTS OF INTEREST AT THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

The Supervisory Board had 16 members as of December 31, 2011, the list of which appears above (see Section 2.1.2). The rules of corporate governance and the independence criteria adopted by the Company for the members of the Supervisory Board are discussed in Section 2.4.1.

Internal rules are based on the independence criteria defined by the Supervisory Board on March 9, 2004. In view of the separation of the management and supervisory tasks within the Company and the capital structure, the Supervisory Board accordingly adopted the following characteristics as independence criteria:

- has not served as an employee or corporate executive of the Company, employee or director of the parent company or a consolidated company, during the last five years;
- has not served as a corporate officer of a company in which the Company holds, directly or indirectly, a management position, or in which an employee designated as such or a corporate officer of the Company (currently or in the last five years) has held a management position;
- has not been a client, supplier, business banker or investment banker:
  - that is significant to the Company or the Group,
  - or for which the Company or Group represents a significant part of its business;
- does not have a close family relationship with a corporate executive;
- has not been an auditor of the company during the previous five years.

Except as noted under 2.1.5 above and in Section 2.9, there are not, to the Company's knowledge, any family relationships between any of the members of the Company's Supervisory Board or Management Board, nor any potential conflicts of interest between the members of its Supervisory Board or Management Board. There is no undertaking or agreement concluded by the Company or its subsidiaries with members of its Supervisory Board or the Management Board of the Company providing for benefits to be paid upon termination of their functions, nor any other agreement concluded between the Company, its subsidiaries and these persons, other than those described in Sections 2.7.1 and 2.9. Except as may be described otherwise in Section 2.9, no appointment as member of the Supervisory Board or the Management Board has been made pursuant to an undertaking made to a major shareholder, client or a supplier of the Company.

2.2 Information on the Executive Committee ("P12")

The Group has an Executive Committee that meets five times a year for a one-day meeting. During 2011, it met in February, April, July, September and November.

The Executive Committee is chaired by Maurice Lévy and in 2011 it was composed of the following people:

- Tom Bernardin, Chairman and CEO, Leo Burnett Worldwide;
- Laura Desmond, CEO, Starcom MediaVest Group;
- Mathias Emmerich, Senior VP, General Secretary, Publicis Groupe;
- Jean-Michel Étienne, DGA Finances Publicis Groupe, member of the Management Board;
- Olivier Fleurot, Executive CEO, MSLGROUP;
- Steve King, CEO ZenithOptimedia Worldwide;
- Jack Klues, CEO VivaKi, member of the Management Board;
- Laura Lang, CEO Digitas (until December 1, 2011);
- Bob Lord, CEO Razorfish (since December 1, 2011);
- Jean-Yves Naouri, DGA Operations Publicis Groupe, member of the Management Board;
- Richard Pinder, COO, Publicis Worldwide (until March 30, 2011);
- Kevin Roberts, CEO Saatchi & Saatchi Worldwide, member of the Management Board.

The Executive Committee is the body that discusses and prepares the Group's policies and strategies, making it possible to ensure the information flow between the different brands and networks and to implement the Group's motto, *No silos, no solos*.

It also watches over creative quality, beginning all its meetings with a review of the most memorable creations.

The committee discusses the implementation of the Group's important structural policies:

- Group strategy;
- the Group's competitive position;
- definition of commercial and financial objectives;
- follow-up on the Group's performance and that of each of its networks;
- policy for talent allocation, retention, compensation and management;
- investment policy, especially in technology.

The Executive Committee is a critical body allowing Publicis Groupe to guarantee the Group's performance by:

- gathering the Group's managers around jointly made decisions in addition to the individual responsibilities assigned to them;
- guaranteeing a permanent exchange of information allowing the implementation of collaboration efforts and common approaches regarding big clients and market developments.

2.3 The Strategic Leadership Team

The Strategic Leadership Team was created in mid-2011 and held its first meeting in Paris on July 19, 2011. The Strategic Leadership Team comprises, in addition to the members of the P12, a number of the Group's leading managers, who represent, because of their responsibilities or potential, all of the Group's businesses and also form a pool of future high-potential managers.

The members of the Strategic Leadership Team are:

- Nick Colucci, CEO of Public Healthcare Communications Group;
- Charlotte Duthoo, Chief Procurement Officer;
- Vaughn Emsley, General Manager P&G for Saatchi & Saatchi and Publicis Groupe;
- Susan Giannino, CEO of Publicis USA;
- Curt Hecht, Chairman of the VivaKi Nerve Center;
- Chris Kuenne, CEO of Rosetta;
- Arthur Sadoun, CEO of Publicis Worldwide, with responsibility for operations in Western Europe;
- Robert Senior, CEO of Saatchi & Saatchi Fallon, EMEA;
- Rich Stoddart, CEO of Leo Burnett, North America.

The Strategic Leadership Team met twice in the second half of 2011. Its work consists of clarifying the Group's strategy for the Management Board and the P12, given the comprehensive and panoramic vision it has thanks to the diversity of its members, with respect to both the department they represent and their role, as well as their geographic location.

The work done in 2011 led, for example, to a request that a group of members of the Strategic Leadership Team, in conjunction with other Group managers, consider how to deepen and accelerate our digital strategy; the results are expected in early 2012.

2.4 Operation of the Supervisory Board Committees

2.4.1 APPOINTMENTS COMMITTEE

In accordance with the last paragraph of article 16 II of the Company bylaws, an Appointments Committee, which reports to the Supervisory Board, has been created by article 6 and the articles that follow of the Supervisory Board's internal rules. The Committee is made up of at least three and no more than five members who must be individuals and members of the Supervisory Board and appointed by the Supervisory Board. The Appointments Committee may appoint an external consultant, either temporarily or on a permanent basis, whose compensation will be determined by the Committee.

The members of the Appointments Committee are appointed for the duration of their term on the Supervisory Board and may be reelected in the same manner, pursuant to article 13 of the bylaws. The Appointments Committee elects a Chairman from among its members, who directs the Committee and reports to the Supervisory Board.

The members of the Appointments Committee may be dismissed at the discretion of the Supervisory Board, without cause. Appointments and dismissals are communicated by regular mail sent to all members of the Committee. At least half of the members of the Appointments Committee must be present to validly deliberate. A member may not participate by proxy.

Attendance fees are paid to the members of the Appointments Committee for each of the Committee meetings that they attend as set by the Supervisory Board subject to the global maximum annual attendance fees for all of the members of the Supervisory Board as determined by the General Shareholders' Meeting.

The mission of the Appointments Committee is as follows:

- to propose candidates to the Supervisory Board for the cooption and appointment of members of the management of Publicis Groupe by the Supervisory Board or at the General Shareholders' Meeting; and
- to monitor the development of the management of the Group's main subsidiaries or networks.

The Appointments Committee is composed of Ms. Élisabeth Badinter, Chairperson, Mr. Michel Cicurel, Mr. Henri-Calixte Suaudeau, Mr. Michel Halpérin and Mr. Gérard Worms. The last two members were appointed at the meeting of the Supervisory Board held on March 8, 2011.

The Committee met twice during 2011 and reported on its work to the Supervisory Board. The attendance rate of its members was 75%.

The Committee examined the changes in the composition of the Management Board and proposed that the Supervisory Board renew the terms of the current members of the Management Board for a four-year period (from 2012 to 2015): Maurice Lévy (Chairman), Jean-Michel Étienne, Jack Klues, Jean-Yves Naouri and Kevin Roberts.

2.4.2 COMPENSATION COMMITTEE

The Compensation Committee's rules for appointing members and conducting business are the same as those of the Appointments Committee. The mission of the Compensation Committee is as follows:

- to examine and propose to the Supervisory Board the compensation for the corporate officers, as well as the attribution of stock subscription or purchase options, free shares or any similar instruments; to propose to the Supervisory Board the amounts of attendance fees, which are submitted for decision to the General Shareholders' Meeting; and
- in general, to examine the general policies of the Management Board on compensation and granting of options, free or performance-based shares or any similar instruments.

The Compensation Committee is composed of Mr. Michel Cicurel, Chairman (Chairman until the Board meeting of March 8, 2011), Mr. Amaury de Seze (as Chairman since the Board meeting of March 8, 2011), Ms. Élisabeth Badinter (until the Board meeting of March 8, 2011), Ms. Claudine Bienaimé, Mr. Michel Halpérin (since the Board meeting of March 8, 2011) and Ms. Véronique Morali. Mr. Gérard Pédraglio is the permanent expert of the Committee (until April 2011). With respect to its composition after March 8, 2011, three out of five members, including the Chairman, are considered independent (Amaury de Seze, Michel Cicurel, Michel Halpérin). Michel Cicurel has not been considered independent since May 24, 2011, given Maurice Lévy's appointment to the Supervisory Board of La Compagnie Financière Edmond de Rothschild, where Michel Cicurel serves as Chairman of the Management Board. Since then, only two of the Committee's five members have been independent. However, as

Mr. Michel Cicurel has since resigned from his position as Chairman of the Management Board of Compagnie Financière Edmond de Rothschild (he handed in his resignation in early 2012), he could return to his independent director status once he has effectively left that company.

The Committee met eight times during 2011, and reported on its work to the Supervisory Board. The members' attendance rate was 90%.

The Committee examined the compensation of the members of the Management Board. It also reviewed the application of the rules on determining variable compensation, and presented its recommendations for 2010 in light of the members' performance. The Committee examined the compensation of the managers of the Group's main subsidiaries and networks, and, more generally, the system of incentive compensation currently in place for high-level executives in the Group. In general, the variable compensation is related to annual performance and depends on achieving results or goals, set individually, for the entity concerned and based on its history and decisions taken at the entity level. On the Committee's recommendation, a harmonization of these systems was carried out with the introduction of a new system in 2006 to calculate the bonus pools for the networks, the principles of which have been approved by the Committee. The bonus pools are calculated for each network on the basis of the network's performance and the performance of the Group as a whole. The Committee examined how the bonus pool systems have been applied since 2006. The Committee takes part in discussions with the Management Board on the bonus system and how it works.

The Committee examined the Management Board's short- and medium-term compensation and loyalty plans for key employees of the Group for 2011. The stock option plans integrate, in particular, the granting of free shares and employee share ownership, with the goal of ensuring that these systems are competitive in the market and align the interests of the beneficiaries with the interests of the shareholders, while minimizing costs for the Group. It examined the geographic expansion of the plan to grant fifty shares to each of the Group's employees and gave its opinion on the 2011 LTIP intended for the Group's key employees.

2.4.3 AUDIT COMMITTEE

In accordance with the last paragraph of article 16 II of the Company bylaws, an Audit Committee, which reports to the Supervisory Board, was created under article 5 and the articles that follow of the Supervisory Board's internal rules. It is composed of a minimum of three and a maximum of five members of the Supervisory Board and appointed by the Supervisory Board. The Committee may appoint an external consultant, either temporarily or on a permanent basis, whose compensation will be determined by the Committee. Members are chosen for their competence and expertise in the Committee's scope of work. They are appointed for the duration of their term on the Supervisory Board and may be reappointed in the same manner, pursuant to article 13 of the bylaws. The Audit Committee elects a Chairman from among its members to direct the work of the Committee and to provide reports to the Supervisory Board. The members of the Audit Committee may be dismissed at the discretion of the Supervisory Board, without cause. Appointments and dismissals are communicated by regular mail sent to all members of the Committee. As with the Appointments and Compensation Committees, attendance fees paid to members of the Audit Committee, for each meeting attended, are fixed by the Supervisory Board as part of the total maximum attendance fee amount allocated to the Supervisory Board members as a whole by shareholders at the General Shareholders' Meeting.

The Audit Committee is composed of Mr. Gérard Worms as Chairman, Ms. Claudine Bienaimé and Ms. Hélène Ploix. Mr. Jean-Paul Morin has been designated as the permanent Audit Committee expert. Mr. Gérard Worms and Ms. Hélène Ploix are considered independent members and have particular expertise in financial and accounting matters.

The Committee supervises the organization and implementation of the Group's internal audit to ensure the accuracy and fairness of the financial statements, monitors the quality of internal control and oversees the implementation of recommendations made by external auditors. It also gives its opinion on the budgets for the external audit of the Group.

The Committee met five times during 2011, with all members present.

At each of the meetings, the director of internal audit reported to the Committee on the progress of the internal audit missions, the implementation of controls and any problems encountered.

The Group's financial management presented the financial statements to the Audit Committee before submitting them to the Supervisory Board.

The Committee heard the statutory auditors' opinion on the accuracy of the financial statements without the Chief Financial Officer or the Group's senior management being present at the time of the issuing of the half-year and full-year financial statements. The external auditors are also asked to participate in some of the work of all the Audit Committee meetings.

The Committee also established the audit plan for the coming year with the statutory auditors and the internal auditors. Each time the Supervisory Board met and examined the financial statements, the Chairman of the Committee shared the Committee's opinion on the accuracy of the figures presented with the Board.

On February 6, 2012, before the Management Board's meeting regarding the issuing of the financial statements, the Committee examined the 2011 financial statements and heard the Chief Financial Officer and the head of internal audit. It also heard the statutory auditors, without the members of the Management Board being present.

The Committee noted that the accounting departments continued to improve the timelines for the preparation of accounts and the quality of information.

The Committee also noted that the statutory auditors did not issue any reserves on the consolidated financial statements. It examined the pertinence of past provisions, notably in the areas of tax, paying particular attention to impairment tests. The Committee indicated to the Supervisory Board that it did not have any observations.

The Committee noted that the continuation of the program to simplify the legal structures and to reduce the number of entities (with the main objective of improving the efficiency of internal control) resulted in the elimination of approximately 50 entities in 2011, after the elimination of an equivalent number in 2010. The Committee approved the continuation of this program in 2012 and in subsequent years.

2.4.4 STRATEGY AND RISK COMMITTEE

A Strategy and Risk Committee was created at the March 8, 2011 meeting of the Supervisory Board. The members of this Committee are Marie-Josée Kravis (Chairperson), Élisabeth Badinter, Marie-Claude Mayer, Véronique Morali and Hélène Ploix.

The Committee is tasked with examining (in coordination with the Audit Committee) the risks to which the company is exposed and the policies and corrective measures that will allow it to control and reduce these risks, as well as with examining the major strategic and growth options available to the Group and whether or not they are implemented with respect to transactions likely to affect the Group's strategy as a whole.

The Committee met once in 2011 and examined both the risk mapping and the policies for reducing risks, as well as the major strategic options that were presented by the Chairman of the Management Board and discussed with him.

2.5 Report of the Supervisory Board chairperson on the preparation and organization of the Supervisory Board work and the internal control procedures

As part of my responsibilities as Chairperson of the Supervisory Board and in accordance with article L. 225-68, paragraph 7, of the French Commercial Code, I am required to report on the preparation and organization of the Board's work and on the internal control procedures that have been implemented within the Group. The terms of this report were approved by the Supervisory Board at its meeting of February 8, 2012.

This report was drafted with the support of the Finance Department, General Secretariat, Internal Audit Department and Legal Department.

Publicis Groupe referred to the AFEP-Medef Corporate Governance Code of December 2008 in the preparation of this report. The full Code relating to corporate governance can be accessed at the Medef's website at www.medef.fr. The Company has chosen not to follow the independence criterion limiting the terms of the Supervisory Board members to 12 years, believing that this limitation is not suitable for Supervisory Boards, whose role is fundamentally different from that of a Board of Directors, for which these criteria were defined. The Supervisory Board is not responsible for the management of the company, which falls to the Management Board alone, but for its direction and oversight; this leads us to believe that the concept of the length of the term of office has no effect on the independence, by its very nature, of the supervisory duties performed by its members.

2.5.1 PREPARATION AND ORGANIZATION OF THE SUPERVISORY BOARD'S WORK

Since November 27, 1987, Publicis Groupe SA has chosen to function under a Management Board and a Supervisory Board. This structure allows Publicis to separate management activities from supervisory activities and to establish a real balance of power. The Management Board is the Company's decision-making body. Under the Company's bylaws, the transactions referred to in article 12, paragraphs 13 to 16, were subject to prior consent by the Supervisory Board. The General Shareholders' Meeting of June 4, 2007, amended the Company's bylaws, empowering the Supervisory Board to determine each year which transactions referred to in article 12 of the bylaws would require the Supervisory Board's prior approval. During the meeting of February 8, 2012, renewing its discussion of February 9, 2011, the Supervisory Board decided that the purchase or sale of any real estate, the purchase or sale of any company whose value exceeded 5% of the Company's equity, and any loan, bond or share issuance exceeding 5% of the Company's equity would be subject to prior approval of the Supervisory Board.

These provisions were included in the internal rules that were adopted by the Supervisory Board on March 29, 2005, and on February 10, 2009, in their latest version, along with fundamental rules on matters such as the independence of the members of the Board, conflicts of interest and confidentiality. The internal rules establish the terms on which the Board operates and its relationship with the Management Board. To prevent insider trading, the Management Board established rules regulating the conduct of the permanent insiders of the Group, defining the periods in which trading in Company shares is permitted. These rules also apply to the Supervisory Board.

The internal rules of the Supervisory Board are available on the Group website: www.publicisgroupe.com.

During 2011, the Supervisory Board consisted of 16 members (the composition of said Board is described under in 2.1.2 the registration document), over 44% of whom are female (seven women out of 16 members). Over a third of the Board members meet the independence criteria.

In order to assess the independence of its members, the Supervisory Board analyzed the criteria set out in the AFEP-Medef document dated December 2008, other than - for the reasons explained above - the criterion on the 12-year term limit, in particular:

- has not served as an employee or corporate executive of the Company, employee or director of the parent company or a consolidated company, during the last five years;
- has not served as a corporate officer of a company in which the Company holds, directly or indirectly, a management position, or in which an employee designated as such or a corporate officer of the Company (currently or in the last five years) has held a management position;
- has not been a client, supplier, business banker or investment banker:
  - that is significant to the Company or the Group,
  - or for which the Company or Group represents a significant part of its business;
- does not have a close family relationship with a corporate executive;
- has not been an auditor of the Company during the previous five years.

With the application of these criteria, the following members are considered to be independent:

- Ms. Hélène Ploix;
- Ms. Marie-Josée Kravis;
- Mr. Michel Halpérin;
- Mr. Felix Rohatyn;
- Mr. Amaury de Seze;
- Mr. Henri-Calixte Suaudeau;
- Mr. Gérard Worms.

The Board holds its discussions in French, and a team of interpreters for Japanese and English is available to members who desire their assistance. The Board met seven times during the year, with an attendance rate of 86%. On average, meetings lasted nearly four hours. The documents necessary for examining the items on the agenda are normally sent to Board members one week in advance. The Management Board is available to provide clarifications or additional information for any Board member. In order to facilitate participation by members, particularly those who live overseas, the Supervisory Board has included provisions in its internal rules to allow one or more members participate in Board meetings by videoconference. The composition of the Supervisory Board is described in Section 2.1 of the registration document for the financial year 2011.

The main points examined and decisions made by the Supervisory Board at its meetings during 2011 were the following:

- at its meeting of February 9, 2011, the Board received the Management Board's report on the previous financial year and examined the consolidated and parent company financial statements of the 2010 financial year. It decided on the proposed resolutions to be submitted to the Shareholders' Meeting. The Board set limits on the powers of the Management Board and its authorizations for guarantees. In addition, the Board performed the annual self-assessment of its work for 2010;
- on March 8, 2011, the Supervisory Board calculated the variable portion of the Management Board members' compensation for the 2010 financial year and drew conclusions from the self-assessment of its work. It modified the composition of the three existing Committees and decided to create a new Strategy and Risk Committee;
- on May 15, 2011, it gave its approval prior to the acquisition of the Rosetta company;
- during its meeting of June 7, 2011, the Supervisory Board received the Management Board's report as of March 31, 2011, and examined the consolidated and parent company financial statements as well as the updated forecasts. It authorized the conclusion of a syndicated loan agreement (Club Deal). In particular, the Management Board reported to it on the guarantees given by Publicis to its subsidiaries and on the granting of 50 free shares to each employee of the French companies;
- on July 20, 2011, the Supervisory Board received the Management Board's report as of June 30, 2011, and examined the consolidated and parent company financial statements as well as the updated forecasts. It heard from the Chairpersons of the Audit Committee and the Appointments Committee;
- during its meeting of September 13, 2011, the Management Board presented the market trends at the end of 2011 and for 2012. The Board heard from the members of the Audit Committee, the Compensation Committee and the Strategy and Risk Committee;
- finally, during its meeting of November 29, 2011, the Supervisory Board received the Management Board's report as of September 30, 2011, and examined the consolidated and parent company financial statements as well as the updated forecasts. It renewed the terms of all members of the Management Board based on the opinion of the Appointments Committee. It also heard from the members of the Compensation Committee.

The Supervisory Board performed the annual self-assessment of its work, examined the summary results and drew conclusions. Each member of the Board completed a questionnaire for the self-assessment; the results were then summarized and commented on. The Board performed its annual evaluation of 2011 during its session of February 8, 2012.

Four special committees: the Appointments Committee, the Compensation Committee, the Audit Committee and the Strategy and Risk Committee assist the Supervisory Board in performing its duties with the aim of improving Group corporate governance. The rules for the conduct of business of these four committees were included in the internal rules, and in Sections 2.4.1/2/3/4 of the registration document.

The Appointments Committee is composed of Ms. Élisabeth Badinter, Chairperson of this Committee, Mr. Michel Cicurel and Mr. Henri-Calixte Suaudeau, and, from March 8, 2011, Mr. Michel Halpérin and Mr. Gérard Worms. The latter two, as well as Mr. Henri-Calixte Suaudeau, are considered independent.

The Appointments Committee met twice, in March and in November 2011, to examine, in particular, the composition of the Management Board, as the terms of its members were set to expire at the end of the year. The attendance rate for the two meetings was 75%.

The Compensation Committee is composed of Mr. Amaury de Seze, who became Chairman of the Committee from March 8, 2011, Mr. Michel Halpérin (who succeeded Ms. Élisabeth Badinter from March 8, 2011), Mr. Michel Cicurel, Ms. Claudine Bienaimé and Ms. Véronique Morali. Mr. Gérard Pédraglio's mission as permanent expert of the Committee ended in April 2011. The principal role of this Committee, which consists of two independent members – and is chaired by one of them – is to examine and make proposals regarding the compensation of corporate executives of our Company and to ratify the Group's general policies on compensation and the grant of stock options, free shares or any other compensation instruments.

The Committee met eight times during 2011, with an attendance rate of 90%. During its 2011 meetings, it examined issues in relation to the compensation of the Chairperson and members of the Management Board (base and variable components) and proposed to the Supervisory Board the decisions to be made in relation to these. In addition, the Committee was informed about the compensation of the other members of the Executive Committee (P12). It examined issues about the stock compensation policy and, in particular, the 2011 LTIP as well as the continuation of the program to distribute free shares to all employees. The Committee was also informed about the bonus policy tied to the results of the Group as a whole and of each of the networks and, by its work, supported the Management Board's decision-making.

The rules and principles adopted by the Supervisory Board to determine compensation and benefits of any nature granted to corporate executives are described in Section 2.7.1 of the registration document for the 2011 financial year. The key features of the stock option allocation policy are described in Note 28 to the consolidated financial statements presented in the registration document. It should be recalled that at its December 2, 2008 meeting, having heard the report of the Compensation Committee, the Supervisory Board considered the AFEP-Medef recommendations of October 6, 2008 concerning the compensation of executive directors of listed companies.

It felt that these recommendations were in line with the Group's corporate governance policies and noted that the commitments entered into vis-à-vis members of the Management Board complied with these recommendations.

The Strategy and Risk Committee is composed of Ms. Marie-Josée Kravis, Chairperson, Ms. Élisabeth Badinter, Ms. Marie-Claude Mayer, Ms. Véronique Morali and Ms. Hélène Ploix. The Committee met once during the year, with all members present. It examined the Group's risk mapping and the measures implemented to limit its risks. It also discussed the major strategic options in terms of growth and acquisitions.

The Audit Committee is composed of Mr. Gérard Worms, Committee Chairman, Ms. Hélène Ploix and Ms. Claudine Bienaimé. Mr. Jean-Paul Morin has been designated as the permanent Audit Committee expert. The Committee supervises the organization and implementation of the Group's audit and the quality of internal control, and it verifies the accuracy and fairness of the financial statements. The Audit Committee is regularly informed about the internal control program, results and corrective internal controls measures implemented following internal control audit missions and their follow up as well as the principal legal disputes pending and their development. It is also informed about all fraud and/or fraud attempts of which the Group may have been made aware. It also ensures that the external auditors' recommendations are implemented and gives its opinion on the budgets for the external audit of the Group. Because of their professional backgrounds, Ms. Hélène Ploix and Mr. Gérard Worms, considered independent members, have particular expertise in financial and accounting matters.

Publicis Groupe relies on the recommendations in the report - commissioned by the Autorité des marchés financiers (the French Financial Markets Authority, or AMF) - by the working group on the Audit Committee chaired by Olivier Poupart-Lafarge, with respect to the definition and performance of the work of its Audit Committee.

The Committee met five times during 2011, with all members in attendance. The Supervisory Board listened to the Audit Committee who gave their opinion on the financial statements, and more generally on the internal control procedures that are the subject of the second part of this report.

The work of the Audit Committee during 2011 is described in the paragraph "Audit Committee" in Section 2.4.3 of the registration document.

Agreements concerning a possible change in control or likely to have an influence in the event of a takeover bid are presented in Section 6.2.3 of the registration document and the terms and conditions for access by shareholders to Shareholders' Meetings are explained in articles 20 to 24 of the Company's bylaws.

2.5.2 RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES FOR THE GROUP

1. Objectives and Organization

The internal control and risk management framework is integrated into the operational and financial management of the Group. Its remit extends across all the group's activities and structures. The Group internal control and risk management policy, approved by the Management Board and applied at all levels of the Group, is designed to provide reasonable assurance on the realization of objectives relating to:

- the achievement and optimization of operations, in line with the direction set by the Management Board;
- the reliability of financial information;
- compliance with laws and regulations in force;
- the management and control of strategic, operational and financial risks.

In order to strengthen the existing framework and to enable formal and centralized guidance, an Internal Control and Risk Management Department was created in 2010 whose role is to drive the overall risk management framework, or Enterprise Risk Management (ERM). The objectives of this framework, as approved by the Management Board and presented to the Audit Committee, are to enable:

- continuing oversight aiming to identify and monitor the risks and opportunities having a potential impact on the achievement of the strategic objectives of the Group;
- a monitoring of the level of residual risk by ensuring adequate responses to risks are put in place, if necessary;
- an appropriate communication about risks enabling a contribution to the decision-making process.

The Internal Control and Risk Management Department is managed by the VP of Internal Audit & Business Improvement, who reports to the Group General Secretary. The VP Internal Audit & Business Improvement has direct access to the Chairman of the Audit Committee.

The Group's internal control and risk management framework is based on the COSO II (Committee Of Sponsoring Organizations of the Treadway Commission) guidelines as well as the framework defined by the AMF and updated in 2010.

2. Internal control framework

Publicis Groupe has defined guidelines including the Group's values, rules of conduct and ethics, and social responsibility, as well as all other areas related to the respect for standards and for the rule of law. These guidelines, applicable to all hierarchical levels of the Group, establish the code of conduct to carry out the Company's operations: "The way we behave and the way we operate". These guidelines, known as "Janus," were updated in October 2009 and distributed throughout all networks; they are accessible on-line to all employees.

The procedures relating to the preparation of accounting and financial information as well as those relating to the introduction of significant operational procedures are mentioned there in a detailed manner, promoting consistency of treatment at all levels of the Group and networks.

The Supervisory Board, the Audit Committee and the Management Board of the Group have reaffirmed their willingness for continuing improvement and strengthening of the internal control framework relating to the preparation of financial information.

The steering of this framework is based, notably, on the following resources:

Shared Service Centers

To better meet the demands of a business based on a large number of agencies, the Group launched a network of shared service centers in 1996 which it continues to systematically expand. A simplified version of shared service centers is being introduced in emerging countries. The establishment and progressive expansion of the shared service centers, which cover over 90% of the Group's revenue, are essential elements of internal control.

Monitoring the effectiveness of the internal control system

A) FINANCIAL MONITORING CONTROLS

Publicis Groupe established a program entitled "Financial Monitoring Controls" (FMC) consisting of a series of key controls set out by process and implemented across all Group entities.

Follow-up of the roll-out and implementation of key controls is done via a monthly self-assessment process submitted by all Group entities via a special computer application. This self-assessment helps improve accountability within entities regarding the follow-up of the effectiveness of their controls.

Special teams, called FMC teams, have been established across the various networks. These teams are coordinated by the Group's Internal Control and Risk Management Department. They are tasked with checking the effectiveness of controls within entities. They work on the basis of an annual plan comprising a large number of such checks, representing over 65% of the group's consolidated revenue.

The FMC teams thereby help improve the reliability of the self-assessment process.

B) INTERNAL AUDIT ACTIVITIES

In parallel, the audit teams carry out auditing that encompasses the various financial and operational processes within the Group's entities, on the basis of an annual audit schedule. Internal Audit also carries out special audits on specific cross-company issues at various Group levels.

Monitoring of the action plans stemming from the audit recommendations is done centrally with the help of a special computer application.

C) INTERNAL CONTROL SUMMARY

The VP Internal Audit and Business Improvement gives a presentation twice a year to the Audit Committee and Senior Management with an assessment of the quality of internal control within the Group by means of a summary of the results reported by the internal audit teams and the FMC teams.

3. Risk management framework

Every two weeks a "Group Committee" meets with the Chairman of the Management Board and the Chief Operating Officer, the heads of the operating divisions, the heads of the Finance Department, the Human Resources Department and the Legal Department to take stock of the major risks to which the Group's business is subject.

Working with the senior management, the operational management of networks is especially involved in monitoring the risks related to major contracts or to business in emerging countries. It continually analyzes the Group's exposure to the loss of significant contracts, to risks of conflicts of interest and to changes in contractual clauses.

The Human Resources Department regularly transmits to senior management its analyses of the attraction and retention of talent and the risks related to the possible loss of key senior managers. The risks relating to accounting information, the external growth policy, management of the liquidity position, exchange rates, changes in the Group's debt or tax position are monitored by the Finance Department, in conjunction with senior management. The risks associated with accounting and financial information are subject to a detailed control, overseen by the Internal Control and Risk Management Department, on the basis of which the internal control framework is defined.

An official risk assessment began in 2008 with the risk mapping, which was updated in 2009. All of the risks that may have an impact on the finances, operations or image of the Group are listed. These impacts have been the subject of an evaluation and a probability of occurrence has been estimated for each risk identified, enabling a level of intrinsic risk to be determined as well as a level of residual risk after taking into account the management framework.

In 2010, this mapping was the subject of an analysis by senior management, presented to the Audit Committee and which has as an objective the determination of the levels of seriousness of risks in order that these may be analyzed in a specific manner as a priority.

This analysis began in 2011 and enables the Group to strengthen its risk management and control framework and to conduct a more dynamic update of the risk map.

4. Internal Audit

The internal audit plan is based on past events, risk analysis, evaluation of internal control procedures and specific requests from senior management. In its audit plan, approved by the Management Board and the Audit Committee, internal audit intervenes to ensure the monitoring of the relevance and effectiveness of the internal control put in place in the Group. Internal audit findings are communicated in a report to the Chairman of the Management Board of the Group including the monitoring of recommendations and action plans. A summary of all audit assignments completed, including special assignments, is presented by the VP Internal Audit & Business Improvement during each Audit Committee Meeting.

Paris, February 8, 2012

Élisabeth Badinter

Chairperson of the Supervisory Board

2.6 Statutory auditors' report on the report from the Chairperson of the Supervisory Board

AUDITORS REPORT PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIR PERSON OF THE SUPERVISORY BOARD OF PUBLICIS GROUPE SA

As statutory auditors of Publicis Groupe SA, and in accordance with article L. 225-235 of the French Commercial Code, we hereby report on the report prepared by the Chairperson at your Company in accordance with article L. 225-68 of the French Commercial Code for the year ending on December 31, 2011.

It is the Chairperson's role to prepare and submit to the approval of the Supervisory Board a report setting out the internal control and risk management procedures implemented within the Company, as well as to provide other information as required by article L. 225-68 of the French Commercial Code, notably in relation to the area of corporate governance.

Our role is to:

- provide you with any matters we have to report regarding the information contained in the Chairperson's report concerning internal control and risk management procedures on the preparation and processing of financial and accounting information;
- to confirm that this report contains all of the disclosures required by article L. 225-68 of the French Commercial Code. It is not, however, our role to verify the fair presentation of these other disclosures.

We performed our procedures in accordance with professional standards applicable in France.

Information concerning internal control and risk management procedures for the preparation and processing of financial and accounting information

Professional standards require the introduction of tests intended to assess the accuracy of the information concerning internal control and risk management procedures relating to the preparation and processing of financial and accounting information contained in the Chairperson's report. These tests consist of, notably:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information underlying the information presented in the Chairperson's report, as well as the existing documentation;
- obtaining an understanding of the work performed to prepare this information and the existing documentation;
- determining if any major control weaknesses relating to the preparation and processing of financial and accounting information as we may have identified in the context of our engagement have been appropriately disclosed in the Chairperson's report.

Based on this work, we have nothing to report on the information provided on the Company's internal control and risk management procedures relating to the preparation and processing of financial and accounting information, contained in the report of the Chairperson of the Supervisory Board, prepared in accordance with article L. 225-68 of the French Commercial Code.

Other disclosures

We confirm that the report of the Chairperson of the Supervisory Board includes the disclosures required by article L. 225-68 of the French Commercial Code.

Courbevoie and Paris-La Défense, March 9, 2012

By the statutory auditors

MAZARS		ERNST & YOUNG et Autres	
Loïc Wallaert	Anne-Laure Rousselou	Jean Bouquot	Christine Staub

2.7 Compensation and benefits

For the purposes of the law of July 3, 2008, which transposes directive 2006/46/EC of June 14, 2006, Publicis Groupe declares that as from 2008 the AFEP-Medef Code as amended shall be its reference in preparing the report provided for in article L. 225-68 of the French Commercial Code.

At its meeting of December 2, 2008, the Supervisory Board of Publicis Groupe SA examined the AFEP-Medef recommendations dated October 6, 2008, concerning the compensation of the corporate officers of listed companies.

The Board considers that these recommendations are in line with the corporate governance principles of the Group and notes that existing commitments with the members of the Management Board already comply with these recommendations.

2.7.1 FIXED, VARIABLE AND CONDITIONAL COMPENSATION

Total compensation including all types of benefits paid during the financial year ended on December 31, 2011 to each corporate officer, either by the Company itself or by any of its controlled subsidiaries as defined by article L. 233-3 of the French Commercial Code, is indicated below. For certain members of the Supervisory Board and the Management Board, this compensation includes both a fixed salary and variable compensation. The variable portion is calculated according to performances, and to the attainment of qualitative and quantitative objectives for the members of the Management Board. Global compensation is expressed in euros. The amounts indicated are gross amounts and do not reflect deductions relating to taxes or social charges.

The recommendation on compensation of senior executives and directors of companies whose securities are traded on a regulated market, issued by AFEP-Medef in October 2008, proposes a standardized presentation of the compensation of senior executives and directors. The table below summarizes this compensation; the annex contains other tables showing the various elements of this compensation.

Compensation (in euros) paid in 2011 (gross amounts before social charges and taxes)

	Total gross compensation in 2011 including:	Base compensation	Variable compensation (7)	Attendance fees	Benefits in kind (8)	Total gross compensation in 2010	Of which base compensation
Management Board							
Maurice Lévy (11)	3,600,000	900,000	2,700,000	-	-	900,000	900,000
Jack Klues (1)	2,307,904	791,131	1,510,341	-	6,432	764,070	755,080
Kevin Roberts (1) (3)	3,088,528	719,210	2,340,309	-	29,009	1,656,062	755,080
David Kenny (1) (4) (5)	-	-	-	-	-	849,103	358,455
Jean-Yves Naouri (6)	1,400,000	700,000	700,000	-	-	600,000	600,000
Jean-Michel Étienne (2)	924,000	540,000	384,000	-	-	780,000	480,000
Supervisory Board							
Élisabeth Badinter	252,939	182,939	-	70,000	-	237,939	182,939
Sophie Dulac	35,000	-	-	35,000	-	20,000	-
Henri-Calixte Suaudeau	55,000	-	-	55,000	-	35,000	-
Monique Bercault	15,000	-	-	15,000	-	30,000	-
Hélène Ploix	60,000	-	-	60,000	-	55,000	-
Gérard Worms	65,000	-	-	65,000	-	50,000	-
Amaury de Seze	70,000	-	-	70,000	-	45,000	-
Simon Badinter (1) (9) (12)	436,799	193,467	193,672	40,000	9,640	227,831	197,831
Michel Cicurel	65,000	-	-	65,000	-	50,000	-
Felix G. Rohatyn	35,000	-	-	35,000	-	30,000	-
Michel Halpérin	40,000	-	-	40,000	-	30,000	-
Tatsuyoshi Takashima	15,000	-	-	15,000	-	15,000	-
Claudine Bienaimé	95,000	-		95,000	-	80,000	-
Tadashi Ishii	20,000	-		20,000	-	15,000	-
Léone Meyer	-	-	-	-	-	15,000	-
Marie-Claude Mayer (10)	336,432	250,000	60,000	25,000	1,432	280,000	230,000
Véronique Morali (13)	152,778	122,778	-	30,000	-	-	-
Marie-Josée Kravis	20,000	-	-	20,000	-	-	-

(1) Compensation for these contracts calculated and paid in US dollars. The euro conversion is carried out at the average rate of $1 = €0.71921 in 2011 and $1 = €0.75508 in 2010.

(2) Compensation corresponds to that for the full-year in 2010, even though Jean-Michel Étienne was only appointed to the Management Board on July 1, 2010. The bonus owed for 2009, paid in 2010, was paid before the latter was appointed to the Management Board.

(3) The variable compensation component includes an annual pension contribution in accordance with the contract.

(4) The variable compensation component includes a retention bonus in accordance with the contract.

(5) Left the Group on June 30, 2010.

(6) The base compensation of Jean-Yves Naouri was €550,000 on an annualized basis between January 1 and August 31, 2010, and then it was increased to €700,000 effective from September 1, 2010.

(7) Amounts paid in 2011 in relation to the 2010 financial year (subject to Notes 3 and 4).

(8) Benefits in kind relating to the use of a company-provided vehicle are not mentioned when they are for an immaterial amount.

(9) Mr. Simon Badinter, member of the Supervisory Board and member of the Management Board of Médias et Régies Europe, has an employment contract with that company.

(10) Ms. Marie-Claude Mayer, member of the Supervisory Board, has an employment contract with Publicis Conseil.

(11) In addition to his 2011 compensation, indicated above, Maurice Lévy received and end-of-career payment in respect of his position at Publicis Conseil for the period between 1971 and 1987. This payment amounted to 121,671 euros.

(12) The payment is made in dollars for the fixed component and for benefits in kind.

(13) Véronique Morali is paid in respect of her position as Chairwoman of the Women's Forum for Economy and Society.

During its meeting of June 1, 2010, the Supervisory Board took note of the resignation of David Kenny, a member of the Management Board, which was effective from July 1, 2010. At the same meeting, the Supervisory Board appointed Mr. Jean-Michel Étienne, effective from July 1, 2010, as a member of the Management Board. On November 29, 2011, the Supervisory Board decided to renew the appointments of all members of the Management Board, which were expiring on December 31, 2011, for a new period of four years as of January 1, 2012. Following these decisions, the Supervisory Board examined and, depending on individual cases, renewed or fixed the compensation of each member of the Management Board. The employment conditions of Management Board members as set by the Supervisory Board are based on guidelines from the Compensation Committee. Yearly compensation for members of the Management Board includes a fixed component (salary and benefits in kind) and a variable component, which is defined in relation to the base salary (this applies from 2012 for Mr. Maurice Lévy, see 2.7.3). The amount of the variable component (the bonus) is based on the year's performance and on the extent to which quantitative and qualitative goals have been reached, related to the Group's results. At the end of the year the Supervisory Board determines the extent to which such goals were reached, after hearing the recommendations of the Compensation Committee. The variable portion of compensation relating to the year is determined and paid in the following year. The main criteria used to determine the variable compensation of Management Board members were:

For financial year 2011:

- Mr. Maurice Lévy: organic growth in Group revenue and the net income ratio compared to those of the three other worldwide communications groups: IPG, Omnicom, WPP; the consolidation of management structures and the continuation of their roll-out in the Group, up to a maximum of 300% of his base compensation;
- Mr. Kevin Roberts: growth in Saatchi & Saatchi revenue and operating margin compared to objectives, and a qualitative assessment, up to a maximum of 240% of his base compensation. In addition to the yearly bonus, Publicis paid an annual pension contribution pursuant to undertakings made at the time of the acquisition of Saatchi & Saatchi, which has been taken up in the current contract described below;
- Mr. Jack Klues: growth in VivaKi revenue and operating margin compared to objectives, and a qualitative assessment, up to a maximum of 240% of his base compensation;
- Mr. Jean-Yves Naouri: the achievement of qualitative goals in the areas of his responsibilities (Group operations) and, in particular, the development plan for the Chinese market as well as revenue and operating margin growth at Public Healthcare Communications Group and at the production platforms compared to objectives, as well as at Publicis Worldwide from the second quarter and at Rosetta from the second half of the year, up to a target amount of 100% of his base compensation;
- Mr. Jean-Michel Étienne: the Group operating margin and net income ratio, treasury management, employee expenses and the achievement of qualitative objectives related to its business, up to a maximum of 80% of his base compensation.

In accordance with the total maximum amount for attendance fees approved by the General Shareholders' Meeting, each member of the Supervisory Board was paid 5,000 euros in 2011 for each meeting attended in 2010. Each member of the Audit Committee, Appointments Committee and Compensation Committee was paid 5,000 euros for each meeting attended in 2010.

Total compensation due for 2011

On March 6, 2012, after hearing the recommendations of the Compensation Committee, the Supervisory Board set as follows the variable compensation for financial year 2011 to be paid to members of the Management Board in 2012: to Mr. Maurice Lévy: 2,700,000 euros; Mr. Jack Klues: 1,980,000 US dollars; Mr. Jean-Yves Naouri: 900,000 euros; Mr. Kevin Roberts: 2,300,000 US dollars (plus the contractual pension payment: 1,154,000 US dollars); and Mr. Jean-Michel Étienne: 432,000 euros.

Existing contracts or agreements with members of the Management Board

On March 17, 2008, on proposal from the Compensation Committee, the Supervisory Board amended existing contractual commitments relating to compensation, indemnities and benefits likely to be due to members of the Management Board on the termination of their office and functions, in order, notably, to bring these commitments into compliance with law No. 2007-1223 of August 21, 2007 (the "TEPA" law). The statutory auditors were informed of the provisions adopted or authorized by the Board as these are considered related-party agreements and, as required by the TEPA law, the changes were submitted to the General Shareholders' Meeting of June 3, 2008, where they were approved. The General Meetings of 2009, 2010 and 2011 noted that these agreements remained in effect during the financial years between 2009 and 2011. Following the renewal of the appointments of the members of the Management Board as of January 1, 2012, on the recommendation of the Remuneration Committee, the Supervisory Board confirmed the existing commitments (while specifying the potential entitlements to free shares) towards Mr. Kevin Roberts, Mr. Jack Klues, and Mr. Jean-Yves Naouri on March 6, 2012, and renewed the existing agreements with Mr. Jean-Michel Étienne. The statutory auditors were informed of the provisions renewed or adopted or by the Board, as these are considered regulated agreements to be submitted to a vote at the next General Shareholders' Meeting, where the law requires it.

The existing contracts or agreements with members of the Management Board were amended accordingly.

Mr. Kevin Roberts and Mr. Jack Klues do not have employment contracts with Publicis Groupe SA, but within the framework of their operational duties, they do have "employment contracts" with the relevant subsidiaries – these are deemed employment contracts by the law of the countries concerned. Furthermore, Mr. Jean-Yves Naouri and Mr. Jean-Michel Étienne continue to have French-law employment contracts with a subsidiary of Publicis Groupe SA. The principal terms and conditions (after the reviews of March 6, 2012) of these contracts are as follows:

- Publicis's agreement with Mr. Kevin Roberts for the period 2005-2008, renewed for the period 2009-2013 (as well as another contract related to the first, concluded with a consulting firm owned by Mr. Roberts), provides that if Mr. Roberts's employment contract is terminated before its normal term at the initiative of the Publicis Groupe "without just cause" or at the initiative of Mr. Roberts "with just cause," subject to certain conditions, the Company may be required to pay him an amount equal to 120% of his annual base salary, to which should be added the maximum annual amount of the bonus to which he would have been entitled and the annual cost of various benefits which he enjoys, as well as maintaining his social security insurance protection for one year and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the free share award scheme in question. However, pursuant to the decision of the Supervisory Board of March 6, 2012, these sums and benefits will only be due in full if the average annual amount of the bonus earned by Mr. Kevin Roberts for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the payments and benefits will be calculated proportionally between 0 and 100% using the rule of three;
- in place of the complementary pension contracts provided for at the time of the acquisition of Saatchi & Saatchi, an undertaking was made to pay Mr. Roberts successive annuities paid in cash during the period 2009-2014 for a total maximum amount of 7,045,000 US dollars. Of this amount, 5,770,000 US dollars are directly conditional on his continued employment in the Group during the period 2009-2013, and could be reduced *pro rata* in the event that Mr. Roberts should leave the Group before the end of this period;
- the contract concluded with Mr. Jack Klues, which took effect on July 1, 2004, provides that if the Company terminates the contract before its normal term "without just cause" Mr. Klues may be entitled to receive an amount equal to his total annual compensation (base salary and "target bonus") to which should be added the maintenance of his social security insurance protection for one year and assistance from an outplacement firm as well as the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the free share award scheme in question. However, pursuant to the decision of the Supervisory Board of March 6, 2012, these amounts and benefits shall only be due in full if the average annual bonus earned by Mr. Jack Klues for the three years preceding the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the amounts and benefits will be calculated proportionally between 0 and 100% using the rule of three;
- in addition, if Mr. Klues retires at his own initiative at the age of 55 or is asked by Publicis to retire from the age of 57, he may receive for five years an annual amount equal to 30% of his last annual compensation (base salary plus bonus) as well as part of his social security benefits, provided he complies with a non-compete and non-solicitation agreement for five years;
- the agreements in force between Publicis Groupe Services and Mr. Jean-Yves Naouri provide that if his term of office as a member of the Management Board of Publicis Groupe SA is terminated "without just cause" Mr. Naouri may have the right, if he does not continue to be employed by the Publicis Groupe, to receive one year of total gross remuneration (base compensation and maximum variable component) and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the free share award scheme in question. However, pursuant to the decision of the Supervisory Board of March 6, 2012, these amounts and benefits shall only be due in full if the average annual amount of the bonus earned by Mr. Naouri for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the amounts and benefits will be calculated proportionally between 0 and 100% using the rule of three;
- the agreements in force between Publicis Finance Services and Mr. Jean-Michel Étienne provide that, if his term of office as a member of the Management Board of Publicis Groupe SA is terminated "without just cause", Mr. Etienne shall have the right, if he does not continue to be employed by Publicis Groupe, to receive one year and a half of his total gross remuneration (base compensation and maximum variable component), and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, subject to the performance conditions set out in the rules of the free share allocation plan in question. However, pursuant to the decision of the Supervisory Board of March 6, 2012, these amounts and benefits shall only be due in full if the average annual amount of the bonuses earned by Mr. Jean-Michel Étienne for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the amounts and benefits will be calculated proportionally between 0 and 100% using the rule of three;

- the employment contract entered into with Mr. Maurice Lévy at the time of his arrival at the Group in 1971 has been executed by various Group companies, and lastly by Publicis Conseil SA, where this contract had been suspended since Mr. Maurice Lévy's appointment as Chairman of the Management Board on January 1, 1988. Following the end of his term for the period between 2008 and 2011, Mr. Maurice Lévy has decided to terminate his appointment as Chairman and Chief Executive of Publicis Conseil SA and his employment contract. Publicis Conseil SA paid him a gross end-of-career indemnity of 121,671.44 euros in respect of the period between April 1, 1971 and December 31, 1987.

In setting the terms and conditions of Mr. Maurice Lévy's compensation from 2003, the Supervisory Board decided that part of the variable compensation earned every year would be deferred and paid on a conditional basis. This part being equal to the cumulative total of variable compensation earned in annual installments since January 1, 2003, would be paid subject to two conditions: firstly, he remains employed for at least seven and a half years from January 1, 2003, and, secondly, he has entered into a non-compete agreement for a period of three years. These terms and conditions were subject to an agreement on November 22, 2004, which was still in force after the renewal of the mandate of the Chairman of the Management Board effective January 1, 2008. Pursuant to the decisions of the Supervisory Board on March 17, 2008, the main provisions of the November 22, 2004 agreement relating to conditional deferred compensation are now as follows:

1. Conditional deferred compensation

Upon termination of his duties as Chairman of the Management Board (December 31, 2011), Mr. Maurice Lévy shall receive the conditional deferred compensation accumulated on an annual basis equal to the total gross amount of the annual bonuses earned by him since 2003, under two quantitative components of these bonuses, referred to as "quantitative bonuses." These are defined in the agreement of November 22, 2004. One component relates to organic growth and the total consolidated net income ratio of the Publicis Groupe, as compared with the three other communications groups worldwide (IPG, Omnicom, WPP). The part relating to these two criteria may reach a maximum of 75% of the base compensation. The other component of the bonus relates to the consolidated net income of Publicis Conseil SA and its subsidiaries. It is paid for Mr. Maurice Lévy's performance of duties of Chairman and Chief Executive Officer of Publicis Conseil SA in accordance with requirements defined by the Board of Directors of that company.

The payment of the deferred compensation is subject to the achievement of the following cumulative and independent performance and length of service conditions:

- *performance condition:* the deferred compensation defined above shall be paid on condition that the average annual amount of the quantitative variable compensation earned by Mr. Maurice Lévy in relation to the last three full years of his mandate as Chairman of the Management Board is equal to at least 75% of the general average (including the last three years of the mandate) of the quantitative annual variable compensation earned by Mr. Maurice Lévy in relation to 2003 and subsequent years:
  - if the average for the last three full years of the term is less than 25% of the general average, no deferred compensation will be paid,
  - if the average for the last three full years of the term is between 25% and 75% of the general average, the deferred compensation shall be calculated proportionately between 0% and 100% by applying the rule of three;
- *length of service condition:* deferred compensation is consideration for the commitment by Mr. Maurice Lévy to continue to remain in his post for a period of at least nine years from January 1, 2003 (the period was extended from seven and a half to nine years in 2008). Consequently, Mr. Maurice Lévy shall be entitled to the payment of this deferred compensation, as calculated above, as long as he does not resign from his position as Chairman of the Management Board of Publicis Groupe SA before the expiry of his term of office on December 31, 2011;
- the termination of duties for reasons of illness or disability, death, or voluntary redundancy following a change in a major shareholder of the Group would not be considered a resignation.

The conditional deferred compensation is due to Mr. Maurice Lévy as a result of his undertaking to assure his duties up until December 31, 2011. At the time when this payment was designed, it represented a loyalty tool whose characteristic feature is not related to the departure of Mr. Maurice Lévy from the Group (it is not a retirement indemnity) but to his undertaking to remain in his post until the end of the contractual term.

In the case that Mr. Maurice Lévy decides to leave the Group on his own initiative before December 31, 2011, no such compensation will be due. If he continues carrying out his functions after the date when his agreed term ends, he will have the right to receive this conditional deferred compensation on December 31, 2011.

The commitment relating to the conditional deferred compensation that would be paid, under the assumption that the necessary conditions should be met, is provisioned every year, based on the appropriate calculations, in the parent company financial statements of Publicis Groupe SA and in the Group consolidated financial statements. The total amount of quantitative bonus included in the calculation of this provision at December 31, 2011, was 16,187,800 euros.

We would remind you that the Company has not taken out a pension plan with Mr. Maurice Lévy as beneficiary.

2. Non-compete agreement

Under the non-compete agreement signed by Mr. Maurice Lévy, Mr. Lévy will not, for at least three years following the termination of his duties as Chairman of the Management Board of Publicis Groupe SA, for any reason whatsoever, work in any manner whatsoever with a company operating in the field of advertising, and more generally with a competitor of Publicis, nor can he invest in a competitor of Publicis.

In consideration of the observance of this non-compete agreement, Mr. Maurice Lévy shall receive a total amount equal to 18 months of total gross compensation (base compensation and maximum variable compensation as defined by the Supervisory Board on March 17, 2008), paid in equal monthly advance installments of 150,000 euros (gross) over the period covered by the non-compete agreement, i.e. 5,400,000 euros (gross) in total for the three years.

This non-compete agreement remains in effect, with no changes, after the beginning of Mr. Maurice Lévy's new term as Chairman of the Management Board, which began on January 1, 2012.

For the purposes of articles L. 225-90-1 and R. 225-60-1 of the French Commercial Code, details of the regulated agreements described above may be consulted on www.publicisgroupe.com.

2.7.2 PENSIONS, RETIREMENT PLANS OR OTHER BENEFITS

None of the members of the Management Board benefits from a defined supplementary pension plan.

The total amount recognized in the consolidated income statement of the Group in 2011 in relation to post-employment and other long-term benefits for the persons who were at the year end, or had been in 2011, members of the Supervisory Board and the Management Board, was a net reversal of a provision of 3 million euros.

In addition, the total amount of provisions for these benefits was 30 million euros as of December 31, 2011. This amount was 33 million euros at December 31, 2010 and 25 million euros at December 31, 2009.

See Note 29 of the consolidated financial statements in Section 4.6 of this document.

2.7.3 CONDITIONS FOR COMPENSATION OF THE MEMBERS OF THE MANAGEMENT BOARD FOR THE 2012-2015 TERM OF OFFICE

With respect to the new term, the conditions for the compensation of the members of the Management Board were renewed, except those relating to its Chairman, Mr. Maurice Lévy.

As of January 1, 2012, upon his request, Mr. Maurice Lévy will not receive any fixed compensation. His compensation shall be entirely variable, and shall be determined every year based on four quantitative performance criteria (organic revenue growth, the net income level, the trend in the Group's diluted net earnings per share, compared with three other global communication groups, namely Omnicom, WPP and IPG, and the TSR (Total Shareholder Return)% and on qualitative criteria. For 2012, the qualitative criteria involve the preparation of the future management team and the Group's expansion in digital services. Total annual compensation is capped at a maximum of 5,000,000 euros, and may vary between 0 and that cap.

In addition, we would remind you that the regulated agreement endorsed by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 3, 2008, providing for a non-compete agreement for a three-year period (see 2.7.1-2 "Non-compete Agreement") continues to bind Mr. Maurice Lévy and Publicis Groupe.

Mr. Maurice Lévy has no employment contract binding him to any of the Publicis Groupe companies.

2.7.4 SUMMARY COMPENSATION TABLES

The recommendation on compensation of senior executives and directors of companies whose securities are traded on a regulated market, issued by AFEP-Medef in October 2008, proposes a standardized presentation of the compensation of senior executives and directors.

The following tables are based on models proposed by AFEP-Medef.

TABLE 1 (AMF NOMENCLATURE)
SUMMARY TABLE OF COMPENSATION DUE AND OPTIONS AND SHARES ISSUED TO EACH SENIOR EXECUTIVE AND DIRECTOR (IN EUROS)

	2011	2010
Management Board		
Maurice Lévy, Chairman of the Management Board		
Total compensation due for the year (1)	3,600,000	3,600,000
Valuation of options granted during the year (2)	-	-
Valuation of performance shares awarded during the year (3)	-	2,624,000
TOTAL	**3,600,000**	**6,224,000**
Jack Klues		
Total compensation due for the year (1) (4)	2,215,166	2,349,738
Valuation of options granted during the year (2)	-	-
Valuation of performance shares awarded during the year (3)	-	1,599,000
TOTAL	**2,215,166**	**3,948,738**
Kevin Roberts		
Total compensation due for the year (1) (4)	3,232,370	3,241,730
Valuation of options granted during the year (2)	-	-
Valuation of performance shares awarded during the year (3)	-	1,599,000
TOTAL	**3,232,370**	**4,840,730**
Jean-Yves Naouri		
Total compensation due for the year (1)	1,600,000	1,300,000
Valuation of options granted during the year (2)	-	-
Valuation of performance shares awarded during the year (3)	-	1,180,800
TOTAL	**1,600,000**	**2,480,800**
Jean-Michel Étienne (appointed July 1, 2010) (5)		
Total compensation due for the year (1)	972,000	864,000
Valuation of options granted during the year (2)	-	-
Valuation of performance shares awarded during the year (3)	-	1,180,800
TOTAL	**972,000**	**2,044,800**
David Kenny (term expired on June 30, 2010)		
Total compensation due for the year (1) (4)	-	360,267
Valuation of options granted during the year (2)	-	-
Valuation of performance shares awarded during the year (3)	-	-
TOTAL	**-**	**360,267**

(1) See details in Table 2.
(2) See details in Table 4.
(3) See details in Table 6. Total allocation covering financial years 2010, 2011 and 2012.
(4) Compensation calculated and paid in US dollars. The euro conversion is carried out at the average rate of $1 = €0.71921 in 2011 and $1 = €0.75508 in 2010.
(5) Compensation corresponds to that for the full year, even though Jean-Michel Étienne was only appointed to the Management Board on July 1, 2010.

TABLE 2 (AMF NOMENCLATURE)
SUMMARY TABLE OF COMPENSATION FOR EACH CORPORATE OFFICER (IN EUROS)

In general, the compensation paid corresponds to the fixed compensation for the specified year and the variable compensation for the prior year.

No exceptional compensation was paid to the corporate officers.

	2011 – Amount:		2010 – Amount:	
	due	paid	due	paid (1)
Management Board				
Maurice Lévy, Chairman of the Management Board				
Base compensation	900,000	900,000	900,000	900,000
Variable compensation (2)	2,700,000	2,700,000	2,700,000	-
Benefits in kind (9)			-	-
TOTAL	**3,600,000**	**3,600,000**	**3,600,000**	**900,000**
Jack Klues (10)				
Base compensation	791,131	791,131	755,080	755,080
Variable compensation (3)	1,424,036	1,510,341	1,585,668	-
Benefits in kind (9)	6,432	6,432	8,990	8,990
TOTAL	**2,215,167**	**2,307,904**	**2,349,738**	**764,070**
Kevin Roberts (7) (10)				
Base compensation	719,210	719,210	755,080	755,080
Variable compensation (4)	2,484,151	2,340,309	2,457,030	871,362
Benefits in kind (9)	29,009	29,009	29,620	29,620
TOTAL	**3,232,370**	**3,088,528**	**3,241,730**	**1,656,062**
Jean-Yves Naouri (11)				
Base compensation	700,000	700,000	600,000	600,000 (11)
Variable compensation (5)	900,000	700,000	700,000	-
Benefits in kind (9)	-	-	-	-
TOTAL	**1,600,000**	**1,400,000**	**1,300,000**	**600,000**
Jean-Michel Étienne (appointed July 1, 2010) (12)				
Base compensation	540,000	540,000	480,000	480,000
Variable compensation	432,000	384,000	384,000	300,000
Benefits in kind			-	-
TOTAL	**972,000**	**924,000**	**864,000**	**780,000**
David Kenny (8) (10) (term expired on June 30, 2010)				
Base compensation	-	-	358,455	358,455
Variable compensation (6)	-	-	-	488,836
Benefits in kind (9)	-	-	1,812	1,812
TOTAL	**-**	**-**	**360,267**	**849,103**

(1) Mr. Maurice Lévy, Mr. David Kenny, Mr. Jack Klues, Mr. Jean-Yves Naouri and Mr. Kevin Roberts waived their variable compensation for 2009 and that which they would have been paid in 2010 under the conditions stated in Notes 2, 3, 4, 5 and 6 below.

(2) Amount of variable compensation decided by the Supervisory Board for 2009: €2,700,000. Mr. Maurice Lévy decided to waive the entirety of this amount.

(3) Amount of variable compensation decided by the Supervisory Board for 2009: €647,559. Mr. Jack Klues decided to waive the entirety of this amount. In addition, Publicis Conseil paid Mr. Lévy an end-of-career indemnity of 121,671 euros in 2011.

(4) Amount of variable compensation decided by the Supervisory Board for 2009: €215,853. Mr. Kevin Roberts decided to waive the entirety of this amount. Mr. Kevin Roberts will receive €830,315 as an annuity in place of a complementary pension.

(5) Amount of variable compensation decided by the Supervisory Board for 2009: €350,000. Mr. Jean-Yves Naouri decided to waive the entirety of this amount.

(6) Amount of variable compensation decided by the Supervisory Board for 2009: €647,559. Mr. David Kenny decided to waive the entirety of this amount. Mr. David Kenny will receive €465,808 as a retention bonus.

(7) The variable compensation component includes a contractual annual pension disbursement.

(8) The variable compensation component includes a "retention bonus" in accordance with the contract.

(9) Benefits in kind relating to the use of a company-provided vehicle are not mentioned when they are for an immaterial amount.

(10) Compensation calculated and paid in US dollars. The euro conversion is carried out at the average rate of $1 = €0.71921 in 2011 and $1 = €0.75508 in 2010.

(11) The base compensation of Jean-Yves Naouri was €550,000 on an annualized basis between January 1 and August 31, 2010, and then it was increased to €700,000 effective from September 1, 2010.

(12) Compensation corresponds to that for the full year, even though Jean-Michel Étienne was only appointed to the Management Board on July 1, 2010. The bonus owed for 2009, paid in 2010, was paid before the latter was appointed to the Management Board.

TABLE 3 (AMF NOMENCLATURE) BREAKDOWN OF ATTENDANCE FEES (IN EUROS)

	Attendance fees paid in 2011	Attendance fees paid in 2010
Supervisory Board		
Élisabeth Badinter, Chairperson (1)	70,000	55,000
Sophie Dulac	35,000	20,000
Simon Badinter (2)	40,000	30,000
Monique Bercault (term expired on June 1, 2010)	15,000	30,000
Claudine Bienaimé	95,000	80,000
Michel Cicurel	65,000	50,000
Michel Halpérin	40,000	30,000
Hélène Ploix	60,000	55,000
Felix G. Rohatyn	35,000	30,000
Amaury de Seze	70,000	45,000
Henri Calixte Suaudeau	55,000	35,000
Tatsuyoshi Takashima	15,000	15,000
Léone Meyer (term expired on November 13, 2009)	-	15,000
Tadashi Ishii (appointed on March 10, 2009)	20,000	15,000
Gérard Worms	65,000	50,000
Véronique Morali (4)	30,000	-
Marie-Josée Kravis	20,000	-
Marie-Claude Mayer (3)	25,000	-
TOTAL	**755,000**	**555,000**

(1) Ms. Élisabeth Badinter received €182,939 in compensation in 2010 and 2011.

(2) Mr. Simon Badinter received, in 2010, fixed compensation of €197,831, variable compensation of €190,000 and benefits in kind of €9,945. In 2011, he received fixed compensation of €193,467, variable compensation of €193,672.50 and benefits in kind of €9,640.

(3) Marie-Claude Mayer received, in 2010, fixed compensation of €230,000 and variable compensation of €50,000. In 2011, she received fixed compensation of €250,000 and variable compensation of €60,000.

(4) Véronique Morali was paid basic compensation of 122,778 euros in 2011 in respect of her position as Chairperson of the Women's Forum for Economy and Society.

TABLE 4 (AMF NOMENCLATURE)
STOCK OPTIONS GRANTED DURING THE YEAR TO EACH SENIOR EXECUTIVE AND DIRECTOR BY THE COMPANY AND BY EACH GROUP COMPANY

	No. and date of plan	Type of options (for existing or new shares)	Valuation of options using the method applied for the consolidated financial statements	Number of options granted during the year	Exercise price (in euros)	Vesting period
Management Board						
Maurice Lévy, Chairman						None in 2011
Jack Klues						None in 2011
Kevin Roberts						None in 2011
Jean-Yves Naouri						None in 2011
Jean-Michel Étienne						None in 2011

TABLE 5 (AMF NOMENCLATURE)
STOCK OPTIONS EXERCISED DURING THE FINANCIAL YEAR BY EACH SENIOR EXECUTIVE AND DIRECTOR (LIST OF NAMES)

	No. and date of plan	Number of options exercised	Average price (in euros) (exercise price)	Year of grant
Management Board				
Maurice Lévy, Chairman	04/23/2001	200,000	33.18	2001
Jack Klues	-	None in 2011	-	-
Kevin Roberts	LTIP 1 09/28/2004	130,000	24.82	2004
Jean-Yves Naouri	04/22/2001 and 01/18/2002	16,000	31.91	2001 and 2002
Jean-Michel Étienne	-	None in 2011	-	-

TABLE 6 (AMF NOMENCLATURE)
PERFORMANCE SHARES GRANTED TO EACH SENIOR EXECUTIVE AND DIRECTOR

	First plan		Second plan		Number of performance shares granted – Position at December 31, 2011	
	Description	Date	Description	Date	Total number (2)	Of which shares subject to performance conditions
Management Board						
Maurice Lévy, Chairman	LTIP 2010 – 2012 (1)	09/02/2010	Co-investment plan	03/19/2009	140,800	140,800
Jack Klues	LTIP 2010 – 2012 (1)	09/02/2010	Co-investment plan	03/19/2009	108,136	108,136
Kevin Roberts	LTIP 2010 – 2012 (1)	09/02/2010	Co-investment plan	03/19/2009	103,098	103,098
Jean-Yves Naouri	LTIP 2010 – 2012 (1)	09/02/2010	Co-investment plan	03/19/2009	79,346	79,346
Jean-Michel Étienne (3)	LTIP 2010 – 2012 (1)	09/02/2010	Co-investment plan	03/19/2009	73,376	54,688

(1) No performance shares will be granted to Management Board members under the LTIP 2010-2012 for the financial years 2011 and 2012. Performance shares granted under the LTIP 2010-2012 will not be acquired unless the continued employment conditions are met (three years for the French, four for other nationalities) in performance-based functions and subject to criteria of organic growth and operating margin compared to their peers. In the event functions end before the attribution period, the shares will be granted on a pro-rata basis.

(2) Management Board members must retain 20% of the vested shares throughout their term of office.

(3) Jean-Michel Étienne was awarded shares subject exclusively to an attendance condition before joining the Management Board, on July 1, 2010.

TABLE 7 (AMF NOMENCLATURE)
PERFORMANCE SHARES EXERCISED BY EACH EXECUTIVE DIRECTOR

None – no performance shares available before March 19, 2012.

TABLE 8 (AMF NOMENCLATURE)
OVERVIEW OF OPTIONS AND SHARES GRANTED OVER THE PAST TEN YEARS

	Stock option plans								
Date of authorization by the Extraordinary General Shareholders' Meeting (EGM)	2002	2002	2002	2003	2003	2004	2004	2005	2006
Date of the meeting of the Board of Directors or Management Board	01/18/2002	06/10/2002	07/08/2002	08/28/2003	08/28/2003	09/28/2004	09/28/2004	05/24/2005	08/21/2006
Total number of allocated share subscription options (S) or of share purchase options (A), or of free shares allocated (FSA) to:	104,600 A	5,000 A	220,000 A	517,067 A	9,498,000 (1) A	11,000 A	1,959,086 (1) A	935,192 (1) A	100,000 A
• corporate officers:	15,000		220,000	41,000			575,000		100,000
• ten most highly compensated employees:	75,100		-		970,000 (1)		442,580 (1)	210,000 (1)	-
Start date for exercise of the options	01/18/2006	06/10/2006	07/08/2006	08/28/2007	50% (2) 2006 (2) 50% 04/25/2007	09/28/2008	50% (2) 2006 (2) 50% 04/25/2007	50% (2) 2006 (2) 50% 04/25/2007	08/21/2010
Expiry date	01/17/2012	06/09/2012	07/07/2012	08/27/2013	08/27/2013	09/27/2014	09/27/2014	05/23/2015	08/20/2016
Subscription or purchase price in euros	29.79	32.43	29.79	24.82	24.82	24.82	24.82	24.76	29.27
Adjusted total number of allocated share purchase options, share subscription options, or free shares allocated as of 12/31/2011	104,600	5,000	220,000	517,067	9,498,000 (1)	11,000	1,959,086 (1)	935,192 (1)	100,000
Total number of shares subscribed, purchased or delivered (FSA) as of 12/31/2011	45,700	-	-	35,000	4,395,904	-	1,012,707	480,039	-
Total number of canceled subscription options, purchase options or free shares as of 12/31/2011	27,400	-	-	38,667	3,995,739	11,000	471,816 *	279,427	-
Total number of share purchase options, share subscription options or free shares remaining as of 12/31/2011	26,000	5,000	220,000	443,400	1,106,357	-	474,563	175,726	100,000

(1) Conditional options, the exercise of which is contingent on the achievement of objectives under the three-year plan. The achievement level of objectives in the 2003-2005 plan were measured in 2006. The achievement level of objectives in the 2006-2008 plan were measured in 2009.

(2) The exercise period started in 2006, after determining levels at which the objectives were achieved and thus the number of exercisable options. Half of the total exercisable number can be exercised after this date, the other half one year later. Non-exercisable options were cancelled.

(3) The exercise period started in 2009, after determining levels at which the objectives were achieved and thus the number of exercisable options. Half of the total exercisable number can be exercised after this date, the other half in 2010.

(4) Options granted under the option plans of Digitas that existed when Digitas was acquired in 2007 were converted into purchase options on shares of Publicis Groupe using the existing ratio of the purchase price established under the offer for Digitas stock (restated in euros) and the market value of Publicis Groupe shares on the date of the merger. The subscription price was correspondingly adjusted.

			Free share plans							
2006	2007	Original Digitas plans (4)	2009 (5) Employees France	2009 (6) Co-investment	Original Razorfish plan (7)	LTIP 2010	LTIP 2010-2012	2010 US Employees	LTIP 2011	2011 International Employees
08/21/2006	08/24/2007		05/20/2009	03/19/2009	12/01/2009	08/19/2010	09/22/2010	11/19/2010	04/19/2011	11/21/2011
10,256,050 (1) A	1,574,400 (1) A	3,199,756 A	210,125 FSA	3,544,176 FSA	493,832 (3) FSA	667,600 FSA	252,000 FSA	658,400 FSA	674,650 FSA	533,700 FSA
950,000 (1)	-	-	-	225,506	-	-	252,000	-	-	-
738,000 (1)	258,000 (1)	-	500	447,890	-	54,000	-	500	62,000	500
50% (3) 2009 (3) 50% 2010	50% (3) 2009 (3) 50% 2010	01/31/2007	05/20/2011	03/19/2012 (8) 03/19/2013	Between 01/01/2010 and 12/2018	-	-	-		
08/20/2016	08/23/2017	2009 to 2017				08/19/2013 (8) 08/19/2014	09/22/2013 (8) 09/22/2014	12/01/2014	04/19/2014 (8) 04/19/2015	12/01/2013 (9) 12/01/2015
29.27	31.31	2.47 to 58.58	-	-	-					
10,256,050 (1)	1,574,400 (1)	3,199,756	210,125	3,544,176	493,832	667,600	252,000	658,400	674,650	533,700
1,764,580	176,908	2,294,143	150,575	-	180,510	-	-	-	-	-
5,697,731	850,073	578,929	59,550	419,304	154,278	70,850	-	178,600	31,950	-
2,793,739	547,419	326,684	0	3,124,872	159,044	596,750	252,000	479,800	642,700	533,700

(5) This is a plan to allocate 50 free shares to each French employee.
(6) This plan involves a co-investment plan proposed to 160 key Group managers, of whom 136 subscribed.
(7) Options granted under the Microsoft option plans that existed when Razorfish was acquired in October 2009 were converted into Publicis Groupe shares using the existing ratio between the Microsoft share price (restated in euros) and the Publicis Groupe share price on the date of the acquisition.
(8) Concerns French employees, who are subject to a two-year period of non-transferability.
(9) Concerns Italian and Spanish employees, who are, in addition, subject to a three-year period of non-transferability.
Note: No stock options have been granted since 2008.
** Figures lower than in 2010 – the positive number corresponds to the options erroneously reported as cancelled in 2010.*

TABLE 9 (AMF NOMENCLATURE)
STOCK OPTIONS GRANTED TO AND EXERCISED BY THE TEN MOST HIGHLY COMPENSATED NON-DIRECTOR EMPLOYEES

This table may be found in section 6.3.6 of this document.

TABLE 10 (AMF NOMENCLATURE)
OTHER INFORMATION CONCERNING THE CORPORATE OFFICERS

Corporate officers	Employment contract (1)	Supplementary pension plan	Indemnities or benefits due or payable on termination or change in functions	Indemnities under a non-compete clause
Management Board				
Maurice Lévy, Chairman	Yes	No	No	Yes (2)
Jack Klues		No	Yes (2)	Yes (2)
Kevin Roberts		No (2)	Yes (2)	No
Jean-Yves Naouri		No	Yes (2)	No
Jean-Michel Étienne		No	Yes (2)	No

(1) For the Chairman of the Management Board. It should be noted that the employment contract ended on December 31, 2011.
(2) See Section 2.7 of this document.

2.7.5 INVESTMENT IN SHARE CAPITAL BY CORPORATE EXECUTIVES

At December 31, 2011, no member of the Supervisory Board or the Management Board held more than 1% of the shares of the Company, with the exception of what is referred to in Section 6.3.1., and Mr. Maurice Lévy, who directly or indirectly owns 4,922,854 shares, or around 2.57% of the Company's share capital, including 2,920,000 shares held through non-trading companies owned by Mr. Lévy and his family.

At December 31, 2011, the members of the Supervisory Board and Management Board (with the exception of Ms. Élisabeth Badinter and her children) directly and indirectly owned 7,564,543 shares, or 3.95% of the share capital of the Company, including 2.57% controlled by Mr. Maurice Lévy (see Section 6.2.1). At December 31, 2011, the members of the Management Board also owned 1,843,458 stock options, all of which are exercisable. The average weighted exercise price of the options ranges between 26.54 euros and 27.34 euros per share and the expiry date of these options is between 2012 and 2017 (see Note 28 of the consolidated financial statements in Section 4.6).

The following table shows the investment of each corporate officer in the share capital of the Company at December 31, 2011 by the number of shares and voting rights, as well as the number of shares that each corporate officer has the right to acquire through the exercise of new stock subscription options and existing stock purchase options.

Shareholdings and stock options of Members of the Management and Supervisory Boards at December 31, 2011

Member of Management or Supervisory Board	Number of Publicis Groupe shares	Voting rights in Publicis Groupe owned (1)	Number of shares that may be acquired through the exercise of share subscription options	Number of shares that may be acquired through the exercise of purchase options		Weighted average price (in euros)
				Total number	Conditional options (3)	
Management Board						
Maurice Lévy (2)	4,922,854	9,645,708		1,146,163	-	27.13
Jack Klues	18,292	18,292		274,567	-	26.54
Kevin Roberts	0	0		205,610	-	27.31
Jean-Yves Naouri	81,798	147,596		90,554	-	27.34
Jean-Michel Étienne	0	0		126,564	-	26.80
TOTAL MANAGEMENT BOARD				**1,843,458**		
Supervisory Board						
Élisabeth Badinter	20,072,340	40,144,680				
Sophie Dulac	2,369,460	4,738,920				
Claudine Bienaimé	55,900	104,300		90,000		29.27
Henri-Calixte Suaudeau	80,381	160,762				
Hélène Ploix	8,950	17,900				
Gérard Worms	340	480				
Michel Halpérin	1,500	1,500				
Amaury de Seze	350	350				
Simon Badinter	350	700				
Michel Cicurel	200	400				
Felix G. Rohatyn	1,000	2,000				
Tatsuyoshi Takashima	200	400				
Tadashi Ishii	200	400				
Marie-Josée Kravis	1,400	1,400				
Véronique Morali	200	200				
Marie-Claude Mayer	21,168	31,728				

(1) Shows the impact of possible double voting rights.
(2) Mr. Maurice Lévy directly owns 2,002,854 shares, and indirectly owns 2,920,000 shares of the Company through non-trading companies, representing a total of 9,445,708 voting rights.
(3) The conditions were taken into account to determine the final number of options granted.

Note: the bylaws require members of the Supervisory Board to hold 200 shares.

2.8 Transactions performed on Publicis Groupe securities by the Management and Supervisory Board members and persons related to them

The transactions on the Company's securities performed during the 2011 financial year by directors and persons listed under article L. 621-8-2 of the French Monetary and Financial Code are as follows:

Name and Surname	Position	Description of the financial instrument	Nature of the transaction	Number of transactions	Amount of the transaction (in euros)
Maurice Lévy	Chairman of the Management Board	Shares	Exercise of stock options	1	6,636,000
Jack Klues	Member of the Management Board	Shares	Disposal	2	1,097,264
Jean-Yves Naouri	Member of the Management Board	Shares	Acquisition	1	61,432
			Exercise of stock options	2	510,540
Kevin Roberts	Member of the Management Board	Shares	Exercise of stock options	1	3,226,600
			Disposal	1	4,586,094
Sophie Dulac	Vice-Chairperson of the Supervisory Board Shares	Purchase options	Disposal	1	878,786
		Shares	Disposal	1	4,123,570
Claudine Bienaimé	Member of the Supervisory Board	Shares	Exercise of stock options	5	1,566,994
			Disposal	4	2,132,896
Marie-Claude Mayer	Member of the Supervisory Board	Shares	Exercise of stock options	1	99,540
			Disposal	1	123,000

2.9 Related-party transactions

2.9.1 TERMS AND CONDITIONS OF FINANCIAL TRANSACTIONS WITH RELATED PARTIES

Certain members of Publicis Groupe SA's Supervisory Board (Mr. Felix Rohatyn, Mr. Gérard Worms, Mr. Michel Cicurel, Ms. Véronique Morali and Ms. Hélène Ploix) hold management positions in financial establishments that could have business relations with the Company. Nevertheless, all these members of the Supervisory Board are considered independent based on the criteria applied by the Company.

In this respect, in a contract dated February 26, 2008, tacitly renewed for a one-year period and still in force, Publicis Groupe entrusted SG Securities (Paris) with the implementation of a liquidity contract covering the ordinary shares that complied with the AFEI Code of Conduct of March 14, 2005 and was approved by the AMF in its decision of March 22, 2005, published in the French Official State Bulletin (BALO) on April 1, 2005.

In 2009, confirmed credit line agreements were entered into with BNP Paribas and Société Générale, for a principal of 100 million euros each and a maturity of five years.

In 2010, no new financial type agreement was entered into with related parties.

On July 13, 2011, Publicis Groupe SA signed a syndicated loan (Club Deal) in the amount of 1,200 million euros with a syndicate of 15 banks. BNP Paribas is the agent for the syndicate and also contributed 106 million euros to this facility. Société Générale and Deutsche Bank also contributed 106 million euros and 50 million euros, respectively.

2.9.2 RELATED-PARTY AGREEMENTS REGARDING COMPENSATION OF MANAGEMENT BOARD MEMBERS

On March 17, 2008, the Supervisory Board amended the existing contractual commitments relating to compensation, indemnities and benefits that might be due to members of the Management Board upon the termination of their terms of office and duties, mainly to comply with law No. 2007-1223 of August 21, 2007 (the "TEPA law"). The statutory auditors were informed of the provisions adopted or authorized by the Board and, as required by the TEPA law, the changes were submitted to the General Shareholders' Meeting of June 3, 2008, where they were approved.

Following the renewal of the appointments of the members of the Management Board as of January 1, 2012, the Supervisory Board confirmed the existing commitments (while specifying the potential entitlements to free shares) towards Mr. Kevin Roberts, Mr. Jack Klues and Mr. Jean-Yves Naouri on March 6, 2012, and renewed the existing agreements with Mr. Jean-Michel Étienne. The statutory auditors were informed of the provisions renewed or adopted or by the Board, as these are considered regulated agreements to be submitted to a vote at the next General Shareholders' Meeting, where the law requires it. These agreements are discussed in detail in Section 2.7.1 of this document.

Information on agreements falling under article L. 225-86 of the French Commercial Code concluded by Publicis Groupe SA is included in the Company's registration documents for 2010, 2009 and 2008:

- 2010: this document was filed with the AMF on March 15, 2011, under No. D. 11-0131, page 68;
- 2009: this document was filed with the AMF on March 19, 2010, under No. D. 10-0129, page 121;
- 2008: this document was filed with the AMF on March 13, 2009, under No. D. 09-0120, page 66.

2.9.3 RELATED-PARTY TRANSACTIONS

The following-related party transactions were carried out in 2011 (in millions of euros):

	Revenue with related parties (1)
Dentsu	5

(1) This is the difference between purchases and sales made by the Group with Dentsu. These transactions were carried out at market prices with related parties.

The outstanding amounts with related parties on the balance sheet at December 31, 2011 were as follows (in millions of euros):

	Receivables from/loans to related parties	Liabilities to related parties
Dentsu	6	4
Somupi	4	-

2.9.4 PUBLICIS/DENTSU AGREEMENT

The agreement between Publicis Groupe SA and Dentsu Inc. ("Dentsu") following the merger agreement dated March 7, 2002, between Publicis Groupe SA and its subsidiaries Philadelphia Merger Corp. and Philadelphia Merger LLC, on the one hand, and Bcom3 Group, Inc., on the other hand, under the terms of which Philadelphia Merger Corp. merged with Bcom3, was in force throughout 2011 and until February 17, 2012.

The Agreement between Dentsu and Publicis supersedes the Memorandum of Understanding entered into on March 7, 2002 with Dentsu. This agreement was entered into following the procedure applicable to related-party agreements.

The agreement includes clauses on the representation of Dentsu on the Board and the Audit Committee.

Under the Publicis/Dentsu Agreement, so long as Dentsu owns at least 10% of Publicis shares (calculated in a specific manner), Dentsu shall have two representatives on Publicis Groupe SA's Supervisory Board. The number of Dentsu representatives will increase if the total number of Publicis Groupe SA's Supervisory Board members increases so that Dentsu maintains a representation in proportion with its voting rights. The two current members of Publicis Groupe SA's Supervisory Board appointed pursuant to the Publicis/Dentsu Agreement are Mr. Tatsuyoshi Takashima and Mr. Tadashi Ishii.

Until July 12, 2012, Dentsu will be subject to a "standstill" limiting its ownership of Publicis shares to the number of shares that entitles it to 15% of voting rights in Publicis Groupe SA, unless its Supervisory Board agrees otherwise.

Dentsu is entitled to a protection against any dilution of its interest that may result from a Publicis Groupe SA capital increase in cash to which Dentsu would not be entitled to subscribe by exercising its preferential subscription rights.

Dentsu may not sell or transfer any shares of Publicis Groupe SA to a third party prior to July 12, 2012 (excluding Publicis subsidiaries and the SEP – see below). In the event of a public offer for shares of Publicis Groupe SA, Dentsu may tender its shares (i) if the Supervisory Board of Publicis Groupe SA publicly recommends accepting the offer and states that it is in the Company's interest, and if the Management Board does not publicly oppose the offer or state that it is not in the interest of Publicis Groupe SA; or (ii) if Ms. Élisabeth Badinter tenders any or all of her shares of Publicis Groupe SA in the offer; or (iii) if the public offer is initiated by Ms. Élisabeth Badinter, either acting alone or in concert with another party.

On September 24, 2004, Publicis Groupe SA and Dentsu agreed on an amendment to the Publicis/Dentsu Agreement in order to reflect the agreement between Dentsu and Ms. Élisabeth Badinter on September 4, 2004, as described below.

The Agreement between Publicis Groupe SA and Dentsu will expire on July 12, 2012, unless Publicis and Dentsu agree to renew it for an additional ten-year term.

On May 7, 2010, the Supervisory Board, in accordance with the provisions of articles L. 225-86 *et seq.* of the French Commercial Code, authorized the purchase by Publicis Groupe SA, acting on behalf of Ms. Élisabeth Badinter, of the 7,500,000 shares held by SEP Dentsu-Badinter, a shareholder that holds more than 10% of the voting rights, at a price of 29 euros per share. It also gave its prior consent to the cancellation of the 7,500,000 shares immediately upon purchase. The agreement between Dentsu and Publicis remains in force and has not been changed by the operation.

On February 17, 2012, Publicis purchased 18 million of its own shares offered for sale by Dentsu at a price of 35.80 euros per share. This transaction, as well as that of the simultaneous cancellation of 10,759,813 shares, and in which related parties did not take part in the vote, was authorized by the Supervisory Board, in accordance with the provisions of articles L. 225-86 *et seq.* of the French Commercial Code. So that this project could be carried out, Ms. Badinter waived her rights under the shareholders' agreement entered into with Dentsu following its acquisition of a stake in the share capital of Publicis Groupe SA in 2002. The transaction brings this agreement to a close, together with the resulting concert party and the SEP Dentsu-Badinter, which has been dissolved. It will also result in the termination of the shareholder agreement and of the "Strategic Alliance Agreement" entered into by Dentsu and Publicis Groupe in 2003. Consequently, Mr. Ishii and Mr. Takashima resigned from the Supervisory Board of Publicis Groupe effective on that date.

2.9.5 SHAREHOLDERS' AGREEMENT BETWEEN DENTSU AND MS. ÉLISABETH BADINTER

On November 30, 2003, Ms. Élisabeth Badinter and Dentsu concluded a shareholders' agreement covering their relationship as shareholders of Publicis Groupe SA ("shareholders' agreement between Dentsu and Ms. Badinter"), which remained in force until February 17, 2012.

Under the Badinter/Dentsu Agreement, Dentsu has undertaken to elect or renew the terms of office of the Supervisory Board members that will be designated by Ms. Élisabeth Badinter.

In carrying out its functions on Publicis's Supervisory Board, Dentsu is required:

- to vote in favor of Ms. Élisabeth Badinter, or any other person representing her, as Chairperson of the Publicis Supervisory Board;
- to vote in favor of the Supervisory Board candidates proposed by Ms. Élisabeth Badinter and to renew their mandates;
- to vote in favor of candidates put forward to join the management of Publicis Groupe SA (and in particular the Management Board) by Ms. Élisabeth Badinter.

The shareholders' agreement between Dentsu and Ms. Élisabeth Badinter provides for the creation of a special committee whose members will be put forward by Ms. Élisabeth Badinter and Dentsu from among the Supervisory Board members (Ms. Élisabeth Badinter holds the power to appoint the majority of members), and whose role is:

- to examine the strategic decisions to be taken by the Supervisory Board or the General Shareholders' Meeting;
- to determine Dentsu's vote on decisions on which it has undertaken to vote in the same way as Ms. Élisabeth Badinter;
- in the case of a meeting convened at the request of Dentsu, to examine other matters raised by a member of the Committee designated by Dentsu.

In addition, Dentsu agrees to exercise its votes as directed by Ms. Élisabeth Badinter on a number of matters, including those relating to mergers or similar business combinations involving Publicis Groupe SA and third parties. Dentsu also agrees not to transfer any Publicis Groupe SA shares to a third party until July 12, 2012 (subject to specified exceptions), and to be subject to specified restrictions on any transfer of shares, as well as to Ms. Badinter's approval for any transfer carried out between July 12, 2012 and July 12, 2014.

In agreement with Ms. Élisabeth Badinter, Dentsu undertakes to vote in the same way as Ms. Élisabeth Badinter at the Publicis Groupe SA General Shareholders' Meeting on the following resolutions:

- amendments to Publicis's bylaws concerning the following: corporate name, registered office, number of members of the Management Board and Supervisory Board, length of mandate and number of shares required to be held for the exercise of this mandate;
- any merger or equivalent operation by which Publicis shareholders at the time of the merger retain a majority of the new post-operation entity;
- distribution of dividends of a reasonable amount and not exceeding 40% of distributable earnings;
- capital increase or increase in voting rights without waiver of preferential subscription rights up to a total amount of 10% of Publicis's share capital at March 7, 2002; and
- capital reductions as part of a share buyback program by the Company.

In agreement with Ms. Élisabeth Badinter, Dentsu may vote freely on the following resolutions:

- decision to issue securities representing more than 10% of Publicis's share capital or voting rights;
- grant of stock options;
- reserved capital increase;
- public offer of securities by Publicis with the cancellation of preferential subscription rights;
- the contribution or transfer of assets, insofar as they are subject to a vote of the General Shareholders' Meeting; and
- approval of any transaction involving Ms. Élisabeth Badinter, Dentsu or a Publicis subsidiary.

Dentsu will vote to approve the financial statements, provided that its representatives on the Supervisory Board are heard by the Audit Committee, that the statutory auditors have certified the financial statements without reservation, that Dentsu's representatives, after addressing the Audit Committee, have made their observations to the statutory auditors, and that the statutory auditors have responded and maintained their certification.

Prior to July 12, 2012, Dentsu may not hold, either alone or jointly, more than 15% of the voting rights of Publicis Groupe SA, other than jointly with Ms. Élisabeth Badinter. If this threshold is crossed involuntarily, Dentsu undertakes not to exercise any supplementary voting rights, except in certain specified cases.

Dentsu may not enter into any agreement in respect of the management or direction of Publicis Groupe SA without the prior consent of Ms. Élisabeth Badinter. Reciprocally, Ms. Élisabeth Badinter may not enter into any agreement in respect of the management or direction of Publicis without the prior consent of Dentsu. Any breach of this agreement by one of the parties entitles the other party to terminate the agreement.

Ms. Élisabeth Badinter will make every effort to ensure that Dentsu is protected from any dilution resulting from a capital increase in cash to which Dentsu could not subscribe by exercising its preferential subscription rights.

Any amendment to the shareholders' agreement between Dentsu and Ms. Badinter will be discussed in good faith so that Dentsu can account for its holdings in Publicis Groupe SA by the equity method, ensuring that its economic and legal balance is maintained. On September 24, 2004, Ms. Élisabeth Badinter and Dentsu amended their shareholders' agreement through a rider and created a holding company (the "SEP"). According to its bylaws, the purpose of the SEP is to exercise the voting rights attached to those shares of Publicis Groupe SA contributed to the SEP. Dentsu must contribute shares of Publicis Groupe SA to the SEP when the associated voting rights exceed the 15% ceiling mentioned above. When the SEP was formed, Dentsu contributed rights in respect of 11,181,399 ordinary shares of Publicis Groupe SA.

Ms. Élisabeth Badinter is the manager of the SEP: as such, she exercises the voting rights attached to these shares.

The SEP will be wound up on the first of the following dates: September 24, 2014, or when the shareholders' agreement between Ms. Badinter and Dentsu ends, unless otherwise agreed between the parties.

Ms. Élisabeth Badinter has a right of first offer if Dentsu should consider selling the Publicis Groupe SA shares contributed to the SEP to a third party. The shareholders' agreement between Dentsu and Ms. Badinter will end on July 12, 2014, unless both parties to the agreement agree to renew it for the same term.

The disclosure of the above agreements to the Autorité des marchés financiers (the French Financial Markets Authority, or AMF) was followed by a more detailed summary, published in the AMF's Decisions and filings (*Décisions et Informations*) register under number 204C0036 on January 9, 2004, and number 204C1206 on October 11, 2004.

As part of the purchase by Publicis Groupe on February 17, 2012 of 18 million Publicis securities held by Dentsu (see Section 2.9.4 above), the agreement between Ms. Badinter and Dentsu was terminated and the SEP Dentsu-Badinter holding company was dissolved.

The Company and/or its subsidiaries have not carried out or undertaken to carry out other significant operations with related parties since December 31, 2011, other than as described in this section and Section 1.6.

2.9.6 REPORT OF THE STATUTORY AUDITORS ON RELATED PARTY AGREEMENTS AND COMMITMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2011

As the Company's statutory auditors, we hereby present our report on related party agreements and commitments.

Our role is to inform you, on the basis of the information provided to us, of the key terms and conditions of the agreements and commitments notified to us or that we uncovered in the performance of our duties, without expressing any opinion as to their usefulness or merits or searching for other agreements and commitments. It is your responsibility, in accordance with the provisions of article R. 225-58 of the French Commercial Code, to assess the benefits inherent in these agreements and commitments prior to their approval.

In addition, we are also required, where applicable, to provide you with the information provided for in article R. 225-58 of the French Commercial Code on the performance, during the past financial year, of agreements and commitments already approved by the General Shareholders' Meeting.

We carried out our work in the manner we judged necessary having regard to the professional practices of the French National Association of Auditors in this area. This work involved ensuring that the information provided to us was consistent with the underlying documentation.

Agreements and commitments submitted to the general shareholders' meeting for approval

Agreements and commitments approved during the past financial year

Pursuant to article L. 225-88 of the French Commercial Code, we were informed of the following agreements and commitments that had received prior approval from the Supervisory Board.

- Syndicated loan (Club Deal) with BNP Paribas and Société Générale

Members of the Supervisory Board involved: Hélène Ploix and Michel Cicurel

During its meeting of June 7, 2011, the Supervisory Board, in accordance with the provisions of Articles L. 225-86 et seq. of the French Commercial Code, the agreement on a syndicated loan (Club Deal) in the amount of 1,200 million Euros valid for a 5 years period with BNP Paribas and Société Générale. Hélène Ploix and Michel Cicurel are both members of the Board of Directors of BNP Paribas and Société Générale and members of the Supervisory Board of Publicis Groupe SA.

Agreements and commitments approved since the beginning of 2012

We were also informed of the performance, since the beginning of 2012, of the following agreements and commitments, already approved by the Supervisory Board.

- Purchase of 18 million own shares offered for sale by SEP Dentsu/Badinter

Members of the Supervisory Board involved: Elisabeth Badinter, Simon Badinter, Tatsuyoshi Takashima and Tadashi Ishii

On February 17, 2012, Publicis purchased 18 million of its own shares offered for sale by Dentsu at a price of 35.80 euros per share. This transaction, as well as that of the simultaneous cancellation of 10,759,813 shares, was authorized by the Supervisory Board, in accordance with the provisions of Articles L. 225-86 et seq. of the French Commercial Code and June 7, 2011 Shareholder's General Meeting.

So that this project could be carried out, Ms. Badinter waived her rights under the shareholders' agreement entered into with Dentsu following its acquisition of a stake in the share capital of Publicis Groupe SA in 2002. The transaction brings this agreement to a close, together with the resulting concert party and the SEP Dentsu-Badinter, which has been dissolved.

The purchase and the cancellation of those shares happened on February 17, 2012.

- Deferred compensation of Management Board members

Management Board member concerned: Mr. Jean-Michel Etienne

1. Potential Severance payments

The March 6, 2012 Supervisory Board amended existing contractual commitments relating to compensation, indemnities and benefits likely to be due to Mr. Jean-Michel Etienne on the termination of their office and functions, in order, notably, to bring these commitments into compliance with law No. 2007-1223 of August 2, 2007 (the "TEPA" law).

The agreements in force between Publicis Finance Services and Mr. Jean-Michel Etienne provide that, if his term of office as a member of the Management Board of Publicis Groupe SA is terminated "without just cause", Mr. Etienne shall have the right, if he does not continue to be employed by Publicis Groupe, to receive one-year-and-a-half of his total gross remuneration (base compensation and maximum variable component), and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, subject to the performance conditions set out in the rules of the free share allocation plan in question.

These amounts and benefits shall only be due in full if the average annual amount of the bonuses earned by Mr. Jean-Michel Etienne for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the amounts and benefits will be calculated proportionally between 0 and 100% using the rule of three.

Management Board member concerned: Mr. Kevin Roberts

The Supervisory Board on March 6, 2012 confirmed the existing contracts and agreements while specifying the potential entitlements to free shares.

1. Potential Severance payments

The contract concluded between Saatchi & Saatchi North America Inc., Saatchi & Saatchi Limited, Red Rose Limited, and Mr. Kevin Roberts provides that if Mr. Roberts's employment contract is terminated before its normal term at the initiative of the Publicis Groupe "without just cause" or at the initiative of Mr. Roberts "with just cause," subject to certain conditions, the Company may be required to pay him an amount equal to 120% of his annual base salary, to which should be added the maximum annual amount of the bonus to which he would have been entitled and the annual cost of various benefits which he enjoys, as well as maintaining his social security insurance protection for one year and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the free share award scheme in question.

These sums and benefits will only be due in full if the average annual amount of the bonus earned by Mr. Kevin Roberts for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the payments and benefits will be calculated proportionally between 0 and 100% using the rule of three.

This agreement, already approved during the General Shareholders' Meeting of June 3, 2008 is subjected to the approval of the General Assembly of approval of the accounts as of December 31, 2011, within the framework of the Mr. Kevin Roberts's mandate renewal.

Management Board member concerned: Mr. Jack Klues

The Supervisory Board on March 6, 2012 confirmed the existing contracts and agreements while specifying the potential entitlements to free shares.

1. Potential Severance payments

The contract concluded between Publicis Groupe SA, Starcom Mediavest Groupe Inc, and Mr. Jack Klues, provides that if the Company terminates the contract before its normal term "without just cause" Mr. Klues may be entitled to receive an amount equal to his total annual compensation (base salary and "target bonus") to which should be added the maintenance of his social security insurance protection for one year and assistance from an outplacement firm as well as the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the free share award scheme in question.

These amounts and benefits shall only be due in full if the average annual bonus earned by Mr. Jack Klues for the three years preceding the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the amounts and benefits will be calculated proportionally between 0 and 100% using the rule of three.

This agreement, already approved during the General Shareholders' Meeting of June 3, 2008 is subjected to the approval of the General Assembly of approval of the accounts as of December 31, 2011, within the framework of the Mr. Jack Klues's mandate renewal.

Management Board member concerned: Mr. Jean-Yves Naouri

The Supervisory Board on March 6, 2012 confirmed the existing contracts and agreements while specifying the potential entitlements to free shares.

1. Potential Severance payments

The agreements in force between Publicis Groupe Services and Mr. Jean-Yves Naouri provide that if his term of office as a member of the Management Board of Publicis Groupe SA is terminated "without just cause" Mr. Naouri may have the right, if he does not continue to be employed by the Publicis Groupe, to receive one year of total gross remuneration (base compensation and maximum variable component) and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the free share award scheme in question.

These amounts and benefits shall only be due in full if the average annual amount of the bonus earned by Mr. Naouri for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the amounts and benefits will be calculated proportionally between 0 and 100% using the rule of three.

This agreement, already approved during the General Shareholders' Meeting of June 3, 2008 is subjected to the approval of the General Assembly of approval of the accounts as of December 31, 2011, within the framework of the Mr. Jean Yves Naouri's mandate renewal.

Agreements and commitments already approved by the general shareholders' meeting

Pursuant to article R. 225-57 of the French Commercial Code, we were informed that the following agreements and commitments, already approved by the General Shareholders' Meeting in prior financial years, continued to be performed during the past financial year.

- Credit agreements respectively entered into with BNP Paribas and Société Générale

Members of the Supervisory Board involved: Hélène Ploix and Michel Cicurel

The Company respectively arranged with BNP Paribas, Calyon, Citigroup and Société Générale, revolving credit lines of 100 million Euros each, valid for 5 years period. As Hélène Ploix is a member of the Company's Supervisory Board and a Director of BNP Paribas SA and Michel Cicurel is a member of the Supervisory Board and a Director of Société Générale SA, the credit agreement entered into with BNP Paribas and the credit agreement entered into with Société Générale fall under article L. 225-86 of the French Commercial Code, and require the prior authorization of the Supervisory Board, which authorization was granted by the Supervisory Board at its meeting of June 9, 2009.

- Agreement between Publicis Groupe SA and Dentsu Inc.

Shareholder concerned: Dentsu Inc.

On November 30, 2003, Publicis Groupe SA and Dentsu signed an agreement following on from commitments made as part of the merger agreement of March 7, 2002 between (a) Publicis Groupe and its subsidiaries Philadelphia Merger Corp. and Philadelphia Merger LLC and (b) Bcom3 Group Inc. pursuant to which Philadelphia Merger Corp. took over Bcom3. The main provisions of these commitments are described in the securities note concerning the Bcom3 business combination, which was approved by the French COB (securities commission) on May 16, 2002, under approval no. 02-564.

The agreement contains provisions concerning Publicis Groupe SA's management (membership of the Supervisory Board, change in corporate legal form and Dentsu's representation on the Audit Committee) and about the transfer of Publicis Groupe SA shares and warrants held by Dentsu (particularly a 15% limit on Dentsu's voting rights in Publicis Groupe SA). The agreement further provides for a clause protecting Dentsu from dilution and a clause requiring equity-method accounting by Dentsu of its investment in Publicis Groupe. This agreement will terminate on July 12, 2012 unless the parties agree to a ten-year extension. It was subject to a decision and disclosure by the AMF on January 9, 2004, listed as document 204C0036.

As part of the purchase by Publicis Groupe on February 17, 2012 of 18 million Publicis securities held by Dentsu at a price of 35.80 euros per share, as well as that of their simultaneous cancellation, the agreement between Publicis and Dentsu as well as that between Ms. Badinter and Dentsu was terminated.

- Deferred compensation of Management Board members

I. COMPANY COMMITMENTS TO THE CHAIRMAN OF THE MANAGEMENT BOARD, MAURICE LÉVY:

A. Conditional deferred compensation

The terms and conditions of the November 22, 2004, agreement between Publicis Groupe SA and Maurice Lévy were revised during the March 17, 2008 Supervisory Board meeting. Pursuant to this decisions of the Supervisory Board, upon termination of his position as Chairman of the Management Board, on December 31, 2011, Maurice Lévy shall receive deferred compensation equal to the total gross amount of the portion of the annual bonuses received by him since 2003 under the two quantitative components of these bonuses, called "quantitative bonuses," i.e.:

- the portion of the bonus linked to organic growth and the consolidated net margin of Publicis Groupe, compared to those of Top Tier companies (Omnicom, WPP, IPG). The bonus awarded under each of these two criteria may represent up to 75% of the base compensation;
- the portion of the bonus linked to the consolidated net income of Publicis Conseil SA and its subsidiaries, paid for holding the offices of Chairman and CEO of Publicis Conseil SA in accordance with the conditions laid down by that company's Board of Directors.

The payment of the deferred compensation defined above is subject to the meeting of the following independent, cumulative performance and continued employment conditions:

1. PERFORMANCE CONDITION

The deferred compensation defined above shall only be paid out where the average annual amount of "quantitative bonuses" received by Maurice Lévy over the final three full years of his term as Chairman of the Management Board is at least equal to 75% of the overall average (including the final three years of his term) of the annual "quantitative bonuses" received by Maurice Lévy since 2003.

If the average for the final three full years of the term is under 25% of the overall average, no deferred compensation shall be paid.

If the average for the final three full years of the term is between 25% and 75% of the overall average, the deferred compensation shall be calculated proportionately between 0% and 100% by applying the rule of three.

2. CONTINUED EMPLOYMENT CONDITION

The deferred compensation is consideration for Maurice Lévy's commitment to remain in office for at least nine years from January 1, 2003. Consequently, Maurice Lévy can claim this deferred compensation, as calculated above, so long as he does not resign from his position as Chairman of the Management Board of the Publicis Groupe SA before the end of this term on December 31, 2011.

Termination of his position on account of illness or disability, death or voluntary departure following a change in the Group's major shareholder shall not be deemed to be a resignation.

As Mr. Maurice Lévy's term as Chairman of the Management Board was renewed for another four years from January 1, 2012, thus extending his term of office beyond December 31, 2011, the payment of his conditional deferred compensation is now due to him.

B. Non-compete agreement

Maurice Lévy undertakes to, for at least three years following the termination of his position as Chairman of the Management Board of Publicis Groupe SA, for any reason whatsoever, to refrain from working in any capacity whatsoever for a company operating in the field of advertising, and more generally with a competitor of Publicis, or from investing in a competitor of Publicis.

In consideration for this commitment, Maurice Lévy shall receive a sum equal to 18 months of his total gross compensation (fixed salary and maximum variable compensation as defined in 2008). This sum shall be paid to him in equal monthly payments. These payments must be refunded should Maurice Lévy fail to comply with the commitment.

The agreement was approved during the General Shareholders' Meeting of June 3, 2008.

II COMMITMENTS OF PUBLICIS GROUPE SA OR COMPANIES IT CONTROLS TO OTHER MANAGEMENT BOARD MEMBERS:

Management Board member concerned: Jack Klues

Non-compete agreement

Pursuant to an agreement signed in June 1997 applicable to all senior executives of Leo Burnett Company, Inc. (Jack Klues' employer at the time), which is still in effect following the renewal of his term as Management Board member effective January 1, 2008, if Jack Klues retires at his own initiative beginning at age 55 or if he is made to retire beginning at age 57, he may be entitled, for five years, to a sum equal to 30% of his final annual compensation (fixed salary plus bonus), as well as a portion of his benefits, provided that he complies in particular with a five-year covenant not to compete and not to solicit employees.

The agreement was approved during the General Shareholders' Meeting of June 3, 2008.

Courbevoie and Paris-La Défense, March 9, 2012

By the statutory auditors

ERNST & YOUNG et Autres		MAZARS	
Jean Bouquot	Christine Staub	Loïc Wallaert	Anne-Laure Rousselou

2.10 Code of conduct

The Group has a set of rules governing its behavior and ethics under the name "Janus". It is applicable to all the Group's employees at whatever level and establishes the rules of behavior for carrying out operations: "The way we behave and the way we operate". The code was updated in October 2009 and distributed across all the networks.

Janus includes the rules and principles related to ethics, corporate social responsibility, compliance with regulatory and legal frameworks, governance, communication, conducting business and customer relations, human resource management, protection of the Group's brands and intellectual property, and financial and accounting management, as well as rules governing mergers and acquisitions, investments, restructuring and purchasing policies.

The guidelines include a code of conduct applying mainly to the members of the Management Board, the Group's Chief Financial Officer and other senior managers; another code of conduct applies to all employees. These codes of conduct are available on the Group's website (www.publicisgroupe.com) on the "Corporate Social Responsibility" page under the subheadings "Social" and "Ethics."

In addition, Publicis undertakes to provide a copy of its codes of ethics free of charge to any person upon request. A request may be made directly to the Group's Legal Department by telephone at +33 (0)1 44 43 70 00 or by mail to 133 avenue des Champs-Élysées, 75008 Paris, France.

COMMENTARY ON THE FINANCIAL YEAR

3

The developments below are the main elements of the management report mentioned in article L. 451-1-2 of the French Monetary and Financial Code, as well as in article 222–3 of the general regulations of the Autorité des marchés financiers (the French Financial Markets Authority, or AMF). They contain the information required in articles L. 225-100, L. 225-100-2, L. 225-100-3 and in the second paragraph of article L. 225-211 of the French Commercial Code.

Other information corresponding to required elements of the management report is to be found in Section 8.6 "Cross-referencing table of the management report".

The following discussion should be read in conjunction with the consolidated financial statements and related notes. They contain information concerning the Group's future objectives which implies risks and uncertainties, including, in particular, those described in Section 1.8. "Risk factors".

3.1 Introduction

In summary, 2011 could be characterized by high hopes following the strong recovery in 2010, and then by disappointment following the sovereign debt crisis. Despite a first half that was more or less in line with 2010, and ongoing hopes that the European and US economies would recover, a new financial crisis in August, against the backdrop of the Greek crisis and a downgrade in the US rating, revived all the anxieties over deficits and sovereign debt in the Eurozone. From the end of the summer onwards, growth forecasts for the global economy began to be revised downwards, due to a slower than expected recovery in highly developed countries, the possible entry into recession of the Eurozone, and the lack of both internal and external rebalancing, despite a shaky improvement in US growth in the fourth quarter, which was accompanied by a slow fall in unemployment in that country. Anxiety levels in the financial markets remain high, and the fears generated by sovereign debt and the absence of growth in Europe remain. The trends recorded in the second half, combined with various austerity plans in developed economies, and heightened by various major forthcoming elections are creating the conditions for a further slowdown in the global economy, despite the resilience of high-growth economies.

What is even more serious is the fact that it now seems obvious, at the beginning of 2012, that the global economy is in its most fragile state since 2008: global economic growth is estimated at less than 3% for 2012. Europe is in recession due to a crisis of confidence fuelled mainly by the problems that governments are encountering in implementing solutions to solve the Eurozone and sovereign debt crisis. If the recession were to worsen, there is no doubt that the consequences would not just be a simple slowdown in growth. Thanks to the boost from forthcoming elections, we can however count on more resources being mobilized and on the apparent desire to avoid a breakdown. In this troubled year-end economic environment, the forecasting bodies downgraded their 2011 growth forecasts for the global advertising market slightly, moving from a growth forecast of 3.6% in October to 3.5% in December.

Publicis Groupe achieved very good results in 2011. Once again, the organic growth rate of 5.7% reflects the Group's momentum, as it is expanding at a faster rate than the market, despite extremely demanding comparables (as a reminder, the year-on-year organic growth rate in 2010 was 8.3%, with respective growth rates of 3.1%, 7.1%, 9.2% and 12.5% in the various quarters). This sound growth rate confirms and proves the merits of the Group's investments in digital services and high-growth economies, regardless of whether they are digital services or high-growth economies.

The 2011 operating margin amounted to 16.0%, up 20 bps compared with 2010. This increase was a sound performance, as it takes into account the additional costs relating to a pick-up in the hiring of necessary staff, which began in the second half of 2010, as well as an increase in salaries, which was partly noticeable in late 2010, but was very marked in the first half of 2011 compared with the first half of 2010. Talent management took on a core dimension. The Group's rapid pace of expansion and transformation has resulted in it continuing and developing training and hiring programs, especially training for staff in digital services, within VivaKi and in all creative and specialized media agencies.

In addition to sustained revenue growth, increasing the operating margin is a priority for the Group. In line with this goal, a selective hiring freeze was introduced in late summer, in addition to various measures to reduce operating expenses.

Net income attributable to the Group was 600 million euros, up 14.1% compared with 2010. This is a record amount for the Group.

Earnings per share rose 13.8% to 2.96 euros compared with 2010.

Headline Diluted Earnings per Share stood at 2.65 euros, i.e. a 10.9% increase over 2010, and net diluted EPS rose 12.3% to 2.64 euros.

At the forthcoming General Shareholders' Meeting on May 29, shareholders will be asked to approve a dividend proposal of 0.70 euro per share, representing a payout ratio of 23.6%. Subject to this approval, the dividend will be payable as of July 2, 2012.

At December 31, 2011, the Group's net debt stood at 110 million euros, compared with net cash of 106 million euros in 2010.

2011 was an exceptional year in terms of accounts awarded, with net new business gains of 7.9 billion dollars, net of accounts lost, a clear reflection of the relevance and competitiveness of Publicis Groupe's offering. New accounts awarded included, to mention but a few:

- United States: Microsoft, Darden, Burger King, Delta, Avaya, Sonic, and Sprint;
- World: Nescafé;
- Europe: Ferrero;
- China: X-Step Sporting Apparel, Kraft Ritz, Merck OTC Brands Asia Pacific, Embryform, and Jaccar;
- Brazil: Continental Tires, Kasinski Motorcycles – Zongshen, SECOM – Secretary of Communications for the Cabinet of President, Samsung, Lenovo, and Disney.

From the creative point of view, Publicis Groupe fared just as well as in recent years.

In early 2012, General Motors announced its intention to entrust its space buying budget to one of Publicis Groupe's competitors from the second half of 2012 onwards.

During the year Publicis Groupe made several acquisitions worldwide and in different areas of activity. All of these operations are coherent with Publicis Groupe's policy of pursuing its development in digital activities, consolidating its presence in high-growth countries, but also strengthening its activities in the health sector and expanding its public relations activities.

The important events of 2011 included the Group'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, after rolling out the "50 free shares" scheme in France in 2009, and in the United States in 2010, Publicis Group broadened its coverage, by introducing it in the following 16 countries: Belgium, Brazil, Canada, Denmark, Finland, Germany, India, Italy, Mexico, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, and the United Kingdom (Section 4.6, Note 28); the Group also introduced a new "2011 LTIP" (Long Term Incentive Plan).

3.2 Organic growth

When comparing its annual performances, Publicis Groupe measures the impact on reported revenue of changes in foreign currency exchange rates, acquisitions and disposals, and organic growth. Organic growth, which represents the increase in like-for-like revenue at constant exchange rates, is calculated as follows:

- revenue of the previous year is recalculated applying the current year average rate;
- revenue from acquisitions (net of revenue from any divested activities) is subtracted from the current year revenue, in order to neutralize the impact on growth of changes in Group scope.

The difference between the revenue for the current year, after subtraction of the revenue from acquisitions (net of that of divested activities) and the revenue of the previous year (translated at the current exchange rate) is compared with the revenue generated in the prior period to determine the percentage of organic growth.

The Group's management believes that the analysis of organic revenue growth provides a better understanding of its revenue performance and trends than reported revenue because it allows for more meaningful comparisons of current period revenue to that of prior periods. Also, like-for-like revenue is generally used in the industry as a key performance indicator.

Organic growth is unaudited and is not a measurement of performance under IFRS. It may not be comparable with similarly titled financial data of other companies.

(in millions of euros)	Total
2010 REVENUE	**5,418**
Impact of exchange rates	(126)
2010 revenue at 2011 exchange rates (a)	5,292
2011 revenue before impact of acquisitions [(1)] (b)	5,594
Revenue from acquisitions [(1)]	222
2011 REVENUE	**5,816**
ORGANIC GROWTH (b-a)/a	**5.7%**

(1) Net of disposals.

Against the backdrop of an advertising market that had contracted slightly since the summer, and taking into account the comparables for 2010 (organic growth of 8.3%), which was an exceptional year due to the strong recovery of the market after the 2009 downturn, our organic growth of 5.7% in 2011 was a sound performance, considering the 3.5% growth estimate for the advertising market for the year as a whole made by ZenithOptimedia in October 2011.

Per quarter, our organic growth rate was 6.5% in the first quarter, 7.6% in the second quarter, 6.4% in the third quarter and 2.9% in the fourth quarter of 2011.

3.3 Analysis of the consolidated results

3.3.1 REVENUE

Consolidated revenue in 2011 amounted to 5,816 million euros, compared with 5,418 million euros in 2010, an increase of 7.3%. (The impact of exchange rates was 126 million euros).

The organic growth rate for 2011 was 5.7%. This growth rate remains sound, even in the light of an exceptional 2010 comparable (8.3%), which was linked to a very strong recovery in the market after the 2009 downturn.

All activities posted growth in 2011. Digital services accounted for 30.6% of total revenue, compared with 28.0% for the previous period, and achieved higher organic growth (13.7%) than the overall market. High-growth economies represented 24.3% of overall revenue, compared with 22.7% in 2010.

Revenue by business line

The following table shows the percentage of total Group revenue from each of the three main business lines in 2011 and 2010:

	2011	2010
Advertising	31%	33%
Specialized Agencies and Marketing Services (SAMS)*	50%	47%
Media	19%	20%

* *Including 100% of the digital activities.*

Breakdown of 2011 revenue by geography

(in millions of euros)	Revenue 2011	Revenue 2010	Organic growth
Europe	1,872	1,761	+4.8%
North America	2,721	2,606	+5.9%
Asia-Pacific	690	617	+5.7%
Latin America	374	284	+8.8%
Africa and Middle East	159	150	+6.1%
TOTAL	**5,816**	**5,418**	**+5.7%**

All regions posted growth in 2011, with no exceptions. Virtually all Western European countries, except for Greece and Portugal, posted growth. France reported growth of 8.2% for the year as a whole, followed by Germany, which posted growth of 6.9%. The United Kingdom grew by 0.8%. Northern Europe grew by 5.0%. Eastern Europe and Russia reported growth of 9.1% and 15.6% respectively.

North America, which grew by 5.9%, continued to hold up well, despite the economic problems in the US; this was mainly due to digital services, which now represent 46.4% of revenue in this region The United States grew by 5.8 % in 2011.

The Asia-Pacific region performed well, posting growth of 5.7%; this includes Japan, where there was an improvement - although the trend was still negative -, and contrasting performances from each of the countries in the region. The Greater China Region posted growth of 8.5%.

All the Latin American countries returned strong growth in 2011, especially Argentina, Venezuela and Colombia. Brazil's organic growth rate (2.8%), which does not yet take into account the organic growth of the significant acquisitions made in 2011, suffered from a one-off drop in business levels at one agency.

Lastly, the Africa and Middle East region saw sustained growth (6.1%), despite the instability of the Middle Eastern area.

3.3.2 OPERATING MARGIN AND OPERATING INCOME

Global operating margin

The operating margin before depreciation and amortization was 1,034 million euros in 2011, a 6.9% increase from 967 million euros in 2010.

The operating margin was 931 million euros, up 8.8% by comparison with 2010.

Personnel expenses increased by 8%, from 3,346 million euros in 2010 to 3,615 million euros in 2011, i.e. 62.2% of total consolidated revenue. The end of the hiring and salary freeze in the summer of 2010 resulted in a needed increase in staff and headcount, which enabled the Group to adjust its human resources for a recovery. This trend continued throughout the first half of 2011. Fixed personnel costs amounted to 54.1% of consolidated revenue, compared with 53.4% in 2010. The realization that personnel costs had increased too sharply in the first half led the Group to re-introduce a selective hiring freeze and to defer salary increases until the end of the first quarter of 2012. The impact of this measure was a gradual reduction in net hires, although its effect on headcount was not yet noticeable at the end of the financial year. These measures enable the Group to start 2012 with a hiring level that is in line with margin targets. The tight control on personnel costs is a core issue, while controlling fixed cost ratios is an ongoing target.

Other operating expenses amounted to 1,167 million euros, a 5.6% increase compared with 2010, due mainly to an increase in marketing costs. Administrative expenses continued to fall, thanks to the ongoing optimization of various operating expenses, in accordance with the shared service center program. The introduction of the ERP will enable the Group to have a global overview of expenditure for its own account, thanks to the harmonization of our systems, and to take more effective action on operating expenses.

The operating margin for 2011 amounted to 16.0%, and reflected the improvement in revenue and the tight grip on operating expenses. The cost of restructuring operations in 2011 alone stood at 39 million euros, i.e. 10 million euros less than in 2010.

Rigorous cost management across the Group is irrespective of revenue fluctuations, and is undeniably a competitive strength that enables us to absorb the cost of integrating various acquisitions, and the cost of speeding up the roll-out of digital services throughout the world.

Depreciation and amortization totaled 103 million euros in 2011, compared with 111 million euros in 2010, and reflected the tight cost control on capital expenditure over the period.

Operating income

Amortization of intangible assets arising from acquisitions amounted to 38 million euros (34 million in 2010).

No impairments were recorded in 2011, whilst a 1 million euros charge had been recorded in 2010, due mainly to an impairment of intangible assets.

Net non-current income amounted to 21 million euros, and primarily included the 9.2 million euro capital gain on the disposal of the stake in Mediavest Manchester, as well as an 8.4 million euros profit relating to the takeover of Spillman Felser, in which the previous 40% interest had been consolidated via the equity method. Operating income amounted to 914 million euros in 2011, up 9.5% from the 835 million euros posted for 2010.

3.3.3 OTHER INCOME STATEMENT ITEMS

Net financial income, which consists of the cost of net financial debt and of other financial income and expenses, amounted to an expense of 54 million euros in 2011, compared with an expense of 76 million in 2010. This improvement in net financial income is mostly explained by a 17 million euros increase in financial income that was linked to an improvement in the average cash and cash equivalents position, which was 17% higher than in 2010, and to an increase in interest income from investments, primarily on euro investments (average capitalized Eonia of 0.84% in 2011 compared with 0.43% in 2010). There was also an improvement in other financial expenses (net of income), primarily where foreign exchange income was concerned. It should also be noted that the revaluation of earn outs, which was recorded in financial income for acquisitions after January 1, 2010, represents an income amount of 4 million euros in 2011 (compared to nil in 2010).

The annual tax charge amounted to 248 million euros, which worked out as an effective tax rate of 28.8%, compared with 216 million in 2010, which corresponded to an effective rate of 28.5%.

The share of profit of associates (i.e. entities accounted for by the equity method) was 17 million euros, compared with 8 million euros for the previous year; the increase was due to our share of BBH's (49% interest) and Somupi's (34% interest) profits.

Minority interests amounted to 29 million euros, up from 25 million in 2010.

Net income attributable to the Group was 600 million euros, i.e. a 14.1% increase over the previous period (526 million euros).

3.4 Financial and cash position

3.4.1 CASH FLOWS

Net cash flow from operations amounted to an inflow of 889 million euros at December 31, 2011, compared with an inflow of 1,011 million in 2010. The decrease compared with the previous financial year is explained by a smaller positive change in working capital requirements (73 million euros in 2011 compared with 287 million euros in 2010), which could not be offset by the improvement in net income between one financial year and the other (629 million euros versus 551 million in the previous year). The tax paid in 2011, which amounted to 212 million euros, was 7 million euros lower than the tax paid in 2010. Interest paid for 2011 amounted to 80 million euros, an amount that was slightly higher than the one for the previous year (76 million euros). Interest received in 2011, which amounted to 29 million euros, was 12 million higher than in 2010, which reflected an increase in the average cash position, and especially the doubling of euro interest rates (the average capitalized 2011 Eonia rate was 0.84%, compared with 0.43% in 2010).

Cash flow from investments comprises purchases and disposals of tangible and intangible assets, net acquisitions of financial assets and acquisitions and sales of subsidiaries. Net investments in fixed assets amounted to 112 million euros in 2011, compared with 78 million euros in 2010. Acquisitions of subsidiaries and other financial assets, net of disposals, amounted to an investment of 687 million euros, compared with 160 million euros in 2010. Most of the amount invested in 2011 related to the acquisition of Rosetta for 400 million euros. The balance includes several other acquisitions (including Genidigi in China, DPZ in Brazil, and Spillman Felser in Switzerland, to mention the most significant), together with earn outs amounting to 87 million euros. In addition, the Group recorded a net gain on disposals of 28 million euros, which was mainly generated by the disposal of the Group's entire holding in Freud Communications.

Net cash flows from investments include dividends paid, the change in borrowings, and transactions on treasury shares. Financing transactions resulted in a funding requirement of 55 million euros for the financial year, compared with a funding requirement of 380 million euros in 2010. In addition to the dividends paid (129 million euros in 2011 compared with 107 million in 2010), these figures include net sales of treasury shares following the exercise of stock options, in an amount of 51 million euros. In contrast, net purchases of treasury shares amounting to 198 million euros were performed in 2010 (including 218 million euros in purchases from Dentsu and 73 million via UBS, less 93 million euros in income from the exercise of stock options).

Overall, the Group's cash position net of bank credit balances increased by 18 million euros in 2011, compared with a 581 million euros increase the previous year.

Free cash flow

The Group's free cash flow, before changes in working capital requirements (WCR), rose 9.0% to 704 million euros.

The Group uses this indicator to measure liquidity generated by operating activities after accounting for investments in fixed assets, before acquisitions or sales of subsidiaries and before financing activities (including the financing of working capital requirements).

The table below shows the Group's free cash flow (before changes in working capital requirements):

(in millions of euros)	2011	2010
Operating margin before depreciation & amortization	1,034	967
Net interest paid	(51)	(59)
Taxes paid	(212)	(219)
Other	45	35
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WCR	**816**	**724**
Net investment in fixed assets	(112)	(78)
FREE CASH FLOW BEFORE CHANGES IN WCR	**704**	**646**

3.4.2 GROUP DEBT (LONG AND SHORT TERM)

The Group's share of consolidated equity was 3,898 million euros at December 31, 2011, up from 3,361 million euros at December 31, 2010, i.e. an increase of 537 million euros. This increase was mainly due to net income for the period (600 million euros). Conversely, equity was reduced by the dividends paid by the parent company (129 million euros).

Minority interests amounted to 33 million euros, compared with 21 million euros at December 31, 2010.

NET FINANCIAL DEBT

(in millions of euros)	December 31, 2011	December 31, 2010
Borrowings (long and short-term)	2,298	2,073
Fair value of derivative hedging exposure on 2012 and 2015 Eurobond (1)	(12)	(15)
Fair value of derivatives hedging on intra-group loans/borrowings (1)	(2)	-
TOTAL BORROWINGS INCLUDING MARKET VALUE OF ASSOCIATED DERIVATIVES	**2,284**	**2,058**
Cash and cash equivalents	(2,174)	(2,164)
NET FINANCIAL DEBT	**110**	**(106)**

(1) Reported under "Other receivables and current assets" and "Other creditors and current liabilities" on the consolidated balance sheet.

There was a 216 million euros deterioration in net financial debt, which swung from a positive net cash position of 106 million euros in 2010 to net debt of 110 million euros in 2011; this reflects the strong improvement in operating cash flows, and the impact of the 728 million euros spent on acquiring subsidiaries.

The Group's gross consolidated debt was 2,298 million euros at December 31, 2011, compared with 2,073 million euros at December 31, 2010. Of this debt, 64% had a maturity of greater than 12 months (see Note 22 to the consolidated financial statements at December 31, 2011 for a detailed maturity schedule of Group debt). On January 31, 2012, the Group repaid the 2012 Eurobond on maturity in an amount of 506 million euros, thus improving the percentage of debt with a maturity greater than 12 months.

Borrowings, after interest rate swaps, includes fixed-rate borrowings (49.5% of gross consolidated debt, excluding debt relating to purchases of investment securities and minority buyout commitments at December 31, 2011) with an average interest rate of 5.90% in 2011 (this rate includes additional interest related to the stripping into debt and equity of the Océane and Orane convertible bonds). The average interest rate of floating-rate borrowings, which made up 50.5% of total debt at December 31, 2011, was 3.80% in 2011.

The Group's financial debt is mainly in euros (73.5% of gross debt). Debt breakdown by currency on December 31, 2011 was as follows: 1,689 million euros denominated in euros, 154 million euros denominated in US dollars, and 455 million euros denominated in other currencies.

In December 2005, the Group established financial ratio targets meant to direct the Group's financial policy on such matters as acquisitions and dividends. These ratios were complied with at the end of the financial year, as the following table shows:

	Optimal ratio	December 31, 2011	December 31, 2010
Average net debt/operating margin before depreciation and amortization	*<1.50*	0.45	0.63
Net debt/equity (1)	*<0.5*	0.03	-
Coverage of interest on operating margin before depreciation/cost of net financial debt	*>7*	18	15

(1) Not applicable in 2010 due to the positive cash position of 106 million euros at December 31, 2010.

3.4.3 BORROWINGS AND STRUCTURE OF THE GROUP'S FINANCING

To manage liquidity risk, Publicis holds a substantial amount of cash and cash equivalents (2,174 million euros as at December 31, 2011) and unused credit lines (2,079 million euros at December 31, 2011, of which 1,855 million euros is confirmed and 224 million euros is unconfirmed). The main credit line is a multi-currency syndicated facility in the amount of 1,200 million euros, expiring in 2016.

These amounts, which are available or can be made available almost immediately, were more than sufficient to allow the Group to meet its current financial debt obligations (including commitments to minority shareholders).

During 2011, the Group achieved its target of renewing its syndicated loan early, in an amount of 1,200 million euros.

Group cash management continued to benefit from the introduction, in the principal countries, of centralized cash-pooling management. Since 2006, an international cash pooling structure has been implemented with the goal of pooling all cash for the Group as a whole.

Cash resources are for the most part held by subsidiaries in countries where funds can be freely transferred and centralized.

Since December 2005, the Group has been rated by the two leading international agencies – Standard & Poor's and Moody's. At the date of this document, the ratings were: BBB+ from Standard & Poor's and Baa2 from Moody's.

In June 2009, Standard & Poor's had placed the Group on "credit watch", with negative implications given the economic uncertainties that hung over the advertising industry overall and the specific risk for Publicis linked to General Motors' filing for Chapter 11 bankruptcy protection.

In October 2009, Standard & Poor's lifted this "credit watch", maintaining its BBB+ rating for the Group and raising the outlook from negative to neutral. Standard & Poor's reiterated its BBB+ rating neutral outlook in December 2011.

See also Notes 22 and 26 to the consolidated financial statements (Section 4.6).

3.4.4 RESTRICTIONS ON USE OF CAPITAL

At December 31, 2011, as well as at the date of the accounts closing, there were no rating triggers or financial covenants for short-term bank credit lines, syndicated facilities, confirmed medium-term bilateral bank credit lines or bond debt likely to restrict the Group's liquidity.

There are no legal or economic restrictions likely to limit or significantly restrict any transfers of funds to the parent company in the near future.

3.4.5 SOURCES OF FINANCING

Given the Group's cash position of 2,174 million euros and unused credit lines available of 2,079 million euros, at December 31, 2011, Publicis considers that it has the necessary cash resources to meet its operating requirements and capital investment in the next 12 months.

3.5 Publicis Groupe SA (parent company of the Group)

Publicis Groupe SA's revenue consists exclusively of rental income from property and management fees for services to subsidiaries of the Group. Its operating income totaled 52 million euros in 2011, versus 57 million euros in 2010. This includes re-invoicing the Group's entities for their share of the cost of the 2009 free share attribution under the "co-investment" program.

Financial income amounted to 408 million euros in 2011, compared with 387 million euros in 2010, which mainly includes financial income from investments and reversals of provisions for foreign exchange losses. Dividends from subsidiaries totaled 285 million euros in 2011, up from 250 million euros in 2010.

Operating expenses amounted to 52 million euros, compared with 64 million euros for the previous period. These expenses included the booking of a 26 million euros provision for contingencies and losses (versus 43 million euros in 2010) on treasury shares, which corresponded to the cost of the free-share and stock-option plans spread over the vesting period of the "co-investment plan".

Financial expense amounted to 181 million euros in 2011, compared with 198 million euros in 2010. The 2011 figure includes expenses of 56 million euros on bonds (compared with 50 million euros in 2010), while the balance consists mainly of provisions for foreign exchange losses and of other financial expense on intra-group loans.

Pre-tax profit from recurring operations was 228 million euros, compared with 183 million euros for the previous financial year.

After taking into account net exceptional income of 123 million euros, which mainly corresponds to a capital gain on securities, following the buyback of part of its own shares by Publicis Groupe Investment BV, and to a tax credit of 28 million euros arising from the French tax consolidation, which takes account of the new rule limiting the deduction of prior losses to 60% of net income for the financial year, the net income of Publicis Groupe, the Group's parent company, amounted to 379 million euros in 2011, compared with net income of 236 million euros for the previous year.

The breakdown at close of the last two financial years of outstanding trade payables by due date was as follows:

INFORMATION ON SUPPLIER PAYMENT PERIODS (ARTICLE 441-6-1 OF THE FRENCH COMMERCIAL CODE)

	Trade payables	
(in thousands of euros)	Total at 12/31/2011	Total at 12/31/2010
Invoices not yet due	882	866
Invoices less than 60 days overdue	348	370
Invoices over 60 days overdue	35	35
TOTAL	**1,265**	**1,271**

The General Shareholders' Meeting called to approve the 2011 financial statements will be asked to appropriate earnings for 2011 of 378,814,686 euros which, with previous earnings brought forward of 718,753,641 euros, represents distributable earnings of 1,097,568,327 euros:

- distribution of 127,818,692 euros (based on 182,598,132 shares, including existing treasury shares at December 31, 2011);
- appropriation to earnings brought forward of 969,749,635 euros.

Under the proposed appropriation, the net dividend would be 0.70 euro per share with a par value of 0.40 euro.

3.6 Dividend distribution policy

Dividend paid for	Number of shares that received dividends*	Dividend per unit (in euros)	Total distribution (in millions of euros)	Share price at December 31 (in euros)	Net yield
2007	175,954,392	0.60	105.6	26.78	2.24%
2008	178,944,210	0.60	107.4	18.40	3.26%
2009	178,930,977	0.60	107.4	28.50	2.11%
2010	184,024,870	0.70	128.8	39.00	1.79%
2011	**182,598,132****	**0.70*****	**127.8**	**35.545**	**1.97%**

* *Number of securities, excluding treasury shares, except for the December 2011 distribution, which includes the treasury shares outstanding at December 31, 2011 (subject to the comment in the following paragraph).*

** *The number of shares outstanding at December 31, 2011 has been adjusted for the cancellation of 10,759,813 treasury shares on February 17, 2012 (following the transaction described under 6.2.1)*

*** *Dividend proposed at the Ordinary General Shareholders' Meeting of May 29, 2012.*

Dividends not collected within five years are forfeited, and paid to the State.

For the past several years, the Company's dividend distribution policy focused on ensuring regular dividend payments to its shareholders while maintaining sufficient cash flow to finance its development.

Following three years of stable dividends (2007, 2008 and 2009) due to the global financial crisis, which forced the Company to manage its resources prudently, the dividend proposed for the 2010 financial year has been increased to 0.70 euro per share.

In respect of 2011, a dividend of 0.70 euros per share is proposed, in view of the macro-economic uncertainty and the financial transactions in early 2012.

This unchanged dividend reflects the Group's financial caution, in a troubled and uncertain global economic environment

The Company's dividend distribution policy is characterized by the payment of a dividend that increases regularly over the long term.

3.7 Outlook

The trends described below do not constitute forecasts or profit estimates as defined by European Regulation No. 809/2004 of April 29, 2004 used in application of directive 2003/71/00 of the European Parliament and Council of November 4, 2003.

The downturn triggered by investors' doubts regarding some countries' ability to repay their debt led the forecasting bodies to review their growth estimates for 2011 as a whole. For instance, ZenithOptimedia, which estimated that the global advertising market would expand by 4.1% in July, downgraded its estimates to 3.6% in October, and then to 3.5% in December 2011.

Against this backdrop, Publicis Groupe posted excellent growth of 5.7%, higher than the estimated market growth. This growth was made possible by the Group's exposure to digital services and to high-growth countries, which jointly represent 52.4% of revenue.

The Group intends to continue implementing its proven strategy, based on digital activities, which continue to grow strongly thanks to social networks and mobility, and on economic growth in high-growth economies.

The merits of this strategy, which are reflected in its results, are encouraging the Group to continue investing in digital services. Equally, expanding in high-growth countries remains a priority; the Group plans to double the size of its business in China between 2010 and 2013, and is making very substantial investments in Brazil, and is also reinforcing its positions in India and in other high-growth countries.

Ultimately, the Group's goal is to derive 75% of its revenue from high-growth activities or countries.

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

The exceptional level of new business gains in 2011, which amounts to 7.9 billion dollars, reflects Publicis Groupe's dynamic approach and the appropriateness of its offering, as well as its strong presence alongside its clients, thus confirming its ability to reach its market-share targets. This momentum enables the Group to look forward to a growth rate that is above current market estimates, despite the fact that 2012 will be a difficult year. The ongoing improvement of operating expenses remains inseparable from growth.

Publicis Groupe intends to focus its actions so as to reach these targets both by internal growth and targeted acquisitions.

Publicis Groupe is confident in its ability to deliver a growth rate above that of the advertising market, which ZenithOptimedia estimated to be 4.8% for the current year in March 2012, primarily thanks to its exposure to digital services and high-growth economies.

2011 CONSOLIDATED FINANCIAL STATEMENTS

4.1 Consolidated income statement

(in millions of euros)	Notes	2011	2010	2009
REVENUE		**5,816**	**5,418**	**4,524**
Personnel expenses	3	(3,615)	(3,346)	(2,812)
Other operating expenses	4	(1,167)	(1,105)	(940)
OPERATING MARGIN BEFORE DEPRECIATION & AMORTIZATION		**1,034**	**967**	**772**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	5	(103)	(111)	(92)
OPERATING MARGIN		**931**	**856**	**680**
Amortization of intangibles arising from acquisitions	5	(38)	(34)	(30)
Impairment loss	5	-	(1)	(28)
Non-current income and expenses	6	21	14	7
OPERATING INCOME		**914**	**835**	**629**
Financial expenses		(89)	(81)	(73)
Financial income		33	16	12
COST OF NET FINANCIAL DEBT	**7**	**(56)**	**(65)**	**(61)**
Other financial income and expenses	7	2	(11)	(9)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES		**860**	**759**	**559**
Income taxes	8	(248)	(216)	(146)
NET INCOME OF CONSOLIDATED COMPANIES		**612**	**543**	**413**
Share of profit of associates	13	17	8	4
NET INCOME		**629**	**551**	**417**
Of which:				
• Net income attributable to non-controlling interests (minority interests)		29	25	14
• **Net income attributable to equity holders of the parent company (Group share)**		**600**	**526**	**403**

Per share data (in euros) – Net income attributable to equity holders of the parent company	9			
Number of shares		*202,547,757*	*202,149,754*	*202,257,125*
Earnings per share		2.96	2.60	1.99
Number of diluted shares		*237,066,159*	*235,470,461*	*220,867,344*
Diluted earnings per share		2.64	2.35	1.90

4.2 Consolidated statement of comprehensive income

(in millions of euros)	2011	2010	2009
NET INCOME FOR THE PERIOD (A)	**629**	**551**	**417**
Other comprehensive income			
• Revaluation of available-for-sale investments	(3)	12	12
• Actuarial gains and losses on defined benefit plans	(51)	(10)	(4)
• Consolidation translation adjustments	49	297	(59)
• Deferred taxes on other comprehensive income	16	4	1
TOTAL OTHER COMPREHENSIVE INCOME (B)	**11**	**303**	**(50)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A) + (B)	**640**	**854**	**367**
Of which:			
• Total comprehensive income for the year attributable to non-controlling interests (minority interests)	29	33	17
• Total comprehensive income for the year attributable to equity holders of the parent company (Group share)	611	821	350

4.3 Consolidated balance sheet

(in millions of euros)	Notes	December 31, 2011	December 31, 2010	December 31, 2009
Assets				
Goodwill, net	10	5,207	4,278	3,928
Intangible assets, net	11	985	856	835
Property, plant and equipment	12	496	464	458
Deferred tax assets	8	82	75	73
Investments in associates	13	43	140	49
Other financial assets	14	113	113	94
NON-CURRENT ASSETS		6,926	5,926	5,437
Inventories and work in progress	15	343	326	290
Trade receivables	16	6,446	5,953	4,875
Other receivables and current assets	17	561	572	548
Cash and cash equivalents	18	2,174	2,164	1,580
CURRENT ASSETS		9,524	9,015	7,293
TOTAL ASSETS		**16,450**	**14,941**	**12,730**
Equity and liabilities				
Share capital		77	77	79
Additional paid-in capital and retained earnings, Group share		3,821	3,284	2,734
Equity attributable to holders of the parent company (Group share)	**19**	**3,898**	**3,361**	**2,813**
Non-controlling interests (minority interests)		33	21	25
TOTAL EQUITY		3,931	3,382	2,838
Long-term borrowings	22	1,460	1,783	1,796
Deferred tax liabilities	8	240	219	214
Long-term provisions	20	486	458	449
NON-CURRENT LIABILITIES		2,186	2,460	2,459
Trade payables		7,745	7,216	5,835
Short-term borrowings	22	838	290	214
Income taxes payable		66	39	63
Short-term provisions	20	137	118	100
Other creditors and current liabilities	23	1,547	1,436	1,221
CURRENT LIABILITIES		10,333	9,099	7,433
TOTAL EQUITY AND LIABILITIES		**16,450**	**14,941**	**12,730**

4.4 Consolidated statement of cash flows

(in millions of euros)	2011	2010	2009
Cash flows from operating activities			
Net income	629	551	417
Neutralization of non-cash income and expenses:			
Income taxes	248	216	146
Cost of net financial debt	56	65	61
Capital (gains) losses on disposals (before tax)	(19)	(14)	(10)
Depreciation, amortization and impairment loss on property, plant and equipment and intangible assets	141	146	150
Non-cash expenses on stock options and similar items	26	26	24
Other non-cash income and expenses	1	6	11
Share of profit of associates	(17)	(8)	(4)
Dividends received from associates	14	14	9
Taxes paid	(212)	(219)	(157)
Interest paid	(80)	(76)	(75)
Interest received	29	17	16
Change in working capital requirements (1)	73	287	59
NET CASH FLOWS GENERATED BY (USED IN) OPERATING ACTIVITIES (I)	**889**	**1,011**	**647**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(116)	(103)	(74)
Disposals of property, plant and equipment and intangible assets	4	25	10
Purchases of investments and other financial assets, net	13	5	10
Acquisitions of subsidiaries	(728)	(166)	(273)
Disposals of subsidiaries	28	1	1
NET CASH FLOWS GENERATED BY (USED IN) INVESTING ACTIVITIES (II)	**(799)**	**(238)**	**(326)**
Cash flows from financing activities			
Dividends paid to holders of the parent company	(129)	(107)	(107)
Dividends paid to non-controlling interests	(14)	(21)	(26)
Proceeds from borrowings	77	7	744
Repayment of borrowings	(29)	(52)	(108)
Net purchases of non-controlling interests	(11)	(9)	(25)
Net (purchases)/sales of treasury shares and warrants	51	(198)	5
NET CASH FLOWS GENERATED BY (USED IN) FINANCING ACTIVITIES (III)	**(55)**	**(380)**	**483**
Impact of exchange rate fluctuations (IV)	**(17)**	**188**	**(94)**
NET CHANGE IN CONSOLIDATED CASH AND CASH EQUIVALENTS (I + II + III + IV)	**18**	**581**	**710**
Cash and cash equivalents on January 1	2,164	1,580	867
Bank overdrafts on January 1	(36)	(33)	(30)
Net cash and cash equivalents at beginning of year (V)	**2,128**	**1,547**	**837**
Cash and cash equivalents on December 31 (Note 18)	2,174	2,164	1,580
Bank overdrafts on December 31 (Note 22)	(28)	(36)	(33)
Net cash and cash equivalents at end of year (VI)	**2,146**	**2,128**	**1,547**
NET CHANGE IN CASH AND CASH EQUIVALENTS (VI – V)	**18**	**581**	**710**
(1) Breakdown of change in working capital requirements.			
Change in inventory and work in progress	*(6)*	*(14)*	*29*
Change in accounts receivable and other receivables	*(267)*	*(855)*	*160*
Change in accounts payable, other payables and provisions	*346*	*1,156*	*(130)*
Change in working capital requirements	***73***	***287***	***59***

4.5 Consolidated statement of changes in equity

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital
178,854,301	**DECEMBER 31, 2008**	**78**	**2,553**
	Net income		
	Other comprehensive income:		
	Fair value adjustments to available-for-sale investments		
	Actuarial gains and losses on defined benefit plans (1)		
	Consolidation translation adjustments		
	TOTAL OTHER COMPREHENSIVE INCOME	-	-
	TOTAL INCOME AND EXPENSES FOR THE PERIOD	-	-
1,562,129	Publicis Groupe SA capital increase	1	47
	Equity component of Oceane 2014		
	Dividends		
	Share-based compensation (1)		
	Additional interest on Orane		
	Effect of acquisitions and commitments to buy out non-controlling interests (minority interests)		
6,752,338	Purchases/sales of treasury shares		
187,168,768	**DECEMBER 31, 2009**	**79**	**2,600**
	Net income		
	Other comprehensive income:		
	Fair value adjustments to available-for-sale investments		
	Actuarial gains and losses on defined benefit plans (1)		
	Consolidation translation adjustments		
	TOTAL OTHER COMPREHENSIVE INCOME	-	-
	TOTAL INCOME AND EXPENSES FOR THE PERIOD	-	-
(5,937,871)	Publicis Groupe SA capital increase and cancellation of treasury shares	(2)	(168)
	Dividends		
	Share-based compensation (1)		
	Additional interest on Orane		
	Effect of acquisitions and commitments to buy out non-controlling interests (minority interests)		
1,140,173	Purchases/sales of treasury shares		
182,371,070	**DECEMBER 31, 2010**	**77**	**2,432**
	Net income		
	Other comprehensive income:		
	Fair value adjustments to available-for-sale investments		
	Actuarial gains and losses on defined benefit plans (1)		
	Consolidation translation adjustments		
	TOTAL OTHER COMPREHENSIVE INCOME		
	TOTAL INCOME AND EXPENSES FOR THE PERIOD	-	-
1,712,704	Publicis Groupe SA capital increase	-	47
	Dividends		
	Share-based compensation (1)		
	Additional interest on Orane		
	Effect of acquisitions and commitments to buy out non-controlling interests (minority interests)		
1,912,289	Purchases/sales of treasury shares		
185,996,063	**DECEMBER 31, 2011**	**77**	**2,479**

(1) The actuarial gains and losses on defined benefit plans as well as share-based compensation take into account the associated taxes deferred.

Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to the holders of the parent company	Non-controlling interests (minority interests)	Total equity
(105)	**(315)**	**109**	**2,320**	**30**	**2,350**
403			403	14	417
		12	12		12
(3)			(3)		(3)
	(62)		(62)	3	(59)
(3)	**(62)**	**12**	**(53)**	**3**	**(50)**
400	**(62)**	**12**	**350**	**17**	**367**
(48)			-		-
49			49		49
(107)			(107)	(26)	(133)
26			26		26
(6)			(6)		(6)
			-	4	4
181			181		181
390	**(377)**	**121**	**2,813**	**25**	**2,838**
526			526	25	551
		12	12		12
(6)			(6)		(6)
	289		289	8	297
(6)	**289**	**12**	**295**	**8**	**303**
520	**289**	**12**	**821**	**33**	**854**
(48)			(218)		(218)
(107)			(107)	(21)	(128)
39			39		39
(7)			(7)		(7)
			-	(16)	(16)
20			20		20
807	**(88)**	**133**	**3,361**	**21**	**3,382**
600			600	29	629
		(3)	(3)		(3)
(35)			(35)		(35)
	49		49		49
(35)	**49**	**(3)**	**11**		**11**
565	**49**	**(3)**	**611**	**29**	**640**
(47)			-		-
(129)			(129)	(14)	(143)
25			25		25
(8)			(8)		(8)
(13)			(13)	(3)	(16)
51			51		51
1,251	**(39)**	**130**	**3,898**	**33**	**3,931**

4.6 Notes to the consolidated financial statements

DETAILED SUMMARY OF THE NOTES

Note 1 Accounting policies

Pursuant to European regulation No. 1606/2002 of July 19, 2002 pertaining to international accounting standards, the consolidated financial statements for 2011 were prepared in accordance with IAS/IFRS international standards and IFRIC interpretations applicable on December 31, 2011 as approved by the European Union.

The financial statements for the 2011 financial year are presented alongside comparative figures for 2010 and 2009, which were also prepared under IAS/IFRS. Reporting options related to first time adoption of IFRS are presented in Note 1.5 below.

The financial statements were approved by the Management Board on February 7, 2012 and reviewed by the Supervisory Board on February 8, 2012. They will be submitted for approval by the shareholders at the General Shareholders' Meeting on May 29, 2012.

1.1 Impact of IFRS accounting standards and IFRIC interpretations taking effect as of January 1, 2011 and impact of published IFRS and IFRIC interpretations not yet in force

The accounting principles adopted for the preparation of the consolidated financial statements comply with IFRS accounting standards and IFRIC interpretations, as adopted by the European Union as of December 31, 2011, and published on the following website:

http://ec.europa.eu/internal_market/accounting/legal_framework/regulations_adopting_ias_fr.htm

These accounting principles are consistent with those applied to prepare the consolidated financial statements for the financial year ending December 31, 2010.

The European Union's adoption of the following rules and interpretations has no impact on the Group's financial statements:

- Amendment to IAS 32 – Classification of rights issues;
- Improvements made in 2010 – Standard published in 2010;
- Amendment to IFRIC 14 – The limit on a defined benefit asset, minimum funding requirements and their interaction;
- IFRIC 19 – Extinguishing financial liabilities with equity instruments;
- IAS 24 (revised) – Related parties.

Amendment to IFRS 7 – Disclosures on transfers of financial assets, not applicable to financial periods beginning prior to July 1, 2011, has no impact on the Group's financial statements.

These principles do not differ from IFRS rules as published by the IASB, since the application of the following rules and interpretations is not mandatory in financial years beginning on or after January 1, 2011:

- IFRS 9 – Financial instruments;
- Amendment to IAS 12 – Deferred Taxes: Recovery of Underlying Assets;
- IFRS 10 – Consolidated Financial Statements;
- IFRS 11 – Joint Arrangements;
- IFRS 12 – Disclosure of Interests in Other Entities;
- IFRS 13 – Fair Value Measurement;
- IAS 28 (revised) – Investments in Associates and Joint Ventures;
- Amendment to IAS 19 – Defined Benefit Plans;
- Amendment to IAS 1 – Presentation of Items of Other Comprehensive Income;
- Amendment to IAS 32 and amendments to IFRS 7 – Offsetting Financial Assets and Financial Liabilities, and Related Disclosures.

Publicis is currently in the process of determining the potential impact of these new standards and interpretations on the Group's consolidated financial statements.

1.2 Consolidation principles and policies

Reporting currency of the consolidated financial statements

Publicis prepares and publishes its consolidated financial statements in euros.

Investments in subsidiaries

The consolidated financial statements include the financial statements of Publicis Groupe, SA and its subsidiaries as at December 31 of each year. Subsidiaries are consolidated as from the time that the Group obtains control until the date on which control is transferred to an entity outside the Group.

Control is the power to determine the financial and operating policies of a company in order to obtain economic advantages from its activities. Control is presumed to exist when the Group holds, directly or indirectly through subsidiaries, the majority of the voting rights in a company. In cases where the Group holds, directly or indirectly, less than half of the voting rights, it may nevertheless exercise control by virtue of the Company's bylaws, agreements, the power to appoint or dismiss the majority of the Board of Directors or the power to cast the majority of votes.

Investments in associates

The Group's investments in associates are accounted for under the equity method. An associate is a company over which the Group has significant influence, which is presumed to be the case when the Group's ownership percentage is at least equal to 20% and when the entity is neither a subsidiary nor an enterprise that is subject to the joint control of the Group and others.

Investments in associates are recognized in the balance sheet at their acquisition cost and adjusted to reflect subsequent changes to the Group's share in the net assets of the associate, in accordance with the equity method. The Group's investment includes the amount of any goodwill, which is treated in accordance with the Group's accounting policy in this area, as presented in paragraph 1.3 below. The income statement reflects the Group's share of the associates' net income after taxes for the period.

Foreign currency transactions

Transactions in foreign currencies are recognized at the exchange rate applicable on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable at the reporting date. All differences arising are recognized in the income statement, except for differences on loans and borrowings that, in substance, form part of the net investment in a foreign entity. These differences are recognized in equity until such time as the net investment is disposed of, at which time they are recorded in the income statement.

Translation of financial statements prepared in foreign currencies

The functional currency of each Group entity is the currency of the economic environment in which it operates. The financial statements of subsidiaries located outside the euro zone that are presented in local currencies are converted into euros, the reporting currency of the consolidated financial statements, in the following manner:

- assets and liabilities are translated at year-end exchange rates;
- the income statement is converted at the average exchange rate over the year;
- translation adjustments resulting from the application of these rates are recognized in "Other comprehensive income items – Translation reserve" for the Group share, with the remainder being recorded as "Non-controlling interests (minority interests)".

Goodwill and fair value adjustments of assets and liabilities recognized in the context of the acquisition of a foreign entity are expressed in the functional currency of the acquired company and converted at the exchange rate applying at the reporting date.

Elimination of intra-Group transactions

Transactions between consolidated subsidiaries are fully eliminated, as are the corresponding receivables and payables. Similarly, inter-company gains or losses on sales, internal dividends, and provisions relating to subsidiaries are eliminated from consolidated results, except in the case of impairment loss.

1.3 Accounting principles

Business combinations effective as of January 1, 2010

Business combinations have been treated in the following manner:

- identifiable assets acquired and liabilities assumed are recognized at their fair value on the acquisition date;
- non-controlling interests in the acquired business (minority interests) are recognized either at fair value or at the proportionate share of the fair value of identifiable net assets in the acquired business. This option is available on a case-by-case basis for each business combination.

Acquisition costs are recognized as an expense when incurred and are recorded under the heading "Other operating expenses" in the consolidated income statement.

Any earn out payments on business combinations are recognized at fair value on the acquisition date. After the acquisition date, earn out payments are recognized at their fair value on the balance sheet date. As of the end of the period for allocating the acquisition price, which comes one year following the acquisition date at the latest, any change in this fair value will be recorded in income. Within this allocation period, any changes in this fair value explicitly linked to events subsequent to the acquisition date will also be recognized in income. Other changes will be recognized as an offset to goodwill.

However, these provisions do not apply to earn out payments linked to acquisitions prior to January 1, 2010. These earn out payments are recognized according to the provisions of IFRS 3 (before its revision) which provides for the recognition of earn out payments as an offset to goodwill, without any time limitation.

At the acquisition date, goodwill represents the difference between:

- the fair value of the transferred asset, including earn out payments, plus the amount of non-controlling interests in the acquired company and, where a business combination occurs in several stages, the fair value at the acquisition date of the interest previously held by the buyer in the acquired company, which is adjusted through income; and
- the net residual value of identifiable assets acquired and liabilities assumed at the acquisition date and recorded at fair value.

Although deferred tax assets were not recognized at the acquisition date because their recoverability was uncertain, any subsequent recognition or utilization of these deferred taxes after the allocation period will be recorded as an offset to income (i.e. with no impact on the amount recorded as goodwill).

Buyout commitments to minority shareholders when business combinations occur

Pending an IFRIC interpretation or a specific IFRS on this matter, the following accounting treatment has been adopted in accordance with currently applicable IFRS and the AMF recommendation:

- initially, these commitments are recognized in borrowings at the present value of the buyout amount, with an offsetting entry to goodwill;
- subsequent changes in the value of the commitment are recognized by adjusting equity on the grounds that it is a transaction between shareholders.

Additional acquisition of securities after the exclusive takeover

When additional securities are acquired in an entity that is already exclusively controlled, the difference between the acquisition price of these securities and the proportion of additional consolidated equity acquired is recognized as equity attributable to shareholders of the parent company of the Group. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

In the statement of cash flows, the acquisition of additional securities in an entity already controlled is presented as net cash flow relating to financing activities.

Additional acquisition of securities with the exclusive takeover of an entity previously under significant influence

The exclusive takeover leads to the recognition of a disposal gain or loss calculated on the entire interest at the transaction date.

The previously held interest is remeasured at fair value through the income statement at the time of the exclusive takeover.

Sale of securities without loss of exclusive control

In the event of a partial sale of securities in an exclusively controlled entity that does not modify control of this entity, the difference between the fair value of the sale price of the securities and the proportion of consolidated equity capital that these securities represent at the date of sale is recognized as equity attributable to shareholders in the parent company of the Group. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

Sale of securities with loss of exclusive control

The loss of exclusive control leads to the recognition of a disposal gain or loss calculated on the entire interest at the transaction date.

Any residual interest is therefore remeasured at fair value through the income statement at the time of the exclusive loss of control.

Business combinations effective before January 1, 2010

In comparison with the elements presented above, the following accounting treatments were applied to business combinations prior to January 1, 2010:

- the transaction costs directly attributable to the acquisition were included in the acquisition cost;
- shareholdings which do not confer control (minority interests) were measured in terms of the share of the fair value of net assets of the entity acquired;
- restructuring of companies carried out in several stages were accounted as such. Any additional share acquired did not affect previously recognized goodwill;
- price adjustments were recognized at the acquisition date if and only if the Group had a current obligation with a likely settlement which could be reliably assessed. Changes in estimations of the amount of the price adjustment affected goodwill. These arrangements continue to be applied to the variations, subsequent to January 1, 2010, of price adjustments in relation to business combinations prior to this date;
- initially, the minority buyout commitments were recognized as borrowings at the discounted value of the purchase obligation, with a double entry booked to non-controlling interests and the remainder to goodwill; subsequent changes in the amount of the obligation are recognized by adjusting the amount of goodwill. These arrangements continue to be applied to the subsequent changes to commitments prior to January 1, 2010.

Research and study costs

Publicis recognizes expenditures for studies and research as expenses attributable to the financial year in which they are incurred. This expenditure principally relates to the following items: studies and tests relating to advertising campaigns, research programs into consumer behavior or clients' needs in various areas, and studies and modeling to optimize media purchases for the Group's clients.

Development expenditures incurred for an individual project are capitalized once they are considered to be reasonably certain of being recovered in the future. Any capitalized expense is amortized over the future period during which the project is expected to generate income.

Goodwill

When a takeover takes place in a single transaction, goodwill is equal to the fair value of the consideration paid to acquire the securities (including any earn out payments which are recorded at fair value at the takeover date, plus the value of non-controlling interests). These items are valued for each business combination either at fair value or at the proportionate share of the fair value of the net assets of the acquired business and minus the fair value of assets, liabilities and contingent liabilities identified at the acquisition date.

Goodwill that is recorded in the balance sheet is not amortized but is instead subject to impairment tests on at least an annual basis. Impairment tests are performed for the cash-generating unit(s) to which the goodwill was allocated by comparing the recoverable value and the carrying amount of the cash-generating unit(s). The Group considers each agency or group of agencies to be a cash-generating unit.

The recoverable value of a cash-generating unit is the greater of its fair value (generally its market value), net of disposal costs, and its value in use. Value in use is determined on the basis of discounted future cash flows. Calculations are based on five-year cash flow forecasts, a terminal growth rate for subsequent cash flows and the application of a discount rate to all future flows. The discount rates used reflect current market assessments of the time value of money and the specific risks to which the cash-generating unit is subject.

If the carrying amount of a cash-generating unit is greater than its recoverable value, the assets of the cash-generating unit are written down to their recoverable value. Impairment losses are allocated, firstly, to goodwill, and are recognized through the income statement.

Intangible assets

Separately acquired intangible assets are recognized at acquisition cost. Intangible assets acquired in the context of a business combination are recognized at their fair value on the acquisition date, separately from goodwill, if they are identifiable, i.e. if they meet one of the following two conditions:

- the intangible assets arise from legal or contractual rights; or
- the intangible assets can be separated from the acquired entity.

Intangible assets primarily consist of trade names, client relationships, technology, e-mail address databases and software.

Trade names, which are considered to have indefinite useful lives, are not amortized. They are subject to impairment tests, at least once a year, which involve comparing their recoverable value to their carrying amount. Any impairment loss is recorded in the income statement.

Client relationships with a finite useful life are amortized over such useful lives, which are generally between 10 and 40 years. They are also subject to impairment tests if there are any indicators that they may have been impaired.

Technology assets result from the Group's engagement in interactive activities. They are amortized over a three-to four-year period.

E-mail address databases are used in direct e-mailing campaigns. These databases are amortized over two years.

The method used to identify any impairment of intangible assets is based on discounted future cash flows. The Group uses the "royalty savings" method for trade names, which takes into account the future cash flows that the trade name would generate in royalties if a third party were to pay for the use of said trade name. For client contracts, the method involves discounting future cash flows generated by the client. Valuations are carried out by independent appraisers. The parameters used are consistent with those used to measure goodwill.

Capitalized software includes in-house applications as well as commercial packages; they are measured either at their acquisition cost (if purchased externally) or at their production cost (if developed internally). They are amortized over their useful life. With only some exceptions, the amortizable period does not exceed three years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost minus accumulated depreciation and impairment loss.

When appropriate, the total cost of an asset is broken down into its various components that have distinct useful lives. Each component is then recognized separately and depreciated over a distinct term.

Items of property, plant and equipment are depreciated on a straight-line basis over each asset's estimated useful life. The useful life of property, plant and equipment is generally assumed to be as follows (straight-line method):

- Buildings: 20 to 70 years;
- Fixtures, fittings and general installations: 10 years;
- Office equipment and fixtures: 5 to 10 years;
- Vehicles: 4 years;
- IT equipment: 2 to 4 years.

If any indicators suggesting impairment loss exist for items of property, plant and equipment, the recoverable value of the property, plant and equipment or the cash-generating unit(s) to which such assets belong is compared to their carrying amount. Any impairment loss is recorded in the income statement.

Leases

Finance leases, which transfer substantially all of the risks and rewards of the ownership of the leased assets to the Group, are recognized in the balance sheet from the beginning of the lease contract at the lesser of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance leases are recognized in property, plant and equipment and a corresponding liability is recognized in borrowings. They are depreciated over the length of the lease contract or over the useful lives applicable to similar assets owned by the Group, whichever is shorter. In the income statement, lease rental expenses are replaced by the interest on the debt and the depreciation of the assets. The tax effect of this restatement for consolidation purposes is accounted for through the recognition of a deferred tax asset or liability.

Leases in which the lessor does not transfer substantially all of the risks and rewards of ownership of the leased assets are classified as operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

Other financial assets

All investments are initially recognized at fair value, which corresponds either to the price paid or the value of assets given in payment, plus any transaction costs.

Subsequent to their initial recognition, investments classed as "investments held for trading" or "available-for-sale financial assets" are measured at their fair value at the reporting date. Gains and losses on investments held for trading are recognized in income. Gains and losses on available-for-sale financial assets are recognized in equity, on a specific line, until the investment is sold or shown to be impaired.

Other long-term investments held until maturity, such as bonds, are measured at amortized cost using the effective interest rate method. For investments recognized at amortized cost, gains and losses are recognized in the income statement if they are sold or impaired, as well as through the process of amortization.

For investments that are actively traded on organized financial markets, fair value is determined by reference to the published market price at the reporting date. For investments that are not listed on an active market, fair value is determined with reference to the current market price of another substantially similar investment, or calculated based on the cash flows that are expected from the investment.

Loans and advances to invested entities

This includes financial receivables from associates or unconsolidated companies held by the Group.

Impairment is recognized whenever there is a risk of non-payment as a result of the financial position of the entity in question.

Inventories and work in progress

This includes mainly work in progress in our advertising business, i.e. the technical work involved in creating and producing advertisements for print, broadcasting, etc., for which the client is ultimately liable but has not yet been invoiced. They are recognized on the basis of costs incurred and a provision is recorded when their net realizable amount is lower than cost. Un-billable work or costs incurred relating to new client development activities are not recognized as assets, except for tendering expenses which may be re-invoiced to the client under the terms of the contract. In order to assess net realizable amount, inventory and work in progress are reviewed on a case-by-case basis and written down, if appropriate, on the basis of criteria such as the existence of client disputes and legal claims.

Trade receivables

Receivables are recognized at the initial amount of the invoice. Receivables presenting a risk of non-recovery are subject to impairment. Such allowances are determined, on a case-by-case basis, using various criteria such as difficulties in recovering the receivables, the existence of any disputes and claims, or the financial position of the debtor.

Due to the nature of the Group's activities, trade receivables are of a short-term nature. Nevertheless, any trade receivables of a longer-term nature will be recognized at their discounted value.

Derivative financial instruments

The Group uses derivatives such as foreign currency and interest rate hedges to hedge its current or future positions against foreign exchange rate risks or interest rate risks. These derivatives are measured at fair value, determined either by reference to observable market prices at the reporting date or by the use of valuation models based on market parameters at the reporting date.

Whenever these financial instruments are involved in an arrangement treated as a hedge for accounting purposes, the following should be distinguished:

- fair value hedges, which are used to hedge against changes in the fair value of a recognized asset or liability;
- cash flow hedges, which are used to hedge against exposure to changes in future cash flows.

For fair value hedges related to a recognized asset or liability, all gains and losses resulting from the remeasurement of the hedging instrument at fair value are recognized immediately in the income statement. At the same time, any gain or loss on the item hedged by the effective portion of the hedge will change the carrying amount of this item as an offset to its effect on the income statement.

For hedges used to hedge firm commitments and that meet the conditions for recognition as hedge accounting (future cash flow hedges), the portion of gain or loss realized on the hedging instrument deemed to be an effective hedge is recognized directly in equity. The ineffective portion is recognized immediately in profit and loss. Gains and losses recognized in equity are reported in the income statement for the period in which the hedged commitment affects income; for example, when a planned sale actually occurs.

As for derivatives that do not qualify for hedge accounting, any gain or loss resulting from changes in their fair value is recognized directly in the income statement for the financial year.

Changes in the fair value of derivatives that qualify as fair value hedges are recognized in other financial income and expenses, as are changes in the value of the underlying items. The fair value of derivative instruments is recognized in other receivables and current assets and in other creditors and current liabilities.

Cash and cash equivalents

Cash and cash equivalents include sight deposits, cash on hand, instruments maturing in three months or less, and UCITS and money market funds with a negligible value risk, i.e. that meet the following conditions: sensitivity to interest rate risk less than or equal to 0.25, and 12-month historical volatility of zero.

For the purposes of the statement of cash flows, "cash" includes cash and cash equivalents as defined above, net of bank overdrafts.

Treasury shares

Irrespective of their intended use, all treasury shares are recognized as a deduction from equity.

Bonds

BONDS REDEEMABLE IN CASH

The bonds are initially recognized at their fair value, which corresponds to the amount of cash received, net of issuance costs.

Subsequent to initial recognition, bonds are recognized at their amortized cost, using the effective interest rate method, which takes into account all issuance costs and any redemption premium or discount.

CONVERTIBLE BONDS AND DEBENTURES REDEEMABLE FOR STOCK

For convertible bonds (Oceane) or debentures (Orane), or debentures with warrants (OBSA), the debt and equity portions are initially recognized separately. The fair value of the liability component is determined by discounting the future contractual cash flows at market rates that the Company would have had to pay on a similar instrument offering the same terms but without a conversion option.

The equity component is measured on issuance by deducting the fair value of the liability component from the fair value of the bond as a whole. The value of the conversion option is not revised during subsequent financial years.

Issuing costs are divided between the debt and equity components based on their respective carrying values on issuance.

The debt component is subsequently measured at amortized cost.

Provisions

Provisions are recognized when:

- the Group has a current obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources constituting economic benefits will be required in order to extinguish the obligation; and
- the amount of the outflow can be estimated reliably.

If the time value of money is material, provisions are discounted to present value. Increases in the amount of provisions resulting from the unwinding of the discount are recognized as financial expenses.

Contingent liabilities are not recognized but, if material, are disclosed in the notes to the financial statements, except in the case of business combinations where they constitute identifiable items for recognition.

PROVISIONS FOR LITIGATION AND CLAIMS

The Group recognizes a provision in each case where a risk related to litigation or a claim of any type (commercial, regulatory, tax or employee related) is identified, where it is probable that an outflow of resources will be necessary to extinguish this risk and where a reliable estimate of the costs to be incurred can be made. In such cases, the amount of the provision (including any related penalties) is determined by the agencies and their experts, under the supervision of the Group's head office teams, on the basis of their best estimate of the probable costs related to the litigation or the claim.

RESTRUCTURING PROVISIONS

The total cost of restructuring or reorganizing is recognized in the financial year that these actions were approved and announced.

In the context of an acquisition, restructuring plans that do not constitute liabilities for the acquired company on the date of the acquisition are recognized as expenses.

These costs consist primarily of severance and early retirement payments and notice periods that have not been worked, which are recognized in employee benefits expenses, and, in some cases, of write-downs of property, plant and equipment and other assets.

VACANT PROPERTY PROVISIONS

A provision is recognized for the amount of rent and related expenses to be paid, net of any sublease revenue to be received, for all buildings that are sublet or vacant and are not intended to be used in the context of the Group's principal activities.

In the context of business combinations, provisions are also recorded when the acquired company has property rental contracts with less favorable terms than those prevailing on the market as of the acquisition date.

Pension and other post-employment benefits

The Group recognizes obligations relating to pensions and other post-employment benefits based on the type of plan in question:

- defined contribution plans: the amount of the Group's contribution to the plan is recognized as an expense during the period;
- defined benefit plans: the cost of defined benefits is determined separately for each plan using the projected unit cost actuarial method. Actuarial gains and losses arising during the year are recorded directly in equity. The effect of the unwinding of discounts on pension obligations net of the expected return on plan assets is recorded in "Other financial income and expenses".

Other creditors and current liabilities

Other creditors and current liabilities have maturities of less than one year.

Trade payables

This line item includes all operating payables (including notes payable and accrued supplier invoices) related to the purchase of goods and services including those related to media buying where the Company acts as agent. These payables are due within less than one year.

Revenue

A written agreement with clients (purchase order, letter, contract, etc.) indicating the nature and the amount of the work to be performed is required for the recognition of revenue. The Group's revenue recognition policies are summarized below:

- for commission-based customer arrangements (excluding production): revenue from creative advertising and media buying services is recognized on the date of publication or broadcast;
- fees (project-based arrangements, fixed-fee arrangements, time-based arrangements, etc.): revenue under project-based agreements is recognized in the accounting period in which the service is rendered. Revenue under fixed-fee agreements is recognized on a straight-line basis, which reflects the nature and the scope of services rendered. Revenue under time-based agreements is recognized on the basis of work done;
- fees based on performance criteria: revenue is recognized when the performance criteria have been met and the customer has confirmed its agreement.

Publicis Groupe stock option plans

The fair value of the options granted is recognized in employee benefits expense over the vesting period of the options. It is determined by an independent expert using the Black-Scholes model.

For plans whose exercise depends on the achievement of objectives (excluding market objectives), the Group evaluates the probability that the objectives will be achieved and takes account of this estimate in its calculation of the number of shares to be issued.

Publicis Groupe free share plans

The fair value of the free shares granted is recognized in employee benefits expense over the vesting period of the rights. This value is determined by an independent expert and is equal to the market price per share on the date of the award, adjusted to reflect the expected loss of dividend(s) during the vesting period.

Non-current income and expenses

In order to facilitate the analysis of the Group's operational performance, Publicis records exceptional income and expenses in "Non-current income and expenses". This line item mainly includes gains and losses realized on the disposal of assets.

Operating margin before Depreciation & Amortization

Operating margin is equal to revenue after deducting personnel expenses, other operating expenses (excluding other non-current income and expenses described above).

Operating margin

Operating margin is equal to revenue after deducting personnel expenses, other operating expenses (excluding other non-current income and expenses described above) and depreciation and amortization expense (excluding intangibles from acquisitions). The operating margin, which represents operating income expressed as a percentage of revenue, is an indicator used by the Group to measure the performance of cash-generating units and the Group as a whole.

Cost of net financial debt and other financial income and expenses

The cost of net financial debt includes financial expenses on borrowings and interest income on cash and cash equivalents.

Other financial income and expenses mainly includes the effects of unwinding discounts on vacant property and pension provisions (net return on plan assets), the effect of revaluation of earn out payments on acquisitions, changes in the fair value of derivatives and foreign exchange gains and losses.

Income tax

Net income for the period is taxed based on the tax laws and regulations in force in the respective countries where the income is reported. Deferred taxes are reported using the balance sheet liability method for temporary differences between the tax value and the carrying amount of assets and liabilities at the reporting date.

Deferred tax assets are recorded for deductible temporary differences, tax loss carryforwards and unused tax credits to the extent that it is probable that there will be taxable income for the period (either from the reversal of the temporary differences or generated by the entity) against which such items can be charged in future years.

The carrying amount of deferred tax assets is reviewed on every reporting date and reduced if it is no longer probable that there will be sufficient taxable income for the period to take advantage of all or part of this deferred tax asset. Deferred tax assets that are unrecognized are measured on every reporting date and recognized if it is likely that they will be usable against future taxable income for the period.

Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applicable in the year in which the asset is realized or the liability settled. The tax rates used are those that have been enacted, or virtually enacted, at the reporting date.

Earnings per share and diluted earnings per share (EPS and diluted EPS)

Earnings per share are calculated by dividing net income for the financial year attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, including the effect of redemption of Orane in shares, as Orane are contractually redeemable in ordinary shares.

Diluted earnings per share are calculated by dividing net income for the financial year attributable to common stock, after cancellation of interest on bonds redeemable for, or convertible into, ordinary shares, by the weighted average number of common shares outstanding during the financial year adjusted to reflect the effect of options, free shares granted, outstanding warrants and the conversion of bonds convertible into stock (Oceane). The calculation of diluted earnings per share reflects only instruments that are dilutive, i.e. that reduce earnings per share.

For Publicis Groupe stock options, warrants and free shares, the method applied is set forth below.

For the calculation of diluted earnings per share, all dilutive options and warrants are assumed to have been exercised and the free shares actually received.

The proceeds from the exercise of these instruments are deemed to have been received with the issue of ordinary shares at the average market price for ordinary shares during the period. That issue, which is presumed to be measured at fair value, is neither dilutive nor accretive and is not included in the calculation of diluted earnings per share. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at average market price must be treated as an issue of ordinary shares without proceeds and therefore as dilutive.

This number is added to the denominator in the diluted earnings per share ratio. Hence, options and warrants are dilutive only when the average price per share of ordinary shares during the period exceeds the options' or warrants' strike price (i.e. when they are "in the money").

In addition to these earnings per share (base and diluted), the Group calculates and regularly releases a "current" base and diluted EPS, similar to the one described above, except with respect to the earnings figure used, which excludes:

- the items "impairment loss" and "amortization expense of intangibles from acquisitions";
- the effect of the revaluation of earn out payments on acquisitions recorded under "Other financial income and expenses";
- certain specifically designated items of exceptional income and expense recorded as "Non-current income (expense)".

1.4 Principal sources of uncertainty arising from use of estimates

The Group's financial position and earnings depend on the accounting methods applied and the assumptions, estimates and judgments made when the consolidated financial statements are prepared. The Group bases its estimates on its past experience and on a series of other assumptions considered reasonable under the circumstances to measure the amounts to be used for the Group's assets and liabilities. Actual outcomes may, however, vary significantly from these estimates.

The characteristics of the main accounting policies, judgments and other uncertainties affecting the application of these accounting policies, together with the sensitivity of the results to changes in the conditions and assumptions associated with them are factors to be taken into consideration. The Group makes estimates and assumptions regarding the future. The accounting estimates thus obtained will, by definition, rarely be exactly the same as the actual outcomes.

The main assumptions concerning future events, and other sources of uncertainty, relate to the use of estimates on the reporting date, when there is a significant risk that the estimates of the net carrying amount of the assets and liabilities will be modified in future years, i.e.:

- the fair value allocated to assets and liabilities acquired through business combinations;
- impairment of goodwill and intangible assets;
- provisions for liabilities and charges, particularly for defined benefit pension liabilities and post-employment medical care;
- impairment of doubtful receivables;
- the fair-value measurement of stock options awarded under Publicis Groupe SA's stock option plans.

Detailed disclosures concerning these matters are provided in Notes 5, 20, 21, 26 and 28 below.

1.5 Accounting options taken on first-time adoption of IFRS

IFRS financial reporting for 2004 was prepared in accordance with the requirements of IFRS 1. Retrospective application in the opening balance sheet of the accounting policies retained for IFRS financial reporting constituted the general rule applied for adjustments. The effect of these adjustments was recognized directly in equity.

The optional exceptions to retrospective application of IFRS standards allowed by IFRS 1, when preparing for the opening balance sheet, are as follows:

Business combinations

Publicis chose not to restate the prior classification and methods used for business combinations that took place before the transition date. As of that date, business combinations have been treated in accordance with IFRS 3, then as of January 1, 2010, with the revised version of IFRS 3.

The gross amount of goodwill under IFRS at January 1, 2004 was deemed to be equal to the net amount of such goodwill under French accounting standards.

Translation adjustments

Publicis has elected not to identify and reconstitute translation adjustments or to recognize these as a separate line item in equity on the transition date to IFRS. Translation adjustments resulting from the translation of the financial statements of foreign companies were thus cancelled on the date of the transition to IFRS, and any gains and losses on future disposals of these foreign entities will only take account of translation adjustments generated after the IFRS transition date.

Actuarial gains and losses on pension benefits

Publicis opted to recognize all actuarial gains and losses in respect of employee benefit plans on the IFRS transition date. This treatment had already been applied in the 2004 consolidated financial statements prepared in accordance with French accounting standards.

Measurement of certain assets at fair value as deemed cost

Publicis elected to restate the building at 133 avenue des Champs-Élysées, in Paris, at its fair value and to treat this value as the cost on the date of transition to IFRS.

The fair value of this building on the transition date was 164 million euros, which represents an adjustment of 159 million euros compared with its value under the previous accounting standards as of that date. An independent appraiser conducted the valuation using the rent capitalization method.

Publicis Groupe stock option plans

Publicis applied IFRS 2 (Share-based payments) but only with respect to the plans offered after November 7, 2002.

Designation of financial assets at fair value through profit or loss or available for sale

Publicis elected to designate financial instruments at fair value through profit or loss or as securities available for sale on the transition date.

Note 2 Changes in the scope of consolidation

2.1 Acquisitions in 2011

Rosetta

In July 2011, the Group fully acquired Rosetta for 400 million euros (577 million US dollars). Rosetta is one of the largest independent digital agencies in North America and one of the strongest. It is notable for its extensive strategic consulting services, thus allowing Publicis Groupe to bolster its positioning in digital businesses.

The provisional allocation of the acquisition cost is allocated as follows at December 31, 2011 (in millions of euros):

ACQUISITION COST (A)	**400**
Non-current assets	8
Current assets	48
TOTAL ASSETS (B)	**56**
Non-current liabilities	-
Current liabilities	30
TOTAL LIABILITIES (C)	**30**
NET ASSETS ACQUIRED BEFORE FAIR VALUE ADJUSTMENT (D = B - C)	**26**
Client relationships	38
Trade name	41
Technologies	16
Other adjustments	(1)
TOTAL FAIR VALUE ADJUSTMENTS (E)	**94**
NET ASSETS ACQUIRED AFTER FAIR VALUE ADJUSTMENTS (F = D + E)	**120**
GOODWILL (G = A - F)	**280**

Talent Group

In April 2011, the Group acquired an additional 11% of the share capital of Talent Group, bringing its total stake to 60%. The Group initially acquired 49% of the share capital in October 2010. Talent Group has two agencies in Brazil: Talent, which was founded in 1980 and is one of the largest advertising groups in the country, and QG, which was founded in 1991. It provides a full range of communication services, such as strategy, design, media planning, digital communications, below-the-line media, promotion, events marketing, staff training, incentive programs, promotional activation and public relations.

Talent Group was previously accounted for under the equity method but has been fully consolidated since the Group acquired exclusive control. This change in consolidation method has not impacted the income statement. First, the valuation assumptions used as a basis for the 49% stake remained unchanged for the acquisition of the additional 11%. Second, the cumulated earnings since Talent Group was included in the consolidation scope in October 2010 have been distributed. As a result, at the date on which the additional 11% stake was acquired, the fair value of the previously held investment – i.e. 49% of share capital – corresponds to its historical cost.

The acquisition cost of 145 million euros includes the fair value of the 49% stake already owned (85 million euros), the amount paid to acquire the 11% stake (19 million euros), and the fair value of the debt related to commitments to buy out the 40% of minority interests (41 million euros).

The acquisition cost is provisionally allocated as follows at December 31, 2011 (in millions of euros):

ACQUISITION COST (A)	**145**
Non-current assets	2
Current assets excluding cash and cash equivalents	46
Cash and cash equivalents	9
Total assets (B)	57
NON-CURRENT LIABILITIES	**-**
Current liabilities	55
Total liabilities (C)	55
NET ASSETS ACQUIRED BEFORE FAIR VALUE ADJUSTMENT (D = B - C)	**2**
Client relationships	30
Deferred tax on the above adjustment	(10)
TOTAL FAIR VALUE ADJUSTMENTS (E)	**20**
NET ASSETS ACQUIRED AFTER FAIR VALUE ADJUSTMENTS (F = D + E)	**22**
GOODWILL (G = A - F)	**123**

The main acquisitions made over the period (other than the two outlined above) were as follows:

- in March 2011, following a friendly takeover, the Group took exclusive control of the company Chemistry, one of the integrated communications agencies in the UK, specialized in integrated marketing services and in digital;
- in March 2011, the Group fully acquired the UK agency Kitcatt Nohr, founded in January 2002 and specialized in interactive communication;
- in June 2011, the Group fully acquired Genedigi Group in China. Formed in 1997, Genedigi Group is specialized in communications covering public relations, events marketing, digital marketing and a research center for the domestic market;
- in July 2011, the Group took a majority stake in DPZ, one of the leading advertising agencies in Brazil. Under the terms of the agreement, Publicis Groupe immediately acquired 70% of the share capital in the new agency and can increase its stake to 100%;
- in July 2011, the Group acquired a stake in the New York social media agency Big Fuel. Under the terms of the agreement, Publicis Groupe immediately acquired 51% of the share capital in the new agency and can increase its stake to 100% from 2014 onwards;
- in July 2011, the Group acquired a majority stake in the Spillmann/Felser/Leo Burnett affiliate agency, one of the largest and most successful advertising agencies in Switzerland. Whereas Publicis Groupe previously only had a minority stake (40%), it now has full ownership as a result of this transaction;
- in September 2011, the Group fully acquired Schwartz Communications, one of the major independent public relations agencies in the United States.

The acquisition cost (excluding cash and cash equivalents) of all entities that were fully consolidated (notably including those described above, as well as smaller acquisitions) with an exclusive takeover during the year totaled 1,085 million euros. This amount mainly includes:

- 671 million euros paid out during the period;
- 248 million euros in earn out payment commitments, i.e. 228 million euros after discounting at December 31, 2011;
- 63 million euros arising from commitments to buy out non-controlling interests; and
- 103 million euros equal to the fair value of investments accounted for by the equity method as of the takeover date.

The amount paid for acquisitions in 2011 (after deducting acquired cash) totaled 728 million euros and includes:

- 671 million euros paid out during the period;
- (30) million euros in acquired cash;
- 87 million euros in earn out payments.

All acquisitions made over the period represented less than 4% of consolidated revenue and consolidated net income attributable to equity holders of the Group's parent company.

2.2 Acquisitions in 2010

The main acquisitions in the year were as follows:

- in April 2010, In-Sync, a healthcare communications group in Canada. Founded in 1989, In-Sync is a Toronto-based communications group specializing in healthcare and wellness;
- in May 2010, Resolute Communications Ltd, a strategic healthcare communications consultancy based in London;
- in November 2010, Eastwei Relations, an independent consultancy based in China, which specializes in public relations and strategic communications.

The acquisition cost (excluding cash and cash equivalents) of all entities that were fully consolidated with an exclusive takeover during the year totaled 107 million euros. This amount primarily includes:

- 40 million euros paid out during the period;
- 41 million euros in earn out payment commitments;
- 26 million euros in commitments to buy out non-controlling interests.

In 2010, the total paid for acquisitions (after deducting cash and cash equivalents) amounted to 166 million euros and included 90 million euros for entities under significant influence and 76 million euros for exclusive takeover acquisitions, of which:

- 40 million euros paid out during the period;
- (3) million euros in acquired cash; and
- 39 million euros in earn out payments.

All acquisitions made over the year represented less than 1% of consolidated revenue or the positive contribution to consolidated net income attributable to equity holders of the parent company.

2.3 Acquisitions in 2009

Razorfish

Publicis Groupe acquired the Razorfish group (100% of the share capital of Razorfish and its Razorfish subsidiaries) from Microsoft in exchange for 6.5 million common shares of Publicis Groupe treasury stock plus 287 million US dollars (196 million euros) in cash, representing a total purchase price of 369 million euros.

Razorfish was consolidated on October 13, 2009, the date at which control was acquired.

ACQUISITION PRICE OF RAZORFISH STOCK AND TRANSACTION COSTS (A)	**371**
Non-current assets [(1)]	126
Current assets	19
TOTAL ASSETS (B)	**145**
Non-current liabilities	116
Current liabilities	11
TOTAL LIABILITIES (C)	**127**
NET ASSETS ACQUIRED BEFORE FAIR VALUE ADJUSTMENT [(1)] (D = B - C)	**18**
Client relationships	35
Trade name	41
Fair value adjustment of receivables outstanding	4
Vacant property provisions	(11)
Other adjustments	1
Tax impact of the above adjustments	5
TOTAL FAIR VALUE ADJUSTMENTS (E)	**75**
NET ASSETS ACQUIRED AFTER FAIR VALUE ADJUSTMENTS (F = D + E)	**93**
GOODWILL (G = A - F)	**278**

(1) Excluding goodwill and intangible assets related to acquisitions made by Razorfish and Microsoft.

The acquisition cost (excluding cash and cash equivalents acquired) of all of the other entities that were fully consolidated during the year totaled 23 million euros, which primarily includes:

- 11 million euros paid out during the period;
- 9 million euros in earn out payment commitments;
- 3 million euros in commitments to buy out non-controlling interests.

In 2009, the total paid for exclusive takeover acquisitions (after deducting acquired cash and cash equivalents) was 82 million euros, including 1 million euros paid for significant influence entities and 81 million euros for exclusive takeover acquisitions, of which:

- 11 million euros paid out during the period;
- (1) million euros in acquired cash; and
- 71 million euros in earn out payments.

All acquisitions made over the year represented less than 2% of consolidated revenue or the positive contribution to consolidated net income attributable to equity holders of the parent company in 2009.

The Razorfish business is the result of a carve-out of a much larger group of businesses, and Razorfish's financial statements were not prepared or audited under IFRS. It is therefore impossible to be certain of the amount of revenue and earnings attributable to the combined Group (Publicis plus the 2009 acquisitions) during the financial year as if the acquisitions had been made on January 1, 2009.

2.4 Disposals in 2011, 2010 and 2009

In April 2011, the Group sold its majority stake in UK public relations agency Freud Communications, held since 2005, for 28 million pounds sterling or about 32 million euros (the disposal gain is presented in Note 6).

Companies sold contributed no more than 0.5% of consolidated revenue and consolidated net income attributable to equity holders of the parent company in 2011. The same was true in 2010 and 2009.

Note 3 Personnel expenses and headcount

Personnel expenses include salaries, commissions, bonuses, employee profit sharing and holiday pay. They also include expenses related to stock option and free share plans and expenses related to pensions (excluding the net effect of unwinding the discount on benefit obligations, which is included in other financial income and expenses).

(in millions of euros)	2011	2010	2009
Compensation	(2,820)	(2,599)	(2,220)
Social security charges	(473)	(421)	(362)
Post-employment benefits	(68)	(76)	(63)
Stock option expense	(26)	(26)	(24)
Temporary employees and freelancers	(228)	(224)	(143)
TOTAL	**(3,615)**	**(3,346)**	**(2,812)**

Changes in and breakdown of headcount

BY REGION

	December 31, 2011	December 31, 2010	December 31, 2009
Europe	16,864	15,741	15,453
North America	18,790	17,306	15,384
Asia Pacific	11,681	10,202	9,966
Latin America	4,462	3,494	2,891
Middle East & Africa	2,010	1,788	1,708
TOTAL	**53,807**	**48,531**	**45,402**

BY FUNCTION (IN %)

	December 31, 2011	December 31, 2010	December 31, 2009
Account planning and management	20%	20%	20%
Creative	17%	17%	17%
Production and specialized activities	21%	23%	21%
Media and research	22%	22%	22%
Administration and management	16%	15%	16%
Others	4%	3%	4%
TOTAL	**100%**	**100%**	**100%**

Note 4 Other operating expenses

Other operating expenses include all external charges other than production and media buying. They include rent, other lease expenses and other expenses related to the occupation of premises amounting to 330 million euros in 2011, compared to 315 million euros in 2010 and 308 million euros in 2009. They also include taxes (other than income taxes) and similar payments, as well as additions to and reversals of provisions.

Note 5 Depreciation, amortization and impairment

(in millions of euros)	2011	2010	2009
Amortization of other intangible assets (excluding intangibles from acquisitions)	(17)	(19)	(11)
Depreciation of property, plant and equipment	(86)	(92)	(81)
DEPRECIATION AND AMORTIZATION EXPENSE (EXCLUDING INTANGIBLES FROM ACQUISITIONS)	**(103)**	**(111)**	**(92)**
AMORTIZATION OF INTANGIBLES FROM ACQUISITIONS	**(38)**	**(34)**	**(30)**
Impairment of intangibles from acquisitions	-	-	(2)
Goodwill impairment	-	-	(26)
Impairment of property, plant and equipment	-	(1)	-
IMPAIRMENT	**-**	**(1)**	**(28)**
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENT	**(141)**	**(146)**	**(150)**

Impairment of intangibles from acquisitions

Impairment tests were carried out on all of the Group's trade names, being mainly those recognized on acquisition of Bcom3 (Leo Burnett, Starcom, MSLGROUP and Medicus) and the Fallon, Digitas and ZenithOptimedia trade names. Fallon, Publicis Healthcare Communications Group, Leo Burnett, Digitas and MSLGROUP client relationships were also subjected to impairment tests. All valuations required for these impairment tests were conducted by an independent expert.

As of December 31, 2011, the after-tax discount rates used in the valuations ranged from 8.5% to 11.5% (from 9.8% to 21.5% before tax).

The tests carried out did not result in the Group recognizing impairment losses.

As at December 31, 2010 and 2009, the after-tax discount rates used in the valuations ranged respectively from 8.5% to 11.0% (from 9.8% to 23.5% before tax) and from 8.5% to 11.5% (from 9.7% to 89.8% before tax).

These tests resulted in the Group recognizing impairment losses on Fallon's client relationships for a total amount of 0.2 million euros in 2010 and on the Business Interactif trade name and Webformance's client relationships and technologies for a total amount of 2 million euros in 2009.

Goodwill impairment

Impairment tests were performed on the cash-generating units, which consist of agencies or combinations of agencies.

The valuation that is required in order to perform the impairment test on the goodwill of Leo Burnett (which resulted from the allocation of goodwill from the acquisition of Bcom3) was carried out by an independent expert. This was also the case for the impairment test on VivaKi, which incorporates the Digitas, Starcom and Zenith cash-generating units and includes, in particular, goodwill on the Digitas US, Digitas France-Business Interactif entities.

As of December 31, 2011, the after-tax discount rates used ranged from 8.5% (12.2% before tax) to 10.5% (14.4% before tax). The terminal growth rate used in the projections ranged from 0% to 3.0%.

These tests did not result in the Group recognizing impairment losses.

As at December 31, 2010 and 2009, the after-tax discount rates used in the valuations ranged respectively from 8.5% (10.8% before tax) to 10.5% (14.5% before tax) and from 8.0% to 11.0% (from 10.6% to 12.7% before tax). The terminal growth rate used in the projections ranged from 1.9% to 3.0% in 2010 and from 0% to 3.0% in 2009.

These tests resulted in the Group recognizing no impairment losses in 2010 but recording an impairment loss of 26 million euros on Publicis Welcomm Korea (7 million euros), Duval Guillaume (6 million euros), BMZ AND MORE (4 million euros), Publicis Betterway (4 million euros), Winner & Associates (3 million euros) and Publicis Berlin (1 million euros) in 2009.

Leo Burnett

The net value of Leo Burnett goodwill was 1,094 million euros (21% of the total amount of net goodwill).

The impairment test on this goodwill was carried out on the basis of the value in use of this cash-generating unit, which was determined based on a five year business plan (2011-2015) and the following assumptions:

- a discount rate of future cash flows at a rate of 9.5% after tax (13.3% before tax);
- revenue growth over the period 2011-2015 in line with the average expected growth of creative agency networks;
- a terminal growth rate of 2.0%;
- a stable margin over the five years of the business plan and thereafter.

The value in use thus calculated is greater than the carrying amount of the Leo Burnett cash-generating unit. Therefore no impairment loss needs to be recognized. The use of a discount rate that is 0.5% higher leads to the same conclusion. This is also true for the use of a rate that is 0.5% lower in:

- the terminal growth rate;
- revenue for 2011-2015;
- operating margin before depreciation and amortization.

Vivaki

The net value of VivaKi goodwill was 1,892 million euros (i.e. 36% of the total amount of goodwill) on December 31, 2011.

The impairment test on this goodwill (which notably includes goodwill on the Digitas US, Digitas France-Business Interactif and Razorfish entities), was performed based on the value in use of this group of cash-generating units, determined using five year business plans (2011-2015) and the following assumptions:

- discounting of future cash flows at a rate of 9.0% after tax (12.2% before tax);
- revenue growth over the period 2011-2015 in line with the average expected growth of the analog and digital media business;
- a terminal growth rate of 2.8%;
- a slightly increasing margin over the five years of the business plan.

The value in use thus calculated is greater than the carrying amount of all the cash-generating units grouped together in VivaKi. Therefore no impairment loss needs to be recognized. The use of a discount rate that is 0.5% higher leads to the same conclusion. This is also true for the use of a rate that is 0.5% lower in:

- the terminal growth rate;
- revenue for 2011-2015;
- operating margin before depreciation and amortization.

Impact of current tenders at the closing date

In addition, during impairment tests, certain budgets with General Motors were subject to tender. During these tests, it was ascertained that the potential loss of these budgets would not lead to an impairment of intangible assets or goodwill.

Impairment of property, plant and equipment

In 2010, a 1 million euros impairment loss was recognized on tangible assets used in the operation of advertising space.

Note 6 Other non-current income and expenses

This line item covers exceptional income and expenses, which mainly includes gains and losses realized on the disposal of assets.

(in millions of euros)	2011	2010	2009
Capital gains (losses) on the disposal of assets [1]	19	14	6
Non-current income and expenses	2	-	1
Non-current income and expenses	21	14	7

(1) In 2011, this line item primarily included a consolidated capital gain of 9 million euros on the sale of a stake in Mediavest Manchester (non-consolidated entity), the remeasurement of the previously held interest in Spillman Felser (previously accounted for under the equity method) at the time of its takeover, in an amount of 8 million euros, and the gain on the disposal of Freud Communications for 1 million euros.

Note 7 Financial income and expenses

(in millions of euros)	2011	2010	2009
Interest expense on loans and bank overdrafts	(80)	(72)	(65)
Interest expense on finance leases	(9)	(9)	(8)
Financial expenses	**(89)**	**(81)**	**(73)**
Financial income	33	16	12
COST OF NET FINANCIAL DEBT	**(56)**	**(65)**	**(61)**
Foreign exchange gains (losses)	-	22	(41)
Change in the fair value of currency derivatives	2	(28)	43
Financial expense related to unwinding of discount on long-term vacant property provisions (rate of 5%)	(1)	-	(2)
Net financial expense related to unwinding of discount on pension provisions	(4)	(7)	(9)
Revaluation of earn-out payments on acquisitions	4	-	-
Dividends received from unconsolidated companies	1	2	2
Reversal of bad loan provision	-	-	(2)
OTHER FINANCIAL INCOME AND EXPENSES	**2**	**(11)**	**(9)**
TOTAL NET FINANCIAL INCOME AND (EXPENSES)	**(54)**	**(76)**	**(70)**

Note 8 Income taxes

Analysis of income tax expense

(in millions of euros)	2011	2010	2009
Current income tax expense for the period	(245)	(187)	(170)
Current income tax expense for previous years (1)	(2)	(18)	-
TOTAL CURRENT TAX EXPENSE	**(247)**	**(205)**	**(170)**
Deferred tax income/(expense)	(10)	(18)	4
Changes in impairments on deferred tax assets	9	9	20
TOTAL NET DEFERRED TAX INCOME (EXPENSE)	**(1)**	**(11)**	**24**
INCOME TAXES	**(248)**	**(216)**	**(146)**

(1) In 2010, the Group made a tax payment of 18 million euros in relation to a dispute with the tax authority about a transaction that took place prior to 2010. The Group has appealed this decision.

Effective tax rate

The effective tax rate is obtained as follows:

(in millions of euros)	2011	2010	2009
Pre-tax Income of consolidated companies	860	759	559
Restatement of the impairment of Bcom3 goodwill	-	-	25
RESTATED PRE-TAX INCOME	**860**	**759**	**584**
French tax rate	34.43%	34.43%	34.43%
Expected tax expense:	**(296)**	**(261)**	**(201)**
Impact of:			
• differences between the French tax rate and foreign tax rates	29	22	17
• recognition of deferred tax assets (including the utilization of previous unrecognized tax losses)	21	38	62
• impairment of deferred tax assets (including non-capitalized tax losses for the period)	(12)	(23)	(2)
• other impacts (1)	10	8	(22)
Income taxes per the income statement:	**(248)**	**(216)**	**(146)**
Restatement of the deferred tax income related to the Oceane 2014 (2)	-	-	(23)
INCOME TAX PER THE RESTATED INCOME STATEMENT	**(248)**	**(216)**	**(169)**
EFFECTIVE TAX RATE	**28.8%**	**28.5%**	**28.9%**

(1) Other impacts mainly include those related to permanent differences, income taxed at reduced rates, adjustments to previous financial years. Moreover, other impacts also include the temporary additional contribution of 5% applicable to the tax earnings of French entities, which amounted to an expense of 1 million euros in 2011.

(2) Impact of the deferred tax asset recognized in an amount equal to the deferred tax liabilities booked on the equity portion of the Oceane 2014.

Tax effect on other comprehensive income

(in millions of euros)	December 31, 2011			December 31, 2010			December 31, 2009		
	Gross	Tax	Net	Gross	Tax	Net	Gross	Tax	Net
Fair value adjustments to available-for-sale investments	(3)	-	**(3)**	12	-	**12**	12	-	**12**
Actuarial gains and losses on defined benefit plans	(51)	16	**(35)**	(10)	4	**(6)**	(4)	1	**(3)**
Foreign exchange differences	50	-	**50**	297	-	**297**	(59)	-	**(59)**
TOTAL	**(4)**	**16**	**12**	**299**	**4**	**303**	**(51)**	**1**	**(50)**

Schedule of deferred taxes recognized in the balance sheet

(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Short-term (less than 1 year)	66	55	29
Long-term (over 1 year)	(224)	(199)	(170)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(158)**	**(144)**	**(141)**

Source of deferred taxes

(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Deferred tax liabilities on adjustment of asset and liability valuations due to acquisitions	(277)	(280)	(271)
Deferred taxes on restructuring and property commitments related to the Bcom3 acquisition	9	12	17
Deferred taxes arising on the restatement of the Champs-Élysées building	(52)	(53)	(53)
Deferred taxes on hybrid bonds	(7)	(11)	(15)
Deferred taxes arising on tax loss carryforwards	25	43	45
Deferred taxes on other temporary differences	144	145	136
NET DEFERRED TAX ASSETS (LIABILITIES)	**(158)**	**(144)**	**(141)**

As of December 31, 2011, the deferred tax liabilities include tax on the revaluation of intangible assets made at the time of the acquisition of Zenith (25 million euros), Bcom3 (169 million euros) and Digitas (67 million euros), deferred taxes linked to the separation of the hybrid bonds (Oceane, Orane) and deferred tax linked to the fair value being deemed as the cost of the building on the Champs-Élysées on the date of transition to IFRS.

Tax loss carryforwards

The Group also had tax loss carryforwards that had not been recognized as deferred tax assets in the consolidated balance sheet because of uncertainty as to their availability for use:

(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
AMOUNT OF UNRECOGNIZED TAX LOSS CARRYFORWARDS	**282**	**286**	**387**
Of which carried forward indefinitely	*243*	*233*	*346*

Note 9 Earnings per share

Earnings per share and diluted earnings per share

(in millions of euros, except for share data)		2011	2010	2009
Net income used for the calculation of earnings per share				
Group net income	**a**	**600**	**526**	**403**
Impact of dilutive instruments:				
• Savings in financial expenses related to the conversion of debt instruments, net of tax [1]		27	27	16
Group net income – diluted	**b**	**627**	**553**	**419**
Number of shares used to calculate earnings per share				
Average number of shares that make up the share capital		191,738,061	192,754,345	196,020,983
Treasury shares to be deducted (average for the year)		(7,935,852)	(10,912,268)	(15,633,664)
Shares to be issued to redeem the Orane		18,745,548	20,307,677	21,869,806
Average number of shares used for the calculation	**c**	**202,547,757**	**202,149,754**	**202,257,125**
Impact of dilutive instruments:				
• Free shares and dilutive stock options [1]		5,161,031	4,389,680	1,770,247
• Warrants [1]		893,900	480,327	-
• Shares resulting from the conversion of convertible bonds [2]		28,463,470	28,450,700	16,839,972
Number of diluted shares	**d**	**237,066,159**	**235,470,461**	**220,867,344**
(in euros)				
EARNINGS PER SHARE	**a/c**	**2.96**	**2.60**	**1.99**
DILUTED EARNINGS PER SHARE	**b/d**	**2.64**	**2.35**	**1.90**

(1) Only stock options and warrants with a dilutive impact, i.e., whose strike price is lower than the average strike price, are included in the calculation. In 2011, all of the stock options and warrants not yet exercised at the year-end had a dilutive effect.

(2) Over the three years 2011, 2010 and 2009, all of the Oceane 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)		2011	2010	2009
Net income used to calculate headline [1] earnings per share				
Group net income		**600**	**526**	**403**
Items excluded:				
• Amortization of intangibles from acquisitions, net of tax		23	21	18
• Impairment, net of tax		-	1	27
• Net capital gains (losses) on disposals of land, buildings and securities		(18)	(12)	(6)
• Revaluation of earn out payments		(4)	-	-
• Deferred tax assets related to the Oceane 2014 [2]		-	-	(23)
Headline Group net income	**e**	**601**	**536**	**419**
Impact of dilutive instruments:				
• Savings in financial expenses linked to the conversion of debt instruments, net of tax		27	27	16
Headline Group net income, diluted	**f**	**628**	**563**	**435**
Number of shares used to calculate earnings per share				
Average number of shares that make up the share capital		191,738,061	192,754,345	196,020,983
Treasury shares to be deducted (average for the year)		(7,935,852)	(10,912,268)	(15,633,664)
Shares to be issued to redeem the Orane		18,745,548	20,307,677	21,869,806
Average number of shares used for the calculation	**c**	**202,547,757**	**202,149,754**	**202,257,125**
Impact of dilutive instruments:				
• Free shares and dilutive stock options		5,161,031	4,389,680	1,770,247
• Warrants		893,900	480,327	-
• Shares resulting from the conversion of the convertible bonds		28,463,470	28,450,700	16,839,972
Number of diluted shares (in euros)	**d**	**237,066,159**	**235,470,461**	**220,867,344**
HEADLINE EARNINGS PER SHARE [1]	**e/c**	**2.97**	**2.65**	**2.07**
HEADLINE EARNINGS PER SHARE - DILUTED [1]	**f/d**	**2.65**	**2.39**	**1.97**

(1) EPS before amortization of intangibles resulting from acquisitions, impairment, capital gains (losses) on disposal of land, buildings, securities, revaluation of earn out payments 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.

Note 10 Goodwill

The following is an analysis of the goodwill balances of consolidated companies:

(in millions of euros)	Europe	North America	Latin America	Asia Pacific	Middle East & Africa	Total
NET VALUE ON DECEMBER 31, 2010	**1,294**	**2,361**	**194**	**371**	**58**	**4,278**
2011 financial year:						
• Gross goodwill on January 1, 2011	1,374	2,375	216	398	67	4,430
• Changes over the year (incl. translation adjustments)	87	472	147	227	(3)	930
TOTAL GROSS VALUE	**1,461**	**2,847**	**363**	**625**	**64**	**5,360**
Impairment	(80)	(14)	(23)	(27)	(9)	(153)
TOTAL NET VALUE ON DECEMBER 31, 2011	**1,381**	**2,833**	**340**	**598**	**55**	**5,207**

Changes in goodwill

(in millions of euros)	Gross amount	Impairment	Net amount
JANUARY 1, 2009	**3,817**	**(124)**	**3,693**
Acquisitions	293	-	293
Impairment	-	(26)	(26)
Changes related to the recognition of commitments to purchase non-controlling interests (minority interests) (1)	23	-	23
Disposals and derecognition	-	-	-
Translation adjustments and other	(59)	4	(55)
DECEMBER 31, 2009	**4,074**	**(146)**	**3,928**
Acquisitions	68	-	68
Impairment	-	-	-
Changes related to the recognition of commitments to purchase non-controlling interests (minority interests) (1)	45	-	45
Disposals and derecognition	(1)	1	-
Translation adjustments and other	244	(7)	237
DECEMBER 31, 2010	**4,430**	**(152)**	**4,278**
Acquisitions	639	-	639
Impairment	-	-	-
Changes related to the recognition of commitments to purchase non-controlling interests (minority interests) (1)	7	-	7
Disposals and derecognition	(27)	-	(27)
Translation adjustments and other	311	(1)	310
DECEMBER 31, 2011	**5,360**	**(153)**	**5,207**

(1) Pending a specific interpretation of IFRIC or IFRS, commitments to purchase non-controlling interests are booked under borrowings with a corresponding entry to goodwill. Any future variations in non-controlling interests and any revaluation of the commitment will change the goodwill recognized on the business combinations prior to January 1, 2010.

For the main acquisitions in 2011, the acquisition price of Rosetta and Talent Group was primarily allocated in 2011; however, some amounts and valuations at the takeover date are still being finalized.

There was no other major acquisition in 2011.

Note 11 Intangible assets, net

Changes in intangible assets with a finite useful life

(in millions of euros)	Client relationships			Software, technology and other		
	Gross amount	Amortization/ Impairment	Net amount	Gross amount	Amortization/ Impairment	Net amount
JANUARY 1, 2009	**630**	**(277)**	**353**	**141**	**(112)**	**29**
Acquisitions	35	-	35	25	-	25
Amortization	-	(27)	(27)	-	(14)	(14)
Impairment	-	-	-	-	-	-
Disposals and derecognition	-	-	-	(3)	4	1
Translation adjustments and other	(11)	6	(5)	4	(6)	(2)
DECEMBER 31, 2009	**654**	**(298)**	**356**	**167**	**(128)**	**39**
Acquisitions	-	-	-	22	-	22
Amortization	-	(32)	(32)	-	(21)	(21)
Impairment	-	-	-	-	-	-
Disposals and derecognition	-	-	-	(8)	6	(2)
Translation adjustments and other	37	(13)	24	9	(12)	(3)
DECEMBER 31, 2010	**691**	**(343)**	**348**	**190**	**(155)**	**35**
Acquisitions	71	-	71	46	-	46
Amortization	-	(36)	(36)	-	(17)	(17)
Impairment	-	-	-	-	-	-
Disposals and derecognition	-	-	-	(36)	36	-
Translation adjustments and other	23	(16)	7	2	(1)	1
DECEMBER 31, 2011	**785**	**(395)**	**390**	**202**	**(137)**	**65**

Changes in intangible assets with an indefinite useful life and in total intangible assets

	Trade name			Total intangible assets		
(in millions of euros)	Gross amount	Impairment	Net amount	Gross amount	Amortization/ Impairment	Net amount
JANUARY 1, 2009	**446**	**(34)**	**412**	**1,217**	**(423)**	**794**
Acquisitions	41	-	41	101	-	101
Amortization	-	-	-	-	(41)	(41)
Impairment	-	(2)	(2)	-	(2)	(2)
Disposals and derecognition	-	-	-	(3)	4	1
Translation adjustments and other	(12)	1	(11)	(19)	1	(18)
DECEMBER 31, 2009	**475**	**(35)**	**440**	**1,296**	**(461)**	**835**
Acquisitions	-	-	-	22	-	22
Amortization	-	(1)	(1)	-	(54)	(54)
Impairment	-	-	-	-	-	-
Disposals and derecognition	-	-	-	(8)	6	(2)
Translation adjustments and other	36	(2)	34	82	(27)	55
DECEMBER 31, 2010	**511**	**(38)**	**473**	**1,392**	**(536)**	**856**
Acquisitions	38	-	38	155	-	155
Amortization	-	(1)	(1)	-	(54)	(54)
Impairment	-	-	-	-	-	-
Disposals and derecognition	-	-	-	(36)	36	-
Translation adjustments and other	21	(1)	20	46	(18)	28
DECEMBER 31, 2011	**570**	**(40)**	**530**	**1,557**	**(572)**	**985**

Valuation of intangible assets

Valuation tests carried out by an independent expert at the close of 2011 did not lead to the recognition of any impairment. An impairment charge of less than 1 million euros on client relationships was recognized at the close of 2010 (see Note 5).

Note 12 Property, plant and equipment, Net

(in millions of euros)	Land and Buildings	Others	Total
GROSS AMOUNT ON JANUARY 1, 2009	**275**	**863**	**1,138**
Increases	1	50	51
Decreases	(1)	(60)	(61)
Changes to consolidation scope	-	15	15
Translation adjustments and other	(1)	(3)	(4)
GROSS AMOUNT ON DECEMBER 31, 2009	**274**	**865**	**1,139**
Increases	-	91	91
Decreases	(14)	(82)	(96)
Changes to consolidation scope	-	3	3
Translation adjustments and other	7	52	59
GROSS AMOUNT ON DECEMBER 31, 2010	**267**	**929**	**1,196**
Increases	-	104	104
Decreases	-	(110)	(110)
Changes to consolidation scope	1	16	17
Translation adjustments and other	3	13	16
GROSS AMOUNT ON DECEMBER 31, 2011	**271**	**952**	**1,223**
ACCUMULATED DEPRECIATION ON DECEMBER 31, 2010	**(38)**	**(694)**	**(732)**
Increases	(4)	(83)	(87)
Decreases	-	107	107
Changes to consolidation scope	-	(5)	(5)
Translation adjustments and other	(1)	(9)	(10)
ACCUMULATED DEPRECIATION ON DECEMBER 31, 2011	**(43)**	**(684)**	**(727)**
NET AMOUNT ON DECEMBER 31, 2011	**228**	**268**	**496**

Land and buildings

On December 31, 2011, the net amount of the property assets directly owned by Publicis listed on the balance sheet is 172 million euros.

The Group's principal real estate asset is its corporate headquarters located at 133 avenue des Champs-Élysées in Paris. This seven-story building includes around 12,000 square meters of office space occupied by Group companies, and 1,500 square meters of commercial space, occupied by Publicisdrugstore and two public movie theaters.

Other property, plant and equipment

The Group owns a considerable array of IT equipment used for the creation and production of advertising, the management of media buying and administrative work.

Assets under finance lease

The total net amount of assets under finance lease in the consolidated balance sheet stood at 56 million euros on December 31, 2011.

These mainly concern the Leo Burnett building located at 35 West Wacker Drive in Chicago, Illinois, USA. The finance lease on this building represents a gross amount of 83 million euros depreciated over 30 years.

The following are the amounts related to finance leases included under property, plant and equipment:

(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Gross amount of buildings	85	82	76
Depreciation	(29)	(25)	(21)
NET AMOUNT	**56**	**57**	**55**

Note 13 Investments in associates

Investments accounted using the equity method amounted to 43 million euros on December 31, 2011 (versus 140 million euros on December 31, 2010 and 49 million euros on December 31, 2009).

(in millions of euros)	Value in balance sheet
AMOUNT ON JANUARY 1, 2009	**44**
Acquisitions	3
Disposals	-
Share of profit of associates	4
Dividends paid	(8)
Effect of translation and other	6
AMOUNT ON DECEMBER 31, 2009	**49**
Acquisitions	84
Disposals	(1)
Share of profit of associates	8
Dividends paid	(14)
Effect of translation and other	14
AMOUNT ON DECEMBER 31, 2010	**140**
Acquisitions	-
Disposals	(96)
Share of profit of associates	17
Dividends paid	(14)
Effect of translation and other	(5)
AMOUNT ON DECEMBER 31, 2011	**43**

During the financial year ended December 31, 2011, Publicis Groupe took over entities that were previously accounted for by the equity method. The two main takeovers for the period are:

- Talent Group. With the purchase of additional 11% of the share capital, the Group holds a 60% stake;
- Spillman Felser. With the purchase of an additional 60% stake, the Group now fully owns the company.

As such, these entities are not included in the consolidation scope of associates but are fully consolidated.

The main balances in the balance sheets and income statements of associates are as follows:

(in millions of euros) Share in balance sheets of associates	December 31, 2011	December 31, 2010	December 31, 2009
Non-current assets	16	124	23
Current assets	107	134	138
TOTAL ASSETS	**123**	**258**	**161**
Non-current liabilities	3	6	2
Current liabilities	76	112	110
TOTAL LIABILITIES	**79**	**118**	**112**
NET ASSETS	**43**	**140**	**49**

(in millions of euros) Share in results of associates	2011	2010	2009
Revenue	111	116	91
Net income	17	8	4
Carrying amount of the investment	43	140	49

The Group's main associates are Bartle Bogle Hegarty (BBH), Bromley Communications and Burrell Communications. As of December 31, 2011, the carrying amount of these three associates amounted to 18 million, 7 million and 6 million euros respectively.

Note 14 Other financial assets

Other financial assets mainly include investments classified as "available for sale".

Balances related to other non-current financial assets maturing in less than one year are classified under current assets.

(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Available-for-sale financial assets			
• IPG securities	37	39	25
• Others	8	7	7
Security deposits	28	28	20
Loans to unconsolidated companies	10	11	10
Loans and advances to invested entities	6	9	5
Other	49	37	54
Gross amount	**138**	**131**	**121**
Impairment	(25)	(18)	(27)
NET AMOUNT	**113**	**113**	**94**

Publicis owned 1.06% of Interpublic Group (IPG) as at December 31, 2011, an unconsolidated equity investment classified under available-for-sale investments. The historical price of the IPG shares was 3.87 US dollars. The listed share price as of December 31, 2011 was 9.73 US dollars.

Summary data on IPG (latest reported consolidated figures):

(in millions of dollars)	2010
Revenue	6,532
Net income	271
SHAREHOLDERS' EQUITY AS AT DECEMBER 31	**2,567**

Note 15 Inventories and work in progress

(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Gross amount	**345**	**327**	**295**
Impairment of inventories and work in progress	(2)	(1)	(5)
NET AMOUNT	**343**	**326**	**290**

In 2011, the write down booked on inventories and work in progress was 0.1 million euros.

Note 16 Trade receivables

(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Trade accounts receivable(1)	6,542	6,046	4,962
Notes receivable	10	10	11
GROSS AMOUNT	**6,552**	**6,056**	**4,973**
Opening impairment	(103)	(98)	(91)
Impairment over the year	(32)	(33)	(42)
Reversals during the year	21	29	36
Changes to consolidation scope	7	-	(1)
Translation adjustments and other	1	(1)	-
Closing impairment	**(106)**	**(103)**	**(98)**
NET AMOUNT	**6,446**	**5,953**	**4,875**

(1) Including invoiced trade receivables of 5,004 million euros as of December 31, 2011, 4,680 million euros as of December 31, 2010 and 3,811 million euros as of December 31, 2009.

Note 17 Other receivables and current assets

(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Taxes and other receivables from the government	206	197	187
Advances to suppliers	150	221	185
Prepayments	77	55	56
Derivatives hedging current assets and liabilities	4	3	1
Derivatives on intercompany loans and borrowings	3	5	30
Derivatives hedging the fair value of Eurobond 2012 and 2015 (1)	12	15	15
Other receivables and other current assets	116	82	79
Gross amount	**568**	**578**	**553**
Impairment	(7)	(6)	(5)
NET AMOUNT	**561**	**572**	**548**

(1) As of December 31, 2009, the fair value of the derivative hedging the Eurobond 2015 was negative and is therefore presented under other creditors and current liabilities (see Note 23).

Note 18 Cash and cash equivalents

(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Cash and bank balances	291	169	304
Short-term liquid investments	1,883	1,995	1,276
TOTAL	**2,174**	**2,164**	**1,580**

At December 31, 2011, the short-term liquid investments mainly include UCITS (open-ended investment funds) classified by the AMF as “monétaire court terme” and are subject to very low risk of a change in value.

Note 19 Equity

The table of changes in equity is presented along with the other consolidated financial statements.

Share capital of the parent company

The following are the changes in the share capital over the last three years:

(in shares)	2011	2010	2009
Share capital on January 1	191,645,241	197,583,112	196,020,983
Capital increase	1,712,704	1,562,129	1,562,129
Cancellations	-	(7,500,000)	-
SHARES COMPRISING THE SHARE CAPITAL ON DECEMBER 31	**193,357,945**	**191,645,241**	**197,583,112**
Treasury shares as of December 31	(7,361,882)	(9,274,171)	(10,414,344)
SHARES IN CIRCULATION ON DECEMBER 31	**185,996,063**	**182,371,070**	**187,168,768**

Publicis Groupe SA's share capital increased by 685,082 euros in 2011, corresponding to 1,712,704 shares with a par value of 0.40 euro:

- 150,575 shares issued under the plan to grant 50 free shares to French employees granted on May 20, 2009;
- 1,562,129 shares issued as part of the redemption of the seventh tranche of the Orane (see Note 24 – Off-balance sheet commitments – Commitments related to loans and Orane).

As of December 31, 2011 the share capital of Publicis Groupe SA totaled 77,343,178 euros, split into 193,357,945 shares with a par value of 0.40 euro.

Neutralization of the treasury shares existing on December 31, 2011

Treasury shares held at the end of the year, including those owned under the liquidity contract, are deducted from the share capital.

The portfolio of treasury shares showed the following movements in 2009, 2010 and 2011:

	Number of shares	Gross amount (in millions of euros)
TREASURY SHARES HELD ON DECEMBER 31, 2008	**17,166,682**	**449**
Acquisition of Razorfish partly paid in shares	(6,500,000)	(170)
Acquisitions (excluding liquidity contract)	31,040	1
Disposals (exercise of stock options)	(286,878)	(8)
Movements as part of the liquidity contract	3,500	-
TREASURY SHARES HELD ON DECEMBER 31, 2009 (1)	**10,414,344**	**272**
Repurchase of shares held by SEP Dentsu-Badinter	7,500,000	218
Cancellation of shares purchased from SEP Dentsu-Badinter	(7,500,000)	(218)
Other acquisitions (excluding liquidity contract)	2,487,959	73
Disposals (exercise of stock options)	(3,624,632)	(97)
Movements as part of the liquidity contract	(3,500)	-
TREASURY SHARES HELD ON DECEMBER 31, 2010 (1)	**9,274,171**	**248**
Disposals (exercise of stock options)	1,922,288	(51)
Delivery of shares following the conversion request of Oceane 2014	(1)	-
Movements carried out as part of the liquidity contract	10,000	-
TREASURY SHARES HELD ON DECEMBER 31, 2011 (1)	**7,361,882**	**197**

(1) Including shares held as part of the liquidity contract (10,000 on December 31, 2011, none on December 31, 2010 and 3,500 on December 31, 2009).

Dividends proposed and voted

	Per share (in euro)	Total (in millions of euros)
Dividends paid in 2011 (for 2010)	0.70	129
Dividends proposed to the General Shareholders' Meeting (for 2011)	0.70	135 (1)

(1) For all shares in circulation as at December 31, 2011, including treasury shares.

The proposed dividend payment for 2011 will have no impact on taxes for the Company.

Capital management

The Group's policy is to maintain a solid capital base in order to maintain the confidence of investors, creditors and the market and to support future activity development. The Group's management pays particular attention to the debt-to-equity ratio, which is defined as net debt (financial debt less cash and cash equivalents) divided by equity (including non-controlling interests) and has calculated that the ideal debt-to-equity ratio is less than 0.50. On December 31, 2011 the debt-to-equity ratio was 0.03, less than zero on December 31, 2010 and 0.14 on December 31, 2009.

The management also pays close attention to the pay-out ratio, defined as dividends per share divided by earnings per share. This ratio will be 23.6% for 2011 based on the dividend amount (0.70 euro per share) to be proposed at the next General Shareholders' Meeting, compared to 26.9% and 30.2% respectively for 2010 and 2009.

The Group buys back its own shares on the market in accordance with the authorization delegated to the Management Board by the General Shareholders' Meeting on June 3, 2008, which was renewed by the General Shareholders' Meetings on June 1, 2010 and that on June 7, 2011. In 2009, 2010 and 2011, the Group directly purchased its own shares in order to meet its obligations with regard to stock option plans or the cancellation of shares. During said years, the Group indirectly purchased and sold its own shares through the intermediary of an investment services provider acting in the name and on behalf of Publicis Groupe SA, independently and without being influenced by it, as part of a liquidity contract compliant with a code of conduct recognized by the Autorité des marchés financiers (the French regulatory authority). Fifteen million euros, together with 547,000 shares with a value of 13 million had originally been allocated to the current liquidity contract with Société Générale, which is still in effect.

The General Shareholders' Meetings on June 1, 2010 and June 7, 2011 also renewed, for a period of 26 months, the authorization to reduce the share capital through the cancellation of shares held by Publicis Groupe SA up to a limit of 10% of the share capital; this authorization was delegated to the Management Board.

Note 20 Provisions for liabilities and charges

(in millions of euros)	Restructuring	Vacant property commitments	Pension and other retirement benefits	Risks and litigation	Other provisions	Total
JANUARY 1, 2009	**25**	**83**	**262**	**132**	**67**	**569**
Increases	22	14	19	29	20	**104**
Releases	(20)	(19)	(32)	(25)	(14)	**(110)**
Other releases	(1)	(6)	-	(1)	(6)	**(14)**
Changes to consolidation scope	-	11	-	-	1	**12**
Actuarial losses (gains)	-	-	4	-	-	**4**
Translation adjustments and other	(2)	(5)	(5)	2	(6)	**(16)**
DECEMBER 31, 2009	**24**	**78**	**248**	**137**	**62**	**549**
Increases	11	12	22	67	11	**123**
Releases	(18)	(17)	(29)	(47)	15	**(96)**
Other releases	-	(14)	(2)	-	(8)	**(24)**
Changes to consolidation scope	-	-	3	-	-	**3**
Actuarial losses (gains)	-	-	10	-	-	**10**
Translation adjustments and other	5	4	7	-	3	**11**
DECEMBER 31, 2010	**22**	**63**	**259**	**149**	**83**	**576**
Increases	4	3	17	40	38	**102**
Releases	(14)	(12)	(33)	(9)	(22)	**(90)**
Other releases	-	(8)	(7)	(15)	(6)	**(36)**
Changes to consolidation scope	-	1	(3)	30	3	**31**
Actuarial losses (gains)	-	-	51	-	-	**51**
Translation adjustments and other	2	(10)	5	1	(9)	**(11)**
DECEMBER 31, 2011	**14**	**37**	**289**	**196**	**87**	**623**
Of which short-term	5	15	36	61	20	**137**
Of which long-term	9	22	253	135	67	**486**

Restructuring provisions

These include an estimate of the closure or restructuring costs of certain activities resulting from plans that were announced but not yet executed at the end of 2011 (mainly severance pay). The plans are detailed by project and by type, and are approved in advance by the senior management. They are managed centrally to ensure that the provision is applied based on the actual costs incurred and to justify the remaining balance at the year-end on the basis of the outstanding cost to be incurred.

Vacant property provisions

The largest amount in these provisions relates to the acquisition of Bcom3 for the amount of 13 million euros as of December 31, 2011, which primarily concerns the city of New York, and notably the lease of the building located at 375 Hudson Street. The valuations were made by discounting the rent payable, less income expected from sub-leasing, at an annual rate of 5%.

Provisions for risks and litigation

These provisions include all types of risks, legal proceedings, notably commercial, tax and labor litigation. Most of the provision covers tax risks and litigation relating mainly to North America and Latin America.

Obligations in respect of employee benefits

The obligations for employee benefits (see Note 21) include:

- defined benefit pension plans;
- post employment health benefit plans;
- long-term benefits such as deferred compensation and long-service rewards.

Note 21 Pension and other post-employment benefits

The Group has a certain number of obligations under defined benefit pension plans (pension payments and medical coverage).

The defined benefit pension plans were valued by independent experts in the United States, the United Kingdom, Germany, France and Japan.

Change in the actuarial benefit obligation

	December 31, 2011			December 31, 2010			December 31, 2009		
(in millions of euros)	Pension plans	Health cover	Total	Pension plans	Health cover	Total	Pension plans	Health cover	Total
Opening actuarial benefit obligation	**(459)**	**(22)**	**(481)**	**(410)**	**(18)**	**(428)**	**(378)**	**(20)**	**(398)**
Cost of services rendered during the year	(11)	-	(11)	(9)	-	(9)	(11)	-	(11)
Interest expense on benefit obligation	(21)	(1)	(22)	(23)	(1)	(24)	(22)	(1)	(23)
Contributions by plan participants	-	(1)	(1)	-	(1)	(1)	-	(1)	(1)
Acquisitions, disposals	3	-	3	(6)	-	(6)	-	-	-
Reductions in headcount and plan settlements	7	-	7	-	1	1	3	1	4
Actuarial gains (losses)	(37)	(1)	(38)	(12)	(4)	(16)	(25)	-	(25)
Benefits paid	24	2	26	21	2	23	28	2	30
Foreign exchange differences	(14)	(1)	(15)	(20)	(1)	(21)	(5)	1	(4)
ACTUARIAL BENEFIT OBLIGATION AT YEAR-END	**(508)**	**(24)**	**(532)**	**(459)**	**(22)**	**(481)**	**(410)**	**(18)**	**(428)**

Change in the fair value of plan assets

(in millions of euros)	December 31, 2011 Pension plans	Health cover	Total	December 31, 2010 Pension plans	Health cover	Total	December 31, 2009 Pension plans	Health cover	Total
Fair value of plan assets at start of year	**279**	**-**	**279**	**232**	**-**	**232**	**193**	**-**	**193**
Actuarial return on plan assets	12	-	12	27	-	27	35	-	35
Employer contributions	20	-	20	19	-	19	18	-	18
Acquisitions, disposals	-	-	-	3	-	3	-	-	-
Benefits paid	(14)	-	(14)	(14)	-	(14)	(19)	-	(19)
Foreign exchange differences	10	-	10	12	-	12	5	-	5
FAIR VALUE OF PLAN ASSETS AT YEAR-END	**307**	**-**	**307**	**279**	**-**	**279**	**232**	**-**	**232**
SURPLUS (DEFICIT)	**(201)**	**(24)**	**(225)**	**(180)**	**(22)**	**(202)**	**(178)**	**(18)**	**(196)**
Unrecognized past service costs	1	(4)	(3)	1	(6)	(5)	2	(7)	(5)
Effect of ceiling on value of assets	**(8)**	**-**	**(8)**	**(5)**	**-**	**(5)**	**(1)**	**-**	**(1)**
Net provision for defined benefit pension commitments and retirement medical coverage	**(208)**	**(28)**	**(236)**	**(184)**	**(28)**	**(212)**	**(177)**	**(25)**	**(202)**
Provision for other long-term benefits	**(53)**	**-**	**(53)**	**(47)**	**-**	**(47)**	**(46)**	**-**	**(46)**
TOTAL PROVISION FOR PENSION LIABILITIES AND OTHER POST-EMPLOYMENT BENEFITS	**(261)**	**(28)**	**(289)**	**(231)**	**(28)**	**(259)**	**(223)**	**(25)**	**(248)**

Net periodic pension cost

(in millions of euros)	December 31, 2011 Pension plans	Health cover	Total	December 31, 2010 Pension plans	Health cover	Total	December 31, 2009 Pension plans	Health cover	Total
Cost of services rendered during the year	(11)	-	(11)	(9)	-	(9)	(11)	-	(11)
Interest expense on benefit obligation (1)	(21)	(1)	(22)	(23)	(1)	(24)	(22)	(1)	(23)
Expected return on plan assets (1)	19	-	19	17	-	17	14	-	14
Amortization of unrecognized past service costs	-	1	1	-	1	1	-	1	1
Reductions in headcount and plan settlements	7	-	7	-	1	1	3	1	4
Cost of defined benefit regimes	**(6)**	**-**	**(6)**	**(15)**	**1**	**(14)**	**(16)**	**1**	**(15)**
Cost of other plans (including defined contribution plans)	**(65)**	**-**	**(65)**	**(69)**	**-**	**(69)**	**(57)**	**-**	**(57)**
TOTAL PENSION COST	**(71)**	**-**	**(71)**	**(84)**	**1**	**(83)**	**(73)**	**1**	**(72)**

(1) A net financial expense of 4 million euros in 2011 classified under "Other financial income and expenses" (see Note 7).

Historical data and analysis of experience adjustments

	Pension plans				
(in millions of euros)	2011	2010	2009	2008	2007
Actuarial benefit obligations	(508)	(459)	(410)	(378)	(420)
Fair value of plan assets	307	279	232	193	274
PLAN SURPLUS (DEFICIT)	**(201)**	**(180)**	**(178)**	**(185)**	**(146)**
Actuarial gains (losses) arising from changes in assumptions	(36)	(22)	(32)	25	1
Actuarial gains (losses) arising from experience adjustments	-	10	7	(2)	5
ACTUARIAL GAINS (LOSSES) GENERATED ON BENEFIT OBLIGATION	**(36)**	**(12)**	**(25)**	**23**	**6**
Actuarial gains (losses) arising from experience adjustments	(6)	10	21	(69)	6
ACTUARIAL GAINS (LOSSES) GENERATED ON PLAN ASSETS	**(6)**	**10**	**21**	**(69)**	**6**
TOTAL ACTUARIAL GAINS (LOSSES) FOR THE PERIOD	**(42)**	**(2)**	**(4)**	**(46)**	**12**

	Health cover				
(in millions of euros)	2011	2010	2009	2008	2007
Actuarial benefit obligations	(24)	(22)	(18)	(20)	(21)
Fair value of plan assets	-	-	-	-	-
PLAN SURPLUS (DEFICIT)	**(24)**	**(22)**	**(18)**	**(20)**	**(21)**
Actuarial gains (losses) arising from changes in assumptions	(2)	(2)	-	-	-
Actuarial gains (losses) arising from experience adjustments	-	(2)	(2)	1	(1)
ACTUARIAL GAINS (LOSSES) GENERATED ON BENEFIT OBLIGATION	**(2)**	**(4)**	**-**	**1**	**(1)**
Actuarial gains (losses) arising from experience adjustments	-	-	-	-	-
ACTUARIAL GAINS (LOSSES) GENERATED ON PLAN ASSETS	**-**	**-**	**-**	**-**	**-**
TOTAL ACTUARIAL GAINS (LOSSES) FOR THE PERIOD	**(2)**	**(4)**	**-**	**1**	**(1)**

Allocation of plan assets

	2011	2010	2009
Shares	52.0%	55.6%	55.6%
Bonds	41.8%	41.3%	39.5%
Real estate	2.0%	1.8%	1.8%
Other	4.2%	1.3%	3.1%
TOTAL	**100%**	**100%**	**100%**

Estimate of employer contributions and of future benefits payable

(in millions of euros)	Pension plans	Health cover	Total
Estimated employer contributions in 2012	22	-	22

	December 31, 2011		
(in millions of euros)	Pension plans	Health cover	Total
Estimated future benefits payable			
2012	34	2	36
2013	33	2	35
2014	31	2	33
2015	30	2	32
2016	28	2	30
Years 2017 to 2021	142	8	150
TOTAL OVER THE NEXT 10 FINANCIAL YEARS	**298**	**18**	**316**

Breakdown between US and non-US plans

	December 31, 2011			December 31, 2010			December 31, 2009		
(in millions of euros)	US	Non US	Total	US	Non US	Total	US	Non US	Total
Actuarial benefit obligation at year-end	(229)	(303)	(532)	(200)	(281)	(481)	(177)	(251)	(428)
Fair value of plan assets at year-end	125	182	307	117	162	279	94	138	232
Surplus (deficit)	**(104)**	**(121)**	**(225)**	**(83)**	**(119)**	**(202)**	**(83)**	**(113)**	**(196)**
Unrecognized past service costs	(4)	1	(3)	(6)	1	(5)	(7)	2	(5)
Effect of ceiling on value of assets	-	(8)	(8)	-	(5)	(5)	-	(1)	(1)
NET PROVISION FOR DEFINED BENEFIT PENSION COMMITMENTS	**(108)**	**(128)**	**(236)**	**(89)**	**(123)**	**(212)**	**(90)**	**(112)**	**(202)**

	December 31, 2011			December 31, 2010			December 31, 2009		
(in millions of euros)	US	Non US	Total	US	Non US	Total	US	Non US	Total
Cost of services rendered during the year [(1)]	-	(11)	(11)	-	(9)	(9)	(2)	(9)	(11)
Interest expense on benefit obligation	(9)	(13)	(22)	(10)	(14)	(24)	(11)	(12)	(23)
Expected return on plan assets	9	10	19	8	9	17	6	8	14
Amortization of unrecognized past service costs	1	-	1	1	-	1	1	-	1
Reductions in headcount and plan settlements	-	7	7	-	1	1	-	4	4
COST OF DEFINED BENEFIT REGIMES	**1**	**(7)**	**(6)**	**(1)**	**(13)**	**(14)**	**(6)**	**(9)**	**(15)**
Cost of other plans (including defined contribution plans)	**(36)**	**(29)**	**(65)**	**(38)**	**(31)**	**(69)**	**(31)**	**(26)**	**(57)**
TOTAL PENSION COST	**(35)**	**(36)**	**(71)**	**(39)**	**(44)**	**(83)**	**(37)**	**(35)**	**(72)**

(1) As of April 1, 2009, the main defined benefit pension plan in the US has been frozen.

Actuarial assumptions (weighted average rates)

Discount rates are calculated using rates of long-term investment grade corporate bonds and bonds with maturities equivalent to the length of the plans assessed. They were determined based on external indexes commonly considered to be benchmarks, namely the iBoxx in Europe and the City Group Index in the United States.

	Pension plans				Post employment health coverage			Total
December 31, 2011	North America	Europe	Rest of the world	Total	North America	Europe	Total	Group
Discount rate	4.09%	4.64%	3.68%	4.35%	4.09%	5.50%	4.29%	4.35%
Expected return on assets (1)	7.70%	5.65%	3.91%	6.49%	n/a	n/a	n/a	6.49%
Future wage increases	n/a	2.27%	4.02%	2.47%	5.00%	n/a	5.00%	2.66%
Future pension increases	n/a	3.20%	n/a	3.20%	n/a	n/a	n/a	3.20%

	Pension plans				Post employment health coverage			Total
December 31, 2010	North America	Europe	Rest of the world	Total	North America	Europe	Total	Group
Discount rate	4.83%	5.29%	3.67%	5.02%	4.83%	5.50%	4.93%	4.81%
Expected return on assets (1)	7.70%	6.55%	4.10%	6.94%	n/a	n/a	n/a	6.94%
Future wage increases	n/a	4.26%	3.85%	4.23%	5.00%	n/a	5.00%	4.28%
Future pension increases	n/a	3.22%	n/a	3.22%	n/a	n/a	n/a	3.22%

	Pension plans				Post employment health coverage			Total
December 31, 2009	North America	Europe	Rest of the world	Total	North America	Europe	Total	Group
Discount rate	5.50%	5.55%	1.75%	5.50%	5.50%	5.80%	5.55%	5.50%
Expected return on assets (1)	7.60%	6.19%	n/a	6.78%	n/a	n/a	n/a	6.78%
Future wage increases	n/a	3.90%	2.00%	3.86%	5.50%	n/a	5.00%	3.95%
Future pension increases	n/a	3.04%	n/a	3.04%	n/a	n/a	n/a	3.04%

(1) The return on each asset portfolio is calculated on the basis of the expected return and the weighting of each asset class within the portfolio. The rate of return on each investment is based on the discount rate, which is increased or decreased by a premium applied to each asset according to its risk profile.

Sensitivity analysis and changes in medical expenses

	Pension plans		Health cover	
(in millions of euros)	Increase of 1%	Decrease of 1%	Increase of 1%	Decrease of 1%
Change in discount rate				
Effect on actuarial benefit obligation at year-end	(55)	70	(2)	2
Change in inflation rate				
Effect on actuarial benefit obligation at year-end	22	(21)	-	-
Change in medical expenses				
Effect on actuarial benefit obligation at year-end	-	-	1	(1)

The rate of increase in medical expenses used for 2011 is 9.16% with a gradual reduction to a rate of 4.88% as of 2012 and for subsequent financial years.

Note 22 Borrowings

Number of securities on December 31, 2011	(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
	Bonds (excluding accrued interest) issued by Publicis Groupe:			
505,725	Eurobond 4.125% - January 2012 (Effective interest rate 4.30%)	523	533	537
253,242	Eurobond 4.25% - March 2015 (Effective interest rate 3.85%)	268	263	258
2,624,538	Oceane 2.75% - January 2018 (Effective interest rate 2.75%)	123	121	147
25,761,646	Oceane 3.125% - July 2014 (Effective interest rate 5.50%)	674	658	643
1,562,129	Orane 0.82% variable - September 2022 (Effective interest rate 8.50%)	18	21	24
	Other debt:			
	Accrued interest	18	18	18
	Other borrowings and credit lines	93	41	55
	Bank overdrafts	28	36	33
	Debt related to finance leases	84	81	75
	Debt related to acquisitions of shareholdings	279	124	105
	Debt arising from commitments to buy out minority interests	190	177	115
	TOTAL BORROWINGS	**2,298**	**2,073**	**2,010**
	OF WHICH SHORT-TERM	**838**	**290**	**214**
	OF WHICH LONG-TERM	**1,460**	**1,783**	**1,796**

No major transactions took place in 2011 involving the Group's borrowings and debts.

On January 19, 2010, the Group redeemed 617,985 Oceane 2018 for 28 million euros (corresponding to a nominal amount of 24 million euros) as part of the early redemption clause provided for in this bond.

In 2009, in order to respond to the Company's general financing needs and to contribute to extending the maturity of its financial resources, Publicis Groupe:

- issued 25,761,647 bonds redeemable in new or existing shares (Oceane) on June 24, 2009, at a par value of 27.90 euros and with a conversion premium of 35.5% over the reference price of the Publicis share on June 16, 2009. The issuance amounted to 718,749,951 euros. The bonds will bear interest at an annual rate of 3.125% payable on a semi-annual basis and for the first time on January 30, 2010. They will be redeemed at par on July 30, 2014 and can be redeemed earlier under certain conditions at the discretion of Publicis Groupe. The bondholders can convert or exchange the bonds any time after August 3, 2009 and no later than the seventh day preceding the redemption date on the basis of one share per bond. Due to the application of IAS 39, the Oceane proceeds are split into an equity portion and a debt portion. As of December 31, 2009, the debt portion of the Oceane 2014 (643 million euros) corresponded to its amortized cost less issuance costs;
- launched a public exchange offer on December 2, 2009 on the Eurobond 2012 offering holders of the Eurobond 2012 the option of exchanging those bonds for newly issued bonds maturing in March 2015. A principal amount of 244 million related to these bonds with an interest rate of 4.125% and maturing in 2012 was tendered to this exchange offer, representing around 33% of the total Eurobond 2012 bonds in circulation. After this operation, the Eurobond 2012 amounted to 537 million euros.

In exchange Publicis Groupe issued 253 million euros in new bonds bearing interest of 4.25% and maturing on March 31, 2015 (Eurobond 2015), for an issue price of 99.980% of the principal and a yield of 4.258%. As at December 31, 2009, the Eurobond 2015 amounted to 258 million euros, representing 253,242 bonds and factors in the impact of the bond exchange less issuance costs. The terms of the Eurobond 2015 do not differ substantially from those of the Eurobond 2012, and therefore the transaction was not treated as a discharge of debt but rather as an exchange. The impact of the bond exchange corresponds to an adjustment of the book value of the Eurobond 2015 and is amortized over the residual life of the thus modified liability.

In December 2009, the interest rate swap was unwound for the part of the Eurobond 2012 that was exchanged, and the Group received a balance of 8 million euros on the date of the exchange, which had no impact on the consolidated income statement.

The bonds issued by Publicis Groupe are at a fixed rate and are denominated in euros.

In accordance with IAS 39, the fixed rate/variable rate swaps were qualified as a hedge of the fair value of the Eurobond 2012 and Eurobond 2015 liabilities. The Eurobond 2012 and 2015 swapped to a variable rate were thus revalued at their fair value at the year-end.

The fair value of the swap on the Eurobond 2012 is booked under "Other receivables and current assets" in the amount of 1 million euros as of December 31, 2011, 10 million euros as of December 31, 2010 and 15 million euros as of December 31, 2009. The fair value of the swap on the Eurobond 2015 is also booked under "Other receivables and current assets" in the amount of 11 million euros as of December 31, 2011 and 5 million euros as of December 31, 2010, versus the fair value amount booked under "Other creditors and current liabilities" in the amount of 2 million euros as of December 31, 2009.

Debt relating to commitments to buy out minority interests and earn out clauses is centralized and valued at the period-end on the basis of the contractual clauses, the latest available data and the relevant data projections for the period.

Changes in debt resulting from commitments to purchase minority interests are as follows:

(in millions of euros)	Debt arising from commitments to buy out minority interests
AS AT DECEMBER 31, 2009	**115**
Debt contracted during the year	54
Buyouts	(7)
Revaluation of the debt and translation adjustment	15
AS AT DECEMBER 31, 2010	**177**
Debt contracted during the year	63
Buyouts	(9)
Revaluation of the debt and translation adjustment	(41)
AS AT DECEMBER 31, 2011	**190**

The buyouts during the year were paid for in cash. The same will apply to future buyouts relating to the debt existing as at December 31, 2011.

Analysis by date of maturity

		December 31, 2011					
		Maturity					
(in millions of euros)	Total	2012	2013	2014	2015	2016	+ 5 yrs
Bonds and other bank borrowings	1,745	663	5	799	270	2	6
Debt related to finance leases	84	-	-	-	-	-	84
Debt related to acquisitions of shareholdings	279	81	71	70	36	21	-
Debt related to commitments to purchase non-controlling interests (minority interests)	190	94	44	29	1	20	2
TOTAL	**2,298**	**838**	**120**	**898**	**307**	**43**	**92**

		December 31, 2010					
		Maturity					
(in millions of euros)	Total	2011	2012	2013	2014	2015	+ 5 yrs
Bonds and other bank borrowings	1,691	96	538	3	781	265	8
Debt related to finance leases	81	-	-	-	-	-	81
Debt related to acquisitions of shareholdings	124	79	12	29	4	-	-
Debt related to commitments to purchase non-controlling interests (minority interests)	177	115	23	16	14	2	7
TOTAL	**2,073**	**290**	**573**	**48**	**799**	**267**	**96**

(in millions of euros)	Total	December 31, 2009 Maturity 2010	2011	2012	2013	2014	+ 5 yrs
Bonds and other bank borrowings	1,715	129	11	540	3	764	268
Debt related to finance leases	75	-	-	-	-	-	75
Debt related to acquisitions of shareholdings	105	41	52	4	7	1	-
Debt related to commitments to purchase non-controlling interests (minority interests)	115	44	39	25	3	2	2
TOTAL	**2,010**	**214**	**102**	**569**	**13**	**767**	**345**

Analysis by currency

(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Euros	1,689	1,752	1,708
US dollars	154	122	139
Other currencies	455	199	163
TOTAL	**2,298**	**2,073**	**2,010**

Analysis by interest rate type

See Note 26 "Management of market risks – Exposure to interest rate risk".

Exposure to liquidity risk

Future payments related to financial debt before the impact of discounting (excluding debt linked to finance leases) are as follows:

(in millions of euros)	Total	December 31, 2011 Maturity 2012	2013	2014	2015	2016	+ 5 yrs
Bonds and other bank borrowings	1,981	676	13	953	306	8	25
Debt related to acquisitions of shareholdings	301	84	75	77	40	25	-
Debt related to commitments to purchase non-controlling interests (minority interests)	211	99	49	33	2	25	3
TOTAL	**2,493**	**859**	**137**	**1,063**	**348**	**58**	**28**

		December 31, 2010					
		Maturity					
(in millions of euros)	Total	2011	2012	2013	2014	2015	+ 5 yrs
Bonds and other bank borrowings	1,995	106	561	11	967	317	33
Debt related to acquisitions of shareholdings	129	81	13	30	5	-	-
Debt related to commitments to purchase non-controlling interests (minority interests)	183	118	23	17	15	2	8
TOTAL	**2,307**	**305**	**597**	**58**	**987**	**319**	**41**

		December 31, 2009					
		Maturity					
(in millions of euros)	Total	2010	2011	2012	2013	2014	+ 5 yrs
Bonds and other bank borrowings	2,122	138	24	585	15	994	366
Debt related to acquisitions of shareholdings	111	42	55	5	8	1	-
Debt related to commitments to purchase non-controlling interests (minority interests)	123	46	41	27	4	2	3
TOTAL	**2,356**	**226**	**120**	**617**	**27**	**997**	**369**

In order to manage its liquidity risk, Publicis holds a substantial amount of cash (cash and cash equivalents for a total of 2,174 million euros as of December 31, 2011) and unused credit lines (for a total of 2,079 million euros as of December 31, 2011 of which 1,855 million euros in confirmed credit lines and 224 million euros in unconfirmed credit lines). The main credit line is a multi-currency syndicated facility in the amount of 1,200 million euros, expiring in 2016. These immediately available or almost immediately available amounts allow the Group to pay its financial debt maturing in less than one year.

Apart from bank overdrafts, most of the Group's debt consists of bonds, which do not include financial "covenants". They only include standard credit default event clauses (liquidation, cessation of payment, default on the debt itself or on the repayment of another debt above a given threshold) which are generally applicable above a threshold of 25 million euros. The only early redemption option exercisable by the holders relates to the Oceane 2018 which can be exercised in January 2014.

The Group has not established any credit derivatives to date.

Finance leases

The reconciliation between future minimum payments in respect of finance leases and the discounted value of minimum net payments for those leases is as follows:

		December 31, 2011					
		Maturity					
(in millions of euros)	Total	2012	2013	2014	2015	2016	+ 5 yrs
Minimum payments	238	9	9	10	10	10	190
Effect of discounting	(156)	(9)	(9)	(10)	(10)	(10)	(108)
DISCOUNTED VALUE OF MINIMUM PAYMENTS	**82**	**-**	**-**	**-**	**-**	**-**	**82**

(in millions of euros)	Total	December 31, 2010 Maturity 2011	2012	2013	2014	2015	+ 5 yrs
Minimum payments	241	9	9	9	9	10	195
Effect of discounting	(160)	(9)	(9)	(9)	(9)	(10)	(114)
DISCOUNTED VALUE OF MINIMUM PAYMENTS	**81**	**-**	**-**	**-**	**-**	**-**	**81**

(in millions of euros)	Total	December 31, 2009 Maturity 2010	2011	2012	2013	2014	+ 5 yrs
Minimum payments	232	8	8	8	9	9	190
Effect of discounting	(157)	(8)	(8)	(8)	(9)	(9)	(115)
DISCOUNTED VALUE OF MINIMUM PAYMENTS	**75**	**-**	**-**	**-**	**-**	**-**	**75**

Note 23 Other creditors and current liabilities

(in millions of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Advances and deposits received	360	382	347
Liabilities to employees	452	413	310
Tax liabilities (excl. income tax)	212	206	185
Deferred income	306	242	210
Fair value of derivatives backed by current assets or liabilities	4	3	1
Derivatives on intercompany loans and borrowings	1	5	6
Fair value derivative hedge of Eurobond 2015 [(1)]	-	-	2
Other current liabilities	212	185	160
TOTAL	**1,547**	**1,436**	**1,221**

(1) On December 31, 2011, as in 2010, the fair value of the Eurobond 2015 hedge was positive and therefore recognized in "Other receivables and current assets" (see Note 17).

Note 24 Off-balance-sheet commitments

Operating leases

		December 31, 2011					
		Maturity					
(in millions of euros)	Total	2012	2013	2014	2015	2016	+ 5 yrs
Commitments given							
Operating leases	1,499	245	209	191	172	151	531
Commitments received							
Sub-lease commitments	18	10	4	2	1	-	1

		December 31, 2010					
		Maturity					
(in millions of euros)	Total	2011	2012	2013	2014	2015	+ 5 yrs
Commitments given							
Operating leases	1,461	225	206	169	156	140	565
Commitments received							
Sub-lease commitments	19	8	7	2	1	1	-

		December 31, 2009					
		Maturity					
(in millions of euros)	Total	2010	2011	2012	2013	2014	+ 5 yrs
Commitments given							
Operating leases	1,396	209	176	165	130	118	598
Commitments received							
Sub-lease commitments	17	7	5	4	1	-	-

Lease expenses (net of sub-lease income) amounted to 224 million euros in 2011, 217 million euros in 2010 and 211 million euros in 2009.

Other commitments

		December 31, 2011		
		Maturity		
(in millions of euros)	Total	- 1 yr	1 to 5 yrs	+ 5 yrs
Commitments given				
Commitments to sell investments	6	-	-	6
Guarantees [(1)]	161	56	68	37
Other commitments [(2)]	685	129	423	133
TOTAL	**852**	**185**	**491**	**176**
Commitments received				
Undrawn credit lines [(3)]	2,079	429	1,650	-
Other commitments [(4)]	87	38	48	1
TOTAL	**2,166**	**467**	**1,698**	**1**

(1) On December 31, 2011, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of 84 million euros until 2019. They also included guarantees of approximately 6 million euros relating to media-buying operations.

(2) These included 603 million euros of minimum fees guaranteed under advertising space usage contracts. In addition, the Group remains committed to minimum purchases over four years which if not concluded could entail up to 76 million euros in payments (cash and services) for the entire term of the contract expiring on June 30, 2015 (maximum of 19 million euros per year).

(3) The undrawn credit lines included 1,855 million euros of confirmed credit lines.

(4) This refers to 19 million euros of annual billing commitments received for an initial 5-year period starting in 2010 and ending on June 30, 2015.

		December 31, 2010		
		Maturity		
(in millions of euros)	Total	- 1 yr	1 to 5 yrs	+ 5 yrs
Commitments given				
Commitments to sell investments	8	-	-	8
Guarantees [(1)]	132	38	51	43
Other commitments [(2)]	886	142	473	271
TOTAL	**1,026**	**180**	**524**	**322**
Commitments received				
Undrawn credit lines [(3)]	2,367	417	1,950	-
Other commitments [(4)]	104	38	65	1
TOTAL	**2,471**	**455**	**2,015**	**1**

(1) At December 31, 2010, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of 92 million euros until 2019. They also included guarantees of approximately 12 million euros relating to media-buying operations.

(2) These included 771 million euros of minimum fees guaranteed under advertising space usage contracts. In addition, the Group is committed to minimum purchases over 5 years which if not concluded could entail up to 93 million euros in payments (cash and services) for the entire term of the contract expiring on June 30, 2015 (maximum of 19 million euros per year).

(3) The undrawn credit lines included 2,155 million euros of confirmed credit lines.

(4) This refers to 19 million euros of annual billing commitments received for a 5-year period starting in 2010 and ending on June 30, 2015.

(in millions of euros)	Total	December 31, 2009 Maturity - 1 yr	1 to 5 yrs	+ 5 yrs
Commitments given				
Commitments to sell investments	8	-	8	-
Guarantees [(1)]	153	43	62	48
Other commitments [(2)]	371	75	238	58
TOTAL	**532**	**118**	**308**	**106**
Commitments received				
Undrawn credit lines [(3)]	2,388	438	1,950	-
Other commitments [(4)]	93	24	68	1
TOTAL	**2,481**	**462**	**2,018**	**1**

(1) At December 31, 2009, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of 94 million euros until 2019. They also included guarantees of approximately 26 million euros relating to media-buying operations.

(2) These included 275 million euros of minimum fees guaranteed under advertising space usage contracts. In addition, the Group is committed to minimum purchases over 5 years which if not concluded could entail up to 85 million euros in payments (cash and services) for the entire term of the contract expiring on December 31, 2014 (maximum of 17 million euros per year).

(3) The undrawn credit lines included 2,155 million euros of confirmed credit lines.

(4) This refers to 17 million euros of annual billing commitments received for a 5-year period starting in 2010.

Commitments related to bonds and Oranes

Oceane 2018 – 2.75% actuarial January 2018

With respect to the Oceane 2018, bondholders may request that bonds be converted, at the rate of one share for each bond (which had a unit value of 39.15 euros on issue), at any time from January 18, 2002 until the seventh business day before the maturity date (January 18, 2018). In view of the early redemptions made in February 2005, January 2006, January 2009 and January 2010, Publicis Groupe has an obligation, if conversion is requested, to deliver 2,624,538 shares which may, at Publicis Groupe's discretion, be either newly issued shares or existing own shares held in its portfolio.

In addition, the holders of these securities can request early redemption in cash of part or all of the value of the Orane and the Oceane they own on January 18, 2014. The early redemption price is calculated in such a way as to provide a gross annual actuarial yield on the bond of 2.75% on the redemption date.

Meanwhile, Publicis has the right to redeem some or all of the bonds early at any time if the Publicis Groupe SA share price amounts to 125% of the early redemption price.

Orane – Bonds redeemable in new or existing shares – September 2022

After the redemption of the first seven tranches of the bond issue every September since September 2005, each Orane confers a right to 11 new or existing Publicis Groupe shares, at the rate of one share per year until the twentieth anniversary of the bond's issue. Publicis Groupe is therefore committed to delivering 1,562,129 shares each year from 2012 to 2022, representing a total of 17,183,419 shares which may be, at Publicis Groupe's discretion, either newly issued shares or existing shares held in its portfolio.

Oceane 2014 – 3.125% – July 2014

With respect to the Oceane 2014, bondholders may request that bonds be converted, at the rate of 1.003 shares (once the conversion parity adjustment clause has been applied due to the increase in the dividend in 2011) for each bond with an issue value of 27.90 euros when issued, at any time until the seventh business day before the maturity date (July 2014). As a reminder, prior to the decision at the General Shareholders' Meeting to be held on June 7, 2011 to increase the dividend, the conversion ratio stood at one share for each bond. Publicis Groupe is therefore required, if conversion is requested, to deliver 25,838,932 shares (versus 25,761,647 shares before the decision) that may be, at Publicis Groupe's discretion, either newly issued shares or existing shares held in its portfolio.

These bonds are in principle fully amortizable on July 30, 2014 by redemption at par. However, Publicis Groupe retains an option to redeem all or part of the bonds at any time from July 30, 2012 if Publicis Groupe SA shares trade at 130% of the bond's par value.

Obligations related to warrants

The exercise of warrants - which could occur at any time between September 24, 2013 and September 24, 2022 - would lead to an increase in Publicis Groupe's capital stock. After cancellation of the warrants bought back in 2005 and 2006, Publicis Groupe would be committed to creating (if all warrants were to be exercised) 5,602,699 shares with a par value of 0.40 euro and a premium of 30.10 euros.

Other commitments

As at December 31, 2011, there were no significant commitments such as pledges, guarantees or collateral, or any other significant off-balance sheet commitments according to the accounting standards in force.

Note 25 Financial instruments

Statement of financial position for each category of financial instrument

	December 31, 2011						
(in millions of euros)	Value in balance sheet	Fair value through P&L	Available-for-sale assets	Loans & receivables, borrowings & liabilities	Assets held to maturity	Debt at amortized cost	Derivative instruments
Other financial assets	113	-	41	68	4	-	-
Trade receivables	6,446	-	-	6,446	-	-	-
Other current receivables and assets [1]	128	-	-	109	-	-	19
Cash and cash equivalents	2,174	2,174	-	-	-	-	-
ASSETS	**8,861**	**2,174**	**41**	**6,623**	**4**	**-**	**19**
Long-term borrowings	1,460	-	-	-	-	1,460	-
Short-term borrowings	838	-	-	-	-	838	-
TOTAL BORROWINGS	**2,298**	**-**	**-**	**-**	**-**	**2,298**	**-**
Trade payables	7,745	-	-	7,745	-	-	-
Other creditors and current liabilities [2]	217	-	-	212	-	-	5
LIABILITIES	**10,260**	**-**	**-**	**7,957**	**-**	**2,298**	**5**

	December 31, 2010						
(in millions of euros)	Value in balance sheet	Fair value through P&L	Available-for-sale assets	Loans & receivables, borrowings & liabilities	Assets held to maturity	Debt at amortized cost	Derivative instruments
Other financial assets	113	-	42	69	2	-	-
Trade receivables	5,953	-	-	5,953	-	-	-
Other current receivables and assets [1]	99	-	-	76	-	-	23
Cash and cash equivalents	2,164	2,164	-	-	-	-	-
ASSETS	**8,329**	**2,164**	**42**	**6,098**	**2**	**-**	**23**
Long-term borrowings	1,783	-	-	-	-	1,783	-
Short-term borrowings	290	-	-	-	-	290	-
TOTAL BORROWINGS	**2,073**	**-**	**-**	**-**	**-**	**2,073**	**-**
Trade payables	7,216	-	-	7,216	-	-	-
Other creditors and current liabilities [2]	193	-	-	185	-	-	8
LIABILITIES	**9,482**	**-**	**-**	**7,401**	**-**	**2,073**	**8**

(in millions of euros)	Value in balance sheet	Fair value through P&L	Available-for-sale assets	Loans & receivables, borrowings & liabilities	Assets held to maturity	Debt at amortized cost	Derivative instruments
	December 31, 2009						
Other financial assets	94	-	29	63	2	-	-
Trade receivables	4,875	-	-	4,875	-	-	-
Other current receivables and assets [1]	120	-	-	74	-	-	46
Cash and cash equivalents	1,580	1,580	-	-	-	-	-
ASSETS	**6,669**	**1,580**	**29**	**5,012**	**2**	**-**	**46**
Long-term borrowings	1,796	-	-	-	-	1,796	-
Short-term borrowings	214	-	-	-	-	214	-
TOTAL BORROWINGS	2,010	-	-	-	-	2,010	-
Trade payables	5,835	-	-	5,835	-	-	-
Other creditors and current liabilities [2]	169	-	-	160	-	-	9
LIABILITIES	**8,014**	**-**	**-**	**5,995**	**-**	**2,010**	**9**

(1) Excluding tax receivables, advances and deposits given to suppliers and prepayments (see Note 17).
(2) Excluding advances and deposits received, liabilities to employees, tax liabilities and deferred income (see Note 23).

Income statement per category of financial instruments

(in millions of euros)	Valuation at fair value	Interest on assets remeasured at fair value	Dividends on available-for-sale assets	Impairment of assets held to maturity	Debt at amortized cost: Foreign exchange effects	Debt at amortized cost: Interest	Loans and receivables: Foreign exchange effects	Loans and receivables: Impairment and reversal of impairment	Change in value of derivatives
	December 31, 2011								
Operating Income	-	-	-	-	-	-	-	(41)	-
Cost of net financial debt	-	33	-	-	-	(89)	-	-	-
Other financial income and expenses [1]	-	-	1	-	-	-	-	-	2

(in millions of euros)	Valuation at fair value	Interest on assets remeasured at fair value	Dividends on available-for-sale assets	Impairment of assets held to maturity	Debt at amortized cost: Foreign exchange effects	Debt at amortized cost: Interest	Loans and receivables: Foreign exchange effects	Loans and receivables: Impairment and reversal of impairment	Change in value of derivatives
	December 31, 2010								
Operating Income	-	-	-	-	-	-	-	(34)	-
Cost of net financial debt	-	16	-	-	-	(81)	-	-	-
Other financial income and expenses [1]	-	-	2	-	-	-	22	-	(28)

(in millions of euros)	December 31, 2009 Valuation at fair value	Interest on assets remeasured at fair value	Dividends on available-for-sale assets	Impairment of assets held to maturity	Debt at amortized cost: Foreign exchange effects	Debt at amortized cost: Interest	Loans and receivables: Foreign exchange effects	Loans and receivables: Impairment and reversal of impairment	Change in value of derivatives
Operating Income	-	-	-	(1)	-	-	-	(45)	-
Cost of net financial debt	-	16	-	-	-	(77)	-	-	-
Other financial income and expenses [1]	-	-	2	-	-	-	(41)	(2)	43

(1) Excluding the financial cost related to unwinding of discount on long-term vacant property provisions and pension provisions (See Note 7).

Fair value

The table below sets out a comparison, by category of assets and liabilities, of the carrying amounts and the fair values of all the Group's financial instruments.

Financial assets belonging to the "held-for-trading" and "available-for-sale" categories are already measured at fair value in the financial statements.

Borrowings are measured at amortized cost in the financial statements, using the effective interest rate method.

(in millions of euros)	December 31, 2011 Fair value	December 31, 2011 Net carrying amount	December 31, 2010 Fair value	December 31, 2010 Net carrying amount	December 31, 2009 Fair value	December 31, 2009 Net carrying amount
Financial assets excluding operating assets						
Available-for-sale financial assets (IPG and others)	45	45	42	42	29	29
Other financial assets	68	68	71	71	65	65
TOTAL OTHER FINANCIAL ASSETS	**113**	**113**	**113**	**113**	**94**	**94**
TRADE RECEIVABLES AND RELATED ACCOUNTS	**6,446**	**6,446**	**5,953**	**5,953**	**4,875**	**4,875**
Derivative assets	19	19	23	23	46	46
Other receivables and current assets (excluding derivatives)	109	109	76	76	74	74
TOTAL OTHER RECEIVABLES AND CURRENT ASSETS	**128**	**128**	**99**	**99**	**120**	**120**
CASH AND CASH EQUIVALENTS	**2,174**	**2,174**	**2,164**	**2,164**	**1,580**	**1,580**

(in millions of euros)	December 31, 2011 Fair value	December 31, 2011 Net carrying amount	December 31, 2010 Fair value	December 31, 2010 Net carrying amount	December 31, 2009 Fair value	December 31, 2009 Net carrying amount
Financial liabilities excluding operating payables						
Convertible bonds - (Oceane, debt component)	888	797	873	779	809	790
Orane (debt component)	70	18	78	21	108	24
Eurobond	810	791	821	796	819	795
Debt related to finance leases	183	84	167	81	153	75
Commitments to buy out non-controlling interests (minority interests) and earn outs payable	469	469	301	301	220	220
Other borrowings	139	139	95	95	106	106
TOTAL BORROWINGS	**2,559**	**2,298**	**2,335**	**2,073**	**2,215**	**2,010**
TRADE PAYABLES AND RELATED ACCOUNTS	**7,745**	**7,745**	**7,216**	**7,216**	**5,835**	**5,835**
Derivative liabilities	5	5	8	8	9	9
Other borrowings and current liabilities (excluding derivatives)	212	212	185	185	160	160
TOTAL OTHER BORROWINGS AND CURRENT LIABILITIES	**217**	**217**	**193**	**193**	**169**	**169**

The fair values of the Eurobond and of the debt components of convertible bonds and Orane have been calculated by discounting the expected future cash flows to present at market interest rates.

Fair value hierarchy

The table below breaks down financial instruments recognized at fair value according to the measurement method used. The different levels of fair value have been defined as follows:

- Level 1: Quoted market price;
- Level 2: Observable data other than quoted market price;
- Level 3: Non-observable data.

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(in millions of euros)	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	37	-	8	45
Derivative instruments - Assets	-	19	-	19
	37	**19**	**8**	**64**
Derivative instruments - Liabilities	-	(5)	-	(5)
TOTAL	**37**	**14**	**8**	**59**

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(in millions of euros)	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	39	3	-	42
Derivative instruments - Assets	-	23	-	23
	39	**26**	**-**	**65**
Derivative instruments - Liabilities	-	(8)	-	(8)
TOTAL	**39**	**18**	**-**	**57**

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(in millions of euros)	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	25	4	-	29
Derivative instruments - Assets	-	46	-	46
	25	**50**	**-**	**75**
Derivative instruments - Liabilities	-	(9)	-	(9)
TOTAL	**25**	**41**	**-**	**66**

Note 26 Management of market risks

Exposure to interest rate risk

Group management determines the allocation of debt between fixed and variable-rate debt, which is periodically reviewed in terms of interest rate trend forecasts.

At the end of 2011, the Group's gross borrowings after taking account of the effects of the swap on the Eurobond, excluding debt related to acquisition of shareholdings and debt relating to commitments to buy out non-controlling interests was composed of:

- 49.5% of fixed-rate loans with an average interest rate for 2011 of 5.9%;
- 50.5% of variable-rate loans with an average interest rate for 2011 of 3.8%.

Variable rate borrowings on December 31, 2011 after deducting cash and cash equivalents and other financial assets show a positive balance value of 1,328 million euros. An increase of 1% in short-term interest rates would, on this basis, have a positive effect of 13 million euros on the Group's income before tax.

An increase of 1% in short-term interest rates applied to the position at short-term variable rates would have a positive effect of 15 million euros on the Group's profit before tax.

The following table sets out the carrying amount by maturity on December 31, 2011 of the Group's financial instruments that are exposed to interest rate risk:

(in millions of euros)	Balance sheet total at December 31, 2011	Maturity		
		- 1 yr	1 to 5 yrs	+ 5 yrs
Fixed rate				
Eurobond 2012 & 2015	779	522	257	-
Oceane (debt component)	797	-	797	-
Orane (debt component)	18	3	9	6
Debt related to finance leases	84	-	-	84
NET LIABILITY (ASSET) AT FIXED RATE BEFORE MANAGEMENT	**1,678**	**525**	**1,063**	**90**
Effect of swap on Eurobond	(779)	(522)	(257)	-
NET LIABILITY (ASSET) AT FIXED RATE AFTER MANAGEMENT	**899**	**3**	**806**	**90**
Variable rate				
Bank borrowings	111	110	1	-
Bank overdrafts	28	28	-	-
Cash and cash equivalents	(2,174)	(2,174)	-	-
Other financial assets	(72)	-	-	(72)
NET LIABILITY (ASSET) AT VARIABLE RATE BEFORE MANAGEMENT	**(2,107)**	**(2,036)**	**1**	**(72)**
Effect of swap on Eurobond	779	522	257	-
NET LIABILITY (ASSET) AT VARIABLE RATE AFTER MANAGEMENT	**(1,328)**	**(1,514)**	**258**	**(72)**

Exposure to exchange rate risk

Net assets

The following table shows the Group's net assets at December 31, 2011 broken down by principal currencies:

(in millions of euros)	Total at December 31, 2011	Euro (1)	US Dollar	Pound Sterling	Brazilian Real	Yuan	Other
Assets	**16,450**	4,287	6,757	942	509	1,011	2,944
Liabilities	**12,519**	3,765	5,200	533	225	740	2,056
NET ASSETS	**3,931**	**522**	**1,557**	**409**	**284**	**271**	**888**
Effect of foreign exchange hedges (2)	**-**	**422**	**(31)**	**(156)**	**-**	**-**	**(235)**
NET ASSETS AFTER HEDGING	**3,931**	**944**	**1,526**	**253**	**284**	**271**	**653**

(1) Reporting currency used to present consolidated financial statements.
(2) The financial instruments used to hedge foreign exchange risk are mainly currency swaps.

In addition, changes in exchange rates against the euro, the reporting currency used in the Group's financial statements, can have an impact on the Group's consolidated balance sheet and consolidated income statement.

Revenue and Operating margin

The breakdown of Group revenue by the currency in which it is earned is as follows:

	2011	2010	2009
Euro	20%	20%	22%
US Dollar	45%	47%	45%
Pound Sterling	7%	7%	7%
Other	28%	26%	26%
TOTAL REVENUE	**100%**	**100%**	**100%**

The impact of a drop of 1% in the euro's exchange rate against the US dollar and the pound sterling would be (favorable impact):

- 30 million euros on 2011 consolidated revenue;
- 6 million euros on 2011 operating margin.

The majority of our commercial dealings are done in the local currencies of the countries in which they are transacted. As a result, exchange rate risk relating to such transactions is not very significant and is occasionally hedged through currency hedging agreements.

As regards inter-Group loans/borrowings, these are subject to appropriate hedges if they present a significant net exposure to exchange rate risk.

Derivatives used are generally forward currency contracts.

The table below summarizes foreign currency hedging contracts in place at the close of 2011. These contracts hedge both assets and liabilities and future cash flows. It is worth highlighting that Publicis, bearing in mind that the impact thereof is insignificant, posts the changes in the fair value of derivatives used to hedge future flows under income.

Currency sold	Currency purchased	Face value of currency sold (local currency in millions)	Face value of currency purchased (local currency in millions)	Fair value (in millions of euros)
CHF	EUR	(0.6)	0.5	0.0
CHF	GBP	(1.1)	0.8	0.0
DKK	EUR	(24.7)	3.3	0.0
EUR	AUD	(46.6)	60.0	0.4
EUR	CAD	(139.5)	186.2	1.3
EUR	CHF	(10.7)	13.0	0.0
EUR	CZK	(4.9)	123.9	(0.1)
EUR	GBP	(166.2)	139.7	1.0
EUR	HKD	(28.3)	290.0	0.5
EUR	JPY	(29.5)	3,000.0	0.5
EUR	MXN	(9.5)	172.7	0.0
EUR	PLN	(16.0)	70.7	(0.1)
EUR	RON	(0.0)	0.2	0.0
EUR	USD	(17.2)	22.1	(0.1)
GBP	CHF	(0.3)	0.4	0.0
GBP	EUR	0.0	0.1	0.1
GBP	USD	(6.6)	10.3	0.0
HKD	EUR	(1.0)	0.1	0.0
HUF	EUR	(73.5)	0.2	0.0
NZD	EUR	(29.5)	16.7	(0.7)
RON	EUR	(2.5)	0.6	0.0
SEK	EUR	(308.5)	33.8	(0.5)
USD	CAD	(6.0)	6.2	(0.0)
USD	CHF	(0.1)	0.1	(0.0)
USD	EUR	(63.2)	48.9	0.1
USD	GBP	(0.5)	0.3	0.0
TOTAL				**2.4**

Exposure to client counterparty risk

The Group analyzes its trade receivables, focusing in particular on improving the time taken to recover such receivables, in the context of the management of its working capital requirements. The Group Treasury Department monitors overdue receivables for the entire Group. In addition, the Group periodically reviews the list of its main clients in order to determine exposure to client counterparty risk at Group level and, if necessary, it puts in place specific monitoring in the form of a weekly summary of the Group's exposure to certain clients.

Any impairments required are assessed on an individual basis and take into account different criteria such as the customer's situation and delays in payment. No general provisions are recorded on an overall basis.

The following table shows the period overdue of the invoiced trade receivables for the last three financial years:

(in millions of euros)	2011	2010	2009
Amounts not yet due	**4,333**	**4,098**	**3,228**
Overdue receivables:			
Up to 30 days	382	320	321
31 to 60 days	111	90	87
61 to 90 days	34	42	34
91 to 120 days	34	30	21
More than 120 days	110	100	120
TOTAL OVERDUE RECEIVABLES	671	582	583
INVOICED TRADE RECEIVABLES	**5,004**	**4,680**	**3,811**
Impairment	(106)	(103)	(88)
INVOICED TRADE RECEIVABLES, NET	**4,898**	**4,577**	**3,723**

Disclosures regarding major clients

(% of revenue)	2011	2010	2009
Five largest clients	20%	21%	22%
Ten largest clients	28%	30%	32%
Twenty largest clients	38%	41%	43%
Thirty largest clients	46%	47%	49%
Fifty largest clients	53%	55%	56%
One hundred largest clients	63%	65%	64%

Exposure to bank counterparty risk

Publicis has established a group-wide policy for selecting authorized banks as counterparties for all its subsidiaries. This policy requires that deposits be made in authorized banks and that in general all banking services be provided exclusively by these banks. The list of authorized banks is reviewed periodically by the corporate treasury office. Exceptions to this policy are handled centrally for the entire Group by the treasury office.

Additionally, studies are carried out in order to ensure that almost all cash and cash equivalents are deposited in authorized banks.

Exposure to risks related to shareholdings

The main shareholdings that are exposed to a significant market risk are our shares in Interpublic Group (IPG). They are classified as available-for-sale assets and a 10% decrease in their market value would not have an impact on earnings but would have an impact on equity at December 31, 2011.

Impact of a 10% decline in the market value of the IPG shares held by the Group:

(in millions of euros)	
Effect on assets	(4)
Effect on equity	(4)
Effect on net income	-

The Group also holds treasury shares. A fall in their value would not impact the income statement as the purchase cost of treasury shares is recorded as a deduction from equity.

Note 27 Segment reporting

Information by business sector

The Publicis Groupe structure, developed over several years, is designed to provide the Group's clients with comprehensive, holistic communication services involving all disciplines.

The Group has identified nine operating segments which correspond to our networks of agencies and which may be categorized together since they share similar economic features (similar margins across the various operating segments) and provide similar services (a full range of advertising and communications services) and do so for similar types of clients (the Group's top 20 clients are clients of several operating segments). The nine operating segments are thus pooled into a single sector in accordance with IFRS 8.

Reporting by region

Given of the importance of geographic location in the analysis of our business, the Group has chosen to provide specific information by region.

Data are established on the basis of the location of the agency.

YEAR 2011

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue [1]	1,872	2,721	690	374	159	**5,816**
Depreciation and amortization expense (excluding intangibles from acquisitions)	(43)	(43)	(11)	(4)	(2)	**(103)**
Operating margin	239	523	84	60	25	**931**
Amortization of intangibles from acquisitions	(7)	(26)	(2)	(3)	-	**(38)**
Impairment	-	-	-	-	-	**-**
Share of profit of associates	13	3	-	1	-	**17**
Balance sheet items						
Goodwill and intangible assets, net	1,517	3,652	600	368	55	**6,192**
Property, plant and equipment	270	176	31	12	7	**496**
Deferred tax assets	30	10	25	16	1	**82**
Investments in associates	24	15	4	-	-	**43**
Other financial assets	20	64	25	3	1	**113**
Current assets (liabilities) [2]	(269)	(2,016)	(60)	29	47	**(2,269)**
Deferred tax liabilities	(56)	(175)	-	(9)	-	**(240)**
Long-term provisions	(217)	(165)	(51)	(21)	(32)	**(486)**
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(60)	(37)	(4)	(12)	(3)	**(116)**
Purchases of investments and other financial assets, net	15	(1)	-	(1)	-	**13**
Acquisitions of subsidiaries	(128)	(439)	(150)	(11)	-	**(728)**
Non-cash expenses on stock options and similar items	11	12	2	1	-	**26**
Other non-cash income and expenses	-	2	(4)	2	1	**1**

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.

(2) Current assets (liabilities) consist of the following balance sheet items: inventories and work in progress, trade receivables, other receivables and current assets, cash and cash equivalents, trade payables, financial debt and corporate tax liabilities, short term provisions and other borrowings and current liabilities.

YEAR 2010

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue [(1)]	1,761	2,606	617	284	150	**5,418**
Depreciation and amortization expense (excluding intangibles from acquisitions)	(46)	(48)	(11)	(4)	(2)	**(111)**
Operating margin	193	511	74	59	19	**856**
Amortization of intangibles from acquisitions	(8)	(23)	(2)	(1)	-	**(34)**
Impairment	(1)	-	-	-	-	**(1)**
Share of profit of associates	7	-	-	1	-	**8**
Balance sheet items						
Goodwill and intangible assets, net	1,494	2,935	419	221	65	**5,134**
Property, plant and equipment	261	160	28	10	5	**464**
Deferred tax assets	40	5	23	8	(1)	**75**
Investments in associates	30	15	4	89	2	**140**
Other financial assets	25	63	22	2	1	**113**
Current assets (liabilities) [(2)]	(192)	(1,691)	(80)	5	-	**(1,958)**
Deferred tax liabilities	(60)	(158)	(1)	(2)	2	**(219)**
Long-term provisions	(202)	(163)	(37)	(19)	(37)	**(458)**
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(52)	(36)	(9)	(4)	(2)	**(103)**
Purchases of investments and other financial assets, net	1	7	(3)	-	-	**5**
Acquisitions of subsidiaries	(39)	(27)	(10)	(89)	(1)	**(166)**
Non-cash expenses on stock options and similar items	11	12	1	2	-	**26**
Other non-cash income and expenses	2	4	-	-	-	**6**

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.
(2) Current assets (liabilities) consist of the following balance sheet items: inventories and work in progress, trade receivables, other receivables and current assets, cash and cash equivalents, trade payables and related accounts, financial debt and corporate tax liabilities, short term provisions and other borrowings and current liabilities.

YEAR 2009

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue (1)	1,579	2,094	498	218	135	**4,524**
Depreciation and amortization expense (excluding intangibles from acquisitions)	(35)	(42)	(10)	(3)	(2)	**(92)**
Operating margin	105	446	66	44	19	**680**
Amortization of intangibles from acquisitions	(8)	(19)	(2)	(1)	-	**(30)**
Impairment	(15)	(3)	(10)	-	-	**(28)**
Share of profit of associates	2	2	-	-	-	**4**
Balance sheet items						
Goodwill and intangible assets, net	1,423	2,748	364	162	66	**4,763**
Property, plant and equipment	268	152	24	9	5	**458**
Deferred tax assets	36	14	13	7	3	**73**
Investments in associates	28	15	3	1	2	**49**
Other financial assets	21	54	16	2	1	**94**
Current assets (liabilities) (2)	(189)	(1,247)	(98)	10	18	**(1,506)**
Deferred tax liabilities	(64)	(148)	(1)	(1)	-	**(214)**
Long-term provisions	(189)	(187)	(30)	(12)	(31)	**(449)**
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(49)	(14)	(7)	(2)	(2)	**(74)**
Purchases of investments and other financial assets, net	7	1	(2)	3	1	**10**
Acquisitions of subsidiaries	(55)	(207)	(8)	(2)	(1)	**(273)**
Non-cash expenses on stock options and similar items	11	9	2	1	1	**24**
Other non-cash income and expenses	4	7	-	-	-	**11**

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.
(2) Current assets (liabilities) consist of the following balance sheet items: inventories and work in progress, trade receivables, other receivables and current assets, cash and cash equivalents, trade payables and related accounts, financial debt and corporate tax liabilities, short term provisions and other borrowings and current liabilities.

Note 28 Publicis Groupe SA stock option and free share plans

The free share plans in force on December 31, 2011 have the following features:

- Free share plan for employees of the 16 following countries (December 2011): Germany, Belgium, Brazil, Canada, Denmark, Spain, Finland, India, Italy, Mexico, Norway, Netherlands, Poland, Portugal, United Kingdom, Sweden.

  Under this plan, as was done in France in 2009 and the United States in 2010, 50 free shares were allocated on December 1, 2011, to all employees with at least 6 months of employment and working more than 21 hours per week in a majority-owned subsidiary in one of the countries included in the plan. Receipt of the shares is contingent on at least 2 years of employment for Spain and Italy, plus a lock-in period of 3 years or 4 years for the other countries: free shares will be delivered to the beneficiaries in December 2013 (Spain, Italy) and December 2015 (other countries), the date at which they become the beneficial owners and are able to exercise their rights as shareholders;
- Long Term Incentive Plan "LTIP 2011" (April 2011)

  Under this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the 4-year vesting period, except for tax residents of France who have a shorter, 3-year vesting period but an additional

2-year lock-in period. Furthermore, the shares are subject to additional performance criteria, so that the total number of shares received will depend on the growth and profitability objectives attained in 2011. The shares were initially awarded in April 2011 and will vest in April 2015, except for French employees whose share awards will vest in April 2014;

- Free share plan for employees of American entities (December 2010)

  Under this plan in the USA, 50 free shares were awarded on December 1, 2010 to all employees working more than 21 hours per week in a majority-owned subsidiary in the USA. Receipt of the shares is contingent on at least four years of employment: free shares will be delivered to the beneficiaries in December 2014, the date at which they become the beneficial owners and are able to exercise their rights as shareholders;

- Long Term Incentive Plan "LTIP 2010" (August 2010) and "LTIP 2010-2012" for members of the Management Board (September 2010)

  Within the framework of this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the 4-year vesting period, except for tax residents of France who have a shorter, 3-year vesting period but an additional 2-year lock-in period. Furthermore, the shares are subject to additional performance criteria, so that the total number of shares received depended on the growth and profitability objectives attained in 2010 (or over the 2010-2012 period for members of the Management Board). Performance was measured in March 2011 with 100% of targets met for the LTIP 2010. The shares were initially awarded in August (September for the Executive Board) 2010 and will vest in August and September 2014, except for French employees whose share awards will vest in August and September 2013;

- Free share plan for certain employees of Razorfish (December 2009)

  At the time of the Razorfish acquisition, some of its employees had received Microsoft "Restricted Share Units" between 2007 and 2009. On December 1, 2009 a new Publicis Groupe free share plan was implemented, subject to continued employment of the same beneficiaries, whereby the same number of shares was awarded after being converted into Publicis Groupe shares with the same vesting dates as the prior plans (which for most beneficiaries vested between January 2010 and September 2015). The number of free Microsoft shares in the process of being acquired was converted into Publicis Groupe shares, using the existing ratio between the average Microsoft price over the preceding 20 trading days and the Publicis Groupe share price on the acquisition date (October 13, 2009);

- Free share plan for employees of French entities (May 2009)

  Under this plan, which applied only in France, 50 free shares were awarded on May 20, 2009 to all employees working at least 50% of their working time in a majority-owned French subsidiary. Receipt of the shares was contingent on at least two years of employment: the free shares were delivered in May 2011 to the beneficiaries, who then became the owners thereof and can exercise their rights as shareholders. Pursuant to the French laws applicable to free share plans, employees must hold these shares for an additional two-year period before they are able to dispose of them, i.e. until May 2013;

- Free shares granted as part of the "co-investment" program (March 2009)

  Under this plan, offered to 160 members of Group management, each beneficiary is awarded two free shares for each Publicis share purchased on their behalf by LionLead, a specific structure dedicated to this operation. These shares are subject to conditions: i.e., that the entire investment remains unsold and that employment continues throughout the 4-year vesting period, except for tax residents of France who have a shorter, 3-year vesting period but an additional 2-year lock-in period. Furthermore, the second free share is subject to additional performance criteria, so that the total number of shares received will depend on the growth and profitability objectives attained over the 2009-2011 period. Free shares awarded to corporate officers depend entirely on performance criteria. These shares were awarded in March 2009 and will be delivered in March 2013, except for French employees who will receive their shares in March 2012.

The stock option plans in force on December 31, 2011 have the following features:

- Long Term Incentive Plan "LTIP 2006-2008" (twenty-second tranche in 2006 and twenty-third tranche in 2007)

  Options granted under this plan grant a right to acquire one share for an exercise price equal to the average Publicis share price for the 20 days preceding the date of grant. The number of options that may be exercised out of the total number granted was determined in April 2009 based on the growth and profitability levels achieved over the entire 2006-2008 period, corresponding to 62.59% of the initial grant. For the first half of the options, the exercise period began in 2009, while the second half was exercisable as of April 2010. The options expire 10 years after the grant date;

- Plan granted in 2006 (twenty-first tranche)

  Options granted under this plan grant a right to acquire one share for an exercise price equal to the average Publicis share price for the 20 days preceding the date of grant. Options may be exercised after a period of 4 years and expire 10 years after the date of grant;

- Long Term Incentive Plan "LTIP 2003-2005" (seventeenth tranche in 2003, nineteenth tranche in 2004, twentieth tranche in 2005)

Options granted under this plan confer the right to acquire one share for an exercise price equal to the average cost of the portfolio treasury shares on the date of the grant. The number of options that may be exercised out of the total number granted was determined in April 2006 based on the growth and profitability levels achieved over the entire 2003-2005 period, corresponding to 98.92% of the initial grant. For the first half of the options, the exercise period began in 2006, while the second half were exercisable in 2007. The options expire 10 years after the grant date;

- Plan granted in 2001 (eleventh tranche) – 2002 (thirteenth, fourteenth and fifteenth tranches) – 2003 (sixteenth tranche)

  Options granted under these plans grant a right to acquire one share for an exercise price equal to the average Publicis share price for the 20 days preceding the date of grant. Options may be exercised after a period of 4 years and expire 10 years after the date of grant.

Stock options originated by Publicis Groupe

Characteristics of Publicis Groupe stock option plans outstanding at December 31, 2011

Shares with 0.40 euro par value	Type of option	Date of grant	Exercise price of options (in euros)	Options outstanding on December 31, 2011	Of which exercisable at December 31, 2011	Expiration date	Remaining contract life (in years)
13th tranche	Acquisition	01/18/2002	29.79	26,000	26,000	2012	0.04
14th tranche	Acquisition	06/10/2002	32.43	5,000	5,000	2012	0.44
15th tranche	Acquisition	07/08/2002	29.79	220,000	220,000	2012	0.51
16th tranche	Acquisition	08/28/2003	24.82	443,400	443,400	2013	1.65
17th tranche	Acquisition	08/28/2003	24.82	1,106,357	1,106,357	2013	1.65
19th tranche	Acquisition	09/28/2004	24.82	474,563	474,563	2014	2.74
20th tranche	Acquisition	05/24/2005	24.76	175,726	175,726	2015	3.39
21st tranche	Acquisition	08/21/2006	29.27	100,000	100,000	2016	4.64
22nd tranche	Acquisition	08/21/2006	29.27	2,793,739	2,793,739	2016	4.64
23rd tranche	Acquisition	08/24/2007	31.31	547,419	547,419	2017	5.64
TOTAL OF ALL TRANCHES				**5,892,204**	**5,892,204**		
Average exercise price				27.82	27.82		

Movements in Publicis Groupe stock option plans in 2011

Shares with 0.40 euro par value	Exercise price of options (in euros)	Options outstanding on December 31, 2010	Options granted in 2011	Options exercised in 2011	Options cancelled or lapsed in 2011	Options outstanding at December31, 2011
11th tranche	33.18	307,500	-	-	(307,500)	-
13th tranche	29.79	71,700	-	(45,700)	-	26,000
14th tranche	32.43	5,000	-	-	-	5,000
15th tranche	29.79	220,000	-	-	-	220,000
16th tranche	24.82	443,400	-	-	-	443,400
17th tranche	24.82	1,502,602	-	(357,370)	(38,875)	1,106,357
19th tranche	24.82	649,330	-	(185,895)	11,128	474,563
20th tranche	24.76	228,695	-	(52,969)	-	175,726
21st tranche	29.27	100,000	-	-	-	100,000
22nd tranche	29.27	3,585,951	-	(729,841)	(62,371)	2,793,739
23rd tranche	31.31	692,808	-	(113,361)	(32,028)	547,419
TOTAL OF ALL TRANCHES		**7,806,986**	**-**	**(1,485,136)**	**(429,646)**	**5,892,204**
Average exercise price (in euros)		28.02	-	27.65	31.93	27.82
Average share price on exercise (in euros)				36.29		

Movements in Publicis Groupe stock option plans in 2010

Shares with 0.40 euro par value	Exercise price of options (in euros)	Options outstanding at December 31, 2009	Options granted in 2010	Options exercised in 2010	Options cancelled or lapsed in 2010	Options outstanding on December 31, 2010
10th tranche	43.55	100,000	-	-	(100,000)	-
11th tranche	33.18	343,000	-	(35,500)	-	307,500
13th tranche	29.79	77,200	-	(5,500)	-	71,700
14th tranche	32.43	5,000	-	-	-	5,000
15th tranche	29.79	220,000	-	-	-	220,000
16th tranche	24.82	478,400	-	(35,000)	-	443,400
17th tranche	24.82	3,315,046	-	(1,691,713)	(120,731)	1,502,602
19th tranche	24.82	1,160,208	-	(467,571)	(43,307)	649,330
20th tranche	24.76	395,190	-	(101,086)	(65,409)	228,695
21st tranche	29.27	100,000	-	-	-	100,000
22nd tranche	29.27	4,820,571	-	(1,034,739)	(199,881)	3,585,951
23rd tranche	31.31	802,316	-	(63,547)	(45,961)	692,808
TOTAL OF ALL TRANCHES		**11,816,931**	**-**	**(3,434,656)**	**(575 289)**	**7,806,986**
Average exercise price (in euros)		27.64	-	26.37	30.13	28.02
Average share price on exercise (in euros)				33.36		

Movements in Publicis Groupe stock option plans in 2009

Shares with 0.40 euro par value	Exercise price of options (in euros)	Options outstanding at December 31, 2008	Options granted in 2009	Options exercised in 2009	Options cancelled or lapsed in 2009	Options outstanding at December 31, 2009
10th tranche	43.55	100,000	-	-	-	100,000
11th tranche	33.18	353,000	-	-	(10,000)	343,000
13th tranche	29.79	85,200	-	-	(8,000)	77,200
14th tranche	32.43	5,000	-	-	-	5,000
15th tranche	29.79	220,000	-	-	-	220,000
16th tranche	24.82	480,067	-	-	(1,667)	478,400
17th tranche	24.82	3,719,299	-	(110,262)	(293,991)	3,315,046
19th tranche	24.82	1,227,571	-	(19,091)	(48,272)	1,160,208
20th tranche	24.76	417,596	-	(6,677)	(15,729)	395,190
21st tranche	29.27	100,000	-	-	-	100,000
22nd tranche	29.27	7,965,250	-	-	(3,144,679)	4,820,571
23rd tranche	31.31	1,422,233	-	-	(619,917)	802,316
TOTAL OF ALL TRANCHES		**16,095,216**	**-**	**(136,030)**	**(4,142,255)**	**11,816,931**
Average exercise price (in euros)		28.02	-	24.82	29.20	27.64
Average share price on exercise (in euros)				23.30		

Fair value of options granted in the last three years

No options were granted during the last three years.

Publicis Groupe free share plans

Characteristics of Publicis Groupe free share plans outstanding at December 31, 2011

Shares with 0.40 euro par value	Beneficiaries	Grant date	Number of shares yet to vest at December 30, 2011	Vesting date of shares (1)	Remaining contract life (in years)
Co-investment plan	France	03/19/2009	804,194	03/19/2012	0.22
Co-investment plan	Outside France	03/19/2009	2,320,678	03/19/2013	1.22
France Plan 2009 - all French employees	France	05/20/2009	-	05/20/2011	-
LTIP Plan 2010	France	08/19/2010	86,550	08/19/2013	1.64
LTIP Plan 2010	Outside France	08/19/2010	510,200	08/19/2014	2.64
LTIP Plan 2010-2012 (Management Board members)	France	09/22/2010	152,000	09/22/2013	1.73
LTIP Plan 2010-2012 (Management Board members)	Outside France	09/22/2010	100,000	09/22/2014	2.73
USA Plan 2010 - all US employees	United States	12/01/2010	479,800	12/01/2014	2.92
LTIP Plan 2011	France	04/19/2011	89,950	04/19/2014	2.30
LTIP Plan 2011	Outside France	04/19/2011	552,750	04/19/2015	3.30
Global plan 2011 – all employees in countries concerned	Spain, Italy	12/01/2011	79,050	12/01/2013	1.92
Global plan 2011 – all employees in countries concerned	14 countries (2)	12/01/2011	454,650	12/01/2015	3.92
TOTAL OF FREE SHARE PLANS			**5,629,822**		

(1) After this date French beneficiaries must observe an additional two-year lock-in period.
(2) The countries concerned are: Germany, Belgium, Brazil, Canada, Denmark, Finland, India, Mexico, Norway, Netherlands, Poland, Portugal, United Kingdom, Sweden.

The award of the free shares listed above is conditional on continued employment by the employee throughout the vesting period. The grant is also subject to non-market performance conditions for the following plans: co-investment (only for half of the shares granted concerning the beneficiaries who are not members of the Management Board), LTIP 2010, LTIP 2010-2012, LTIP 2011.

Movements in Publicis Groupe free share plans in 2011

Shares with 0.40 euro par value	Beneficiaries	Number of shares yet to vest at December 31, 2010	Shares granted in 2011	Shares cancelled, lapsed or transferred [(1)] in 2011	Shares vesting in 2011	Number of shares yet to vest at December 31, 2011
Co-investment plan	France	810,864	-	(6,670)	-	804,194
Co-investment plan	Outside France	2,497,844	-	(177,166)	-	2,320,678
France Plan 2009 - all French employees	France	159,975	-	(9,400)	(150,575)	-
LTIP Plan 2010	France	99,050	-	(12,500)	-	86,550
LTIP Plan 2010	Outside France	554,500	-	(44,300)	-	510,200
LTIP Plan 2010-2012 (Management Board members)	France	152,000	-	-	-	152,000
LTIP Plan 2010-2012 (Management Board members)	Outside France	100,000	-	-	-	100,000
USA Plan 2010 - all US employees	United States	638,950		(159,150)	-	479,800
LTIP Plan 2011	France	-	96,950	(7,000)	-	89,950
LTIP Plan 2011	Outside France	-	577,700	(24,950)	-	552,750
Global plan 2011 – all employees in countries concerned	Spain, Italy	-	79,050	-	-	79,050
Global plan 2011 – all employees in countries concerned	14 countries [(2)]	-	454,650	-	-	454,650
TOTAL OF FREE SHARE PLANS		**5,013,183**	**1,208,350**	**(441,136)**	**(150,575)**	**5,629,822**

(1) These are transfers between French and foreign plans due to the geographic mobility of beneficiaries.
(2) The countries concerned are: Germany, Belgium, Brazil, Canada, Denmark, Finland, India, Mexico, Norway, Netherlands, Poland, Portugal, United Kingdom, Sweden.

Movements in Publicis Groupe free share plans in 2010

Shares with 0.40 euro par value	Beneficiaries	Number of shares yet to vest at December 31, 2009	Shares granted in 2010	Shares cancelled or lapsed in 2010	Shares vesting in 2010	Number of shares yet to vest at December 31, 2010
Co-investment plan	France	831,000	-	(20,136)	-	810,864
Co-investment plan	Outside France	2,713,176	-	(215,332)	-	2,497,844
France Plan 2009 - all French employees	France	185,575	-	(25,600)	-	159,975
LTIP Plan 2010	France	-	100,150	(1,100)	-	99,050
LTIP Plan 2010	Outside France	-	567,450	(12,950)	-	554,500
LTIP Plan 2010-2012 (Management Board members)	France	-	152,000	-	-	152,000
LTIP Plan 2010-2012 (Management Board members)	Outside France	-	100,000	-	-	100,000
USA Plan 2010 - all US employees	United States	-	658,400	(19,450)	-	638,950
TOTAL OF FREE SHARE PLANS		**3,729,751**	**1,578,000**	**(294,568)**	**-**	**5,013,183**

Movements in Publicis Groupe free share plans in 2009

Shares with 0.40 euro par value	Beneficiaries	Number of shares yet to vest at December 31, 2008	Shares granted in 2009	Shares cancelled or lapsed in 2009	Shares vesting in 2009	Number of shares yet to vest at December 31, 2009
Co-investment plan	France	-	831,000	-	-	831,000
Co-investment plan	Outside France	-	2,713,176	-	-	2,713,176
France Plan 2009 - all French employees	France	-	210,125	(24,550)	-	185,575
TOTAL OF FREE SHARE PLANS		**-**	**3,754,301**	**(24,550)**	**-**	**3,729,751**

Publicis Groupe free share plans granted to certain Razorfish employees

The new Publicis Groupe free share plan, established on December 1, 2009 to replace the plans granted to certain Razorfish employees that were in effect at the time of the acquisition, resulted in the granting of 493,832 free shares in Publicis Groupe. For the majority of shares, the vesting period runs for four years (2010-2013), with a smaller portion running until 2018. As of December 31, 2011, the number of free shares yet to be vested was 159,044.

Fair value of free Publicis Groupe shares granted in the last three years

FREE SHARES GRANTED IN 2011

	LTIP 2011		Plan 2011 - global employees	
	April 19, 2011		December 1, 2011	
Date of Management Board Meeting	France (1)	Outside France (1)	Italy/Spain	Rest of the World (2)
Number of shares originally granted	96,950	577,700	79,050	454,650
Initial valuation of shares granted (in euros)	35.45	34.60	33.87	32.04
Assumptions:				
Share price on the date of grant (in euros)	37.71	37.71	35.47	35.47
Vesting period (in years)	3	4	2	4
Lock-in period (in years)	2	-	3	-

(1) Conditional shares whose vesting is subject to continued employment over the course of the entire vesting period and the achievement of objectives set for 2011.
(2) The countries concerned are: Germany, Belgium, Brazil, Canada, Denmark, Finland, India, Mexico, Norway, Netherlands, Poland, Portugal, United Kingdom, Sweden.

FREE SHARES GRANTED IN 2010

	Plan 2010 US Employees	LTIP 2010-2012 (Management Board members)		LTIP 2010	
	December 1, 2010	September 22, 2010		August 19, 2010	
Date of Management Board Meeting	United States	France	Outside France	France	Outside France
Number of shares originally granted	658,400	152,000	100,000	100,150	567,450
Initial valuation of shares granted (in euros)	31.60	32.80	31.98	32.36	31.55
Assumptions:					
Share price on the grant date (in euros)	34.57	34.95	34.95	34.51	34.51
Vesting period (in years)	4	3	4	3	4
Lock-in period (in years)	-	2	-	2	-

FREE SHARES GRANTED IN 2009

	Razorfish employees	Plan 2009 - French employees	Co-investment plan	
	December 1, 2009	May 20, 2009	March 19, 2009	
Date of Management Board Meeting	World	France	France	Outside France
Number of shares originally granted	493,832	210,125	831,000	2,713,176
Initial valuation of shares granted (in euros)	19.95 to 25.31	21.90	16.56	15.90
Assumptions:				
Share price on the grant date (in euros) (1)	25.91	23.09	18.37	18.37
Vesting period (in years)	0 to 9	2	3	4
Lock-in period (in years)	-	2	2	-

(1) The grant date corresponds to the date at which the parties reached a shared understanding of the features and conditions of the agreement. For shares granted under the co-investment plan, the grant date corresponds to the subscription period for the LionLead shares, which ran from February 16 to 27, 2009.

It should be noted that for these plans, the only adjustment made in the fair value of the free shares was to account for lost dividends during the vesting period; no discount was applied for the lock-in period since the effect was considered to be negligible.

Stock option and free share plans originated by Digitas

On the acquisition of Digitas, these plans were converted into Publicis Groupe stock option plans, applying the ratio existing between the acquisition price of our public offer for Digitas (translated into euros) and the Publicis Groupe share price at the completion date of the merger. The subscription price was correspondingly adjusted.

Characteristics of Digitas stock option plans outstanding at December 31, 2011

Shares with 0.40 euro par value	Date of grant		Exercise price of options (in euros)		Options outstanding at December 31, 2011	Of which exercisable at December 31, 2011	Expiration date		Remaining contract life (in years)
	min	max	min	max			min	max	
Digitas plans									
2000	04/03/2000	02/01/2001	13.73	50.65	-	-	04/03/2010	02/01/2011	-
2001	03/01/2001	01/24/2007	5.08	35.42	318,418	318,418	03/01/2011	01/24/2017	3.86
2005 UK	06/01/2005	12/01/2006	21.70	35.42	5,338	5,338	06/01/2015	12/01/2016	5.00
Modem Media plans									
1997	03/26/1997	09/29/2004	18.30	19.18	370	370	01/01/2008	09/29/2014	3.25
1999	04/12/2000	06/22/2004	2.62	54.05	2,559	2,559	04/12/2010	06/22/2014	2.18
TOTAL OF TRANCHES					**326,685**	**326,685**			
Average exercise price (in euros)					25.27	25.27			

Movements in Digitas stock option plans in 2011

Shares with 0.40 euro par value	Exercise price of options (in euros) min	Exercise price of options (in euros) max	Options outstanding on December 31, 2010	Options exercised in 2011	Options cancelled or lapsed in 2011	Options outstanding at December 31, 2011
Digitas plans						
2000	13.73	50.65	9,416	-	(9,416)	-
2001	5.08	35.42	434,799	(83,651)	(32,730)	318,418
2005 UK	21.70	35.42	6,189	-	(851)	5,338
Modem Media plans						
1997	18.30	19.18	370	-	-	370
1999	2.62	54.05	2,853	-	(294)	2,559
TOTAL OF TRANCHES			**453,627**	**(83,651)**	**(43,291)**	**326,685**
Average exercise price (in euros)			22.99	16.22	18.93	25.27
Average share price on exercise (in euros)				36.29		

Movements in Digitas stock option plans in 2010

Shares with 0.40 euro par value	Exercise price of options (in euros) min	Exercise price of options (in euros) max	Options outstanding at December 31, 2009	Options exercised in 2010	Options cancelled or lapsed in 2010	Options outstanding on December 31, 2010
Digitas plans						
1999	21.36	21.36	10,061	(109)	(9,952)	-
2000	13.73	50.65	44,284	(63)	(34,805)	9,416
2001	5.08	35.42	549,835	(87,765)	(27,271)	434,799
2005 UK	21.70	35.42	7,040	(851)	-	6,189
Modem Media plans						
1997	18.30	19.18	370	-	-	370
1999	2.62	54.05	5,232	(187)	(2,192)	2,853
2000	16.35	16.35	1,191	-	(1,191)	-
TOTAL OF TRANCHES			**618,013**	**(88,975)**	**(75,411)**	**453,627**
Average exercise price (in euros)			23.87	17.74	33.01	22.99
Average share price on exercise (in euros)				33.36		

Movements in Digitas stock option plans in 2009

Shares with 0.40 euro par value	Exercise price of options (in euros) min	max	Options outstanding at December 31, 2008	Options exercised in 2009	Options cancelled or lapsed in 2009	Options outstanding on December 31, 2009
Digitas plans						
1999	21.36	21.36	25,188	(2,974)	(12,153)	10,061
2000	13.73	50.65	47,228	(315)	(2,629)	44,284
2001	5.08	35.42	769,648	(114,370)	(75,443)	549,835
2005 UK	21.70	35.42	5,784	(211)	1,467	7,040
Modem Media plans						
1997	18.30	19.18	1,840	-	(1,470)	370
1999	2.62	54.05	5,657	(88)	(337)	5,232
2000	16.35	16.35	1,191	-	-	1,191
TOTAL OF TRANCHES			**856,536**	**(147,958)**	**(90,565)**	**618,013**
Average exercise price (in euros)			22.22	13.04	18.73	23.87
Average share price on exercise (in euros)				23.30		

Effect of stock option and free share plans on profit (loss)

The total impact of these plans on the 2011 income statement was 26 million euros (excluding taxes and social security charges), compared to 26 million euros in 2010 and 24 million euros in 2009 (see Note 3 "Personnel Expenses").

With regard to the free shares plans granted subject to non-market performance conditions, the rights of which were still to be vested as of December 31, 2011, the probability of the targets for 2011 being met has been estimated as follows:

- "Co-investment" plan (March 2009): 100%;
- LTIP 2010 LTIP 2010-2012 and LTIP 2011 Plans: 100%.

Note 29 Related party disclosures

The following related party transaction occurred:

(in millions of euros)	2011 Revenue (1)	2010 Revenue (1)	2009 Revenue (1)
Dentsu	5	13	23

(1) This is the difference between purchases and sales made by the Group with Dentsu. These transactions were made at market prices.

	2011		2010		2009	
(in millions of euros)	Receivables	Trade payables and borrowings	Receivables	Trade payables and borrowings	Receivables	Trade payables and borrowings
Dentsu	6	4	9	4	11	7
Somupi	4	-	7	-	2	-
Bromley	-	-	-	-	1	-

Terms and conditions of related-party transactions

- On November 30, 2003, Publicis Groupe SA and Dentsu signed an agreement pursuant to commitments made in the merger agreement on March 7, 2002, between (a) Publicis Groupe and its subsidiaries Philadelphia Merger Corp. and Philadelphia Merger LLC and (b) Bcom3 Group, Inc., pursuant to which Philadelphia Merger Corp. absorbed Bcom3. The main provisions of these commitments are described in the securities note concerning the Bcom3 business combination, which was approved by the French COB (securities commission) on May 16, 2002, under filing No. 02-564.

  The agreement includes provisions concerning Publicis Groupe's management (composition of the Supervisory Board, change in corporate legal form and Dentsu's representation on the Audit Committee) and the transfer of Publicis Groupe SA shares and options held by Dentsu, particularly a 15% limit on Dentsu's voting rights in Publicis Groupe SA. The agreement further provides a clause protecting Dentsu from dilution and a clause requiring equity-method accounting by Dentsu of their investment in Publicis Groupe. This agreement will terminate on July 12, 2012 unless the parties agree to a ten-year extension. The plan was publicly released in the "AMF Decisions & Information" dated January 9, 2004, as document 204C0036.

  Publicis Groupe SA purchased a block of 7,500,000 treasury shares in 2010, held via the SEP Dentsu-E. Badinter, for a total price of 218 million euros with Dentsu Inc., with a view to their cancellation.

- Certain members of the Group's Supervisory Board hold management positions in financial establishments that have business relations with the Company, notably:
  - on July 13, 2011, Publicis Groupe SA signed a syndicated credit facility (Club Deal) in the amount of 1,200 million euros with a syndicate of 15 banks. BNP Paribas is the agent for the syndicate and also contributed 106 million euros to this facility. Société Générale and Deutsche Bank also contributed 106 million euros and 50 million euros, respectively;
  - within the framework of the issuance of Oceane 2014, a guaranteed investment agreement and assistance contract was concluded in June 2009 with a bank syndicate headed by BNP Paribas and Société Générale;
  - agreements on confirmed lines of credit were made by the Company in 2009 with BNP Paribas and Société Générale, for a principal of 100 million euros each and a maturity of five years;
  - an investment authorization agreement was made with BNP Paribas resulting from the public exchange offer on Eurobond 2012 launched on December 2, 2009, and the issuance of a new Eurobond 2015.

Compensation of managers

Managers covers individuals who were members of the Supervisory Board or Management Board, at the reporting date or during the year ended.

(in millions of euros)	2011	2010	2009
Overall gross compensation [1]	(11)	(7)	(12)
Post-employment benefits [2]	5	(1)	(1)
Termination or end-of-contract indemnities [3]	-	-	-
Other long-term benefits [4]	(2)	(5)	2
Share-based payments [5]	(4)	(2)	(2)

(1) Compensation, bonuses, indemnities, directors' fees and benefits in kind paid during the year.
(2) Change in pension provisions (net impact on income statement).
(3) Expense recognized in the income statement under provisions for termination or end-of-contract payments.
(4) Expense recognized in the income statement under provisions for deferred conditional compensation and bonuses.
(5) Expense recognized in the income statement under Publicis Groupe stock option and free share plans.

The total accounting provision on December 31, 2011 for post-employment and other long-term benefits for senior management amounts to 30 million euros (this number was 33 million euros on December 31, 2010 and 25 million euros on December 31, 2009).

Note 30 Subsequent events

None.

Note 31 Fees of the statutory auditors and members of their networks

The fees paid by Publicis Groupe SA during 2011 and 2010 to all of the Group's statutory auditors were as follows:

	Ernst & Young				Mazars				Total			
	Total (excl. VAT)		%		Total (excl. VAT)		%		Total (excl. VAT)		%	
(in millions of euros)	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Audit												
Statutory audit, audit opinion, review of individual and consolidated financial statements												
Publicis Groupe SA (parent company)	0.7	0.7	11%	13%	0.4	0.4	10%	10%	1.1	1.1	10%	12%
Subsidiaries	4.1	3.9	63%	71%	3.3	3.3	78%	83%	7.4	7.2	69%	76%
SUB-TOTAL	**4.8**	**4.6**	**74%**	**84%**	**3.7**	**3.7**	**88%**	**93%**	**8.5**	**8.3**	**79%**	**88%**
Other work and services directly related to the audit mission												
Publicis Groupe SA (parent company)	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiaries	1.6	0.4	25%	7%	0.4	0.2	10%	5%	2.0	0.6	19%	6%
SUB-TOTAL	**1.6**	**0.4**	**25%**	**7%**	**0.4**	**0.2**	**10%**	**5%**	**2.0**	**0.6**	**19%**	**6%**
Other services												
Tax	0.1	0.5	1%	9%	0.1	0.1	2%	2%	0.2	0.6	2%	6%
SUB-TOTAL	**0.1**	**0.5**	**1%**	**9%**	**0.1**	**0.1**	**2%**	**2%**	**0.2**	**0.6**	**2%**	**6%**
TOTAL	**6.5**	**5.5**	**100%**	**100%**	**4.2**	**4.0**	**100%**	**100%**	**10.7**	**9.5**	**100%**	**100%**

Note 32 List of main consolidated companies on December 31, 2011

A) Fully consolidated companies

The companies listed below are our operating companies with revenue of at least 10 million euros.

Name	Voting rights	Shareholding	Country
Publicis Conseil	99.61%	99.61%	France
Publicis Activ France	99.96%	99.57%	France
Publicis Dialog	100.00%	99.61%	France
Publicis Consultants I France	100.00%	99.97%	France
Leo Burnett	100.00%	100.00%	France
SCAP	100.00%	99.61%	France
Vivaki Performance	100.00%	100.00%	France
Metrobus Publicité	67.00%	67.00%	France
Vivaki Communication	100.00%	100.00%	France
Publicis Net	99.99%	99.59%	France
World Advertising Movies	99.87%	99.87%	France
Drugstore Champs-Élysées	100.00%	100.00%	France
Global Event Management	100.00%	99.61%	France
Mediavision (2)	66.62%	66.61%	France
PLB (2)	100.00%	100.00%	France
Saatchi & Saatchi	100.00%	100.00%	Germany
Leo Burnett	100.00%	100.00%	Germany
Zenithmedia Dusseldorf	100.00%	100.00%	Germany
Optimedia Gesellschaft für Media-Services	100.00%	100.00%	Germany
Vivaki (1)	100.00%	100.00%	Germany
Neue Digitale/Razorfish	100.00%	100.00%	Germany
Publicis Hamburg	100.00%	100.00%	Germany
Publicis Red Lion (1) (2)	100.00%	100.00%	Germany
ZenithOptimedia Australia	100.00%	60.20%	Australia
Saatchi & Saatchi Communications Australia	100.00%	100.00%	Australia
Starcom MediaVest Group	100.00%	100.00%	Australia
Publicis Mojo	100.00%	60.20%	Australia
Publicis Loyalty	100.00%	60.20%	Australia
Leo Burnett	100.00%	100.00%	Australia
Duval Guillaume	100.00%	100.00%	Belgium
Publicis Brasil Comunicaçao	100.00%	100.00%	Brazil
Finance Nazca Saatchi & Saatchi Publicidade	53.00%	53.00%	Brazil
Leo Burnett Publicidade e Propaganda	99.99%	99.99%	Brazil
Talent (2)	60.00%	60.00%	Brazil
AG2 Agencia de Inteligencia Digital SA (2)	62.44%	62.44%	Brazil
DPZ Duailibi Petit Zaragoza Propaganda (2)	70.00%	70.00%	Brazil
Publicis Canada	70.00%	70.00%	Canada
Leo Burnett Company	100.00%	100.00%	Canada
ZenithOptimedia	100.00%	100.00%	Canada
TMG MacManus	100.00%	100.00%	Canada
Saatchi & Saatchi Great Wall Advertising	100.00%	100.00%	China
Leo Burnett	100.00%	100.00%	China
Leo Burnett Shanghai Advertising	70.00%	70.00%	China
Publicis Advertising	85.00%	85.00%	China

Name	Voting rights	Shareholding	Country
Shanghai Genedigi Brand Management (2)	100.00%	100.00%	China
Saatchi & Saatchi Services (2)	100.00%	100.00%	China
Leo Burnett	100.00%	100.00%	Colombia
Publicis Comunicacion España	100.00%	100.00%	Spain
Optimedia	100.00%	100.00%	Spain
Zenith Media	100.00%	100.00%	Spain
Starcom MediaVest Group Iberia (2)	100.00%	100.00%	Spain
Publicis USA	100.00%	100.00%	United States
Publicis & Hal Riney	100.00%	100.00%	United States
Publicis NY	96.69%	96.69%	United States
Saatchi & Saatchi North America	100.00%	100.00%	United States
Conill Advertising	100.00%	100.00%	United States
Saatchi & Saatchi X	100.00%	100.00%	United States
Leo Burnett Company	100.00%	100.00%	United States
Leo Burnett Detroit	100.00%	100.00%	United States
Martin Retail Group	70.00%	70.00%	United States
Arc Worldwide	100.00%	100.00%	United States
Fallon Group	100.00%	100.00%	United States
The Kaplan Thaler Group	100.00%	100.00%	United States
Manning Selvage & Lee	100.00%	100.00%	United States
SCAP	100.00%	100.00%	United States
Medicus Group International	100.00%	100.00%	United States
Saatchi & Saatchi Healthcare Communications	100.00%	100.00%	United States
Publicis Touchpoint Solutions	100.00%	100.00%	United States
Starcom MediaVest Group	100.00%	100.00%	United States
Optimedia International US	100.00%	100.00%	United States
Zenith Media Services	100.00%	100.00%	United States
Digitas	100.00%	100.00%	United States
Kekst and Company	100.00%	100.00%	United States
Big Fuel Communications (2)	51.00%	51.00%	United States
Rosetta Marketing Group (2)	100.00%	100.00%	United States
Level Studios (2)	100.00%	100.00%	United States
VNC Communications (2)	100.00%	100.00%	United States
VivaKi	100.00%	100.00%	United States
Razorfish	100.00%	100.00%	United States
Razorfish Philadelphia	100.00%	100.00%	United States
TLG India	100.00%	100.00%	India
Solutions Integrated Marketing Services	60.00%	60.00%	India
Red Lion Communications	100.00%	100.00%	Italy
Saatchi & Saatchi	100.00%	100.00%	Italy
Leo Burnett Company	100.00%	100.00%	Italy
ZenithOptimediaGroup (2)	100.00%	100.00%	Italy
Beacon Communications KK	66.00%	66.00%	Japan
MMS Communications KK	100.00%	100.00%	Japan
Starcom Worldwide	100.00%	100.00%	Mexico
Leo Burnett	100.00%	100.00%	Mexico
Lion Communications	100.00%	100.00%	Mexico
Saatchi & Saatchi	100.00%	100.00%	New Zealand
NME Media	100.00%	100.00%	Netherlands
Starcom	100.00%	100.00%	Poland
Publicis	100.00%	100.00%	United Kingdom

Name	Voting rights	Shareholding	Country
Saatchi & Saatchi Group	100.00%	100.00%	United Kingdom
Leo Burnett	100.00%	100.00%	United Kingdom
Fallon London	100.00%	100.00%	United Kingdom
Publicis Healthcare Communications Group	100.00%	100.00%	United Kingdom
PGM Media Services	100.00%	100.00%	United Kingdom
ZenithOptimedia	100.00%	100.00%	United Kingdom
Razorfish	100.00%	100.00%	United Kingdom
Publicis Blueprint (2)	100.00%	100.00%	United Kingdom
Stocks Austin Sice (2)	100.00%	100.00%	United Kingdom
Zenith Optimedia International (2)	100.00%	100.00%	United Kingdom
Chemistry Communications Group (2)	100.00%	100.00%	United Kingdom
Leo Burnett	100.00%	100.00%	Russia
OOO Publicis United	100.00%	100.00%	Russia
Publicis Groupe Media Eurasia	100.00%	100.00%	Russia
MMS Communications Singapore	100.00%	100.00%	Singapore
JKL	100.00%	100.00%	Sweden
Starcom Sweden (2)	97.27%	97.27%	Sweden
Publicis Communications Schweiz	100.00%	100.00%	Switzerland
Saatchi & Saatchi	100.00%	100.00%	Switzerland
Star Reachers Group Company	100.00%	100.00%	Thailand
Leo Burnett	100.00%	100.00%	UAE
Starcom MediaVest Group	100.00%	100.00%	UAE

(1) Change in corporate name:

Name in 2011	Name in 2010	Country
Publicis Red Lion	Publicis Deutschland	Germany
VivaKi	VivaKi Services	Germany

(2) Companies on the 2011 list but not on the 2010 list: entities whose revenue in the financial year has become greater than the threshold for publication:

Name in 2011	Country
Mediavision	France
PLB	France
Publicis Red Lion	Germany
Talent	Brazil
AG2 Agencia de Inteligencia Digital SA	Brazil
DPZ Duailibi Petit Zaragoza Propaganda	Brazil
Shanghai Genedigi Brand Management	China
Saatchi & Saatchi Services	China
Starcom MediaVest Group Iberia	Spain
Big Fuel Communications	United States
Rosetta Marketing Group	United States
Level Studios	United States
VNC Communications	United States
ZenithOptimediaGroup	Italy
Publicis Blueprint	United Kingdom
Stocks Austin Sice	United Kingdom
Zenith Optimedia International	United Kingdom
Chemistry Communications Group	United Kingdom
Starcom Sweden	Sweden

B) Associates

Name	Voting rights	Shareholding	Country
BBH Communications	49.00%	49.00%	United Kingdom
Bromley Communications	49.00%	49.00%	United States
Burrell Communications Group	49.00%	49.00%	United States
Dentsu Razorfish	19.35%	19.35%	Japan

4.7 Statutory auditors' report on the consolidated financial statements

Year ended december 31, 2011

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying consolidated financial statements Publicis Groupe;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2011, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 1.3 "Accounting Policies" to the consolidated financial statements describes the accounting policies and methods with respect to revenue recognition. As part of our assessment of the accounting policies and principles applied by your Group, we assessed the appropriateness of the accounting method used for revenue recognition and we assured ourselves of the correct application of this accounting method;
- Your company has established provisions as described in Note 20 "Provisions" and in Note 21 "Pension liabilities and other post-employment benefits" included in the notes to the consolidated financial statements. These notes describe the methods of calculation and measurement of restructuring provisions, vacant property provisions, provision for litigation and claims and provisions for employee benefits. Our assessment of the valuation of these provisions was based on tests related to the procedures followed by management in valuing these provisions and on the review of independent valuations performed by experts;
- Your company carries out impairment tests with regard to the value of intangible assets, goodwill and property, plant and equipment in accordance with the methods described in Note 1.3 "Accounting policies" and Note 5 "Depreciation, amortization and impairment" of the notes to the consolidated financial statements. We reviewed the manner in which these impairment tests were performed, as well as the cash flow forecasts and assumptions used by the Company and independent experts;
- Your company has determined the fair values of options granted in the context of Publicis Groupe SA stock option plans, as described in Note 28 "Publicis Groupe SA stock option and free share plans" included in the notes to the consolidated financial statements. Our work consisted of reviewing the data used and in assessing the assumptions made by the Company and the independent expert.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Courbevoie and Paris-La Défense, February 9, 2012

By the statutory auditors

MAZARS		ERNST & YOUNG et Autres	
Loïc Wallaert	Anne-Laure Rousselou	Jean Bouquot	Christine Staub

5

PARENT COMPANY FINANCIAL STATEMENTS

5.1 Income statement

(in thousands of euros)	Note	2011	2010	2009
Billings (goods and services)	3	20,484	15,146	33,847
Reversal of provisions and expense transfers	4	31,340	41,405	2,141
TOTAL OPERATING INCOME		**51,824**	**56,551**	**35,988**
Other purchases and external charges		(12,928)	(10,906)	(11,189)
Taxes other than income taxes		(4,892)	(2,260)	(1,136)
Personnel expenses	5	(28,918)	(44,347)	(26,526)
Amortization and increases in provisions		(4,752)	(5,693)	(4,056)
Other expenses		(1,009)	(1,192)	(581)
TOTAL OPERATING EXPENSES		**(52,499)**	**(64,398)**	**(43,488)**
NET OPERATING INCOME (EXPENSE)		**(675)**	**(7,847)**	**(7,500)**
Investment income		333,912	300,354	258,432
Interest and other financial income		7,135	7,070	11,126
Reversal of financial provisions & expense transfers		66,922	79,234	216,548
TOTAL FINANCIAL INCOME		**407,969**	**386,658**	**486,106**
Amortization and increases in provisions		(64,584)	(79,427)	(77,627)
Interest and other financial expenses		(116,553)	(118,173)	(117,086)
TOTAL FINANCIAL EXPENSES		**(181,137)**	**(197,600)**	**(194,713)**
Share in net income of partnerships		1,893	1,775	1,044
NET FINANCIAL INCOME (EXPENSE)	**6**	**228,725**	**190,833**	**292,437**
Net income (loss) before exceptional items and taxes		**228,050**	**182,986**	**284,937**
Exceptional income on capital transactions		599,841	22,192	4,446
TOTAL EXCEPTIONAL INCOME		**599,841**	**22,192**	**4,446**
Exceptional expenses on operational transactions		(71)	-	-
Exceptional expenses on capital transactions		(477,201)	(6,967)	(23)
TOTAL EXCEPTIONAL EXPENSES		**(477,272)**	**(6,967)**	**(23)**
EXCEPTIONAL ITEMS	**7**	**122,569**	**15,225**	**4,423**
Income taxes	**8**	**28,196**	**37,717**	**30,332**
NET INCOME FOR THE PERIOD		**378,815**	**235,928**	**319,692**

5.2 Balance sheet

(in thousands of euros)	Note	December 31, 2011	December 31, 2010	December 31, 2009
Intangibles assets:				
Concessions and business goodwill		2,991	2,991	2,991
Depreciation		(559)	(519)	(478)
Tangible assets:	**9.1**			
Land		2,291	2,291	3,627
Buildings		3,044	3,044	11,463
Machinery and equipment		1,133	6,969	6,969
Other		21,120	20,762	19,504
Depreciation		(9,973)	(17,611)	(21,859)
Investments and other financial assets:				
Investments	9.2	5,190,603	5,668,748	5,670,521
Impairment provisions on investments	9.2	(6,856)	(6,856)	(3,634)
Loans and receivables owed by associates and non-consolidated companies	9.3	1,601,954	1,091,287	1,054,598
Loans and other financial assets		509	538	492
Provisions on investments and other financial assets		(32)	(32)	(32)
NON-CURRENT ASSETS		**6,806,225**	**6,771,612**	**6,744,162**
Trade receivables		28,466	46,380	15,780
Other receivables		8,093	21,441	12,108
Marketable securities	10	225,863	276,996	300,882
Cash and cash equivalents		17	14	56
CURRENT ASSETS		**262,439**	**344,831**	**328,826**
Prepayments		431	323	0
Deferred expenses	11	10,990	10,394	13,559
Bond redemption premiums	12	14,790	17,972	25,768
Unrealized foreign exchange gains (losses)	13	53,375	61,161	68,531
TOTAL ASSETS		**7,148,250**	**7,206,293**	**7,180,846**

(in thousands of euros)	Note	December 31, 2011	December 31, 2010	December 31, 2009
Share capital		77,343	76,658	79,033
Statutory reserve		2,528,730	2,481,710	2,649,191
Retained earnings		8,095	8,095	8,095
Earnings brought forward		718,754	611,704	399,323
EQUITY BEFORE NET INCOME FOR THE PERIOD		**3,332,922**	**3,178,167**	**3,135,642**
Net income for the period		378,815	235,928	319,692
EQUITY	**15**	**3,711,737**	**3,414,095**	**3,455,334**
Proceeds from issuance of participating securities (Orane)		524,094	571,739	619,384
Other equity	**16**	**524,094**	**571,739**	**619,384**
Provisions for liabilities and charges	**17**	**176,780**	**162,331**	**125,734**
Bonds	18	1,630,054	1,629,434	1,662,981
Bank borrowings and overdrafts	19	4	286	481
Borrowings and other financial liabilities	20	1,083,696	1,414,160	1,302,890
Trade payables		5,712	6,113	7,551
Income tax and social security liabilities		15,538	5,945	3,606
Other creditors		268	1,284	1,252
LIABILITIES		**2,735,272**	**3,057,222**	**2,978,761**
Unrealized foreign exchange gains		367	906	1,633
TOTAL EQUITY AND LIABILITIES		**7,148,250**	**7,206,293**	**7,180,846**

5.3 Statement of cash flows

(in thousands of euros)	2011	2010	2009
Cash flows from operating activities			
Net income for the period	**378,815**	**235,928**	**319,692**
(Gains) losses on disposals	(127,618)	(15,413)	(3,565)
Increases in provisions (net of reversals)	15,351	40,760	(119,121)
Transfer to deferred expenses, net of amortization	3,755	3,165	1,529
Amortization of redemption premiums on the Oceane and Eurobond	3,181	3,207	3,078
Gross operating cash flow	273,484	267,647	201,613
Change in working capital requirements	72,866	(1,035)	17,448
NET CASH FLOWS FROM OPERATING ACTIVITIES (I)	**346,350**	**266,612**	**219,061**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(3,921)	(2,566)	(7,568)
Disposals of property, plant and equipment and intangible assets	-	19,250	-
Net purchases of investments and other financial assets [1]	-	-	408,860
Disposals of subsidiaries	599,841	2,893	-
NET CASH FLOWS FROM INVESTING ACTIVITIES (II)	**595,920**	**19,577**	**401,292**
Cash flows from financing activities			
Dividends paid to holders of the parent company	(128,818)	(107,312)	(107,350)
Cash proceeds of new bond issues	-	-	718,750
Redemption of bonds and related interest	(55,468)	(67,659)	(99,406)
Increases in other borrowings	-	58,268	-
Decreases in other borrowings	(864,920)	-	(866,343)
Buyback of treasury shares	-	(290,396)	(599)
Sale of treasury shares	56,088	97,177	6,531
NET CASH FLOWS GENERATED BY (USED IN) FINANCING ACTIVITIES (III)	**(993,118)**	**(309,922)**	**(348,417)**
CHANGE IN CASH AND CASH EQUIVALENTS (I + II + III)	**(50,848)**	**(23,733)**	**271,936**
Net cash and cash equivalents at beginning of year	276,724	300,457	28,521
Net cash and cash equivalents at end of year	225,876	276,724	300,457
CHANGE IN CASH AND CASH EQUIVALENTS	**(50,848)**	**(23,733)**	**271,936**

(1) The 2009 amount includes 449,239 thousand euros for the transfer of treasury shares previously classified under "Other non-current securities" to "Marketable securities" (which are part of "Cash and cash equivalents") after their allocation to stock option and free share plans.

5.4 Notes to the financial statements of Publicis Groupe SA

DETAILED SUMMARY OF NOTES

The Company's business mainly involves managing its investments and providing services to all Group companies.

Additionally, and to a lesser degree, the Company receives rental income from leasing its property assets.

Note 1 Significant events during the period

In 2011 the following significant events occurred:

- buyback by Publicis Groupe Investments BV from Publicis Groupe SA of a portion of its own shares, representing 1.1% of the share capital. These shares, recorded at a net carrying amount of 477.1 million euros, were sold for 599.8 million euros. The gain on this sale, representing 122.7 million euros, is recognized under exceptional items;
- a new five-year multi-currency syndicated facility in the amount of 1,200 million euros (expiring in July 2016) was signed on July 13, 2011. This credit line replaces the syndicated loan signed on December 17, 2004 and renewed in 2007;
- capital increase by issue of 150,575 new shares for distribution to the Group's French employees as part of the free share plan of May 2009. This increase was followed by the usual increase of 1,562,129 shares as part of the redemption of the seventh tranche of the Orane issued in September 2011.

Note 2 Accounting policies, rules and methods

The parent company's financial statements for 2011 have been prepared in accordance with the French Chart of Accounts (*plan comptable général*) and in compliance with legal and regulatory texts applicable in France.

Comparability of financial statements

The measurement methods used to prepare the 2011 financial statements are identical to those used to prepare the financial statements for the previous financial year.

Intangible assets

Intangibles subject to amortization consist of the concession in respect of parking spaces, which is amortized over 75 years (length of the concession), and the business of Publicis Cinema, which is already fully amortized.

Property, plant and equipment

Tangible assets are recognized at net acquisition cost and are subject to annual depreciation calculated on a straight-line basis over the following periods:

- 50 years — Building on Avenue des Champs-Élysées, Paris;
- 20 to 10 years — Fixtures and fittings;
- 10 years — Machinery and equipment;
- 4 years — Vehicles;
- 3 years — IT equipment.

Investments and other financial assets

The gross amount of investments is composed of the acquisition price of the securities excluding ancillary expenses. Foreign currency-denominated securities are recognized at their acquisition price translated into euros at the exchange rate applicable on the date of the transaction.

Impairment provisions are recognized whenever the investment's value in use is lower than its carrying amount. Value in use is determined on the basis of objective criteria, such as net asset value, capitalized earnings or market capitalization, associated where necessary with more subjective criteria, such as specific industry indicators or ratios determined, in the context of economic assumptions and the Company's growth forecasts, on the basis of the present value of projected future cash flows, and the strategic nature of the investment to the Group.

Marketable securities

Marketable securities primarily include treasury shares, which are classified according to their intended purpose.

A provision for liabilities is recognized for treasury shares allocated to stock option or free share plans in order to reflect the loss resulting from the difference between the subscription price (zero for the free shares) and their cost price.

A provision is recognized for treasury shares that are not allocated to such a plan, as well as "other marketable securities", whenever their current value at the reporting date is lower than their carrying amount. The current value of publicly traded securities equals the average quoted price for the final month of the financial year; and for non-listed securities, the probable selling price.

Bonds

Bonds are recognized at their par value.

In cases where a redemption premium exists, the liability is increased by the total amount of such a premium. This premium is offset by the recognition of an asset, which is amortized over the life of the bond on an actuarial basis.

In cases where an issue premium exists, the liability is recognized at par value and the issue premium is recognized as an asset; the issue premium being amortized over the life of the bond.

Orane (i.e. bonds redeemable in new or existing shares) are recognized in other equity because of their intrinsic characteristics.

Provisions for liabilities and charges

Provisions for liabilities and charges are recognized to cover liabilities which are probable but the amount and due date of which cannot be reliably measured.

These provisions include, amongst other items:

- a provision for retirement indemnities, calculated on the basis of an independent expert appraisal;
- a provision for other conditional long-term commitments to employees;
- a provision for tax on the capital gain generated on the transfer of assets as part of the reorganization of the US business in 2000;
- a provision for liabilities with respect to work to be carried out on the Paris headquarters;
- a provision for foreign exchange losses on the sterling loan granted to MMS UK;
- a provision for liabilities with respect to treasury shares to cover the loss resulting from the difference between the subscription price and the cost of such shares when allocated to stock option or free share plans;
- a provision for liabilities to cover future losses on free share grants that have still not vested, shares to be drawn from existing shares, not yet held as treasury shares at the reporting date.

Net financial income (expense)

Financial income is recognized by applying the usual rules, i.e.:

- dividends: on the date the distribution is approved at the General Shareholders' Meeting;
- financial income on current accounts, time deposits and bonds: as benefits are acquired;
- interest and dividends on marketable securities: on the date of receipt.

Financial expenses relating to the Eurobond 2012 as well as the Eurobond 2015 are presented net of the interest income from the interest rate swap.

The "Share in net income of partnerships" recognized in the income statement represents the Company's proportional share (49%) in the 2011 results of Régie 1, in accordance with the provisions of that entity's bylaws.

Exceptional items

These include capital gains and losses on the sale of tangible assets, intangibles and non-current financial assets and in particular capital losses corresponding to the buyback price of warrants and capital gains and losses arising from the early repayment of borrowings.

In addition, to facilitate interpretation of "net income (loss) before exceptional items", the Company recognizes in exceptional items such increases (reversals) of provisions on investments which, because of their source and amount, are of an exceptional nature.

Note 3 Billings

Billings are mainly composed of:

- rent received from the building located at 133 Avenue des Champs-Élysées in Paris;
- services invoiced to Group companies.

Note 4 Reversal of provisions and expense transfers

Expense transfers primarily include re-invoicing by Group companies with respect to Publicis Groupe free share grants to certain key Group executives as part of a co-investment program. In 2009, this re-invoicing was recognized under billings.

Note 5 Personnel expenses

Personnel expenses include the costs borne by Publicis Groupe SA in relation to the co-investment plan, which correspond to the future losses on free share grants under this plan and staggered over the vesting period. These costs totaled 25,591 thousand euros at December 31, 2011, compared with 43,009 thousand euros in 2010.

Note 6 Net financial income (expense)

(in thousands of euros)	2011	2010	2009
Dividends	284,858	250,254	207,293
Other income from investments	49,054	50,100	51,139
Investment income	**333,912**	**300,354**	**258,432**
Other financial income	5,708	2,459	6,494
Foreign exchange gains	1,427	4,611	4,632
Interest and other financial income	**7,135**	**7,070**	**11,126**
Reversal of provisions on investments	0	3,634	0
Reversal of provision for impairment of treasury shares	0	0	131,999
Reversal of provision for liabilities on treasury shares	5,521	7,164	0
Reversal of other financial provisions	61,401	68,436	84,549
Reversal of financial provisions and expense transfers	**66,922**	**79,234**	**216,548**
TOTAL FINANCIAL INCOME	407,969	386,658	486,106
Provision for liabilities on treasury shares	(4,301)	(5,521)	0
Bond-related amortization	(5,242)	(5,274)	(4,604)
Increases in provisions for foreign exchange losses	(53,372)	(60,863)	(68,436)
Increases in provisions for impairment of equity investments	0	(6,856)	(3,634)
Increases in other financial provisions	(1,669)	(913)	(953)
Amortization and increases in provisions	**(64,584)**	**(79,427)**	**(77,627)**
Bond-related expenses	(55,808)	(50,228)	(43,798)
Other financial expenses	(59,411)	(64,236)	(68,343)
Foreign exchange losses	(1,334)	(3,649)	(4,945)
Interest and other financial expenses	**(116,553)**	**(118,173)**	**(117,086)**
TOTAL FINANCIAL EXPENSES	(181,137)	(197,600)	(194,713)
Share in net income of partnerships	1,893	1,775	1,044
NET FINANCIAL INCOME (EXPENSE)	**228,725**	**190,833**	**292,437**

Note 7 Exceptional items

2011 exceptional items mainly included the capital gain realized on securities in the buyback by Publicis Groupe Investments BV of a portion of its own shares (1.1%) for 122,717 thousand euros.

2010 exceptional items included the 14,243 thousand capital gain realized on the sale of the building at rue du Dôme in Boulogne-Billancourt as well as the 934 thousand euros capital gain generated on the sale of shares in Europe 1 Immobilier (representing some 10% of the share capital).

2009 exceptional items included the capital gain realized on the part redemption of the Oceane 2018 on January 19, 2009, involving 2,241,811 bonds or 12.72% of the original issue.

Note 8 Income taxes

In 2011, the Company, which is the parent company of the French tax group (which includes 41 subsidiaries), recognized a tax loss of 9,267 thousand euros on a standalone basis.

Due to the change introduced by the amended budget for 2011 limiting tax loss carryforwards, Publicis recorded an income tax expense of 14,366 thousand euros, thus reducing the net gain on tax consolidation recognized by the Group for 2011. This net gain, amounting to 28,196 thousand euros, is recognized, in accordance with the tax consolidation agreements signed by the member companies, in the income statement of the tax group's parent company.

Tax loss carryforwards of the French tax group, which can be carried forward without any time limit, amount to 165,448 thousand euros at December 31, 2011.

Note 9 Non-current assets

9.1 Property, plant and equipment

In 2011, assets worth 9,318 thousand euros were decommissioned. They were amortized for 9,246 thousand euros. Their carrying amount, 72 thousand euros, was recognized under exceptional items.

In December 2010, Publicis Groupe SA sold the building it owned at 7-15 rue du Dôme in Boulogne Billancourt, whose carrying amount stood at 5,007 thousand euros.

9.2 Investments

In December 2011, Publicis Groupe Investments BV bought back from Publicis Groupe SA 1,680 shares out of the 153,023 that Publicis Groupe SA held in its share capital. These shares were recorded at a net carrying amount of 477.1 million euros and sold for 599.8 million euros. The gain of 122.7 million euros on this sale is recognized under exceptional items.

There was no increase or reversal in impairment provisions for securities in 2011.

In March 2010, Publicis Groupe SA sold the 7,000 shares it held in Europe 1 Immobilier, representing 10% of the Company's share capital, whose carrying amount stood at 1,959 thousand euros.

At the 2010 reporting date, impairment provisions recorded the following changes:

- new provision on Metrobus securities: 5,347 thousand euros;
- new provision on MRE securities: 1,509 thousand euros;
- cancellation of provision on MMS France Holdings securities: 3,634 thousand euros.

There were no significant changes in investments in 2009, with the exception of a 3,634 thousand euros impairment provision on the MMS France Holdings investment.

We should mention further that, as part of the acquisition of VivaKi Communications (formerly Business Interactif), put options were granted to beneficiaries of free shares that were not exercisable at the closing date of the squeeze-out procedure. These commitments were fully met in 2011 and previous years, coming out at zero in the balance sheet at December 31, 2011, compared with 1,017 thousand euros at December 31, 2010.

9.3 Loans and receivables owed by associates and non-consolidated companies

(in thousands of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Loan to MMS UK	253,383	245,892	238,319
Loans to MMS USA Holdings	821,755	797,425	743,493
MMS France Holdings current account	134,839	31,021	60,246
Publicis Finance Services current account	373,316	83	311
Other receivables	6,900	5,389	1,031
Interest receivable	11,761	11,477	11,198
TOTAL	**1,601,954**	**1,091,287**	**1,054,598**

The increase in receivables in 2011 is primarily due to the unusually high balance of 508,155 thousand euros on the current accounts of Publicis Finance Services and MMS France Holdings from the income on the sale of Publicis Groupe Investments BV shares for 599,841 thousand euros at December 30, 2011.

Note 10 Marketable securities

The liquidity contract signed with Société Générale continued throughout 2011.

Marketable securities are broken down as follows at December 31, 2011:

(in thousands of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Excluding liquidity contract:			
• Treasury shares	196,836	248,302	272,294
Held under the liquidity contract:			
• Monetary mutual funds	28,672	28,694	28,488
• Treasury shares	355	-	100
TOTAL MARKETABLE SECURITIES (NET AMOUNT)	**225,863**	**276,996**	**300,882**

Activities for the year, excluding the liquidity contract, and the end-of-year positions are summarized in the following table:

(In thousands of euros except for share data)	Number of shares	Gross carrying amount	Provision for impairment	Net carrying amount
TREASURY SHARES HELD ON DECEMBER 31, 2010	**9,274,171**	**248,302**	**-**	**248,302**
Delivery of shares following the conversion request Of Oceane 2014	(1)	-	-	-
Disposals (exercise of options)	(1,922,288)	(51,466)	-	(51,466)
TREASURY SHARES HELD AT DECEMBER 31, 2011 OUTSIDE THE LIQUIDITY CONTRACT	**7,351,882**	**196,836**	**-**	**196,836**

Note 11 Deferred expenses

This line item includes costs associated with the bond issue and the arrangement of the syndicated credit lines, for the portion still to be amortized over the remaining period to maturity of the bonds and to expiry of the credit lines.

Deferred expenses at December 31, 2011 were composed of:

(in thousands of euros)	December 31, 2011
Oceane 2014 issuance costs	4,536
Oceane 2018 issuance costs	1,032
Eurobond 2012 issuance costs	35
Eurobond 2015 issuance costs	730
TOTAL BOND ISSUANCE COSTS	**6,333**
Capital loss on the Eurobond 2012, net of the payment received upon unwinding of the corresponding interest rate swap	716
Costs of arranging the syndicated credit line	3,941
TOTAL	**10,990**

Note 12 Bond issue and repayment premiums

These represent, respectively (net amount at December 31, 2011):

- redemption premiums: 14,729 thousand euros for the Oceane 2018;
- issue premium: 61 thousand euros for the Eurobond 2012.

Note 13 Unrealized foreign exchange gains (losses)

The unrealized foreign exchange loss results primarily from the re-measurement of the 211,652 thousand pound sterling loan to MMS UK.

Note 14 Average headcount

The Company's average headcount was two executives.

Note 15 Equity

The Publicis Groupe share capital has changed as follows over the past five financial years:

Dates	Capital transactions	Changes in share capital – Shares with 0.4 euro par value: Number of shares	Par value (in thousands of euros)	Statutory reserve (in thousands of euros)	Total cumulative amount of capital (in thousands of euros)	Cumulative number of shares in the Company
	SITUATION AT JANUARY 1, 2007				**79,484**	**198,709,229**
2007	Publicis plan options exercised	226,970	91	2,180	79,575	198,936,199
	Orane redemption (3rd tranche)	1,562,129	625	47,020	80,200	200,498,328
	Consideration for the contribution of Digitas France securities	1,889,026	755	62,149	80,955	202,387,354
2008	Publicis plan options exercised	71,500	29	670	80,984	202,458,854
	Cancellation of shares (February 2008)	(8,000,000)	(3,200)	(188,481)	77,784	194,458,854
	Orane redemption (4th tranche)	1,562,129	624	47,020	78,408	196,020,983
2009	Orane redemption (5th tranche)	1,562,129	625	47,020	79,033	197,583,112
2010	Cancellation of shares following buyback from SEP Dentsu-Badinter	(7,500,000)	(3,000)	(214,500)	76,033	190,083,112
	Orane redemption (6th tranche)	1,562,129	625	47,020	76,658	191,645,241
2011	Creation of new shares as part of the free share plan for all French employees in 2009	150,575	60	-	76,718	191,795,816
	Orane redemption (7th tranche)	1,562,129	625	47,020	77,343	193,357,945
	POSITION AT DECEMBER 31, 2011				**77,343**	**193,357,945**

Stockholders' equity changed as follows between January 1, 2011 and December 31, 2011:

(in thousands of euros)	January 1, 2011	Allocation of 2010 net income	Orane capital increase	Capital increase	Distribution of dividends	2011 net income	December 31, 2011
Share capital	76,658	-	625	60		-	77,343
Statutory reserve	2,481,710	-	47,020			-	2,528,730
Retained earnings	8,095	-				-	8,095
Earnings brought forward	611,704	235,928		(60)	(128,818)		718,754
SUB-TOTAL	**3,178,167**	**235,928**	**47,645**	**-**	**(128,818)**		**3,332,922**
Net income for the period	235,928	(235,928)	-	-		378,815	378,815
TOTAL	**3,414,095**	**-**	**47,645**	**-**	**(128,818)**	**378,815**	**3,711,737**

Note 16 Other equity

Other equity consists of a 20-year bond redeemable in new or existing shares (Oranes) issued on September 24, 2002 as part of the Bcom3 Group acquisition.

The initial amount of the bond was 857,812 thousand euros. It was reduced to 524,094 thousand euros following the redemption of the first seven tranches every September from 2005 to 2011. At December 31, 2011 there remained 1,562,129 Orane with a par value of 335.50 euros, each entitling the holder to 11 new or existing Publicis Groupe shares at a rate of one per year from September 1, 2012, to September 1, 2022, representing a total of 17,183,419 shares to be issued. In parallel, the unit value of each Orane shall be reduced by 30.50 euros per year on each of these dates.

Orane bear interest at a minimum rate of 0.82% of the par value. The coupon was fixed for the period September 2011 to September 2013 and represents annual interest of 2.28%.

Note 17 Provisions for liabilities and charges

(in thousands of euros)	Amount at January 1, 2011	Increase in 2011	Reversal in 2011 (provision used)	Reversal in 2011 (unused provision)	Amount at December 31, 2011
Provision for taxes (1)	6,647		-	-	6,647
Provision for retirement indemnities	4,850	3	-	(4,821)	32
Provision for conditional long-term commitments to employees	24,024	2,307	-	-	26,331
Provision for foreign exchange losses	60,863	53,372		(60,863)	53,372
Provision for liabilities on treasury shares and bonus share grants that have still not vested (2) (3)	63,857	88,228		(63,857)	88,228
Other provisions for liabilities (4)	2,090	1,264	(1,184)	-	2,170
TOTAL	**162,331**	**145,174**	**(1,184)**	**(129,541)**	**176,780**

(1) Refers to the provision for tax on the capital gain on the transfer of shares to Publicis USA Holdings in March 2000, in respect of which taxation is deferred in accordance with article 210-A of the French General Tax Code. A reversal was recorded in 2008.

(2) This provision was funded, firstly, to cover the loss resulting from the difference between the subscription price and the cost price of the treasury shares when they were allocated to stock option plans or free share plans, and, secondly, to cover any future losses on free share grants that have still not vested, shares to be drawn from existing shares, not yet held as treasury shares at the reporting date.

(3) Provisions and provision reversals relating to costs borne by Publicis Groupe in relation to the co-investment plan are shown as employee costs according to advice no. 2008-17 of the French National Accounting Council.

(4) These provisions include a provision, of 1,693 thousand euros at December 31, 2011, for work to comply with new building standards for the Company's head office building in Paris.

Note 18 Bonds

Number of securities (in thousands of euros)	Category of bond	December 31, 2011	December 31, 2010	December 31, 2009
2,624,538	Oceane 2.75% actuarial - January 2018	102,749	102,749	126,943
	Oceane 2.75% - redemption premium	35,541	35,541	43,910
25,761,646	Oceane 3.125% - July 2014	718,750	718,750	718,750
505,725	Eurobond 4.125% - January 2012	505,725	505,725	505,725
253,242	Eurobond 4.250% - March 2015	253,242	253,242	253,242
	Total excl. accrued interest	1,616,007	1,616,007	1,648,570
	Accrued interest	14,047	13,427	14,411
	BALANCE SHEET TOTAL	**1,630,054**	**1,629,434**	**1,662,981**

Oceane - 2.75% actuarial January 2018

The 16-year bond convertible into new or existing shares (Oceane), issued on January 18, 2002 for a total original amount of 690 million euros (excluding premium), was composed of 17,624,521 bonds of 39.15 euros each (representing a premium of 35% over the Publicis Groupe reference share price at the time of the issue), issued at par and bearing interest at an annual rate of 1%. These bonds are fully redeemable upon maturity, on January 18, 2018, for an amount equal to their par value plus a redemption premium of 34.59%. 62.36% of these bonds were redeemed in February 2005 and 6.52% in February 2006, reducing the total debt to 215 million euros. The remaining bonds will be fully redeemed upon maturity, on January 18, 2018, for a sum corresponding to 134.59% of par. They may, however, be redeemed early, either by being bought back on the market, or by means of public tender offers (cash or swap), at any time from January 18, 2007. Bondholders have the possibility of requesting early redemption on January 18, 2014. Additionally, Publicis Groupe has a right to redeem the bonds early at any time after January 18, 2007 in the event that the share price exceeds 125% of the early redemption price. Bondholders may request the conversion or exchange of bonds at any time after January 18, 2002 and no later than the seventh working day preceding the maturity date, on the basis of one share per bond. Shares issued may be either existing or new shares, at the Company's discretion.

Oceane – 3.125% July 2014

The five-year bond convertible into new or existing shares (Oceane), issued on June 24, 2009 for a total amount of 719 million euros, was composed of 25,761,647 bonds of 27.90 euros each (representing a premium of 35.5% over the Publicis Groupe reference share price at the time of the issue), issued at par and bearing interest at an annual rate of 3.125%, payable on a six-monthly basis. They will be redeemed at par on July 30, 2014 and may be subject to early redemption at the discretion of Publicis Groupe under certain conditions. Bondholders may request the conversion or exchange of bonds at a ratio of 1.003 shares per bond until the seventh working day preceding the maturity date (following the application of the conversion parity adjustment clause due to a rise in the dividend in 2011). Shares issued may be either existing or new shares, at the Company's discretion.

Publicis Groupe retains the option to redeem all or part of the bonds at any time from July 30, 2012 if Publicis Groupe SA shares trade at 130% of the bond's par value.

Eurobond 4.125% – January 2012

The standard bond issued on January 28, 2005, for an original amount of 750 million euros bearing interest at 4.125% and maturing in 2012, comprised 750,000 bonds with a par value of one thousand euros each. Issued at 99.3% of par, they bore an issue premium of 5 million euros, amortized over the life of the bond.

Following the public exchange offer launched on December 2, 2009, and in order to extend the maturity of this liability, 244,275 bonds worth 244 million euros were redeemed (representing nearly 33% of the total principal issued), reducing the total liability to 506 million euros, representing 505,725 bonds.

The remaining bonds will be redeemed at par when they mature on January 31, 2012.

Eurobond 4.25% – March 2015

Following the public exchange offer launched on December 2, 2009 pursuant to which holders of the Eurobond 2012 were entitled to exchange it for newly issued, 4.25% euro-denominated bonds maturing in March 2015, Publicis Groupe issued a new Eurobond maturing in 2015 for 253 million euros, consisting of 253,242 bonds.

These new bonds will be fully redeemed at par when they mature on March 31, 2015.

Note 19 Bank borrowings and overdrafts

This line item consists solely of bank overdrafts.

Note 20 Borrowings and other financial liabilities

(in thousands of euros)	December 31, 2011	December 31, 2010	December 31, 2009
Long-term borrowings from Publicis Finance Services [1]	755,275	731,365	678,363
Long-term borrowings from Publicis Groupe Holdings [2]	300,000	300,000	300,000
Current accounts, short-term borrowings from subsidiaries and accrued interest	23,776	377,834	313,729
Other creditors	4,645	4,961	10,798
TOTAL	**1,083,696**	**1,414,160**	**1,302,890**

(1) On November 28, 2007, Publicis Groupe obtained a loan of 977,250 thousand dollars from Publicis Finance Services, a Group subsidiary that manages the international cash pool, in order to partly finance the buyback of a loan granted by Publicis Finance Services to MMS USA Holdings for the purchase of Digitas Inc in early 2007.

(2) The 300,000 thousand euros loan is a subordinated participating loan granted by Publicis Groupe Holdings on October 5, 2007 with a term of 55 years.

Note 21 Maturity schedule for receivables and liabilities

All receivables included in current assets are due to be settled within less than one year.

The maturity schedule for liabilities is presented below:

(in thousands of euros)	Total	<1 yr	1 to 5 yrs	+ 5 yrs
Bonds	1,630,054	519,772	971,992	138,290
Bank borrowings and overdrafts	4	4	-	-
Borrowings and other financial liabilities	1,083,696	783,696		300,000
Trade payables	5,712	5,712	-	-
Income tax and social security liabilities	15,538	15,538	-	-
Other creditors	268	-	268	-
TOTAL LIABILITIES	**2,735,272**	**1,324,722**	**972,260**	**438,290**

Note 22 Disclosures concerning related parties and investments

(in thousands of euros)	Amount concerning related parties	Amount concerning companies in which the Company has invested
Balance sheet		None
Investments	5,183,747	
Loans and receivables due from associates and non-consolidated companies	1,601,954	
Trade receivables	28,430	
Other receivables	6,394	
Borrowings and other financial liabilities	1,079,621	
Trade payables	120	
Tax liabilities	3,630	
Income statement		None
Billings (goods and services)	19,951	
Expense transfers	25,591	
Other purchases and external charges	(2,010)	
Investment income	286,751	
Interest and other financial income	49,054	
Share in net income of partnerships	1,893	
Increases in financial provisions		
Interest and other financial expenses	(58,938)	
Exceptional expenses	(477,201)	
Exceptional income	(599,841)	

Note 23 Off-balance-sheet commitments

Off-balance sheet commitments given

Commitments related to bonds and to Orane

OCEANE 2018 – 2.75% ACTUARIAL JANUARY 2018

For Oceane 2018, bondholders may request that bonds be converted, at a ratio of one share for each bond (which had a unit value of 39.15 euros when issued), at any time from January 18, 2002 until the seventh business day before maturity (in January 2018). In view of the early redemptions made in February 2005, January 2006, January 2009 and January 2010, Publicis Groupe has an obligation, if conversion is required, to deliver 2,624,538 shares which may, at Publicis Groupe's discretion, be either newly issued shares or existing own shares held in its portfolio.

In addition, the holders of these securities can request early redemption in cash of part or all of the value of the Orane and the Oceane they own on January 18, 2014. The early redemption price is calculated in such a way as to provide a gross annual actuarial yield on the bond of 2.75% on the redemption date.

At any time, Publicis Groupe can request early redemption of part or all of the value of the bonds in the case where Publicis Groupe SA shares' market value represents 125% of the early redemption price.

ORANE – BONDS REDEEMABLE IN NEW OR EXISTING SHARES – SEPTEMBER 2022

After the redemption of the first seven tranches of the bond issue every September since September 2005, each Orane confers a right to 11 new or existing Publicis Groupe shares, at the rate of one share per year until the 20th anniversary of the bond's issue. Publicis Groupe is therefore committed to delivering 1,562,129 shares each year from 2012 to 2022, representing a total of 17,183,419 shares which may be, at Publicis Groupe's discretion, either newly issued shares or existing shares held in its own portfolio.

OCEANE 2014 - 3.125% - JULY 2014

With respect to the Oceane 2014, bondholders may request that bonds be converted, at the rate of 1.003 shares for each bond (which had a unit value of 27.90 euros when issued), excluding the effect from the conversion parity adjustment clause due to a rise in the dividend, at any time, until the seventh business day before the maturity date (July 2014). As a reminder, prior to the decision at the General Shareholders' Meeting to be held on June 7, 2011 to increase the dividend, the conversion ratio stood at one share for each bond. Publicis Groupe is therefore required, if conversion is requested, to deliver 25,838,932 shares (versus 25,761,647 shares before the decision) that may be, at Publicis Groupe's discretion, either newly issued shares or existing shares held in its portfolio.

These bonds are in principle fully amortizable on July 30, 2014 by redemption at par. However, Publicis Groupe retains the option to redeem all or part of the bonds at any time from July 30, 2012 if Publicis Groupe SA shares trade at 130% of the bond's par value.

EUROBOND 2012 & 2015

In January 2005, Publicis Groupe granted a long-term loan of 977 million dollars to MMS USA Holdings, a wholly owned Group subsidiary.

To hedge against future changes in the USD/EUR exchange rate, in January 2005 Publicis Groupe swapped its 750 million euros Eurobond 2012 issue into USD 977 million .

Following the changes made to the terms of the swap in 2006, the original fixed rate euro issue (interest rate 4.125%) has been swapped into dollars at a variable rate (6.33% for the final two months of 2006). In September 2007, the foreign currency component of the swap was unwound as part of the overall management of the exposure of the Group's net assets to foreign exchange risk.

In December 2009, the Eurobond 2012 interest rate swap was unwound with respect to the exchanged portion, the Group receiving a payment of 8 million euros, which had no impact on the income statement. At the same time, a new fixed/variable rate swap in euros was arranged for the new Eurobond 2015 bond.

Commitments related to warrants

The exercise of warrants – which could occur at any time between September 24, 2013 and September 24, 2022 – would lead to an increase in Publicis Groupe's share capital. After cancellation of the warrants bought back in 2005 and 2006, Publicis Groupe would be committed to creating (if all warrants were to be exercised) 5,602,699 shares with a par value of 0.40 euro and a premium of 30.1 euros.

Publicis Groupe SA stock option and free share plans

The free share plans in force on December 31, 2011 have the following features:

- Free share plan for employees in the 16 following countries (December 2011): Belgium, Brazil, Canada, Denmark, Finland, Germany, India, Italy, Mexico, Netherlands, Norway, Poland, Portugal, Spain, Sweden, United Kingdom.

  Under this plan, as was done in France in 2009 and the United States in 2010, 50 free shares were allocated on December 1, 2011 to all employees who have at least 6 months of employment and who work more than 21 hours per week in a majority-owned subsidiary in one of the countries included in the plan. Receipt of the shares is contingent on at least 2 years of employment for Spain and Italy, plus a lock-in period of 3 years or 4 years for the other countries: free shares will be delivered to the beneficiaries in December 2013 (Spain, Italy) and December 2015 (other countries), the date at which they become the beneficial owners and are able to exercise their rights as shareholders.
- Long Term Incentive Plan "LTIP 2011" (April 2011)

  Under this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the 4-year vesting period, except for tax residents of France who have a shorter, 3-year vesting period but an additional 2-year lock-in period. Furthermore, the shares are subject to additional performance criteria, so that the total number of shares received will depend on the growth and profitability objectives attained in 2011. The shares were initially awarded in April 2011 and will vest in April 2015, except for French employees whose share awards will vest in April 2014.
- Free share plan for employees of American entities (December 2010)

  Under this plan in the USA, 50 free shares were awarded on December 1, 2010 to all employees working more than 21 hours per week in a majority-owned subsidiary in the USA Receipt of the shares is contingent on at least four years of employment: free shares will be delivered to the beneficiaries in December 2014, the date at which they become the beneficial owners and are able to exercise their rights as shareholders.
- Long Term Incentive Plan "LTIP 2010" (August 2010) and LTIP 2010-2012 for members of the Management Board (September 2010)

Within the framework of this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the 4-year vesting period, except for tax residents of France who have a shorter, 3-year vesting period but an additional 2-year lock-in period. Furthermore, the shares are subject to additional performance criteria, so that the total number of shares received depended on the growth and profitability objectives attained in 2010 (or over the 2010-2012 period for members of the Management Board). Performance was measured in March 2011 with 100% of targets met for the LTIP 2010. The shares were initially awarded in August (September for the Management Board) 2010 and will vest in August and September 2014, except for French employees whose share awards will vest in August and September 2013.

- Free share plan for certain employees of Razorfish (December 2009)

  At the time of the Razorfish acquisition, some of its employees had received Microsoft "Restricted Share Units" between 2007 and 2009. On December 1, 2009 a new Publicis Groupe free share plan was implemented, subject to continued employment of the same beneficiaries, whereby the same number of shares was awarded after being converted into Publicis Groupe shares with the same vesting dates as the prior plans (which for most beneficiaries vested between January 2010 and September 2015). The number of free Microsoft shares in the process of being acquired was converted into Publicis Groupe shares, using the existing ratio between the average Microsoft price over the preceding 20 trading days and the Publicis Groupe share price on the acquisition date (October 13, 2009).

- Free share plan for employees of French entities (May 2009)

  Under this plan, which applied only in France, 50 free shares were awarded on May 20, 2009 to all employees working at least 50% of their working time in a majority-owned French subsidiary. Receipt of the shares was contingent on at least two years of employment: the free shares were delivered in May 2011 to the beneficiaries, who then became the owners thereof and can exercise their rights as shareholders. Pursuant to the French laws applicable to free share plans, employees must hold these shares for an additional two-year period before they are able to dispose of them, i.e. until May 2013.

- Free shares granted as part of the "co-investment" program (March 2009)

  Under this plan, offered to 160 members of Group management, each beneficiary is awarded two free shares for each Publicis share purchased on their behalf by LionLead, a specific structure dedicated to this operation. These shares are subject to conditions: i.e., that the entire investment remains unsold and that employment continues throughout the 4-year vesting period, except for tax residents of France who have a shorter, 3-year vesting period but an additional 2-year lock-in period. Furthermore, the second free share is subject to additional performance criteria, so that the total number of shares received will depend on the growth and profitability objectives attained over the 2009-2011 period. Free shares awarded to corporate officers depend entirely on performance criteria. These shares were awarded in March 2009 and will be delivered in March 2013, except for French employees who will receive their shares in March 2012.

The stock option plans in force at December 31, 2011 have the following features:

- Long Term Incentive Plan (LTIP) 2006-2008 (twenty-second tranche in 2006 and twenty-third tranche in 2007)

  Options granted under this plan grant a right to acquire one share for an exercise price equal to the average Publicis share price for the 20 days preceding the date of grant. The number of options that may be exercised out of the total number granted was determined in April 2009 based on the growth and profitability levels achieved over the entire 2006-2008 period, corresponding to 62.59% of the initial grant. For the first half of the options, the exercise period began in 2009, while the second half was exercisable as of April 2010. The options expire 10 years after the grant date.

- Plan granted in 2006 (twenty-first tranche)

  Options granted under this plan grant a right to acquire one share for an exercise price equal to the average Publicis share price for the 20 days preceding the date of grant. Options may be exercised after a period of 4 years and expire 10 years after the date of grant.

- Long Term Incentive Plan (LTIP) 2003-2005 (seventeenth tranche in 2003, nineteenth tranche in 2004, twentieth tranche in 2005)

  Options granted under this plan confer the right to acquire one share for an exercise price equal to the average cost of the portfolio treasury shares on the date of the grant. The number of options that may be exercised out of the total number granted was determined in April 2006 based on the growth and profitability levels achieved over the entire 2003-2005 period, corresponding to 98.92% of the initial grant. For the first half of the options, the exercise period began in 2006, while the second half was exercisable in 2007. The options expire 10 years after the grant date.

- Plan granted in 2001 (eleventh tranche) – 2002 (thirteenth, fourteenth and fifteenth tranches) – 2003 (sixteenth tranche)

  Options granted under these plans grant a right to acquire one share for an exercise price equal to the average Publicis share price for the 20 days preceding the date of grant. Options may be exercised after a period of four years and expire ten years after the date of grant.

Stock options originated by Publicis Groupe

CHARACTERISTICS OF PUBLICIS GROUPE STOCK OPTION PLANS OUTSTANDING AT DECEMBER 31, 2011

Shares with 0.40 euro par value	Type of option	Date of grant	Exercise price of options (in euros)	Options outstanding at December 31, 2011	Of which exercisable at December 31, 2011	Expiry date	Remaining contract life (in years)
13th tranche	Acquisition	01/18/2002	29.79	26,000	26,000	2012	0.04
14th tranche	Acquisition	06/10/2002	32.43	5,000	5,000	2012	0.44
15th tranche	Acquisition	07/08/2002	29.79	220,000	220,000	2012	0.51
16th tranche	Acquisition	08/28/2003	24.82	443,400	443,400	2013	1.65
17th tranche	Acquisition	08/28/2003	24.82	1,106,357	1,106,357	2013	1.65
19th tranche	Acquisition	09/28/2004	24.82	474,563	474,563	2014	2.74
20th tranche	Acquisition	05/24/2005	24.76	175,726	175,726	2015	3.39
21st tranche	Acquisition	08/21/2006	29.27	100,000	100,000	2016	4.64
22nd tranche	Acquisition	08/21/2006	29.27	2,793,739	2,793,739	2016	4.64
23rd tranche	Acquisition	08/24/2007	31.31	547,419	547,419	2017	5.64
TOTAL OF ALL TRANCHES				**5,892,204**	**5,892,204**		
Average exercise price				27.82	27.82		

MOVEMENTS IN PUBLICIS GROUPE STOCK OPTION PLANS IN 2011

Shares with 0.40 euro par value	Exercise price of options (in euros)	Options outstanding at December 31, 2010	Options granted in 2011	Options exercised in 2011	Options cancelled or lapsed in 2011	Options outstanding at December 31, 2011
11th tranche	33.18	307,500	-	-	(307,500)	-
13th tranche	29.79	71,700	-	(45,700)	-	26,000
14th tranche	32.43	5,000	-	-	-	5,000
15th tranche	29.79	220,000	-	-	-	220,000
16th tranche	24.82	443,400	-	-	-	443,400
17th tranche	24.82	1,502,602	-	(357,370)	(38,875)	1,106,357
19th tranche	24.82	649,330	-	(185,895)	11,128	474,563
20th tranche	24.76	228,695	-	(52,969)	-	175,726
21st tranche	29.27	100,000	-	-	-	100,000
22nd tranche	29.27	3,585,951	-	(729,841)	(62,371)	2,793,739
23rd tranche	31.31	692,808	-	(113,361)	(32,028)	547,419
TOTAL OF ALL TRANCHES		**7,806,986**	**-**	**(1,485,136)**	**(429,646)**	**5,892,204**
Average exercise price (euros)		28.02	-	27.65	31.93	27.82
Average share price on exercise (euros)				36.29		

MOVEMENTS IN PUBLICIS GROUPE STOCK OPTION PLANS IN 2010

Shares with 0.40 euro par value	Exercise price of options (in euros)	Options outstanding at December 31, 2009	Options granted in 2010	Options exercised in 2010	Options cancelled or lapsed in 2010	Options outstanding at December 31, 2010
10th tranche	43.55	100,000	-	-	(100,000)	-
11th tranche	33.18	343,000	-	(35,500)	-	307,500
13th tranche	29.79	77,200	-	(5,500)	-	71,700
14th tranche	32.43	5,000	-	-	-	5,000
15th tranche	29.79	220,000	-	-	-	220,000
16th tranche	24.82	478,400	-	(35,000)	-	443,400
17th tranche	24.82	3,315,046	-	(1,691,713)	(120,731)	1,502,602
19th tranche	24.82	1,160,208	-	(467,571)	(43,307)	649,330
20th tranche	24.76	395,190	-	(101,086)	(65,409)	228,695
21st tranche	29.27	100,000	-	-	-	100,000
22nd tranche	29.27	4,820,571	-	(1,034,739)	(199,881)	3,585,951
23rd tranche	31.31	802,316	-	(63,547)	(45,961)	692,808
TOTAL OF ALL TRANCHES		**11,816,931**	**-**	**(3,434,656)**	**(575,289)**	**7,806,986**
Average exercise price (euros)		27.64	-	26.37	30.13	28.02
Average share price on exercise (euros)				33.36		

MOVEMENTS IN PUBLICIS GROUPE STOCK OPTION PLANS IN 2009

Shares with 0.40 euro par value	Exercise price of options (in euros)	Options outstanding at December 31, 2008	Options granted in 2009	Options exercised in 2009	Options cancelled or lapsed in 2009	Options outstanding at December 31, 2009
10th tranche	43.55	100,000	-	-	-	100,000
11th tranche	33.18	353,000	-	-	(10,000)	343,000
13th tranche	29.79	85,200	-	-	(8,000)	77,200
14th tranche	32.43	5,000	-	-	-	5,000
15th tranche	29.79	220,000	-	-	-	220,000
16th tranche	24.82	480,067	-	-	(1,667)	478,400
17th tranche	24.82	3,719,299	-	(110,262)	(293,991)	3,315,046
19th tranche	24.82	1,227,571	-	(19,091)	(48,272)	1,160,208
20th tranche	24.76	417,596	-	(6,677)	(15,729)	395,190
21st tranche	29.27	100,000	-	-	-	100,000
22nd tranche	29.27	7,965,250	-	-	(3,144,679)	4,820,571
23rd tranche	31.31	1,422,233	-	-	(619,917)	802,316
TOTAL OF ALL TRANCHES		**16,095,216**	**-**	**(136,030)**	**(4,142,255)**	**11,816,931**
Average exercise price (euros)		28.02	-	24.82	29.20	27.64
Average share price on exercise (euros)				23.30		

Publicis Groupe free share plans

CHARACTERISTICS OF PUBLICIS GROUPE FREE SHARE PLANS OUTSTANDING AT DECEMBER 31, 2011

Shares with 0.40 euro par value	Beneficiaries	Grant date	Number of shares yet to vest at December 31, 2011	Vesting date of shares (1)	Remaining contract life (in years)
Co-investment plan	France	03/19/2009	804,194	03/19/2012	0.22
Co-investment plan	Outside France	03/19/2009	2,320,678	03/19/2013	1.22
France Plan 2009 - all French employees	France	05/20/2009	-	05/20/2011	-
LTIP Plan 2010	France	08/19/2010	86,550	08/19/2013	1.64
LTIP Plan 2010	Outside France	08/19/2010	510,200	08/19/2014	2.64
LTIP Plan 2010-2012 (Management Board members)	France	09/22/2010	152,000	09/22/2013	1.73
LTIP Plan 2010-2012 (Management Board members)	Outside France	09/22/2010	100,000	09/22/2014	2.73
USA Plan 2010 - all US employees	United States	12/01/2010	479,800	12/01/2014	2.92
LTIP Plan 2011	France	04/19/2011	89,950	04/19/2014	2.30
LTIP Plan 2011	Outside France	04/19/2011	552,750	04/19/2015	3.30
Global plan 2011 – all employees in countries concerned	Spain, Italy	12/01/2011	79,050	12/01/2013	1.92
Global plan 2011 – all employees in countries concerned	14 countries (2)	12/01/2011	454,650	12/01/2015	3.92
TOTAL OF FREE SHARE PLANS			**5,629,822**		

(1) After this date French beneficiaries must observe an additional two-year lock-in period.
(2) The countries concerned are: Belgium, Brazil, Canada, Denmark, Finland, Germany, India, Mexico, Netherlands, Norway, Poland, Portugal, Sweden, United Kingdom.

The award of the free shares listed above is conditional on continued employment by the employee throughout the vesting period. The grant is also subject to non-market performance conditions for the following plans: co-investment (only for half of the shares granted concerning the beneficiaries who are not members of the Management Board), LTIP 2010, LTIP 2010-2012, LTIP 2011.

MOVEMENTS IN PUBLICIS GROUPE FREE SHARE PLANS IN 2011

Shares with 0.40 euro par value	Beneficiaries	Number of shares yet to vest at December 31, 2010	Shares granted in 2011	Shares cancelled, lapsed or transferred (1) in 2011	Shares vesting in 2011	Number of shares yet to vest at December 31, 2011
Co-investment plan	France	810,864	-	(6,670)	-	804,194
Co-investment plan	Outside France	2,497,844	-	(177,166)	-	2,320,678
France Plan 2009 - all French employees	France	159,975	-	(9,400)	(150,575)	-
LTIP Plan 2010	France	99,050	-	(12,500)	-	86,550
LTIP Plan 2010	Outside France	554,500	-	(44,300)	-	510,200
LTIP Plan 2010-2012 (Management Board members)	France	152,000	-	-	-	152,000
LTIP Plan 2010-2012 (Management Board members)	Outside France	100,000	-	-	-	100,000
USA Plan 2010 - all US employees	United States	638,950	-	(159,150)	-	479,800
LTIP Plan 2011	France	-	96,950	(7,000)	-	89,950
LTIP Plan 2011	Outside France	-	577,700	(24,950)	-	552,750
Global plan 2011 – all employees in countries concerned	Spain, Italy	-	79,050	-	-	79,050
Global plan 2011 – all employees in countries concerned	14 countries (2)	-	454,650	-	-	454,650
TOTAL OF FREE SHARE PLANS		**5,013,183**	**1,208,350**	**(441,136)**	**(150,575)**	**5,629,822**

(1) These are transfers between French and foreign plans due to the geographic mobility of beneficiaries.
(2) The countries concerned are: Belgium, Brazil, Canada, Denmark, Finland, Germany, India, Mexico, Netherlands, Norway, Poland, Portugal, Sweden, United Kingdom.

MOVEMENTS IN PUBLICIS GROUPE FREE SHARE PLANS IN 2010

Shares with 0.40 euro par value	Beneficiaries	Number of shares yet to vest at December 31, 2009	Shares granted in 2010	Shares cancelled or lapsed in 2010	Shares vesting in 2010	Number of shares yet to vest at December 31, 2010
Co-investment plan	France	831,000	-	(20,136)	-	810,864
Co-investment plan	Outside France	2,713,176	-	(215,332)	-	2,497,844
France Plan 2009 - all French employees	France	185,575	-	(25,600)		159,975
LTIP Plan 2010	France	-	100,150	(1,100)	-	99,050
LTIP Plan 2010	Outside France	-	567,450	(12,950)	-	554,500
LTIP Plan 2010-2012 (Management Board members)	France	-	152,000	-	-	152,000
LTIP Plan 2010-2012 (Management Board members)	Outside France	-	100,000	-	-	100,000
USA Plan 2010 - all US employees	United States	-	658,400	(19,450)	-	638,950
TOTAL OF FREE SHARE PLANS		**3,729,751**	**1,578,000**	**(294,568)**		**5,013,183**

MOVEMENTS IN PUBLICIS GROUPE FREE SHARE PLANS IN 2009

Shares with 0.40 euro par value	Beneficiaries	Number of shares yet to vest at December 31, 2008	Shares granted in 2009	Shares cancelled or lapsed in 2009	Shares vesting in 2009	Number of shares yet to vest at December 31, 2009
Co-investment plan	France	-	831,000	-	-	831,000
Co-investment plan	Outside France	-	2,713,176	-	-	2,713,176
France Plan 2009 - all French employees	France	-	210,125	(24,550)	-	185,575
TOTAL OF FREE SHARE PLANS		**-**	**3,754,301**	**(24,550)**	**-**	**3,729,751**

PUBLICIS GROUPE FREE SHARE PLANS GRANTED TO CERTAIN RAZORFISH EMPLOYEES

The new Publicis Groupe free share plan, established on December 1, 2009 to replace the plans granted to certain Razorfish employees that were in effect at the time of the acquisition, resulted in the granting of 493,832 free shares in Publicis Groupe. For the majority of shares the vesting period runs for four years (2010-2013), with a smaller portion running until 2018. At December 31, 2011, the number of free shares yet to be vested was 159,044.

STOCK OPTION AND FREE SHARE PLANS ORIGINATED BY DIGITAS

On the acquisition of Digitas, these plans were converted into Publicis Groupe stock option plans, applying the ratio existing between the acquisition price of our public offer for Digitas (translated into euros) and the Publicis Groupe share price at the completion date of the merger. The subscription price was correspondingly adjusted.

CHARACTERISTICS OF DIGITAS STOCK OPTION PLANS OUTSTANDING AT DECEMBER 31, 2011

Shares with 0.40 euro par value	Date of grant		Exercise price of options (in euros)		Options outstanding at December 31, 2011	Of which exercisable at December 31, 2011	Expiry date		Remaining contract life (in years)
	min	max	min	max			min	max	
Digitas plans									
2000	04/03/2000	02/01/2001	13.73	50.65	-	-	04/03/2010	02/01/2011	-
2001	03/01/2001	01/24/2007	5.08	35.42	318,418	318,418	03/01/2011	01/24/2017	3.86
2005 UK	06/01/2005	12/01/2006	21.70	35.42	5,338	5,338	06/01/2015	12/01/2016	5.00
Modem Media plans									
1997	03/26/1997	09/29/2004	18.30	19.18	370	370	01/01/2008	09/29/2014	3.25
1999	04/12/2000	06/22/2004	2.62	54.05	2,559	2,559	04/12/2010	06/22/2014	2.18
TOTAL OF TRANCHES					**326,685**	**326,685**			
Average exercise price (in euros)					25.27	25.27			

MOVEMENTS IN DIGITAS STOCK OPTION PLANS IN 2011

Shares with 0.40 euro par value	Exercise price of options (in euros)		Options outstanding at December 31, 2010	Options exercised in 2011	Options cancelled or lapsed in 2011	Options outstanding at December 31, 2011
	min	max				
Digitas plans						
2000	13.73	50.65	9,416	-	(9,416)	-
2001	5.08	35.42	434,799	(83,651)	(32,730)	318,418
2005 UK	21.70	35.42	6,189	-	(851)	5,338
Modem Media plans						
1997	18.30	19.18	370	-	-	370
1999	2.62	54.05	2,853	-	(294)	2,559
TOTAL OF TRANCHES			**453,627**	**(83,651)**	**(43,291)**	**326,685**
Average exercise price (in euros)			22.99	16.22	18.93	25.27
Average share price on exercise (in euros)				36.29		

MOVEMENTS IN DIGITAS STOCK OPTION PLANS IN 2010

Shares with 0.40 euro par value	Exercise price of options (in euros) min	max	Options outstanding at December 31, 2009	Options exercised in 2010	Options cancelled or lapsed in 2010	Options outstanding at December 31, 2010
Digitas plans						
1999	21.36	21.36	10,061	(109)	(9,952)	-
2000	13.73	50.65	44,284	(63)	(34,805)	9,416
2001	5.08	35.42	549,835	(87,765)	(27,271)	434,799
2005 UK	21.70	35.42	7,040	(851)	-	6,189
Modem Media plans						
1997	18.30	19.18	370	-	-	370
1999	2.62	54.05	5,232	(187)	(2,192)	2,853
2000	16.35	16.35	1,191	-	(1,191)	-
TOTAL OF TRANCHES			**618,013**	**(88,975)**	**(75,411)**	**453,627**
Average exercise price (in euros)			23.87	17.74	33.01	22.99
Average share price on exercise (in euros)				33.36		

MOVEMENTS IN DIGITAS STOCK OPTION PLANS IN 2009

Shares with 0.40 euro par value	Exercise price of options (in euros) min	max	Options outstanding at December 31, 2008	Options exercised in 2009	Options cancelled or lapsed in 2009	Options outstanding at December 31, 2009
Digitas plans						
1999	21.36	21.36	25,188	(2,974)	(12,153)	10,061
2000	13.73	50.65	47,228	(315)	(2,629)	44,284
2001	5.08	35.42	769,648	(114,370)	(75,443)	549,835
2005 UK	21.70	35.42	5,784	(211)	1,467	7,040
Modem Media plans						
1997	18.30	19.18	1,840	0	(1,470)	370
1999	2.62	54.05	5,657	(88)	(337)	5,232
2000	16.35	16.35	1,191	0	0	1,191
TOTAL OF TRANCHES			**856,536**	**(147,958)**	**(90,565)**	**618,013**
Average exercise price (in euros)			22.22	13.04	18.73	23.87
Average share price on exercise (in euros)				23.30		

Contractual guarantees given

- Guarantee until 2019 on behalf of Leo Burnett USA in favor of the owner of the premises at 35 West Wacker Drive in Chicago, for a maximum amount of 91,537 thousand dollars in respect of rental payment and of 108,931 thousand dollars in respect of real estate taxes and rental charges related to the building;
- Guarantee until 2016 on behalf of Zenith Optimedia Ltd (UK) to the owner of the premises at 24 Percy Street, London, for a maximum amount of 11,975 thousand pounds sterling in respect of rental payments and an amount of 1,612 thousand pounds sterling in respect of rental charges related to the building;
- Guarantee until 2022 on behalf of Fallon London Limited (UK) to the owner of the premises at 20-30 Great Titchfield Street, London, for a maximum amount of 22,478 thousand pounds sterling in respect of rental payments and an amount of 2,235 thousand pounds sterling in respect of rental charges related to the building;
- Joint and several guarantee of the debts of Publicis Groupe Holdings, Publicis Holdings and Publicis Groupe Investments;
- Publicis Groupe SA stood surety to Crédit Agricole CIB up to a total of 46,900 thousand euros for Régie Publicitaire des Transports Parisiens Métrobus Publicité (Métrobus), a company in which it directly and indirectly holds a 67% stake. This counter guarantee was given to Crédit Agricole CIB for a period of 18 months starting from January 1, 2011 in relation to a 70,000 thousand euros - bank guarantee issued to Régie Autonome des Transports Parisiens (RATP) by Crédit Agricole CIB on behalf of Métrobus. JCDecaux SA, which has a 33% stake in Métrobus, also gave a counter guarantee to Crédit Agricole CIB for 23,100 thousand euros.

Commitments given as part of the hedging of foreign currency loans granted to certain subsidiaries (other than the Eurobond swap described above):

Amount in currency (in thousands of units)	GBP 3,641	GBP 785	GBP 3,641
Type of contract	Seller's hedge	Seller's hedge	Seller's hedge
Currency	GBP/EUR	GBP/EUR	GBP/EUR
Maturity date	01/03/2012	02/28/2012	02/28/2012
Forward rate	0.853800	0.836150	0.839000
Equivalent (in thousands of euros)	4,265	939	4,340
Market value at December 31, 2011 (in thousands of euros)	4,359	940	4,359

Amount in currency (in thousands of units)	GBP 3,641	USD 17,448
Type of contract	Buyer's hedge	Seller's hedge
Currency	GBP/EUR	USD/EUR
Maturity date	01/03/2012	03/30/2012
Forward rate	0.838130	1.309000
Equivalent (in thousands of euros)	4,345	13,329
Market value at December 31, 2011 (in thousands of euros)	4,359	13,485

Off-balance sheet commitments received

- Undrawn credit lines: 1,200 million euros as part of the multi-currency syndicated loan maturing in July 2016
- There were unused bilateral credit lines of 655 million euros at December 31, 2011.

Note 24 Subsequent events

No material events took place after the end of the reporting period.

Note 25 Subsidiaries and other investments at December 31, 2011

(Figures in thousands of euros except for equity which is stated in local currency)

A) Subsidiaries and other investments whose carrying amount exceeds 1% of Publicis Groupe share capital

Company	Share capital	Reserves and earnings brought forward	% interest	Gross carrying amount	Net carrying amount	Loans and advances	Billings	Net income	Dividends received
Subsidiaries									
Publicis Groupe Investments B.V. Prof. W.H. Keesomlaan 12 1183 DJ Amstelveen Netherlands	68,709	7,134,809	100.00	4,898,314	4,898,314	0	0	250,189	241,984
MMS France Holdings 133 Avenue des Champs-Élysées 75008 Paris France SIREN 444 714 786	114,607	(54,950)	99.61	248,670	248,670	0	0	26,299	0
Médias et Régies Europe 133 Avenue des Champs-Élysées 75008 Paris SIREN 353 938 905	24,150	437	99.99	25,508	23,999	0	6,473	3,096	0
Metrobus 1 Rond Point Victor Hugo 92137 Issy les Moulineaux France SIREN 327 096 426	1,840	(5,796)	32.30	17,508	12,161	0	152,791	1,868	0

B) General information with regard to all subsidiaries and other investments

	Subsidiaries		Investments	
	French	Foreign	French	Foreign
Carrying amount of shares held				
Gross	292,282	4,898,314	6	0
Net	285,426	4,898,314	0	0
Amount of dividends received	42,873	241,984	0	0

Details of securities at December 31, 2011

	% interest	Net carrying amount (in thousands of euros)
I - Investments		
A. Investments in French companies		
380,517,041 shares in MMS France Holdings	99.61%	248,670
1,609,991 shares in Médias et Régies Europe	99.99%	23,999
37,146 shares in Metrobus	32.30%	12,161
245,000 shares in Régie 1	49.00%	373
9,094 shares in Publicis Finance Services	99.93%	186
3,700 shares in Publicis Groupe Services	100.00%	37
Investments with a carrying amount less than 15,000 euros, aggregate		6
Total French investments		**285,432**
B. Investments in foreign companies		
151,343 shares in Publicis Groupe Investments	100.00%	4,898,314
Investments with a carrying amount less than 15,000 euros, aggregate		-
Total foreign investments		**4,898,314**
TOTAL INVESTMENTS		5,183,746
II - Other non-current securities		
C. French securities		
TOTAL OTHER NON-CURRENT SECURITIES		0
III - Other securities		
D. Other securities of French companies		
7,361,882 Publicis Groupe SA treasury shares [1]	3.80%	197,191
Monetary mutual funds		28,672
Investments with a carrying amount less than 15,000 euros, aggregate		5
E. Other foreign securities		**14**
TOTAL OTHER SECURITIES		225,882
TOTAL SECURITIES		**5,409,628**

(1) Shares held under share buyback programs, including the liquidity contract.

5.5 Results of Publicis Groupe SA over the past five years

	2011	2010	2009	2008	2007
Share capital at year-end					
Share capital (in thousands of euros)	77,343	76,658	79,033	78,408	80,955
Number of shares in issue	193,357,945	191,645,241	197,583,112	196,020,983	202,387,354
Maximum number of future shares to be issued:					
• under free share plans	2,504,950	1,704,475	185,575	-	-
• under stock option plans		-	-	-	75,500
• as a result of warrant exercises (1)	5,602,699	5,602,699	-	-	-
• as a result of the conversion of bonds (2)	45,646,888	47,131,733	49,311,847	50,526,553	52,088,682
Operations and results for the financial year (in thousands of euros)					
Billings, excluding VAT	20,484	15,146	33,847	17,935	22,498
Net income before taxes, depreciation, amortization and provisions	347,285	202,334	152,354	161,267	203,161
Income taxes (credit)	(28,196)	(37,717)	(30,332)	(59,437)	(20,454)
Net income after taxes, depreciation, amortization and provisions	378,815	235,928	319,692	29,669	163,693
Income distributed for the period	135,351 (3)	128,817	107,312	107,350	105,573
Earnings per share (in euros)					
Net income after taxes but before depreciation, amortization and provisions	1.94	1.25	0.92	1.13	1.10
Net income after taxes, depreciation, amortization and provisions	1.96	1.23	1.62	0.15	0.81
Dividend per share	0.70	0.70	0.60	0.60	0.60
Employees (in thousands of euros except headcount)					
Average headcount	2	2	2	2	3
Payroll expense (4)	2,711	761	3,074	2,612	4,075
Benefits (social security, other employee benefits)	796	645	959	798	1,568

(1) Warrants were not taken into consideration except for 2010 and 2011 when their exercise price of 30.5 euros was below the Publicis share price.
(2) It was assumed that the new shares would be issued to redeem both Oceane and Orane.
(3) Estimate on the basis of existing shares at December 31, 2011, including treasury shares.
(4) In 2010, payroll included the reversal of the provision for the bonus for a gross amount of 2,033 thousand euros.

5.6 Statutory auditors' report on the parent company financial statements

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying financial statements of Publicis Groupe SA, attached to this report;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2011 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Your company reviews the value in use of its investments as described in the "Investments" section of Note 2 "Accounting policies" in the notes to the annual financial statements. We assessed the appropriateness of the methods used by the company and we ensured ourselves of the reasonableness of the estimates made.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names of the principal shareholders has been properly disclosed in the Management Report.

Courbevoie and Paris-La Défense, March 9, 2012

By the statutory auditors

ERNST & YOUNG et Autres		MAZARS	
Jean Bouquot	Christine Staub	Loïc Wallaert	Anne-Laure Rousselou

6

INFORMATION ABOUT THE COMPANY AND THE SHARE CAPITAL

6.1 Information about the Company

6.1.1 COMPANY NAME AND TRADE NAME

Publicis Groupe SA (the "Company") does business under the trade name Publicis.

6.1.2 REGISTRATION

Publicis Groupe SA is registered with the Paris Trade and Companies Registry under number 542 080 601; Code APE - NAF 7010Z

6.1.3 DATE OF INCORPORATION AND TERM

Incorporation date: October 4, 1938.

Term: October 3, 2037, unless extended.

6.1.4 REGISTERED OFFICE, LEGAL FORM, APPLICABLE LEGISLATION, JURISDICTION, ADDRESS AND TELEPHONE NUMBER OF REGISTERED OFFICE

Publicis Groupe SA is a French Public limited company with a Management Board and a Supervisory Board, governed by articles L. 225-57 through L. 225-93 of the French Commercial Code.

The Company's registered office is located at 133 avenue des Champs-Élysées, 75008 Paris, France. The telephone number of the Company's registered office is +33 (0) 1 44 43 70 00.

6.1.5 DEEDS OF INCORPORATION AND BYLAWS

Corporate purpose (article 2 of the Company bylaws)

The Company's corporate purposes are to:

- produce and derive value added in any manner from advertising and publicity in any format or of any type;
- organize shows and radio or television broadcasts, set up radio, television and other programming, use movie theaters, recording or broadcasting studios and projection and viewing rooms, publish paper documents and edit music, sketches, scripts and theater productions; and
- more generally, carry out commercial, financial, industrial and real and intangible property transactions of any type relating directly or indirectly to the above in order to foster the development and growth of the Company's business.

The Company may conduct operations in any country in its own behalf or on the account of third parties, either alone or jointly, with other companies or persons and carry out in any form, directly or indirectly, activities in line with its corporate purpose.

The Company may also acquire interests in any form in any other French or foreign businesses or companies, whatever their corporate purposes.

Management Board (articles 10 to 12 of the Company bylaws)

The Management Board oversees Publicis' management. The Management Board is appointed by the Supervisory Board and must have at least two but no more than seven members. Each member is appointed for a period of four years and must be a natural person, but need not be a shareholder. Members of the Management Board may be re-appointed. No member of the Management Board may serve after the Ordinary General Shareholders' Meeting following his or her 75th birthday. The Supervisory Board appoints one of the members of the Management Board as chairperson and may appoint one, several or all the other members of the Management Board as Managing Directors. The members of the Management Board may be dismissed either by the Supervisory Board or by a General Shareholders' Meeting.

Supervisory Board (articles 13 to 17 of the Company bylaws)

The Supervisory Board has the responsibility of exercising ongoing supervisory authority over the Management Board. It is composed of no less than three and no more than 18 members, appointed at the General Shareholders' Meeting for a term of six years. Members of the Management Board may be re-appointed. Members over 75 years of age may not constitute more than one-third of the Supervisory Board, which may be rounded up. Should this limit be exceeded, the oldest member of the Supervisory Board will automatically resign. The potential crossing of this threshold shall be determined at the date of the Supervisory Board's meeting to approve the financial statements for the past year. Each member of the Supervisory Board must own at least 200 Company shares at least during the course of his or her term.

The members of the Supervisory Board may be dismissed only by the General Shareholders' Meeting.

Rights related to each category of shares (article 8 of the Company bylaws)

Each share confers the right proportionate to such share to a part of the corporate assets and benefits. The shareholders may be held liable only up to the value of the shares that they hold. Each time that it is necessary to hold several shares to exercise any right, shareholders must be personally responsible for gathering the number of shares required.

General Shareholders' Meetings (articles 19 to 24 of the Company bylaws)

General Shareholders' Meetings are open to all shareholders regardless of the number of shares held. The procedures for providing notice of meetings and holding meetings are prescribed by French law. Meetings take place at the Company's headquarters or at any other location specified in the above-mentioned notice and set by the convener (article 19 of the Company bylaws).

Representation and admission to General Shareholders' Meetings (article 20 of the Company bylaws)

Any shareholder may participate, personally or through an authorized representative, in Shareholders' Meetings, justifying his identity and his ownership of the securities, through registration on the Company's registry, under the conditions provided for by the law.

Voting rights (article 21 paragraph 5 of the Company bylaws)

Each of the Company shares carries the right to cast one vote in shareholder elections. However, in accordance with a resolution approved at the Extraordinary General Shareholders' Meeting on September 14, 1968, shares registered with the same shareholder for at least two years or which have only been transferred during that period from one registered owner to another within the framework of an intestate estate or testamentary succession (based on the joint ownership of the shares or a donation to a living person for the benefit of a spouse or relative through an inherited right) carry double voting rights. The Extraordinary General Shareholders' Meeting has the possibility to purely and simply cancel the double voting right, however this cancellation will only become effective after the approval of a special meeting of shareholders who hold double voting right shares.

In the event of the division of ownership of Company shares, the limited owners and bare owners of shares can freely distribute voting rights at the Combined Ordinary and Extraordinary Shareholders' Meetings provided they notify the Company beforehand, by providing a certified copy of their agreement at least 20 calendar days before the first Shareholders' Meeting is held following the above-mentioned ownership division by registered mail. Failing notification within this period, the distribution will be implemented *ipso jure* in accordance with article L. 225-110, paragraph 1, of the French Commercial Code.

Declarations of share ownership (articles 7 III and paragraph 6 of the Company bylaws)

The Company bylaws provide that any natural or legal person, acting individually or jointly and acquiring or disposing of, by any means as described in article L. 233-7 of the French Commercial Code, 1% or any fraction equivalent to 1% of the Company stock or voting rights, shall notify the Company within five trading days of such acquisition or disposal, of the total number of shares or voting rights held, by registered mail with return receipt addressed to Publicis' headquarters. In addition, a legal entity holding shares representing more than 2.5% of the Company's share capital or voting rights must disclose to the Company the identity of all persons holding, directly or indirectly, more than one-third of the share capital or voting rights of that entity. Should the number of voting rights be greater than the number of shares, the percentages will be calculated based on voting rights. These declaration obligations also apply each time that the fraction of the shares or voting rights held falls below one of the thresholds specified above.

Shareholders who fail to comply with this requirement may be deprived of voting rights with respect to any shares exceeding the relevant threshold until the required disclosure is made, a period provided for by current legislation. Unless one of the thresholds provided for in the above-mentioned article L. 233-7 is breached, this sanction will only be applied subsequent to a request, recorded in the minutes of the General Shareholders' Meeting, of one or more shareholders holding at least 1% of the Company's capital.

Liquidation rights (article 32 of the Company bylaws)

At the end of the Company's term of incorporation, or in the event of dissolution or liquidation, any assets remaining after payment of the Company's debts and social security expenses, liquidation expenses and all of the Company's remaining obligations will be distributed first to repay in full the nominal value of its shares. Any surplus will be distributed pro-rata among shareholders in proportion to the nominal value of their shareholdings.

6.2 Ownership structure

6.2.1 SIGNIFICANT SHAREHOLDERS AND VOTING RIGHTS

At December 31, 2011, to the best of the Company's knowledge, no person held, directly or indirectly, individually or jointly, 5% or more of its shares (a "Major Shareholder") except those disclosed below. Publicis' bylaws state that all its shareholders have the same proportional voting rights with respect to the shares they hold, except that shares owned by the same shareholder in registered form for at least two years carry double voting rights. The Company has not issued any preferred shares or any securities without voting rights.

DISTRIBUTION OF THE COMPANY'S SHARE CAPITAL AND VOTING RIGHTS

At December 31, 2011	Shares held	% of capital (4)	Voting rights	% of voting rights (5)
A/ Shareholders holding more than 5% of the capital				
Élisabeth Badinter (1)	20,072,339	10.38%	40,144,678	16.95%
Dentsu Inc. (2)	18,102,255	9.36%	35,520,446	15.00%
SEP Dentsu-Badinter (3)	3,772,485	1.95%	7,544,970	3.19%
Thornburg Investment Management Inc. (6)	14,876,062	7.69%	14,876,062	6.28%
Harris Associates L.P. (6)	11,691,900	6.05%	11,691,900	4.94%
B/ Treasury shares	7,361,882	3.81%	-	-
C/ Public (registered and bearer shares)	117,481,022	60.76%	127,032,350	53.64%
TOTAL	**193,357,945**	**100.00%**	**236,810,406**	**100.00%**

(1) Ms. Élisabeth Badinter fully owned 3.52% of the shares (representing 5.74% of the voting rights) and had the right to income in respect of 6.86% of the shares with her children owning the underlying shares (representing 11.21% of the voting rights).

(2) These figures do not include the shares held by the SEP and of which Dentsu may be considered the effective owner according to the shareholder agreement concluded between Élisabeth Badinter and Dentsu (see Section 2.9.5 ("Shareholders' agreement between Élisabeth Badinter and Dentsu" for more details). In this connection, Dentsu is the effective owner of 21,874,739 shares, representing 11.31% of the Company's capital and 18.19% of the voting rights. The voting rights of Dentsu are limited by agreement to 15%.

(3) This silent partnership was created in September 2004 by Dentsu and Ms. Badinter in order to put into action the limitation on voting rights of Dentsu to 15% (see Section 2.9.5 "Shareholders' agreement between Élisabeth Badinter and Dentsu" for more details).

(4) Percentages are based on the total number of outstanding shares, including treasury shares.

(5) Percentages are based on the total number of outstanding shares, disregarding treasury shares which do not carry voting rights, and counting the double voting rights attached to some shares.

(6) Institutional funds hold shares on behalf of funds or clients under management.

Following the transaction of February 17, 2012, as a result of which Publicis Groupe ended up holding 7,240,187 additional treasury shares (following the cancellation of 10,759,813 shares out of the total 18,000,000 shares bought back from Dentsu), and of the disposal, on behalf of Ms. Élisabeth Badinter, of 268,228 shares on February 23, 2012 and 181,772 shares on February 24, 2012 together with an inter vivos distribution of 450,000 shares to her three children (150,000 shares each) on February 29, 2012 the new allocation of share capital at February 29, 2012 was as follows:

At February 29, 2012	Shares held	% of capital (2)	Voting rights	% of voting rights (3)
A/ Shareholders holding more than 5% of the capital				
Élisabeth Badinter (1)	19,172,340	10.50%	38,344,680	19.03%
Dentsu Inc.	3,875,139	2.12%	7,749,878	3.84%
Thornburg Investment Management Inc. (4)	14,876,062	8.15%	14,876,062	7.38%
Harris Associates L.P. (4)	11,691,900	6.40%	11,691,900	5.80%
B/ Treasury shares	13,579,916	7.44%	-	-
C/ Public (registered and bearer shares)	119,402,775	65.39%	128,875,912	63.95%
TOTAL	**182,598,132**	**100.00%**	**201,538,432**	**100.00%**

(1) Ms. Élisabeth Badinter fully owned 3.23% of the shares (representing 5.86% of the voting rights) and had the right to income in respect of 7.27% of the shares with her children owning the underlying shares (representing 13.17% of the voting rights).

(2) Percentages are based on the total number of outstanding shares, including treasury shares.

(3) Percentages are based on the total number of outstanding shares, disregarding treasury shares which do not carry voting rights, and counting the double voting rights attached to some shares.

(4) Institutional funds hold shares on behalf of funds or clients under management.

REMINDER OF THE DISTRIBUTION OF THE COMPANY'S SHARE CAPITAL AND VOTING RIGHTS FOR THE PRIOR TWO YEARS

At December 31, 2010	Shares held	% of capital (4)	Voting rights	% of voting rights (5)
A/ Shareholders holding more than 5% of the capital				
Élisabeth Badinter (1)	20,072,339	10.47%	40,144,678	17.20%
Dentsu Inc. (2)	17,625,532	9.20%	34,909,032	14.95%
SEP Dentsu-Badinter (3)	3,907,176	2.04%	7,814,352	3.35%
B/ Treasury shares	9,274,171	4.84%	-	-
C/ Public (registered and bearer shares)	140,766,023	73.45%	150,585,031	64.50%
TOTAL	**191,645,241**	**100.00%**	**233,453,093**	**100.00%**

(1) Ms. Élisabeth Badinter fully owned 3.55% of the shares (representing 5.82% of the voting rights) and had the right to income in respect of 6.93% of the shares with her children owning the underlying shares (representing 11.37% of the voting rights).

(2) These figures do not include the shares held by the SEP and of which Dentsu may be considered the effective owner according to the shareholder agreement concluded between Élisabeth Badinter and Dentsu (see Section 2.9.5 ("Shareholders' agreement between Élisabeth Badinter and Dentsu" for more details). In this connection, Dentsu is the effective owner of 21,532,707 shares, representing 11.24% of the Company's capital and 18.30% of the voting rights. The voting rights of Dentsu are limited by agreement to 15%.

(3) This silent partnership was created in September 2004 by Dentsu and Ms. Badinter in order to put into action the limitation on voting rights of Dentsu to 15% (see Section 2.9.5 "Shareholders' agreement between Élisabeth Badinter and Dentsu" for more details).

(4) Percentages are based on the total number of outstanding shares, including treasury shares.

(5) Percentages are based on the total number of outstanding shares, disregarding treasury shares which do not carry voting rights, and counting the double voting rights attached to some shares.

At December 31, 2009	Shares held	% of capital (5)	Voting rights	% of voting rights (6)
A/ Shareholders holding more than 5% of the capital				
Élisabeth Badinter (1)	20,072,339	10.16%	40,144,678	15.78%
Dentsu Inc. (2)	19,074,815	9.65%	38,149,630	15.00%
SEP Dentsu-Badinter (3)	9,615,861	4.87%	19,231,722	7.56%
Léone Meyer and Phison Capital SAS (4)	9,891,829	5.01%	18,733,658	7.36%
B/ Treasury shares	10,414,344	5.27%	-	-
C/ Public (registered and bearer shares)	128,513,924	65.04%	138,103,424	54.29%
TOTAL	**197,583,112**	**100.00%**	**254,363,112**	**100.00%**

(1) Ms. Élisabeth Badinter fully owned 3.44% of the shares (representing 5.35% of the voting rights) and had the right to income in respect of 6.72% of the shares with her children owning the underlying shares (representing 10.44% of the voting rights).

(2) These figures do not include the shares held by the SEP and of which Dentsu may be considered the effective owner according to the shareholder agreement concluded between Élisabeth Badinter and Dentsu (see Section 2.9.5 ("Shareholders' agreement between Élisabeth Badinter and Dentsu" for more details). In this connection, Dentsu is the effective owner of 28,690,675 shares, representing 14.52% of the Company's capital and 22.56% of the voting rights. The voting rights of Dentsu are limited by agreement to 15%.

(3) This silent partnership was created in September 2004 by Dentsu and Ms. Badinter in order to put into action the limitation on voting rights of Dentsu to 15% (see Section 2.9.5 "Shareholders' agreement between Élisabeth Badinter and Dentsu" for more details).

(4) Ms. Léone Meyer fully owned 4,290 shares directly, and indirectly, via the Company Phison Capital, 9,887,539 shares.

(5) Percentages are based on the total number of outstanding shares, including treasury shares.

(6) Percentages are based on the total number of outstanding shares, disregarding treasury shares which do not carry voting rights, and counting the double voting rights attached to some shares.

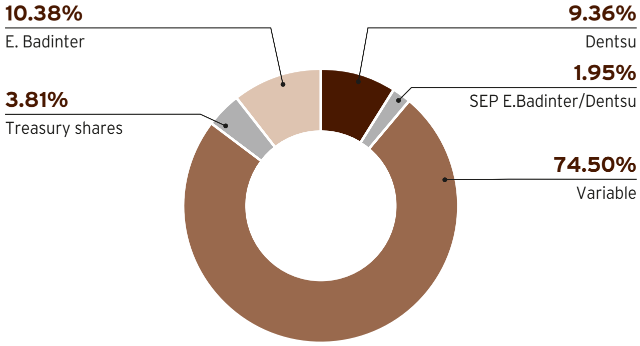
During 2011, in accordance with article L. 233-7 of the French Commercial Code, the Company and the Autorité des marchés financiers (the French Financial Markets Authority, or AMF) were notified that the following legal thresholds had been crossed:

- On June 23, 2011, the Amundi Asset Management Group, acting on behalf of funds under management, declared that it had crossed the 5% legal share capital threshold and now held 5.91% of Publicis Groupe SA's share capital and 4.67% of the voting rights. Said Group announced that its interest had fallen below the 5% legal threshold on July 4, 2011, and that it held 4.83% of the share capital and 3.80% of the voting rights;
- On August 4, 2011, Artisan Partners Limited Partnership, acting on behalf of funds under management and discretionary client funds, declared that it had crossed the legal 5% share capital threshold. On December 5, 2011, the Company informed the Autorité des marchés financiers (the French Financial Markets Authority, or AMF) and the Company that it had not crossed the 5% share capital threshold on August 4;
- On May 9, 2011, Harris Associates LP, acting on behalf of funds under management and discretionary client funds, declared that it had crossed the legal 5% share capital threshold, and that it held 5.02% of the share capital and 3.97% of the voting rights on behalf of said funds and clients;
- Thornburg Investment Management, acting on behalf of funds under management and discretionary client funds, declared that it had crossed the following, for regularization purposes:
  - on February 15, 2011, the 5% share capital threshold, and that it held 6.83% of the share capital and 5.40% of the voting rights on behalf of said funds and clients,
  - on June 15, 2011, the 5% share capital threshold, and that it held 7.76% of the share capital and 6.14% of the voting rights on behalf of said funds and clients.

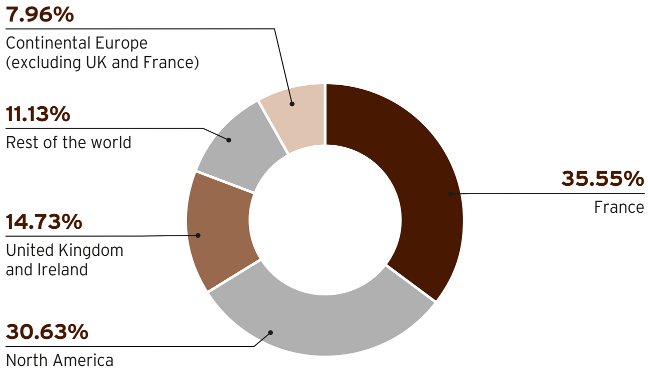
In addition, the concert party consisting of Ms. Élisabeth Badinter and Dentsu Inc. declared that it had fallen below the 33.33% and 30% voting right thresholds, and the 25%, 20%, 15%, 10% and 5% share capital and voting rights thresholds on February 17, 2012, and that it no longer held any shares in the Company. On February 17, 2012 Dentsu Inc. announced that it had fallen below the 10% and 5% share capital and voting rights thresholds. Ms. Badinter has not independently crossed any threshold, and on February 17, 2012 held 10.99% of the share capital and 18.58% of the voting rights following this transaction. The crossing of these thresholds is the result of Publicis Groupe repurchasing 18,000,000 of its own shares from Dentsu (10,759,813 of which were cancelled), and of the termination of the concert party that bound Ms. Badinter and Dentsu Inc. on February 17, 2012.

According to the most recent exhaustive survey of the approximate number of identifiable bearer shares *(Titres au Porteur Identifiables)* and information on registered shares managed by CACEIS Corporate Trust, there were around 42,340 shareholders at December 31, 2011.

ALLOCATION OF SHARE CAPITAL BY TYPE OF SHAREHOLDER AT DECEMBER 31, 2011 (AS A % OF CAPITAL)



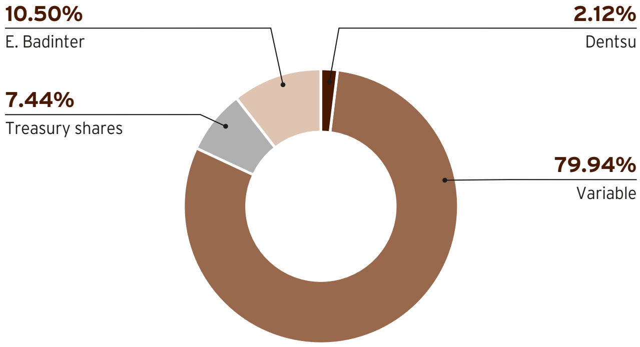
ALLOCATION OF SHARE CAPITAL BY REGION AT DECEMBER 31, 2011 (AS A % OF CAPITAL)



Source: Euroclear/Ipréo.

AT FEBRUARY 29, 2012, FOLLOWING NOTABLY THE TRANSACTION OF FEBRUARY 17, THE ALLOCATION BY TYPE OF SHAREHOLDER IS AMENDED AS FOLLOWS:

ALLOCATION OF SHARE CAPITAL BY TYPE OF SHAREHOLDER AT FEBRUARY 29, 2012 (AS A % OF CAPITAL)



6.2.2 CONTROL OF THE COMPANY

To ensure the transparency and availability of public information, the Company follows the recommendations issued by AFEP-Medef in October 2003 regarding corporate governance of listed companies. These guide the Supervisory Board's internal regulations, the latest version of which was approved on February 10, 2009. Moreover, in accordance with those recommendations, the composition of the Supervisory Board and the Management Board ensures that Ms. Élisabeth Badinter and Dentsu (see Section 2.9.5) may not exercise control in a way that would be prejudicial to the Company. The agreements between Ms. Badinter, Dentsu and Publicis Groupe came to an end after February 17, 2012.

Finally, to the best of the Company's knowledge, except as disclosed in Section 2.9.5, the Company is not subject, directly or indirectly, to any other agreement or engagement linking one or several shareholders, company, foreign government or other natural or legal person operating individually or conjointly with regard to the direct or indirect holding of its capital or under its control, and there exists no agreement of which the fulfillment could cause a change in the Company's control at a later date.

6.2.3 AGREEMENTS CONCERNING AN EVENTUAL CHANGE IN CONTROL OR SUSCEPTIBLE OF INFLUENCING A TAKEOVER BID

To the best of the Company's knowledge, there are no agreements that may lead to a change in control.

Information required by article L. 225-100-3 of the French Commercial Code included in this registration document is the following: the mention of the existence of approvals granted by the Company's General Shareholders' Meeting to the Management Board regarding the share issuance (described in Section 6.3.1), the capital structure (described in Section 6.2), shareholders' agreements (described in Section 2.9) and the existence of a double voting right (provided for in the Company's bylaws and described in Section 6.1.5).

It is also specified that, to the best of the Company's knowledge, no agreements exist requiring payment, other than those described in Section 2.7, to the members of the Management Board or employees if their employment ends as a result of a takeover, nor any agreement signed by the Company which may be modified or ended as the result of a change of control of the Company.

6.3 Share capital

6.3.1 SUBSCRIBED CAPITAL AND SHARE CATEGORIES

Composition of share capital

In the first half of 2011, 150,575 new shares were created as part of the plan to award 50 free shares to French employees, which was introduced on May 20, 2009.

In the second half of 2011, the repayment of the seventh tranche of the bonds redeemable in new or existing shares (Orane) resulted in a capital increase in the amount of 624,851.60 euros, through the creation of 1,562,129 new shares with a par value of 0.40 euro.

As at December 31, 2011, the share capital totaled 77,343,178 euros, divided into 193,357,945 fully paid-up shares with a nominal value of 0.40 euro, of which 50,814,343 shares carried double voting rights.

On February 17, 2012, Publicis Groupe SA bought back 18,000,000 shares held by Dentsu, 10,759,813 of which were immediately cancelled. The share capital therefore totaled 73,039,252.80 euros, divided into 182,598,132 fully paid-up shares with a par value of 0.40 euro, of which 33,473,961 shares carried double voting rights.

Unissued authorized capital

The Company's Extraordinary General Shareholders' Meeting held on June 3, 2008

- In its twenty-third resolution, pursuant to articles L. 225-197-1 *et seq.* of the French Commercial Code, it authorized the Management Board to grant free ordinary shares of the Company, either existing or to be issued, over a period of 38 months, to salaried employees of its choosing and eligible corporate officers (within the meaning of article L. 225-197-1 II paragraph 1 of the French Commercial Code) of the Company or of companies or groups affiliated to it under the provisions of article L. 225-197-2 of the French Commercial Code, or to certain categories of employees or eligible corporate officers, without preferential subscription rights. The total number of Company shares that may be freely given may not exceed 5% of the share capital of the Company, and the nominal value shall count towards the limit established in the twenty-seventh resolution of the General Shareholders' Meeting of June 1, 2010.

  In April 2011, the Management Board made use of this delegation of authority, by setting up a new free share award scheme, known as "LTIP 2011". It therefore awarded 674,650 Publicis Groupe SA shares with a par value of 0.40 euro. We would remind you that the Management Board used this delegation at December 31, 2010, by implementing firstly two long-term incentive plans, known as "LTIP 2010", in August (award of 667,600 shares), and "LTIP 2010-2012", in September (award of 252,000 shares). The second plan, which received prior approval from the Supervisory Board, is exclusively for the benefit of Management Board members. Secondly, the Management Board introduced a plan to grant free shares to employees of the American entities (award of 658,400 shares). In addition, at December 31, 2009 the Management Board used this delegation to grant 3,544,176 free shares to some of the Group's managers, pursuant to a co-investment program, and to grant 210,125 free shares to all salaried employees of the Group's French companies.

  This delegation expired - for the unused portion and the remaining time period - on June 7, 2011, by a decision of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2011 in its twenty-second resolution.

The Company's Extraordinary General Shareholders' Meeting held on June 9, 2009

- In its tenth resolution, it authorized the Management Board, for a period of 26 months, to issue shares (other than preferred stock) or other equity or debt securities, with preferential subscription rights. This delegation authorizes one or several issues of equity securities of the Company's subsidiaries in accordance with article L. 228-93 of the French Commercial Code. The nominal amount of the capital increases resulting from all issues under this authorization must not exceed 40 million euros, and the maximum nominal amount of debt securities must not exceed 900 million euros.

  This delegation expired - for the unused portion and the remaining time period - on June 7, 2011, by a decision of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2011 in its twelfth resolution. The Management Board did not use this delegation of authority.
- In its eleventh resolution, it authorized the Management Board, for a period of 26 months, to issue shares (other than preferred shares) or other equity or debt securities, without preferential subscription rights, through an offer to the public or an offer made in accordance with

the provisions of paragraph II of article L. 411-2 of the French Monetary and Financial Code. This delegation authorizes one or several issues of securities of the Company's subsidiaries in accordance with article L. 228-93 of the French Commercial Code. In addition, this resolution authorizes the issue of ordinary shares by the Company to cover the issuance of equity securities by the Company's subsidiaries. The nominal amount of the capital increase resulting from all issues under this resolution must not exceed 40 million euros, and the maximum nominal amount of debt securities must not exceed 900 million euros. The issue of shares can be carried out pursuant to paragraph II of article L. 411-2 of the French Monetary and Financial Code up to a maximum of 20% of the share capital per year.

This delegation expired on August 8, 2011. The Management Board did not use it during the period when it was valid.

- In its twelfth resolution, it authorized the Management Board, for a period of 26 months, to issue ordinary shares or other equity securities, limited to 10% of the share capital per annum, without preferential subscription rights, through an offer to the public or an offer made in accordance with the provisions of paragraph II of article L. 411-2 of the French Monetary and Financial Code, with the pricing of such offerings to be determined on the basis of their market opportunities, according to one of the following methods: offer price equal to the average trading price of Publicis Groupe SA shares on the NYSE Euronext Paris market calculated over a maximum period of six months prior to the issue; or offer price equal to the average weighted trading price of Publicis Groupe SA shares on the NYSE Euronext Paris market on the day before the issue with a maximum discount of 25%.

  This delegation of authority expired on August 8, 2011. The Management Board did not use it.

- In its thirteenth resolution, it authorized the Management Board, for a period of 26 months, to implement capital increases by incorporating reserves, earnings, premiums or other sums that may be capitalized in accordance with the law and bylaws, followed by the issue and granting of free shares or increases in the nominal value of existing shares, or a combination of the two. The nominal amount of capital increases resulting from all issues under this resolution must not exceed 40 million euros.

  This delegation of authority expired - for the unused portion and the remaining time period - on June 7, 2011, by a decision of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2011 in its sixteenth resolution. The Management Board did not use this delegation.

- In its fourteenth resolution, it authorized the Management Board, for a period of 26 months, to issue shares or other securities, including warrants issued autonomously, in exchange for shares tendered as part of a public exchange offer launched by the Company with respect to the shares of another company listed on a regulated market in accordance with article L. 225-148 of the French Commercial Code or any other such transaction having the same effect involving another company whose shares are traded on a market regulated by foreign law. The resolution also provided for the elimination, if necessary, of the preferential subscription rights attached to such securities. The nominal amount of the capital increase resulting from all issues under this resolution must not exceed 40 million euros.

  This delegation of authority expired on August 8, 2011. The Management Board did not use it.

- In its fifteenth resolution, it authorized the Management Board, for a period of 26 months, to issue shares or other equity securities, subject to a maximum of 10% of the Company's share capital at the time of the issue, as consideration for in-kind contributions of shares or other equity securities agreed by the Company, where article L. 225-148 of the French Commercial Code does not apply.

  This delegation of authority expired - for the unused portion and the remaining time period - on June 7, 2011, by a decision of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2011 in its eighteenth resolution. The Management Board did not use this delegation.

- In its sixteenth resolution, it authorized the Management Board, for a period of 26 months, to increase the number of shares or equity securities issued in the event of an increase in the Company's share capital, with or without preferential subscription rights, within 30 days of the close of the initial offer subscription period, by up to a maximum of 15% of the initial issue and at the same price as the initial issue.

  This delegation of authority expired on August 8, 2011. The Management Board did not use it.

The Extraordinary General Shareholders' Meeting of June 1, 2010

- In its twenty-fourth resolution, it authorized the Management Board, for a period of 38 months, to grant to employees or corporate officers of the Company or of companies or economic interest groups affiliated to it under the conditions set forth in article L. 225-180 of the French Commercial Code, or to some of them, and within the limits set by the regulations in force, options granting the right to subscribe for new shares of the Company to be issued pursuant to a capital increase and/or options granting the right to purchase shares acquired by the Company as permitted by law. The total number of options outstanding and unexercised under this authorization cannot give rights to subscribe for a number of shares representing more than 6% of the Company capital. The subscription or purchase price of the shares shall be set by the Management Board on the date on which the options are granted, without any possibility of discount, within the limits and under the conditions provided for by law. The beneficiaries may exercise the options over a period of ten years, starting on the day that the options are granted.

As at December 31, 2011 the Management Board had not granted any share subscription or purchase options.

- In its twenty-fifth resolution, pursuant to article L. 3332-1 *et seq.* of the French Labor Code and articles L. 225-138-1 and L. 225-129-6 of the French Commercial Code, it authorized the Management Board to increase the share capital over a period of 26 months by issuing shares or other equity securities, without preferential subscription rights, to participants in an employee savings plan of the Company and related companies in France and abroad under the provisions of article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code. The maximum nominal value of any capital increases under this resolution plus the amount of any increase pursuant to twenty-sixth resolution below may not exceed 2,800,000 euros, with this amount to count towards the overall limit established in the nineteenth resolution of the General Shareholders' Meeting of June 9, 2009. The subscription price will be established under the provisions of article L. 3332-19 of the French Labor Code, with a discount not to exceed 20% of the average price over the 20 trading sessions immediately preceding the date of the decision setting the date on which the subscription period begins. The General Shareholders' Meeting also authorized the Management Board to reduce or eliminate the discount at its discretion in order to reflect legal, accounting, tax and social benefit schemes that may exist locally. The Management Board may also decide to grant free shares, either existing or to be issued, or other equity securities, either existing or to be issued, at a discount, provided that their monetary value established at the subscription price is taken into consideration and does not cause the limits set in articles L. 3332-19 and L. 3332-11-12-13 of the French Labor Code to be surpassed, and that the characteristics of any other equity securities are decided upon by the Management Board under the provisions of applicable regulations.

  This delegation of authority expired - for the unused portion and the remaining time period - on June 7, 2011, by a decision of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2011 in its twentieth resolution. The Management Board did not use this delegation.

- In its twenty-sixth resolution, pursuant to articles L. 225-129 *et seq.* and article L. 225-138 of the French Commercial Code, it authorized the Management Board to increase the share capital over a period of 18 months in the proportions and at such times as it deems appropriate through the issue of shares and any other equity securities, without preferential subscription rights. The beneficiaries of subscription rights must be: (i) employees and corporate officers of companies of Publicis Groupe affiliated to the Company under the provisions of article L. 225-180 of the French Commercial Code and article L. 3444-1 of the French Labor Code, which have their headquarters outside France; (ii) and/or investment funds or other entities, whether or not they are legal entities, employee shareholder plans invested in securities of the Company when the unit holders or shareholders are the individuals mentioned in (i) of this paragraph; (iii) and/or any bank or subsidiary thereof acting at the request of the Company for the purpose of implementing a shareholder or savings plan for the individuals mentioned in (i) of this paragraph to the extent that the subscription rights of parties authorized pursuant to this resolution would allow the employees of subsidiaries located abroad to benefit from equivalent share ownership or savings schemes in respect of their economic advantages as those available to other employees of Publicis Groupe. The nominal value of the capital increase authorized by this resolution plus the amount of any increase pursuant to the twenty-sixth resolution above may not exceed 2,800,000 euros. It is stipulated that this amount will count towards the overall limit established in the nineteenth resolution of the General Shareholders' Meeting of June 9, 2009. The issue price per share will be established by the Management Board with a maximum discount of 20% of the average price over the 20 trading days immediately preceding the date of the decision setting the subscription price in respect of the capital increase, or in the case of a capital increase taking place at the same time as a capital increase reserved for members of the savings plan, the subscription price of this capital increase (twenty-fifth resolution). The General Shareholders' Meeting also authorized the Management Board to reduce or eliminate the discount at its discretion in order to reflect legal, accounting, tax and social benefit schemes that may exist locally.

  This delegation of authority expired - for the unused portion and the remaining time period - on June 7, 2011, by a decision of the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2011 in its twenty-first resolution. The Management Board did not use this delegation.

In its twenty-seventh resolution, the Extraordinary General Shareholders' Meeting also authorized the Management Board, for a period of 18 months, to use the authorizations granted above as well as those granted pursuant to resolutions 9 to 19 of the General Shareholders' Meeting of June 9, 2009 and the twenty-third resolution of the Extraordinary General Shareholders' Meeting of June 3, 2008 in the event of a public offer involving the securities of Publicis Groupe, under the conditions provided for by article L. 233-33 of the French Commercial Code. The Management Board did not use this delegation, and it expired on November 30, 2011.

The Company's Extraordinary General Shareholders' Meeting held on June 7, 2011

- In its twelfth resolution, it authorized the Management Board, for a period of 26 months, to issue shares (other than preferred stock) or other equity or debt securities, with preferential subscription rights. This delegation authorizes one or several issues of equity securities of the Company's subsidiaries in accordance with article L. 228-93 of the French Commercial Code. The nominal amount of the capital increases resulting from all issues under this authorization must not exceed 40 million euros, and the maximum nominal amount of debt securities must not exceed 900 million euros. This delegation terminates the delegation granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 9, 2009 in its tenth resolution, for the unused portion and the remaining time period.

As at December 31, 2011, the Management Board had not used this delegation of authority.

- In its sixteenth resolution, it authorized the Management Board, for a period of 26 months, to implement capital increases by incorporating reserves, earnings, premiums or other sums that may be capitalized in accordance with the law and bylaws, followed by the issue and granting of free shares or increases in the nominal value of existing shares, or a combination of the two. The nominal amount of capital increases resulting from all issues under this resolution must not exceed 40 million euros. This delegation terminates the delegation granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 9, 2009 in its thirteenth resolution, for the unused portion and the remaining time period.

  As at December 31, 2011, the Management Board had not used this delegation of authority.
- In its eighteenth resolution, it authorized the Management Board, for a period of 26 months, to issue shares or other equity securities, subject to a maximum of 10% of the Company's share capital at the time of the issue, as consideration for in-kind contributions of shares or other equity securities agreed by the Company, where article L. 225-148 of the French Commercial Code does not apply. This delegation terminates the delegation granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 9, 2009 in its fifteenth resolution with immediate effect, for the unused portion and the remaining time period.

  As at December 31, 2011, the Management Board had not used this delegation of authority.
- In its twentieth resolution, pursuant to articles L. 3332-1 *et seq.* of the French Labor Code and articles L. 225-138-1 and L. 225-129-6 of the French Commercial Code, it authorized the Management Board to increase the share capital for a period of 26 months by issuing shares or other equity securities, without preferential subscription rights, to participants in an employee savings plan of the Company and related companies in France and abroad under the provisions of article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code. The maximum nominal value of the share capital that may be created pursuant to this resolution plus the amount of any capital increase pursuant to the twenty-first resolution below may not exceed 2,800,000 euros, with this sum to count towards the overall limit established in the twenty-third resolution below. The subscription price will be established under the provisions of article L. 3332-19 of the French Labor Code, with a discount not to exceed 20% of the average price over the 20 trading sessions immediately preceding the date of the decision setting the date on which the subscription period begins. The General Shareholders' Meeting also authorized the Management Board to reduce or eliminate the discount at its discretion in order to reflect legal, accounting, tax and social benefit schemes that may exist locally. The Management Board may also decide to grant free shares, either existing or to be issued, or other equity securities, either existing or to be issued, at a discount, provided that their monetary value established at the subscription price is taken into consideration and does not cause the limits set in articles L. 3332-19 and L. 3332-11-12-13 of the French Labor Code to be surpassed, and that the characteristics of any other equity securities are decided upon by the Management Board under the provisions of applicable regulations. This delegation terminates the delegation granted by the General Shareholders' Meeting of June 1, 2010 in its twenty-fifth resolution, for the unused portion and the remaining time period.

  As at December 31, 2011, the Management Board had not used this delegation of authority.
- In its twenty-first resolution, pursuant to articles L. 225-129 *et seq.* and article L. 225-138 of the French Commercial Code, it authorized the Management Board to increase the share capital over a period of 18 months in the proportions and at such times as it deems appropriate through the issue of shares and any other equity securities, without preferential subscription rights. The beneficiaries of subscription rights must be: (i) employees and corporate officers of companies of Publicis Groupe affiliated to the Company under the provisions of article L. 225-180 of the French Commercial Code and article L. 3444-1 of the French Labor Code, which have their headquarters outside France; (ii) and/or investment funds or other entities, whether or not they are legal entities, employee shareholder plans invested in securities of the Company when the unit holders or shareholders are the individuals mentioned in (i) of this paragraph; (iii) and/or any bank or subsidiary thereof acting at the request of the Company for the purpose of implementing a shareholder or savings plan for the individuals mentioned in (i) of this paragraph to the extent that the subscription rights of parties authorized pursuant to this resolution would allow the employees of subsidiaries located abroad to benefit from equivalent share ownership or savings schemes in respect of their economic advantages as those available to other employees of Publicis Groupe. The nominal value of the capital increase authorized by this resolution plus the amount of any increase pursuant to the twenty-sixth resolution above may not exceed 2,800,000 euros. This amount will count towards the overall amount established in the twenty-third resolution below. The issue price per share will be established by the Management Board with a maximum discount of 20% of the average price over the 20 trading days immediately preceding the date of the decision setting the subscription price for the capital increase, or in the case of a capital increase taking place at the same time as a capital increase reserved for members of the savings plan, the subscription price of this capital increase (twentieth resolution). The General Shareholders' Meeting also authorized the Management Board to reduce or eliminate the discount at its discretion in order to reflect legal, accounting, tax and social benefit schemes that may exist locally. This delegation terminates the delegation granted by the General Shareholders' Meeting of June 1, 2010 in its twenty-sixth resolution, for the unused portion and the remaining time period.

As at December 31, 2011, the Management Board had not used this delegation of authority.

- In its twenty-second resolution, pursuant to articles L. 225-197-1 *et seq.* of the French Commercial Code, it authorized the Management Board to grant free ordinary shares of the Company, either existing or to be issued, over a period of 38 months, to salaried employees of its choosing and eligible corporate officers (within the meaning of article L. 225-197-1 II paragraph 1 of the French Commercial Code) of the Company or of companies or groups affiliated to it under the provisions of article L. 225-197-2 of the French Commercial Code, or to certain categories of employees or eligible corporate officers, without preferential subscription rights. The total number of Company shares that may be freely given may not exceed 5% of the share capital of the Company, and the nominal value shall count towards the limit established in the twenty-third resolution. This authorization terminates the authorization granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 3, 2008 in its twenty-third resolution. This authorization terminates the authorization granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 3, 2008 in its twenty-third resolution, for the unused portion and the remaining time period.

  The Management Board used this delegation of authority to set up a new international free share award program. It therefore awarded 533,700 Publicis Groupe SA shares with a par value of 0.40 euro in December 2011.

  In addition, the Extraordinary General Shareholders' Meeting, in its twenty-third resolution, set the maximum amount of all capital increases through the issue of shares or other securities made pursuant to the authorizations granted to the Management Board in the twelfth to twenty-second resolutions above at the total nominal amount of 40 million euros, in light of the effect on share capital of adjustments that may be made in accordance with legislative and regulatory provisions relating to the issue of shares or other equity securities.

6.3.2 EXISTENCE OF NON-REPRESENTATIVE SHARES, THEIR AMOUNT AND MAIN FEATURES

All shares are representative of the Company's share capital.

6.3.3 NUMBER, BOOK VALUE AND NOMINAL VALUE OF SHARES HELD BY THE ISSUER ITSELF OR ON ITS BEHALF, OR BY ITS SUBSIDIARIES

Treasury shares

The Combined Ordinary and Extraordinary General Shareholders' Meeting of June 7, 2011, in its tenth resolution, authorized the Management Board to carry out, or to have carried out, purchases in order to fulfill the following objectives:

(1) the grant or transfer of shares to employees and/or corporate officers of the Company and/or of the Group in accordance with the provisions of the applicable laws;

(2) delivery of shares in order to honor commitments related to securities giving access to the capital;

(3) retention and later delivery of shares (pursuant to an exchange, payment or other transaction) or in the framework of external growth transactions within the limit of 5% of the capital;

(4) stimulation of activity or liquidity on the secondary market of Publicis Groupe shares through an investment services provider who acts independently and without being influenced by the Company, in the name and on the behalf of the Company, in accordance with a liquidity agreement, which complies with the code of conduct recognized by the Autorité des marchés financiers (the French Financial Markets Authority, or AMF) or any other applicable regulations;

(5) canceling of shares acquired by the above-mentioned methods;

(6) implementation of any market practices allowed at present or in the future by market authorities.

This repurchase program would also permit the Company to operate with any other authorized purpose or which would become so by the law or regulations in force. In such a case, the Company would inform its shareholders through a press release.

The maximum number of shares that may be repurchased cannot exceed 10% of the share capital, at any time, this percentage applying to the capital as adjusted for the transactions affecting it following this Meeting, it being recalled that the Company owned, as at December 31, 2010, 9,274,171 shares with a par value of 0.40 euro each, acquired pursuant to previous authorizations and subject for this authorization to an overall maximum set at 800 million euros.

The maximum share purchase price was set at 50 euros; this limit does not apply, however, to shares purchased to cover the free allocations of shares to employees or the exercise of share options.

It was decided at the General Shareholders' Meeting that the Company may use this authorization and continue its share buyback program, including in the case of public tender offers for the shares or other securities issued by the Company, or initiated by the Company, subject to the applicable regulations.

This authorization for a period of 18 months terminated - for the unused portion and the remaining time period - and replaced that previously granted by the twenty-second resolution of the General Shareholders' Meeting of June 1, 2010.

The description of the share buyback program was made available on the Publicis Groupe SA website.

SUMMARY TABLE OF PURCHASES UNDER VARIOUS PLANS SINCE 2007

	Amount	Average acquisition price (in euros)
Period from 01/01/2007 to 12/31/2007	8,437,786	32.31
Period from 01/01/2008 to 12/31/2008	10,306,003	23.80
Period from 01/01/2009 to 12/31/2009	2,717,068	22.96
Period from 01/01/2010 to 12/31/2010	12,710,327	29.86
Period from 01/01/2011 to 12/31/2011	**2,339,802**	**36.64**

Under the liquidity agreement with Société Générale, the Company acquired 2,339,802 shares at an average price of 36.64 euros in 2011, and sold 2,329,802 shares at an average price of 36.74 euros.

In addition, the Company sold a total of 1,922,288 treasury shares in 2011 to the beneficiaries of stock options, who exercised their purchase option during the financial year. The Company did not purchase any other treasury shares than those mentioned above, which were purchased under the liquidity agreement.

The trading fees and other expenses incurred by the Company during 2011 for transactions performed pursuant to the share buyback program authorized by the twenty-second resolution of the General Shareholders' Meeting on June 1, 2010 and then by the tenth resolution of the General Shareholders' Meeting on June 7, 2011, amounted to 130,000 euros.

Under the buyback authorizations for the Company to buy back its own shares, limited to 10% of the share capital, which were granted by the General Shareholders' Meetings held on June 4, 2007, June 3, 2008, June 9, 2009, and June 7, 2011, Publicis Groupe SA held, 7,361,882 shares as at December 31, 2011, or the equivalent of 3.81% of its share capital, at a total cost of 197,190,832 euros and an average price per share of 26.77 euros.

On February 17, 2012, the Company bought back a block of 18 million shares held by Dentsu, under the authorization granted by the General Shareholders' Meeting of June 7, 2011, directly and via the Dentsu-Badinter SEP. This transaction was executed at a price of 35.80 euros per share, or a total buyback amount of 644,400,000 euros. The Company cancelled 10,759,813 shares out of the 18 million acquired; this number corresponded to the maximum that could be cancelled, given the cancellation transaction that had already been executed on May 10, 2010 (7,500,000 shares, which were also bought back from Dentsu via the SEP). As a result, the Company has cancelled 10% of the number of shares that make up its share capital during the past 24 months.

The shares held in the portfolio following the transaction of February 17, 2012, and which amounted to 13,710,527, or 7.51% of the share capital on that date, are intended to cover attendance and performance shares or stock-option share award schemes, as well as acquisition programs.

6.3.4 AMOUNT OF CONVERTIBLE OR EXCHANGEABLE SECURITIES, OR SECURITIES ACCOMPANIED BY WARRANTS, WITH MENTION OF THE TERMS AND CONDITIONS FOR CONVERSION, EXCHANGE OR SUBSCRIPTION

The allocation of share capital at December 31, 2011, on the basis of full dilution resulting from financial instruments issued by the Company, is the following:

At December 31, 2011	Shares held	%	Voting rights	%
Élisabeth Badinter	20,072,339	8.21%	40,144,678	13.94%
Dentsu Inc.	18,102,255	7.40%	35,520,446	12.33%
SEP Dentsu-Badinter	3,772,485	1.54%	7,544,970	2.62%
Thornburg Investment Management Inc. (3)	14,876,062	6.08%	14,876,062	5.17%
Harris Associates L.P. (3)	11,691,900	4.78%	11,691,900	4.06%
Treasury shares held	7,361,882	3.01%	0	0.00%
Public (registered and bearer)	117,481,022	48.04%	127,032,350	44.11%
Oranes (1)	17,183,419	7.03%	17,183,419	5.97%
Warrants (2)	5,602,699	2.29%	5,602,699	1.94%
Océanes 2018 (2)	2,624,538	1.08%	2,624,538	0.91%
Océanes 2014 (2)	25,761,646	10.54%	25,761,646	8.95%
TOTAL	**244,530,247**	**100.00%**	**287,982,708**	**100.00%**

(1) The group issued 1,562,500 Oranes exchangeable for 18 new or existing shares of the Company. At December 31, 2011, 11 shares per Orane are still to be exchanged.
(2) Securities in-the-money at the date of the closing of the 2011 accounts (at February 7, 2012).
(3) Institutional funds hold shares on behalf of funds or clients under management.

Following the transaction of February 17, 2012, as a result of which Publicis Groupe ended up holding 7,240,187 additional treasury shares (following the cancellation of 10,759,813 shares out of the total 18,000,000 shares bought back from Dentsu) and of the disposal and distributions carried out by Ms. Élisabeth Badinter in February 2012, the new allocation of share capital at February 29, 2012, on the basis of full dilution, was the following:

At February 29, 2012	Shares held	%	Voting rights	%
Élisabeth Badinter	19,172,340	8.20%	38,344,680	15.17%
Dentsu Inc.	3,875,139	1.66%	7,749,878	3.07%
Thornburg Investment Management Inc. (3)	14,876,062	6.36%	14,876,062	5.89%
Harris Associates L.P. (3)	11,691,900	5.00%	11,691,900	4.63%
Treasury shares held	13,579,916	5.81%	0	0.00%
Public (registered and bearer)	119,402,775	51.08%	128,875,982	51.00%
Oranes (1)	17,183,419	7.35%	17,183,419	6.80%
Warrants (2)	5,602,699	2.40%	5,602,699	2.21%
Océanes 2018 (2)	2,624,538	1.12%	2,624,538	1.04%
Océanes 2014 (2)	25,761,646	11.02%	25,761,646	10.19%
TOTAL	**233,770,434**	**100.00%**	**252,710,734**	**100.00%**

(1) The group issued 1,562,500 Oranes exchangeable for 18 new or existing shares of the Company. At December 31, 2011, 11 shares per Orane are still to be exchanged.
(2) Securities in-the-money at the date of the closing of the 2011 accounts (at February 7, 2012).
(3) Institutional funds hold shares on behalf of funds or clients under management.

A shareholder holding 1% of the share capital of Publicis Groupe SA at December 31, 2011 would hold 0.79% of the share capital of Publicis Groupe SA at that date, in case of exercise or conversion of rights attached to securities giving access to the capital (Océanes, Oranes, equities warrants) assuming these rights would be fully satisfied by the issue of new shares.

No transaction significantly modifying the information in the table above has been carried out since February 17, 2012.

The terms of conversion, exchange and subscription of convertible and exchangeable securities and warrants are described in Note 24 to the consolidated financial statements in Section 4.6 of this document.

6.3.5 PLEDGES, GUARANTEES AND SURETIES

There is no indirect self-control of the Company. As at December 31, 2011, 3,704,326 registered shares managed by the Company, and 40 registered shares administered by others, were pledged, representing a total of 3,704,366 pledged shares.

PRINCIPAL PLEDGE

Name of registered shareholder	Beneficiary creditor lienor	Opening date of pledge	Closing date of pledge	Condition for lifting pledge	Number of issuer's shares pledged	% of issuer's capital pledged at December 31, 2011
Consorts Badinter	LCF Edmond de Rothschild	09/09/2003	Not indicated	Agreement of the creditor lienor	3,681,000	1.90%

No major asset held by Group companies was subject to a pledge.

6.3.6 EMPLOYEE SHAREHOLDINGS

The options for subscription or purchase of Publicis Groupe shares offered to and exercised by the ten most highly compensated non-director employees are the following:

	Plan	Number of options granted, subscribed or purchased	Weighted average price (in euros)
Options granted between January 1, and December 31, 2011 by the issuer and by any company included in the scope of option allocation to their respective ten employees, whose number of options thus extended is the highest(on a global basis)		None	
Options held from the issuer and the aforementioned companies, exercised between January 1, and December 31, 2011 by their respective ten employees who bought or subscribed to the greatest number of options (on a global basis)	2001 Plan	5,000	33.18
	LTIP I 2003	78,040	24.82
	LTIP I 2005	35,935	24.76
	LTIP II 2006	195,906	29.27
	LTIP II 2007	9,389	31.31
TOTAL		**324,270**	**27.82**

Employees' interests in the share capital through the Company savings plans and according to the definition of article L. 225-102 of the Commercial Code as at December 31, 2011 were not significant.

It should be noted that the Publicis Groupe FCPE held 465,127 Publicis Groupe shares at December 31, 2011. As a result, Publicis Groupe employees owned 0.24% of the share capital via the FCPE at that date.

No option to subscribe or to purchase Publicis Groupe shares was awarded during the 2011 financial year. 5,892,204 share purchase options, all of which are exercisable immediately by the beneficiaries, remained to be exercised, by all the beneficiaries, at December 31, 2011.

In addition, following its introduction in France in 2009, and in the United States in 2010, Publicis Groupe continued to introduce the "50 free shares plan" to 16 new countries, by awarding 533,700 free shares to all employees of Group subsidiaries based in these countries in 2011, subject to three years' employment (two years only for Spanish and Italian beneficiaries).

The Group also introduced a new long-term incentive plan, known as "LTIP 2011". This plan awarded, in April 2011, 674,650 free shares to a certain number of Group managers, under two conditions. First, these shares are subject to the condition that employment continues throughout the four-year vesting period, except for French nationals who have a shorter, three-year vesting period, but are subject to an additional two-year lock-in period. Furthermore, the shares are subject to performance criteria, so that the total number of shares received will depend on the growth and profitability objectives attained in 2011.

The "LTIP 2010-2012" free share award plan, which was set up in September 2010 for the sole benefit of the members of the Management Board, provides for the award of 252,000 shares in total following a three-year period (2010, 2011 and 2012), under performance conditions (growth and profitability targets). No new free shares were awarded to members of the Management Board during the 2011 financial year.

At December 31, 2011, the total number of free shares awarded to Group employees on condition of employment, and performance, in some cases, amounted to 5,629,822.

All the details concerning the option and free share plans (description, changes for the financial year, and closing balance) are shown in Note 28 to the consolidated accounts in Section 4.6 of this document.

6.3.7 SHARE CAPITAL TRANSACTIONS

Changes regarding the share capital in the last three years are shown below:

Dates	Share capital transactions	Number of shares	Par value	Share capital
12/31/2008	**CAPITAL AT DECEMBER 31, 2008**	**196,020,983**	**0.40**	**78,408,393**
09/01/2009	Capital increase (fifth tranche of redemption of Oranes)	1,562,129	0.40	624,852
12/31/2009	**CAPITAL AT DECEMBER 31, 2009**	**197,583,112**	**0.40**	**79,033,245**
05/10/2010	Capital reduction (cancellation of treasury shares)	(7,500,000)	0.40	(3,000,000)
09/01/2010	Capital increase (sixth tranche of redemption of Oranes)	1,562,129	0.40	624,851
12/31/2010	**CAPITAL AT DECEMBER 31, 2010**	**191,645,241**	**0.40**	**76,658,096**
05/23/2011	Capital increase (delivery of free shares)	150,575	0.40	60,230
09/01/2011	Capital increase (seventh tranche of redemption of Oranes)	1,562,129	0.40	624,851
12/31/2011	**CAPITAL AT DECEMBER 31, 2011**	**193,357,945**	**0.40**	**77,343,178**

6.4 Stock market information

6.4.1 THE TRADING OF PUBLICIS GROUPE SHARES

2011 was characterized by an economic slowdown, which primarily affected Europe, followed by emerging countries, and lastly the US. Global economic growth slowed from 5.2% in 2010 to 3.8% in 2011. In the Eurozone, the growth rate slowed from 1.9% to 1.6%, while it fell from 3% to 1.8% in the US and from 7.3% to 6.2% in the emerging and developing world (IMF data). Japan was hit particularly hard by a natural disaster, namely the giant tsunami of March 11, which caused major damage in a large part of the country and destroyed the Fukushima nuclear power station: Japan's GDP contracted by around 1%.

In emerging countries, the reasons for this slowdown were of a cyclical nature: an increase in inflation, especially for foodstuffs, combined with restrictive monetary policies, dented households' spending power, which resulted in a reduction in demand. In the US, the prolongation of the real estate crisis and the economy's failure to generate sufficient jobs restricted growth. In Europe, it was the sovereign debt financial crisis that plunged the economy into a virtual recession at the end of the year. The implementation of budget austerity plans, not only in the so-called peripheral countries supported by the European Commission, the IMF and the ECB (Greece, Portugal and Ireland), but also at the heart of Europe (Great Britain, Italy and Spain) was a major contributory factor in the fall in GDP recorded in the fourth quarter of 2011.

From a financial standpoint, the sovereign debt crisis in the Eurozone was the main event in 2011. The difficulties encountered by Greece, which was not able to fulfill the undertakings made under the first bail-out plan, resulted in a general crisis of confidence. The banks were the first casualties, as they had made extensive loans to governments, and because they are also required to boost their shareholders' equity at the same time, as part of a tightening of the regulatory framework, known as "Basel III". In July 2011, the European Council decided on a new plan, which was approved only recently. Meanwhile, the crisis of confidence affected Italy, which was forced to introduce a draconian austerity plan. At the same time, the increase in French borrowing rates led to the introduction of a budget austerity plan in order to ensure that the deficit reduction target was met.

The advertising market remained very active in this very turbulent environment, before slowing down in the second half of 2011. Publicis shares' stock market performance was in line with its comparables, and held up better than the CAC 40: their fall was limited to less than 9% (8.86%) over the 2011 calendar year, while the CAC 40 lost 16.95% and the Dow Jones Europe Stoxx Media index decreased by 16.48%. The quality of Publicis Groupe's strategic positioning in the digital sector and its continued expansion in high-growth countries should enable the Company to continue on its positive stock market trend.

The opportunity to buy back almost all of Dentsu's stake in February 2012, followed by the cancellation of a large portion of the shares, should result in a 6% increase in earnings per share by accretion in 2012 (7% on a full-year basis), and boost the increase in Publicis' share price over the long-term.

6.4.2 INVESTOR RELATIONS

During 2011, the Group pursued its relationship with all the main actors in the marketplace. Over the year, the Group's directors held private meetings with around 500 institutional investors, in France, the United Kingdom, Germany, the Netherlands, Luxembourg, Belgium, Italy, the United States and Canada, as well as in Asia. Publicis Groupe also participated in several major sector conferences in Barcelona, New York and London, as well as in international conferences aimed at promoting French listed companies, held in Paris and London.

6.4.3 SECURITIES MARKET

The following information regarding the shares and financial instruments comes from the Euronext and Bloomberg websites.

Publicis Groupe shares

- Listed on: Euronext Paris (code ISIN/FR0000130577);
- First day listed: June 9, 1970;
- Shares listed on Euronext Paris: all the shares comprising the group's share capital.

On December 27, 2007, Publicis Groupe SA was informed of the termination of the listing of its shares on the New York Stock Exchange. This removal from public listing followed the announcement, on September 17, 2007, that the US market authorities wished to end the listing of Publicis Groupe SA shares on the New York Stock Exchange (listed in the form of American Depository Receipt with parity of one ADR for one Publicis share). Transactions rarely exceeded an annual average of 1% of all the shares comprising the Company's share capital.

The shares can also be traded on the unlisted OTCQX market tier of the New York Stock Exchange (ticker: PUBGY). The OTCQX is a platform that includes over 300 companies from 27 different countries. This platform is an information tool that provides access to US investors, while guaranteeing price transparency.

Changes in the trading price on Euronext Paris during the 2011 financial year:

- highest: 41.835 euros, on March 1, 2011;
- lowest: 29.10 euros on September 13, 2011;
- Average price: 36.289 euros.

TRANSACTION VOLUMES AND COMPANY SHARE PRICE EVOLUTION DURING THE LAST EIGHTEEN MONTHS ON EURONEXT PARIS

			Average volumes traded per session [1]		Monthly price (in euros)			
Period		Number of sessions	Number of securities	Capital (in thousands of euros)	First listing	Last listing	Highest	Lowest
2010	September	22	1,093,896	38,733	33.21	34,84	35.725	32.91
	October	21	828,068	30,374	34.895	35.79	37.61	34.86
	November	22	774,436	27,102	35.92	34.425	36.40	33.48
	December	23	603,836	22,399	34.57	39.00	39.07	34.465
2011	January	21	823,417	31,159	39.08	37.59	39.77	36.15
	February	20	892,490	35,585	37.745	41.335	41.715	37.12
	March	23	841,608	32,596	41.34	39.575	41.835	36.325
	April	19	896,058	34,513	39.70	38.26	40.80	36.915
	May	22	824,941	31,572	38.38	38.20	39.82	37.105
	June	22	769,556	29,251	38.225	38.45	38.92	36.95
	July	21	846,271	31,592	38.605	35.495	39.62	34.735
	August	23	975,856	31,700	35.85	32.735	36.095	29.51
	September	22	738,543	23,253	32.66	31.41	32.995	29.10
	October	21	758,691	25,720	31.02	35.035	36.69	30.43
	November	22	760,993	26,065	34.575	35.45	36.345	32.00
	December	21	439,236	15,371	35.47	35.545	36.035	33.09
2012	January	22	546,055	20,816	35.63	38.46	39.295	35.295
	February	21	714,993	28,995	38.50	41.065	42.60	38.46

(1) Volumes traded on Euronext (excluding alternative platforms).

Océane Publicis Groupe 2018 – 1%

- Listed on: Euronext Paris (ISIN Code: FR0000180127);
- First day listed: January 21, 2002;
- Changes in the trading price on Euronext Paris during the 2011 financial year:
  - highest: 49.50 euros, on January 14, 2011,
  - lowest: 46.70 euros, on April 19, 2011,
  - Average price: 48.567 euros.

Océane Publicis Groupe 2014 – 3.125%

- Listed on: Euronext Paris (ISIN Code: FR0010771899);
- First day listed: June 17, 2009;
- Changes in the trading price on Euronext Paris during the 2011 financial year:
  - highest: 39.50 euros, on March 25, 2011,
  - lowest: 33 euros, on December 21, 2011,
  - average price: 35.4938 euros.

Eurobond Publicis Groupe 4.125% 2012

- Listed on: Luxembourg Stock Exchange (ISIN Code: FR0010157354);
- First day listed: January 28, 2005;
- Changes in the trading price on the Luxembourg Stock Exchange during the 2011 financial year:
  - highest: 102.676 euros, on January 3, 2011,
  - lowest: 100.197 euros, on December 16, 2011,
  - average price: 101.2896 euros.

Eurobond Publicis Groupe 4.25% 2015 (FR0010831974) issued after the exchange offer on the Eurobond 4.125% 2012

- Listed on: Luxembourg Stock Exchange (ISIN Code: FR0010831974);
- First day listed: December 17, 2009;
- Changes in the trading price on the Luxembourg Stock Exchange during the 2011 financial year:
  - highest: 109.497 euros, on August 8, 2011,
  - lowest: 101.287 euros, on April 11, 2011,
  - average price: 103.3179 euros.

Publicis Groupe warrants (Bons de Souscription d'actions)

- Listed on: Euronext Paris (ISIN Code: FR0000312928);
- First day listed: September 25, 2002;
- Changes in the trading price on Euronext Paris during the 2011 financial year:
  - highest: 12.47 euros, on March 1, 2011,
  - lowest: 5.50 euros, September 12, 2011,
  - average price: 8.9090 euros.

Oranes Publicis Groupe

- Listed on: Euronext Paris (ISIN Code: FR0000187783);
- First day listed: September 24, 2002;
- Duration: 20 years.

1,562,000 Oranes were issued. These Oranes will be converted into Publicis Groupe shares (each Orane gives the right to 18 Publicis Groupe shares) at the rate of one per year during 18 years, starting on September 1, 2005.

- Changes in the trading price on Euronext Paris during the 2011 financial year:
  - highest: 301 euros, on July 5, 2011,
  - lowest: 218 euros, on September 12, 2011,
  - Average price: 271.7455 euros.

7

GENERAL SHAREHOLDERS' MEETING

Prior to the Combined Ordinary and Extraordinary Shareholders' Meeting of May 29, 2012, the legal documents and information will be communicated to shareholders, in accordance with the applicable laws, and notably by electronic consultation on the Publicis website.

8

ADDITIONAL INFORMATION

8.1 Documents on display

During the validity of this document, the Company's bylaws, minutes of the General Shareholders' Meetings, as well as reports of the Management Board and the auditors, and all other documents addressed or available to shareholders as required by law are available at the registered office of Publicis Groupe SA, 133 avenue des Champs-Élysées, 75008 Paris.

The Company bylaws are also available on the Publicis Groupe's website (www.publicisgroupe.com).

The parent company's financial statements and the consolidated financial statements of Publicis Groupe SA for the financial years ending December 31, 2010 and December 31, 2011 are available at the registered office of the Company as required by relevant laws and regulations. They are also available on the website of Publicis Groupe (www.publicisgroupe.com and www.publicisgroupe.com/ir) and on the website of the Autorité des marchés financiers (www.amf-france.org).

Furthermore, historical financial information for any direct or indirect subsidiary of the Company for the financial years ending December 31, 2010 and December 31, 2011 is available at the registered office of such subsidiary, as required by relevant laws and regulations.

8.2 Registration document responsibility and declaration

8.2.1 RESPONSIBILITY FOR THE REGISTRATION DOCUMENT

Mr. Maurice Lévy, Chairman of the Management Board of Publicis Groupe SA ("the Company").

8.2.2 DECLARATION OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I confirm, having exercised due diligence in this regard, that, to the best of my knowledge, the information in this registration document is true and contains no material omission.

I also confirm that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the Company's assets, financial position and profit, as well as those of its consolidated subsidiaries, and that the management report, the various components of which are indicated in the cross-referencing table in Chapter 8.6, provides a fair view of the progress of the business, results and financial position of the Company and all its consolidated subsidiaries, and a description of the main risks and uncertainties that they face.

I have obtained from the statutory auditors an end-of-engagement letter *(lettre de fin de travaux)*, in which they state that they have verified the financial position and financial statements in this registration document, and have reviewed this registration document. The statutory auditors' report on the consolidated financial statements for the 2011 financial year, which is shown in Chapter 4.7 of this document, contains no observations.

The statutory auditors submitted reports on the financial information presented in this document:

The general report of the statutory auditors on the consolidated financial statements for the 2010 financial year, shown in the registration document submitted to the French Financial Markets Authority (AMF) on March 15, 2011 under No.D. 11-0131, contains an observation on the application, from January 1, 2010, of the revised standards IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements".

The general report of the statutory auditors on the consolidated financial statements for the 2009 financial year, shown in the registration document submitted to the French Financial Markets Authority (AMF) on March 19, 2010 under No.D. 10-0129, contains an observation on the application, from January 1, 2009, of the revised standards IAS 1 "Presentation of Financial Statements" and IFRS 8 "Operating Segments".

Paris, on March 19, 2012

Maurice Lévy,

Chairman of the Management Board

8.3 Statutory auditors

8.3.1 PRINCIPAL STATUTORY AUDITORS

ERNST & YOUNG et Autres

Represented by Mr. Jean Bouquot and Ms. Christine Staub

1/2 place des saisons 92400 Courbevoie - Paris La Défense 1

Appointed at the General Shareholders' Meeting of June 4, 2007 to replace Ernst & Young Audit, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2012.

MAZARS

Represented by Mr. Loïc Wallaert and Ms. Anne-Laure Rousselou

61 rue Henri-Régnault, Tour Exaltis, 92400 Courbevoie

Appointed at the General Shareholders' Meeting of June 25, 1981; appointment renewed at the General Shareholders' Meeting of June 7, 2011, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2016.

8.3.2 ALTERNATE STATUTORY AUDITORS

AUDITEX

1/2 place des saisons 92400 Courbevoie - Paris La Défense 1

Appointed at the General Shareholders' Meeting of June 4, 2007 to replace Mr. Denis Thibon, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2012.

Mr. Gilles Rainaut

61 rue Henri-Régnault, Tour Exaltis, 92400 Courbevoie

Appointed at the General Shareholders' Meeting of June 1, 2010 to replace Mr. Patrick de Cambourg, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

8.4 Cross-Reference for the registration document

Cf. annex 1 of European Regulation No. 809/2004

	Page number	Section
1/ Persons responsible		
1.1. Identity	237	8.2.1.
1.2. Declaration	237	8.2.2.
2/ Statutory auditors		
2.1. Identity	238	8.3.1
2.2. Any changes		NA
3/ Selected financial information		
3.1. Historical financial information	6	1.1.
3.2. Intermediate financial information		NA
4/ Risk factors	28 to 32	1.8.
5/ Information on the issuer		
5.1. History and development of the Company	7 to 9 and 212	1.2. and 6.1.1. to 6.1.4.
5.2. Investments	21 to 24	1.5.
6/ Business Overview		
6.1. Main activities	11 to 17	1.4.1. to 1.4.3.
6.2. Main markets	18; 19 and 160 to 162	1.4.5.; 1.4.6. and 4.6 (Note 27)
6.3. Exceptional events		NA
6.4. Dependence of the issue	18 to 20 and 28 to 32	1.4.5. to 1.4.8. and 1.8.
6.5. Competitive position	20	1.4.8.
7/ Organization chart		
7.1. Description of the Group	10	1.3.1.
7.2. List of major subsidiaries	10	1.3.2.
8/ Property, plants and equipment		
8.1. Major tangible capital assets	17	1.4.4.
8.2. Environmental questions	34	1.9.
9/ Analysis of financial position and results		
9.1. Financial position	83 to 93	3.1 to 3.5.
9.2. Net operating income (expense)	88 to 93	3.3 to 3.5.
10/ Cash flow and capital		
10.1. Capital resources	91	3.4.2.
10.2. Cash flows	90	3.4.1.
10.3. Borrowing conditions and financing structure	92	3.4.3.
10.4. Restrictions on use of capital	92	3.4.4.
10.5. Anticipated financing sources	92	3.4.5.
11/ Research and development, patents and licenses	26 to 27	1.7.
12/ Outlook	95	3.7.
13/ Forecasts or estimates of earnings		NA
14/ Management, supervisory bodies and executive management		
14.1. Members	36 to 50	2.1. to 2.4.
14.2. Conflicts of interest	45	2.1.6.
15/ Compensation and benefits		
15.1. Compensation and other benefits	57 to 71	2.7.
15.2. Provisions for pensions and retirement	62	2.7.2.
16/ Board practices		
16.1. Date of expiration of terms of office	36 to 44	2.1.1 to 2.1.2.
16.2. Service agreements of the Management Board and the Supervisory Board members	73	2.9.1.
16.3. The Audit Committee and the Compensation Committee	48 and 49	2.4.3. and 2.4.2.
16.4. Conformity with current company regulations	51 to 53	2.5.

	Page number	Section
17/ Employees		
17.1. Number of employees	120	4.6. (Note 3)
17.2. Participations and stock-options	68 to 69 and 227 to 228	2.7.4. and 6.3.6.
17.3. Agreement on employee share ownership	227 to 228	6.3.6.
18/ Main shareholders		
18.1. Shareholders holding more than 5% of capital	215 to 218	6.2.1.
18.2. Existence of different voting rights	212 to 214	6.1.5.
18.3. Direct or indirect control	219	6.2.2.
18.4. Agreement regarding an eventual change in control	219	6.2.3.
19/ Related party transactions	73 to 80	2.9.
20/ Financial information concerning the issuer's assets, financial conditions, and results of operations		
20.1. Historical financial information		NA
20.2. Pro forma financial information		NA
20.3. Financial statements	97 to 180 and 181 to 210	4 and 5
20.4. Verification of annual historical financial information	179 to 180 and 210	4.7. and 5.6.
20.5. Date of most recent financial information		NA
20.6. Intermediate and other financial information	95	3.7.
20.7. Dividend distribution policy	94	3.6.
20.8. Legal and arbitrage procedures		NA
20.9. Significant change in financial or commercial situation		NA
21/ Additional information		
21.1. Share capital	220 to 228	6.3.
21.2. Deeds of incorporation and bylaws	212 to 214	6.1.5.
22/ Major contracts	25	1.6.
23/ Information from third parties, experts and declared interests		NA
24/ Documents on display	236	8.1.
25/ Information on holdings	175 to 178	4.6. (Note 32)

Pursuant to article 28 of EC Commission Regulation No. 809/2004, the following information is incorporated by reference into this registration document:

- the consolidated financial statements for the 2010 financial year drawn up according to IFRS standards, and the statutory auditors' report relating thereto, which are shown on pages 89 to 166 and 167 to 168 of the 2010 registration document filed with the AMF on March 15, 2011 under No.D. 11-0131;
- the consolidated financial statements for the 2009 financial year drawn up according to IFRS standards, and the statutory auditors' report relating thereto, which are shown on pages 133 to 219 and 247 to 248 of the 2009 registration document filed with the AMF on March 19, 2010 under No.D. 10-0129;
- the change in financial position and income from Group operations for the 2010 financial year, shown on pages 79 to 86 of the 2010 registration document filed with the AMF on March 15, 2011 under No.D. 11-0131;
- the change in financial position and income from Group operations for the 2009 financial year, shown on pages 44 to 51 of the 2009 registration document filed with the AMF on March 19, 2010 under No.D. 10-029;
- the parent company financial statements for the 2010 financial year drawn up according to French accounting standards, and the statutory auditors' report relating thereto, which are shown on pages 169 to 195 and 196 to 197 of the 2010 registration document filed with the AMF on March 15, 2011 under No.D. 11-0131;
- the parent company financial statements for the 2009 financial year drawn up according to French accounting standards, and the statutory auditors' report relating thereto, which are shown on pages 220 to 246 and 249 to 250 of the 2009 registration document filed with the AMF on March 19, 2010 under No.D. 10-0129;
- the statutory auditors' special report on related-party agreements for the 2010 financial year, shown on pages 71 to 74 of the 2010 registration document filed with the AMF on March 15, 2011 under No.D. 11-0131;
- the statutory auditors' special report on related-party agreements for the 2009 financial year, shown on pages 126 to 131 of the 2009 registration document filed with the AMF on March 19, 2010 under No.D. 10-0129.

The sections of the 2010 and 2009 registration documents that are not included are either irrelevant for investors, or covered by this registration document.

8.5 Cross-Reference for the annual financial report

In order to facilitate the reading of the annual financial report, the following thematic tables make it possible to identify, in this registration document, the main information required by article L. 451-1-2 of the French Monetary and Financial Code.

8.6 Cross-Reference for the management report

COMMENTARY ON THE FINANCIAL YEAR

	Page number	Section
Objective and exhaustive analysis of business developments, results and the Group's financial situation	85 to 86; 88 to 89; 90 to 92; 21 to 24	3.1.; 3.3.; 3.4. and 1.5.
Key indicators of non-financial performance with regard to the Company's specific activities		NA
Key events occurring between the year-end date and the date of publication of the report	23 to 24 and 173	1.5.2. and 4.6. (Note 30)
Likely development of the Company and the Group	24 and 95	1.5.3. and 3.7.
Dividends distributed over the three preceding financial years and amount of income distributed during the same years eligible for 40% deduction	94	3.6.

PRESENTATION OF THE GROUP

	Page number	Section
The main risks and uncertainties faced by the Group	28 to 32	1.8.
The Company's use of financial instruments: objectives and policy in relation to financial risk management	156 to 159	4.6 (Note 26)
Exposure of the Company to price, credit, liquidity or cash flow risks	31 to 32; 144 to 148 and 156 to 159	1.8.5. and 4.6. (Notes 22 and 26)
Social and environmental consequences of activities (including Seveso)	33	1.9.
Research and development activities	26 to 27	1.7.

CORPORATE GOVERNANCE

	Page number	Section
List of all offices and functions exercised throughout the Company by its executive officers during the financial year	36 to 45	2.1.
Total compensation and other benefits paid to executive officers during the financial year	57 to 71	2.7.
All engagements undertaken by the Company to benefit its executive officers, such as compensation, indemnities or benefits due or susceptible of being due as a result of taking up, ceasing or changing functions, or subsequently	57 to 71	2.7.
Options granted, subscribed or bought during the financial year by the executive officers and the top ten highest paid Company non-executive employees, and stock options granted to all beneficiary employees, by category	66; 68 to 69 and 227	2.7.4. (Tables 4, 5 and 8) and 6.3.6.
Conditions for raising and retaining options by the executive officers		NA
Conditions for retaining free shares attributed to executive officers	67	2.7.4. (Table 6)
Transactions performed on Publicis Groupe securities by the Management and Supervisory Board members and persons related to them	72	2.8.

COMPANY INFORMATION AND CAPITAL STRUCTURE

	Page number	Section
Rules applicable to the appointment and replacement of members of the Supervisory Board and the Management Board, as well as to changes in the statutes or capital	212 to 214	6.1.5
Power of the Supervisory Board or the Management Board, in particular concerning the issue or buyback of shares	220 to 225	6.3.1 and 6.3.3
Sales and purchases of own shares during the financial year	224 to 225	6.3.3
Any adjustments for shares giving access to capital in the event of buybacks or financial transactions	151	4.6. (Note 24)
Current delegations	220 to 223	6.3.1.
Structure of and changes in the Company's capital	215 to 219 and 228	6.2. and 6.3.7.
Significant shareholders and voting rights	215 to 217	6.2.1
Employee stockholdings	227	6.3.6
Agreements concerning an eventual change in control or susceptible of influencing a takeover bid	219	6.2.3
Statutory limitations on the exercise of voting rights and transfer of shares or clauses in agreements brought to the attention of the Company	212 to 214	6.1.5
Direct or indirect participations in the Company's capital of which it is aware, pursuant to article L. 233-7 of the French Commercial Code	215 to 218	6.2.1
Agreements between shareholders of which the Company is aware and which might hinder the transfer of shares and voting rights	74 to 76	2.9.4 and 2.9.5
Agreements allowing for indemnities to members of the Supervisory Board or the Management Board or employees if they resign or are dismissed without real or serious cause, or if their employment ends because of a takeover bid	57 to 61	2.7.1

FINANCIAL STATEMENTS

	Page number	Section
Company's earnings over the past five financial years	209	5.5

REPORT OF THE CHAIRPERSON OF THE SUPERVISORY BOARD

	Page number	Section
On the conditions for preparing and organizing the work conducted by the Supervisory Board and on internal control procedures	51 to 55	2.5

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Publicis Groupe SA

Société anonyme (French public limited company) with a Management Board and a Supervisory Board, with share capital of 76,658,096 euros

Registered office: 133 avenue des Champs-Élysées, 75008 Paris, France – Paris Trade and Companies Register No. 542 080 601