



## PUBLICIS GROUPE

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### PRESS RELEASE

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## **Organic growth close to 5% in the third quarter Margin and financial targets confirmed**

### **Revenues**

Publicis Groupe revenues for the third quarter of 2004 reached **€32 million**, compared with €918 million for the same period of 2003. **Organic growth exceeded 4.8%**, up from 4.4% in the first quarter and 4.5% in the second.

Revenues for the nine months to September 30 amounted to **€2,779 million**, compared with **€2,788 million** for the same period of 2003. **Organic growth showed a further improvement to 4.6% for the first nine months.** The negative impact of exchange rates on revenues was **€39 million** in the third quarter and **€137 million** over the nine months. It mainly concerned the US dollar.

Turning to markets by region, advertising spending continued to show a healthy rise in North America, but the rapid acceleration observed from one quarter to the next in 2003 makes year-on-year comparisons appear more moderate in 2004.

In all other regions, signs of recovery have been confirmed, in particular in Europe, where markets made fresh progress in the third quarter. In Latin America, the promise of the early part of the year has been borne out with continued expansion. Finally, the Asia-Pacific region saw further improvement on the previous quarter.

### **Maurice Lévy, Chairman & CEO, Publicis Groupe, comments:**

*“The world market remains firm, with growth continuing at a satisfactory pace. As we anticipated, growth is picking up in Europe to offset somewhat slower growth in North America, while growth in Asia remains satisfactory.*

*We are continuing to win market share, as our group generates strong momentum; the attractiveness of our offering for advertisers is clear from the healthy New Business results throughout the current year. Organic growth remains firm, beating our forecasts.*



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*Looking to the fourth quarter, our position today makes us both very confident and very cautious, given the recurrent risk of adjustments to advertising and marketing spending at the close of the year.*

*Results for the second half of the year should show a rise in operating margins and cash generation.*

*Initial indications of clients' budgeting plans for next year are positive, providing support for our earlier prediction that 2005 will be a year of growth."*

### **Revenues by Geography**

<b>Third Quarter</b>	<b>in millions of euros</b>	<b>Organic Growth</b>
Europe	366	+3.5%
North America	411	+3.1%
Asia-Pacific	97	+10.7%
Latin America	40	+14.4%
Rest of World	18	+27.9%
<b>Total</b>	<b>932</b>	<b>+4.8%</b>

<b>Nine Months</b>	<b>in millions of euros</b>	<b>Organic Growth</b>
Europe	1,117	+2.5%
North America	1,219	+3.7%
Asia-Pacific	278	+8.8%
Latin America	116	+23.1%
Rest of World	49	+17.3%
<b>Total</b>	<b>2,779</b>	<b>+4.6%</b>



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### **New Business at a level comparable with that in the third quarter of 2003**

Publicis Groupe once again achieved good New Business performance in the third quarter, with accounts booked through its various networks during the period amounting to \$670 million (€540 million), including 51% in advertising and SAMS and 49% in media consultancy and media buying.

**New Business for the first nine months of the year reached a net total of \$2.6 billion (€2.1 billion), equally divided between advertising/SAMS and media buying & media consultancy.**

Main new accounts booked during the third quarter are listed below.

#### **Publicis Worldwide**

Paddy Power (UK) - Bundesversicherungsanstalt (Germany) - Sprint/Local Consumer Solutions division and Whirlpool/Gladiator GarageWorks (US) - Region of Calabria, Ministry of Education and Ministry of Public Works (Italy) - Renault Samsung Motors (extension) and Korea Telecom (Korea).

#### **Leo Burnett**

ConAgra/Pam Cooking Spray and Simmons (US) - Bacardi and Aeromexico (Mexico) - Fissler (Germany) - Telenor (Pakistan).

#### **Saatchi & Saatchi**

Lego/Duplo and Clikits Universe (global) - ENEL/Terna (extension - Italy) - Procter & Gamble/Prilosec (project assignment - US) - Sydney Morning Herald (Australia) - Friesland Hellas/NoyNoy Yoghurts (extension - Greece) - WRAP (Water and Resources Action Programme - UK).

#### **Other advertising networks and agencies:**

- *Fallon*: EMAP Magazine and Jacobs Creek Wines (UK).
- *MS&L*: Equifax and Sanofi-Aventis (extension) (US).
- *Bromley Communications* (US): San Antonio Convention and Visitors' Bureau.

#### **Starcom MediaVest Group** (media buying and consultancy):

Raffaelsen Bank (Czech Republic) - Harvey's and Barclay's/First Plus (UK) - General Motors (out of home) (US) - Versatel (Germany) - Sunny Delight and Kraft Foods (Spain) - General Mills (China) - Lindex (Sweden) - Coca-Cola (Peru).

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

Nokia (India) - Ile de France Region and Siemens Corporate (France) - Frosta, AMB Generali Holding and Nordsee (Germany) - SmarTone (Hong Kong) - WildBlue (US).

#### **SAMS** (specialized agencies and marketing services):

- *Arc North America* (US): Procter & Gamble/Respiratory brands.
- *Publicis Healthcare Communications Group*: Novartis/Prexige (Germany) - BMS/SRC Kinese (global) - several brands of Boots Healthcare International (UK).



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No significant accounts were lost in the third quarter.

Business in the fourth quarter has gotten off to a good start with the booking of three significant accounts together representing close to \$1.7 billion:

- worldwide consolidation of accounts within Publicis Groupe for Aventis (Sanofi-Aventis) brands, with the exception of Lantus, Apidra and Lovenox, which are retained by their present agency. This decision affects media buying, events and communication services, including advertising.
- the most part of Nestlé's worldwide media buying and planning account,
- the advertising account for Renault Spain, the country's number-six advertiser overall and number one for the automobile industry.

### Analysts' Meeting

As was announced when half-year results were presented on September 10, an additional analysts' meeting will be held in December 2004 in Paris. This is to present details of the impact of IFRS on Publicis Groupe financial statements at June 30, 2004 as well as the group's new targets for operating margin over the medium term and how we can achieve them.

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**Publicis Groupe** (Euronext Paris: FR0000130577 and member of the CAC40 Index - NYSE: PUB) is the world's fourth largest communications group, as well as world's second largest media counsel and buying group. Its activities span 109 countries on six continents.

Groupe activities cover **advertising**, through three autonomous global advertising networks: Leo Burnett Worldwide, Publicis Worldwide, Saatchi & Saatchi Worldwide, as well as through its two multi-hub networks Fallon Worldwide and Bartle Bogle Hegarty, 49%-owned ; **media consultancy and buying** through two worldwide networks ZenithOptimedia and Starcom MediaVest Group; and **marketing services** and specialized communications including direct marketing, public relations, corporate and financial communications, multicultural and healthcare communications.

Web sites: [www.publicis.com](http://www.publicis.com) and [www.finance.publicis.com](http://www.finance.publicis.com)