PUBLICIS GROUPE

MANAGEMENT BOARD REPORT
Annual Results for 2008

Main Key Figures:

in € million, except for percentages and per-share data (in euros)	**2008**	**2007**	**2006**
Income statement data			
Revenue	4,704	4,671	4,386
Operating margin before depreciation and amortization	889	888	820
As % of revenue	*18.9%*	*19.0%*	*18.7%*
Operating margin	785	779	713
As % of revenue	*16.7%*	*16.7%*	*16.3%*
Operating income	751	746	689
Net income attributable to Publicis Groupe	447	452	443
Earnings per share [(1)]	2.21	2.18	2.11
Diluted earnings per share [(2)]	2.12	2.02	1.97
Dividend per share	0.60	0.60	0.50
Balance sheet data	***December 31 2008***	***December 31 2007***	***December 31 2006***
Total assets[(3)]	11,860	12,244	11,705
Shareholders' Equity	2,320	2,198	2,080

(1) *The average number of shares used for calculation of net earnings per share was 209.6 million shares for 2006, 207.6 million shares for 2007 and 202.5 million shares for 2008.*

(2) *The average number of shares used for calculation of diluted net earnings per share was 240.1 million shares for 2006, 239.4 million shares for 2007 and 220.7 million shares for 2008. This includes Equity Warrants, stock options and convertible bonds that have a dilutive effect. In 2008, the dilutive instruments were the Océanes and certain segments of stock-options whose exercise price is lower than the average price during the period; it must be remembered that the 2008 Oceane is only used in the calculation of the diluted income for the period from 1st January – 17th July, 2008 as a result of its complete reimbursement at maturity on 17 July, 2008.*

(3) *After harmonization of classification of the cost of media space delivered but not invoiced in the 2006 accounts*

2008 will be remembered by everyone as the year the financial system collapsed. The very strong growth over the last few years had a downside: an ever-increasing imbalance in the financial sphere and in the actual economy.
The first signal was given by the bursting of the real estate bubble, first in the United States, then in the United Kingdom, revealing the “sub-primes”, the massive indebtedness and finally the necessary asset impairments which forewarned of the growing difficulties in the financial system. This imbalance finally reached its breaking point during the summer which brought about heartbreaking corrections such as the Lehman Bank bankruptcy, the buyout of Merrill Lynch by Bank of America, the filing for federal protection by Goldman Sachs and its change in status, the rescuing of Fortis among others and finally the appeals to the government by the automobile industry in the United States as well as in Europe. These brutal movements were quickly followed by painful revisions and a long parade of asset impairments.
With the intensification of the problems in the financial realm during the last quarter, the economic crisis changed dimensions. The weak growth observed up until then was suddenly transformed into a worldwide recession. The rarefaction and even disappearance of credit under acceptable conditions blocked complete sectors of business and commerce all over the world. There wasn’t a sector or country that was exempted. In September 2008, the worldwide growth rate for 2009 was certainly reduced but was still close to 3% as a result of an expected “decoupling” of the United States from the rest of the world. The World Bank’s general report dated 2 January, 2009 mentions a world growth rate of 0.9% for the year.

In spite of this instability and a climate of recession, Publicis Groupe experienced good income on operations for 2008. An organic growth of 3.8% is a good performance and illustrates the teams’ dynamism and talent as well as the merits of its strategy during a crisis context where the worldwide growth was at the most 2.5% in 2008.
The operating margin for the year was 16.7%, which is high when the negative impact of the exchange rate in the amount of €41 million (2007 at 2008 rate) and the rapid deceleration of activity in certain countries is taken into account as well as the fact that the development of our digital business generates a margin that is lower than the Group’s average, although it is increasing.
Net Group income amounted to €447 million.
Headline diluted earnings per share increased by 5% to €2.22 compared to €2.11 in 2007. Diluted earnings per share amounted to €2.12 compared to €2.02 in 2007, an increase of 5%.

As of 31 December, 2008, the net debt was €676 million, decreasing by €161 million compared to 31 December, 2007. This was possible essentially due to a high operating margin before depreciation and amortization (18.9% of revenue), an improvement in the working capital and strict control of investment expenses.

During this year of great uncertainty on a worldwide level and marked slowdown of certain activity sectors during the last months of the year in the United States, Europe and also certain Asian countries, the Group was able to achieve quality results. The Board is pleased to express very heartfelt thanks to the teams, who everywhere in the world worked hard to achieve these results.
The dividend that will be proposed to the General Meeting of Shareholders on June 9, 2009 will be €0.60 per share, representing a pay-out ratio of 27.1%. It seemed reasonable to maintain the dividend at the same level in the present economic crises context which will most likely force the Group to provide even greater efforts during 2009. Subject to approval by the General Meeting, the dividend will be payable as of 6 July, 2009.

2008 was once again a good year for budget wins which amounted to $5 billion. This success was a result of the richness of Publicis Groupe’s product offer and its holistic character; it also originated from the innovation provided by the development of digital services in all activity sectors and from the Group's capability of meeting its customers' constraints and emerging needs. According to Nomura (ex Lehman), Publicis Groupe is the sector's leader in budget wins, which well illustrates the Group's strong momentum.

On the creative side, Publicis Groupe has tied its results from the last few years, second just behind Omnicom. This remarkable performance is the source of great pride for the Group's teams and customers, especially when the relative size of the two groups is taken into consideration, the revenue of Omnicom being approximately twice that of Publicis Groupe.
Since 2004, Publicis Group is the Gunn Report's leader for creative performance.
During the 55th edition of the Cannes Lions International Advertising Festival, Publicis Groupe won 101 Lions which made it #2 in 2008 and won the Grand Prize in the movie category (Cadbury-Gorilla).
Great success was also experienced at the Clio Awards, a prestigious international advertising competition with 51 prizes, including the Innovative Media Grand Prize and 5 "golds" in the TV/movie and digital categories.

Same recognition of Publicis Groupe's creative and strategic quality at the 2008 **Effie Awards**, which rewards the campaigns that are both the most creative and the most efficient. Finally, Publicis Groupe received 81 prizes at "The One Show".

In addition, VivaKi, launched in the first half of 2008 was awarded the distinction of "Holding of the Year" by Media Magazine in reference to MediaVest (SMG), which was named Agency of the year. This is the sixth consecutive time that an SMG agency won this distinction. OMMA magazine named Digitas Best Interactive Agency of the year.

The external growth operations were numerous, always carried out according to the strategy defined by the Group: priority is given to the development of the digital sector, to positions in countries with strong economic growth and reinforcement of the service sector when necessary.
The most important acquisitions during the year were the following:

- **Digital Services Acquisitions:**

Emporio Asia, digital marketing agency based in **Shanghai,** which became Emporio Asia Leo Burnett
Portfolio, digital marketing services agency in **Korea**
PBJS, leading digital marketing and strategic communications agency in the **United States**
Performics Search Marketing Business, leader in search marketing, based in **Chicago** with offices in **San Francisco, New York, London, Hamburg, Sydney, Singapore** and **Beijing**
Tribal, one of the leading independent digital agencies in **Brazil**.

In addition, in March 2008, Publicis Groupe marked a new stage in the international deployment of the **Digitas** network: **Solutions**, a Groupe specialist in marketing services in **India** and **Singapore**, changed its name to **Solutions I Digitas**, combining Solutions' expertise in marketing services in the Indian market with Digitas' international digital expertise.

In June, creation of **Saatchi & Saatchi Energy Source Integrated Interactive Solutions,** uniting Saatchi & Saatchi's worldwide advertising network and Energy Source, the Chinese leader in interactive solutions. Called Saatchi & Saatchi Energy Source Integrated Interactive Solutions, the new entity specialised in integrated digital solutions and in marketing centred on customer relationships and public relations is based in **Shanghai** and **Guangzhou**.

In June 2008, Publicis Groupe, within a context of very strong digital growth, announced the launching of **VivaKi**, a new strategic initiative destined to optimise the performance of advertisers' investments and to maximise the increase in Publicis Groupe's market share. Simultaneously, the Group created within **VivaKi Nerve Center** a new technological platform, the largest "on-demand audience" network, based on Microsoft, Google ,Yahoo! ,Platform A offering advertisers the possibility to reach defined audiences with great precision anywhere in the world, using a sole campaign on multiple networks.

– **Other Acquisitions:**

At the beginning of 2008, Publicis Groupe acquired:
Act Now, a pioneer in sustainable development consulting based in **San Francisco**, which joined the Saatchi & Saatchi network.
La Vie est Belle, in Paris, a communication agency whose services offered include advertising, public relations, events marketing and online communication acquired in February 2008, joined Paname to created **Publicis Full Player**.
In July of last year, the Groupe acquired **Kekst and Company Incorporated**, leading agency in the fields of strategic and financial consulting, based in **New York**. Finally in December 2008, Publicis Groupe announced the acquisition of **W&K Communications**, specialising in advertising, promotion, television production and the purchase of advertising space, implanted in Beijing and Guangzhou, **China**. W&K joined Leo Burnett's Greater China network and changed its name to Leo Burnett W&K Beijing Advertising Co.

All these changes are proof of Publicis Groupe's capacity to grow by projecting itself permanently into the future, by building on its experience while faithfully capitalising on its difference.

PRESENTATION OF THE FINANCIAL SITUATION AND INCOME

Simplified Consolidated Income Statement

(€ million)	**2008**	**2007**	**Variation 2008/2007**
Revenue	**4 704**	**4 671**	**0.7%**
Operating margin	**785**	**779**	**0.8%**
Amortization of intangibles arising on acquisition	(29)	(30)	
Impairment	(13)	(6)	
Other non-current income (expense)	8	3	
Operating income	**751**	**746**	**0.7%**
Financial earnings (charges)	(79)	(78)	
Income tax	(196)	(201)	
Associates	2	9	
Minority interests	(31)	(24)	
Net income attributable to Group	**447**	**452**	**-1.1%**

2008 Revenue

Consolidated revenue for 2008 was €4,704 million compared to €4,671 million in 2007, an increase of 0.7%. Excluding the negative exchange rate effect it was an increase of 6.0% (2008 revenue at the 2007 exchange rate).

Organic growth was 3.8% despite a clearly more difficult last quarter. The growth in digital activities continued to contribute to Groupe good worldwide performance, and especially in the United States and in Western Europe. Digital activities represented 19% of total revenue in 2008 compared to 15% in 2007 and justify Publicis Groupe's transition towards segments experiencing strong growth. The revenues from countries with very strong growth in emerging economies, including countries with strong growth rates, represented 22.9% of the Groupe's total revenue in 2008 compared to 21.3% for 2007, confirming the Groupe's plan to have 25% of its revenues originating from these regions in 2010.

The 2008 consolidated revenue can be broken down as follows:.

	2008	2007
Traditional Advertising	38%	39%
SAMS	36%	36%
Media	26%	25%
Total	100%	100%

- Distribution of the 2008 Revenue by Geographic Area:

For 2008, the geographical distribution of revenues is as follows:

(€ million)	***Revenue***		***Growth***	
	2008	**2007**	**Global**	**Organic**
Europe	1,805	1,799	0.3%	1.3%
North America	2,008	2,016	-0.4%	4.4%
Asia-Pacific	519	502	3.3%	5.0%
Latin America	238	237	0.7%	6.5%
Africa and Middle East	134	117	14.6%	21.8%
Total	**4,704**	**4,671**	**0.7%**	**3.8%**

All regions contributed positively to the Groupe's organic growth for 2008. Europe's growth was positive thanks to a stellar performance in France due essentially to the numerous budget wins by Publicis Conseil; Central and Eastern Europe, Northern Europe and Italy were even and the United Kingdom, Germany and Spain were in negative territory. North America experienced an increase of 4.4%, benefitting in particular from the momentum of digital and media activities, even if a slowdown in the last quarter was noted. The Asia-Pacific region was extremely varied according to the country, with the vast China region and India showing organic growth of 12.8% and 17.4% respectively, which compensated the

decreases observed in Japan and Korea in particular. Latin America experienced strong growth in Venezuela and Argentina as well as good growth in Brazil.
The combined organic growth for the vast China region, Russia, India and Brazil was 14.2% for 2008.

Revenue for the 4th Quarter of 2008

Consolidated revenues for the fourth quarter were €1,373 million, a 5.5% increase over revenues of €1,301 million for the same period in 2007.

Organic growth was 1.1% in the last quarter. Even though it was positive, this decrease in the growth rate compared to the previous quarters reflects the real slowdown in the economy in several sectors and various regions in the world. It can be noted however, that the high growth continued in media and digital activity sectors as well as in a good number of countries with emerging economies.

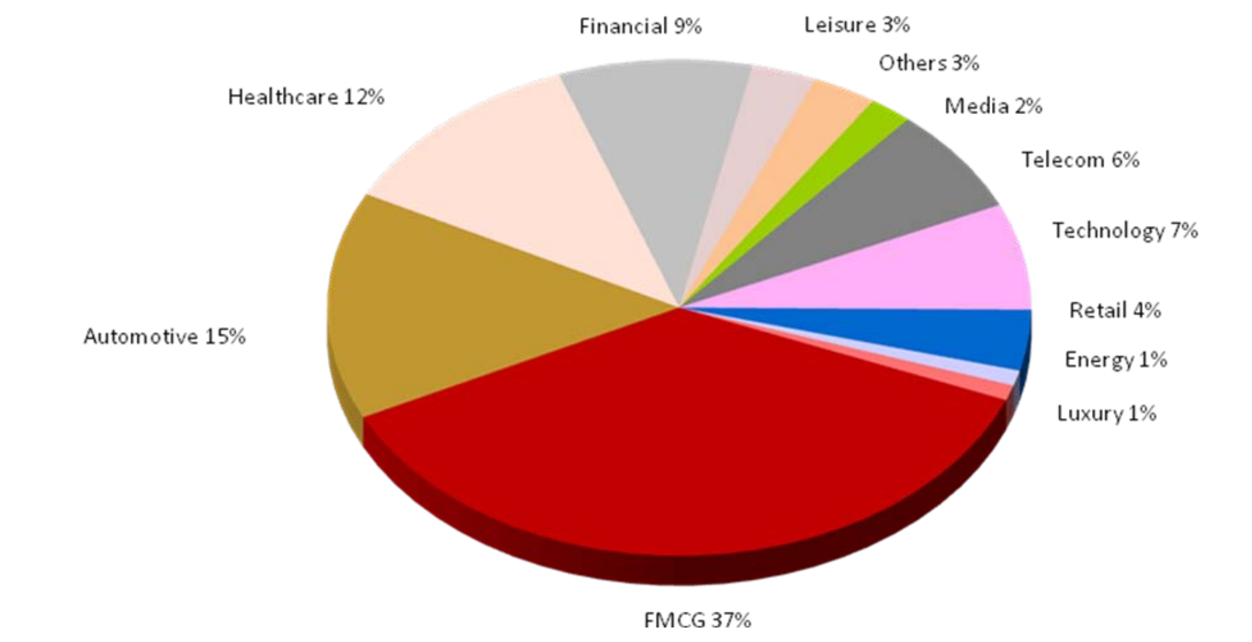
- Distribution of the 4th Quarter Revenue by Geographic Area:

For the fourth quarter in 2008, the geographical distribution of revenues was as follows:

(€ million)	***Revenue***		***Growth***	
	4th quarter 2008	**4th quarter 2007**	**Global**	**Organic**
Europe	521	535	-2.6%	-1.8%
North America	585	521	12.3%	1.8%
Asia-Pacific	152	142	6.3%	-1.1%
Latin America	65	67	-3.3%	2.8%
Africa and Middle East	50	36	42.2%	36.7%
Total	**1,373**	**1,301**	**5.5%**	**1.1%**

The growth of the Groupe's revenue in the fourth quarter clearly set the pace except for the Africa and Middle East region. The continuation of strong growth in the greater China region did not compensate for the deceleration in the other Asia-Pacific region countries during the quarter. Even though France showed growth, the rest of Europe suffered from the continued slowdown in Southern Europe. Digital activities' good results enabled North America to experience positive growth.

The revenue split by major customer sectors representing all of the major economic leaders reduces any abrupt fluctuations in revenues. This distribution, combined with the Groupe's strong presence in economies experiencing strong growth also reduces the effect of variations in economic cycles.



Operating Margin

The operating margin before depreciation and amortization was stable in 2008 at €889 million, compared to €888 million in 2007.
Exchange rates had a negative impact of €46 million (2007 at 2008 rates).

Personnel expenses were almost identical at €2,852 million compared to €2,829 in 2007 and are well under control at 60.6% of revenue.
Other operating expenses, which were €963 million, only increased 0.9% in spite of the increase in costs due to occupancy rates; thanks to the optimisation of various operating costs.

The 2008 Operating Margin was 16.7%. Continued efforts in cost control for the entire Group enabled both the integration costs of various acquisitions and the accelerated deployment of digital activities worldwide to be absorbed.
The optimization of various on going costs and capex allowed the Groupe to secure its margin.

Depreciation and amortization for 2008 amounted to €104 million compared to €109 million in 2007 and reflected good control of the investment expenses for the fiscal year.

Operating Income

Amortization of intangibles arising from acquisitions is slightly lower at €29 million compared to €30 million for the previous year.

An impairment loss of €13 million, mainly corresponding to impairment on goodwill (€5 million for Global Events Management) and on trade names and customer relationships (€6 million) were recognized, compared to impairment losses of €6 million in 2007. Net extraordinary income was €9 million, resulting mainly from the disposal of a lot adjacent to the Leo Burnett building in Chicago for a capital gain of €6 million. Operating income was €751 million in 2008 compared to €746 million in 2007.

Other income statement items

The Groupe's net financial expense, consisting of the cost of net financial debt and other financial expense, amounted to €79 million in 2008 compared to €78 million in 2007. The cost of net financial debt increased by €8 million after 2007 (€81 million in 2008 compared to €73 million in 2007). This is essentially due to a decrease in the interest rate on the dollar (-62% decrease in the average interest rate on the dollar in 2008 compared to the previous year).

The income tax charge is €196 million for 2008, which is taxed at an effective tax rate of 29.2%, compared to €201 million in 2007, the effective tax rate of which is 30%.

The Group's share of income from equity-accounted companies was €2 million compared to €9 million in 2007.

Minority interests were €31 compared to €24 million in 2007.

Net income attributable to Publicis Groupe was €447 million compared to 452 million in 2007.

Headline earnings per share (as defined in note 9 of the consolidated accounts) amounted to €2.33 per share, and the Headline diluted earnings was €2.22 per share, representing increases of 2% and 5%, respectively. Earnings per share amounted to €2.21, and diluted earnings per share amounted to €2.12, representing increases of 2% and 5%, respectively. The increases in diluted earnings per share are essentially the result of two factors: buyback of 8 million shares following the cancellation of an equivalent number of shares, and the impact of reimbursing OCEANE 2008 in full by the July 17, 2008 due date, thus resulting in the elimination of 23,172,413 potentially dilutive shares.

Balance sheet and cash

Simplified balance sheet

(in € million)	*December 31, 2008*	*December 31, 2007*
Goodwill	3,693	3,546
Other intangible assets	794	826
Other fixed assets	625	662
Deferred and current tax assets	(144)	(116)
Working capital	(1,373)	(1,300)
Total assets	**3,595**	**3,618**
Shareholder's Equity	2,320	2 198
Minority interest	30	27
	2,350	**2,225**
LT / ST provisions	569	556
Net financial debt	676	837
Total Liabilities and Equity	**3,595**	**3 618**
Net debt to Equity ratio (including minority interests)	**0,29**	**0,38**

Consolidated shareholders' equity rose to €2,320 million at December 31, 2008 from €2,198 million at December 31, 2007, representing an increase of €122 million. This increase is due to the net income for the year (€447 million), net of dividends paid by the parent company (€106 million) and the impact of the buyback treasury shares, net of sales (€174 million). The impact of movements in foreign exchange rates on the 2008 fiscal year is close to zero. Minority interests amount to €30 million, compared to €27 million at December 31, 2007.

Net Financial Debt

(in € million*)*	***December 31, 2008***	***December 31, 2007***
Financial debt (long and short term)	1 541	2 112
Fair value of derivatives covering exposure on Eurobond *(1)*	(7)	39
Fair value of derivatives covering exposure on intragroup loans/borrowings *(1)*	9	(1)
Total financial debt including fair value of associated derivatives	1 543	2 150
Cash and cash equivalents	(867)	(1 313)
Net financial debt	**676**	**837**

(1) Reported under "Other receivables and other current assets" and "Other creditors and other current liabilities" in the consolidated balance sheet.

Net financial debt decreased by €161 million, from €837 million in 2007 to €676 million in 2008, thanks to the Group's agreed-upon efforts to reduce its debt, and this decrease took place despite the activation of the share buyback plan, for a significant amount again this year (€174 million in 2008 and €162 million in 2007).
It is necessary to note the July 17, 2008 reimbursement of Océane 2008, though it did not have an impact on net financial debt, for an amount of €672 million in principal, resulting in the elimination of a potential dilution of 23,172,413 shares. To finance this reimbursement, the Groupe drew on its available multi-currency syndicated credit of €1,500 million, for an initial amount of €450 million, returned to zero at December 2008.

This debt reduction enabled the Groupe to markedly improve the ratio of net debt to shareholders' equity, which fell from 0.44 at December 31, 2007 to 0.29 at December 31, 2008, which is well under the threshold of 0.50 set by the Groupe. The Groupe's average net debt at December 31, 2008 was reduced slightly, to €1,102 million, from €1,207 million in 2007. At constant exchange rates in 2007, the improvement is more marked, and the decrease is €166 million.
It is important to note the Groupe's level of available liquidity which is €2,798 million at the end of the year (€2,533 million excluding uncommitted facilities) remains very satisfactory despite the Oceane 2008 repayment.

Net cash flow generated by activity amounted to €715 million in 2008 compared to €798 million in 2007. The decrease is essentially due to the non-renewal in 2008 of extensive improvements in working capital requirements realized in 2007 (€106 million) ; at the end of 2008, working capital requirements remained stable as compared with the end of the previous year. Tax paid in 2008 decreased over the previous year: €169 million compared to €197 million in 2007. Interest paid amounted to €89 million compared to €87 million in 2007, while interest received decreased from 2007, to €37 million. The decrease of €14 million in interest collected reflects the sharp decrease in average interest rates on the dollar from one year to the next (-62%).

Net cash flow from investments includes purchases and sales of tangible and intangible assets, net acquisitions of financial assets and acquisitions and sales of subsidiaries. The net amount of cash used for investment activities was €237 million in 2008 compared to €1,079 million in the previous year. Net investments in tangible assets amounted to €64 million compared to €77 million in 2007. Acquisitions of subsidiaries and other financial assets, net of disposals, represented an investment of €173 million, compared to €1,002 million in 2007, of which the largest portion consisted of net cash paid for the acquisition of Digitas (€779 million) and Business Interactif (€69 million). The acquisitions of the year (Kekst and Performics for the most part) involved payments of €126 million, and earn-out and buy-out payments were also made for a total of €45 million.

Net cash flow from financing activities includes dividends paid, changes in borrowings, buybacks of treasury shares and equity warrants issued by the company. Financing transactions required €949 million in 2008 compared to €238 million in 2007. They originate from the reimbursement of Océane 2008 for a principal amount of €672 million, which was temporarily refinanced by drawings from the Deal Club for a maximum amount of €450 million, with the drawings fully reimbursed at December 2008. Buyback of treasury shares, net of disposals, amounted to €174 million in 2008, and the total of dividends paid was €106 million.

In total, the Groupe’s cash position net of bank credit balances decreased by €452 million, due to the Océane reimbursement of €672 million, whereas the previous year saw a decrease of €601 million, which was essentially related to the acquisition of Digitas for a sum of $1.3 billion.

Free Cash Flow

The Groupe’s free cash flow, excluding changes in working capital requirement (WCR), increased by 4% over the previous year, to reach an amount of €639 million.
Free cash flow is an indicator used by the Groupe to measure liquidity arising from operating activities after accounting for investments in fixed assets but before acquisitions or sales of subsidiaries and before financing activities (including financing of working capital requirement).
The following table shows the Groupe's free cash flow (excluding changes in working capital requirement) :

(in € million)

	December 31, 2008	***December 31, 2007***
Cash flow from operating activities	715	798
Investments in fixed assets (net)	(64)	(77)
Free cash flow	**651**	**721**
Effect of changes in WCR	(12)	(106)
Free cash flow before changes in WCR	**639**	**615**

PUBLICIS GROUPE (Parent company of the Groupe)

Publicis Groupe revenue consists exclusively of building rentals and management fees for services rendered to subsidiaries of the Groupe. Total operating income amounted to €22 million for 2008, compared to €25 million in 2007 .

Financial income totaled €353 million in 2008 compared to €235 million in 2007. This rise is mainly due to an increase of €191 million in dividends paid by Publicis Groupe Investments over 2007. This increase is partially offset by the elimination of the foreign exchange gain of €52 million recorded in 2007 for the balance collected during the liquidation of the foreign exchange portion of the Eurobond swap.

Operating expenses amounted to €24 million compared to €26 million in 2007.

Financial expense increased from €251 million in 2007 to €381 million in 2008. This is in part due to the additional €85 million for the depreciation of treasury shares (C125 million in 2008 for 40 million the year before) and the additionnal unrealized foreign exchange loss of €66 million on the loan denominated in sterling pounds to MMS UK (€84 million in 2008 for €18 million in 2007). It is also due to the full year effect of interest on loans granted by Publicis Groupe Holdings and Publicis Finance Services at the end of 2007 (€40 million). These increases partially offset by the fact that expenses for 2007 included an extraordinary foreign exchange loss (€89 million, largely offset by the exchange profit described above).

Current income before tax is a €30 million loss compared to a loss of €17 million in 2007.

Exceptionnal items in 2008 were near zero whereas in 2007, it resulted in a net non-recurring gain of €160 million, arising mainly from the capital gain on the transfer of securities in Publicis USA Holdings and MMS USA Holdings to Publicis Groupe Investments.

It must be noted that the cancellation of 8 million buyback treasury shares carried out by the company in 2008 does not impact the year's income statement as the effect of treasury shares cancellation has been posted in shareholders' equity.

Income tax is a 59 million tax credit due to the French fiscal integration (€ 26 million) and a tax provision reversal (33 million) compared to 20 million euro in 2007.

Net income of Publicis Groupe SA, the Groupe's parent company, was at €30 million at December 31, 2008 compared to €164 million at December 31, 2007.

Recent events

– Innovation

At the beginning of this year, Starcom unveiled a new initiative, in connection with VivaKi, to develop a new format of video advertising which could become the new global standard for on-line advertising. This initiative, named "The Pool", will benefit from the collaboration of the largest suppliers of on-line video (AOL, Broadband Enterprises, CBS, Discovery, Hulu, Microsoft and Yahoo !). Advertisers participating in this project include Applebee's, Capital One, Nestlé, Purina as well as several others, who are all clients of Publicis Groupe agencies.

This innovative project fits in perfectly with VivaKi's objectives:

- Access to new standards
- Openness to all forms of collaboration with media owners and our clients
- Benefits from the scale effect in order to create standards for our clients which do a better job of taking the consumer into account
- Global potential extendible to all new digital channels.

Only six months after acquiring Performics from Google, VivaKi launched its brand in the French Market.Connected to the VivaKi Nerve Center, which is the VivaKi digital expertise centre, Performics put forward a proposal centered on marketing and performance while bringing together the competencies of three entities recognized as leaders in their field: iBase, Webformance and Click2Sales.

– **Finances**

January 19, 2009, Publicis Groupe proceeded with a buyback of 12.7% original amount of the Oceanes 2018 (Oceane Publicis Groupe SA 2018-2,75%-FR0000180127) for an amount of €95 million euro, or 2.241.811 bonds at a price of 42.3585 euro per bond. This move represents a renewed opportunity to continue to improve the balance sheet structure and to record a profit in the 2009 P&L.

- **New Business**

The start of the year was fruitful for Publicis Groupe which takes pride in being awarded several new accounts. Among these are the media account of CMCC (China Mobile) which is renewing its account with ZenithOptimedia, and the global account of Carrefour.

Outlook

With the intensification of the financial sector's problems over the last months of 2008, the economic crisis has changed in dimension. Up until the third quarter, mature economies were evolving in an environment of low growth, though the conviction remained that there was a possibility that the United States was "uncoupled" from the rest of the world and that the real economy would slow down but would remain comparatively immune to the financial crisis.
After the bankruptcy of Lehman Brothers and given the state of quasi-bankruptcy of many large financial institutions, the crisis suddenly changed its scope,to affect almost all sectors of activity and an increasing number of countries.This is It is the first worldwide economical crisis, and its effects are yet unforeseeable.

In a difficult environment with global economy growth of 2.5% in 2008 down significantly from the previous year, Publicis Group atteins practically all of its objectives, closing the year with very good performance including gains of new budgets, organic growth, operating margin, and free cash flow growing again and enters 2009 with a solid balance sheet, sizeable liquidity and a flexible and adaptable structure.

With an estimate of global GDP growth of 0.9%, the year 2009 will be very difficult. The most recent forecasts (ZenithOptimedia) predict a global slowdown in advertising spending by 1.8%. By region, only emerging economies are presently expected to show significant growth compared to 2008: Brazil +10%, China +8.8%, but United States should decline by 6.3%, Japan by 5.7%, Spain by 8%, Germany by 5.1%, while UK and France should experience a decrease of 4% and 1.9% respectively. However, it is important to stress that these estimates are regularly revised downwards.

In this environment, characterized by the entry of various Western economies into recession and an expected slowdown of emerging economies, Publicis Groupe intends more than ever to take advantage of its many assets. First and foremost, the Groupe has demonstrated its ability to control its costs,as illustrated by the steady increase over the years in operating margin. This thorough work is independent from fluctuations in the economy and is supplemented by great flexibility in the organization, thus permitting rapid adaptations. The strategy of developing digital activities and expanding in high-growth regions, which is beginning to bear fruit, should offset, at least in part, the decrease in certain activities or regions if we admit that emerging economies continue to grow in spite of everything and that on-line advertising expenses will continue to increase more or less by 10%.

The winning of new accounts over these past years attests to the dynamism and attractiveness of the Publicis Groupe.
Facing the many new challenges of the next few quarters, Publicis Groupe remains confident, buoyed by its recent operating performance, a solid balance sheet, a very flexible organisation and teams who are highly committed to the Groupe's clients.

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[1] For more information, please refer to the 2008 annual Refernce Document : http://www.publicisgroupe.com/site/media/DDR_2008_English.pdf