PUBLICIS GROUPE

2012 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

Contents

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

PUBLICIS GROUPE

2012 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

Present in **108 countries** on 5 continents,
Publicis Groupe has approximately **58,000** employees

Leader in digital communications
33% of 2012 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 April 12, 2013, 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 Chairman & CEO of Publicis Groupe

Maurice Lévy

It was hoped that 2012 would see a return to growth and, if not an end to the crisis, at least real signs of a recovery, especially in the wake of the three major events that synchronize the world's calendars and activities every four years: the European Football Championship (soccer), the Summer Olympic Games and the American presidential election campaign.

Unfortunately, none of these events measured up to market expectations. Advertising revenue linked to the two major sporting events fell far short of estimates, and the economic rebound that usually accompanies the American presidential election campaign did not materialize.

The year was once more marked throughout by the momentary revivals of the euro crisis and by a slowing northern and declining southern European economy. Emerging markets, though still growing at a brisk pace, were not the engine of growth one might have hoped for. Therefore, while the advertising industry expected to grow close to 5%, in all likelihood, it only came in at just below 3%.

Against this backdrop, Publicis bucked the trend to record its best results ever: our revenue, margin, net profit, balance sheet and cash flow reached unprecedented levels. Indeed, we have set in motion a winning strategy over the past few years resting on two pillars: digital advertising, in which we have become the world champion, and emerging markets, in which we continue to invest heavily. By an auspicious convergence of numbers, both of these segments, which together accounted for more than 55% of our revenue, grew 6.6% in organic growth, thus offsetting the slump in Europe and the weakness of the analog segments in the United States.

Yet over and above this winning strategy, we owe our success to two key elements: First, the mostly rapid and successful integration of our acquisitions, which enabled us to benefit from all the anticipated synergies almost instantaneously. We've had some disappointments, of course, but progress has been remarkably positive on the whole. Second, our clients – and I say second because our two-pillar strategy is aimed precisely at exceeding our clients' highest expectations in markets undergoing profound changes – whose trust compels us to continually surpass ourselves. Our commitment to constant improvement drives us to go far beyond the call of duty in responding to the needs and demands of our customers, who face profound transformations in every domain.

I want to pay homage to that drive for excellence shown by our staff across the world. They have given the best of themselves with talent, devotion and determination in terms of innovation, creativity and service to surmount the challenges they have faced. Their dedication has ensured that the relationships they have built between brands, companies and the target audience are the strongest, most loyal and most fulfilling possible for all involved.

Despite having reached nearly all of our objectives for 2012, we still have a long way to go. Like a silent tidal wave, digital technology is transforming economies, consumer behavior and the future of media all over the world. We are not in the midst of a mere evolution, but of a revolution that will fundamentally alter the nature of things and our profession.

Demographics and an aging population are the only obstacles to this revolution, but changes in behavior led by the rising generations, which are being adopted by all sectors of the population are causing the resistance to be swiftly swept away by sea. That is why Publicis cannot settle for a few partial or marginal changes, but must completely review its mission, function and resources to be, quite simply, the most consummate, best equipped and most competent communications group, capable of resolving the major problems increasingly facing our clients.

This review will allow us to realize our full potential, for the greatest benefit of all parties concerned: our employees, our clients, our partners and our shareholders. The team I am proud and honored to lead is perfectly aware of all of these challenges and completely capable of overcoming them and winning in the face of global competition. I would like to extend my gratitude to my colleagues for their fantastic work, and to thank the Supervisory Board for its trust in the Group's Management Board and Executive Committee.

Maurice Lévy

Chairman & CEO

Message from Chair Supervisory Board

Élisabeth Badinter

In an unfavorable economic context and during the course of a more complicated 2012 than expected, the quality of our teams came through once again to produce a remarkable performance.

Perseverance, creativity, initiative, valor… Their determination has enabled Publicis to keep pace and to continue with its cost-reduction measures. On behalf of the Supervisory Board, I wish to thank all of our staff for their dedication and hard work.

I also wish to extend my heartfelt thanks to Maurice Lévy.

This exceptional leader has shown boundless energy in defending the Group's interests on all fronts and in creating new development opportunities.

For years, he has set Publicis on a course towards growth, steering deftly clear of the rocks to guide the Group, ahead of the pack, along the most promising currents.

I am thinking in particular of our turn to digital advertising, which he managed to negotiate successfully from 2006 onwards, thanks to an audacious but invariably apt strategy of acquisitions and talent management. The successful takeover of LBi and its merger with Digitas to create a single, global network dedicated solely to digital communication is the latest example of this. We are thus extending our lead in an industry undergoing strong, global and sustainable growth.

The purpose of this lead is first and foremost to better serve and better support our clients. After all, they are the ones who ultimately inspire us to act, to innovate and to dare. Their success and satisfaction has always been our compass, in calm and in rough waters.

"No compromise, no surrender!" Maurice Lévy has brought this message to our teams and our clients all over the world. In so doing, he has steadfastly kept to the conviction anchored in Publicis' values: the future is built in the present, in a spirit of trust and open dialog.

This vision is incarnated in the quality of Corporate Governance at Publicis. This has always been of utmost importance to the Group. A Compensation Committee separate from the Nominations Committee was formed very early on, and a Strategy and Risks Committee was created in early 2011. Publicis has led the way in gender equality: its Supervisory Board comprises an equal number of women and men. True to its trend-setting nature, in November 2012, the Supervisory Board decided to propose the application of the "say-on-pay" rule starting from the 2013 General Meeting, even before the measure became compulsory under French law. Additional thought is being given to further increasing the Supervisory Board's independence and to improving the representativeness of the countries in which the Group is investing for its future development.

As the Chairperson of the Supervisory Board of a Group that has been long renowned for its pioneering spirit, I am also proud of the progress Publicis continues to make in the field of Corporate Governance.

The current year promises to be tough.

But as Publicis has often demonstrated, it is at its best when grappling with a challenge.

We should therefore sail through 2013 on an even keel and with a firm grip on our masts: the confidence of our shareholders and our customers, the soundness and richness of our operations, and above all, the motivation of the women and men who endeavor daily towards our success.

Élisabeth Badinter

Chairperson of the Supervisory Board

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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, 2012 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, 2012, 2011 and 2010, 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

in million of euros, except percentages and per-share data (in euros)	2012	2011	2010
Data from the Income Statement			
Revenue	6,610	5,816	5,418
Operating margin before Depreciation & Amortization	1,190	1,034	967
% of revenue	*18.0%*	*17.8%*	*17.8%*
Operating margin	1,064	931	856
% of revenue	*16.1%*	*16.0%*	*15.8%*
Operating income	1,047	914	835
Net income attributable to equity holders of the parent	737	600	526
Earnings Per Share [(1)]	3.67	2.96	2.60
Diluted Earnings Per Share [(2)]	3.36	2.64	2.35
Dividend per share	0.90	0.70	0.70
Free cash flow before changes in working capital requirements	759	704	646
Data from the Balance Sheet	**December 31, 2012**	**December 31, 2011**	**December 31, 2010**
Total assets	16,605	16,450	14,941
Equity attributable to holders of the parent company	4,613	3,898	3,361

(1) The average number of shares used to calculate net earnings per share was 201.0 million shares for 2012, 202.5 million shares for the 2011 and 202.1 million shares for 2010.

(2) The average number of shares used to calculate net diluted earnings per share was 224.1 million shares for the 2012, 237.1 million shares for the 2011 and 235.5 million shares for 2010. They include stock options and bonus shares, equity warrants and convertible loan stock having a dilutive effect. Stock options and equity warrants are deemed to have a dilutive effect when their strike price is below the average share price for the period.

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 Boursin campaign has inaugurated this new media: 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, forty-four 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 Mc Cormick 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. The acquisitions drive intensified and has become global: first Latin America and Canada, then Asia and the Pacific before moving on to India, the Middle East and Africa. The United States was the scene of large-scale projects from 1998 onwards, as Publicis looked to significantly expand its presence in the world's largest 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 advertisers' 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.

Both of these initiatives are of high strategic importance for the future. 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 advertiser investments and maximizing Publicis Groupe's market share growth. At the same time, the Group created a new technological platform under the VivaKi Nerve Center to form the largest *Audience on Demand* (AOD) network linked to Microsoft, Google and Yahoo's systems and AOL's PlatformA – thus allowing advertisers to reach precisely defined audiences in a single campaign and across 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.

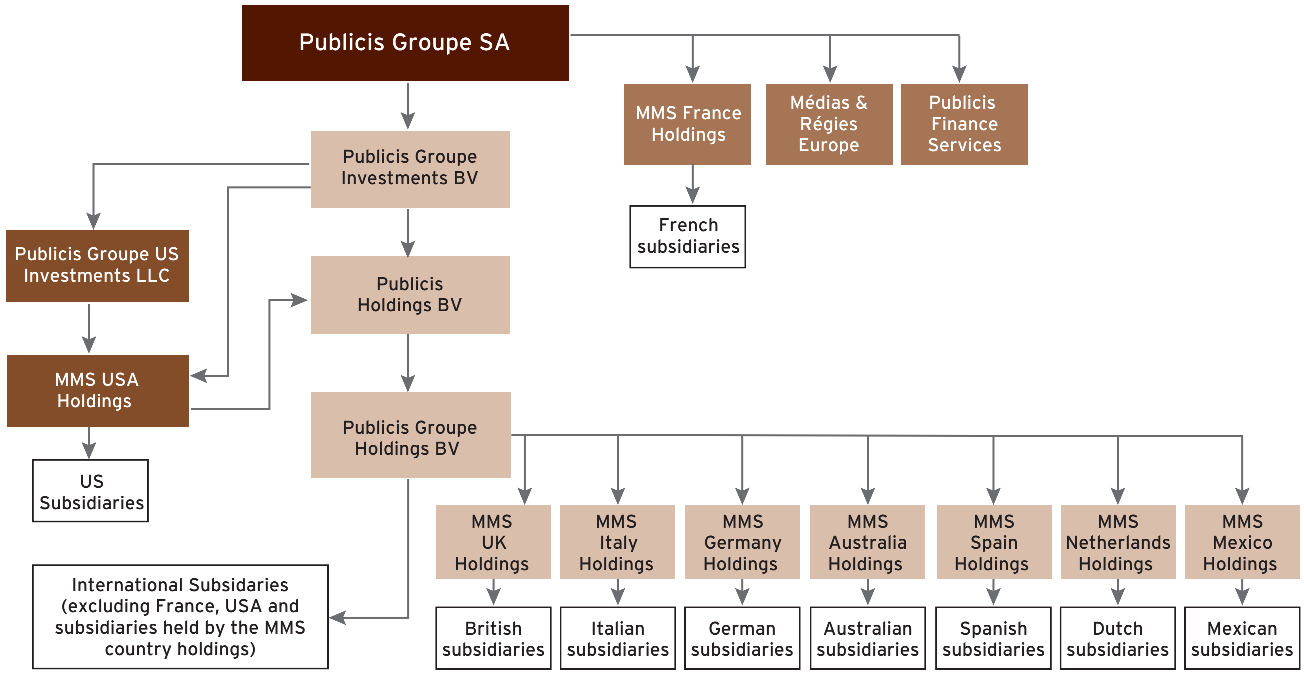
Despite the economic disruption in 2011, which was primarily due to sovereign debt in the euro zone and to another financial crisis in August, followed by the United States' debt rating downgrade, Publicis accelerated its expansion and the implementation of its strategy, prioritizing digital businesses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

During 2012, a difficult and uncertain year for growth, especially in Europe, Publicis Groupe continued to pursue various operations with persistence and resolve, ranging from acquisitions to agreements designed to intensify the implementation of its strategic choices. The Group thus made a number of targeted acquisitions, particularly in the digital sector, in France, Germany, the United Kingdom, Sweden, the United States, Russia, Brazil, China, Singapore, India, and Israel and, for the first time, in Palestine. These acquisitions will notably enhance the Group's growth in the years to come. Additionally, still in the digital arena, Publicis Groupe and IBM formed a global partnership in light of their unparalleled influence on the future of e-commerce. The acquisition of Rosetta in 2011 was one of the driving factors of this agreement, thanks to the Group's collaboration with IBM and its acquired expertise in e-commerce.

1.3 Structure chart

1.3.1 DESCRIPTION OF THE GROUP

SIMPLIFIED STRUCTURE CHART AT DECEMBER 31, 2012 (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 MAIN SUBSIDIARIES

Information concerning Publicis' principal consolidated subsidiaries at December 31, 2012 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, 2012 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 2012, 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

As of December 31, 2012, Publicis Groupe operates in more than 200 cities and 108 countries spanning five continents, with roughly 58,000 employees. Publicis Groupe is not only the world's third-largest group, but is also a leader in all of the world's 15 largest advertising markets, excluding 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. Pure digital operations have become the Group's biggest and most important segment with a 33% share of total revenue, followed by so-called "analog" advertising (30%), special and marketing operations (19%) and media (18%).

The success of VivaKi, a strategic initiative put into place in 2008 following the creation of a platform bringing together Starcom MediaVest, ZenithOptimedia, Digitas, Razorfish and Denuo, has led to the launch of VivaKi 2.0, focusing on innovation in services such as AOD and "products" such as eCRM365 and FLUENT, which will allow internal and external customers to benefit from the most innovative solutions and services in the rapidly expanding digital universe.

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. Additionally, VivaKi integrates and develops new technologies required by its customers, and makes its expertise and abilities available to all of the Group's entities. VivaKi offers cutting-edge technological solutions and guarantees high-performance campaigns to the Group's customers. It also manages relations with online platforms (MSN, Google and Yahoo!) and social networks (MySpace, Facebook, etc.) and develops integrated media solutions and optimized data analysis and online advertising productivity tools.

These developments reflect Publicis Groupe's view of the future: the high-speed growth of all forms of digital technology next to an integrated solution offering for advertisers the world over.

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 advertisers' 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.

Through patience, organic growth, agency creation and acquisitions, Publicis Groupe has put together a very substantial offering, with fast-growing digital operations in Specialized Agencies and Marketing Services (SAMS), thus renewing its growth potential.

Nearly 20 years later, Publicis Groupe has remained true to its calling and attentive to market trends, in particular the rapid fragmentation of media and consumers, and has accelerated the pace of its investments in new information technologies, with major acquisitions of key interactive communications agencies: Digitas and Razorfish, the two leading interactive communication agencies, in 2007 and 2009 respectively, and Rosetta in 2011. At the same time, the Group is making several investments in these areas across the globe, be it in Europe, the United States or 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: its products and services in new technologies enable it to assume a leading role at present in a sector full of promise and crucial to the future of communication.

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 unrivaled recognition in the marketplace, sustained 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;
- backed by a strong capacity for innovation and experimentation, with the creation of VivaKi for example, enabling the Group to anticipate demand and maintain privileged partnerships with major online 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;
- having a unique ability in digital sector: through major specialized digital agencies such as Digitas, Razorfish and Rosetta and through the gamut of its consolidated digital expertise embedded in its networks – Leo Burnett, Publicis Worldwide, Saatchi & Saatchi, ZenithOptimedia, Starcom MediaVest Group, as well as MSLGROUP and Publicis Healthcare Communications Group. Publicis Groupe's offering is truly in a class of its own, responding to every new technological challenge and to every new client requirement through its range of integrated services.

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 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.

This new model found its clearest expression in the launch of VivaKi in June 2008, which has pooled resources for 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.

The Group created a new technological platform under VivaKi to form the largest AOD network linked to Microsoft, Google, Yahoo and PlatformA, thus allowing advertisers to reach precisely defined audiences all over the world in a single campaign and across multiple networks.

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.

This initiative forms the cornerstone of the Group's strategy, making it possible:

- to better respond to advertisers' 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 group together market studies and research channels, and marketing tools and precious talent under the VivaKi roof, thus offering all of the Group's organizations more advanced digital solutions;
- to therefore encourage collaboration with the major digital platforms. 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 "major". 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 PlatformA (AOL);
  - Mobile Communication with Yahoo! and Phone Valley, a Publicis Groupe subsidiary;
  - "The Pool", as part of establishing a video standard for advertising.

The success of VivaKi has led to the launch of the VivaKi 2.0 plan, focusing VivaKi's business on innovation and new development in AOD and creating "products" such as FLUENT: a tool that creates a single integrated application to define, distribute and direct multichannel campaigns. A distribution agreement has been signed with Adobe.

Elsewhere in the digital arena, Publicis Groupe and IBM formed a global partnership in light of their unparalleled influence on the future of e-commerce. This collaboration draws on the respective strengths of both partners: Publicis Groupe's solid experience in consumer insights, technology and the construction of a transactional e-commerce ecosystem, and IBM's technology, expertise and capacity for innovation. Over the next four years, Publicis Groupe will set up four global commercial platforms. The acquisition of Rosetta was one of the driving factors of this agreement, thanks to the Group's collaboration with IBM and its acquired expertise in e-commerce.

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. With this in mind, Publicis Groupe is following up these streamlining measures by grouping its shared resources centers by region and putting an ERP into place aimed at establishing a single, cross-functional and global information system.

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 the development of digital products to optimize campaigns;
- growing e-commerce and e-CRM business;
- accelerating the Group's growth in targeted emerging economies. The Group is looking to continue expanding its presence, chiefly through acquisitions, in promising high-growth markets that are outperforming 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 focused on developing its digital business, which grew from 7% of total revenue in 2006 to 33% in 2012. The Group has likewise increased its presence in high-growth economies, which today represents 25.5% of revenue.

In 2012 alone, the Group made eleven acquisitions in emerging countries, including three in India, two in China, one in Brazil, one in Israel, one in Malaysia, two in the Middle East and one in Russia, together accounting for over half of all acquisitions carried out over the year. 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 55% in 2012.

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 understand brand vitality and sales dynamics so as to constantly fine-tune advertising campaigns (Insight on Demand).

Razorfish, Digitas and Rosetta have since brought their expertise to e-commerce and e-CRM.

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.

All these future investments form an integral part, as with earlier investments, of a well-chosen strategy, whose aim is to create a Group capable of generating the best value for its clients and shareholders by taking advantage of the most robust 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 international business development, strengthening our agencies, and developing strategic alliances and initiatives with major Internet players, will allow Publicis Groupe to remain at the forefront of change and anticipate the changes and evolution of the communications industry. 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. As a leader in creative ideas, with a flair for new business and unmatched digital savvy, Publicis Groupe wants to play an ever greater role in the success of its clients through innovative business models and partnerships and shared value created, keeping a prudent and open watch for investment opportunities and seeking out partnerships with the largest digital platforms, such as the alliances developed with Google, Microsoft, Yahoo! and 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:

- advertising;
- Specialized Agencies and Marketing Services (SAMS);
- media advice and purchasing.

Pure digital operations have become the Group's most important segment, ahead of "analog" creative services, specialized business activities and marketing services and media operations.

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 three major global 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 has a diverse range of creative agencies renowned for their excellence, such as Fallon in Minneapolis and London, Marcel in Paris and Bartle Bogle Hegarty in London, Mumbai, New York, São Paulo 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 dialog 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**: based in Paris, this network is located in 82 countries on every continent, notably in Europe and the United States (including Duval Guillaume, Marcel 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**: based in New York, this network is present 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 operating from regional platforms in London and Tokyo. "SSF" brings together the Saatchi & Saatchi and Fallon agencies;
- **Bartle Bogle Hegarty (BBH)**: this London-based network operates regional platforms in Mumbai, New York, São Paulo, Shanghai and Singapore.

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 communication business activities are divided between "all-digital" services integrated with VivaKi, such as Digitas, Razorfish, Big Fuel (acquired in 2011) and Denuo, an agency specializing in new technology consulting and monitoring (internet, video games, mobile telephones and iPods), on the one hand, and all the agencies integrated within the Group's various media advertising networks, on the other. 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 and intranets, online direct marketing consulting, social network expertise, e-commerce, search engine optimization, internet ads (especially banners and pop-ups) and all forms of internet and mobile communication;
- 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: consulting services to determine the most effective means of interacting with consumers at points-of-sale, and marketing operations to increase sales either directly at points-of-sale, or indirectly through discount coupons, e-coupons and similar measures.
- 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 encompass a wide range of services covering the entire lifecycle of a product: consulting prior to release on the market, communication tools (advertising, direct marketing, digital, telemarketing), medical training, scientific communications, public relations, events management and hiring 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 consulting to help clients in their strategic positioning and finding market niches to stand out from their competitors, (ii) product and service launches or re-launches to reach out to consumers, (iii) media relations services to enhance brand image and recognition, (iv) copy-writing, (v) organizing events and networking sessions and (vi) creating corporate marketing material to reflect a client's strategy and messages;
- Corporate and financial communication: 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 communication and public relations services to help clients manage communication and public relations during crises as well as other major events; and
- Events Management: planning and organizing corporate or commercial events (exhibitions, trade shows, conventions, meetings and opening ceremonies) aimed at projecting a corporate image 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 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 an advertiser 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.

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 central costs of consulting services rendered by the parent company and its specialized subsidiaries totaled approximately euro 50 million in 2012 (excluding subsidiary acquisition costs), spread out over all of the Group's operational companies according to the cost of services rendered. In addition, the parent company received dividends from subsidiaries amounting to euro 53 million in 2012.

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, 2012 it owned real estate assets with a net carrying amount of euro 171 million. The Group's main property 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 euro 164 million, representing an adjustment, at the time, of euro 159 million to its value under previous accounting standards. The valuation was performed by an independent expert using the rent capitalization method.

The main leased asset is the Leo Burnett office building located at 35 West Wacker Drive in Chicago, Illinois, United States, with a net recorded value of euro 52 million in the Group's consolidated financial statements as of December 31, 2012, and a gross value of euro 83 million as of the same date, amortizable 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, 2012 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.

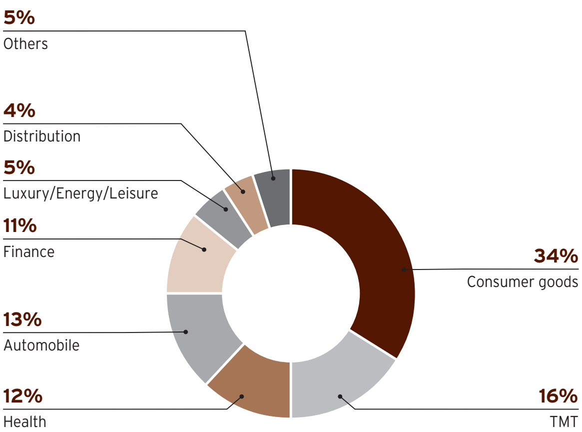
1.4.5 MAIN CLIENTS

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 either national or global industry leaders, with approximately half of its revenue generated by international clients, i.e. clients with operations in more than five countries. The top 30 clients represent 44% 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. Therefore, 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 2012 are listed below:

- **Publicis Worldwide**: AXA, BNP Paribas, Citigroup, Deutsche Telekom, FIAT Group, France Télécom, Groupe Carrefour, Hilton, L'Oréal, Luxottica, Merck, Nestlé, Procter & Gamble, Qantas, Renault, Sanofi, Siemens, UBS, Walmart, Wendy's;
- **Leo Burnett**: Allstate, The Coca-Cola Company, Diageo, Dubai Holding, FIAT Group, General Motors, Hallmark, Kellogg's/Keebler, McDonald's, Nintendo, Philip Morris International, Altria, Procter & Gamble, Samsung, Sony, Sprint Nextel;
- **Saatchi & Saatchi**: ABInbev, Deutsche Telekom, Diageo, General Mills, Honda, Kraft, Lenovo, Mead Johnson, Mondelez, Novartis, Petrobras, Procter & Gamble, SAB Miller, Toyota, Visa, Walmart;
- **BBH**: Barclays, British Airways, The Coca-Cola Company, Diageo, Google, Perfetti, Unilever, Volkswagen, Virgin, Yum's Brands;
- **Starcom MediaVest Group**: Allstate, Bank of America, Bristol-Myers Squibb, The Coca-Cola Company, Comcast, General Motors, Kellogg's/Keebler, Kraft, Mars, Microsoft, Procter & Gamble, Research in Motion, Samsung, Sprint Nextel, Walmart;
- **ZenithOptimedia**: Deutsche Telekom, Fielmann Optical, Fox, General Mills, J.P. Morgan, L'Oréal, LVMH, Nestlé, PPR, Reckitt Benckiser, Richemont Groupe, Telefonica, Toyota, Verizon, The Walt Disney Company;
- **Publicis Healthcare Communications Group**: Abbott Laboratories, Astellas, AstraZeneca, Boehring, Bristol-Myers Squibb, Eli Lilly, Glaxo Smith Kline, Merck & Co, Johnson & Johnson, Novartis, Novo Nordisk, Otsuka American Pharma, Pfizer, Procter & Gamble, Sanofi, Shire, Takeda, UCB;
- **Digitas**: American Express, Bank of America, Comcast, Delta Airlines, eBay, General Motors, Kraft, Liberty Mutual, Microsoft, Nissan, Pfizer, Procter & Gamble, Sprint Nextel, Sun Trust, Whirlpool;
- **Razorfish**: AT&T, Best Buy, Citigroup, Daimler, Delta Airlines, Ford, Intel, Kraft, Kellogg's/Keebler, Microsoft, Research in Motion, SAB-Miller, Samsung, State Farm, Unilever, Volkswagen;
- **Rosetta Marketing Group**: Apple, Citizens Bank, Deutsche Telekom, Forest Laboratories, J.P. Morgan, Luxottica, Microsoft, Nationwide, Otsuka American Pharma, Purdue Pharma, Research in Motion, Rogers Communications, Safeguard Properties, Samsung, United States Mint.

In 2012, 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.

1.4.6 MAIN MARKETS

Global advertising expenditures are listed in regular reports by various forecasting agencies, such as ZenithOptimedia (Publicis Groupe), GroupM (WPP), Magna (Interpublic Group of Cos) and Nielsen. The forecast data published by these agencies reflect advertisers' media purchase intentions (advertising space). These estimates are expressed in billings (advertising purchases) and do not as such represent advertising agencies' potential revenue. 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 millions of dollars)	2011 actual	As a %	2012 estimated	As a %	2013 forecast	As a %	Breakdown of Publicis Groupe's 2012 revenue as a %
North America	165,086	35%	171,937	35%	177,897	34%	48%
Europe	135,397	28%	133,531	27%	135,433	26%	29%
Asia Pacific	132,131	27%	140,151	28%	147,912	29%	13%
South America	35,282	7%	37,991	8%	41,780	8%	7%
Africa & Middle East	13,663	3%	13,703	2%	14,645	3%	3%
TOTAL	**481,560**	**100%**	**497,312**	**100%**	**517,668**	**100%**	**100%**

* *Source: ZenithOptimedia: December 2012.*

The ten largest countries in the global advertising market

The Publicis Group's positioning in the top ten markets in 2012 in relation to the ranking of the top ten markets is as follows:

	Top ten global advertising markets 2011 *		Publicis Groupe 2012 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**	Australia
8	Australia	**8**	Canada
9	Canada	**9**	Italy
10	South Korea	**10**	United Arab Emirates

* *Source: ZenithOptimedia: December 2012.*

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, and China hoisted itself up to Publicis Groupe's 4th largest market (3rd largest global market). The Group's continuing development strategy in China should bring the Group's position in China into alignment with the country's ranking in the global advertising market between now and 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 ranking of communications groups (by revenue, source: other companies' annual reports).

See the table below for the published earnings of the top four groups in 2012:

	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 14,219	GBP 10,373	USD 6,956	EUR 6,610
Figures published in dollars	USD 14,219	USD 16,438 *	USD 6,956	USD 8,494 *

* *2012 average exchange rates: $1 = €0.77825; £1 = €1.23331.*

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. The Group expects that competition will continue to stiffen as multinational advertisers increasingly consolidate their budgets among a dwindling 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.

Many countries have strict laws governing the advertising and marketing of certain products, in particular tobacco, alcohol, pharmaceuticals and foodstuffs. 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 international business development, strengthening our agencies, and developing strategic alliances and initiatives with major Internet players, will allow Publicis Groupe to remain at the forefront of change and anticipate the changes and evolution of the communications industry. Investments in emerging economies will strengthen the presence of all Publicis Groupe entities.

In 2010, Publicis Groupe made several acquisitions across 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 number of important acquisitions in the healthcare industry: In-Sync, a Toronto-based agency specialized in health and wellbeing communications and market studies, as well as Elevator in the United Kingdom and Resolute Communications, a healthcare communications agency based in London with offices 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.

Seeking to expand its public relations activities, especially in high-growth economies, in October Publicis Groupe announced 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. Its sister company 2020Social brings the expertise of India's leading agency specialized in social media strategic consulting into the mix. 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 Nestle 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 purchased the remaining shares in its subsidiary W&K Beijing Advertising Co, to become its sole owner. 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 Roumanie, 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.

The Group streamlined its operations in South Africa by taking over Leo Burnett, Starcom and MSLGROUP and merging them with Publicis. This combined entity is henceforth controlled by the Group. The holding in Amazon Advertising (Leo Burnett) has been increased from 35% to 59%.

Total acquisition costs for entities integrated during 2010 (gross payments, before acquired cash) come to euro 131.8 million. Moreover, euro 39.3 million was disbursed in earn-out payments and euro 7.1 million in buy-out payments.

In 2010 the Group bought back 9,987,959 shares, liquidity contracts excluded, representing 5.2% of share capital, for a total of euro 291 million. 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 Groupe SA bought a block of 7,500,000 shares for a total price of euro 218 million, with a view to their cancellation. These shares were immediately canceled.

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. Now called Publicis Healthcare Consulting, this Paris-based agency with operations in New York offers a broad range of advisory solutions in several fields of expertise such as access to markets, promotions, distribution, new technologies, the emerging markets, capitalizing on research, industrial transfers and new players in industry.

Lastly, Publicis Groupe pursued its China growth strategy announced a year ago by acquiring ICL, a Taiwan-based consulting company, Dreams, a Chinese healthcare communications agency and Genedigi, one of the most renowned public relations agencies in China.

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 increased its stake in Talent (Brazil) by 11% to 60%, from 49% at the end of 2010.

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 Group made its various Chinese acquisitions with a view to doubling its revenue in this area by 2013 - 2014, in line with its China growth strategy. China is currently Publicis Groupe's fourth biggest market and the world's third largest advertising 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 euro 400 million on a full-year basis, illustrating the Group's external growth drive 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 entities integrated during 2011 (gross payments, before acquired cash) come to euro 671 million. Moreover, euro 87 million was disbursed in earn-out payments and euro 12 million in buy-out payments.

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

Since the beginning of 2012, Publicis Groupe has aligned its targeted acquisitions with its development strategy in the digital sector and high-growth countries.

In January 2012, the Group announced its acquisition of Mediagong, a French digital agency specialized in digital strategy consulting, social media, advergaming and mobile advertising.

On January 26, Publicis Groupe tabled a friendly public tender offer for Pixelpark, Germany's largest independent digital communications group. The German Federal Cartel Office approved the acquisition of Pixelpark on February 15, 2012. The Group owns nearly 78% of Pixelpark shares.

Also in January, the Group acquired The Creative Factory in Russia in order to facilitate the expansion of Saatchi & Saatchi in that country. Based in Moscow, The Creative Factory has a big reputation in its specialist fields, i.e. marketing, digital services, digital production and video.

In February, Publicis Groupe acquired U-Link Business Solutions Co. Ltd, one of the leading Chinese agencies specialized in healthcare communications, and in March, it acquired King Harvests and Luminous, two specialized marketing agencies based in China and Singapore. Meanwhile, the Group also announced its acquisition of Flip Media, one of the major digital agency networks in the Middle East. This full-service network is positioned throughout the digital chain, offering services ranging from strategy, digital design and production, to content and technological platforms.

In April, the Group acquired Indigo Consulting, a Mumbai-based end-to-end agency handling website design and development, SEO, website studies and testing, online marketing, mobile advertising and social media advertising. Indigo Consulting will strengthen the Leo Burnett network in India.

In May, the Group completed the acquisition of Longtuo, a Beijing-based digital marketing agency with a refined expertise in design, client acquisition, and marketing and e-commerce measurement solutions. Longtuo has become part of the Razorfish network and will be named Razorfish Longtuo China.

In June, Publicis Groupe cemented its place as a major player in Israel when it acquired BBR Group, one of the largest communication groups in the Levant. BBR is a network of creative agencies offering a range of services in creation, brand identity, media, digital services and design.

Publicis Groupe became the first communications group to establish itself in Palestine when it purchased a stake in ZOOM Advertising, a member of the Massar group based in Ramallah. Zoom was founded in 2004 and quickly established itself as the leading agency in the Palestinian communications industry, providing sophisticated digital and interactive tools.

In July, Publicis Groupe purchased the remaining 51% of shares in Bartle Bogle Hegarty (BBH) to become its sole owner. The acquisition included the Brazilian agency NEOGAMA/BBH.

Also in July, the Group announced its acquisition of CNC, a strategic consulting and communications agency network based in Germany, with offices in the United Kingdom, India and Japan.

In August, the Group acquired Resultrix, an international digital agency formed in 2008. Resultrix has a proven expertise in performance marketing and is present in India, Singapore, the UAE and the United States.

In the beginning of October, the Group acquired Arachnid, a Malaysian digital agency known for its creativity. Founded in Kuala Lumpur in 1996, Arachnid currently employs over sixty digital communication professionals. The agency offers and develops services in 25 countries.

Publicis Groupe made the following acquisitions during the course of December: AR New York, one of the best-known American advertising agencies, specialized in luxury goods, fashion and beauty communications; iStrat and Market Gate, two Indian agencies specialized in digital integration and strategic consulting and marketing, respectively; OUTSIDE LINE, one of the five largest independent digital agencies in the United Kingdom, specialized in social media and experiential marketing; Monterosa, an international mobile marketing and communications agency based in Sweden; and lastly, Rokkan Media LLC, a multi-service digital agency based in New York. Rokkan combines e-commerce, loyalty programs, digital marketing, mobile technology and social media.

In total, these acquisitions come to seven in Asia, five in Europe, three in the United States, three in the Middle East and one in Russia, with nearly all of the agencies enjoying a solid reputation for their digital operations.

On September 20, Publicis signed a provisional agreement regarding a public tender offer for a 100% stake in LBi.

On November 12, Publicis Groupe officially launched its public cash tender offer at euro 2.85 per share cum dividends, with an acceptance period from November 13, 2012 to January 15, 2013.

LBi International N.V. is the largest European independent marketing and technology agency, combining strategic, creative, media and technical expertise to create long-term added value for its clients. Based in Amsterdam and listed on the Amsterdam Stock Exchange, it currently employs over 2,200 people across 16 countries. As a marketing and technology agency, LBi offers services to brands (clients) in order to LBi help them connect with their customers through digital channels across all points of contact: from initial brand awareness, to direct interaction with the brand's products and services, to a continuous relationship with the brand. LBi offers a series of services designed to help clients attract, retain and manage their customers more effectively. Its complete range of services combines expertise in analytics, direct marketing and digital advertising. LBi's technical know-how enables it to develop major innovative ideas in the digital universe, build and manage online sales websites, develop CRM programs, purchase advertising space and handle media programming and public relations for leading companies.

Following Dentsu's proposal on February 13, 2012 Publicis Groupe repurchased 18 million of its own shares on February 17 for euro 644 million, or euro 35.80 per share. The shares were repurchased at a discount of 13.35% on the Stock Exchange closing price on February 16, 2012. The repurchase had a positive effect on diluted net earnings per share of about 7% in 2012. Publicis canceled 10,759,813 of the 18 million shares acquired. 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. This share buyback was entirely funded by available liquidities within the Group.

Overall, these acquisitions represent estimated additional revenue of euro 280 million on a full-year basis, which demonstrates the Group's external growth momentum in 2012.

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 entities integrated during 2012 (gross payments, before acquired cash) come to euro 435 million. Moreover, euro 45 million was disbursed in earn-out payments and euro 30 million in buy-out payments.

In 2012, the Group repurchased 18 million of its own shares from Dentsu for euro 644 million, outside of the repurchases governed by its liquidity contract.

1.5.2 MAIN ONGOING INVESTMENTS

Publicis Groupe has made several investments since the start of 2013.

Publicis Groupe made its public tender offer for all issued and outstanding LBi shares unconditional on the close of the acceptance period on January 15, 2013. Once the offer expired, Publicis Groupe held 73.50% of all fully diluted shares, accounting for 97.37% of all fully diluted LBi shares together with the shares owned by the Initiator. Publicis Groupe offered shareholders that had not yet tendered their shares the opportunity to do so during a "re-opening period" from January 16 to January 29, 2013.

On January 29, 2013 Publicis Groupe and LBi jointly announced the final results of the public tender offer. Publicis Groupe owned 98.13% of all issued and outstanding LBi shares as of January 29, 2013.

The decision to cease trading of common LBi shares on the NYSE was made in consultation with NYSE Euronext Amsterdam. LBi was de-listed on March 7, 2013.

Publicis Groupe plans on initiating a compulsory squeeze-out as soon as possible, in order to repurchase the remaining shares not held by the Group.

Following the successful public tender offer, on February 5, 2013 Publicis Groupe announced the merger of the Digitas integrated global network with the LBi digital marketing and technology network acquired by Publicis Groupe the previous January. The resulting entity, called DigitasLBi, will thus form a global leading digital communications network. It will be managed by Luke Taylor, LBi's former CEO and new Global CEO of DigitasLBi.

The creation of this network illustrates the major role played by Publicis Groupe in the crucial and constantly evolving digital sector. With around USD 820 million in global revenue, DigitasLBi will be the world's most complete and most powerful digital network. It will capitalize on the seamless geographical integration of both entities: Digitas' sound position in the United States (the largest digital network), LBi's strong presence in Europe and the strong position of both entities in the Asia-Pacific region. Present in 25 countries, DigitasLBi will bring together 5,700 of the world's best and brightest digital minds.

Following Dentsu's proposal, February 15, 2013, Publicis Groupe repurchased 3.9 million of its own shares before the start of trading on the Paris Stock Exchange for euro 181.4 million, or euro 46.82 per share.

At its meeting of February 13, 2013 the Supervisory Board examined the Management Board's proposal to proceed with this purchase. It concluded that the purchase of the nearly 3.9 million shares under the buyback program approved by the General Meeting of Shareholders on May 29, 2012 was positive for the Group and for its shareholders as a whole. It therefore unanimously approved the transaction.

The shares were repurchased at a discount of 4.7% on the closing price on February 14, 2013 (euro 49.11). It will enhance diluted earnings per share by 1.5% in 2013 and by 1.7% over a full year.

The remaining 3,875,139 shares are held as treasury stock and will be used to fund attendance and performance share awards and stock options plans.

This share buyback was entirely funded by available liquidities within the Group.

The transaction dealt with the remaining Publicis shares held by Dentsu following the termination of the agreements binding Ms. Badinter and Publicis Groupe SA together with Dentsu in February 2012, and the concomitant reduction of the bulk of Dentsu's stake in Publicis Groupe (18 million shares).

At this occasion, the two groups expressed their desire to continue to consider all opportunities for collaboration and to maintain a cooperative relationship, and called on their two joint-ventures (Beacon Communications and Dentsu Razorfish) to continue unchanged.

1.5.3 MAIN FUTURE INVESTMENTS

In a globalized world dominated by digital technology, mobility and social networks, the Group is looking to focus its future investments on strengthening specific areas of its offering, particularly digital services, which is fast becoming its core business, and high-growth economies. 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 an increasingly competitive environment, the Group will pursue its investments in digital advertising, top talent, new technologies and high-growth markets. In terms of digital technology, Publicis Groupe will support the rise of digital technology in the mass consumer goods, retail and other sectors by investing in new business lines, such as social networks and e-commerce. Publicis Groupe will also invest in new technologies and develop new solutions (video, mobile), AOD platforms (AOD, video) and proprietary tools such as FLUENT and eCRM365. 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.

These future investments build on and extend past investments as part of a deliberate strategy to be the Company most adept at creating value for its clients, employees and shareholders by benefiting from the most robust combinations of creativity, database science and technology.

Finally, at December 31, 2012 the Group also had commitments of euro 317 million under price-adjustment clauses and of euro 186 million for minority interest buyouts, a total of euro 503 million, euro 274 million 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.

The Strategic Alliance Agreement came to an end on February 17, 2012. The agreement between Dentsu and Publicis was dissolved following the waiving of Ms. Badinter's rights under the agreement entered into with Dentsu and Dentsu's sale of its 18 million shares to Publicis.

With the exception of the contents of this chapter, the Company did not enter into any other major agreements as of the closing of accounts on December 31, 2012.

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, Ignition Day Workshops, Brand 16, Talkmaster and Publicis Insider, tools that can be activated within the Lead the Change framework.
- For **Leo Burnett**: BrandProspectR Segmentation, Behavioral ArchetypesSM, BrandPersonaSM Archetypes, What If?Mapping, InnerviewSM Motivation Analytics, Risk Reward Model of Advertising Effects, HumanKind Purpose Workshop, The Participation Framework, Acts Lift, ChatCastSM Web, Mining, ChatCastSM Companion Survey, HumanKind QuotientSM, BrandStockT Equity Metrics, Cultural Fuel, Pinpoint Quick Quant, Red and Blue America, BrandShelterSM Recession, Analytics, The Forgotten Senior, Freaks and Geeks vs. The 'In' Crowd, The Luxury Profiler, PeopleShop, MobileShop, SocialShop, Behavioural Currents, Being Human, Idea Spot, Trend, Trek, Behaviour Trek, Foresight Lab, Innovation Lab:T-96, Innovation Lab:Pressure Cooking, Design, Ultimate Consumer Lab, Focus Group 2.0, Sherlock Holmes Recruiting, eConduit Suite of Tools, BrandTrac, QuickPredict, Return ePanel, eConduit Suite of Tools.
- For **Saatchi & Saatchi**:Strategic Toolkit, Sisomo, Xploring, the Story Brief, Inside Lovemarks (in association with QiQ), Lovemarks Connector Kit (including the Lovemarks actions: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** has developed and uses several research analytics tools, processes and methods, including:Catalyst, Frequency Planner, Consumer Profiler, Market Priorization Planner, Multi-Copy Planner, Multi-Media Calculator, ROI Modeler, Seasonality Planner, Wizard TV Planner, ZEAL, Zone, ECCO, Global Analytics Center (Glance), Innovations Database, SEO Watch, SocialTools, Touchpoints ROI Tracker, Video Allocator, Spot Map, Live, Consumer Targeting, Liquid Insights, Most Valuable Consumer, Content Audit, Benchtools, TV Analyzer, Adforecast.com, Ninah Market Mix Modeling (MMM), Ninah Marketing PlanLan (MPL), Live Knowledge Center, Media 1440 and Value Tracker;
- **Starcom MediaVest** uses, among others, 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, Connected Intelligence, Community Igniter, Linkd.3, Contagion, Echo Listening, Echo Measurement, Echo Activation and Experience Creation Framework;
- **Digitas** markets, among others, Media Futures Desk, Agent209, Web.Digitas, Multi-Model Attribution, BrandLive and DF to its clients;
- **Performics** uses the following processes, programs and research tools for its clients: Participant Account Planning, Dynamic Persona Development, Searcher Journey Analysis, Benchtools, Socialtools, Social Influence on Search Audit, PFX Forecasting & Planning Tool, PFX Opportunity Matrix, Paid Search Strategic Audit, Paid Search Campaign Architecture Methodology, OneSearch Learning & Measurement Framework, Search Governance Model (SGM), Microtargeting, Hyperflighting, PFX LinkWheel, 4 SEO Pillars, SEO Deliverable Framework, Link Portfolio Audit Tool, Local SEO 3 Pillar Methodology, Mobile Experience Optimization Audit, TV-to-Search Methodology, Online/Offline Measurement, Advanced Copy Testing, GLANCE Data Management & Business Intelligence Platform (in conjunction with Zenith), Cross-Channel Reporting, Account Monitoring Suite, Budget Tracker, Program Management Suite and Customer Resource Center;
- **Razorfish** markets Fluent, RIAx, RTS Live, CookieCutter, RankSource, Market Mapper, SEO Source, Segmenter, Site Optimization, Skymanager (UK), Razorfish 5D and Razorfish Mobile Framework to its clients.

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 economic, fiscal, monetary or political strategies or factors that have affected or are liable to affect its operations, whether directly or indirectly.

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 may experience periodic slumps caused by downturns in the general economy. As previous years have shown, this industry is sensitive to variations in advertisers' businesses and reductions in their marketing investments. 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 and the Group's Finance Department, 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, database design and management specialists, telemarketing and web-based companies now have access to technical solutions that respond to clients' specific marketing and communications needs. 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 Group's strategy, focusing on digital technology and meeting the constantly evolving needs of its clients, has allowed it to hold and strengthen its competitive position.

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

Advertisers are free to terminate their contracts with their communications agencies, at any time or at the end of the contract, after a relatively short notice period of three to six months, in general. Moreover, the Group's contracts with its clients are under constant threat from rival competitive bids. Advertisers also tend to progressively cut down on the number of communications agencies they work with and to allocate their marketing budgets among a few 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 2012, the Group won new accounts totaling euro 3.5 billion, net of losses.

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

The Group's top five, ten, 30 and 100 clients account for 19%, 27%, 44% et 63% of the Group's consolidated revenue, respectively (see also Chapter 4.6: "Notes to the Consolidated Financial Statements", Note 26: "Market risk management"). 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 spending 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.

See Chapter 1.4.5 of this document for a list of the primary clients of the Group's major networks in 2012. The Group has a diversified client portfolio representative of the global economy, including many clients that are global or national leaders in their industries. Revenue from, and contracts with, different clients vary from year to year. Therefore, 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.

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

The ability of the Group or one of its networks to obtain a new client may at times be hindered by its partnership with a competitor or by an exclusivity clause in an existing client contract. The Group does its best to avoid these types of commitments, and relies on its numerous networks to limit the situations in which such conflicts of interest may arise. Such conflicts of interest may nonetheless arise, with potentially negative consequences for the Group's growth prospects, results and revenue.

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.

In conjunction with the Group's Human Resources Department, the networks' Human Resources Departments identify key staff, offer them incentives and include them in the Group's long-term profit-sharing schemes 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, regulators and consumer groups often prohibit or restrict the advertising of certain products and services, or regulate certain operations conducted by the Group (such as the *loi Sapin* in France, which prohibits agencies from buying advertising space for resale to their clients, and regulations that restrict alcohol and tobacco advertising in most countries). The imposition of such restrictions may harm the Group's operations and results and expose it to the risk of judicial proceedings, especially by consumer groups, regulators and public authorities.

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 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 potential damages and expenses, as well as the legal fees arising from any of these claims could harm the Group's prospects, business, results and financial position were it not adequately insured against such risks or indemnified by its clients. In any event, Publicis' reputation could be negatively affected by such allegations.

In conjunction with senior management, the Legal Department keeps a watchful eye on the changes in risks associated with significant litigation. 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

Part of the Group's strategy hinges on enriching its range of advertising and communication services and increasing its operations in high-growth markets. 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. Sellers may also at times fail to divulge certain risks. The changing and unpredictable regulatory frameworks of certain emerging markets (see Section 1.8.4 below) and certain local practices in these regions are another source of acquisitions risk. In addition, acquisitions may be concluded on terms that are less favorable than anticipated, and/or 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 2012 appears in Section 1.5.1. "Main investments during the past three years". See also Note 2 (Section 4.6) to the consolidated financial statement regarding the variation in the scope of consolidation.

The Group makes its acquisitions according to a formal and centralized process led by senior management, with the assistance mostly of the Mergers and Acquisitions Department, the Financial Department, the Legal Department, the Human Resources Department and the networks' operational and financial divisions.

The network divisions are chiefly responsible for integrating the acquired entities under the oversight of senior management, in particular for major acquisitions. The Finance Department conducts a regular acquisitions performance assessment in conjunction with senior management; this assessment is then presented to the Audit Committee and Supervisory Board.

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.

Analysis of goodwill and intangible assets carried on the Group's statement of financial position is detailed in Notes 10 and 11 to the consolidated financial statements (Section 4.6).

1.8.4 RISKS ASSOCIATED WITH THE GROUP'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 always difficult to determine the exact requirements of these laws and regulations, or to fully understand their application. 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. The Group has moreover put internal monitoring systems in place to ensure its operations comply with local legislation and minimize the risks of violations, especially where anti-corruption laws are concerned.

Income from emerging economies represented 25.5% of the Group's total profits in 2012.

See Note 27 to the consolidated financial statements (Section 4.6) for a geographical breakdown of the Group's revenue for the years 2010, 2011 and 2012.

1.8.5 FINANCIAL RISKS

Exposure to liquidity risk

To manage liquidity risk, Publicis holds a substantial volume of cash and cash equivalents amounting to euro 1,314 million on the one hand, and confirmed unused lines of credit amounting to euro 1,912 on the other, as of December 31, 2012. The main line of credit is a multi-currency syndicated facility of euro 1,200 million 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 and result in higher interest rates for future borrowings.

See also Section 3.4.3 of this document.

Exposure to market risk

Note 26 to the consolidated financial statements in Section 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.

The Group has also extended health, life and disability insurance cover to all staff working outside of their native countries. This program also covers the assistance and repatriation of the employee and his/her family when necessary.

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.

The Group is working to standardize personal risk insurance coverage in each country with the development of shared service centers.

Policies taken out

The overall amount is:

- damage to property and operational losses: up to USD 280 million;
- civil liability: from 25 to USD 115 million, 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-.

Non-life-insurance premiums came to approximately euro 19 million worldwide in 2012.

1.9 Corporate Social Responsibility

In 2009, Publicis Groupe set up a CSR reporting process with the annual publication of a dedicated CSR report structured around four major chapters: Corporate, Society, Governance & Economy and Environment. This non-financial reporting was prepared according to the directions set out by Decree 2012-557 dated April 24, 2012 based on article 225 of the Grenelle II Act, 2010-788 dated October 12, 2010 pertaining to obligations on social and environmental transparency. Starting in 2009, Publicis Groupe has voluntarily chosen to follow the International Global Reporting Initiative (GRI) standards (www.globalreporting.org). The Group has also been a signatory of the UN Global Compact since 2003 (www.unglobalcompact.org), and has chosen to abide by ISO 26000 guidelines in order to improve its CSR reporting (www.iso.org).

The 2012 CSR reporting marks a turning point in this annual exercise. As mentioned in the 2011 CSR report, the past three years have made it possible to establish indicators and collection processes and define the scope of this reporting, which has covered the entire Group since its inception. These three years have brought the preparatory phase to a close. The independent third-party verification requirements in 2012 led the Group to reinforce its compliance measures in order to enhance the quality and depth of its information and to cover the full extent of information required by the above Decree as comprehensively as possible. Publicis Groupe thus believes that 2012 will set the benchmark. SGS has been tasked with auditing and verifying this process. A dedicated, more comprehensive CSR report is published separately as in previous years (available on www.publicisgroupe.com).

Methodological framework

Information is gathered in the following manner: On the one hand, quantitative data are collected according to financial reporting rules and procedures via the finance information system linking together the 850 reporting entities through a dedicated module (HFM CSRGRI), and are placed under the responsibility of the network Finance Directors. On the other hand, the qualitative data are assembled via an internal dedicated CSR Portal, accessible to all of the agencies, and are placed under the responsibility of the network Human Resources Directors. The shared services center teams (Re:Sources) are closely involved throughout the process, especially during the initial preparatory phase. An internal "CSR Guidelines" manual defines the collection and validation processes, as well as the contents of the various indicators taken into account. This manual was distributed to a cross-functional working group attached to the CSR reporting process and comprising over 100 members from the various networks, who participated in training sessions or preliminary web conferences.

All of the quantitative data and qualitative information are then consolidated by the Group CSR management team, which coordinates and finalizes the consolidated report. It also relies on an internal CSR Steering Committee grouping together the key central functions in order to a smooth and coherent reporting process from beginning to end. The management team also works with various cross-functional focus working-groups within the Group, the agencies and the networks. Over 97% of the Group's scope of operations was thus covered in 2012. SGS conducted on-site audits at the major agencies in the United States, the United Kingdom and France and carried out random checks on the quantitative and qualitative indicators, as well as an audit of the final consolidation phase.

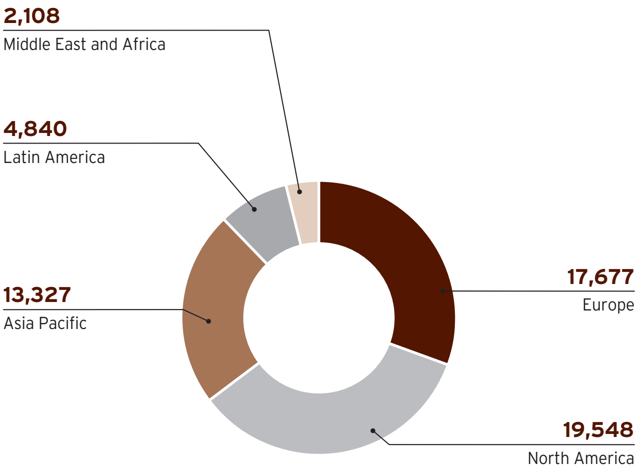
1.9.1 CORPORATE

1 – Teams: key figures

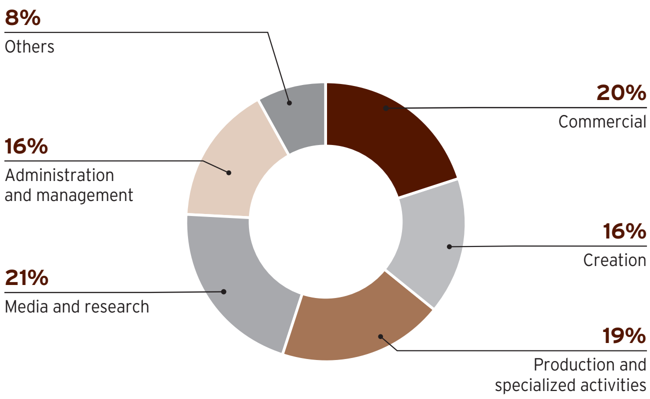
Personnel 2012: 57,500 employees *(53,800 in* 2011*)

Our growing workforce (+6.5%) reflects the Group's growing business (internal and external growth, excluding LBi, which was only fully taken over in 2013).

- Geographical breakdown: (see table in Chapter 4, Note 3 of this document)



- Breakdown by main jobs and functions: (see table in Chapter 4, Note 3 of this document)



*The Group's staff turnover was 29.3% (2011 *: 28.5%) (the staff turnover rate is defined as the total number of departures for the year divided by the annual average number of employees).*

The turnover rate is naturally high for three reasons. First, high turnover rates are a typical (almost structural) feature of the communications industry, driven by young professionals looking to build experience in several agencies so as to further their careers. This phenomenon is therefore not unique to Publicis Groupe. Second, agency staff and management both recognize the advantage of shifting the teams working on medium-term client projects around after a few years, in order to allow the members to enhance their experience and professional profiles. Lastly, part of the turnover is a technical consequence of restructuring resulting from the Group's numerous acquisitions and merging existing entities around the world.

- Hires: more than 880 net jobs were created *(excluding acquisitions)*;
- Layoffs: a relevant Group indicator could not be consolidated based on the available data. A common Group indicator is being developed and evaluated.

The loss of the General Motors contract in the United States illustrates the manner in which the Group handles these types of situations. The Group had to terminate the business activities of the SMG agency dedicated to GM in Detroit. Of the 230 agency employees, the Group only laid off 44 people and implemented a plan to redeploy the others. Additionally, several countries were affected by the economic crisis in 2012, which led the Group to recalibrate the personnel of certain agencies on a case-by-case basis, especially in Southern Europe.

- The Group's absenteeism rate was estimated at 2% *(in 2011 *: (e) 2%) (the absenteeism rate is equal to the number of days lost for reasons other than paid leave or maternity/paternity leave, divided by the total number of business days in the year).*

*2011 * As noted in the introduction, the 2012 reporting sets the new benchmark. The 2011 numbers are thus mentioned for ease of comparison. Around 95% of the Group's operations were covered in 2011, with some restrictions on certain indicators. The 2011 CSR report is available on www.publicisgroupe.com.*

Publicis Groupe employee contracts are drawn up according to local laws and regulations. In terms of the organization of work, the challenges of customer service activities require initiative, availability and promptness. This brings about two additional phenomena: employees have greater flexibility in managing their time on the one hand, and agency managers must incorporate greater flexibility in their organization of work, facilitated by mobile technology and telecommuting, on the other.

Focus on health and safety:

- Almost 100% of employees are covered by some form of social security, irrespective of local social security provisions (state, state-company-employee or private company-employee contribution plans, etc.);
- The work accident rate was 0.4% *(covering 76% of the Group's operations)*. The main causes of accidents were related to transportation (home-work and work-related commuting);
- In terms of preventative health measures, in addition to the standard practices, such as seasonal vaccinations or support of national screening initiatives and disease-specific campaigns, numerous agencies have rolled out initiatives to promote occupational-stress and repetitive strain injuries (RSI) preventative measures. The Group's employees are very involved in their work and do not waste any time or energy. Tasks are sedentary and employees work behind a monitor for the most part. Therefore, it is essential to ensure that initiatives are put in place regarding Preventative health measures to improve posture, outlook and lifestyle in general;
- Preventative health measures are occasionally subject to specific conditions in countries with collective or occupational agreements. All employees in these countries benefit from these collective or occupational agreements where such agreements exist (the Group does not yet have a consolidated indicator). For example, a draft agreement on "well-being at work" is being discussed in France.

2 – Diversity policy:

Non-discrimination has been an integral part of the Group's Principles and Values for very many years, and has been regularly held up and affirmed as sacrosanct in several internal documents, in particular Janus (the internal code of ethics).

Teams in every country are naturally multicultural, and employee profiles are richly diverse. A pro-active policy on diversity is nonetheless still necessary. The Group has identified seven priorities on which to concentrate its efforts in order to promote diversity within its teams: gender equality, age, disability, culture and ethnicity, education, sexual orientation and religious practices. Agencies carry out initiatives based on these priorities in accordance with local laws and regulations, alone or in concert with other agencies, especially during combined recruiting drives.

Group focus on gender equality: stabile figures in 2012

- Total headcount: 55% women – 45% men *(2011 *: 55% - 45%)*

The average age of women is 34 and 35 for men *(2011 *: 33 years - 34 years).*

- Agency Management Committees: 39% women *(2011 *: 40%)*
- Network Management Committees: 30% women *(2011 *: 30%)*
- Last, but not least, the fourteen members of Publicis Groupe's Supervisory Board are evenly divided (50/50) between women and men; the Management Board consists of five men; the Group Executive Committee (P12) includes one woman out of eleven members (9%) and the Strategic Leadership Team (SLT, or expanded P12) includes four women out of twenty-one members (19%). See also Chapters 2, 2.2 and 2.3 of this document.

The Group's internal women's network – VivaWomen! – launched at the initiative of the Group CSR management team at the end of 2011 and incorporating representatives from all the networks, this network held events in Paris, Boston, New York, Chicago, San Francisco, Los Angeles, London and Shanghai throughout 2012. VivaWomen! brings together voluntary, motivated female employees of the Group to take action and support other women in the Group. Its primary objective is to promote the professional and personal development of women in an environment of gender cooperation. The Group's senior management has endorsed a global roadmap outlining four key areas: 1) leadership support, 2) mentoring, 3) professional development and 4) work-life balance. This network has launched various in-house initiatives open to both men and women, and a few external activities in conjunction with other intra- or inter-company women's networks. In addition to this internal program, Publicis Groupe is involved in various institutions and local associations dealing with themes relating to gender equality, such as the Laboratoire de l'égalité (Equality Laboratory) in France.

*2011 * As noted in the introduction, the 2012 reporting sets the new benchmark. The 2011 numbers are thus mentioned for ease of comparison. Around 95% of the Group's operations were covered in 2011, with some restrictions on certain indicators. The 2011 CSR report is available on www.publicisgroupe.com.*

Focus on measures to promote diversity led in the United States

American regulations encourage the active promotion of diversity. Since 2008, Publicis Groupe has been equipped with a Group Diversity Council bringing together the various network managers in charge of diversity, to share best practices and organize joint activities on top of the networks' independent initiatives in their local communities. The Group continued its year-long participation in programs such as "Ad Color" (ethnic diversity), "Most Promising Minority Student" (program for ethnic diversity in the advertising industry), "Black Enterprise Women of Power Summit" (African-American women), "Multicultural Forum" (ethnic diversity), "GLADD" (LGBT), etc. These annual programs provide exposure to the Group's operations and attract a large pool of extremely diverse talent.

The Group CSR management team supports the "Égalité" (Equality) network, which brings together agency employees supporting LGBT (Lesbians, Gays, Bisexuals and Transgender) causes. More agencies joined this in-house network in 2012. "Égalité" brings together employees with common values and concerns, and acts as an internal and external expert on LGBT issues.

Focus on the diversity policy in France

A legislative and regulatory framework touches on several aspects of diversity.

Several collective agreements have thus been signed with staff representatives in various agencies, covering all employees, with special attention given to:

- The elderly. In light of the Group's youthful workforce, a commitment was made to keep the percentage of employees aged 55 years and over at a constant level. Measures were adopted in three areas. First, stress prevention (personal, team) and closer monitoring of preventative health measures in general. Second, developing skills and providing access to training. Third, sharing professional skills and know-how;
- Gender equality, focused on: 1) achieving a work-life balance, aided by the Parenting passport program, distribution of CESU checks (a French government-sponsored employment scheme) to young parents and flexible time management during maternity/paternity leave, 2) promotions and professional mobility, 3) working conditions and especially 4) flexible working hours.

Regarding diversity in general, an agreement signed with the "Nos quartiers ont des talents" (Our communities have talent) association will help Group managers to support talented young people.

As part of deliberate efforts to make up for its late recognition of issues surrounding disabled persons, the Group conducted a disability audit in 2012 in conjunction with TH Consulting Group and the Association de Gestion du Fonds pour l'Insertion Professionnelle des Personnes Handicapées (Fund Management Association for the Professional Integration of Disabled Persons, AGEFIPH) and laid out a roadmap.

3 – Training, assessment and employee relations policy

a) Training

- 57% of employees attended training courses *(2011 *: 56%)*;
- 117,640 training-days were held *(2011 *: 85,600 days)*;
- 71,040 e-learning hours were shared *(2011 *: 31,335 hours)*;

Training occupies a central place in all agencies. In 2012, attention focused on raising the level of expertise in all forms of digital communications and applications across several business lines, in view of the sudden ubiquity of digital devices and interfaces, including new mobile technologies. These training initiatives, many of which were conducted with partners such as the major digital platforms, were aimed at a wide range of business lines, including technical, creative and marketing.

b) Employee assessment

71% of employees underwent an annual assessment *(2011 *: 77% on a scope less than 2012, hence the difference)*.

This percentage is consistent with the Group's turnover rate (the scope of the calculation used in 2011 was smaller than that of 2012, which accounts for the difference between the two years). Employees are obligated to attend an annual assessment meeting in line with the human resources regulations set out in the Janus code of ethics.

*2011 * As noted in the introduction, the 2012 reporting sets the new benchmark. The 2011 numbers are thus mentioned for ease of comparison. Around 95% of the Group's operations were covered in 2011, with some restrictions on certain indicators. The 2011 CSR report is available on www.publicisgroupe.com.*

c) Employee relations

The code of conduct outlined in the Janus code of ethics clearly stipulates the need to cultivate employee relations and to be attentive to the concerns of employees. The medium size of agencies (between 50 and 100 people) allows for simple and frequent exchanges between managers and their teams regarding company matters and projects in progress. The Group also fully respects the fundamental rights of freedom of association and negotiation. Staff representative bodies and employees in general are regularly consulted on and informed of projects and developments liable to affect them and their agencies.

4 – Employee satisfaction surveys

Each network conducts its own survey in a decentralized manner. Leo Burnett has a long tradition of internal "Climate Surveys" conducted annually for over ten years, while other networks conduct these surveys every two years. Following internal restructuring, several networks did not follow up on employee satisfaction across all of their agencies in 2012, making it a transition year without numbers for the Group as a whole. Only Leo Burnett, ZenithOptimedia and Saatchi & Saatchi conducted internal surveys across their entire respective networks (or major agencies). Other agencies were able to conduct their own studies, but the number of employees covered in 2012 does not allow for comparisons with previous years.

5 – Compensation policy

All of the information pertaining to the compensation of Publicis Groupe senior executives is detailed in Chapter 2.7 of this document.

Permanent and temporary Group employees in every agency have an employment contract backed by local labor laws.

In terms of equal compensation for women and men, very few gender disparities exist in equal pay for equal work for all employees in countries with strong regulatory frameworks, such as France. The Group has always held up equal pay as a fundamental principle, and will remain vigilant to ensure its application in practice, including in times of crisis.

6 – Human rights policy

The Janus code of ethics compels managers and their teams to abide by local laws and regulations, and refers to the fundamental principles of the International Labor Organization (ILO), paying special attention to gender equality in terms of equal pay for equal work, expanded and effective social security and strengthened social dialogue.

Pro bono campaigns (see below) in support of organizations or general interest causes promoting the Human rights of women, men and children and opposing all forms of exclusion and discrimination, serve as a clear demonstration of the Group's commitment, as a whole and through its agencies and employees, to defending Human rights. The Group and its agencies are dedicated to upholding Human rights through these pro bono campaigns conducted for major international organizations, such as the United Nations, or in support of local and national organizations and associations.

Lastly, contracts signed with the Group's major suppliers (central or regional) consist of various criteria pertaining to the adherence to human rights. The Group Purchasing Department's efforts in this regard in 2012 demonstrate a heightened concern for encouraging a responsible purchasing policy (see 1.9.3. below).

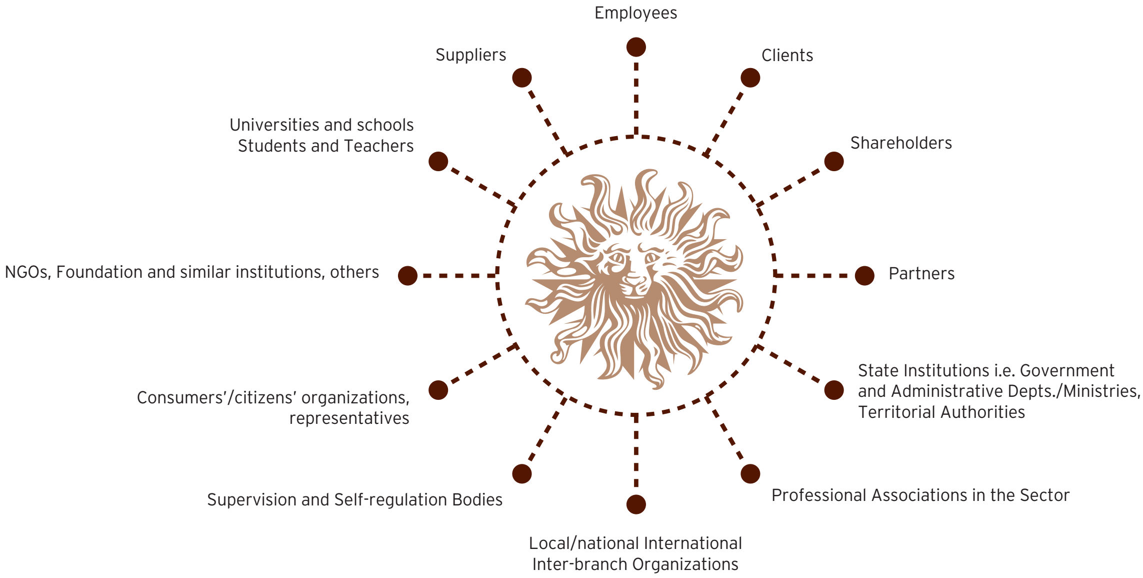
Elimination of all forms of forced and compulsory labor and abolition of child labor

The Group's activities bear no risk on these issues. The code of conduct outlined in the Janus code of ethics explicitly condemns forced, compulsory and child labor, and calls for their eradication. These principles are reiterated in the purchasing management guidelines, in particular via the CSR Procurement Questionnaire sent to the Group's suppliers (see 1.9.3. below).

1.9.2 SOCIETAL

The Group has always held reciprocal above-board relations with all local and global stakeholders (identified in the diagram below). It espouses a clear and pragmatic approach, which leads to relationships often backed by collaborative projects.

It is important to note that employee relations are covered in Chapter 1 above.



1 – Agency involvement in the city and local communities

Pro bono campaigns and voluntary work programs are the most effective and relevant means for the agencies to get involved in their communities.

In accordance with the Group's Sponsorship Charter (available on www.publicisgroupe.com) and for obvious reasons of proximity, the agency CEOs and managers decide on which causes to promote during the year and which local organizations and associations to support through pro bono campaigns and voluntary work programs. Even if these campaigns are managed internally, with the same precision as regular clients, it is important that the causes supported in this way have strong support from internal teams. Working for a pro bono campaign makes up an integral part of the career path of all Group employees, regardless of their job or responsibilities.

a) Pro bono campaigns

All together, the Group's agencies conducted nearly 300 pro bono campaigns, excluding one-off initiatives that do not constitute a campaign as such. In spite of the crisis, agencies have in recent years deepened their involvement by focusing their efforts on a narrower selection of worthy causes. Many of these campaigns are now more complex due to their multichannel aspect, in the mold of campaigns conducted on behalf of agency clients. The pro bono campaigns conducted by Group agencies address the following major themes: child protection; local community initiatives; general health and specific health prevention measures, such as cancer prevention, the fight against HIV/AIDS, combating drugs and preventing major diseases; and protecting the environment.

Most of these campaigns can be viewed on the Group's website (www.publicisgroupe.com), and some of them have been cited in previous Group CSR reports since 2009.

b) Dedicated voluntary work

For several years, the Group has carried out voluntary work dedicated to promoting a particular cause or organization, especially (but not exclusively) in all Anglo-Saxon countries. There are over 300 initiatives of this nature, in which teams (or parts of teams) devote some of their time over a limited period to offer practical assistance to associations or organizations in favor of a general interest cause (similar to skills-sponsorship). These initiatives can be carried out in conjunction with pro bono campaigns, and are highly valued by employees as bonding and sharing experiences.

A large selection of examples of the many organizations and associations with which agencies have carried out these projects has appeared in previous Group CSR reports since 2009.

2 – Relations with schools and universities

All agencies have close ties with their local schools and universities. There are three major types of relationships: 1) key work-entry stages, such as job fairs, 2) an open-door policy of regularly receiving students to discover the Group's jobs, and 3) education through lectures and courses presented by several managers on a regular or occasional basis. Many relationships with educational institutions date back several years, and each agency tries to vary its approach in order to work with students with diverse profiles.

All of the Group's agencies welcome interns, either through voluntary, embedded (part of a curriculum) or capstone internships.

Each agency cultivates its own relational network with a certain number of local educational institutions. A list of the main institutions with which agencies have formed relationships over time has appeared in the CSR reports since 2009.

3 – Community charity work and donations

Agencies, managers and employees always respond very quickly to disasters occurring in their countries and elsewhere requiring rapid mobilization. Hurricane Sandy, which hit the New York area in late 2012, causing heavy damages in certain areas, led to numerous initiatives within the Group's various American agencies. Most of the agencies based in New York gave of their time and energy to various organizations and associations in order to lend a helping hand to the worst-affected areas and disaster victims.

4 – Relations with professional organizations

Agency managers in every country are extremely involved in their professional organizations. Interestingly, new *ad hoc* inter-professional collaborations have emerged in recent years, in which agency communications professionals have become intimate stakeholders in the actions and ideas of organizations and associations at a local level.

In addition to the Group's numerous and long-standing voluntary local initiatives (see CSR reports since 2009), the following actions deserve special mention:

- on education, the Group's continuing participation in MediaSmart, a European media literacy program (Pub Malin in France) designed to help primary school educators to teach children critical thinking skills relative to advertising, in partnership with media representatives, teachers, consumer associations and regulatory authorities, among others;
- on international inter-professional co-operation, the Group's active participation in finalizing the new International Chamber of Commerce Advertising and Marketing Communication Practice – Consolidated ICC Code at the end of 2011, and distributing it worldwide in 2012. This ICC Code sets the international standard for self-regulation and ethical conduct. This new edition includes the new challenges raised by digital communication and mobile applications, in particular;
- France's involvement in drafting an implementation guide outlining the ISO 26000 guidelines for the communications sector, an inter-professional initiative carried out over more than two years under the aegis of the Association Française de Normalisation (French Standardization Association, AFNOR) with all stakeholders.

1.9.3 GOVERNANCE AND ECONOMY

1 – Group business activities and primary key figures (see Section 1.4 of this document)

Publicis Groupe, founded by Marcel Bleustein-Blanchet in 1926 and presently led by Maurice Lévy, Chairman of the Management Board, is currently the third-largest communications group in the world (behind WPP and Omnicom). The Group's communications operations are structured around four major spheres: advertising (30%), Specialized Agencies and Marketing Services, or SAMS (19%), media agencies (18%) and digital operations (33%).

The key figures for 2012

- Revenue: euro 6,610 million
- Operating margin: euro 1,064 million
- Net income: euro 737 million
- Personnel expenses euro: 4,076 million
- Other expenses: euro 1,344 million
- Depreciation andamortization: euro 126 million

2 – Corporate governance principles

Chapter 2 of this document outlines the Group's corporate governance principles.

Publicis Groupe is a company with a Supervisory Board – comprising 14 members and chaired by Ms. Élisabeth Badinter, daughter of Group founder Marcel Bleustein-Blanchet – and a Management Board, comprising five members and chaired by Mr. Maurice Lévy.

The Group has been listed on the Paris Stock Exchange since 1970.

3 – Ethics principles

Janus, the Group's code of ethics, consists of a code of conduct and corporate operating rules. Janus applies to all managers and their teams, while the code of conduct applies to all employees (see Section 2.10 of this document).

In 2012, several networks strengthened their internal employee awareness and information programs regarding Janus, in particular through dedicated training sessions for all new arrivals, whatever their duties.

4 – Anti-corruption policy and procedures

The Janus code of conduct thoroughly addresses the issues of gifts and inappropriate or unethical relationships, with clients or suppliers. The Group's legal experts play an important role in raising awareness of and applying laws and regulations relating to corruption. Based in the shared services centers (Re:Sources) and functionally under the Group's Legal Department, these legal experts keep a constant eye on laws and regulations dealing with corruption. They make agencies aware of the issues at stake and lay down compliance procedures adapted to local markets. In 2012, the Group's legal experts drafted an "anti-bribery" policy, which has been implemented in the United Kingdom and will be gradually implemented throughout the Group. In addition, the internal audit teams regularly remind local managers of the Group's rules regarding preventing corruption and ethical business conduct.

5 – Client relations

Section 1.4.5 of this document outlines the Group's relations with its clients.

Agencies conducted close to 7,450 client surveys in 2012 *(2011 *: 3,750)*. This includes a portion of the client satisfaction surveys, which take the form either of questionnaires handled by the agencies or of annual meetings and performance reviews. Moreover, several large international clients conduct their own "client satisfaction" surveys using either their own in-house tools or administered by a third-party. In these cases, it is difficult for agencies to get accurate feedback on the methods used and number of opinions consulted by the clients regarding the quality of services provided, as they usually receive just a summary of the results. A portion of client surveys therefore always fails to come to the attention of agencies.

*2011 * As noted in the introduction, the 2012 reporting sets the new benchmark. The 2011 numbers are thus mentioned for ease of comparison. Around 95% of the Group's operations were covered in 2011, with some restrictions on certain indicators. The 2011 CSR report is available on www.publicisgroupe.com*

6 – Supplier relations

2012 marks a new stage in supplier relations. The Group's Purchasing Department, with the support of the CSR Department, compiled an internal "CSR Procurement Charter" for use by the Group's international purchasing team in order to increase the internal motivation around CSR criteria in calls for tender and when analyzing suppliers' proposals. To this end, the "CSR Procurement Questionnaire" for suppliers was updated and expanded. Certain aspects pertaining to human rights in the organizations and supply chains of the Group's suppliers and partners are broached during yearly and/or half-yearly reviews.

In accordance with CSR values, the Group Purchasing Department and local Group purchasing managers are most often solicited by agency sales representatives. This activity is encouraged by recent regulatory developments, such as the extension of the "Small Business Act" in the United States or approaches similar to the "Small Business Act" in Europe. Challenges pertaining to issues such as diversity, social engagements or commitments with SME-sized subcontractors serve to strengthen communication between the Group Purchasing Department and agencies, and occasionally even with clients' purchasing departments, which can sometimes lead to collaborative projects.

Furthermore, in terms of sub-contracting, agencies also incorporate the work of outside experts, freelancers or ultra-specialized small entities in their own communications business activities. This sub-contracting is by definition very fragmented and decentralized, which makes Group oversight difficult. Agencies make every effort to pay close attention to project completion deadlines and payment schedules.

7 – Consumer health and safety measures

The Group's code of ethics sets out a certain number of key behavioral principles applicable to all employees in performing their job, such as respect for others, confidentiality and avoiding conflicts of interest, as well as the Group's refusal to participate in partisan campaigns. These rules (publicly available on www.publicisgroupe.com) apply to all employees and underlie a strong corporate culture.

Publicis Groupe conducts business-to-business communications operations. The Group's direct challenges pertaining to communications activities are thus closely linked to its client's type of business. Certain sectors are governed by regulatory systems, such as the rules applying to healthcare communications and the observance of local legislation, self-regulatory systems linked to behavioral advertising and the protection of personal data (Online Behavioral Advertising, OBA) and general measures of due vigilance (see the examples mentioned in Chapter 3 of the CSR reports since 2009). The Group's agencies actively participate in devising industry rules, keeping citizen-consumers, stakeholders fully informed of all new developments, especially with regard to new digital applications and issues relating to the protection of personal data. The objective is to give citizen-consumers a wide range of free choices and enable them to act as their own arbiter in their decisions.

8 – Investor relations

The Investor Relations Department oversees everyday relations with investors and shareholders through numerous meetings and exchanges in various countries.

Section 6.4 of this document details the financial information pertaining to the Group's shareholding.

1.9.4 ENVIRONMENT

1 – Group environmental policy

In order to bring major environmental issues into sharper focus, the Group structured its environmental policy four years ago around four key priorities: a) reducing consumption of raw materials, in particular water and paper, through the use of alternative materials and printing tools, b) reducing energy consumption through more efficient heating, air-conditioning and use of electricity, c) reducing reliance on transportation through teleconferencing facilities, and d) implementing recycling and better waste management practices.

This environmental policy must be adjusted to include more specific objectives in the light of the Group's carbon footprint assessment for 2012.

- Certifications: agency certification largely depends on the local regulatory framework. For example, over half of the Group's agencies in the United Kingdom are ISO 14001 or ISO 9001 certified since the regulatory environment encourages them to do so. This is also the case for media agencies in France, in order to better meet client expectations. Other notable voluntary certifications exist, such as the CENP in Brazil, which sets standards and best practices for the advertising and communications industry.

2 – Agency Green Teams: raising awareness of environmental challenges

For several years now, and under the oversight of the CSR Department, volunteer employee teams have been encouraged to be active in establishing awareness-raising actions in their agencies. These teams, present in over 200 agencies, occasionally organize localized events with various activities and lots of personal commitment. In 2011, agencies in France tested a joint approach with the first inter-agency GreenWeek. The next step took place in June 2012, when several agencies in France and the United Kingdom coordinated their respective events together during the same week. This GreenWeek was held concurrently to the EU Sustainable Energy Week, in the first demonstration of the Group's joint actions principle. Attention focused on the slogan "consuming better and less", with various activities on consuming energy, water and paper raw materials and waste management.

3 – Major consumption and environmental impacts

The Group's major sources of consumption and impacts were as follows (in order of importance):

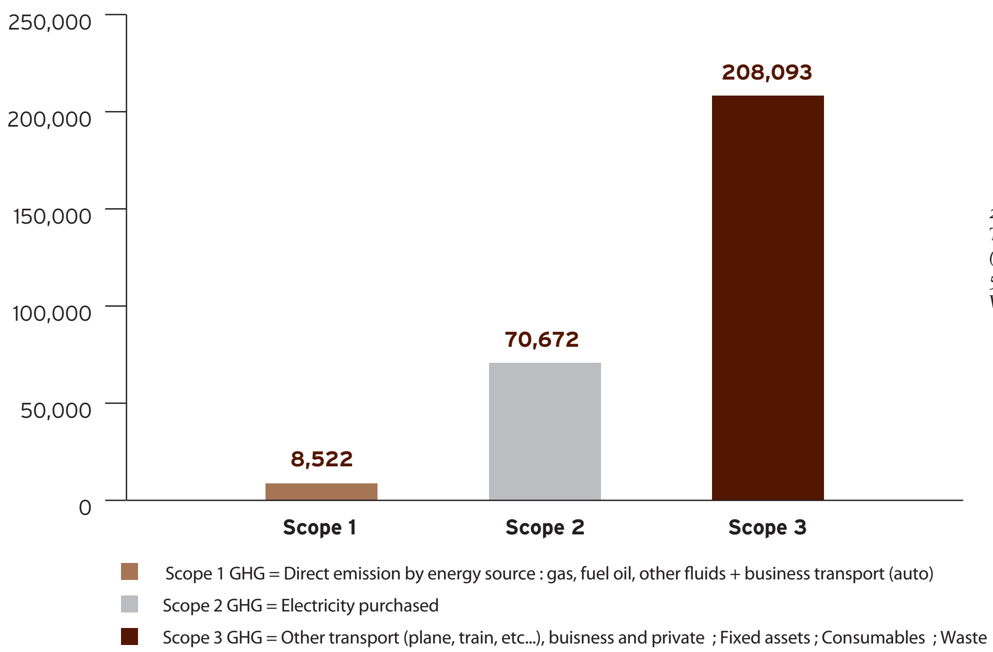
- travel: *(number of business trips + home-work commutes and trips):* 865,856,000 km. The bulk came from work-related airplane trips and the increase comes from the growth of the Group's business. The Group has, however, heavily invested in tele-conferencing technology in order to reduce long-distance travel, with 25 new facilities now up and running;
- energy: 185,070,100 Kwh, 20% of which coming from renewable energy sources *(based on information provided by electricity suppliers)*. This consumption automatically increased with respect to 2011 due to the growth of the Group's business, while numerous efforts over the past few years have been made to reduce the agencies' energy consumption (for example by switching off the lights and machines such as computers and printers at night and on weekends). As mentioned in the 2011 CSR report, the Group puts a particular emphasis on the energy efficiency of new premises when moving, as demonstrated by PHCG (healthcare business) when it relocated to Yardley, Pennsylvania;
- fixed assets (buildings, office materials such as IT equipment and servers, etc.);
- consumables (paper, cartridges, office supplies, etc.) ;
- water consumption is estimated at 732,000 m^3, *(a decrease compared to 2011 *)*. Considering the Group's service-based business model, information on the sources of water supplied to corporate buildings is hard to come by;
- the volume of waste generated is estimated at 4,580 tonnes, *(a reduction from 2011 *)*. The bulk of waste material consists of paper and cardboard, 50% of which is recycled through traceable channels (some agencies recycle 100% of their paper and cardboard through traceable channels, depending on local facilities in place and service providers in use).

4 – Carbon footprint

For the fourth edition of the CSR report, the Group's carbon footprint was calculated with Bureau Veritas' assistance, and according to the method of calculating greenhouse gas (GHG) emissions. Over 95% of the Group's operations were taken into account. Although the method and scope of operations were the same as in 2011, the total number of emissions appears to have increased slightly, for two reasons: first, there was an improvement in the quality and transmission of data on aspects difficult to "trace" over the Group's 850 reporting entities, many of which are fairly small (less than 50 employees); second, the Group's growth automatically led to a higher impact.

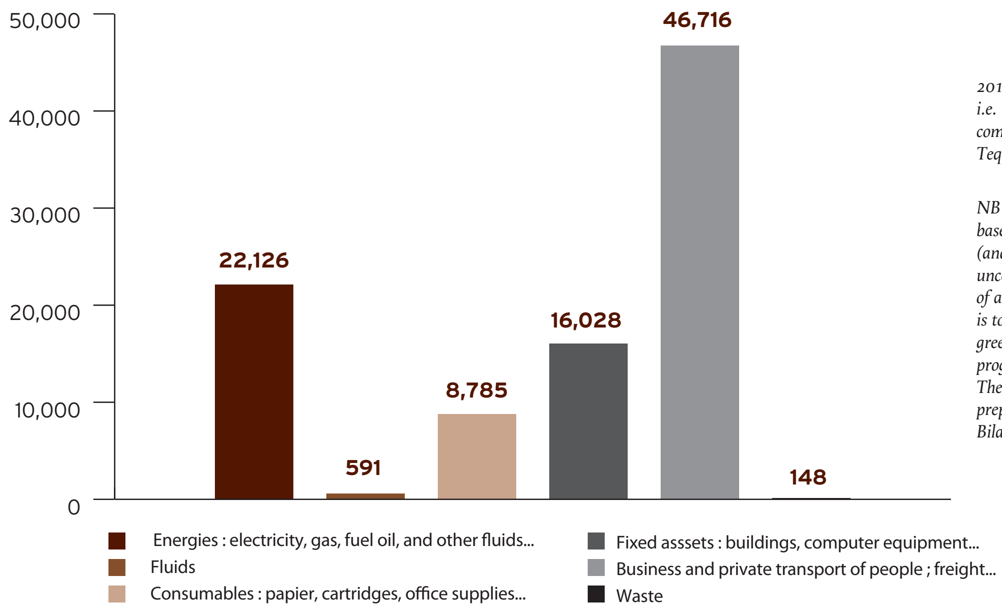
*2011 * As noted in the introduction, the 2012 reporting sets the new benchmark. The 2011 numbers are thus mentioned for ease of comparison. Around 95% of the Group's operations were covered in 2011, with some restrictions on certain indicators. The 2011 CSR report is available on www.publicisgroupe.com.*

GHG EMISSIONS – GHG PROTOCOL (tons of CO_2 equivalent)



2012 Emissions : total 287 287 TeqCO2, i.e. 5 TeqCO2 per capita (mid-sized companies, services sector: 5.3 to 8.8 TeqCO2 - source Bureau Veritas)

ADEME CARBON FOOTPRINT (tons of Carbon equivalent)



2012 emissions : total 94 394 TeqC i.e. 1.63 TeqC per capita mid-sized companies, services sector : 1.4 to 2,4 TeqC - source Bureau Veritas)

NB : The Bilan Carbone® method is based on average emission factors (and therefore has a certain degree of uncertainty), it only supplies estimates of an order of magnitude, its purpose is to encourage actions to reduce greenhouse gases and to measure the progress made.
The degree of uncertainty when preparing the Publicis Groupe's 2012 Bilan Carbone® is estimated at 20%.

Note – Environmental impacts not applicable to Publicis Groupe
Given the Group's service-based and intellectual operations, certain information required by the decree relating to article 225 of the Grenelle II Act is irrelevant, namely:

- Prevention, reduction or reparation measures concerning air, water and soil residues seriously affecting the environment;
- Taking into consideration noise and all other forms of pollution relating to a specific business;
- Land use;
- Protection of biodiversity;
- Provisions and guarantees pertaining to environmental risks.

1.9.5 EXTERNAL INDEPENDENT AUDITORS' AUDIT REPORT

At the request of Publicis Groupe, SGS ICS carried out an audit of the information included in the management report drawn up for the year ended December 31, 2012 in accordance with Decree no. 2012-557 dated April 24, 2012 relative to companies' social and environmental transparency obligations, with regard to the application of article 225 of law no. 2010-788 dated July 12, 2010 and article 12 of law no. 2012-387 dated March 22, 2012, which amended article L. 225-102-1 of the French Commercial Code.

SGS ICS' responsibility is to verify that the management report includes all of the information mentioned under article R. 225-105-1, to give a reasoned opinion as to the fair presentation of the information and to the explanations given by the Company regarding the absence of certain information and to indicate the tests carried out to complete its audit.

TYPE AND SCOPE OF THE AUDIT

SGS ICS' audit consists of:

- reviewing the statement on sustainable development policies in relation to the social and environmental impacts of the Company's business activities, its social commitments and the actions that stem from these policies and commitments;
- comparing the list of information mentioned in Publicis Groupe's management report against the list set forth under article R. 225-105-1 and noting, where applicable, any missing information not accompanied by explanations as mentioned under the third paragraph of article R. 225-105-1;
- verifying that the Company has a data collection process in place to ensure that the information mentioned in the management report is complete and consistent and identifying any irregularities.

SGS ICS notes that Publicis Groupe voluntarily complies with the GRI (Global Reporting Initiative) framework in relation to social and environmental reporting, and SGS ICS has taken this into consideration in its audit.

TESTS

SGS ICS carried out its audit by conducting interviews with personnel involved in the collection, validation and publication of quantitative data and qualitative information for the holding Company establishing the consolidated financial statements and several of its subsidiaries in France (Publicis Conseil, Publicis Dialog, Marcel), the United Kingdom (ZenithOptimedia) and the United States (Leo Burnett and ARC Chicago, Starcom Chicago, Saatchi & Saatchi New York, and MediaVest New York).

- SGS ICS reviewed the reliability of the internal framework, the internal control procedures and the data and information aggregation systems at each of the sites;
- with regard to the quantitative data, at each site we conducted tests, verified formulas and compared data against documentary evidence for sixteen indicators to verify their relevance (compliance with the law and consideration for the business sector), reliability, neutrality and comprehensiveness. Random checks were carried out on the quantitative and qualitative data at the final point in the consolidation process;
- assumptions regarding the indicators used were subject to walk-through tests, consistency checks and materiality tests;
- four auditors were assigned to this audit under the supervision of a project manager;
- in addition to the interviews and meetings with the teams involved in the data and information collection, validation, and publication processes, interviews were conducted with senior management, the Secretary General, the Finance Department, the Internal Audit Department and the CSR Department.

STATEMENT OF INDEPENDENCE AND COMPETENCE

SGS is the world leader in inspections, audits, analyses and certifications. Recognized as the global benchmark for quality and integrity, SGS employs more than 75,000 people and operates a network of more than 1,500 offices and laboratories around the world.

SGS ICS is a wholly-owned French subsidiary of the SGS Group. SGS ICS declares that its audit and findings were prepared in complete independence and impartiality with regard to Publicis Groupe and that the tasks performed were completed in line with the SGS Group's code of ethics and in accordance with the professional best practices of an independent third party.

Auditors are authorized and appointed to each audit assignment based on their knowledge, experience and qualifications.

COMMENTS

- All personnel worldwide who contribute to and validate the well-documented internal framework for reporting environmental, social and labor-related indicators have received training. The definition of the indicators and the procedures set out helped to clarify the collection procedures and improved the relevance of the data in relation to the previous year;
- The definition of certain indicators should, nevertheless, be revised in order to refine the meaning and scope of these indicators so that consolidated data are available and published for the entire Group;
- The internal control system has been improved with regard to the consolidation of Group indicators; however, further improvement is necessary through better application of the control procedures at the site level.

STATEMENT AND REASONED OPINION

Based on Publicis Groupe's statement on sustainable development policies, the social and environmental impacts of the Company's business activities, its social commitments and the diligence implemented:

- we certify that the information included in Publicis Groupe's 2012 management report are in compliance with the list set forth under article R. 225-105-1 and that any exceptions have been duly justified;
- we declare that we found no significant irregularity that would call into question the fair presentation of the information included in the 2012 management report.

Signed in Arcueil, March 7, 2013

Technical Audit Director

SGS ICS France

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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 AS OF DECEMBER 31, 2012

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 **Member of the Supervisory Board**: Médias & Régies Europe SA (France) **Director**: MMS USA Holdings, Inc. (United States), ZenithOptimedia Group Limited (United Kingdom), MMS USA Investments, Inc. (United States), MS USA LLC Investments, Inc. (United States) BBH Holdings Ltd (United Kingdom) **Management Board Member**: Publicis Groupe US. Investments LLC (United States) **Main offices and positions held outside the Group** **Chairman of the Supervisory Board**: Iris Capital Management **Member of the Supervisory Board**: Compagnie Financière Edmond de Rothschild Banque SA (France) **Member of the Board**: World Economic Forum Foundation (Geneva) **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 positions: **Member of the Supervisory Board**: Deutsche Bank AG (term expired in May 2012) **Chairman** of the Association Française des Entreprises Privées (AFEP) (term expired in June 2012) **Member of the Board of Directors**: Amis du Musée du Quai Branly (term expired in June 2011)

JEAN-MICHEL ETIENNE	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** **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 Chief Executive Officer**: Publicis Finance Services SAS (France) **Chairman**: MMS Italy Holdings S.r.l. (Italy), Re:Sources Italy S.r.l. (Italy), MMS Mexico Holdings S de RL de CV (Mexico) **Chairman and Director**: MMS Canada Holdings Inc. (Canada) **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** in Publicis Technology SA (France), VivaKi Performance SA (France) **Director**: Multi Market Services Australia Holdings Pty Limited (Australia) PG Lion Re:Sources Australia Pty Limited (Australia), Re:Sources Mexico SA de CV (Mexico), MMS Netherlands Holdings BV (Netherlands), Publicis Groupe Investments BV (Netherlands), Publicis Holdings BV (Netherlands), Multi Market Services Spain Holdings, S.L (Spain), Saatchi & Saatchi Limited (United Kingdom), MMS UK Holdings Limited (United Kingdom), Lion Re: Sources UK Limited (United Kingdom), 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. (United States), MMS USA Investments, Inc. (United States), MMS USA LLC Investments, Inc. (United States), Shanghai Ming Mong Song Commercial Consulting Co, Ltd (China), BBH Holdings Ltd (United Kingdom) **Managing Director**: MMS Germany Holdings GmbH (Germany), Re:Sources Germany GmbH (Germany) **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 (1)**
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), MediaVest Worldwide, Inc. (United States), Starcom Worldwide, 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

(1) *Term of office expired on 12/31/2012*

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) **Director**: VivaKi Performance SA (France), Publicis Conseil SA (France) **Permanent representative of Multi Market Services France Holdings** within the Shareholders' Committee of Wefcos SAS (France) **Member of the Executive Committee**: Multi Market Services France Holdings SAS **Director**: Lion Re:Sources UK Limited (United Kingdom), Lion Resources Iberia SL (Spain), Re:Sources Italy srl (Italy), Re:Sources Mexico SA de CV (Mexico), Publicis Healthcare Communications Group, Inc. (United States), 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 Portofolio 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 (Israel), Publicis Canada Inc. (Canada), Talent Comunicação e Planejamento S.A (Brazil), QG Partners Participações SA (Brazil), Taterka Comunicações SA (Brazil), Neogama BBH Publicidade SA (Brazil), G/B2 Inc. (Canada), ZenithOptimedia Canada Inc. (Canada), Baumann-Ber-Rivnay Limited (Israel), Publicis Communication Ltd (New Zealand), VivaKi Sweden AB (Sweden), PUBLİCİS BOLD İLETİŞİM TASARIMLARI PAZARLAMA VE DANIŞMANLIK HİZMETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ (Turkey), PUBLICIS YORUM TANITIM BASIM VE YAYIN HİZMETLERİ ANONİM ŞİRKETİ (Turkey), PUBLİCİS ZONE İLETİŞİM HİZMETLERİ ANONİM ŞİRKETİ (Turkey), BBH Holdings Ltd (United Kingdom) **Secretary**: Lion Resources, 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 AS OF DECEMBER 31, 2012

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, 2018 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** **Writer** **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**: Association Champs-Élysées Film Festival **Offices and positions held outside the Group in the last five years** Positions listed above as well as the following appointments: **Chairperson**: Association Paris Tout Court (ended 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 Board of Directors**: Omnimedia Cleveland, Inc. (United States), Gestion Omnimedia, Inc. (Canada) **Member of the Management Board**: Médias & Régies Europe SA (France) **Director**: Régie Publicitaire des Transports Parisiens Métrobus Publicité (France) **Permanent representative of Médias & Régies Europe** on the Supervisory Board of: Mediavision et Jean Mineur SA (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) **Manager**: SCI Presbourg Etoile (France) **Offices and positions held outside the Group in the last five years** Positions listed above as well as the following appointments: **Chairman of the Audit Committee**: Gévelot SA (France)

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 Michel Cicurel Conseil 46 rue Pierre-Charron 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Vice-Chairman**: Coe-Rexecode (Association) **Director**: Bouygues Telecom SA (France), Société Générale SA, listed company (France), Coe-Rexecode (Association) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Chairman of the Management Board**: La Compagnie Financière Edmond de Rothschild Banque SA (France) (term expired in May 2012), Compagnie Financière Saint-Honoré SA (France) (term expired in May 2012) **Chairman of the Board of Directors**: Edmond de Rothschild SIM SpA (Italy) (term expired in 2011), ERS SA (France) (term expired in May 2012), Edmond de Rothschild Investment Services Limited (Israel) (term expired in April 2012), Edmond de Rothschild SGR Spa (Italy) (term expired in April 2012) **Chairman of the Supervisory Board**: Edmond de Rothschild Multi Management SAS (France) (term expired in 2009), Edmond de Rothschild Corporate Finance SAS (France) (term expired in May 2012) **Vice-Chairman of the Supervisory Board**: Edmond de Rothschild Private Equity Partners SAS (term expired in May 2012) **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), SIACI Saint Honoré SA (France) (term expired in May 2012), Milestone SAS (term expired in May 2012) **Director**: La Compagnie Benjamin de Rothschild SA (Switzerland) (term expired in 2008), LCF Holding Benjamin et Edmond de Rothschild SA (Switzerland) (term expired in 2009), Banque Privée Edmond de Rothschild SA (Switzerland), Edmond de Rothschild Limited (United Kingdom) (term expired in May 2012) **Permanent representative of the Compagnie Financière Edmond de Rothschild Banque**, **Chairman of the Board of**: Edmond de Rothschild Asset Management SAS (France) (term expired in May 2012) **Permanent representative of the Compagnie Financière Edmond de Rothschild Banque** at: Edmond de Rothschild Financial Services SA (France) (now Edrim Solutions) (term expired in 2009), Equity Vision SA (France) (term expired in 2009), EDRIM Solutions (France) (term expired in May 2012) **Permanent representative of Compagnie Financière Saint-Honoré** in Cogifrance SA (France) (term expired in May 2012) **Observer** or Paris-Orléans SA, listed company (France)
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 **Chairman of the Board of Directors**: Hôpitaux Universitaires de Genève (Switzerland) **Vice-Chairman of the Board of Directors**: BNP Paribas SA (Switzerland) **Member of the Board**: Geneva Financial Center Foundation (term expired December 31, 2012) **Offices and positions held outside the Group in the last five years** Positions listed above as well as the following appointments: **Deputy** of the Grand Conseil de la République et Canton de Genève (term expired in 2009)

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 Director**s: Hudson Institute (United States), Overseers, Memorial Sloan-Kettering Cancer Center (United States), Qatar Museum Authority (Qatar) **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, as well as the following positions: **Member of the Board of Directors**: LVMH Moët Hennessy Louis Vuitton SA, listed company, (France), Robin Hood Foundation (United States)
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** **Senior 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
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) **Director and Vice-Chairman**: Fitch Group, Inc. (United States) **Founding Chairperson**: TF Co (formerly known as Femmes Associées SAS) (France) **Director**: Coca-Cola Enterprises Inc., listed company (United States), Fitch, Inc. (United States), Fimalac SA, listed company, Groupe Lucien Barrière SAS (France) **Member of the Supervisory Board and Member of the Audit Committee**: Compagnie Financière Edmond de Rothschild Banque SA (France), Compagnie Financière Saint-Honoré SA (France) **Founding Chairperson of the Association**: Force Femmes, Terrafemina (France) **Member of the Elle Business Foundation** **Member of the government-owned entity**: Réunion des Musées Nationaux et du Grand-Palais des Champs-Élysées (RMN GP) **Member of the Le Siècle Association** **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: **Member of the Supervisory Commission** for future investments **Member** of the Observatory for gender equality **Director**: Algorithmics (Canada) (term expired in 2008), Fitch Risk Management (term expired in 2008), Havas (France) (term expired in 2010), Fcbs Gie **Chairperson of the Commission for Economic Dialogue** (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-Honore 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), Genesis Emerging Markets Fund Limited (Guernsey), Store Electronic System, listed company (France) **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 Société Civile (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**: Completel Europe NV (Netherlands) (term expired in 2010)
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) (ended in 2008) **Vice Chairman**: Lehman Brothers (United States) (ended in 2008)
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 GBL 24 avenue Manix B 1000 Brussels Belgium	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Vice Chairman**: Corporation Financière Power du Canada Ltd **Chairman of the Supervisory Board**: PAI Partners (France) **Director**: Carrefour SA, listed company (France), Imerys, listed company (France), Suez Environnement, listed company (France), BW Group, listed company, GBL SA, listed company (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, listed company (France) (term expired in 2011) **Director**: Erbe SA (Belgium)
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, 2018 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

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 Bank 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) **Observer**: SIACI Saint-Honoré SA (France) **Offices and positions held outside the Group in the last five years** Positions listed opposite, as well as the following positions: **Director**: Cofide SA, listed company (Italy), Editions Atlas SA (France) (term expired in 2012), Moonscoop (term expired in 2012), Hamac (term expired in 2012) **Observer**: Degrémont SA (France) (term expired in 2012) **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

2.1.3 TERMS RENEWED DURING 2012

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

The General Shareholders' Meeting on May 29, 2012 reappointed Ms. Élisabeth Badinter and Mr. Henri-Calixte Suaudeau as members of the Supervisory Board for a six year term. Their terms will expire at the end of the Ordinary General Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2017.

By a decision dated May 29, 2012, the Supervisory Board reappointed Ms. Élisabeth Badinter as Chairperson of the Supervisory Board for the duration of her term as a member of this Board, this term being renewed by the General Shareholders' Meeting on this same date.

2.1.4 RESIGNATIONS DURING 2012

The Agreement between Dentsu and Publicis provided for Dentsu to be represented by two members on Publicis 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.

In 2012, Mr. Jack Klues, member of the Management Board, announced that he would be retiring on December 31, 2012. On November 27, 2012, the Supervisory Board recognized this request to retire at the end of the year.

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. However, Marie-Claude Mayer joined the Supervisory Board as an employee of Publicis Group. 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 convicted of 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, THE MANAGEMENT BOARD, AND IN SENIOR MANAGEMENT

The Supervisory Board had 14 members as of December 31, 2012, the list of which appears above (see Section 2.1.2). The rules pertaining to corporate governance and the independence criteria adopted by the Company for the members of the Supervisory Board are discussed in Chapters 2.4 and 2.5.

The internal rules approved by the Supervisory Board on November 27, 2012 confirmed the independence criteria that were first defined at the Supervisory Board meeting 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 been an employee or a corporate executive of the Company, employee or director of the parent company or a consolidated company, during the last five years;
- has not been a corporate officer of a company in which the Group holds, directly or indirectly, a management position, or in which an employee designated as such or a corporate executive of the Company (currently or in the past five years) holds a management position;
- has not been a client, provider, 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 relative with a management position;
- has not been an auditor of the Company during the last five years.

In accordance with the code's principles, the Supervisory Board focused on the independence of its members and analyzed the criteria it wished to use. The Board has chosen not to follow the criterion limiting the terms of 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.

It is important to remember that the AFEP-Medef Code was developed for companies governed by a Board of Directors and that the Code specifically states that companies with a Management Board and a Supervisory Board should make any necessary modifications.

The Supervisory Board is not responsible for the management of the Company, which falls to the Management Board alone, but for its direction and constant oversight. Because of this role, the Board decided 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 that the Board and its members perform.

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 met twice in 2012, in January and in September, for day-long meetings. The P12 also meets on a monthly basis via teleconference (ten times in 2012) to review results and future prospects for the various networks.

The Executive Committee is chaired by Maurice Lévy and in 2012 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 Etienne, Executive VP Finance, 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;
- Bob Lord, CEO Razorfish;
- Jean-Yves Naouri, DGA Operations Publicis Groupe, member of the Management Board, Executive Chairman of Publicis Worldwide;
- 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 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 an on-going 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 (a think tank and strategic management group) was created in mid-2011. It met in Paris in July 2012. 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 Publicis 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;
- Anne-Gabrielle Heilbronner, Senior Vice-President Compliance & Legal;
- Chris Kuenne, CEO of Rosetta;
- Arthur Sadoun, CEO of Publicis Worldwide, head of the Western Europe region;
- Robert Senior, CEO of Saatchi & Saatchi Fallon, EMEA;
- Rich Stoddart, CEO of Leo Burnett, North America.

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.

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 7 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 as Chairperson, Mr. Michel Cicurel, Mr. Henri-Calixte Suaudeau, Mr. Michel Halpérin and Mr. Gérard Worms.

The Committee met five times during 2012, and reported on its work to the Supervisory Board. The members' attendance rate was 100%.

The Committee, upon the decision of the Supervisory Board, developed a procedure to prepare forof the Chairman of the Management Board's succession. Fivemeetings in total were held on this topic to meet with the Group's key managers. This process is on-going in 2013.

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;
- in general, to examine the general policies of the Management Board on compensation and granting of options, free or performance-based shares or of any similar instruments.

The Compensation Committee is composed of Mr. Amaury de Seze as Chairman, Ms. Claudine Bienaimé, Mr. Michel Cicurel, Mr. Michel Halpérin and Ms. Véronique Morali. Three of the Committee's five members, including the Chairman, are considered independent, i.e., Amaury de Seze, Michel Cicurel and Michel Halpérin.

The Committee met five times during 2012, and reported on its work to the Supervisory Board. The members' attendance rate was 96%.

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 2011 in light of the members' performance for the year. The Committee took a close look at the compensation of the Chairperson of the Management Board starting in 2012 and expressed its recommendations to the Supervisory Board, which approved them. At the Management Board Chairman's initiative, his new conditions for compensation are 100% performance based and do not contain a fixed portion, stock options or performance shares. It acknowledged that all of the conditions had been satisfied for payment of the deferred conditional compensation to the Chairman of the Management Board. It thus asked the Supervisory Board to set the deferred conditional compensation at euro 16,035,969 and to authorize this payment. It also reviewed the compensation of the Supervisory Board Chairperson. It noted that the gross annual compensation of the Chairperson of the Supervisory Board had not been increased since 1996. The Committee considered adjusting this compensation to bring it in line with practices seen in similar companies and recommended that the Supervisory Board increase this compensation. The Supervisory Board approved this proposal unanimously.

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 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 based on the network's performance. 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 is implemented. The Committee devoted several meetings to review say-on-pay.

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 6 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. Jean-Paul Morin has been designated as the permanent Audit Committee expert. Gérard Worms and 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 control procedures 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 2012, with all members present.

The Committee reviewed a number of reports from the internal audit team, which conducts approximately 80 audits of the subsidiaries, departments and processes each year. The Committee is kept informed of any instance of fraud or attempted fraud of which the Group is aware. It monitors the implementation of recommendations from auditors.

It reviewed the process to reduce the number of companies within the Group and to simplify its structures, which continued throughout 2012. The Committee noted the elimination of 49 entities, following the elimination of 50 entities in both 2011 and 2010.

It also looks at fees paid to auditors, especially statutory auditors, and stays abreast of any major disputes within the Group. Lastly, the Committee closely monitors activities related to internal controls, and any major findings in this regard are reported to the Committee on a regular basis.

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 Ms. Marie-Josée Kravis (Chairperson), Ms. Élisabeth Badinter, Ms. Marie-Claude Mayer, Ms. Véronique Morali and Ms. 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 twice in 2012. During the year, it reviewed progress made in analyzing risks considered top priorities, focusing on risks related to the external growth policy, as well as risks related to the management of major strategic clients. The Committee also updated the risk mapping in September 2012, noting that certain risks are more significant to the Group's operations, especially given the downturn in the economy and the tight competition to attract and retain talent. The members' attendance rate was 90%.

2.5 Report of the Supervisory Board Chairperson on the preparation and organization of the Supervisory Board's work and 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 composition of the Board and on compliance with the principle of balanced representation of women and men on the Board, on the preparation and organization of the Board's work and on the internal control and risk management procedures that have been implemented within the Group.

The terms of this report were approved by the Supervisory Board at its meeting of February 13, 2013.

Publicis Groupe uses the AFEP-Medef Code as amended in April 2010 as its reference. The full Code relating to corporate governance can be accessed at the Medef's website at www.medef.fr.

Publicis Groupe applies all of the principles set out under the AFEP-Medef Code, with the exception of one of the criteria proposed by the Code to assess the independence of the Supervisory Board members, and in accordance with the AFEP-Medef Code, Publicis has explained why it does not adhere to this criterion below.

In accordance with the Code's principles, the Supervisory Board focused on the independence of its members and analyzed the criteria it wished to use. The Board has chosen not to follow the criterion limiting the terms of 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.

It is important to remember that the AFEP-Medef Code was developed for companies governed by a Board of Directors and that the Code specifically states that companies with a Management Board and a Supervisory Board should make any necessary modifications.

The Supervisory Board is not responsible for the management of the Company, which falls to the Management Board alone, but for its direction and constant oversight. Because of this role, the Board decided 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 that the Board and its members perform.

Furthermore, the Board decided that the specific characteristics of the advertising field and its global expansion and technological development mean that experience is crucial to the Board members carrying out their responsibilities.

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 prior approval. During the meeting of February 13, 2013, renewing its discussion of February 08, 2012, 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 modified at its meeting on November 27, 2012, 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 also establish the terms on which the Board and its four specialized committees operate and the Board's relationship with the Management Board. To prevent insider trading, the Management Board established rules regulating the conduct of the Group's permanent insiders, defining the periods in which trading in Company shares is permitted, which also applies to Supervisory Board members.

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

During 2012, the Supervisory Board consisted of 16 members until February 17, 2012, then 14 members (including seven women) following the resignation of Mr. Ishii and Mr. Takashima, who represented the Japanese company Dentsu. Their resignation coincided with Publicis Groupe SA's acquisition of 18 million shares held by Dentsu.

The Board is composed of Ms. Élisabeth Badinter, Chairperson of the Board, Ms. Sophie Dulac, Vice-Chairperson, Ms. Claudine Bienaimé, Ms. Hélène Ploix, Ms. Marie-Claude Mayer, Ms. Véronique Morali, Ms. Marie-Josée Kravis, Mr. Amaury de Seze, Ms. Gérard Worms, Ms. Michel Halpérin, Mr. Felix Rohatyn, Mr. Michel Cicurel, Mr. Simon Badinter and Mr. Henri-Calixte Suaudeau.

50% of the Board members are female.

More than half of the Board members are considered independent based on the criteria applied by the Board, in accordance with the recommendations set out in the AFEP-Medef Code.

The Supervisory Board verified that its independent members do not have any significant business ties to the Group. In order to assess the independence of its members, the Supervisory Board used the criteria set out in the AFEP-Medef document, other than – for the reasons explained above – the criterion on the 12-year term limit, in particular:

- has not been an employee or a corporate officer of the Company, employee or director of the parent company or a consolidated company, during the last five years;
- has not been a corporate officer of a company in which the Group holds, directly or indirectly, a management position, or in which an employee designated as such or a corporate executive of the Company (currently or in the past five years) holds a management position;
- has not been a client, provider, 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 relative who is a corporate officer;
- has not been an auditor of the Company during the last 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;
- Mr. Michel Cicurel.

The Board holds its discussions in French, and a team of English interpreters is available to members who desire their assistance. The Board met seven times during the year, with an attendance rate of 91%. 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 to participate in Board meetings by video-conference or other mode of telecommunication in accordance with the law and regulations in force. The Supervisory Board has also established strict rules for conflicts of interest in its internal rules. These regulations dictate that members of the Supervisory Board must be able to perform their duties with complete independence, with regard to one another and vis-à-vis the Management Board. Furthermore, all members agree to inform the Board of any real or potential conflict of interest as soon as they become aware of such conflict. No conflict of interest was identified by either the Supervisory Board or by one of its members in 2012.

The main points examined and decisions made by the Supervisory Board at its meetings during 2012 were the following:

- at its meeting on February 8, 2012, the Supervisory Board received the Management Board's report on the previous year and examined the consolidated and parent company financial statements for 2011, after hearing the report from the Audit Committee. It set limits on the powers of the Management Board and its authorizations for sureties and guarantees. It discussed the findings from the annual self-assessment of its work for 2011. Lastly, after hearing the report from the Compensation Committee, the Supervisory Board determined the conditions for compensation of the Chairman of the Management Board effective January 1, 2012 until the end of his term, as well as the qualitative criteria for year 2012, and asked the Compensation Committee to submit a detailed draft of the new agreements;

- on February 14, 2012, the Supervisory Board approved the acquisition by Publicis Groupe SA of 18 million shares offered for sale by Dentsu, a shareholder holding 10% of voting rights, and the cancellation of 10,759,813 shares upon purchase of the Dentsu shares, in accordance with the provisions of articles L. 225-86 *et seq.* of the French Commercial Code;
- on March 6, 2012, after hearing the report from the Compensation Committee, the Supervisory Board approved the variable portion of the compensation owed to members of the Management Board for 2011. As a result of the reappointment of the members of the Management Board, effective January 1, 2012, the Supervisory Board confirmed the existing contractual commitments relating to compensation, indemnities and benefits likely to be due to the members of the Management Board upon termination of their office and functions (while specifying the potential entitlements to free shares) for Mr. Kevin Roberts, Mr. Jack Klues and Mr. Jean-Yves Naouri, and revised existing agreements with Mr. Jean-Michel Etienne; it renewed their annual fixed compensation and bonuses without any change, effective January 1, 2012. The Board reviewed the contractual situation of the Chairman of the Management Board, Mr. Maurice Lévy, and the formulas used to calculate his deferred conditional compensation. It decided on the proposed resolutions to be submitted to the General Shareholders' Meeting;
- at its meeting on May 29, 2012, the Supervisory Board reappointed Ms. Élisabeth Badinter as Chairperson of the Board. It received the Management Board's report as of March 31, 2012 and reviewed the quarterly consolidated and parent company financial statements of the Company. The Group's position as of April 31, 2012 as well as the updated forecasts were presented. The Management Board reported on the guarantees given by Publicis to its subsidiaries and presented the proposed acquisition of both Bartle Bogle Hegarty and Neogama/ BBH. After receiving the report from the Compensation Committee, the Supervisory Board authorized the execution of the agreement on deferred compensation for the Chairman of the Management Board and payment of the amount owed;
- on July 18, 2012, the Supervisory Board received the management report dated June 30, 2012 from the Management Board and reviewed the half-year consolidated and parent company financial statements, after hearing the report from the Audit Committee, as well as the updated forecasts; it approved the detailed terms of the new agreements establishing the conditions for compensation of the Chairman of the Management Board and authorized its Chairperson and the Chairman of the Compensation Committee to sign these agreements;
- at its meeting on September 12, 2012, the Management Board presented the market trends for the end of 2012 and the forecasts for 2013, as well as the Group's position as of August 31. The Supervisory Board gave the Management Board approval for the proposed takeover bid for all shares of LBi. The Supervisory Board heard reports from the Audit Committee, the Compensation Committee, the Strategy and Risk Committee and the Appointments Committee and discussed Group governance;
- finally, during its meeting on November 27, 2012, the Supervisory Board received the Management Board's report as of September 30, 2012, and examined the consolidated and parent company financial statements up to that date. The Group's position as of the end of October, as well as the updated forecasts, were presented. The Board also heard from the members of the Audit Committee, the Compensation Committee and the Strategy and Risk Committee. With regard to governance-related matters, it voiced its approval of the Management Board's proposal to let the shareholders vote on compensation for the Group's main executive officers (say-on-pay) and decided to propose that the General Shareholders' Meeting reduce the term of office of members of the Supervisory Board; the Board also approved an update to its internal rules.

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. Management of potential conflicts of interest was one of the topics brought up during this assessment. For 2012, this assessment was led by Ms. Hélène Ploix, an independent member of the Supervisory Board, with help from the Secretary of the Board. Its findings for 2012 were discussed at the meeting held February 13, 2013.

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 operation of these four committees were included in the internal rules and are described in Sections 2.4.1/2/3/4 of the registration document.

The Appointments Committee is composed of Ms. Élisabeth Badinter, Committee Chairperson, Mr. Henri-Calixte Suaudeau, Mr. Michel Cicurel, Mr. Michel Halpérin and Mr. Gérard Worms. Four of its members are considered independent based on the criteria applied by the Supervisory Board.

As part of the review of the management of the Group's main entities, and in an effort to determine a successor to the Chairman of the Management Board, the Appointments Committee met five times with all members present. Three of these meetings were devoted entirely to meetings with Group managers. As indicated at the start of the process, both the Supervisory Board and the Appointments Committee intend to give themselves the time necessary to examine all aspects of management and succession to the head of the Group. This first round showed Committee members how well-rounded the Group's management team is and how much potential the various managers have. As originally planned, the process will take time and will be pursued over the coming months.

The Compensation Committee is composed of Mr. Amaury de Seze, Committee Chairman, Mr. Michel Halpérin, Mr. Michel Cicurel, Ms. Claudine Bienaimé and Ms. Véronique Morali. The primary role of this Committee, which consists of three independent members – and is chaired by one of them – is to examine and make proposals regarding the compensation of corporate officers of our Company and to ratify the Group's general policies on compensation and the grant of stock options, performance-based stock or any other compensation instruments.

The Committee met five times during 2012, with an attendance rate of 96%. During its 2012 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 2012 LTIP as well as the continuation of the program to distribute bonus 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.

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 2012 financial year. The key features of the stock option and performance share 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.

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

The Strategy and Risk Committee is composed of Ms. Marie-Josée Kravis, Committee Chairperson, Ms. Élisabeth Badinter, Ms. Marie-Claude Mayer, Ms. Véronique Morali and Ms. Hélène Ploix. The Board met twice during the year, with an attendance rate of 90%. It reviewed the Group's risk mapping and the measures implemented to limit its risks. The Committee has conducted an in-depth analysis of some of the major risks facing the Group, namely risks related to the external growth policy and risks related to the management of important clients. 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. 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 assignments 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 Group's external audit. The Audit Committee gives its opinion on the external auditors appointed and approves the appointment proposal put forward by the Management Board. Because of their professional backgrounds, Hélène Ploix and 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 2012, 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 2012 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.

As for General Shareholders' Meetings, the terms and procedures for shareholder participation in meetings are explained in articles 19 through 24 of the Company's bylaws.

2.5.2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

1. Objectives and organization

Internal control and risk management is fully integrated as part of 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 the Group's objectives in relation to:

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

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 the risks and opportunities having a potential impact on the achievement of the Group's strategic objectives;
- an appropriate communication about risks enabling contribution to decision making process;
- regular monitoring of the effectiveness of the Group's internal control and risk management system.

The Group has a Compliance and Legal Unit to centralize and formally oversee the internal control system. This Unit encompasses the Internal Audit Department, the Legal Department and the Internal Control and Risk Management Department. The Senior Vice President (SVP) Compliance & Legal reports to the Chairman of the Group's Management Board and has direct access to the Chairman of the Audit Committee. The tools needed to gain a broader view of potential risks are thus in place, which supports the effort to improve risk management throughout the entire organization.

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

2. Internal control framework

Publicis Groupe has defined guidelines based on relevant Group values, including practical principles and rules on conduct, ethics and social responsibility, as well as any other practices to ensure that the operations of the Group's entities comply with standards, laws and regulations. These guidelines, applicable to all hierarchical levels of the Group, establish the code of ethics governing "The way we behave and the way we operate". These guidelines are known as "Janus" and are distributed to all networks. They are also accessible online to all Group employees.

The procedures relating to the preparation of accounting and financial information, to the continued security of IT systems and 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.

These guidelines serve as the foundation of the Group's internal control system.

This system is also strengthened through a network of shared service centers systematically implemented by the Group since 1996 in order to overcome the challenges faced by a business that relies on a large number of agencies. This network is coordinated by the Group's operational managers, with the legal and financial responsibilities of the shared service centers being handled, respectively, by the Group's Legal Department and Finance Department. The network of shared service centers now covers over 90% of the Group's revenue.

The Management Board, the Finance Department, the Operational Department, the Internal Audit Department, the Internal Control and Risk Management Department and the operational managers of the networks are all involved in deploying the internal control system. When the Group makes an acquisition, the internal control system is generally applied within 12 months following the acquisition date. Acquisitions receive special attention when drawing up the annual audit plan.

3. Monitoring the effectiveness of the internal control system

The Group's senior management is responsible for the Group's internal control system. The SVP Compliance & Legal regularly reports to the Audit Committee and to senior management, on the quality of the Group's internal control system. This system draws on the following:

a) Internal audit assignments

In parallel, the audit teams carry out internal control assessments that encompass the various financial and operational processes within the Group's entities, based on an annual audit schedule. This audit schedule is developed based on risk analysis, past events and specific requests from senior management; it is approved each year by the Chairman of the Management Board and by the Audit Committee.

The Internal Audit Department audits the entities and also conducts special audits focusing on specific, group-wide issues at various levels within 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 during each Audit Committee Meeting.

Monitoring of the action plans stemming from the audit recommendations is done centrally with the help of a special computer application. Additionally, an annual follow-up assignment is scheduled in the audit schedule and specific follow-up assignments are launched when action plan indicators, managed centrally, are not in line with the commitments made by the audited entities. A report on the status of the implementation of audit recommendations is regularly presented to the Financial Directors of the Group's networks and to the Audit Committee and Supervisory Board.

External assistance is called in when needed to support internal audits when special skills or techniques are necessary to conduct investigations.

b) Financial Monitoring Controls Program

Publicis Groupe also 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 performed at two levels:

- a monthly self-assessment submitted by all Group entities helps to make them accountable for the effectiveness of their controls;
- special teams, called FMC teams, are deployed across the various networks to evaluate the effectiveness of the controls within the entities. These teams are linked to the Finance Department of each network as well as the Group's Internal Control and Risk Management Department, which oversees them, coordinates their work, and compiles the results. These teams follow a control plan that covers over 65% of the Group's consolidated revenue each year.

c) Oversight from the Legal Department

The Group's Legal Department regularly monitors litigation-related risks within the Group. A summary of any significant legal disputes, as well as an estimate of their potential impacts, is presented to the Group's senior management every quarter.

4. Risk Management Framework

Every two weeks, a "Group Committee" meets with the Chairman of the Management Board, the Deputy Managing Director, the Chief Financial Officer, the Secretary General and the SVP of Compliance & Legal 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 also subject to a detailed control, overseen by the Internal Control and Risk Management Department, on the basis of which the FMC (Financial Monitoring Controls) are defined.

The procedure for monitoring the Group's risk management system was formalized beginning in 2008 with risk mapping. All of the risks that may have an impact on the Group's finances, operations or image are listed. These impacts are the subject of an evaluation and a probability of occurrence is estimated for each risk identified; a level of intrinsic risk is therefore determined as well as a level of residual risk after taking into account the control system.

The risk mapping is updated on a regular basis to strengthen the risk management system on an ongoing basis.

In 2012, the mapping was updated at mid-year and was presented and discussed before the Strategy and Risk Committee meetings in March and on September 12, 2012. In addition, detailed studies of certain major risks were carried out, such as acquisitions and their integration into the Group and management of important clients. These analyses were presented to the Strategy and Risk Committee together with proposed action plans to limit the level or residual risk. These analyses and other information served as a basis for the audit plan drawn up for 2013.

Signed in Paris, on February 13, 2013

Élisabeth Badinter

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 CHAIRPERSON OF THE SUPERVISORY BOARD OF PUBLICIS GROUPE SA

Year ended December 31, 2012

To the Shareholders,

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, 2012.

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, April 2, 2013

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 on December 2, 2008, the Supervisory Board of Publicis Groupe 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.

From this date onward, the Supervisory Board has been in charge of ensuring that each decision made regarding compensation of the senior executives and directors comply with the guidelines under the AFEP-Medef Code.

2.7.1 FIXED, VARIABLE AND CONDITIONAL COMPENSATION

Total compensation including all types of benefits paid during the year ended December 31, 2012 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. In the interest of clarity, we separated Mr. Maurice Lévy's annual compensation and his deferred conditional compensation for the years 2003-2011 in each of the tables presented, where applicable.

Compensation (in euros) paid in 2012 (gross total before social charges and taxes)

	Total gross compensation in 2012 including:	Base compensation	Variable compensation (4)	Attendance fees	Benefits in kind (5)	Total gross compensation in 2011	Of which base compensation
Management Board							
Maurice Lévy (8)	2,696,800	0	2,696,800	-	-	3,600,000	900,000
Maurice Lévy - Deferred compensation (8)	16,035,969	0	16,035,969				
Jack Klues (1)	2,419,856	856,075	1,540,935	-	22,846	2,307,904	791,131
Kevin Roberts (1) (3)	3,499,675	778,250	2,688,075	-	33,350	3,088,528	719,210
Jean-Yves Naouri	1,600,000	700,000	900,000	-	-	1,400,000	700,000
Jean-Michel Etienne (2)	949,200	517,200	432,000	-	-	924,000	540,000
Supervisory Board							
Élisabeth Badinter (11)	237,939	182,939	-	55,000	-	252,939	182,939
Sophie Dulac	25,000	-	-	25,000	-	35,000	-
Henri-Calixte Suaudeau	45,000	-	-	45,000	-	55,000	-
Monique Bercault	-	-	-	-	-	15,000	-
Hélène Ploix	65,000	-	-	65,000	-	60,000	-
Gérard Worms	60,000	-	-	60,000	-	65,000	-
Amaury de Seze	75,000	-	-	75,000	-	70,000	-
Simon Badinter (6) (9)	451,539	210,127	193,672	35,000	12,740	436,779	193,467
Michel Cicurel	70,000	-	-	70,000	-	65,000	-
Felix G. Rohatyn	35,000	-	-	35,000	-	35,000	-
Michel Halpérin	50,000	-	-	50,000	-	40,000	-
Tatsuyoshi Takashima	5,000	-	-	5,000	-	15,000	-
Claudine Bienaimé	100,000	-	-	100,000	-	95,000	-
Tadashi Ishii	5,000	-	-	5,000	-	20,000	-
Marie-Claude Mayer (7)	370,350	250,350	80,000	40,000	-	336,432	250,000
Véronique Morali (10)	210,331	130,331	-	80,000	-	152,778	122,778
Marie-Josée Kravis	35,000	-	-	35,000	-	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 = €0.77825 in 2012 and $1 = €0.71921 in 2011.
(2) Compensation paid in 2012 was reduced €22,800 to adjust for the previous year.
(3) Variable compensation includes an annual pension contribution in accordance with the contract.
(4) Amounts paid in 2012 in relation to the 2011 financial year (subject to Notes 3 and 8).
(5) Benefits in kind relating to the use of a company-provided vehicle are not mentioned when they are for an immaterial amount.
(6) 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.
(7) Ms. Marie-Claude Mayer, member of the Supervisory Board, has an employment contract with Publicis Conseil.
(8) The variable portion consists of €2,700,000 for 2011 and €16,035,969 in deferred conditional compensation for the years 2003-2011 (see page 75). Compensation paid in 2012 was reduced by €3,200 to adjust for the previous year.
(9) Fixed compensation is calculated and paid in US dollars. Variable compensation is calculated and paid in US dollars (conversion rate: see (1)).
(10) Ms. Véronique Morali is paid in respect of her position as Chairperson of the Women's Forum for the Economy and Society.
(11) As of November 1, 2012, Ms. Élisabeth Badinter's monthly compensationm, which has not been raised since 1996, was increased from €15,245 to €20,000 after researching the compensation levels in other companies. The raise received for November and December 2012 was formalized in 2013.

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 four year-period 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, except for Mr. Maurice Lévy's compensation which is exclusively variable as of 2012. The amount of the variable component is based on individual 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 Compensation Committee's recommendations. The variable portion of compensation relating to the year is determined and paid in the following year.

As part of the new term of Management Board members, the conditions for the compensation of these members were renewed without any changes in 2012, except for those relating to its Chairman, Mr. Maurice Lévy (see Chapter 2.7.3).

As of January 1, 2012, upon his request, Mr. Maurice Lévy does not receive any fixed compensation. His compensation is entirely variable, and is 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, 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 euro 5,000,000, and may vary between zero and that cap.

The main criteria used to determine the variable compensation of the other Management Board members for 2012 were as follows:

- 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 fixed 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 and at Rosetta, up to a maximum of 100% of his fixed compensation;
- Mr. Jean-Michel Etienne: 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 fixed 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 euro 5,000 in 2012 for each meeting attended in 2011. Each member of the Audit Committee, Appointments Committee, Compensation Committee and Strategy and Risk Committee was paid euro 5,000 for each meeting attended in 2011.

Total compensation due for 2012

On March 6, 2013, after hearing the recommendations from the Compensation Committee, the Supervisory Board set Mr. Maurice Lévy's compensation for 2012, to be paid to him in 2013, at euro 4,800,000 and set the 2012 variable compensation to be paid to the other members of the Management Board in 2013 as follows: Mr. Jack Klues: USD 1,700,000; Mr. Jean-Yves Naouri: euro 900,000; Mr. Kevin Roberts: USD 800,000 (plus contractual pension contribution: USD 1,154,000); Mr. Jean-Michel Etienne: euro 432,000.

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 Compensation Committee's recommendation, 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 Etienne. The statutory auditors were informed of the provisions renewed or adopted by the Board as these are considered related-party agreements and, as required by law, the changes were subject to a vote at the General Shareholders' Meeting on May 29, 2012, where these agreements were approved.

As a result, 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, which are deemed employment contracts by the law of the countries concerned. Furthermore, Mr. Jean-Yves Naouri and Mr. Jean-Michel Etienne 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' 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' 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 fixed 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 receives, 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 bonus share award plan in question. However, pursuant to the decision of the Supervisory Board on March 6, 2012, these sums and benefits will only be due in full if the average annual amount of the bonus acquired by Mr. 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 under 25% of the "target bonus," no sum or benefit shall 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 commitment was made to pay Mr. Roberts successive annuities paid during the 2009-2014 period for a total maximum amount of USD 7,045,000. Of this amount, USD 5,770,000 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;
- in addition, at the end of each contractual period (2009-2013 for the current agreement) and under certain conditions, Mr. Roberts is entitled to deferred compensation based on a rate of USD 200,000 per year of collaboration since the beginning of the period;
- Mr. Jack Klues asked that his term as member of the Management Board and his position as Chairman of VivaKi end as of December 31, 2012. However, his employment contract remains in effect for six months to ensure the transition with the new structure of the Group in the areas of media purchases and digital services;
- the contract concluded with Mr. Jack Klues, which took effect on July 1, 2004, provided that if the Company terminated the contract before its normal term "without just cause" Mr. Klues may be entitled to receive an amount equal to his total annual compensation (fixed 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 plan in question. However, pursuant to the decision of the Supervisory Board on March 6, 2012, these amounts and benefits wouldonly 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 under 25% of the "target bonus," no sum or benefit shall 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. Since Mr. Jack Klues made the decision himself to resign from the Management Board on December 31, 2012, the above agreement has become null and void;

- in addition, it was agreed that if Mr. Klues retired at his own initiative at the age of 55 or was asked by Publicis to retire at 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 that he complies with a non-compete and non-solicitation agreement for five years. Since Mr. Klues made the decision to resign, and he is older than 55, this commitment will take effect beginning in 2013 for a period of five years;
- the agreements in effect 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 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 compensation (fixed 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 bonus shares already granted to him, subject to the performance conditions set out in the regulations for the bonus share award plan in question. However, pursuant to the decision of the Supervisory Board on 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 under 25% of the "target bonus," no sum or benefit shall 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;
- 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 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 compensation (base compensation and maximum variable component), and the right to exercise the stock options and/or to purchase the bonus 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 on 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 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 under 25% of the "target bonus," no sum or benefit shall 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;
- the employment contract entered into with Mr. Maurice Lévy at the time of his arrival at the Group in 1971 has since 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 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 euro 121,671.44 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 had 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 effect after the renewal of the Management Board Chairman's term of office, 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

Further to the Supervisory Board's decision on March 17 approved by the General Shareholders' Meeting on June 3, 2008, upon termination of his duties as Chairman of the Management Board (December 31, 2011), Maurice Lévy was due deferred conditional compensation that had accrued each year 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 dated November 22, 2004. One component relates to organic growth and the margin of total consolidated net income of the Publicis Groupe, as compared with the three other communications groups worldwide (IPG, Omnicom, WPP). The the bonus portion relating to these two criteria may reach a maximum of 75% of the fixed compensation. The other component of the bonus relates to the consolidated net income of Publicis Conseil and its subsidiaries, which was paid for Mr. Lévy's performance of duties of Chief Executive Officer of Publicis Conseil in accordance with requirements defined by the Board of Directors of that company.

The payment of the deferred compensation was subject to the achievement of the following performance conditions and cumulative and independent period of employment:

- performance condition: the deferred compensation defined above shall be paid on condition that the average annual amount of the quantitative variable compensation acquired by Maurice Lévy in relation to the last three full years of his term of office as Chairman of the Management Board is equal to at least 75% of the general average (including the last three years of the term of office) of the quantitative annual variable compensation acquired by Maurice Lévy for 2003 and subsequent years:
  - if the average for the final three full years of the term was under 25% of the overall average, there is no deferred compensation,
  - if the average for the final three full years of the term was between 25% and 75% of the overall average, the deferred compensation would be calculated proportionately between 0% and 100% by applying the rule of three;
- length of service condition: deferred compensation was consideration for the commitment by Mr. Maurice Lévy to continue to remain in his position 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 would beentitled to the payment of this deferred compensation, as calculated above, as long as he did not resign from his position as Chairman of the Management Board of Publicis Groupe SA before the expiration of his term of office on December 31, 2011;
- the termination of duties for reasons of illness or disability, death, or voluntary departure following a change in a major shareholder of the Group would not be considered a resignation.

The conditional deferred compensation was due to Mr. Maurice Lévy as a result of his undertaking to ensure his duties up until December 31, 2011. At the time when this payment was designed, it represented a loyalty tool whose characteristic feature was not related to the departure of Mr. Maurice Lévy from the Group (it was not severance pay), but to his undertaking to remain in his post until the end of the contractual term. The fact that his duties continued under a new term as Chairman of the Management Board beginning January 1, 2012 does not affect his right to be paid his deferred conditional compensation after December 31, 2011.

On May 29, 2012, upon the recommendation of the Compensation Committee, the Supervisory Board acknowledged that the performance and continued employment conditions had been satisfied in full and that the total deferred conditional compensation stood at euro 16,035,969. It authorized payment of this compensation accordingly.

The deferred conditional compensation system was not renewed for Mr. Maurice Lévy's 2012-2015 term.

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

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, 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 euro 150,000 (gross) over the period covered by the non-compete agreement, *i.e.* euro 5,400,000 (gross) in total for the three years.

This non-compete agreement, approved by the General Shareholders' Meeting on June 3, 2008, remained in effect without change after the beginning of Mr. Maurice Lévy's new term as Chairman of the Management Board, which began on January 1, 2012.

Pursuant to 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 2012, members of the Supervisory Board and the Management Board, was a net reversal of a provision of euro 19 million.

In addition, the total amount of provisions for these benefits was euro 11 million as of December 31, 2012. This amount was euro 30 million at December 31, 2011 and euro 33 million at December 31, 2010.

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, as of January 1, 2012, the conditions for the compensation of members of the Management Board were renewed with no changes, except those relating to its Chairman, Mr. Maurice Lévy.

Starting from January 1, 2012, upon his request, Maurice Lévy will not receive any fixed compensation. His compensation is entirely variable and determined each year based on four quantitative and qualitative performance criteria. Total annual compensation is capped at a maximum of euro 5,000,000 and may vary between zero and that cap.

The quantitative performance criteria are: organic growth of Group revenue, net income ratio compared to revenue, and the change in net diluted earnings per share compared to the previous two years, as well as compared to that of the three other global communication groups (Omnicom, WPP and IPG); and the amount of TSR (Total Shareholder Return). The quantitative criteria account for a total of two thirds in the calculation of compensation. The maximum amount related to each criterion is reached if the Group achieves, in the year in question, organic growth greater than or equal to 120% of the average rate of the benchmark group, a net income ratio greater than or equal to the highest rate of the benchmark group, a rate of change of net diluted earnings per share greater than or equal to the average rate of change of the benchmark group, and positive TSR, respectively. The amount tied to each criterion is zero if the Group achieves less than 80% of: the average organic growth rate, the highest net income ratio rate, the average change in net diluted earnings per share of the benchmark group, or zero or negative TSR.

The qualitative performance criteria account for one third in the calculation of compensation – they are defined annually according to the strategic interest of the Company. For 2012, the qualitative criteria involved the preparation of the future management team and the Group's expansion in digital services. For 2013, the qualitative criteria involve preparing the future direction of the Group and preparing for the development of the Group's medium and long-term beneficiary ability.

For 2012, regarding the quantitative criteria, the Supervisory Board recorded the following results:

- Publicis Groupe's organic revenue growth in 2012 (2.9%) was equal to 114.5% of the benchmark group (Omnicom, WPP and IPG);
- the consolidated net income ratio compared to Publicis Groupe's revenue (11.1%) was greater than the highest rate that the benchmark group achieved;
- Publicis Groupe's EPS rate of change (34.66%) was greater than the benchmark group's average;
- Publicis Group's TSR (+euros 8) was positive.

Based on the above indicators, and after taking the qualitative criteria into account, the Supervisory Board set Mr. Maurice Lévy's 2012 compensation at euro 4.8 million.

In addition, we would remind you that the regulated agreement approved by the Combined Ordinary and Extraordinary Shareholders' Meeting on 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.

Mr. Maurice Lévy chose not to participate in performance share plans, stock options and similar compensation instruments put in place for the Group's managers starting in 2012.

2.7.4 SUMMARY TABLE OF COMPENSATION

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 AND OPTIONS AND SHARES ISSUED TO EACH SENIOR EXECUTIVE AND DIRECTOR (IN EUROS)

	2012	2011
Management Board		
Maurice Lévy, Chairman of the Management Board		
Total compensation due for the year (1) (5)	4,800,000	3,600,000
Valuation of options granted during the year (2) (6)	-	-
Valuation of performance shares awarded during the year (3) (6)	-	-
TOTAL	**4,800,000**	**3,600,000**
Jack Klues		
Total compensation due for the year (1) (4)	2,201,946	2,215,166
Valuation of options granted during the year (2)	-	-
Valuation of performance shares awarded during the year (3)	-	-
TOTAL	**2,201,946**	**2,215,166**
Kevin Roberts		
Total compensation due for the year (1) (4)	2,332,300	3,232,370
Valuation of options granted during the year (2)	-	-
Valuation of performance shares awarded during the year (3)	-	-
TOTAL	**2,332,300**	**3,232,370**
Jean-Yves Naouri		
Total compensation due for the year (1)	1,600,000	1,600,000
Valuation of options granted during the year (2)	-	-
Valuation of performance shares awarded during the year (3)	-	
TOTAL	**1,600,000**	**1,600,000**
Jean-Michel Etienne (5)		
Total compensation due for the year (1)	972,000	972,000
Valuation of options granted during the year (2)	-	-
Valuation of performance shares awarded during the year (3)	-	-
TOTAL	**972,000**	**972,000**

(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 = €0.77825 in 2012 and $1 = €0.71921 in 2011.
(5) In 2012, €16,035,969 in deferred conditional compensation, earned over the period from 2003-2011, was paid.
(6) The total compensation for Maurice Lévy up to December 31, 2011 included a fixed salary and performance-based variable compensation paid each year, a deferred conditional compensation (having led to the payment of €16 million in 2012 after nine years) and stock options or performance shares. The total annual average over the last three years (2009-2011) was approximately €6,600,000 (for this calculation, the share awards were valued by using the listing price on the award date). This number must be compared to the 2012 compensation (€4,800,000), which is 100% variable, subject to performance and no longer includes fixed or deferred compensation, stock options or performance shares (the last performance share plan was the LTIP 2010-2012 put in place in 2010).

TABLE 2 (AMF NOMENCLATURE)
SUMMARY TABLE OF TOTAL COMPENSATION OF EACH SENIOR EXECUTIVE AND DIRECTOR (IN EUROS)

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

No exceptional compensation was paid to the corporate officers.

	2012 - Amount:		2011 - Amount:	
	due	paid	due	paid
Management Board				
Maurice Lévy, Chairman of the Management Board (7)				
Base compensation	0	0	900,000	900,000
Variable compensation	4,800,000	2,696,800	2,700,000	2,700,000
Conditional deferred compensation (1)		16,035,969		
Benefits in kind (3)			-	-
TOTAL (6)	**4,800,000**	**18,732,769**	**3,600,000**	**3,600,000**
Jack Klues (4)				
Base compensation	856,075	856,075	791,131	791,131
Variable compensation	1,323,025	1,540,935	1,424,036	1,510,341
Benefits in kind (3)	22,846	22,846	6,432	6,432
TOTAL	**2,201,946**	**2,419,856**	**2,215,167**	**2,307,904**
Kevin Roberts (2) (4)				
Base compensation	778,250	778,250	719,210	719,210
Variable compensation	1,520,700	2,688,075	2,484,151	2,340,309
Benefits in kind (3)	33,350	33,350	29,009	29,009
TOTAL	**2,332,300**	**3,499,675**	**3,232,370**	**3,088,528**
Jean-Yves Naouri				
Base compensation	700,000	700,000	700,000	700,000
Variable compensation	900,000	900,000	900,000	700,000
Benefits in kind (3)	-	-	-	-
TOTAL	**1,600,000**	**1,600,000**	**1,600,000**	**1,400,000**
Jean-Michel Etienne (5)				
Base compensation	540,000	517,200	540,000	540,000
Variable compensation	432,000	432,000	432,000	384,000
Benefits in kind (3)			-	-
TOTAL	**972,000**	**949,200**	**972,000**	**924,000**

(1) The deferred conditional compensation was earned for the years 2003-2011 (see page 75, deferred conditional compensation).
(2) The variable compensation component includes a contractual annual pension disbursement.
(3) Benefits in kind relating to the use of a company-provided vehicle are not mentioned when they are for an immaterial amount.
(4) Compensation calculated and paid in US dollars. The euro conversion is carried out at the average rate of $1 = €0.77825 in 2012 and $1 = €0.71921 in 2011.
(5) Compensation paid in 2012 includes a €22,800 decrease to adjust for the previous year.
(6) Compensation paid in 2012 was reduced by €3,200 to adjust for the previous year.
(7) The total compensation for Maurice Lévy up to December 31, 2011 included a fixed salary and performance-based variable compensation paid each year, a deferred conditional compensation (having led to the payment of €16 million in 2012 after nine years) and stock options or performance shares. The total annual average over the last three years (2009-2011) was approximately €6,600,000 (for this calculation, the share awards were valued by using the listing price on the award date). This number must be compared to the 2012 compensation (€4,800,000), which is 100% variable, subject to performance and no longer includes fixed or deferred compensation, stock options or performance shares (the last performance share plan was the LTIP 2010-2012 put in place in 2010).

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

	Attendance fees paid in 2012	Attendance fees paid in 2011
Supervisory Board		
Élisabeth Badinter, Chairperson [(1)]	55,000	70,000
Sophie Dulac	25,000	35,000
Simon Badinter [(2)]	35,000	40,000
Monique Bercault (term expired on June 1, 2010)	-	15,000
Claudine Bienaimé	100,000	95,000
Michel Cicurel	70,000	65,000
Michel Halpérin	50,000	40,000
Hélène Ploix	65,000	60,000
Felix G. Rohatyn	35,000	35,000
Amaury de Seze	75,000	70,000
Henri Calixte Suaudeau	45,000	55,000
Tatsuyoshi Takashima	5,000	15,000
Tadashi Ishii	5,000	20,000
Gérard Worms	60,000	65,000
Véronique Morali [(4)]	80,000	30,000
Marie-Josée Kravis	35,000	20,000
Marie-Claude Mayer [(3)]	40,000	25,000
TOTAL	**780,000**	**755,000**

(1) Ms. Élisabeth Badinter received €182,939 in fixed compensation in 2011 and 2012. Her fixed compensation was increased to €20,000 per month (€240,000 per year) beginning on November 1, 2012. €9,510 in additional compensation for 2012 was paid at the beginning of 2013.

(2) For his work with Médias et Régies Europe, in 2012 Mr. Simon Badinter received fixed compensation of €210,127, variable compensation of €193,672 and benefits in kind of €12,740. In 2011, he received fixed compensation of €193,467, variable compensation of €193,672 and benefits in kind of €9,640.

(3) In 2012 Ms. Marie-Claude Mayer received fixed compensation of €250,350 and variable compensation of €80,000 and in 2011 she received fixed compensation of €250,000, variable compensation of €60,000 and benefits in kind worth €1,432 for her work with Publicis Conseil.

(4) Ms. Véronique Morali was paid fixed compensation of €130,331 in 2012 for her position as Chairperson of the Women's Forum for the Economy and Society. In 2011, this fixed compensation totaled €122,778.

TABLE 4 (AMF NOMENCLATURE) STOCK OPTIONS GRANTED DURING THE YEAR TO EACH SENIOR EXECUTIVE AND DIRECTOR BY THE COMPANY AND BY ANY 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 2012
Jack Klues						None in 2012
Kevin Roberts						None in 2012
Jean-Yves Naouri						None in 2012
Jean-Michel Etienne						None in 2012

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

	Number and date of plan	Number of options exercised during the year	Average exercise price (in euros)	Year granted
Management Board				
Maurice Lévy, Chairman	07/08/2002 and 08/28/2003	620,000	26.60	2002 and 2003
Jack Klues	08/28/2003 and 08/21/2006	228,164	25.99	2003 and 2006
Kevin Roberts	09/28/2004 and 08/21/2006	205,610	28.88	2004 and 2006
Jean-Yves Naouri	-	None in 2012	-	-
Jean-Michel Etienne	08/28/2003	70,233	24.82	2003

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, 2012	
	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			78,853	78,853
Jack Klues	LTIP 2010 - 2012 (1)	09/02/2010	Co-investment plan	03/19/2009	107,419	107,419
Kevin Roberts	LTIP 2010 - 2012 (1)	09/02/2010	Co-investment plan	03/19/2009	102,381	102,381
Jean-Yves Naouri	LTIP 2010 - 2012 (1)	09/02/2010			35,484	35,484
Jean-Michel Etienne	LTIP 2010 - 2012 (1)	09/02/2010			35,484	35,484

(1) Award in 2010 covering 2010-2012.

(2) The performance shares awarded to the Management Board members under these plans are definitively acquired (contingent upon three years of continued employment with a two-year lock-in period for French residents or four years for other nationalities) according to the Publicis Groupe's relative performance on weighted organic growth and operating margin criteria, compared to the benchmark group (Omnicom, WPP, IPG, Publicis Groupe). 100% of the shares were issued if the Publicis Groupe achieved organic growth greater than the benchmark group's average, and the highest operating margin rate. No shares were issued if the Publicis Groupe achieved less than 80% of the benchmark group's average organic growth and the lowest operating margin rate. The result is determined annually for the LTIP 2010-2012 plan and on average over the 2009-2011 period for the Co-investment Plan. The objectives were 100% achieved for 2009-2011, 100% achieved for 2010, 95.7% achieved for 2011 and 100% achieved for 2012. Management Board members must retain 20% of the vested shares throughout their term of office. See details on page 82.

TABLE 7 (AMF NOMENCLATURE) PERFORMANCE SHARES MADE AVAILABLE TO EACH SENIOR EXECUTIVE AND DIRECTOR

	Plan - name	Date	Number of performance shares made available in 2012
Management Board			
Maurice Lévy, Chairman [1]	Co-investment plan	3/19/2009	60,800 [2]
Jack Klues	-	-	-
Kevin Roberts	-	-	-
Jean-Yves Naouri [1]	Co-investment plan	3/19/2009	43,346 [2]
Jean-Michel Etienne [1] [3]	Co-investment plan	3/19/2009	37,376 [2]

(1) 20% of the shares obtained under the co-investment plan must be retained by the recipient until the end of his/her term as member of the Management Board.
(2) These shares are subject to a two-year period of non-transferability that lasts until March 2014.
(3) As part of this share grant, 18,688 shares were subject exclusively to an attendance condition before Mr. Etienne joined the Management Board.

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

	Stock option plans								
Date of authorization by the Exceptional General Meeting (EGM)	2003	2003	2004	2004	2005	2006	2006	2007	Original Digitas plans [4]
Date of the Management Board's meeting deciding the allocation	08/28/2003	08/28/2003	09/28/2004	09/28/2004	05/24/2005	08/21/2006	08/21/2006	08/24/2007	
Total number of allocated share subscription options (S) or of share purchase options (A), or of free shares allocated (FSA) to:	517,067 A	9,498,000 [1] A	11,000 A	1,959,086 [1] A	935,192 [1] A	100,000 A	10,256,050 [1] A	1,574,400 [1] A	3,199,756 A
• Corporate officers	41,000			575,000 [1]		100,000	950,000 [1]	-	-
• First 10 beneficiary employees:		970,000 [1]		442,580 [1]	210,000 [1]	-	738,000 [1]	258,000 [1]	-
Start date for exercise of the options	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	50% [3] 2009 [3] 50% 2010	50% [3] 2009 [3] 50% 2010	01/31/2007
Expiry date	08/27/2013	08/27/2013	09/27/2014	09/27/2014	05/23/2015	08/20/2016	08/20/2016	08/23/2017	2009 to 2017
Subscription or purchase price in euros	24.82	24.82	24.82	24.82	24.76	29.27	29.27	31.31	2.47 to 58.58
Adjusted total number of allocated share purchase options, share subscription options, or free shares allocated as of 12/31/2012	517,067	9,498,000 [1]	11,000	1,959,086 [1]	935,192 [1]	100,000	10,256,050 [1]	1,574,400 [1]	3,199,756
Total number of shares subscribed, purchased or delivered (FSA) as of 12/31/2012	452,400	5,073,400	-	1,076,992	552,633	-	2,976,688	334,269	2,336,248
Total number of canceled subscription options, purchase options or free shares as of 12/31/2012	38,667	4,083,205	11,000	599,423	287,935	-	5,794,715	910,788	675,100
Total number of share purchase options, share subscription options or free shares remaining as of 12/31/2012	26,000	341,395	-	282,671	94,624	100,000	1,484,647	329,343	188,408

In addition to the continued employment criteria and the two-year lock-in period for French residents, the Group's share award plans (see the table on the following page) include performance criteria. The two criteria retained are organic revenue growth and operating margin rate compared to that of the benchmark group (IPG, Omnicom, WPP and Publicis Groupe).

If the Publicis Groupe's organic growth is greater than the average of the benchmark group, 100% of the shares are awarded. If organic growth is less than 80% of the benchmark group, no shares are awarded. If organic growth is between 80% and 100%, the number of shares is reduced by 5% for each 1% of performance recorded below 100%.

If the Publicis Groupe has the best operating margin in the sector, 100% of the shares are awarded. If the Publicis Groupe is in second place, 50% of the shares are awarded. If the Publicis Groupe is in third place, 15% of the shares are awarded and if the Publicis Groupe is in last place, no shares are awarded.

These conditions are the same for the annual LTIP plans (the calculation is carried out for the year the shares are awarded), the 2010-2012 Management Board Plan (the calculation is carried out for one third of the shares for each of the three years), and for the performance shares within the 2009 co-investment plan (the calculation is made on an average of performance over three years). Of the shares given to beneficiaries for the 2009 co-investment plan, 50% are made up of shares with a continued employment criterion, given the commitment that the investment made by each beneficiary in the Publicis Groupe represents and the risk that ensues. However, regarding the members of the Management Board, all of the shares for the 2009 co-investment plan from which they benefit are subject to performance conditions.

The free share awards intended for all employees do not have performance conditions attached.

Date of authorization by the Exceptional General Meeting (EGM)	Free share plans: 2009 [5] France	2009 [6] Co-investment	Original Razorfish plan [7]	LTIP 2010	LTIP 2010-2012	2010 Employees United States	LTIP 2011	2011 International employees	LTIP 2012
Date of the Management Board's meeting deciding the allocation	05/20/2009	03/19/2009	12/01/2009	08/19/2010	09/22/2010	11/19/2010	04/19/2011	11/21/2011	04/17/2012
Total number of allocated share subscription options (S) or of share purchase options (A), or of free shares allocated (FSA) to:	210,125 FSAs	3,544,176 FSAs	493,832 FSAs	667,600 FSAs	252,000 FSAs	658,400 FSAs	674,650 FSAs	533,700 FSAs	681,550 [10] FSAs
• Corporate officers	-	225,506	-	-	252,000	-	-	-	-
• First 10 beneficiary employees:	500	447,890	-	54,000	-	500	62,000	500	54,000
Start date for exercise of the options	05/20/2011	03/19/2012 [8] 03/19/2013	Between 01/01/2010 and 12/2018	-	-	-			
Expiry date				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	04/17/2015 [8] 04/17/2016
Subscription or purchase price in euros	-	-	-						
Adjusted total number of allocated share purchase options, share subscription options, or free shares allocated as of 12/31/2012	210,125	3,544,176	493,832	667,600	252,000	658,400	674,650	533,700	681,550
Total number of shares subscribed, purchased or delivered (FSA) as of 12/31/2012	150,575	805,470	250,692	-	-	-	-	-	-
Total number of canceled subscription options, purchase options or free shares as of 12/31/2012	59,550	572,055	164,756	120,450	3,613	285,250	98,858	119,000	14,575
Total number of share purchase options, share subscription options or free shares remaining as of 12/31/2012	0	2,166,651	78,384	547,150	248,387	373,150	575,792	414,700	666,975

(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) 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 canceled.

(3) 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. Non-exercisable options were canceled.

(4) Options granted under the Digitas option plans that existed when Digitas was acquired in 2007 were converted into purchase options on Publicis Groupe shares 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 purchase price was adjusted as a result.

(5) This is a plan to allocate 50 free shares to each French employee.

(6) Co-investment plan offered to 160 key Group managers, of which 136 subscribed.

(7) Options granted under the Microsoft option plans that existed when Razorfish was acquired in October 2009 were converted into stock purchase options on shares of Publicis Groupe using the existing ratio of the purchase price established for Microsoft (restated in euros) and the market value of Publicis Groupe stock on the date of the acquisition.

(8) Concerns French employees, who are subjected 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.

(10) Under the LTIP 2012 plan, 11,965 free shares were granted by the Management Board on July 16, 2012.

Note: No stock options have been granted since 2008.

TABLE 9 (AMF NOMENCLATURE) OPTIONS FOR SUBSCRIPTION OR PURCHASE OF PUBLICIS GROUPE SHARES, OFFERED AND EXERCISED BY THE TEN NON-DIRECTOR EMPLOYEE ALLOTTEES

	Plan	Number of options granted/purchased	Weighted average price (in euros)
Options granted between January 1, and December 31, 2012, by the issuer and by any company included in the scope of option allocation to their respective 10 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, 2012, by their respective 10 employees who bought or subscribed to the greatest number of options (overall information).	LTIP I 2003	75,081	24.82
	LTIP II 2006	187,769	29.27
	LTIP II 2007	10,953	**31.31**
TOTAL		**273,803**	

TABLE 10 (AMF NOMENCLATURE) OTHER INFORMATION CONCERNING THE SENIOR EXECUTIVES AND DIRECTORS

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

(1) In relation to an employment contract.
(2) See Section 2.7 of this document.

2.7.5 INVESTMENT IN SHARE CAPITAL

As of December 31, 2012, no member of the Supervisory Board (with the exception of Ms. Élisabeth Badinter and her children (9.13%) and Ms. Sophie Dulac (1.13%)) 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 Maurice Lévy, who directly or indirectly owns 4,983,654 shares, or around 2.37% of the Company's share capital, including 2,920,000 shares held through non-trading companies owned by Maurice Lévy and his family.

As of December 31, 2012, the members of the Supervisory Board and Management Board (with the exception of Ms. Élisabeth Badinter and her children) directly and indirectly owned 7,675,157 shares, or 3.65% of the share capital of the Company, including 2.37% controlled by Mr. Maurice Lévy (see Section 6.2.1).

As of December 31, 2012, the members of the Management Board also owned 719,451 stock options, all of which are exercisable. The average weighted exercise price of the options ranges between euro 27.34 and euro 29.27 per share and the expiry date of these options is between 2013 and 2017 (see Note 28 of the consolidated financial statements in Section 4.6).

The following table shows the investment of each corporate executive in the share capital of the Company at December 31, 2012 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 of Members of the Management and Supervisory Boards at December 31, 2012

Member of Management or Supervisory Board	Number of Publicis Groupe shares	Voting rights in Publicis Groupe (1)	Number of shares that may be acquired through the exercise of share subscription options: Member of Management or Supervisory Board – Total number	Number of shares that may be acquired through the exercise of share subscription options: Member of Management or Supervisory Board – Conditional options (3)	Weighted average price (in euros)
Management Board					
Maurice Lévy (2)	4,983,654	9,706,508	526,163	426,163	27.78
Jack Klues	17,542	17,542	46,403	46,403	29.27
Kevin Roberts	-	-	-	-	
Jean-Yves Naouri	125,144	190,942	90,554	82,554	27.34
Jean-Michel Etienne	37,376	37,376	56,331	56,331	29.27
Total Management Board	**5,163,716**	**9,952,368**	**719,451**	**611,451**	
Supervisory Board					
Élisabeth Badinter	19,172,340	38,344,680			
Sophie Dulac	2,369,460	4,638,920			
Claudine Bienaimé	55,900	104,300	90,000	90,000	29.27
Henri-Calixte Suaudeau	65,681	131,362			
Hélène Ploix	8,950	10,970			
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			
Marie-Josée Kravis	1,400	1,400			
Véronique Morali	200	400			
Marie-Claude Mayer	6,110	12,170			
Total Supervisory Board	**21,683,781**	**43,249,632**	**90,000**	**90,000**	

(1) Shows the impact of possible duplicate voting rights.
(2) Maurice Lévy directly owns 2,063,654 shares, and indirectly owns 2,920,000 shares of the Company through non-trading companies, representing a total of 9,706,508 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 at least 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 2012 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	Type of transaction	Number of transactions	Amount of the transaction (in euros)
Maurice Lévy [(1)]	Chairman of the Management Board	Shares	Exercise of stock options	2	16,481,800
Jack Klues	Member of the Management Board	Shares	Exercise of stock options	2	5,930,030
			Disposal	3	9,742,064
Kevin Roberts	Member of the Management Board	Shares	Exercise of stock options	2	5,938,817
			Disposal	1	7,783,449
Jean-Michel Etienne [(1)]	Member of the Management Board	Shares	Exercise of stock options	2	1,743,183
			Disposal	1	2,060,893
Élisabeth Badinter [(1)]	Chairperson of the Supervisory Board	Shares	Disposal	2	18,430,920
Simon Badinter	Member of the Supervisory Board	Shares	Disposal	2	6,267,027
Marie-ClaudeMayer	Member of the Supervisory Board	Shares	Disposal	1	196,155
Hélène Ploix	Member of the Supervisory Board	Shares	Acquisition	1	286,803
			Disposal	1	283,546
Tadashi Ishii	Resigned member of the Supervisory Board	Shares	Disposal	1	8,186
Tatsuyoshi Takashima	Resigned member of the Supervisory Board	Shares	Disposal	1	8,186

(1) The transactions listed in the table do not include gifts given in 2012.

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.

To this end, confirmed credit line agreements were entered into with BNP Paribas and Société Générale in 2009, for a principal of euro 100 million each and a maturity of five years.

On July 13, 2011, Publicis Groupe SA signed a syndicated loan (Club Deal) in the amount of euro 1,200 million with a syndicate of 15 banks. BNP Paribas is the agent for the syndicate and also contributed euro 106 million to this facility. Société Générale and Deutsche Bank also contributed euro 106 million and euro 50 million, respectively. This new syndicated loan replaced a previous syndicated loan signed in 2007 to which Société Générale and BNP were also parties.

Additionally, in 2011, Publicis Groupe SA renewed its euro 45 million short-term credit line with Société Générale.

Lastly, Publicis Groupe signed a contract on July 3, 2012 with Crédit Agricole Cheuvreux, now Kepler Cheuvreux, to entrust it with the implementation of a liquidity contract covering ordinary shares. This contract, effective for an automatically renewing term of six months, complies with the AMAFI code of ethics dated March 8, 2011 and was approved by the AMF on March 21, 2011. This liquidity contract follows a previous contract signed in February 2008 with SG Securities (Paris).

2.9.2 REGULATED 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 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.

Following the renewal of the Management Board members' terms of office 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 Etienne. The statutory auditors were informed of the provisions renewed or adopted by the Board as these are considered related-party agreements and, as required by law, the changes were subject to a vote at the General Shareholders' Meeting on May 29, 2012, where they were approved. 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 2011, 2010 and 2009:

- 2011: this document was filed with the AMF on March 19, 2012, under no. D. 12-0174, page 73;
- 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;

2.9.3 RELATED-PARTY TRANSACTIONS

Publicis Groupe SA did not carry out any transactions with related parties in 2012.

The following related party transactions occurred in the last three years (in millions of euros):

Year	Related company	Revenue with related parties (1)
2009	Dentsu	23
2010	Dentsu	13
2011	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 in the balance sheet as of December 31, 2012 was as follows (in millions of euros):

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

2.9.4 PUBLICIS/DENTSU AGREEMENT

The agreement between Publicis Groupe SA and Dentsu Inc. ("Dentsu") signed 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, under whose terms Philadelphia Merger Corp. was absorbed by Bcom3 through a merger-absorption, remained in effect until February 17, 2012.

The agreement between Dentsu and Publicis supersedes the Memorandum of Understanding signed on March 7, 2002 with Dentsu. This agreement was entered into following the procedure applicable to related-party agreements. It was scheduled to expire on July 12, 2012.

On February 17, 2012, Publicis purchased 18 million of its own shares offered for sale by Dentsu at a price of euro 35.80 per share. This transaction, along with the simultaneous cancellation of 10,759,813 shares, was authorized by the Supervisory Board (the interested parties have abstained from voting), 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 the abovementioned agreement to a close, together with the resulting concert party and the SEP Dentsu-Badinter, which has been dissolved. It also resulted in the termination of the shareholder agreement and the "Strategic Alliance Agreement" entered into by Dentsu and Publicis Groupe in 2003.

Under the agreement between Dentsu and Publicis, Dentsu was represented by two members on the Supervisory Board of Publicis Groupe SA as long as Dentsu held at least 10% of Publicis' share capital (calculated in a specific manner). Therefore, when this agreement was terminated, Mr. Tatsuyoshi Takashima and Tadashi Ishii, members of the Publicis Groupe SA Supervisory Board, resigned from their terms of office on February 17, 2012.

2.9.5 SHAREHOLDERS' AGREEMENT BETWEEN DENTSU AND MS. ÉLISABETH BADINTER

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

Under the Badinter/Dentsu Shareholders' Agreement, Dentsu agreed to elect or renew the terms of office of the Supervisory Board members designated by Ms. Élisabeth Badinter.

In carrying out its functions on Publicis' Supervisory Board, Dentsu was 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 terms of office;
- to vote in favor of candidates that Ms. Élisabeth Badinter put forward to join the management of Publicis Groupe SA (and in particular the Management Board).

The shareholders' agreement between Dentsu and Ms. Élisabeth Badinter provided for the creation of a special committee whose members were designated by Ms. Élisabeth Badinter and Dentsu from among the Supervisory Board members (Ms. Élisabeth Badinter held the power to appoint the majority of members), and whose role was:

- to examine the strategic decisions to be taken by the Supervisory Board or the General 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 agreed 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 agreed not to transfer any Publicis Groupe SA shares to a third party until July 12, 2012 (subject to specific exceptions), and to be subject to specific 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.

The shareholders' pact between Dentsu and Ms. Badinter is slated to expire on July 12, 2014.

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 was to exercise the voting rights attached to those shares of Publicis Groupe SA contributed to the SEP. Dentsu was required to contribute shares of Publicis Groupe SA to the SEP when the associated voting rights exceeded 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 was the manager of the SEP: as such, she exercised the voting rights attached to these shares.

The SEP will expire 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. The disclosure of the above agreements to the AMF (Autorité des marchés financiers) 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 transactions with related parties since December 31, 2012, 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, 2012

To the shareholders,

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 APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

We have been informed of no agreements and commitments authorized during last year and requiring the approval of the Shareholders' Meeting by virtue of article R. 225-86 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

I. Agreements and commitments approved in prior financial years by the 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.

A. 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 euro 100 million each, valid for five 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 Company's 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.

The agreement was approved during the General Shareholders' Meeting of June 1, 2010.

B. Company agreements and commitments to Management Board members

NON-COMPETE AGREEMENT TO THE CHAIRMAN OF THE MANAGEMENT BOARD, MAURICE LÉVY

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 widened 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.

NON-COMPETE AGREEMENT TO OTHER MANAGEMENT BOARD MEMBER, JACK KLUES

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, 2012, 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.

During the year 2012, Jack Klues asked to put an end to his mandate of member of the Management Board by December 31, 2012 and announced his retirement during the exercise 2013. This departure being made on its initiative and after the age of 55 years, the agreement will produce its effects from the exercise 2013 and during a period of five years.

II. Agreements and commitments approved during the past financial year

We were informed of the following agreements and commitments that had received prior approval from the Supervisory Board from May 29, 2012, on report of the statutory auditors on related party agreements and commitments dated from March 9, 2012.

A. 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 euro 1,200 million valid for a five 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.

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

MEMBERS OF THE SUPERVISORY BOARD INVOLVED: ÉLISABETH BADINTER, SIMON BADINTER, TATSUYOSHI TAKASHIMA AND TADASHI ISHII

SHAREHOLDER INVOLVED: 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.

On February 14, 2012, Publicis purchased 18 million of its own shares offered for sale by Dentsu at a price of euro 35.80 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.

C. Company agreements and commitments to Management Board members

MANAGEMENT BOARD MEMBER CONCERNED: MR. JEAN-MICHEL ETIENNE

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 of 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.

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 benefits 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.

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.

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.

During year 2012, Jack Klues asked to put an end to his mandate of member of the Management Board by December 31, 2012 and announced his retirement during the exercise 2013. The commitment of compensation of the end of contract becomes thus null and void on December 31, 2012.

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.

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.

Courbevoie and Paris-La Défense, April 2, 2013

By the statutory auditors

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

2.10 Code of ethics

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, protecting the Group's brands and intellectual property, financial and accounting management, as well as rules governing mergers and acquisitions, investments, restructuring and purchasing policies.

The guidelines include a code of ethics applying mainly to the members of the Management Board and other senior managers; another code of ethics applies to all employees. The code of ethics is available on the Group's website (www.publicisgroupe.com) in the "Social Responsibility" section under "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.

3

COMMENTARY ON FISCAL YEAR

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 French Regulatory Authority (Autorité des marchés financiers). 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.

3.1 Introduction

In spite of very positive forecasts, 2012 turned out to be a year marked by increasing economic uncertainty and a lack of real and sweeping structural reforms, especially in the eurozone. This has led to strong volatility in the behavior of economic agents. The primary forces that drove growth were cooperative monetary policies. Urgent and necessary reforms, such as labor reforms, stronger competition in the interchangeable goods market and investment in innovation, did not make much progress during the past year, especially in France and Southern Europe.

The United States began its recovery last summer; yet growth has been held back in developed nations by the need to balance budgets. The nations of the eurozone, especially those in southern Europe, remain a central concern. The main emerging economies have continued their upward trajectories, albeit at a lesser pace.

The IMF anticipates a gradual global recovery with growth forecast at approximately 3.5% for 2013.

In December last year, ZenithOptimedia revised its growth forecasts for the advertising industry in 2013 to 4.1%, down from 4.6% in October, with the majority of growth expected to come from emerging markets and the digital sector.

Despite this climate of uncertainty and the gloomy industry figures, Publicis Groupe posted record results. Consolidated revenue, as published, grew by 13.7% to euro 6,610 million. Organic growth increased 2.9%, chiefly led by the United States, emerging markets and the digital sector, all despite a general slowdown, the negative effects from losing the GM Search and media contracts and reduced spending in the healthcare sector.

Digital operations accounted for 32.9% of total revenue in 2012, compared to 30.6% for 2011. The success of VivaKi enabled the launch of VivaKi 2.0, concentrating its business on innovation in services, with the development of Audience of Demand (AOD), and products such as eCRM365 or FLUENT, which will allow internal and external clients to benefit from the most innovative solutions and services in the rapidly-expanding digital universe.

Elsewhere in the digital arena, Publicis Groupe and IBM formed a global partnership in light of their unparalleled influence on the future of e-commerce. This collaboration draws on the respective strengths of both partners: Publicis Groupe's solid experience in consumer insights, technology and the construction of a transactional e-commerce ecosystem, and IBM's technology, expertise and capacity for innovation. Over the next three years, Publicis Groupe will put four global commercial platforms into place. The Publicis Groupe-Rosetta team will work in concert with the IBM teams and local agency employees in order to offer clients IBM's software, services and Smarter Commerce platform launched in March 2011, thus meeting the ever-rising expectations of digital consumers. The acquisition of Rosetta was one of the driving factors of this agreement, thanks to the Group's collaboration with IBM and its acquired expertise in e-commerce.

Publicis Groupe continued to expand its presence in high-growth countries, with 2012 producing numerous targeted acquisitions in Russia, China, the Middle East, Israel and Brazil. In the digital sector, one of the Group's two growth pillars, the Group successfully completed a friendly tender offer to acquire all of LBi's shares, which should increase the digital sector's share of total revenue to over 35% and stimulate growth in Europe. High-growth countries accounted for 25.5% of total revenue, compared to 24.3% for the same period in 2011. China became the Group's fourth-biggest market. The Group also took a stake in the ZOOM agency in Palestine.

Developments in the advertising industry over the last few years, namely, the continued growth of digital technology across the world and the increasingly pronounced slowdown of the analog sector in mature economies, serve to encourage the Group to accelerate its dual-pillar growth strategy, chosen for the Group's strategic development. From this outlook, the Group confirms its objective of eventually drawing 50% of its revenue from the digital sector and 35% from emerging countries, bringing their combined share, excluding overlaps, to 75% of total revenue. The future lies in these two wellsprings of strong growth.

In view of a prolonged slump for the last few years, and an outlook of slow growth in the foreseeable future for mature economies, and following investments aimed at ensuring future growth on the one hand and optimizing its operations on the other, the Group is compelled to focus more than ever before on preserving its margins, which are the foundation of its independence and future growth.

In addition to projects such as the consolidation of regional shared services centers, which is making good progress (see the finalization of the Americas platform and construction of the Asia-Pacific platform), various other programs have been added, such as automating the purchase of advertising space (see Olympic project), and grouping certain operations together into "platforms of excellence". The ERP setup process is on course for the system and we plan to begin deployment this year.

Since 2009, the Group has made investments and incurred development costs as part of measures to reduce operating costs as from 2014, with visible effects expected to materialize over the following years. The Group expects to be able to eventually increase its operating margin from 200 to 400 basis points as a result of all of these measures, coupled with improved growth.

Operating margin was 16.1% for 2012, up 10 basis points compared to 2011, despite a slower than expected rate of growth. The tight management of personnel expenses remains a key priority, all the more so as the shifting job requirements of the advertising industry impel the Group to seek out or develop new talents, either through hiring or training, especially in digital technology. In 2012, total personnel expenses represented 61.7% of revenue, compared to 62.2% in 2011.

The Group's net income was euro 737 million, i.e. a 22.8% increase compared to the Group's past record euro 600 million for 2011.

Net current earnings per share (EPS, as defined in Note 9 of the consolidated financial statements) amounted to euro 3.51, with diluted net current earnings per share at euro 3.23, representing an 18.2% and 21.9% increase on the previous year, respectively. Net earnings per share and diluted earnings per share were up 24% and 27.3%, to euro 3.67 and euro 3.36, respectively.

A dividend of euro 0.90 per share will be proposed at the General Shareholders' Meeting to be held on May 29. It represents an appropriation rate of 24.5%. Dividend payments, in cash or in shares, will be made on July 5, subject to the approval of the General Shareholders' Meeting.

As of December 31, 2012, the balance sheet showed euro 218 million in net cash, compared to euro 110 million in net debt as of December 31, 2011. This amount as of December 31, 2012 included the repurchase of Dentsu shares for euro 644 million and the Océane 2014 conversion (recorded on the December 31, 2011 balance sheet at a value of euro 674 million).

Following an exceptional 2011 in terms of accounts won, 2012 was a good year with USD 3.5 billion.

New accounts won included: Pfizer (United States), GM-Chevy Silverado (World), Carrefour (Italy), Coca Cola/Minute Maid Pulpy (China), Taco Bell (United States), Travelodge (United Kingdom), Honda TriState (United States), Nestlé (India), Reckitt Benckiser (India), Abbott (China), OBI (Russia), Mojo (Australia), Weight Watchers (United Kingdom) and Masco (United States).

None of this would have been possible without the talent, dedication and commitment of our employees and the trust of our clients. Our most heartfelt thanks go out to them all.

Following the launch of its "50 free shares" allocation plan in France in 2009, and its extension in the United States in 2010 and 16 other countries in 2011, at the beginning of 2013, Publicis Groupe extended the plan once more, to 53 new countries (see Chapter 4.6, Note 28 of this report) and also implemented a new LTIP 2012 (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
2011 REVENUE	**5,816**
Impact of exchange rates	313
2011 revenue at 2012 exchange rate (a)	6,129
2012 revenue before impact of acquisitions (1) (b)	6,308
Revenue from acquisitions (1)	302
2012 REVENUE	**6,610**
ORGANIC GROWTH (b-a)/a	**2.9%**

(1) Net of disposals.

Although growth in the global advertising market was expected to be 4.7% for 2012 (estimates from ZenithOptimedia in December 2011) realistic growth in the global advertising industry will be under 3% after a difficult and uncertain year worldwide, and in Europe in particular. Within this context of weak growth, the Group's 2.9% organic growth was a good performance.

Organic growth for each quarter in 2012 was:

- First quarter: 4.1%
- Second quarter: 1.6%
- Third quarter: 2.0%
- Fourth quarter: 3.9%

3.3 Analysis of the consolidated results

3.3.1 REVENUE

Consolidated revenue was up 13.7% to euro 6,610 million in 2012 (the impact of exchange rates was euro 313 million).
Organic growth was 2.9%. Apart from the global slowdown in the second and third quarters, this growth factors in the impact of the loss of the GM Search and media contracts and the unfavorable cycle in the healthcare industry.

Digital business activities accounted for 32.9% of total revenue, compared to 30.6% the previous year. Organic growth from digital business activities was 6.6%, a decline compared to 2011, basically due to the loss of the GM Search contract at Digitas and the erosion of investments in digital technology in the healthcare industry.

The acquisition of LBi should raise the share of digital operations to more than 35% of total revenue.

High-growth markets accounted for 25.5% of total revenue, compared to 24.3% in 2011.

In 2012, BRIC and MISSAT countries achieved combined organic growth of 10.1%.

Revenue by business line

The following table shows the percentage of the Group's total revenue from the main business lines for 2011 and 2012:

	2012	2011
Digital	33%	31%
Advertising	30%	31%
Specialized Agencies and Marketing Services (SAMS)	19%	19%
Media	18%	19%
TOTAL	**100%**	**100%**

Revenue by geographic area

	Revenue		
(in millions of euros)	2012	2011	Organic growth
Europe	1 976	1 872	- 0,2 %
North America	3 146	2 721	+ 3,0 %
Asia-Pacific	842	690	+ 6,3 %
Latin America	463	374	+ 12,1 %
Africa and Middle East	183	159	+ 0,9 %
TOTAL	**6 610**	**5 816**	**+ 2,9 %**

The second revenue distribution table below firstly shows the changes to the Publicis Group's big markets of Europe and North America, and secondly reflects the growth in zones where the Group has been focussing a large part of its investments in recent years, namely the "BRIC" countries and the "MISSAT" zone.

	Revenue		
(in millions of euros)	2012	2011	Organic growth
Europe *	1,881	1,782	-0.3%
North America	3,146	2,721	+3.0%
BRIC + MISSAT **	892	706	+10.1%
Rest of the world	691	607	+3.5%
TOTAL	**6,610**	**5,816**	**2.9%**

* *Europe, excluding Russia and Turkey.*
** *MISSAT: Mexico, Indonesia, Singapore, South Africa and Turkey.*

This breakdown of revenue highlights changes in the Publicis Groupe's major markets of Europe and North America, and reflects growth in the areas on which the Group has focused a significant portion of their investments over the last few years, namely the "BRIC" and "MISSAT" countries.

It is important to note that although Europe is negative at -0.3%, the situation varies by country:

- France is withstanding the crisis with +0.7% growth, the United Kingdom posted +2.8% and Switzerland +5.4%. The countries in southern Europe remain in clearly negative territory, as well as eastern Europe and a certain number of countries in northern Europe, except for Norway;
- with +3.1% growth, the United States continues to demonstrate mainly good resistance thanks to media and digital services, Even if the loss of the Media et Search (GM) contract had a negative impact on growth, it does not bring into question advancement in digital services, which will be responsible for future growth;
- in 2012, the majority of countries in the BRIC and MISSAT groups posted double-digit growth, with the Greater China Region at +14.7%, Brazil at +10.3%, Mexico at +11.6%, and South Africa at +10.8%. India grew +8.0% and Russia +4.2%;
- the rest of the world grew +3.5%

3.3.2 OPERATING MARGIN AND OPERATING INCOME

Global operating margin

Operating margin before amortization and depreciation was up 15.1% to euro 1,190 million for 2012, compared to euro 1,034 million for 2011.

Operating margin was 1,064 million euro, up 14.3% by comparison with 2011.

Personnel costs were up 12.8% to euro 4,076 million for 2012, compared to euro 3,615 million for the same period in 2011, and represented 61.7% of consolidated revenue.

Fixed personnel costs represented 54.5% of total revenue, versus 54.1% in 2011. The tight management of personnel costs remains a key concern requiring strategic decision-making: investing in growth segments through targeted recruiting and reducing costs in sectors and countries with weak growth. Numerous investments in progress (ERP, technological advances) should enhance operating efficiency over the medium term.

Restructuring costs amounted to euro 68 million, compared to euro 39 million in 2011.

Other operating expenses (excluding depreciation) rose 15.2% to euro 1,344 million and represented 20.3% of total revenue, compared to 20.1% in 2011. This line item includes the impact from the decrease in operating costs resulting from different optimization plans related, in part, to the regionalization of the Shared Service Centers. It also includes the non-capitalized portion (excluding personnel costs) from digital technology investment projects, IT infrastructure and research costs, as well as costs related to acquisitions (the latter of which amounted to approximately euro 14 million in 2012, versus euro 10 million in 2011).

Depreciation was euro 126 million in 2012, versus euro 103 million in 2011.

Operating margin reached 16.1% in 2012, up ten basis points compared to 2011.

Operating income

Amortization of intangible assets arising from acquisitions was euro 45 million, versus euro 38 million in 2011.

An impairment of euro 11 million was also recorded (compared to euro 0 the previous year), relating to intangible elements such as brands or technology assets (euro 7 million) and, to a lesser extent, tangible assets (euro 3 million).

Other non-recurring income and expenses amounted to euro 39 million and included the revaluation of the stake in BBH (euro 62 million in income) following the takeover of this entity which was previously consolidated via the equity method, and a loss of euro 22 million resulting from other changes in the consolidation scope. In 2011, the Group had recorded euro 21 million in net income, which included gains resulting from equity disposals (mainly in Mediavest Manchester and Freud) or a takeover (Spillman Felser).

Operating income was up 14.6% to euro 1,047 million, versus euro 914 million in 2011.

3.3.3 OTHER INCOME STATEMENT ITEMS

Financial income and expenses, comprised of the cost of net financial debt and other financial income and expenses, was a net expense of euro 26 million for 2012, versus a net expense of euro 54 million the previous year. This improvement was due to two key factors: the reduction of interest on bonds, which resulted from the redemption of the Eurobond 2012 at the beginning of 2012, and the conversion of all Océane 2014 bonds in July 2012, on the one hand, and an accounting gain linked to the redemption of the Eurobond 2012 and the unwinding of interest rate hedging swaps worth euro 17 million, on the other.

Income tax for the period totaled euro 282 million, compared to euro 248 million in 2011, amounting to an effective tax rate of 28.8%, unchanged from the previous year. Taxes paid in the United States and France rose by euro 31 million following new tax legislation.

The share of income of Associates (i.e. entities accounted for via the equity method) was euro 25 million, versus a euro 17 million share in 2011. Minority interests amounted to euro 27 million for 2012, compared to euro 29 million for the previous year.

The Group's net income was up 22.8% to euro 737 million, versus euro 600 million for the previous year.

3.4 Financial and cash position

3.4.1 CASH FLOWS

Net cash flow from operations amounted to an inflow of euro 1,032 million for 2012, versus euro 889 million for the previous year. Working capital requirements improved markedly compared to last year, from euro 73 million for 2011 to euro 153 million for 2012. Taxes paid in 2012 totaled euro 306 million, versus euro 212 million for the previous year, with the increase being largely due to earnings in the United States and the impact of changes to tax legislation in France and the United States. Interest paid amounted to euro 61 million for 2012, versus euro 80 million for 2011, the decrease being largely due to the conversion of Océane 2014 at the end of July, thus removing the obligation to make interest payments due on that date. Interest received amounted to euro 24 million, versus euro 29 million in 2011.

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 cash flow from investments amounted to an outflow of euro 609 million in 2012, down euro 190 million compared to the euro 799 million for the previous year. Net investments in fixed assets were euro 120 million, more or less unchanged from the previous year, and net acquisitions of subsidiaries and other financial assets (net of disposals) represented euro 489 million, versus euro 687 million in 2011 (over half of which came from the acquisition of Rosetta).

Net cash flow from financing includes dividends paid, the change in borrowings and transaction on treasury shares and equity warrants issued by the Company. Financing activities used up euro 1,276 million in 2012, largely to fund two transactions: the net buyback of 18 million treasury shares for euro 566 million (after deducting the proceeds from the disposal of shares as part of an exercise of stock options) and the redemption of the Eurobond 2012 at a cost of euro 506 million in principal.

Overall, the Group's cash position net of bank credit fell by euro 860 million in 2012, versus an euro 18 million increase for the previous year.

Free cash flow

The Group's free cash flow, excluding changes in working capital requirements, was up 7.8% compared to the previous year, amounting to euro 759 million.

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 (excluding changes in working capital requirements):

(in millions of euros)	December 31, 2012	December 31, 2011
Operating margin before depreciation and amortization	1,190	1,034
Net interest paid	(37)	(51)
Taxes paid	(306)	(212)
Others	32	45
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WCR	**879**	**816**
Net investment in fixed assets	(120)	(112)
FREE CASH FLOW BEFORE CHANGES IN WCR	**759**	**704**

3.4.2 GROUP DEBT (LONG AND SHORT TERM)

The Group's share of consolidated shareholders' equity increased from euro 3,898 million as of December 31, 2011 to euro 4,613 million as of December 31, 2012. The increase in shareholders' equity was largely due to the conversion of Océane 2014 at a value of euro 694 million, and lower income for the period as a result of dividend payouts amounting to euro 119 million and the impact from the buyback of 18 million Publicis Groupe shares held by Dentsu for euro 644 million. Only 7.2 million shares were held as treasury shares, with the remaining 10.8 million shares having been cancelled immediately. Minority interests totaled 44 million euro, compared with 33 million euro at December 31, 2011.

NET FINANCIAL DEBT

(in millions of euros)	December 31, 2012	December 31, 2011
Borrowings (long and short-term)	1,109	2,298
Fair value of derivative hedging exposure on 2012 and 2015 Eurobond [1]	(13)	(12)
Fair value of derivatives hedging on intra-group loans/borrowings [1]	-	(2)
TOTAL BORROWINGS INCLUDING MARKET VALUE OF ASSOCIATED DERIVATIVES	**1,096**	**2,284**
Cash and cash equivalents	(1,314)	(2,174)
NET FINANCIAL DEBT	**(218)**	**110**

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

The 2012 financial year closed with a positive net cash position of euro 218 million, versus a net financial debt of euro 110 million as of December 31, 2011. The improvement in net debt is due to the strong increase in net income compared to the previous year, while spending on subsidiary acquisitions was more moderate than in 2011 (when Rosetta was acquired). At the same time, the positive effect of the Océane 2014 conversion on net debt in July 2012 was virtually entirely offset by the buyback of 18 million treasury shares from Dentsu for euro 644 million in February 2012.

The net debt ratio (net debt/equity), which was 0.03 for 2011, no longer had to be calculated for 2012 considering the Group's positive net cash position.

The Group's average net debt was euro 628 million in 2012, versus euro 465 million in 2011.

The Group's gross consolidated debt was euro 1,109 million as of December 31, 2012, compared with euro 2,298 million as of December 31, 2011. This debt consisted of 66% maturities of greater than 12 months (see Note 22 to the consolidated financial statements as of December 31, 2012 for a detailed maturity schedule of Group debt). The reduction in gross debt resulted from the redemption upon maturity of the Eurobond 2012 on January 31, 2012, and particularly from the conversion of Océane 2014 after Publicis Groupe exercised its early redemption option in June 2012 (issuer's call option).

Borrowings, after interest rate swaps, includes fixed-rate borrowings (37% of gross consolidated debt, excluding debt relating to purchases of investment securities and minority buyout commitments as of December 31, 2012) with an average interest rate of 6.0% in 2012 (including additional interest related to the separation of the Océane and Orane convertible bonds into debt and equity). Variable interest rate debt accounted for 63% of borrowings as of December 31, 2012.

Debt breakdown by currency on December 31, 2012 was as follows: euro 482 million denominated in euros, euro 141 million denominated in US dollars, and euro 486 million 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 fiscal year, as the following table shows:

	Optimal ratio	December 31, 2012	December 31, 2011
Average net debt/operating margin before depreciation and amortization	*< 1.50*	0.53	0.45
Net debt/equity [(1)]	*< 0.5*	n/a	0.03
Coverage of interest on operating margin before depreciation/cost of net financial debt	*> 7*	40	18

(1) Not applicable in 2012 due to positive net cash position of €218 million as of December 31, 2012

3.4.3 BORROWINGS AND STRUCTURE OF THE GROUP'S FINANCING

In order to manage its liquidity risk, Publicis has substantial cash and cash equivalents amounting to euro 1,314 million and confirmed unused credit lines amounting to euro 1,912 million as of December 31, 2012. The main component of these credit lines is a multi-currency syndicated loan of euro 1,200 million, maturing 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).

Group cash management continued to benefit from the introduction of local centralized cash-pooling centers in the Group's main markets. 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 credit rating agencies, Standard & Poor's and Moody's. As of the date of this present document, the ratings were: BBB+ from Standard & Poor's and Baa2 from Moody's.

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

3.4.4 RESTRICTIONS ON USE OF CAPITAL

As of December 31, 2012 and the date of the closing of accounts, there were no rating triggers or financial covenants for short-term bank credit lines, syndicated loans, 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 its cash position and its confirmed unused credit lines amounting to a combined total of euro 3,226 million as of December 31, 2012, the Group has the necessary cash resources to meet its operating requirements and investment plan over the next 12 months.

3.5 Publicis Groupe SA (Group parent company)

Publicis Groupe SA's revenue consists exclusively of property rental income and management fees for services rendered to subsidiaries of the Group. Total operating income amounted to euro 27 million for 2012, versus euro 52 million for the previous year. The reduction of income was mainly due to the invoicing of services, and in particular the cost adjustments pertaining to the Group's free share allocation plan re-invoiced to its subsidiaries, offset by lower personnel expenses.

Financial income totaled euro 176 million for 2012, compared to euro 408 million in 2011. This decline resulted from Publicis Groupe Investment not paying a dividend in 2012 when dividends received from this entity amounted to euro 242 million in 2011.

Operating expenses amounted to euro 41 million, down from euro 52 million in the previous year, with the reduction in personnel expenses from one year to another coming from the cost adjustments relating to the free share allocation plan mentioned above.

Financial expenses came to euro 163 million in 2012, down from euro 181 million in 2011. The improvement is largely due to interest rate gains following the Océane 2014 conversion.

Pre-tax profit from recurring operations resulted in a close to euro 1 million profit, down from euro 228 million in 2011.

There was almost no extraordinary income in 2012, whereas it amounted to euro 122 million in 2011, representing the capital gain made from the disposal of a portion of the Publicis Groupe Investments BV shares held.

After taking into consideration a euro 37 million tax credit arising from tax consolidation in France, net income for Publicis Groupe SA (the Group's parent company) was euro 37 million as of December 31, 2012, compared to euro 379 million as of December 31, 2011.

The breakdown at close of the last two fiscal 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).

Accounts payable (in thousands of euros)	Total at December 31, 2012	Total at December 31, 2011
Invoices not yet due	657	882
Invoices less than 60 days overdue	242	348
Invoices over 60 days overdue	73	35
TOTAL	**972**	**1,265**

The General Shareholders' Meeting called to approve the 2012 financial statements will be asked to appropriate the 2012 earnings of euro 37,482,689, minus an allocation of euro 304,856 to statutory reserves and plus previously retained earnings of euro 978,117,074, representing distributable earnings of euro 1,015,294,907:

- distribution of euro 189,007,861 (based on 210,008,734 shares, including treasury shares at December 31, 2012);
- appropriation to earnings brought forward of euro 826,287,046.

Under the proposed appropriation, the net dividend would be euro 0.90 per share of euro 0.40 nominal.

3.6 Dividend distribution policy

Dividend paid for year:	Number of shares that received dividends *	Dividend per share (in euros)	Total dividend distribution (in millions of euros)	Share price at December 31 (in euros)	Yield
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	170,644,648	0.70	119.5	35.545	1.97%
2012	**210,008,734***	**0.90 ****	**189.0**	**45.25**	**1.99%**

* *Number of dividend-bearing shares after deducting treasury shares, except for the 2012 appropriation, which includes treasury shares existing as of December 31, 2012.*

** *Dividend proposed at the GSM of May 29, 2013.*

Dividends not collected within five years are forfeited and paid to the French government.

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 flat 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 and 2011 financial years was increased to euro 0.70 per share.

It is proposed to increase the dividend to euro 0.90 per share for 2012, considering the Group's commitment to gradually increase the rate of appropriation to 35% over the long-term. This increase is made possible by the Group's sound financial position.

3.7 Outlook

The trends described below do not constitute forecasts or profit estimates as defined by modified 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.

Publicis Groupe had a good 2012, despite a volatile economic environment marked by a slowdown in the global economy from the second quarter onwards. 2.9% growth was made possible thanks to the Group's increasing exposure to the digital sector and high-growth markets, which accounted for 55% of revenue at the end of 2012.

The coming year promises to be difficult, uncertain and fraught with obstacles: even though the euro crisis appears to be behind us, Europe is still very unbalanced, with lower advertising investments forecasts compared to 2012. ZenithOptimedia's estimate of the growth of the global advertising industry at the time was fairly high (down to 4.1% in December 2012 from 4.6% in October), but remains weak. Growth estimates primarily comes from the United States, high-growth markets and the digital sector.

The Group's actions in these segments allow us to look forward with a good deal of confidence to a promising 2013 characterized by improved growth compared to 2012 and an improvement in margins (light in 2013).

In accordance with its strategy, Publicis Groupe will continue its development through priority targeted investments in the digital sector and in high-growth markets and sectors guaranteeing future growth, while eventually strengthening its profitability.

A robust financial position will ensure the implementation of this strategy. The Group remains confident regarding its future and its ability to bring the most innovative and adaptive services to its clients in this modern era dominated by digital technology, mobility and social networks.

2012 CONSOLIDATED FINANCIAL STATEMENTS

4.1 Consolidated income statement

(in millions of euros)	Notes	2012	2011	2010
REVENUE		**6,610**	**5,816**	**5,418**
Personnel expenses	3	(4,076)	(3,615)	(3,346)
Other operating expenses	4	(1,344)	(1,167)	(1,105)
OPERATING MARGIN BEFORE DEPRECIATION & AMORTIZATION		**1,190**	**1,034**	**967**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	5	(126)	(103)	(111)
OPERATING MARGIN		**1,064**	**931**	**856**
Amortization of intangibles arising from acquisitions	5	(45)	(38)	(34)
Impairment loss	5	(11)	-	(1)
Non-current income and expenses	6	39	21	14
OPERATING INCOME		**1,047**	**914**	**835**
Financial expenses	7	(71)	(89)	(81)
Financial income	7	41	33	16
COST OF NET FINANCIAL DEBT	**7**	**(30)**	**(56)**	**(65)**
Other financial income and expenses	7	4	2	(11)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES		**1,021**	**860**	**759**
Income taxes	8	(282)	(248)	(216)
NET INCOME OF CONSOLIDATED COMPANIES		**739**	**612**	**543**
Share of profit of associates	13	25	17	8
NET INCOME		**764**	**629**	**551**
Of which:				
• Net income attributable to non-controlling interests (minority interests)		27	29	25
• **Net income attributable to equity holders of the parent company (Group share)**		**737**	**600**	**526**

Per share data (in euros) – Net income attributable to equity holders of the parent company	9			
Number of shares		*201,032,235*	*202,547,757*	*202,149,754*
Earnings per share		3.67	2.96	2.60
Number of diluted shares		*224,143,700*	*237,066,159*	*235,470,461*
Diluted earnings per share		3.36	2.64	2.35

4.2 Consolidated statement of comprehensive income

(in millions of euros)	2012	2011	2010
NET INCOME FOR THE PERIOD (A)	764	629	551
Other comprehensive income			
• Revaluation of available-for-sale investments	4	(3)	12
• Actuarial gains and losses on defined benefit plans	(36)	(51)	(10)
• Consolidation translation adjustments	(61)	49	297
• Deferred taxes on other comprehensive income	8	16	4
TOTAL OTHER COMPREHENSIVE INCOME (B)	(85)	11	303
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A) + (B)	**679**	**640**	**854**
Of which:			
• Total comprehensive income for the year attributable to non-controlling interests (minority interests)	24	29	33
• Total comprehensive income for the year attributable to equity holders of the parent company (Group share)	655	611	821

4.3 Consolidated balance sheet

(in millions of euros)	Notes	December 31, 2012	December 31, 2011	December 31, 2010
Assets				
Goodwill, net	10	5,667	5,207	4,278
Intangible assets, net	11	982	985	856
Property, plant and equipment	12	506	496	464
Deferred tax assets	8	97	82	75
Investments in associates	13	23	43	140
Other financial assets	14	242	113	113
NON-CURRENT ASSETS		7,517	6,926	5,926
Inventories and work in progress	15	342	343	326
Trade receivables	16	6,841	6,446	5,953
Other receivables and current assets	17	591	561	572
Cash and cash equivalents	18	1,314	2,174	2,164
CURRENT ASSETS		9,088	9,524	9,015
TOTAL ASSETS		**16,605**	**16,450**	**14,941**
Equity and liabilities				
Share capital		84	77	77
Additional paid-in capital and retained earnings, Group share		4,529	3,821	3,284
Equity attributable to holders of the parent company (Group share)	19	**4,613**	**3,898**	**3,361**
Non-controlling interests (minority interests)		44	33	21
TOTAL EQUITY		4,657	3,931	3,382
Long-term borrowings	22	730	1,460	1,783
Deferred tax liabilities	8	238	240	219
Long-term provisions	20	465	486	458
NON-CURRENT LIABILITIES		1,433	2,186	2,460
Trade payables		8,249	7,745	7,216
Short-term borrowings	22	379	838	290
Income taxes payable		65	66	39
Short-term provisions	20	166	137	118
Other creditors and current liabilities	23	1,656	1,547	1,436
CURRENT LIABILITIES		10,515	10,333	9,099
TOTAL EQUITY AND LIABILITIES		**16,605**	**16,450**	**14,941**

4.4 Consolidated statement of cash flows

(in millions of euros)	2012	2011	2010
Cash flows from operating activities			
Net income	764	629	551
Neutralization of non-cash income and expenses:			
Income taxes	282	248	216
Cost of net financial debt	30	56	65
Capital (gains) losses on disposals (before tax)	(38)	(19)	(14)
Depreciation, amortization and impairment loss on property, plant and equipment and intangible assets	182	141	146
Non-cash expenses on stock options and similar items	26	26	26
Other non-cash income and expenses	(7)	1	6
Share of profit of associates	(25)	(17)	(8)
Dividends received from associates	8	14	14
Taxes paid	(306)	(212)	(219)
Interest paid	(61)	(80)	(76)
Interest received	24	29	17
Change in working capital requirements [1]	153	73	287
NET CASH FLOWS GENERATED BY (USED IN) OPERATING ACTIVITIES (I)	1,032	889	1,011
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(123)	(116)	(103)
Disposals of property, plant and equipment and intangible assets	3	4	25
Purchases of investments and other financial assets, net	(120)	13	5
Acquisitions of subsidiaries	(369)	(728)	(166)
Disposals of subsidiaries	-	28	1
NET CASH FLOWS GENERATED BY (USED IN) INVESTING ACTIVITIES (II)	(609)	(799)	(238)
Cash flows from financing activities			
Dividends paid to holders of the parent company	(119)	(129)	(107)
Dividends paid to non-controlling interests	(31)	(14)	(21)
Proceeds from borrowings	16	77	7
Repayment of borrowings	(546)	(29)	(52)
Net purchases of non-controlling interests	(30)	(11)	(9)
Net (purchases)/sales of treasury shares and warrants	(566)	51	(198)
NET CASH FLOWS GENERATED BY (USED IN) FINANCING ACTIVITIES (III)	(1,276)	(55)	(380)
Impact of exchange rate fluctuations (IV)	**(7)**	**(17)**	**188**
NET CHANGE IN CONSOLIDATED CASH AND CASH EQUIVALENTS (I + II + III + IV)	(860)	18	581
Cash and cash equivalents on January 1	2,174	2,164	1,580
Bank overdrafts on January 1	(28)	(36)	(33)
Net cash and cash equivalents at beginning of year (V)	**2,146**	**2,128**	**1,547**
Cash and cash equivalents on December 31 (Note 18)	1,314	2,174	2,164
Bank overdrafts on December 31 (Note 22)	(28)	(28)	(36)
Net cash and cash equivalents at end of year (VI)	**1,286**	**2,146**	**2,128**
NET CHANGE IN CASH AND CASH EQUIVALENTS (VI – V)	(860)	18	581
(1) Breakdown of change in working capital requirements:			
Change in inventory and work in progress	*41*	*(6)*	*(14)*
Change in accounts receivable and other receivables	*(426)*	*(267)*	*(855)*
Change in accounts payable, other payables and provisions	*538*	*346*	*1,156*
Change in working capital requirements	***153***	***73***	***287***

4.5 Consolidated statement of changes in equity

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital
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 *		
	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 *		
	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 *		
	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 *		
	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**
	Net income		
	Other comprehensive income:		
	Fair value adjustments to available-for-sale investments		
	Actuarial gains and losses on defined benefit plans *		
	Consolidation translation adjustments		
	TOTAL OTHER COMPREHENSIVE INCOME		
	TOTAL INCOME AND EXPENSES FOR THE PERIOD	-	-
(9,197,684)	Publicis Groupe SA capital increase and cancellation of treasury shares	(4)	(334)
	Dividends		
	Share-based compensation *		
	Additional interest on Orane		
	Effect of acquisitions and commitments to buy-out non-controlling interests (minority interests)		
25,900,629	Conversion of Océane 2014	11	706
(3,495,358)	Purchases/sales of treasury shares		
199,203,650	**DECEMBER 31, 2012**	**84**	**2,851**

* *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
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**
737			737	27	764
		4	4		4
(28)			(28)		(28)
	(58)		(58)	(3)	(61)
(28)	**(58)**	**4**	**(82)**	**(3)**	**(85)**
709	**(58)**	**4**	**655**	**24**	**679**
(47)			(385)		(385)
(119)			(119)	(31)	(150)
39			39		39
(8)			(8)		(8)
20			20	18	38
(23)			694		694
(181)			(181)		(181)
1,641	**(97)**	**134**	**4,613**	**44**	**4,657**

4.6 Notes to the consolidated financial statements

SOMMAIRE DÉTAILLÉ DES NOTES ANNEXES

Note 1 Accounting Policies

Pursuant to European Regulation no. 1606/2002 of July 19, 2002 pertaining to international accounting standards, the 2012 consolidated financial statements were prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable on December 31, 2012 as approved by the European Union.

The financial statements for the 2012 financial year are presented alongside comparative figures for 2011 and 2010, which were also prepared under IAS/IFRS.

The financial statements were approved by the Management Board on February 7, 2013 and reviewed by the Supervisory Board on February 13, 2013. They will be submitted for the approval by the shareholders at the General Shareholders' Meeting on May 29, 2013.

1.1 Impact of IFRS accounting standards and IFRIC interpretations taking effect as of January 1, 2012 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, 2012, and published on the following website:

http://ec.europa.eu/internal_market/accounting/legal_framework/regulations_adopting_ias/index_en.htm

These accounting principles are consistent with those applied to prepare the consolidated financial statements for the financial year ending December 31, 2011.

Furthermore, adoption by the European Union of the amendment to IFRS 7 – Disclosures – Transfers of Financial Assets, applicable to reporting periods beginning after 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, 2012:

- 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 1 - Presentation of Items of Other Comprehensive Income;
- Amendment to IAS 32 and IFRS 7 - Offsetting Financial Assets and Financial Liabilities, and Related Disclosures.

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

- Amendment to IAS 19 - Defined Benefit Plans.

The retrospective application of this amendment from January 1, 2013 will mainly result in the elimination of the so-called "corridor" approach and the recognition in other comprehensive income of all unamortized actuarial gains and losses. This elimination will not, however, have any impact on the financial statements of Publicis Groupe, which had already elected to apply the so-called SORIE method.

Apart from this, the main effects of the amendment to IAS 19 will be as follows:

- the Group will continue to recognize current service cost under operating income and the financial expenses under "Other financial income and expenses";
- the Group's liabilities vis-à-vis its employees will be accounted for in full at each reporting date; the amortization of past service cost resulting from pension plan changes not vesting over the remaining vesting period for new rights will be eliminated. Past service cost unfunded as at January 1, 2011 (first comparative reporting period) will be set against reserves and earnings brought forward net of tax;
- the effects of pension plan changes subsequent to January 1, 2011 will be recognized in full under "Personnel expenses" in the income statement in the period in which they occur;
- the expected return on plan assets will be measured using the same rate as used to discount post-employment benefits;
- various plan administrative expenses will henceforth, when directly billed to the Group, be recognized under operating income, and no longer deducted from the expected return on plan assets included under "Other financial income and expenses".

The impact on the Income statement of the change in rate used for the return on plan assets is estimated at around euro 6 million for the 2012 reporting period (decrease in financial income). The other effects of the amendment to IAS 19 on expenses for the reporting period are currently being assessed but are not expected to be material.

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 of 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 Section 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, intercompany 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 before January 1, 2010

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 the 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 buy-out 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 were recognized by adjusting the amount of goodwill. These arrangements continue to be applied to the subsequent changes to commitments prior to January 1, 2010.

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 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 "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).

BUY-OUT COMMITMENTS TO MINORITY SHAREHOLDERS WHEN BUSINESS COMBINATIONS OCCUR

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

- initially, these commitments are recognized in borrowings at the present value of the buy-out amount, with a double entry booked in diminution of the shareholder's equity;
- subsequent changes in the value of the commitment (including the actualization) are recognized by adjusting equity on the grounds that it is a transaction between shareholders.

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 thus remeasured at fair value through the income statement at the time of the exclusive takeover.

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.

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 BUT RETENTION OF AN EQUITY INTEREST

The loss of exclusive control leads to the recognition of a disposal gain or loss calculated on the entire interest held 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.

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 goodwill has been 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 reflects current market assessments of the time value of money and the specific risks to which the cash-generating unit is exposed.

If the carrying amount of a cash-generating unit is higher 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 and then against other assets.

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 amortization 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 furniture: 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 the risks and rewards of the ownership of the leased asset to the Group, are recognized in the balance sheet from the beginning of the lease contract at the lower 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, 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 classified 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 instrument, 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 the 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 on 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 other financial income 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 (Océane) 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 an 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.

Issuance costs are divided between the debt and equity components based on their respective carrying values at 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 charges to be paid, net of any sublease revenue to be received, for all buildings that are sublet or vacant and 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 other comprehensive income. 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 the 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 under "Non-current income and expenses". This line item mainly includes gains and losses on the disposal of assets.

Operating margin before Depreciation & Amortization

The operating margin is equal to revenue after deducting personnel expenses, other operating expenses (excluding other non-current income and expenses as defined above).

Operating margin

The 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 of 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 recognized 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 at each 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 period, including the effect of the 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 (Océane). 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, free shares and warrants, 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 (expenses)".

1.4 Principal sources of uncertainty arising from the 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 circumstances and assumptions associated with them are factors to be taken into consideration. The Group makes estimates and assumptions regarding the future. The accounting estimates will, by definition, rarely be exactly the same as the related 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 recoverable value through business combinations;
- the calculation of goodwill at intangible assets used for the impairment;
- 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's SA stock option plans.

Detailed disclosures concerning these matters are provided in Notes 5, 20, 21, 26 and 28 below.

Note 2 Changes in the scope of consolidation

2.1 Acquisitions in 2012

Bartle Bogle Hegarty and Neogama

In July 2012, the Group acquired in two separate transactions:

- 51% of the shares in the BBH group of companies. Publicis Groupe, which held 49% of shares, thereby raised its stake in BBH to 100%. Founded in 1982, this agency employs about 1,000 people in 2012 and is recognized in the British and international markets for its creativity;
- 100% of the shares in NEOGAMA/BBH in Brazil (acquisition of the 34% held by BBH and the 66% held by the founder and his associates). NEOGAMA/BBH is one of the largest, most creative and innovative agencies in the Brazilian market.

Formerly accounted for under investments in associates (equity method), the BBH Group has been fully consolidated since Publicis acquired exclusive control. Pursuant to IFRS 3 (Revised), this change entailed recognizing euro 62 million of non-current income from remeasurement at fair value of the previously held interest.

The euro 214 million acquisition cost of BBH includes the fair value of investment accounted for by the equity method as of the takeover date and the price paid for the transaction described above.

The euro 111 million acquisition cost of Neogama includes the price paid for the transaction described above and the earn out payments to the founder and his associates, recognized at fair value on the acquisition date.

The provisional allocation of the acquisition cost is allocated as follows at December 31, 2012 (in millions of euros):

	BBH	NEOGAMA
ACQUISITION COST (A)	**214**	**111**
Non-current assets	7	6
Current assets excluding cash and cash equivalents	119	17
Cash and cash equivalents	84	8
TOTAL ASSETS (B)	**210**	**31**
Non-current liabilities	3	7
Current liabilities	135	18
TOTAL LIABILITIES (C)	**138**	**25**
NET ASSETS ACQUIRED BEFORE FAIR VALUE ADJUSTMENT (D = B - C)	**72**	**6**
Client relationships	11	29
Trade name	30	-
Deferred tax on the above adjustment	(10)	(10)
TOTAL FAIR VALUE ADJUSTMENTS (E)	**31**	**19**
NET ASSETS ACQUIRED AFTER FAIR VALUE ADJUSTMENTS (F = D + E)	**103**	**25**
GOODWILL (G = A - F)	**111**	**86**

The other main acquisitions in the year were as follows:

- in February 2012, the Group made a public tender offer for all outstanding shares in the Pixelpark Group, the largest independent German provider of interactive services. The bid was made at euro 1.70 per share. At December 31, 2012 Publicis Groupe owned 79.14% of the equity in the Pixelpark Group;
- in June 2012, the Group acquired 100% of the BBR Group. BBR, which since 1995 has partnered with Publicis in jointly-owned companies, employs about 220 people in Israel;
- in July 2012 ,the Group acquired 100% of the CNC Group. Created in 2002, this group employs some 100 people in Europe, North America, Latin America and Asia, and specializes in strategic communications and crisis management;
- in November 2012 ,the Group took an additional interest in the Brazilian agency Taterka. Created in 1993, Taterka is a full service agency covering 18 countries in Latin America. This transaction fits into the Group's policy of increasing its presence in emerging markets.

The acquisition cost (excluding cash and cash equivalents acquired) during the period, of all entities that were fully consolidated (notably including those listed above, as well as smaller acquisitions) with an exclusive takeover during the year, plus the remeasurement at the fair value of the previously held interest, totaled euro 646 million. This amount primarily includes:

- euro 435 million paid out during the period;
- euro 72 million in earn-out payment commitments, i.e. euro 67 million after discounting at December 31, 2012;
- euro 47 million arising from commitments to buy-out non-controlling interests, i.e. euro 42 million after discounting at December 31, 2012; and
- euro 92 million equal to the fair value of investment accounted for by the equity method as of the takeover date.

The amount paid out for acquisitions in 2012 (net of cash and cash equivalents acquired) totaled euro 369 million and includes:

- euro 435 million paid out during the period;
- euro (111) million in acquired cash;
- euro 45 million in earn-out payments.

All acquisitions made over the period represented less than 2.5% of consolidated revenue and consolidated net income attributable to equity holders of the Group's parent company.

2.2 Acquisitions in 2011

Rosetta

In July 2011, the Group fully acquired Rosetta for euro 400 million (US dollars 577 million). 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 group 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 communication, below-the-line media, promotions, 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 costs.

The acquisition cost of euro 145 million includes the fair value of the 49% stake already owned (euro 85 million), the amount paid to acquire the 11% stake (euro 19 million), and the fair value of the debt related to commitments to buy-out the 40% of minority interests (euro 41 million).

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 communications;
- 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) during the period of all entities that were fully consolidated (notably including those listed above, as well as smaller acquisitions) with an exclusive takeover during the year, plus the remeasurement at the fair value of the previously held interest totaled euro 1,085 million. This amount mainly includes:

- euro 671 million paid out during the period;
- euro 248 million in earn out payment commitments, i.e. euro 228 million after discounting at December 31, 2011;
- euro 63 million arising from commitments to buy-out non-controlling interests; and
- euro 103 million equal to the fair value of investments accounted for by the equity method as of the takeover date.

The amount paid out for acquisitions in 2011 (net of cash and cash equivalents acquired) totaled euro 728 million and includes:

- euro 671 million paid out during the period;
- euro (30) million in acquired cash;
- euro 87 million 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.

2.3 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) during the period of all entities that were fully consolidated with an exclusive takeover during the year plus the remeasurement at the fair value of the previously held interest totaled euro 107 million. This amount primarily includes:

- euro 40 million paid out during the period;
- euro 41 million in earn out payment commitments;
- euro 26 million in commitments to buy-out non-controlling interests.

In 2010, the total paid for acquisitions (after deducting of cash and cash equivalents) amounted to euro 166 million and included euro 90 million for entities under significant influence and euro 76 million for exclusive takeover acquisitions, of which:

- euro 40 million paid out during the period;
- euro (3) million in acquired cash; and
- euro 39 million 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.

2.4 Disposals in 2012, 2011 and 2010

No significant disposals were made during 2012.

In 2011, the Group sold its majority stake in UK public relations agency Freud Communications, held since 2005, for pounds sterling 28 million or about euro 32 million.

No significant disposals were made during 2010.

Companies sold contributed no more than 0.5% of consolidated revenue and consolidated net income attributable to equity holders of the parent company in 2012. The same was true in 2011 and 2010.

Note 3 Personnel expenses and headcount

Personnel expenses include salaries, commissions, employee profit sharing holiday pay and bonus estimation. 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)	2012	2011	2010
Compensation	(3,159)	(2,820)	(2,599)
Social security charges	(528)	(473)	(421)
Post-employment benefits	(93)	(68)	(76)
Stock option expense	(26)	(26)	(26)
Temporary employees and freelancers	(270)	(228)	(224)
TOTAL	**(4,076)**	**(3,615)**	**(3,346)**

Changes in and breakdown of headcount

BY REGION

	December 31, 2012	December 31, 2011	December 31, 2010
Europe	17,677	16,864	15,741
North America	19,548	18,790	17,306
Asia Pacific	13,327	11,681	10,202
Latin America	4,840	4,462	3,494
Middle East & Africa	2,108	2,010	1,788
TOTAL	**57,500**	**53,807**	**48,531**

BY FUNCTION (IN %)

	December 31, 2012	December 31, 2011	December 31, 2010
Account planning and management	20%	20%	20%
Creative	16%	17%	17%
Production and specialized activities	19%	21%	23%
Media and research	21%	22%	22%
Administration and management	16%	16%	15%
Others	8%	4%	3%
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 euro to 368 million in 2012, compared to euro 330 million in 2011 and euro 315 million in 2010. 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)	2012	2011	2010
Amortization of other intangible assets (excluding intangibles from acquisitions)	(27)	(17)	(19)
Depreciation of property, plant and equipment	(99)	(86)	(92)
DEPRECIATION AND AMORTIZATION EXPENSE (EXCLUDING INTANGIBLES FROM ACQUISITIONS)	**(126)**	**(103)**	**(111)**
AMORTIZATION OF INTANGIBLES FROM ACQUISITIONS	**(45)**	**(38)**	**(34)**
Impairment of intangibles from acquisitions	(7)	-	-
Goodwill impairment	(1)	-	-
Impairment of property, plant and equipment	(3)	-	(1)
IMPAIRMENT	**(11)**	**-**	**(1)**
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENT	**(182)**	**(141)**	**(146)**

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, MSL and Medicus) and the Fallon, Digitas and ZenithOptimedia trade names. Fallon, Publicis Healthcare Communications Group, Leo Burnett, Digitas and MSL 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, 2012, the after-tax discount rates used in the valuations ranged from 8.5% to 12.5% (from 10.0% to 38.0% before tax). They are determined on the basis of the specific characteristics belonging to each asset undergoing impairment testing.

These tests resulted in the Group recognizing a euro 7 million impairment loss.

As at December 31, 2011 and 2010, the after-tax discount rates used in the valuations purposes ranged respectively from 8.5% to 11.5% (from 9.8% to 21.5% before tax) and from 8.5% to 11% (from 9.8% to 23.5% before tax).

These tests resulted in the Group recognizing no impairment losses in 2011 but recognizing a euro 0.2 million impairment loss on Fallon client relationships in 2010.

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's goodwill (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, the goodwill on the Digitas US and Digitas France-Business Interactif entities.

As of December 31, 2012, the after-tax discount rates used ranged from 9.0% (12.5% before tax) to 11.0% (14.5% before tax). The terminal growth rate used in the projections ranged from 2.0% to 3.0%.

These tests resulted in the Group recognizing a euro 1 million impairment loss.

As at December 31, 2011 and 2010, the after-tax discount rates used in the valuations ranged respectively from 8.5% (12.2% before tax) to 10.5% (14.4% before tax) and from 8.5% to 10.5% (from 10.8% to 14.5% before tax). The terminal growth rate used in the projections ranged from 0% to 3.0% in 2011 and from 1.9% to 3.0% in 2010.

These tests resulted in the Group recognizing no impairment losses either in 2010 or in 2011.

Leo Burnett

The net value of Leo Burnett goodwill was euro 1,161 million (i.e. 20% of total amount of goodwill) as at December 31, 2012.

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 plans (2012-2016) and the following assumptions:

- a discount rate of future cash flows at a rate of 9.0% after tax (12.5% before tax);
- revenue growth over the period 2012-2016 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 2012-2016;
- operating margin before depreciation and, amortization.

VivaKi

The net value of VivaKi goodwill was euro 1,804 million (i.e 32% of the total amount of goodwill) as at December 31, 2012.

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 (2012-2016) and the following assumptions:

- discounting of future cash flows at a rate of 9.5% after tax (13.0% before tax);
- revenue growth over the 2012-2016 period 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 all the cash-generating units grouped together in VivaKi.

The value in use thus calculated is greater than the carrying amount of the VivaKi 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 2012-2016
- operating margin before depreciation, and amortization.

Impairment of property, plant and equipment

In 2012, a euro 3 million 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)	2012	2011	2010
Capital gains (losses) on disposal of assets *	38	19	14
Non-current income and expenses	1	2	-
TOTAL NON-CURRENT INCOME AND EXPENSES	**39**	**21**	**14**

* *In 2012 this line item primarily included the remeasurement of the previously held interest in BBH (previously accounted for under equity method) at the time of its takeover for euro 62 million, the remeasurement of the previously held interest in Bromley (previously accounted for under equity method) at the time of its takeover for euro (8) million, less euro (11) million of losses from the deconsolidation of Middle Eastern entities.*

Note 7 Financial income and expenses

(in millions of euros)	2012	2011	2010
Interest expense on loans and bank overdrafts	(61)	(80)	(72)
Interest expense on finance leases	(10)	(9)	(9)
Financial expenses	**(71)**	**(89)**	**(81)**
Financial income *	41	33	16
COST OF NET FINANCIAL DEBT	**(30)**	**(56)**	**(65)**
Foreign exchange gains (losses)	-	-	22
Change in the fair value of currency derivatives	(3)	2	(28)
Financial expense related to unwinding of discount on long-term vacant property provisions (rate of 5%)	(1)	(1)	-
Net financial expense related to unwinding of discount on pension provisions	(2)	(4)	(7)
Revaluation of earn-out payments on acquisitions	9	4	-
Dividends received from unconsolidated companies	1	1	2
Reversal of bad loan provision	-	-	-
OTHER FINANCIAL INCOME AND EXPENSES	**4**	**2**	**(11)**
TOTAL NET FINANCIAL INCOME AND (EXPENSES)	**(26)**	**(54)**	**(76)**

* *This includes a euro 17 million fair value adjustment for the 2012 Eurobond, recognized when the debt was extinguished.*

Note 8 Income taxes

Analysis of income tax expense

(in millions of euros)	2012	2011	2010
Current income tax expense for the period	(273)	(245)	(187)
Current income tax expense for previous years *	(10)	(2)	(18)
TOTAL CURRENT TAX EXPENSE	**(283)**	**(247)**	**(205)**
Deferred tax income/(expense)	(14)	(10)	(18)
Change in impairments on deffered tax assets	15	9	9
TOTAL NET DEFERRED TAX INCOME (EXPENSE)	**1**	**(1)**	**(11)**
INCOME TAXES	**(282)**	**(248)**	**(216)**

* *In 2010, the Group made a tax payment of euro 18 million 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)		2012	2011	2010
PRE-TAX INCOME OF CONSOLIDATED COMPANIES	**A**	**1,021**	**860**	**759**
BBH fair value remeasurement (see Notes 2 and 6)		(62)	-	-
Bromley fair value remeasurement (see Note 6)		8	-	-
Loss from the deconsolidation of Middle Eastern entities		11	-	-
RESTATED PRE-TAX INCOME OF CONSOLIDATED COMPANIES	**B**	**978**	**860**	**759**
French tax rate		34.43%	34.43%	34.43%
Expected tax expense on Pre-tax income of consolidated companies:		**(352)**	**(296)**	**(261)**
Impact of:				
• differences between the French tax rate and foreign tax rates		43	29	22
• changes in unrecognized deferred tax assets		15	9	15
• other impacts *		12	10	8
INCOME TAX PER THE INCOME STATEMENT	**C**	**(282)**	**(248)**	**(216)**
EFFECTIVE TAX RATE ON PRE-TAX INCOME OF CONSOLIDATED COMPANIES	**C/A**	**27.6%**	**28.8%**	**28.5%**
EFFECTIVE TAX RATE	**C/B**	**28.8%**	**28.8%**	**28.5%**

* *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 euro 1 million in 2012.*

Tax effect on other comprehensive income

(in millions of euros)	December 31, 2012			December 31, 2011			December 31, 2010		
	Gross	Tax	Net	Gross	Tax	Net	Gross	Tax	Net
Fair value adjustments to available-for-sale investments	4	-	**4**	(3)	-	**(3)**	12	-	**12**
Actuarial gains and losses on defined benefit plans	(36)	8	**(28)**	(51)	16	**(35)**	(10)	4	**(6)**
Foreign exchange differences	(61)	-	**(61)**	50	-	**50**	297	-	**297**
TOTAL	**(93)**	**8**	**(85)**	**(4)**	**16**	**12**	**299**	**4**	**303**

Schedule of deferred taxes recognized in the balance sheet

(in millions of euros)	December 31, 2012	December 31, 2011	December 31, 2010
Short-term (less than one year)	97	66	55
Long-term (over one year)	(238)	(224)	(199)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(141)**	**(158)**	**(144)**

Source of deferred taxes

(in millions of euros)	December 31, 2012	December 31, 2011	December 31, 2010
Deferred tax liabilities on adjustment of asset and liability valuations due to acquisitions	(262)	(277)	(280)
Deferred tax arising on the restatement of the Champs Élysées building	(52)	(52)	(53)
Deferred tax on hybrid bonds	5	(7)	(11)
Deferred tax on pension and post-employment benefits	58	60	54
Deferred tax arising on tax loss carryforwards	104	97	92
Deferred tax on other temporary differences	98	104	107
GROSS DEFERRED TAX ASSETS (LIABILITIES)	**(49)**	**(75)**	**(91)**
Unrecognized deferred taxes	(92)	(83)	(53)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(141)**	**(158)**	**(144)**

As of December 31, 2012, the deferred tax liabilities include tax on the revaluation of intangible assets made at the time of the acquisition of Zenith (euro 22 million), Bcom3 (euro 160 million) and Digitas (euro 63 million), deferred taxes linked to the separation of the hybrid bonds (Océane, Orane) and deferred tax linked to the fair value being deemed as the cost of the Champs Élysées land and building 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, 2012	December 31, 2011	December 31, 2010
AMOUNT OF UNRECOGNIZED TAX LOSS CARRYFORWARDS	**274**	**282**	**286**
Of which carried forward indefinitely	*217*	*243*	*233*

Note 9 Earnings per share

Earnings per share and diluted earnings per share

(in millions of euros, except for share data)		2012	2011	2010
Net income used for the calculation of earnings per share				
Group net income	**a**	**737**	**600**	**526**
Impact of dilutive instruments:				
• Savings in financial expenses related to the conversion of debt instruments, net of tax [1]		17	27	27
Group net income - diluted	**b**	**754**	**627**	**553**
Number of shares used to calculate earnings per share				
Average number of shares that make up the share capital		195,194,484	191,738,061	192,754,345
Treasury shares to be deducted (average for the year)		(11,345,668)	(7,935,852)	(10,912,268)
Shares to be issued to redeem the Orane		17,183,419	18,745,548	20,307,677
Average number of shares used for the calculation	**c**	**201,032,235**	**202,547,757**	**202,149,754**
Impact of dilutive instruments:				
• Free shares and dilutive stock options [1]		4,489,716	5,161,031	4,389,680
• Warrants [1]		1,390,663	893,900	480,327
• Shares resulting from the conversion of convertible bonds [2]		17,231,086	28,463,470	28,450,700
Number of diluted shares	**d**	**224,143,700**	**237,066,159**	**235,470,461**
(in euros)				
EARNINGS PER SHARE	**a/c**	**3.67**	**2.96**	**2.60**
DILUTED EARNINGS PER SHARE	**b/d**	**3.36**	**2.64**	**2.35**

(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 2012, all the stock options and warrants not yet exercised at the year-end had a dilutive effect.

(2) Over the three years 2012, 2011 and 2010, all of the Océanes had a dilutive impact and are therefore factored into the calculation of diluted EPS.

In February 2012, Publicis Groupe bought back 18,000,000 shares held by Dentsu, including 10,759,813 that were immediately canceled. This buyback had a favorable effect on net EPS by decreasing the number of shares outstanding.

In addition, following the announcement in June 2012 of the decision to prepay at par, on July 30, 2012, all the outstanding 2014 Océanes, bondholders of most outstanding Océanes sought to convert them. In total 25,750,630 bonds were converted during 2012, resulting in the creation of 25,848,473 new shares. The effect of the conversion of these Océanes was reflected in net EPS, not just in diluted EPS (pro rata temporis in 2012).

Headline earnings per share (bÏ+1c and diluted)

(in millions of euros, except for share data)		2012	2011	2010
Net income used to calculate headline earnings per share *				
Group net income		737	600	526
Items excluded:				
• Amortization of intangibles from acquisitions, net of tax		28	23	21
• Impairment, net of tax		8	-	1
• Net capital gains (losses) on disposal of assets and fair value remeasurement at takeover date		(58)	(18)	(12)
• Revaluation of earn-out *payments*		(9)	(4)	
Headline Group net income	**e**	**706**	**601**	**536**
Impact of dilutive instruments:				
• Savings in financial expenses linked to the conversion of debt instruments, net of tax		17	27	27
Headline Group net income, diluted	**f**	**723**	**628**	**563**
Number of shares used to calculate earnings per share				
Average number of shares that make up the share capital		195,194,484	191,738,061	192,754,345
Treasury shares to be deducted (average for the year)		(11,345,668)	(7,935,852)	(10,912,268)
Shares to be issued to redeem the Orane		17,183,419	18,745,548	20,307,677
Average number of shares used for the calculation	**c**	**201,032,235**	**202,547,757**	**202,149,754**
Impact of dilutive instruments:				
• Free shares and dilutive stock options		4,489,716	5,161,031	4,389,680
• Warrants		1,390,663	893,900	480,327
• Shares resulting from the conversion of the convertible bonds		17,231,086	28,463,470	28,450,700
Number of diluted shares	**d**	**224,143,700**	**237,066,159**	**235,470,461**
(in euros)				
HEADLINE EARNINGS PER SHARE *	**e/c**	**3.51**	**2.97**	**2.65**
HEADLINE EARNINGS PER SHARE – DILUTED *	**f/d**	**3.23**	**2.65**	**2.39**

* *EPS after elimination of the impairment losses, amortization on intangibles from acquisitions, the main capital gains and losses on disposal of assets, the fair value remeasurement gains and losses and the revaluation of earn-out payments.*

Note 10 Goodwill

The following is an analysis of the goodwill balances of consolidated companies:

(in millions of euros)	Europe	North America	South America	Asia Pacific	Middle East & Africa	Total
NET VALUE ON DECEMBER 31, 2011	**1,381**	**2,833**	**340**	**598**	**55**	**5,207**
2012 financial year:						
• Gross goodwill on January 1, 2012	1,461	2,847	363	625	64	5,360
• Changes over the period (incl. translation adjustments)	274	3	108	50	26	461
TOTAL GROSS VALUE	**1,735**	**2,850**	**471**	**675**	**90**	**5,821**
Impairment	(81)	(16)	(22)	(26)	(9)	(154)
TOTAL NET VALUE ON DECEMBER 31, 2012	**1,654**	**2,834**	**449**	**649**	**81**	**5,667**

Changes in goodwill

(in millions of euros)	Gross amount	Impairment	Net amount
JANUARY 1, 2010	**4,074**	**(146)**	**3,928**
Acquisitions	68	-	68
Impairment	-	-	-
Changes related to the recognition of commitments to purchase non-controlling interests (minority interests) *	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) *	7	-	7
Disposals and derecognition	(27)	-	(27)
Translation adjustments and other	311	(1)	310
DECEMBER 31, 2011	**5,360**	**(153)**	**5,207**
Acquisitions	477	-	477
Impairment	-	(1)	(1)
Changes related to the recognition of commitments to purchase non-controlling interests (minority interests) *	39	-	39
Disposals and derecognition	(9)	-	(9)
Translation adjustments and other	(46)	-	(46)
DECEMBER 31, 2012	**5,821**	**(154)**	**5,667**

* *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 2012, much of the work regarding the allocation of the purchase price of BBH and Neogama was completed in 2012; however, some amounts and valuations at the takeover date are still being finalized.

There was no other major acquisition in 2012.

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, 2010	**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**
Acquisitions	40	-	40	23	-	23
Amortization	-	(41)	(41)	-	(30)	(30)
Impairment	-	-	-	-	(1)	(1)
Disposals and derecognition	-	-	-	(7)	7	-
Translation adjustments and other	(14)	5	(9)	5	(3)	2
DECEMBER 31, 2012	**811**	**(431)**	**380**	**223**	**(164)**	**59**

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, 2010	**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**
Acquisitions	30	-	30	93	-	93
Amortization	-	(1)	(1)	-	(72)	(72)
Impairment	-	(6)	(6)	-	(7)	(7)
Disposals and derecognition	-	-	-	(7)	7	-
Translation adjustments and other	(12)	2	(10)	(21)	4	(17)
DECEMBER 31, 2012	**588**	**(45)**	**543**	**1,622**	**(640)**	**982**

Valuation of intangible assets

Valuation tests carried out by an independent expert at the close of 2012 led the Group to recognize an impairment loss of euro 7 million.

No impairment losses were recognized at the close of 2011.

An impairment charge of less than euro 1 million 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, 2010	**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 AMOUNTS 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 AMOUNTS ON DECEMBER 31, 2011	**271**	**952**	**1,223**
Increases	-	107	107
Decreases	(1)	(51)	(52)
Changes to consolidation scope	-	46	46
Translation adjustments and other	(1)	(10)	(11)
GROSS AMOUNTS ON DECEMBER 31, 2012	**269**	**1,044**	**1,313**
ACCUMULATED DEPRECIATION ON DECEMBER 31, 2011	**(43)**	**(684)**	**(727)**
Increases	(4)	(95)	(99)
Decreases	-	49	49
Changes to consolidation scope	-	(36)	(36)
Translation adjustments and other	1	5	6
ACCUMULATED DEPRECIATION ON DECEMBER 31, 2012	**(46)**	**(761)**	**(807)**
NET AMOUNTS AT DECEMBER 31, 2012	**223**	**283**	**506**

Land and buildings

On December 31, 2012, the net amount of the property assets directly owned by Publicis listed on the balance sheet is euro 171 million.

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 euro 52 million on December 31, 2012.

These mainly concern the Leo Burnett building at 35 West Wacker Drive in Chicago, Illinois, USA. The finance lease on this building represents a gross amount of euro 83 million 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, 2012	December 31, 2011	December 31, 2010
Gross amount of buildings	83	85	82
Depreciation	(31)	(29)	(25)
NET AMOUNT	**52**	**56**	**57**

Note 13 Investments in associates

Investments accounted using the equity method amounted to euro 23 million on December 31, 2012 (versus euro 43 million on December 31, 2011 and euro 140 million on December 31, 2010).

(in millions of euros)	Value in balance sheet
AMOUNT ON JANUARY 1, 2010	**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**
Acquisitions	5
Disposals	(42)
Share of profit of associates	25
Dividends paid	(8)
Effect of translation and other	-
AMOUNT ON DECEMBER 31, 2012	**23**

During the financial year ended December 31, 2012, Publicis Groupe took over of entities that were previously accounted for by the equity method. The two main takeovers for the period are:

- Bartle Bogle Hegarty (BBH). The buy-out of an additional 51% brought the Group's ownership to 100% (see also Note 2). In addition, the portion of BBH's 2012 net income includes the gain on the sale of Neogama shares to Publicis Groupe in the amount of euro 15 million;
- Bromley Communications The buy-out of an additional 51% brought the Group's ownership to 100%.

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)	December 31, 2012	December 31, 2011	December 31, 2010
Share in balance sheets of associates			
Non-current assets	34	16	124
CURRENT ASSETS	**43**	**107**	**134**
Total assets	77	123	258
Non-current liabilities	3	3	6
CURRENT LIABILITIES	**51**	**76**	**112**
Total liabilities	54	79	118
NET ASSETS	**23**	**43**	**140**

(in millions of euros)	2012	2011	2010
Share in results of associates			
Revenue	109	111	116
Net income	25	17	8
Carrying amount of the investment	23	43	140

The Group's main associates are Burrell Communications, M Publicité and Somupi. As at December 31, 2012, the carrying amount of these three associates amounted to euro 6 million, euro 3 million and euro 3 million 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, 2012	December 31, 2011	December 31, 2010
Available-for-sale financial assets			
• IPG securities	41	37	39
• Venture Capital Fund *	23	-	-
• LBi securities	94	-	-
• Others	9	8	7
Security deposits	24	28	28
Loans to unconsolidated companies	27	10	11
Loans and advances to invested entities	15	6	9
Other	49	49	37
Gross amount	**282**	**138**	**131**
Impairment	(40)	(25)	(18)
NET AMOUNT	**242**	**113**	**113**

* *In March 2012, France Telecom-Orange and Publicis Groupe formalized their partnership with Iris Capital Management. Under this partnership arrangement, Publicis Groupe undertook to contribute the sum of euro 74 million to invest in businesses creating value in the digital economy.*

In November 2012, the Group made a public tender offer for all outstanding shares in LBi, the largest independent European marketing and technology agency, which combines expertise in strategy, creation, media and technology. LBi employs over 2,200 people in 16 countries. With the support and unanimous approval of LBi's Management Board and Supervisory Board, this bid was made at euro 2.85 per share cum dividend, and the acceptance period expired on January 15, 2013 (see also Notes 24 and 30).

At December 31, 2012 Publicis held 22.72% of LBi, as an unconsolidated investment.

In addition, Publicis owned 1.13% of Interpublic Group (IPG) as at December 31, 2012, an unconsolidated equity investment classified under available-for-sale investments. The historical price of the IPG shares was US dollars 3.87. The listed share price as of December 31, 2012 was US dollars 11.02.

Summary data on IPG (latest reported consolidated figures):

(in millions of dollars)	2011
Revenue	7,015
Net income	521
SHAREHOLDERS' EQUITY AS AT DECEMBER 31	**2,497**

Note 15 Inventory and work in progress

(in millions of euros)	December 31, 2012	December 31, 2011	December 31, 2010
Gross amount	**344**	**345**	**327**
Impairment of inventories and work in progress	(2)	(2)	(1)
NET AMOUNT	**342**	**343**	**326**

Note 16 Trade receivables

(in millions of euros)	December 31, 2012	December 31, 2011	December 31, 2010
Trade accounts receivable *	6,933	6,542	6,046
Notes receivable	9	10	10
GROSS AMOUNT	**6,942**	**6,552**	**6,056**
Opening impairment	(106)	(103)	(98)
Impairment over the year	(9)	(32)	(33)
Reversals during the year	15	21	29
Changes to consolidation scope	-	7	-
Translation adjustments and other	(1)	1	(1)
Closing impairment	**(101)**	**(106)**	**(103)**
NET AMOUNT	**6,841**	**6,446**	**5,953**

* *Including invoiced trade receivables of euro 5,321 million as of December 31, 2012, euro 5,004 million as of December 31, 2011 and euro 4,680 million as of December 31, 2010.*

Note 17 Other receivables and current assets

(in millions of euros)	December 31, 2012	December 31, 2011	December 31, 2010
Taxes and other receivables from the government	248	206	197
Advances to suppliers	169	150	221
Prepayments	72	77	55
Derivatives hedging current assets and liabilities	4	4	3
Derivatives on intercompany loans and borrowings	2	3	5
Derivatives hedging the fair value of Eurobond 2012 and 2015	13	12	15
Other receivables and other current assets	92	116	82
Gross amount	**600**	**568**	**578**
Impairment	(9)	(7)	(6)
NET AMOUNT	**591**	**561**	**572**

Note 18 Cash and cash equivalents

(in millions of euros)	December 31, 2012	December 31, 2011	December 31, 2010
Cash and bank balances	349	291	169
Short-term liquid investments	965	1,883	1,995
TOTAL	**1,314**	**2,174**	**2,164**

At December 31, 2012, 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.

Buyback of treasury shares held by Dentsu on February 17, 2012

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 euro 644.4 million, i.e. euro 35.80 per share, on February 17, 2012. The transaction was executed at a 13.35% discount to the closing price on February 16, 2012.

Publicis canceled 10.8 million shares out of the 18 million shares bought back. This number represents the maximum that could be canceled given the cancellation already carried out on May 10, 2010. The remaining 7.2 million shares are held as treasury stock, in order to fund awards that are conditional on active employment, performance share awards, stock option plans and acquisitions.

Share capital of the parent company

The following are the changes in the share capital over the last three years:

(in shares)	2012	2011	2010
Share capital on January 1	193,357,945	191,645,241	197,583,112
Capital increase	27,410,602	1,712,704	1,562,129
Cancellations	(10,759,813)	-	(7,500,000)
SHARES COMPRISING THE SHARE CAPITAL ON DECEMBER 31	**210,008,734**	**193,357,945**	**191,645,241**
Treasury shares as of December 31	(10,805,084)	(7,361,882)	(9,274,171)
SHARES IN CIRCULATION ON DECEMBER 31	**199,203,650**	**185,996,063**	**182,371,070**

Publicis Groupe SA's share capital increased by euro 10,964,241 in 2012, corresponding to 27,410,602 shares with a par value of euro 0.40:

- 25,848,473 shares issued in connection with the Océane 2014, following conversion requests on 25,698,630 bonds;
- 1,562,129 shares issued as part of the redemption of the eighth tranche of the Orane (see Note 24 – Off-balance sheet commitments – Commitments related to loans and Orane).

As of December 31, 2012, the share capital of Publicis Groupe SA totaled euro 84,003,493, split into 210,008,734 shares with a par value of euro 0.40.

Neutralization of the treasury shares existing on December 31, 2012

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 2010, 2011 and 2012:

	Number of shares	Gross amount (in millions of euros)
TREASURY SHARES HELD ON DECEMBER 31, 2009 *	**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 *	**9,274,171**	**248**
Disposals (exercise of stock options)	(1,922,288)	(51)
Delivery of shares following the conversion request of Océane 2014	(1)	-
Movements as part of the liquidity contract	10,000	-
TREASURY SHARES HELD ON DECEMBER 31, 2011 *	**7,361,882**	**197**
Repurchase of shares held by Dentsu	18,000,000	644
Cancellation of shares purchased from Dentsu	(10,759,813)	(385)
Disposals (exercise of stock options) and deliveries of free shares (co-investment plan)	(3,754,829)	(95)
Delivery of shares following the conversion request of Océane 2014	(52,156)	(1)
Movements as part of the liquidity contract	10,000	1
TREASURY SHARES HELD DECEMBER 31, 2012 *	**10,805,084**	**361**

* *Including shares held as part of the liquidity contract (20,000 as at December 31, 2012, 10,000 as at December 31, 2011 and zero shares as at December 31, 2010).*

Dividends proposed and voted

	Per share (in euros)	Total (in millions of euros)
Dividends paid in 2012 (for 2011)	0.70	119
Dividends proposed to the General Shareholders' Meeting (for 2012)	0.90	189 *

* *For all shares in circulation as at December 31, 2012, including treasury shares.*

The cash portion of the distribution proposed for fiscal 2012 will be subject to the 3% tax on dividends.

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. At December 31 of the last three years (2012, 2011 and 2010), the debt-to-equity ratio was negative or close to zero.

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 24.5% for 2012 based on the dividend amount (euro 0.90 per share) to be proposed at the next General Shareholders' Meeting, compared to 23.6% and 26.9% respectively for 2011 and 2010.

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 of June 3, 2008, which was renewed by the General Shareholders' Meetings on June 1, 2010, June 7, 2011 and May 29, 2012. In 2010, 2011 and 2012, 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 547,500 shares with a value of euro 13 million had initially been allocated to the current liquidity agreement.

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, 2010	**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
Increases	20	2	15	63	41	**141**
Releases	(10)	(11)	(60)	(19)	(19)	**(119)**
Other releases	-	(1)	-	(45)	(13)	**(59)**
Changes to consolidation scope	3	-	1	4	1	**9**
Actuarial losses (gains)	-	-	36	-	-	**36**
Translation adjustments and other	(5)	-	5	(2)	2	**-**
DECEMBER 31, 2012	**22**	**27**	**286**	**197**	**99**	**631**
Of which short-term	17	5	46	80	18	**166**
Of which long-term	5	22	240	117	81	**465**

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 2012 (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 euro 13 million on December 31, 2012, 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. Tax risks and charges break down by type as follows:

- approximately 70% concern corporate income taxes;
- approximately 30% concern other income and non-income taxes.

Obligations in respect of employee benefits

The obligations for employee benefits (see Note 21) include:

- defined benefit pension plans;
- post employment health coverage;
- long-term benefits such as deferred compensation and long-service rewards.

Note 21 Pension and other post-employment benefits

Defined benefit pension plans

The Group has a certain number of obligations under defined benefit pension plans, mainly split between:

- pension funds: these are rights to which employees have earned entitlement, with external pre-funding requirements primarily in the US and the UK;
- other pension schemes such as retirement indemnities, in particular in France: the rights have not vested so payment is uncertain and notably dependent on employees still being employed by the Company when they retire;
- health coverage schemes for pensioners, consisting of an effective liability vis-à-vis current pensioners and a provision for current workers (future pensioners), in particular in the US and the UK.

The defined benefit pension plans were valued by independent experts in the United States, the United Kingdom, Germany, France, the United Arab Emirates, Saudi Arabia, Bahrain, South Korea and Japan.

No material events occurred during the reporting period to affect the value of the Group's liabilities under these plans (significant plan change).

Actuarial gains and losses

Actuarial gains and losses reflect increases or reductions in the present value of a defined benefit obligation or of the fair value of the corresponding plan assets. Actuarial gains and losses resulting from changes in the present value of liabilities under a defined benefit plan stem, firstly, from experience adjustments (differences between the previous actuarial assumptions and what has actually occurred) and, secondly, from the effect of changes in actuarial assumptions.

As indicated in Note 1, Publicis Groupe does not expect the application of the amendment to IAS 19 to have a material impact on its net assets. In fact, the key aspect of the amendment is the requirement to recognize actuarial gains and losses on defined benefit plans, in other comprehensive income. The Group is already complying with this requirement.

Other long-term benefits

Publicis Groupe also recognizes various long-term benefits, primarily long-service awards in France in particular, and certain multi-year plans for which the deferred compensation is linked to continued employment.

Change in the actuarial benefit obligation

(in millions of euros)	December 31, 2012 Pension plans	Health cover	Total	December 31, 2011 Pension plans	Health cover	Total	December 31, 2010 Pension plans	Health cover	Total
Opening actuarial benefit obligation	**(508)**	**(24)**	**(532)**	**(459)**	**(22)**	**(481)**	**(410)**	**(18)**	**(428)**
Cost of services rendered during the year	(14)	-	(14)	(11)	-	(11)	(9)	-	(9)
Reductions in headcount and plan settlements	-	-	-	7	-	7	-	1	1
Contributions by plan participants	-	(1)	(1)	-	(1)	(1)	-	(1)	(1)
Benefits paid	27	2	29	24	2	26	21	2	23
Interest expense on benefit obligation	(21)	(1)	(22)	(21)	(1)	(22)	(23)	(1)	(24)
Effect of remeasurement	(53)	-	(53)	(37)	(1)	(38)	(12)	(4)	(16)
Experience gains (losses)	*(3)*	-	*(3)*	-	-	-	*9*	*(2)*	*7*
Gains (losses) arising from a change in the discount rate	*4*	*1*	*5*	*(39)*	*(1)*	*(40)*	*(19)*	*(1)*	*(20)*
Gains (losses) arising from other changes in assumptions	*(54)*	*(1)*	*(55)*	*2*	-	*2*	*(2)*	*(1)*	*(3)*
Acquisitions, disposals	-	-	-	3	-	3	(6)	-	(6)
Foreign exchange differences	2	-	2	(14)	(1)	(15)	(20)	(1)	(21)
ACTUARIAL BENEFIT OBLIGATION AT YEAR-END	**(567)**	**(24)**	**(591)**	**(508)**	**(24)**	**(532)**	**(459)**	**(22)**	**(481)**

Change in the fair value of plan assets

(in millions of euros)	December 31, 2012 Pension plans	Health cover	Total	December 31, 2011 Pension plans	Health cover	Total	December 31, 2010 Pension plans	Health cover	Total
Fair value of plan assets at start of year	**307**	**-**	**307**	**279**	**-**	**279**	**232**	**-**	**232**
Actuarial return on plan assets	40	-	40	12	-	12	27	-	27
Employer contributions	21	-	21	20	-	20	19	-	19
Acquisitions, disposals	-	-	-	-	-	-	3	-	3
Benefits paid	(16)	-	(16)	(14)	-	(14)	(14)	-	(14)
Foreign exchange differences	1	-	1	10	-	10	12	-	12
FAIR VALUE OF PLAN ASSETS AT YEAR-END	**353**	**-**	**353**	**307**	**-**	**307**	**279**	**-**	**279**
SURPLUS (DEFICIT)	**(214)**	**(24)**	**(238)**	**(201)**	**(24)**	**(225)**	**(180)**	**(22)**	**(202)**
Unrecognized past service costs	1	(2)	(1)	1	(4)	(3)	1	(6)	(5)
Effect of ceiling on value of assets	(11)	-	(11)	(8)	-	(8)	(5)	-	(5)
Net provision for defined benefit pension commitments and retirement medical coverage	**(224)**	**(26)**	**(250)**	**(208)**	**(28)**	**(236)**	**(184)**	**(28)**	**(212)**
PROVISION FOR OTHER LONG-TERM BENEFITS	(36)	-	(36)	(53)	-	(53)	(47)	-	(47)
TOTAL PROVISION FOR PENSION LIABILITIES AND OTHER POST-EMPLOYMENT BENEFITS	**(260)**	**(26)**	**(286)**	**(261)**	**(28)**	**(289)**	**(231)**	**(28)**	**(259)**

Net periodic pension cost

(in millions of euros)	December 31, 2012 Pension plans	Health cover	Total	December 31, 2011 Pension plans	Health cover	Total	December 31, 2010 Pension plans	Health cover	Total
Cost of services rendered during the year	(14)	-	(14)	(11)	-	(11)	(9)	-	(9)
Reductions in headcount and plan settlements	-	-	-	7	-	7	-	1	1
Amortization of unrecognized past service cost	-	2	2	-	1	1	-	1	1
Cost of other plans (including defined contribution plans)	(82)	-	(82)	(65)	-	(65)	(69)	-	(69)
Financial expense *	(1)	(1)	(2)	(2)	(1)	(3)	(6)	(1)	(7)
Interest expense on benefit obligation	*(21)*	*(1)*	*(22)*	*(21)*	*(1)*	*(22)*	*(23)*	*(1)*	*(24)*
Expected return on plan assets	*20*	*-*	*20*	*19*	*-*	*19*	*17*	*-*	*17*
TOTAL PENSION COST	**(97)**	**1**	**(96)**	**(71)**	**-**	**(71)**	**(84)**	**1**	**(83)**

* *A net financial expense of euro 2 million in 2012 classified under "Other financial income and expenses" (see Note 7).*

Historical data and analysis of experience adjustments

(in millions of euros)	Pension plans 2012	2011	2010	2009	2008
Actuarial benefit obligation	(567)	(508)	(459)	(410)	(378)
Fair value of plan assets	353	307	279	232	193
PLAN SURPLUS (DEFICIT)	**(214)**	**(201)**	**(180)**	**(178)**	**(185)**
Actuarial gains (losses) arising from changes in assumptions	(50)	(36)	(22)	(32)	25
Actuarial gains (losses) arising from experience adjustments	(3)	-	10	7	(2)
ACTUARIAL GAINS (LOSSES) GENERATED ON BENEFIT OBLIGATION	**(53)**	**(36)**	**(12)**	**(25)**	**23**
Actuarial gains (losses) arising from experience adjustments	20	(6)	10	21	(69)
ACTUARIAL GAINS (LOSSES) GENERATED ON PLAN ASSETS	**20**	**(6)**	**10**	**21**	**(69)**
TOTAL ACTUARIAL GAINS (LOSSES) FOR THE PERIOD	**(33)**	**(42)**	**(2)**	**(4)**	**(46)**

(in millions of euros)	Health cover 2012	2011	2010	2009	2008
Actuarial benefit obligations	(24)	(24)	(22)	(18)	(20)
Fair value of plan assets	-	-	-	-	-
PLAN SURPLUS (DEFICIT)	**(24)**	**(24)**	**(22)**	**(18)**	**(20)**
Actuarial gains (losses) arising from changes in assumptions	-	(2)	(2)	-	-
Actuarial gains (losses) arising from experience adjustments	-	-	(2)	(2)	1
ACTUARIAL GAINS (LOSSES) GENERATED ON BENEFIT OBLIGATION	**-**	**(2)**	**(4)**	**-**	**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**

Allocation of plan assets

	2012	2011	2010
Shares	53.6%	52.0%	55.6%
Bonds	40.4%	41.8%	41.3%
Real estate	2.2%	2.0%	1.8%
Other	3.8%	4.2%	1.3%
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 2013	28	2	30

(in millions of euros)	December 31, 2012 Pension plans	Health cover	Total
Estimated future benefits payable			
2013	38	2	40
2014	34	1	35
2015	31	2	33
2016	29	2	31
2017	30	2	32
Years 2018 to 2022	144	8	152
TOTAL OVER THE NEXT 10 FINANCIAL YEARS	**306**	**17**	**323**

Breakdown of plans by region

	December 31, 2012				December 31, 2011				December 31, 2010			
(in millions of euros)	North America	Europe	Other countries	Total	North America	Europe	Other countries	Total	North America	Europe	Other countries	Total
Actuarial benefit obligation at year-end	(245)	(291)	(55)	(591)	(229)	(258)	(45)	(532)	(200)	(241)	(40)	(481)
Fair value of plan assets at year-end	143	206	4	353	125	178	4	307	117	158	4	279
Surplus (deficit)	**(102)**	**(85)**	**(51)**	**(238)**	**(104)**	**(80)**	**(41)**	**(225)**	**(83)**	**(83)**	**(36)**	**(202)**
Unrecognized past service cost	(2)	1	-	(1)	(4)	1	-	(3)	(6)	1	-	(5)
Effect of ceiling on value of assets	-	(11)	-	(11)	-	(8)	-	(8)	-	(5)	-	(5)
NET PROVISION FOR DEFINED BENEFIT PENSION COMMITMENTS	**(104)**	**(95)**	**(51)**	**(250)**	**(108)**	**(87)**	**(41)**	**(236)**	**(89)**	**(87)**	**(36)**	**(212)**

(in millions of euros)	December 31, 2012				December 31, 2011				December 31, 2010			
	North America	Europe	Other countries	Total	North America	Europe	Other countries	Total	North America	Europe	Other countries	Total
Cost of services rendered during the year *	-	(4)	(9)	(13)	-	(3)	(8)	(11)	-	(3)	(6)	(9)
Interest expense on benefit obligation	(9)	(12)	(1)	(22)	(9)	(12)	(1)	(22)	(10)	(13)	(1)	(24)
Expected return on plan assets	9	10	-	19	9	10	-	19	8	9	-	17
Amortization of unrecognized past service costs	2	-	-	2	1	-	-	1	1	-	-	1
Reductions in headcount and plan settlements	-	-	-	-	-	7	-	7	-	1	-	1
COST OF DEFINED BENEFIT REGIMES	**2**	**(6)**	**(10)**	**(14)**	**1**	**2**	**(9)**	**(6)**	**(1)**	**(6)**	**(7)**	**(14)**
Cost of other plans (including defined contribution plans)	**(47)**	**(21)**	**(14)**	**(82)**	**(36)**	**(16)**	**(13)**	**(65)**	**(38)**	**(17)**	**(14)**	**(69)**
TOTAL PENSION COST	**(45)**	**(27)**	**(24)**	**(96)**	**(35)**	**(14)**	**(22)**	**(71)**	**(39)**	**(23)**	**(21)**	**(83)**

* *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 (minimum AA rating) 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, 2012	North America	Europe	Rest of the world	Total	North America	Europe	Total	Group
Discount rate	3.20%	3.85% *	2.92%	3.52%	3.20%	5.50%	3.54%	3.52%
Expected return on assets	3.20%	4.19%	3.13%	3.78%	n/a	n/a	n/a	3.78%
Future wage increases	n/a	2.29%	4.28%	2.52%	5.00%	n/a	5.00%	2.62%
Future pension increases	n/a	2.79%	n/a	2.79%	n/a	n/a	n/a	2.79%

* *The discount rate adopted for the euro zone at December 31, 2012 is 3.00%.*

	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	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	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%

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	(66)	82	(2)	2
Change in inflation rate Effect on actuarial benefit obligation at year-end	27	(24)	-	-
Changes in medical expenses Effect on actuarial benefit obligation at year-end	-	-	1	(1)

The rate of increase in medical expenses used for 2012 is 8.75% with a gradual reduction to a rate of 4.87% as of 2013 and for subsequent financial years.

Note 22 Borrowings

Number of securities on December 31, 2012	(in millions of euros)	December 31, 2012	December 31, 2011	December 31, 2010
	Bonds (excluding interest accrued) issued by Publicis Groupe:			
	Eurobond 4.125% - January 2012 (Effective interest rate 4.30%)	-	523	533
253,242	Eurobond 4.25% - March 2015 (Effective interest rate 3.85%)	269	268	263
2,624,538	Océane 2.75% - January 2018 (Effective interest rate 2.75%)	126	123	121
	Océane 3.125% - July 2014 (Effective interest rate 5.50%)	-	674	658
1,562,129	Oranes 0.82%, variable, - September 2022 (Effective interest rate 8.50%)	15	18	21
	Other debt:			
	Accrued interest	6	18	18
	Other borrowings and credit lines	81	93	41
	Bank overdrafts	28	28	36
	Debt related to finance leases	81	84	81
	Debt related to acquisitions of shareholdings	317	279	124
	Debt arising from commitments to purchase minority interests	186	190	177
	TOTAL BORROWINGS	**1,109**	**2,298**	**2,073**
	OF WHICH SHORT-TERM	379	838	290
	OF WHICH LONG-TERM	730	1,460	1,783

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 2015 is also booked under "Other receivables and current assets" in the amount of euro 13 million as at December 31, 2012, euro 11 million as at December 31, 2011 and euro 5 million as at December 31, 2010.On June 29, 2012 Publicis Groupe exercised its contractual early redemption option (issuer call) on the Océane 2014 issued on June 24, 2009. On July 19, 2012 virtually all bonds still outstanding, 24,257,895 in total, had been converted and added to the 1,492,735 bonds already converted during the fiscal year. In all, these 25,750,630 bonds were converted into 25,900,629 shares, after applying various conversion ratios.

In 2011, the principal transaction involving borrowings consisted of replacing the existing confirmed, multi-currency, syndicated credit line of euro 1.5 billion with a new confirmed, multi-currency, syndicated credit line of euro 1.2 billion maturing in July 2016.

On January 19, 2010, the Group redeemed 617,985 Océanes 2018 for euro 28 million (corresponding to a nominal amount of euro 24 million) as part of the early redemption clause provided for in this bond issue.

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, 2010	**177**
Debt contracted during the year	63
Buy-outs	(9)
Revaluation of the debt and translation adjustment	(41)
AS AT DECEMBER 31, 2011	**190**
Debt contracted during the year	37
Buy-outs	(25)
Revaluation of the debt and translation adjustments	(16)
AS AT DECEMBER 31, 2012	**186**

The buy-outs during the year were paid for in cash.

Analysis by date of maturity

	December 31, 2012						
		Maturity					
(in millions of euros)	Total	2013	2014	2015	2016	2017	+5 yrs
Bonds and other bank borrowings	525	105	141	271	2	2	4
Debt related to finance leases	81	-	-	-	-	-	81
Debt related to acquisitions of shareholdings	317	144	84	50	39	-	-
Debt related to commitments to purchase non-controlling interests (minority interests)	186	130	17	24	8	6	1
TOTAL	**1,109**	**379**	**242**	**345**	**49**	**8**	**86**

	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**

Analysis by currency

(in millions of euros)	December 31, 2012	December 31, 2011	December 31, 2010
Euros	482	1,689	1,752
US dollars	141	154	122
Other currencies	486	455	199
TOTAL	**1,109**	**2,298**	**2,073**

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:

	December 31, 2012						
		Maturity					
(in millions of euros)	Total	2013	2014	2015	2016	2017	+5 yrs
Bonds and other bank borrowings	610	113	24	154	294	7	18
Debt related to acquisitions of shareholdings	335	-	148	89	54	44	-
Debt related to commitments to purchase non-controlling interests (minority interests)	199	-	136	19	27	9	9
TOTAL	**1,144**	**113**	**308**	**262**	**375**	**60**	**27**

(in millions of euros)	December 31, 2011 Total	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**

(in millions of euros)	December 31, 2010 Total	Maturity 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**

In order to manage its liquidity risk, Publicis holds a substantial amount of cash (cash and cash equivalents) for a total of euro 1,314 million as at December 31, 2012 and undrawn confirmed credit lines representing a total of euro 1,912 million as at December 31, 2012. The main credit line is a multi-currency syndicated facility in the amount of euro 1,200 million, 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 euro 25 million. The only early redemption option exercisable by the holders relates to the Océane 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 net minimum payments for those leases is as follows:

(in millions of euros)	December 31, 2012 Total	Maturity 2013	2014	2015	2016	2017	+5 yrs
Minimum payments	234	9	9	9	10	10	187
Effect of discounting	(153)	(9)	(9)	(9)	(9)	(9)	(108)
DISCOUNTED VALUE OF MINIMUM PAYMENTS	**81**	**-**	**-**	**-**	**1**	**1**	**79**

(in millions of euros)	December 31, 2011						
		Maturity					
	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)	December 31, 2010						
		Total					
	Total	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**

Note 23 Other creditors and current liabilities

(in millions of euros)	December 31, 2012	December 31, 2011	December 31, 2010
Advances and deposits received	451	360	382
Liabilities to employees	445	452	413
Tax liabilities (excl. income tax)	199	212	206
Deferred income	319	306	242
Fair value of derivatives backed by current assets or liabilities	4	4	3
Derivatives on intercompany loans and borrowings	3	1	5
Other current liabilities	235	212	185
TOTAL	**1,656**	**1,547**	**1,436**

Note 24 Off-balance-sheet commitments

Operating leases

	December 31, 2012						
		Maturity					
(in millions of euros)	Total	2013	2014	2015	2016	2017	+5 yrs
Commitments given							
Operating leases	1,508	242	229	195	175	160	507
Commitments received							
Sub-lease commitments	19	5	3	2	1	1	6

	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	-

Lease expenses (net of sub-lease income) amounted to euro 258 million in 2012, euro 224 million in 2011 and euro 217 million in 2010.

Other commitments

(in millions of euros)	December 31, 2012 Total	Maturity -1 yr	1 to 5 yrs	+5 yrs
Commitments given				
Guarantees (1)	106	41	24	41
Other commitments (2)	577	127	381	69
Commitments to purchase investment (3)	331	331	-	-
TOTAL	**1,014**	**499**	**405**	**110**
Commitments received				
Undrawn credit lines (4)	2,126	419	1,707	-
Other commitments (5)	58	22	35	1
TOTAL	**2,184**	**441**	**1,743**	**1**

(1) On December 31, 2012, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of euro 73 million, until 2019. They also included guarantees of approximately euro 7 million relating to media buying operations.
(2) These included euro 524 million of minimum fees guaranteed under advertising space usage contracts. In addition, the Group remains committed to minimum purchases over four years which is not concluded could entail up to euro 47 million in payments (cash and services) for the entire term of the contract expiring on June 30, 2015(maximum of euro 19 million per annum).
(3) Refers to obligations to buy securities in connection with the public tender offer on LBi for an amount of euro 328 million.
(4) The undrawn credit lines included euro 1,912 million of confirmed credit lines.
(5) This refers to euro 19 million in annual billing commitments received for an initial five-year period starting in 2010 and ending on June 30, 2015.

(in millions of euros)	December 31, 2011 Total	Maturity -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) At 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 euro 84 million, staggered until 2019. They also included guarantees of approximately euro 6 million for media-buying activities.
(2) These included euro 603 million of minimum fees guaranteed under advertising space usage contracts. In addition, the Group remains committed to minimum purchases over four years which is not concluded could entail up to euro 76 million in payments (cash and services) for the entire term of the contract expiring on June 30, 2015(maximum of euro 19 million per annum).
(3) The undrawn credit lines included euro 1,855 million of confirmed credit lines.
(4) This refers to euro 19 million in annual billing commitments received for an initial five-year period starting in 2010 and ending on June 30, 2015.

(in millions of euros)	December 31, 2010			
		Total		
	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 euro 92 million, until 2019. They also included guarantees of approximately euro 12 million relating to media-buying operations.

(2) These included euro 771 million of minimum fees guaranteed under advertising space usage contracts. In addition, the Group remains committed to minimum purchases over four years which is not concluded could entail up to euro 93 million in payments (cash and services) for the entire term of the contract expiring on June 30, 2015(maximum of euro 19 million per annum).

(3) The undrawn credit lines included euro 2,155 million of confirmed credit lines.

(4) This refers to euro 19 million of annual billing commitments received for an initial five-year period starting in 2010 and ending on June 30, 2015.

Commitments related to bonds and Oranes

Océane 2018 - 2.75% actuarial January 2018

With respect to the Océane 2018, bondholders may request that bonds be converted, at the rate of one share for each bond (which had a unit value of euro 39.15 at 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 Océane they own on January 18, 2014. The early redemption price is calculated in such a way as to provide a gross 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 eight tranches of the bond every September since September 2005, each Orane confers a right to ten new or existing Publicis Groupe shares, at a 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 2013 to 2022, representing a total of 15,621,290 shares, which may be, at Publicis Groupe's discretion, either newly-issued shares or existing shares held in its portfolio.

Océane 2014 – 3.125% - July 2014

With respect to the Océane 2014, bondholders may request that bonds be converted, at the rate of 1.006 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 euros 27.90 when issued, at any time starting on August 3, 2009 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 and May 29, 2012 to increase the dividend, the conversion rate stood at one share for each bond. Publicis Groupe is therefore required, if conversion is requested, to deliver 24,449,734 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 retained an option to redeem all or part of the bonds at any time from July 30, 2012 if Publicis Groupe SA's shares trade at 130% of the bond's par value. On June 29, 2012, Publicis Groupe took advantage of this option to prepay all or a portion of the bonds at July 30, 2012.

In 2012, 25,715,630 bonds were converted; the remaining bonds were repaid on July 30 as provided for in the early redemption option (see Note 22, "Financial liabilities").

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 euro 0.40 and a premium of euro 30.10.

Other commitments

As at December 31, 2012, 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, 2012						
(in millions of euros)	Value in balance sheet	Fair value through P&L	Available-for-sale assets	Loans and receivables, borrowings & liabilities	Assets held to maturity	Debt at amortized cost	Derivative instruments
Other financial assets	242	-	162	78	2	-	-
Trade receivables	6,841	-	-	6,841	-	-	-
Other receivables and current assets [1]	102	-	-	83	-	-	19
Cash and cash equivalents	1,314	1,314	-	-	-	-	-
ASSETS	**8,499**	**1,314**	**162**	**7,002**	**2**	**-**	**19**
Long-term borrowings	730	-	-	-	-	730	-
Short-term borrowings	379	-	-	-	-	379	-
TOTAL BORROWINGS							
Trade payables	8,249	-	-	8,249	-	-	-
Other creditors and current liabilities [2]	242	-	-	235	-	-	7
LIABILITIES	**9,600**	**-**	**-**	**8,484**	**-**	**1,109**	**7**

(in millions of euros)	Value in balance sheet	Fair value through P&L	Available-for-sale assets	Loans and receivables, borrowings & liabilities	Assets held to maturity	Debt at amortized cost	Derivative instruments
	December 31, 2011						
Other financial assets	113	-	41	68	4	-	-
Trade receivables	6,446	-	-	6,446	-	-	-
Other receivables and current 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**

(in millions of euros)	Value in balance sheet	Fair value through P&L	Available-for-sale assets	Loans and receivables, borrowings & liabilities	Assets held to maturity	Debt at amortized cost	Derivative instruments
	December 31, 2010						
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**

(1) Excluding tax receivables, advances and deposits 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

	December 31, 2012								
					Debt at amortized cost		Loans and receivables		
(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	Foreign exchange effects	Interest	Foreign exchange effects	Impairment and reversal of impairment	Change in value of derivatives
Operating income	-	-	-	-	-	-	-	(23)	-
Cost of net financial debt	-	41	-	-	-	(71)	-	-	-
Other financial income and expenses [(1)]	-	-	1	-	-	-	-	-	(3)

	December 31, 2011								
					Debt at amortized cost		Loans and receivables		
(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	Foreign exchange effects	Interest	Foreign exchange effects	Impairment and reversal of impairment	Change in value of derivatives
Operating income	-	-	-	-	-	-	-	(41)	-
Cost of net financial debt	-	33	-	-	-	(89)	-	-	-
Other financial income and expenses [(1)]	-	-	1	-	-	-	-	-	(2)

	December 31, 2010								
					Debt at amortized cost		Loans and receivables		
(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	Foreign exchange effects	Interest	Foreign exchange effects	Impairment and reversal of impairment	Change in value of derivatives
Operating income	-	-	-	-	-	-	-	(34)	-
Cost of net financial debt	-	16	-	-	-	(81)	-	-	-
Other financial income and expenses [(1)]	-	-	2	-	-	-	22	-	(28)

(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.

	December 31, 2012		December 31, 2011		December 31, 2010	
(in millions of euros)	Fair value	Net carrying amount	Fair value	Net carrying amount	Fair value	Net carrying amount
Financial assets excluding operating assets						
Available-for-sale financial assets (IPG and others)	164	164	45	45	42	42
Other financial assets	78	78	68	68	71	71
TOTAL OTHER FINANCIAL ASSETS	**242**	**242**	**113**	**113**	**113**	**113**
TRADE RECEIVABLES AND RELATED ACCOUNTS	**6,841**	**6,841**	**6,446**	**6,446**	**5,953**	**5,953**
Derivative assets	19	19	19	19	23	23
Other receivables and current assets (excluding derivatives)	83	83	109	109	76	76
TOTAL OTHER RECEIVABLES AND CURRENT ASSETS	**102**	**102**	**128**	**128**	**99**	**99**
CASH AND CASH EQUIVALENTS	**1,314**	**1,314**	**2,174**	**2,174**	**2,164**	**2,164**

	December 31, 2012		December 31, 2011		December 31, 2010	
(in millions of euros)	Fair value	Net carrying amount	Fair value	Net carrying amount	Fair value	Net carrying amount
Financial liabilities excluding operating payables						
Convertible bonds (Océanes, debt component)	137	126	888	797	873	779
Oranes (debt component)	61	15	70	18	78	21
Eurobond	282	269	810	791	821	796
Debt related to finance leases	182	81	183	84	167	81
Commitments to buy-out non-controlling interests (minority interests) and earn outs payable	503	503	469	469	301	301
Other borrowings	115	115	139	139	95	95
TOTAL BORROWINGS	**1,280**	**1,109**	**2,559**	**2,298**	**2,335**	**2,073**
TRADE PAYABLES AND RELATED ACCOUNTS	**8,249**	**8,249**	**7,745**	**7,745**	**7,216**	**7,216**
Derivative liabilities	7	7	5	5	8	8
Other borrowings and current liabilities (excluding derivatives)	235	235	212	212	185	185
TOTAL OTHER BORROWINGS AND CURRENT LIABILITIES	**242**	**242**	**217**	**217**	**193**	**193**

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 prices;
- Level 2: Observable data other than quoted market prices;
- Level 3: Non-observable data.

DECEMBER 31, 2012

(in millions of euros)	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	67	-	97	164
Derivative instruments - Assets	-	19	-	19
	67	**19**	**97**	**183**
Derivative instruments - Liabilities	-	(7)	-	(7)
TOTAL	**67**	**12**	**97**	**176**

DECEMBER 31, 2011

(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**

DECEMBER 31, 2010

(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**

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 2012, 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:

- 37% in fixed-rate loans with an average interest rate for 2012 of 6.0%;
- 63% of variable-rate loans.

The table below sets out the carrying amount by maturity on December 31, 2012 of the Group's financial instruments that are exposed to interest rate risk:

(in millions of euros)	Balance sheet total at December 31, 2012	Maturity		
		-1 yr	1 to 5 yrs	+5 yrs
Fixed rate				
Eurobond 2012 & 2015	256	-	256	-
Océanes (debt component)	126	-	126	-
Oranes (debt component)	15	3	8	4
Debt related to finance leases	81	-	-	81
NET LIABILITY (ASSET) AT FIXED RATE BEFORE MANAGEMENT	**478**	**3**	**390**	**85**
Effect of swap on Eurobond	(256)	-	(256)	-
NET LIABILITY (ASSET) AT FIXED RATE AFTER MANAGEMENT	**222**	**3**	**134**	**85**
VARIABLE RATE				
Bank borrowings	87	81	6	-
Bank overdrafts	28	28	-	-
Cash and cash equivalents	(1,314)	(1,314)	-	-
Other financial assets	(201)	-	-	(201)
NET LIABILITY (ASSET) AT VARIABLE RATE BEFORE MANAGEMENT	**(1,400)**	**(1,205)**	**6**	**(201)**
Effect of swap on Eurobond	256	0	256	0
NET LIABILITY (ASSET) AT VARIABLE RATE AFTER MANAGEMENT	**(1,144)**	**(1,205)**	**262**	**(201)**

Exposure to exchange rate risk

Net assets

The table below shows the Group's net assets at December 31, 2012 broken down by principal currencies:

(in millions of euros)	Total at December 31, 2012	Euro (1)	US Dollar	Pound Sterling	Brazilian Real	Yuan	Other
Assets	**16,605**	4,199	6,754	1,019	644	955	3,034
Liabilities	**11,947**	2,659	5,458	582	265	659	2,324
NET ASSETS	**4,658**	**1,540**	**1,296**	**437**	**379**	**296**	**710**
Effect of foreign exchange hedges (2)	**-**	**890**	**(493)**	**(151)**	**-**	**-**	**(246)**
NET ASSETS AFTER HEDGING	**4,658**	**2,430**	**803**	**286**	**379**	**296**	**464**

(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:

	2012	2011	2010
Euro	18%	20%	20%
US Dollar	46%	45%	47%
Pound Sterling	7%	7%	7%
Other	29%	28%	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):

- euro 35 million on 2012 consolidated revenue;
- euro 7 million on the 2012 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 2012. 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 wsold (local currency in millions)	Face value of currency purchased (local currency in millions)	Fair value (in millions of euros)
CHF	EUR	(1.4)	1.2	0.0
CHF	USD	(0.1)	0.1	0.0
CZK	EUR	(53.4)	2.1	0.0
EUR	AUD	(55.3)	70.3	0.0
EUR	CAD	(210.7)	275.3	(1.4)
EUR	CHF	(6.6)	8.0	0.0
EUR	GBP	(166.0)	135.4	(0.1)
EUR	HKD	(9.8)	100.0	0.0
EUR	JPY	(18.8)	2,149.0	0.1
EUR	NZD	(0.4)	0.7	0.0
EUR	PLN	(14.7)	60.0	0.0
EUR	USD	(514.3)	679.3	0.5
GBP	CHF	0.0	0.0	0.0
GBP	EUR	0.0	0.0	0.0
GBP	USD	(8.1)	13.1	0.0
HUF	EUR	(162.9)	0.6	0.0
JPY	USD	(185.3)	2.2	0.0
MXN	EUR	(101.2)	6.0	0.2
NOK	EUR	(43.8)	5.9	0.0
NZD	EUR	(28.5)	17.6	0.0
SEK	EUR	(310.2)	36.0	0.1
USD	CAD	(7.2)	7.1	0.0
USD	EUR	(77.4)	58.3	(0.3)
USD	GBP	(17.3)	10.7	0.0
USD	HKD	(0.9)	7.0	0.0
TOTAL				**(0.9)**

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)	2012	2011	2010
Amounts not yet due	**4,564**	**4,333**	**4,098**
Overdue receivables:			
Up to 30 days	452	382	320
31 to 60 days	131	111	90
61 to 90 days	44	34	42
91 to 120 days	28	34	30
More than 120 days	102	110	100
TOTAL OVERDUE RECEIVABLES	**757**	**671**	**582**
INVOICED TRADE RECEIVABLES	**5,321**	**5,004**	**4,680**
Impairment	(101)	(106)	(103)
INVOICED TRADE RECEIVABLES, NET	**5,220**	**4,898**	**4,577**

Disclosures regarding major clients

% of revenue	2012	2011	2010
Five largest clients	19%	20%	21%
Ten largest clients	27%	28%	30%
Twenty largest clients	37%	38%	41%
Thirty largest clients	44%	46%	47%
Fifty largest clients	53%	53%	55%
One hundred largest clients	63%	63%	65%

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, 2012.

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 the importance of geographic location for 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 2012

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue [1]	1,976	3,146	842	463	183	**6,610**
Depreciation and amortization expense (excluding intangibles from acquisitions)	(46)	(56)	(15)	(6)	(3)	**(126)**
Operating margin	255	583	114	82	30	**1,064**
Amortization of intangibles arising from acquisitions	(8)	(31)	(2)	(4)	-	**(45)**
Impairment	(3)	(7)	-	-	(1)	**(11)**
Share of profit of associates	25	2	(2)	-	-	**25**
Balance sheet items						
Goodwill and intangible assets, net	1,815	3,602	652	498	82	**6,649**
Property, plant and equipment	279	174	35	12	6	**506**
Deferred tax assets	33	15	31	16	2	**97**
Investments in associates	14	7	2	-	-	**23**
Other financial assets	143	65	28	5	1	**242**
Current assets (liabilities) [2]	329	(2,381)	(150)	(6)	55	**(2,153)**
Deferred tax liabilities	(40)	(183)	-	(15)	-	**(238)**
Long-term provisions	(198)	(146)	(51)	(34)	(36)	**(465)**
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(60)	(39)	(18)	(4)	(2)	**(123)**
Purchases of investments and other financial assets, net	(118)	1	(3)	-	-	**(120)**
Acquisitions of subsidiaries	(135)	(33)	(51)	(143)	(7)	**(369)**
Non-cash expenses on stock options and similar items	8	12	3	2	1	**26**

(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 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**

(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 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 arising 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**

(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.

Note 28 The Publicis Groupe SA stock option and free share plans

The free share plans in force on December 31, 2012 have the following features:

- Long Term Incentive Plan "LTIP 2012" (April 2012)

  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 2012. The shares were initially awarded in April 2012 and will vest in April 2016, except for French employees whose share awards will vest in April 2015;

- Free share plan for employees in 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 six 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 two years of continue employment for Spain and Italy, plus a lock-in period of three years or four 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. Performance was measured in March 2012, with 95.7% of the targets for this plan being achieved. 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).

  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 depended on the growth and profitability objectives 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 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 four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-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. Performance was measured in March 2012, with 100% of the targets for this plan being achieved. These shares were awarded in March 2009 and will be delivered in March 2013, except for French employees who received their shares in March 2012.

The stock option plans in force on December 31, 2012 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 ten years after the grant date;
- Plan granted in 2006 (twenty-first tranche):

  Options granted under this plan grant a right to aquire 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 grant date;
- 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 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 ten years after the date of grant;
- Plan granted in 2003 (sixteenth 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 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, 2012

Shares with euro 0.40 par value	Type of option	Date of grant	Exercise price of options (in euros)	Options outstanding on December 31, 2012	Of which exercisable at December 31, 2012	Expiration date	Remaining contract life (in years)
16th tranche	Acquisition	08/28/2003	24.82	26,000	26,000	2013	0.65
17th tranche	Acquisition	08/28/2003	24.82	341,395	341,395	2013	0.65
19th tranche	Acquisition	09/28/2004	24.82	282,671	282,671	2014	1.74
20th tranche	Acquisition	05/24/2005	24.76	94,624	94,624	2015	2.39
21st tranche	Acquisition	08/21/2006	29.27	100,000	100,000	2016	3.63
22nd tranche	Acquisition	08/21/2006	29.27	1,484,647	1,484,647	2016	3.63
23rd tranche	Acquisition	08/24/2007	31.31	329,343	329,343	2017	4.64
TOTAL OF ALL TRANCHES				**2,658,680**	**2,658,680**		
Average exercise price (in euros)				28.27	28.27		

Movements in Publicis Groupe stock option plans in 2012

Shares with euro 0.40 par value	Exercise price of options (in euros)	Options outstanding on December 31, 2011	Options granted in 2012	Options exercised in 2012	Options cancelled or lapsed in 2012	Options outstanding at December 31, 2012
13th tranche	29.79	26,000	-	(11,000)	(15,000)	-
14th tranche	32.43	5,000	-	(5,000)	-	-
15th tranche	29.79	220,000	-	(220,000)	-	-
16th tranche	24.82	443,400	-	(417,400)	-	26,000
17th tranche	24.82	1,106,357	-	(677,496)	(87,466)	341,395
19th tranche	24.82	474,563	-	(64,285)	(127,607)	282,671
20th tranche	24.76	175,726	-	(72,594)	(8,508)	94,624
21st tranche	29.27	100,000	-	-	-	100,000
22nd tranche	29.27	2,793,739	-	(1,212,108)	(96,984)	1,484,647
23rd tranche	31.31	547,419	-	(157,361)	(60,715)	329,343
TOTAL OF ALL TRANCHES		**5,892,204**	**-**	**(2,837,244)**	**(396,280)**	**2,658,680**
Average exercise price (in euros)		27.82	-	27.50	27 .09	28.27
Average share price on exercise (in euros)				40.57		

Movements in Publicis Groupe stock option plans in 2011

Shares with euro 0.40 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**	**-**	**(1,792,636)**	**(122,146)**	**5,892,204**
Average exercise price (in euros)		28.02	-	28.60	29.79	27.82
Average share price on exercise (in euros)				36.29		

Movements in Publicis Groupe stock option plans in 2010

Shares with euro 0.40 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 (in euros)		27.64	-	26.37	30.13	28.02
Average share price on exercise (in euros)				33.36		

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 the Publicis Groupe free share plans outstanding at December 31, 2012

Shares with euro 0.40 par value	Beneficiaries	Grant date	Number of shares yet to vest at December 31, 2012	Vesting date of shares (1)	Remaining contract life (in years)
Co-Investment Plan	Outside France	03/19/2009	2,166,651	03/19/2013	0.21
LTIP Plan 2010	France	08/19/2010	83,550	08/19/2013	0.63
LTIP Plan 2010	Outside France	08/19/2010	463,600	08/19/2014	1.63
LTIP Plan 2010-2012 (Management Board members)	France	09/22/2010	149,821	09/22/2013	0.73
LTIP Plan 2010-2012 (Management Board members)	Outside France	09/22/2010	98,566	09/22/2014	1.73
USA Plan 2010 - all US employees	United States	12/01/2010	373,150	12/01/2014	1.92
LTIP Plan 2011	France	04/19/2011	82,744	04/19/2014	1.30
LTIP Plan 2011	Outside France	04/19/2011	493,048	04/19/2015	2.30
Global plan 2011 - all employees in countries concerned	Spain, Italy	12/01/2011	72,500	12/01/2013	0.92
Global plan 2011 - all employees in countries concerned	14 countries (2)	12/01/2011	342,200	12/01/2015	2.92
LTIP Plan 2012	France	04/17/2012	99,800	04/17/2015	2.29
LTIP Plan 2012	Outside France	04/17/2012	567,175	04/17/2016	3.30
TOTAL OF FREE SHARE PLANS			**4,992,805**		

(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), and LTIP 2010 to LTIP 2012.

Movements in Publicis Groupe free share plans in 2012

Shares with euro 0.40 par value	Beneficiaries	Number of shares yet to vest at December 31, 2011	Shares granted in 2012	Shares canceled, lapsed or transferred (1) in 2012	Shares vesting in 2012	Number of shares yet to vest at December 31, 2012
Co-investment plan	France	804,194	-	1,276	(805,470)	0
Co-investment plan	Outside France	2,320,678	-	(154,027)	-	2,166,651
LTIP Plan 2010	France	86,550	-	(3,000)	-	83,550
LTIP Plan 2010	Outside France	510,200	-	(46,600)	-	463,600
LTIP Plan 2010-2012 (Management Board members)	France	152,000	-	(2,179)	-	149,821
LTIP Plan 2010-2012 (Management Board members)	Outside France	100,000	-	(1,434)	-	98,566
USA Plan 2010 - all US employees	United States	479,800	-	(106,650)	-	373,150
LTIP Plan 2011	France	89,950	-	(7,206)	-	82,744
LTIP Plan 2011	Outside France	552,750	-	(59,702)	-	493,048
Global plan 2011 - all employees in countries concerned	Spain, Italy	79,050	-	(6,550)	-	72,500
Global plan 2011 - all employees in countries concerned	14 countries (2)	454,650	-	(112,450)	-	342,200
LTIP Plan 2012	France	-	100,200	(400)	-	99,800
LTIP Plan 2012	Outside France	-	581,350	(14,175)	-	567,175
TOTAL OF FREE SHARE PLANS		**5,629,822**	**681,550**	**(513,097)**	**(805,470)**	**4,992,805**

(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 2011

Shares with euro 0.40 par value	Beneficiaries	Number of shares yet to vest at December 31, 2010	Shares granted in 2011	Shares canceled, 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 euro 0.40 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)	-	2,497844
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
US 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**

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 at December 31, 2012, the number of free shares yet to be vested was 78,384.

Fair value of free Publicis Groupe shares granted in the last three years:

FREE SHARES GRANTED IN 2012

	LTIP 2012	
	April 17, 2012	
Date of Management Board Meeting	France (1)	Outside France (1)
Number of shares originally granted	100,200	581,350
Initial valuation of shares granted (in euros)	38.40	37.53
Assumptions:		
Share price on the grant date (in euros)	40.69	40.69
Vesting period (in years)	3	4
Lock-in period (in years)	2	-

(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 2012.

FREE SHARES GRANTED IN 2011

	LTIP 2011		2011 Plan – employees worldwide	
	April 19, 2011		December 1, 2011	
Date of Management Board Meeting	France (1)	Outside France (1)	Spain/Italy	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 grant date (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

	2010 Plan 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	-

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 the Digitas stock option plans outstanding at December 31, 2012

	Date of grant		Exercise price of options (in euros)		Options outstanding at December 31, 2012	Of which exercisable at December 31, 2012	Expiration date		Remaining contract life (in years)
Shares with a euro 0.40 par value	min	max	min	max			min	max	
Digitas Plans									
2001	03/01/2001	01/24/2007	5.08	35.42	183,070	183,070	03/01/2011	01/24/2017	2.86
2005 UK	06/01/2005	12/01/2006	21.70	35.42	5,338	5,338	06/01/2015	12/01/2016	4.00
Modem Media Plans									
1997	03/26/1997	09/29/2004	18.30	19.18	0	0	01/01/2008	09/29/2014	2.25
1999	04/12/2000	06/22/2004	2.62	54.05	0	0	04/12/2010	06/22/2014	1.18
TOTAL OF TRANCHES					**188,408**	**188,408**			
Average exercise price (in euros)					27.20	27.20			

Movements in Digitas stock option plans in 2012

Shares with a euro 0.40 par value	Exercise price of options (in euros) min	max	Options outstanding at December 31, 2011	Options exercised in 2012	Options cancelled or lapsed in 2012	Options outstanding at December 31, 2012
Digitas Plans						
2001	5.08	35.42	318,418	(40,651)	(94,697)	183,070
2005 UK	21.70	35.42	5,338	-	-	5,338
Modem Media Plans						
1997	18.30	19.18	370	-	(370)	0
1999	2.62	54.05	2,559	(1,455)	(1,104)	0
TOTAL OF TRANCHES			**326,685**	**(42,106)**	**(96,171)**	**188,408**
Average exercise price (in euros)			25.27	18.53	24.45	27.20
Average share price on exercise (in euros)				40.57		

Movements in Digitas stock option plans in 2011

Shares with a euro 0.40 par value	Exercise price of options (in euros) min	max	Options outstanding at 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	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		

Effect of stock option and free share plans on profit (loss)

The total impact of these plans on the 2012 income statement was euro 26 million (excluding taxes and social security charges) compared to the same amount that the two previous years (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, 2012, the probability of the targets for 2012 being met has been estimated as follows:

- LTIP 2012: 100%;
- LTIP 2010-2012 (Management Board): 100%.

Note 29 Related party disclosures

The following related party transactions occurred:

	Receivables/Loans		
(in millions of euros)	2012	2011	2010
Somupi	6	4	7

Terms and conditions of related-party transactions

- On February 17, 2012, Publicis purchased 18 million of its own shares offered for sale by Dentsu. This transaction, along with the simultaneous cancellation of 10.8 million shares, was authorized by the Supervisory Board (the interested parties have abstained from voting), pursuant to the provisions of articles L. 225-86 *et seq.* of the 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 the 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 also results in the termination of the shareholder agreement entered into by Dentsu and Publicis Groupe in 2003.
- 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 euro 1,200 million with a syndicate of 15 banks. BNP Paribas is the agent for the syndicate and also contributed euro 106 million to this facility. Société Générale and Deutsche Bank also contributed euro 106 million and euro 50 million, respectively,
  - agreements on confirmed lines of credit were made by the Company in 2009 with BNP Paribas and Société Générale, for a principal of euro 100 million each and a maturity of five years.

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)	2012	2011	2010
Overall gross compensation (1)	(27)	(11)	(7)
Post-employment benefits (2)	-	5	(1)
Other long-term benefits (3)	19	(2)	(5)
Share-based payments (4)	(3)	(4)	(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) Increase/release of provisions for deferred compensation and contingent bonuses. The 2012 reversal of the provision was due to the payment of the deferred bonus to the Chairman of the Management Board and the corresponding social security expenses.
(4) Expense recognized in the income statement under the Publicis Groupe stock option and free share plans.

In addition, the accounting provision as at December 31, 2012 for post-employment and other long-term benefits for senior management amounts to euro 11 million (this number was euro 30 million on December 31, 2011 and euro 33 million on December 31, 2010).

Note 30 Subsequent events

On January 15, 2013 at the close of the public tender offer for all outstanding shares in LBi, Publicis Groupe declared the offer to be unconditional. By the time the offer had closed, Publicis Groupe held 73.50% of the share capital on a completely diluted basis, representing along with the stock previously owned by Publicis Groupe 97.37% of the LBi share capital on a completely diluted basis. Publicis Groupe offered shareholders who had not tendered their shares a chance to tender them during a "re-opened period" starting January 16, 2013 and ending January 29, 2013.

On January 29, 2013 Publicis Groupe and LBi jointly announced the final result of the public tender offer. The shares held by the Group after January 29, 2013 represented some 98% of the LBi share capital on a completely diluted basis, or 95.41% of LBi shares outstanding.

Publicis Groupe plans to initiate a squeeze-out procedure as soon as possible to acquire the remaining shares not held by the Group.

Note 31 Fees of the statutory auditors and members of their networks

The fees paid by Publicis Groupe SA during 2012 and 2011 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)	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Audit												
Statutory audit, audit opinion, review of individual and consolidated financial statements												
Publicis Groupe SA (parent company)	0.7	0.7	10%	11%	0.4	0.4	9%	10%	1.1	1.1	10%	10%
Subsidiaries	4.6	4.1	66%	63%	3.7	3.3	84%	78%	8.3	7.4	72%	69%
SUB-TOTAL	**5.3**	**4.8**	**76%**	**74%**	**4.1**	**3.7**	**93%**	**88%**	**9.4**	**8.5**	**83%**	**79%**
Other work and services directly related to the audit mission												
Publicis Groupe SA (parent company)	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiaries	1.4	1.6	20%	25%	0.3	0.4	7%	10%	1.7	2.0	15%	19%
SUB-TOTAL	**1.3**	**1.6**	**20%**	**25%**	**0.3**	**0.4**	**7%**	**10%**	**1.7**	**2.0**	**15%**	**19%**
Other services												
Tax	0.3	0.1	4%	1%	-	0.1	-	2%	0.3	0.2	2%	2%
SUB-TOTAL	**0.3**	**0.1**	**4%**	**1%**	**-**	**0.1**	**-**	**2%**	**0.3**	**0.2**	**2%**	**2%**
TOTAL	**7.0**	**6.5**	**100%**	**100%**	**4.4**	**4.2**	**100%**	**100%**	**11.4**	**10.7**	**100%**	**100%**

Note 32 List of main consolidated companies on December 31, 2012

A) Fully consolidated companies

The companies listed below are our operating companies with revenue of at least euro 10 million.

Name	Voting rights	Shareholding	Country
Publicis Conseil SA	99.61%	99.61%	France
Publicis Activ France SA	99.96%	99.57%	France
Publicis Dialog SAS	100.00%	99.61%	France
Publicis Consultants I France SARL	99.97%	99.97%	France
Leo Burnett SAS	100.00%	100.00%	France
SCAP SARL	100.00%	99.61%	France
VivaKi Performance SA	100.00%	100.00%	France
Metrobus publicité SA	67.00%	67.00%	France
VivaKi Communication SA	100.00%	100.00%	France
Marcel SAS	100.00%	99.61%	France
World Advertising Movies SA	99.96%	99.96%	France
Drugstore Champs-Élysées SNC	100.00%	100.00%	France
Global Event Management SAS	100.00%	99.61%	France
Mediavision et Jean Mineur SA	66.67%	66.67%	France
PLBSA	100.00%	100.00%	France
Mediagare SNC (2)	100.00%	67.00%	France
Saatchi & Saatchi GmbH	100.00%	100.00%	Germany
Leo BurnettGmbH	100.00%	100.00%	Germany
ZenithmediaDusseldorf GmbH	100.00%	100.00%	Germany
Optimedia Gesellschaftfür Media-Services GmbH	100.00%	100.00%	Germany
VivaKi GmbH	100.00%	100.00%	Germany
Razorfish (1)	100.00%	100.00%	Germany
Publicis Hamburg PWW GmbH	100.00%	100.00%	Germany
Pixelpark AG (2)	79.14%	79.14%	Germany
ZenithOptimedia Australia Pty Ltd	100.00%	100.00%	Australia
Saatchi & Saatchi Communications Australia Pty Ltd	100.00%	100.00%	Australia
StarcomMediaVest Group Pty Ltd	100.00%	100.00%	Australia
Publicis Mojo	100.00%	100.00%	Australia
Publicis Loyalty Pty Ltd	100.00%	100.00%	Australia
Leo Burnett Pty Ltd	100.00%	100.00%	Australia
Publicis Brasil Comunicaçao Ltda	100.00%	100.00%	Brazil
Finance Nazca Saatchi & Saatchi Publicidade Ltda	53.00%	53.00%	Brazil
Leo Burnett Publicidade Ltda	99.99%	99.99%	Brazil
TalentComunicacao e Planejamento SA	60.00%	60.00%	Brazil
AG2 Agencia de Inteligencia Digital SA	62.44%	62.44%	Brazil
DPZ Duailibi Petit Zaragoza Propaganda	70.00%	70.00%	Brazil
Neogama BBH PublicidadeLtda (2)	100.00%	100.00%	Brazil
Publicis Canada Inc.	70.00%	70.00%	Canada
Leo Burnett Company Ltd	100.00%	100.00%	Canada
ZenithOptimedia Canada Inc.	100.00%	100.00%	Canada
TMG MacManus Canada Inc.	100.00%	100.00%	Canada
G/B2 Inc. (2)	100.00%	70.00%	Canada
Saatchi & Saatchi Great Wall Advertising Co. Ltd	100.00%	100.00%	China
Leo Burnett Ltd	100.00%	100.00%	China
Leo Burnett Shanghai Advertising Co. Ltd	70.00%	70.00%	China

Name	Voting rights	Shareholding	Country
Publicis Advertising Co. Ltd	85.00%	84.15%	China
Shanghai Genedigi Brand Management Co. Ltd	100.00%	100.00%	China
Saatchi & Saatchi ServicesHK Ltd	100.00%	100.00%	China
Leo Burnett Colombiana SA	100.00%	100.00%	Colombia
Publicis Groupe Media SA (2)	100.00%	100.00%	Colombia
Leo Burnett Korea Inc. (2)	100.00%	100.00%	Korea
Publicis Comunicacion Espana LC	100.00%	100.00%	Spain
Optimedia SL	100.00%	100.00%	Spain
Zenith Media SL	100.00%	100.00%	Spain
Starcom MediaVest Group Iberia SL	100.00%	100.00%	Spain
Publicis Inc. (DE)	100.00%	100.00%	United States
Publicis Inc. (NY)	96.69%	96.69%	United States
Saatchi & Saatchi North America Inc.	100.00%	100.00%	United States
Conill Advertising Inc.	100.00%	100.00%	United States
Saatchi & Saatchi X Inc.	100.00%	100.00%	United States
Leo Burnett Company Inc.	100.00%	100.00%	United States
Leo Burnett Detroit Inc.	100.00%	100.00%	United States
Martin Retail Group LLC	70.00%	70.00%	United States
Arc Worldwide Inc.	100.00%	100.00%	United States
Fallon GroupInc.	100.00%	100.00%	United States
The Kaplan Thaler Group Ltd	100.00%	100.00%	United States
Manning Selvage & Lee Group Americas Inc.	100.00%	100.00%	United States
SCAP USA LLC	100.00%	100.00%	United States
Medicus Group International Inc.	100.00%	100.00%	United States
Saatchi & Saatchi Healthcare Communications Inc.	100.00%	100.00%	United States
Publicis Touchpoint Solutions Inc.	100.00%	100.00%	United States
Starcom MediaVest Group Inc.	100.00%	100.00%	United States
Optimedia International US Inc.	100.00%	100.00%	United States
Zenith Media Services Inc.	100.00%	100.00%	United States
Digitas Inc.	100.00%	100.00%	United States
Kekst and Company Inc.	100.00%	100.00%	United States
Rosetta Marketing Group LLC	100.00%	100.00%	United States
Level Studios LLC	100.00%	100.00%	United States
VNC Communications Inc.	100.00%	100.00%	United States
VivaKi Inc.	100.00%	100.00%	United States
Razorfish LLC	100.00%	100.00%	United States
Razorfish Philadelphia LLC	100.00%	100.00%	United States
Schwartz MSL LLC (2)	100.00%	100.00%	United States
SC USA Division (2)	100.00%	100.00%	United States
Denuo Ltd (2)	100.00%	100.00%	Hong Kong
TLG India Pvt Ltd	100.00%	100.00%	India
Publicis Communications Private Limited (2)	100.00%	100.00%	India
Solutions Integrated Marketing Services Pvt Ltd	90.52%	90.52%	India
Red Lion Communications Srl	100.00%	100.00%	Italy
Saatchi & Saatchi Srl	100.00%	100.00%	Italy
Leo Burnett Company Srl	100.00%	100.00%	Italy
ZenithOptimedia Group Srl	100.00%	100.00%	Italy
Starcom Mediavest Group Italia Srl (2)	100.00%	100.00%	Italy
Beacon Communications KK	66.00%	66.00%	Japan
MMS Communications KK	100.00%	100.00%	Japan
Star Reacher Advertising Sdn Bhd	100.00%	100.00%	Malaysia

Name	Voting rights	Shareholding	Country
Starcom Worldwide SA de CV	100.00%	100.00%	Mexico
Leo Burnett Mexico SA de CV	100.00%	100.00%	Mexico
Lion Communications Mexico SA de CV	100.00%	100.00%	Mexico
Olabuenaga Chemistri SA de CV (2)	75.00%	75.00%	Mexico
SSW Holdings Ltd	100.00%	100.00%	New Zealand
NME Media BV	100.00%	100.00%	Netherlands
StarcomSp. Z.o.o	100.00%	100.00%	Poland
Publicis Ltd	100.00%	100.00%	United Kingdom
Saatchi & Saatchi Group Ltd	100.00%	100.00%	United Kingdom
Leo Burnett Ltd	100.00%	100.00%	United Kingdom
Fallon London Ltd	100.00%	100.00%	United Kingdom
Publicis Healthcare Communications Group Ltd	100.00%	100.00%	United Kingdom
PGM Media Services Ltd	100.00%	100.00%	United Kingdom
ZenithOptimedia Services Ltd	100.00%	100.00%	United Kingdom
Razorfish UK Ltd	100.00%	100.00%	United Kingdom
Publicis Blueprint Ltd	100.00%	100.00%	United Kingdom
Stocks Austin SiceLtd	100.00%	100.00%	United Kingdom
ZenithOptimedia International Ltd	100.00%	100.00%	United Kingdom
Chemistry Communications Group Ltd	100.00%	100.00%	United Kingdom
Arc Integrated Marketing Ltd (2)	100.00%	100.00%	United Kingdom
BBH Partners LLP (2)	100.00%	100.00%	United Kingdom
Leo Burnett LLC	100.00%	100.00%	Russia
Publicis Groupe Media Eurasia LLC	100.00%	100.00%	Russia
MMS Communications Singapore Pte Ltd	100.00%	100.00%	Singapore
JKL AB	100.00%	100.00%	Sweden
VivaKi Sweden AB	97.27%	97.27%	Sweden
Publicis Communications Schweiz AG	100.00%	100.00%	Switzerland
Leo Burnett SA Switzerland (2)	100.00%	100.00%	Switzerland
ZenithOptimedia AG (2)	100.00%	100.00%	Switzerland
Spillman, Felser LBAG (2)	100.00%	100.00%	Switzerland
Star Reachers Group Company Ltd	100.00%	100.00%	Thailand
MMS Communicaciones de Venezuela SA (2)	60.00%	60.00%	Venezuela
Leo Burnett	100.00%	100.00%	UAE
Starcom MediaVest Group	100.00%	100.00%	UAE

(1) Change in corporate name:

Name in 2012	Name in 2011	Country
Publicis Life brands SA	C4L	France
Razorfish GmbH	Neue Digitale/Razorfish GmbH	Germany
VivaKi Sweden AB	Starcom Sweden	Switzerland

(2) Companies on the 2012 list but not on the 2011 list: Entities whose revenue in the financial year has become greater than the threshold for publication:

Name in 2012	Country
Pixelpark AG	Germany
Neogama BBH Publicidade Ltda	Brazil
G/B2 Inc.	Canada
Publicis Groupe Media SA	Colombia
Leo Burnett Korea Inc.	Korea
Schwartz MSL LLC	United States
SC USA Division	United States
Denuo Ltd	Hong Kong
Publicis Communications Private Limited	India
Starcom Mediavest Group Italia Srl	Italy
Olabuenaga Chemistri SA de CV	Mexico
Leo Burnett SA Switzerland	Switzerland
ZenithOptimedia AG	Switzerland
Spillman, Felser LBAG	Switzerland
MMS Communicaciones de Venezuela SA	Venezuela

B) Associates

Name	Voting rights	Shareholding	Country
Burrell Communications Group	49.00%	49.00%	United States
Dentsu Razorfish	19.35%	19.35%	Japan
M Publicité	34.38%	34.38%	France
Somupi	34.00%	34.00%	France

4.7 Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2012

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, 2012, on:

- the audit of the accompanying consolidated financial statements of 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, 2012, 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 14, 2013

By the statutory auditors

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

2012 PARENT COMPANY FINANCIAL STATEMENTS

5.1 Income statement

(in thousands of euros)	Note	2012	2011	2010
Billings (goods and services)	3	14,599	20,484	15,146
Reversal of provisions and expense transfers	4	12,479	31,340	41,405
Other income		7	0	0
TOTAL OPERATING INCOME		**27,085**	**51,824**	**56,551**
Other purchases and external charges		(11,912)	(12,928)	(10,906)
Taxes other than income taxes		(1,196)	(4,892)	(2,260)
Personnel expenses	5	(17,351)	(28,918)	(44,347)
Amortization and increases in provisions		(9,544)	(4,752)	(5,693)
Other expenses		(1,087)	(1,009)	(1,192)
TOTAL OPERATING EXPENSES		**(41,090)**	**(52,499)**	**(64,398)**
NET OPERATING INCOME (EXPENSE)		**(14,005)**	**(675)**	**(7,847)**
Investment income		108,212	333,912	300,354
Interest and other financial income		10,304	7,135	7,070
Reversal of financial provisions		57,673	66,922	79,234
TOTAL FINANCIAL INCOME		**176,189**	**407,969**	**386,658**
Amortization and increases in provisions		(62,554)	(64,584)	(79,427)
Interest and other financial expenses		(100,017)	(116,553)	(118,173)
TOTAL FINANCIAL EXPENSES		**(162,571)**	**(181,137)**	**(197,600)**
Share in net income of partnerships		1,262	1,893	1,775
NET FINANCIAL INCOME (EXPENSES)	6	**14,880**	**228,725**	**190,833**
Net income (loss) before exceptional items and taxes		**875**	**228,050**	**182,986**
Exceptional income on capital transactions		0	599,841	22,192
TOTAL EXCEPTIONAL INCOME		**0**	**599,841**	**22,192**
Exceptional expenses on operational transactions		(14)	(71)	0
Exceptional expenses on capital transactions		0	(477,201)	(6,967)
TOTAL EXCEPTIONAL EXPENSES		**(14)**	**(477,272)**	**(6,967)**
EXCEPTIONAL ITEMS	7	**(14)**	**122,569**	**15,225**
Income taxes	8	**36,622**	**28,196**	**37,717**
NET INCOME FOR THE PERIOD		**37,483**	**378,815**	**235,928**

5.2 Balance sheet at December 31

(in thousands of euros)	Note	December 31, 2012	December 31, 2011	December 31, 2010
ASSETS				
Intangible assets:				
Concessions and business goodwill		2,991	2,991	2,991
Depreciation		(600)	(559)	(519)
Tangible assets:	9.1			
Land		2,291	2,291	2,291
Buildings		3,044	3,044	3,044
Machinery and equipment		1,133	1,133	6,969
Other		23,021	21,120	20,762
Depreciation		(12,128)	(9,973)	(17,611)
Investments and other financial assets:				
Investments	9.2	5,190,603	5,190,603	5,668,748
Impairment provisions on investments	9.2	(6,856)	(6,856)	(6,856)
Loans and receivables owed by associates and non-consolidated companies	9.3	1,141,456	1,601,954	1,091,287
Other non-current securities	9.4	182,196	0	0
Loans and other financial assets		486	509	538
Provisions on investments and other financial assets		(32)	(32)	(32)
NON-CURRENT ASSETS		**6,527,605**	**6,806,225**	**6,771,612**
Trade receivables		4,233	28,466	46,380
Other receivables		25,907	8,093	21,441
Marketable securities	10	192,661	225,863	276,996
Cash and cash equivalents		15	17	14
CURRENT ASSETS		**222,816**	**262,439**	**344,831**
Prepayments		262	431	323
Deferred expenses	11	5,180	10,990	10,394
Bond redemption premiums	12	12,292	14,790	17,972
Unrealized foreign exchange gains (losses)	13	47,519	53,375	61,161
TOTAL ASSETS		**6,815,674**	**7,148,250**	**7,206,293**

(in thousands of euros)	Note	December 31, 2012	December 31, 2011	December 31, 2010
EQUITY AND LIABILITIES				
Share capital		84,003	77,343	76,658
Statutory reserve		2,897,642	2,528,730	2,481,710
Retained earnings		8,095	8,095	8,095
Earnings brought forward		978,117	718,754	611,704
EQUITY BEFORE NET INCOME FOR THE PERIOD		**3,967,857**	**3,332,922**	**3,178,167**
Net income for the period		37,483	378,815	235,928
EQUITY	15	**4,005,340**	**3,711,737**	**3,414,095**
Proceeds from issuance of participating securities (Orane)		476,449	524,094	571,739
Other equity	16	**476,449**	**524,094**	**571,739**
Provisions for liabilities and charges	17	**133,391**	**176,780**	**162,331**
Bonds	18	393,298	1,630,054	1,629,434
Bank borrowings and overdrafts	19	10	4	286
Borrowings and other financial liabilities	20	1,770,371	1,083,696	1,414,160
Trade payables		10,201	5,712	6,113
Income tax and social security liabilities		26,279	15,538	5,945
Other creditors		268	268	1,284
LIABILITIES		**2,200,427**	**2,735,272**	**3,057,222**
Unrealized foreign exchange gains		67	367	906
TOTAL EQUITY AND LIABILITIES		**6,815,674**	**7,148,250**	**7,206,293**

5.3 Statement of cash flows

(in thousands of euros)	2012	2011	2010
Cash flows from operating activities			
Net income for the period	**37,483**	**378,815**	**235,928**
(Gains) losses on disposals	15,799	(127,618)	(15,413)
Increases in provisions (net of reversals)	(41,254)	15,351	40,760
Transfer to deferred expenses, net of amortization	2,565	3,755	3,165
Amortization of redemption premiums on the Océane and Eurobond	2,497	3,181	3,207
Gross operating cash flow	***17,090***	***273,484***	***267,647***
Change in working capital requirements	(25,874)	72,866	(1,035)
NET CASH FLOWS FROM OPERATING ACTIVITIES (I)	(8,784)	346,350	266,612
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(1,936)	(3,921)	(2,566)
Disposals of property, plant and equipment and intangible assets	0	0	19,250
Disposals of subsidiaries	0	599,841	2,893
NET CASH FLOWS FROM INVESTING ACTIVITIES (II)	(1,936)	595,920	19,577
Cash flows from financing activities			
Dividends paid to holders of the parent company	(119,452)	(128,818)	(107,312)
Redemption of bonds and related interest	(528,122)	(55,468)	(67,659)
Increases in other borrowings	677,698	0	58,268
Decreases in other loans/(other borrowings)	510,013	(864,920)	0
Buyback of treasury shares	(644,400)	0	(290,396)
Sale of treasury shares	81,773	56,088	97,177
NET CASH FLOWS GENERATED BY (USED IN) FINANCING ACTIVITIES (III)	(22,490)	(993,118)	(309,922)
CHANGE IN CASH AND CASH EQUIVALENTS (I + II + III)	**(33,210)**	**(50,848)**	**(23,733)**
Net cash and cash equivalents at beginning of the year	225,876	276,724	300,457
Net cash and cash equivalents at end of the year	192,666	225,876	276,724
CHANGE IN CASH AND CASH EQUIVALENTS	**(33,210)**	**(50,848)**	**(23,733)**

5.4 Notes to the financial statements of Publicis Groupe SA

DETAILED SUMMARY OF NOTES

The Company's primary 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 2012 the following significant events occurred:

- on January 31, 2012, Publicis Groupe SA redeemed all its "Eurobond 2012" bonds, at maturity, for a principal amount of euro 506 million;
- on February 17, 2012, Publicis Groupe SA bought back 18 million treasury shares from Dentsu for a total of euro 644 million, i.e. euro 35.80 each. Of the 18,000,000 shares bought back:
  - 10,759,813 were cancelled. This represents the maximum that could be cancelled given the cancellation already carried out on May 10, 2010,
  - 2,150,922 were set aside to cover stock option plans designed to reward employee loyalty and performance as well as outstanding stock options (classified under available-for-sale securities),
  - 5,089,265 shares were set aside for acquisitions (classified under other non-current securities);
- on June 29, 2012, the Publicis Groupe SA exercised its contractual early redemption option (issuer call) on the Océane 2014 issued on June 24, 2009. On July 19, 2012, virtually all bonds still outstanding, 24,257,895 in total, had been converted into 24,403,416 new shares, following application of the conversion ratio. The remaining 11,016 bonds were redeemed for cash at par. This means that the bond has now been redeemed in full.

Note 2 Accounting policies, rules and methods

The parent company's financial statements for 2012 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 2012 financial statements are identical to those used to prepare the financial statements for the previous financial year.

Intangible assets

Intangible assets 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 goodwill 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, France;
- 10 to 20 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 long-term equity 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 are funded when:

- the Group has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- the amount of the outflow can be estimated reliably.

Where the effect of the time value of money is material, provisions are discounted, with the increase in the amount of the provision resulting from the unwinding of the discounting being recognized under financial expenses.

Contingent liabilities are not recognized but, where material, are disclosed in the notes to the financial statements.

Net financial income (expense)

Financial income is recognized by applying the usual rules, i.e.:

- dividends: on the date the distribution is approved by 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 2012 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, intangible and 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 at 133 avenue des Champs-Élysées in Paris, France;
- services invoiced to Group companies.

Note 4 Reversal of provisions and expense transfers

Expense transfers primarily include re-invoicing of 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. The recalculation of these costs in 2012 generated income of euro 8,518 thousand (compared to an expense of euro 25,591 thousand in 2011 and euro 43,009 thousand in 2010).

Note 6 Net financial income (expenses)

(in thousands of euros)	2012	2011	2010
Dividends	52,563	284,858	250,254
Other income from investments	55,649	49,054	50,100
Investment income	**108,212**	**333,912**	**300,354**
Other financial income	8,607	5,708	2,459
Foreign exchange gains	1,697	1,427	4,611
Interest and other financial income	**10,304**	**7,135**	**7,070**
Reversal of provisions on investments	0	0	3,634
Reversal of provision for impairment of treasury shares	0	0	0
Reversal of provision for liabilities on treasury shares	4,301	5,521	7,164
Reversal of other financial provisions	53,372	61,401	68,436
Reversal of financial provisions	**57,673**	**66,922**	**79,234**
TOTAL FINANCIAL INCOME	176,189	407,969	386,658
Provision for liabilities on treasury shares	(9,958)	(4,301)	(5,521)
Bond-related amortization	(4,123)	(5,242)	(5,274)
Increases in provisions for foreign exchange losses	(47,410)	(53,372)	(60,863)
Increases in provisions for impairment of equity investments	0	0	(6,856)
Increases in other financial provisions	(1,063)	(1,669)	(913)
Amortization and increases in provisions	**(62,554)**	**(64,584)**	**(79,427)**
Bond-related expenses	(21,753)	(55,808)	(50,228)
Other financial expenses	(76,552)	(59,411)	(64,236)
Foreign exchange losses	(1,712)	(1,334)	(3,649)
Interest and other financial expenses	**(100,017)**	**(116,553)**	**(118,173)**
TOTAL FINANCIAL EXPENSES	(162,571)	(181,137)	(197,600)
Share in net income of partnerships	1,262	1,893	1,775
NET FINANCIAL INCOME (EXPENSES)	**14,880**	**228,725**	**190,833**

Note 7 Exceptional items

Exceptional items were not material in 2012.

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 euro 122,717 thousand.

2010 exceptional items included the euro 14,243 thousand capital gain realized on the sale of the building at rue du Dôme in Boulogne-Billancourt as well as the euro 934 thousand capital gain generated on the sale of shares in Europe 1 Immobilier (representing some 10% of the share capital).

Note 8 Income taxes

In 2012, the Company, which is the parent company of the French tax group (which includes 37 subsidiaries), recognized a tax loss of euro 64,439 thousand 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 euro 8,988 thousand, thus reducing the net gain on tax consolidation recognized by the Group for 2012. This net gain, amounting to euro 36,622 thousand, 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 euro 133,838 thousand at December 31, 2012.

Note 9 Non-current assets

9.1 Property, plant and equipment

Publicis Groupe SA continued with the renovation of its registered office in 2012, adding investments in fixtures to the value of circa euro 1,900 thousand.

In 2011, assets worth euro 9,318 thousand were decommissioned. They were amortized for euro 9,246 thousand. Their carrying amount, euro 72 thousand, 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 euro 5,007 thousand.

9.2 Investments

There was no increase or reversal in impairment provisions for securities in 2012.

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 euro 477.1 million and sold for euro 599.8 million. The gain of euro 122.7 million on this sale was 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 euro 1,959 thousand.

At the 2010 reporting date, impairment provisions recorded the following changes:

- new provision on Metrobus securities: euro 5,347 thousand;
- new provision on MRE securities: euro 1,509 thousand;
- reversal of provision on MMS France Holdings securities: euro 3,634 thousand.

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 2012 and previous years, standing at zero in the balance sheet at December 31, 2012 and December 31, 2011, compared with euro 1,017 thousand at December 31, 2010.

9.3 Loans and receivables owed by associates and non-consolidated companies

(in thousands of euros)	December 31, 2012	December 31, 2011	December 31, 2010
Loan to MMS UK	259,344	253,383	245,892
Loans to MMS USA Holdings	806,902	821,755	797,425
MMS France Holdings current account	56,760	134,839	31,021
Publicis Finance Services current account	0	373,316	83
Other receivables	6,107	6,900	5,389
Interest receivable	12,343	11,761	11,477
TOTAL	**1,141,456**	**1,601,954**	**1,091,287**

The current accounts of Publicis Finance Services and MMS France Holdings were unusually high on December 31, 2011 following receipt of the proceeds of the sale of shares in Publicis Groupe Investments BV for euro 599,841 thousand on December 30, 2011.

9.4 Other non-current securities

5,089,265 of the 18 million treasury shares bought back from Dentsu were set aside to cover acquisitions, and as a result recognized under other non-current securities.

There were no non-current securities in 2010 and 2011.

(in thousands of euros)	December 31, 2012	December 31, 2011	December 31, 2010
Treasury shares	182,196	-	-

Note 10 Marketable securities

In 2012, the liquidity contract previously entered into with Société Générale was switched to CA Cheuvreux.

The available-for-sale securities broke down as follows at December 31, 2012:

(in thousands of euros)	December 31, 2012	December 31, 2011	December 31, 2010
Excluding liquidity contract:			
• Treasury shares	177,543	196,836	248,302
Held under the liquidity contract:			
• Monetary mutual funds	14,212	28,672	28,694
• Treasury shares	906	355	0
TOTAL MARKETABLE SECURITIES (NET AMOUNT)	**192,661**	**225,863**	**276,996**

The movements for the financial year and position at the reporting date for marketable securities (excluding the liquidity contract) are summarized in the table below:

(in thousands of euros, except for share data)	Number of shares	Gross carrying amount	Provision for impairment	Net carrying amount
TREASURY SHARES AT DECEMBER 31, 2011	**7,351,882**	**196,836**	**0**	**196,836**
Shares bought back from Dentsu [1]	12,910,735	462,204	0	462,204
Partial cancellation of shares bought back from Dentsu	(10,759,813)	(385,201)	0	(385,201)
Delivery of shares following the Océane 2014 conversion request	(52,156)	(1,364)	0	(1,364)
Disposals (exercise of options)	(3,754,829)	(94,932)	0	(94,932)
TREASURY SHARES (EXCLUDING THE LIQUIDITY CONTRACT) AT DECEMBER 31, 2012	**5,695,819**	**177,543**	**0**	**177,543**

(1) In total, Publicis Groupe SA bought back 18 million shares from Dentsu, 5,089,265 of which were recognized under non-current securities.

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, 2012 were composed of:

(in thousands of euros)	December 31, 2012	December 31, 2011
Océane 2014 issuance costs	0	4,536
Océane 2018 issuance costs	860	1,032
Eurobond 2012 issuance costs	0	35
Eurobond 2015 issuance costs	504	730
TOTAL BOND ISSUANCE COSTS	**1,364**	**6,333**
Capital loss on the Eurobond 2012, net of the payment received upon unwinding of the corresponding interest rate swap	494	716
Costs associated with the USD 75 million credit line arranged with JP Morgan	253	0
Costs of arranging the syndicated credit line	3,069	3,941
TOTAL	**5,180**	**10,990**

Note 12 Bond issue and repayment premiums

These wholly consist of the Océane 2018 redemption premium, the net carrying amount of which was euro 12,292 thousand at December 31, 2012, compared to euro 14,729 thousand at December 31, 2011.

This item also included a euro 61 thousand issue premium for the Eurobond 2012 at December 31, 2011.

Note 13 Unrealized foreign exchange gains (losses)

The unrealized foreign exchange loss results primarily from the re-measurement of the GBP 211,652 thousand 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 capital – Shares with a euro 0.40 par value: Number of shares	Par value (in thousands of euros)	Additional paid in capital (in thousands of euros)	Capital amount (in thousands of euros)	Total number of Company shares
	SITUATION AT JANUARY 1, 2008				**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	0	76,718	191,795,816
	Orane redemption (7th tranche)	1,562,129	625	47,020	77,343	193,357,945
2012	Cancellations	(10,759,813)	(4,304)	(380,897)	73,039	182,598,132
	Creation of shares following the conversion of 25,750,630 Océanes 2014	25,848,473	10,339	702,790	83,378	208,446,605
	Orane redemption (8th tranche)	1,562,129	625	47,020	84,003	210,008,734
	POSITION AT DECEMBER 31, 2012				**84,003**	**210,008,734**

Stockholder's equity changed as follows between January 1, 2012 and December 31, 2012:

(in thousands of euros)	January 1, 2012	Allocation of 2011 net income	Orane capital increase	Cancellations	Océane 2014 conversion	Distribution of dividends	2012 net income	December 31, 2012
Share capital	77,343	-	625	(4,304)	10,339		-	84,003
Additional paid in capital	2,528,730	-	47,019	(380,897)	702,790		-	2,897,642
Retained earnings	8,095	-					-	8,095
Earnings brought forward	718,754	378,815				(119,452)		978,117
SUB-TOTAL	**3,332,922**	**378,815**	**47,644**	**(385,201)**	**713,129**	**(119,452)**		**3,967,857**
Profit (loss) for the year	378,815	(378,815)	-	-	-		37,483	37,483
TOTAL	**3,711,737**	**0**	**47,644**	**(385,201)**	**713,129**	**(119,452)**	**37,483**	**4,005,340**

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 euro 857,812 thousand. It was reduced to euro 476,449 thousand following the redemption of the first eight tranches every September from 2005 to 2012. At December 31, 2012 there remained 1,562,129 Orane with a par value of euro 305, each entitling the holder to 10 new or existing Publicis Groupe shares at a rate of one per year from September 1, 2013 to September 1, 2022, representing a total of 15,621,290 shares to be issued. In parallel, the unit value of each Orane shall be reduced by euro 30.50 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, 2012	Increase in 2012	Reversal in 2012 (used provision)	Reversal in 2012 (unused provision)	Amount at December 31, 2012
Provision for taxes [(1)]	6,647	-	-	-	6,647
Provision for conditional long-term commitments to employees	26,331	185	(19,740)	(187)	6,589
Provision for foreign exchange losses [(2)]	53,372	47,410	-	(53,372)	47,410
Provision for risks on treasury shares and free share grants that have still not vested [(3)]	88,228	64,301	(27,653)	(60,575)	64,301
Other provisions for risks	2,202	7,267	(213)	(812)	8,444
TOTAL	**176,780**	**119,163**	**(47,606)**	**(114,946)**	**133,391**

(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 partial reversal was recorded in 2008.

(2) The provision for foreign exchange losses primarily related to the unrealized loss on the loan to MMS UK.

(3) 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.
It should also be noted that provisions and provision reversals relating to costs borne by Publicis Groupe in relation to the co-investment plan are presented in the income statement under personnel expenses in accordance with Notice no. 2008-17 from the French National Accounting Council.

Note 18 Bonds

Number of securities (in thousands of euros)	Category of bond	December 31, 2012	December 31, 2011	December 31, 2010
2,624,538	Océane 2.75% actuarial - January 2018	102,749	102,749	102,749
-	Océane 2.75% - redemption premium	35,541	35,541	35,541
-	Océane 3.125% - July 2014	-	718,750	718,750
-	Eurobond 4.125% - January 2012	-	505,725	505,725
253,242	Eurobond 4.250% - March 2015	253,242	253,242	253,242
	TOTAL EXCLUDING ACCRUED INTEREST	**391,532**	**1,616,007**	**1,616,007**
	Accrued interest	1,766	14,047	13,427
	BALANCE SHEET TOTAL	**393,298**	**1,630,054**	**1,629,434**

Océane 2.75% actuarial - January 2018

The 16-year bond convertible into new or existing shares (Océane), issued on January 18, 2002 for a total initial amount of euro 690 million (excluding premium), was comprised of 17,624,521 bonds of euro 39.15 each (representing a premium of 35% over the Publicis Groupe reference share price at the time of issuance), 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 euro 215 million. 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 exchange), at any time from January 18, 2007. Bondholders have the possibility of requesting early redemption on January 18, 2014. Additionally, the 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.

Océane 3.125% - July 2014

The five-year bond convertible into new or existing shares (Océane), issued on June 24, 2009 for a total amount of euro 719 million, was comprised of 25,761,646 bonds of euro 27.90 each (representing a premium of 35.5% over the Publicis Groupe reference share price at the time of issuance), issued at par and bearing interest at an annual rate of 3.125%, payable on a six-monthly basis.

The bond was fully redeemed during the fiscal year, primarily by means of conversion into shares, following the various redemption requests made prior to or upon the exercise of the issuer call. In total, 25,750,630 bonds were converted into 25,900,629 new or existing shares during the fiscal year and 11,016 were redeemed for cash in July 2012.

Eurobond 4.125% - January 2012

The standard bond issued on January 28, 2005, for an original amount of euro 750 million bearing interest at 4.125% and maturing in 2012, comprised 750,000 bonds with a par value of euro one thousand each. Issued at 99.3% of par, they bore an issue premium of euro 5 million, 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 euro 244 million were redeemed (representing nearly 33% of the total principal issued), reducing the total liability to euro 506 million, representing 505,725 bonds.

These 505,725 bonds were fully redeemed at par at maturity 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, the Publicis Groupe issued a new Eurobond maturing in 2015 for euro 253 million, 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, 2012	December 31, 2011	December 31, 2010
Long-term borrowings from Publicis Finance Services (1)	740,678	755,275	731,365
Long-term borrowings from Publicis Groupe Holdings (2)	300,000	300,000	300,000
Long-term borrowings from Publicis Groupe Investments BV (3)	630,000	-	-
Current accounts, short-term borrowings from subsidiaries and accrued interest	95,437	23,776	377,834
Other creditors	4,256	4,645	4,961
TOTAL	**1,770,371**	**1,083,696**	**1,414,160**

(1) The USD 977,250 thousand borrowed by Publicis Groupe from Publicis Finance Services, the Group subsidiary managing the international cash pool, with a due date of January 31, 2012, was rolled over for a period of ten years (new due date of January 31, 2022).

(2) The euro 300,000 thousand loan is a subordinated participating loan granted by Publicis Groupe Holdings on October 5, 2007 with a term of 55 years.

(3) The euro 630,000 thousand loan is a subordinated participating loan given by Publicis Groupe Investments on June 26, 2012 for a period 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	< One year	One to five years	+ Five years
Bonds	393,298	1,766	253,242	138,290
Bank borrowings and overdrafts	10	10	-	-
Borrowings and other financial liabilities	1,770,371	99,076	-	1,671,295
Trade payables	10,201	10,201	-	-
Income tax and social security liabilities	26,279	26,279	-	-
Other creditors	268	-	268	-
TOTAL LIABILITIES	**2,200,427**	**137,332**	**253,510**	**1,809,585**

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	1,141,456	
Trade receivables	4,115	
Other receivables	7,054	
Borrowings and other financial liabilities	1,766,657	
Trade payables	4,642	
Tax liabilities	3,619	
Income statement		None
Billings (goods and services)	14,324	
Expense transfers	(8,554)	
Other purchases and external charges	(1,253)	
Investment income	53,825	
Interest and other financial income	55,649	
Share in net income of partnerships	1,262	
Increases in financial provisions	0	
Interest and other financial expenses	(76,483)	
Exceptional expenses	0	
Exceptional income	0	

Note 23 Off-balance-sheet commitments

Off-balance sheet commitments given

Commitments related to bonds and to Orane

OCÉANE 2018 – 2.75% ACTUARIAL JANUARY 2018

In the case of the Océane 2018, bondholders may request that bonds be converted, at a ratio of one share per bond (which had a unit value of euro 39.15 at issuance), at any time from January 18, 2002 up to 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, the Publicis Groupe has an obligation, if conversion is required, to deliver 2,624,538 shares which may, at the Publicis Groupe's discretion, be either newly issued shares or existing own shares held in its portfolio.

In addition, the bondholders can request early redemption in cash of part or all of the value of the bonds 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.

For its part, Publicis Groupe may, at any time, exercise an early redemption option for all or part of the bonds where Publicis Groupe SA shares trade at 125% of the early redemption price.

ORANE – BONDS REDEEMABLE IN NEW OR EXISTING SHARES – SEPTEMBER 2022

Following the redemption of the first eight tranches of the bond every September since September 2005, each Orane confers a right to ten new or existing Publicis Groupe shares, at a rate of one share per annum up to the 20th anniversary of the bond's issuance. The Publicis Groupe is therefore committed to delivering 1,562,129 shares each year from 2013 to 2022, representing a total of 15,621,290 shares which may be, at the Publicis Groupe's discretion, either newly issued shares or existing shares held in its own portfolio.

EUROBOND 2015

Upon the issuance, in December 2009, of this new fixed rate bond (4.25%), a fixed/variable rate swap in euros was arranged and was still in force at December 31, 2012.

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 the Publicis Groupe's capital stock. After cancellation of the warrants bought back in 2005 and 2006, the Publicis Groupe is committed to creating (in the event all the warrants are exercised) 5,602,699 shares with a par value of euro 0.40 and a premium of euro 30.1.

Publicis Groupe SA stock option and free share plans

The free share plans in force on December 31, 2012 have the following features:

- Long Term Incentive Plan "LTIP 2012" (April 2012)

Under this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the free shares are subject to additional performance criteria, such that the total number of shares received will depend on the overall attainment of growth and profitability targets in 2012. The shares were initially awarded in April 2012 and will vest in April 2016, except for French employees whose share awards will vest in April 2015.

- 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 in the United States in 2010, 50 free shares were allocated on December 1, 2011 to all employees who have at least six months' of employment and who work more than 21 hours per week in a majority-owned subsidiary established in one of the countries included in the plan. Receipt of the shares is contingent on two years of continued employment for Spain and Italy, plus a lock-in period of three years, and four years for the other countries: free shares will be issued to the beneficiaries in December 2013 (Spain, Italy) and December 2015 (other countries), the date at which they become the beneficial owners thereof 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 four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the free shares are subject to additional performance criteria, such that the total number of shares received was dependent on the overall attainment of growth and profitability targets in 2011. Performance was measured in March 2012, with 95.7% of the targets for this plan being achieved. 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 US, 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 conditional on four years of employment: the free shares will be delivered to the beneficiaries in December 2014, the date at which point they will become the beneficial owners thereof and are able to exercise their rights as shareholders.

- "LTIP 2010" Long Term Incentive Plan (August 2010) and "LTIP 2010-2012" for members of the Management Board (September 2010)

Under this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the shares are subject to additional performance criteria, such that the total number of shares received will depend on the overall attainment of growth and profitability targets in 2010 (or over the 2010-2012 period for members of the Management Board). Performance was measured in March 2011, with 100% of the targets for this plan being achieved. 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 benefited from Microsoft "Restricted Share Units" awarded 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 between the average Microsoft share price over the preceding 20 trading days over the Publicis Groupe share price on the acquisition date (October 13, 2009).

- 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 four-years vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the second free share is subject to additional performance criteria, such 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. Performance was measured in March 2012, with 100% of the targets for this plan being achieved. These shares were awarded in March 2009 and will vest in March 2013, except for French employees whose shares will vest in March 2012.

The stock options plans in force at December 31, 2012 had the following features:

- "LTIP 2006-2008" Long Term Incentive Plan (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 over 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 were exercisable as of April 2010. The options expire ten years after the grant date

- Plan awarded 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 four years and expire ten 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 entitlement to one share, the exercise price of which is the average cost of the treasury shares on the date of 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 as of April 2007. The options expire ten years after the grant date

- Plan awarded in 2003 (sixteenth tranche)

Options granted under these plans grant a right to acquire one share, the exercise price of which is the average Publicis share price over 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 THE PUBLICIS GROUPE STOCK OPTION PLANS OUTSTANDING AT DECEMBER 31, 2012

Shares with a euro 0.40 par value	Type of option	Grant date	Exercise price of options (in euros)	Number of options outstanding at December 31, 2012	Of which exercisable at December 31, 2012	Expiry date	Remaining contract life (in years)
16th tranche	Acquisition	08/28/2003	24.82	26,000	26,000	2013	0.65
17th tranche	Acquisition	08/28/2003	24.82	341,395	341,395	2013	0.65
19th tranche	Acquisition	09/28/2004	24.82	282,671	282,671	2014	1.74
20th tranche	Acquisition	05/24/2005	24.76	94,624	94,624	2015	2.39
21st tranche	Acquisition	08/21/2006	29.27	100,000	100,000	2016	3.63
22nd tranche	Acquisition	08/21/2006	29.27	1,484,647	1,484,647	2016	3.63
23rd tranche	Acquisition	08/24/2007	31.31	329,343	329,343	2017	4.64
TOTAL OF ALL TRANCHES				**2,658,680**	**2,658,680**		
Average exercise price (in euros)				28.27	28.27		

MOVEMENTS IN PUBLICIS GROUPE STOCK OPTION PLANS IN 2012

Shares with a euro 0.40 par value	Exercise price of options (in euros)	Number of options outstanding at December 31, 2011	Options granted in 2012	Options outstanding in 2012	Options cancelled or lapsed in 2012	Number of options outstanding at December 31, 2012
13th tranche	29.79	26,000	-	(11,000)	(15,000)	-
14th tranche	32.43	5,000	-	(5,000)	-	-
15th tranche	29.79	220,000	-	(220,000)	-	-
16th tranche	24.82	443,400	-	(417,400)	-	26,000
17th tranche	24.82	1,106,357	-	(677,496)	(87,466)	341,395
19th tranche	24.82	474,563	-	(64,285)	(127,607)	282,671
20th tranche	24.76	175,726	-	(72,594)	(8,508)	94,624
21st tranche	29.27	100,000	-	-	-	100,000
22nd tranche	29.27	2,793,739	-	(1,212,108)	(96,984)	1,484,647
23rd tranche	31.31	547,419	-	(157,361)	(60,715)	329,343
TOTAL OF ALL TRANCHES		**5,892,204**	**-**	**(2,837,244)**	**(396,280)**	**2,658,680**
Average exercise price (in euros)		27.82	-	27.50	27 .09	28.27
Average share price on exercise (in euros)				40.57		

MOVEMENTS IN THE PUBLICIS GROUPE STOCK OPTION PLANS IN 2011

Shares with a euro 0.40 par value	Exercise price of options (in euros)	Number of options outstanding at December 31, 2010	Options granted in 2011	Options outstanding in 2011	Options cancelled or lapsed in 2011	Number of 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**	**-**	**(1,792,636)**	**(122,146)**	**5,892,204**
Average exercise price (in euros)		28.02	-	28.60	29.79	27.82
Average share price on exercise (in euros)				36.29		

MOVEMENTS IN PUBLICIS GROUPE STOCK OPTION PLANS IN 2010

Shares with a euro 0.40 par value	Exercise price of options (in euros)	Number of options outstanding at December 31, 2009	Options granted in 2010	Options outstanding in 2010	Options cancelled or lapsed in 2010	Number of 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 (in euros)		27.64	-	26.37	30.13	28.02
Average share price on exercise (in euros)				33.36		

The Publicis Groupe free share plans

CHARACTERISTICS OF THE PUBLICIS GROUPE FREE SHARE PLANS OUTSTANDING AT DECEMBER 31, 2012

Shares with a euro 0.40 par value	Beneficiaries	Grant date	Number of shares yet to vest at December 31, 2012	Vesting date of shares [(1)]	Remaining contract life (in years)
Co-investment plan	Outside France	03/19/2009	2,166,651	03/19/2013	0.21
LTIP Plan 2010	France	08/19/2010	83,550	08/19/2013	0.63
LTIP Plan 2010	Outside France	08/19/2010	463,600	08/19/2014	1.63
LTIP Plan 2010-2012 (Management Board members)	France	09/22/2010	149,821	09/22/2013	0.73
LTIP Plan 2010-2012 (Management Board members)	Outside France	09/22/2010	98,566	09/22/2014	1.73
USA Plan 2010 - all US employees	United States	12/01/2010	373,150	12/01/2014	1.92
LTIP Plan 2011	France	04/19/2011	82,744	04/19/2014	1.30
LTIP Plan 2011	Outside France	04/19/2011	493,048	04/19/2015	2.30
Global plan 2011 - all employees in the countries concerned	Spain, Italy	12/01/2011	72,500	12/01/2013	0.92
Global plan 2011 - all employees in the countries concerned	14 countries [(2)]	12/01/2011	342,200	12/01/2015	2.92
LTIP Plan 2012	France	04/17/2012	99,800	04/17/2015	2.29
LTIP Plan 2012	Outside France	04/17/2012	567,175	04/17/2016	3.30
TOTAL OF FREE SHARE PLANS			**4,992,805**		

(1) After this date, French beneficiaries must observe an additional two-year lock-in period.
(2) The countries in question 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. Awards under the following plans are also subject to non-market performance conditions: co-investment (only for the half of the shares awarded to beneficiaries who are not members of the Management Board), and LTIP 2010 to LTIP 2012.

MOVEMENTS IN PUBLICIS GROUPE FREE SHARE PLANS IN 2012

Shares with a euro 0.40 par value	Beneficiaries	Number of shares yet to vest at December 31, 2011	Shares granted in 2012	Shares cancelled, lapsed or transferred [(1)] in 2012	Shares vesting in 2012	Number of shares yet to vest at December 31, 2012
Co-investment plan	France	804,194	-	1,276	(805,470)	0
Co-investment plan	Outside France	2,320,678	-	(154,027)	-	2,166,651
LTIP Plan 2010	France	86,550	-	(3,000)	-	83,550
LTIP Plan 2010	Outside France	510,200	-	(46,600)	-	463,600
LTIP Plan 2010-2012 (Management Board members)	France	152,000	-	(2,179)	-	149,821
LTIP Plan 2010-2012 (Management Board members)	Outside France	100,000	-	(1,434)	-	98,566
USA Plan 2010 - all US employees	United States	479,800	-	(106,650)	-	373,150
LTIP Plan 2011	France	89,950	-	(7,206)	-	82,744
LTIP Plan 2011	Outside France	552,750	-	(59,702)	-	493,048
Global plan 2011 - all employees in the countries concerned	Spain, Italy	79,050	-	(6,550)	-	72,500
Global plan 2011 - all employees in the countries concerned	14 countries [(2)]	454,650	-	(112,450)	-	342,200
LTIP Plan 2012	France	-	100,200	(400)	-	99,800
LTIP Plan 2012	Outside France	-	581,350	(14,175)	-	567,175
TOTAL OF FREE SHARE PLANS		**5,629,822**	**681,550**	**(513,097)**	**(805,470)**	**4,952,805**

(1) These are transfers between French and foreign plans due to the geographic mobility of beneficiaries.
(2) The countries in question are: Belgium, Brazil, Canada, Denmark, Finland, Germany, India, Mexico, Netherlands, Norway, Poland, Portugal, Sweden, United Kingdom.

MOVEMENTS IN PUBLICIS GROUPE FREE SHARE PLANS IN 2011

Shares with a euro 0.40 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 the countries concerned	Spain, Italy	-	79,050	-	-	79,050
Global plan 2011 - all employees in the 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 in question 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 a euro 0.40 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**

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 the 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, 2012, the number of free shares yet to be vested was 78,384.

STOCK OPTION AND FREE SHARE PLANS ORIGINATED BY DIGITAS

On the acquisition of Digitas these plans were converted into the Publicis Groupe stock option plans, applying the ratio existing between the acquisition price of our public offering for Digitas (translated into euros) and to 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, 2012

Shares with a euro 0.40 par value	Grant date		Exercise price of options (in euros)		Number of options outstanding at December 31, 2012	Of which exercisable at December 31, 2012	Expiry date		Remaining contract life (in years)
	min	max	min	max			min	max	
Digitas Plans									
2001	03/01/2001	01/24/2007	5.08	35.42	183,070	183,070	03/01/2011	01/24/2017	2.86
2005 UK	06/01/2005	12/01/2006	21.70	35.42	5,338	5,338	06/01/2015	12/01/2016	4.00
Modem Media Plans									
1997	03/26/1997	09/29/2004	18.30	19.18	-	-	01/01/2008	09/29/2014	2.25
1999	04/12/2000	06/22/2004	2.62	54.05	-	-	04/12/2010	06/22/2014	1.18
TOTAL OF TRANCHES					**188,408**	**188,408**			
Average exercise price (in euros)					27.20	27.20			

MOVEMENTS IN DIGITAS STOCK OPTION PLANS IN 2012

Shares with a euro 0.40 par value	Exercise price of options (in euros)		Number of options outstanding at December 31, 2011	Options exercised in 2012	Options cancelled or lapsed in 2012	Number of options outstanding at December 31, 2012
	min	max				
Digitas Plans						
2001	5.08	35.42	318,418	(40,651)	(94,697)	183,070
2005 UK	21.70	35.42	5,338	-	-	5,338
Modem Media Plans						
1997	18.30	19.18	370	-	(370)	-
1999	2.62	54.05	2,559	(1,455)	(1,104)	-
TOTAL OF TRANCHES			**326,685**	**(42,106)**	**(96,171)**	**188,408**
Average exercise price (in euros)			25.27	18.53	24.45	27.20
Average share price on exercise (in euros)				40.57		

MOVEMENTS IN DIGITAS STOCK OPTION PLANS IN 2011

Shares with a euro 0.40 par value	Exercise price of options (in euros) min	max	Number of options outstanding at December 31, 2010	Options exercised in 2011	Options cancelled or lapsed in 2011	Number of 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 a euro 0.40 par value	Exercise price of options (in euros) min	max	Number of options outstanding at December 31, 2009	Options exercised in 2010	Options cancelled or lapsed in 2010	Number of 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		

Contractual guarantees given

- Guarantee until 2019 on behalf of Leo Burnett USA to the owner of the premises at 35 West Wacker Drive in Chicago, for a maximum of USD 77,106 thousand in respect of rental payment and of USD 94,741 thousand in respect of real estate taxes and rental charges related to the building;
- Guarantee until 2016 on behalf of ZenithOptimedia Ltd (UK) to the owner of the premises at 24 Percy Street, London, for a maximum of GBP 9,264 thousand in respect of rental payments and of GBP 1,247 thousand 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 of GBP 20,434 thousand in respect of rental payments and of GBP 2,032 thousand 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;
- Guarantee given to Citi Indonesia for the repayment of loans totaling 34 billion Indonesian rupiahs given to PT Dyan Prana Shakti, PT Publicis Metro and PT Indonesia Media Exchange.

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 725	GBP 750	GBP 680
Type of contract	Seller's hedge	Seller's hedge	Seller's hedge
Currency	GBP/EUR	GBP/EUR	GBP/EUR
Maturity date	01/02/2013	01/02/2013	01/02/2013
Forward rate	0.786000	0.796810	0.799100
Equivalent (in thousands of euros)	922	941	851
Market value at December 31, 2012 (in thousands of euros)	888	919	833

Amount in currency (in thousands of units)	GBP 800	GBP 722	USD 446
Type of contract	Seller's hedge	Seller's hedge	Seller's hedge
Currency	GBP/EUR	GBP/EUR	USD/EUR
Maturity date	01/02/2013	01/02/2013	01/31/2013
Forward rate	0.807170	0.811100	1.299380
Equivalent (in thousands of euros)	991	890	343
Market value at December 31, 2012 (in thousands of euros)	980	885	338

Amount in currency (in thousands of units)	USD 450	USD 17,439
Type of contract	Seller's hedge	Seller's hedge
Currency	USD/EUR	USD/EUR
Maturity date	01/31/2013	03/28/2013
Forward rate	1.319750	1.318900
Equivalent (in thousands of euros)	341	13,222
Market value at December 31, 2012 (in thousands of euros)	341	13,217

Off-balance sheet commitments received

- Undrawn credit lines: euro 1,200 million as part of the multi-currency syndicated loan maturing in July 2016;
- There were unused bilateral credit lines of euro 712 million at December 31, 2012.

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, 2012

(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's 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 BV	68,709	7,384,995	100.00	4,898,314	4,898,314	0	0	120,756	0
Prof. W.H. Keesomlaan 12 1183 DJ Amstelveen Netherlands									
MMS France Holdings	114,607	(38,074)	99.61	248,670	248,670	0	0	(6,300)	0
133 avenue des Champs-Élysées 75008 Paris France SIREN 444 714 786									
Médias et Régies Europe	24,150	3,533	99.99	25,508	23,999	0	6,252	4,435	0
133 avenue des Champs-Élysées 75008 Paris, France SIREN 353 938 905									
Metrobus	1,840	(3,892)	32.30	17,508	12,161	4,868	143,171	5,057	0
1 rond-point Victor Hugo 92137 Issy-les-Moulineaux, France SIREN 327 096 426									

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	6	0
Amount of dividends received	52,563	0	0	0

Details of securities at December 31, 2012

	% 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 euro 15,000, 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 euro 15,000, 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		
10,805,084 Publicis Groupe SA treasury shares (1)	5.15%	360,644
Money mutual funds		14,213
Investments with a carrying amount less than euro 15,000, aggregate		5
E. Other foreign securities		14
TOTAL OTHER SECURITIES		**374,876**
TOTAL SECURITIES		**5,558,622**

(1) Shares held under share buyback programs, including the liquidity contract.

5.5 Results of Publicis Groupe SA over the past five years

	2012	2011	2010	2009	2008
Share capital at year-end					
Share capital (in thousands of euros)	84,003	77,343	76,658	79,033	78,408
Number of shares in issue	210,008,734	193,357,945	191,645,241	197,583,112	196,020,983
Maximum number of future shares to be issued:					
• under free share plans	2,826,154	2,504,950	1,704,475	185,575	-
• as a result of warrant exercises (1)	5,602,699	5,602,699	5,602,699	-	-
• as a result of the conversion of bonds (2)	18,245,828	45,646,888	47,131,733	49,311,847	50,526,553
Operations and results for the year (in thousands of euros)					
Billings, excluding VAT	14,599	20,484	15,146	33,847	17,935
Profit (loss), before tax, depreciation, amortization and provisions	(5,747)	347,285	202,334	152,354	161,267
Income taxes (credit)	(36,622)	(28,196)	(37,717)	(30,332)	(59,437)
Net income after taxes, depreciation, amortization and provisions	37,483	378,815	235,928	319,692	29,669
Income distributed for the period	189,008 (3)	119,452	128,817	107,312	107,350
Earnings per share (in euros)					
Net income after taxes, but before depreciation, amortization and provisions	0.15	1.94	1.25	0.92	1.13
Net income after taxes, depreciation, amortization and provisions	0.18	1.96	1.23	1.62	0.15
Dividend per share	0.90	0.70	0.70	0.60	0.60
Employees (in thousands of euros except headcount)					
Average headcount	2	2	2	2	2
Payroll expense (4) (5)	20,870	2,711	761	3,074	2,612
Benefits (social security, other employee benefits)	5,179	796	645	959	798

(1) Warrants were not taken into consideration except for 2008 and 2009 when their exercise price of euro 30.5 was below the Publicis share price.
(2) It was assumed that new shares would be issued to redeem both Océane and Orane.
(3) Estimate on the basis of existing shares at December 31, 2012, including treasury shares.
(4) In 2010, payroll included the reversal of the provision for the bonus for a gross amount of euro 2,033 thousand.
(5) In 2012, payroll expense included euro 16,036 thousand in respect of the deferred bonus of the Chairman of the Management Board, which vested between 2003 and 2011, for which provisions were funded each successive year and paid out in 2012.

5.6 Statutory auditors' report on the parent company financial statements

Year ended December 31, 2012

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, 2012, 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, 2012 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.

Paris-La Défense and Courbevoie, April 2, 2013

By the statutory auditors

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

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 PLACE AND NUMBER

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, COUNTRY OF ORIGIN, 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 added value 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 Supervisory 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 eighteen members, appointed at the General Shareholders' Meeting for a term of six years. Members of the Supervisory 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 notifier (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 exceptional or Ordinary Shareholders' Meetings provided they notify the Company beforehand, by providing a certified copy of their agreement at least 20 calendar days before the first general 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.

Amendments to the bylaws (article 23 of the Company bylaws)

An Extraordinary General Shareholders' Meeting may make any change to any provision of the bylaws that is permissible under the law. Such changes included but are not limited to: vote on any modification of share capital, such as increasing or reducing share capital, consolidating shares or splitting shares into shares with a lower par value.

Declarations of share ownership (articles 7 III and 6, 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's share capital 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' registered office. 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 par value of its shares. Any surplus will be distributed pro-rata among shareholders in proportion to the par value of their shareholdings.

6.2 Ownership structure

6.2.1 SIGNIFICANT SHAREHOLDERS AND VOTING RIGHTS

At December 31, 2012, to the best of Publicis' 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.

It is noted that Publicis Groupe acquired 18,000,000 shares from the Dentsu company on February 17, 2012. Of these shares, 10,759,813 were canceled, leaving the balance remaining in the portfolio at 7,240,187 shares.

DISTRIBUTION OF THE COMPANY'S SHARE CAPITAL AND VOTING RIGHTS

At December 31, 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	9.13%	38,344,680	16.57%
Thornburg Investment Management Inc. (4)	14,955,035	7.12%	14,955,035	6.46%
B/ Treasury shares	10,805,084	5.15%	-	-
C/ Public (registered and bearer shares)	165,076,275	78.60%	178,154,939	76.97%
TOTAL	**210,008,734**	**100.00%**	**231,454,654**	**100.00%**

(1) Ms. Élisabeth Badinter fully owned 2.81% of the shares (representing 5.10% of the voting rights) and had the right to income in respect of 6.32% of the shares with her children owning the underlying shares (representing 11.47% 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 issued by the Society, excluding treasury shares with no 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.

Following Publicis Groupe SA's acquisition of the remaining 3,875,139 shares held by Dentsu Inc. on February 15, 2013, which were retained as treasury shares, the new breakdown of the Company's share capital is as follows:

DISTRIBUTION OF THE COMPANY'S SHARE CAPITAL AND VOTING RIGHTS

At February 15, 2013	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	9.13%	38,344,680	17.06%
Thornburg Investment Management Inc. (4)	14,955,035	7.12%	14,955,035	6.65%
B/ Treasury shares	14,571,960	6.94%	-	-
C/ Public (registered and bearer shares)	161,309,399	76.81%	171,475,910	76.29%
TOTAL	**210,008,734**	**100.00%**	**224,775,625**	**100.00%**

(1) Ms. Élisabeth Badinter fully owned 2.81% of the shares (representing 5.25% of the voting rights) and had the right to income in respect of 6.32% of the shares with her children owning the underlying shares (representing 11.81% 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 issued by the Society, excluding treasury shares with no 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, 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 for 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). For such shares, Dentsu would be deemed to beneficially own 21,874,739 shares, amounting to 11.31% of the share capital of the Company and 18.19% of 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 implement 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 calculated based on the total number of shares issued by the Company, including treasury shares.
(5) Percentages are calculated based on the total number of shares issued by the Company, excluding treasury shares with no 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.

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). For such shares, Dentsu would be deemed to beneficially own 21,532,707 shares, amounting to 11.24% of the share capital of the Company and 18.30% of 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.

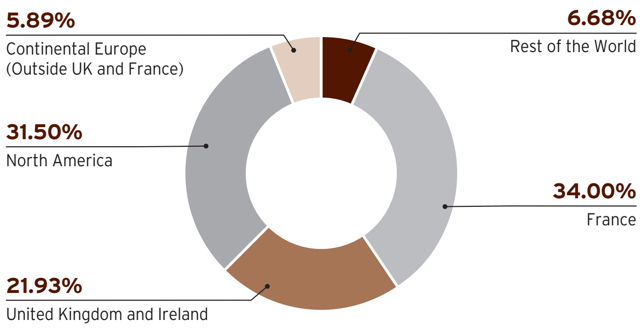
(5) Percentages are based on the total number of outstanding shares issued by the Society, excluding treasury shares with no voting rights, and counting the double voting rights attached to some shares.

Furthermore, 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:

- Ms. Élisabeth Badinter announced that on August 3, 2012 she had fallen below the 10% share capital threshold and that she held 9.20% of the Company's capital and 15.93% of the voting rights;
- the concert party consisting of Ms. Élisabeth Badinter and Dentsu Inc. declared that it had fallen below the 33.33% and 30% voting rights 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;
- Dentsu Inc. announced that on February 17, 2012 it had fallen below the 10% share capital threshold and 5% voting rights threshold and that it held 2.12% of the Company's capital and 3.59% of the voting rights;
- Harris Associates L.P., acting on behalf of funds under management and discretionary client funds, declared:
  - that on April 16, 2012, it had fallen below the 5% share capital threshold and held 4.84% of the Company's capital and 4.09% of the voting rights on behalf of said funds and clients, for adjustment purposes,
  - that on May 23, 2012 it had risen above the 5% share capital threshold and held 5.03% of the Company's capital and 4.25% of the voting rights on behalf of said funds and clients,
  - that on June 7, 2012 it had fallen below the 5% share capital threshold and that it held 4.98% of the Company's capital and 4.21% of the voting rights on behalf of said funds and clients.

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 approximately 41,268 shareholders as of December 31, 2012.

BREAKDOWN OF SHARE CAPITAL BY GEOGRAPHIC AREA AS OF DECEMBER 31 2012 (AS % OF SHARE CAPITAL)



6.2.2 CONTROL OF THE COMPANY

To ensure the transparency and availability of public information, the Company follows the recommendations issued in the AFEP-Medef report on corporate governance of listed companies. These guide the Supervisory Board's internal rules, the latest version of which was approved on November 27, 2012. Moreover, in accordance with those recommendations, the composition of the Supervisory Board and the Management Board ensures that the control exercised by Ms. Élisabeth Badinter and Dentsu (see Section 2.9.5) was not in any way detrimental to the Company.

To this end, it is noted that on February 17, 2012 the agreements signed between Ms. Badinter, Dentsu and Publicis Groupe expired under the conditions indicated in Section 2.9.5. Consequently, on December 31, 2012, to the best of the Company's knowledge, the Company was not subject 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 existed no agreement of which the fulfillment could cause a change in the Company's control at a later date.

6.2.3 AGREEMENTS CONCERNING A POTENTIAL CHANGE IN CONTROL OR LIKELY TO INFLUENCE 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 2.9.5) and the existence of double voting rights (provided for in the Company's bylaws and mentioned 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 Chapter 2.7, for 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

On February 17, 2012, Publicis Groupe SA bought back 18,000,000 shares held by Dentsu, 10,759,813 of which were immediately canceled. The share capital therefore totaled euro 73,039,252.80, divided into 182,598,132 fully paid-up shares with a par value of euro 0.40, 33,473,961 shares of which with double voting rights.

In late June 2012, Publicis exercised its contractual early redemption right (issuer call) for Océane 2014, issued on June 24, 2009, thereby converting almost all of the bonds still in circulation. Thus, during 2012, a total of 25,848,473 new shares at a par value of euro 0.40 per share were created as a result of the conversion of Océane 2014, representing a total capital increase of euro 10,339,389.

In the second half of 2012, the repayment of the eighth tranche of the bonds redeemable in new or existing shares (Orane) resulted in a capital increase in the amount of euro 624,851.60, through the creation of 1,562,129 new shares with a par value of euro 0.40.

As at December 31, 2012, the share capital totaled euro 84,003,493.60, divided into 210,008,734 fully paid-up shares with a par value of euro 0.40, of which 32,251,004 shares carried double voting rights.

Unissued authorized capital

The Extraordinary General Shareholders' Meeting on 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, 2012, the Management Board had not granted any share subscription or purchase options.

The Extraordinary General Shareholders' Meeting held on June 07, 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 of authority authorizes one or several issues of equity securities of the Company's subsidiaries in accordance with article L. 228-93 of the Commercial Code. The par value of the capital increases resulting from all issues under this authorization must not exceed euro 40 million, and the maximum nominal amount of debt securities must not exceed euro 900 million. 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.

  This delegation expired on May 29, 2012, for the unused portion and the remaining time period, via a decision by the Combined Ordinary and Extraordinary Shareholders' Meeting on May 29, 2012 in its thirteenth resolution. The Management Board did not use 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 par value of existing shares, or a combination of the two. The par value of capital increases resulting from all issues under this resolution must not exceed euro 40 million. 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.

This delegation expired – for the unused portion and the remaining time period – on May 29, 2012, via a decision by the Combined Ordinary and Extraordinary Shareholders' Meeting on May 29, 2012 in its seventeenth resolution. The Management Board did not use 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 contributions in-kind of shares or other equity securities agreed by the Company, where the provisions of article L. 225-148 of the French Commercial Code do 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, 2012, the Management Board had not used this delegation of authority.

- In its twentieth 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 par 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 euro 2,800,000, 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 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 set forth by applicable regulations. This delegation terminates the delegation granted by the General Shareholders' Meeting on June 1, 2010 in its twenty-fifth resolution, for the unused portion and the remaining time period.

  This delegation expired – for the unused portion and the remaining time period – on May 29, 2012, via a decision by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 29, 2012 in its twentieth resolution. The Management Board did not use 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 immediately or in the future, without preferential subscription rights. The beneficiaries of subscription rights must be: (i) employees and corporate officers of companies of the Publicis Groupe affiliated to the Company under the provisions of article L. 225-180 of the French Commercial Code and of article L. 3444-1 of the French Labor Code, which have their registered offices outside of 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 the Publicis Group. The par value of the capital increase authorized by this resolution plus the amount of any increase pursuant to the twentieth resolution above may not exceed euro 2,800,000. This amount will count toward the maximum 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 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 regimes that may exist locally. This delegation terminates the delegation granted by the General Meeting on June 1, 2010 in its twenty-sixth resolution, for the unused portion and the remaining time period.

  This delegation of authority expired – for the unused portion and the remaining time period – on May 29, 2012, via a decision by the Combined Ordinary and Extraordinary Shareholders' Meeting on May 29, 2012 in its twenty-first resolution. The Management Board did not use 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 par 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.

  On December 31, 2012, the Management Board used this delegation of authority to set up a new international free share award plan called "LTIP 2012." It therefore awarded 681,550 Publicis Groupe SA shares with a par value of euro 0.40. It is also noted that on December 31, 2011 the Management Board used this delegation of authority to set up a new international free share award program. It awarded 533,700 Publicis Groupe SA shares with a par value of euro 0.40 in December 2011. It has also used this delegation since the end of 2012. On February 2013, the Management Board granted 316,900 free shares to the 26 foreign countries in question.

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 par value of euro 40 million, 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.

The Extraordinary General Shareholders' Meeting held on May 29, 2012

In its thirteenth 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 of authority 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 maximum par value of any immediate or future capital increases likely to be carried out under this delegation is euro 35,000,000. The maximum par value of any capital increases likely to be carried out under the delegations granted to the Management Board by this General Meeting in resolutions thirteen through twenty-one and by the Combined Ordinary and Extraordinary Shareholders' Meeting on June 7, 2011 in resolutions eighteen and twenty-two is euro 35,000,000. The maximum par value of debt securities that may be issued under this delegation may not exceed euro 1,200,000,000. This amount applies to all debt securities that the Management Board is authorized to issue pursuant to these resolutions. This delegation terminates the delegation granted by the Combined Ordinary and Extraordinary Shareholders' Meeting on June 07, 2011 in its twelfth resolution, for the unused portion and the remaining time period.

As of December 31, 2012, the Management Board had not used this delegation of authority.

- In its fourteenth 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 a public offering. This delegation of authority allows for one or several issues of equity securities of the Company's subsidiaries in accordance with article L. 228-93 of the French Commercial Code. In addition, this resolution authorizes the issuance of ordinary shares by the Company to cover the issuance of equity securities by the Company's subsidiaries. The maximum par value of any immediate or future capital increases likely to be carried out under this delegation may not exceed euro 14,000,000. This amount will count toward the overall maximum established in the thirteenth resolution, above. The maximum par value of debt securities may not exceed euro 1,200,000,000. This amount applies to all debt securities that the Management Board is authorized to issue pursuant to these resolutions.

  As of December 31, 2012, the Management Board had not used this delegation of authority.

- In its fifteenth 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 made in accordance with the provisions of paragraph II of article L. 411-2 of the French Monetary and Financial Code. This delegation of authority authorizes one or several issues of securities of the Company's subsidiaries in accordance with article L. 228-93 of the 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 maximum par value of any immediate or future capital increases under this delegation may not exceed euro 14,000,000. This value will count toward the maximum par value of all capital increases without preferential subscription rights authorized by this General Shareholders' Meeting in its fourteenth resolution, above, and toward the maximum established in the thirteenth resolution, above. The maximum par value of debt securities may not exceed euro 1,200,000,000. This amount applies to all debt securities that the Management Board is authorized to issue pursuant to these resolutions. 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 Company's share capital per year.

As of December 31, 2012, the Management Board had not used this delegation of authority.

- In its seventeenth resolution, it authorized the Management Board, for a period of 26 months, to implement capital increases by incorporating reserve, 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 par value of existing shares, or a combination of the two. The maximum par value of capital increases resulting from all issues under this resolution must not exceed euro 35,000,000. This delegation terminates the delegation granted by the Combined Ordinary and Extraordinary Shareholders' Meeting on June 7, 2011 in its sixteenth resolution, for the unused portion and the remaining time period.

  As of December 31, 2012, 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 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 maximum par value of any immediate or future capital increases under this delegation may not exceed euro 14,000,000. This value will count toward the maximum par value of all capital increases without preferential subscription rights authorized by this General Shareholders' Meeting in its fourteenth resolution, above, and toward the maximum established in the thirteenth resolution, above.

  As of December 31, 2012, the Management Board had not used this delegation of authority.

- In its nineteenth 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. The par value of the capital increases issued under this delegation will count toward the maximum set forth under the resolution on the basis of which the initial capital increase is carried out and toward the overall maximum set forth by this General Meeting in its thirteenth resolution (euro 14,000,000).

As of December 31, 2012, the Management Board had not used this delegation of authority.

- In its twentieth resolution, pursuant to article L. 3332-1 *et seq.* of the French Labor Code, and articles L. 225-138-1, L. 225-129-2 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 par value of the capital increase authorized by this resolution plus the amount of any increase pursuant to the twenty-first resolution below may not exceed euro 2,800,000. This amount will count toward the maximum established in the thirteenth resolution above. The subscription price will be established under the provisions of article L. 3332-19 of the 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 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, for the discount when necessary, 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 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 Meeting on June 7, 2011 in its twentieth resolution, for the unused portion and the remaining time period.

  As of December 31, 2012, 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 immediately or in the future, without preferential subscription rights. The beneficiaries of subscription rights must be: (i) employees and corporate officers of companies of the Publicis Groupe affiliated to the Company under the provisions of article L. 225-180 of the Commercial Code and of article L. 3444-1 of the 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 the Publicis Groupe. The par value of the capital increase authorized by this resolution plus the amount of any increase pursuant to the twentieth resolution above may not exceed euro 2,800,000. This amount will count toward the maximum established in the thirteenth 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 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 Meeting on June 7, 2011 in its twenty-first resolution, for the unused portion and the remaining time period.

  As of December 31, 2012, the Management Board had not used this delegation of authority.

- It is noted that, where applicable, the par value of any additional shares to be issued in the event of new financial transactions intended to preserve the rights of equity security holders in accordance with legal and regulatory provisions and any contractual adjustment clauses will be added to the maximums set forth by the resolutions above.

TABLE OF DELEGATIONS OF AUTHORITY AND AUTHORIZATIONS GRANTED TO THE MANAGEMENT BOARD:

Type of delegation or authorization	Date of the meeting	Duration of the authorization	Amount authorized	Use of the authorization in 2012
Authorization to grant stock options to employees and/or corporate officers	June 1, 2010 (24th resolution)	38 months Maturity: 08/01/2013	No more than 6% of capital	None
Authorization to trade in the Company's shares	June 7, 2011 (10th resolution)	18 months Terminated by the General Shareholders' Meeting of 05/29/2012 (12th resolution)	No more than 10% of capital Overall maximum: €800,000,000 Maximum share purchase price: €50	February 17, 2012: Buyback of 18 million shares owned by Dentsu at a price of €35.80/share. Total cost of the buyback: €644,400,000. Cancellation of 10,759,813 shares. Any other use during 2012 is recorded under the similar delegation granted by the General Meeting on 5/29/2012 (12th resolution) listed below
Authorization to reduce share capital through the cancellation of treasury shares	June 7, 2011 (11th resolution)	26 months Maturity: 08/07/2013	No more than 10% of share capital over a period of 24 months	February 17, 2012: Cancellation of 10,759,813 shares out of the 18 million acquired (see above).
Authorization to increase capital by issuing shares or other equity securities with preferential subscription rights	June 7, 2011 (12th resolution)	26 months Terminated by the General Shareholders' Meeting of 05/29/2012 (13th resolution)	Maximum par value: €40,000,000 (1) Maximum par value of debt securities: €900,000,000	None
Authorization to increase capital by incorporating reserves, earnings, premiums or other sums	June 7, 2011 (16th resolution)	26 months Terminated by the General Shareholders' Meeting of 05/29/2012 (17th resolution)	Maximum par value: €40,000,000 (1)	None
Authorization to issue securities as consideration for contributions in-kind granted to the Company	June 7, 2011 (18th resolution)	26 months Maturity: 08/07/2013	No more than 10% of capital (2)	None
Authorization to increase capital for the benefit of Group employees	June 7, 2011 (20th resolution)	26 months Terminated by the General Meeting on 05/29/2012 (20th resolution)	Maximum par value: €2,800,000 (3)	None
Authorization to increase capital for the benefit of certain categories of recipients located outside of France in order to establish a shareholder or savings plan for them	June 7, 2011 (21st resolution)	18 months Terminated by the General Shareholders' Meeting of 05/29/2012 (21st resolution)	Maximum par value: €2,800,000 (4)	None
Authorization to grant free shares to employees and corporate officers of the Company or companies within the Group	June 7, 2011 (22nd resolution)	38 months Maturity: 08/07/2014	No more than 5% of capital (2)	LTIP 2012: 681,550 free shares granted
Authorization to trade in the Company's shares	May 29, 2012 (12th resolution)	18 months Maturity: 11/29/2013	No more than 10% of capital Overall maximum: €900,000,000 Maximum share purchase price: €50	Liquidity contract: Acquisition of 289,396 shares (average purchase price: €41.05) and sale of 379,396 shares (average sale price: €41.02). Sale of 2,879,177 shares to stock option recipients

(1) This amount counts toward the €40,000,000 maximum for all capital increases set forth by the Extraordinary General Meeting on June 7, 2011 in its twenty-third resolution.
(2) This amount counts toward the €35,000,000 maximum for all capital increases set forth by the Extraordinary General Meeting on May 29, 2012 in its thirteenth resolution.
(3) This amount counts toward the total capital increase possible under the resolution below.
(4) This amount counts toward the total capital increase possible under the resolution above.

Type of delegation or authorization	Date of the meeting	Duration of the authorization	Amount authorized	Use of the authorization in 2012
Authorization to increase capital by issuing shares or other equity securities with preferential subscription rights	May 29, 2012 (13th resolution)	26 months Maturity: 07/29/2014	Maximum par value: €35,000,000 (1) Maximum par value of debt securities: €1,200,000,000 (4)	None
Authorization to increase capital by issuing shares or equity securities without preferential subscription rights through a public offering	May 29, 2012 (14th resolution)	26 months Maturity: 07/29/2014	No more than 20% of capital Maximum par value: €14,000,000 (1) (5) Maximum par value of debt securities: €1,200,000,000 (4)	None
Authorization to increase capital by issuing shares or equity securities without preferential subscription rights through an offer made in accordance with paragraph II of article L. 411-2 of the French Monetary and Financial Code	May 29, 2012 (15th resolution)	26 months Maturity: 07/29/2014	No more than 20% of capital Maximum par value: €14,000,000 (1) (5) Maximum par value of debt securities: €1,200,000,000 (4)	None
Authorization to increase capital by incorporating reserves, earnings, premiums or other sums	May 29, 2012 (17th resolution)	26 months Maturity: 07/29/2014	Maximum par value: €35,000,000 (1)	None
Authorization is issue securities in the event of a public offering initiated by the Company	May 29, 2012 (18th resolution)	26 months Maturity: 07/29/2014	Maximum par value: €14,000,000 (1) (5)	None
Delegation to increase the number of securities issued in the event of an increase in the Company's capital, with or without preferential subscription rights	May 29, 2012 (19th resolution)	26 months Maturity: 07/29/2014	No more than 15% of the initial issue and at the same price as this issue, Subject to compliance with the ceiling set forth under the corresponding resolution. Maximum par value: €14,000,000 (1) (5)	None
Authorization to increase capital for the benefit of Group employees	May 29, 2012 (20th resolution)	26 months Maturity: 07/29/2014	Maximum par value: €2,800,000 (1) (2)	None
Authorization to increase capital for the benefit of certain categories of recipients located outside France in order to establish a shareholder or savings plan for them	May 29, 2012 (21st resolution)	18 months Maturity: 11/29/2013	Maximum par value: €2,800,000 (1) (3)	None

(1) This amount counts toward the €35,000,000 maximum for all capital increases set forth by the Extraordinary General Meeting on May 29, 2012 in its thirteenth resolution.
(2) This amount counts toward the total capital increase possible under the resolution below.
(3) This amount counts toward the total capital increase possible under the resolution above.
(4) This amount applies to all debt securities that the Management Board is authorized to issue under the resolutions of the Extraordinary General Meeting on May 29, 2012.
(5) This amount counts toward the €14,000,000 maximum par value of capital increases without preferential subscription rights set forth by the Extraordinary General Meeting on May 29, 2012 in its fourteenth resolution.

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 PAR 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 on May 29, 2012, in its twelfth 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 regulations;

(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 within the framework of external growth transactions within the limit of 5% of share 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 ethics recognized by the Autorite des marches financiers (the French Financial Markets Authority, or AMF) or any other applicable regulations;

(5) canceling of shares acquired by the abovementioned 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 Company may purchase shares, sell shares it has bought back or transfer such shares at any time and by any method that complies with the regulations in effect, namely by purchase or sale on the stock exchange or by private sale, including through the purchase or sale of blocks (without restricting the portion of the program that may be carried out via this method); public purchase, sale or exchange offer; alternative funding mechanisms; derivatives traded on a regulated market or by private sale; or repurchase agreements; either directly or indirectly via an investment services provider; the Company may also retain the shares bought back and/or cancel them, subject to the approval of the General Meeting, ruling on an extraordinary basis in accordance with any applicable regulations.

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 according to the transactions affecting it following this Meeting, this authorization being subject to an overall maximum of euro 900 million.

The maximum share purchase price was set at euro 50; this limit does not apply, however, to shares purchased to cover the free allocations of shares to employees or the exercise of share options.

This authorization for a period of eighteen months expired – for the unused portion and the remaining time period – and replaced that previously granted by the tenth resolution of the General Meeting on June 7, 2011.

The description of the share buyback program was made available on the Publicis Groupe SA website.

SUMMARY TABLE OF PURCHASES UNDER VARIOUS BUY-BACK PROGRAMS SINCE 2008

	Amount	Average acquisition price (in euros)
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
Period from 01/01/2012 to 12/31/2012	**18,389,396**	**35.91**

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 euro 35.80 per share, or a total buyback amount of euro 644,400,000. The Company canceled 10,759,813 shares out of the 18 million acquired; this number corresponded to the maximum that could be canceled, 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 canceled 10% of the number of shares that make up its share capital during the past 24 months. The shares acquired this way were allocated both to cover attendance and performance shares or stock option share award schemes, as well as acquisition programs.

Also, under the liquidity agreement signed first with Société Générale and then with CA Cheuvreux, in 2012, the Company acquired 389,396 shares at an average price of euro 41.05, and sold 379,396 shares at an average price of euro 41.02.

In 2012 the Company sold 2,879,177 treasury shares to the recipients of stock options who exercised their purchase option during the year and released 875,652 shares under free share plans.

The trading fees and other expenses incurred by the Company during 2012 for transactions performed pursuant to the share buyback program authorized by the tenth resolution of the General Meeting on June 7, 2011, and then by the twelfth resolution of the General Meeting on May 29, 2012, amounted to euro 78,333.

As of December 31, 2012, Publicis Groupe SA owned 10,805,084 shares (5.15%) of its own capital under various buyback authorizations, at a total cost of euro 360,643,422 and an average price per share of euro 33.38.

On February 15, 2013, as part of the program in place, Publicis Groupe purchased the 3,875,139 remaining shares still owned by Dentsu at a total price of euro 181 million. These shares will be used to fund attendance and performance share awards or stock option plans. Following this transaction, the number of treasury shares held stood at 14,571,960, i.e., 6.94% of share capital as of that date.

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, 2012, on the basis of full dilution resulting from financial instruments issued by the Company, is the following:

At December 31, 2012	Shares held	%	Voting rights	%
Élisabeth Badinter	19,172,340	8.20%	38,344,680	15.02%
Thornburg Investment Management Inc.	14,955,035	6.39%	14,955,035	5.86%
Treasury shares held	10,805,084	4.62%	0	0.00%
Public (registered and bearer)	165,076,275	70.59%	178,154,939	69.78%
Oranes (1)	15,621,290	6.68%	15,621,290	6.12%
Equity warrants (2)	5,602,699	2.40%	5,602,699	2.19%
Océanes 2018 (2)	2,624,538	1.12%	2,624,538	1.03%
TOTAL	**233,857,261**	**100.00%**	**255,303,181**	**100.00%**

(1) The Group issued 1,562,500 Oranes exchangeable for 18 new or existing shares of the Company. At December 31, 2012, ten shares per Orane are still to be exchanged.
(2) Securities in-the-money as of the date of the closing of the 2012 accounts (February 8, 2013). (price as of February 8, 2013 = 48.775)

Following Publicis Groupe SA's acquisition, on February 15, 2013, of the remaining 3,875,139 shares held by Dentsu Inc., which were retained as treasury shares, the new breakdown of the Company's share capital is as follows:

At February 15, 2013	Shares held	%	Voting rights	%
Élisabeth Badinter	19,172,340	8.20%	38,344,680	15.42%
Thornburg Investment Management Inc.	14,955,035	6.39%	14,955,035	6.02%
Treasury shares held	14,571,960	6.23%	0	0.00%
Public (registered and bearer)	161,309,399	68.98%	171,475,910	68.97%
Oranes	15,621,290	6.68%	15,621,290	6.28%
Equity warrants	5,602,699	2.40%	5,602,699	2.25%
Océanes 2018	2,624,538	1.12%	2,624,538	1.06%
TOTAL	**233,857,261**	**100.00%**	**248,624,152**	**100.00%**

No transaction significantly modifying the information in the table above has been carried out since February 15, 2013.

A shareholder holding 1% of the share capital of Publicis Groupe SA as of February 15, 2013 would hold, as of December 31, 2012, 0.90% 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, equity warrants) assuming these rights would be fully satisfied by the issue of new shares. The 0.90% figure remained unchanged following the transaction on February 15, 2013.

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 of December 31, 2012, 3,718,000 registered shares managed by the Company, and 40 registered shares administered by others, were pledged, representing a total of 3,718,040 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, 2012
Consorts Badinter	LCF Edmond de Rothschild	09/09/2003	Not indicated	Agreement of creditor lienor	3,681,000	1.75%

No major asset held by Group companies was subject to a pledge.

6.3.6 EMPLOYEE SHAREHOLDING

Employees' interests in the share capital through the Company savings plans, and according to the definition of article L. 225-102 of the French Commercial Code as of December 31, 2012 were not significant.

It should be noted that the Publicis Groupe FCPE held 478,429 Publicis Groupe shares as of December 31, 2012. As a result, Publicis Groupe employees owned 0.23% of the share capital via the FCPE at that date.

No option to subscribe or to purchase Publicis Groupe shares was awarded during the 2012 financial year. 2,658,680 share purchase options, all of which are exercisable immediately by the beneficiaries, remained to be exercised, by all the beneficiaries, at December 31, 2012.

The Group renewed its Long Term Incentive Plan with the "LTIP 2012." In April 2012, this plan awarded 681,550 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 2012.

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 2012 financial year.

Finally, after rolling out the "50 free share" plan in France (in 2009), in the US (in 2010) and 16 other countries (in 2011), Publicis Groupe finalized the plan in 53 new countries in February 2013. Because of the particularities of certain local legal systems, in 27 of these countries this plan takes the form of a cash bonus equivalent to the value of 50 Publicis shares. This bonus will be paid to employees still working for the Group in February 2017. In the 26 other countries, 50 shares were granted to each employee for a total of 316,850 shares, provided that they have been with the Company for four years.

As of December 31, 2012, the total number of free shares awarded to Group employees on condition of employment, and performance, in some cases, amounted to 4,992,805.

All the details concerning the option and free share plans (description, changes for the year, and closing balance) are shown in Note 28 of the consolidated financial statements in Chapter 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
12/31/2009	**CAPITAL AS 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 AS 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	624,852
12/31/2011	**CAPITAL AS AT DECEMBER 31, 2011**	**193,357,945**	**0.40**	**77,343,178**
02/17/2012	Capital reduction (partial cancellation of shares bought back from Dentsu)	(10,759,813)	0.40	(4,303,925)
04/11/2012	Capital increase (conversion of Océane 2014 into new shares)	1,078,225	0.40	431,290
05/10/2012	Capital increase (conversion of Océane 2014 into new shares)	321,697	0.40	128,679
06/11/2012	Capital increase (conversion of Océane 2014 into new shares)	10,030	0.40	4,012
07/10/2012	Capital increase (conversion of Océane 2014 into new shares)	35,105	0.40	14,042
07/30/2012	Capital increase (conversion of Océane 2014 into new shares after the issuer call was exercised)	24,403,416	0.40	9,761,366
09/01/2012	Capital increase (eighth tranche of redemption of Oranes)	1,562,129	0.40	624,852
12/31/2012	**CAPITAL AS AT DECEMBER 31, 2012**	**210,008,734**	**0.40**	**84,003,494**

6.4 Stock market information

6.4.1 THE TRADING OF PUBLICIS GROUPE SHARES

As in 2011, the year was characterized by a worldwide economic slowdown that particularly affected Europe. According to the IMF, global economic growth slowed from 3.9% in 2011 to 3.2% in 2012. In the eurozone, the growth rate slowed from 1.4% to -0.1% in 2012, while it fell from 6.3% to 5.1% in the emerging and developing world. The United States and Japan were the only economies with a good showing, with growth increasing, respectively, from 1.8% to 2.3% and from -0.6% to 2.0% in 2012. The effects of the March 11, 2011 tsunami took a heavy toll on Japan's economy that year, costing the country almost 1% of its GDP.

The causes for the 2012 slowdown include increased inflation for developing nations, leading to higher energy and food costs, and to the implementation of budget austerity plans, not only in the so-called peripheral countries supported by the European Commission, the ECB and the IMF (Greece, Portugal and Ireland), but also a few countries at the heart of Europe (Great Britain, Spain and Italy).

Under these lackluster economic conditions, the advertising market was satisfactory during the first quarter of 2012 before a decline during the second quarter and second half of the year. A slight improvement was seen, however, during the third quarter.

Financial markets like the Paris Stock Exchange went through two very different phases in 2012. During the first half of the year until late July, the market was affected by uncertainties related to the euro crisis. During the second, less-volatile half of the year, the market improved with some of the best performances seen during the last 18 months. This change stemmed from the ECB's announcement that it would make every effort to preserve the euro. Therefore, the Parisian stock market experienced a remarkable turnaround in 2012; the CAC 40 closed at 3641 points on December 31 for an increase of 15.2% over the year after incurring a loss of 16.95% in 2011. Publicis shares' stock market performance was in line with comparables and posted a gain of 27.3%, thereby outperforming the CAC 40 and the Euro Stoxx Media – SXME (13.02%).

As 2013 begins, the acquisition of LBi in January 2013, which should push digital services to over 35% of Group revenue and encourage growth, and the opportunity to buy back almost 3.9 million of its own shares from Dentsu in February, which will have an anti-dilutive effect of approximately 1.5% in 2013, demonstrate Publicis' ability to pull out all the stops in order to guarantee its future growth and to eventually boost the share price.

6.4.2 INVESTOR RELATIONS

During 2012, 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 570 institutional investors, in France, the United Kingdom, Germany, Ireland, Luxembourg, Belgium, Italy, Switzerland, the United States, 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, London and Germany.

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 of the shares comprising the Group's share capital.

Publicis Groupe has a level-1 sponsored ADR (American Depositary Receipt) program in place, with Deutsche Bank Trust Company Americas (Deutsche Bank) that makes it possible to trade shares on the unlisted OTCQX market tier of the New York Stock Exchange (ticker: PUBGY – code ISIN/US74463M1062 – ratio: one ordinary share for four ADRs). 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 2012:

- highest: euro 46.170 on December 21, 2012;
- lowest: euro 35.105 on June 27, 2012;
- average price: euro 40.569.

TRANSACTION VOLUMES AND CHANGES IN COMPANY SHARE PRICES 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
2011	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	550,828	20,815	35.63	38.46	39.295	35.295
	February	21	714,993	28,994	38.50	41.065	42.60	38.46
	March	22	800,875	33,536	41.04	41.335	43.300	40.430
	April	19	844,046	33,384	41.335	38.96	42.285	37.36
	May	22	778,092	29,199	40.12	37.41	40.12	36.245
	June	21	941,020	34,843	37.63	36.05	38.640	35.105
	July	22	981,390	37,362	36.225	40.105	41.080	35.875
	August	23	648,234	26,708	40.44	41.265	42.405	39.665
	September	20	906,574	39,258	41	43.55	44.90	40.950
	October	23	665,976	28,252	43.53	41.565	44.645	39.450
	November	22	474,126	20,001	41.44	43.495	43.710	40.670
	December	19	467,007	21,056	43.495	45.25	46.170	43.495
2013	January	22	508,343	24,306	45.515	48.255	49.300	45.375
	February	20	579,769	28,459	48.490	50.620	51.600	47.830

(1) Volumes traded on Euronext (excluding alternative platforms).

Océane Publicis Groupe 2018 - 1%

- Listed on: Euronext Paris (code ISIN: FR0000180127);
- First day listed: January 21, 2002;
- Changes in the trading price on Euronext Paris during 2012:
  - highest: euro 53.15 on February 22, 2012,
  - lowest: euro 51.80 on February 10, 2012,
  - average price: euro 52.33 for 2012.

Océane Publicis Groupe 2014 - 3.125%

- Listed on: Euronext Paris (code ISIN: FR0010771899);
- First day listed: June 17, 2009;
- Changes in the trading price on Euronext Paris during the fiscal year 2012:
  - highest: euro 42.59 on March 16, 2012,
  - lowest: euro 35.49 on June 25, 2012,
  - average price: euro 38.922 for 2012.

After the Company exercised its issuer call, Océane 2014 was fully redeemed at the end of July 2012.

Eurobond Publicis Groupe 4.125% 2012

- Listed on: Luxembourg Stock Exchange (code ISIN: FR0010157354);
- First day listed: January 28, 2005;
- Changes in the trading price on the Luxembourg Stock Exchange during the fiscal year 2012:
  - highest: euro 100.167 on January 2, 2012,
  - lowest: euro 100.006 on January 31, 2012,
  - average price: euro 100.092 for 2012.

On January 31, 2012, Publicis Groupe redeemed this Eurobond at maturity for a total of euro 506 million in principal.

Eurobond Publicis Groupe 4.25% 2015 (FR0010831974) issued after the exchange offer on the Eurobond 4.125% 2012

- Listed on: Luxembourg Stock Exchange (code ISIN: FR0010831974);
- First day listed: December 17, 2009;
- Changes in the trading price on the Luxembourg Stock Exchange during 2012:
  - highest: euro 108.524 on August 30, 2012,
  - lowest: euro 103.843 on January 24, 2012,
  - average price: euro 106.443 for 2012.

Bonds related to Publicis Groupe warrants (BSA)

- Listed on: Euronext Paris (code ISIN: FR0000312928);
- First day listed: September 25, 2002;
- Changes in the trading price on Euronext Paris during the fiscal year 2012:
  - highest: euro 14.47 on December 20, 2012,
  - lowest: euro 6.7 on January 5, 2012,
  - average price: euro 10.1716 for 2012.

Orane Publicis Groupe

- Listed on: Euronext Paris (code ISIN: 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 fiscal year 2012:

- highest: euro 353.3 on December 20, 2012,
- lowest: euro 250 on January 5, 2012,
- average price: euro 304.28 for 2012.

7

GENERAL SHAREHOLDERS' MEETING

The Combined Annual Ordinary and Extraordinary General Shareholders' Meeting will take place on May 29, 2013 at Publicis Cinémas, 133 avenue des Champs-Élysées, Paris 8e.

Prior to this meeting, 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.

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, 2011 and December 31, 2012 are available at the registered office of the Company according to the laws and regulations in effect. They are also available on the Publicis Groupe website (www.publicisgroupe.com and www.publicisgroupe.com/ir) and on the website of the French Regulatory Authority (www.amf-france.org).

Furthermore, historical financial information for any direct or indirect subsidiary of the Company for the fiscal years ending December 31, 2011 and December 31, 2012 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 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 Section 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 2012 financial year, which is shown in Section 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 2011 in the registration document filed with the Financial Markets Authority (AMF) on March 19, 2012 under the no. D. 12-0174 do not contain any observations.

The general report of the statutory auditors on the consolidated financial statements for the 2010 financial year, shown in the registration document filed with the French Financial Markets Authority (AMF) on March 15, 2011 under no. D. 11-0131, contains an observation on the application revised standards IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements" as from January 1, 2010.

Signed in Paris, on April 12, 2013

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 on 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 ended December 31, 2012.

MAZARS

Represented by Mr. Loïc Wallaert and Ms. Anne-Laure Rousselou

61 rue Henri-Regnault, 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 on 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 ended December 31, 2012.

Mr. Gilles Rainaut

61 rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie

Appointed at the General Shareholders' Meeting on 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 table for the registration document

See appendix 1 of European Regulation no. 809/2004

	Page number	Section No.
1/ Persons responsible		
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1.2. Declaration	253	8.2.2.
2/ Statutory auditors		
2.1. Identity		8.3.1.
2.2. Any changes	254	NA
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3.1. Historical financial information	6	1.1.
3.2. Intermediate financial information		NA
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5/ Information on the issuer		
5.1. History and development of the Company	7 to 9 and 226	1.2. and 6.1.1. to 6.1.4.
5.2. Investments	21 to 25	1.5.
6/ Business Overview		
6.1. Main activities	11 to 17	1.4.1. to 1.4.3.
6.2. Main markets	18 to 20 and 174 to 176	1.4.5. to 1.4.9. and 4.6. (note 27)
6.3. Exceptional events	NA	NA
6.4. Dependence of the issuer	18 and 28 to 32	1.4.5. and 1.8.
6.5. Competitive position	20	1.4.8.
7/ Organization chart		
7.1. Description of the Groupe	10	1.3.1.
7.2. List of main subsidiaries	10	1.3.2.
8/ Property, plants and equipment		
8.1. Major tangible capital assets	17	1.4.4.
8.2. Environmental questions	42 to 43	1.9.4
9/ Analysis of financial position and results		
9.1. Financial situation	97 to 106	3.1 to 3.5
9.2. Net operating income (expense)	97 to 102	3.1 to 3.3
10/ Cash flow and capital		
10.1. Capital resources	104	3.4.2.
10.2. Cash flows	103	3.4.1.
10.3. Borrowing conditions and financing structure	105	3.4.3.
10.4. Restrictions on use of capital	105	3.4.4.
10.5. Anticipated financing sources	105	3.4.5.
11/ Research and development, patents and licenses	27and121	1.7. and 4.6 (note 1.3)
12/ Outlook	108	3.7.
13/ Forecasts or estimates of earnings		NA
14/ Management, supervisory bodies and executive management		
14.1. Information on members	48 to 58	2.1 to 2.3
14.2. Conflicts of interest	56	2.1.6.
15/ Compensation and benefits		
15.1. Compensation and other benefits	70 to 85	2.7.
15.2. Provisions for pensions and retirement	76 and 151 to 156	2.7.2. and 4.6 (note 21)
16/ Board practices		
16.1. Date of expiration of terms of office		2.1.1. to 2.1.2.
16.2. Service agreements of the Management Board and the Supervisory Board members	48 to 55 87	2.9.1.
16.3. The Audit Committee and the Remuneration Committee	59 to 60	2.4.2. and 2.4.3.
16.4. Compliance with current company regulations	62	2.5.

	Page number	Section No.
17/ Employees		
17.1. Number of employees	132	4.6. (note 3)
17.2. Participations and stock options	76 to 86	2.7.4. to 2.7.5 and 2.8
17.3. Agreement on employee share ownership	243	6.3.6.
18/ Main shareholders		
18.1. Shareholders holding more than 5% of capital	229 to 231	6.2.1.
18.2. Existence of different voting rights	227	6.1.5.
18.3. Direct or indirect control	232	6.2.2.
18.4. Agreement that could lead to a change in control	232	6.2.3.
19/ Related party transactions	87 to 93	2.9.
20/ Financial information concerning the issuer's assets, financial position, and results of operations		
20.1. Historical financial information	109 to 192 and 195 to 223	4. and 5.
20.2. Pro forma financial information		NA
20.3. Financial statements	109 to 192	4.
20.4. Verification of annual historical financial information	193 to 194 and 224	4.7. and 5.6.
20.5. Date of most recent financial information		NA
20.6. Intermediate and other financial information		NA
20.7. Dividend distribution policy	107	3.6.
20.8. Legal and arbitrage procedures	30; 124 to 125 and 150 to 151	1.8.2. ; 4.6 (notes 1.3 and 20).
20.9. Significant change in financial or commercial situation	188 and 221	4.6 (note 30) and 5.4. (note 24)
21/ Additional information		
21.1. Share capital	233 to 244	6.3.
21.2. Memorandum and by-laws	226 to 228	6.1.5.
22/ Major contracts	26	1.6.
23/ Information from third parties, experts and declared interests		NA
24/ Documents on display	252	8.1.
25/ Information on holdings	189 to 192	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 2011 financial year drawn up in accordance with IFRS standards, and the statutory auditors' report relating thereto, which are shown on pages 97 to 178 and 179 to 180 of the 2011 registration document filed with the AMF on March 19, 2012 under no. D. 12-0174;
- 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 change in financial position and income from Group operations for the 2011 financial year, shown on pages 83 to 93 of the 2011 registration document filed with the AMF on March 19, 2012 under no. D. 12-0174;
- 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 parent company financial statements for the 2011 financial year drawn up according to French accounting standards, and the statutory auditors' report relating thereto, which are shown on pages 181 to 209 and 210 of the 2011 registration document filed with the AMF on March 19, 2012 under no. D. 12-0174;
- the annual 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 statutory auditors' special report on related-party agreements for the 2011 financial year, shown on pages 77 to 80 of the 2011 registration document filed with the AMF on March 19, 2012 under no. D. 12-0174;
- 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 sections of the 2011 and 2010 registration documents that are not included are either irrelevant for investors, or covered by this registration document.

8.5 Cross-Reference table for the annual financial report

In order to facilitate the reading of the annual financial report, the following thematic tables make it possible to the identify the main information required by article L. 451-1-2 of the Monetary and Financial Code in this registration document.

Item in the annual financial report	Page number	Section
1. Financial statements	195 to 223	5.1 to 5.5
2. Consolidated financial statements	109 to 192	4.1 to 4.6
3. Statutory auditors' report on the financial statements	224	5.6.
4. Statutory auditors' report on the consolidated financial statements	193 to 194	4.7.
5. Management report including at least the information mentioned in articles L. 225-100, L. 225-100-2, L. 225-100-3 and L. 225-211 paragraph 2 of the French Commercial Code		
Billings	100 to 101	3.3.1.
Income	101 to 102	3.3.2. and 3.3.3.
Financial position	103 to 105	3.4.
Main risks and uncertainties	28 to 32	1.8.
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Statutory limitations on use of voting rights	226 to 228	6.1.5.
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8.6 Cross-Reference table for the management report

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