PUBLICIS GROUPE

2016 Annual Results

February 9, 2017

2016 Results

(EUR million)	2016	2016 vs 2015
Revenue	**9,733**	**+1.4%**
Organic growth	***+0.7%***	
Operating margin	**1,516**	**+2.0%**
Operating margin rate	***15.6%***	
Net income, attributable to the Groupe	**(527)**	
Headline EPS, diluted (euro) (1)	**4.46**	**+1.6%**
Dividend (euro) (2)	**1.85**	**+15.6%**
Free Cash Flow before changes in WCR	**1,261**	**+14.9%**

(1) After elimination of impairment charges, amortization of intangibles arising from acquisitions, main capital gains (or losses) on disposals and revalued earn-out payments
(2) Dividend to be proposed to the Shareholders' AGM on May 31, 2017

Q4 2016

Revenue	**2,665**
Reported growth	**-2.5%**
Growth at constant exchange rates	**-1.6%**
Organic growth	**-2.5%**

Maurice Lévy, Chairman and CEO of Publicis Groupe:

"*Publicis Groupe's 2016 results are confirmation - if needed - of the exceptional strength of our business model. As previously announced, all our indictors have increased: revenue, operating margin (amount and percentage of revenue), headline diluted EPS and dividend payout. On top of these positive elements, it worth mentioning the very high level of free cash flow generation and debt reduction.*

These results have been achieved against the backdrop of a modest organic growth rate, mainly due to lower US revenue as a result of media accounts lost in 2015 and the first half of 2016, but also to serious issues at Razorfish. This led us to merge Razorfish and SapientNitro in order to create the world's first entity dedicated to consumer experience, and to book an impairment charge in our 2016 accounts. After this impairment, the balance sheet now shows very solid indicators with a debt / equity ratio of 0.21 and liquidity of close to five billion euro, considerably enhancing our agility.

2016 was devoted to the implementation of Publicis Groupe's new organization and transformation from an "advertising holding company" to a "connecting company" with the creation of a completely new approach called "The Power of One". The results of this have been excellent since they were first felt in the summer of 2016, with remarkable client successes such as Asda in the UK, Wal-Mart in the USA, account wins including Merck, KFC and, more recently, HSBC, but also the return of Special K and the retention of Mars with a budget extension and the recent retention of GMC after a lengthy review. This new approach is still in the very early stages but, given the results already achieved, strikes me as very promising.

2017 clearly marks the beginning of a new era, as much for the market as for our Groupe. Society is evolving spectacularly as the exponential development of digital and other technologies obliges companies to undergo very deep transformation. Outcomes of referendums in the UK and Italy and elections in the US have rung in geopolitical upheavals bringing with them new uncertainties for Europe whereas America's traditional positions seem to produce economic consequences that are difficult to gauge.

Our Groupe is ready for this new world thanks to its high-potential digital assets and capacities to help our clients embrace this new order, including help with their own transformation. And we have a new generation at the helm.

After 30 years devoted to developing the superb brand that is Publicis and making the Groupe a global player, I will be passing over the chairmanship of the Management Board to Arthur Sadoun on June 1. Arthur has demonstrated the very broad range of his abilities over the last ten years, he is a great professional driven by his passionate approach to clients and his desire to make them winners. He understands the world of tomorrow, knows how to attract talent and bring people together to work in multidisciplinary teams, which is the only way to get the best out of The Power of One which has already proved such a success. As for myself, subject to approval from the shareholders, I will succeed Elisabeth Badinter as Chair of the Supervisory Board and will have the immense pleasure of having her continued vigilant presence on the Board. At this point, I would like to express heartfelt thanks to the people who, through their input over the last three decades, have *made Publicis what it is, namely the world's third-ranked global communications group, first in digital, with operations in over 100 countries. Over the last 30 years, Publicis has multiplied its revenue by 50, its staff by 25 and its market cap by 100.*

We are and will continue to be ambitious. I know that our successors are ready to step in, and they are energetic, curious, committed, creative and very determined. This new team will build Publicis Groupe's future by achieving the ultimate goal of our transformation with The Power of One. To defy the challenges of the future, Arthur Sadoun can count on the top-flight expertise of Management Board members Jean-Michel Etienne and Anne-Gabrielle Heilbronner, enriched by the arrival of Steve King whose stellar career to date commands admiration.

To achieve our future objectives we must improve our organic growth. The first half of 2017 will still bear the marks of previous difficulties, but as of the second half year, the Groupe should be back to levels of growth which are more comparable to its peers. And beyond, growth should be sustainably back on track with performances that are more consistent with our profile and history.

Our recent commercial successes, which we should leverage to improve our margins and continue to generate substantial cash flow, give me confidence about our future. This is why we are planning to propose to the Shareholders' AGM to approve a 16% increase of our dividend to 1.85 euro, and we are confirming our objectives for 2018."

Publicis Groupe's Supervisory Board met on February 8, 2017, under the chairmanship of Elisabeth Badinter, to examine the annual accounts for 2016 presented by Maurice Lévy, Chairman of the Management Board and Chief Executive Officer.

1 - KEY FIGURES

EUR million, excepting percentages and per share data (in euro)	*2016*	*2015*	*2016 vs. 2015*
Revenue	9,733	9,601	+1.4%
Operating margin before Depreciation & Amortization	1,682	1,661	
% of revenue	*17.3%*	*17.3%*	
Operating margin	1,516	1,487	+2.0%
% of revenue	*15.6%*	*15.5%*	
Operating income	9	1,378	
Net income attributable to the Groupe	(527)	901	
Headline EPS, diluted (1)	4.46	4.39	+1.6%
Free Cash Flow before changes in working capital requirements	1,261	1,097	+14.9%

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

2 - BUSINESS ACTIVITY IN 2016

Publicis Groupe's business environment was one of global growth comparable to that of 2015, but characterized nonetheless by recovery in the emerging markets and continued sluggish performance in the American and European economies. Inflation remained low. Organic growth was weak, as expected, at +0.7% due to accounts lost in 2015 and early 2016 and to issues at Razorfish. Given this context, the Groupe has taken the required decisions to re-launch growth, fully benefit from Razorfish's assets, and keep costs under strict control. Therefore, operating margin rate improved slightly and Free Cash Flow rose by 14.9% to 1.261 billion euro.

2.1 - Q4 2016 revenue

Publicis Groupe's consolidated revenue for the fourth quarter was 2,665 million euro, down 2.5% from 2,734 million in Q4 2015. Exchange rates impacted revenue negatively by 27 million euro, i.e. 1.0% of revenue in Q4 2015. Net acquisitions contributed 25 million euro to revenue in Q4 2016, i.e. the equivalent of 0.9% of Q4 2015 revenue. Growth at constant exchange rates was -1.6%.

Organic growth was -2.5% in the fourth quarter. It was negative due to media accounts lost in 2015 and early 2016, the fact that certain digital projects reached completion at Razorfish before others had fully ramped up, and a very unfavorable basis on comparison in North America in Q4 2015 (+6.3%) where the market was not as strong as anticipated.

Breakdown of Q4 2016 revenue by region

EUR million	**Revenue**		**Organic growth**	**Reported growth**
	Q4 2016	**Q4 2015**		
Europe	768	770	+5.1%	-0.3%
North America	1,362	1,417	-6.9%	-3.9%
Asia Pacific	321	320	-1.5%	+0.3%
Latin America	124	134	-1.1%	-7.5%
Middle East & Africa	90	93	+1.3%	-3.2%
Total	**2,665**	**2,734**	**-2.5%**	**-2.5%**

2.2 - 2016 Revenue

In 2016, Publicis Groupe's consolidated revenue rose to 9,733 million euro, an increase of 1.4% from 9,601 million in 2015. Exchange rates adversely affected revenue by 177 million euro, i.e. 1.8% of 2015 revenue. Net acquisitions contributed 247 million euro to revenue in 2016, i.e. the equivalent of 2.6% of 2015 revenue. Growth at constant exchange rates was +3.3%. Organic growth was 0.7% in 2016.

Breakdown of 2016 revenue by region

EUR million	Revenue		Organic growth	Reported growth
	2016	**2015**		
Europe	2,760	2,664	+5.9%	+3.6%
North America	5,236	5,184	-2.2%	+1.0%
Asia Pacific	1,085	1,066	+1.5%	+1.8%
Latin America	365	412	+2.9%	-11.4%
Middle East & Africa	287	275	+1.1%	+4.4%
Total	**9,733**	**9,601**	**+0.7%**	**+1.4%**

Europe posted 3.6% revenue growth. When the impact of acquisitions and exchange rates is factored out, organic growth was +5.9%. France performed well (+6.5%), and Germany and Italy both posted strong momentum (+8.0% and 6.3% respectively), all shored up by the improving macroeconomic situation. The situation was volatile in Russia where growth for the full year was +11.8%. The UK showed a marked improvement at +5.9% (including organic growth in excess of 8% in the second half of the year, following on close to 4% in the first half). Overall, digital progressed sharply in Europe, achieving growth of 11.1%.

North America reported growth of 1.0% but organic growth of -2.2% due notably to a decline in the fourth quarter (-6.9% on an organic basis). This downturn is attributed to the loss of accounts, particularly during the Mediapalooza, but also to the completion of certain digital projects at a time when more recent projects have yet to ramp up to cruising speed. In addition, organic growth was high in Q4 2015 (+6.3%) which served as the basis of comparison for Q4 2016, where the market was not as strong as anticipated.

Asia Pacific achieved reported growth of 1.8% and organic growth of 1.5%. China decreased in the second half year (-6.0%) as a result of difficulties encountered by Genedigi, after achieving +4.4% in the first half year. India and Singapore posted full year growth of 0.5% and 8.1% respectively.

Latin America was down 11.4% on a reported basis, mainly because of exchange rates, whilst organic growth was +2.9% for the period. Brazil saw its revenue fall by 1.9% in 2016 despite Rio hosting the Olympic Games. This represents an outperformance in a declining market overall. Mexico continued to post strong growth (+7.7% in 2016).

The Middle East & Africa region achieved reported growth of 4.4% and organic growth of 1.1%.

2016 organic growth by region: digital and analog

	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Digital	+11.1%	-0.4%	+9.5%	-1.4%	+11.2%	**+3.2%**
Analog	+1.5%	-5.3%	-2.8%	+4.0%	-1.5%	**-2.0%**
Total	**+5.9%**	**-2.2%**	**+1.5%**	**+2.9%**	**+1.1%**	**+0.7%**

The Groupe's growth continued to be driven by its digital activities (organic growth of +3.2%). North America saw its digital growth decline by 0.4% due to the impact of media accounts lost and the completion of certain digital projects at Razorfish at a time when new projects are only slowly gathering speed. Razorfish posted negative growth in double digits. It should also be mentioned that analog activities continued to decline.

3 - ANALYSIS OF THE KEY FIGURES

3.1 - Income statement

Operating margin before depreciation and amortization reached 1,682 million euro in 2016, up 1.3% from 1,661 million in 2015, i.e. a percentage margin of 17.3% of revenue (stable versus 2015):

- Personnel costs totaled 6,059 million euro at December 31, 2016, up 1.2% from 5,988 million in 2015. Fixed personnel costs amounted to 5,268 million, i.e. 54.1% of total revenue (unchanged versus 2015). Freelance costs reached 444 million euro in 2016, after 414 million in 2015. Restructuring costs stood at 73 million euro in 2016 as the Groupe implements its reorganization and adjusts to an environment that is increasingly digital-oriented, while continuing to generate synergies from the Sapient acquisition. Operational efficiency will be enhanced by the various projects in which the Groupe continues to invest (ERP roll-out, the development of production platforms, on-going regionalization of the Shared Services Centers, as well as a number of technological developments).

- Other operating costs (excluding Depreciation & Amortization) totaled 1,992 million euro after 1,952 million in 2015. These costs represented 20.5% of consolidated revenue (versus 20.3% in 2015).

Depreciation for the period was 166 million euro, i.e. a 4.6% decrease on 2015.

Operating margin rose to 1,516 million euro, i.e. a 2% increase over 1,487 million in 2015. As a percentage of revenue, the margin stood at 15.6%, compared with 15.5% in 2015. As a percentage of revenue, operating margin was impacted by 20 basis points as a result of acquisitions and currencies impact versus the euro. At constant perimeter and currencies, operating margin as a percentage of revenue improved by 30 basis points due to the positive impact in 2016 of cost reduction measures implemented since end 2015 including Sapient cost synergies, lower restructuring charges, partly offset by higher costs related to the ERP deployment and other IT initiatives.

The operating margin by region was 15.5% in Europe, 15.5% in North America, 15.9% in Asia Pacific, 14.0% in Latin America and 17.4% for the Middle East & Africa region.

Amortization of intangibles arising from acquisitions totaled 79 million euro in 2016, down from 89 million in 2015. The Publicis.Sapient's assets, which goodwill and intangible assets amount to 4.9 billion euro, have been analyzed thoroughly given the underperformance of some of its entities. The solution hub has been confronted to delays in the integration of acquisitions, in particular Razorfish. A new management team has been put in place and required investments in consulting teams have been revalued. New forecasts now factor in a faster-than-expected growth in the business transformation activity but a slower-than-anticipated growth for the remaining digital activities, which in total, will impact estimated growth of the coming years. In order to take those new market conditions into account, which impact both the value of some of Publicis.Sapient's assets and future cash flows of the solution hub, the Groupe booked a non-cash depreciation charge of 1,440 million euro (including 1,392 million for Publicis.Sapient), after an impairment of 28 million in 2015.

Other non-recurring income (expenses) amounted to income of 12 million euro, corresponding mainly to the capital gain on the disposal of Mediavision, after income of 8 million euro in 2015.

Operating income totaled 9 million euro in 2016, versus 1,378 million in 2015.

Financial income (expense), excluding earn-out revaluation, amounted to a net expense of 74 million euro in 2016, after an expense of 77 million euro in 2015. The cost of net financial debt is stable - 74 million euro in 2016 as in 2015 – and the other components of the financial income (expense), mainly foreign exchange gains and losses as well as expenses relating to the discounting of long-term provisions, are slightly improving, from 3 million euro expense in 2015 to 0 in 2016.

Revaluation of earn-out costs totaled 108 million euro in 2016, up from 12 million in 2015. This includes revaluations concerning Genedigi (end of earn-out), Heartbeat, Turner Duckworth, 3 Share as well as a certain number of more recently acquired subsidiaries whose expected performance has been revised upwards.

Income tax for the period was 342 million euro, i.e. an effective tax rate of 29.0%, by comparison with 386 million in 2015, when the effective tax rate was 29.9%.

The Associates' share of profit was a negative 5 million euro in 2016, after a positive 8 million in 2015. Minority interests totaled 7 million euro in 2016, versus 10 million in 2015.

Overall, Net income attributable to the Groupe was a loss of 527 million euro in 2016, after a profit of 901 million in 2015.

After elimination of impairment charges, amortization of intangibles arising on acquisitions, the main capital gains (or losses) on disposals and the reappraisal of earn-out costs, headline net income group share was 1,015 million euro up 2.3%.

Headline diluted EPS was 4.46 euros up 1.6%.

3.2 - Free Cash Flow

Before changes in working capital requirements, Free Cash Flow was 1,261 million euros in 2016, compared to 1,097 million in 2015.

3.3 - Net debt

Net debt amounted to 1,244 million euro at December 31, 2016 (i.e. a debt / equity ratio of 0.21) down from 1,872 million at December 31, 2015. The Groupe's average net debt was 2,385 million euro in 2016, down from 2,429 million in 2015, bearing in mind that the Sapient acquisition was completed on February 6, 2015.

4 – HIGHLIGHTS FROM 2016

4.1 - Reorganization

During the first half of 2016, Publicis Groupe reorganized its operations by placing its clients at the very core of the Groupe, thus providing them with access to all the Groupe's capabilities ("The Power of One") for their commercial, marketing or transformation requirements.

This reorganization entailed Publicis.Sapient, one of the Groupe's hubs, merging SapientNitro and Razorfish to create SapientRazorfish, thus combining the consumer experience and technological know-how of the two entities to meet clients' needs even better than before. The merging of these two entities led to the creation of an undisputed leader positioned as a new type of partner, capable of rethinking the future based on a client-centric model, while leveraging extensive experience in change management.

4.2 - Groupe commitment to start-ups

- **Viva Technology Paris.** In conjunction with Groupe les Echos, Publicis Groupe staged a global event in Paris bringing together start-ups and the main stakeholders in the digital environment. This rendezvous, from June 30 to July 2, 2016, attracted 5,000 start-ups, dozens of major industrial groups and investors, and included over 300 conferences with the top names in the global hi-tech sector. With over 45,000 visitors in three days, Viva Technology proved a tremendous success and underscored the pre-eminent place of Publicis Groupe in the global digital economy. The annual event will be back for the second edition from June 15, 2017, just before the Cannes Lions Festival.
- **Publicis90.** For its 90th anniversary, Publicis Groupe launched a project named Publicis90. The idea was to provide 90 projects or start-ups with financial aid and the support of the Groupe's digital experts. After an initial phase of stringent selection over a period of several months, the winners were picked from among the 3,500 contestants representing 130 countries, and received their awards at a ceremony held during Viva Technology.

4.3 - Global partnership with Tencent

Publicis Groupe has announced a strategic partnership with Tencent, the internet giant that operates the most popular social and media platforms in China. This partnership is a first-of-its-kind collaboration between a global communications group and China's biggest internet company. It spans the Groupe's three hubs (Publicis Media, Publicis Communications and Publicis.Sapient) as well as Tencent's eleven product lines. This agreement will cement the groups' relationship at global level while providing clients with access to all Tencent's innovations via a unique, borderless approach built on three pillars, i.e. tremendous innovation capacity, an exceptional source of data, and innovative web content.

4.4 - Acquisitions

- **MercerBell**, a leading Australian agency in the field of customer experience. MercerBell is specialized in CRM and digital strategy, creativity, content and technology, and will be integrated into Saatchi & Saatchi. This agency, which was founded in 1999, has a team of 65 professionals and a customer base that includes Toyota, Foxtel, Quantas, BT, Allianz and ASX
- **Vertiba**, the Salesforce partner, is specialized in marketing solutions. Founded in 2010, Vertiba is headquartered in Boulder, Colorado. Vertiba's skills will be integrated into the Publicis.Sapient platform
- **Seven Seconds**, the London (UK) based e-commerce and digital specialist, was founded in 2013 and will be integrated into BBH. Its main clients are British Airways, Barclays, Boots, Tesco Retail and Tesco Bank
- **Venus Communications**, is a leading public relations agency in Vietnam. Venus has been integrated into the MSL brand, which in turn is part of Publicis One in Vietnam. Over the last ten years, Venus and MSL have worked together successfully on numerous assignments. The agency, which was founded in 1998,

has 40 employees and a prestigious client portfolio that includes MasterCard, FedEx, Rolls Royce, BAT, Mead Johnson and Sanofi

- **Troyka Group** : Publicis Groupe has taken a stake in West Africa's first fully-integrated communications services group. The Troyka group is comprised of six agencies, i.e. Insight Communications, The Thinkshop, All Seasons Media, Media Perspectives, The Quadrant Company, and Hotsauce. Starting out with Insight Communications in 1980, the Troyka group now has 300 employees over six agencies across the entire region. The Troyka agencies work with prestigious international brands such as Heineken, Shell, Samsung, Unilever, Google, P&G, Microsoft, Ford and Axa, as well as with national brands that include Oando, Nestoil, Africa Investor, Jagal, and Olam. Publicis Groupe has been investing regularly in Africa in recent years, in view of the high growth potential of this market. By way of this equity investment, Publicis Groupe will use Troyka to launch its network in Nigeria, thereby creating a powerful communications agency that will have a competitive edge in all skills sets in West Africa.

4.5 - Finance

On October 28, 2016, Publicis Groupe – rated Baa2 by Moody's and BBB+ by Standard and Poor's (both with a stable outlook) – announced that it had successfully priced its EUR 500 million bond issue maturing November 3, 2023, with an annual coupon of 0.5%. The net proceeds will be used to partially repay the USD 1.6 billion bank loan subscribed in January 2015 to fund the acquisition of Sapient Corporation Inc., and to fund the Groupe's general corporate purposes.

5 - GOVERNANCE

Publicis Groupe's Supervisory Board appointed Arthur Sadoun to succeed Maurice Lévy as Chairman of the Groupe's Management Board.

From June 1, 2017, Arthur Sadoun will become Chairman of the Management Board which will be joined on the same date by Steve King, the current CEO of Publicis Media, who will team up with Jean-Michel Etienne, Executive Vice-President and CFO, and Anne-Gabrielle Heilbronner, Secretary General.

To develop the Groupe, the Management Board can count on top-flight leaders and the Groupe's transformation team: Alan Wexler and Chip Register at Publicis.Sapient, Nick Colucci at Publicis Health, Jarek Ziebinski at Publicis One, as well as Rishad Tobaccowala in the field of strategy and the client-centric approach.

The Supervisory Board has proposed that, upon completion of his term of office, Maurice Lévy join its ranks and take over as Chairman. This motion will be put to a vote before the shareholders at their AGM on May 31, 2017.

6 - OUTLOOK

The implementation of “One company” and the transformation from a “holding” to a “connecting company” are taking place according to the announced plan, with an excellent feedback from clients to the “Power of One” proposal. Recent successes in client retention (GMC, Mars, Special K) as well as client and budget wins (HPE, USAA, HSBC) are promising signs that Publicis Groupe’s growth will resume.

The first half of 2017 will be impacted by some account losses and the difficulties at Razorfish, but they will progressively be offset by the ramp up of account wins. The 2018 plan should be delivered as expected.

The economic and business environment for our clients on one hand, and the “One company” and transformation concepts on the other hand, should be favorable to Publicis Groupe.

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Disclaimer

Certain information contained in this document, other than historical information, may constitute forward-looking statements or unaudited financial forecasts. These forward-looking statements and forecasts are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These forward-looking statements and forecasts are presented as at the date of this document and, other than as required by applicable law, Publicis Groupe does not assume any obligation to update them to reflect new information or events or for any other reason. Publicis Groupe urges you carefully to consider the risk factors that may affect its business, as set out in the Registration Documents filed with the French Autorité des Marchés Financiers (AMF) and which is available on the website of Publicis Groupe (www.publicisgroupe.com), including an unfavourable economic climate, an extremely competitive market sector, the possibility that our clients could seek to terminate their contracts with us at short notice, the fact that a substantial part of the Group's revenue is derived from certain key clients, conflicts of interest between advertisers active in the same sector, the Group's dependence on its directors and employees, laws and regulations which apply to the Group's business, legal action brought against the Group based on allegations that certain of the Group's commercials are deceptive or misleading or that the products of certain clients are defective, the strategy of growing through acquisitions, the depreciation of goodwill and assets listed on the Group's balance sheet, the Group's presence in emerging markets, exposure to liquidity risk, a drop in the Group's credit rating and exposure to the risks of financial markets. This press release contains inside information as per the definition of article 7 of Regulation n°596/2014.

About Publicis Groupe - The Power of One

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

www.publicisgroupe.com | Twitter:@PublicisGroupe | Facebook: www.facebook.com/publicisgroupe | LinkedIn : Publicis Groupe | http://www.youtube.com/user/PublicisGroupe | *Viva la Difference!*

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Appendices

Organic growth calculation

(in million euro)	**Q1**	**Q2**	**Q3**	**Q4**	**FY**
2015 revenue	**2,103**	**2,439**	**2,325**	**2,734**	**9,601**
Currency impact [2]	(20)	(85)	(45)	(27)	(177)
2015 revenue at 2016 exchange rates (a)	2,083	2,354	2,280	2,707	9,424
2016 revenue before impact of acquisitions [1] (b)	2,144	2,418	2,284	2,640	9,486
Revenue from acquisitions [1]	147	44	31	25	247
2016 revenue	**2,291**	**2,462**	**2,315**	**2,665**	**9,733**
Organic growth (b/a)	**+2.9%**	**+2.7%**	**+0.2%**	**-2.5%**	**+0.7%**

Currency impact in 2016 ***(in million euro)***	
GBP [2]	(100)
USD [2]	13
Autres	(90)
Total	**(177)**

(1) Acquisitions (Star Reacher, Sapient, B2B, Expicient, Practice iLeo Romania, Relaxnews, C, Match Media, Domani, AKOM 360, TMC, Voden, 2DataFish, Frubis, The Solution Group, Glickman, TCC, First Click, August Media, Langland, PDI, MercerBell, Vertiba, Seven Seconds, Insight Redéfini, Venus Communications, Arcade, Digitouch, PT Publicis Metro Indonesia, PT Indonesia Media Exchange, Noch Notch, Metadesign, Regicom), nettes de cessions.

(2) EUR = USD 1.106 in 2016 vs. USD 1.109 in 2015
EUR = GBP 0.817 in 2016 vs. GBP 0.726 in 2015

New Business: Main wins in 2016

PUBLICIS COMMUNICATIONS

Ladbrokes (Australia), Carrefour (Brazil), WINE (Brazil), Lactalis (Brazil), Yakult (Brazil), Wine (Brazil), Movida (Brazil), Porto Seguro (Brazil), Mondelez –Tang (Brazil), L'Oréal/Garnier (Brazil), GPA (Brazil), Ontario Lottery and Gaming Corporation (Canada), Ville de Montréal (Canada), Domtar (Canada),Volkswagen (China), Mondelez gum & candy (China), Wetherm (Greater China), Marubi (Greater China), BAIC international (China), L'Oréal (China), Petco (China), Hyundai (China), Nissan (China), Huawei (China), Ausnutrition (China), Innoherb (China), Zotye (China), COFCO (China), Bacardi (China), Go Sport (France), Huawei (France), Groupama (France), Instagram (France), Snapdeal (India), CPTM Nacional (Mexico), P&G/Ariel (Mexico), Lotto (Poland), Microsoft (Poland), Duracell International (Poland), Samsung / Brown Goods (Poland), Mlekpol (Poland), Sberbank (Russia), Health Promotion Board (Singapore), Iberdrola (Spain), INC/Nuts and Dried Fruits (Spain), Asociación de Pacientes con Parkinson (Spain), Acer Global (South Africa), Belimo (Switzerland), Morrisons (UK), P&G (UK), Nestlé (UK), Experian (UK), Asda (UK), Heineken (UK), Expedia (UK), Absolut Vodka (UK), Cadillac (USA), P&G Dish (USA), Netflix (USA), Macy's (USA), Walmart (USA), Omantel (United Arab Emirates), Hewlett Packard Enterprise (USA), BP (USA), USAA (USA)

PUBLICIS MEDIA

21st Century Fox (APAC), Fiat Chrysler Automobiles (APAC & EMEA), Aldi (Australia), EziBuy (Australia), KraftHeinz (Australia), MYOB (Australia), Shine Lawyers (Australia), Alibaba - AliExpress (China), Shangri-La Hotels (China), Generali (DACH), OBI (DACH), Nomad International (EMEA), Visa Europe (EMEA), Air France (France), FINEXKAP (France), Kayak (France), 888.com (Germany), Deutsche Bahn (Germany), MARS (Germany), Coty (Global), Edrington (Global), Entertainment One (Global), Aviva (India), Bombay Dyeing (India), Lenovo (India), MARS (India), Parle (India), Telenor (India), Toyota (PerceptH) (India), Nostromo (Italy), 4 Finance (Poland), Frisco (Poland), SABMiller (Poland), Storck (Poland), Development Bank of Singapore (Singapore), Nikon (Singapore), 888.com (Spain), MASMOVIL (Spain), Pepe Jeans (Spain), Santa Lucia (Spain), National Bank of Kuwait (UAE), THE One (UAE), ASDA (UK), Weight Watchers (UK), Anacor (USA), Bosch Home Appliances Group (USA), Chick-fil-A, Inc. (USA), CustomInk (USA), Discover Financial (USA), Dropbox (USA), eBay (USA), Gander Mountain (USA), Groupon (USA), Hallmark Cards Inc. (USA), Henkel (USA), Hewlett Packard Enterprises (USA), Hospital Corporation of America (USA), Last pass (USA), Lidl (USA), Motorola (USA), MTV (USA), National Vision (USA), Omega Watches (USA), Reliant Energy (USA), Snapchat (USA), Trunk Club, Inc. (USA), USAA (USA), Vans (USA), Wingstop (USA), MARS (Vietnam)

PUBLICIS.SAPIENT

Mastercard (Australia), Sunsuper (Australia), Pinpoint (Australia), Plains Midstream (Canada), Manulife (Canada), Huawei (China), Congstar (Germany), Kering (UK), PGA Europe (UK), RBS (UK), HCA (UK), Kelloggs (UK), HSBC (UK), Angie's List (USA), Time Inc. (USA), Whole Foods (USA), Travelers (USA), Cardinal Health (USA), Genetech (USA), TransAmercia (USA), J Jill (USA), Silicon (USA), Starbucks (USA), CSM Bakery (USA), Clinique Men (USA), ABBVie (USA), CBL & Associates Properties (USA), Michael Kors (USA), Gallagher Bassett (USA), Cybersource (USA), UPS (USA), Cigna (USA), Wakefern (USA), USC Shoah Foundation (USA), Glidden (USA), Hewlett Packard Enterprises (USA), USAA (USA), Church and Dwight (USA), Starz (USA), School of Rock (USA)

PUBLICIS ONE

Cusquena (Argentina), Walmart (Argentina), Chrysler (Argentina), Banco Hipotecario (Argentina), Carrefour (Belgium), Coca-Cola Services (Belgium), Ici Paris XL (Belgium), Cortefiel (Belgium), MCM (Belgium), NortSails (Belgium), Teva (Belgium), Scotiabank (Chili), Nordic Telecom (Czech republic), A.B.E. (Greece), Nestlé (Greece), Newsphone Hellas (Greece), Wal-Mart Stores (Guatemala), Acer (Indonesia), Electronic City (Indonesia), JDID (Indonesia), Histadrut (Israel), Arkia (Israel), Cheli Maman (Israel), Anti-Drug Association (Israel), BSH Ikiakes Syskeves Dutch Government (Netherlands), Meetic (Netherlands), P&G (Netherlands), Ferrero (Roumania), Mediamarkt (Turkey), FCA (NL/CZ/HUN/GR/PT/SER/MO), Merck (USA)

2016 press releases

13-01-2016	Publicis Communications Announces Priorities & Key Appointments
28-01-2016	Leadership change at Leo Burnett Worldwide
11-02-2016	2015 annual results
03-03-2016	Publicis.Sapient acquires Vertiba, a Salesforce Gold Consulting Partner
10-03-2016	MSL acquires Venus Communications Ltd in Vietnam
10-03-2016	Publicis Media Unfolds Its Organisation Powered by Four Global Brands - Starcom, Zenith, Mediavest | Spark, and Optimedia | Blue 449
17-03-2016	Publicis Groupe Partners with The Troyka Group in Nigeria
24-03-2016	Publicis Groupe Launches Sapient Inside: The Combined Power of Publicis Communications and the Publicis.Sapient Platform
31-03-2016	Publicis Groupe Named the Most Attractive Employer in the Services Sector by the Randstad Awards
31-03-2016	Publicis One Announces its Global and Regional Leadership
21-04-2016	Q1 2016 revenue
28-04-2016	Publicis One announces its local leadership in Philippines
18-05-2016	Publicis Media announces leadership in France
25-05-2016	Combined General Shareholders' Meeting
01-06-2016	Publicis Groupe announces Chief Revenue Officer's sabbatical to deal with family issue. Laura Desmond to return January 1, 2017
01-06-2016	Decision by JCDecaux to abandon its proposed acquisition of 67% of the Metrobus share capital held by Publicis Groupe
07-06-2016	ANA Report: Publicis Groupe Statement
13-06-2016	Agreement with Samsung to end the discussions regarding a possible investment in Cheil Wordwide alongside associated collaboration
01-07-2016	Publicis90: Publicis Groupe is Financing 90 Startups at #vivatech
01-07-2016	Publicis Groupe and Tencent Sign Historic Global Partnership
12-07-2016	Publicis Groupe and Walmart Stores, Inc. Launch a Strategic Relationship
21-07-2016	First half 2016 results
03-08-2016	Resignation of Kevin Roberts Head Coach de Publicis Groupe, Executive Chairman of Saatchi & Saatchi/Fallon, Member of the Management Board
14-09-2016	Appointment of Valérie Decamp as CEO of Metrobus, and of Gérard Unger as Non-Executive Chairman
22-09-2016	Publicis Communications Announces Key Appointments as It Accelerates on Its Transformation

25-10-2016	Michel Marques Named Vice President Compensation & Benefits of Publicis Groupe
27-10-2016	Publicis Groupe Announces Chief Revenue Officer Laura Desmond's Resignation Appoints Rishad Tobaccowala as Strategy & Growth Officer
08-11-2016	Publicis Successfully Prices Eur 500 Million Bond Issue
13-12-2016	Publicis Groupe Launches The #Whatsnext Wishes. Maurice Lévy's annual wishes video has us asking, "What's Next?"
16-12-2016	The investigation bed by the U.S. Department of Justice Antitrust Division concerning video production pratices in the advertising industry
19-12-2016	Publicis Groupe Named Adobe Digital Marketing Partner of the Year for Second Consecutive Year

Definitions

EBITDA: operating margin before depreciation.

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

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

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

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

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

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

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

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

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

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

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

Consolidated income statement

(in millions of euros)	*Notes*	***2016***	***2015***
Revenue		**9,733**	**9,601**
Personnel expenses	*3*	(6,059)	(5,988)
Other operating expenses	*4*	(1,992)	(1,952)
Operating margin before depreciation and amortization		**1,682**	**1,661**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	*5*	(166)	(174)
Operating margin		**1,516**	**1,487**
Amortization of intangibles arising from acquisitions	*5*	(79)	(89)
Impairment loss	*5*	(1,440)	(28)
Non-current income and expenses	*6*	12	8
Operating income		9	1,378
Financial expenses	*7*	(107)	(109)
Financial income	*7*	33	35
Cost of net financial debt	***7***	(74)	(74)
Revaluation of earn-out payments on acquisitions	*7*	(108)	(12)
Other financial income and expenses	*7*	-	(3)
Pre-tax income of consolidated companies		(173)	1,289
Income taxes	*8*	(342)	(386)
Net income of consolidated companies		(515)	903
Share of profit of associates	*13*	(5)	8
Net income		(520)	911
Of which:			
- Net income attributable to non-controlling interests		7	10
- **Net income attributable to equity holders of the parent company**		(527)	**901**
Per share data *(in euros)* - **Net income attributable to equity holders of the parent company**	*9*		
Number of shares		*223,498,871*	*222,677,137*
Earnings per share		(2.36)	4.05
Number of diluted shares		*223,498,871*	*226,018,018*
Diluted earnings per share		(2.36)	3.99

Consolidated statement of comprehensive income

(in millions of euros)	***2016***	***2015***
Net income for the period (a)	**(520)**	**911**
Comprehensive income that will not be reclassified to income statement		
- Actuarial gains (and losses) on defined benefit plans	(4)	4
- Deferred taxes on comprehensive income that will not be reclassified to income statement	14	(1)
Comprehensive income that may be reclassified to income statement		
- Revaluation of available-for-sale investments and hedging instruments	31	5
- Consolidation translation adjustments	100	156
Total other comprehensive income (b)	**141**	**164**
Total comprehensive income for the period (a) + (b)	**(379)**	**1,075**
Of which:		
- Total comprehensive income attributable to non-controlling interests	7	13
- Total comprehensive income attributable to equity holders of the parent company	(386)	1,062

Consolidated balance sheet

(in millions of euros)	*Notes*	*December 31st, 2016*	*December 31st, 2015*
Assets			
Goodwill, net	*10*	9,150	10,211
Intangible assets, net	*11*	1,345	1,541
Property, plant and equipment, net	*12*	640	660
Deferred tax assets	*8*	150	159
Investments in associates	*13*	87	116
Other financial assets	*14*	182	174
Non-current assets		**11,554**	**12,861**
Inventories and work in progress	*15*	406	411
Trade receivables	*16*	10,010	9,733
Other current receivables and assets	*17*	698	769
Cash and cash equivalents	*18*	2,228	1,672
Current assets		**13,342**	**12,585**
Total assets		**24,896**	**25,446**
Equity and liabilities			
Share capital		90	89
Additional paid-in capital and retained earnings, Group share		5,965	6,467
Equity attributable to holders of the parent company	*19*	**6,055**	**6,556**
Non controlling interests		10	27
Total equity		**6,065**	**6,583**
Long-term borrowings	*22*	3,028	3,086
Deferred tax liabilities	*8*	649	658
Long-term provisions	*20*	556	527
Non-current liabilities		**4,233**	**4,271**
Trade payables		11,992	11,766
Short-term borrowings	*22*	283	305
Income taxes payable		88	110
Short-term provisions	*20*	130	162
Other creditors and current liabilities	*23*	2,105	2,249
Current liabilities		**14,598**	**14,592**
Total equity and liabilities		**24,896**	**25,446**

Consolidated statement of cash flows

(in millions of euros)	***2016***	***2015***
Cash flows from operating activities		
Net income	(520)	911
Neutralization of non-cash income and expenses:		
Income taxes	342	386
Cost of net financial debt	74	74
Capital (gains) losses on disposals (before tax)	(9)	(7)
Depreciation, amortization and impairment loss on property, plant and equipment and intangible assets	1,685	291
Non-cash expenses on stock options and similar items	55	38
Other non-cash income and expenses	115	19
Share of profit of associates	5	(8)
Dividends received from associates	3	2
Taxes paid	(257)	(303)
Interest paid	(106)	(114)
Interest received	40	37
Change in working capital requirements(1)	(355)	79
Net cash flows generated by (used in) operating activities (I)	**1,072**	**1,405**
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(173)	(231)
Disposals of property, plant and equipment and intangible assets	7	2
Purchases of investments and other financial assets, net	(12)	(18)
Acquisitions of subsidiaries	(240)	(3,265)
Disposals of subsidiaries	7	3
Net cash flows generated by (used in) investing activities (II)	**(411)**	**(3,509)**
Cash flows from financing activities		
Dividends paid to holders of the parent company	(193)	(240)
Dividends paid to non-controlling interests	(20)	(18)
Proceeds from borrowings	513	1,453
Repayment of borrowings	(517)	(265)
Net purchases of non-controlling interests	(44)	(33)
Net (purchases)/sales of treasury shares and warrants	24	(441)
Net cash flows generated by (used in) financing activities (III)	**(237)**	**456**
Impact of exchange rate fluctuations (IV)	**126**	**169**
Change in consolidated cash and cash equivalents (I + II + III + IV)	**550**	**(1,479)**
Cash and cash equivalents on January 1	1,672	3,158
Bank overdrafts on January 1	(19)	(26)
Net cash and cash equivalents at beginning of year (V)	**1,653**	**3,132**
Cash and cash equivalents on December 31 (Note 18)	2,228	1,672
Bank overdrafts on December 31 (Note 22)	(25)	(19)
Net cash and cash equivalents at end of year (VI)	**2,203**	**1,653**
Change in consolidated cash and cash equivalents (VI - V)	**550**	**(1,479)**
(1) Breakdown of change in working capital requirements		
Change in inventory and work in progress	28	(65)
Change in accounts receivable and other receivables	(222)	(1,311)
Change in accounts payable, other payables and provisions	(161)	1,455
Change in working capital requirements	**(355)**	**79**

Consolidated statement of changes in equity

Number of outstanding shares	*(in millions of euros)*	Share capital	Additional paid-in capital	Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to the holders of the parent company	Non controlling interests	Total equity
213,308,491	**January 1st, 2015**	**88**	**3,236**	**2,646**	**3**	**113**	**6,086**	**29**	**6,115**
	Net income			901			901	10	911
	Other comprehensive income, net of tax				152	9	161	3	164
	Total comprehensive income for the period			**901**	**152**	**9**	**1,062**	**13**	**1,075**
163,082	Dividends		11	(251)			(240)	(18)	(258)
655,982	Share-based compensation, net of tax			40			40		40
	Effect of acquisitions and commitments to buy-out non-controlling interests			(10)			(10)	3	(7)
517,819	Equity warrant exercise	1	15				16		16
12,684,356	Effect of early redemption of the Orane bonds			59			59		59
(6,005,829)	Purchases/sales of treasury shares			(457)			(457)		(457)
221,323,901	**December 31st, 2015**	**89**	**3,262**	**2,928**	**155**	**122**	**6,556**	**27**	**6,583**
	Net income			(527)			(527)	7	(520)
	Other comprehensive income, net of tax				100	41	141		141
	Total comprehensive income for the period			**(527)**	**100**	**41**	**(386)**	**7**	**(379)**
2,742,448	Dividends	1	161	(355)			(193)	(20)	(213)
462,580	Share-based compensation, net of tax			58			58		58
	Effect of acquisitions and commitments to buy-out non-controlling interests			(4)			(4)	(4)	(8)
199,619	Equity warrant exercise		6				6		6
639,236	Purchases/sales of treasury shares			18			18		18
225,367,784	**December 31st, 2016**	**90**	**3,429**	**2,118**	**255**	**163**	**6,055**	**10**	**6,065**

Earnings per share (basic and diluted)

(in millions of euros, except for share data)		***2016***	***2015***
Net income used for the calculation of earnings per share			
Group net income	a	(527)	901
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Group net income – diluted	b	(527)	901
Number of shares used to calculate earnings per share			
Number of shares at January 1		222,540,740	221,203,857
Shares created over the period		1,771,861	792,984
Treasury shares to be deducted (average for the year)		(813,730)	(6,096,348)
Shares to be issued to redeem the Orane		-	6,776,644
Average number of shares used for the calculation	c	223,498,871	222,677,137
Impact of dilutive instruments:			
- Free shares and dilutive stock options[1]		-	2,416,360
- Equity warrants[1]		-	924,521
- Shares resulting from the conversion of convertible bonds		-	-
Number of diluted shares	d	223,498,871	226,018,018
(in euros)			
Earnings per share	a/c	**(2.36)**	**4.05**
Diluted earnings per share	b/d	**(2.36)**	**3.99**

(1) As a result of the loss incurred in 2016, there is no instrument taken into consideration to compute the diluted EPS since all of them have a relutive impact on EPS. In 2016, the diluted EPS is thus equal to the basic EPS.

Headline earnings per share (basic and diluted)

((in millions of euros, except for share data)		***2016***	***2015***
Net income used to calculate headline earnings per share*[(1)]*			
Group net income		(527)	901
Items excluded:			
- Amortization of intangibles from acquisitions, net of tax		51	61
- Impairment, net of tax		1,383	18
- Revaluation of earn-out payments		108	12
Headline Group net income	e	1,015	992
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Group net income, diluted	f	1,015	992
Number of shares used to calculate earnings per share			
Number of shares at January 1		222,540,740	221,203,857
Shares created over the period		1,771,861	792,984
Treasury shares to be deducted (average for the year)		(813,730)	(6,096,348)
Shares to be issued to redeem the Orane		-	6,776,644
Average number of shares used for the calculation	c	223,498,871	222,677,137
Impact of dilutive instruments:			
- Free shares and dilutive stock options [(2)]		3,488,040	2,416,360
- Equity warrants		718,168	924,521
- Shares resulting from the conversion of convertible bonds		-	0
Number of diluted shares	d	227,705,079	226,018,018
(in euros)			
Headline earnings per share [(1)]	e/c	**4.54**	**4.45**
Headline earnings per share – diluted [(1)]	f/d	**4.46**	**4.39**

(1) *After elimination of the impairment losses, the amortization of intangible from acquisitions, the main capital gains and losses on disposal of assets and the revaluation of earn-outs.*

(2) *Only stock-options and warrants, which have a dilutive impact, i.e. whose strike price is lower than the average strike price, are included in the calculation. In 2016, as in 2015, all stock-options and warrants not yet exercised at the closing date had a dilutive impact on Headline EPS.*