PUBLICIS GROUPE

July 21, 2016

PRESS RELEASE

PUBLICIS GROUPE
First Half 2016 Results

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(Million euro)	*H1 2016*	*2016 vs. 2015*
▪ **Revenue**	**4,753**	**+4.6%**
Organic growth	***+2.8%***	
▪ **Operating margin**	**619**	**+5.1%**
▪ **Operating margin rate**	**13.0%**	
▪ **Group net income**	**381**	**+5.0%**
▪ **Headline[(1)] EPS, diluted** (euro)	**1.81**	**+7.7%**
▪ **Free cash-flow before change in WCR**	**564**	**+23.1 %**

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

2nd Quarter 2016

(Million euro)	*Q2 2016*
▪ **Revenue**	**2,462**
▪ **Reported growth**	**+0.9%**
▪ **Growth at constant exchange rates**	**+4.6%**
▪ **Organic growth**	**+2.7%**

Maurice Lévy, Chairman and CEO of Publicis Groupe:

"*This first half-year has ended very satisfactorily.*

First with the results: organic growth of close to 3%, an operating margin at 13% and a double-digit increase of our free cash flow. Next the implementation of our new structure, the "Power of One" by the end of June, as expected.

The transformation process launched in December 2015 has completely changed our approach to communications and our understanding of the way our clients work in taking on the challenges of the future. This transformation means we can anticipate our clients' expectations with an "end-to-end" offering that provides them with full access to the Groupe's resources including our skills in consulting and technology. This initiative was very well received by our clients as it is original, modern and, most importantly, it is a comprehensive solution to the challenges they face. We are beginning to reap the benefits of this new approach.

Some expected this transformation would require several years to be implemented. I would like to express my gratitude to all our people who have had to contend with upheaval within the organization, reassignments, or changes in responsibility while, at the same time, continuing to provide our clients with Publicis service at its very best. Despite our concerns of seeing significant impact from the budgets lost in 2015, they were able to ensure new business developments which brought us to a satisfactory growth rate in the 2nd quarter.

Furthermore, they also left no stones unturned in ensuring the success of other Publicis initiatives such as Viva Technology, an undertaking organized in conjunction with Groupe Les Echos. This event was further evidence of the Groupe's interest and involvement in the digital economy and innovative ideas, and of the importance it places in supporting start-ups that are the companies of the future. The great success of this event is also a testament to the Groupe's credibility in this sector and in the eyes of the major players. During this event, our "Publicis90" project rewarded 90 start-ups with financial support: this was our way of celebrating Publicis' 90th anniversary in a constructive and forward-looking manner. It should also be noted that 25 of the 90 winners came from within the Groupe, further evidence of the entrepreneurial spirit that reigns within the Groupe.

Finally, during Viva Technology, Publicis Groupe and Tencent – the Chinese internet giant – announced a strategic agreement at global level. This partnership further reinforces our leadership in digital and technology.

After this particularly active and productive first half-year, we expect the third quarter to be more difficult due to the full impact of the account losses of 2015, though this should not jeopardize the upward trend of all the Groupe's indicators over the full year 2016.

We should not be heavily impacted from the Brexit. Since we operate in the UK in local currency, as we do in all the countries in which we have operations.

We remain very confident about reaching our 2018 objectives, and believe that we will start to see and feel the benefits of our transformation more fully as of 2017."

Publicis Groupe's Supervisory Board met on July 20, 2016 under the chairmanship of Mrs. Elisabeth Badinter, to examine the accounts for the first half of 2016, presented by Mr. Maurice Lévy, Chairman of the Management Board and Chief Executive Officer.

1 – KEY FIGURES

Million euros, excepting percentages and per share data (in euro)	*H1 2016*	*H1 2015*	*2016 vs. 2015*
Revenue	4,753	4,542	+4.6%
Operating margin before Depreciation & Amortization	704	675	+4.3%
% of revenue	*14.8%*	*14.9%*	
Operating margin	619	589	+5.1%
% of revenue	*13.0%*	*13.0%*	
Operating income	595	554	+7.4%
Group net income	381	363	+5.0%
Headline[(1)] EPS, diluted	1.81	1.68	+7.7%
Free Cash Flow before changes in working capital requirements	564	458	+23.1%

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

2 – BUSINESS ACTIVITY IN H1 2016

2.1 – Q2 2016 revenue

Publicis Groupe's consolidated revenue for the second quarter of 2016 was 2.462 million euro, up 0.9% from 2,439 million euro in Q2 2015. Exchange rates impacted revenue negatively by 85 million euro, i.e. the equivalent of 3.5% of Q2 2015 revenue. Net acquisitions contributed 44 million euro in revenue in Q2 2016, the equivalent of 1.8% of Q2 2015 revenue. Growth at constant exchange rates was +4.6%.

Organic growth was +2.7% in the second quarter, buoyed by the growth of digital activities (+5.1%). Development efforts allowed to significantly mitigate the impact of the loss of media accounts of 2015. However, the impact of these losses should be much greater in the third quarter.

Breakdown of Q2 2016 revenue by region

In million euro	Revenue		Organic growth	Reported growth
	Q2 2016	**Q2 2015**		
Europe	718	681	+7.3%	+5.4%
North America	1,319	1,323	-0.1%	-0.3%
Asia Pacific	273	265	+5.5%	+3.0%
Latin America	81	101	+4.8%	-19.8%
Middle East & Africa	71	69	-1.5%	+2.9%
Total	**2,462**	**2,439**	**+2.7%**	**+0.9%**

2.2 – H1 2016 revenue

Over the first half-year, Publicis Groupe's consolidated revenue totaled 4,753 million euro compared with 4,542 million euro in 2015, i.e. an increase of 4.6%. The impact of exchange rates was a negative 105 million euro, i.e. the equivalent of 2.3% of H1 2015 revenue. Net acquisitions contributed 191 million euro to revenue in the first half of 2016, i.e. the equivalent of 4.2% of H1 2015 revenue. Growth at constant exchange rates was +7.1%, and organic growth stood at +2.8% for the first half of 2016. It should be noted that the Healthcare sector performed well, and that the Media business continued the sustained momentum built up in Q1 2016 despite the impact of the accounts lost in 2015.

Breakdown of H1 2016 revenue by region

In million euro	Revenue		Organic growth	Reported growth
	H1 2016	**H1 2015**		
Europe	1,349	1,269	+5.5%	+6.3%
North America	2,620	2,475	+1.4%	+5.9%
Asia Pacific	503	486	+4.7%	+3.5%
Latin America	152	191	+0.9%	-20.4%
Middle East & Africa	129	121	-0.5%	+6.6%
Total	**4,753**	**4,542**	**+2.8%**	**+4.6%**

Europe grew its revenue by 6.3%. When the impact of acquisitions and exchange rates is factored out, organic growth was +5.5%. Over the entire region, digital achieved strong growth (+12.5%). France continued to perform well (+5.0%) and Germany and Italy continued their strong momentum (growth in the region of 9%), shored up by better economic situations. The situation was volatile in Russia with 4.6% growth at June 30, after 9.4% in the first quarter. The situation is much improved in the UK where growth was 3.6% in H1 (7.4% in Q2).

North America reported growth of 5.9% with organic growth standing at +1.4%. This growth stemmed mainly from the media and health businesses. Growth was nevertheless impacted by the 2015 media account losses (Mediapalooza).

Asia Pacific achieved reported growth of 3.5% and organic growth of 4.7%, with good levels of performance in Greater China (+4.4%).

Latin America was down 20.4% on a reported basis but recorded positive organic growth of 0.9%. This downturn was notably attributable to the downswing in Brazil (revenue fell 4.6% despite business stabilizing in the second quarter at -0.7%). Conversely, Mexico returned to positive growth once again with +11.5% in H1 (after -14.6% in the first quarter).

The Middle East & Africa achieved reported growth of +6.6% but negative organic growth of -0.5%.

Breakdown of H1 2016 revenue by region: digital and analog

	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Digital	+12.5%	+2.5%	+23.0%	+1.3%	+10.7%	**+6.3%**
Analog	-0.1%	-0.4%	-3.6%	+0.9%	-3.5%	**-0.8%**
Total	**+5.5%**	**+1.4%**	**+4.7%**	**+0.9%**	**-0.5%**	**+2.8%**

The Groupe's growth continued to be driven by its digital activities (organic growth of +6.3%), with double-digit growth in all regions except North America – where the Groupe is still experiencing difficulties with Razorfish – and Latin America. It should also be pointed out that analog activities continued to decline.

3 - ANALYSIS OF THE KEY FIGURES

3.1 - Income Statement

The **Operating margin before depreciation and amortization** rose to 704 million euro in H1 2016, up 4.3% from 675 million euro for the corresponding period in 2015, i.e. 14.8% of revenue (versus 14.9% in H1 2015).

- Personnel costs amounted to 3,071 million euro at June 30, 2016, up 4.3% from 2,944 million euro for the corresponding period in 2015. Fixed personnel costs totaled 2,676 million euro, representing 56.3% of revenue after 57.1% in 2015. Freelance costs stood at 219 million euro in H1 2016, compared with 197 million in H1 2015. Restructuring costs rose by 16 million to total 55 million euro in H1 2016 (versus 39 million euro in H1 2015) as the Groupe undergoes its reorganization and adjusts to an environment that is increasingly digital-oriented, while continuing to generate synergies subsequent to the Sapient acquisition. Operational efficiency will be improved by the various projects in which the Groupe is investing (ERP roll-out, the development of production platforms, the continued regionalization of its Shared Services Centers, as well as various technological developments).
- Other operating costs (excluding depreciation and amortization) totaled 978 million euro after 923 million euro in H1 2015, i.e. 20.6% of total revenue versus 20.3% in 2015.

Depreciation and amortization totaled 85 million euro in H1 2016, compared with 86 million euro in the first half of 2015.

The **Operating margin** rose 5.1% to 619 million euro, after 589 million euro in H1 2015. As a percentage of revenue, the margin was 13.0%, i.e. the same percentage as for the corresponding period in 2015.

By region, the operating margins were 13.0% in Europe, 14.1% in North America, 11.1% Asia-Pacific, -0.7% in Latin America and 14.7% in the Middle East & Africa.

Amortization of intangibles arising from acquisitions totaled 40 million euro in H1 2016, down from 43 million euro in H1 2015. Other non-recurring income (expenses) netted out at income of 16 million euro, mainly in the form of capital gains on Mediavision disposal, after 8 million for the corresponding period in 2015.

Operating income for the first six months of 2016 amounted to 595 million euro, up 7.4% from 554 million euro in H1 2015.

Financial income (expense), which comprises the cost of net debt and other financial income and expenses, was a net expense of 50 million euro in the first half of 2016, after an expense of 33 million euro in 2015. The cost of net debt was quite stable by comparison with last year (39 million euro in H1 2016 versus 40 million euro in H1 2015). Other financial income (expense) amounted to income of 11 million euro (mainly due to the revaluation of earn-out payments), after income of 7 million euro in H1 2015.

Income tax for the period was 162 million euro, i.e. an estimated effective tax rate of 29.7%, compared with 159 million euro in 2015, corresponding to an effective tax rate of 30.5%.

The Associates share of profit was 2 million euro versus 3 million euro in H1 2015. Minority interests totaled 4 million euro in 2016, after 2 million euro in H1 2015.

In total, **group net income** amounted to 381 million euro in the first half-year 2016, compared with 363 million euro for the corresponding period in 2015.

3.2 - Free cash flow

Before changes in working capital requirements, the Groupe's free cash flow was 564 million euro in H1 2016, compared with 458 million euro in 2015.

3.3 – Net debt

Net debt at June 30, 2016 stood at 2,460 million euro (i.e. a debt / equity ratio of 0.38) compared with 1,872 million euro at December 31, 2015. The Groupe's average net debt in the first half of 2016 was 2,380 million euro, versus 1,881 million euro for H1 2015. For the record, the Sapient acquisition was completed on February 6, 2015.

3.4 - Shareholders' equity

Consolidated shareholders' equity attributable to the Groupe decreased from 6,556 million euro at December 31, 2015 to 6,495 million euro at June 30, 2016.

4 - GROUPE CSR POLICY

In 2016, Publicis Groupe is continuing its in-house analysis of the Sustainable Development Goals (SDGs) in order to identify the best themes to work on, whether independently or in partnership with others. This is the backdrop against which the Groupe is taking part, alongside five other major communications groups, in "Common Ground" which is the first sectoral initiative in favor of the UN's Sustainable Development Goals.

The Groupe’s CSR Report is structured around its three main stakeholder groups: Talent, i.e. employees; Clients; and Society, i.e. citizen-consumers. The cross-cutting fields of ethics and governance, on the one hand, and environmental matters on the other hand, are dealt with in two separate chapters.

Concerning talent, the Groupe is taking up the major challenges of diversity and inclusion, and continues, for instance, to roll out affinity networks locally (e.g. VivaWomen! or Egalité). It also continues to work on challenges such as professional development and continuing training, or well-being in the workplace. Several initiatives have been launched, in particular in training.

As for clients, the challenge for the agencies is to increase their involvement in responsible marketing and communications through efficient new approaches, while supporting clients in their digital transformation where innovation is at the very heart of their concerns. The supplier CSR assessment program has been implemented, and 100 suppliers (out of the 150 who were invited) have chosen to join the EcoVadis platform. The CSR Procurement Guidelines are now available on the Groupe’s website.

In terms of Society and consumers-citizens, a Chief Data Privacy Officer has now been appointed to address the issues and take up the challenges of data protection.

The Groupe’s agencies continue to work actively with local communities, with pro bono campaigns (provided free of charge) and volunteer work now coming under a single watchword: Create & Impact. The goal is to boost the positive impact we bring to Society and to reassert our commitment to human rights. Over the first half-year, the Women’s Forum for the Economy & Society has held events in Mexico, Dubai and Mauritius, with considerable regional impact and close attention to recurring issues with which women are faced in these regions and countries.

In Ethics, the focus has been on updating the procedures supporting Janus, the in-house code of ethics, as well as collaborative work carried out within inter-professional organizations at national and international levels.

Finally, the Groupe is pursuing its ongoing efforts to contain and reduce its impact on the environment. The ambition is to “consume less and better”. The 2020 goals for the reduction of our carbon footprint are guided by the EU policy known as “20-20-20”.

The 2015 CSR Report has been independently audited in compliance with the GRI-4 framework, and includes more information and indicators than the 2015 Registration Document. The 52 agencies audited on site represent 35% of total headcount and all consolidated data were checked and audited. The CSR reporting process began in late 2015 and continued throughout the first quarter of 2016.

5 - HIGHLIGHTS FROM H1 2016

5.1 - Transformation

During the first six months of 2016 Publicis Groupe implemented the most fully integrated organization in the entire sector, bringing down the curtain on the traditional holding company structure with siloed communications groups. For Publicis Groupe, the goal is to help clients by providing them with the means to succeed in their own transformation and optimize marketing performance through access to all of the Groupe’s capabilities across the “Power of One” organization.

The purpose of this reorganization is to endow the Groupe with a more client-centric structure. Four dedicated "solution hubs" have been set up to serve clients on a cross-cutting basis:

- Publicis Communications, headed by CEO Arthur Sadoun, spans the creative and communications networks: Publicis Worldwide, Leo Burnett, Saatchi & Saatchi, BBH, Fallon, Marcel, MSL (public relations) and Prodigious (production)
- Publicis Media is run by CEO Steve King, and encompasses media and connectivity skills: Starcom, Zenith, Mediavest l Spark, Optimedia l Blue 449, and the performance entities such as Performics
- Publicis.Sapient is led by CEO Alan Herrick and covers the consulting / technology / digital spectrum: SapientNitro, Sapient Consulting, DigitasLBi and Razorfish
- Publicis Health, under CEO Nick Colucci, combines all the entities working for laboratories and healthcare companies: DigitasHealth LifeBrands, Publicis LifeBrands, Saatchi & Saatchi Wellness, Publicis Health Media, Touchpoint Solutions

All these solution hubs operate in the top 20 markets. Elsewhere, Publicis One, headed by CEO Jarek Ziebinski, provides an integrated, one-stop organization in each country.

The solutions hubs are now fully operational. The Global Client Leaders have been appointed and are in charge of clients, across all capabilities, with direct accountability through client P&L.

The Groupe should reap the benefits of this reorganization in the forthcoming quarters.

5.2 –ANA report (Association of National Advertisers)

On June 7, 2016, the ANA (Association of National Advertisers) published a report incriminating business practices between communications agencies and advertisers. We can only be surprised by ANA's choice in particular as this report is based on allegations and situations that refer to undisclosed companies and individuals and are then used to make very broad-based and unverifiable accusations. Publicis Groupe was keen to state its position. Publicis Groupe has very stringent in-house rules and regulations, including a Code of Ethics, which serves as a reference in controlling procedures and financial reporting. We constantly revise our working methods to ensure that they are best in class and our employees have to apply them rigorously. All contract negotiations with our clients include standards of transparency that they deem appropriate and we commit to fully abide by the terms of the contract we enter into alongside our clients.

5.3 – Change in perimeter

- **MercerBell** is 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 one of the leading public relations agencies in Vietnam. Venus has been integrated into the MSL brand, which in turn is part of Publicis One in Vietnam. Over

the last 10 years, Venus and MSL have worked together successfully on numerous assignments. The agency, which was founded in 1998, has over 40 employees and a prestigious client portfolio that includes MasterCard, FedEx, Rolls Royce, BAT, Mead Johnson and Sanofi.

- **Troyka Group**: in which Publicis Groupe has taken a stake, is 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 including 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 entity that will have a competitive edge in all skill sets in West Africa

On June 1, 2016, Publicis Groupe acknowledged the decision by JCDecaux to abandon the project to acquire the former's 67% stake in the share capital of Metrobus due to demands made by the French competition authority (*Autorité de la concurrence*). In conjunction with Metrobus and JCDecaux (which still owns a 33% stake), Publicis Groupe will now examine all the options to provide Metrobus with the best possible conditions for its development.

5.4 – The Groupe's 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 rendez-vous, held from June 30 to July 2, attracted 5,000 start-ups, dozens of large industrial groups and investors, and included over 300 conferences with the biggest names in the global hi-tech sector. With over 45,000 visitors in three days, Viva Technology proved a great success and underscored the pre-eminent place of Publicis Groupe in the global digital economy. This event should be staged again next year.
- **Publicis90.** On the occasion of its 90th anniversary, Publicis Groupe launched a project named Publicis90. This 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 selected from among the 3,500 contestants from 130 countries, and received their awards at a ceremony held during Viva Technology.

5.5 – Global partnership with Tencent

Publicis Groupe has signed a global strategic partnership with Tencent, the internet giant that operates the most popular social and media platforms in China. The partnership is the first-of-its-kind collaboration across a global advertising group and all 11 products of Tencent, China's largest internet company. It is also the first partnership that transcends the Groupe's three solution hubs of Publicis Media, Publicis Communications and Publicis.Sapient. This agreement will cement the two groups' relationship at a global level with a mission to breed innovations whilst offering clients all of Tencent's innovations through a unique borderless approach built on three pillars:

- **Future Capabilities**: Through this partnership, Publicis Groupe and Tencent will launch a 'Drugstore' incubation facility, to curate, invest in and cultivate the start-ups of the future. This will provide breakthrough offerings to our clients in data and ad tech as well as across new VR and AR enabled platforms;

- **Data**: Through its connected strategy, Tencent will offer Publicis Groupe access to its vast and rich online behavioral data, benefiting clients through improved programmatic offerings, cross-screen planning capabilities and conversion performance;
- **Content**: The two companies will partner on the co-creation and co-investment of web native content to drive unique content opportunities and new content models for key clients.

6 - OUTLOOK

The IMF's recent announcements underscore the uncertainties surrounding the global economic environment, on top of geopolitical risks. The result of the "Brexit" referendum on June 23, 2016 increases anxiety with respect to the impact of the exit out of Europe could have on the UK but more broadly on to Europe overall. The violent events in the US, France and Turkey add to those uncertainties. Despite this environment and the difficulties in certain sectors of the economy, the good results achieved by Publicis Groupe confirm its previous guidance of improved financial indicators across the board: revenue, operating margin, adjusted diluted EPS, and dividend payout, even though we expect a more difficult 3rd quarter.

The Groupe's transformation is the most radical ever imagined in its sector. It is being carried out to meet clients' new requirements brought about by the fierce competition ushered in by the development of digital technology. Digital has not only empowered consumers, it has caused the physical and digital worlds to converge, with the emergence of numerous newcomers that are completely challenging the established order. Publicis Groupe has abolished the notion of holding company with silo-type operating structures and now provides a complete array of services from consulting right up to the materialization of campaigns through the alchemy of creation and technology within an operating entity of "connecting company".

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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. They 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 2015 Registration Document 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, the difficulty of ensuring internal controls, exposure to liquidity risk, a drop in the Group's credit rating and exposure to the risks of financial markets.

About Publicis Groupe - The Power of One

Publicis Groupe [Euronext Paris FR0000130577, CAC 40] is a global leader in marketing, communication, and digital transformation. Active across the entire value chain, from consulting to creation, and production, Publicis Groupe offers its clients a transversal, unified and fluid model allowing them access to all the Groupe's tools and expertise around the world. Publicis Groupe is organized across four Solutions hubs: **Publicis Communications, Publicis Media, Publicis.Sapient** and **Publicis Health**. These 4 Solutions hubs operate across principal markets, and are carried across all others by Publicis One. **Publicis One** is a fully integrated service offering making the Groupe's expertise available to all clients, under one roof.
Present in over 100 countries, Publicis Groupe employs nearly 80,000 professionals.
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Appendices

Organic growth calculation

(in million euro)	Q1	Q2	H1
2015 revenue	**2,103**	**2,439**	**4,542**
Currency impact [2]	(20)	(85)	(105)
2015 revenue at 2016 exchange rates (a)	2,083	2,354	4,437
2016 revenue before impact of acquisitions [1] (b)	2,144	2,418	4,562
Revenue from acquisitions [1]	147	44	191
2016 revenue	**2,291**	**2,462**	**4,753**
Organic growth (b/a)	**+2.9%**	**+2.7%**	**+2.8%**

Impact of exchange rates (in million euro) H1	
GBP [2]	(26)
USD [2]	(1)
Others	(78)
Total	**(105)**

(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), net of disposals.

(2) EUR = USD 1.116 in H1 2016 vs. USD 1.115 in H1 2015
EUR = GBP 0.779 in H1 2016 vs. GBP 0.732 in H1 2015

New Business : Main wins of H1 2016

PUBLICIS COMMUNICATIONS

Volkswagen (China), Mondelez gum & candy (China), Wetherm (Greater China), Marubi (Greater China), Snapdeal (India), Yakult (Brazil), Carrefour (Brazil), Wine (Brazil), Movida (Brazil), Cadillac (USA), P&G Dish (USA), Acer Global (South Africa), Morrisons (UK), P&G (UK), Nestlé (UK), Belimo (Switzerland), Duracell International (Poland), Samsung / Brown Goods (Poland), Mlekpol (Poland), Experian (UK), Asda (UK), Netflix (USA), Macy's (USA), Marubi (China), BAIC international (China), L'Oréal (China), Petco (China), Health Promotion Board (Singapore), Snapdeal (India), Yakult (Brazil), Carrefour (Brazil), WINE (Brazil), Lactalis (Brazil), Movida (Brazil), Ladbrokes (Australia), Walmart (USA)

PUBLICIS MEDIA

Shine Lawyers (Australia), Metricon Homes (Australia), EziBuy (Australia), AFL (Australia), Crosby Texter (Australia), BMBS/Daimler (China), DBS (Singapore/China/India), Shangri-La (China/Hong Kong), EDB (Ingapore), Urban Clap (India), Gander Mountain (USA), Snapchat (USA), THE One (UAE/GCC), Lidl (Denmark), ORCHESTRA (France), VTECH (France), FinexKap (France), Generali (Switzerland), INLAC (Spain), Worten (Spain), Pepe Jeans (Spain), 4 Finance (Poland), SAB Miller (Poland), OBI (Poland), Frisco (Poland), Nomad Foods (Europe), Deutsche Bahn (Germany), Masmovil (Spain), Asda (UK), Anacor Pharmaceuticals (USA), Discover (USA), Dole (USA), Groupon (USA), Motorola (USA), SGM (China), Tmall/Alibaba (China), YouXin (China), Coca Cola (Russia), The Study Group (Australia), DJI (Global), Aviva (Global), Air France (Global SEO)

PUBLICIS.SAPIENT

Mastercard (Australia), Sunsuper (Australia), Pinpoint (Australia), 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), Manulife (Canada), Kering (UK), PGA Europe (UK), Congstar (Germany), Clinique Men (USA), ABBVie (USA), HCA (UK), CBL & Associates Properties (USA), Michael Kors (USA), Huawei (China), RBS (UK), Gallagher Bassett (USA), Cybersource (USA), UPS (USA), Cigna (USA), Wakefern (USA), USC Shoah Foundation (USA), Kelloggs (UK), Under Amour (USA), Sony (USA)

PUBLICIS ONE

Acer (Indonesia), Electronic City (Indonesia), JDID (Indonesia), Scotiabank (Chile), Histadrut (Israel), Arkia (Israel), Mediamarkt (Turkey), BSH Ikiakes Syskeves A.B.E. (Greece), Nestlé (Greece), Newsphone Hellas (Greece), Dutch Government (Netherlands), Meetic (Netherlands), Cortefiel (Belgium), MCM (Belgium), NortSails (Belgium), Teva (Belgium), Walmart (Guatemala)

H1 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

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 / EPS.

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Notes	**June 30, 2016 (6 months)**	**June 30, 2015 (6 months)**	**December 31, 2015 (12 months)**
Revenue		**4,753**	**4,542**	**9,601**
Personnel expenses	3	(3,071)	(2,944)	(5,988)
Other operating expenses		(978)	(923)	(1,952)
Operating margin before depreciation and amortization		**704**	**675**	**1,661**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	4	(85)	(86)	(174)
Operating margin		**619**	**589**	**1,487**
Amortization of intangibles arising from acquisitions	4	(40)	(43)	(89)
Impairment	4	-	-	(28)
Non-current income and expenses	5	16	8	8
Operating income		**595**	**554**	**1,378**
Financial expenses		(54)	(56)	(109)
Financial income		15	16	35
Cost of net financial debt	6	**(39)**	**(40)**	**(74)**
Other financial income and expenses	6	(11)	7	(15)
Pre-tax income of consolidated companies		**545**	**521**	**1,289**
Income taxes	7	(162)	(159)	(386)
Net income of consolidated companies		**383**	**362**	**903**
Share of profit of associates	10	2	3	8
Net income		**385**	**365**	**911**
Of which:				
- Net income attributable to non-controlling interests		4	2	10
Net income attributable to equity holders of the parent company		**381**	**363**	**901**

Per share data *(in euros)* - **Net income attributable to equity holders of the parent company**	8			
Number of shares		*221,728,433*	*224,245,793*	*222,677,137*
Earnings per share		*1.72*	*1.62*	*4.05*
Number of diluted shares		*224,617,656*	*228,586,966*	*226,018,018*
Diluted earnings per share		*1.70*	*1.59*	*3.99*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	**June 30, 2016 (6 months)**	**June 30, 2015 (6 months)**	**December 31, 2015 (12 months)**
Net income for the period (a)	**385**	**365**	**911**
Comprehensive income that will not be reclassified to income statement			
- Actuarial gains (and losses) on defined benefit plans	(48)	26	4
- Deferred taxes on comprehensive income that will not be reclassified to income statement	15	(7)	(1)
Comprehensive income that may be reclassified to income statement			
- Revaluation of available-for-sale investments and hedging instruments	(11)	10	5
- Consolidation translation adjustments	(67)	218	156
- Deferred taxes on comprehensive income that may be reclassified to income statement	-	-	-
Total other comprehensive income (b)	**(111)**	**247**	**164**
Total comprehensive income for the period (a) + (b)	**274**	**612**	**1,075**
Of which:			
- Total comprehensive income attributable to non-controlling interests	4	4	13
- Total comprehensive income attributable to equity holders of the parent company	270	608	1,062

CONSOLIDATED BALANCE SHEET

(in millions of euros)	Notes	June 30, 2016	December 31, 2015
Assets			
Goodwill, net	9	10,115	10,211
Intangible assets, net		1,473	1,541
Property, plant and equipment, net		626	660
Deferred tax assets		173	159
Investments in associates	10	128	116
Other financial assets	11	178	174
Non-current assets		**12,693**	**12,861**
Inventories and work in progress		479	411
Trade receivables		9,198	9,733
Other current receivables and assets		728	769
Cash and cash equivalents		1,064	1,672
Current assets		**11,469**	**12,585**
Total assets		**24,162**	**25,446**

Equity and liabilities			
Share capital		89	89
Additional paid-in capital and retained earnings, Group share		6,406	6,467
Equity attributable to holders of the parent company	**12**	**6,495**	**6,556**
Non-controlling interests		19	27
Total equity		**6,514**	**6,583**
Long-term borrowings	14	2,996	3,086
Deferred tax liabilities		636	658
Long-term provisions	13	575	527
Non-current liabilities		**4,207**	**4,271**
Trade payables		10,316	11,766
Short-term borrowings	14	436	305
Income taxes payable		87	110
Short-term provisions	13	145	162
Other creditors and current liabilities		2,457	2,249
Current liabilities		**13,441**	**14,592**
Total equity and liabilities		**24,162**	**25,446**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	**June 30, 2016 (6 months)**	**June 30, 2015 (6 months)**	**December 31, 2015 (12 months)**
Cash flows from operating activities			
Net income	385	365	911
Neutralization of non-cash income and expenses:			
Income taxes	162	159	386
Cost of net financial debt	39	33	74
Capital (gains) losses on disposals (before tax)	(16)	(11)	(7)
Depreciation, amortization and impairment on property, plant and equipment and intangible assets	125	129	291
Non-cash expenses on stock options and similar items	19	16	38
Other non-cash income and expenses	15	6	19
Share of profit of associates	(2)	(3)	(8)
Dividends received from associates	-	1	2
Taxes paid	(79)	(136)	(303)
Interest paid	(22)	(36)	(114)
Interest received	10	18	37
Change in working capital requirements[1]	(1,102)	(814)	79
Net cash flows generated by (used in) operating activities (I)	**(466)**	**(273)**	**1,405**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(73)	(84)	(231)
Disposals of property, plant and equipment and intangible assets	1	1	2
Purchases of investments and other financial assets, net	(2)	(4)	(18)
Acquisitions of subsidiaries	(129)	(3,070)	(3,265)
Disposals of subsidiaries	11	2	3
Net cash flows generated by (used in) investing activities (II)	**(192)**	**(3,155)**	**(3,509)**
Cash flows from financing activities			
Dividends paid to holders of the parent company	-	-	(240)
Dividends paid to non-controlling interests	(16)	(7)	(18)
Proceeds from borrowings	61	1,866	1,453
Repayment of borrowings	(1)	(259)	(265)
Net purchases of non-controlling interests	(30)	(27)	(33)
Net (purchases)/sales of treasury shares and equity warrants	8	(450)	(441)
Net cash flows generated by (used in) financing activities (III)	**22**	**1,123**	**456**
Impact of exchange rate fluctuations (IV)	**19**	**156**	**169**
Change in consolidated cash and cash equivalents (I + II + III + IV)	**(617)**	**(2,149)**	**(1,479)**
Cash and cash equivalents on January 1	1,672	3,158	3,158
Bank overdrafts on January 1	(19)	(26)	(26)
Net cash and cash equivalents at beginning of period (V)	**1,653**	**3,132**	**3,132**
Cash and cash equivalents at closing date	1,064	1,090	1,672
Bank overdrafts at closing date	(28)	(107)	(19)
Net cash and cash equivalents at closing date (VI)	**1,036**	**983**	**1,653**
Change in consolidated cash and cash equivalents (VI - V)	**(617)**	**(2,149)**	**(1,479)**

(1) Breakdown of change in working capital requirements			
Change in inventory and work in progress	(74)	(90)	(65)
Change in accounts receivable and other receivables	325	398	(1,311)
Change in accounts payable, other payables and provisions	(1,353)	(1,122)	1,455
Change in working capital requirements	**(1,102)**	**(814)**	**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*
221,323,901	**January 1, 2016**	**89**	**3,252**	**2,938**	**155**	**122**	**6,556**	**27**	**6,583**
	Net income			381			381	4	385
	Other comprehensive income, net of tax				(67)	(44)	(111)	-	(111)
	Total comprehensive income for the period			**381**	**(67)**	**(44)**	**270**	**4**	**274**
	Dividends			(356)			(356)	(16)	(372)
462,580	Share-based compensation, net of tax			19			19		19
	Effect of acquisitions and commitments to buy-out non-controlling interests			(2)			(2)	4	2
85,762	Equity warrant exercise		3				3		3
320,702	Purchases/sales of treasury shares			5			5		5
222,192,945	**June 30, 2016**	**89**	**3,255**	**2,985**	**88**	**78**	**6,495**	**19**	**6,514**

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 1, 2015**	**88**	**3,236**	**2,646**	**3**	**113**	**6,086**	**29**	**6,115**
	Net income			363			363	2	365
	Other comprehensive income, net of tax				216	29	245	2	247
	Total comprehensive income for the period			**363**	**216**	**29**	**608**	**4**	**612**
	Dividends			(251)			(251)	(7)	(258)
479,552	Share-based compensation, net of tax			20			20		20
	Effect of acquisitions and commitments to buy-out non-controlling interests			(10)			(10)	3	(7)
492,794	**Equity warrant exercise**	1	14				15		15
	Effect of early redemption of the Orane bonds			18			18		18
(6,119,149)	Purchases/sales of treasury shares			(465)			(465)		(465)
208,161,688	**June 30, 2015**	**89**	**3,250**	**2,321**	**219**	**142**	**6,021**	**29**	**6,050**

EARNINGS PER SHARE (BASIC AND DILUTED)

(in millions of euros, except for share data)		June 30, 2016	June 30, 2015
Net income used for the calculation of earnings per share			
Group net income	**a**	**381**	**363**
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Group net income – diluted	**b**	**381**	**363**
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		197,830	396,323
Treasury shares to be deducted (average for the year)		(1,010,137)	(10,038,874)
Shares to be issued to redeem the Orane		-	12,684,487
Average number of shares used for the calculation	**c**	**221,728,433**	**224,245,793**
Impact of dilutive instruments:			
- Free shares and dilutive stock options(1)		2,093,218	3,358,856
- Equity warrants(1)		796,005	982,317
Number of diluted shares	**d**	**224,617,656**	**228,586,966**
(in euros)			
Earnings per share	a/c	**1.72**	**1.62**
Diluted earnings per share	b/d	**1.70**	**1.59**

(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. For H1 2016 and 2015, all stock options and warrants not yet exercised at the reporting date had a dilutive impact.

HEADLINE EARNINGS PER SHARE (BASIC AND DILUTED)

(in millions of euros, except for share data)		June 30, 2016	June 30, 2015
Net income used to calculate headline earnings per share[(1)]			
Group net income		**381**	**363**
Items excluded:			
- Amortization of intangibles from acquisitions, net of tax		25	28
- Impairment, net of tax		-	-
- Revaluation of earn-out payments		10	(5)
- Main capital gains (losses) on disposal of assets, net of tax		(10)	(3)
Headline Group net income	**e**	**406**	**383**
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Group net income, diluted	**f**	**406**	**383**
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		197,830	396,323
Treasury shares to be deducted (average for the year)		(1,010,137)	(10,038,874)
Shares to be issued to redeem the Orane		-	12,684,487
Average number of shares used for the calculation	**c**	**221,728,433**	**224,245,793**
Impact of dilutive instruments:			
- Free shares and dilutive stock options		2,093,218	3,358,856
- Equity warrants		796,005	982,317
Number of diluted shares	**d**	**224,617,656**	**228,586,966**
(in euros)			
Headline earnings per share[(1)]	e/c	**1.83**	**1.71**
Headline earnings per share - diluted[(1)]	f/d	**1.81**	**1.68**

(1) EPS after elimination of the impairment losses, amortization of intangibles from acquisitions, the main capital gains and losses on disposal of assets and the revaluation of earn-out payments.