

Third Quarter 2016 Revenue

October 20, 2016

3rd Quarter 2016

Revenue	€2,315 million
Reported growth	-0.4%
Growth at constant exchange rates	+1.5%
Organic growth	+0.2%

At September 30, 2016

Revenue	€7,068 million
Reported growth	+2.9%
Growth at constant exchange rates	+5.2%
Organic growth	+1.9%



Maurice Lévy, Chairman and CEO of Publicis Groupe:

« Publicis Groupe's revenue at September 30, 2016 was up 2.9% over the corresponding period in 2015, and by 5.2% when exchange rates are factored out. Organic growth for the period was 1.9%. Unsurprisingly, growth decelerated in the third quarter to 0.2%. As announced, the third and fourth quarters of the year are the most significantly impacted by accounts lost in the media palooza. This was compounded by projects recently completed at Razorfish that will only be relayed by new projects in the fourth quarter, but that will produce their full effect in 2017. Therefore, on the geographical standpoint, North America showed a sharp downturn (-4.0%) while Europe reported a strong growth (+7.6%).

As anticipated, it is in 2017 that we will reap the full benefits of the new "Power of One" organization we are implementing. The initial results are already there, as evidenced by the large accounts awarded to us by advertisers such as Wal-Mart, GSK, HPE, Coty and USAA. It is worth noting "The Power of One" has been very successful at Razorfish which experienced the best ever quarter for new business.

Regarding the fourth quarter, like every year, economic uncertainties can result in marketing investments becoming the adjustment variable in the equation towards the end of the year. We have nonetheless confidence in our ability to reach our objectives, which is why the Management Board has moved that the 42% payout ratio we had been targeting for 2018 be decided as of 2016.

As indicated quite some time ago, the formal process of identifying my successor will commence in November, leading to a decision to be taken by the Supervisory Board, no later than at its meeting of February 2017. »

1 – Q3 2016 REVENUE

Publicis Groupe's consolidated revenue for the third quarter of 2016 was 2,315 million euro, 0.4% below the 2,325 million euro reported for the corresponding period in 2015. Exchange rates impacted revenue negatively by 45 million euro, i.e. the equivalent of 1.9% of Q3 2015 revenue. Net acquisitions contributed 31 million euro to revenue in Q3 2016, i.e. the equivalent of 1.3% of Q3 2015 revenue. Growth at constant exchange rates was +1.5%.

Organic growth was +0.2% in the third quarter, below the growth rate at June 30 due to the more significant impact of media accounts lost in the 2015 *media palooza* – an impact that will remain high in Q4 – and to the end of several digital projects when new projects have not reached their full growth potential yet.



Breakdown of Q3 2016 revenue by region

EUR Million	Revenue		Organic growth	Reported growth
	Q3 2016	Q3 2015		
Europe	643	625	+7.6%	+2.9%
North America	1,254	1,292	-4.0%	-2.9%
Asia Pacific	261	260	-0.4%	+0.4%
Latin America	89	87	+13.1%	+2.3%
Middle East & Africa	68	61	+4.1%	+11.5%
Total	2,315	2,325	+0.2%	-0.4%

2 – REVENUE AT SEPTEMBER 30, 2016

In the first nine months of 2016, Publicis Groupe's consolidated revenue totaled 7,068 million euro, up 2.9% from 6,867 million euro for the corresponding period in 2015. Exchange rates adversely affected revenue by 150 million euro, i.e. the equivalent of 2.2% of revenue for the first nine months of 2015. Net acquisitions contributed 222 million euro during the first nine months, i.e. the equivalent of 3.2% of 2015 revenue for the same period. Growth at constant exchange rates was +5.2%, and organic growth stood at +1.9% at September 30, 2016.

Breakdown of revenue at September 30, 2016 by region

EUR Million	Revenue		Organic growth	Reported growth
	9M 2016	9M 2015		
Europe	1,992	1,894	+6.2%	+5.2%
North America	3,874	3,767	-0.5%	+2.8%
Asia Pacific	764	746	+2.9%	+2.4%
Latin America	241	278	+5.1%	-13.3%
Middle East & Africa	197	182	+1.0%	+8.2%
Total	7,068	6,867	+1.9%	+2.9%

Europe's revenue grew by 5.2%. When the impact of acquisitions and exchange rates is factored out, organic growth stands at +6.2%, with a strong performance in France (above 5%), and strong momentum in Germany and Italy (growth of close to 10%), helped by a more conducive macroeconomic



environment. The situation was volatile in Russia where growth stood at more than 9% at September 30 after growth of almost 5% in the first half year. The UK has picked up sharply and recorded growth of almost 5% (including +7% in the third quarter). Digital continued to post high growth in Europe generally (+13.9%)

North America reported growth of 2.8% at September 30, though organic growth was -0.5% (organic growth was -4.0% in the third quarter). This downturn was attributable to media subsequent to the loss of certain media accounts in the 2015 *media palooza*, as well as the end of several digital projects at a time when new projects have not reached their full growth potential yet.

Asia Pacific reported growth of 2.4% (organic growth of 2.9%), with especially satisfactory performance levels in China and India.

Latin America was down 13.3% on a reported basis mainly due to exchange rates as this area recorded positive organic growth of 5.1%. Brazil picked up to record strong revenue growth of 10.9% in the third quarter, and Mexico continued to boast high growth (+20.5% in Q3 after 11.5% in the first half year).

The Middle East & Africa achieved reported growth of 8.2% and organic growth of 1.0%.

Breakdown of revenue at September 30, 2016 by region: digital and analog

	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Digital	+13.9%	+0.3%	+19.2%	+3.2%	+7.8%	+4.9%
Analog	-0.2%	-1.8%	-4.7%	+5.5%	-0.9%	-1.3%
Total	+6.2%	-0.5%	+2.9%	+5.1%	+1.0%	+1.9%

The Groupe's growth continued to be driven by its digital activities (organic growth of +4.9%), with double-digit growth in Europe and Asia Pacific. North America only grew by +0.3% due to the media account losses of 2015 and the end of several digital projects when new projects have been recorded a slow start. Despite the Q3 slowdown of organic growth that can be ascribed to the very strong comparable period in 2015, Sapient continues to be buoyed posting a satisfactory growth rate at September 30. It should also be pointed out that analog activities continued to decline.



3 – NET DEBT

At September 30, 2016, net debt amounted to 2,452 million euro, compared with 1,872 million euro at December 31, 2015. The Groupe's average net debt at September 30, 2016 was 2,443 million euro after 2,305 million euro at September 30, 2015. It should be recalled that the Sapient acquisition was completed on February 6, 2015.

4 – HIGHLIGHTS AT SEPTEMBER 30, 2016

4.1 - Transformation

During the first half of 2016, Publicis Groupe ended the traditional structure of the holding company and silos and has reorganized its operations by putting clients at the heart of the Groupe. Thus, clients have access to all the Groupe's capabilities ("The Power of One") to meet their needs in commerce, marketing or transformation.

The Groupe should reap the benefits of this organization in the forthcoming quarters. The initial results are very promising with accounts gained that include Wal-Mart, P&G's home care brands, Asda, GSK, HPE and USAA.

4.2 – Digital

Activities in digital and technology now represent 54% of Groupe revenue. The Sapient integration is going well and its performance is very satisfactory. Razorfish, which suffered headwinds for several quarters, recorded in the third quarter its best quarter ever in terms of new business in its history thanks to the support of Sapient and "The Power of One".

4.3 – 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 rendez-vous, held from June 30 to July 2, attracted 5,000 start-ups, dozens of major industrial groups and investors, and included over 300 conferences with the top names in the global high-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. This event should be staged every year from now on.
- **Publicis90.** On the occasion of 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 selected from among the 3,500 contestants from 130 countries, and received their awards at a ceremony held during Viva Technology.

4.4 – Global partnership with Tencent

Publicis Groupe has entered into 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 solutions hubs (Publicis Media, Publicis Communications and Publicis.Sapient) as well as Tencent's eleven product lines. This agreement will cement the groups' relationship at a global level while providing clients with access to all Tencent's innovative solutions via a unique, borderless approach built on three pillars:

- a tremendous capacity for **innovation**: through this partnership, Publicis Groupe and Tencent will launch an incubation facility in China called "Drugstore". The goal is 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 virtual reality (VR) and augmented reality (AR) platforms;
- an exceptional source of **data**: Publicis Groupe will have access to digital behavior databases that will benefit its clients through improved programmatic offerings and cross-screen planning capabilities;
- innovative web **content**: the two companies will partner on the creation and co-investment of web-native content to drive unique content opportunities and new content models for key clients.

4.5 - Acquisitions

- **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, Qantas, 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.

5 - OUTLOOK

The Groupe's transformation is the most radical ever imagined in its sector. It is being carried out to meet clients' new requirements in selling their products or in their own transformation. Publicis Groupe has abolished the notion of holding company with silo-type operating structures. The results to date, obtained with the implementation of the new "Power of One" organization, have been very promising, with accounts gained including Wal-Mart, Asda, P&G's home care products, GSK, HPE, Coty and USAA.

Publicis Groupe is confirming its previous guidance for 2016 in spite of the 250 to 300 basis point negative impact on the growth of the second half of 2016. On top, the fourth quarter is usually characterized by uncertainty surrounding advertisers' budget management. We approach 2017 cautiously given the lack of visibility owing to elections in the US, France and Germany, and the consequences of "Brexit", not just for the UK for also for the rest of Europe.

The Management Board will be proposing that the 2018 objective of a 42% payout (compared with 39.5% in 2015) be brought forward in respect of financial 2016.



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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 unfavorable 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

<i>(in million euro)</i>	Q1	Q2	Q3	9 months	Currency impact as of September 30, 2016 <i>(in million euro)</i>	
2015 revenue	2,103	2,439	2,325	6,867	GBP ⁽²⁾	(61)
Currency impact ⁽²⁾	(20)	(85)	(45)	(150)	USD ⁽²⁾	(6)
2015 revenue at 2016 exchange rates (a)	2,083	2,354	2,280	6,717	Others	(83)
2016 revenue before impact of acquisitions ⁽¹⁾ (b)	2,144	2,418	2,284	6,846	Total	(150)
Revenue from acquisitions ⁽¹⁾	147	44	31	222		
2016 revenue	2,291	2,462	2,315	7,068		
Organic growth (b/a)	+2.9%	+2.7%	+0.2%	+1.9%		

(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), net of disposals.

(2) EUR = USD 1.116 at end September 2016 vs. USD 1.114 at end September 2015
EUR = GBP 0.801 at end September 2016 vs. GBP 0.727 at end September 2015



New Business: Main wins as of September 30, 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), Mlekpól (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), Experian (UK), Omantel (United Arab Emirates), Sberbank (Russia), Porto Seguro (Brazil), Mondelez –Tang (Brazil), Hewlett Packard Enterprise (USA), Hyundai (China), Nissan (China), Huawei (China), ampm convenience stores – BP (USA), USAA (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 (Singapore), 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), 888.com (Germany & Spain), Airbnb (Canada), Chick-fil-A (USA), Coty (Global), Dole Food (USA), eBay (USA), Ego Pharmaceuticals (Australia), eOne (Global), First Niagara Financial (USA), Foxtel (Australia), Hospital Corporation of America (USA), HP Enterprise (USA), Kayak (France), MYOB (Australia), Nostromo (Italy), OLX Inc (India), Percept H (Toyota) (India), Santa Lucia (Spain), Tmall (Alibaba) (China), USAA (USA), Wingstop (USA)



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), TransAmérica (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 Armour (USA), Sony (USA), Kellogg (UK), Glidden (USA), Hewlett Packard Enterprises (USA), USAA (USA)



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), Ferrero (Romania), Newsphone Hellas (Greece), Histadrut (Israel), Arkia (Israel), Cheli Maman (Israel), Anti-Drug Association (Israel), Scotiabank (Chile)

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 Worldwide 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



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.