



## PUBLICIS GROUPE

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### PRESS RELEASE

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Paris, October 29, 2007

## Third Quarter Revenue 2007

### Third Quarter:

- Revenue up 10.8%
- Revenue Growth of 14.5% at constant exchange rates
- Organic Growth improvement to 4.6%

### First Nine Months of 2007:

- Revenue up 7.5%
- Revenue Growth of 11.6% at constant exchange rates
- Organic Growth of 2.6%

Maurice Lévy, Chairman & CEO of Publicis Groupe, commented:

*“Third quarter numbers are good. Revenue grew by close to 11%, a performance which would have been nearly 15% at constant exchange rates. For the first nine months of the year, revenue grew 7.5% and would have approached 12% before the impact of exchange rate variations.*

*We are also encouraged by the fact that our third quarter organic growth rate has accelerated to 4.6%, in line with our internal forecasts, following a disappointing first half. All our operations are performing well with the exception of Publicis Healthcare Communications Group, penalized by difficulties in the healthcare sector in general, and in its Selling Solutions unit in particular. Attention should be directed to the excellent double-digit growth of our media agencies and of Digitas, the latter not yet taken into account in calculating organic growth for 2007. Digitas is actively pursuing its international roll-out through recent acquisitions, and the Groupe has added important new capabilities in mobile and digital marketing.*

*We have built up leading positions in the digital sector and have strengthened our position in high-growth emerging economies, in line with our strategy.*



*In key markets, Publicis Groupe has both the talent and the assets to provide even better service to our clients and improve our market share.*

*All these developments are leading to the steady transformation of the Groupe and of our business model, which will positively affect our future growth.*

*The solidity of the Groupe's margin and our positive organic growth are in line with our expectations and enable us to confirm the objectives announced in the first half of the year."*

## **REVENUE**

- **Third Quarter Revenue 2007**

Publicis Groupe's consolidated revenue for Q3 2007 rose 10.8% to EUR 1,122 million, compared with EUR 1,013 million for the same period in 2006. In Q3 alone, the negative impact of exchange rate variations was EUR 33 million. At constant exchange rates the increase would have been 14.5%.

Organic growth in the third quarter was 4.6%, in line with the Groupe's expectations. It should be noted that the performance of Digitas (+ 17.7%) is not taken into account in the calculation of Groupe organic growth in 2007.

The third quarter saw a steady progression at Publicis Worldwide and Leo Burnett, and strong growth at Saatchi & Saatchi, particularly in the USA. Publicis Groupe Media networks, Starcom MediaVest Group and ZenithOptimedia, both achieved double-digit growth. Publicis Events and other SAMS agencies also posted good growth (with the exception of Publicis Healthcare Communications Group where the difficult healthcare market has had an impact).

### **Breakdown of Third Quarter Revenue by Region**

The geographical breakdown of revenue is as follows:

(in EUR millions)	3rd Quarter		Growth in 3rd Quarter		
	2007	2006	Variation	Variation in constant currencies	Organic Growth
Europe	418	397	5.3%	5.3%	2.7%
North America	487	429	13.5%	21.8%	3.7%
Asia Pacific	125	113	10.6%	12.6%	7.5%
Latin America	66	50	32.0%	32.0%	13.4%
Middle East & Africa	26	24	8.3%	18.2%	19.1%
<b>Total</b>	<b>1,122</b>	<b>1,013</b>	<b>10.8%</b>	<b>14.5%</b>	<b>4.6%</b>



This regional breakdown shows the very good performance of emerging markets, particularly China, and a promising rise in Europe and the USA.

In the third quarter, 43.4% of Groupe revenue came from North America, 37.3% from Europe, 11.1% from Asia Pacific, 5.9% from Latin America and 2.3% from the Middle East and Africa. The share of emerging economies in the Groupe's total third quarter revenue rose to 22%.

- **Revenue at September 30, 2007**

At September 30, Publicis Groupe's consolidated revenue for the first nine months totaled EUR 3,370 million, up 7.5% from EUR 3,135 million for the corresponding period in 2006. At constant exchange rates, revenue growth for the period would have been 11.6%.

The weakening of the dollar and other currencies against the euro had a negative impact on revenue for the period (EUR 117 million).

At September 30, organic growth was 2.6% for the first nine months.

As mentioned, this growth rate reflects a base of comparison which remains unfavorable, a phenomenon particularly marked in the first two quarters of the year. Accounts won in recent months, however, are beginning to contribute to the revenue stream.

### **Breakdown of Nine Months Revenue by Region**

Publicis Groupe's revenue growth (+7.5%) over the period shows significant variations from one geographical region to another:

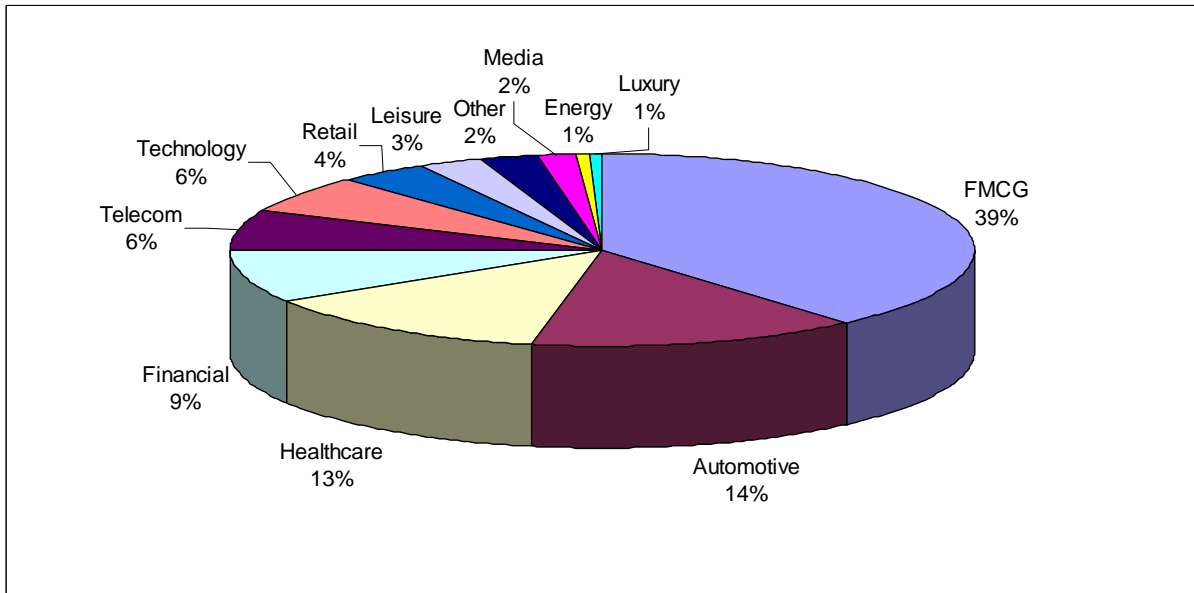
(in EUR millions)	At September 30		Growth in first nine months		
	2007	2006	Variation	Variation in constant currencies	Organic Growth
Europe	1,264	1,217	3.9%	3.7%	1.0%
North America	1,495	1,351	10.7%	19.4%	1.9%
Asia Pacific	360	337	6.8%	9.8%	6.0%
Latin America	170	154	10.4%	14.1%	8.1%
Middle East & Africa	81	76	6.6%	14.1%	13.1%
<b>Total</b>	<b>3,370</b>	<b>3,135</b>	<b>7.5%</b>	<b>11.6%</b>	<b>2.6%</b>

For the first nine months of the year, one can observe an improvement in organic growth, particularly sustained since July in Europe and North America, while Latin America and Asia Pacific remain on a positive trend.

At September 30, North America had generated 44.4% of Groupe revenue, Europe accounted for a further 37.5%, Asia Pacific contributed 10.7%, Latin America 5%, followed by the Africa / Middle East region with 2.4%. The share of emerging economies continued to grow, totaling 20.9% of Groupe revenue over the period.



## Breakdown of Revenue by Sector at September 30, 2007



The breakdown of Groupe revenue by sector largely reflects the world economy as a whole. The client portfolio represents an excellent balance between consumer durables, consumer goods, retail, communication businesses and new technologies, and this, combined with the geographical breakdown of revenue, provides Publicis Groupe with a very sound base.

In this configuration, the Groupe is well-equipped to withstand variations in economic cycles, while retaining the flexibility to manage developments for global clients and local economies alike.

## NEW BUSINESS

The volume of new business remains excellent at more than USD 4 billion for the first nine months of the year.

## EXTERNAL GROWTH

In line with its strategy, the Groupe actively continued its external growth during the third quarter. Digitas established operations in China through the acquisition of CCG and set the stage for further growth in Europe with the acquisition of France's Business Interactif, an operation which will be completed in November with the start of the delisting procedure. The Groupe also reinforced its position in India by acquiring Capital Advertising in New Delhi. The Groupe has also been completing its media presence in Italy with the acquisition of MC&A, while reinforcing its SAMS offering in the United Kingdom through the acquisition of SAS.



## OUTLOOK

Continued expansion in the digital sector against a backdrop of strong growth in interactive markets, growth in most emerging economies as well as the very good performance of traditional markets is reflected in third quarter revenue, enabling the Groupe on the basis of information at hand, to confirm its organic growth target of over 4% for 2007.

**Publicis Groupe** (Euronext Paris: FR0000130577) is the world's fourth largest communications group. In addition, it is ranked as the world's second largest media counsel and buying group, and is a global leader in digital and healthcare communications. With activities spanning 104 countries on five continents, the Groupe employs approximately 44,000 professionals.

The Groupe offers local and international clients a complete range of communication services, from advertising, through three autonomous global advertising networks, Leo Burnett, Publicis, Saatchi & Saatchi and two multi-hub networks, Fallon and 49%-owned Bartle Bogle Hegarty; to media consultancy and buying, through two worldwide networks, Starcom MediaVest Group and ZenithOptimedia; interactive and digital marketing led by Digitas; Specialized Agencies and Marketing Services (SAMS) offering healthcare communications, corporate and financial communications, public relations, CRM and direct marketing, event communications, sports marketing and multicultural communications.  
Web site: [www.publicisgroupe.com](http://www.publicisgroupe.com)

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## Third Quarter 2007 New Business

### **Main wins:**

#### **Leo Burnett:**

*Baily's (US), Pharmavite (US), General Motors (US), Allstate Insurance (US), Harrah's (US), Numico (UK), Numericable (France), Sama Dubai (Dubai), Stockland (Australia), Coca-Cola (China), Emperor Group (China), Heineken (China)*

#### **Publicis:**

*Patrimoine Canada (Canada), Marionnaud (France), Boston International (Italy), Spanish Traffic Directorate (Spain), National Basketball Association (US), Bticino (Italy), Aircel (India)*

#### **Saatchi & Saatchi:**

*Mitsubishi Motors (Czech Republic & Slovakia), Novartis (India), Sony Entertainment Television (India), Jindal Steel (India), Contact Energie (New Zealand), Amplifon (UK), Visa (UK)*

#### **Starcom MediaVest Group:**

*Jemca Jemnice (Czech Republic), Illva Di Saronno (Italy), Morgan Stanley (Italy), Diageo Alcohol (Venezuela), Corporation Radial (Peru), Richemont, Cartier, Dunhill (Seoul), Avon Cosmetics (Venezuela), UOB Bank Buana (Indonesia), Asobancaria (Colombia), Smart Telco (Indonesia), Interpark, Mirae Asset (Seoul)*

#### **ZenithOptimedia (media consultancy and buying):**

*MFI (Spain), Verizon Wireless (UK), Lagardere Active Media (Singapore), Instituto de Crédito Oficial (Spain), Rubbermaid (US), CIMB Group (Malaysia), Rhapsodie America (UK), Dairy Queen (Argentina)*

### **Main Losses:**

*INPES (France), Wrigley (Canada), Paramount (UK)*