PUBLICIS GROUPE

2013 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

Contents

The elements of the Annual Financial Report are clearly identified in the table of contents using the pictogram ✤

PUBLICIS GROUPE

2013 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

This registration document contains all the elements of the annual financial report.

3rd ranked global communications group

Publicis Groupe offers its local and international clients
a complete range of communication services

Present in 108 countries on 5 continents,
Publicis Groupe has approximately 62 000 employees

Leader in digital communications
38 % of 2013 revenue

Recognized creativity

Number 1 in Creative Performance (since 2004 according to the Gunn Report)

This registration document was filed with the Autorité des marchés financiers (AMF) on April 4, 2014, in accordance with article 212-13 of the AMF general regulations. It may be used in the framework of a financial transaction only if supplemented by a Transaction Note certified by the AMF.

This document has been prepared by the issuer and involves the liability of its signatories.

Copies of the registration document are available from Publicis Groupe SA, 133, avenue des Champs-Élysées, 75008 Paris, and on the website of Publicis Groupe SA: **www.publicisgroupe.com** and on the AMF website: **www.amf-france.org.**

Message from the Chairperson

Élisabeth Badinter

The trees that survive the longest are typically those with the deepest roots. Their resilience comes from these roots, which also allow them to grow.

That is how I see Publicis: never has our group been as strong as it is now, and indeed its future may never have looked so bright.

The world is undergoing profound change and it is our destiny at Publicis to change with it: that's how it went from being French to European, and then Global, becoming the no. 3 worldwide. I would, however, like to stress that what made these transformations successful was its ability to preserve its spirit and its values.

This spirit is our greatest asset. It has been instilled, nurtured and protected for the past 88 years by Marcel Bleustein Blanchet and more recently by Maurice Lévy. This managerial stability is part of the DNA of Publicis.

Just like the sense of duty of its managers, who through their sound and ethical management show their willingness to place the collective interests of the group before their own.

I am proud to say that the Group's upright approach, which contributes to its performance, has made it a model for many.

In 2013, Publicis once again reaffirmed its ability to stay the course, underpinned by its long-standing qualities: talent, boldness and intuition; qualities that I saw at work during what was a particularly challenging year worldwide.

On an economic front, the expected exit from the recession didn't materialize. The economies of emerging markets, which were expected to support global growth, weakened, with a marked slowdown in the fourth quarter.

At the same time, the increasing intrusion of digital technologies into daily life continued to change behavior, inexorably transforming society. All of us, individually and collectively, now aspire to take control of our destiny: power no longer seems to be the sole preserve of some authority. And consumers want to be advised but also to advise, achieve a greater degree of decision-making autonomy and participate in the discussion.

This has naturally been reflected in our activities, with digital services representing an ever greater proportion. Helping brands to take on board this new order and adapt their investment strategy is a tremendous challenge for a communications group such as ours!

In fact, even last year, I stressed that Publicis was never as successful as when faced with a challenge.

The remarkable results in 2013 once again reaffirmed this, with double-digit growth rates almost across the board. Had it not been for the decline in emerging markets, we would have been on the verge of excellence.

We owe this performance to Maurice Lévy who, ever the visionary, saw early on that our fate is now intimately bound up with our ability to master these technologies and above all to help advance them.

He enabled Publicis to take the lead and to turn it into the no. 1 player in digital communications worldwide. I would like to take this opportunity to pay special tribute to him.

Our success is also due to all our teams, who never faltered in the face of heightened competition. Ever talented and tenacious, they have shown in great style their ability to compete with the best – and in many instances to be the best.

I would like to take this opportunity to thank them for their ongoing and relentless commitment. During this transition phase, they will have to acquire new skills, adopt new approaches. In short, feed their creativity and develop new ways of working so as to better serve their clients.

This climate never dented their efforts, on the contrary and even during a year that saw the announcement of the planned merger of Publicis and Omnicom, in the course of last summer.

As I'm writing this, this ambitious deal, which received the unanimous backing of the Supervisory Board, is still not yet final. It must in particular be voted upon by our shareholders.

This deal offers an extraordinary opportunity to combine our performance-driven culture with that of Omnicom and to capitalize on our synergies.

Linking up with Omnicom, the industry no. 2, means that our clients will have access to a richer offering, a larger pool of talent worldwide and unparalleled technological expertise. Our clients' interests have always been our primary motivation and their positive reaction to this deal is testament to the trust they place in us.

In putting together this merger, we didn't choose the easiest path: that of a merger of equals. In other words, a subtle blend of two groups with different histories but ultimately with similar values.

Making this union a success, in the best possible way, means respecting each side's culture.

I believe that it is in this way that we will make the most of our respective strengths and resources, so that some day we will be one: the world no. 1 communications group.

A big thank you to everyone who has contributed and will contribute to the success of Publicis and to its future.

Élisabeth Badinter

Chairperson of the Supervisory Board

Interview with Maurice Lévy

– ECONOMIC RECOVERY WAS EXPECTED IN 2013—BOTH FROM A MACROECONOMIC STANDPOINT AND FROM THE PERSPECTIVE OF THE ADVERTISING MARKET—BUT THE REALITY IS MORE COMPLEX. WHAT ARE YOUR VIEWS ON THIS SECOND TRANSITIONAL YEAR OF GLOBAL GROWTH?

Since the collapse of Lehman Brothers, the global economy has never truly recovered. I have a feeling that, in a few years, we will realize that this crisis was in fact deeper and more severe than the Crash of 1929. Its impact was not as violent because, fortunately, safety nets have been in place since the end of World War II to contain the most damaging effects.

Taking a bird's eye view, it is tempting to say that, despite the deficit and the size of the debt, the United States has introduced policies that have significantly reduced unemployment; that Europe has overcome the euro crisis, but that the effects on individual countries are so contrasting that a recovery in Europe is still far off; and that in emerging economies, for reasons specific to each, the crisis happened later, sometimes aggravated by political problems, and has caused growth to wane.

These circumstances have generated three challenges.

The first is a European one, and relates to trust: We must boost investment so that this vast market of 500 million consumers becomes a driver of the global economy once again. Trust will return only if strong, tangible and (unfortunately) painful measures are taken by European countries—first and foremost, France.

The second challenge is the one confronting emerging countries. There are as many different situations as there are countries. Still, let us look at the largest one of all, China, now the world's second-largest economy. The new model that the Chinese authorities have adopted in their most recent five-year plan is geared towards an economy based (or at least heavily reliant) on consumption—a far cry from yesterday's growth model, which depended on investments, infrastructure and production. This new model has not yet proven its capacity to generate as much growth as we have seen in recent years, but we are still in a transitional phase.

The third and final challenge is faced by us all, and relates to changes in our societies driven by the digital revolution. Contrary to common perceptions, this is not just about making tools available to people—in other words, an incremental transformation. What we are experiencing is a radical, deep, and irreversible change in the very workings of society—a transformation that affects education, communications, personal relations, as well as health, trade and privacy, and is leading society to rethink the state-dominated model whereby everything trickles down from above. This type of organization reaches its limits in a society where "empowerment" comes from information and the sharing of knowledge. New technologies offer opportunities for collective and individual expression, creating a wealth of networks that bypass traditional, hierarchical modes. This in fact explains the Arab Spring, the revolution in Ukraine (although Facebook and Twitter did not play the same role as in Tunisia and Egypt) and the rise in horizontal relations between businesses subject to unprecedented transparency requirements. And this is only the beginning of the transformation.

– IN THIS DIFFICULT ENVIRONMENT, YOU DESCRIBE 2013 AS A "RECORD YEAR", IN PARTICULAR IN TERMS OF PROFITABILITY. HOW DO YOU EXPLAIN THIS SUCCESS?

This was indeed a record year: All of our results (revenue, gross margin, net profits and cash flow) reached record levels. The year 2013 was undeniably an exceptional year, and I would like to take this opportunity to congratulate all of our teams. Once again, they demonstrated talent and dedication. I also sincerely thank our clients, who continue to honor us with their valued trust. Of course, the strategy we have put in place over recent years has underpinned this performance, and it would have been even greater had we not experienced slightly disappointing growth in the last quarter.

– EMERGING ECONOMIES IMPACTED GROWTH IN THE FOURTH QUARTER, AND YOU HAVE REFERRED TO THIS AS A "SLIGHT CLOUD" IN A BLUE SKY. HOW SO?

It is true that growth was weak on account of a few regional weaknesses, mostly due to emerging economies. A significant proportion of our business involves the luxury sector, particularly in China, which made matters worse. I am convinced that this is only a small cloud on the horizon, and that these regions will return to growth in 2014. To achieve this goal, we need to see an economic recovery in these countries, but also work harder ourselves on higher-growth segments. This means that we must be ever more alert and dynamic. We have many solid assets and resources, and I believe our efforts will start bearing fruit in the spring.

– HOW DO YOU ENVISAGE 2014 FOR THE ADVERTISING MARKET AND PUBLICIS?

Two major events will have taken place this year: the Olympic Games in Sochi, Russia, and the FIFA World Cup in Brazil. The former will not generate new growth. Yet the latter has every chance of attracting advertisers, thereby spurring renewed investment. Protests and riots should diminish as we get closer to the event. Brazilians are very proud to host the World Cup.

Remember that ZenithOptimedia is estimating growth in media investment of 5.3% in 2014, which should translate into growth of around 3.5% for the Agencies market. These figures, while not exceptional, are more encouraging than they have been in recent years. There is one unknown: whether or not Europe drags its feet. This brings me back to the key issue—the global economy—with Europe playing a tune that is more *moderato* than *allegro*.

We have set ambitious internal objectives: growth above the 4% mark, and improved margins. To achieve these aims, we must all put our noses to the grindstone. First and foremost, we must offer our clients the best possible solutions to help them succeed in a complex world. We need to grow with them by offering a full range of digital tools; gain market share in all regions with promising growth; and, finally, to capture new business for our client portfolio. Retain and attract new, different and original talent. In other words, cover all the bases.

– THE YEAR 2013 WAS MARKED BY THE ANNOUNCEMENT OF THE 2013-2018 STRATEGIC PLAN. WHERE DOES PUBLICIS STAND TODAY, IN TERMS OF THE 2018 TARGETS YOU REITERATED WHEN THE ANNUAL FINANCIAL RESULTS WERE RELEASED?

The 2018 plan was drafted before the merger with Omnicom was launched. This plan should allow us to reach margins of 18-20% by 2018, and our performance in 2013 has put us in an exceptional position to achieve this goal. The measures included in the 2018 plan are now in place, and we are moving forward according to plan. Setting the merger aside for the sake of argument, I confirm our objectives without hesitation, and am confident we will achieve them.

– THE SECOND KEY EVENT IN 2013 WAS CONTINUED INVESTMENT IN THE DIGITAL SECTOR, MOST NOTABLY WITH THE PURCHASE OF LBI, AND DIGITAL NOW REPRESENTS 40% OF YOUR REVENUE. IS THE ANALOG WORLD A THING OF THE PAST OR, TO PHRASE THE QUESTION DIFFERENTLY, WHAT IS THE NEW PARADIGM FOR THE ADVERTISING INDUSTRY?

This sector accounted for more than 40% of our revenue in the fourth quarter, which means that we are well on our way to meeting our 50% objective for 2018. Of course, this is partly attributable to the acquisition of LBi, but partly also owing to the rapid growth of the digital market. Our decision to move towards digital has proven to be very wise. As I mentioned in my introductory comments on tomorrow's challenges, the digital challenge is the most important one, because it affects our habits every day and in every way—from healthcare and education to shopping, communicating and working, In short, every aspect of our lives, including mobility. Needless to say, the advertising sector will not be unaffected by this revolution, the greatest impact of which is yet to be felt by society at large. Again, I am tempted to compare it to a tsunami: The wave is strong and fast, but still not within view. Once it hits our shores, it will overwhelm us—hence the pressing need to be prepared.

Does this mean that analog technology is dead? Doubtless yes, in the long run, but this does not mean that print media will disappear, as they can still evolve and incorporate the digital world. I am pleased that Publicis is at the heart of these digital innovations in the advertising and business sectors. We therefore benefit from a competitive advantage, which we pass on to our clients. Yes, Publicis is absolutely committed to the digital revolution, and that is one of its values.

– DO YOU INTEND TO CONTINUE YOUR INVESTMENTS IN THIS STRATEGIC DIGITAL SEGMENT, AS YOU ANNOUNCED IN APRIL 2013 ON INVESTOR DAY WHEN DISCUSSING THE PLANNED MERGER?

Yes, of course. When a strategy is successful, changing it would be absurd. What makes Publicis attractive and enhances its value is, naturally, the strength of its digital capability. This will obviously be at the heart of any communications group's strategy, and the lead we have is an essential asset for Publicis as we stand today, and for tomorrow in terms of the forthcoming merger with Omnicom.

– WHAT ABOUT THE PLACE OF AGENCIES INVOLVED IN THE BIG DATA SECTOR? IN OTHER WORDS, WHAT BALANCE CAN BE STRUCK BETWEEN CREATIVITY AND A QUANTITATIVE APPROACH?

Anyone interested in advertising and its history knows that the debate between science and art has always existed. The need to achieve our clients' objectives creates friction between creativity—which is based on intuition, emotions, ideas, imagination, psychology and sociology—and science, which rationalizes approaches, and has led us to develop simulation or operational research models, and even adopt logician-specific approaches.

Today, the picture is more complex because of a third dimension added to the scientific and artistic ones: technology. Publicis is without a doubt the group that successfully combines these three dimensions: emotion (EQ: Emotional Quotient), strategy (IQ) and technology (TQ). This creates a form of alchemy, generating optimal results, the best ideas and the most precise measurements.

– IN THIS BIG DATA ERA, "DIGITAL" AND "SCALE" ARE OFTEN ASSOCIATED WITH EACH OTHER. BUT IN A DIGITAL WORLD, CAN WE NOT IGNORE "SCALE"? I'M REFERRING IN PARTICULAR TO THE TREMENDOUS SUCCESS OF STARTUPS THAT DEMONSTRATE "SCALABILITY" MORE THAN "SCALE".

Big Data is first and foremost an issue involving large numbers, and therefore raises the question of resources. Hence the advantage of size, or "scale". Once this new size has been reached, the scaling effect spreads, allowing for new levels of growth to be attained. I believe this model will increasingly resemble that of technology companies—but with imagination and ideas.

– NOW THAT YOUR SECTOR HAS ENTERED THE DIGITAL MOVEMENT, YOUR COMPETITION INCLUDES GOOGLE, YAHOO!, FACEBOOK AND OTHER MAJOR DIGITAL PLAYERS. HOW WILL YOU MAINTAIN A BALANCED RELATIONSHIP WITH THESE INTERNET GIANTS?

I do not see any competition in this area, except maybe marginally. Major digital operators are in fact partners with whom we must have very close, balanced ties, while keeping our eyes wide open. It would be absurd to label them as rivals, potentially depriving our clients from access to these platforms. Publicis decided on a digital approach very early on and signed the first partnerships with web giants. Today, it is the leading global advertising and communications group in the digital sector. To date, our analysis has proven correct.

– CAN YOU EXPLAIN THE FACTORS UNDERPINNING THE PLANNED MERGER WITH OMNICOM?

Structural changes in agencies must always be analyzed from the client's perspective. What does our client want? What does he need? Today and tomorrow. The challenges are those faced by integrated communications, Big Data, potential investments, etc. Among the choices available to Publicis, the merger between equals with Omnicom was favored as it allows us to achieve our objectives at a very reasonable capital cost.

– THIS PLANNED MERGER IS ONE OF EQUALS, AND THEREFORE REQUIRES STRIKING A SUBTLE BALANCE. WHAT SAFETY NETS HAVE YOU PUT IN PLACE TO PROTECT THE PRINCIPLES AND VALUES THAT ARE KEY TO YOU?

It is true that acquisitions are simpler: the acquirer is king. A merger between equals requires constant dialogue to keep a balance, because the merger cannot take place at the expense of one or the other group. Balance is the project's cornerstone, and requires real efforts on both sides.

Rather than talk about safety nets, I prefer to talk about solid rules. Some decisions can only be made by a two-thirds majority of the Board of Directors. Other decisions can only be taken jointly by the two co-CEOs. This type of approach may well cause delays, difficulties and even friction. We are aware of and prepared for this possibility. That is why we believe that we will be able to solve them easily. As with any couple, concessions are necessary.

– GENERALLY SPEAKING, (AND AT THE RISK OF OVERSIMPLIFYING), PUBLICIS' MODEL TARGETS A VALUE-BASED STRATEGY WHILE OMNICOM'S HISTORICALLY GENERATES LOWER MARGINS. WHAT SHOULD PUBLICIS OMNICOM'S MODEL LOOK LIKE?

As always, with numbers, matters are not clear-cut. Omnicom's business mix gives more weight to lower margins, but also requires less investment, which guarantees a high yield on invested capital and makes a very interesting proposition for shareholders. The future will no doubt see the emergence of a group that combines the two groups' main attributes. In any event, that is what the two future co-CEOs are working on together with their teams. There is much to be done.

I am referring to innovation to the quality of our work and serving clients, to creativity, modernity, and even the ability to take a lead in terms of technological changes. Then there is, of course, a combination of two essential criteria for the two groups' performance: growth and margins. Potential synergies also exist in terms of growth and costs.

– IN 88 YEARS, PUBLICIS HAS ONLY HAD TWO CEOS. THE COMPANY HAS ALWAYS HAD A VERY STRONG HISTORY AND KEPT ITS IDENTITY, EVEN WHEN THE FAMILY-OWNED COMPANY RANKED THIRD WORLDWIDE. HOW YOU DO YOU INTEND TO RECONCILE THIS UNIQUE IDENTITY WITH OMNICOM'S CULTURE?

This is not a simple issue, but it is the price to pay for two exceptional histories. We are very good at advising our clients and must prove that we are just as strong in managing ourselves and in making the right decisions.

– YOU HAVE BEEN ALONE AT THE HELM FOR 27 YEARS. HOW DO YOU VIEW A 30- MONTH STINT AS CO-CEO? WHAT WILL YOUR ROLE AND RESPONSIBILITIES BE AS THE HEAD OF THE BOARD OF DIRECTORS OF THE MERGED GROUP?

I have never led the company alone and have always teamed up with strong personalities who knew how to voice their opinions. During this period, the Management Board played a key role, as did the Supervisory Board, initially with Marcel Bleustein-Blanchet for a few years, then with Elisabeth Badinter, with whom I have always spoken regularly to discuss key issues and strategy. The harmonious relations between the Management Board, the Supervisory Board and the group's top executives are no doubt one of the keys to Publicis' success.

I would like to take this opportunity to sincerely thank all of those who have contributed to Publicis' success: our clients, of course, and all of our teams, who have contributed to our achievements. The exceptional P12 and SLT teams and the members of the Management Board have played a very important role in our wins and successes. I would also like to bring up our Supervisory Board and its Chairwoman. A trusting environment is in place, respectful of every member's personality and role, and allowing for numerous obstacles to be overcome.

– WHEN YOU LOOK BACK, WHAT DO YOU SEE? AND HOW DO YOU SEE THE FUTURE?

When I look back at Publicis' history from the origins, or since I took over as Chairman of the Management Board, I would like to say "not bad". Looking ahead, I think, "There is still so much left to do."

Maurice Lévy

Chairman of the Management Board

GOVERNANCE AND REMUNERATION

1.1 Governance of the Publicis Groupe

Publicis Groupe places great importance on the quality of its governance as well as on compliance with the rules and principles governing its activities.

Publicis has always taken an innovative approach to governance: since 1987, the group has had a dual Management Board and Supervisory Board structure, in the belief that this would ensure a better balance of power for the benefit of all stakeholders. Going further than any legal requirements, the Supervisory Board is composed of an equal number of male and female members. The quality of the Board's work is ensured through the strong commitment of its members and facilitated by its four committees: a Compensation Committee, distinct from the Appointments Committee, and a Strategy and Risk Committee, separate from the Audit Committee.

1.1.1 SUPERVISORY AND MANAGEMENT BOARDS

The Company is a French limited liability company (*société anonyme*) with a Management Board (*Directoire*) and a Supervisory Board (*Conseil de surveillance*). The members of the Management Board and Supervisory Board are collectively referred to as "corporate officers" in this document.

1.1.1.1 COMPOSITION OF THE SUPERVISORY BOARD AS OF DECEMBER 31, 2013

ÉLISABETH BADINTER	**CHAIRPERSON OF THE SUPERVISORY BOARD** **CHAIRPERSON OF THE APPOINTMENTS COMMITTEE** **MEMBER OF THE STRATEGY AND RISK COMMITTEE**
Born on March 5, 1944, French National First appointment: November 27, 1987 End of term of office: June 30, 2018 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Chairperson of the Supervisory Board**: Médias & Régies Europe SA (France) **Main offices and positions held outside the Group** **Writer** **Chairperson** of the Fondation Marcel Bleustein-Blanchet pour la Vocation **Offices and positions held outside the Group in the last five years** Position listed above
SOPHIE DULAC	**VICE-CHAIRPERSON OF THE SUPERVISORY BOARD**
Born on December 26, 1957, French National First appointment: June 25, 1998 End of term of office: June 30, 2016 Les Écrans de Paris 30, avenue Marceau 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairperson of the Board of Directors**: Les Écrans de Paris SA (France) **Manager**: Sophie Dulac Productions SARL (France), Sophie Dulac Distributions SARL (France) **Vice-Chairperson of the Board of Directors**: CIM de Montmartre SA **Chairperson**: Association Champs-Élysées Film Festival **Offices and positions held outside the Group in the last five years** Positions listed above
SIMON BADINTER	**MEMBER OF THE SUPERVISORY BOARD**
Born on June 23, 1968, French National First appointment: June 17, 1999 End of term of office: June 30, 2016 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Permanent representative of Médias & Régies** Europe on the Supervisory Board of: Mediavision et Jean Mineur SA (France) **Main offices and positions held outside the Group** None **Offices and positions held outside the Group in the last five years** None

CLAUDINE BIENAIMÉ	MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE AUDIT COMMITTEE MEMBER OF THE COMPENSATION COMMITTEE
Born on November 23, 1939, French National First appointment: June 3, 2008 End of term of office: June 30, 2014 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Director**: Gévelot SA (France), listed company, PCM SA (France) Gévelot Extrusion SA (France), Gurtner SA (France) **Chairman and Chief Executive Officer**: Société Immobilière du Boisdormant SA (France) **Deputy Chief Executive Officer**: Rosclodan SA (France), Sopofam SA (France) **Manager**: SCI Presbourg Etoile (France) **Offices and positions held outside the Group in the last five years** Positions listed above
JEAN CHAREST	**MEMBER OF THE SUPERVISORY BOARD**
Born on June 24, 1958, Canadian National First appointment: May 29, 2013 End of term of office: June 30, 2017 McCarty Tétrault Bureau 2500 1000, rue de la Gauchetière Ouest Montreal Quebec H3B 0A2 Canada	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Partner**: Cabinet McCarthy Tétrault (Canada) **Chairman of the Board of Directors**: Windiga Energie (Canada) **Chairman of the Board of Governors**: L'Idée Fédérale (Canada) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Prime Minister** of Quebec (Canada) (term expired in September 2012) **Deputy** for Sherbrooke (Canada) (term expired in September 2012)

MICHEL CICUREL	**MEMBER OF THE SUPERVISORY BOARD** **MEMBER OF THE COMPENSATION COMMITTEE** **MEMBER OF THE APPOINTMENTS COMMITTEE**
Born on September 5, 1947, French National First appointment: June 17, 1999 End of term of office: June 30, 2016 Michel Cicurel Conseil 46 rue Pierre-Charron 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Vice-Chairman**: Coe-Rexecode (Association) **Director**: Bouygues Telecom SA (France), Société Générale SA, listed company (France), Coe-Rexecode (Association), Cogepa (France) **Chairman of the Board of Directors**: Banque Leonardo (France) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Chairman of the Management Board**: La Compagnie Financière Edmond de Rothschild Banque SA (France) (term expired in May 2012), Compagnie Financière Saint-Honoré SA (France) (term expired in May 2012) **Chairman of the Board of Directors**: Edmond de Rothschild SIM SpA (Italy) (term expired in April 2011), ERS SA (France) (term expired in May 2012), Edmond de Rothschild Investment Services Limited (Israel) (term expired in April 2012), Edmond de Rothschild SGR Spa (Italy) (term expired in April 2012) **Chairperson of the Supervisory Board**: Edmond de Rothschild Multi Management SAS (France) (term expired in 2009), Edmond de Rothschild Corporate Finance SAS (France) (term expired in May 2012) **Vice-Chairperson of the Supervisory Board**: Edmond de Rothschild Private Equity Partners SAS (term expired in May 2012) **Member of the Supervisory Board**: Newstone Courtage (SA) (term expired in December 2011), SIACI Saint-Honoré SA (France) (term expired in May 2012) Milestone SAS (term expired in May 2012) **Director**: LCF Holding Benjamin and Edmond de Rothschild SA (Switzerland) (term expired in 2009), Banque Privée Edmond de Rothschild SA (Switzerland), Edmond de Rothschild Limited (United Kingdom) (term expired in May 2012) **Permanent representative of La Compagnie Financière Edmond de Rothschild Banque** **Chairman of the Board**: Edmond de Rothschild Asset Management SAS (France) (term expired in May 2012) **Permanent representative of La Compagnie Financière Edmond de Rothschild Banque** in: Edmond de Rothschild Financial Services SA (France) (now Edrim Solutions) (term expired in 2009), Equity Vision SA (France) (term expired in 2009), EDRIM Solutions (France) (term expired in May 2012) **Permanent representative of Compagnie Financière Saint-Honoré in Cogifrance** SA (France) (term expired in May 2012) **Observer** or Paris-Orléans SA, listed company (France)
MICHEL HALPÉRIN	**MEMBER OF THE SUPERVISORY BOARD** **MEMBER OF THE COMPENSATION COMMITTEE** **MEMBER OF THE APPOINTMENTS COMMITTEE**
Born on October 27, 1948, Swiss National First appointment: March 2, 2006 End of term of office: June 30, 2014 Ming Halpérin Burger Inaudi 5, avenue Léon-Gaud 1206 Geneva Switzerland	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Honorary Chairperson**: Human Rights Watch, Geneva International Committee **Chairman** of Swiss Friends of the Ben Gurion University of the Negev **Member of the Board of Directors**: Hôpitaux Universitaires de Genève (Switzerland) **Vice-Chairman of the Board of Directors**: BNP Paribas SA (Switzerland) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Deputy** of the Grand Conseil de la République et Canton de Genève (term expired in 2009) **Member of the Board**: Geneva Financial Center Foundation (term expired December 31, 2012)

MARIE-JOSÉE KRAVIS	MEMBER OF THE SUPERVISORY BOARD CHAIRPERSON OF THE STRATEGY AND RISK COMMITTEE
Born on September 11, 1949, US National First appointment: June 1, 2010 End of term of office: June 30, 2016 625 Park Avenue New York, NY 10065 United States	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairperson**: Museum of Modern Art (United States) **Senior Fellow**: Hudson Institute (United States) **Member of the Board of Directors**: Hudson Institute (United States), Overseers, Memorial Sloan-Kettering Cancer Center (United States), Qatar Museum Authority (Qatar) **Member of the International Advisory Committee**: The Federal Reserve Bank of New York **Journalist** **Offices and positions held outside the Group in the last five years** Positions listed above and the following positions: **Member of the Board of Directors**: LVMH Moët Hennessy Louis Vuitton SA, listed company (France), Robin Hood Foundation (United States)
MARIE-CLAUDE MAYER	**MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE STRATEGY AND RISK COMMITTEE**
Born on October 7, 1947, French National First appointment: June 1, 2010 End of term of office: June 30, 2016 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Senior Vice-President**: Publicis Conseil SA (France) **Representative of Multi Market Services France Holdings** within the Shareholders' Committee of Wefcos SAS (France) **Director**: VivaKi Communication (France) **Member of the Management Committee**: Etoile Restauration SAS (France) **Main offices and positions held outside the Group** None **Offices and positions held outside the Group in the last five years** None
VÉRONIQUE MORALI	**MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE COMPENSATION COMMITTEE MEMBER OF THE STRATEGY AND RISK COMMITTEE**
Born on September 12, 1958, French National First appointment: June 1, 2010 End of term of office: June 30, 2016 Fimalac SA 97, rue de Lille 75007 Paris France	**Other offices and positions held within the Group** **Chairperson**: Wefcos SAS (France) **Representative of Multi Market Services France Holdings** within the Shareholders' Committee of Wefcos SAS (France) **Main offices and positions held outside the Group** **Chairperson**: Fimalac Développement (Luxembourg) **Director and Vice-Chairman**: Fitch Group, Inc. (United States) **Chairperson of the Management Board**: Webedia SA (France) **Director**: Coca-Cola Entreprises Inc., listed company (United States), Fitch, Inc. (United States), Fimalac SA, listed company, Groupe Lucien Barrière SAS (France), Financière Allociné SA (France) **Member of the Supervisory Board and member of the Audit Committee**: Compagnie Financière Edmond de Rothschild Banque SA (France), Edmond de Rothschild SA (formerly Compagnie Financière Saint-Honoré SA) (France) **Founding Chairperson of the Association**: Force Femmes, Terrafemina (France) **Member of the Elle Business Foundation** **Member of the government-owned entity**: la Réunion des musées nationaux and of the Grand Palais des Champs-Élysées (Rmn Gp) **Member of the Le Siècle Association** **Manager**: Fimalac Services Financiers (non-trading company), Fimalac Tech Info (non trading company) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Member of the Supervisory Board of** Les investissements d'avenir **Member** of the l'Observatoire de la parité entre les femmes et les hommes (Observatory on gender equality) **Director**: Havas (France) (term expired in 2010), Fcbs Gie **Chairperson of the Commission** on economic dialogue (Medef) (term expired in 2010) **Founder and Chairperson**: TF Co (formerly Femmes Associées SAS) (France) (term expired in December 2013)

HÉLÈNE PLOIX	MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE AUDIT COMMITTEE MEMBER OF THE STRATEGY AND RISK COMMITTEE
Born on September 25, 1944, French National First appointment: June 25, 1998 End of term of office: June 30, 2016 Pechel Industries 162 rue du Faubourg-Saint-Honoré 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairperson**: Pechel Industries SAS (France), Pechel Industries Partenaires SAS (France), FSH Conseil SAS (France) **Director**: Lafarge SA, listed company (France), BNP Paribas SA, listed company (France), Ferring SA (Switzerland), Sofina, listed company (Belgium), Genesis Emerging Markets Fund Limited, listed company (Guernsey), **Permanent representative of Pechel Industries Partenaires**: Store Electronic System, listed company (France) **Manager**: Hélène Ploix SARL (France), Hélène Marie Joseph SARL (France), Sorepe Société Civile (France), Goëmar Holding (Luxembourg) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Director**: Completel Europe NV (Netherlands) (term expired in 2010) **Permanent representative of Pechel Industries Partenaires**: Ypso Holding SA (Luxembourg) (term expired in 2013), Laboratoires Goëmar (term expired in 2012), Goëmar Développement (term expired in 2012)
AMAURY DE SEZE	**MEMBER OF THE SUPERVISORY BOARD CHAIRMAN OF THE COMPENSATION COMMITTEE**
Born on May 7, 1946, French National First appointment: June 25, 1998 End of term of office: June 30, 2016 GBL 24 avenue Manix B 1000 Brussels Belgium	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Vice-Chairman**: Corporation Financière Power du Canada Ltd **Chairperson of the Supervisory Board**: PAI Partners (France) **Director**: Carrefour SA, listed company (France), Imerys, listed company (France), Suez Environnement, listed company (France), BW Group, listed company, GBL SA, listed company (Belgium), Pargesa, listed company (Switzerland), Thales SA, listed company (France), RM2 (United Kingdom) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Chairman of the Board of Directors**: Carrefour SA, listed company (France) (term expired in 2011) **Director**: Erbe SA (Belgium)
HENRI-CALIXTE SUAUDEAU	**MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE APPOINTMENTS COMMITTEE**
Born on February 4, 1936, French National First appointment: November 27, 1987 End of term of office: June 30, 2018 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Director**: Publicis Conseil SA **Main offices and positions held outside the Group** **Director**: Fondation Marcel Bleustein-Blanchet pour la Vocation **Offices and positions held outside the Group in the last five years** Position listed above
GÉRARD WORMS	**MEMBER OF THE SUPERVISORY BOARD CHAIRMAN OF THE AUDIT COMMITTEE MEMBER OF THE APPOINTMENTS COMMITTEE**
Born on August 1, 1936, French National First appointment: June 25, 1998 End of term of office: June 30, 2016 Rothschild & Cie Bank 23 bis, avenue de Messine 75008 Paris France	**Other offices and positions held within the Group** **Member of the Supervisory Board**: Médias & Régies Europe SA (France) **Main offices and positions held outside the Group** **Vice-Chairman**: Rothschild Europe **Member of the Supervisory Board** Métropole Télévision SA, listed company (France) **Observer**: SIACI Saint-Honoré SA (France) **Offices and positions held outside the Group in the last five years** Positions listed opposite, as well as the following positions: **Director**: Cofide SA, listed company (Italy), Editions Atlas SA (France) (term expired in 2012), Moonscoop (term expired in 2012), Hamac (term expired in 2012) **Observer**: Degrémont SA (France) (term expired in 2012) **Director**: Mercapital SA (Italy) (term expired in 2011) **Chairman**: chaîne thématique Histoire SA

1.1.1.2 COMPOSITION OF THE MANAGEMENT BOARD AS OF DECEMBER 31, 2013

MAURICE LÉVY	CHAIRMAN OF THE MANAGEMENT BOARD
Born on February 18, 1942, French National First appointment: November 27, 1987 Expiration of current term: December 31, 2015 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Member of the Executive Committee (P12)**: Publicis Groupe SA **Member of the Supervisory Board**: Médias & Régies Europe SA (France) **Director**: MMS USA Holdings, Inc. (United States), ZenithOptimedia Group Limited (United Kingdom), MMS USA Investments, Inc. (United States) BBH Holdings Ltd (United Kingdom), Jana Mobile, Inc. (United States) **Management Board Member**: Publicis Groupe US Investments LLC (United States) **Main offices and positions held outside the Group** **Chairman of the Supervisory Board**: Iris Capital Management **Member of the Board of Directors**: Institut du Cerveau et de la Moelle épinière **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Member of the Supervisory Board** Compagnie Financière Edmond de Rothschild Banque SA (term of office expired in August 2013), Deutsche Bank AG (term of office expired in May 2012) **Board Member**: Fondation du World Economic Forum Genève (term of office expired in August 2013) **Chairman** of the Association Française des Entreprises Privées (AFEP) (term expired in June 2012) **Member of the Board of Directors**: Les Arts décoratifs (term of office expired in March 2013), Amis du Musée du Quai Branly (term of office expired in June 2011)
JEAN-MICHEL ETIENNE	**MEMBER OF THE MANAGEMENT BOARD**
Born on November 2, 1951, French National First appointment: July 1, 2010 Expiration of current term: December 31, 2015 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Group Executive Vice-President, Group Finance:** Publicis Groupe SA **Member of the Executive Committee (P12):** Publicis Groupe SA **Chairman:** Multi Market Services France Holdings SAS (France) **Chairman and Chief Executive Officer:** Publicis Finance Services SAS (France) **Chairman:** MMS Italy Holdings S.r.l. (Italy), MMS Mexico Holdings S de RL de CV (Mexico) **President and Director:** MMS Canada Holdings Inc. (Canada) **Management Board Member:** Publicis Group US Investments LLC (United States) **Permanent representative of Multi Market Services France Holdings SAS** in Publicis Technology SA (France), VivaKi Performance SA (France) **Director:** Multi Market Services Australia Holdings Pty Limited (Australia), PG Lion Re: Sources Australia Pty Limited (Australia), Publicis Communication Pty Limited (Australia), Re: Sources Mexico S. A de C. V (Mexico), Publicis Group Holdings BV (Netherlands), MMS Netherlands Holdings BV (Netherlands), the Publicis Group Investments BV (Netherlands), Publicis Holdings BV (Netherlands), Multi Market Services Spain Holdings, S. L (Spain), Saatchi & Saatchi Limited (United Kingdom), MMS UK Holdings Limited (United Kingdom), Lion Re: Sources UK Limited (United Kingdom), Lion Re: Sources Ibéria S.L. (Spain), ZenithOptimedia International Limited, (United Kingdom), Saatchi & Saatchi Holdings Limited (United Kingdom), ZenithOptimedia Group Limited (United Kingdom), MMS USA Holdings, Inc. (United States) MMS USA Investments, Inc. (United States), Shanghai Ming Mong Commercial Consulting Co, Ltd (China), BBH Holdings Ltd (United Kingdom) **Managing Director:** MMS Germany Holdings GmbH (Germany), Re: Sources Germany GmbH (Germany) **Director, President & Treasurer:** US International Holding Company, Inc. (United States) **Main offices and positions held outside the Group** Member of the Board of Directors of ACTEO **Offices and positions held outside the Group in the last five years** Member of the Management Board of Impress Packaging (term expired in 2010)

JEAN-YVES NAOURI	MEMBER OF THE MANAGEMENT BOARD
Born on November 19, 1959, French National First appointment: December 4, 2007 (effective January 1, 2008) Expiration of current term: December 31, 2015 Publicis Groupe SA 133 avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Executive Vice-President-Operations**: Publicis Groupe SA **Chief Operating Officer**: Publicis Groupe SA **Member of the Executive Committee (P12)**: Publicis Groupe SA **Executive Chairman**: Publicis Worldwide **Chairman**: Re: Sources France SAS (France) **Chairman and Chief Executive Officer**: Publicis Technology SA (France) **Director**: VivaKi Performance SA (France), Publicis Conseil SA (France) **Permanent representative of Multi Market Services France Holdings** within the Shareholders' Committee of Wefcos SAS (France) **Member of the Management Committee**: Multi Market Services France Holdings SAS **Director**: Lion Re: Sources UK Limited (United Kingdom), Lion Resources Iberia SL (Spain), Re: Sources Italy srl (Italy), Re: Sources Mexico SA de CV (Mexico), Publicis Healthcare Communications Group, Inc. (United States), Publicis Graphics Groupe Holding SA (Luxembourg), MMS UK Holdings Limited (United Kingdom), Publicis Limited (United Kingdom), DPZ – Duailibi Petit Zaragoza Propaganda Ltda (Brazil), Publicis Net Media Limited (Israel), E-D. O Logic Limited (Israel), MMS Communications Israël Ltd (Israel), Publicis Communications Private Ltd (India), Publicis Canada Inc. (Canada), Talent Comunicação e Planejamento SA (Brazil), QG Partners Participações S. A (Brazil), NEOGAMA BBH Publicidade SA (Brazil), ZenithOptimedia Canada Inc. (Canada), Baumann-Ber-Rivnay Limited (Israel), Publicis Communication Ltd (New Zealand), VivaKi Sweden AB (Sweden), PUBLİCİS BOLD İLETİŞİM TASARIMLARI PAZARLAMA VE DANIŞMANLIK HİZMETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ (Turkey), PUBLICIS YORUM TANITIM BASIM VE YAYIN HİZMETLERİ ANONİM ŞİRKETİ (Turkey), PUBLİCİS ZONE İLETİŞİM HİZMETLERİ ANONİM ŞİRKETİ (Turkey), BBH Holdings Ltd (United Kingdom), Publicis Mojo Pty Limited (Australia), Publicis Loyalty Pty Limited (Australia), Publicis Red Lion Pty Limited (Australia), BPC Ltée (Canada), Marketgate Consulting Private Limited (India), Marketgate Dimensions Research India Private Limited (India), I-Strat Software Private Limited (India), Super Push Limited (Israel), A/R Media, Inc. (United States) **Secretary**: Lion Resources, SA (Costa Rica) **Managing Director**: Re: Sources Germany GmbH (Germany) **Main offices and positions held outside the Group** **Member of the Board of Directors**: l'Ecole des Mines de Paris (France) **Offices and positions held outside the Group in the last five years** Position listed above
KEVIN ROBERTS	**MEMBER OF THE MANAGEMENT BOARD**
Born on October 20, 1949, New Zealand and British National First appointment: September 14, 2000 Expiration of current term: December 31, 2015 Saatchi & Saatchi 375, Hudson Street New York NY 10014-3620 United States	**Other offices and positions held within the Group** **CEO**: Saatchi & Saatchi Worldwide (United States) **Member of the Executive Committee (P12)**: Publicis Groupe SA **Director**: Fallon Group, Inc. (United States) DPZ – Duailibi Petit Zaragoza Propaganda Ltda (Brazil) **Main offices and positions held outside the Group** **Director**: Rowland Communications Worldwide, Inc. (United States) Red Rose Limited (New Zealand), Red Rose Charitable Services Limited (New Zealand), USA Rugby (United States), **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Director**: NZ Edge. com Holding Limited (New Zealand) (term expired in 2013), Red Rose Music Limited (United Kingdom) (term expired in 2013)

1.1.1.3 RESIGNATIONS AND APPOINTMENTS DURING 2013

The General Shareholders' Meeting of May, 29 2013 appointed Mr. Jean Charest as Member of the Supervisory Board to replace Mr. Félix Rohatyn, for a period of four years. His term will expire at the end of the Ordinary General Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2016.

1.1.1.4 COMPOSITION OF THE MANAGEMENT AND SUPERVISORY BOARDS, INDEPENDENCE CRITERIA AND CONFLICTS OF INTEREST

The Supervisory Board had 14 members as of December 31, 2013, the list of which appears above (see Section 1.1.1.1). The rules pertaining to corporate governance and the independence criteria adopted by the Company for the members of the Supervisory Board are discussed in Chapters 1.1.4 and 1.1.5.

To the best of the Company's knowledge, there are no existing family ties between the corporate executives of the Company, except between Élisabeth Badinter, daughter of the founder of Publicis Groupe Marcel Bleustein-Blanchet, her son Simon Badinter, and her niece Sophie Dulac.

No member was designated as an employee representative. However, Marie-Claude Mayer joined the Supervisory Board as an employee of Publicis Group. No Observer was appointed.

To the best of the Company's knowledge, over the past five years:

- no member of the Management Board or the Supervisory Board of Publicis Groupe has been convicted of fraud;
- no member of the Management Board or the Supervisory Board has been associated with a bankruptcy, or been subject to a sequestration or liquidation;
- no indictment and/or official public sanction has been pronounced against these people by statutory or regulatory authorities or professional organizations;
- no member of the Management Board or the Supervisory Board of Publicis Groupe has been banned by a court of law from acting as member of a corporate body, Management or Supervisory Board of a company issuing securities, nor from taking part in the management or business operations of an issuer.

The internal rules approved by the Supervisory Board on November 27, 2012 confirmed the independence criteria that were first defined at the Supervisory Board Meeting on March 9, 2004. In view of the separation of the management and supervisory tasks within the Company and the capital structure, the Supervisory Board accordingly adopted the following characteristics as independence criteria:

- has not been an employee or a corporate officer of the Company, employee or director of the parent company or a consolidated company, during the last five years;
- has not been a corporate officer of a company in which the Group holds, directly or indirectly, a management position, or in which an employee designated as such or a corporate executive of the Company (currently or in the past five years) holds a management position;
- has not been a client, provider, business banker or investment banker:
  - that is significant to the Company or the Group, or
  - for which the Company or Group represents a significant part of its business;
- does not have a close relative who is a corporate officer;
- has not been an auditor of the Company during the last five years.

In accordance with the principles of the AFEP-Medef Corporate Governance Code, the Supervisory Board focused on the independence of its members and analyzed the criteria recommended by the Code to identify which ones it wished to use. The Board has chosen not to follow the criterion limiting the terms of Supervisory Board members to 12 years, believing that this limitation is not suitable for Supervisory Boards, whose role is fundamentally different from that of a Board of Directors, for which these criteria were defined.

The Supervisory Board is not responsible for the management of the Company, which falls to the Management Board alone, but for its direction and constant oversight. Because of this role, the Board decided that the concept of the length of the term of office has no effect on the independence, by its very nature, of the supervisory duties that the Board and its members perform.

It is important to remember that the AFEP-Medef Corporate Governance Code was developed for companies governed by a Board of Directors and that the Code specifically states that companies with a Management Board and a Supervisory Board should make any necessary modifications.

Except as noted under 1.1.1.4 above and in Section 1.3, there are not, to the Company's knowledge, any family relationships between any of the members of the Company's Supervisory Board or Management Board, nor any potential conflicts of interest between the members of its Supervisory Board or Management Board. There is no undertaking or agreement concluded by the Company or its subsidiaries with members of its Supervisory Board or the Management Board of the Company providing for benefits to be paid upon termination of their functions, nor any other agreement concluded between the Company, its subsidiaries and these persons, other than those described in Sections 1.2 and 1.3. Except as may be described otherwise in Section 1.3, no appointment as member of the Supervisory Board or the Management Board has been made pursuant to an undertaking made to a major shareholder, client or a supplier of the Company.

1.1.2 INFORMATION ON THE EXECUTIVE COMMITTEE ("P12")

The Group has an Executive Committee, the P12, that meets on a monthly basis *via* teleconference to review results and future prospects for the various networks. In 2013, on top of its monthly meetings, the P12 met three times in February, April and September for a full-day working session.

The Executive Committee, chaired by Maurice Lévy, was made up of the following individuals as at December 31, 2013:

- Tom Bernardin, Chairman and CEO, Leo Burnett Worldwide;
- Nick Colucci, Chairman and CEO, Publicis Healthcare Communications Group (PHCG);
- Laura Desmond, Global CEO, Starcom MediaVest Group;
- Jean-Michel Etienne, Executive VP Finance, Publicis Groupe, member of the Management Board;
- Olivier Fleurot, CEO, MSLGROUP;
- Anne-Gabrielle Heilbronner, Senior VP, General Secretary of the Publicis Group;
- Steve King, CEO ZenithOptimedia Worldwide;
- Jean-Yves Naouri, Publicis Group Operations EVC and COO, Management Board member;
- Kevin Roberts, CEO Saatchi & Saatchi Worldwide, member of the Management Board;
- Arthur Sadoun, CEO Publicis Worldwide;
- Rishad Tobaccowala, Chairman Razorfish and Digitas LBi;
- Frank Voris, CEO VivaKi.

During 2013, Mathias Emmerich, Senior VP, General Secretary, Publicis Groupe and Bob Lord, CEO Razorfish both left P12 with Anne-Gabrielle Heilbronner, Nick Colucci, Rishad Tobaccowala, Frank Voris and Arthur Sadoun becoming members.

The Executive Committee is the body that discusses and prepares the Group's policies and strategies, making it possible to ensure information flow between the different brands and networks and to implement the Group's motto, "*No silos, no solos*".

It also watches over creative quality, beginning all its meetings with a review of the most memorable creations.

The committee discusses the implementation of the Group's important structural policies:

- Group strategy;
- the Group's competitive position;
- definition of commercial and financial objectives;
- follow-up on the Group's performance and that of each of its networks;
- policy for talent allocation, retention, compensation and management;
- investment policy, especially in technology.

The Executive Committee is a critical body allowing Publicis Groupe to guarantee the Group's performance by:

- gathering the Group's managers around jointly made decisions in addition to the individual responsibilities assigned to them;
- guaranteeing an on-going exchange of information allowing the implementation of collaboration efforts and common approaches regarding big clients and market developments.

1.1.3 THE STRATEGIC LEADERSHIP TEAM

The Strategic Leadership Team (a think tank and strategic management group), created in mid-2011, meets once a year (in November 2013 in Paris). The Strategic Leadership Team comprises, in addition to the members of the P12, the Group's leading managers, who represent, because of their responsibilities, all of the Group's businesses and also form a pool of high-potential managers.

The members of the Strategic Leadership Team are:

- Tom Adamski, CEO Rosetta;
- Elisabeth Ardaillon-Poirier, Senior Vice-President, Publicis Groupe, Corporate Communication & CSR;
- Charlotte Duthoo, Chief Procurement Officer for Publicis Groupe;
- Vaughn Emsley, General Manager P&G for Saatchi & Saatchi and Publicis Groupe;
- Susan Giannino, Chairman & CEO of Publicis Worldwide USA;
- Robert Senior, CEO of Saatchi & Saatchi Fallon, EMEA;
- Rich Stoddart, Chairman Leo Burnett, North America;
- Luke Taylor, CEO DigitasLBi;
- Jean-François Valent, CEO Prodigious.

Its work consists of clarifying the Group's strategy for the Management Board and the P12, given the comprehensive and panoramic vision it has thanks to the diversity of its members, with respect to both the department they represent and their role, as well as their geographic location.

1.1.4 OPERATION OF THE SUPERVISORY BOARD COMMITTEES

The Supervisory Board wanted to establish four committees, including an Appointments Committee, separate from the Compensation Committee, and a Strategy and Risk Committee, separate from the Audit Committee, thereby going beyond the recommendations of the AFEP-Medef Corporate Governance Code.

1.1.4.1 APPOINTMENTS COMMITTEE

In accordance with the last paragraph of article 16 II of the Company bylaws, an Appointments Committee, which reports to the Supervisory Board, has been created by article 7 and the articles that follow of the Supervisory Board's internal rules. The Committee is made up of at least three, and no more than five members who must be individuals and members of the Supervisory Board and appointed by the Supervisory Board. The Committee may appoint an external consultant, either temporarily or on a permanent basis, whose compensation will be determined by the Committee.

The members of the Appointments Committee are appointed for the duration of their term on the Supervisory Board and may be reelected in the same manner, pursuant to article 13 of the bylaws. The Appointments Committee elects a Chairman from among its members, who directs the Committee and reports to the Supervisory Board.

The members of the Appointments Committee may be dismissed at the discretion of the Supervisory Board, without cause. Appointments and dismissals are communicated by regular mail sent to all members of the Committee. At least half of the members of the Appointments Committee must be present to validly deliberate. A member may not participate by proxy.

Attendance fees are paid to the members of the Appointments Committee for each of the Committee meetings that they attend as set by the Supervisory Board subject to the global maximum annual attendance fees for all of the members of the Supervisory Board as determined by the General Shareholders' Meeting.

The mission of the Appointments Committee is as follows:

- to propose candidates to the Supervisory Board for the cooption and appointment of members of the management of Publicis Groupe by the Supervisory Board or at the General Shareholders' Meeting;
- to study proposals concerning the appointment of the managers of the Group's main subsidiaries or networks;
- to monitor the development of the management of the Group's main subsidiaries or networks.

The Appointments Committee is composed of Ms. Élisabeth Badinter, Chairperson, Mr. Michel Cicurel, Mr. Henri-Calixte Suaudeau, Mr. Michel Halpérin and Mr. Gérard Worms.

The Committee met three times during 2013, and reported on its work to the Supervisory Board. The members' attendance rate was 93%.

The Committee studied the composition of the Supervisory Board and suggested that Mr. Jean Charest replace Mr. Felix Rohatyn whose term was coming to an end. The Committee also considered the appointment of certain brand corporate officers. Lastly, the options for replacing the Chairman of the Management Board were debated and presented to the Supervisory Board.

1.1.4.2 COMPENSATION COMMITTEE

Under articles 8 *et seq.* of the bylaws of the Supervisory Board, the Compensation Committee's rules for appointing members and conducting business are the same as those of the Appointments Committee. The mission of the Compensation Committee is as follows:

- to examine and propose to the Supervisory Board the compensation for the corporate officers, as well as the attribution of stock subscription or purchase options, free shares or any similar instruments;
- to propose to the Supervisory Board the amounts of attendance fees, which are submitted for decision to the General Shareholders' Meeting;
- in general, to examine the general policies of the Management Board on compensation and granting of options, free or performance-based shares or of any similar instruments;
- to propose to the Supervisory Board the text of a resolution concerning the compensation of the main Executive and non-Executive Corporate Officers to be submitted to the General Shareholders' Meeting.

The Compensation Committee is composed of Mr. Amaury de Seze, Chairman, Ms. Claudine Bienaimé, Mr. Michel Cicurel, Mr. Michel Halpérin and Ms. Véronique Morali. Three of the Committee's five members, including the Chairman, are considered to be independent: Mr. Amaury de Seze, Mr. Michel Cicurel and Mr. Michel Halpérin.

The Committee met seven times during 2013, and reported on its work to the Supervisory Board. The members' attendance rate was 100%.

During its different meetings held in 2013, the Committee studied the introduction of the *say-on-pay* during the 2013 General Shareholders' Meeting concerning the 2012 fiscal year before any regulatory constraint, the questions relating to the compensation of the Chairman (completely variable) and members of the Management Board (fixed and variable parts) and proposed to the Supervisory Board the decisions to make concerning them. The Committee was informed about the compensation of the other members of the Executive Committee (P12). It analyzed the issues concerning the policy of compensation through allocating shares and, in particular, the LionLead2, LTIP 2010-2012 and LTIP 2015-2015 Plans. The Committee was also informed about the bonus policy tied to the results of the Group as a whole and of each of the networks.

1.1.4.3 AUDIT COMMITTEE

In accordance with the last paragraph of article 16 II of the Company bylaws, an Audit Committee, which reports to the Supervisory Board, was created under article 6 and the articles that follow of the Supervisory Board's internal rules. It is composed of a minimum of three and a maximum of five members of the Supervisory Board and appointed by the Supervisory Board. The Committee may appoint an external consultant, either temporarily or on a permanent basis, whose compensation will be determined by the Committee. Members are chosen for their competence and expertise in the Committee's scope of work. They are appointed for the duration of their term on the Supervisory Board and may be reappointed in the same manner, pursuant to article 13 of the bylaws. The Audit Committee elects a Chairman from among its members to direct the work of the Committee and to provide reports to the Supervisory Board. The members of the Audit Committee may be dismissed at the discretion of the Supervisory Board, without cause. Appointments and dismissals are communicated by regular mail sent to all members of the Committee. As with the other three committees, attendance fees paid to members of the Audit Committee, for each meeting attended, are fixed by the Supervisory Board as part of the total maximum attendance fee amount allocated to the Supervisory Board members as a whole by shareholders at the General Shareholders' Meeting.

Publicis Groupe relies on the recommendations in the report – commissioned by the Autorité des marchés financiers (the French Financial Markets Authority, or AMF) – by the working group on the Audit Committee chaired by Olivier Poupart-Lafarge, with respect to the definition and performance of the work of its Audit Committee.

The Audit Committee is composed of Mr. Gérard Worms as Chairman, Ms. Claudine Bienaimé and Ms. Hélène Ploix. Mr. Jean-Paul Morin has been designated as the permanent Audit Committee expert. Because of their professional backgrounds, Hélène Ploix and Gérard Worms, considered independent members, have particular expertise in financial and accounting matters.

The Committee met seven times during the fiscal year 2013. The members' attendance rate was 100%.

The Committee supervises the organization and implementation of the Group's audit and the quality of internal control, and it verifies the accuracy and fairness of the financial statements. The Audit Committee is regularly informed about the internal control program, results and corrective internal controls measures implemented following internal control audit assignments and their follow up as well as the principal legal disputes pending and their development. It is also informed about all fraud and/or fraud attempts of which the Group may have been made aware. It also ensures that the external auditors' recommendations are implemented and gives its opinion on the budgets for the Group's external audit. The Audit Committee gives its opinion about the appointment of external auditors.

The Supervisory Board heard the Audit Committee which gave its opinion concerning closing the accounts, and, more generally, the control procedures and internal audits.

During the 2013 fiscal year, the Audit Committee also gave an opinion to the Board concerning the subjects related to the merger between the Publicis Group and Omnicom Group falling within its remit.

1.1.4.4 STRATEGY AND RISK COMMITTEE

Under articles 9 *et seq.* of the bylaws of the Supervisory Board, the Strategy and Risk Committee's rules for appointing members and conducting business are the same as those of the other committees. The Strategy and Risk Committee is composed of Ms. Marie-Josée Kravis, Committee Chairperson, Ms. Élisabeth Badinter, Ms. Marie-Claude Mayer, Ms. Véronique Morali and Ms. Hélène Ploix.

The Committee is tasked with examining (in coordination with the Audit Committee) the risks to which the Company is exposed and the policies and corrective measures that will allow it to control and reduce these risks, as well as with examining the major strategic and growth options available to the Group and whether or not they are implemented with respect to transactions likely to affect the Group's strategy as a whole.

The Committee met twice in 2013. The members' attendance rate was 90%.

It reviewed the Group's risk mapping and the measures implemented to limit its risks. The Committee analyzed in detail some of the Group's major risks and, in particular, legal risks and risks connected with managing Human Resources. It also discussed the major strategic options in terms of growth and acquisitions. In particular, the Committee carefully studied the strategic objectives concerning the planned merger of equals between Publicis and the Omnicom Group as well as the potential risks related to this type of transaction and the opportunities expected of this merger for the employees, customers, shareholders and all of the stakeholders.

1.1.5 REPORT OF THE SUPERVISORY BOARD CHAIRPERSON ON THE PREPARATION AND ORGANIZATION OF THE SUPERVISORY BOARD'S WORK AND INTERNAL CONTROL PROCEDURES

In respect of my role as Chairperson of the Supervisory Board and in accordance with article L. 225-68 paragraph 7 of the French Commercial Code, I must report on the composition of the Board and the application of the principle of equal representation of women and men within it, conditions for preparing and organizing the Board's work, and the internal control and risk management procedures put in place in our Group.

This report was approved by the Supervisory Board at its meeting of March 3, 2014.

Publicis Groupe uses the AFEP-Medef Corporate Governance Code as amended in June 2013 as its reference. The full Code relating to corporate governance can be accessed at the Medef's website at www.medef.fr.

The Publicis Groupe applies all of the principles of the AFEP-Medef Corporate Governance Code, with the exception of one of the criteria proposed by the Code to assess the independence of the Members of the Supervisory Board. In accordance with the AFEP-Medef Corporate Governance Code, the Publicis Group explains its reasons: the Supervisory Board discussed the independence of its members and analyzed the criteria that it wished to apply. The Board has chosen not to follow the criterion limiting the terms of Supervisory Board members to 12 years, believing that this limitation is not suitable for Supervisory Boards, whose role is fundamentally different from that of a Board of Directors, for which these criteria were defined.

It is important to remember that the AFEP-Medef Corporate Governance Code was developed for companies governed by a Board of Directors and that the Code specifically states that companies with a Management Board and a Supervisory Board should make any necessary modifications.

The Supervisory Board is not responsible for the management of the Company, which falls to the Management Board alone, but for its direction and constant oversight. Because of this role, the Board decided that the concept of the length of the term of office has no effect on the independence, by its very nature, of the supervisory duties that the Board and its members perform.

Furthermore, the Board decided that the specific characteristics of the advertising field and its global expansion and technological development mean that experience is crucial to the Board members carrying out their responsibilities.

1.1.5.1 CONDITIONS FOR PREPARING AND ORGANIZING THE SUPERVISORY BOARD'S WORK

Since November 27, 1987, Publicis Groupe SA has chosen to function under a Management Board and a Supervisory Board. This structure allows Publicis to separate management activities from supervisory activities and to establish a real balance of power.

The Management Board is the Company's decision-making body.

The General Shareholders' Meeting of June 4, 2007, amended the Company's bylaws, empowering the Supervisory Board to determine each year which transactions referred to in article 12 of the bylaws would require prior approval. During the meeting of February 12, 2014, renewing its discussion of February 13, 2013, the Supervisory Board decided that the purchase or sale of any real estate, the purchase or sale of any company whose value exceeded 5% of the Company's equity, and any loan, bond or share issuance exceeding 5% of the Company's equity would be subject to prior approval of the Supervisory Board.

These provisions are also specified in the internal rules of the Supervisory Board, as well as the basic rules such as those concerning the independence of the Board's members, conflicts of interest and confidentiality. The internal rules also establish the terms on which the Board and its four specialized committees operate and the Board's relationship with the Management Board. To prevent insider trading, the Management Board established rules regulating the conduct of the Group's permanent insiders, defining the periods in which trading in Company shares is permitted, which also applies to Supervisory Board members.

The internal rules of the Supervisory Board are available on the Group website: www.publicisgroupe.com.

During the 2013 fiscal year, the Supervisory Board was comprised of 14 members (including 7 women).

The Board is composed of Ms. Élisabeth Badinter, Chairperson of the Board, Ms. Sophie Dulac, Vice-Chairperson, Ms. Claudine Bienaimé, Ms. Hélène Ploix, Ms. Marie-Claude Mayer, Ms. Véronique Morali and Ms. Marie-Josée Kravis, and Messrs. Amaury de Seze, Gérard Worms, Michel Halpérin, Felix Rohatyn (up to May 29, 2013), Michel Cicurel, Simon Badinter, Henri-Calixte Suaudeau and Jean Charest (since May 29, 2013).

50% of the Board members are female.

More than half of the Board members are considered independent based on the criteria applied by the Board, in accordance with the recommendations set out in the AFEP-Medef Corporate Governance Code.

The Supervisory Board verified that its independent members do not have any significant business ties to the Group. In order to assess the independence of its members, the Supervisory Board used the criteria set out in the AFEP-Medef document, other than – for the reasons explained above – the criterion on the 12-year term limit, in particular:

- has not been an employee or a corporate officer of the Company, employee or director of the parent company or a consolidated company, during the last five years;
- has not been a corporate officer of a company in which the Group holds, directly or indirectly, a management position, or in which an employee designated as such or a corporate executive of the Company (currently or in the past five years) holds a management position;
- has not been a client, provider, business banker or investment banker:
  - that is significant to the Company or the Group,
  - or for which the Company or Group represents a significant part of its business;
- does not have a close relative who is a corporate officer;
- has not been an auditor of the Company during the last five years.

With the application of these criteria, the following members are considered to be independent:

- Ms. Hélène Ploix;
- Ms. Marie-Josée Kravis;
- Mr. Michel Halpérin;
- Mr. Felix Rohatyn up to the end of his term of office on May 29, 2013;
- Mr. Jean Charest (member of the Board since May 29, 2013);
- Mr. Amaury de Seze;
- Mr. Henri-Calixte Suaudeau;
- Mr. Gérard Worms;
- Mr. Michel Cicurel.

The Board meetings are held in French. The Board met nine times in 2013, with an attendance rate of 94%. On average, meetings lasted nearly three hours. The documents necessary for examining the items on the agenda are normally sent to Board members one week in advance. The Management Board is available to provide clarifications or additional information for any Board member. In order to facilitate participation by members particularly those who live overseas, the Supervisory Board has included provisions in its internal rules to allow one or more members to participate in Board meetings by video-conference or other mode of telecommunication in accordance with the law and regulations in force. The Board also specified, in its internal rules, strict rules concerning conflicts of interest: the principle is laid down that the members of the

Supervisory Board must be able to perform their duties in a completely independent manner, both with regard to each other and vis-à-vis the Management Board and that each member undertakes, as soon as he or she learns of it, to inform the Board of any real or potential conflict of interest. No conflict of interest was identified by either the Supervisory Board or by one of its members in 2013.

The main points examined and decisions made by the Supervisory Board at its meetings during 2013 were as follows:

- at its meeting on February 13, 2013, the Supervisory Board received the Management Board's report on the previous year and examined the consolidated and parent company financial statements for 2012, after hearing the report from the Audit Committee. It set limits on the powers of the Management Board and its authorizations for sureties and guarantees. The Board, after hearing the report of the Compensation Committee, approved the Committee's proposals concerning the point of submitting to the 2013 General Meeting the principles on the compensation of the Group's main corporate officers ("say-on-pay"), before any regulatory constraint. It discussed the findings from the annual self assessment of its work for 2012. Lastly, the Board approved the Chairperson's report with regard to the operations of the Supervisory Board and the company's internal control procedures;
- on March 6, 2013, the Board decided to submit to the General Meeting the name of Mr. Jean Charest, after the opinion of the Appointments Committee, to replace Mr. Félix Rohatyn whose term as Board member was due to end. The Board took note of the Strategy and Risk Committee report concerning the mapping of the risks and the risks linked to managing Human Resources within the Group. After having heard the report of the Compensation Committee, the Board decided on the compensation of the Chairman of the Management Board (which has been completely variable since 2012) as well as the variable part of the compensation of the Management Board members for the 2012 financial year. The Board decided on the proposed resolutions to be submitted to the General Shareholders' Meeting and decided on the terms of its report about the Management Board's report and the 2012 financial statements as well as the report on the say-on-pay;
- during its meeting on May 29, 2013, the Supervisory Board heard the management report of the Management Board as of March 31, 2013 and reviewed the quarterly consolidated and parent company financial statements. The Group's position as of April 30, 2013, as well as the updated forecasts were presented to the Board. The Management Board reported the guarantees granted by Publicis to its subsidiaries. The Board, after having read the Compensation Committee report, decided on the number of free shares and stock options, to allocate to the members of the Management Board (with the exception of Mr. Maurice Lévy who waived his rights concerning all involvement in the programs of allocating performance shares or stock options put in place with effect from 2012) as part of the Co-investment Plan 2013. It also determined the number of free shares that the Management Board members could receive in respect of the performance of the LTIP Plan 2010-2012 and decided on the performance and allocation conditions for the free shares in the new LTIP Plan 2013-2015 for the Management Board members (with the exception of Mr. Maurice Lévy). The Board heard the presentation of the Appointments Committee about the succession of the Chairman of the Management Board;
- on July 4, 2013, the Supervisory Board was informed of a detailed project referred to by the code name "Color" concerning the merger of equals of the Publicis Group and an American company called Omnicom Group and, after debating the matter, gave a favorable opinion to undertaking this project;
- on July 17, 2013, the Supervisory Board was informed of the progress of negotiations concerning the planned merger of equals between the Publicis Group and Omnicom Group. The Board took note of the management report of the Management Board as of June 30, 2013 and reviewed the Company's six-monthly consolidated financial statements and parent company financial statements, after having heard the Audit Committee's report and the conclusions of the Statutory auditors. It was presented with the forecasts updated to end 2013. It gave its prior approval to the renewal of four credit lines two of which constitute agreements referred to as regulated;
- on July 19, 2013, the Supervisory Board was informed about the progress of the discussions concerning the planned merger of equals between the Publicis Group and Omnicom Group; it confirmed its approval of this project and entrusted the Chairman of the Management Board with leading the negotiations;
- on July 26, 2013, the Supervisory Board approved the proposed terms for the merger of equals between the Publicis Group and Omnicom Group; the Board authorized the Chairman of the Management Board to conduct the procedures required to bring it into being and sign all the merger deeds, agreements, etc.;
- at its meeting on September 10, 2013, the Management Board presented the market trends for the end of 2013 and the forecasts for 2014, as well as the Group's position as of August 31, 2013. The Board was informed about the process followed with a view to the planned merger of equals between the Publicis Group and Omnicom Group and renewed its approval for this project. The Board heard the reports of the Audit Committee, the Strategy and Risk Committee, the Compensation Committee and the Appointments Committee;
- finally, during its meeting on December 4, 2013, the Supervisory Board received the Management Board's report as of September 30, 2013, and examined the consolidated and parent company financial statements up to that date. The Group's position as of the end of October, as well as the updated forecasts, were presented. The Board was informed of the progress of the planned merger of equals between the Publicis Group and Omnicom Group. The Board also heard read the reports of the Chairpersons of the Audit Committee and the Compensation Committee.

The Supervisory Board performed the annual self-assessment of its work, examined the summary results and drew conclusions. Each member of the Board completed a questionnaire for the self-assessment; the results were then summarized and commented on. Management of potential conflicts of interest was one of the topics brought up during this assessment. For 2013, this assessment was led by Ms. Hélène Ploix, an independent member of the Supervisory Board, with help from the Secretary of the Board. Her findings were discussed at the meeting held on March 3, 2014.

Four special committees (the Appointments Committee, the Compensation Committee, the Audit Committee and the Strategy and Risk Committee) assist the Supervisory Board in performing its duties with the aim of improving Group corporate governance. The rules for operation of these four committees were included in the internal rules and are described in Sections 1.1.4.1 to 4 of the Registration Document.

The Appointments Committee is composed of Ms. Élisabeth Badinter, Committee Chairperson, Mr. Henri-Calixte Suaudeau, Mr. Michel Cicurel, Mr. Michel Halpérin and Mr. Gérard Worms. Four of its members are considered independent based on the criteria applied by the Supervisory Board.

The Appointments Committee met three times in 2013, with an attendance rate of 93%. The Committee studied the composition of the Supervisory Board and proposed that Mr. Jean Charest replace Mr. Felix Rohatyn whose term was coming to an end. The Committee also considered the appointment of certain brand corporate officers. Lastly, the different options with regard to replacing the Chairman of the Management Board were debated and presented to the Supervisory Board.

The Compensation Committee is composed of Mr. Amaury de Seze, Committee Chairman, Mr. Michel Halpérin, Mr. Michel Cicurel, Ms. Claudine Bienaimé and Ms. Véronique Morali. The primary role of this Committee, which consists of three independent members – and is chaired by one of them – is to examine and make proposals regarding the compensation of corporate officers of the Company and to ratify the Group's general policies on compensation and the grant of stock options, performance-based stock or any other compensation instruments.

The Compensation Committee met seven times during 2013, with an attendance rate of 100%. During its various meetings in 2013, the Committee examined the introduction of say-on-pay during the 2013 General Shareholders' Meeting concerning the 2012 fiscal year before all regulatory constraints. The Committee also studied issues relating to the Chairman's compensation (variable part), Management Board members' compensation (fixed and variable parts) and proposed to the Supervisory Board the decisions to be made. In addition, the Committee was informed about the compensation of the other members of the Executive Committee (P12). It analyzed the issues concerning the policy of compensation through allocating shares and, in particular, the Co-investment Plan 2013, LTIP 2010-2012 and LTIP 2013-2015 Plans. The Committee was also informed about the bonus policy tied to the results of the Group as a whole and of each of the networks.

The rules and principles adopted by the Supervisory Board to determine compensation and benefits of any nature granted to corporate executives are described in Section 1.2 of the Registration Document for the 2013 financial year. The key features of the stock option and performance share allocation policy are described in Note 28 to the consolidated financial statements presented in the Registration Document.

The Strategy and Risk Committee is composed of Ms. Marie-Josée Kravis, Committee Chairperson, Ms. Élisabeth Badinter, Ms. Marie-Claude Mayer, Ms. Véronique Morali and Ms. Hélène Ploix. The Board met twice during the year, with an attendance rate of 90%. It reviewed the Group's risk mapping and the measures implemented to limit its risks. The Committee analyzed in depth some of the major risks to which the Group is exposed and, in particular, legal risks and risks connected with managing Human Resources. It discussed the major strategic options in terms of growth and acquisition. In particular, the Committee carefully studied the strategic objectives concerning the planned merger of equals between Publicis and Omnicom Group as well as the potential risks related to this type of transaction and the opportunities expected of the merger for the employees, customers, shareholders and all of the stakeholders.

The Audit Committee is composed of Mr. Gérard Worms as Chairman, Ms. Claudine Bienaimé and Ms. Hélène Ploix. Mr. Jean-Paul Morin has been named as the permanent Audit Committee expert. The Audit Committee met seven times during 2013, with an attendance rate of 100%. This Committee supervises the organization and implementation of the Group's audit and the quality of internal control, and it verifies the accuracy and fairness of the financial statements. The Audit Committee is regularly informed about the internal control program, the results and corrective measures implemented following internal control audit, the results of auditing assignments and their follow up as well as the principal pending legal disputes and their developments. It is also informed about all fraud and/or fraud attempts of which the Group may have been made aware. It also ensures that the external auditors' recommendations are implemented and gives its opinion on the budgets for the Group's external audit. The Audit Committee gives its opinion about the appointment of external auditors. Because of their professional backgrounds, Hélène Ploix and Gérard Worms, considered independent members, have particular expertise in financial and accounting matters. During the 2013, the Audit Committee also gave an opinion to the Board concerning the subjects related to the merger between the Publicis Group and Omnicom Group falling within its remit.

Publicis Groupe relies on the recommendations in the report – commissioned by the Autorité des marchés financiers – by the working group on the Audit Committee chaired by Olivier Poupart-Lafarge, with respect to the definition and performance of the work of its Audit Committee.

The Supervisory Board listened to the Audit Committee who gave their opinion on the financial statements, and more generally on the internal control and audit procedures that are the subject of the second part of this report. The work of the Audit Committee during 2013 is described in the "Audit Committee" paragraph in Section 1.1.4.3 of the Registration Document.

Agreements concerning a possible change in control or likely to have an influence in the event of a takeover bid are presented in Section 6.2.3 of the Registration Document.

As for General Shareholders' Meetings, the terms and procedures for shareholder participation in meetings are explained in articles 19 through 24 of the Company's bylaws.

1.1.5.2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

1. Objectives and organization

Internal control and risk management is fully integrated as part of the operational and financial management of the Group. Its remit extends across all the Group's activities and structures. The Group internal control and risk management policy, approved by the Management Board and applied at all levels of the Group, is designed to provide reasonable assurance on the realization of the Group's objectives in relation to:

- the achievement and optimization of operations, in line with the direction by the Management Board;
- the reliability of financial information;
- compliance with laws and regulations in effect;
- the management and control of strategic, operational and financial risks.

The objectives of this framework, as approved by the Management Board and presented to the Audit Committee are to enable:

- continuing oversight aiming to identify the risks and opportunities having a potential impact on the achievement of the Group's strategic objectives;
- an appropriate communication about risks enabling contribution to decision making process;
- regular monitoring of the effectiveness of the Group's internal control and risk management system.

The Group has a General Secretary function to centralize and formally oversee the internal control system. This unit brings together the Legal Department (managed by the General Counsel), the Internal Audit, Internal Control and Risk Management Department (managed by the Internal Audit & Risk Management VP) and Human Resources. The General Secretary, also the Supervisory Board Secretary, reports to the Chairman of the Group's Management Board and can directly contact the Chairman of the Audit Committee. The tools needed to gain a broader view of potential risks are thus in place, which supports the effort to improve risk management throughout the entire organization.

The Group's internal control and risk management system is based around the COSO II (Committee Of Sponsoring Organizations of the Treadway Commission) guidelines as well as the reference framework defined by the AMF.

2. Internal control framework

Publicis Groupe has defined guidelines based on relevant Group values, including practical principles and rules on conduct, ethics and social responsibility, as well as any other practices to ensure that the operations of the Group's entities comply with standards, laws and regulations. These guidelines, applicable to all of the Group's management levels, lay down the rules of conduct for this purpose: "The way we behave and the way we operate." These guidelines are known as "Janus" and are distributed to all networks. They are also accessible online to all Group employees.

The procedures relating to the preparation of accounting and financial information, to the continued security of IT systems and to the introduction of significant operational procedures are mentioned there in a detailed manner, promoting consistency of treatment at all levels of the Group and networks.

These guidelines serve as the foundation of the Group's internal control system.

This system is also strengthened through a network of shared service centers systematically implemented by the Group since 1996 in order to overcome the challenges faced by a business that relies on a large number of agencies. This network is coordinated by the Group's operational managers, with the legal and financial responsibilities of the shared service centers being handled, respectively, by the Group's Legal Department and Finance Department. The network of shared service centers now covers almost 95% of the Group's revenue.

The Management Board, the Finance Department, the Operational Department, the Internal Audit Department, the Internal Control and Risk Management Department and the operational managers of the networks are all involved in deploying the internal control system. When the Group makes an acquisition, the internal control system is generally applied within 12 months following the acquisition date. Acquisitions also receive special attention when the annual audit plan is being drawn up.

3. Monitoring the effectiveness of the Internal Control system

The Group's senior management is responsible for the Group's internal control system. The General Secretary and the Internal Audit & Risk Management VP regularly report to the Audit Committee and to senior management on the quality of the Group's internal control system. This system draws on the following:

A) INTERNAL AUDIT ASSIGNMENTS

In parallel, the audit teams carry out internal control assessments that encompass the various financial and operational processes within the Group's entities, based on an annual audit plan. This audit plan is developed based on risk analysis, past events and specific requests from senior management. Once mutual agreement has been reached with the networks, it is approved each year by the Chairman of the Management Board and by the Audit Committee.

The Internal Audit Department audits the entities and also conducts special audits focusing on specific, group-wide issues at various levels within the Group.

Internal audit findings are communicated in a report to the Chairman of the Management Board of the Group including the monitoring of recommendations and action plans. A summary of all audit assignments completed, including special assignments, is presented during each Audit Committee Meeting.

Monitoring of the action plans stemming from the audit recommendations is done centrally with the help of a special computer application. Additionally, specific "in the field" follow-up assignments are launched for the most critical reports or when action plan indicators are not in line with the commitments made by the audited entities. A report on the status of the implementation of audit recommendations is regularly presented to the Financial Directors of the Group's networks and to the Audit Committee.

External assistance is called in when needed to support internal audits when special skills or techniques are necessary to conduct investigations.

B) FINANCIAL MONITORING CONTROLS PROGRAM

Publicis Groupe also established a program entitled "Financial Monitoring Controls" (FMC) consisting of a series of key controls set out by process and implemented across all Group entities.

Follow-up of the roll-out and implementation of key controls is performed at two levels:

- a monthly self-assessment submitted by all Group entities helps to make them accountable for the effectiveness of their controls;
- special teams, called FMC teams, are deployed across the various networks to evaluate the effectiveness of the controls within the entities. These teams are linked to the Finance Department of each network as well as the Group's Internal Control and Risk Management Department, which oversees them, coordinates their work, and compiles the results. These teams follow a control plan covering over 75% of the Group's consolidated revenue each year.
- furthermore, a review of the key checks and controls of the corporate processes relating to financial reporting (Consolidation, Tax, M&A, etc.) is conducted on an annual basis by the Internal Audit Department.

C) MONITORING BY THE LEGAL DEPARTMENT

The Group's Legal Department regularly monitors litigation-related risks within the Group. A summary of any significant legal disputes, as well as an estimate of their potential impacts, is presented to the Group's senior management every quarter. The main legal disputes are also discussed in each Audit Committee Meeting.

4. Risk Management Framework

Every two weeks, a "Group Committee" meets with the Chairman of the Management Board, the Deputy Managing Director, the Chief Financial Officer, the Secretary General and the SVP Communication to take stock of the major risks to which the Group's business is subject.

Working with the senior management, the operational management of networks is especially involved in monitoring the risks related to major contracts or to business in emerging countries. It continually analyzes the Group's exposure to the loss of significant contracts, to risks of conflicts of interest and to changes in contractual clauses.

The Secretary General, who oversees the Human Resources Department, regularly forwards to senior management his analyses of the appeal and retention of talent and the risks related to the possible loss of key senior managers.

The risks relating to accounting information, the external growth policy, management of the liquidity position, exchange rates, changes in the Group's debt or tax position are monitored by the Finance Department, in conjunction with senior management.

The risks associated with accounting and financial information are also subject to a detailed control, overseen by the Internal Control and Risk Management Department, on the basis of which the FMC (Financial Monitoring Controls) are defined.

The procedure for monitoring the Group's risk management system was formalized beginning in 2008 with risk mapping. All of the risks that may have an impact on the Group's finances, operations or image are listed. These impacts are the subject of an evaluation and a probability of occurrence is estimated for each risk identified; a level of intrinsic risk is therefore determined as well as a level of residual risk after taking into account the control system.

The risk mapping is updated on a regular basis to strengthen the risk management system on an ongoing basis.

In 2013, the mapping was updated at mid-year and was presented at the Strategy and Risk Committee Meetings in March and September 2013. Furthermore, in-depth studies of certain major risks have been carried out in particular with regard to the risks connected with managing Human Resources or legal risks. These analyses were presented to the Strategy and Risk Committee together with proposed action plans to limit the level or residual risk. These analyses and other information served as a basis for the audit plan drawn up for 2014. The Strategy and Risk Committee also carefully analyzed the strategic objectives related to the planned merger of equals of the Publicis Group and Omnicom group, as well as the risks intrinsically linked with mergers and the opportunities expected from this merger for the employees, customers, shareholders and all the stakeholders.

Signed in Paris, on March 3, 2014.

Élisabeth Badinter

1.1.6 STATUTORY AUDITORS' REPORT ON THE REPORT FROM THE CHAIRPERSON OF THE SUPERVISORY BOARD

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (*CODE DE COMMERCE*), ON THE REPORT PREPARED BY THE CHAIRWOMAN OF THE SUPERVISORY BOARD OF PUBLICIS GROUPE

Year ended December 31, 2013

To the Shareholders,

In our capacity as statutory auditors of Publicis Groupe, and in accordance with article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report on the report prepared by the chairwoman of your Company in accordance with article L. 225-68 of the French Commercial Code (*Code de commerce*) for the year ended December 31, 2013.

It is the Chairwoman's responsibility to prepare and submit for the Supervisory Board's approval a report on the internal control and risk management procedures implemented by the Company and to provide the other information required by article L. 225-68of the French Commercial Code (*Code de commerce*) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairwoman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by article L. 225-68 of the French Commercial Code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairwoman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairwoman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the chairwoman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairwoman of the Supervisory Board in accordance with article L. 225-68 of the French Commercial Code (*Code de commerce*).

Other information

We confirm that the report prepared by the Chairwoman of the Supervisory Board also contains the other information required by article L. 225-68 of the French Commercial Code (*Code de commerce*).

Paris-La Défense and Courbevoie, March 31, 2014

The statutory auditors

French original signed by

MAZARS		ERNST & YOUNG et Autres	
Loïc Wallaert	Anne-Laure Rousselou	Christine Staub	Vincent de La Bachelerie

1.1.7 CODE OF ETHICS

The Group has a set of rules governing its behavior and ethics under the name "Janus." It is applicable at all of the Group's management levels and specifies the rules of conduct to be followed when doing business: "The way we behave and the way we operate." The Code was updated in October 2009 and circulated across all the networks.

Janus includes the rules and principles related to ethics, corporate social responsibility, compliance with regulatory and legal frameworks, governance, communication, conducting business and customer relations, human resource management, protecting the Group's brands and intellectual property, financial and accounting management, as well as rules governing mergers and acquisitions, investments, restructuring and purchasing policies.

The guidelines include a code of ethics applying to all Group employees with specific rules for members of the Management Board and other senior managers. The values embodied by Publicis are clearly outlined there, starting with respect for individuals and their diversity.

These rules of conduct are notably designed to foster respect for the individual, diversity and prevent discriminatory practices. They are meant to prevent any illegal activity, in particular by ensuring that Group employees comply with laws and regulations in the conduct of the Group's business. Janus also contains a separate chapter with a detailed code of conduct on stock market trading, designed to prevent insider trading. The Group's rules of conduct are also meant to prevent favoritism, misappropriation of funds, breach of trust, corruption, conflicts of interest or other misconduct and subject the Group and its employees to the highest standards in terms of integrity, ethics and compliance. They are designed to protect the Group's data and know-how by establishing strict guidelines regarding confidentiality and good faith. Finally, they establish procedures for control and reporting by management of the Group and of the various networks of any breach of these rules.

This code of ethics is available on the Group's website (www.publicisgroupe.com) in the "Social Responsibility" section under "Social" and "Ethics."

In addition, Publicis undertakes to provide a copy of its codes of ethics free of charge to any person upon request. A request may be made directly to the Group's Legal Department by telephone at 33 (0)1 44 43 70 00 or by mail to 133, avenue des Champs-Élysées, 75008 Paris, France.

1.2 Compensation report

For the purposes of the law of July 3, 2008, which transposes Directive 2006/46/EC of June 14, 2006, Publicis Groupe declares that, as from 2008, the AFEP-Medef Corporate Governance Code shall be its reference when preparing the report provided for in article L. 225-68 of the French Commercial Code

At its meeting on December 2, 2008, the Supervisory Board of Publicis Groupe examined the AFEP-Medef recommendations dated October 6, 2008, concerning the compensation of the corporate officers of listed companies.

The Board considers that these recommendations are in line with the corporate governance principles of the Group and notes that existing commitments with the members of the Management Board already comply with these recommendations.

From this date onward, the Supervisory Board has been in charge of ensuring that each decision made regarding compensation of the corporate officers comply with the guidelines under the AFEP-Medef Corporate Governance Code.

1.2.1 PROCEDURE FOR SETTING COMPENSATION

In the industry in which Publicis Groupe operates, where the primary asset is the talent of the men and women in the Group, and where competition is fierce, the setting of compensation conditions is immensely important.

At all levels of the organization and across the world, it is a matter of offering compensation conditions that will attract and retain over the long-term the best talent in the industry and encourage them to perform, or even out-perform, to generate maximum benefit for all stakeholders – our clients, our employees, our shareholders.

In accordance with article 10 of the Company's bylaws, the form and amount of compensation of the Chairman and members of the Management Board are set by the Supervisory Board, on the recommendation of the Compensation Committee. For members of the Management Board other than the Chairman, the Chairman of the Management Board makes proposals to the Compensation Committee, and then to the Supervisory Board. The Committee ensures, when giving its opinion to the Supervisory Board, that it pays very careful attention to the recommendations of the AFEP-Medef Corporate Governance Code.

The compensation of members of the Group's Executive Committee ("P12") is determined by the Chairman of the Management Board, on the advice of the Compensation Committee.

1.2.2 COMPENSATION OF THE SUPERVISORY BOARD MEMBERS

A. PRINCIPLES AND MECHANISMS

The total amount of attendance fees allocated to members of the Supervisory Board is determined by the Publicis Groupe's General Shareholders' Meeting. Thus, the Group's General Shareholders' Meeting of June 7, 2011 approved an annual allowance of euro 1 million in attendance fees for members of the Supervisory Board.

Going beyond the recommendations of the AFEP-Medef Corporate Governance Code, the Supervisory Board, on the advice of the Compensation Committee, requested that the allocation of attendance fees among the members of the Supervisory Board would be solely based on actual attendance at Board and Committee meetings.

In accordance with the total maximum amount for attendance fees approved by the General Shareholders' Meeting, each member of the Supervisory Board was paid euro 5,000 in 2013 for each meeting attended in 2012. Each member of the Audit Committee, Appointments Committee, Compensation Committee and Strategy and Risk Committee was paid euro 5,000 for each meeting attended in 2012.

In the case of the compensation of Elisabeth Badinter, Chairperson of the Supervisory Board, it was determined by the Supervisory Board in accordance with article 17 of the Company's bylaws. It consists of base compensation and, as for all Supervisory Board members, attendance fees.

In her capacity as Chairperson of the Supervisory Board, Ms. Elisabeth Badinter maintains regular and ongoing contact with the Management Board in order to prepare the review of the Company's management. She notably sees to the preparation of Board meetings, the provision of the appropriate information to its members as well as follow-up of decisions. In this capacity, she receives base compensation, which has remained unchanged since her original appointment as Chairperson of the Board in 1996, of euro 182,939 per annum. Following her reappointment in 2012, the Compensation Committee benchmarked against similar companies and proposed reviewing the base compensation of Elisabeth Badinter. The Supervisory Board set the compensation at euro 240,000 per year with effect from November 1, 2012 this amount is unchanged for 2013 and 2014. Elisabeth Badinter is not in receipt of any other compensation (immediate or deferred), benefit (in kind or otherwise), or stock-based incentives. She also has no employment contract with the Group.

Publicis Groupe, having decided to give the Ordinary General Shareholders' Meeting a say on its compensation policy for its top executives even before this was recommended under the AFEP-Medef Corporate Governance Code, submitted the compensation conditions of Ms. Elisabeth Badinter to the Ordinary General Shareholders' Meeting of Publicis Groupe of May 29, 2013. They were approved by 99.4%.

B. AMOUNTS PAID IN 2013 TO THE SUPERVISORY BOARD MEMBERS

The total compensation including the benefits of all types paid during the fiscal year ended December 31, 2013 to each member of the Supervisory Board, both by the Company and by the companies controlled by the Company as defined by article L. 233-3 of the French Commercial Code, is indicated here-after. For certain members of the Supervisory Board, this compensation includes both a fixed salary and variable compensation. Global compensation is expressed in euros. The amounts indicated are gross amounts and do not reflect deductions relating to taxes or social charges.

COMPENSATION (IN EUROS) PAID DURING THE FISCAL YEAR 2013 TO THE SUPERVISORY BOARD MEMBERS (GROSS AMOUNTS BEFORE SOCIAL SECURITY AND TAX EXPENSES)

	Total gross compensation in 2013 including:	Base compensation	Variable compensation (2)	Attendance fees	Benefits in kind (3)	Total gross compensation 2012	Of which base compensation
Élisabeth Badinter (8)	319,510	249,510	-	70,000	-	237,939	182,939
Sophie Dulac	15,000	-	-	15,000	-	25,000	-
Henri-Calixte Suaudeau	60,000	-	-	60,000	-	45,000	-
Hélène Ploix	70,000	-	-	70,000	-	65,000	-
Gérard Worms	85,000	-	-	85,000	-	60,000	-
Amaury de Seze	60,000	-	-	60,000	-	75,000	-
Simon Badinter (1) (4) (5)	327,186	101,678	179,937	35,000	10,571	451,539	210,127
Michel Cicurel	80,000	-	-	80,000	-	70,000	-
Felix G. Rohatyn	30,000	-	-	30,000	-	35,000	-
Michel Halpérin	80,000	-	-	80,000	-	50,000	-
Tatsuyoshi Takashima	0	-	-	0	-	5,000	-
Claudine Bienaimé	85,000	-	-	85,000	-	100,000	-
Tadashi Ishii	0	-	-	0	-	5,000	-
Marie-Claude Mayer (6)	350,350	250,350	55,000	45,000	-	370,350	250,350
Véronique Morali (7)	195,000	130,000	-	65,000	-	210,331	130,331
Marie-Josée Kravis	45,000	-	-	45,000	-	35,000	-

(1) Compensation for this contract is calculated and paid in US dollars. The euro conversion is carried out at the average rate of $1 = €0.75317 in 2013 and $1 = €0.77825 in 2012.
(2) Amounts paid in 2013 in respect of the fiscal year 2012.
(3) Benefits in kind relating to the use of a company-provided vehicle are not mentioned when they are for an immaterial amount.
(4) Mr. Simon Badinter, member of the Supervisory Board and member of the Management Board of Medias et Régies Europe had an employment contract with this company up to June 30, 2013.
(5) Fixed compensation is calculated and paid in US dollars. Variable compensation is calculated in euros and paid in US dollars (conversion rate: see (1)).
(6) Ms. Marie-Claude Mayer, member of the Supervisory Board, has an employment contract with Publicis Conseil.
(7) Ms. Véronique Morali is paid in respect of her position as Chairperson of the Women's Forum for the Economy and Society.
(8) As of November 1, 2012, Ms. Élisabeth Badinter's monthly compensation, which had not been raised since 1996, was increased from €15,245 to €20,000 after researching the compensation levels in other companies. The raise received for November and December 2012 was formalized in 2013.

1.2.3 COMPENSATION OF THE MANAGEMENT BOARD MEMBERS

A. PRINCIPLES AND MECHANISMS

On November 29, 2011, the Supervisory Board decided to renew the appointments of all members of the Management Board, which were expiring on December 31, 2011, for a new four year-period as of January 1, 2012. Following these decisions, the Supervisory Board examined and, depending on individual cases, renewed or fixed the compensation of each member of the Management Board.

Yearly compensation for members of the Management Board includes a fixed component (salary and benefits in kind) and a variable component, which is defined in relation to the base salary, except for Mr. Maurice Lévy who wanted his compensation to be exclusively variable as from 2012. The amount of the variable component is based on individual performance and on the extent to which quantitative and qualitative goals have been reached, related to the Group's results. At the end of the year, the Supervisory Board determines the extent to which such goals were reached, after hearing the Compensation Committee's recommendations. The variable portion of compensation relating to the year is determined and paid in the following year.

The 2012 compensation conditions of the Chairman and the members of the Management Board were renewed in 2013 unchanged. With effect from January 1, 2014, the fixed part of Mr. Jean-Michel Etienne's compensation was increased to euro 720,000 and the variable part to 100% maximum of his base compensation.

Compensation of the Chairman of the Management Board

As of January 1, 2012, upon his request, Mr. Maurice Lévy does not receive any fixed compensation. His compensation is completely variable and is calculated every year on the basis of four quantitative performance criteria (the maximum total annual compensation is capped at euro 5 million and may therefore vary from euro 0 to this ceiling) and qualitative criteria.

The quantitative performance criteria are: organic growth of Group revenue, net income ratio compared to revenue, and the change in net diluted earnings per share compared to the previous two years, as well as compared to that of the three other global communication groups (Omnicom, WPP and IPG); and the amount of TSR (Total Shareholder Return). The quantitative criteria account for a total of two thirds in the calculation of compensation. The maximum amount related to each criterion is reached if the Group achieves, in the year in question, organic growth greater than or equal to 120% of the average rate of the benchmark group, a net income ratio greater than or equal to the highest rate of the benchmark group, a rate of change of net diluted earnings per share greater than or equal to the average rate of change of the benchmark group, and positive TSR, respectively. The amount tied to each criterion is zero if the Group achieves less than 80% of: the average organic growth rate, the highest net income ratio rate, the average change in net diluted earnings per share of the benchmark group, or zero or negative TSR.

The qualitative performance criteria account for one third in the calculation of compensation – they are defined annually according to the strategic interest of the Company. For 2013, the qualitative criteria involved preparing the future direction of the Group and preparing for the development of the Group's medium and long-term ability to make profits.

Mr. Maurice Lévy does not benefit from any other compensation; he decided that he did not wish to benefit from programs granting performance stock, stock options and similar instruments potentially put in place for the group's executives with effect from 2012. No supplementary pension plan or severance pay has been planned for him.

Publicis Groupe, having decided to give the Ordinary General Shareholders' Meeting a say on its compensation policy for its top executives even before this was recommended under the AFEP-Medef Corporate Governance Code, submitted the compensation conditions of Mr. Maurice Lévy to the May 29, 2013 General Shareholders' Meeting of Publicis Groupe. They were approved by 78.8%.

Variable compensation of the Management Board members in respect of the fiscal year 2013

The main criteria for calculating the variable compensation of the other Management Board members are as follows:

- Mr. Kevin Roberts: growth in Saatchi & Saatchi revenue and operating margin compared to objectives, and a qualitative assessment, up to a maximum of 240% of his base compensation. In addition to the yearly bonus, Publicis paid an annual pension contribution pursuant to undertakings made at the time of the acquisition of Saatchi & Saatchi, which has been taken up in the current contract described below;
- Mr. Jean-Yves Naouri: achieving the qualitative objectives in the fields entrusted to him (Group Operations) and, in particular, development in the Chinese market, as well as the increase in revenue and the operating margin of Publicis Healthcare Communications Group, production platforms in relation to objectives and Publicis Worldwide for the nine months when he was in charge of this network and Rosetta, for a maximum of 100% of his fixed compensation;
- Mr. Jean-Michel Etienne: the Group operating margin and net income ratio, treasury management, employee expenses and the achievement of qualitative objectives related to its business, up to a maximum of 80% of his fixed compensation.

Granting performance stock and/or stock options

The Supervisory Board decides on granting any performance stock and stock options in favor of the Management Board members (see 1.2.3. D and 1.2.4. the characteristics of the plans considered and the details of the attributions decided in 2013).

Employment contracts

The employment contract entered into with Mr. Maurice Lévy at the time of his arrival at the Group in 1971 has since been executed by various Group companies, and lastly by Publicis Conseil SA, where this contract had been suspended since Mr. Maurice Lévy's appointment as Chairman of the Management Board on January 1, 1988. Following the end of his term for the period between 2008 and 2011, Mr. Maurice Lévy decided to terminate his appointment as Chairman and Chief Executive of Publicis Conseil SA and his employment contract. Publicis Conseil SA paid him a gross end-of-career indemnity of euro 121,671.44 in respect of the period between April 1, 1971 and December 31, 1987.

Mr. Kevin Roberts does not have an employment contract with Publicis Groupe SA, but within the framework of his operational duties, he does have employment contracts with the relevant subsidiaries, which are deemed employment contracts by the law of the countries concerned.

Mr. Jean-Yves Naouri and Mr. Jean-Michel Etienne continue to have French-law employment contracts with Publicis Groupe SA or one of its subsidiary.

Termination conditions

On March 17, 2008, on proposal from the Compensation Committee, the Supervisory Board amended existing contractual commitments relating to compensation, indemnities and benefits likely to be due to members of the Management Board on the termination of their office and functions, in order, notably, to bring these commitments into compliance with Law no. 2007-1223 of August 21, 2007 (the "TEPA" law). The statutory auditors were informed of the provisions adopted or authorized by the Board as these are considered related-party agreements and, as required by the TEPA law, the changes were submitted to the General Shareholders' Meeting of June 3, 2008, where they were approved. The General Meetings of 2009, 2010 and 2011 noted that these agreements remained in effect during the financial years between 2009 and 2011. Following the renewal of the appointments of the members of the Management Board as of January 1, 2012, on the Compensation Committee's recommendation, the Supervisory Board confirmed the existing commitments (while specifying the potential entitlements to free shares) towards Mr. Kevin Roberts, Mr. Jack Klues, and Mr. Jean-Yves Naouri on March 6, 2012, and renewed the existing agreements with Mr. Jean-Michel Etienne. The arrangements renewed or adopted by the Board were notified to the statutory auditors as regulated agreements to be put to the vote, when so required by the law, at the General Shareholders' Meeting. The General Meeting of May 29, 2012 approved these agreements. The contracts or agreements existing with Messers Kevin Roberts, Jean-Yves Naouri and Jean-Michel Etienne were amended accordingly.

Pursuant to articles L. 225-90-1 and R. 225-60-1 of the French Commercial Code, the details of the regulated agreements described above may be viewed on www.publicisgroupe.com.

Commitments existing with the Management Board members

The main commitments existing with the Management Board members are as follows:

- Publicis' agreement with Mr. Kevin Roberts for the period 2005-2008, renewed for the period 2009-2013 and extended for 2014 (as well as another contract related to the first, concluded with a consulting firm owned by Mr. Roberts), provides that if Mr. Roberts' employment contract is terminated before its normal term at the initiative of the Publicis Groupe "without just cause," or at the initiative of Mr. Roberts "with just cause," subject to certain conditions, the Company may be required to pay him an amount equal to 120% of his annual fixed salary, to which should be added the maximum annual amount of the bonus to which he would have been entitled and the annual cost of various benefits which he receives, as well as maintaining his social security insurance protection for one year and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the bonus share award plan in question. However, pursuant to the decision of the Supervisory Board on March 6, 2012, these sums and benefits will only be due in full if the average annual amount of the bonus acquired by Mr. Roberts for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the payments and benefits will be calculated proportionally between 0 and 100% using the rule of three;

  instead of the complementary pension contracts provided for at the time of the acquisition of Saatchi & Saatchi, a commitment was made to pay Mr. Roberts successive annuities paid during the 2009-2014 period for a total maximum amount of USD 7,045,000. Of this amount, USD 5,770,000 is directly conditional on his continued employment in the Group during the 2009-2013 period, and could be reduced on a pro rata basis in the event that Mr. Roberts should leave the Group before the end of this period;

  moreover, at the end of each contractual period and under certain conditions, Mr. Roberts is due deferred compensation calculated on the basis of USD 200,000 per year of service completed with effect from the start of the period;
- Mr. Jack Klues asked that his term as member of the Management Board and his position as Chairman of VivaKi end as of December 31, 2012. However, his employment contract remained in effect for six months to ensure the transition with the new structure of the Group in the areas of media purchases and digital services;

in addition, it was agreed that if Mr. Klues retired at his own initiative at the age of 55 or was asked by Publicis to retire at the age of 57, he could receive for five years an annual amount equal to 30% of his last annual compensation (base salary plus bonus) as well as a part of his employment benefits, provided that he complies with a non-compete and non-solicitation agreement for five years. As Mr. Klues made the decision to resign, and he is older than 55, this commitment took effect beginning in 2013 for a period of five years;

- the agreements in effect between Publicis Groupe Services and Mr. Jean-Yves Naouri provide that if his term of office as a member of the Management Board of Publicis Groupe is terminated "without just cause," Mr. Naouri may have the right, if he does not continue to be employed by the Publicis Groupe, to receive one year of total gross compensation (fixed compensation and maximum variable component) and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the bonus shares already granted to him, subject to the performance conditions set out in the regulations for the bonus share award plan in question. However, pursuant to the decision of the Supervisory Board on March 6, 2012, these amounts and benefits shall only be due in full if the average annual amount of the bonus earned by Mr. Naouri for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the payments and benefits will be calculated proportionally between 0 and 100% using the rule of three;
- the agreements in effect between Publicis Groupe SA (as Mr. Jean-Michel Etienne is committed to this company for 75% of his working time with effect from January 1, 2014) and Publicis Finance Services (for the remaining 25%) and Mr. Jean-Michel Etienne provide that if his term of office as a member of the Management Board of Publicis Groupe is terminated "without just cause," Mr. Etienne may have the right, if he does not continue to be employed by Publicis Groupe, to receive one and a half years total gross compensation (base compensation and maximum variable component) and the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain the bonus shares already granted to him, subject to the performance conditions set out in the regulations for the plan in question being satisfied. However, pursuant to the decision of the Supervisory Board on March 6, 2012, these amounts and benefits shall only be due in full if the average annual amount of the bonuses earned by Mr. Jean-Michel Etienne for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the payments and benefits will be calculated proportionally between 0 and 100% using the rule of three.
- with regard to Mr. Maurice Lévy, no supplementary pension plan or severance pay has been planned for him. The commitments related to the deferred conditional compensation for 2003-2011, reiterated above by way of a reminder, were met in 2012. The non-compete agreement approved by the General Shareholders' Meeting of June 3, 2008 still binds Mr. Maurice Lévy and Publicis Groupe.

Reminder: deferred conditional compensation of the Chairman of the Management Board (2003-2011)

In setting the terms and conditions of Mr. Maurice Lévy's compensation from 2003, the Supervisory Board had decided that part of the variable compensation earned every year would be deferred and paid on a conditional basis. These terms and conditions were subject to an agreement on November 22, 2004, which was still in effect after the renewal of the Management Board Chairman's term of office, effective January 1, 2008.

By decision of the Supervisory Board of March 17, 2008 approved by the General Shareholders' Meeting of June 3, 2008, the main conditions were as follows: at the end of his term as Chairman of the Management Board (December 31, 2011), Mr. Maurice Lévy was due deferred conditional compensation accumulated each year and corresponding to the total gross part of the variable annual compensation he received since 2003 in respect of two components of a quantitative nature of these bonuses, referred to as "quantitative bonuses," as defined in the agreement of November 22, 2004. The payment of the deferred compensation was subject to the achievement of the following performance conditions and cumulative and independent period of employment:

- performance condition: the deferred compensation defined above shall be paid on condition that the average annual amount of the quantitative variable compensation acquired by Maurice Lévy in relation to the last three full years of his term of office as Chairman of the Management Board is equal to at least 75% of the general average (including the last three years of the term of office) of the quantitative annual variable compensation acquired by Maurice Lévy for 2003 and subsequent years. Under 25% of this general average, there would not be any deferred compensation; between 25% and 75%, the deferred compensation would be calculated on a proportional basis between 0 and 100% by the rule of three;
- length of service condition: the deferred compensation was the counterparty of the commitment made by Mr. Maurice Lévy to remain in his position for a period of at least nine years with effect from January 1, 2003. Consequently, Mr. Maurice Lévy would be entitled to the payment of this deferred compensation, as calculated above, as long as he did not resign from his position as Chairman of the Management Board of Publicis Groupe SA before the expiry of his term of office on December 31, 2011.

On May 29, 2012, upon the recommendation of the Compensation Committee, the Supervisory Board acknowledged that the performance and continued employment conditions had been satisfied in full and that the total deferred conditional compensation stood at euro 16,035,969. It authorized payment of this compensation accordingly.

The deferred conditional compensation system was not renewed for Mr. Maurice Lévy's 2012-2015 term.

Non-compete agreement of the Chairman of the Management Board

Under the non-compete agreement signed by Mr. Maurice Lévy, Mr. Lévy will not, for at least three years following the termination of his duties as Chairman of the Management Board of Publicis Groupe, for any reason whatsoever, work in any manner whatsoever with a company operating in the field of advertising, and more generally with a competitor of Publicis, nor can he invest in a competitor of Publicis.

In consideration of the observance of this non-compete agreement, Mr. Maurice Lévy shall receive a total amount equal to 18 months of total gross compensation (base compensation and maximum variable compensation as defined by the Supervisory Board on March 17, 2008), paid in equal monthly advance installments of euro 150,000 (gross) over the period covered by the non-compete agreement, *i.e.* euro 5,400,000 (gross) in total for the three years.

This non-compete agreement, approved by the General Shareholders' Meeting on June 3, 2008, remained in effect without change after the beginning of Mr. Maurice Lévy's new term as Chairman of the Management Board, which began on January 1, 2012.

Pursuant to articles L. 225-90-1 and R. 225-60-1 of the French Commercial Code, the details of the regulated agreements described above may be viewed on www.publicisgroupe.com.

Pensions

No special pension plan has been taken out for Mr. Maurice Lévy by the Company.

None of the members of the Management Board benefits from a defined supplementary pension plan.

No special pension plan has been taken out for Mr. Jean-Yves Naouri and Mr. Jean-Michel Etienne. The commitments concerning Mr. Kevin Roberts are specified above.

The total amount recognized in the consolidated income statement of the Group in 2013 in relation to post-employment and other long-term benefits for the persons who were at the year end, or had been in 2013, members of the Supervisory Board and the Management Board, was a net reversal of a provision of euro 2 million.

In addition, the total amount of provisions for these benefits was euro 9 million as of December 31, 2013. This amount was euro 11 million at December 31, 2012 and euro 30 million at December 31, 2011.

See Note 29 of the consolidated financial statements in Section 4.6 of this document.

B. AMOUNTS PAID IN 2013 TO THE MEMBERS OF THE MANAGEMENT BOARD

The total compensation including the benefits of all types paid during the fiscal year ended December 31, 2013 to each corporate officer, both by the Company and by the companies controlled by the Company as defined by article L. 233-3 of the French Commercial Code, is indicated hereafter. For certain members of the Supervisory Board and the Management Board, this compensation includes both a fixed salary and variable compensation. The variable part is dependent on performance and achieving quantitative and qualitative objectives. Global compensation is expressed in euros. The amounts indicated are gross amounts and do not reflect deductions relating to taxes or social charges.

The recommendation on compensation of corporate officers of companies whose securities are traded on a regulated market, issued by AFEP-Medef in October 2008 proposes a standardized presentation of the compensation of corporate officers. The table below summarizes this compensation; the annex contains other tables showing the various elements of this compensation. In the interest of clarity, we separated Mr. Maurice Lévy's annual compensation and the deferred conditional compensation paid to him in 2012 in respect of the fiscal years 2003 to 2011 in each of the tables presented, where applicable.

COMPENSATION (IN EUROS) PAID DURING THE FISCAL YEAR 2013 (GROSS AMOUNTS BEFORE SOCIAL SECURITY AND TAX EXPENSES)

	Total gross compensation in 2013 including:	Base compensation	Variable compensation (3)	Attendance fees	Benefits in kind (4)	Total gross compensation 2012	Of which base compensation
Management Board							
Maurice Lévy	4,800,000	0	4,800,000	-	-	2,696,800	0
Maurice Lévy – Deferred compensation (5)	0	0	0			16,035,969	
Kevin Roberts (1) (2)	2,662,663	753,173	1,872,875	-	36,614	3,499,675	778,250
Jean-Yves Naouri	1,600,000	700,000	900,000	-	-	1,600,000	700,000
Jean-Michel Etienne	972,000	540,000	432,000	-	-	949,200	517,200

(1) Compensation for this contract is calculated and paid in US dollars. The euro conversion is carried out at the average rate of $1 = €0.75317 in 2013 and $1 = €0.77825 in 2012.

(2) Variable compensation includes an annual pension contribution in accordance with the contract.

(3) Amounts paid in 2013 in relation to the 2012 financial year (subject to Note 5).

(4) Benefits in kind relating to the use of a company-provided vehicle are not mentioned when they are for an immaterial amount.

(5) The variable portion in 2012 consisted of €16,035,969 of deferred conditional compensation for the financial years 2003-2011 (see 1.2.3.A above). Compensation paid in 2012 was reduced by €3,200 to adjust for the previous year.

C. AMOUNTS DUE IN RESPECT OF THE FISCAL YEAR 2013 TO BE PAID IN 2014

Chairman of the Management Board

As of January 1, 2012, upon his request, Mr. Maurice Lévy does not receive any fixed compensation. His compensation is entirely variable and determined each year based on four quantitative and qualitative performance criteria. In the event of achieving all the performance objectives this could result in an amount of euro 6,000,000 but the total annual compensation is capped at a maximum of euro 5,000,000; dependent on his performance, the compensation of Mr. Maurice Lévy may therefore vary from 0 to this ceiling (see 1.2.3.A).

For 2013, regarding the quantitative criteria, the Supervisory Board recorded the following results:

- Publicis Groupe's organic revenue growth in 2013 (2.6%) was equal to 79.59% of the benchmark group (Omnicom, WPP and IPG);
- the consolidated net income ratio (including costs related to the planned merger) compared to Publicis Groupe's revenue (11.39%) was greater than the highest ratio that the benchmark group achieved;
- Publicis Groupe's EPS rate of change including costs related to the planned merger (18.6%) was greater than the benchmark Group's average;
- Publicis Group's TSR (+euro 17.22) was positive.

On this basis, and after taking into account the qualitative criteria, the Supervisory Board, during its meeting on March 3, 2014, after having heard the recommendations made by the Compensation Committee, set the compensation to be paid to Mr. Maurice Lévy in 2013 at euro 4.5 million.

Management Board

On March 3, 2014, having heard the recommendations of the Compensation Committee, the Supervisory Board set the variable compensation for 2013 payable in 2014 for the other members of the Management Board as follows:

- for Mr. Jean-Yves Naouri: having regard to the criteria for determining the variable compensation set out in 1.2.3.A above, in consideration for the achievement of qualitative targets in the areas under his responsibility within Group operations (Information Systems and management of the Group's shared service centers), euro 300,000;
- for Mr. Jean-Michel Etienne: having regard to the criteria for determining the variable compensation set out in 1.2.3 above, having noted that the targets within the area of responsibility of Mr. Jean-Michel Etienne were achieved and even exceeded for 2013, despite the fact that the organic growth which is not within his area of responsibility was under target, the maximum variable compensation is euro 432,000 to which the Board, on the recommendation of the Compensation Committee in light of the exceptional performance of Mr. Jean-Michel Etienne with respect to his targets wished to add an extraordinary bonus of euro 168,000, raising Mr. Jean-Michel Etienne's variable compensation for 2013 to euro 600,000;
- for Mr. Kevin Roberts: having regard to the criteria for determining the variable compensation set out in 1.2.3.A above, having found that the targets were not achieved either in terms of the organic growth or operating margin of Saatchi & Saatchi compared with the targets, and in complete agreement with Mr. Kevin Roberts, decided not to award any variable compensation to Mr. Kevin Roberts for 2013.

D. PERFORMANCE STOCK AND STOCK OPTIONS ATTRIBUTED TO THE MEMBERS OF THE MANAGEMENT BOARD IN 2013

The Management Board members, with the exception of Mr. Maurice Lévy who had said he did not wish to be granted any performance stock or stock options with effect from 2012, participate in two plans:

Co-investment Plan (2013): This plan, offered to 200 of the Group's key executives, provides for performance stock and stock options being granted to them subject to a performance condition. Each beneficiary was granted a free share and 7.03 stock options at the exercise price of euro 52.76 for each Publicis share bought for them through LionLead SCA, a special-purpose entity for the transaction. Rights under this plan are subject to other conditions including the retention of the full amount of the investment throughout the vesting period.

For the Management Board members, the performance shares awarded vest (subject to continued employment for four years, or three years with a lock-up period of two years for French residents) based on the relative performance of Publicis Groupe in terms of organic growth and operating margin, compared with the benchmark group (Omnicom, WPP, IPG, Publicis Groupe). 100% of the shares are awarded if the Publicis Groupe achieves organic growth greater than the benchmark group's average, and the highest operating margin rate. No shares are awarded if the Publicis Groupe achieves less than 80% of the benchmark group's average organic growth and the lowest operating margin rate (also see 1.2.4 paragraph after Table 8). Net income is averaged over the 2013-2015 period. These shares were awarded in April 2013 and will vest in April 2017, except for French employees whose shares will vest in April 2016.

The options awarded under this plan vest subject to continued employment (three years for the French and four years for others) and based on the relative performance of Publicis Groupe in terms of organic growth and operating margin, compared with the benchmark Group (Omnicom, WPP, IPG, Publicis Groupe), as indicated above. On top of this, a market condition, designed to limit the theoretical gain calculated at the end of a three-year period at 50% of the exercise price of the option, will also lead to an adjustment in the number of exercisable options. These options, which were granted in April 2013, will become exercisable in April 2017, except for French employees for whom they will become exercisable in April 2016.

LTIP 2013-2015: This plan, reserved for members of the Management Board, provides for performance stock being attributed subject to two conditions being satisfied. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Secondly, the shares are subject to the same performance criteria as described above for the "2013 Co-investment Plan," with the only difference being that the criteria are measured annually during the 2013-2015 period. The shares were initially awarded in June 2013 and will vest in June 2017, except for French employees whose share awards will vest in June 2016.

In the case of the 2013 Co-investment Plan as for LTIP 2013-2015, the members of the Management Board must retain 20% of the shares that are no longer locked-up or the shares obtained through the exercise of stock options throughout their term of office.

1.2.4 COMPENSATION SUMMARY TABLE

The recommendation on compensation of corporate officers of companies whose securities are traded on a regulated market, issued by AFEP-Medef in October 2008 proposes a standardized presentation of the compensation of corporate officers.

The following tables are based on models proposed by AFEP-Medef.

TABLE 1 (AMF NOMENCLATURE) SUMMARY TABLE OF THE COMPENSATION AND OPTIONS AND SHARES ISSUED TO EACH CORPORATE OFFICER (IN EUROS)

	2013	2012
Management Board		
Maurice Lévy, Chairman of the Management Board		
Total compensation due for the year (1)	4,500,000	4,800,000
Valuation of options granted during the year (2)	-	-
Valuation of performance shares awarded during the year (3)	-	-
TOTAL	**4,500,000**	**4,800,000**
Kevin Roberts		
Total compensation due for the year (1) (4)	2,094,614	2,332,300
Valuation of options granted during the year (2)	437,021	-
Valuation of performance shares awarded during the year (3)	1,957,123	-
TOTAL	**4,488,758**	**2,332,300**
Jean-Yves Naouri		
Total compensation due for the year (1)	1,000,000	1,600,000
Valuation of options granted during the year (2)	411,752	-
Valuation of performance shares awarded during the year (3)	1,932,135	-
TOTAL	**3,343,887**	**1,600,000**
Jean-Michel Etienne (5)		
Total compensation due for the year (1)	1,140,000	972,000
Valuation of options granted during the year (2)	331,726	-
Valuation of performance shares awarded during the year (3)	1,853,002	-
TOTAL	**3,324,728**	**972,000**

(1) See details in Table 2.
(2) See details in Table 4.
(3) See details in Table 6. Total allocation covering financial years 2013, 2014 and 2015.
(4) Compensation calculated and paid in US dollars. The euro conversion is carried out at the average rate of \$1 = €0.75317 in 2013 and \$1 = €0.77825 in 2012.

TABLE 2 (AMF NOMENCLATURE) SUMMARY TABLE OF THE COMPENSATION FOR EACH CORPORATE OFFICER (IN EUROS)

In general, the compensation paid corresponds to the fixed compensation for the specified year and the variable portion corresponds to that of the previous year.

No exceptional compensation was paid to the corporate officers.

	2013-Amount:		2012-Amount:	
	due	paid	due	paid
Management Board				
Maurice Lévy, Chairman of the Management Board				
Base compensation	0	0	0	0
Variable compensation	4,500,000	4,800,000	4,800,000	2,696,800
Conditional deferred compensation [1]				16,035,969
Benefits in kind [3]				
TOTAL [6]	**4,500,000**	**4,800,000**	**4,800,000**	**18,732,769**
Kevin Roberts [2] [4]				
Base compensation	753,173	753,173	778,250	778,250
Variable compensation	1,304,827	1,872,875	1,520,700	2,688,075
Benefits in kind [3]	36,614	36,614	33,350	33,350
TOTAL	**2,094,614**	**2,662,663**	**2,332,300**	**3,499,675**
Jean-Yves Naouri				
Base compensation	700,000	700,000	700,000	700,000
Variable compensation	300,000	900,000	900,000	900,000
Benefits in kind [3]			-	-
TOTAL	**1,000,000**	**1,600,000**	**1,600,000**	**1,600,000**
Jean-Michel Etienne [5]				
Base compensation	540,000	540,000	540,000	517,200
Variable compensation	600,000	432,000	432,000	432,000
Benefits in kind [3]				
TOTAL [5]	**1,140,000**	**972,000**	**972,000**	**949,200**

(1) The deferred conditional compensation was earned for the years 2003-2011 (see 1.2.3.A, deferred conditional compensation).
(2) The variable compensation component includes a contractual annual pension disbursement.
(3) Benefits in kind relating to the use of a company-provided vehicle are not mentioned when they are for an immaterial amount.
(4) Compensation calculated and paid in US dollars. The euro conversion is carried out at the average rate of $1 = €0.75317 in 2013 and $1 = €0.77825 in 2012.
(5) Compensation paid in 2012 includes a €22,800 decrease to adjust for the previous year.
(6) Compensation paid in 2012 was reduced by €3,200 to adjust for the previous year.

TABLE 3 (AMF NOMENCLATURE) DETAILS OF ATTENDANCE FEES (IN EUROS)

	Attendance fees paid in 2013	Attendance fees paid in 2012
Supervisory Board		
Élisabeth Badinter, Chairperson	70,000	55,000
Sophie Dulac	15,000	25,000
Simon Badinter	35,000	35,000
Claudine Bienaimé	85,000	100,000
Michel Cicurel	80,000	70,000
Michel Halpérin	80,000	50,000
Hélène Ploix	70,000	65,000
Felix G. Rohatyn	30,000	35,000
Amaury de Seze	60,000	75,000
Henri Calixte Suaudeau	60,000	45,000
Tatsuyoshi Takashima	0	5,000
Tadashi Ishii	0	5,000
Gérard Worms	85,000	60,000
Véronique Morali	65,000	80,000
Marie-Josée Kravis	45,000	35,000
Marie-Claude Mayer	45,000	40,000
TOTAL	**825,000**	**780,000**

TABLE 4 (AMF NOMENCLATURE) SHARE SUBSCRIPTION OR SHARE PURCHASE OPTIONS AWARDED DURING THE FISCAL YEAR TO EACH CORPORATE OFFICER BY THE ISSUER AND BY ANY OF THE GROUP'S COMPANIES

	Name and date of plan	Type of options (for existing or new shares)	Valuation of options using the method applied for the consolidated financial statements	Number of options granted during the year [(2)]	Exercise price (in euros)	Vesting period
Management Board						
Maurice Lévy, Chairman			No awards in 2013			
Kevin Roberts	Co-investment Plan 04/30/2013	Subscription or Purchase [(1)]	437,021	73,554	52.76	04/30/2017 04/30/2023
Jean-Yves Naouri	Co-investment Plan 04/30/2013	Subscription or Purchase [(1)]	411,752	69,301	52.76	04/30/2016 04/30/2023
Jean-Michel Etienne	Co-investment Plan 04/30/2013	Subscription or Purchase [(1)]	331,726	55,832	52.76	04/30/2016 04/30/2023

(1) The Management Board may decide, before the beginning of the exercise period, to deliver existing shares when the option is exercised instead of delivering shares to be issued.

(2) The options granted to the Management Board members under this plan will be vested contingent upon a continued employment condition (three years for French beneficiaries and four years for the other beneficiaries) and depending on the Publicis Groupe's relative performance on organic growth and operating margin criteria, compared to the benchmark group (Omnicom, WPP, IPG, Publicis Groupe). Moreover, each beneficiary must retain 20% of the shares delivered from the exercise of these options until the end of his or her term of office.

TABLE 5 (AMF NOMENCLATURE) SHARE SUBSCRIPTION OR SHARE PURCHASE OPTIONS EXERCISED DURING THE FISCAL YEAR BY EACH CORPORATE OFFICER (LIST OF NAMES)

	Name and date of plan	Number of options exercised during the year	Average exercise price (in euros)	Year granted
Management Board				
Maurice Lévy, Chairman		No options exercised in 2013		
Kevin Roberts		No options exercised in 2013		
Jean-Yves Naouri	LTIP 1 08/28/2003 and LTIP 2 08/24/2007	53,000	25.97	2003 and 2007
Jean-Michel Etienne		No option exercised in 2013		

TABLE 6 (AMF NOMENCLATURE) PERFORMANCE SHARES GRANTED TO EACH CORPORATE OFFICER

	First plan		Second plan		Third Plan		Number of performance shares granted Position at December 31, 2013	
	Description	Date	Description	Date	Description	Date	Total number (3)	Of which shares subject to performance conditions
Management Board								
Maurice Lévy, Chairman	No awards in 2013							
Kevin Roberts	LTIP 2013-2015 (1)	06/17/2013	Co-investment Plan	04/30/2013	LTIP 2010-2012 (2)	09/02/2010	94,746	94,746
Jean-Yves Naouri	LTIP 2013-2015 (1)	06/17/2013	Co-investment Plan	04/30/2013			44,858	44,858
Jean-Michel Etienne	LTIP 2013-2015 (1)	06/17/2013	Co-investment Plan	04/30/2013			42,942	42,942

(1) Award in 2013 covering 2013-2015.

(2) Award in 2010 covering 2010-2012.

(3) The performance shares awarded to the Management Board members under these plans are definitively acquired (contingent upon four or three years of continued employment with a two-year lock-in period for French residents) depending on the Publicis Groupe's relative performance on organic growth and operating margin criteria, compared to the benchmark group (Omnicom, WPP, IPG, Publicis Groupe). 100% of the shares are awarded if the Publicis Groupe achieves organic growth greater than the benchmark group's average, and the highest operating margin rate. No shares are awarded if the Publicis Groupe achieves less than 80% of the benchmark group's average organic growth and the lowest operating margin rate. The result is measured annually for the LTIP 2010-2012 and LTIP 2013-2015 plans and on average over the 2013-2015 period for the Co-investment Plan. The objectives were achieved in 98.6% for the 2010-2012 period, and 59.7% for 2013. Management Board members must retain 20% of the vested shares throughout their term of office. See 1.2.3. Compensation of the Management Board.

TABLE 7 (AMF NOMENCLATURE) PERFORMANCE SHARES MADE AVAILABLE TO EACH SENIOR EXECUTIVE AND DIRECTOR

	Plan – name	Date	Number of performance shares made available in 2013
Management Board			
Maurice Lévy, Chairman	LTIP 2010-2012 (1)	09/02/2010	78,853 (2)
Kevin Roberts	Co-investment Plan (1)	03/19/2009	53,098
Jean-Yves Naouri	LTIP 2010-2012 (1)	09/02/2010	35,484 (2)
Jean-Michel Etienne	LTIP 2010-2012 (1)	09/02/2010	35,484 (2)

(1) 20% of the shares obtained must be retained by the recipient until the end of his/her term as member of the Management Board.

(2) These shares are subject to a two-year period of non-transferability that lasts until September 2015.

TABLE 8 (AMF NOMENCLATURE) OVERVIEW OF OPTIONS AND SHARES GRANTED OVER THE PAST TEN YEARS

	Stock option plans							
Date of authorization by the Exceptional General Meeting (EGM)	2004	2004	2005	2006	2006	2007	Original Digitas plans [4]	Co-investment Plan 2013
Date of the Management Board's meeting deciding the allocation	09/28/2004	09/28/2004	05/24/2005	08/21/2006	08/21/2006	08/24/2007		04/30/2013
Total number of allocated share subscription options (S) or of share purchase options (A)	11,000 A	1,959,086 [1] A	935,192 [1] A	100,000 A	10,256,050 [1] A	1,574,400 [1] A	3,199,756 A	5,949,305 [1] S/A [11]
• of which: corporate officers		575,000 [1]		100,000	950,000 [1]	-	-	198,687
• of which: first 10 beneficiary employees (excluding corporate officers):		442,580 [1]	210,000 [1]	-	738,000 [1]	258,000 [1]	-	653,299 [1]
Start date for exercise of the options	09/28/2008	50% [2] 2006 [2] 50% 04/25/2007	50% [2] 2006 [2] 50% 04/25/2007	08/21/2010	50% [3] 2009 [3] 50% 2010	50% [3] 2009 [3] 50% 2010	01/31/2007	04/30/2016 04/30/2017
Expiry date	09/27/2014	09/27/2014	05/23/2015	08/20/2016	08/20/2016	08/23/2017	2009 to 2017	04/30/2023
Subscription or purchase price in euros	24.82	24.82	24.76	29.27	29.27	31.31	2.47 to 58.58	52.76
Total number of allocated share subscription or share purchase options, adjusted as of 12/31/2013	11,000	1,959,086 [1]	935,192 [1]	100,000	10,256,050 [1]	1,574,400 [1]	3,199,756	5,949,305 [1]
Total number of shares subscribed or purchased as of 12/31/2013	-	1,122,758	576,180	-	3,412,280	420,620	2,412,681	
Total number of canceled subscription options or purchase options as of 12/31/2013	11,000	599,423	287,935	-	5,809,423	915,170	695,055	171,003
Number of share purchase options, share subscription options or shares remaining as of 12/31/2013	-	236,905	71,077	100,000	1,034,347	238,610	91,020	5,778,302

Date of authorization by the Exceptional General Meeting (EGM)	Free share plans												
	2009 [5] Employees France	2009 [6] Co-investment Plan	Original Razorfish plan [7]	LTIP 2010	LTIP 2010-2012	2010 [5] Employees United States	LTIP 2011	2011 [5] International employees	LTIP 2012	2013 [5] International employees	LTIP 2013	2013 Co-investment Plan (FSAs) [12]	LTIP 2013-2015
Date of the Management Board's meeting deciding the allocation	05/20/2009	03/19/2009	12/01/2009	08/19/2010	09/22/2010	11/19/2010	04/19/2011	11/21/2011	04/17/2012	02/01/2013	04/16/2013	04/30/2013	06/17/2013
Total of Free shares awarded	210,125	3,544,176	493,832	667,600	252,000	685,400	674,650	533,700	681,550 [10]	320,475	636,550	846,288	105,000
• of which corporate officers	-	225,506	-	2,000	252,000	-	2,000	-	2,000		1,500	28,673	105,000
• of which first 10 beneficiary employees (excluding corporate officers):	500	447,890	-	54,000	-	500	62,000	500	54,000	500	44,000	92,931	-
Expiry date	05/20/2011	03/19/2012 [8] 03/19/2013	Between 01/01/2010 and 12/2018	08/19/2013 [8] 08/19/2014	09/22/2013 [8] 09/22/2014	12/01/2014	04/19/2014 [8] 04/19/2015	12/01/2013 [9] 12/01/2015	04/17/2015 [8] 04/17/2016	02/01/2018	04/16/2016 [8] 04/16/2017	04/16/2016 [8] 04/30/2017	06/17/2016 [8] 06/17/2017
Total number of Free shares (FSAs) awarded adjusted as at 12/31/2013	210,125	3,544,176	493,832	667,600	252,000	658,400	674,650	533,700	681,550	320,475	636,550	846,288	105,000
Total number of shares delivered as at 12/31/2013	150,575	2,972,121	309,863	72,700	149,821	-	-	64,150	-	-	-	-	-
Total number of Free shares canceled as at 12/31/2013	59,550	572,055	178,807	153,900	3,613	355,250	132,223	194,775	55,776	70,050	14,025	24,235	-
Number of free shares remaining as at 12/31/2013	0	0	5,162	441,000	98,566	303,150	542,427	274,775	625,774	250,425	622,525	821,963	105,000

(1) Conditional options, the exercise of which is contingent on the achievement of objectives under the three-year plan. The achievement level of objectives in the 2003-2005 plan were measured in 2006. The achievement level of objectives in the 2006-2008 plan were measured in 2009.

(2) Exercise period started in 2006, after determining levels at which the objectives were achieved and thus the number of exercisable options. Half of the total exercisable number can be exercised after this date, the other half one year later. Non-exercisable options were canceled.

(3) Exercise period started in 2009, after determining levels at which the objectives were achieved and thus the number of exercisable options. Half of the total exercisable number can be exercised after this date, the other half in 2010. Non-exercisable options were canceled.

(4) Options granted under the Digitas option plans that existed when Digitas was acquired in 2007 were converted into purchase options on Publicis Groupe shares using the existing ratio of the purchase price established under the offer for Digitas stock (restated in euros) and the market value of Publicis Groupe shares on the date of the merger. The purchase price was adjusted as a result.

(5) This is the plan awarding fifty free shares granted to all of the Group's employee.

(6) Co-investment Plan offered to 160 key Group managers, of which 136 subscribed.

(7) Options granted under the Microsoft option plans that existed when Razorfish was acquired in October 2009 were converted into stock purchase options on shares of Publicis Groupe using the existing ratio of the purchase price established for Microsoft (restated in euros) and the market value of Publicis Groupe stock on the date of the acquisition.

(8) Concerns French employees, who are subjected to a two-year period of non-transferability.

(9) Concerns Italian and Spanish employees, who are, in addition, subject to a three-year period of non-transferability.

(10) Under the LTIP 2012 plan, 11,965 free shares were granted by the Management Board on July 16, 2012.

(11) The Management Board may decide, before the beginning of the exercise period, to deliver existing shares when the option is exercised instead of delivering shares to be issued.

(12) Co-investment Plan offered to 200 key Group managers.

In addition to the continued employment criteria and the two-year lock-in period for French residents, the Group's share award plans include performance criteria. The two criteria retained are organic revenue growth and operating margin rate compared to that of the benchmark group (IPG, Omnicom, WPP and Publicis Groupe).

- If Publicis Groupe's organic growth is greater than the average of the benchmark group, 100% of the shares are awarded. If organic growth is less than 80% of the benchmark group, no shares are awarded. If organic growth is between 80% and 100%, the number of shares is reduced by 5% for each 1% of performance recorded below 100%.
- If Publicis Groupe has the best operating margin in the sector, 100% of the shares are awarded. If Publicis Groupe is in second place, 50% of the shares are awarded. If Publicis Groupe is in third place, 15% of the shares are awarded and if Publicis Groupe is in last place, no shares are awarded.

These conditions are the same for the annual LTIP plans (the calculation is carried out for the year the shares are awarded), the 2010-2012 and 2013-2015 Management Board Plan (the calculation is carried out for one third of the shares for each of the three years), and for the performance stock options within the 2013 Co-investment Plan (the calculation is made on an average of performance over three years). The 2013 Co-investment Plan comprise securities with a continued employment criterion for 50% of the total award, given the commitment that the investment made by each beneficiary in Publicis Groupe represents and the risk that ensues. However, regarding the members of the Management Board, all of the stock options and free shares for the 2013 Co-investment Plan from which they benefit are subject to performance conditions.

The free share awards intended for all employees do not have performance conditions attached.

TABLE 9 (AMF NOMENCLATURE) SHARE SUBSCRIPTION OR SHARE PURCHASE OPTIONS GRANTED TO THE FIRST TEN NON CORPORATE OFFICERS AND OPTIONS EXERCISED BY THE LATTER

	Plan	Number of options granted/purchased	Weighted average price (in euros)
Options granted between January 1, and December 31, 2013, by the issuer and by any company included in the scope of option allocation to their respective ten employees, whose number of options thus extended is the highest (on a global basis).	2013 Co-investment Plan	653,299	52.76
Options held from the issuer and the aforementioned companies, exercised between January 1, and December 31, 2013, by their respective ten employees who bought or subscribed to the greatest number of options (overall information).	Digitas Plan	18,912	25.14
	LTIP I 2003	34,006	24.82
	LTIP I 2004	29,185	24.82
	LTIP II 2006	84,873	29.27
	LTIP II 2007	6,260	31.31
TOTAL		**173,236**	

TABLE 10 (AMF NOMENCLATURE) OTHER INFORMATION CONCERNING THE CORPORATE OFFICERS

Corporate officers	Employment contract	Supplementary pension plan	Compensation indemnities or benefits due or payable on cessation or change in functions	Indemnities under a non-compete clause
Management Board				
Maurice Lévy, Chairman	No	No	No	Yes (2)
Kevin Roberts (1)	Yes	No (2)	Yes (2)	No
Jean-Yves Naouri	Yes	No	Yes (2)	No
Jean-Michel Etienne	Yes	No	Yes (2)	No

(1) In relation to an employment contract.

(2) See Section 1.2.3 "Compensation of the Management Board" of this document.

1.2.5 INVESTMENT IN THE SHARE CAPITAL

As of December 31, 2013, no member of the Management Board and the Supervisory Board – with the exception of Ms. Élisabeth Badinter and her children (8.88%) – held more than 1% of the Company's shares, with the exception of what is referred to in Section 6.2.1, and Mr. Maurice Lévy, who directly or indirectly owns 5,062,707 shares corresponding to 2.34% of the Company's share capital, including 2,920,000 shares held through non-trading companies owned by Mr. Maurice Lévy and his family.

As of December 31, 2013, the members of the Management Board and the Supervisory Board (with the exception of Ms. Élisabeth Badinter and her children) directly and indirectly owned 7,662,843 shares, or 3.54% of the share capital of the Company, including 2.34% controlled by Mr. Maurice Lévy (see Section 6.2.1).

As of December 31, 2013, the members of the Management Board also owned 818,735 stock options, 620,048 of which are exercisable. The average weighted exercise price of the options ranges between euro 24.82 and euro 52.76 per share and the expiry date of these options is between 2014 and 2023 (see Note 28 of the consolidated financial statements in Section 4.6).

The following table shows the investment of each corporate executive in the share capital of the Company at December 31, 2013 by the number of shares and voting rights, as well as the number of shares that each corporate officer has the right to acquire through the exercise of new stock subscription options and existing stock purchase options.

SHAREHOLDINGS OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS AT DECEMBER 31, 2013

Member of Management or Supervisory Board	Number of Publicis Groupe shares	Voting rights in Publicis Groupe (1)	Number of shares that may be acquired through the exercise of share subscription options	Number of shares that may be acquired through the exercise of share purchase options: Total number	Number of shares that may be acquired through the exercise of share purchase options: Conditional Total number options (3)	Weighted average price (in euros)
Management Board						
Maurice Lévy (2)	5,062,507	9,985,361		526,163	426,163	27.78
Kevin Roberts	13,225	13,225		73,554	73,554	52.76
Jean-Yves Naouri	201,704	277,502		106,855	106,855	44.50
Jean-Michel Etienne	72,860	72,860		112,163	112,163	40.96
Total Management Board	**5,350,296**	**10,348,948**		**818,735**	**718,735**	**34.01**
Supervisory Board						
Élisabeth Badinter	19,172,340	38,344,680				
Sophie Dulac	2,169,460	3,971,920				
Claudine Bienaimé	55,900	111,800		70,000	70,000	29.27
Henri-Calixte Suaudeau	65,681	131,362				
Hélène Ploix	9,106	11,126				
Gérard Worms	340	480				
Michel Halpérin	1,500	3,000				
Amaury de Seze	350	700				
Simon Badinter	350	700				
Michel Cicurel	200	400				
Jean Charest	300	300				
Marie-Josée Kravis	1,400	1,400				
Véronique Morali	200	400				
Marie-Claude Mayer	8,110	14,220		8,074	8,074	29.27
Total Supervisory Board	**21,485,237**	**42,592,488**		**78,074**	**78,074**	**29.27**

(1) Shows the impact of possible duplicate voting rights.
(2) Maurice Lévy directly owns 2,142,507 shares, and indirectly owns 2,920,000 shares of the Company through non-trading companies, representing a total of 9,985,361 voting rights.
(3) The conditions were taken into account to determine the final number of options granted.

Note: the bylaws require members of the Supervisory Board to hold at least 200 shares.

1.2.6 TRANSACTIONS PERFORMED ON PUBLICIS GROUP SECURITIES BY THE MANAGEMENT AND SUPERVISORY BOARD MEMBERS AND PERSONS RELATED TO THEM

The transactions of the corporate officers and persons referred to in article L. 621-18-2 of the French Monetary and Financial Code with regard to the Company's shares carried out during 2013 are as follows:

Name and Surname	Position	Description of the financial instrument	Type of transaction	Number of transactions	Amount of the transaction (in euros)
Kevin Roberts	Member of the Management Board	Shares*	Subscription	1	111,088
Jean-Michel Etienne	Member of the Management Board	Shares*	Subscription	1	84,293
Jean-Yves Naouri	Member of the Management Board	Shares*	Subscription	1	104,654
		Other	Exercise of stock options	5	1,376,395
Sophie Dulac	Vice-Chairperson of the Supervisory Board	Shares	Disposal	5	8,967,860
Claudine Bienaimé	Member of the Supervisory Board	Shares	Disposal	1	1,007,036
		Other	Exercise of stock options	1	585,400
Marie-Claude Mayer	Member of the Supervisory Board	Other	Exercise of stock options	1	391,188
Hélène Ploix	Member of the Supervisory Board	Shares	Acquisition	1	8,096

* *Shares of LionLead SCA, a special-purpose entity to purchase Publicis Groupe shares in connection with the Co-investment Plan introduced in 2013.*

1.3 Related-party transactions

1.3.1 TERMS AND CONDITIONS OF FINANCIAL TRANSACTIONS CARRIED OUT WITH RELATED PARTIES.

Certain members of Publicis Groupe SA's Supervisory Board (Mr. Felix Rohatyn [1], Mr. Gérard Worms, Mr. Michel Cicurel, Ms. Véronique Morali and Ms. Hélène Ploix) hold management positions in financial establishments that could have business relations with the Company. Nevertheless, all these members of the Supervisory Board are considered independent based on the criteria applied by the Company.

To this end, confirmed credit line agreements were entered into with BNP Paribas and Société Générale in 2009, for a principal of euro 100 million each and a maturity of five years. They were renewed in 2013 for a new period of five years.

On July 13, 2011, Publicis Groupe SA signed a syndicated loan (Club Deal) in the amount of euro 1,200 million with a syndicate of 15 banks. BNP Paribas is the agent for the syndicate and also contributed euro 106 million to this facility. Société Générale and Deutsche Bank also contributed euro 106 million and euro 50 million, respectively. This new syndicated loan replaced a previous syndicated loan signed in 2007 to which Société Générale and BNP were also parties.

Additionally, in 2011, Publicis Groupe SA renewed its euro 45 million short-term credit line with Société Générale.

Lastly, Publicis Groupe signed a contract on July 3, 2012 with Crédit Agricole Cheuvreux, now Kepler Cheuvreux, to entrust it with the implementation of a liquidity contract covering ordinary shares. This contract, effective for an automatically renewing term of six months, complies with the AMAFI code of ethics dated March 8, 2011 and was approved by the AMF on March 21, 2011. This liquidity contract follows a previous contract signed in February 2008 with SG Securities (Paris).

1.3.2 RELATED-PARTY AGREEMENTS CONCERNING THE COMPENSATION OF THE MANAGEMENT BOARD MEMBERS

On March 17, 2008, the Supervisory Board amended the existing contractual commitments relating to compensation, indemnities and benefits that might be due to members of the Management Board upon the termination of their terms of office and duties, mainly to comply with law no. 2007-1223 of August 21, 2007 (the "TEPA law"). The statutory auditors were informed of the provisions adopted or authorized by the Board as these are considered related-party agreements and, as required by the TEPA law, the changes were submitted to the General Shareholders' Meeting of June 3, 2008, where they were approved.

Following the renewal of the Management Board members' terms of office as of January 1, 2012, the Supervisory Board confirmed the existing commitments (while specifying the potential entitlements to free shares) towards Mr. Kevin Roberts, Mr. Jack Klues and Mr. Jean-Yves Naouri on March 6, 2012, and renewed the existing agreements with Mr. Jean-Michel Etienne. The statutory auditors were informed of the provisions renewed or adopted by the Board as these are considered related-party agreements and, as required by law, the changes were subject to a vote at the General Shareholders' Meeting on May 29, 2012, where they were approved. These agreements are discussed in detail in Section 1.2.3 of this document.

The information relating to the agreements covered in article L. 225-86 of the French Commercial Code and entered into by the Company included in the 2012, 2011 and 2010 Registration Documents of the company:

- 2012: this document was filed with the AMF on April 12, 2013, (under no. D. 13-0343, page 87);
- 2011: this document was filed with the AMF on March 19, 2012, (under no. D. 12-0174, page 73);
- 2010: this document was filed with the AMF on March 15, 2011, (under no. D. 11-0131, page 68).

(1) End of term of a Supervisory Board member as at 05/29/13.

1.3.3 RELATED-PARTY TRANSACTIONS

Publicis Groupe SA did not carry out any transactions with related parties in 2013.

The following related party transactions occurred in the last three years (in millions of euros):

Year	Related company	Revenue with related parties [1]
2010	Dentsu	13
2011	Dentsu	5
2012	None	0

(1) This is the difference between purchases and sales made by the Group with Dentsu. These transactions were carried out at market prices with related parties.

The outstanding amounts with related parties in the balance sheet as of December 31, 2013 were as follows (in millions of euros):

	Receivables from/loans to related parties	Liabilities to related parties
Somupi	3	-

1.3.4 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225-58 of the French Commercial Code (*code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-58 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

In accordance with article L. 225-88 of the French Commercial Code (*Code de commerce*), we have been advised of certain related party agreements and commitments which received prior authorization from your Supervisory Board.

CREDIT AGREEMENTS WITH BNP PARIBAS AND SOCIÉTÉ GÉNÉRALE

Members of the Supervisory Board involved: Mrs. Hélène Ploix and Mr. Michel Cicurel.

Your Supervisory Board, at its meeting of June 9, 2009, authorized the signing of an agreement with BNP Paribas, Calyon, Citigroup and Société Générale on revolving credit lines of euro 100 million each, valid for five-years period. This agreement was approved during the General Meeting of June 1, 2010.

Your Supervisory Board at its meeting of July 17, 2013 authorized the early renewal of the four existing credit lines of euro 100 million each, with BNP Paribas, Société Générale, Crédit Agricole Corporate and Investment Bank and Citibank International Plc, which expired on June 30, 2014.

These four lines of credit were renewed for a five-years period, expiring on July 17, 2018, on more favorable terms.

The objective of these renewals is to maintain the group's liquidity at a high level of security.

As Hélène Ploix is a member of your Supervisory Board and a director of BNP Paribas SA and Michel Cicurel is a member of the Supervisory Board and a director of Société Générale SA, the credit agreement entered into with BNP Paribas and the credit agreement entered into with Société Générale SA fall under article L. 225-86 of the French Commercial Code (*Code de commerce*), and require the prior authorization of the Supervisory Board, which authorization was granted by the Supervisory Board at its meeting of July 17, 2013.

This agreement is subject to approval by the General Meeting approving the financial statements for the year ended December 31, 2013.

Agreements and commitments already approved by the General Meeting of Shareholders

In accordance with article L. 225-57 of the French Commercial Code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

A. COMPANY AGREEMENTS AND COMMITMENTS TO MANAGEMENT BOARD MEMBERS

Non-compete agreement to the Chairman of the Management Board, Mr. Maurice Lévy

Mr. Maurice Lévy undertakes to, for at least three years following the termination of his position as Chairman of the Management Board of Publicis Groupe, for any reason whatsoever, to refrain from working in any capacity whatsoever for a company operating in the field of advertising, and more generally with a competitor of Publicis, or from investing in a competitor of Publicis.

In consideration for this commitment, Mr. Maurice Lévy shall receive a sum equal to 18 months of his total gross compensation (fixed salary and maximum variable compensation as widened in 2008). This sum shall be paid to him in equal monthly payments. These payments must be refunded should Mr. Maurice Lévy fail to comply with the commitment.

The agreement was approved during the general meeting of June 3, 2008.

Non-compete agreement to Management Board member, Mr. Jack Klues

Pursuant to an agreement signed in June 1997 applicable to all senior executives of Leo Burnett Company, Inc. (Jack Klues' employer at the time), which is still in effect following the renewal of his term as Management Board member effective January 1, 2012, if Mr. Jack Klues retires at his own initiative beginning at age 55 or if he is made to retire beginning at age 57, he may be entitled, for five years, to a sum equal to 30% of his final annual compensation (fixed salary plus bonus), as well as a portion of his benefits, provided that he complies in particular with a five-year covenant not to compete and not to solicit employees.

The agreement was approved during the General Meeting of June 3, 2008.

During the year 2012, Mr. Jack Klues asked to put an end to his mandate of member of the Management Board as of December 31, 2012 and announced his retirement during the fiscal year 2013. This departure being made on its initiative and after the age of 55 years, the agreement will produce its effects from the fiscal year 2013 and during a period of five years.

The amount of the annual expense is contractually provided 330,000 dollars, 248,546 euros based on a conversion rate of 0.753 euros

B. COMPANY AGREEMENTS AND COMMITMENTS TO OTHER MANAGEMENT BOARD MEMBERS

Management Board member concerned: Mr. Jean-Michel Etienne

POTENTIAL SEVERANCE PAYMENTS

The Supervisory Board on March 6, 2012 amended existing contractual commitments relating to compensation, indemnities and benefits likely to be due to Mr. Jean-Michel Etienne on the termination of their of office and functions, in order, notably, to bring these commitments into compliance with law of August 2, 2007 (the "TEPA law").

These agreements in force between Publicis Finance Services and Mr. Jean-Michel Etienne provide that, if his term of office as a member of the Management Board of Publicis Groupe is terminated "without just cause," Mr. Etienne shall have the right, if he does not continue to be employed by Publicis Groupe, to receive one-year-and-a-half of his total gross remuneration (base compensation and maximum variable component), and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, subject to the performance conditions set out in the rules of the free share allocation plan in question.

These amounts and benefits shall only be due in full if the average annual amount of the bonuses earned by Mr. Jean-Michel Etienne for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25%

of the "target bonus," no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus", the amounts and benefits will be calculated proportionally between 0 and 100% using the rule of three.

The agreement was approved during the General Meeting of May 29, 2012.

Management Board member concerned: Mr. Kevin Roberts

The Supervisory Board on March 6, 2012 confirmed the existing contracts and agreements while specifying the potential entitlements to free shares.

POTENTIAL SEVERANCE PAYMENTS

The contract concluded between Saatchi & Saatchi North America Inc., Saatchi & Saatchi Limited, Red Rose Limited, and Mr. Kevin Roberts provides that if Mr. Roberts's employment contract is terminated before its normal term at the initiative of the Publicis Groupe "without just cause" or at the initiative of Mr. Kevin Roberts "with just cause," subject to certain conditions, the Company may be required to pay him an amount equal to 120% of his annual base salary, to which should be added the maximum annual amount of the bonus to which he would have been entitled and the annual cost of various benefits which he enjoys, as well as maintaining his social security insurance protection for one year and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the free share award scheme in question.

These sums and benefits will only be due in full if the average annual amount of the bonus earned by Mr. Kevin Roberts for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus," no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target bonus," the payments and benefits will be calculated proportionally between 0 and 100% using the rule of three.

The agreement was approved during the General Meeting of May 29, 2012.

Management Board member concerned: Mr. Jean-Yves Naouri

The Supervisory Board on March 6, 2012 confirmed the existing contracts and agreements while specifying the potential entitlements to free shares.

POTENTIAL SEVERANCE PAYMENTS

The agreements in force between Publicis Groupe Services and Mr. Jean-Yves Naouri provide that if his term of office as a member of the Management Board of Publicis Groupe is terminated "without just cause." Mr. Naouri may have the right, if he does not continue to be employed by the Publicis Groupe, to receive one year of total gross remuneration (base compensation and maximum variable component) and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the free share award scheme in question.

These amounts and benefits shall only be due in full if the average annual amount of the bonus earned by Mr. Naouri for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus." If the average annual amount is less than 25% of the "target bonus", no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus," the amounts and benefits will be calculated proportionally between 0 and 100% using the rule of three.

The agreement was approved during the General Meeting of May 29, 2012.

C) SYNDICATED LOAN (CLUB DEAL) WITH BNP PARIBAS AND SOCIÉTÉ GÉNÉRALE

Members of the Supervisory Board involved: Mrs. Hélène Ploix and Mr. Michel Cicurel

The Supervisory Board on June 7, 2011 authorized, in accordance with the provisions of articles L. 225-86 *et seq.* of the French Commercial Code (*Code de commerce*), the agreement on a syndicated loan (Club Deal) in the amount of euro 1.2 billion valid for a five-years period in particular with BNP Paribas and Société Générale. Mrs. Hélène Ploix and Mr. Michel Cicurel are respectively members of the Board of Directors of BNP Paribas and Société Générale; and both members of the Supervisory Board of Publicis Groupe.

The agreement was approved during the General Meeting of May 29, 2012.

Paris-La Défense and Courbevoie, March 31, 2014

The statutory auditors

French original signed by

ERNST & YOUNG et autres		Mazars	
Vincent de La Bachelerie	Christine Staub	Loïc Wallaert	Anne-Laure Rousselou

1.4 Corporate Social Responsibility (CSR)

In 2013 CSR strategy continued its rollout through all levels of the Group and is part of the company's strategy DNA. The CSR report is focused on four major areas: Corporate, Society, Governance & Economy, Environment and it must be a true reflection of the efforts made and the opportunities of progress. The agencies are committed to the different aspects of the CSR approach on a day-to-day basis which materializes not only by figures but also by concrete examples of good practices.

2013 was the 5th year CSR reporting was carried out and the second fiscal to have been audited. In accordance with its internal objectives, the Group extended the scope of its audit; SGS has been tasked with auditing and verifying this process over 41 on-site audits. A more comprehensive version of the 2013 CSR report is published separately as in previous years (available on www.publicisgroupe.com).

Starting in 2009, Publicis Groupe has voluntarily chosen to follow the International Global Reporting Initiative (GRI – www.globalreporting.org) indicators and standards in GRI 3 edition and has now taken grid GRI 4 into account "key criteria." The Group has been a signatory of the UN Global Compact since 2003 (www.unglobalcompact.org), and has chosen to abide by ISO 26000 guidelines in order to improve its CSR reporting (www.iso.org); this led the Group to pay special attention to the way stakeholders are taken into account within all the Group's activities.

METHODOLOGICAL FRAMEWORK

The processing of the CSR report is complex and hinges on two converging flows of internal data.

On the one hand, quantitative data are collected according to financial reporting rules and procedures *via* the finance information system linking together the 850 entities* through a dedicated module (HFM CSRGRI), and are placed under the responsibility of the network Finance Directors.

On the other hand, the qualitative data are collected *via* an internal dedicated tool (NORMA), accessible to all of the agencies, and are placed under the responsibility of the network Human Resources Directors. This new tool is combined with a quantitative module in order to ensure consistency and run materiality tests.

Upstream, the shared services center teams (Re: Sources) are closely involved throughout the process, especially during the preparatory phase of data collection. An internal "CSR Guidelines" manual defines the collection and validation processes at the various levels, as well as the contents of the various indicators taken into account. This manual was distributed to a cross-functional working group attached to the CSR reporting process (over 100 members throughout the various networks).

All of the quantitative data and qualitative information are then consolidated by the Group CSR management team. This management team relies on an internal CSR Steering Committee grouping together the key central functions in order to guarantee a smooth and coherent reporting process end-to-end. Moreover, the Internal control teams make sure during their assignments that agencies correctly implement the CSR reporting processes.

Scope: this reporting for 2013 covers about 97% of the Group's headcount. During the verification processes led by SGS, on-site audits were carried out in 41 agencies (in the United States, United Kingdom, France, Brazil and China) representing more than 25% of headcount. The scope increased strongly compared with 2012 (six large agencies – less than 10% of headcount in 2012). Random controls on quantitative and qualitative indicators were carried out as well as an audit for the final consolidation phase. Report from SGS auditors may be seen at the end of this chapter.

This non-financial reporting was prepared according to the directions set out by Decree 2012-557 dated April 24, 2012 based on article 225 of the Grenelle II Act, 2010-788 dated October 12, 2010 pertaining to obligations on social and environmental transparency, and it covers 2013 (January 1 – December 31, 2013).

* *Entities are the Group agencies which are each named after one of the networks of the Group and that are linked to it, based in different locations within the same town; entities also comprise Shared Service Centers (SSC), mainly based in different locations than agencies.*

1.4.1 SOCIAL

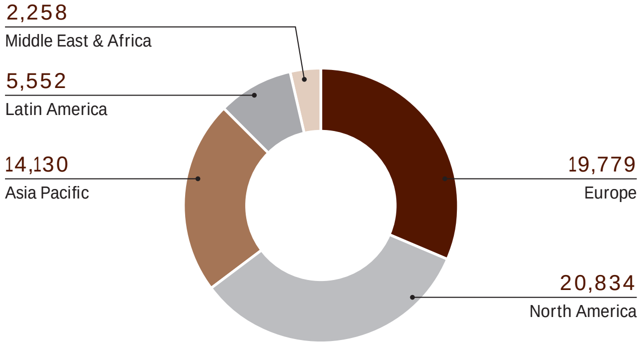
1 - TEAMS: KEY FIGURES

Publicis Groupe, 3rd-ranked Global Communications Group, Present in 108 countries.

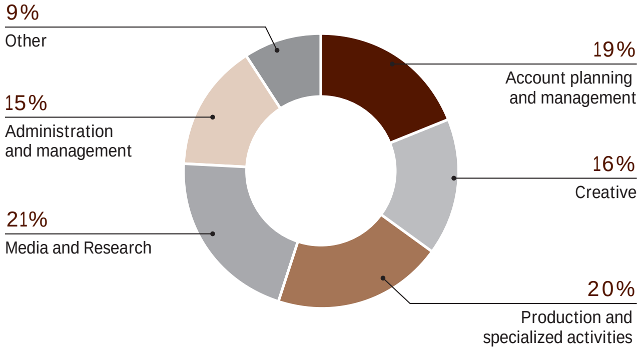
Headcount 2013: 62,553 employees *(57,500 in 2012)*

The growing workforce (+9%) reflects the Group's growing business (internal and external growth, including LBi consolidation)

- Geographical breakdown (see Chapter 4, Note 3 of this document)



- Breakdown by main jobs and functions (see Chapter 4, Note 3 of this document)



- The Group's staff turnover was 30.5% *(2012: 29.3%)* The staff turnover rate is the total number of departures for the year divided by the annual average number of employees. Due to their activities, some entities are subject to high turnover which does not reflect the operations of the agencies; the final turnover rate mentioned takes certain exclusions into account.

  This rate remained high and is mainly attributable to the Group's type of business and was accelerated by the Group's development strategy in digital technology and in high growth markets which both show higher turnover rates for structural reasons.
- Hires: 301 net jobs *(2012: 880 net jobs).* were created (excluding acquisitions). Due to the financial crisis, certain agencies in several countries initiated a hiring freeze.
- Layoffs: Restructuring was required in several European countries, particularly in Southern Europe, in order to adapt our structures to the local economic conditions. This led to the implementation of a workforce adjustment plan which resulted in 159 departures.
- The Group's absenteeism rate was estimated at 2% *(2012: 2%)*. (The absenteeism rate is equal to the number of days lost for reasons other than paid leave or maternity/paternity leave, divided by the total number of business days in the year). This absenteeism rate remained stable and is standard with regard to the Group's type activities.

The Group's employee contracts are drawn up according to local laws and regulations whether they concern permanent or temporary contacts or freelance and therefore self employed people.

In terms of the organization of work, the challenges of customer service activities require initiative, availability and promptness which are growing abilities due to the digitalization in work practices. Time management is another growing challenge faced by employees and managers who must both incorporate flexibility into their schedules to better serve customers who are facing the same issues.

Health and Security:

- Almost 100% of employees are covered by some form of social security (social security health insurance), irrespective of local social security provisions (state, state-company-employee or private company-employee contribution plans, etc.).
- The work accident rate was estimated at 0.4% (covering the entire scope of the Group's operations vs. 0.4% in 2012 on 76% scope), the main causes of accidents were related to transportation (home-work and work-related commuting).
- In terms of preventative health measures and occupational disease prevention, in addition to the standard practices, such as seasonal vaccinations or support of national screening initiatives and disease-specific campaigns, numerous agencies have rolled out initiatives to promote preventative measures against occupational-stress (and/or psycho-social risks (PSR)) and muscular-skeletal disorders (MSD). Over the last years, agency management was committed to more comprehensive programs to better address stress prevention (and stress factors), or on a more global scale, preventive health measures responding to specific cases. A large majority of employees works in front of a screen. We saw a growing number of new local initiatives supporting preventative health measures to improve posture and lifestyle with regard to business activity, frequently intense and sedentary. Various actions were undertaken: an ergonomist came on site to sensitize employees to the impacts of working postures, massages were also proposed at times by health professionals (physiotherapist and chiropractor), eye exercises were promoted by a specialist (orthoptist) and by webinars; fitness and yoga classes were available, either at the agency over lunch or in gym clubs in the neighborhood; interviews with nutritionists on a regular basis, even fresh fruit was on offer. For the real athletes, groups were set up for running and bike races (even marathons and semi-marathons) or to play various team sports.
- Preventative health measures are occasionally subject to specific conditions in countries with collective or occupational agreements. All employees in these countries benefit from these collective or occupational agreements where such agreements exist.

2 - DIVERSITY POLICY

Non-discrimination has always been an integral part of the Group's Principles and Values, and has been regularly held up and affirmed as sacrosanct in several internal documents, in particular Janus (the internal code of ethics) and the code of conduct (public extract may be viewed on www.publicisgroupe.com).

Teams in every country are naturally multicultural, and employee profiles (training, background, experience, etc.) are richly diverse. A pro-active policy is nonetheless still necessary. The Group has defined eight priorities on which to concentrate its efforts (one more compared to the previous years) in order to promote diversity within its teams: gender equality, age, disability, culture and ethnicity, education, sexual orientation, religious practices and veteran status. Agencies carry out initiatives shaped around these priorities in accordance with local regulations or good practices, either alone or in team with other agencies.

Gender equality in the Group:

- Total headcount: 53.4% women – 46.6% men *(2012: 55%-45%)*

  The headcount remained globally balanced; however, digital agencies are mainly composed of men.

  Average age: 35 for men – 34 for women *(2012: 35 years-34 years)*;
- Agency Management Committees: 39% women *(2012: 39%)*.

  (Figures calculated agency or entity management level);
- Network Management Committees: 32% women *(2012: 30%)*.

  (Figures calculated at Group network management level);
- Supervisory Board of Publicis Groupe, chaired by Elisabeth Badinter, consists of 14 members (50% women – 50% men) and the Management Board is made up of 4 men;
- Chaired by Maurice Lévy, the Group Executive Committee P12 includes two women out of 13 members (15%), and the SLT (Strategic Leadership Team) includes five women out of 22 members (22%).

  See Chapter 1.1.

VivaWomen!: The Group's internal women's network. At the end of 2013 it covered 9 countries and 16 cities. Initiated by the Group CSR management team at the end of 2011 incorporating all the Group's networks, it spread from Los Angeles to Shanghai, *via* Madrid including Mumbai, Paris, New York and Chicago as well as Toronto and Sao Paulo. VivaWomen! brings together voluntary, motivated female employees of the Group to take action and support other women in the Group, regardless of the position or function within the company. Its primary objective is to promote the professional and personal development of women in an environment of gender cooperation. Over 2,000 women took part in VivaWomen event! in a country during the year, based on the local action plans. The four mutual key areas remained 1) leadership support, 2) mentoring, 3) professional development and 4) work-life balance. This network also took part in external activities with other intra- or inter-company women's networks defending the rights of women and of young girls. Finally, the agencies have embraced VivaWomen! and built mini-networks on an extremely local scale to team up on certain projects. In addition to this internal program, Publicis Groupe is involved in various institutions and local associations dealing with themes relating to gender equality, such as the Laboratoire de l'égalité (Equality Laboratory) in France as well as other similar local organizations.

"*Égalité*": this network was launched two years ago in the United States. It brings together agency employees supporting LGBT (Lesbians, Gays, Bisexuals and Transgender) causes and is supported by the Group CSR management team. All agencies have now joined this network which is present across all the main cities in the United States, from Boston to Los Angeles. In addition, "*Égalité*" started a new chapter in London in 2013. "*Égalité*" also acts as an internal expert (such as an ERG – "Employee Resource Group") and an external expert on LGBT issues.

Diversity policy in the United States

American regulations strongly encourage the active promotion of diversity. The Group Diversity Council, which brings together the various network managers in charge of diversity, pursued its quarterly meetings in order to share best practices and organize joint activities. In parallel, each network keeps it autonomy when carrying out local or sharp focused actions based on their hiring and business needs.

The Group continued its years-long participation in programs such as Ad Color Awards (ethnic diversity), Most Promising Minority Student (program for ethnic diversity in the advertising industry), Black Enterprise Women of Power Summit (African-American women). Among the features of the 2013 program, we took part in SAMMA (South Asians in Media, Marketing and Entertainment) in support of Asian communities.

A new ERG (Employee Resources Group) called MOCA (Men of Color Alliance) was launched cross functionally within the Group – or in certain networks – other ERG such as the Black Employee Network (BEN), Link (for African American employees), Adelante (the Latin Culture Group), Hola (for Spanish employees), the Pan-asian (for Asian employees), and the MERG (a Multicultural Employee Resource Group) were active throughout the year. The challenges and objectives are still the same: within the Group, support employees from varied social backgrounds; and from outside the Group, raise the awareness of many different profiles and talents about the Group's activities.

Employee relations and Diversity policy in France:

2013 was an opportunity for the Group to confirm its commitment to providing access to employment, regardless of age, through the promotion of know-how and skills. A great of number of negotiation meetings took place around "generation contracts" in order to find an agreement and defined several main actions: Training and sustainable insertion of young employees into the workforce and developing career opportunities for older employees.

The Group continued its ambitious social security policy by implementing two collective agreements signed in 2012 related to health, life and disability insurance, and reimbursement of medical expenses.

With respect to diversity, the Group pursued its relationship with several associations such as:

- the association "Baisser les barrières" which helps visually deficient people throughout their university studies as well as in joining the workforce;
- the association "Nos quartiers ont des talents" fosters young graduates raised in sensitive "priority districts" or from socially-disadvantaged backgrounds;
- the association "B.A.ba Solidarité" of which the Group is a founding member. This private initiative inter-company association brings together companies who wish to promote access to reading and writing in-house and fight employee illiteracy by implementing actions throughout the Group, primarily addressed to cleaning services.

Lastly, the Group's Human Resources Department in France was awarded the "circle of excellence" prize.

3 – TRAINING, ASSESSMENT AND EMPLOYEE RELATIONS POLICY

A) Training

- 57% of employees were trained *(2012: 57%)*, which is confirmation of the effort made on training the teams in spite of high personnel turnover;
- 100,450 training-days were held *(2012: 117,640 days)*; face-to-face training (recognized in days and not in hours) was reduced as digital solutions (shorter) are being used in many countries;
- 174,000 hours of e-learning were shared *(2012: 71,040 hours)*; the increase can be explained by a greater number of training programs and also by enhanced traceability.

Training plays an essential role in improving employee skills within the various positions they hold. The increase in the level of digital-related skills is a key feature in the programs; knowledge and mastering all new digital applications and uses is acquired by continuous use in virtually all agencies (in many types of jobs); the multiplicity of new mobile uses and the new challenges linked to inter-connectivity result in agencies organizing vocational training focusing on digital, mobile and connectivity. The traceability of e-learning is still difficult because there are a lot of modules and the pace of change is very quick. In a complementary manner, there has always been a focus on supporting management and leadership, without neglecting the issues of internal culture as turnover and the speed of change of roles require managers to regularly share these themes with their teams and to develop the internal culture. It is also worth observing that creativity is still considered to be important in order to help employees, irrespective of their age, develop their own resources and stimulate them in this crucial part for our business (sessions and seminars either conducted completely in house or given by outside experts). Lastly, more traditional training courses have remained popular, particularly among younger personnel, and are focused on languages, new presentation techniques and learning from a beneficial collaboration with clients.

B) Employee assessment

69% of employees had an annual assessment *(2012: 71%)*.

This percentage is consistent with the Group turnover rate and with the fact some large agencies having recently joined the Group do not conduct assessments as often. Employees are obligated to attend an annual assessment meeting in line with the internal human resources regulations set out in the Janus code of ethics.

C) Employee relations

The code of conduct outlined in the Janus code of ethics clearly stipulates the need to cultivate employee relations and to be attentive to the concerns of employees. The medium size of agencies (between 50 and 100 people) allows for simple and frequent exchanges between managers and their teams regarding company matters and projects in progress.

The Group also fully respects the fundamental rights of freedom of association and negotiation. Staff representative bodies and employees in general are regularly consulted on and informed of projects and developments liable to affect them and their agencies. *(See Chapter 1 "Diversity, France.")*

4 – EMPLOYEE SATISFACTION SURVEYS

Approximately 58% of the total headcount took part in an internal survey (people survey or climate survey). The networks are free to decide as to whether to conduct an internal survey, knowing that some questions are common and can be tracked across the company. Some networks have a long-standing tradition of conducting regular consultations every year or every other year, and other networks wait more than two years before conducting this type of survey; this makes it difficult to make year-on-year comparisons. Lastly, some agencies have also been able to conduct very local surveys. So although the shared intention is the same everywhere, *i.e.*, consulting with employees on a regular basis, the *modus operandi* differs from one agency to another.

5 - COMPENSATION POLICY

All of the information pertaining to the compensation of Publicis Groupe senior executives is detailed in Chapter 1.2 of this document.

Permanent and temporary Group employees in every agency have an employment contract backed by local labor laws. The Group does not have a consolidated indicator for the compensation of all employees because the variations between countries make comparisons difficult. Thus the approach remains local.

With regard to gender pay equality, the Group has always held up as a fundamental principle equal pay between men and women for equal skills and work. The Group and management remain on the lookout to ensure its application in practice, including in crisis periods.

6 - HUMAN RIGHTS POLICY

The Janus code of ethics compels managers and their teams to abide by local laws and regulations, and refers to the fundamental principles of the International Labor Organization (ILO), paying special attention to gender equality in terms of equal pay for equal work, expanded and effective social security and strengthened social dialogue.

Pro bono campaigns (see below) in support of organizations or general interest causes promoting the Human rights of women, men and children and opposing all forms of exclusion and discrimination, serve as a clear demonstration of the Group's commitment, as a whole and through its agencies and employees, to defending Human rights. The Group and its agencies are dedicated to upholding Human rights through these campaigns conducted for major international organizations, such as the United Nations, or in support of local and national organizations and associations.

Lastly, contracts signed with the Group's major suppliers (central or regional) consist of various criteria pertaining to the adherence to Human rights. The Group Procurement Department's efforts in this regard in 2012 demonstrated a heightened concern for encouraging a responsible Procurement policy (see 1.4.3. below).

Elimination of all forms of forced and compulsory labor and abolition of child labor

The Group's activities bear no risk on these issues. The code of conduct outlined in the Janus code of ethics explicitly condemns forced, compulsory and child labor, and calls for their eradication. These principles are reiterated in the Procurement management guidelines, in particular *via* the CSR Procurement Questionnaire sent to the Group's suppliers (see 1.4.3. below).

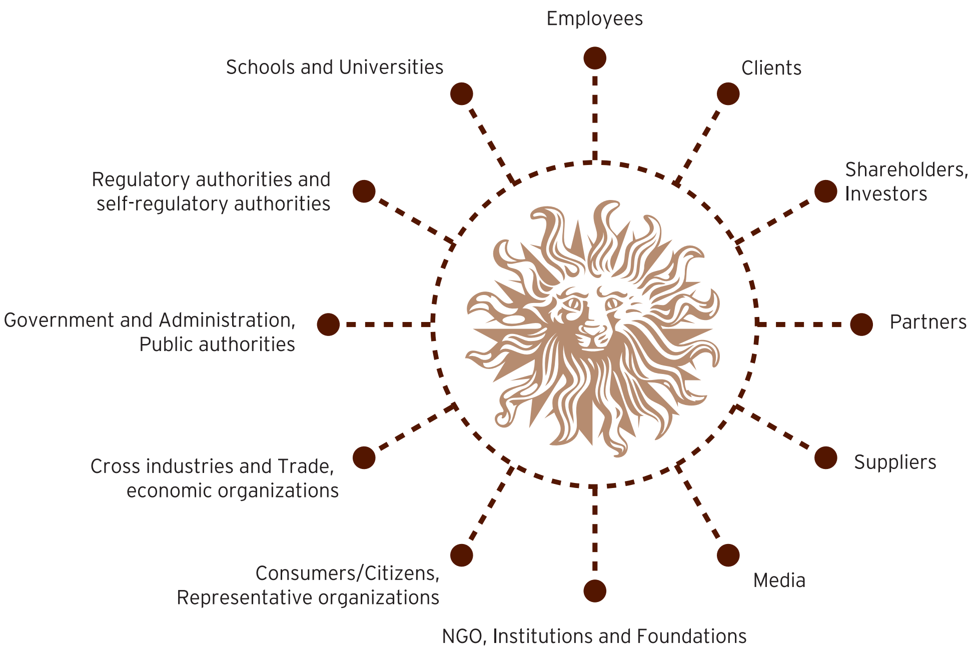
7 - MERGER WITH OMNICOM GROUP INC.

The staff representative bodies of the Group's French entities were informed of the plan to merge with Omnicom Group Inc. in accordance with the applicable laws. As such, the merger between equals should not modify the structures of the subsidiaries of each of these two groups, their organizations or their strategy.

1.4.2 CULTURAL

The Group has always held reciprocal above-board relations with all local and global stakeholders (identified in the diagram below). It espouses a clear and pragmatic approach, which leads to relationships often backed by collaborative projects.

It is important to note that employee relations are covered in Chapter 1 above.



1 – AGENCY INVOLVEMENT IN THE CITY AND LOCAL COMMUNITIES

The agencies have two ways of being involved in their communities in a very meaningful manner: through undertaking *pro bono* campaigns or by playing an active role in dedicated voluntary work.

The agency management decide which causes they will support during the year and the local not-for-profit organizations or bodies that will benefit from a *pro bono* campaign or support through dedicated voluntary work; this complies with the Group's Sponsorship Charter (available on www.publicisgroupe.com). Local proximity and commitment to the issue naturally play a role in selecting the causes to support. Apart from the work to be carried out, the assignment entrusted to the agency in one form or another, these initiatives benefit from strong internal commitment. Whatever the position or the responsibilities of the personnel, taking part in this type of campaign or project is an integral part of an agency career.

A) *Pro bono* campaigns

Over 360 *pro bono* campaigns have been carried out by the Group's different agencies without forgetting all the offered assistance provided from time to time that is not considered to be campaigns in themselves. This figure is up (300 in 2012) and proves that despite a difficult economic context, the agencies have continued with their undertakings by focusing on large-scale "multi-channel" campaigns. Some of them are also involved with public fundraising. The *pro bono* campaigns conducted by the Group's agencies address the following major themes: child protection; local community initiatives; general health and specific health prevention measures (preventing cancer, fighting AIDS, combating drugs, preventing major diseases, etc.); and environmental protection.

A very large number of these campaigns are covered on the Group website (www.publicisgroupe.com), or on individual agency sites and some of them have been listed in the CSR Reports since 2009.

B) Voluntary work

Also referred to as skills-based sponsorship, it is a practice which is spreading throughout the world; this year there are more than 750 initiatives of this type. This increased figure is due to enhanced traceability of the undertakings of agencies with regard to not-for-profit organizations, NGOs, foundations or general interest causes to which time has been given. Basically, this involves providing one or two teams for a limited period, in order to provide operational assistance to associations or organizations in favor of a general interest causes. These interventions may be undertaken in addition to a *pro bono* campaign. Certain operations sometimes include fundraising involving employees. These opportunities for mobilization promote internal cohesion and are appreciated by the teams.

A large selection of examples of the many organizations and associations with which agencies have carried out these projects has appeared in previous Group CSR reports since 2009, (on www.publicisgroupe.com), or the sites of individual agencies.

The total number of the Group's initiatives, through *pro bono* campaigns and voluntary work exceeds 1,100 with an estimated value of euro 25.5 million (excluding free media space estimated at euro 25 million).

2 – RELATIONS WITH SCHOOLS AND UNIVERSITIES

Relations between agencies and universities and schools have been close and regular for decades in some cases, while new courses have developed with the emergence of recent business roles. There are four major types of relations:

1) the key work entry stages such as Job Fairs or Careers Fairs; the agencies collectively take part in several large events;
2) an open-door policy of regularly welcoming students to discover Group jobs, sometimes in conjunction with local inter-professional organizations, drivers of a collective movement in the industry;
3) education through lectures and courses presented by several managers on a regular or occasional basis. The Group agencies strive to develop these relations over time and also diversify them in order to be open to students with different profiles;
4) internships, integral part of training programs, which are necessary to validate acquired skills in order to be awarded a qualification. All of the Group's agencies take on interns either for mandatory course internships or end-of-studies internships. In the increasingly complex jobs in the communication industry, internships help young graduates gain a better understanding of the reality of a position or a specialization so that they then can make an informed decision on which career to choose.

Each agency cultivates its own relational network with a certain number of local educational institutions. A list of the main institutions with which agencies have formed relationships over time has appeared in the CSR reports since 2009.

3 - COMMUNITY CHARITY WORK AND DONATIONS

Our agencies participate in charity events but the priority is given to concrete commitments such as *pro bono* campaigns, or voluntary work because this is the best way of ensuring our help is as efficient and effective as possible. The agencies, employees and managers alike, respond very quickly whenever a dramatic event occurs in their country, an area, a town or city (nearby or not) and it is necessary to organize help urgently. Natural disasters and large-scale serious accidents lead to spontaneous reactions of generosity seeing employees and the management working side by side. The Group favors a decentralized approach as it is more flexible and easier to organize, and the traceability of efforts is easier and more immediate.

4 - RELATIONS WITH PROFESSIONAL ORGANIZATIONS AND INSTITUTIONS

Agency managers in every country are extremely involved in their professional organizations. Over the last few years, we have seen the emergence of new *ad hoc* inter-professional collaborations, in which communications agency professionals are closely involved as stakeholders in the actions and ideas of organizations and associations at a local level.

In addition to numerous local initiatives, the Group is upholding its commitments over the long term (see the CSR reports since 2009); the following deserve special mention:

- education, the Group's continuing participation in MediaSmart, a European media literacy program (Pub Malin in France) designed to help primary school educators to teach children critical thinking skills relative to advertising, in partnership with media representatives, teachers, consumer associations and regulatory authorities, among others;
- international inter-professional collaboration, promoting the new ICC (International Chamber of Commerce www.iccwbo.org). This ICC Code sets the international standard for self-regulation and ethical conduct. This new edition includes the new challenges raised by digital communication and mobile applications;
- In the same spirit, it is essential to mention the involvement of the Group's experts in the 4A's Privacy Committee and also within the framework of the Advertising Self regulatory Council in the United States; and active involvement in the European Advertising Standards Alliance, platforms for dialogue and working together on best practices in the industry with all the professionals and competent authorities concerned;
- The Group remains committed to ISO 26000 (applied to the communication industry), with the approach focused on stakeholders being significant.

1.4.3 GOVERNANCE & ECONOMY

1 - GROUP BUSINESS ACTIVITIES AND PRIMARY KEY FIGURES (SEE CHAPTER 2 OF THIS DOCUMENT)

The Publicis Groupe, founded in 1926 in Paris by Marcel Bleustein-Blanchet, led by Maurice Lévy, Chairman of the Management Board, is one of the leading global communication groups with its registered office in Paris. (Also see Section 2.2 "Group History" of this document).

The Publicis Groupe's communication business is organized into four major areas: advertising (30%); Specialized Agencies And Marketing Services (19%); media agencies (18%); and digital activities (33%) (See Section 2.4.3 of this document).

The list of the Group's main clients is included in section 2.4.5 of this document.

The key figures are presented in section 2.1, and the consolidated financial statements are set out in Chapter 4 of this document.

2 - CORPORATE GOVERNANCE PRINCIPLES

Section 1.1 of this document outlines the Group's corporate governance principles.

The Publicis Groupee is a Company with a Supervisory Board – comprised of 14 members (50% women), chaired by Ms. Elisabeth Badinter, daughter of the founder of the Group, Marcel Bleustein Blanchet. The Management Board, chaired by Mr. Maurice Lévy, is comprised of 4 members; the Group's Executive Committee, called "P12", chaired by Maurice Lévy, comprises 13 members, and the expanded committee (called SLT "Strategic Leadership Team") has 22 members.

The Group has been listed on the Paris Stock Exchange since 1970.

3 - ETHICS PRINCIPLES

Janus, the Group's code of ethics, consists of a code of conduct and corporate operating rules. Janus applies to all managers and their teams, while the code of conduct applies to all employees (see Section 1.1.7 of this document).

The networks and agencies continue to enhance their internal programs designed to raise awareness and inform employees about the contents of Janus, in particular through training sessions for all new arrivals regardless of their position.

The Group's key values were established many years ago and are focused on main elements, explained in the Janus code of conduct with, in the first few pages, details concerning the conduct of the teams and the fundamental rules that must be respected. This public document is available on www.publicisgroupe.com

4 - ANTI-CORRUPTION POLICY AND PROCEDURES

The Janus code of conduct thoroughly addresses the issues of gifts and inappropriate or unethical relationships, with clients or suppliers. The Group's legal experts play an important role in terms of awareness and the application of laws and regulations concerning corruption. Based in the shared services centers (Re: Sources) and functionally under the Group's Legal Department, these legal experts keep a constant eye on laws and regulations dealing with corruption. They make agencies aware of the issues at stake and lay down compliance procedures adapted to local markets. In 2012, the Group's legal experts wrote a new "anti-bribery" policy, put in place firstly in the United Kingdom, and which, since then, has been gradually rolled out in other countries.

In addition, the internal audit teams regularly remind local managers of the Group's rules regarding corruption and ethical business conduct.

5 - CLIENT RELATIONS

Section 2.4.5 of this document outlines the Group's relations with its clients.

The Group is very committed to the quality of the relations which are forged with all the clients, recent or long-standing, because it is the key to beneficial work. In respect of responsible communication, the work is done upstream, based on messages and representations, as well as when carrying out the campaign itself with the focus on eco-design issues.

Agencies conducted over 7,000 client surveys in 2013 (2012: 7,450). This figure reflects a part of the client satisfaction surveys. These surveys are conducted either as questionnaires administered by agencies or as annual interviews or performance reviews. Moreover, several large international clients conduct their own "client satisfaction" surveys using either their own in-house tools (or administered by a third-party); in these cases, it is difficult for agencies to get accurate feedback on the methods used and number of opinions consulted by the clients regarding the quality of services provided, as they usually receive just a summary of the results. A portion of client surveys therefore fails to come to the attention of agencies.

6 - SUPPLIER RELATIONS

The Group's Procurement Department pays great attention to monitoring supplier compliance with CSR criteria. In addition to the in-house chart (CSR Procurement Chart) designed for the Group's international team of buyers in order to increase internal mobilization around CSR criteria in calls for tender, the Group's major suppliers are asked to respond to the *ad hoc* questionnaire (CSR Procurement Questionnaire). In 2013, an inventory conducted by the Group's Procurement Department made it possible to identify the internal indicators that were the followed in the best manner, such as:

- the systematic inclusion of CSR questionnaires in the centrally and regionally managed ITTs (RFIs/RFPs);
- taking into account the responses to these questions in the final score given to the suppliers' bids;
- acceptance of our own internal clauses about important issues concerning Human Rights and labor law, as well as the environmental impact.

The Group's Procurement Department is sometimes directly involved with the client's request, when it requires its communications agency to commit to certain points *vis-à-vis* its suppliers. This trend is being encouraged by recent regulatory developments (see: Small Business Act in the United States as in Europe). Similarly, the issues related to diversity (and social policy) covered by the term Supplier Diversity – beginning to develop in many countries – are monitored internally either by dedicated teams in direct contact with clients (as Leo Burnett has been doing for several years), or with the support of outside experts working in the Group's agencies. The critical issue is ensuring that the profiles of the companies with which the Group's agencies may work are truly diversified and that they comply with the Group's diversity criteria. At the same time, these issues concerning supplier relations result in establishing a closer dialogue between the clients' Procurement Departments and the Group's Procurement Department, which could lead to joint projects.

Furthermore, agencies also incorporate the work of outside experts, freelancers or ultra-specialized small entities in their own communications business activities. This sub-contracting is often carried out under intense conditions imposed by clients; the Group is careful with respect to its service providers to limit reducing the time needed to complete the project and make payments on time.

Lastly, the Group's Procurement Department has also involved the Real Estate Department in this CSR approach in order to consolidate a rigorous approach which takes these issues into consideration during renovation work for agencies and when looking for new office space.

7 - CONSUMER HEALTH AND SAFETY MEASURES

Janus, the Group's code of ethics, sets out a certain number of key behavioral principles applicable to all employees in performing their job, such as respect for others, confidentiality and avoiding conflicts of interest, as well as the Group's refusal to participate in partisan campaigns, a stance that is quite rare in the communications sector. These rules (publicly available on www.publicisgroupe.com) apply to all employees and underlie a strong corporate culture.

Publicis Groupe conducts business-to-business communications operations. The Group's direct issues linked to its communication work are also closely related to the nature of the clients' business (brand name/trademark, products, services, etc.). One of the challenges faced by digital communication is the protection of personal data, in particular with the growth of mobile communication. Group experts take part in different working groups, at both the national and international level, always comprised of several parties to discuss good practices and the issues concerning standards and regulatory changes, while practice standards are developing very quickly. The common objective is to improve the transparency of the new modes of communications and interactions with the end-user, with the Group being very concerned about the notions of free will and free choice of consumer citizens.

For example, the Group agencies apply the Self-regulatory Principles for online Behavioral Advertising in the United States, and in Europe the Best Practice Recommendation for Online Behavioral Advertising. In addition to that, in other countries, similar work and the application of rules that are essentially the same thanks to the collective work undertaken with the regulatory authorities or self-regulation. Other examples are found in the CSR reports from 2009 onwards.

8 - INVESTOR AND SHAREHOLDER RELATIONS

Section 6.2 of this document details the financial information pertaining to the Group's shareholding.

The Investor Relations Department oversees everyday relations with investors and shareholders through numerous meetings and exchanges in various countries. The Investor Relations Department and the CSR Department work closely together with respect to ESG (Environmental-Social-Governance) requirements.

The press releases circulated throughout the year are accessible on the Group site: www.publicisgroupe.com

9 - GROUP COMMUNICATION

The Group's Communication Department is tasked with developing and implementing the Group communication strategy, both internal and external.

In addition to its advisory and assistance role vis-à-vis the Group executives and agencies throughout the world, the Communication Department coordinates the whole network of communication managers.

It provides information to employees, shareholders, the general public and institutional players thanks to different international communication means (Media, website, social media).

It works closely with the Group's Corporate Departments: Finance, Investor Relations, Human Resources, Audit, Legal, Mergers and Acquisitions.

It develops communication tools and aids such as publishing documents (annual reports, presentation brochures, press kits).

It updates, coordinates and develops the website in respect of which it has editorial responsibility.

It is also tasked with managing relations with the media, corporate event-related communication and public relations.

1.4.4 ENVIRONMENT

1 - GROUP ENVIRONMENTAL POLICY

In order to raise employee awareness of the major issues in this area, the Group's environmental policy "Consuming better and less" was written several years ago based on four clear areas of focus:

1) reducing consumption of raw materials, mainly paper and water (with changes in relation to the types of paper used and the printing techniques);
2) reducing consumption of energy (by seeking to limit the impact relating to electricity, heating and air conditioning);
3) reducing employee transport and its impact (with teleconference and conference call systems being put in place, etc.);
4) putting in place recycling and organized waste management systems.

The Greenhouse Gas emissions reviews in the last few years are coherent enough to enable the major impact to be identified. However, the natural growth of the Group's business conceals the progress made in certain fields, in particular energy and travel where installing 30 tele-conferencing facilities throughout the world has contributed to reducing traveling.

- Certifications: the certification of agencies is dependent on the local context. In the United States, the United Kingdom and France, several of the Group's agencies are ISO 14001 or ISO 9001 certified in order to satisfy clients' expectations to a greater extent or because the regulatory context encourages them to do so. There are other voluntary certifications that set standards and good practices in the advertising and communications industry, as well as more technical certifications obtained with technology partners.

2 - AGENCY GREEN TEAMS: RAISING AWARENESS OF ENVIRONMENTAL CHALLENGES

The joint internal mobilization concerning these CSR issues is continuing apace. Through the impetus of the CSR Department, and agency managers, teams of volunteer employees are encouraged to be active in order put in place initiatives. These teams (very active in more than 200 agencies) undertake effective local initiatives driven by a strong personal commitment. 2013 was a turning point in terms of setting up joint projects. June 2013 was named the Month of Action: launched under the joint slogan Create & Impact 2013, the project in its 3rd year joined the forces of more than 100 agencies primarily located in the United States and Europe. The other agencies were completely free in deciding when to take part in this project during the year according to their own timetables. The driver of this program was to encourage and mobilize good intentions on the CSR issues, while leaving a large amount of leeway to agencies to decide on their own priorities. In addition to employees, certain agencies got customers, suppliers and partners involved. A momentum was gained which helped raise awareness among employees of the social, societal, and environmental stakes and therefore real action was taken producing immediate results.

3 - MAJOR CONSUMPTION AND ENVIRONMENTAL IMPACTS

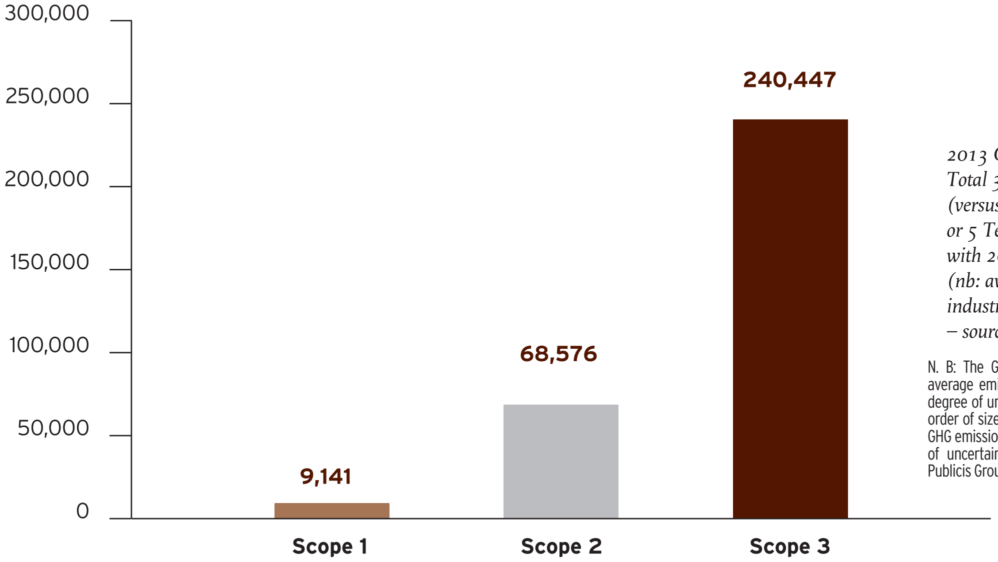
The Group's major sources of consumption and impacts were as follows (in order of importance):

- trips *(calculating method: business trips + personal travel (home/office))* estimated at: 1,034,110,000 km *(versus 865,856,000 km in 2012*)*. The major part is generated by business trips which increased due to the growth of the Group's business, as well as enhanced traceability of personal travel. The Group has, however, heavily invested in tele-conferencing technology in order to reduce long-distance travel, with 30 new facilities: now up and running;
- energy consumed estimated at: 173,201 MWh *(= 173,201,270 kWh versus 185,070,100 kWh in 2012*)* including almost 25% from renewable energy sources *(on the basis of the statements provided by the electricity suppliers)*. This consumption fell compared with 2012, rewarding in a more visible manner the efforts made in recent years to reduce energy consumption in agencies (switch off policy concerning computers and machines such as printers as well as lights at night and at weekends). When the Group has to envisage moves, the energy efficiency of the future offices is part of the selection criteria;
- fixed assets (buildings, office materials such as IT equipment and servers, etc.);
- paper: 1,560 tons were consumed in 2013 *(versus 1,792 tons in 2012*)* and consumables (cartridges, office supplies, etc.);
- water consumption is estimated at 777,020 m^3 or 12.4 m^3 per capita– down per capita on 2012 *(732,000 m^3 in 2012* or 12.7 m^3 per capita)*. Given the Group's services, it is difficult to obtain information concerning the sources of supply;
- the volume of waste is estimated at 5,750 tons *(up on 2012* with 4,580 tons, which can be explained by enhanced traceability of data)*. The major part of these volumes made up of paper and cardboard boxes are recycled with traceability (certain agencies have traceability in place for 100% of these volumes depending on the local system and service providers used).

4 – REVIEW OF GREENHOUSE GAS EMISSIONS

For the 5th edition, the review of Greenhouse Gas emissions based on the GHG protocol method (or carbon footprint calculated in previous years) has been calculated with the assistance of Bureau Veritas. Over 97% of the Group's operations were taken into account. Although the method and scope are the same as in 2012, the total of emissions appears to be slightly up for two reasons: the Group is growing and so there is a natural mechanical effect and the major part of the key areas of impact can be situated in the increase of transport, and in particular enhanced traceability of personal transport.

2013 EMISSIONS – GHG PROTOCOL REDO HISTOGRAM



*2013 GHG emissions:
Total 318,164 TeqCO2
(versus 287,287 TeqCO2 in 2012*),
or 5 TeqCO2 per capita – figure consistent with 2012
(nb: average of companies in the service industry: 5.3 to 8.8 TeqCO2
– source Bureau Veritas*

N. B: The GHG protocol calculating method is based on average emission factors (and therefore include a certain degree of uncertainty), thus it only provides estimations by order of size, with its vocation being to encourage reducing GHG emissions and measure the progress made. The degree of uncertainty linked to drawing up the assessment of Publicis Groupe's 2013 GHG emissions is estimated at 20%.

Comments – Environmental impact not applicable to the Publicis Groupe

Given the Group's service-based and intellectual operations, certain information required by the decree relating to article 225 of the Grenelle II Act is irrelevant, namely:

- *prevention, reduction or reparation measures concerning air, water and soil residues seriously affecting the environment;*
- *taking into consideration noise and all other forms of pollution relating to a specific business;*
- *land use;*
- *protection of biodiversity;*
- *provisions and guarantees pertaining to environmental risks.*

1.4.5 EXTERNAL INDEPENDENT AUDITORS' AUDIT REPORT

At the request of Publicis Groupe, SGS ICS carried out an audit of the information included in the management report drawn up for the year ended December 31, 2013 in accordance with Decree no. 2012-557 dated April 24, 2012 relative to companies' social and environmental transparency obligations, with regard to the application of article 225 of law no. 2010-788 dated July 12, 2010 and article 12 of law no. 2012-387 dated March 22, 2012, which amended article L. 225-102-1 of the French Commercial Code and the order of May 13, 2013 determining the procedure to be used by the independent third-party organization when conducting its mission.

The Board of Directors must prepare a report concerning the management of the Company including social, environmental and societal information to define the frameworks used, if necessary, to prepare the quantitative or qualitative data and ensure their availability.

SGS ICS' responsibility is to verify that the management report includes all of the information mentioned under article R. 225-105-1, to give a reasoned opinion as to the fair presentation of the information and to the explanations given by the Company regarding the absence of certain information and to indicate the tests carried out to complete our audit.

TYPE AND SCOPE OF THE AUDIT

SGS ICS' audit consists of:

- reviewing the statement on sustainable development policies in relation to the social and environmental impacts of the Company's business activities, its social commitments and the actions that stem from these policies and commitments;
- comparing the list of information mentioned in Publicis Groupe's 2013 management report against the list set forth under article R. 225-105-1 and noting, where applicable, any missing information not accompanied by explanations as mentioned under the third paragraph of article R. 225-105;
- verifying that the Company has a data collection process in place to ensure that the information mentioned in the management report is complete and consistent and identifying any irregularities.

SGS ICS observes that the Publicis Groupe voluntarily complies with the indicators of GRI G4 "Key Criteria" in terms of social and environmental matters and took it into consideration in its verification mission.

TESTS

ICS conducted its audit of Publicis Groupe including its subsidiaries and controlled companies within an international geographic scope, with Publicis Groupe preparing consolidated financial statements.

SGS ICS conducted its audit from November 19, 2013 to March 12, 2014, by carrying out interviews with people involved in the collection, validation and publication of quantitative data and qualitative information from the Holding Company and several of its subsidiaries in France (six agencies), the United Kingdom (10 agencies), the United States (20 agencies), Brazil (two agencies) and China (three agencies), representing over 25% of headcount

- SGS ICS reviewed the reliability of the internal framework, the internal control procedures and the data and information aggregation systems at each of the sites;
- for the data containing figures, we worked in each site by using surveys, verifying calculating formulas and comparing data with supporting documents on 16 indicators (quantitative data) and 5 indicators (qualitative information) chosen in terms of their relevance (legal compliance and taking into account the business sector/industry), their reliability, neutral and comprehensive nature. Random checks were carried out on the quantitative and qualitative data at the final point in the consolidation process;
- nine auditors were assigned to this audit under the supervision of a Head Inspector;
- in addition to the interviews and meetings with the teams of the 41 subsidiaries involved in the data and information collection, validation, and publication processes, eight interviews were conducted with senior management, the Secretary General, the Administrative and Finance Department, the Internal Audit Department, the Purchasing Department, the Communications Department and the CSR Department.

STATEMENT OF INDEPENDENCE AND COMPETENCE

SGS is the world leader in inspections, audits, assessments and certifications. Recognized as the global benchmark for quality and integrity, SGS employs more than 80,000 people and operates a network of more than 1,500 offices and laboratories around the world.

SGS ICS is a wholly-owned French subsidiary of the SGS Group. SGS ICS declares that its audit and findings were prepared in complete independence and impartiality with regard to Publicis Groupe and that the tasks performed were completed in line with the SGS Group's code of ethics and in accordance with the professional best practices of an independent third party.

Auditors are authorized and appointed to each audit assignment based on their knowledge, experience and qualifications.

STATEMENT AND REASONED OPINION

Based on Publicis Groupe's statement on sustainable development policies, the social and environmental impacts of the Company's business activities, its social commitments and the diligence implemented:

- we certify that the information included in Publicis Groupe's 2013 management report are in compliance with the list set forth under article R. 225-105-1 and that any exceptions have been duly justified;
- we declare that we found no significant irregularity that would call into question the fair presentation of the information included in the 2013 management report.

OBSERVATIONS

- The internal reference base of reporting environmental, social and societal indicators has been the subject of input intended to enhance its relevance. Training for all contributors and validators throughout the world has, on the whole, been monitored.
- The Publicis Groupe equipped itself with a new Information System, "Norma", in order to improve the collection of qualitative information. The objective was achieved overall. Some agencies need to use this new software more efficiently.
- Although the collection and consolidation of information has improved, it is still necessary to gain a better understanding and take-up of the indicators by all employees.
- Internal control now includes checking the agencies extra-financial data. Our site audits prove the deployment of this new procedure.

Signed in Arcueil, France, March 14, 2014

Technical Audit Director

SGS ICS France

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PRESENTATION OF THE GROUP

2.1 Key figures

In application of European regulation no. 1606/2002 of July 19, 2002 on international norms, the Group's consolidated financial statements for the financial years presented herein have been drawn up according to the IAS/IFRS international accounting standards and the applicable IFRIC interpretations at December 31, 2013 as approved by the European Union.

The tables below present selected consolidated financial data for Publicis Groupe. The selected financial data for the years ended December 31, 2013, 2012 and 2011, are derived from Publicis' consolidated financial statements included in this document, which have been prepared in accordance with IFRS standards. These financial statements were audited by Publicis Groupe's statutory auditors, Mazars and Ernst & Young.

KEY FIGURES

In million of euros, except percentages and per-share data (in euros)	2013	2013*	2012**	2011**
Data from the Income Statement				
Revenue	6,953	6,953	6,610	5,816
Operating margin before depreciation and amortization	1,227	1,265	1,188	1,032
% of revenue	*17.6%*	*18.2%*	*18.0%*	*17.7%*
Operating margin	1,107	1,145	1,062	929
% of revenue	*15.9%*	*16.5%*	*16.1%*	*16.0%*
Operating income	1,123	1,161	1,045	912
Net income attributable to equity holders of the parent	792	816	732	596
Earnings Per Share (1)	3.67	3.79	3.64	2.94
Diluted Earnings Per Share (2)	3.54	3.64	3.34	2.63
Dividend per share	1.10		0.90	0.70
Free cash flow before changes in working capital requirements	901		757	702
Data from the Balance Sheet	December 31, 2013		December 31, 2012**	December 31, 2011**
Total assets	17,111		16,605	16,450
Equity attributable to holders of the parent company	5,094		4,614	3,900

* *Excluding costs associated with the planned merger between Publicis Groupe and Omnicom.*

** *In line with IAS 19 Revised applicable as from January 1, 2013, the comparative information for 2012 and 2011 has been restated (see Note 1.1 to the consolidated financial statements). The impact on the operating margin was €-2 million in 2012 and 2011, €-5 and -4 million on profit (loss) attributable to owners of the Company in 2012 and 2011, 1 and 2 million on equity attributable to owners of the Company in 2012 and 2011.*

(1) *The average number of shares used to calculate net earnings per share was 215.5 million shares for 2013, 201.0 million shares for 2012 and 202.5 million shares for 2011.*

(2) *The average number of shares used to calculate net diluted earnings per share was 224.4 million shares for 2013, 224.1 million shares for 2012 and 237.1 million shares for 2011. They include stock options and bonus shares, equity warrants and convertible loan stock having a dilutive effect. Stock options and equity warrants are deemed to have a dilutive effect when their strike price is below the average share price for the period.*

2.2 Group history

Founded in 1926 by Marcel Bleustein-Blanchet, the Company's name originates from the combination of Publi, for Publicité, which means advertising in French, and "six" for 1926. The founder's ambition was to transform advertising into a true profession with social value, applying a rigorous methodology and ethics, and to make Publicis a "pioneer of new technologies". The Company quickly won widespread recognition. In the early 1930s, Marcel Bleustein-Blanchet was the first to recognize the power of radio broadcasting, a new form of media at the time, to establish brands. Publicis became the exclusive representative for the sale of advertising time on the government-owned public broadcasting system in France. But in 1934, the French government withdrew advertising from State radio; Marcel Bleustein-Blanchet therefore decided to launch his own radio station, "Radio Cité", the first-ever French private radio station. In 1935, he joined forces with the Chairman of Havas to form a company named "Cinéma et Publicité", which was the first French company specialized in the sale of advertising time in movie theaters. Three years later he launched "Régie Presse", an independent subsidiary dedicated to the sale of advertising space in newspapers and magazines.

After suspending operations during the Second World War, Marcel Bleustein-Blanchet reopened Publicis in 1946, and not only renewed his relationships with pre-war clients but went on to win major new accounts: Colgate-Palmolive, Shell and Sopad-Nestlé. Recognizing the value of qualitative research, in 1948 he made Publicis the first French advertising agency to conclude an agreement with the survey specialist IFOP. Later, he created an in-house market research unit. At the end of 1957, Publicis relocated its offices to the former Hotel Astoria at the top of the Champs-Élysées. In 1958, it opened the Drugstore on the first floor, which has since become a Paris landmark. In 1959, Publicis set up its department of "Industrial Information", a forerunner of modern corporate communications.

From 1960 to 1975, Publicis grew rapidly, benefiting in particular from the beginnings of advertising on French television in 1968. The Boursin campaign has inaugurated this new media: this was the first TV-based market launch in France, and its slogan soon became familiar to everyone in the country: *Du pain, du vin, du Boursin* (bread, wine and Boursin). Several months later, Publicis innovated again by siding with one of its clients in a new kind of battle: the defense of Saint-Gobain for which BSN had launched the first-ever hostile takeover bid in France.

In June 1970, forty-four years after its creation, Publicis became a listed company on the Paris stock exchange.

However, on September 27, 1972, Publicis' head offices were entirely destroyed by fire. A new building was built on the same site and the Company set about pursuing a strategy of expansion in Europe through acquisitions the same year, taking over the Intermarco network in the Netherlands (1972), followed by the Farner network in Switzerland in 1973; this resulted in the creation of the Intermarco-Farner network to support the expansion of major French advertisers in other parts of Europe. In 1977, Maurice Lévy was appointed Chief Executive Officer of Publicis Conseil, the Group's main French business.

In 1978, Publicis set up operations in the United Kingdom after acquiring the Mc Cormick advertising agency. In 1984, Publicis had operations in 23 countries around the globe.

In 1987, Marcel Bleustein-Blanchet decided to reorganize Publicis as a company with Supervisory and Management Boards. He became Chairman of the Supervisory Board, and Maurice Lévy was appointed Chairman of the Management Board. Since then, the strategy for Publicis has been defined by the Management Board and submitted to the Supervisory Board for approval; all operational decisions are made at the Management Board level.

In 1988, Publicis concluded a global alliance with the American firm Foote, Cone & Belding Communications (FCB) which merged with the European network. Publicis expanded its global footprint, notably thanks to the reputation achieved with US companies following the implementation of this alliance.

Growth accelerated in the 1990s: France's number four communications network, FCA!, was acquired in 1993, followed by the merger of FCA! With BMZ to form a second European network under the name FCA!/BMZ. In 1995, Publicis terminated its alliance with FCB.

On April 11, 1996, Publicis' founder died. His daughter, Élisabeth Badinter, replaced him as Chairperson of the Supervisory Board. Maurice Lévy enhanced the Company's drive to build an international network and offer the Group's clients the broadest possible presence in markets around the world. The acquisitions drive intensified and has become global: first Latin America and Canada, then Asia and the Pacific before moving on to India, the Middle East and Africa. The United States was the scene of large-scale projects from 1998 onwards, as Publicis looked to significantly expand its presence in the world's largest market. Acquisitions included Hal Riney, the Evans Group, Frankel & Co. (relationship marketing), Fallon McElligott (advertising and new media), DeWitt Media (media buying), Winner & Associates (public relations) and Nelson Communications (healthcare communications).

In 2000, Publicis acquired Saatchi & Saatchi, a business with a global reputation for its talent and creativity as well as a tumultuous history. This acquisition was a milestone in the development of the Group in Europe and the United States. In September, Publicis Groupe was listed on the New York stock exchange.

In 2001, Publicis Groupe formed ZenithOptimedia, a major international player in media buying and planning, by merging its Optimedia subsidiary with Zenith Media, which had previously been owned 50/50 by Saatchi & Saatchi and the Cordiant group.

In March 2002, Publicis Groupe announced its surprise acquisition of the US group Bcom3, which controlled Leo Burnett, D'Arcy Masius Benton & Bowles, Manning Selvage & Lee, Starcom MediaVest Group and Medicus, and held a 49% interest in Bartle BogleHegarty. At the same time, Publicis Groupe established a strategic partnership with Dentsu, the leading communications group in the Japanese market and a founding shareholder of Bcom3. As a result of this acquisition, Publicis Groupe established its position in the top tier of the advertising and communications industry, becoming the fourth largest advertising group worldwide, with operations in more than 100 countries and five continents.

From 2002 to 2006, Publicis Groupe successfully completed the integration of Bcom3 and Saatchi & Saatchi and reorganized many of its entities. At the same time it made a number of acquisitions to create a coherent range of services that would address advertisers' needs and expectations, particularly offering different types of marketing services and access to the principal emerging markets. In late 2005, Publicis Groupe obtained its first official rating (''investment grade'') from the two leading international rating agencies, Standard & Poor's and Moody's. In late December 2006, Publicis Groupe launched a friendly tender offer for Digitas Inc., a leader in the digital and interactive communications sector in the United States and worldwide. This operation, which was completed in January 2007, was the first step in the Group's remarkable advance into digital technology. The Group correctly foresaw at that time the profound changes that the arrival of digital communications would have on the media world and, with the acquisition of Digitas, immediately positioned Publicis as a market leader in that domain. With the launch of The Human Digital Agency project, the Group thus clearly indicated its intention to integrate digital technology into the heart of its business, thereby reaffirming the desire and vision of its founder to make the Group a ''pioneer of new technologies''.

During 2007 and 2008, Publicis Groupe undertook a profound reorganization of its structures and operational methods in order to adapt to the requirements of the digital era. It has thus added digital services to its well-known holistic service offer, while simultaneously pursuing the consolidation of its positions in fast-growing economies, both of which will be major challenges in the years to come. Both of these initiatives are of high strategic importance for the future.

2007 was the year of Publicis' integration of Digitas Inc. This rapid and successful integration triggered a series of acquisitions in the digital domain in order to complete the Group's global offer in the fields of interactive and mobile communication.

In 2007, the Group decided to end its listing on the New York Stock Exchange.

2008 and 2009 were devoted to pursuing Publicis Groupe's priority development in the two strong growth areas of interactive communications and developing countries.

In January 2008, Publicis Groupe and Google publicly announced a collaborative project. This collaboration, which began in 2007, is founded on a shared vision of using new technologies to develop the advertising business. The arrangement is not exclusive and is expected to complement other established partnerships with leaders in interactive media.

Amid brisk growth in the digital arena, the most visible sign of the Group's transformation was undoubtedly the launch of VivaKi, a new initiative aimed at optimizing the performance of advertiser investments and maximizing Publicis Groupe's market share growth. At the same time, the Group created a new technological platform under the VivaKi Nerve Center to form the largest *Audience on Demand* (AOD) network linked to Microsoft, Google and Yahoo!'s systems and AOL's PlatformA – thus allowing advertisers to reach precisely defined audiences in a single campaign and across multiple networks.

The global economic crisis in 2009, which saw numerous economies enter into recession and global trade shrink by 12%, did not hinder the development of Publicis Groupe's strategy.

The acquisition of Razorfish – the number two interactive agency in the world after Digitas – from Microsoft in October 2009, brought new strengths to the Group's digital activities, notably in e-commerce, interactive marketing, search engines, strategy and planning, social network marketing and the resolution of technological architecture and integration issues. With this acquisition, Publicis Groupe and Microsoft sealed a strategic alliance permitting the development of Microsoft's offer as well as new opportunities for Publicis Groupe's clients.

During 2009, Publicis Groupe and Microsoft entered into a global collaboration agreement defining three core objectives for the development of digital media. Microsoft's and VivaKi's respective teams will be able to provide clients with greater added value and effectiveness in all the domains of the digital sphere: contents, performance, definition, targeting, and audience ratings.

These developments prove Publicis Groupe's capacity to anticipate market changes in order to meet new client needs and provide solutions in line with consumer expectations, thereby ensuring the Group's continued growth.

In 2009, Publicis Groupe became the world's third-largest communications firm, overtaking its competitor IPG.

Thus, having confirmed the success of its strategy, in 2010 the Group continued its investments in digital activities and in high-growth areas of the world such as China, Brazil and India. By the end of 2010, the two pillars of this strategy – digital activities and the high-growth emerging countries – represented close to half of Publicis Groupe's total revenue.

Despite the economic disruption in 2011, which was primarily due to sovereign debt in the euro zone and to another financial crisis in August, followed by the United States' debt rating downgrade, Publicis accelerated its expansion and the implementation of its strategy, prioritizing digital businesses and high-growth countries. Accordingly, the Group purchased Rosetta, one of the largest digital agencies in North America; Big Fuel, based in New York, and the only agency specializing in social networks, thus significantly strengthening the Group's position in digital media; Talent and DPZ in Brazil and Genedigi in China.

During 2012, a difficult and uncertain year for growth, especially in Europe, Publicis Groupe continued to pursue various operations with persistence and resolve, ranging from acquisitions to agreements designed to intensify the implementation of its strategic choices. The Group thus made a number of targeted acquisitions, particularly in the digital sector, in France, Germany, the United Kingdom, Sweden, the United States, Russia, Brazil, China, Singapore, India, and Israel and, for the first time, in Palestine. These acquisitions will notably enhance the Group's growth in the years to come. Additionally, still in the digital arena, Publicis Groupe and IBM formed a global partnership in light of their unparalleled influence on the future of e-commerce. The acquisition of Rosetta in 2011 was one of the driving factors of this agreement, thanks to the Group's collaboration with IBM and its acquired expertise in e-commerce.

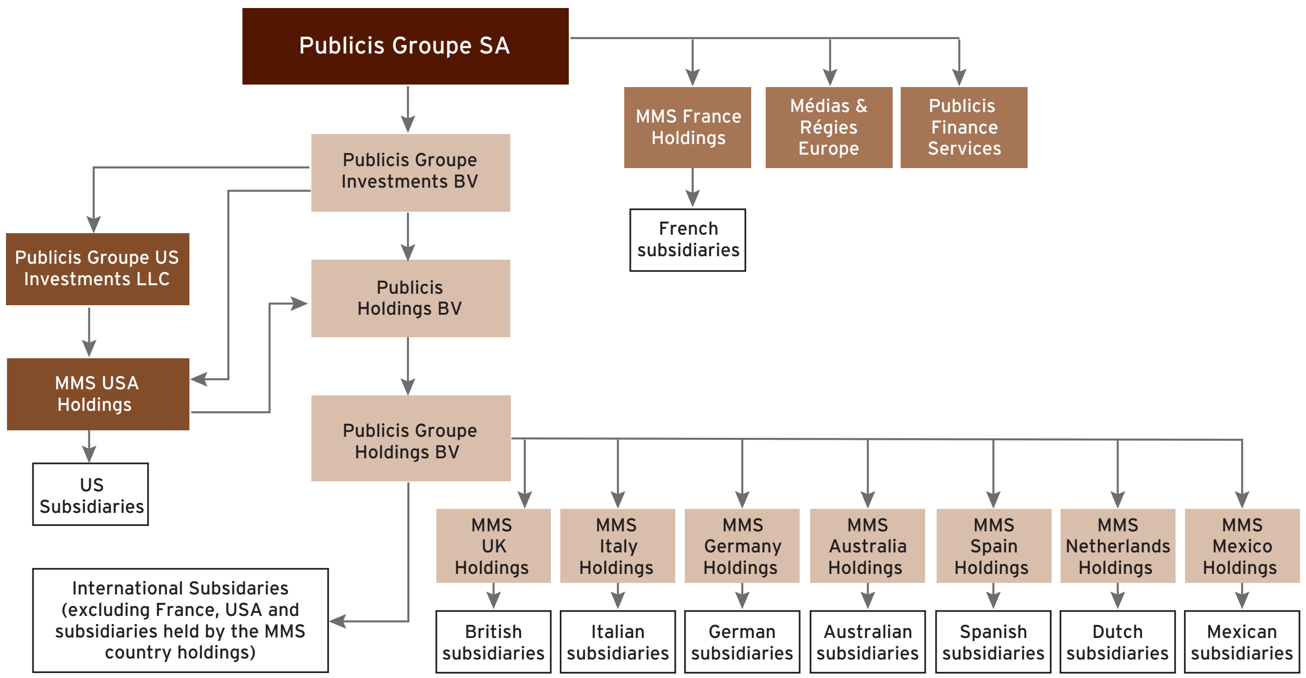
During 2013, Publicis Groupe actively pursued acquisitions, particularly in the digital sphere and across the globe, in order to achieve critical mass in the various businesses, especially digital, and in the countries in which it already had a footprint, thereby leveraging scale. The market changes seen over the past number of years with a veritable explosion in the Internet and the increasingly marked slowdown in the analog business reaffirmed the Group's strategic decisions and has spurred the rapid development of digital operations. Having acquired LBi, the largest independent marketing and technology agency, combining strategic, creative, media and technical expertise, the Group proceeded to merge it with the Digitas integrated global network, creating DigitasLBi, the world's most complete digital network. It capitalizes on the seamless geographical integration of both entities: Digitas' sound position in the United States (the largest digital network), LBi's strong presence in Europe and the strong position of both entities in the Asia-Pacific region.

On July 27, 2013, Publicis Groupe and Omnicom Group signed an agreement for a merger of equals. This merger of equals, which is scheduled to be completed in 2014, will create the world leader in communications, advertising, marketing and digital services.

2.3 Structure chart

2.3.1 DESCRIPTION OF THE GROUP

SIMPLIFIED STRUCTURE CHART AT DECEMBER 31, 2013 (1)



The members of the Management Board of the parent company may also exercise directorship mandates or hold executive offices at the subsidiaries (see the list of positions held by members of the Management Board in Section 1.1.1 – Supervisory and Management Boards).

2.3.2 MAIN SUBSIDIARIES

Information concerning Publicis' principal consolidated subsidiaries at December 31, 2013 is provided in Note 32 to its consolidated financial statements in Section 4.6 of the current document.

None of the Company's subsidiaries accounts for more than 10% of the Group consolidated revenue or net income.

None of the companies in the list of principal companies consolidated at December 31, 2013 has been sold at the date of the current document. The majority of the Group's subsidiaries are at least 90% owned by Publicis Groupe.

Nevertheless, certain subsidiaries may be jointly held with minority owners whose interest may be substantial (up to 49%) and may be subject to shareholders' agreements.

However, these subsidiaries do not hold important assets and are not intended to hold any significant borrowings or financing. The borrowings and financing of the Group are 100% held and controlled by Publicis Groupe.

During 2013, Publicis Groupe SA took no significant stake in any company headquartered in France.

(1) *All companies mentioned by name are over 99% owned by the Group.*

2.4 Activities and strategy

2.4.1 INTRODUCTION

As of December 31, 2013, Publicis Groupe operates in more than 200 cities and 108 countries spanning five continents, with roughly 62,000 employees. Publicis Groupe is not only the world's third-largest group, but is also a leader in all of the world's 15 largest advertising markets, excluding Japan. Overall, the Group is one of the top communications groups in Europe, North America, the Middle East, Latin America and Asia, ranking number one in media buying in the United States and number two worldwide.

Although the internal management, reporting and compensation systems are not organized by business sector, Publicis Groupe does provide the financial markets with information concerning the relative size of each of the different business sectors for the sole purpose of allowing sector comparisons. Pure digital operations have become the Group's biggest and most important segment with a 38% share of total revenue, followed by so-called "analog" advertising (30%), special and marketing operations (16%) and media (16%).

The success of VivaKi, a strategic initiative put into place in 2008 following the creation of a platform bringing together Starcom MediaVest, ZenithOptimedia, Digitas, Razorfish and Denuo, has led to the launch of VivaKi 2.0, focusing on innovation in services such as AOD and "products" such as eCRM365 and FLUENT, which allows internal and external customers to benefit from the most innovative solutions and services in the rapidly expanding digital universe.

Today, the digital activities are managed either within dedicated, specialized, independent organizations like DigitasLBi, Razorfish and Rosetta, or by structures that are fully integrated into networks, such as Leo Burnett, Publicis Worldwide and Saatchi & Saatchi, as well as MSLGROUP, ZenithOptimedia, Starcom Mediavest Group, and Publicis Healthcare Communications Group. Additionally, VivaKi integrates and develops new technologies required by its customers, and makes its expertise and abilities available to all of the Group's entities. VivaKi offers cutting-edge technological solutions and guarantees high-performance campaigns to the Group's customers. It also manages relations with online platforms (MSN, Google and Yahoo!) and social networks (MySpace, Facebook, Twitter, etc.) and develops integrated media solutions and optimized data analysis and online advertising productivity tools.

These developments reflect Publicis Groupe's view of the future: the high-speed growth of all forms of digital technology next to an integrated solution offering for advertisers the world over.

2.4.2 STRATEGY

Publicis Groupe has at all times endeavored to anticipate the development of markets and the behavior of consumers. In this way, it has always been able to serve its clients, giving them the tools to benefit from winning trends that could deliver progress, growth and savings. As early as the middle of the 1990s, the Group had already foreseen the two major trends still shaping our sector today: globalization and holistic communications.

The Group's first international acquisitions at the end of the 1990s and from 2000 onwards gave credibility to the choice of globalization as a way of accompanying our clients as they develop global identities for their brands, their clients and their networks.

The anticipation of advertisers' needs in terms of integrated or holistic communications allowed Publicis Groupe to create new, more horizontally integrated, multidisciplinary and comprehensive working methods. Publicis Groupe, a pioneer of these communication techniques from the middle of the 1990s, was able to develop specific approaches for the benefit of its clients.

Through patience, organic growth, agency creation and acquisitions, Publicis Groupe has put together a very substantial offering, with fast-growing digital operations in media, Specialized Agencies and Marketing Services (SAMS) (e-commerce, m-commerce), thus renewing its growth potential.

Nearly 20 years later, Publicis Groupe has remained true to its calling and attentive to market trends, and has accelerated the pace of its investments in new information technologies, with major acquisitions of key interactive communications agencies: Digitas and Razorfish, the two leading interactive communication agencies, in 2007 and 2009 respectively, Rosetta in 2011 and LBi in 2013. At the same time, the Group is making several investments in these areas across the globe, be it in Europe, the United States or high-growth countries.

The Group's strategic analysis has allowed it, yet again, to anticipate the competition and take key positions in major areas for innovation, growth and the future: its products and services in new technologies enable it to assume a leading role at present in a sector full of promise and crucial to the future of communication.

In this way, the Group has embraced the changes in a media scene that has been completely transformed by the breakup and fragmentation of audiences, the multiplication and then the inevitable merging of screens, the extraordinary development of digital under the influence of interactive and mobile communications, and the new forms of relations born of the social networks that have emerged from these technological innovations.

Today, strengthened by its presence in more than 100 countries, a diversified client portfolio of global and national leaders in their fields, a healthy financial balance sheet, and leadership in some segments and disciplines, Publicis Groupe is one of the leading communication groups, with a highly innovative profile and a number of marked characteristics:

- a strong focus on "clients", accompanying them and ensuring their marketing investments perform well;
- clearly a creative leader according to different rankings – notably the Gunn Report where, since 2004, Publicis Groupe has been ranked in top place for creative performance – a clear indication of its constant concern to deliver novel and strong ideas to its clients on every occasion, constructing the images and brands that create the links between them and consumers in the precious arena of emotion;
- equipped with the best analysis, measurement and research tools, allowing it to be at the cutting edge in terms of media purchasing, and to provide its customers with the most favorable returns (ROIs = return on investment; return on involvement). The Group's media agencies (Starcom MediaVest, ZenithOptimedia) enjoy an unrivaled recognition in the marketplace, sustained growth, a strong position in digital media, and an impressive list of achievements in terms of new business;
- at the head of the third largest global communication network specializing in press relations, corporate communications and events built around MSLGROUP, with a leading position on the Chinese and Indian markets;
- backed by a strong capacity for innovation and experimentation, with the creation of VivaKi for example, enabling the Group to anticipate demand and maintain privileged partnerships with major online platforms and digital media;
- thanks to a dynamic approach, driven by its large creative agencies, which are also among the best on the market. To name just a few: Leo Burnett, Publicis and Saatchi & Saatchi, with their spectacular ability to win new clients and stellar growth, demonstrate their outstanding ability to "think outside the box", their teams' creativity and commitment to their clients;
- having a unique ability in digital sector: through major specialized digital agencies such as DigitasLBi, Razorfish and Rosetta and through the gamut of its consolidated digital expertise embedded in its networks – Leo Burnett, Publicis Worldwide, Saatchi & Saatchi, ZenithOptimedia, Starcom MediaVest Group, MSLGROUP and Publicis Healthcare Communications Group as well as VivaKi. Publicis Groupe's offering is truly in a class of its own, responding to every new technological challenge and to every new client requirement through its range of integrated services.

These features offer advantages to the Group in a changing world where the traditional models of communication must be revised due to the pressure created by changes in the sociological, technological and new media realms.

The Group intends to remain at the forefront of innovation in all these domains, to ensure it continues to offer its clients the best solutions and to recruit new clients and drive tomorrow's market share growth.

This strategy will be built around the following:

- removing barriers between Group structures whenever there is no client conflict of interests;
- creating horizontally integrated, multidisciplinary teams under the same leadership for clients who desire a holistic and coordinated approach to their communications; an approach that is increasingly adopted in order to respond to the tenders launched by clients;
- creating tools, models and organizations that help clients to access the complex digital world, and to interact with their targets in an optimal manner and at the lowest possible cost.

The Group created a new technological platform under VivaKi to form the largest *Audience on Demand* (AOD) network linked to Microsoft, Google, Yahoo! and PlatformA, thus allowing advertisers to reach precisely defined audiences all over the world in a single campaign and across multiple networks.

This innovative project is perfectly aligned with Publicis Groupe's strategic objectives:

- to access new standards;
- to be open to all forms of collaboration with media owners and our customers;
- to leverage scale and create new standards for our clients that take better account of the consumer;
- to offer our clients solutions that improve performance while reducing costs.

This initiative forms the cornerstone of the Group's strategy, and makes it possible:

- to better respond to advertisers' needs by offering fast, up-to-date, high-performing solutions that integrate all their communications needs. Publicis Groupe clients thus have access to the future before their competitors;
- to group together market studies and research channels, and marketing tools and precious talent under the VivaKi roof, thus offering all of the Group's organizations more advanced digital solutions;
- to therefore encourage collaboration with the major digital platforms. The agreements with Google in 2008 and Microsoft in 2009 were born of a shared vision on the use of new technologies to develop advertising. The Group has since concluded several other collaborative agreements with the digital "major". In this way, the Group precludes the need to make massive investments in ephemeral technologies, while also offering its clients a head-start and new opportunities:
  - *Audience on Demand* with Yahoo!, Microsoft and PlatformA (AOL),
  - Mobile communications with Yahoo! and PhoneValley, a Publicis Groupe subsidiary,
  - "The Pool", as part of establishing a video standard for advertising.

The development of AOD and the creation of "products" such as FLUENT, a tool that creates a single integrated application to define, distribute and direct multichannel campaigns is ongoing worldwide. AOD is thus available in over 30 countries. A distribution agreement has been signed with Adobe.

Elsewhere in the digital arena, Publicis Groupe and IBM formed a global partnership in light of their unparalleled influence on the future of e-commerce. This collaboration draws on the respective strengths of both partners: Publicis Groupe's solid experience in "consumer insights", technology and the construction of a transactional e-commerce ecosystem, and IBM's technology, expertise and capacity for innovation. Over the next two years, Publicis Groupe will put four global commercial platforms into place. The acquisition of Rosetta was one of the driving factors of this agreement, thanks to the Group's collaboration with IBM and its acquired expertise in e-commerce.

At the same time, Publicis Groupe implemented various initiatives with the goal of reducing operating expenses. These entailed sharing resources among operating units, centralizing back-office functions in shared service centers, and a policy of centralized purchasing. These actions resulted in the successful integration of acquired companies, the creation of significant synergies, a guarantee of better compliance with the Group's internal rules, and a strengthening and simplification of the Company's balance sheet. These optimization operations are carried out within the Group's strategy of offering its clients the best services at the best cost. With this in mind, Publicis Groupe is now structuring its shared service centers by region, optimizing media-buying operations and grouping certain production operations together into "platforms of excellence" with the launch of Prodigious in Costa Rica in 2013. Furthermore, the Group decided to roll out an ERP system with a view to having a single, cross-functional, global information system.

At the same time, a vigorous policy of liquidity creation and debt reduction has enabled the Group to benefit from an "investment grade" rating by the agencies Moody's and Standard & Poor's since 2005 (see details in Section 2.8.5 "Financial Risks").

Publicis Groupe holds key positions in digital and in emerging markets; it intends to strengthen its position by the means of the following strategy:

- continuing the development of digital products to optimize campaigns;
- growing e-commerce and e-CRM business;
- accelerating the Group's growth in targeted emerging economies. The Group is looking to continue expanding its presence, chiefly through acquisitions, in promising high-growth markets, despite the volatility inherent in such fast-growing economies, that are markedly outperforming the global average;
- pursuing external growth targets supported by a sound financial policy. The Group's acquisitions must satisfy profitability and financial stability criteria. The Group intends to seek targets with significant potential for synergies and improvement in operating margin, which also present a good fit with its corporate culture and values;
- encouraging the most promising employees (about 1,000) to meet these criteria, by linking their annual compensation and long-term bonuses to targets based on growth and margins.

VALUE CREATION STRATEGY

The media evolutions with the emergence and explosion of the Internet, Google, Microsoft, the appearance of social networks (Facebook, YouTube, MySpace, Twitter), the development of digital television and the proliferation of channels, changing consumer behavior and consumer markets and the fragmentation and growing complexity caused by the interactions between all these actors led to the establishment of the first stage of Publicis' recent strategy. Since 2006, the Group has focused on developing its digital business, which grew from 7% of total revenue in 2006 to 38.4% in 2014. The Group has likewise increased its presence in high-growth economies, which today represents 24.4% of revenue.

This strategic direction is being continued, and the Group aims to earn 75% of its future revenue from these two growth segments, namely the digital sector and emerging economies, compared with 55% in 2012.

The new complexity of the media scene, interactivity with consumers and the increase in advertisers with the arrival of new actors from emerging economies, or made possible by new media, confirm the strategy chosen by Publicis and commit it to pursuing and developing a new phase which should lead the Group from the status of "supplier of services" to "creator of value". Its clients' new concerns – whether relating to the search for value, the strength of brands, the new challenges represented by distributors' own brands, the "hard discount", the net, e-commerce, m-commerce, the new competition from emerging markets – all present opportunities for Publicis as it evolves towards a better recognition of the value created.

Publicis Groupe's strategy of being the best demands that we help customers use the growing quantity of available data and technologies. A growing population is discovering and choosing what it wants, when it wants it. Media are available on demand, and this will only be accelerated with new routers, networks and tools. The VivaKi Nerve Center lends its expertise to media agencies in order to help them target audiences directly *(Audience on Demand),* build new models by comparing client data with data on what people read or search for (Data on Demand) and understand brand vitality and sales dynamics so as to constantly fine-tune advertising campaigns (Insight on Demand).

Razorfish, DigitasLBi and Rosetta have since brought their expertise to e-commerce and e-CRM.

Today, the Group's clients are looking for the most creative and catchy ideas to be able to express themselves in a world of fragmented, cluttered communications; in addition, the Group's clients need access to the strongest skills in the use of data and technology so that their ideas grab the attention of their intended targets.

All these future investments form an integral part, as with earlier investments, of a well-chosen strategy, whose aim is to create a Group capable of generating the best value for its clients and shareholders by taking advantage of the most robust combination of creativity, database science and technology.

This strategic development will be accompanied by investment in talent, technology and emerging economies. Talent is sought to increase our digital expertise and creative excellence in order to enrich content, strengthen the strategic teams, and drive innovation and new service offerings. In digital technologies, pursuing international business development, strengthening our agencies, and developing strategic alliances and initiatives with major Internet players, will allow Publicis Groupe to remain at the forefront of change and anticipate the changes and evolution of the communications industry. In high-growth economies, investments will be designed to strengthen the presence of all entities belonging to Publicis Groupe worldwide.

Publicis Groupe is committed to ensuring that all its units are able to offer both creativity and technology in order to create value for its clients. Thanks to the centralization of support functions, the Group can release resources that can be reinvested in creativity. Creativity is core to the Group's strategy, and discussed at all management meetings. It is an essential factor, allowing Publicis Groupe to lead the pack in winning new business.

In order to meet this ambition, Publicis Groupe must focus on new forms of partnership and new remuneration models with its clients. The service provider is paid according to time spent, whereas a value creator is paid according to the wealth generated and shared with its clients. As a leader in creative ideas, with a flair for new business and unmatched digital savvy, Publicis Groupe wants to play an ever greater role in the success of its clients through innovative business models and partnerships and shared value created, keeping a prudent and open watch for investment opportunities and seeking out partnerships with the largest digital platforms, such as the alliances developed with Google, Microsoft, Yahoo! and mobile telephone operators.

Finally, along with its clients, the Company's employees constitute a strategic asset for which the Group has very clear objectives. The Group wishes to provide its most talented employees with the professional framework that will best encourage their development, and to be the best employer in the sector by offering top career and training opportunities, maintaining the ethical principles and human approach that have always been Publicis' trademark, so that its employees may feel confident, give of their best, and work in harmony with the Group's core values.

2.4.3 KEY ACTIVITIES AND GROUP ORGANIZATION

Publicis provides a broad range of advertising and communications services, designing a customized package of services to meet each client's particular needs through a holistic and global approach. These encompass three main categories:

- advertising;
- Specialized Agencies and Marketing Services (SAMS);
- media advice and purchasing.

Pure digital operations have become the Group's most important segment, ahead of "analog" creative services, specialized business activities and marketing services and media operations.

ADVERTISING

Think "global", act "local" may sound like a cliché but it is a reality. For proof, we have only to look at our clients' brands, which are growing more and more global every day.

For this reason, besides the creative output of advertising agencies we see every day on billboards, TV, radio or in newspapers and all new media, advertising networks today play an essential role in accompanying their clients in the global development of their brands.

The first mission of advertising agencies and networks is to find ideas that are, at the same time, sufficiently universal to bridge borders and adaptable to local markets, so consumers can easily and effectively receive the ideas conveyed.

Publicis Groupe owns three major global advertising networks: Leo Burnett, Publicis and Saatchi & Saatchi. Each of these networks has its own culture and philosophy, and each has been able to build long-lasting partnerships with its clients in all sectors.

Alongside these three networks, Publicis has a diverse range of creative agencies renowned for their excellence, such as Fallon in Minneapolis and London, Marcel in Paris and Bartle Bogle Hegarty in London, Mumbai, New York, Sao Paulo and Singapore.

In each agency and each network, the teams' strategic, creative expertise makes it possible to find the best ideas to serve clients either at a local and/or international level. These ideas lead to advertising campaigns that can be made available *via* traditional media, the Internet, or interactive media, according to the best solution for each client.

The partnership between an advertising agency and its clients is often a long-term partnership, where there is a real dialog based on the client's knowledge of its own company and brands and the agency's expertise in terms of creativity and consumer understanding.

The global brands with the greatest success are the fruit of this partnership and reciprocal confidence, and Publicis Groupe agencies are proud to manage a great number of these brands.

PUBLICIS GROUPE NETWORKS

- **Publicis Worldwide:** based in Paris, this network is located in 82 countries on every continent, notably in Europe and the United States (including Marcel, Duval Guillaume and Publicis & Hal Riney). It includes the Publicis Dialog network, established in 44 countries, and Publicis Modem (dedicated to digital offerings), present in 40 countries, so as to present clients with a holistic offer.

  Its global expertise offer includes advertising, interactive communications and digital marketing (Publicis Modem), CRM and direct marketing (Publicis Dialog);
- **Leo Burnett:** based in Chicago, the network has a presence in 84 countries around the world. It also owns the international network Arc Worldwide for marketing services (SAMS), which focuses primarily on direct and interactive marketing and sales promotion. Leo Burnett also owns other agencies and independent advertising entities, generally more local or regional, with a well-specified target (because of their specific structure and creative styles) to respond to the particular needs of some clients;
- **Saatchi & Saatchi:** based in New York, this network is present in 80 countries on five continents. It mainly includes the agencies Saatchi & Saatchi (including the agencies Team One and Conill in the United States), as well as the network Saatchi & Saatchi X, a specialist in point of sale marketing (shopper marketing). Saatchi & Saatchi S, a network created in 2008 after the acquisition of Act Now, is a sustainable development consultancy of renowned expertise in the United States, which gives clients expert advice on, and a solid understanding of, the major issues concerning sustainable development at the economic, social and environmental level;
- **Fallon:** a network based in Minneapolis and operating from regional platforms in London and Tokyo. "SSF" brings together the Saatchi & Saatchi and Fallon agencies;
- **Bartle Bogle Hegarty (BBH):** this London-based network operates regional platforms in Mumbai, New York, Sao Paulo, Shanghai and Singapore.

SPECIALIZED AGENCIES AND MARKETING SERVICES (SAMS)

These units offer a set of techniques and specialties which can be deployed to complement or replace traditional advertising within a given communications campaign, or to provide a communications medium for specific targets or products (in particular, healthcare communications and multicultural communications). These specialized communications services are generally provided in conjunction with traditional advertising services. Specialized Agencies and Marketing Services (SAMS) offer, in particular, the following services:

- **Interactive Communication:** digital communication business activities are divided between VivaKi, the "all-digital" agencies such as DigitasLBi, Razorfish, Rosetta and Big Fuel (acquired in 2011) and Denuo, an agency specializing in new technology consulting and monitoring (internet, video games, mobile telephones and iPods), on the one hand, and all the agencies integrated within the Group's various media advertising networks, on the other. By digital activities we primarily mean the creation of corporate or commercial websites and intranets, online direct marketing consulting, social network expertise, e-commerce, search engine optimization, internet ads (especially banners and pop-ups) and all forms of internet and mobile communication;
- **Direct marketing, CRM (Customer Relationship Management):** the aim is to create a direct relationship between a brand and a consumer (by contrast with traditional mass-market advertising) by a variety of methods (mail shots, Internet, telephone) and to develop customer loyalty. Through its CRM operations, Publicis assists clients in creating programs that reach individual customers and enhance brand loyalty. In addition, Publicis provides the appropriate tools and database support to maximize the efficiency of those programs;
- **Sales promotion and point-of-sale marketing:** consulting services to determine the most effective means of interacting with consumers at points-of-sale, and marketing operations to increase sales either directly at points-of-sale, or indirectly through discount coupons, e-coupons and similar measures;
- **Healthcare communication:** this segment is concerned with the pharmaceutical industry, institutes, hospitals and insurance companies, as well as companies producing consumer goods aimed at health and well-being. It must reach healthcare professionals, public authorities and the general public. Healthcare communications encompass a wide range of services covering the entire lifecycle of a product: consulting prior to release on the market, communication tools (advertising, direct marketing, digital, and telemarketing), medical training, scientific communications, public relations, events management and hiring temporary sales staff.

Public relations activities, communications, corporate and financial communications and events communications have been regrouped within MSLGROUP since 2009:

- **Public Relations:** the aim of these operations or actions is to help clients with the management of their ongoing relationship with the press, specialized audiences and the general public on commercial or corporate topics, client identity, products or services and to develop an image that is coherent with their strategy. These services include (i) strategic consulting to help clients in their strategic positioning and finding market niches to stand out from their competitors, (ii) product and service launches or re-launches to reach out to consumers, (iii) media relations services to enhance brand image and recognition, (iv) copy-writing, (v) organizing events and networking sessions and (vi) creating corporate marketing material to reflect a client's strategy and messages;
- **Corporate and financial communication:** this encompasses all initiatives that allow customers to construct a company image or to communicate with interested parties, such as shareholders, employees, public authorities. In particular, it deals with financial communications (especially during initial public offerings – IPOs – or other financial transactions), in the context of stock market listings, disposals, proxy contests and similar matters. Publicis also provides communication and public relations services to help clients manage communication and public relations during crises as well as other major events; and
- **Events Management:** planning and organizing corporate or commercial events (exhibitions, trade shows, conventions, meetings and opening ceremonies) aimed at projecting a corporate image consistent with the client's strategic objectives;
- **Multicultural or ethnic communication:** an area mainly limited to the American market; it consists of advertising and other communication techniques aimed at culturally specific groups, such as Hispanics and African-Americans.

MEDIA

Publicis' media services include planning to clients to ensure the most effective media are used for their communications campaigns and buying on their behalf the most suitable advertising space for its clients.

Advice services (media planning) and media buying are carried out by Starcom MediaVest Group and ZenithOptimedia.

The following services are provided:

- **Media advice/Media planning:** using computer software and data analysis related to consumer behavior and analysis of different media audiences in order to build the most effective plan to implement an advertising or communications strategy, tailored to the marketing objectives, the target audience and the client's budget;

- **Media buying:** purchase of all advertising space (radio, television, billboards, press, Internet and cell phones) on behalf of an advertiser as part of an agreed media plan, using the Group's experience and buying power to obtain the most favorable rates and terms and conditions for our clients. Publicis Groupe is the second global group for its media activities and is in first place in the United States and in China.

The operation is structured around two independent entities, which manage media advice and purchasing:

- ZenithOptimedia, based in London, operates in 74 countries around the world and has a strong presence in the UK, the US, Germany, France and Spain; Performics, an agency specializing in understanding internet users' behavior in order to target and interact with them more effectively, also forms part of the Company;
- Starcom MediaVest Group, based in Chicago, operates in 80 countries, with a strong presence in the United States.

The Group also remains active in its original business, essentially in France: the sale of advertising time and/or space in newspapers, cinema, billboards and radio, carried out by Médias & Régies Europe.

Médias & Régies Europe includes the Media Transport entities, like Métrobus (billboard/poster advertising in France), Media Gare and Media Rail, Régie 1 (radio in France), and Mediavision (cinema, mainly in France).

PARENT COMPANY

Publicis Groupe SA is the Group's holding company. Its main purpose is to provide advisory services to Group companies. The central costs of consulting services rendered by the parent company and its specialized subsidiaries totaled approximately euro 50 million in 2013 (excluding subsidiary acquisition costs), spread out over all of the Group's operational companies according to the cost of services rendered. In addition, the parent company received dividends from subsidiaries amounting to euro 645 million in 2013 (euro 53 million in 2012).

Finally, the parent company carries most of the Group's medium-and long-term borrowings.

2.4.4 GROUP ASSETS

The Group conducts operations in over 200 cities around the world. Except as stated below, it leases, rather than owns, the offices it occupies in most of the cities where it operates. At December 31, 2013 it owned real estate assets with a net book value of euro 169 million. The Group's main property asset is its corporate headquarters located at 133, avenue des Champs-Élysées, in Paris. This seven-story building includes around 12,000 square meters of office space occupied by Group companies, and 1,500 square meters of commercial space, occupied by Publicisdrugstore and two public movie theaters.

The main leased asset is the Leo Burnett office building located at 35 West Wacker Drive in Chicago, Illinois, United States, with a net recorded value of euro 47 million in the Group's consolidated financial statements as of December 31, 2013, and a gross value of euro 83 million as of the same date, amortizable over 30 years.

The Group owns major IT systems and hardware that are used in the creation and production of advertising, the management of media buying and administrative functions.

Since December 31, 2013 the Company has not planned any significant capital expenditures with respect to property, plant and equipment or intangible assets, other than investments made by the Group in the regular course of its business.

2.4.5 MAIN CLIENTS

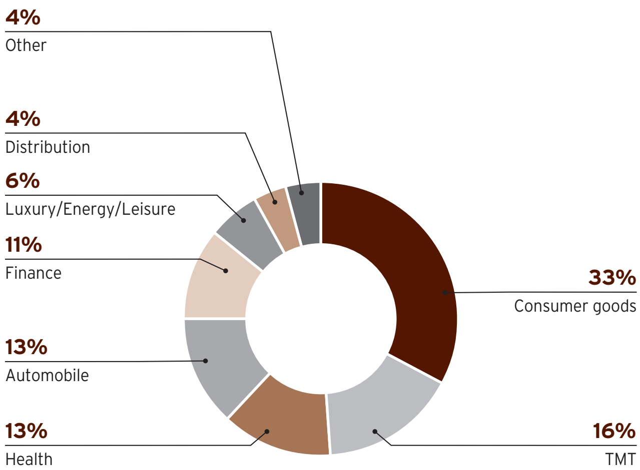
Publicis Groupe provides advertising and communications services to a diversified customer portfolio that is representative of the global economy. It has a significant number of clients that are either national or global industry leaders, with approximately half of its revenue generated by international clients, *i.e.* clients with operations in more than five countries. The top 30 clients represent 41% of the Group's consolidated revenue – see Section 4.6 "Notes to the consolidated financial statements" – Note 26. Payment terms are consistent with general market practices and the regulations in force in each of the countries in which the Group operates. Revenue from, and contracts with, different clients vary from year to year. Therefore, a significant share of Publicis Groupe's revenue comes from loyal clients that have been with the Company for years. On average, its retention rate of the ten biggest clients is 45 years.

The main clients of the Group's major networks in 2013 are listed below:

- **Publicis Worldwide:** AXA, BNP Paribas, Citigroup, Deutsche Telekom, FIAT Group, Orange, Groupe Carrefour, Hilton, L'Oréal, Mc Donald's, Merck, Nestlé, Pfizer, Procter & Gamble, Qantas, Renault, sanofi, Siemens, Sony, UBS, Walmart, Wendy's;

- **Leo Burnett:** Allstate, Coca-Cola Company, Diageo, Dubai Holding, FIAT Group, General Motors, Hallmark, Kellogg's/Keebler, McDonald's, Nestlé, Nintendo, Pfizer, Philip Morris International, Altria, Procter & Gamble, Samsung, Sprint Nextel;
- **Saatchi & Saatchi:** ABInbev, Deutsche Telekom, Diageo, General-Mills, Honda, HSBC, Kraft, Lenovo, Mead Johnson, Mondelez, Novartis, Nestlé, Procter & Gamble, SAB Miller, Toyota, Visa, WalMart, Wendy's;
- **BBH:** Barclay's, British Airways, Coca Cola Company, Diageo, Google, Perfetti, Sony, Unilever, Volkswagen, Virgin, Yum's Brand;
- **Starcom MediaVest Group:** Allstate, Bank of America, Bristol-Myers Squibb, Coca-Cola Company, Comcast, Heineken, Honda, Kellogg's/ Keebler, Kraft, Mars, Microsoft, Mondelez, Novartis, Procter & Gamble, Blackberry, Samsung, Sprint Nextel, Wal-Mart;
- **ZenithOptimedia:** Deutsche Telekom, Fielmann Optical, Fox, General-Mills, JP Morgan, L'Oréal, LVMH, Nestlé, Oracle, Kering, Reckitt Benckiser, Richemont Groupe, sanofi, Telefonica, Toyota, Verizon, Walt Disney;
- **Publicis Healthcare Communications Group:** Abbott Laboratories, Abbvie, Astellas, AstraZeneca, Boehringer, Bristol-Myers Squibb, Eli Lilly, Gilead Science, Glaxo Smith Kline, Merck & Co, Johnson & Johnson, Mylan, Novartis, Novo Nordisk, Otsuka American Pharma, Pfizer, Procter & Gamble, Roche, sanofi, Shire, Takeda Pharm, UCBPharma;
- **Digitas:** Aetna Life, American Express, Astra Zeneca, Bank of America, Blackberry, Comcast, Delta Airlines, eBay, General Motors, Goodyear, Honda, Johnson & Johnson, Liberty Mutual, Nissan, Procter & Gamble, Sprint Nextel, Sun Trust, Visa, Volkswagen, Volvo, Whirlpool;
- **Razorfish:** Best Buy, Bridgestone, Citigroup, Daimler, Deutsche Telekom, Ford, Intel, Kraft, Kellogg's/Keebler, Mc Donald's, Microsoft, Motorola, Blackberry, Samsung, Starwoods, State Farm, Unilever, Uniqlo, Volkswagen;
- **Rosetta Marketing Group:** Apple, Citizens Bank, Forest Laboratories, JP Morgan, Luxottica, Nationwide, Novartis, Otsuka American Pharma, Purdue Pharma, Blackberry, Samsung, Takeda Pharm, US Mint., Vivendi.

In 2013, the Group's total revenue came from the following client business sectors:



On the basis of 1,899 clients representing 83% of the Group's total revenue.

The share of revenue by principal client sector is representative of the major economic players and the structure of the portfolio remains stable.

2.4.6 MAIN MARKETS

Global advertising expenditures are listed in regular reports by various forecasting agencies, such as ZenithOptimedia (Publicis Groupe), GroupM (WPP), Magna (Interpublic Group of Cos) and Nielsen. The forecast data published by these agencies reflect advertisers' media purchase intentions (advertising space). These estimates are expressed in billings (advertising purchases) and do not as such represent advertising agencies' potential revenue. A quarterly examination of these reports enables readers to assess the trend of the advertising market, even if the figures do not factor in a whole facet of advertising agencies' business activities (public relations, direct marketing, CRM, e-commerce and e-mobile, etc.).

BREAKDOWN OF GLOBAL ADVERTISING EXPENDITURE BY MAJOR GEOGRAPHIC REGION*

(in millions of dollars)	2012 actual	As a %	2013 estimated	As a %	2014 forecast	As a %	Breakdown of Publicis Groupe's 2013 revenue as a %
North America	172,872	36%	178,494	35%	186,721	35%	48%
Europe	124,695	26%	124,776	25%	128,548	24%	31%
Asia Pacific	140,773	29%	148,628	29%	158,022	30%	12%
Latin America	34,604	7%	38,828	8%	42,622	8%	7%
Africa & Middle East	13,553	2%	14,689	3%	16,201	3%	2%
TOTAL	**486,498**	**100%**	**505,416**	**100%**	**532,115**	**100%**	**100%**

* *Source-ZenithOptimedia: December 2013.*

THE TEN LARGEST COUNTRIES IN THE GLOBAL ADVERTISING MARKET

In 2013, compared with the top ten global advertising markets, the top ten markets of Publicis Groupe were as follows:

	Top ten global advertising markets 2013*		Publicis Groupe 2013 ranking
1	United States	**1**	United States
2	Japan	**2**	France
3	China	**3**	United Kingdom
4	Germany	**4**	China
5	United Kingdom	**5**	Germany
6	Brazil	**6**	Brazil
7	Australia	**7**	Canada
8	France	**8**	Australia
9	Canada	**9**	Italy
10	South Korea	**10**	United Arab Emirates

* *Source ZenithOptimedia: December 2013.*

The Group's emerging markets development strategy should bring the Group's position in China into alignment with the country's ranking in the global advertising market over the medium-term.

2.4.7 SEASONALITY

Clients' advertising and communications expenditure fluctuates, often in response to actual or expected changes in consumer spending. Because consumer spending in many of the Group's markets is typically lower at the beginning of the year, following holidays, and in July and August, the most popular vacation months in Europe and North America, advertising and communication expenditures are lower during these periods as well. As a result, advertising and communication expenditure is not as high during these periods. Historically, the Group's revenue is often higher in the second and fourth quarters of the year than in the first and third quarters.

2.4.8 COMPETITION

Since 2009, the Group has been ranked in third place among global ranking of communications groups (by revenue, source: other companies' annual reports).

See the table below for the published earnings of the top four groups in 2013:

	Omnicom (US GAAP) (in millions)	WPP (IFRS) (in millions)	Interpublic (US GAAP) (in millions)	Publicis Groupe (IFRS) (in millions)
Figures published in local currency	USD 14,585	GBP 11,019	USD 7,122	EUR 6,953
Figures published in dollars	USD 14,585	USD 17,229*	USD 7,122	USD 9,232*

* *2013 average exchange rates: $1 = €0.75317, £1 = €1.17767.*

The reader should note that the figures above are those published by the groups concerned, in the currency and according to the accounting standards used by each of them.

Publicis Groupe also competes with a number of local, independent advertising agencies in markets around the world, *via* its Specialized Agencies and Marketing Services (SAMS).

Advertising and communications markets are generally highly competitive, and Publicis is in constant competition for business with national and international agencies. The Group expects that competition will continue to stiffen as multinational advertisers increasingly consolidate their budgets among a dwindling number of agencies.

2.4.9 GOVERNMENTAL REGULATIONS

The Group's business is subject to government regulation in France, the US and elsewhere.

In France, media buying activities are subject to the *loi Sapin,* a law requiring transparency in media buying transactions. Pursuant to the *loi Sapin* an advertising agency may not purchase advertising space from media companies and then resell the space to clients on different terms. Instead, the agency must act exclusively as the agent of its clients when purchasing advertising space. The *loi Sapin* applies to advertising activities in France when the media company and the client or the advertising agency are French or located in France.

Many countries have strict laws governing the advertising and marketing of certain products, in particular tobacco, alcohol, pharmaceuticals and foodstuffs. New regulations or standards imposed on the advertising or marketing of such products could have an adverse impact on the Group's operations.

2.4.10 PREPARATION OF THE MERGER OF EQUALS BETWEEN PUBLICIS GROUPE AND OMNICOM

This section outlines the key features of the planned merger of equals between Publicis Groupe SA and Omnicom Group Inc. into a new entity called Publicis Omnicom Group N.V. ("**Publicis Omnicom Group**") (the "**Merger**"). This planned merger was the subject of an agreement entitled Business Combination Agreement signed on July 27, 2013 between Publicis Groupe SA and Omnicom Group Inc. (the "**Agreement**").

A more complete description of the terms of the deal will be provided in the Management Board's report to be presented to the Extraordinary General Shareholders' Meeting called to approve the Merger, and will be published by the statutory deadline on the website of Publicis Groupe SA http://www.publicisgroupe.com/.

THE PLANNED MERGER OF EQUALS BETWEEN PUBLICIS GROUPE AND OMNICOM

The merger of equals between Publicis Groupe and Omnicom will create the world leader in communications, advertising, marketing and digital services by bringing together a portfolio of agencies that are leaders in their respective markets, and thereby offering their clients services worldwide. Publicis Omnicom Group will be home to emblematic agencies such as Publicis Worldwide, Saatchi & Saatchi, Leo Burnett, Razorfish, DDB, TBWA, BBDO, Fleishman-Hillard, DigitasLBi, Ketchum, Starcom MediaVest, OMD, BBH, Interbrand, MSLGROUP, RAPP, Publicis Healthcare Communications Group, Proximity, Rosetta, CDM, ZenithOptimedia, Goodby, Silverstein & Partners, to mention but a few.

As indicated in the Agreement, Publicis Groupe SA and Omnicom Group Inc. agreed to a merger of equals. Under the terms of this Agreement, this merger of equals will be achieved in two steps: firstly, Publicis Groupe SA will be merged into a new Dutch company Publicis Omnicom Group (the "**Publicis Merger**"), and immediately thereafter a new company, a wholly owned subsidiary of Publicis Omnicom Group, Publicis Omnicom Merger Sub Inc., will merge into Omnicom Group Inc. (the "**Omnicom Merger**"), following which Omnicom Group Inc. will become a wholly owned subsidiary of Publicis Omnicom Group. As a result of the Publicis Merger and of the Omnicom Merger, the shareholders of Publicis Groupe SA and the shareholders of Omnicom Group Inc. will thus automatically become shareholders of Publicis Omnicom Group.

Based on the estimated number of shares issued by Publicis Groupe SA and Omnicom Group Inc. that will be outstanding on the date of completion of the Merger, the shareholders of Publicis Groupe SA and of Omnicom Group Inc. will each own circa 50% of the shares of Publicis Omnicom Group.

Publicis Omnicom Group is based in the Netherlands and the future group will retain two operational headquarters in Paris and New York.

For further information, the Agreement is available at this address:

http://www.sec.gov/Archives/edgar/data/29989/000089109213006547/e54781ex2-1.htm

INFORMATION ON OMNICOM GROUP INC.

Omnicom Group Inc. is a holding company based in New York State in the United States, and is a global leader in advertising, marketing and corporate communications.

At December 31, 2013, Omnicom Group Inc. had total consolidated assets of approximately USD 22.1 billion and consolidated equity, attributable to owners of the Company, of approximately USD 3.6 billion (US GAAP financial statements). The principal executive offices of Omnicom Group Inc. are located at 437 Madison Avenue, New York, New York 10022 (United States).

Detailed information on Omnicom Group Inc. and its subsidiaries can be found in the documents published on the website of Omnicom Group Inc. http://www.omnicomgroup.com.

EFFECTS OF THE MERGER AND DIVIDENDS

Under the terms of the Agreement, as a result of the Publicis Merger, every share in Publicis Groupe SA, except for treasury shares, will be exchanged for a share in Publicis Omnicom Group. Publicis Groupe SA intends to offer its shareholders, prior to the completion of the Publicis Merger and subject to the satisfaction of the relevant conditions precedent, an extraordinary dividend of euro 1 per share funded from cash reserves or existing credit lines, and to pay it out.

Furthermore, further to the Omnicom Merger with Publicis Omnicom Merger Sub Inc., every share in Omnicom Group Inc. will be exchanged for 0.813008 shares in Publicis Omnicom Group. Omnicom Group Inc. intends to offer its shareholders, prior to the completion of the Omnicom Merger and subject to the satisfaction of the relevant conditions precedent, an extraordinary dividend of USD 2 per share funded from cash reserves or existing credit lines, and to pay it out.

The amount of these extraordinary dividends may be adjusted, where necessary, such that (i) the total amount of annual dividends paid by Publicis Groupe SA after July 27, 2013 and (ii) the total amount of quarterly dividends paid by Omnicom Group Inc. after that date (excluding the two quarterly dividends of USD 0.40 per share paid on October 9, 2013 and January 16, 2014), are equal.

At the Annual General Meeting, Publicis Groupe SA will offer its shareholders an annual dividend of euro 1.10 per share, with shareholders being given the option of receiving cash or shares.

GOVERNANCE OF THE NEW GROUP

The governance of Publicis Omnicom Group was structured in a balanced way in accordance with the spirit of a merger of equals, in line with best governance practices in the Netherlands and with prevailing rules on the New York Stock Exchange and on Euronext Paris.

The heads of Publicis Groupe SA and of Omnicom Group Inc., Maurice Lévy, Chairman of the Management Board of Publicis Groupe SA and John Wren, CEO of Omnicom Group Inc., will jointly manage the new Group for a period of 30 months, with identical powers and responsibilities.

At the end of this period, Maurice Lévy will become Chairman of the Board of Publicis Omnicom Group and John Wren will become the sole CEO. The Chairman of the Board and the CEO will continue regular constructive dialogue in the spirit of a merger of equals in line with the governance rules laid down for Publicis Omnicom Group.

The Board of Directors of Publicis Omnicom Group will have sixteen members, and will initially have two CEOs. For the other non-executive directors, seven will be appointed by the Supervisory Board of Publicis Groupe SA and the remaining seven by the Board of Directors of Omnicom Group Inc.

In accordance with Dutch law and the articles of incorporation of Publicis Omnicom Group, the Board of Directors of Publicis Omnicom Group will be collectively responsible for the direction and oversight of the general management of the business and affairs of Publicis Omnicom Group, with certain important decisions requiring a two thirds majority of the Board of Directors.

LISTING OF PUBLICIS OMNICOM GROUP SHARES

Following the Merger, the shares of Publicis Groupe SA and the shares of Omnicom Group Inc. will be delisted from Euronext Paris and the New York Stock Exchange, respectively. The shares in Publicis Omnicom Group allocated to shareholders of Publicis Groupe SA and of Omnicom Group Inc., respectively in consideration for the Publicis Merger and the Omnicom Merger will be admitted to trading on the New York Stock Exchange and on Euronext Paris as of the date of completion of the Merger. The goal of the two parties to the merger is for Publicis Omnicom Group to be included in the S&P500 and CAC40 indices.

TERMS AND CONDITIONS OF THE MERGER – TERMINATION OF THE AGREEMENT

The date of the effective completion of the Merger is scheduled for the third quarter of 2014. The effective completion of the Merger is subject to the satisfaction of conditions precedent provided for in the Agreement, including in particular:

- the endorsement and approval of the Agreement, of the Omnicom Merger by the shareholders of Omnicom Group Inc. by a two thirds majority of all outstanding shares;
- the approval of the draft merger agreement relating to the Publicis Merger by Publicis shareholders, by a two thirds majority of the votes present or represented at the Extraordinary General Shareholders' Meeting of Publicis Groupe SA, as well as the approval of the aforementioned extraordinary dividend by a simple majority of Publicis shareholders;
- admission to trading of shares in Publicis Omnicom Group on the New York Stock Exchange and on Euronext Paris;
- receipt of the necessary clearances from the relevant market authorities (SEC (United States) and AFM (Netherlands));
- receipt of final clearance from the relevant competition authorities as well as clearance and approval from the relevant government bodies; and
- ruling (*agrément*) on the tax treatment of the proposed merger from the French tax authorities in accordance the applicable provisions of the French Tax Code.

Publicis Groupe SA or Omnicom Group Inc. may terminate the Agreement in various circumstances, in particular (i) in the event of a failure to obtain the necessary approval from their respective shareholders, (ii) in the absence of certain governmental authorizations, (iii) in the event it is not possible to complete the business combination prior to July 27, 2014 (deadline may be extended by either party to January 27, 2015 in certain circumstances), (iv) in the event that the other party's board which decided on the Merger (Publicis' Supervisory Board or Omnicom's Board of Directors) changes its recommendation, subject to certain restrictions as regards the timing of the exercise of this right of termination and, (v) in certain circumstances, the breaching by the other party of certain of its representations and warranties or the failure of the other party to satisfy its obligations under the Agreement.

In certain specific circumstances, which will be specified in the Management Board's report to the Company's Extraordinary General Shareholders' Meeting called to approve the Merger, the termination of the Agreement may give rise to the payment of a termination penalty of USD 500 million. This penalty would notably apply in the event of (i) a change in the recommendation of the Supervisory Board of Publicis regarding the Merger occurring in very specific circumstances described in the Agreement or (ii) the announcement of a third-party bid to take over Publicis Groupe SA or certain of the Group's key assets resulting in a breach by the Company of its commitments under the merger agreement.

CLEARANCE BY THE COMPETITION AUTHORITIES

Clearance by the competition authorities (or the expiry of the relevant deadlines) in the United States, the European Union, Brazil, Canada, China and Russia, and foreign investment approval in Australia, are preconditions for the completion of the Merger.

As of the date of filing of this document, all the pre-merger authorizations had been obtained, except for the clearance of the Chinese competition authority (Mofcom).

2.5 Investments

2.5.1 MAIN INVESTMENTS DURING THE PAST THREE YEARS

The Group's strategic development is centered on investments in talent, technology and high-growth economies. Talent is sought to increase our digital expertise and creative excellence in order to enrich content, strengthen the strategic teams, and drive innovation and new service offerings. In digital technologies, pursuing international business development, strengthening our agencies, and developing strategic alliances and initiatives with major Internet players, will allow Publicis Groupe to remain at the forefront of change and anticipate the changes and evolution of the communications industry. Investments in emerging economies will strengthen the presence of all Publicis Groupe entities.

2011 was a fertile year for Publicis Groupe in terms of acquisitions.

During the first half of 2011, sustained external growth enabled the Group to increase its presence in interactive communications and public relations in the United Kingdom, by acquiring Chemistry, Airlock, Holler, and Kittcat Nohr, to expand its presence in Brazil by taking control of Talent and acquiring GP7, and to achieve a new positioning in the client advice field, *via* the acquisition of Rosetta, an agency in the digital arena, on July 1 in the United States.

Meanwhile, over the same period, the Group also acquired Watermelon in India and Publicis Healthcare Consulting in France in order to boost its presence in the healthcare field. Now called Publicis Healthcare Consulting, this Paris-based agency with operations in New York offers a broad range of advisory solutions in several fields of expertise such as access to markets, promotions, distribution, new technologies, the emerging markets, capitalizing on research, industrial transfers and new players in industry.

Lastly, Publicis Groupe pursued its China growth strategy announced a year ago by acquiring ICL, a Taiwan-based consulting company, Dreams, a Chinese healthcare communications agency and Genedigi, one of the most renowned public relations agencies in China.

In July 2011, Publicis Groupe finalized the purchase of Rosetta, which had been announced in May. Rosetta is one of the largest independent digital agencies in North America, and provides tailor-made interactive solutions to its clients, thanks to a unique approach based on its strategic know-how and on the integration of its creative and technological capabilities.

In April, the Group increased its stake in Talent (Brazil) by 11% to 60%, from 49% at the end of 2010.

The acquisition of the DPZ agency in Brazil, again in July, rounded out the organizational structure in that country, providing the critical mass sought by the Group. Together with organic growth, the acquisitions in Brazil enabled that country to become the Group's sixth largest market, thereby aligning it with Brazil's ranking in the global advertising market.

The Big Fuel agency, which was also acquired in July 2011, is a very high-potential New York-based-agency, and the only advertising agency that is entirely dedicated to social media.

In September, the Group acquired Schwartz, a public relations agency based in Boston with subsidiaries in Stockholm and London.

The Group also announced that it was taking a majority (100%) stake in its affiliated agency, Spillman/Felser/Leo Burnett, one of the largest agencies in Switzerland.

Finally, during the last quarter, Publicis Groupe boosted its presence in the Chinese digital market thanks to the acquisition of Wangfan and Gomye.

The Group made its various Chinese acquisitions with a view to doubling its revenue in this area by 2013-2014, in line with its China growth strategy. China is currently Publicis Groupe's fourth biggest market and the world's third largest advertising market.

The final acquisition of the year was that of Ciszweski, the Polish public relations agency.

During the course of 2011, Publicis Groupe also announced the launch of a new agency, Publicis Ecuador, with offices in Quito, the national capital, and in Guayacil, the country's business hub.

Overall, these acquisitions represent estimated additional revenue of euro 400 million on a full-year basis, illustrating the Group's external growth drive in 2011.

These transactions are in line with Publicis Groupe's strategic decision to boost its position in high-growth countries, and to consolidate its ranking as a global group that is a leader in the digital communications sector.

Total acquisition costs for entities integrated during 2011 (gross payments, before acquired cash) come to euro 671 million. In addition, euro 87 million was paid out in earn-outs and euro 12 million to buy-out non-controlling interests.

The Group did not buy back any of its own shares in 2011, except for those shares bought under the liquidity contract.

Since the beginning of 2012, Publicis Groupe has aligned its targeted acquisitions with its development strategy in the digital sector and high-growth countries.

In January 2012, the Group announced its acquisition of Mediagong, a French digital agency specialized in digital strategy consulting, social media, advergaming and mobile advertising.

On January 26, Publicis Groupe tabled a friendly public tender offer for Pixelpark, Germany's largest independent digital communications group. The German Federal Cartel Office approved the acquisition of Pixelpark on February 15, 2012. The Group owns nearly 78% of Pixelpark shares.

Also in January, the Group acquired The Creative Factory in Russia in order to facilitate the expansion of Saatchi & Saatchi in that country. Based in Moscow, The Creative Factory has a big reputation in its specialist fields, *i.e.* marketing, digital services, digital production and video.

In February, Publicis Groupe acquired U-Link Business Solutions Co. Ltd, one of the leading Chinese agencies specialized in healthcare communications, and in March, it acquired King Harvests and Luminous, two specialized marketing agencies based in China and Singapore. Meanwhile, the Group also announced its acquisition of Flip Media, one of the major digital agency networks in the Middle East. This full-service network is positioned throughout the digital chain, offering services ranging from strategy, digital design and production, to content and technological platforms.

In April, the Group acquired Indigo Consulting, a Mumbai-based end-to-end agency handling website design and development, SEO, website studies and testing, online marketing, mobile advertising and social media advertising. Indigo Consulting will strengthen the Leo Burnett network in India.

In May, the Group completed the acquisition of Longtuo, a Beijing-based digital marketing agency with a refined expertise in design, client acquisition, and marketing and e-commerce measurement solutions. Longtuo has become part of the Razorfish network and will be named RazorfishLongtuo China.

In June, Publicis Groupe cemented its place as a major player in Israel when it acquired BBR Group, one of the largest communication groups in the Levant. BBR is a network of creative agencies offering a range of services in creation, brand identity, media, digital services and design.

Publicis Groupe became the first communications group to establish itself in Palestine when it purchased a stake in ZOOM Advertising, a member of the Massar group based in Ramallah. Zoom was founded in 2004 and quickly established itself as the leading agency in the Palestinian communications industry, providing sophisticated digital and interactive tools.

In July, Publicis Groupe purchased the remaining 51% of shares in Bartle Bogle Hegarty (BBH) to become its sole owner. The acquisition included the Brazilian agency NEOGAMA/BBH.

Also in July, the Group announced its acquisition of CNC, a strategic consulting and communications agency network based in Germany, with offices in the United Kingdom, India and Japan.

In August, the Group acquired Resultrix, an international digital agency formed in 2008. Resultrix has a proven expertise in performance marketing and is present in India, Singapore, the UAE and the United States.

In the beginning of October, the Group acquired Arachnid, a Malaysian digital agency known for its creativity. Founded in Kuala Lumpur in 1996, Arachnid currently employs over sixty digital communication professionals. The agency offers and develops services in 25 countries.

Publicis Groupe made the following acquisitions during the course of December: AR New York, one of the best-known American advertising agencies, specialized in luxury goods, fashion and beauty communications; iStrat and Market Gate, two Indian agencies specialized in digital integration and strategic consulting and marketing, respectively; OUTSIDE LINE, one of the five largest independent digital agencies in the United Kingdom, specialized in social media and experiential marketing; Monterosa, an international mobile marketing and communications agency based in Sweden; and lastly, Rokkan Media LLC, a multi-service digital agency based in New York. Rokkan combines e-commerce, loyalty programs, digital marketing, mobile technology and social media.

In total, these acquisitions come to seven in Asia, five in Europe, three in the United States, three in the Middle East and one in Russia, with nearly all of the agencies enjoying a solid reputation for their digital operations.

On September 20, Publicis signed a provisional agreement regarding a public tender offer for a 100% stake in LBi.

On November 12, Publicis Groupe officially launched its public cash tender offer at euro 2.85 per share cum dividends, with an acceptance period from November 13, 2012 to January 15, 2013.

LBi International N.V. is the largest European independent marketing and technology agency, combining strategic, creative, media and technical expertise to create long-term added value for its clients. Based in Amsterdam and listed on the Amsterdam Stock Exchange, it currently employs over 2,200 people across 16 countries. As a marketing and technology agency, LBi offers services to brands (clients) in order to help them connect with their customers through digital channels across all points of contact: from initial brand awareness, to direct interaction with the brand's products and services, to a continuous relationship with the brand. LBi offers a series of services designed to help clients attract, retain and manage their customers more effectively. Its complete range of services combines expertise in analytics, direct marketing and digital advertising. LBi's technical know-how enables it to develop major innovative ideas in the digital universe, build and manage online sales websites, develop CRM programs, purchase advertising space and handle media programming and public relations for leading companies.

Overall, these acquisitions represent estimated additional revenue of euro 280 million on a full-year basis, which demonstrates the Group's external growth momentum in 2012.

These transactions are in line with Publicis Groupe's strategic decision to boost its position in high-growth countries, and to consolidate its ranking as a global group that is a leader in the digital communications sector.

Total acquisition costs for entities integrated during 2012 (gross payments, before acquired cash) come to euro 435 million. In addition, euro 45 million was paid out in earn-outs and euro 30 million to buy-out non-controlling interests.

In 2012, the Group repurchased 18 million of its own shares from Dentsu for euro 644 million, outside of the repurchases governed by its liquidity contract.

Just like previous years, **2013** was a very active one in terms of acquisitions.

On January 15, 2013, Publicis Groupe made its public tender offer for all issued and outstanding LBi shares, which had been launched on November 12, 2012, unconditional on the close of the acceptance period. After January 29, 2013, Publicis Groupe owned 98.13% of the issued and outstanding LBi shares. Following the delisting on March 7, 2013, Publicis Groupe launched a squeeze-out procedure to buy-out the remaining shares not owned by the Group. On February 5, Publicis Groupe announced the merger of the Digitas integrated global network with the LBi digital marketing and technology network acquired by Publicis Groupe in January following its successful public tender offer. The resulting entity, called DigitasLBi, thus forms a global leading digital communications network.

On March 11, Publicis Groupe announced the acquisition of Convonix, one of India's leading digital marketing consulting firms based in Mumbai.

On April 18, the Group signed an agreement to acquire Neev, one of India's leading technology service providers.

Founded in 2005 and based in Bangalore, Neev currently employs 250 new technology specialists, over 220 of which are technologists, with expertise in promoting the innovations developed by the teams that drive their success. It has filed a certain number of patents in cloud and mobility. Neev serves a list of prominent brands and technology companies mainly in India and the US.

On July 2, the Group announced the acquisition of Bosz Digital SA, Costa Rica, and of Bosz Digital Colombia SAS, a major platform for media and digital production based in Central America. It had worked closely with the top digital teams within Publicis Groupe over the past number of years. It has a total of 450 employees, who provide sophisticated development and production services primarily for websites, software, interactive graphics creation, social networks and mobile.

On July 10, the acquisition of Net@lk, one of the most prominent pure players in China's social media market, was announced.

Net@lk, based in Shanghai, specializes in influence marketing and brand development on social networks. The agency has four divisions: Net@lk and Simone offering social media services, Lenx being devoted to social content and Buzzreader offering social media monitoring, with in particular the monitoring, searching and analysis of most Chinese social media platforms including Weibo, Renren, Youku, Taobao and WeChat.

On July 15, Publicis Groupe publicly announced the Group's very first direct investment in a mobile technology start-up. The Group invested USD 15 million in Jana, an international company specialized in mobile technology. Based in Boston, Jana has developed the world's largest rewards platform in emerging markets such as Brazil, India, Indonesia and Nigeria.

On August 14, Publicis Groupe announced the acquisition of Engauge Marketing LLC, an advertising and digital services agency based in Columbus, Ohio. Engauge is a full service agency with a burgeoning social marketing practice, serving over 30 clients including Nationwide Insurance, Cisco Systems and The Coca-Cola Company. In addition to its headquarters in Colombus (Ohio), the agency has offices in Atlanta (Georgia), Orlando (Florida) and Pittsburgh (Pennsylvania). It employs over 250 people.

On August 29, the Group announced the acquisition of a majority stake in Espalhe, one of Brazil's leading social media and digital marketing agencies, recognized for its expertise and its capabilities in integrating digital, social networks, PR and event management, and other disciplines. Founded in 2003, it has become a leading agency in Brazil and currently employs more than 90 staff across its offices in Sao Paulo and Rio de Janeiro.

On September 5, Publicis Groupe announced the outright acquisition of TPM Communications, a leading Canadian provider of digital, video and event services. This acquisition strengthens the Group's digital offering in the Canadian market.

Founded in 1980, a pioneer of the latest technologies, TPM Communications, which is based in Toronto, has a team of 35 experts. The agency is specialized in three fields: interactive media (websites, e-commerce, online marketing, online advertising, social networks, mobile applications, Flash applications); events and video, from podcast to broadcast.

Publicis Groupe's acquisition of Zenith Romania was completed on September 12. This acquisition will see ZenithOptimedia, Publicis Groupe's media network, take majority control of Zenith Romania, which was previously an affiliate.

Zenith is a leading media communications agency in Romania. Founded in 2000, the agency offers a full range of specialist media services, including media buying, planning, communications strategy, digital, research and ROI evaluation.

Also in September, Publicis Groupe announced the acquisition of POKE, a leading digital agency in the UK, founded in 2001, from its four founding shareholders and Mother Holdings Ltd. POKE's expertise covers a whole range of areas including service design, user experience, digital architecture, e-commerce, social, mobile and product development.

In early October, the Group signed the final agreement to increase its stake to 51% in its long-term Romanian partner agencies Leo Burnett & Target, Starcom MediaVest Group, Optimedia, The Practice and iLeo.

On October 22, Publicis Groupe acquired Beehive Communications, one of India's foremost independent integrated communications agencies specializing in cutting edge marketing and communications services for clients across South Asia.

Founded in 2003, Beehive Communications has over 130 employees providing integrated solutions, and specializing in creation, reputation management, media, digital, brand activation and research. Based in Mumbai, the agency also has a presence in Delhi and Bangalore.

At end-October, the Group acquired Interactive Solutions, a leading digital agency in Poland. Founded in 2004, Interactive Solutions has over 160 employees in Poznan and Warsaw. The agency specializes in developing complex e-marketing strategies empowered by technology and with a focus on ROI for a range of international and local clients.

Once again at end-October, Publicis Groupe announced the merger of Heartbeat Ideas, one of the most highly regarded digital agencies in healthcare communications, and the Saatchi & Saatchi healthcare network in the United States, to form a wholly new market player with unmatched strength and depth.

Founded in 1998, Heartbeat employs a team of 90 employees between its offices in New York and Santa Monica, California. Heartbeat Ideas and Heartbeat West are full-service agencies, and both share a commitment to unconfined ideas and innovation in the healthcare space.

On November 7, Publicis Groupe announced the acquisition of ETO, a leading agency in CRM, based in Lille and Paris. Founded in 1985, ETO now has 220 employees specializing in helping brands develop long-term profitable relationships with their clients through CRM, digital marketing and data management technologies. The agency is particularly strong in data analysis, processing and mining, areas in which it has over one hundred employees.

On November 28, the Group acquired 75.1% of Walker Media in the UK, with M&C Saatchi retaining a 24.9% stake. Walker Media currently has over 130 employees. It is one of the top ten media agencies in the UK. It will remain a separate agency in the UK and will be a cornerstone of a new global media network launched by ZenithOptimedia Group in early 2014.

On December 3, Publicis Groupe acquired Synergize, a South African digital marketing company. Founded in 1999, Synergize is one of only a few Google Analytics accredited agencies in Africa and the Middle East. Synergize offers services in SEO, online marketing, web design, CMS development, mobile, PPC, analytics, copywriting and social media.

Finally, on December 12, Publicis Groupe completed the acquisition of Verilogue Inc., a leading healthcare analytics firm, specializing in physician-patient communication. Founded in 2006, Verilogue is a technology-enabled marketing insights company specializing in worldwide digital capture and linguistic analysis of real-world encounters between physicians, nurses, patients and care-givers in North America, Europe and Asia.

Total acquisition costs for entities integrated during 2013 (gross payments, before acquired cash) come to euro 512 million. In addition, euro 190 million was paid out in earn-outs and euro 102 million to buy-out non-controlling interests.

In 2013, aside from the purchases made under the liquidity contract, the Group bought back close to 3.9 million treasury shares, still held by Dentsu, for a total price of euro 181 million.

2.5.2 MAIN ONGOING INVESTMENTS

Publicis Groupe has made several investments since the start of 2014.

On January 10, 2014, Publicis Groupe announced the outright acquisition of Qorvis Communications, one of the leading public relations firms in the United States. It will become part of MSLGROUP, Publicis Groupe's strategic communications and PR network. Founded in 2000, Qorvis also enjoys strong social media and digital resources, and offers integrated services.

On January 21, the Group acquired Applied Media Logic (AML), one of the leading media agencies in South Africa. Launched in 2002 and based in Johannesburg, AML has a staff of 25 professionals.

On January 30, Publicis Groupe announced the majority acquisition of Law & Kenneth, the largest independent Indian advertising and digital agency, to be integrated into Saatchi & Saatchi India. Founded in 2004, Law & Kenneth is a full-service agency, specializing in traditional and digital advertising, branding and marketing and counts over 285 professionals.

2.5.3 MAIN FUTURE INVESTMENTS

In a globalized world dominated by digital technology, mobility and social networks, the Group is looking to focus its future investments on strengthening specific areas of its offering, particularly digital services, which is fast becoming its core business, and high-growth economies. The Group reaffirmed its priorities for growth in two sectors – digital and fast-growth countries – which together could account for 75% of total revenue in the future. The Group also aims to take advantage of any opportunities to increase its business in the sectors, services and countries where it is already present.

In an increasingly competitive environment, the Group will pursue its investments in digital advertising, top talent, new technologies and high-growth markets. In terms of digital technology, Publicis Groupe will support the rise of digital technology in mass consumer goods, retail and other sectors by investing in new business lines, such as social networks, e-commerce or m-commerce (mobile). Publicis Groupe will also invest in new technologies and develop new solutions (video, mobile), AOD platforms (AOD, video) and proprietary tools such as FLUENT and eCRM365. Attracting talent remains a priority, and these investments will be designed to attract, develop and then retain talent, and so prepare the executives of tomorrow.

These future investments build on and extend past investments as part of a deliberate strategy to be the Company most adept at creating value for its clients, employees and shareholders by benefiting from the most robust combinations of creativity, database science and technology.

Finally, at December 31, 2013 the Group also had commitments of euro 223 million under price-adjustment clauses and of euro 127 million for minority interest buyouts, a total of euro 350 million, euro 166 million of which is due within less than one year.

2.6 Significant contracts

On July 27, 2013, the Company signed an agreement with Omnicom Group Inc. for a merger of equals of the two groups into a joint entity in the Netherlands. The performance of this agreement is subject to the satisfaction of the conditions precedent discussed in 2.4.10.

With the exception of what is described in this Chapter, the Company did not enter into any other major agreements during the fiscal year ending on December 31, 2013.

2.7 Research and development

The various entities included in Publicis Groupe have developed different analysis and research methodologies, in particular concerning consumer behavior and sociological developments. They have also developed software and other tools to assist them in serving clients. Most of these tools concern the media planning businesses of ZenithOptimedia and Starcom MediaVest, and the identification of the most effective channels to reach their clients' target groups; others are integrated into the strategic planning of individual agencies, playing a key role in the unique brand positioning of each advertising brand. Furthermore, still others are used for the computerized processing of clients' marketing data, an activity conducted through its MarketForward entity. Several of these tools required significant investment in development or cooperation with outside suppliers. The Group's policy on this matter is described in Note 1.3 to the consolidated financial statements in Section 4.6 of this document.

- For **Publicis:** Ignition, Ignition Day Workshops, Brand 16, Talkmaster and Publicis Insider, tools that can be activated within the Lead the Change framework, Brand Optimization and Brand Aesthetic.
- For **Leo Burnett**: BrandProspectR Segmentation, Behavioral ArchetypesSM, BrandPersonaSM Archetypes, What If? Mapping, InnerviewSM Motivation Analytics, Risk Reward Model of Advertising Effects, HumanKind Purpose Workshop, The Participation Framework, Acts Lift, ChatCastSM Web, Mining, ChatCastSM Companion Survey, HumanKindQuotientSM, BrandStockT Equity Metrics, Cultural Fuel, Pinpoint Quick Quant, Red and Blue America, BrandShelterSM Recession, Analytics, The Forgotten Senior, Freaks and Geeks vs. The 'In' Crowd, The Luxury Profiler, PeopleShop, MobileShop, SocialShop, Behavioural Currents, Being Human, Idea Spot, Trend, Trek, Behaviour Trek, Foresight Lab, Innovation Lab: T-96, Innovation Lab: Pressure Cooking, Design, Ultimate Consumer Lab, Focus Group 2.0, Sherlock Holmes Recruiting, eConduit Suite of Tools, BrandTrac, QuickPredict, Return ePanel, eConduit Suite of Tools.
- For **Saatchi & Saatchi:** Strategic Toolkit, Sisomo, Xploring, the Story Brief, Inside Lovemarks (in association with QiQ), Lovemarks Connector Kit (including the Lovemarks actions: Discovery, Exploration, Inspiration, Attraction and Evaluation), Saatchi & Saatchi Ideas SuperStore, as well as Publicis Ideas IQ Protocol (developed by Saatchi & Saatchi for Publicis Groupe), Saatchi & Saatchi X, Shopper Cycle, Saatchi & Saatchi S, Star Mapping, Ten Cycle Star Mapping, Global Affluent Tribe and Lasting Marks.
- For **Fallon Worldwide:** Brand-Tube.
- For **BBH:** BBH Analytical Toolkit and BBH Knowledge & Insight.
- For **MSLGROUP:** FreeThinking, People's Lab, e-Reputation Scorecard, Story Stream Lab, Corporate Brand e-ambassadors, Social Business Navigator, Fem'Insight and Fem'Connect.

In media consulting:

- **ZenithOptimedia** has developed and uses several research analytics tools, processes and methods, including: Catalyst, Frequency Planner, Consumer Profiler, Market Priorization Planner, Multi-Copy Planner, Multi-Media Calculator, ROI Modeler, Seasonality Planner, Wizard TV Planner, ZEAL, Zone, ECCO, Global Analytics Center (Glance), Innovations Database, SEO Watch, SocialTools, Touchpoints ROI Tracker, Video Allocator, Spot Map, Live, Consumer Targeting, Liquid Insights, Most Valuable Consumer, Content Audit, Benchtools, TV Analyzer, Adforecast.com, Ninah Market Mix Modeling (MMM), Ninah Marketing PlanLan (MPL), Live Knowledge Center, Media 1440 and Value Tracker.
- **Starcom MediaVest** uses, among others, Tardiis, Tardiis Fusion, Innovest, Media Pathways, Digital Pathways, Pathfinder, Contact Destinations, Intent Tracker/Modeler, Connections Stories, Captivation Blueprint, Map, Beyond Demographics, Media in Motion (patent pending), Budget Allocator, Budget Calculator, Pearl, Ace, Brain Conquest, CVT (client targeting), SPACE ID, Truth Maps, Idea vet and Ideaweb, The Mic, Pulse, Webreader, Surveillance, KPI Engine, BARometer, StarcomEQ, Starcom IQ, Soundwave, Titan, SMBI, EIC, Starprofiler, The Street MAD, Balance TV, .Poem, Benchtools, AOD, MaxxReach, Beacon and ESQ, Connected Intelligence, Community Igniter, Linkd.3, Contagion, Echo Listening, Echo Measurement, Echo Activation, Experience Creation Framework, Catalyst and Content Scale.
- **DigitasLBi** markets, among others, Media Futures Desk, Multi-Model Attribution, BrandLive, CONX, MDK, Polino Map, LookOut, People Pulse, Early Warning, Pathematix, the Dashboard, The Port, Marketing Cloud, RepNation, Site Core Toolbox, CQ Toolbox, EPi Base, Earned Media Planning and Lens to its clients.
- **Performics** uses the following processes, programs and research tools for its clients: Participant Account Planning, Dynamic Persona Development, Searcher Journey Analysis, Benchtools, Socialtools, Social Influence on Search Audit, PFX Forecasting & Planning Tool, PFX Opportunity Matrix, Paid Search Strategic Audit, Paid Search Campaign Architecture Methodology, OneSearch Learning & Measurement Framework, Search Governance Model (SGM), Microtargeting, Hyperflighting, PFXLinkWheel, 4 SEO Pillars, SEO Deliverable Framework, Link Portfolio Audit Tool, Local SEO 3 Pillar Methodology, Mobile Experience Optimization Audit, TV-to-Search Methodology, Online/Offline Measurement, Advanced Copy Testing, GLANCE Data Management & Business Intelligence Platform (in partnership with Zenith), Cross-Channel Reporting, Account Monitoring Suite, Budget Tracker, Program Management Suite and Customer Resource Center.

- **Razorfish** markets Fluent, RIAx, RTS Live, CookieCutter, RankSource, Market Mapper, SEO Source, Segmenter, Site Optimization, Skymanager (UK), Razorfish 5D, Razorfish Mobile Framework, CloudServe and VisualCloud to its clients.
- **VivaKi** uses the following platforms, products and programs: *Audience on Demand* (AOD), AOD Display, AOD Mobile, AOD Video, AOD Social, Amplif.r, AOD Platform, VivaKi Verified, SkySkraper, Benchtools, Lift, The Pool, q Suite, Partnerships, Ventures, Finch15 and Perpetual Beta.

Finally, through **Prodigious, Market Forward,** an entity specialized in online collaborative tools, designs, develops and implements solutions that enable the production teams and their clients, agencies and brands to work more effectively, harmonizing operational processes while helping keep down their operating costs. BrandVault (Digital Asset Management), a creative library, helps with the archival, protection but also the sharing of communications materials. Brandtracker (Digital Workflow) allows a brand to initiate briefs online, review and approve ongoing jobs and track projects in real-time up to receipt of the deliverables. BrandBuilder (automated publication) allows standard marketing materials to be customized and the layout immediately visualized.

2.8 Risk factors

The risk factors described below, together with the other information concerning Publicis Groupe and its consolidated financial statements included in this registration document, should be carefully considered before making an investment in the shares or the other securities of Publicis Groupe. Each one of the risk factors may have a negative impact on the Group's earnings, financial position or share price. Other risks and uncertainties of which Publicis is unaware or which are not currently considered to be significant could also have a negative impact on the Group. Publicis Groupe is currently unaware of any economic, fiscal, monetary or political strategies or factors that have affected or are liable to affect its operations, whether directly or indirectly.

2.8.1 FACTORS SPECIFIC TO THE PUBLICITY AND COMMUNICATIONS SECTOR

UNFAVORABLE ECONOMIC CONDITIONS MAY ADVERSELY AFFECT THE GROUP'S OPERATIONS

The advertising and communications industry may experience periodic slumps caused by downturns in the general economy. As previous years have shown, this industry is sensitive to variations in advertisers' businesses and reductions in their marketing investments. Economic downturns can have a more severe impact on the advertising and communications industry than on other sectors, in part because many companies often respond to a slowdown in economic activity by reducing their communications budgets in order to meet their earnings goals. In addition, it may be difficult or even impossible to collect outstanding fees receivable from bankrupt or insolvent customers. For this reason, the Group's business prospects, financial position and earnings may be materially adversely affected by a downturn in general economic conditions in one or more markets, and a reduction in client budgets for advertising and communications.

The Group's presence in geographically diversified markets makes it less sensitive to adverse economic conditions in a given market. In addition, the Group chose to make its expansion in emerging countries and in the digital advertising market a priority from 2006 onwards. This judicious choice, which has been validated by the transformation of the market and the changing requirements of our clients, has enabled us to maintain, and even improve, the relevance of our offering, while standing up well to competitive pressure.

Working together with senior management and the Group's Finance Department, the operating management teams, the Group's networks are continuing to pay particularly close attention to their cost structures and are adopting action plans to maintain their profitability levels.

THE GROUP OPERATES IN AN EXTREMELY COMPETITIVE INDUSTRY

The advertising and communications industry is highly competitive and is expected to remain so. The Group's competitors range from large multinational companies to smaller agencies that operate in local or regional markets. New players such as systems integrators, database design and management specialists, telemarketing and web-based companies now have access to technical solutions that respond to clients' specific marketing and communications needs. The Group must compete with these companies and agencies in order to maintain existing client relationships and to win new clients and accounts. Increased competition could have a negative impact on the Group's revenue and earnings.

The high staff turnover rate that has historically been seen in the communications sector (between 25% and 30%) enables adverse economic conditions to be absorbed more flexibly and easily in the event of a downturn in the market.

Working together with the Group's senior management, the networks' operating management teams monitor the market and competitors on an ongoing basis. The Group's strategy, focusing on digital technology and meeting the constantly evolving needs of its clients, has allowed it to hold and strengthen its competitive position.

PUBLICIS' CONTRACTS MAY BE TERMINATED BY ITS CLIENTS ON SHORT NOTICE

Advertisers are free to terminate their contracts with their communications agencies, at any time or at the end of the contract, after a relatively short notice period of three to six months, in general. Moreover, the Group's contracts with its clients are under constant threat from rival competitive bids. Advertisers also tend to progressively cut down on the number of communications agencies they work with and to allocate their marketing budgets among a few leading agencies. Finally, the recent trend towards consolidation of clients around the world increases the risk that a client will be lost following a merger and/or an acquisition.

In order to deal with this risk, significant existing contracts are monitored on a regular basis at the operating management and Group level, which enables us to make sure that customers are satisfied, and to anticipate the risk of a contract being terminated.

In addition, winning new advertising accounts is a priority for all the Group's agencies. In 2013, the Group won new accounts totaling euro 3.5 billion, net of losses.

A SIGNIFICANT PERCENTAGE OF PUBLICIS' REVENUE IS GENERATED BY A SMALL NUMBER OF LARGE ADVERTISERS

The Group's top five, ten, 30 and 100 clients account in 2013 for 18%, 25%, 41% and 61% of the Group's consolidated revenue, respectively (see also Chapter 4.6 "Notes to the Consolidated Financial Statements", Note 26 "Market risk management"). One or several large clients may, at any time and for any reason, decide either to switch advertising and communications agencies or to curtail its spending on advertising. A substantial decline in the advertising and communications spending of a major client, or the loss of any of these accounts, could have a negative impact on Publicis' business and earnings.

Working with the Group's senior management, the management of the Group's networks continually analyzes the risks related to the loss of major contracts.

See Chapter 2.4.5 of this document for a list of the primary clients of the Group's major networks in 2013. The Group has a diversified client portfolio representative of the global economy, including many clients that are global or national leaders in their industries. Revenue from, and contracts with, different clients vary from year to year. Therefore, a significant share of Publicis Groupe's revenue comes from loyal clients that have been with the Company for years. On average, its retention rate of the ten biggest clients is 45 years.

CONFLICTS OF INTEREST BETWEEN PUBLICIS' CLIENTS COMPETING WITHIN THE SAME BUSINESS SECTOR MAY NEGATIVELY IMPACT ITS BUSINESS DEVELOPMENT

The ability of the Group or one of its networks to obtain a new client may at times be hindered by its partnership with a competitor or by an exclusivity clause in an existing client contract. The Group does its best to avoid these types of commitments, and relies on its numerous networks to limit the situations in which such conflicts of interest may arise. Such conflicts of interest may nonetheless arise, with potentially negative consequences for the Group's growth prospects, results and revenue.

Working with the Group's senior management, the management of the Group's networks continually analyzes the risks related to conflicts of interest.

PUBLICIS' BUSINESS IS HEAVILY DEPENDENT ON THE SERVICES OF ITS MANAGEMENT AND EMPLOYEES

The advertising and communications industry is known for high mobility among its professionals. If the Group loses the services of key managers or other employees, its business and earnings could be negatively affected. Publicis' success is highly dependent on the skills of its creative, sales and media personnel, as well as on their relationships with the Group's clients. If the Group were no longer able to attract and retain new key personnel, or if it were unable to retain and motivate its existing key personnel, its prospects, business, earnings and financial position could be adversely affected.

In conjunction with the Group's Human Resources Department, the networks' Human Resources Departments identify key staff, offer them incentives and include them in the Group's long-term profit-sharing schemes to retain their loyalty.

The Group's Human Resources Department regularly transmits to senior management its analyses of the attraction and retention of talent and the risks related to the possible loss of key senior managers.

2.8.2 REGULATORY AND LEGAL RISKS

LAWS, REGULATIONS OR VOLUNTARY PRACTICES THAT APPLY TO THE SECTORS IN WHICH PUBLICIS OPERATES MAY HAVE A NEGATIVE IMPACT ON ITS BUSINESS

The communications sector in which Publicis operates is subject to legislation, regulation and voluntary codes of conduct. Governments, regulators and consumer groups often prohibit or restrict the advertising of certain products and services, or regulate certain operations conducted by the Group (such as the *loi Sapin* in France, which prohibits agencies from buying advertising space for resale to their clients, and regulations that restrict alcohol and tobacco advertising in most countries). The imposition of such restrictions may harm the Group's operations and results and expose it to the risk of judicial proceedings, especially by consumer groups, regulators and public authorities.

In order to limit this risk, and to ensure that its advertising campaigns comply with regulations, the Group has implemented, in its main markets, legal clearance procedures carried out by the Legal Department, whose role is to provide support to the creative teams as they develop these campaigns.

PUBLICIS MAY BE EXPOSED TO LIABILITIES IF ANY OF ITS CLIENTS' ADVERTISING CLAIMS ARE FOUND TO BE FALSE OR MISLEADING, OR IF ITS CLIENTS' PRODUCTS ARE DEFECTIVE

Publicis may be named as defendant or co-defendant in litigation brought against its clients by third parties, its clients' competitors, governmental or regulatory authorities, or a consumer association. These actions could, in particular, relate to the following complaints:

- advertising claims used to promote its clients' products or services are false, deceptive or misleading;
- its clients' products are defective or may be harmful to others;
- marketing, communications, or advertising materials created for its clients infringe the intellectual property rights of third parties, since client-agency contracts generally require the agency to indemnify the client against claims for infringement of intellectual or industrial property rights.

The potential damages and expenses, as well as the legal fees arising from any of these claims could harm the Group's prospects, business, results and financial position were it not adequately insured against such risks or indemnified by its clients. In any event, Publicis' reputation could be negatively affected by such allegations.

In conjunction with senior management, the Legal Department keeps a watchful eye on the changes in risks associated with significant litigation. The Group has no knowledge of any legal or arbitration proceedings, initiated in the last 12 months, which could have a significant effect on the financial position or profitability of the Company and/or the Group.

See also Note 20 and Note 1.3 to the consolidated financial statements (Section 4.6), with respect to provisions for litigation and claims.

2.8.3 RISKS ASSOCIATED WITH MERGERS AND ACQUISITIONS

PUBLICIS' STRATEGY OF DEVELOPMENT THROUGH ACQUISITIONS AND MINORITY INVESTMENTS MAY CREATE RISKS

Part of the Group's strategy hinges on enriching its range of advertising and communication services and increasing its operations in high-growth markets. The Group has made a number of acquisitions and other investments in furtherance of this strategy, and may continue to do so in the future. The identification of acquisition and investment candidates is difficult, and there is always the possibility of misjudging the risks of any given acquisition or investment. Sellers may also at times fail to divulge certain risks. The changing and unpredictable regulatory frameworks of certain emerging markets (see Section 2.8.4 below) and certain local practices in these regions are another source of acquisitions risk. In addition, acquisitions may be concluded on terms that are less favorable than anticipated, and/or the newly acquired companies may either fail to be successfully integrated into Publicis' existing operations or fail to generate the synergies or other benefits that were expected. Such cases could have negative consequences for the Group's earnings.

A description of the Group's main acquisitions during 2013 appears in Section 2.5.1. "Main investments during the past three years". See also Note 2 (Section 4.6) to the consolidated financial statement "Variation in the scope of consolidation".

The Group makes its acquisitions according to a formal and centralized process led by senior management, with the assistance mostly of the Mergers and Acquisitions Department, the Financial Department, the Legal Department, the Human Resources Department and the networks' operational and financial divisions.

The network divisions are chiefly responsible for integrating the acquired entities under the oversight of senior management, in particular for major acquisitions. The Finance Department conducts a regular acquisitions performance assessment in conjunction with senior management; this assessment is then presented to the Audit Committee and Supervisory Board.

THERE ARE CERTAIN RISKS SURROUNDING THE COMPLETION OF THE GROUP'S MERGER WITH OMNICOM GROUP INC.

The Group signed an agreement with Omnicom Group Inc. on July 27, 2013 for a merger of equals between the two groups. This agreement, described in 2.4.10 and the realization of which is scheduled to be completed in 2014, still has to be approved by the General Shareholders' Meetings of Publicis Groupe SA and of Omnicom Group Inc. as well as being subject to the satisfaction of the conditions precedent set out in the agreement, which are not wholly within the power of Publicis Groupe SA.

Publicis Groupe SA or Omnicom Group Inc. may terminate the Agreement in various circumstances, in particular (i) in the event of a failure to obtain the necessary approval from their respective shareholders, (ii) in the absence of certain governmental authorizations, (iii) in the event it isn't possible to complete the merger prior to July 27, 2014 (deadline may be extended by either party to January 27, 2015 in certain circumstances), (iv) in the event that the other party's Board of Directors changes its recommendation (subject to certain restrictions as regards the timing of the exercise of this right of termination), and, (v) in certain circumstances, the breaching by the other party of certain of its representations and warranties or the failure of the other party to satisfy its obligations under the Agreement.

In certain specific circumstances, which will be specified in the Management Board's report to the Company's Extraordinary General Shareholders' Meeting called to approve the Merger, the termination of the Agreement may give rise to the payment of a termination penalty of USD 500 million, notably (i) in certain instances following a change in the recommendation of the Supervisory Board of Publicis regarding the Merger or (ii) in certain instances following the announcement of a third-party bid to take over Publicis Groupe SA or certain of the Group's key assets resulting in a breach by the Company of its commitments under the merger agreement described in 2.4.10.

Furthermore, the merger with Omnicom Group Inc. may not generate all the expected synergies and other benefits.

Finally, there is a risk that shareholders may bring legal actions in connection with the merger. Moreover, some Omnicom shareholders have already filed a lawsuit, details of which can be found in Note 26 to the consolidated financial statements "Risk management", appearing in Section 4.6.

GOODWILL AND INTANGIBLE ASSETS, INCLUDING BRANDS AND CLIENT RELATIONSHIPS, RECORDED ON THE STATEMENT OF FINANCIAL POSITION OF ACQUIRED COMPANIES MAY BE SUBJECT TO IMPAIRMENT

Publicis has recorded a significant amount of goodwill on its statement of financial position. Given the nature of its business, the Group's most important assets are intangible, and are accounted for as such. Each year the Group carries out an evaluation of goodwill and intangible assets so as to determine whether these need to be depreciated. The hypotheses made in order to estimate the earnings and the provisional cash flow in the course of these reevaluations cannot be confirmed by subsequent real earnings. If the Group were to carry out any such depreciation, the loss could have an adverse effect on the Group's earnings and financial position.

Analysis of goodwill and intangible assets carried on the Group's statement of financial position is detailed in Notes 10 and 11 to the consolidated financial statements (Section 4.6).

2.8.4 RISKS ASSOCIATED WITH THE GROUP'S INTERNATIONAL PRESENCE

PUBLICIS IS EXPOSED TO A NUMBER OF RISKS FROM OPERATING IN DEVELOPING COUNTRIES

Publicis conducts business in a number of developing countries around the world. The risks associated with conducting business in developing countries can include nationalization, social, political and economic instability, increased currency risk, restrictions on taking money out of the country and late payment of invoices. The Group may not be able to insure or hedge against these risks. In addition, commercial laws and regulations in many of these countries may be vague, arbitrary, contradictory, inconsistently administered or retroactively applied. It is therefore always difficult to determine the exact requirements of these laws and regulations, or to fully understand their application. Non compliance – actual or alleged – with applicable laws in developing countries could have a negative impact on Publicis' prospects, business, earnings, and financial position.

Working with the Group's senior management, the management of the Group's networks continually analyzes the Group's exposure to risks related to its business in politically or economically unstable countries. The Group has moreover put internal monitoring systems in place to ensure its operations comply with local legislation and minimize the risks of violations, especially where anti-corruption laws are concerned.

Revenue from emerging economies represented 24.4% of the Group's total revenue in 2013.

See Note 27 to the consolidated financial statements (Section 4.6) for a geographical breakdown of the Group's revenue for the years 2011, 2012 and 2013.

2.8.5 FINANCIAL RISKS

EXPOSURE TO LIQUIDITY RISK

To manage liquidity risk, Publicis holds a substantial volume of cash and cash equivalents amounting to euro 1,442 million on the one hand, and confirmed unused lines of credit amounting to euro 1,909 million on the other, as of December 31, 2013. The main component of these credit lines is a multi-currency syndicated loan of euro 1,200 million, maturing in 2016.

These amounts, which are available or can be made available almost immediately, are more than sufficient to cover the Group's obligations on its debt maturing in less than one year (including commitments to buy-out minority shareholders, see Section 2.5.3).

The Group's treasury management arrangements are described in Section 3.4.3 of this document.

None of the Group's bonds or other debt is subject to financial covenants.

See also Note 22 to the consolidated financial statements (Section 4.6).

A CREDIT RATING DOWNGRADE COULD ADVERSELY AFFECT PUBLICIS' FINANCIAL SITUATION

Since 2005, Publicis Groupe SA has been publicly rated. Its rating has remained unchanged, at BBB+ from Standard & Poor's and Baa2 from Moody's Investors Service. A rating downgrade by either of these agencies could adversely affect the Group's ability to raise funds and result in higher interest rates for future borrowings.

See also Section 3.4.3 of this document.

EXPOSURE TO MARKET RISK

Note 26 to the consolidated financial statements in Section 4.6 of this document describes exposure to the following risks:

- exchange rate and interest rate risks;
- client counterparty risk;
- bank counterparty risk;
- stock market risk.

These risks are monitored by the Group's Finance Department in close liaison with senior management.

2.8.6 INSURANCE AND RISK COVERAGE

The Company's policy regarding insurance is to insure all subsidiaries and all companies in which it holds 50% or more of the voting rights, directly or indirectly, or for which it assumes the management or administrative control or the responsibility for insurance coverage without holding 50% or more of the voting rights.

Insurance coverage is achieved through complementary centralized and local insurance programs. The insurance programs cover the full range of insurable risks.

The insurance programs are the subject of regular tender offers, both on a local and global basis, which enables the Group to benefit from the latest guarantee extensions and from optimized policy subscription costs.

CENTRALIZED PROGRAMS

These are programs with an international scope, such as third-party professional liability, personal liability of management and those related to corporate relations. Worldwide "umbrella" coverage also exists, which *applies* in the case of differences in conditions or limits of local programs, particularly for property damage insurance and business interruption insurance, general third-party, automobile third-party, and employer's third-party liability insurance.

The Group has also extended health, life and disability insurance cover to all staff working outside of their native countries. This program also covers the assistance and repatriation of the employee and his/her family when necessary.

LOCAL PROGRAMS

These are insurance policies for general and employer's third-party liability, property damage and business interruption, automobile policies, and other general risks. These policies are entered into locally in order to comply with local practices and regulations and to manage related risks.

Insurance contracts relating to filming and photography are issued on a country-by-country basis, depending on requirements.

The Group is working to standardize personal risk insurance coverage in each country with the development of shared service centers.

POLICIES TAKEN OUT

The overall amount is:

- damage to property and operational losses: up to USD 280 million;
- civil liability: from USD 25 to 115 million, depending on the risks.

Terrorism risks are covered in the United States, France and the United Kingdom, in accordance with the legal requirements in each country.

These policies are arranged through brokers from major international insurance companies such as AIG, XL, Chubb, Zurich and Generali. All the insurers chosen by the Group have a minimum S&P rating of A-.

Non-life-insurance premiums came to approximately euro 20 million worldwide in 2013.

3

COMMENTARY ON FISCAL YEAR

The developments below are the main elements of the management report mentioned in article L. 451-1-2 of the French Monetary and Financial Code and in article 223-3 of the General Regulations of the AMF which must include the information mentioned in articles 225-100, L. 225-100-2, L. 225-100-3 and in the second paragraph of article L. 225-211 of the French Commercial Code.

Other information corresponding to required elements of the management report is to be found in Section 8.6 "Cross-referencing table of the management report".

The following discussion should be read in conjunction with the consolidated financial statements and related notes. They contain information concerning the Group's future objectives which implies risks and uncertainties, including, in particular, those described in Section 2.8.

3.1 Introduction

After a slight upturn at the end of the 2012, the global economy at the beginning of 2013 did not show significant signs of picking up. The emerging countries continued to be the main sources of growth, while the figures for the American economy did not clearly indicate a return to growth and Europe remained in a state of moderate recession. At the end of the first half of the year, the signs of the global economy turning round remained uncertain, marked by contrasting situations from region to region, the forecasts for improving the global economy were mainly focused on the United States. The economies of all the BRIC (Brazil, Russia, India, and China) countries are not making any headway following the global slowdown and situations specific to each of these markets. During the second half of the year, the world's economy went into a period of transition with a definite improvement in certain mature economies, notably in the United States, the United Kingdom and Germany whereas the strongly growing economies, in particular China, India and Brazil suffered a greater slowdown than expected. Japan benefited from the Prime Minister's monetary policy for a few months but today these measures do not seem sufficient to boost consumption. Europe was marked by contrasting situations with a strong upturn in the United Kingdom, a clear improvement in Germany and a situation which was still very tough but less dramatic in Southern Europe. France was still bearing the burden of its deficit and the slow nature of its decision-making with regard to enabling the implementation of the budgetary and structural reforms required to boost its growth and witnessed domestic demand fall throughout 2013.

After revising its estimations for growth of the global economy downwards five times during the year, in particular due to the downturn of strong-growth economies, the International Monetary Fund (IMF) stated at the start of this year that it anticipated an increase in the growth of the global economy for 2014 and revised its forecast for growth of the world's economy upwards, increasing it by 0.1% to 3.7%. However, the IMF considered this improvement insufficient and subject to a risk of deflation in a context of stagnation of sale prices and the chaotic nature of the currencies of the strong-growth countries. The main bodies, IMF, the World Bank and the OECD all agreed when estimating growth for 2013 of 2.7% and 3.7% in 2014, a subtle balance between reinforcing exchanges and the most numerous risks.

After having estimated growth of the advertising market for 2013 at 4.1% in December 2012, ZenithOptimedia revised its estimates downwards to 3.9% in April, then 3.5% in June and September before raising them very slightly to 3.6% last December which corresponded to around 2.5% of the revenue of agencies (thus approximately 3.5% in "agency" data). For 2014, ZenithOptimedia forecasts growth in the advertising market at 5.3%. Both for 2013 and 2014, market growth is due to an increased contribution from Internet advertising, the main long-lasting growth factor.

In spite of certain genuine signs of a positive change in some regions, in North America and Northern Europe, the global economy witnessed increased uncertainty from the summer onwards with an inevitable impact on growth. In this context, and given the lack of major favorable events, 2013 remained difficult for the advertising market with a downturn in the last quarter, in particular in emerging (or strong-growth) markets. However, the Publicis Groupe recorded very good financial results thus proving the pertinence of its model.

Consolidated revenue in 2013 amounted to euro 6,953 million, up by 5.2%, with exchange rate effects having had a negative impact representing euro 237 million. Organic growth for the period was 2.6%, supported by the United States, Latin America, Africa and the Middle-East. After nine months of healthy growth, Asia Pacific experienced a sudden downturn in the fourth quarter of the year due to a less favorable situation, with new risks connected with the deficit and depreciation of currency curbing investment.

The digital business, a genuine growth driver, continued to develop, representing 38.4% of revenue for 2013 as a whole, financial year, compared with 32.9% in 2012. The acquisition of LBi in January 2013 and the growing penetration of new technologies in the media industry contributed to the increase of the digital part. Thanks to its policy of forging partnerships with key players such as Google, started in 2008, and the unique group made up of DigitasLBi, Razorfish, Rosetta and VivaKi, the Group continued to sign a host of collaboration agreements with the digital giants, symbolized by the global partnership with IBM, crucial for the future of e-commerce. These initiatives, while avoiding huge investments in ephemeral new technologies, enable breakthroughs and new opportunities for clients.

In 2013, the Group's revenue from quickly growing countries represented 24.4% of total revenue, compared with 25.5% in 2012, the dilution observed resulting from the acquisition of LBi, essentially a European-focused player, and the depreciation of currencies in several countries of this group.

The Publicis Groupe undertook an active acquisition policy in 2013, particularly in the digital market and throughout the world in order to achieve critical mass in its different lines of business, in particular digital, and the countries where it was operating and benefiting from scale effects. The market changes seen over the past number of years with a genuine explosion in the Internet and the increasingly marked slowdown in the analog business reaffirmed the Group's strategic decisions and has spurred on the rapid development of digital operations. The Group's robust financial position enabled it to invest in order to speed up growth.

However, in a context of long-lasting limited global economic growth, the Publicis Groupe, which must continue with its policy of investments in order to secure its development and optimize its business operations, continues to pay very close attention to its long-term profitability, a guarantee of its future development. The various projects designed to regionalize shared services centers are forging ahead with the creation of the Asia-Pacific platform in Kuala Lumpur, optimizing space purchasing operations as well as bring together certain activities in "platforms of excellence" as borne out by the launch of Prodigious which unites a certain number of production activities in Costa Rica.

An ERP implementation project is well under way. The pilot has been up and running since March 2013, thus paving the way for the global deployment process, beginning in France. The solution should be put in place in several French agencies by the end of 2014. Preparations to deploy the ERP should also be started up this year in several other countries including the United States.

All of these projects combined with increased growth should improve the medium-term operating margin.

The Management Board and Supervisory Board decided to offer again the Co-Investment program available to the Group's key executives, after the outstanding success of the program started in 2009. In an increasingly competitive global talent market, it is essential for the executives to be fully associated with the Group's success. The Co-Investment program expresses a strong commitment on the part of the executives as it presupposes a genuine acceptance of risk concerning personal investment and is a driver for achieving the Group's growth and margin objectives and the continuation of the Group's development strategy.

Furthermore, the deployment of the "50 free shares" Plan was finalized in February 2013 by being extended to 53 countries, after being deployed in France in 2009, in the United States in 2010 and in 16 other countries in 2011.

The operating margin rate for 2013 excluding merger-related costs for the purposes of comparing real operational performance, is 16.5%, an improvement of 40 basis points in relation to the margin rate published in 2012. The published margin rate, which includes merger costs, is 15.9%. The operating margin, excluding merger-related costs, reflects the good performance partly due to increased organic growth in the first nine months of the year, while the 4th quarter saw a downturn, sometimes significant, in some areas of business in emerging countries destabilized by their economies being relaunched and large-scale depreciation of their currencies. The increased operating margin rate is also due to the continuous efforts made concerning costs.

Group net income amounts to euro 792 million and euro 816 million excluding expenses due to the merger, representing an increase of 11.5% compared with 2012.

3.2 Organic growth

When comparing its annual performances, Publicis Groupe measures the impact on reported revenue of changes in foreign currency exchange rates, acquisitions and disposals, and organic growth. Organic growth, which represents the increase in like-for-like revenue at constant exchange rates, is calculated as follows:

- revenue of the previous year is recalculated applying the current year average rate;
- revenue from acquisitions (net of revenue from any divested activities) is subtracted from the current year revenue, in order to neutralize the impact on growth of changes in Group scope.

The difference between the revenue for the current year, after subtraction of the revenue from acquisitions (net of that of divested activities) and the revenue of the previous year (translated at the current exchange rate) is compared with the revenue generated in the prior period to determine the percentage of organic growth.

The Group's management believes that the analysis of organic revenue growth provides a better understanding of its revenue performance and trends than reported revenue because it allows for more meaningful comparisons of current period revenue to that of prior periods. Also, like-for-like revenue is generally used in the industry as a key performance indicator.

Organic growth is unaudited and is not a measurement of performance under IFRS. It may not be comparable with similarly titled financial data of other companies.

(in millions of euros)	Total
2012 REVENUE	**6,610**
Impact of exchange rates	(237)
2012 revenue at the 2013 exchange rate (a)	6,373
2013 revenue before impact of acquisitions (1) (b)	6,538
Revenue from acquisitions (1)	415
2013 REVENUE	**6,953**
ORGANIC GROWTH (b-a)/a	**2.6%**

(1) Net of disposals.

After having estimated the growth of the advertising market for 2013 at 4.1% in December 2012, ZenithOptimedia revised its forecasts downwards to 3.9% in April, then to 3.5% in June and September and increased them slightly to 3.6% last December. Against a backdrop of low growth in Europe and the downturn in the economies of emerging countries, the Group's organic growth of 2.6% represents a good performance.

Organic growth for each quarter in 2013 was:

- 1st quarter: 1.3%
- 2nd quarter: 5.0%
- 3rd quarter: 3.5%
- 4th quarter: 0.7%

3.3 Analysis of the consolidated results

3.3.1 REVENUE

Consolidated revenue in 2013 amounted to euro 6,953 million versus euro 6,610 million for 2012, up 5.2% (exchange rate effects had an impact of euro 237 million, as the currencies in some developing countries had depreciated considerably).

Expressed in US dollars, revenue corresponds to 9,232 million, up by +8.7%.

Organic growth was +2.6% for the 2013 financial year: This growth, down on the first nine months of the year (+3.3%), was slowed down by the confirmation of the downturn of the Chinese economy, already perceptible in the 3rd quarter, and worsened by certain decisions made by the government which impacted advertising investment, led to campaigns being canceled or postponed. The Digital business continues to grow very quickly (+13.9% organic growth). The Health industry is picking up at a very slow rate and the media services are performing well. As a general rule, the continued attrition of the Analog business in developed economies can be seen in the table below:

	Europe*	North America	BRIC + MISSAT**	Rest of the world	Total
Digital	10.0%	+13.1%	+20.1%	+38.9%	**+13.9%**
Analog	-5.2%	-3.1%	-1.5%	+1.5%	**-2.9%**
TOTAL	**-1.6%**	**+4.7%**	**+1.0%**	**+6.8%**	**+2.6%**

* *Europe, excluding Russia and Turkey.*
** *MISSAT: Mexico, Indonesia, Singapore, South Africa and Turkey.*

The revenue from high-growth countries represents 24.4% of total revenue (25.5% in 2012). The slight fall can be partly attributed to the dilution due to the acquisition of LBi which trades essentially in Northern Europe and also to economic problems of some countries in the BRIC and MISSAT zones. The organic growth of this group is 3.3% for the period.

REVENUE BY BUSINESS LINE

The following table shows the percentage of the Group's total revenue from the main business lines in 2013 and 2012:

	2013	2012
Digital	38%	33%
Advertising	30%	30%
Specialized Agencies and Marketing Services (SAMS)	16%	19%
Media	16%	18%
TOTAL	**100%**	**100%**

2013 REVENUE BY GEOGRAPHICAL ZONE

(in millions of euros)	Revenue 2013	Revenue 2012	Organic growth
Europe	2,154	1,976	-1.3%
North America	3,303	3,146	+4.7%
Asia-Pacific	836	842	+1.2%
Latin America	464	463	+6.0%
Africa and Middle East	196	183	+7.3%
TOTAL	**6,953**	**6,610**	**+2.6%**

The second revenue distribution table below firstly shows the changes to the Publicis Groupe's big markets of Europe and North America, and secondly reflects the growth in zones where the Group has been focusing a large part of its investments in recent years, namely the "BRIC" countries and the "MISSAT" zone.

	Revenue		
(in millions of euros)	2013	2012	Organic growth
Europe*	2,060	1,881	-1.6%
North America	3,303	3,146	+4.7%
BRIC + MISSAT**	918	892	+1.0%
Rest of the world	672	691	+6.8%
TOTAL	**6,953**	**6,610**	**+2.6%**

* *Europe, excluding Russia and Turkey.*
** *MISSAT: Mexico, Indonesia, Singapore, South Africa and Turkey.*

Europe (excluding Russia and Turkey) remains negative for 2013 with, however, contrasting situations. France, with organic growth of -0.4%, shows a slight improvement compared with the first half of the year, the United Kingdom has returned to growth with +1.4%, Germany performed well with +3.6%, Central Europe is positive with +2.6% as is Russia which grew by +3.1%. The Southern European countries experienced problems (-11.3%).

North America is holding firm with +4.7% growth in 2013, essentially due to digital and other media services.

The low +1% growth of the large BRIC and MISSAT countries reflects the problems already observed in the 3rd quarter *i.e.,* a downturn in economic activity, exacerbated, for China, by decisions made by the authorities that have affected certain sectors. In this context, growth in Greater China reached +1.6%, whereas the figure in India was -12.2%.

Organic growth in the rest of the world was +6.8% (Australia +5%, Colombia +9.3%, Malaysia -3.7%, South Korea -7.6%).

3.3.2 OPERATING MARGIN AND OPERATING INCOME

It should be noted that the figures below do not include costs associated with the planned merger for 2013 and after being restated in application of revised IAS 19 for 2012. These merger costs amounted to euro 38 million in 2013 and the impact on the 2012 operating margin of the IAS 19 restatement is euro -2 million.

GLOBAL OPERATING MARGIN

The operating margin before depreciation and amortization amounted to euro 1,265 million for 2013 compared with euro 1,188 million in 2012, representing a 6.5% increase.

Operating margin was euro 1,145 million, up 7.8% on 2012.

Personnel costs of euro 4,330 million in 2013 compared with euro 4,078 million for the same period in 2012 increased by 6.2%, more quickly than revenue and represented 62.3% of the consolidated revenue (61.7% in 2012). This increase related mainly to freelance costs (+10.4%), restructuring costs (euro 79 million compared to euro 68 million in 2012), especially in Europe, and provisions for bonuses. However, the ratio of fixed personnel costs (54.5% of total revenue) remained stable compared with 2012. Increased selectivity continues to be a key factor, enabling investment in talent in growing segments and contain and reduce costs in low-growth business lines or regions. Ongoing investment (in the ERP, production platforms, continuation of the process of regionalizing shared service centers or developments) as well as simplifying the organization will make it possible to reduce these medium-term expenses.

Other operating expenses (excluding impairment) stand at euro 1,358 million. They represent +19.5% of total revenue (20.3% in 2012). Sales costs remain high at euro 283 million or 4.1% of revenue. Administrative costs continue to fall thanks to the optimization plans concerning various operating expenses through the process of regionalizing shared service centers. Costs related to acquisitions had an impact of euro 10 million.

Depreciation and amortization for 2013 amount to euro 120 million versus euro 126 million for the same period in 2012 reflect good control of the investments.

The operating margin rate for the year is 16.5% up by 40 basis points compared with the operating margin rate for the previous year (16.1%).

Operating margins by major geographic regions amount to 11.2% for Europe, 20.3% for North America, 13.5% for Asia-Pacific, 16.8% for Latin America and 21.4% for Africa & the Middle East.

OPERATING INCOME

Amortization of intangible assets arising from acquisitions was euro 49 million, versus euro 45 million in 2012. An impairment of euro 4 million was also recorded (versus euro 11 million the previous year); other non-current income and expenses stood at euro 69 million (including a euro 47 million gain on the sale of the 1.1% stake held by the Group in Interpublic Group) versus euro 39 million in 2012.

The operating income increased to euro 1,161 million in 2013, excluding merger costs, versus euro 1,045 million the year before, representing an increase of 11.1%.

3.3.3 OTHER INCOME STATEMENT ITEMS

Financial income and expenses, comprised of the cost of net financial debt and other financial income and expenses, was a net expense of euro 21 million in 2013, versus an expense of euro 32 million the previous year (after adjustment resulting from the application of revised IAS 19). It should be underlined that exceptional income of euro 17 million (without impacting cash and cash equivalents) related to repayment of the Eurobond 2012 upon maturity had been recorded in the 2012 financial statements. At the same time, the 2013 financial statements benefited from a reduction in charges of euro 22 million following the full conversion of Océane 2014 in July 2012.

Income tax expense for the year was euro 298 million resulting in an effective tax rate of 28.4%, versus euro 279 million in 2012 corresponding to an effective rate of 28.8%.

The share of income of Associates (*i.e.* entities accounted for *via* the equity method) was euro 5 million, versus a euro 25 million share in 2012. Non-controlling interests were euro 17 million in 2013, versus euro 27 million in 2012.

In total, the Group's net income amounted to euro 792 million (euro 816 million excluding the costs connected with the merger) as at December 31, 2013 versus euro 732 million for the same period in the previous year.

3.4 Financial and cash position

3.4.1 CASH FLOWS

Net cash flow from operations amounted to an inflow of euro 1,379 million for 2013, versus euro 1,032 million for the previous year. The change in the working capital requirement was euro 355 million in 2013 versus euro 155 million in 2012, representing an improvement of euro 200 million. Taxes paid totaled euro 244 million in 2013 versus euro 306 million the year before, with the fall being largely due to taxes paid in the United States. Interest paid amounted to euro 42 million representing a reduction of 19 million compared with the previous year largely due to the conversion of Océane 2018 in December 2013. Interest received rose to euro 31 million, with this figure including euro 12 million for the balancing price for the Eurobond 2015 swap, versus euro 24 million in 2012.

Cash flow from investments comprises purchases and disposals of tangible and intangible assets, net acquisitions of financial assets and acquisitions and sales of subsidiaries. Net cash flow from investments correspond to using euro 753 million of cash and cash equivalents for 2013 compared with euro 609 million in 2012. The increase can be traced to the acquisitions of subsidiaries and other financial assets (net of disposals) for an amount of euro 630 million in 2013, with the acquisition of LBi being included in this figure for euro 322 million, versus euro 489 million the previous year. Net investment in fixed assets amounted to euro 123 million, almost the same figure as the previous year (euro 120 million).

Net cash flow from financing includes dividends paid, the change in borrowings and transaction on treasury shares and equity warrants issued by the Company. Financing transactions represented a requirement of euro 405 million for 2013 which in particular included net payment of euro 72 million representing the buyback of 3.9 million of treasury shares from Dentsu, after deducting payments related to exercising stock options or stock purchase warrants which became exercisable on September 24, 2013. The amount of dividends paid in cash, despite a sharp increase in the dividend per share and global, was limited to euro 108 million due to some shareholders opting to receive the dividend payment in shares. With regard to 2012, the requirement rose to euro 1,276 million, due partly to the buyback of a block of 18 million treasury shares belonging to Dentsu, representing euro 566 million after deducting the disposal income following the exercising of stock options and the repayment of the Eurobond 2012 for an amount in principal of euro 506 million.

In total, the Group's cash position net of bank credit increased by euro 96 million in 2013, versus a decrease of euro 860 million for the same period in the previous year.

FREE CASH FLOW

The Group's free cash flow, excluding the changes in working capital requirements, is up 19% on the previous year (adjusted to factor in the application of the revised IAS 19), to stand at euro 901 million.

The Group uses this indicator to measure liquidity generated by operating activities after accounting for investments in fixed assets, before acquisitions or sales of subsidiaries and before financing activities (including the financing of working capital requirements).

The table below shows the Group's free cash flow (excluding changes in working capital requirements):

(in millions of euros)	December 31, 2013	December 31, 2012*
Operating margin before depreciation and amortization	1,227	1,188
Net interest paid	(11)	(37)
Taxes paid	(244)	(306)
Other	52	32
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WCR	**1,024**	**877**
Net investment in fixed assets	(123)	(120)
FREE CASH FLOW BEFORE CHANGES IN WCR	**901**	**757**

* *Restated in application of revised IAS 19.*

3.4.2 DEBT (LONG AND SHORT TERM)

The Group's share of consolidated shareholders' equity increased from euro 4,614 million as of December 31, 2012 to euro 5,094 million as of December 31, 2013. The increase in shareholders' equity was largely due to the conversion of Océane 2018 at a value of euro 100 million, and lower income for the period as a result of dividend payouts amounting to euro 108 million and the impact from the buyback of 3.9 million Publicis Groupe shares held by Dentsu for euro 181 million. Minority interests totaled euro 38 million, compared with euro 44 million at December 31, 2012.

NET FINANCIAL DEBT

(in millions of euros)	December 31, 2013	December 31, 2012
Borrowings (long and short-term)	860	1,109
Fair value of derivative hedging exposure on 2012 and 2015 Eurobond [(1)]	-	(13)
Fair value of derivatives hedging on intra-group loans/borrowings [(1)]	(11)	-
TOTAL BORROWINGS INCLUDING MARKET VALUE OF ASSOCIATED DERIVATIVES	**849**	**1,096**
Cash and cash equivalents	(1,442)	(1,314)
NET FINANCIAL DEBT	**(593)**	**(218)**

(1) Reported under "Other receivables and current assets" and/or "Other creditors and current liabilities" on the consolidated balance sheet.

The 2013 financial year closed with a positive cash position of euro 593 million versus euro 218 million in 2012, an improvement of euro 375 million resulting, for almost half of this figure, from the efforts made in managing working capital requirements and euro 100 million from the conversion of over three quarters of Océane 2018, which took place in December 2013.

The Group's average net debt was euro 490 million in 2013, versus euro 628 million in 2012.

The Group's gross consolidated debt was euro 860 million as of December 31, 2013, compared with euro 1,109 million as of December 31, 2012. This debt consisted of 63% maturities exceeding 12 months (see Note 22 to the consolidated financial statements as of December 31, 2013 for a detailed maturity schedule of Group debt). The decrease of the gross deficit can be partly explained by the conversion of a large part (78%) of the Océanes 2018 still in circulation, and also by the decrease in debts on long-term equity investments and buyback undertakings for minority stakes following payments made during the year.

The financial debt, after concluding the interest rate swap on the Eurobond, at the beginning 2013, is essentially made up of fixed-rate borrowings (82% of the gross deficit excluding long-term equity investments and buyback undertakings for minority stakes as at December 31, 2013) with an average rate recorded for 2012 of 4%.

Debt breakdown by currency on December 31, 2013 was as follows: euro 435 million denominated in euros, euro 148 million denominated in US dollars, and euro 277 million denominated in other currencies.

In December 2005, the Group established financial ratio targets meant to direct the Group's financial policy on such matters as acquisitions and dividends. These ratios were complied with at the end of the fiscal year, as the following table shows:

	Optimal ratio	December 31, 2013	December 31, 2012*
Average net debt/operating margin before depreciation and amortization	*< 1.50*	0.40	0.53
Net debt/equity [(1)]	*< 0.5*	n/a	n/a
Coverage of interest on operating margin before depreciation/cost of net financial debt	*> 7*	47	40

* *Restated in application of revised IAS 19.*
(1) Not applicable as the Cash and cash equivalents was positive as at December 31, 2012 et 2013.

3.4.3 BORROWINGS AND STRUCTURE OF THE GROUP'S FINANCING

In order to manage its liquidity risk, Publicis has substantial cash and cash equivalents amounting to euro 1,442 million and confirmed unused credit lines amounting to euro 1,909 million as of December 31, 2013. The main component of these credit lines is a multi-currency syndicated loan of euro 1,200 million, maturing in 2016.

These amounts, which are available or can be made available almost immediately, were more than sufficient to allow the Group to meet its current financial debt obligations (including commitments to minority shareholders).

Group cash management continued to benefit from the introduction of local centralized cash-pooling centers in the Group's main markets. Since 2006, an international cash pooling structure has been implemented with the goal of pooling all cash for the Group as a whole.

Cash resources are for the most part held by subsidiaries in countries where funds can be freely transferred and centralized.

Since December 2005, the Group has been rated by the two leading international credit rating agencies, Standard & Poor's and Moody's. At the date of this document, the ratings are: BBB+ for Standard & Poor's and Baa2 for Moody's.

It should be noted that in the context of the merger between Publicis Groupe and Omnicom, the two rating agencies, Standard & Poor's and Moody's, have confirmed their current ratings of the Group.

See also Notes 22 and 26 to the consolidated financial statements (Section 4.6).

3.4.4 RESTRICTIONS ON USE OF CAPITAL

As of December 31, 2013 and the date of the closing of accounts, there were no rating triggers or financial covenants for short-term bank credit lines, syndicated loans, confirmed medium-term bilateral bank credit lines or bond debt likely to restrict the Group's liquidity.

There are no legal or economic restrictions likely to limit or significantly restrict any transfers of funds to the parent company in the near future.

3.4.5 SOURCES OF FINANCING

Given its cash position and its confirmed unused credit lines amounting to a combined total of euro 3,351 million as of December 31, 2013, the Group has the necessary cash resources to meet its operating requirements and investment plan over the next 12 months.

3.5 Publicis Groupe SA (Group parent company)

Publicis Groupe SA's revenue consists exclusively of property rental income and management fees for services rendered to subsidiaries of the Group. Total operating income amounted to euro 28 million for 2013, versus euro 27 million for the previous year.

Financial income increased to euro 804 million in 2013 versus euro 176 million the previous year, the 2013 financial income includes an exceptional dividend of euro 593 million from Publicis Groupe Investments BV.

Operating expenses amounted to euro 35 million versus euro 41 million the previous year, with it being necessary to specify that the costs related to the merger between Publicis Groupe SA and Omnicom Group Inc. (euro 38 million for 2013), intended to be treated as preliminary costs were not recorded under expenses in the financial year.

Financial expenses reached euro 278 million for 2013, versus euro 163 million in 2012, with the increase being mainly due to the provisions on shares constituted on the MMS France Holdings subsidiary.

Pre-tax profit from recurring operations resulted in a euro 519 million profit compared to euro 1 million in 2012.

After taking into account an income tax credit of euro 27 million resulting from French tax consolidation, Publicis Groupe, parent company of the Group, made a profit of euro 552 million for 2013 versus a profit of euro 37 million in 2012.

The breakdown at close of the last two fiscal years of outstanding trade payables by due date was as follows:

Information on supplier payment periods (article 441-6-1 of the French Commercial Code).

Accounts payable (in thousands of euros)	Total at 12/31/2013	Total at 12/31/2012
Invoices not yet due	2,946	657
Invoices less than 60 days overdue	741	242
Invoices over 60 days overdue	567	73
TOTAL	**4,254**	**972**

The general Shareholders' Meeting called to approve the 2013 financial statements will be proposed to appropriate the 2013 earnings of euro 551,958,616, minus an allocation of euro 240,586 to statutory reserves and plus previously retained earnings of euro 836,998,610, representing distributable earnings of euro 1,388,716,640 :

- distribution of shares for an amount of euro 237,625,716 (based on 216,023,378 shares, including treasury shares at December 31, 2013);
- appropriation to earnings brought forward of euro 1,151,090,925.

Under the proposed appropriation, the net dividend would be euro 1.10 per share with a euro 0.40 par value, payable in cash or in shares, the shareholder being free to choose the method.

3.6 Dividend distribution policy

Dividend paid for year	Number of shares that received dividends*	Dividend per share (in euros)	Total dividend distribution (in millions of euros)	Share price at December 31 (in euros)	Yield
2009	178,930,977	0.60	107.4	28.50	2.11%
2010	184,024,870	0.70	128.8	39.00	1.79%
2011	170,644,648	0.70	119.5	35.545	1.97%
2012	197,977,185	0.90	178.2	45.250	1.99%
2013	**216,023,378 ***	**1.10 ****	**237.6**	**66.510**	**1.65%**

* *Number of dividend-bearing shares after deducting treasury shares, except for the 2013 appropriation, which includes treasury shares existing as of December 31, 2013.*

** *Dividend proposed at the GSM of May 28, 2014.*

The dividends will be time-barred after five years. They are then paid to the French state.

For the past several years, the Company's dividend distribution policy focused on ensuring regular dividend payments to its shareholders while maintaining sufficient cash flow to finance its development.

Following three years of flat dividends (2007, 2008 and 2009) due to the global financial crisis, which forced the Company to manage its resources prudently, the dividend proposed for the 2010 and 2011 financial years was increased to euro 0.70 per share. For the 2012 financial year: the dividend was increased to euro 0.90 per share given the commitment made by the Group to gradually increase the distribution rate to eventually reach 35% over time. The dividend for 2012 was paid in cash and in shares.

In order to honor this commitment, a proposal will be made in respect of 2013 to increase the dividend to euro 1.10 per share, which represents a distribution rate of 30%. Subject to the approval of the General Shareholders' Meeting and in line with last year, the dividend will be paid in cash or in shares.

3.7 Outlook

The trends described below do not constitute forecasts or profit estimates as defined by modified European Regulation no. 809/2004 of April 29, 2004 used in application of directive 2003/71/00 of the European Parliament and Council of November 4, 2003.

For 2014, the ZenithOptimedia Media Forecasting Department anticipates the global advertising market (media) recording growth of 5.3%, which would correspond to an estimated increase of 3.5% in the revenue of the agencies. The bulk of the growth in the last few years has been recorded by Digital (Internet, mobile, etc.). This trend is continuing and firming up with higher growth in Digital with a weaker trend in the Analog sector.

From a geographical point of view, the following markets are expected to experience significant growth in 2014: United States, United Kingdom, Germany, Australia and Mexico. The situation in Southern Europe should remain stable. As for France, it should be slightly positive (0.3%).

The ZenithOptimedia forecasts for emerging markets (BRIC) show 9.4% growth in the advertising (Media) market for all the BRIC countries and +13.9% for the MISSAT countries.

The figures observed in January clearly show that the 4th quarter is not indicative of a downturn in the markets, but rather a reflection of the overall economic situation.

The Group is confident about its forecasts that are counting on renewed growth and a new improvement in terms of margins.

CONSOLIDATED FINANCIAL STATEMENTS – YEAR 2013

4.1 Consolidated income statement

(in millions of euros)	Notes	2013	2012 *	2011 *
REVENUE		**6,953**	**6,610**	**5,816**
Personnel expenses	3	(4,330)	(4,078)	(3,617)
Other operating expenses	4	(1,396)	(1,344)	(1,167)
OPERATING MARGIN BEFORE DEPRECIATION AND AMORTIZATION		**1,227**	**1,188**	**1,032**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	5	(120)	(126)	(103)
OPERATING MARGIN		**1,107**	**1,062**	**929**
Amortization of intangibles arising from acquisitions	5	(49)	(45)	(38)
Impairment loss	5	(4)	(11)	-
Non-current income and expenses	6	69	39	21
OPERATING INCOME		**1,123**	**1,045**	**912**
Financial expenses	7	(46)	(71)	(89)
Financial income	7	20	41	33
COST OF NET FINANCIAL DEBT	**7**	**(26)**	**(30)**	**(56)**
Other financial income and expenses	7	5	(2)	(2)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES		**1,102**	**1,013**	**854**
Income taxes	8	(298)	(279)	(246)
NET INCOME OF CONSOLIDATED COMPANIES		**804**	**734**	**608**
Share of profit of associates	13	5	25	17
NET INCOME		**809**	**759**	**625**
Of which:				
• Net income attributable to non-controlling interests		17	27	29
• **Net income attributable to equity holders of the parent company**		**792**	**732**	**596**

Per share data (in euros) - Net income attributable to equity holders of the parent company	9			
Number of shares		*215,516,919*	*201,032,235*	*202,547,757*
Earnings per share		3.67	3.64	2.94
Number of diluted shares		*224,430,805*	*224,143,700*	*237,066,159*
Diluted earnings per share		3.54	3.34	2.63

* *Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.*

4.2 Consolidated statement of comprehensive income

(in millions of euros)	2013	2012 *	2011 *
NET INCOME FOR THE PERIOD (A)	809	759	625
Comprehensive income that will not be reclassified to profit or loss			
• Actuarial gains (and losses) on defined benefit plans	26	(30)	(46)
• Deferred taxes on comprehensive income that will not be reclassified to profit or loss	(12)	6	15
Comprehensive income that may be reclassified to profit or loss			
• Revaluation of available-for-sale investments	(26)	4	(3)
• Consolidation translation adjustments	(249)	(61)	49
• Deferred taxes on comprehensive income that may be reclassified to profit or loss	3	-	-
TOTAL OTHER COMPREHENSIVE INCOME (B)	(258)	(81)	15
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A) + (B)	**551**	**678**	**640**
Of which:			
• Total comprehensive income attributable to non-controlling interests	11	24	29
• Total comprehensive income attributable to equity holders of the parent company	540	654	611

* *Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.*

4.3 Consolidated balance sheet

(in millions of euros)	Notes	December 31, 2013	December 31, 2012 *	December 31, 2011 *
Assets				
Goodwill, net	10	6,123	5,667	5,207
Intangible assets, net	11	939	982	985
Property, plant and equipment	12	513	506	496
Deferred tax assets	8	127	97	82
Investments in associates	13	28	23	43
Other financial assets	14	121	242	113
NON-CURRENT ASSETS		**7,851**	**7,517**	**6,926**
Inventories and work in progress	15	307	342	343
Trade receivables	16	6,994	6,841	6,446
Other current receivables and assets	17	517	591	561
Cash and cash equivalents	18	1,442	1,314	2,174
CURRENT ASSETS		**9,260**	**9,088**	**9,524**
TOTAL ASSETS		**17,111**	**16,605**	**16,450**
Equity and liabilities				
Share capital		86	84	77
Additional paid-in capital and retained earnings, Group share		5,008	4,530	3,823
Equity attributable to holders of the parent company	**19**	**5,094**	**4,614**	**3,900**
Non-controlling interests		38	44	33
TOTAL EQUITY		**5,132**	**4,658**	**3,933**
Long-term borrowings	22	538	730	1,460
Deferred tax liabilities	8	295	238	241
Long-term provisions	20	368	464	483
NON-CURRENT LIABILITIES		**1,201**	**1,432**	**2,184**
Trade payables		8,636	8,249	7,745
Short-term borrowings	22	322	379	838
Income taxes payable		31	65	66
Short-term provisions	20	139	166	137
Other creditors and current liabilities	23	1,650	1,656	1,547
CURRENT LIABILITIES		**10,778**	**10,515**	**10,333**
TOTAL EQUITY AND LIABILITIES		**17,111**	**16,605**	**16,450**

* *Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.*

4.4 Consolidated statement of cash flows

(in millions of euros)	2013	2012 *	2011 *
Cash flows from operating activities			
Net income	809	759	625
Neutralization of non-cash income and expenses:			
Income taxes	298	279	246
Cost of net financial debt	26	30	56
Capital (gains) losses on disposals (before tax)	(68)	(38)	(19)
Depreciation, amortization and impairment loss on property, plant and equipment and intangible assets	173	182	141
Non-cash expenses on stock options and similar items	40	26	26
Other non-cash income and expenses	2	(1)	5
Share of profit of associates	(5)	(25)	(17)
Dividends received from associates	4	8	14
Taxes paid	(244)	(306)	(212)
Interest paid	(42)	(61)	(80)
Interest received	31	24	29
Change in working capital requirements (1)	355	155	75
NET CASH FLOWS GENERATED BY (USED IN) OPERATING ACTIVITIES (I)	**1,379**	**1,032**	**889**
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(126)	(123)	(116)
Disposals of property, plant and equipment and intangible assets	3	3	4
Purchases of investments and other financial assets, net	49	(120)	13
Acquisitions of subsidiaries	(686)	(369)	(728)
Disposals of subsidiaries	7	-	28
NET CASH FLOWS GENERATED BY (USED IN) INVESTING ACTIVITIES (II)	**(753)**	**(609)**	**(799)**
Cash flows from financing activities			
Dividends paid to holders of the parent company	(108)	(119)	(129)
Dividends paid to non-controlling interests	(22)	(31)	(14)
Proceeds from borrowings	1	16	77
Repayment of borrowings	(102)	(546)	(29)
Net purchases of non-controlling interests	(102)	(30)	(11)
Net (purchases)/sales of treasury shares and warrants	(72)	(566)	51
NET CASH FLOWS GENERATED BY (USED IN) FINANCING ACTIVITIES (III)	**(405)**	**(1,276)**	**(55)**
Impact of exchange rate fluctuations (IV)	**(125)**	**(7)**	**(17)**
CHANGE IN CONSOLIDATED CASH AND CASH EQUIVALENTS (I + II + III + IV)	**96**	**(860)**	**18**
Cash and cash equivalents on January 1	1,314	2,174	2,164
Bank overdrafts on January 1	(28)	(28)	(36)
Net cash and cash equivalents at beginning of year (V)	**1,286**	**2,146**	**2,128**
Cash and cash equivalents on December 31 (Note 18)	1,442	1,314	2,174
Bank overdrafts on December 31 (Note 22)	(60)	(28)	(28)
Net cash and cash equivalents at end of year (VI)	**1,382**	**1,286**	**2,146**
CHANGE IN CONSOLIDATED CASH AND CASH EQUIVALENTS (VI - V)	**96**	**(860)**	**18**
(1) Breakdown of change in working capital requirements			
Change in inventory and work in progress	*34*	*41*	*(6)*
Change in accounts receivable and other receivables	*(305)*	*(426)*	*(267)*
Change in accounts payable, other payables and provisions	*626*	*540*	*348*
Change in working capital requirements	**355**	**155**	**75**

* *Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.*

4.5 Consolidated statement of changes in equity

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital
182,371,070	**DECEMBER 31, 2010 ***	**77**	**2,432**
	Net income		
	Other comprehensive income, net of tax		
	TOTAL INCOME AND EXPENSES FOR THE PERIOD	-	-
1,712,704	Publicis Groupe SA capital increase and cancellation of treasury shares	-	47
	Dividends		
	Share-based compensation, net of tax		
	Additional interest on Orane		
	Effect of acquisitions and commitments to buy-out non-controlling interests		
1,912,289	Purchases/sales of treasury shares		
185,996,063	**DECEMBER 31, 2011 ***	**77**	**2,479**
	Net income		
	Other comprehensive income, net of tax		
	TOTAL INCOME AND EXPENSES FOR THE PERIOD	-	-
(9,197,684)	Publicis Groupe SA capital increase and cancellation of treasury shares	(4)	(334)
	Dividends		
	Share-based compensation, net of tax		
	Additional interest on Orane		
	Effect of acquisitions and commitments to buy-out non-controlling interests		
25,900,629	Océane 2014 conversion	11	706
(3,495,358)	Purchases/sales of treasury shares		
199,203,650	**DECEMBER 31, 2012 ***	**84**	**2,851**
	Net income		
	Other comprehensive income, net of tax		
	TOTAL INCOME AND EXPENSES FOR THE PERIOD		
1,562,129	Publicis Groupe SA capital increase	1	(47)
1,361,502	Dividends		70
292,076	Share-based compensation, net of tax		
	Additional interest on Orane		
	Effect of acquisitions and commitments to buy-out non-controlling interests		
2,798,937	Equity warrant conversion	1	83
2,096,233	Océane 2018 conversion		
(727,265)	Purchases/sales of treasury shares		
206,587,262	**DECEMBER 31, 2013**	**86**	**2,957**

* *Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.*

Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to the holders of the parent company	Non controlling interests	Total equity
809	**(88)**	**133**	**3,363**	**21**	**3,384**
596			596	29	625
(31)	49	(3)	15	-	15
565	**49**	**(3)**	**611**	**29**	**640**
(47)			-		-
(129)			(129)	(14)	(143)
25			25		25
(8)			(8)		(8)
(13)			(13)	(3)	(16)
51			51		51
1,253	**(39)**	**130**	**3,900**	**33**	**3,933**
732			732	27	759
(24)	(58)	4	(78)	(3)	(81)
708	**(58)**	**4**	**654**	**24**	**678**
(47)			(385)		(385)
(119)			(119)	(31)	(150)
39			39		39
(8)			(8)		(8)
20			20	18	38
(23)			694		694
(181)			(181)		(181)
1,642	**(97)**	**134**	**4,614**	**44**	**4,658**
792			792	17	809
14	(240)	(26)	(252)	(6)	(258)
806	**(240)**	**(26)**	**540**	**11**	**551**
46			-		-
(178)			(108)	(22)	(130)
61			61		61
(20)			(20)		(20)
(20)			(20)	5	(15)
			84		84
100			100		100
(157)			(157)		(157)
2,280	**(337)**	**108**	**5,094**	**38**	**5,132**

4.6 Notes to the consolidated financial statements

DETAILED SUMMARY OF NOTES

INTRODUCTORY NOTE ON THE MERGER AGREEMENT

On July 28, 2013, Publicis Groupe SA and Omnicom Group Inc. (Omnicom) announced the signing of an agreement for a merger of equals, to create the world leader in communications, advertising, marketing and digital services.

The deal will be in the form of a cross-border merger within a holding company, Publicis Omnicom Group, domiciled in the Netherlands. It will be listed on Euronext Paris and on the NYSE.

The deal was structured in such a way that the shareholders of Publicis Groupe and of Omnicom each own, as of the date of the merger, circa 50% of the share capital of Publicis Omnicom Group. Publicis Groupe shareholders will receive one newly issued ordinary share in Publicis Omnicom Group for each Publicis Groupe SA share, as well as an extraordinary dividend of euro 1.00 per share. Omnicom shareholders will receive 0.813 newly issued ordinary shares in Publicis Omnicom Group for each Omnicom share, as well an extraordinary dividend of dollars 2.00 per share. Under our agreement, certain adjustments may be applied to the extraordinary dividend paid as well as to the merger ratio.

The deal is notably conditional on approval by shareholders of both companies, as well as on receipt of the various regulatory clearances. All the approvals by the Competition authorities before the merger is concluded have been granted, with the exception of China, currently under consideration.

Prior to the General Shareholders' Meeting held to discuss the merger, Publicis Groupe SA will prepare a report for shareholders detailing the terms and conditions thereof.

The implementation of this deal will have a major impact on the future financial statements of Publicis Groupe, both in terms of the income statement and the balance sheet.

In accordance with IFRS, the consolidated financial statements of Publicis Groupe as at December 31, 2013 were prepared without considering the possible effects of this merger.

Note 1 Accounting policies

Pursuant to European Regulation no. 1606/2002 of July 19, 2002 pertaining to international accounting standards, the 2013 consolidated financial statements were prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable on December 31, 2013 as approved by the European Union.

The financial statements for the 2013 financial year are presented alongside comparative figures for 2012 and 2011, which were also prepared under IAS/IFRS.

The financial statements were approved by the Management Board on February 7, 2014 and reviewed by the Supervisory Board on February 12, 2014. They will be submitted for the approval by the shareholders at the General Shareholders' Meeting on May 28, 2014.

1.1 Impact of IFRS standards and IFRIC interpretations taking effect as of January 1, 2013 and impact of published IFRS standards and IFRIC interpretations not yet in force

Compliance with IFRS standards as adopted by the European Union

The accounting principles adopted for the preparation of the consolidated financial statements comply with IFRS standards and IFRIC interpretations, as adopted by the European Union as of December 31, 2013, and published on the following website:

http://ec.europa.eu/internal_market/accounting/legal_framework/regulations_adopting_ias/index_en.htm

These accounting principles are consistent with those applied to prepare the consolidated financial statements for the financial year ending December 31, 2012.

Application of new standards and interpretations

At December 31, 2013, Publicis Groupe applied the same accounting standards, interpretations, principles and policies as for the 2012 financial statements other than those mandatory changes introduced by the following IFRS standards, applicable as of January 1, 2013:

- Amendment to IAS 1 - Presentation of Items of Other Comprehensive Income. This amendment requires the separate presentation in other comprehensive income of the items that will be reclassified to profit or loss and those that will not be. This amendment has no material impact on the presentation of the consolidated statement of comprehensive income published by the Group;
- Amendment to IAS 19 - Defined Benefit Plans: the retrospective application of this amendment mainly resulted in the elimination of the so-called "corridor" approach and the recognition in other comprehensive income of all unamortized actuarial gains and losses. This elimination does not, however, have any impact on the financial statements of Publicis Groupe, which had already elected to apply the so-called SORIE method.

The main effects of the amendment to IAS 19 were as follows:

- the Group's liabilities with respect to its employees are accounted for in full at each reporting date; the amortization of past service cost (resulting from pension plan changes) over the remaining vesting period for new rights is eliminated. Past service cost unfunded as at January 1, 2011 (first comparative reporting period) is set against reserves and earnings brought forward net of tax. The effects of pension plan changes subsequent to January 1, 2011 are recognized in full under "Personnel expenses" in the income statement in the period in which they occur;
- the expected return on plan assets is now measured using the same rate as used to discount post-employment benefits;
- various plan administrative expenses are, when directly billed to the Group, now recognized under operating income, and no longer deducted from the expected return on plan assets included under "Other financial income and expenses".

Furthermore, the Group continues to recognize current service cost under operating income and the financial expenses under "Other financial income and expenses".

The following tables show the impact of the change in policy on the Group's income statement and statement of comprehensive income:

Restated consolidated income statement

	December 31, 2012			December 31, 2011		
(in millions of euros)	Reported	Impact IAS 19 R	Restated	Reported	Impact IAS 19 R	Restated
REVENUE	**6,610**		**6,610**	**5,816**		**5,816**
Personnel expenses	(4,076)	(2)	(4,078)	(3,615)	(2)	(3,617)
Other operating expenses	(1,344)		(1,344)	(1,167)		(1,167)
OPERATING MARGIN BEFORE DEPRECIATION AND AMORTIZATION	**1,190**	**(2)**	**1,188**	**1,034**	**(2)**	**1,032**
Depreciation and amortization expense (excluding intangibles from acquisitions)	(126)		(126)	(103)		(103)
OPERATING MARGIN	**1,064**	**(2)**	**1,062**	**931**	**(2)**	**929**
Amortization of intangibles from acquisitions	(45)		(45)	(38)		(38)
Impairment	(11)		(11)	-		-
Non-current income and expenses	39		39	21		21
OPERATING INCOME	**1,047**	**(2)**	**1,045**	**914**	**(2)**	**912**
Financial expenses	(71)		(71)	(89)		(89)
Financial income	41	(6)	41	33	(4)	33
COST OF NET FINANCIAL DEBT	**(30)**		**(30)**	**(56)**		**(56)**
Other financial income and expenses	4		(2)	2		(2)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES	**1,021**	**(8)**	**1,013**	**860**	**(6)**	**854**
Income taxes	(282)	3	(279)	(248)	2	(246)
NET INCOME OF CONSOLIDATED COMPANIES	**739**	**(5)**	**734**	**612**	**(4)**	**608**
Share of profit of associates	25		25	17		17
NET INCOME	**764**	**(5)**	**759**	**629**	**(4)**	**625**
Of which:						
• Net income attributable to non-controlling interests	27		27	29		29
• **Net income attributable to equity holders of the parent company**	**737**	**(5)**	**732**	**600**	**(4)**	**596**

Per share data (in euros) - Net income attributable to equity holders of the parent company						
Earnings per share	3.67	(0.03)	3.64	2.96	(0.02)	2.94
Diluted earnings per share	3.36	(0.02)	3.34	2.64	(0.01)	2.63

Restated consolidated statement of comprehensive income

(in millions of euros)	December 31, 2012 Reported	December 31, 2012 Impact IAS 19 R	December 31, 2012 Restated	December 31, 2011 Reported	December 31, 2011 Impact IAS 19 R	December 31, 2011 Restated
NET INCOME FOR THE PERIOD (A)	**764**	**(5)**	**759**	**629**	**(4)**	**625**
Other comprehensive income						
• Revaluation of available-for-sale investments	4		4	(3)		(3)
• Actuarial gains (and losses) on defined benefit plans	(36)	6	(30)	(51)	5	(46)
• Consolidation translation adjustments	(61)		(61)	49		49
• Deferred taxes on other comprehensive income	8	(2)	6	16	(1)	15
TOTAL OTHER COMPREHENSIVE INCOME (B)	**(85)**	**4**	**(81)**	**11**	**4**	**15**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A) + (B)	**679**	**(1)**	**678**	**640**		**640**
Of which:						
• Total comprehensive income attributable to non-controlling interests	24		24	29		29
• Total comprehensive income attributable to equity holders of the parent company	655	(1)	654	611		611

The Group's application of the following standards and interpretations, adopted by the European Union and mandatory in financial years beginning on or after January 1, 2013, had no major impact on the Group's financial statements:

- IFRS 13 - Fair Value Measurement;
- Amendments to IAS 12 - Income taxes - Deferred Tax: Recovery of Underlying Assets;
- Improvements to IFRS 2011 - Standards published in May 2012;
- Amendments to IFRS 7 - Offsetting Financial Assets and Financial Liabilities and Disclosures.

Early application

In addition, the following principles published by the IASB and adopted by the European Union for financial years beginning on or after January 1, 2014 were applied on an early basis:

- IFRS 10 - Consolidated Financial Statements;
- IFRS 11 - Joint Arrangements;
- IFRS 12 - Disclosure of Interests in Other Entities;
- IAS 28 (revised) - Investments in Associates and Joint Ventures.

These standards had no impact on the scope of the Group's consolidated companies accounted for under the equity method. None of the Group's entities have been consolidated using the proportional method.

However, Note 1.2 "Consolidation Principles and Policies" has been updated to comply with these new standards.

Compliance with the IFRS standards as published by the IASB

The principles applied by the Group do not differ from IFRS standards as published by the IASB, since the application of the following standards and interpretations is not mandatory in financial years beginning on or after January 1, 2013:

- IAS 32 - Offsetting Financial Assets and Financial Liabilities;
- Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting;
- IFRS 9 and amendments to IFRS 9 - Financial Instruments: Classification and Measurement of Financial Assets, and Fair Value Option for Financial Liabilities and Hedge Accounting;
- Amendments to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets;
- IFRIC 21 - Levies;
- Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions.

Publicis is currently in the process of determining the potential impact of the application of these new standards and interpretations on the Group's consolidated financial statements.

1.2 Consolidation principles and policies

Reporting currency of the consolidated financial statements

Publicis prepares and publishes its consolidated financial statements in euros.

Investments in subsidiaries

The consolidated financial statements include the financial statements of Publicis Groupe SA and of its subsidiaries as at December 31 of each year. Subsidiaries are consolidated as from the time that the Group obtains control until the date on which control is transferred to an entity outside the Group.

Control is exercised when the Group is exposed or entitled to the variable returns and provided that it can exercise its power to influence such returns.

Investments in associates

The Group's investments in associates are accounted for under the equity method. An associate is a company over which the Group has significant influence but not the control, or a company which is subject to the joint control of the Group, which generally implies an ownership percentage between 20% and 50% of the voting rights.

Investments in associates are recognized in the balance sheet at their acquisition cost and adjusted to reflect subsequent changes to the Group's share in the net assets of the associate, in accordance with the equity method. The Group's investment includes the amount of any goodwill, which is treated in accordance with the Group's accounting policy in this area, as presented in Section 1.3 below. The income statement reflects the Group's share of the associate's net income after taxes for the period.

Joint arrangements

There are two distinct accounting methods:

- partnerships recognized as joint operations are recorded up to the percentage of assets, liabilities, proceeds and expenses controlled by the Group;
- partnerships recognized as joint ventures are consolidated under the equity method to the extent that they only give rights to the net assets of the entity.

Foreign currency transactions

Transactions in foreign currencies are recognized at the exchange rate applicable on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable at the reporting date. All differences arising are recognized in the income statement, except for differences on loans and borrowings that, in substance, form part of the net investment in a foreign entity. These differences are recognized in equity until such time as the net investment is disposed of, at which time they are recorded in the income statement.

Translation of financial statements prepared in foreign currencies

The functional currency of each Group entity is the currency of the economic environment in which it operates. The financial statements of subsidiaries located outside the euro zone that are presented in local currencies are translated into euros, the reporting currency of the consolidated financial statements, in the following manner:

- assets and liabilities are translated at year-end exchange rates;
- the income statement is translated at the average exchange rate over the year;
- translation adjustments resulting from the application of these rates are recognized in "Other comprehensive income items - Translation reserve" for the Group share, with the remainder being recorded as "Non-controlling interests (minority interests)".

Goodwill and fair value adjustments of assets and liabilities recognized in the context of the acquisition of a foreign entity are expressed in the functional currency of the acquired company and translated at the exchange rate applying at the reporting date.

Elimination of intra-group transactions

Transactions between consolidated subsidiaries are fully eliminated, as are the corresponding receivables and payables. Similarly, intercompany gains or losses on sales, internal dividends, and provisions relating to subsidiaries are eliminated from consolidated results, except in the case of impairment loss.

1.3 Accounting principles

Business combinations effective before January 1, 2010

The following accounting treatments were applied to business combinations prior to January 1, 2010:

- the transaction costs directly attributable to the acquisition were included in the acquisition cost;
- shareholdings not conferring control (minority interests) were measured in terms of the share of the fair value of the net assets of the entity acquired;
- restructuring of companies carried out in several stages were accounted for as separate transactions. Any additional share acquired did not affect previously recognized goodwill;
- price adjustments were recognized at the acquisition date if and only if the Group had a current obligation with a likely settlement which could be reliably assessed. Changes in estimations of the amount of the price adjustment affected goodwill. These arrangements continue to be applied to the variations, subsequent to January 1, 2010, of price adjustments in relation to business combinations prior to this date;
- initially, the commitments to buy-out non-controlling interests were recognized as borrowings at the discounted value of the purchase obligation, with a double entry booked to non-controlling interests and the remainder to goodwill; subsequent changes in the amount of the obligation were recognized by adjusting the amount of goodwill. These arrangements continue to be applied to the subsequent changes to commitments prior to January 1, 2010.

Business combinations effective as of January 1, 2010

Business combinations have been treated in the following manner:

- identifiable assets acquired and liabilities assumed are recognized at their fair value on the acquisition date;
- non-controlling interests in the acquired business (minority interests) are recognized either at fair value or at the proportionate share of the fair value of identifiable net assets in the acquired business. This option is available on a case-by-case basis for each business combination.

Acquisition costs are recognized as an expense when incurred and are recorded under "Other operating expenses" in the consolidated income statement.

Any earn out payments on business combinations are recognized at fair value on the acquisition date. After the acquisition date, earn out payments are recognized at their fair value on the balance sheet date. As of the end of the period for allocating the acquisition price, which comes one year following the acquisition date at the latest, any change in this fair value will be recorded in income. Within this allocation period, any changes in this fair value explicitly linked to events subsequent to the acquisition date will also be recognized in income. Other changes will be recognized as an offset to goodwill.

However, these provisions do not apply to earn out payments linked to acquisitions prior to January 1, 2010. These earn out payments are recognized according to the provisions of IFRS 3 (before its revision) which provides for the recognition of earn out payments as an offset to goodwill, without any time limitation.

At the acquisition date, goodwill represents the difference between:

- the fair value of the transferred asset, including earn out payments, plus the amount of non-controlling interests in the acquired company and, where a business combination occurs in several stages, the fair value at the acquisition date of the interest previously held by the buyer in the acquired company, which is adjusted through income;
- and the net residual value of identifiable assets acquired and liabilities assumed at the acquisition date and recorded at fair value.

Although deferred tax assets were not recognized at the acquisition date because their recoverability was uncertain, any subsequent recognition or utilization of these deferred taxes after the allocation period will be recorded as an offset to income (*i.e.* with no impact on the amount recorded as goodwill).

BUY-OUT COMMITMENTS TO NON-CONTROLLING INTERESTS UPON BUSINESS COMBINATIONS

Pending an IFRIC interpretation or a specific IFRS standard on this matter, the following accounting treatment has been adopted in accordance with currently applicable IFRS standards and the AMF recommendation:

- initially, these commitments are recognized in borrowings at the present value of the buy-out amount, with a double entry booked in diminution of equity;
- subsequent changes in the value of the commitment (including the effect of discounting) are recognized by adjusting equity on the grounds that it is a transaction between shareholders.

ADDITIONAL ACQUISITION OF SECURITIES WITH THE EXCLUSIVE TAKEOVER OF AN ENTITY PREVIOUSLY UNDER SIGNIFICANT INFLUENCE

The exclusive takeover leads to the recognition of a disposal gain or loss calculated on the entire interest at the transaction date. The previously held interest is thus remeasured at fair value through the income statement at the time of the exclusive takeover.

ADDITIONAL ACQUISITION OF SECURITIES AFTER THE EXCLUSIVE TAKEOVER

When additional securities are acquired in an entity that is already exclusively controlled, the difference between the acquisition price of these securities and the proportion of additional consolidated equity acquired is recognized as equity attributable to shareholders of the parent company of the Group. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

In the statement of cash flows, the acquisition of additional securities in an entity already controlled is presented as net cash flow relating to financing activities.

SALE OF SECURITIES WITHOUT LOSS OF EXCLUSIVE CONTROL

In the event of a partial sale of securities in an exclusively controlled entity that does not modify control of this entity, the difference between the fair value of the sale price of the securities and the proportion of consolidated equity capital that these securities represent at the date of sale is recognized as equity attributable to shareholders in the parent company of the Group. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

SALE OF SECURITIES WITH LOSS OF EXCLUSIVE CONTROL BUT RETENTION OF AN EQUITY INTEREST

The loss of exclusive control leads to the recognition of a disposal gain or loss calculated on the entire interest held at the transaction date.

Any residual interest is therefore remeasured at fair value through the income statement at the time of the exclusive loss of control.

Research and study costs

Publicis recognizes expenditures for studies and research as expenses attributable to the financial year in which they are incurred. This expenditure principally relates to the following items: studies and tests relating to advertising campaigns, research programs into consumer behavior or clients' needs in various areas, and studies and modeling to optimize media purchases for the Group's clients.

Development expenditures incurred for an individual project are capitalized once they are considered to be reasonably certain of being recovered in the future. Any capitalized expense is amortized over the future period during which the project is expected to generate income.

Goodwill

When a takeover takes place in a single transaction, goodwill is equal to the fair value of the consideration paid to acquire the securities (including any earn out payments which are recorded at fair value at the takeover date), plus the value of non-controlling interests (these items are valued for each business combination either at fair value or at the proportionate share of the fair value of the net assets of the acquired business and minus the fair value of assets, liabilities and contingent liabilities identified at the acquisition date).

Goodwill that is recorded in the balance sheet is not amortized but is instead subject to impairment tests on at least an annual basis. Impairment tests are performed for the cash-generating unit(s) to which goodwill has been allocated by comparing the recoverable value and the carrying amount of the cash-generating unit(s). The Group considers each agency or group of agencies to be a cash-generating unit.

The recoverable value of a cash-generating unit is the greater of its fair value (generally its market value), net of disposal costs, and its value in use. Value in use is determined on the basis of discounted future cash flows. Calculations are based on five-year cash flow forecasts, a terminal growth rate for subsequent cash flows and the application of a discount rate to all future flows. The discount rate used reflects current market assessments of the time value of money and the specific risks to which the cash-generating unit is exposed.

If the carrying amount of a cash-generating unit is higher than its recoverable value, the assets of the cash-generating unit are written down to their recoverable value. Impairment losses are allocated, firstly, to goodwill, and are recognized through the income statement and then against other assets.

Intangible assets

Separately acquired intangible assets are recognized at acquisition cost. Intangible assets acquired in the context of a business combination are recognized at their fair value on the acquisition date, separately from goodwill, if they are identifiable, *i.e.* if they meet one of the following two conditions:

- the intangible assets arise from legal or contractual rights; or
- the intangible assets can be separated from the acquired entity.

Intangible assets primarily consist of trade names, client relationships, technology, e-mail address databases and software.

Trade names, which are considered to have indefinite useful lives, are not amortized. They are subject to impairment tests, at least once a year, which involve comparing their recoverable value to their carrying amount. Any impairment loss is recorded in the income statement.

Client relationships with a finite useful life are amortized over such useful lives, which are generally between 10 and 40 years. They are also subject to impairment tests if there are any indicators that they may have been impaired.

Technology assets result from the Group's engagement in interactive activities. They are amortized over a 3 to 4-year period.

E-mail address databases are used in direct e-mailing campaigns. These databases are amortized over 2 years.

The method used to identify any impairment of intangible assets is based on discounted future cash flows. The Group uses the "royalty savings" method for trade names, which takes into account the future cash flows that the trade name would generate in royalties if a third party were to pay for the use of said trade name. For client contracts, the method involves discounting future cash flows generated by the client. Valuations are carried out by independent appraisers. The parameters used are consistent with those used to measure goodwill.

Capitalized software includes in-house applications as well as commercial packages; they are measured either at their acquisition cost (if purchased externally) or at their production cost (if developed internally). They are amortized over their useful life. With only some exceptions, the amortization period does not exceed three years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost minus accumulated depreciation and impairment loss.

When appropriate, the total cost of an asset is broken down into its various components that have distinct useful lives. Each component is then recognized separately and depreciated over a distinct term.

Items of property, plant and equipment are depreciated on a straight-line basis over each asset's estimated useful life. The useful life of property, plant and equipment is generally assumed to be as follows (straight-line method):

- Buildings: 20 to 70 years;
- Fixtures, fittings and general installations: 10 years;
- Office equipment and furniture: 5 to 10 years;
- Vehicles: 4 years;
- IT equipment: 2 to 4 years.

If any indicators suggesting impairment loss exist for items of property, plant and equipment, the recoverable value of the property, plant and equipment or the cash-generating unit(s) to which such assets belong is compared to their carrying amount. Any impairment loss is recorded in the income statement.

Leases

Finance leases, which transfer substantially all the risks and rewards of the ownership of the leased asset to the Group, are recognized in the balance sheet from the beginning of the lease contract at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance leases are recognized in property, plant and equipment and a corresponding liability is recognized in borrowings. They are depreciated over the length of the lease contract or over the useful lives applicable to similar assets owned, whichever is shorter. In the income statement, lease rental expenses are replaced by the interest on the debt and the depreciation of the assets. The tax effect of this restatement for consolidation purposes is accounted for through the recognition of a deferred tax asset or liability.

Leases in which the lessor does not transfer substantially all of the risks and rewards of ownership of the leased assets are classified as operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

Other financial assets

All investments are initially recognized at fair value, which corresponds either to the price paid or the value of assets given in payment, plus any transaction costs.

Subsequent to their initial recognition, investments classified as "investments held for trading" or "available-for-sale financial assets" are measured at their fair value at the reporting date. Gains and losses on investments held for trading are recognized in income. Gains and losses on available-for-sale financial assets are recognized in equity, on a specific line, until the investment is sold or shown to be impaired.

Other long-term investments held until maturity, such as bonds, are measured at amortized cost using the effective interest rate method. For investments recognized at amortized cost, gains and losses are recognized in the income statement if they are sold or impaired, as well as through the process of amortization.

For investments that are actively traded on organized financial markets, fair value is determined by reference to the published market price at the reporting date. For investments that are not listed on an active market, fair value is determined with reference to the current market price of another substantially similar instrument, or calculated based on the cash flows that are expected from the investment.

Loans and receivables due from associates and non-consolidated companies

This includes financial receivables from associates or unconsolidated companies held by the Group.

Impairment is recognized whenever there is a risk of non-payment as a result of the financial position of the entity in question.

Inventories and work in progress

This includes mainly work in progress in our advertising business, *i.e.* the technical work involved in creating and producing advertisements for print, broadcasting, etc., for which the client is ultimately liable but has not yet been invoiced. They are recognized on the basis of costs incurred and a provision is recorded when their net realizable amount is lower than cost. Un-billable work or costs incurred relating to new client development activities are not recognized as assets, except for tendering expenses which may be re-invoiced to the client under the terms of the contract. In order to assess the net realizable amount, inventory and work in progress are reviewed on a case-by-case basis and written down, if appropriate, on the basis of criteria such as the existence of client disputes and legal claims.

Trade accounts receivable

Receivables are recognized at the initial amount of the invoice. Receivables presenting a risk of non-recovery are subject to impairment. Such allowances are determined, on a case-by-case basis, using various criteria such as difficulties in recovering the receivables, the existence of any disputes and claims, or the financial position of the debtor.

Due to the nature of the Group's activities, trade receivables are of a short-term nature. Nevertheless, any trade receivables of a longer-term nature will be recognized at their discounted value.

Derivative financial instruments

The Group uses derivatives such as foreign currency and interest rate hedges to hedge its current or future positions against foreign exchange rate risks or interest rate risks. These derivatives are measured at fair value, determined either by reference to observable market prices at the reporting date or by the use of valuation models based on market parameters at the reporting date.

Whenever these financial instruments are involved in an arrangement treated as a hedge for accounting purposes, the following should be distinguished:

- fair value hedges, which are used to hedge against changes in the fair value of a recognized asset or liability;
- cash flow hedges, which are used to hedge against exposure to changes in future cash flows.

For fair value hedges related to a recognized asset or liability, all gains and losses resulting from the remeasurement of the hedging instrument at fair value are recognized immediately in the income statement. At the same time, any gain or loss on the item hedged by the effective portion of the hedge will change the carrying amount of this item as an offset to its effect on the income statement.

For hedges used to hedge firm commitments and that meet the conditions for recognition as hedge accounting (future cash flow hedges), the portion of gain or loss realized on the hedging instrument deemed to be an effective hedge is recognized directly in equity. The ineffective portion is recognized immediately in profit and loss. Gains and losses recognized in other comprehensive income are reported in the income statement for the period in which the hedged firm commitment affects income; for example, when a planned sale actually occurs.

As for derivatives that do not qualify for hedge accounting, any gain or loss resulting from changes in their fair value is recognized directly in the income statement for the financial year.

Changes in the fair value of derivatives that qualify as fair value hedges are recognized in other financial income and expenses, as are changes in the value of the underlying items. The fair value of derivative instruments is recognized in other receivables and current assets and in other creditors and current liabilities.

Cash and cash equivalents

Cash and cash equivalents include sight deposits, cash on hand, instruments maturing in three months or less, and UCITS and money market funds with a negligible value risk, *i.e.* that meet the following conditions: sensitivity to interest rate risk less than or equal to 0.25, and 12-month historical volatility of close to zero.

For the purposes of the statement of cash flows, "cash" includes cash and cash equivalents as defined above, net of bank overdrafts.

Treasury shares

Irrespective of their intended use, all treasury shares are recognized as a deduction from equity.

Bonds

BONDS REDEEMABLE IN CASH

The bonds are initially recognized at their fair value, which corresponds to the amount of cash received, net of issuance costs.

Subsequent to initial recognition, bonds are recognized at their amortized cost, using the effective interest rate method, which takes into account all issuance costs and any redemption premium or discount.

CONVERTIBLE BONDS AND DEBENTURES REDEEMABLE FOR STOCK

For convertible bonds (Océane) or debentures (Orane), or debentures with warrants (OBSA), the liability and equity components are initially recognized separately. The fair value of the liability component at issuance is determined by discounting the future contractual cash flows at market rates that the Company would have had to pay on an instrument offering the same terms but without a conversion option.

The equity component is measured on issuance by deducting the fair value of the liability component from the fair value of the bond as a whole. The value of the conversion option is not revised during subsequent financial years.

Issuance costs are divided between the debt and equity components based on their respective carrying values at issuance.

The debt component is subsequently measured at amortized cost.

Provisions

Provisions are funded when:

- the Group has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- the amount of the outflow can be estimated reliably. Where the effect of the time value of money is material, provisions are discounted to present value. Increases in the amount of provisions resulting from the unwinding of the discount are recognized as financial expenses.

Contingent liabilities are not recognized but, if material, are disclosed in the notes to the financial statements, except in the case of business combinations where they constitute identifiable items for recognition;

PROVISIONS FOR LITIGATION AND CLAIMS

The Group recognizes a provision in each case where a risk related to litigation or a claim of any type (commercial, regulatory, tax or employee related) is identified, where it is probable that an outflow of resources will be necessary to extinguish this risk and where a reliable estimate of the costs to be incurred can be made. In such cases, the amount of the provision (including any related penalties) is determined by the agencies and their experts, under the supervision of the Group's head office teams, on the basis of their best estimate of the probable costs related to the litigation or the claim;

RESTRUCTURING PROVISIONS

The total cost of restructuring or reorganizing is recognized in the financial year that these actions were approved and announced.

In the context of an acquisition, restructuring plans that do not constitute liabilities for the acquired company on the date of the acquisition are recognized as expenses.

These costs consist primarily of severance and early retirement payments and notice periods that have not been worked, which are recognized in employee benefits expenses, and, in some cases, of write-downs of property, plant and equipment and other assets;

VACANT PROPERTY PROVISIONS

A provision is recognized for the amount of rent and related charges to be paid, net of any sublease revenue to be received, for all buildings that are sublet or vacant and not intended to be used in the context of the Group's principal activities.

In the context of business combinations, provisions are also recorded when the acquired company has property rental contracts with less favorable terms than those prevailing on the market as of the acquisition date.

Pensions and other post-employment benefits

The Group recognizes obligations relating to pensions and other post-employment benefits based on the type of plan in question:

- defined contribution plans: the amount of the Group's contribution to the plan is recognized as an expense during the period;
- defined benefit plans: the cost of defined benefits is determined separately for each plan using the projected unit cost actuarial method. Actuarial gains and losses arising during the year are recorded directly in other comprehensive income. The effect of the unwinding of discounts on pension obligations net of the expected return on plan assets is recorded in "Other financial income and expenses".

Other creditors and current liabilities

Other creditors and current liabilities have maturities of less than one year.

Trade payables

This line item includes all operating payables (including notes payable and accrued supplier invoices) related to the purchase of goods and services including those related to media buying where the Company acts as agent. These payables are due within less than one year.

Revenue

A written agreement with clients (purchase order, letter, contract, etc.) indicating the nature and the amount of the work to be performed is required for the recognition of revenue. The Group's revenue recognition policies are summarized below:

- for commission-based customer arrangements (excluding production): revenue from creative advertising and media buying services is recognized on the date of publication or broadcast;
- fees (project-based arrangements, fixed-fee arrangements, time-based arrangements, etc.): revenue under project-based agreements is recognized in the accounting period in which the service is rendered. Revenue under fixed-fee agreements is recognized on a straight-line basis, which reflects the nature and the scope of the services rendered. Revenue under time-based agreements is recognized on the basis of work done;
- fees based on performance criteria: revenue is recognized when the performance criteria have been met and the customer has confirmed its agreement.

In most of its transactions, Publicis acts as an agent for its clients. For these, Publicis calculates the net amount earned, and any expenses incurred with third-party suppliers are excluded from revenue. In certain instances, Publicis acts as the "principal", such as for example when the contract is signed directly with media suppliers. In these circumstances, Publicis recognizes the gross amount invoiced as revenue.

Publicis Groupe stock option plans

The fair value of the options granted is recognized in employee benefits expense over the vesting period of the options. It is determined by an independent expert generally using the Black-Scholes model, except for plan(s) containing market objectives in which case the Monte-Carlo method is used.

For plans containing non-market performance objectives, the Group evaluates the probability that the objectives will be achieved and takes account of this estimate in its calculation of the number of shares to be issued.

Publicis Groupe free share plans

The fair value of the free shares granted is recognized in employee benefits expense over the vesting period of the rights. This value is determined by an independent expert and is equal to the market price per share on the date of the award, adjusted to reflect the expected loss of dividend(s) during the vesting period.

For plans containing non-market performance objectives, the Group evaluates the probability that the objectives will be achieved and takes account of this estimate in its calculation of the number of shares to be issued.

Non-current income and expenses

In order to facilitate the analysis of the Group's operational performance, Publicis records exceptional income and expenses under "Non-current income and expenses". This line item mainly includes gains and losses on the disposal of assets.

Operating margin before depreciation and amortization

The operating margin is equal to revenue after deducting personnel expenses, other operating expenses (excluding other non-current income and expenses as defined above).

Operating margin

The operating margin is equal to revenue after deducting personnel expenses, other operating expenses (excluding other non-current income and expenses described above) and depreciation and amortization expense (excluding intangibles from acquisitions). The operating margin, which represents operating income expressed as a percentage of revenue, is an indicator used by the Group to measure the performance of cash-generating units and of the Group as a whole.

Cost of net financial debt and other financial income and expenses

The cost of net financial debt includes financial expenses on borrowings and interest income on cash and cash equivalents.

Other financial income and expenses mainly includes the effects of unwinding discounts on vacant property and pension provisions (net return on plan assets), the effect of revaluation of earn-out payments on acquisitions, changes in the fair value of derivatives and foreign exchange gains and losses.

Income tax

Net income for the period is taxed based on the tax laws and regulations in force in the respective countries where the income is reported. Deferred taxes are reported using the balance sheet liability method for temporary differences between the tax value and the carrying amount of assets and liabilities at the reporting date.

Deferred tax assets are recognized for deductible temporary differences, tax loss carryforwards and unused tax credits to the extent that it is probable that there will be taxable income for the period (either from the reversal of the temporary differences or generated by the entity) against which such items can be charged in future years.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that there will be sufficient taxable income for the period to take advantage of all or part of this deferred tax asset. Deferred tax assets that are unrecognized are measured on every reporting date and recognized if it is likely that they will be usable against future taxable income for the period.

Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applicable in the year in which the asset is realized or the liability settled. The tax rates used are those that have been enacted, or virtually enacted, at the reporting date.

Earnings per share and diluted earnings per share (EPS and diluted EPS)

Earnings per share are calculated by dividing net income for the financial year attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the period, including the effect of the redemption of Orane in shares, as Orane are contractually redeemable in ordinary shares.

Diluted earnings per share are calculated by dividing net income for the financial year attributable to ordinary shares, after cancellation of interest on bonds redeemable for, or convertible into, ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year adjusted to reflect the effect of options, free shares granted, outstanding warrants and the conversion of bonds convertible into shares (Océane). The calculation of diluted earnings per share reflects only instruments that are dilutive, *i.e.* that reduce earnings per share.

For Publicis Groupe stock options, free shares and warrants, the method applied is set forth below.

For the calculation of diluted earnings per share, all dilutive options and warrants are assumed to have been exercised and the free shares actually received.

The proceeds from the exercise of these instruments are deemed to have been received with the issue of ordinary shares at the average market price for ordinary shares during the period. That issue, which is presumed to be measured at fair value, is neither dilutive nor accretive and is not included in the calculation of diluted earnings per share. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at average market price must be treated as an issue of ordinary shares without proceeds and therefore as dilutive. This number is added to the denominator in the diluted earnings per share ratio.

Hence, options and warrants are dilutive only when the average price per share of ordinary shares during the period exceeds the options' or warrants' strike price (*i.e.* when they are "in the money").

In addition to these earnings per share (base and diluted), the Group calculates and regularly releases a "current" base and diluted EPS, similar to the one described above, except with respect to the earnings figure used, which excludes:

- the items "impairment loss" and "amortization expense of intangibles from acquisitions";
- the effect of the revaluation of earn out payments on acquisitions recorded under "Other financial income and expenses";
- certain specifically designated items of exceptional income and expense recorded as "Non-current income and expenses".

1.4 Principal sources of uncertainty arising from the use of estimates

The Group's financial position and earnings depend on the accounting methods applied and the assumptions, estimates and judgments made when the consolidated financial statements are prepared. The Group bases its estimates on its past experience and on a series of other assumptions considered reasonable under the circumstances to measure the amounts to be used for the Group's assets and liabilities. Actual outcomes may, however, vary significantly from these estimates.

The characteristics of the main accounting policies, judgments and other uncertainties affecting the application of these accounting policies, together with the sensitivity of the results to changes in circumstances and assumptions associated with them are factors to be taken into consideration. The Group makes estimates and assumptions regarding the future. The accounting estimates will, by definition, rarely be exactly the same as the related actual outcomes.

The main assumptions concerning future events and other sources of uncertainty, relate to the use of estimates on the reporting date, when there is a significant risk that the estimates of the net carrying amount of the assets and liabilities will be modified in future years, *i.e.*:

- the fair value allocated to assets and liabilities obtained through business combinations;
- the calculation of the recoverable value of goodwill and intangible assets used for impairment tests;
- provisions for liabilities and charges, particularly for defined benefit pension liabilities and post-employment medical care;
- impairment of doubtful receivables;
- the fair-value measurement of stock options awarded under Publicis Groupe SA's stock option plans.

Detailed disclosures concerning these matters are provided in Notes 5, 20, 21, 26 and 28 below.

Note 2 Changes in the scope of consolidation

2.1 Acquisitions in 2013

LBi

In November 2012, the Group made a public tender offer for all outstanding shares in LBi, the largest independent European marketing and technology agency, which combines expertise in strategy, creation, media and technology. LBi employs over 2,200 people in 16 countries.

This offer was made at euro 2.85 per share cum dividends, with an acceptance period expiring on January 15, 2013.

At December 31, 2012, Publicis owned 22.72% of LBi; this investment wasn't consolidated at the reporting date.

Settlement-Delivery took place on January 21, 2013, at which point Publicis Groupe acquired 73.50% of the share capital on a fully diluted basis, representing, together with the previously purchased shares, 97.37% of the share capital on a fully diluted basis. LBi Group has since been fully consolidated.

At December 31, 2013, following purchases made subsequent to the takeover, Publicis Groupe owned 100% of the share capital of LBi, amounting to a total of approximately 416 million euro.

In consultation with NYSE Euronext Amsterdam, it was decided to delist LBi common shares from NYSE Euronext Amsterdam, with Publicis initiating a squeeze-out to buy up all the remaining LBi shares.

The allocation of the acquisition cost was as follows at December 31, 2013 (in millions of euros):

	LBi
ACQUISITION COST (A)	**416**
Non-current assets	57
Current assets excluding cash and cash equivalents	105
Cash and cash equivalents	32
TOTAL ASSETS (B)	**194**
Non-current liabilities	5
Current liabilities	141
TOTAL LIABILITIES (C)	**146**
NET ASSETS ACQUIRED BEFORE FAIR VALUE ADJUSTMENT (D = B - C)	**48**
Client relationships	35
Other adjustments	(12)
Deferred tax on the above adjustments	(6)
Adjustment to deferred taxes related to tax loss carryforwards	(33)
TOTAL FAIR VALUE ADJUSTMENTS (E)	**(16)**
NET ASSETS ACQUIRED AFTER FAIR VALUE ADJUSTMENTS (F = D + E)	**32**
GOODWILL (G = A - F)	**384**

The other main acquisitions in the year were as follows:

- in August 2013, the Group acquired outright Engauge Marketing LLC, an advertising and digital services agency based in Columbus, Ohio. Engauge will become part of the ZenithOptimedia network in the United States. It will be aligned with Moxie, the network's digital advertising agency based in Atlanta. ZenithOptimedia will look to maximize synergies and complementary capabilities across the two organizations, while maintaining the Engauge and Moxie brands in the marketplace;
- in November 2013, the Group acquired 75.1% of Walker Media, one of the UK's top-ten media agencies, which has long-standing relationships with blue-chip clients, including Marks &Spencers, Dixons Group, KFC, Halfords and Weetabix. It will become part of the ZenithOptimedia Group media network. It will remain a separate agency in the UK and will be a cornerstone of a new global media network launched by ZenithOptimedia Group in early 2014.

The fair value, at the acquisition date, of the consideration paid (excluding cash and cash equivalents acquired) of all entities that were fully consolidated (notably including the one detailed above, as well as smaller acquisitions) with an exclusive takeover during the period, totaled euro 752 million. This amount mainly includes:

- euro 512 million paid out during the period;
- euro 98 million in earn out payment commitments;
- euro 48 million in commitments to buy-out non-controlling interests;
- euro 94 million equal to the fair value of unconsolidated securities as of the date of the takeover.

The amount paid out for acquisitions in 2013 (net of cash and cash equivalents acquired) totaled euro 686 million and includes:

- euro 512 million paid out during the period;
- euro 16 million in acquired cash and cash equivalents;
- euro 190 million in earn out payments.

All acquisitions made over the period represented less than 5% of consolidated revenue and consolidated net income attributable to equity holders of the parent company.

2.2 Acquisitions in 2012

Bartle Bogle Hegarty and Neogama

In July 2012, the Group acquired in two separate transactions:

- 51% of the shares in the BBH group of companies. Publicis Groupe, which held 49% of shares, thereby raised its stake in BBH to 100%. Founded in 1982, this agency employed about 1,000 people in 2012 and is recognized in the British and international markets for its creativity;
- 100% of the shares in NEOGAMA/BBH in Brazil (acquisition of the 34% held by BBH and the 66% held by the founder and his associates). NEOGAMA/BBH is one of the largest, most creative and innovative agencies in the Brazilian market.

Formerly accounted for under investments in associates (equity method), the BBH Group has been fully consolidated since Publicis acquired exclusive control. Pursuant to IFRS 3 (Revised), this change entailed recognizing euro 62 million of non-current income from remeasurement at fair value of the previously held interest.

The euro 214 million acquisition cost of BBH includes the fair value of investment accounted for by the equity method as of the takeover date and the price paid for the transaction described above.

The euro 111 million acquisition cost of Neogama includes the price paid for the transaction described above and the earn out payments to the founder and his associates, recognized at fair value on the acquisition date.

The allocation of the acquisition cost was as follows at December 31, 2012 (in millions of euros):

	BBH	NEOGAMA
ACQUISITION COST (A)	**214**	**111**
Non-current assets	7	6
Current assets excluding cash and cash equivalents	119	17
Cash and cash equivalents	84	8
TOTAL ASSETS (B)	**210**	**31**
Non-current liabilities	3	7
Current liabilities	135	18
TOTAL LIABILITIES (C)	**138**	**25**
NET ASSETS ACQUIRED BEFORE FAIR VALUE ADJUSTMENT (D = B - C)	**72**	**6**
Client relationships	11	29
Trade name	30	-
Deferred tax on the above adjustment	(10)	(10)
TOTAL FAIR VALUE ADJUSTMENTS (E)	**31**	**19**
NET ASSETS ACQUIRED AFTER FAIR VALUE ADJUSTMENTS (F = D + E)	**103**	**25**
GOODWILL (G = A – F)	**111**	**86**

The other main acquisitions in the year were as follows:

- in February 2012, the Group made a public tender offer for all outstanding shares in the Pixelpark Group, the largest independent German provider of interactive services. The offer was made at euro 1.70 per share. At December 31, 2012, Publicis Groupe owned 79.14% of the equity in the Pixelpark Group;
- in June 2012, the Group acquired 100% of the BBR Group. BBR, which since 1995 has partnered with Publicis in jointly-owned companies, employs about 220 people in Israel;
- in July 2012, the Group acquired 100% of the CNC Group. Created in 2002, this group employs some 100 people in Europe, North America, Latin America and Asia, and specializes in strategic communications and crisis management;
- in November 2012, the Group took an additional interest in the Brazilian agency Taterka. Created in 1993, Taterka is a full service agency covering 18 countries in Latin America. This transaction fits into the Group's policy of increasing its presence in emerging markets.

The acquisition cost (excluding cash and cash equivalents) of all entities that were fully consolidated (notably including those listed above, as well as smaller acquisitions) with an exclusive takeover during the year 2012, plus the remeasurement at the fair value of the previously held interest totaled euro 646 million in 2012. This amount mainly includes:

- euro 435 million paid out during the period;
- euro 72 million in earn out payment commitments, *i.e.* euro 67 million after discounting at December 31, 2012;
- euro 47 million arising from commitments to buy-out non-controlling interests, *i.e.* euro 42 million after discounting at December 31, 2012; and
- euro 92 million equal to the fair value of investments accounted for by the equity method as of the takeover date.

The amount paid out for acquisitions in 2012 (net of cash and cash equivalents acquired) totaled euro 369 million and includes:

- euro 435 million paid out during the period;
- euro (111) million in acquired cash and cash equivalents;
- euro 45 million in earn out payments.

All acquisitions made over the period represented less than 2.5% of consolidated revenue and consolidated net income attributable to equity holders of the parent company.

2.3 Acquisitions in 2011

Rosetta

In July 2011, the Group fully acquired Rosetta for euro 400 million (US dollars 577 million). Rosetta is one of the largest independent digital agencies in North America and one of the strongest. It is notable for its extensive strategic consulting services, thus allowing Publicis Groupe to bolster its positioning in digital businesses.

The provisional allocation of the acquisition cost was as follows at December 31, 2011 (in millions of euros):

ACQUISITION COST (A)	**400**
Non-current assets	8
Current assets	48
TOTAL ASSETS (B)	**56**
Non-current liabilities	-
Current liabilities	30
TOTAL LIABILITIES (C)	**30**
NET ASSETS ACQUIRED BEFORE FAIR VALUE ADJUSTMENT (D = B - C)	**26**
Client relationships	38
Trade name	41
Technologies	16
Other adjustments	(1)
TOTAL FAIR VALUE ADJUSTMENTS (E)	**94**
NET ASSETS ACQUIRED AFTER FAIR VALUE ADJUSTMENTS (F = D + E)	**120**
GOODWILL (G = A – F)	**280**

Talent Group

In April 2011, the Group acquired an additional 11% of the share capital of Talent Group, bringing its total stake to 60%. The Group initially acquired 49% of the share capital in October 2010. Talent Group has two agencies in Brazil: Talent, which was founded in 1980, and QG, which was founded in 1991. Talent is one of the largest advertising groups in Brazil. It provides a full range of communication services such as strategy, design, media planning, digital communication, below-the-line media, promotions, events marketing, staff training, incentive programs, promotional activation and public relations.

Talent Group was previously accounted for under the equity method but has been fully consolidated since the Group acquired exclusive control. This change in consolidation method has not impacted the income statement. First, the valuation assumptions used as a basis for the acquisition of the 49% stake remained unchanged for the acquisition of the additional 11%. Second, the cumulated earnings since Talent Group was included in the consolidation scope in October 2010 have been distributed. As a result, at the date on which the additional 11% stake was acquired, the fair value of the previously held investment – *i.e.* 49% of share capital – corresponded to its historical costs.

The acquisition cost of euro 145 million includes the fair value of the 49% stake already owned (euro 85 million), the amount paid to acquire the 11% stake (euro 19 million), and the fair value of the debt related to commitments to buy-out the 40% of minority interests (euro 41 million).

The acquisition cost is provisionally allocated as follows at December 31, 2011 (in millions of euros):

ACQUISITION COST (A)	**145**
Non-current assets	2
Current assets excluding cash and cash equivalents	46
Cash and cash equivalents	9
TOTAL ASSETS (B)	**57**
Non-current liabilities	-
Current liabilities	55
TOTAL LIABILITIES (C)	**55**
NET ASSETS ACQUIRED BEFORE FAIR VALUE ADJUSTMENT (D = B - C)	**2**
Client relationships	30
Deferred tax on the above adjustment	(10)
TOTAL FAIR VALUE ADJUSTMENTS (E)	**20**
NET ASSETS ACQUIRED AFTER FAIR VALUE ADJUSTMENTS (F = D + E)	**22**
GOODWILL (G = A – F)	**123**

The main acquisitions made over the period (other than the two outlined above) were as follows:

- in March 2011, following a friendly takeover, the Group took exclusive control of the company Chemistry, one of the integrated communications agencies in the UK, specialized in integrated marketing services and in digital;
- in March 2011, the Group fully acquired the UK agency Kitcatt Nohr. Founded in January 2002, Kitcatt Nohr is specialized in interactive communications;
- in June 2011, the Group fully acquired Genedigi Group in China. Formed in 1997, Genedigi Group is specialized in communications covering public relations, events marketing, digital marketing and a research center for the domestic market;
- in July 2011, the Group took a majority stake in DPZ, one of the leading advertising agencies in Brazil. Under the terms of the agreement, Publicis Groupe immediately acquired 70% of the share capital in the new agency and can increase its stake to 100%;
- in July 2011, the Group acquired a stake in the New York social media agency Big Fuel. Under the terms of the agreement, Publicis Groupe immediately acquired 51% of the share capital in the new agency and can increase its stake to 100% from 2014 onwards;
- in July 2011, the Group acquired a majority stake in the Spillmann/Felser/Leo Burnett affiliate agency, one of the largest and most successful advertising agencies in Switzerland. Whereas Publicis Groupe previously only had a minority stake (40%), it now has full ownership as a result of this transaction;
- in September 2011, the Group fully acquired Schwartz Communications, one of the major independent public relations agencies in the United States.

The acquisition cost (excluding cash and cash equivalents) during the period of all entities that were fully consolidated (notably including those listed above, as well as smaller acquisitions) with an exclusive takeover during the year, plus the remeasurement at the fair value of the previously held interest totaled euro 1,085 million. This amount mainly includes:

- euro 671 million paid out during the period;
- euro 248 million in earn out payment commitments, *i.e.* euro 228 million after discounting at December 31, 2011;
- euro 63 million in commitments to buy-out non-controlling interests; and
- euro 103 million equal to the fair value of investments accounted for by the equity method as of the takeover date.

The amount paid out for acquisitions in 2011 (net of cash and cash equivalents acquired) totaled euro 728 million and includes:

- euro 671 million paid out during the period;
- euro (30) million in acquired cash and cash equivalents;
- euro 87 million in earn out payments.

All acquisitions made over the period represented less than 4% of consolidated revenue and consolidated net income attributable to equity holders of the parent company.

2.4 Disposals in 2013, 2012 and 2011

No significant disposals were made during 2013 and 2012.

In 2011, the Group sold its majority stake in UK public relations agency Freud Communications, held since 2005, for pounds sterling 28 million or about euro 32 million.

Companies sold contributed no more than 0.5% of consolidated revenue and consolidated net income attributable to equity holders of the parent company in 2013. The same was true in 2012 and 2011.

Note 3 Personnel expenses and headcount

Personnel expenses include salaries, commissions, employee profit sharing, vacation pay and bonus estimation. They also include expenses related to stock option and free share plans and expenses related to pensions (excluding the net effect of unwinding the discount on benefit obligations, which is included in other financial income and expenses).

(in millions of euros)	2013	2012 (1)	2011 (1)
Compensation	(3,345)	(3,159)	(2,820)
Social security charges	(547)	(528)	(473)
Post-employment benefits	(100)	(95)	(70)
Stock option expense	(40)	(26)	(26)
Temporary employees and freelancers	(298)	(270)	(228)
TOTAL	**(4,330)**	**(4,078)**	**(3,617)**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.

Changes in and breakdown of headcount

BY REGION

	December 31, 2013	December 31, 2012	December 31, 2011
Europe	19,779	17,677	16,864
North America	20,834	19,548	18,790
Asia Pacific	14,130	13,327	11,681
Latin America	5,552	4,840	4,462
Middle East & Africa	2,258	2,108	2,010
TOTAL	**62,553**	**57,500**	**53,807**

BY FUNCTION (IN %)

	December 31, 2013	December 31, 2012	December 31, 2011
Account planning and management	19%	20%	20%
Creative	16%	16%	17%
Production and specialized activities	20%	19%	21%
Media and research	21%	21%	22%
Administration and management	15%	16%	16%
Other	9%	8%	4%
TOTAL	**100%**	**100%**	**100%**

Note 4 Other operating expenses

Other operating expenses include all external charges other than production and media buying. They include rent, other lease expenses and other expenses related to the occupation of premises amounting to euro 384 million in 2013, compared to euro 368 million in 2012 and euro 330 million in 2011. They also include taxes (other than income taxes) and similar payments, as well as additions to and reversals of provisions. In 2013, expenses also included those related to the planned merger with Omnicom for euro 38 million before taxes (euro 24 million after taxes).

Note 5 Depreciation, amortization and impairment

(in millions of euros)	2013	2012	2011
Amortization of other intangible assets (excluding intangibles from acquisitions)	(15)	(27)	(17)
Depreciation of property, plant and equipment	(105)	(99)	(86)
DEPRECIATION AND AMORTIZATION EXPENSE (EXCLUDING INTANGIBLES FROM ACQUISITIONS)	**(120)**	**(126)**	**(103)**
AMORTIZATION OF INTANGIBLES FROM ACQUISITIONS	**(49)**	**(45)**	**(38)**
Impairment of intangibles from acquisitions	(3)	(7)	-
Goodwill impairment	-	(1)	-
Impairment of property, plant and equipment	(1)	(3)	-
IMPAIRMENT	**(4)**	**(11)**	**-**
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENT	**(173)**	**(182)**	**(141)**

Impairment of intangibles from acquisitions

Impairment tests were carried out on all of the Group's trade names recognized on acquisition. Client relationships were also tested for impairment. All valuations required for these impairment tests were conducted by an independent expert.

At December 31, 2013, the after-tax discount rates used in the valuations ranged from 8.0% to 15.5%. They are determined on the basis of the specific characteristics belonging to each asset undergoing impairment testing.

These tests resulted in the Group recognizing a euro 3 million impairment loss.

At December 31, 2012 and 2011, the after-tax discount rates used in the valuations ranged respectively from 8.5% to 12.5% and from 8.5% to 11.5%.

These tests resulted in the Group recognizing a euro 7 million impairment loss of in 2012 while no impairment loss was recognized in 2011.

Goodwill impairment

Impairment tests were performed on the cash-generating units, which consist of agencies or combinations of agencies. As a result of the reorganization of the VivaKi network, the goodwill recognized on the network has been allocated to a new grouping of agencies in proportion to the future cash flows, and the impairment tests were performed according to this new allocation.

The valuations required for the impairment tests on goodwill were conducted by an independent expert.

At December 31, 2013, the after-tax discount rates used in the valuations ranged from 8.5% (11.5% before tax) to 12.0% (15.5% before tax). The terminal growth rate used in the projections ranged from 2.0% to 3.0%.

These tests resulted in the Group recognizing no impairment loss.

At December 31, 2012 and 2011, the after-tax discount rates used in the valuations ranged respectively from 9.0% (12.5% before tax) to 11.0% (14.5% before tax) and from 8.5% to 10.5% (from 12.2% to 14.4% before tax). The terminal growth rate used in the projections ranged from 2% to 3% in 2012 and from 0% to 3.0% in 2011.

These tests resulted in the Group recognizing an euro 1 million impairment loss in 2012 while no impairment loss was recognized in 2011.

Leo Burnett

The net value of Leo Burnett goodwill was euro 1,175 million (*i.e.* 19% of total amount of goodwill) as at December 31, 2013.

The impairment test on this goodwill was carried out on the basis of the value in use of this cash-generating unit, which was determined based on its five-year financial forecasts (2013-2017) and the following assumptions:

- discounting of future cash flows at a rate of 9.0% after tax (12.5% before tax);
- revenue growth over the period 2013-2017 in line with the average expected growth of creative agency networks;
- a terminal growth rate of 2.0%;
- a stable margin over the five years of the financial forecasts and thereafter.

The value in use thus calculated is greater than the carrying amount of the Leo Burnett cash-generating unit. Therefore no impairment loss needs to be recognized. The use of a discount rate that is 0.5% higher leads to the same conclusion. This is also true for the use of a rate that is 0.5% lower in:

- the terminal growth rate;
- revenue for 2013-2017;
- operating margin before depreciation and amortization.

Impairment of property, plant and equipment

In 2013, a euro 1 million impairment loss was recognized on property, plant and equipment used in the operation of advertising space.

Note 6 Non-current income and expenses

This line item covers exceptional income and expenses, which mainly includes gains and losses realized on the disposal of assets.

(in millions of euros)	2013	2012	2011
Capital gains (losses) on disposal of assets [(1)]	68	38	19
Non-current income and expenses	1	1	2
TOTAL NON-CURRENT INCOME AND EXPENSES	**69**	**39**	**21**

(1) In 2013, this line item primarily included the capital gain on the sale of IPG securities for euro 47 million and the capital gain on the sale of Régie 1 securities for euro 5 million. In 2012, this line item primarily included the euro 62 million remeasurement of the previously held interest in BBH (accounted for under the equity method) at the time of the takeover, the euro 8 million remeasurement of the previously held interest in Bromley BBH (previously accounted for under the equity method) at the time of the takeover, less the euro 11 million loss from the deconsolidation of the entities in the Middle East.

Note 7 Financial income and expenses

(in millions of euros)	2013	2012 (1)	2011 (1)
Interest expense on loans and bank overdrafts	(37)	(61)	(80)
Interest expense on finance leases	(9)	(10)	(9)
Financial expenses	**(46)**	**(71)**	**(89)**
Financial income (2)	20	41	33
COST OF NET FINANCIAL DEBT	(26)	(30)	(56)
Foreign exchange gains (losses) and change in the fair value of currency derivatives	7	(3)	2
Financial expense related to unwinding of discount on long-term vacant property provisions	-	(1)	(1)
Net financial expense related to unwinding of discount on pension provisions	(7)	(8)	(8)
Revaluation of earn-out payments on acquisitions	4	9	4
Dividends received from unconsolidated companies	1	1	1
Reversal of bad loan provision	-	-	-
OTHER FINANCIAL INCOME AND EXPENSES	5	(2)	(2)
TOTAL NET FINANCIAL INCOME AND (EXPENSES)	**(21)**	**(32)**	**(58)**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.
(2) Including in 2012 a fair value adjustment on the 2012 EUROBOND recognized when the debt was extinguished.

Note 8 Income taxes

Analysis of income tax expense

(in millions of euros)	2013	2012 (1)	2011 (1)
Current income tax expense for the period	(269)	(273)	(245)
Current income tax expense for previous years	31	(10)	(2)
TOTAL CURRENT TAX EXPENSE	(238)	(283)	(247)
Deferred tax income/(expense)	(68)	(11)	(8)
Change in impairments on deferred tax assets	8	15	9
TOTAL NET DEFERRED TAX INCOME (EXPENSE)	(60)	4	1
INCOME TAXES	**(298)**	**(279)**	**(246)**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.

Effective tax rate

The effective tax rate is obtained as follows:

(in millions of euros)		2013	2012 (1)	2011 (1)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES	**A**	**1,102**	**1,013**	**854**
BBH fair value adjustment (See Notes 2 and 6)		-	(62)	-
Bromley fair value adjustment (See Note 6)		-	8	-
Loss from the deconsolidation of Middle Eastern entities		-	11	-
Gain on the sale of IPG securities		(47)	-	-
Gain on the sale of Régie 1 securities		(5)	-	-
RESTATED PRE-TAX INCOME OF CONSOLIDATED COMPANIES	**B**	**1,050**	**970**	**854**
French tax rate		34.43%	34.43%	34.43%
Expected tax expense on Pre-tax income of consolidated companies:		**(379)**	**(349)**	**(294)**
Impact of:				
• difference between the French tax rate and foreign tax rates		41	43	29
• changes in unrecognized deferred tax assets		8	15	9
• other impacts (2)		32	12	10
INCOME TAX IN THE INCOME STATEMENT	**C**	**(298)**	**(279)**	**(246)**
EFFECTIVE TAX RATE ON PRE-TAX INCOME OF CONSOLIDATED COMPANIES	**C/A**	**27.0%**	**27.5%**	**28.8%**
EFFECTIVE TAX RATE	**C/B**	**28.4%**	**28.8%**	**28.8%**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.

(2) Other impacts mainly include those related to permanent difference, income taxed at reduced rates, adjustments to previous financial years. In addition, other impacts also include the provisory additional contribution of 10.7% on the taxable income of the French entities representing an expense euro 2 million for 2013.

Tax effect on other comprehensive income

	December 31, 2013			December 31, 2012			December 31, 2011		
(in millions of euros)	Gross	Tax	Net	Gross	Tax	Net	Gross	Tax	Net
Fair value adjustments to available-for-sale investments	(26)	-	**(26)**	4	-	**4**	(3)	-	**(3)**
Actuarial gains and losses on defined benefit plans	26	(12)	**14**	(30)	6	**(24)**	(46)	15	**(31)**
Foreign exchange differences	(249)	3	**(246)**	(61)	-	**(61)**	49	-	**49**
TOTAL	**(249)**	**(9)**	**(258)**	**(87)**	**6**	**(81)**	**-**	**15**	**15**

Schedule of deferred taxes recognized in the balance sheet

(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Short-term (less than one year)	100	97	66
Long-term (over one year)	(268)	(238)	(225)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(168)**	**(141)**	**(159)**

Source of deferred taxes

(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Deferred tax on adjustment of asset and liability valuations due to acquisitions	(238)	(262)	(277)
Deferred tax arising on the restatement of the Champs Elysées building	(52)	(52)	(52)
Deferred tax on hybrid bonds	12	5	(7)
Deferred tax on pensions and other post-employment benefits	42	58	59
Deferred tax arising on tax loss carryforwards	177	104	97
Deferred tax on other temporary differences	19	98	104
GROSS DEFERRED TAX ASSETS (LIABILITIES)	**(40)**	**(49)**	**(76)**
Unrecognized deferred tax assets	(128)	(92)	(83)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(168)**	**(141)**	**(159)**

As of December 31, 2013, the deferred tax liabilities included tax on the revaluation of intangible assets made at the time of the acquisition of Zenith (euro 19 million), Bcom3 (euro 148 million) and Digitas (euro 58 million), deferred taxes linked to the separation of the hybrid bonds (Océane, Orane) and deferred tax linked to the fair value being deemed as the cost of the Champs-Elysées land and building on the date of transition to IFRS.

Tax loss carryforwards

The Group also had tax loss carryforwards that had not been recognized as deferred tax assets in the consolidated balance sheet because of uncertainty as to their availability for use:

(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
AMOUNT OF UNRECOGNIZED TAX LOSS CARRYFORWARDS	**452**	**274**	**282**
Of which carried forward indefinitely	308	217	243

Note 9 Earnings per share

Earnings per share and diluted earnings per share

(in millions of euros, except for share data)		2013	2012 [1]	2011 [1]
Net income used for the calculation of earnings per share				
Group net income	**a**	**792**	**732**	**596**
Impact of dilutive instruments:				
• Savings in financial expenses related to the conversion of debt instruments, net of tax [3]		2	17	27
Group net income - diluted	**b**	**794**	**749**	**623**
Number of shares used to calculate earnings per share				
Average number of shares that make up the share capital		211,342,272	195,194,484	191,738,061
Treasury shares to be deducted (average for the year)		(11,774,690)	(11,345,668)	(7,935,852)
Shares to be issued to redeem the Orane		15,949,337	17,183,419	18,745,548
Average number of shares used for the calculation	**c**	**215,516,919**	**201,032,235**	**202,547,757**
Impact of dilutive instruments:				
• Free shares and dilutive stock options [2]		3,224,111	4,489,716	5,161,031
• Warrants [2]		3,146,474	1,390,663	893,900
• Shares resulting from the conversion of convertible bonds [3]		2,543,301	17,231,086	28,463,470
Number of diluted shares	**d**	**224,430,805**	**224,143,700**	**237,066,159**
(in euros)				
EARNINGS PER SHARE	**a/c**	**3.67**	**3.64**	**2.94**
DILUTED EARNINGS PER SHARE	**b/d**	**3.54**	**3.34**	**2.63**

(1) *Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.*

(2) *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. In 2013, all the stock options (excluding those granted under the 2013 co-investment plan) and warrants not yet exercised at the year-end had a dilutive effect.*

(3) *Over the three years 2013, 2012 and 2011, all of the Océanes had a dilutive impact and are therefore factored into the calculation of diluted EPS.*

Under the buyback program approved by the General Shareholders' Meeting of May 29, 2012 and following Dentsu's proposal, on February 15, 2013, Publicis Groupe bought back a block of 3.9 million treasury shares for a total of euro 181 million, *i.e.* euro 46.82 per share. The shares were repurchased at a discount of 4.7% on the Stock Exchange closing price on February 14, 2013.

In November 2013, 2,065,260 Océane 2018 bonds were converted, resulting in the delivery of 2,096,233 shares in December 2013 and thereby increasing the number of outstanding shares.

For informational purposes, the 2013 EPS, calculated on revenue excluding the merger costs of Publicis/Omnicom of euro 816 million (after eliminating euro 38 million in pre-tax merger costs, *i.e.*, euro 24 million, net of taxes), obtained the following:

EARNINGS PER SHARE, EXCLUDING MERGER COSTS	**3.79**
EARNINGS PER SHARE – DILUTED, EXCLUDING MERGER COSTS	**3.64**

Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)		2013	2012 (1)	2011 (1)
Net income used to calculate headline earnings per share (2)				
Group net income		**792**	**732**	**596**
Items excluded:				
• Amortization of intangibles from acquisitions, net of tax		30	28	23
• Impairment, net of tax		3	8	-
• Net capital gains (losses) on disposal of assets and fair value remeasurement at takeover date, net of tax		(52)	(58)	(18)
• Revaluation of earn-out *payments*		(5)	(9)	(4)
• Publicis/Omnicom merger costs, net of tax		24		
Headline Group net income	**e**	**792**	**701**	**597**
Impact of dilutive instruments:				
• Savings in financial expenses related to the conversion of debt instruments, net of tax		2	17	27
Headline Group net income, diluted	**f**	**794**	**718**	**624**
Number of shares used to calculate earnings per share				
Average number of shares that make up the share capital		211,342,272	195,194,484	191,738,061
Treasury shares to be deducted (average for the year)		(11,774,690)	(11,345,668)	(7,935,852)
Shares to be issued to redeem the Orane		15,949,337	17,183,419	18,745,548
Average number of shares used for the calculation	**c**	**215,516,919**	**201,032,235**	**202,547,757**
Impact of dilutive instruments:				
• Free shares and dilutive stock options		3,224,111	4,489,716	5,161,031
• Warrants		3,146,474	1,390,663	893,900
• Shares resulting from the conversion of the convertible bonds		2,543,301	17,231,086	28,463,470
Number of diluted shares	**d**	**224,430,805**	**224,143,700**	**237,066,159**
(in euros)				
HEADLINE EARNINGS PER SHARE (2)	**e/c**	**3.67**	**3.49**	**2.95**
HEADLINE EARNINGS PER SHARE - DILUTED (2)	**f/d**	**3.54**	**3.20**	**2.63**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.
(2) EPS after elimination of the impairment losses, amortization of intangibles from acquisitions, the main capital gains and losses on disposal of assets, the fair value remeasurement gains and losses, the revaluation of earn-out payments and the Publicis/Omnicom merger costs.

Note 10 Goodwill

Changes in goodwill

(in millions of euros)	Gross amount	Impairment [2]	Net amount
JANUARY 1, 2011	**4,430**	**(152)**	**4,278**
Acquisitions	639	-	639
Changes related to the recognition of commitments to purchase non-controlling interests [1]	7	-	7
Disposals and derecognition	(27)	-	(27)
Translation adjustments and other	311	(1)	310
DECEMBER 31, 2011	**5,360**	**(153)**	**5,207**
Acquisitions	477	-	477
Impairment	-	(1)	(1)
Changes related to the recognition of commitments to purchase non-controlling [1]	39	-	39
Disposals and derecognition	(9)	-	(9)
Translation adjustments and other	(46)	-	(46)
DECEMBER 31, 2012	**5,821**	**(154)**	**5,667**
Acquisitions	617	-	617
Changes related to the recognition of commitments to purchase non-controlling interests [1]	37	-	37
Disposals and derecognition	(6)	1	(5)
Translation adjustments and other	(201)	8	(193)
DECEMBER 31, 2013	**6,268**	**(145)**	**6,123**

(1) See Note 1.3 for the accounting treatment of commitments to purchase non-controlling interests.
(2) See Note 5.

For the main acquisitions in 2013, the work on the allocation of the purchase price of LBi was completed in 2013 (see Note 2 "Changes in the scope of consolidation").

There was no other major acquisition in 2013.

The analysis of goodwill by geographic area is described in Note 27.

Note 11 Intangible assets, net

Changes in intangible assets with a finite useful life

(in millions of euros)	Client relationships			Software, technology and other		
	Gross amount	Amortization/ Impairment	Net amount	Gross amount	Amortization/ Impairment	Net amount
JANUARY 1, 2011	**691**	**(343)**	**348**	**190**	**(155)**	**35**
Acquisitions	71	-	71	46	-	46
Amortization	-	(36)	(36)	-	(17)	(17)
Impairment	-	-	-	-	-	-
Disposals and derecognition	-	-	-	(36)	36	-
Translation adjustments and other	23	(16)	7	2	(1)	1
DECEMBER 31, 2011	**785**	**(395)**	**390**	**202**	**(137)**	**65**
Acquisitions	40	-	40	23	-	23
Amortization	-	(41)	(41)	-	(30)	(30)
Impairment	-	-	-	-	(1)	(1)
Disposals and derecognition	-	-	-	(7)	7	-
Translation adjustments and other	(14)	5	(9)	5	(3)	2
DECEMBER 31, 2012	**811**	**(431)**	**380**	**223**	**(164)**	**59**
Acquisitions	35	-	35	31	-	31
Amortization	-	(45)	(45)	-	(18)	(18)
Impairment	-	-	-	-	(2)	(2)
Disposals and derecognition	-	-	-	(8)	6	(2)
Translation adjustments and other	(35)	17	(18)	8	(8)	-
DECEMBER 31, 2013	**811**	**(459)**	**352**	**254**	**(186)**	**68**

Changes in intangible assets with an indefinite useful life and in total intangible assets

(in millions of euros)	Trade name			Total intangible assets		
	Gross amount	Impairment	Net amount	Gross amount	Amortization/ Impairment	Net amount
JANUARY 1, 2011	**511**	**(38)**	**473**	**1,392**	**(536)**	**856**
Acquisitions	38	-	38	155	-	155
Amortization	-	(1)	(1)	-	(54)	(54)
Impairment	-	-	-	-	-	-
Disposals and derecognition	-	-	-	(36)	36	-
Translation adjustments and other	21	(1)	20	46	(18)	28
DECEMBER 31, 2011	**570**	**(40)**	**530**	**1,557**	**(572)**	**985**
Acquisitions	30	-	30	93	-	93
Amortization	-	(1)	(1)	-	(72)	(72)
Impairment	-	(6)	(6)	-	(7)	(7)
Disposals and derecognition	-	-	-	(7)	7	-
Translation adjustments and other	(12)	2	(10)	(21)	4	(17)
DECEMBER 31, 2012	**588**	**(45)**	**543**	**1,622**	**(640)**	**982**
Acquisitions	-	-	-	66	-	66
Amortization	-	(1)	(1)	-	(64)	(64)
Impairment	-	(1)	(1)	-	(3)	(3)
Disposals and derecognition	-	-	-	(8)	6	(2)
Translation adjustments and other	(24)	2	(22)	(51)	11	(40)
DECEMBER 31, 2013	**564**	**(45)**	**519**	**1,629**	**(690)**	**939**

Valuation of intangible assets

Valuation tests carried out by an independent expert at the close of 2013 and 2012 led the Group to recognize an impairment loss of euro 3 and 7 million (See Note 5).

No impairment losses were recognized at the close of 2011.

Note 12 Property, plant and equipment, net

(in millions of euros)	Land and buildings	Other	Total
GROSS AMOUNTS ON JANUARY 1, 2011	**267**	**929**	**1,196**
Increases	-	104	104
Decreases	-	(110)	(110)
Changes to consolidation scope	1	16	17
Translation adjustments and other	3	13	16
GROSS AMOUNTS ON DECEMBER 31, 2011	**271**	**952**	**1,223**
Increases	-	107	107
Decreases	(1)	(51)	(52)
Changes to consolidation scope	-	46	46
Translation adjustments and other	(1)	(10)	(11)
GROSS AMOUNTS ON DECEMBER 31, 2012	**269**	**1,044**	**1,313**
Increases	-	105	105
Decreases	-	(80)	(80)
Changes to consolidation scope	1	52	53
Translation adjustments and other	(5)	(45)	(50)
GROSS AMOUNTS ON DECEMBER 31, 2013	**265**	**1,076**	**1,341**
ACCUMULATED DEPRECIATION ON DECEMBER 31, 2012	**(46)**	**(761)**	**(807)**
Increases	(4)	(101)	(105)
Decreases	-	78	78
Changes to consolidation scope	(1)	(30)	(31)
Translation adjustments and other	2	35	37
ACCUMULATED DEPRECIATION ON DECEMBER 31, 2013	**(49)**	**(779)**	**(828)**
NET AMOUNTS AT DECEMBER 31, 2013	**216**	**297**	**513**

Land and buildings

On December 31, 2013, the net amount of the property assets directly owned by Publicis listed on the balance sheet was euro 169 million.

The Group's main property asset is its corporate headquarters located at 133 avenue des Champs-Elysées, in Paris, France. This seven-story building includes around 12,000 m² office space occupied by Group companies, and 1,500 m² of commercial space, occupied by Publicisdrugstore and two public movie theaters.

Other property, plant and equipment

The Group owns a considerable array of IT equipment used for the creation and production of advertising, the management of media buying and administrative work.

Assets under finance lease

The total net amount of assets under finance lease in the consolidated balance sheet stood at euro 47 million on December 31, 2013.

These mainly concern the Leo Burnett building at 35 West Wacker Drive in Chicago, Illinois, USA. The finance lease on this building represents a gross amount of euro 83 million depreciated over 30 years.

The following are the amounts related to finance leases included under property, plant and equipment:

(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Gross amount of buildings	81	83	85
Depreciation	(34)	(31)	(29)
NET AMOUNT	**47**	**52**	**56**

Note 13 Investments in associates

Investments accounted using the equity method amounted to euro 28 million on December 31, 2013 (versus euro 23 million on December 31, 2012 and euro 43 million on December 31, 2011).

(in millions of euros)	Value in balance sheet
AMOUNT ON JANUARY 1, 2011	**140**
Acquisitions	-
Disposals	(96)
Share of profit of associates	17
Dividends paid	(14)
Effect of translation and other	(5)
AMOUNT ON DECEMBER 31, 2011	**43**
Acquisitions	5
Disposals	(42)
Share of profit of associates	25
Dividends paid	(8)
Effect of translation and other	-
AMOUNT AT DECEMBER 31, 2012	**23**
Acquisitions	10
Disposals	(2)
Share of profit of associates	5
Dividends paid	(4)
Effect of translation and other	(4)
AMOUNT ON DECEMBER 31, 2013	**28**

The main balances in the balance sheets and income statements of associates are as follows:

(in millions of euros) Share in balance sheets of associates	December 31, 2013	December 31, 2012	December 31, 2011
Non-current assets	23	34	16
Current assets	38	43	107
TOTAL ASSETS	**61**	**77**	**123**
Non-current liabilities	3	3	3
Current liabilities	30	51	76
TOTAL LIABILITIES	**33**	**54**	**79**
NET ASSETS	**28**	**23**	**43**

(in millions of euros) Share in results of associates	2013	2012	2011
Revenue	54	109	111
Net income	5	25	17
Carrying amount of the investment	28	23	43

The Group's main associates are Jana Mobile, Burrell Communications, Somupi and M Publicité. As at December 31, 2013, the carrying amount of these four associates amounted to euro 9 million, euro 5 million, euro 3 million and euro 3 million respectively.

Note 14 Other financial assets

Other financial assets mainly include investments classified as "available for sale".

Balances related to other non-current financial assets maturing in less than one year are classified under current assets.

(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Available-for-sale financial assets			
• IPG securities	-	41	37
• Venture Capital Fund (1)	41	23	-
• LBi securities	-	94	-
• Others	8	9	8
Security deposits	23	24	28
Loans to unconsolidated companies	26	27	10
Loans and receivables due from associates and non-consolidated companies	13	15	6
Other	49	49	49
Gross amount	**160**	**282**	**138**
Impairment	(39)	(40)	(25)
NET AMOUNT	**121**	**242**	**113**

(1) In March 2012, France Telecom-Orange and Publicis Groupe formalized their partnership with Iris Capital Management. Under this partnership arrangement, Publicis Groupe undertook to contribute the sum of euro 74 million to invest in businesses creating value in the digital economy.

In November 2012, the Group made a public tender offer for all outstanding shares in LBi. At December 31, 2013, Publicis fully owned LBi. Following this takeover, the securities classified as financial assets are now consolidated (see Note 2).

Furthermore, Publicis sold its interest in Interpublic Group (IPG) between December 9 and December 23, 2013. Publicis owned 1.13% of Interpublic Group (IPG), an unconsolidated investment classified as "available-for-sale". The historical price of the IPG shares was US dollars 3.87. The average listed share price between December 9 and December 23, 2013 was US dollars 16.74. This disposal generated a capital gain of euro 47 million.

Note 15 Inventories and work in progress

(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Gross amount	**311**	**344**	**345**
Impairment of inventories and work in progress	(4)	(2)	(2)
NET AMOUNT	**307**	**342**	**343**

Note 16 Trade receivables

(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Trade accounts receivable [1]	7,059	6,933	6,542
Notes receivable	12	9	10
GROSS AMOUNT	**7,071**	**6,942**	**6,552**
Opening impairment	(101)	(106)	(103)
Impairment over the year	(14)	(9)	(32)
Reversals during the year	38	15	21
Changes to consolidation scope	(4)	-	7
Translation adjustments and other	4	(1)	1
Closing impairment	**(77)**	**(101)**	**(106)**
NET AMOUNT	**6,994**	**6,841**	**6,446**

(1) Including invoiced trade receivables of euro 5,176 million as of December 31, 2013, euro 5,321 million as of December 31, 2012 and euro 5,004 million as of December 31, 2011.

Note 17 Other current receivables and assets

(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Taxes and other receivables from the government	185	248	206
Advances to suppliers	152	169	150
Prepayments	76	72	77
Derivatives hedging current assets and liabilities	18	4	4
Derivatives on intercompany loans and borrowings	16	2	3
Derivatives hedging the fair value of Eurobond 2012 and 2015	0	13	12
Other receivables and other current assets	78	92	116
Gross amount	**525**	**600**	**568**
Impairment	(8)	(9)	(7)
NET AMOUNT	**517**	**591**	**561**

Note 18 Cash and cash equivalents

(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Cash and bank balances	441	349	291
Short-term liquid investments	1,001	965	1,883
TOTAL	**1,442**	**1,314**	**2,174**

At December 31, 2013, the short-term liquid investments mainly included UCITS (open-ended investment funds) classified by the AMF as "monétaire court terme" and subject to very low risk of a change in value.

Note 19 Equity

The table of changes in equity is presented along with the other consolidated financial statements.

Buyback of treasury shares held by Dentsu on February 15, 2013

Under the buyback program approved by the General Shareholders' Meeting of May 29, 2012 and following Dentsu's proposal, on February 15, 2013, Publicis Groupe bought back a block of 3.9 million treasury shares for a total of euro 181 million, *i.e.* euro 46.82 per share. The shares were repurchased at a discount of 4.7% on the Stock Exchange closing price on February 14, 2013.

Share capital of the parent company

The following are the changes in the share capital over the last three years:

(in shares)	2013	2012	2011
Share capital on January 1	210,008,734	193,357,945	191,645,241
Capital increase	6,014,644	27,410,602	1,712,704
Cancellations	-	(10,759,813)	-
SHARES COMPRISING THE SHARE CAPITAL ON DECEMBER 31	**216,023,378**	**210,008,734**	**193,357,945**
Treasury shares as of December 31	(9,436,116)	(10,805,084)	(7,361,882)
SHARES OUTSTANDING ON DECEMBER 31	**206,587,262**	**199,203,650**	**185,996,063**

Publicis Groupe SA's share capital increased by euro 2,405,858 in 2013, corresponding to 6,014,644 shares with a par value of euro 0.40:

- 292,076 shares issued in connection with the free share plans whose definitive delivery date occurred in the year;
- 1,562,129 shares issued as part of the redemption of the ninth tranche of the Orane (see Note 24 "Commitments");
- 1,361,502 shares issued following the exercise by certain shareholders of the option to receive the dividends in shares;
- 2,798,937 shares created following the exercise by certain holder of their warrants.

As of December 31, 2013, the share capital of Publicis Groupe SA totaled euro 86,409,351, split into 216,023,378 shares with a par value of euro 0.40.

Neutralization of the treasury shares existing on December 31, 2013

Treasury shares held at the end of the year, including those owned under the liquidity contract, are deducted from the share capital.

The portfolio of treasury shares showed the following movements in 2011, 2012 and 2013:

	Number of shares
TREASURY SHARES HELD ON DECEMBER 31, 2010 (1)	**9,274,171**
Disposals (exercise of stock options)	(1,922,288)
Delivery of shares following the conversion request of Océane 2014	(1)
Movements as part of the liquidity contract	10,000
TREASURY SHARES HELD ON DECEMBER 31, 2011 (1)	**7,361,882**
Repurchase of shares held by Dentsu	18,000,000
Cancellation of shares purchased from Dentsu	(10,759,813)
Disposals (exercise of stock options) and deliveries of free shares (co-investment plan - France)	(3,754,829)
Delivery of shares following the conversion request of Océane 2014	(52,156)
Movements as part of the liquidity contract	10,000
TREASURY SHARES HELD ON DECEMBER 31, 2012 (1)	**10,805,084**
Repurchase of shares held by Dentsu	3,875,139
Disposals (exercise of stock options) and deliveries of free shares (co-investment plan outside France and other plans)	(3,166,374)
Delivery of shares following the conversion request of Océane 2018	(2,096,233)
Movements as part of the liquidity contract	18,500
TREASURY SHARES HELD ON DECEMBER 31, 2013 (1)	**9,436,116**

(1) Including shares held as part of the liquidity contract (38,500 as at December 31, 2013, 20,000 as at December 31, 2012 and 10,000 shares as at December 31, 2011).

Dividends proposed and voted

	Per share (in euros)	Total (in millions of euros)
Dividends paid in 2013 (for 2012)	0.90	178 (1)
Dividends proposed to the General Shareholders' Meeting (for 2013)	1.10	237 (2)

(1) Amount paid in shares at the relevant shareholders' option for up to euro 71 million (leading to the creation of 1,361,502 shares).
(2) For all shares outstanding as at December 31, 2013, including treasury shares.

The cash portion of the distribution proposed for 2013 will be subject to the 3% tax on dividends.

Capital management

The Group's policy is to maintain a solid capital base in order to maintain the confidence of investors, creditors and the market and to support future activity development. The Group's management pays particular attention to the debt-to-equity ratio, which is defined as net debt (financial debt less cash and cash equivalents) divided by equity (including non-controlling interests) and has calculated that the ideal debt-to-equity ratio is less than 0.50. At December 31 of the last three years (2013, 2012 and 2011), the debt-to-equity ratio was negative or close to zero.

The management also pays close attention to the pay-out ratio, defined as dividends per share divided by earnings per share. This ratio will be 30% for 2013 based on the dividend amount (euro 1.10 per share) to be proposed at the next General Shareholders' Meeting, compared to 24.7% (after adjusting the 2012 EPS in line with IAS 19 revised) and 23.6% respectively for 2012 and 2011.

The Group buys back its own shares on the market in accordance with the authorization delegated to the Management Board for a period of 18 months by the General Shareholders' Meeting of May 29, 2013. In 2011, 2012 and 2013, the Group directly purchased its own shares in order to meet its obligations with regard to stock option plans and free share plans granted to employees, bond conversion requests or the cancellation of shares. During said years, the Group indirectly purchased and sold its own shares through the intermediary of an investment services provider acting in the name and on behalf of Publicis Groupe SA, independently and without being influenced by it, as part of a liquidity contract compliant with a code of conduct recognized by the Autorité des marchés financiers (the French regulatory authority). Euros 15 million had initially been allocated to the liquidity agreement signed with KeplerCheuvreux Securities on July 3, 2012 (replacing the previous liquidity agreement with SG Securities).

The General Shareholders' Meeting on May 29, 2013 also renewed, for a period of 26 months, the authorization to reduce the share capital through the cancellation of shares held by Publicis Groupe SA up to a limit of 10% of the share capital; this authorization was delegated to the Management Board.

Note 20 Provisions for liabilities and charges

(in millions of euros)	Restructuring	Vacant property commitments	Pension and other retirement benefits	Risks and litigation	Other provisions	Total
JANUARY 1, 2011 (1)	**22**	**63**	**255**	**149**	**83**	**572**
Increases	4	3	23	40	38	**102**
Releases	(14)	(12)	(33)	(9)	(22)	**(90)**
Other releases	-	(8)	(7)	(15)	(6)	**(36)**
Changes to consolidation scope	-	1	(3)	30	3	**31**
Actuarial losses (gains)	-	-	46	-	-	**51**
Translation adjustments and other	2	(10)	5	1	(9)	**(11)**
DECEMBER 31, 2011 (1)	**14**	**37**	**286**	**196**	**87**	**620**
Increases	20	2	23	63	41	**149**
Releases	(10)	(11)	(60)	(19)	(19)	**(119)**
Other releases	-	(1)	-	(45)	(13)	**(59)**
Changes to consolidation scope	3	-	1	4	1	**9**
Actuarial losses (gains)	-	-	30	-	-	**30**
Translation adjustments and other	(5)	-	5	(2)	2	**-**
DECEMBER 31, 2012 (1)	**22**	**27**	**285**	**197**	**99**	**630**
Increases	18	5	32	26	12	**93**
Releases	(13)	(5)	(43)	(15)	(18)	**(94)**
Other releases	(1)	(6)	(3)	(44)	(27)	**(81)**
Changes to consolidation scope	1	-	1	1	3	**6**
Actuarial losses (gains)	-	-	(26)	-	-	**(26)**
Translation adjustments and other	(1)	(1)	(8)	(5)	(6)	**(21)**
DECEMBER 31, 2013	**26**	**20**	**238**	**160**	**63**	**507**
Of which short-term	22	6	34	63	14	**139**
Of which long-term	4	14	204	97	49	**368**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.

Restructuring provisions

These include an estimate of the closure or restructuring costs of certain activities resulting from plans that were announced but not yet executed at the end of 2013 (mainly severance pay). The plans are detailed by project and by type, and are approved in advance by the senior management. They are managed centrally to ensure that the provision is applied based on the actual costs incurred and to justify the remaining balance at the year-end on the basis of the outstanding cost to be incurred.

Vacant property provisions

The largest amount in these provisions relates to the acquisition of Bcom3 for the amount of euro 6 million on December 31, 2013, which primarily concerns the city of New York, and notably the lease of the building located at 375 Hudson Street. The valuations were made by discounting the rent payable, less income expected from sub-leasing.

Provisions for risks and litigation

These provisions include all types of risks, legal proceedings, notably commercial, tax and labor litigation. Most of the provision covers tax risks and litigation relating mainly to North America and Latin America. Tax risks and charges break down by type as follows:

- approximately 70% concern corporate income taxes;
- approximately 30% concern other income and non-income taxes.

Obligations in respect of employee benefits

The obligations for employee benefits (see Note 21) include:

- defined benefit pension plans;
- post-employment health coverage;
- long-term benefits such as deferred compensation and long-service rewards.

Note 21 Pensions and other post-employment benefits

Defined benefit pension plans

The Group has a certain number of obligations under defined benefit pension plans, mainly split between:

- pension funds (72% of the Group's obligations): these are rights to which employees have earned entitlement, with external pre-funding requirements primarily in the US and the UK;
- other pension schemes such as retirement indemnities (24% of the Group's obligations), in particular in France: the rights have not vested so payment is uncertain and notably dependent on employees still being employed by the company when they retire;
- health coverage schemes for pensioners (4% of the Group's obligations): consisting of an effective liability vis-à-vis current pensioners and a provision for current workers (future pensioners), in particular in the US and the UK.

The largest plans are accordingly the pension funds in the United Kingdom (37% of the Group's obligations) and in the United States (35% of the Group's obligations).

- In the United Kingdom, the Group's obligations are managed through six pension funds administered by independent boards of trustees. These independent boards are made up of representatives of the Group, employees and retirees and in some instances an independent expert. These boards are required by regulation to act in the best interests of plan beneficiaries, notably ensuring that the pension fund is financially stable, as well as monitoring its investment policy and management.

  Four of the six pension funds are closed and frozen. All existing entitlements (based on the salary and number of years of service in the Group) were frozen: beneficiaries still working will not earn any further entitlement under these defined benefit funds.

  The pension funds in the United Kingdom have obligations vis-à-vis retirees (58%), beneficiaries with deferred entitlement who have not yet drawn down their pension entitlements (35%) and employees still working (7%).
- In the United States, the Group's obligations are basically limited to a closed and frozen pension fund. The obligations are vis-à-vis beneficiaries with deferred entitlement who have not yet drawn down their pension entitlements (27% of obligations), retirees (30% of obligations) and employees still working (43%).

The defined benefit pension plans were valued by independent experts in the United States, the United Kingdom, Germany, France, the United Arab Emirates, Saudi Arabia, Bahrain, South Korea and Japan.

No material events occurred during the reporting period to affect the value of the Group's liabilities under these plans (significant plan change).

Surplus (deficit)

Publicis Groupe sets aside financial assets to cover these liabilities, primarily in the UK and the US, in order to comply with its legal and/or contractual obligations and to limit its exposure to an increase in these liabilities (interest and inflation rate volatility, longer life expectancy, etc.).

The policy to cover the Group's liabilities is based on regular asset-liability management reviews to ensure optimal asset allocation, designed both to limit exposure to market risks by diversifying asset classes on the basis of their risk profile, and to better reflect the payment of benefits to beneficiaries, having regard to plan maturity. These reviews are performed by independent advisers and submitted to the Trustees for approval. Investments are made in compliance with legal constraints and the criteria governing the deductibility of such covering assets in each country. Funding requirements are generally determined on a plan-by-plan basis and as a result surplus assets in over-funded plans cannot be used to cover under-funded plans.

Risk exposure

The principal risks to which the Group is exposed through its pension funds in the United Kingdom and the United States are as follows:

- Volatility of financial assets: the financial assets in the plans (shares, bonds, etc.) often have a return higher than the discount rate over the long term, but are more volatile in the short term, especially since they are measured at their fair value for the Group's annual accounting needs. The asset allocation is determined so as to ensure the financial viability of the plan over the long term;
- Variation of bond rates: a decrease in the private bond rates leads to an increase in the obligations under the plans as recognized by the Group, even where this increase is partially reduced by a growth in value of the financial assets in the plans (for the portion of 1st category private bonds);
- Longevity: the largest part of benefits guaranteed by the plans is retirement benefits. An extended life expectancy therefore leads to an increase in these plans;
- Inflation: a significant portion of the benefits guaranteed by the pension funds in the United Kingdom is indexed to inflation. A rise in inflation leads to an increase in the obligation (even when thresholds have been set for most of them in order to protect the plan from hyper-inflation). Most of the financial assets are either not impacted by inflation or linked very little with inflation, therefore inferring that a rise in inflation would lead to an increase of the plan's deficit from an accounting perspective. The American pension funds do not expose the Group to a significant inflation risk as the benefits are not indexed to inflation.

Actuarial gains and losses

Actuarial gains and losses reflect increases or reductions in the present value of a defined benefit obligation or of the fair value of the corresponding plan assets. Actuarial gains and losses resulting from changes in the present value of liabilities under a defined benefit plan stem, firstly, from experience adjustments (differences between the previous actuarial assumptions and what has actually occurred) and, secondly, from the effect of changes in actuarial assumptions.

As indicated in Note 1, the application of the amendment to IAS 19 did not have a material impact on the Group's net assets. In fact, the key aspect of the amendment is the requirement to recognize actuarial gains and losses on defined benefit plans, in other comprehensive income. The Group was already complying with this requirement.

Other long-term benefits

Publicis Groupe also recognizes various long-term benefits, primarily long-service awards in France in particular, and certain multi-year plans for which the deferred compensation is linked to continued employment.

Change in the actuarial benefit obligation

(in millions of euros)	December 31, 2013 Pension plans	December 31, 2013 Health cover	December 31, 2013 Total	December 31, 2012 [(1)] Pension plans	December 31, 2012 [(1)] Health cover	December 31, 2012 [(1)] Total	December 31, 2011 [(1)] Pension plans	December 31, 2011 [(1)] Health cover	December 31, 2011 [(1)] Total
Opening actuarial benefit obligation	**(567)**	**(24)**	**(591)**	**(508)**	**(24)**	**(532)**	**(459)**	**(22)**	**(481)**
Cost of services rendered during the year	(16)	-	(16)	(14)	-	(14)	(11)	-	(11)
Curtailments and plan settlements	-	-	-	-	-	-	7	-	7
Contributions by plan participants	-	-	-	-	(1)	(1)	-	(1)	(1)
Benefits paid	33	2	35	27	2	29	24	2	26
Interest expense on benefit obligation	(19)	(1)	(20)	(21)	(1)	(22)	(21)	(1)	(22)
Effect of remeasurement	38	2	40	(53)	-	(53)	(37)	(1)	(38)
Experience gains (losses)	*10*	*1*	*11*	*(3)*	-	*(3)*	-	-	-
Gains (losses) arising from a change in economic assumptions	*25*	-	*25*	*4*	*1*	*5*	*(39)*	*(1)*	*(40)*
Gains (losses) arising from other changes in demographic assumptions	*3*	*1*	*4*	*(54)*	*(1)*	*(55)*	*2*	-	*2*
Acquisitions, disposals	2	-	2	-	-	-	3	-	3
Foreign exchange differences	17	1	18	2	-	2	(14)	(1)	(15)
ACTUARIAL BENEFIT OBLIGATION AT YEAR-END	**(512)**	**(20)**	**(532)**	**(567)**	**(24)**	**(591)**	**(508)**	**(24)**	**(532)**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.

Change in the fair value of plan assets

(in millions of euros)	December 31, 2013 Pension plans	December 31, 2013 Health cover	December 31, 2013 Total	December 31, 2012 [(1)] Pension plans	December 31, 2012 [(1)] Health cover	December 31, 2012 [(1)] Total	December 31, 2011 [(1)] Pension plans	December 31, 2011 [(1)] Health cover	December 31, 2011 [(1)] Total
Fair value of plan assets at start of year	**353**	**-**	**353**	**307**	**-**	**307**	**279**	**-**	**279**
Actuarial return on plan assets	38	-	38	40	-	40	12	-	12
Employer contributions	27	2	29	21	-	21	20	-	20
Administrative fees	(1)	-	(1)	-	-	-	-	-	-
Acquisitions, disposals	-	-	-	-	-	-	-	-	-
Benefits paid	(31)	(2)	(33)	(16)	-	(16)	(14)	-	(14)
Foreign exchange differences	(11)	-	(11)	1	-	1	10	-	10
FAIR VALUE OF PLAN ASSETS AT YEAR-END	**375**	**-**	**375**	**353**	**-**	**353**	**307**	**-**	**307**
SURPLUS (DEFICIT)	**(137)**	**(20)**	**(157)**	**(214)**	**(24)**	**(238)**	**(201)**	**(24)**	**(225)**
Effect of ceiling on value of assets	(29)	-	(29)	(11)	-	(11)	(8)	-	(8)
Effect of minimum financing requirement	(18)	-	(18)	-	-	-	-	-	-
Net provision for defined benefit pension commitments and retirement medical coverage	**(184)**	**(20)**	**(204)**	**(225)**	**(24)**	**(249)**	**(209)**	**(24)**	**(233)**
PROVISION FOR OTHER LONG-TERM BENEFITS	(34)	-	(34)	(36)	-	(36)	(53)	-	(53)
TOTAL PROVISION FOR PENSIONS AND OTHER POST-EMPLOYMENT AND LONG-TERM BENEFITS	**(218)**	**(20)**	**(238)**	**(261)**	**(24)**	**(285)**	**(262)**	**(24)**	**(286)**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.

Net periodic pension cost

(in millions of euros)	December 31, 2013 Pension plans	Health cover	Total	December 31, 2012 [1] Pension plans	Health cover	Total	December 31, 2011 [1] Pension plans	Health cover	Total
Cost of services rendered during the year	(16)	-	(16)	(14)	-	(14)	(11)	-	(11)
Curtailments and plan settlements	-	-	-	-	-	-	7	-	7
Cost of other plans (including defined contribution plans)	(85)	-	(85)	(82)	-	(82)	(65)	-	(65)
Financial expense	(6)	(1)	(7)	(1)	(1)	(2)	(2)	(1)	(3)
Administrative fees excluding plan management fees	(1)	-	(1)						
TOTAL RETIREMENT COSTS RECOGNIZED IN THE INCOME STATEMENT	**(108)**	**(1)**	**(109)**	**(97)**	**(1)**	**(98)**	**(71)**	**(1)**	**(72)**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.

Breakdown of plan assets

The table below provides a breakdown of plans by asset type and by fair value hierarchy. The various fair value hierarchy levels are defined in Note 25.

(in millions of euros)	December 31, 2013 Level 1	Level 2	Level 3	Total	December 31, 2012 [1] Level 1	Level 2	Level 3	Total	December 31, 2011 [1] Level 1	Level 2	Level 3	Total
Shares	174			174	189			189	160			160
Bonds		78		78		74		74		70		70
Treasury bonds		108		108		69		69		58		58
Real estate			7	7			8	8			6	6
Other			8	8			13	13			13	13
TOTAL	**174**	**186**	**15**	**375**	**189**	**143**	**21**	**353**	**160**	**128**	**19**	**307**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.

Estimate of employer contributions and of future benefits payable

(in millions of euros)	Pension plans	Health cover	Total
Estimated employer contributions in 2013	22	1	23

(in millions of euros)	December 31, 2013 Pension plans	Health cover	Total
Estimated future benefits payable			
2014	29	2	31
2015	29	1	30
2016	28	1	29
2017	29	1	30
2018	29	1	30
Years 2019 to 2023	154	7	161
TOTAL OVER THE NEXT 10 FINANCIAL YEARS	**298**	**13**	**311**

The average duration of plans at end-December 2013 was 12.14 years.

Actuarial assumptions (weighted average rates)

Discount rates are calculated using rates of long-term investment grade corporate bonds (minimum AA rating) with maturities equivalent to the length of the plans assessed. They were determined based on external indexes commonly considered to be benchmarks, namely the iBoxxin Europe and the City Group Index in the United States.

	Pension plans				Post-employment health coverage	
December 31, 2013	United States	United Kingdom	Zone Euro	Other Country	United States	United Kingdom
Discount rate	4.11%	4.25% - 4.45%	3.17%	1.00% - 4.15%	4.11%	4.25% - 4.45%
Future wage increases	n/a	4.10% - 4.35%	2.25% (2)	1.50% - 6.00%	5.00%	n/a
Future pension increases	n/a	2.00% - 3.70%	2.00% (2)	n/a	n/a	n/a

	Pension plans				Post-employment health coverage	
December 31, 2012 (1)	United States	United Kingdom	Zone Euro	Other Country	United States	United Kingdom
Discount rate	3.20%	3.90% - 4.40%	3.00%	1.20% - 3.49%	3.20%	3.90% - 4.40%
Future wage increases	n/a	3.55% - 3.80%	2.25% (2)	1.50% - 6.00%	5.00%	n/a
Future pension increases	n/a	1.80% - 3.50%	2.00% (2)	n/a	n/a	n/a

	Pension plans				Post-employment health coverage	
December 31, 2011 (1)	United States	United Kingdom	Zone Euro	Other Country	United States	United Kingdom
Discount rate	4.09%	4.70%	4.50%	1.30% - 4.79%	4.09%	4.70%
Future wage increases	n/a	3.75% - 4.00%	2.25% (2)	1.50% - 6.00%	5.00%	n/a
Future pension increases	n/a	1.70% - 3.60%	2.00% (2)	n/a	n/a	n/a

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.
(2) For Germany only.

The rate of increase in medical expenses used for 2013 is 8.10% to gradually decrease to 4.85% beginning in 2014.

Sensitivity analysis

	1% increase				
Retirement plans (in millions of euros)	United States	United Kingdom	Euro Zone	Others	Total
Change in discount rate					
Effect on actuarial benefit obligation at year-end	(18)	(26)	(9)	(4)	(57)
Change in the increase rate of salaries					
Effect on actuarial benefit obligation at year-end	-	1	7	4	12

Retirement plans (in millions of euros)	1% decrease				
	United States	United Kingdom	Euro Zone	Others	Total
Change in discount rate					
Effect on actuarial benefit obligation at year-end	22	32	12	5	71
Change in the increase rate of salaries					
Effect on actuarial benefit obligation at year-end	-	(1)	(6)	(3)	(10)

Post-employment medical coverage (in millions of euros)	1% increase			1% decrease		
	United States	United Kingdom	Total	United States	United Kingdom	Total
Change in discount rate						
Effect on actuarial benefit obligation at year-end	(2)	-	(2)	2	-	2
Change in the increase rate of salaries						
Effect on actuarial benefit obligation at year-end	1	-	1	(1)	-	(1)

Note 22 Borrowings and other financial liabilities

Number of securities on December 31, 2013	(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
	Bonds (excluding interest accrued) issued by Publicis Groupe:			
	Eurobond 4.125% - January 2012 (Effective interest rate 4.30%)	-	-	523
253,262	Eurobond 4.25% - March 2015 (Effective interest rate 3.85%)	262	269	268
559,278	Océane 2.75% - January 2018 (Effective interest rate 2.75%)	27	126	123
	Océane 3.125% - July 2014 (Effective interest rate 5.50%)	-	-	674
1,562,129	Oranes 0.82%, variable - September 2022 (Effective interest rate 8.50%)	42	15	18
	Other debt:			
	Accrued interest	8	6	18
	Other borrowings and credit lines	33	81	93
	Bank overdrafts	60	28	28
	Debt related to finance leases	78	81	84
	Debt related to acquisitions of shareholdings	223	317	279
	Debt arising from commitments to buy-out minority interests	127	186	190
	TOTAL BORROWINGS	**860**	**1,109**	**2,298**
	OF WHICH SHORT-TERM	322	379	838
	OF WHICH LONG-TERM	538	730	1,460

The bonds issued by Publicis Groupe are at a fixed rate and are denominated in euros.

In accordance with IAS 39, the fixed rate/variable rate swaps were qualified as a hedge of the fair value of the Eurobond 2012 and Eurobond 2015 liabilities. The Eurobond 2012 and 2015 swapped to a variable rate were thus revalued at their fair value at end-2011 for the Eurobond 2012 and 2011 and 2012 for the Eurobond 2015.

In January 2013, the swap was unwound, triggering the receipt of a euro 20 million payment, and the recognition of euro 12 million in income, which, in accordance with IAS 39, was staggered over the remaining life of the bond. This bond is currently no longer hedged. The fair value of the swap on the Eurobond 2015 was booked under "Other receivables and current assets" in the amount of euro 13 million as at December 31, 2012 and euro 11 million as at December 31, 2011.

The swap on the Eurobond 2012 the fair value of which was booked under "Other receivables and current assets" in the amount of euro 1 million as at December 31, 2011 matured on January 31, 2012. This bond was redeemed on that date for a total of euro 506 million in principal.

In 2013, following conversion requests from the holders of 2,065,260 Océane 2018 bonds, 2,096,233 shares were delivered. The conversion ratio included an adjustment by a factor of 1.015 so as to reflect that portion of distributions deducted from the Company's reserves and premiums.

On December 23, 2013, Publicis Groupe exercised its contractual early redemption option (issuer call) on the Océane 2018, issued on January 18, 2002, at a price of euro 48.76 per bond, plus accrued interest. In addition, bondholders had the option of exercising their subscription rights for Publicis shares at a ratio of 1.015 Publicis shares for every 1 Bond presented, up to January 14, 2014 inclusive (see Note 30 "Subsequent events").

On June 29, 2012 Publicis Groupe exercised its contractual early redemption option (issuer call) on the Océane 2014 issued on June 24, 2009. On July 19, 2012, virtually all bonds still outstanding, 24,257,895 in total, were converted and added to the 1,492,735 bonds already converted during the year. In all, these 25,750,630 bonds were converted into 25,900,629 shares, after applying various conversion ratios.

With respect to the Orane, it should be noted that the debt component of this instrument, representing the present value of the interest, was recalculated in light of the decisions of the Ordinary Shareholders' Meeting held on October 10, 2013. This led to an increase in liabilities, as presented in the above table.

In 2011, the principal transaction involving borrowings consisted of replacing the existing confirmed, multi-currency, syndicated credit line of euro 1.5 billion with a new confirmed, multi-currency, syndicated credit line of euro 1.2 billion maturing in July 2016.

Debt relating to commitments to buy-out minority interests and earn out clauses is centralized and valued at the period-end on the basis of the contractual clauses, the latest available data and the relevant data projections for the period.

Changes in debt resulting from commitments to purchase minority interests are as follows:

(in millions of euros)	Debt arising from commitments to buy-out minority interests
AS AT DECEMBER 31, 2011	**190**
Debt contracted during the year	37
Buy-outs	(25)
Revaluation of the debt and translation adjustments	(16)
AT DECEMBER 31, 2012	**186**
Debt contracted during the year	48
Buy-outs	(83)
Revaluation of the debt and translation adjustments	(24)
AS AT DECEMBER 31, 2013	**127**

The buy-outs during the year were paid for in cash.

Analysis by date of maturity

(in millions of euros)	December 31, 2013						
		Maturity					
	Total	2014	2015	2016	2017	2018	+5 yrs
Bonds [1] and other bank borrowings	432	156	276	-	-	-	-
Debt related to finance leases	78	-	-	-	-	-	78
Debt related to acquisitions of shareholdings	223	89	55	56	14	9	-
Debt related to commitments to purchase non-controlling interests	127	77	20	16	13	1	-
TOTAL	**860**	**322**	**351**	**72**	**27**	**10**	**78**

(1) The Meeting of the Orane holders held on October 10, 2013 decided to redeem the debt component of all of the outstanding Oranes with shares of Publicis immediately following the Publicis Groupe shareholders' Meeting approving the merger which is scheduled to take place in 2014. Accordingly the debt component of the Oranes has been classified in 2014 in the following table (See Note 24).

(in millions of euros)	December 31, 2012						
		Maturity					
	Total	2013	2014	2015	2016	2017	+5 yrs
Bonds and other bank borrowings	525	105	141	271	2	2	4
Debt related to finance leases	81	-	-	-	-	-	81
Debt related to acquisitions of shareholdings	317	144	84	50	39	-	-
Debt related to commitments to purchase non-controlling interests	186	130	17	24	8	6	1
TOTAL	**1,109**	**379**	**242**	**345**	**49**	**8**	**86**

(in millions of euros)	December 31, 2011						
		Maturity					
	Total	2012	2013	2014	2015	2016	+5 yrs
Bonds and other bank borrowings	1,745	663	5	799	270	2	6
Debt related to finance leases	84	-	-	-	-	-	84
Debt related to acquisitions of shareholdings	279	81	71	70	36	21	-
Debt related to commitments to purchase non-controlling interests	190	94	44	29	1	20	2
TOTAL	**2,298**	**838**	**120**	**898**	**307**	**43**	**92**

Analysis by currency

(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Euros	435	482	1,689
US dollars	148	141	154
Other currencies	277	486	455
TOTAL	**860**	**1,109**	**2,298**

Analysis by interest rate type

See Note 26 "Management of risks - Exposure to interest rate risk".

Exposure to liquidity risk

Future payments related to financial debt before the impact of discounting (excluding debt linked to finance leases) are as follows:

	December 31, 2013						
		Maturity					
(in millions of euros)	Total	2014	2015	2016	2017	2018	+5 yrs
Bonds and other bank borrowings	445	167	278	-	-	-	-
Debt related to acquisitions of shareholdings	240	92	59	63	16	10	-
Debt related to commitments to purchase non-controlling interests	137	80	22	18	15	2	-
TOTAL	**822**	**339**	**359**	**81**	**31**	**12**	**-**

	December 31, 2012						
		Maturity					
(in millions of euros)	Total	2013	2014	2015	2016	2017	+5 yrs
Bonds and other bank borrowings	610	113	24	154	294	7	18
Debt related to acquisitions of shareholdings	335	148	89	54	44	-	-
Debt related to commitments to purchase non-controlling interests	199	135	19	27	9	7	2
TOTAL	**1,144**	**396**	**132**	**235**	**347**	**14**	**20**

	December 31, 2011						
		Maturity					
(in millions of euros)	Total	2012	2013	2014	2015	2016	+5 yrs
Bonds and other bank borrowings	1,981	676	13	953	306	8	25
Debt related to acquisitions of shareholdings	301	84	75	77	40	25	-
Debt related to commitments to purchase non-controlling interests	211	99	49	33	2	25	3
TOTAL	**2,493**	**859**	**137**	**1,063**	**348**	**58**	**28**

In order to manage its liquidity risk, Publicis holds a substantial amount of cash (cash and cash equivalents) for a total of euro 1,442 million as at December 31, 2013 and undrawn confirmed credit lines representing a total of euro 1,909 million as at December 31, 2013. The main credit line is a multi-currency syndicated facility in the amount of euro 1,200 million, expiring in 2016. These immediately available or almost immediately available amounts allow the Group to pay its financial debt maturing in less than one year.

Apart from bank overdrafts, most of the Group's debt consists of bonds, which do not include financial "covenants". They only include standard credit default event clauses (liquidation, cessation of payment, default on the debt itself or on the repayment of another debt above a given threshold) which are generally applicable above a threshold of euro 25 million. The only early redemption option exercisable by the holders relates to the Océane 2018 which can be exercised in January 2014.

The Group has not established any credit derivatives to date.

Finance leases

The reconciliation between future minimum payments in respect of finance leases and the discounted value of net minimum payments for those leases is as follows:

	December 31, 2013						
		Maturity					
(in millions of euros)	Total	2014	2015	2016	2017	2018	+5 yrs
Minimum payments	206	9	9	9	10	10	159
Effect of discounting	(129)	(9)	(9)	(9)	(10)	(10)	(82)
DISCOUNTED VALUE OF MINIMUM PAYMENTS	**77**	**-**	**-**	**-**	**-**	**-**	**77**

	December 31, 2012						
		Maturity					
(in millions of euros)	Total	2013	2014	2015	2016	2017	+5 yrs
Minimum payments	234	9	9	9	10	10	187
Effect of discounting	(153)	(9)	(9)	(9)	(9)	(9)	(108)
DISCOUNTED VALUE OF MINIMUM PAYMENTS	**81**	**-**	**-**	**-**	**1**	**1**	**79**

	December 31, 2011						
		Total					
(in millions of euros)	Total	2012	2013	2014	2015	2016	+5 yrs
Minimum payments	238	9	9	10	10	10	190
Effect of discounting	(156)	(9)	(9)	(10)	(10)	(10)	(108)
DISCOUNTED VALUE OF MINIMUM PAYMENTS	**82**	**-**	**-**	**-**	**-**	**-**	**82**

Note 23 Other creditors and current liabilities

(in millions of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Advances and deposits received	378	451	360
Liabilities to employees	433	445	452
Tax liabilities (excl. income tax)	196	199	212
Deferred income	345	319	306
Fair value of derivatives backed by current assets or liabilities	20	4	4
Derivatives on intercompany loans and borrowings	5	3	1
Other current liabilities	273	235	212
TOTAL	**1,650**	**1,656**	**1,547**

Note 24 Commitments

Operating leases

(in millions of euros)	December 31, 2013						
		Maturity					
	Total	2014	2015	2016	2017	2018	+5 yrs
Commitments given							
Operating leases	1,586	255	235	203	183	158	552
Commitments received							
Sub-lease commitments	15	4	2	2	1	1	5

(in millions of euros)	December 31, 2012						
		Maturity					
	Total	2013	2014	2015	2016	2017	+5 yrs
Commitments given							
Operating leases	1,508	242	229	195	175	160	507
Commitments received							
Sub-lease commitments	18	5	3	2	1	1	6

(in millions of euros)	December 31, 2011						
		Maturity					
	Total	2012	2013	2014	2015	2016	+5 yrs
Commitments given							
Operating leases	1,499	245	209	191	172	151	531
Commitments received							
Sub-lease commitments	18	10	4	2	1	-	1

Lease expenses (net of sub-lease income) amounted to euro 268 million in 2013, euro 258 million in 2012 and euro 224 million in 2011.

Other commitments

(in millions of euros)	December 31, 2013 Total	Maturity -1 yr	1 to 5 yrs	+5 yrs
Commitments given				
Guarantees [(1)]	157	45	64	48
Other commitments [(2)]	560	131	352	77
Commitments to purchase investment [(3)]	11	11	-	-
TOTAL	**728**	**187**	**416**	**125**
Commitments received				
Undrawn credit lines [(4)]	2,124	420	1,704	-
Other commitments [(5)]	38	22	9	7
TOTAL	**2,162**	**442**	**1,713**	**7**

(1) At December 31, 2013, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of euro 58 million, staggered until 2019. They also included guarantees of approximately euro 7 million relating to media-buying operations.
(2) These included euro 519 million of minimum fees guaranteed under advertising space usage contracts. In addition, the Group remains committed to minimum purchases over four years which if not concluded could entail up to euro 27 million in payments (cash and services) for the entire term of the contract expiring on June 30, 2015 (maximum of euro 18 million per annum).
(3) This included a commitment to repurchase companies in Romania for euro 11 million.
(4) The undrawn credit lines included euro 1,909 million of confirmed credit lines.
(5) This refers to euro 18 million in annual billing commitments received for an initial five-year period starting in 2010 and ending on June 30, 2015.

(in millions of euros)	December 31, 2012 Total	Maturity -1 yr	1 to 5 yrs	+5 yrs
Commitments given				
Guarantees [(1)]	106	41	24	41
Other commitments [(2)]	577	127	381	69
Commitments to purchase investment [(3)]	331	331	-	-
TOTAL	**1,014**	**499**	**405**	**110**
Commitments received				
Undrawn credit lines [(4)]	2,126	419	1,707	-
Other commitments [(5)]	58	22	35	1
TOTAL	**2,184**	**441**	**1,743**	**1**

(1) At December 31, 2012, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of euro 73 million, staggered until 2019. They also included guarantees of approximately euro 7 million relating to media-buying operations.
(2) These included euro 524 million of minimum fees guaranteed under advertising space usage contracts. In addition, the Group remains committed to minimum purchases over four years which if not concluded could entail up to euro 47 million in payments (cash and services) for the entire term of the contract expiring on June 30, 2015 (maximum of euro 19 million per annum).
(3) Refers to obligations to buy securities in connection with the public tender offer on LBi for an amount of euro 328 million.
(4) The undrawn credit lines included euro 1,912 million of confirmed credit lines.
(5) This refers to euro 19 million in annual billing commitments received for an initial five-year period starting in 2010 and ending on June 30, 2015.

	December 31, 2011			
		Total		
(in millions of euros)	Total	-1 yr	1 to 5 yrs	+5 yrs
Commitments given				
Commitments to sell investments	6	-	-	6
Guarantees [1]	161	56	68	37
Other commitments [2]	685	129	423	133
TOTAL	**852**	**185**	**491**	**176**
Commitments received				
Undrawn credit lines [3]	2,079	429	1,650	-
Other commitments [4]	87	38	48	1
TOTAL	**2,166**	**467**	**1,698**	**1**

(1) At December 31, 2011, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of euro 84 million, staggered until 2019. They also included guarantees of approximately euro 6 million relating to media-buying operations.

(2) These included euro 603 million of minimum fees guaranteed under advertising space usage contracts. In addition, the Group remains committed to minimum purchases over four years which if not concluded could entail up to euro 76 million in payments (cash and services) for the entire term of the contract expiring on June 30, 2015 (maximum of euro 19 million per annum).

(3) The undrawn credit lines included euro 1,855 million of confirmed credit lines.

(4) This refers to euro 19 million in annual billing commitments received for an initial five-year period starting in 2010 and ending on June 30, 2015.

Commitments related to bonds and Oranes

Océane 2018 - 2.75% actuarial January 2018

With respect to the Océane 2018, bondholders may request the conversion of the bonds, which had a unit value of euro 39.15 at issue, at any time from January 18, 2002 until the seventh business day before the maturity date (January 18, 2018). The conversion ratio of the Océanes was adjusted in September 2013 by a factor of 1.015 so as to reflect those distributions drawn from the Company's reserves and premiums. In light of the early redemptions in 2005, 2006, 2009 and 2010 and the requests for conversion in November 2013, the number of bonds outstanding at December 31, 2013 was 559,278, which could give right to 567,667 shares in the event of conversion requests.

Of these, conversion requests for 476,847 bonds were received in December and resulted in the delivery of 483,998 shares on January 10, 2014.

Orane - Bonds redeemable in new or existing shares - September 2022

Following the redemption of the first nine tranches of the debt on September 1 of each year since 2005 and the adjustment of the redemption coefficient from 1 to 1.015 share per Orane, each Orane contractually entitles the holder to receive 9.135 new or existing Publicis Groupe shares at the rate of 1.015 per annum until the 20th anniversary of the debt. Therefore, Publicis Groupe has a commitment to deliver 1,585,561 shares each year from September 2014 to September 2022, *i.e.*, an aggregate of 14,270,048 that may be issued at Publicis Groupe's discretion in either new shares or existing shares already in its portfolio.

In addition, a Meeting of the Orane holders was held on October 10, 2013 to decide, subject to the approval of the merger by the shareholders of both the Publicis Groupe and the Omnicom Group, on the redemption of the debt component of all of the outstanding Oranes immediately following these Shareholders' Meetings. Each Orane will be redeemed by 9.135 Publicis shares accruing interest at an annual rate of 3.2946%. The Meeting also decided that the Orane bondholders would receive in early 2014 compensation relating to the additional shares and interest that they would have received from September 1, 2009 to 2013 resulting from the revised redemption coefficient (1.015 compared to 1).

It should also be recalled that following the announcement of the merger between Publicis and Omnicom, Orane bondholders may take advantage of the early redemption option provided for in the agreement over a period of ten business days ending at the latest 15 days before the Shareholders' Meeting called to approve the merger.

Obligations related to warrants

The exercise of warrants, which could occur at any time from September 24, 2013 to September 24, 2022, will lead to an increase in the Publicis Groupe's capital stock. The conversion ratio was adjusted by a factor of 1.015 so as to reflect those distributions drawn from the Company's reserves and premiums. Following the cancellation of warrants, bought back in 2005 and 2006, and the exercise in 2013 of 2,757,571 warrants having resulted in the creation of 2,798,937 new shares, Publicis Groupe was, at December 31, 2013, committed to creating (in the event that the outstanding 2,845,128 warrants were exercised) 2,887,805 shares with a euro 0.40 par value and a euro 30.10 premium.

Pledges, Guarantees and Collateral

As at December 31, 2013, there were no significant commitments such as pledges, guarantees or collateral.

Note 25 Financial instruments

Statement of financial position for each category of financial instrument

	December 31, 2013						
(in millions of euros)	Value in balance sheet	Fair value through P&L	Available-for-sale assets	Loans and receivables, borrowings & liabilities	Assets held to maturity	Debt at amortized cost	Derivative instruments
Other financial assets	121	-	44	74	3	-	-
Trade receivables	6,994	-	-	6,994	-	-	-
Other receivables and current assets [(1)]	103	-	-	69	-	-	34
Cash and cash equivalents	1,442	1,442	-	-	-	-	-
ASSETS	**8,660**	**1,442**	**44**	**7,137**	**3**	**-**	**34**
Long-term borrowings	538	-	-	-	-	538	-
Short-term borrowings	322	-	-	-	-	322	-
TOTAL BORROWINGS	**860**	**-**	**-**	**-**	**-**	**860**	**-**
Trade payables	8,636	-	-	8,636	-	-	-
Other creditors and current liabilities [(2)]	298	-	-	273	-	-	25
LIABILITIES	**9,794**	**-**	**-**	**8,909**	**-**	**860**	**25**

	December 31, 2012						
(in millions of euros)	Value in balance sheet	Fair value through P&L	Available-for-sale assets	Loans and receivables, borrowings & liabilities	Assets held to maturity	Debt at amortized cost	Derivative instruments
Other financial assets	242	-	162	78	2	-	-
Trade receivables	6,841	-	-	6,841	-	-	-
Other receivables and current assets [(1)]	102	-	-	83	-	-	19
Cash and cash equivalents	1,314	1,314	-	-	-	-	-
ASSETS	**8,499**	**1,314**	**162**	**7,002**	**2**	**-**	**19**
Long-term borrowings	730	-	-	-	-	730	-
Short-term borrowings	379	-	-	-	-	379	-
TOTAL BORROWINGS	**1,109**	**-**	**-**	**-**	**-**	**1,109**	**-**
Trade payables	8,249	-	-	8,249	-	-	-
Other creditors and current liabilities [(2)]	242	-	-	235	-	-	7
LIABILITIES	**9,600**	**-**	**-**	**8,484**	**-**	**1,109**	**7**

	December 31, 2011						
(in millions of euros)	Value in balance sheet	Fair value through P&L	Available-for-sale assets	Loans and receivables, borrowings & liabilities	Assets held to maturity	Debt at amortized cost	Derivative instruments
Other financial assets	113	-	41	68	4	-	-
Trade receivables	6,446	-	-	6,446	-	-	-
Other receivables and current assets [(1)]	128	-	-	109	-	-	19
Cash and cash equivalents	2,174	2,174	-	-	-	-	-
ASSETS	**8,861**	**2,174**	**41**	**6,623**	**4**	**-**	**19**
Long-term borrowings	1,460	-	-	-	-	1,460	-
Short-term borrowings	838	-	-	-	-	838	-
TOTAL BORROWINGS	**2,298**	**-**	**-**	**-**	**-**	**2,298**	**-**
Trade payables	7,745	-	-	7,745	-	-	-
Other creditors and current liabilities [(2)]	217	-	-	212	-	-	5
LIABILITIES	**10,260**	**-**	**-**	**7,957**	**-**	**2,298**	**5**

(1) Excluding tax claims, advances to suppliers and prepayments (See Note 17).
(2) Excluding advances and deposits received, liabilities to employees, tax liabilities and deferred income (See Note 23).

Income statement per category of financial instruments

	December 31, 2013								
					Debt at amortized cost		Loans and receivables		
(in millions of euros)	Valuation at fair value	Interest on assets remeasured at fair value	Dividends on available-for-sale assets	Impairment of assets held to maturity	Foreign exchange effects	Interest	Foreign exchange effects	Impairment and reversal of impairment	Change in value of derivatives
Operating income	-	-	-	-	-	-	-	5	-
Cost of net financial debt	-	20	-	-	-	(46)	-	-	-
Other financial income and expenses [(1)]	-	-	1	-	-	-	9	-	(2)

	December 31, 2012								
					Debt at amortized cost		Loans and receivables		
(in millions of euros)	Valuation at fair value	Interest on assets remeasured at fair value	Dividends on available-for-sale assets	Impairment of assets held to maturity	Foreign exchange effects	Interest	Foreign exchange effects	Impairment and reversal of impairment	Change in value of derivatives
Operating income	-	-	-	-	-	-	-	(23)	-
Cost of net financial debt	-	41	-	-	-	(71)	-	-	-
Other financial income and expenses [(1)]	-	-	1	-	-	-	-	-	(3)

	December 31, 2011								
					Debt at amortized cost		Loans and receivables		
(in millions of euros)	Valuation at fair value	Interest on assets remeasured at fair value	Dividends on available-for-sale assets	Impairment of assets held to maturity	Foreign exchange effects	Interest	Foreign exchange effects	Impairment and reversal of impairment	Change in value of derivatives
Operating income	-	-	-	-	-	-	-	(41)	-
Cost of net financial debt	-	33	-	-	-	(89)	-	-	-
Other financial income and expenses [(1)]	-	-	1	-	-	-	-	-	2

(1) Excluding the financial cost related to unwinding of discount on long-term vacant property provisions and pension provisions (See Note 7).

Fair value

The table below sets out a comparison, by category of assets and liabilities, of the carrying amounts and the fair values of all the Group's financial instruments.

Financial assets belonging to the "held-for-trading" and "available-for-sale" categories are already measured at fair value in the financial statements.

Borrowings are measured at amortized cost in the financial statements, using the effective interest rate method.

	December 31, 2013		December 31, 2012		December 31, 2011	
(in millions of euros)	Fair value	Net carrying amount	Fair value	Net carrying amount	Fair value	Net carrying amount
Financial assets excluding operating assets						
Available-for-sale financial assets	47	47	164	164	45	45
Other financial assets	74	74	78	78	68	68
TOTAL OTHER FINANCIAL ASSETS	**121**	**121**	**242**	**242**	**113**	**113**
TRADE RECEIVABLES	**6,994**	**6,994**	**6,841**	**6,841**	**6,446**	**6,446**
Derivative assets	34	34	19	19	19	19
Other receivables and current assets (excluding derivatives)	69	69	83	83	109	109
TOTAL OTHER RECEIVABLES AND CURRENT ASSETS	**103**	**103**	**102**	**102**	**128**	**128**
CASH AND CASH EQUIVALENTS	**1,442**	**1,442**	**1,314**	**1,314**	**2,174**	**2,174**

(in millions of euros)	December 31, 2013 Fair value	December 31, 2013 Net carrying amount	December 31, 2012 Fair value	December 31, 2012 Net carrying amount	December 31, 2011 Fair value	December 31, 2011 Net carrying amount
Financial liabilities excluding operating payables						
Convertible bonds (Océanes, debt component)	27	27	137	126	888	797
Oranes (debt component)	42	42	61	15	70	18
Eurobond	273	262	282	269	810	791
Debt related to finance leases	162	78	182	81	183	84
Commitments to buy-out non-controlling interests (minority interests) and earn outs payable	350	350	503	503	469	469
Other borrowings	101	101	115	115	139	139
TOTAL BORROWINGS	**955**	**860**	**1,280**	**1,109**	**2,559**	**2,298**
TRADE PAYABLES	**8,636**	**8,636**	**8,249**	**8,249**	**7,745**	**7,745**
Derivative liabilities	25	25	7	7	5	5
Other borrowings and current liabilities (excluding derivatives)	273	278	235	235	212	212
TOTAL OTHER BORROWINGS AND CURRENT LIABILITIES	**298**	**303**	**242**	**242**	**217**	**217**

The fair values of the Eurobond and of the debt components of convertible bonds and Orane have been calculated by discounting the expected future cash flows to present at market interest rates.

Fair value hierarchy

The table below breaks down financial instruments recognized at fair value according to the measurement method used. The different levels of fair value have been defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Observable data other than quoted prices for identical assets or liabilities in active markets;
- Level 3: Unobservable data.

DECEMBER 31, 2013

(in millions of euros)	Level 1	Level 2	Level 3	Total
Short-term liquid investments	1,001	-	-	1,001
Available-for-sale financial assets	41	-	6	47
Derivative instruments - Assets	-	34	-	34
	1,042	**34**	**6**	**1,082**
Derivative instruments - Liabilities	-	(25)	-	(25)
TOTAL	**1,042**	**9**	**6**	**1,057**

DECEMBER 31, 2012

(in millions of euros)	Level 1	Level 2	Level 3	Total
Short-term liquid investments	965			965
Available-for-sale financial assets	67	-	97	164
Derivative instruments - Assets	-	19	-	19
	1,032	**19**	**97**	**1,148**
Derivative instruments - Liabilities	-	(7)	-	(7)
TOTAL	**1,032**	**12**	**97**	**1,141**

DECEMBER 31, 2011

(in millions of euros)	Level 1	Level 2	Level 3	Total
Short-term liquid investments	1,883			1,883
Available-for-sale financial assets	37	-	8	45
Derivative instruments - Assets	-	19	-	19
	1,920	**19**	**8**	**1,947**
Derivative instruments - Liabilities	-	(5)	-	(5)
TOTAL	**1,920**	**14**	**8**	**1,942**

Note 26 Management of risks

Exposure to interest rate risk

Group management determines the allocation of debt between fixed and variable-rate debt, which is periodically reviewed in terms of interest rate trend forecasts.

At the end of 2013, the Group's gross borrowings, excluding debt related to acquisition of shareholdings and debt relating to commitments to buy-out non-controlling interests, was composed of:

- 82% in fixed-rate loans with an average interest rate for 2013 of 4%;
- 18% of variable-rate loans.

The table below sets out the carrying amount by maturity on December 31, 2013 of the Group's financial instruments that are exposed to interest rate risk:

(in millions of euros)	Total at December 31, 2013	Maturity -1 yr	Maturity 1 to 5 yrs	Maturity +5 yrs
Fixed rate				
Eurobond 2015	262	-	262	-
Océanes (debt component)	27	27	-	-
Oranes (debt component)	42	42	-	-
Debt related to finance leases	78	-	-	78
NET LIABILITY (ASSET) AT FIXED RATE	**409**	**69**	**262**	**78**
VARIABLE RATE				
Bank borrowings	41	41	-	-
Bank overdrafts	60	60		
Cash and cash equivalents	(1,442)	(1,442)	-	-
Other financial assets	(121)	-	-	(121)
NET LIABILITY (ASSET) AT VARIABLE RATE	**(1,462)**	**(1,321)**	**-**	**(121)**

Exposure to exchange rate risk

Net assets

The table below shows the Group's net assets at December 31, 2013 broken down by principal currencies:

(in millions of euros)	Total at December 31, 2013	Euro (1)	US dollar	Pound Sterling	Brazilian Real	Yuan	Other
Assets	17,111	3,336	7,777	963	554	1,100	3,381
Liabilities	11,978	2,354	5,792	778	234	666	2,154
NET ASSETS	**5,133**	**982**	**1,985**	**185**	**320**	**434**	**1,227**
Effect of foreign exchange hedges (2)	**-**	**1,306**	**(1,088)**	**216**	**-**	**-**	**(434)**
NET ASSETS AFTER HEDGING	**5,133**	**2,288**	**897**	**401**	**320**	**434**	**793**

(1) Reporting currency used to present consolidated financial statements.
(2) The financial instruments used to hedge foreign exchange risk are mainly currency swaps.

In addition, changes in exchange rates against the euro, the reporting currency used in the Group's financial statements, can have an impact on the Group's consolidated balance sheet and consolidated income statement.

Revenue and operating margin

The breakdown of Group revenue by the currency in which it is earned is as follows:

	2013	2012	2011
Euro	17%	18%	20%
US dollar	46%	46%	45%
Pound Sterling	8%	7%	7%
Other	29%	29%	28%
TOTAL REVENUE	**100%**	**100%**	**100%**

The impact of a drop of 1% in the euro's exchange rate against the US dollar and the pound sterling would be (favorable impact):

- euro 38 million on 2013 consolidated revenue;
- euro 8 million on the 2013 operating margin.

The majority of our commercial dealings are done in the local currencies of the countries in which they are transacted. As a result, exchange rate risk relating to such transactions is not very significant and is occasionally hedged through currency hedging agreements.

As regards inter-Group loans/borrowings, these are subject to appropriate hedges if they present a significant net exposure to exchange rate risk.

Derivatives used are generally forward currency contracts.

Exposure to client counterparty risk

The Group analyzes its trade receivables, focusing in particular on improving the time taken to recover such receivables, in the context of the management of its working capital requirements. The Group Treasury Department monitors overdue receivables for the entire Group. In addition, the Group periodically reviews the list of its main clients in order to determine exposure to client counterparty risk at Group level and, if necessary, it puts in place specific monitoring in the form of a weekly summary of the Group's exposure to certain clients.

Any impairments required are assessed on an individual basis and take into account different criteria such as the customer's situation and delays in payment. No general provisions are recorded on an overall basis.

The following table shows the period overdue of the invoiced trade receivables for the last three financial years:

(in millions of euros)	2013	2012	2011
Amounts not yet due	**4,538**	**4,564**	**4,333**
Overdue receivables:			
Up to 30 days	368	452	382
31 to 60 days	122	131	111
61 to 90 days	32	44	34
91 to 120 days	27	28	34
More than 120 days	89	102	110
TOTAL OVERDUE RECEIVABLES	**638**	**757**	**671**
INVOICED TRADE RECEIVABLES	**5,176**	**5,321**	**5,004**
Impairment	(77)	(101)	(106)
INVOICED TRADE RECEIVABLES, NET	**5,099**	**5,220**	**4,898**

Disclosures regarding major clients

% of revenue	2013	2012	2011
Five largest clients	18%	19%	20%
Ten largest clients	25%	27%	28%
Twenty largest clients	34%	37%	38%
Thirty largest clients	41%	44%	46%
Fifty largest clients	50%	53%	53%
One hundred largest clients	61%	63%	63%

Exposure to bank counterparty risk

Publicis has established a group-wide policy for selecting authorized banks as counterparties for all its subsidiaries. This policy requires that deposits be made in authorized banks and that in general all banking services be provided exclusively by these banks. The list of authorized banks is reviewed periodically by the corporate treasury office. Exceptions to this policy are handled centrally for the entire Group by the treasury office.

Additionally, studies are carried out in order to ensure that almost all cash and cash equivalents are deposited in authorized banks.

Other

A lawsuit seeking to block or cancel the merger agreement between Publicis Groupe SA and Omnicom Group Inc. (Omnicom) into Publicis Omnicom Group, signed on July 27, 2013, was filed on August 5, 2013 by various Omnicom shareholders with the Supreme Court of New York State. The claimants are suing the Chairman and members of the Board of Directors of Omnicom for having, in their view, breached their fiduciary duties by approving a merger that would be harmful to the interests of Omnicom shareholders. It also alleged that Publicis aided and encouraged this breach.

Two writs were also filed with the Supreme Court of New York State on August 14 and August 20, 2013 on the same grounds. On October 3, 2013, the various claimants petitioned the Supreme Court of New York State to join these three cases. On October 28, 2013, the Supreme Court agreed to the joining of the cases, which will have to be amended within three weeks of the filing with the SEC (Securities and Exchange Commission) of the prospectus (Form S-4) prepared as part of the merger of Publicis Groupe SA and Omnicom Group Inc.

At present, this claim is considered to be without merit and to have no adverse impact on the 2013 financial statements.

Note 27 Segment reporting

Information by business sector

The Publicis Groupe structure, developed over several years, is designed to provide the Group's clients with comprehensive, holistic communication services involving all disciplines.

The Group has identified 13 operating segments which correspond to our networks of agencies and which may be categorized together since they share similar economic features (similar margins across the various operating segments) and provide similar services (a full range of advertising and communications services) and do so for similar types of clients (the Group's top 20 clients are clients of several operating segments). The 13 operating segments are thus pooled into a single sector in accordance with IFRS 8.

Reporting by region

Given the importance of geographic location for the analysis of our business, the Group has chosen to provide specific information by region.

Data are established on the basis of the location of the agency.

YEAR 2013

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue [(1)]	2,154	3,303	836	464	196	**6,953**
Depreciation and amortization expense (excluding intangibles from acquisitions)	(48)	(49)	(15)	(4)	(3)	**(119)**
Operating margin including merger costs	204	670	113	78	42	**1,107**
Merger costs	(38)	-	-	-	-	**(38)**
Operating margin excluding merger costs	242	670	113	78	42	**1,145**
Amortization of intangibles from acquisitions	(9)	(34)	(1)	(5)	-	**(49)**
Impairment	(1)	(3)	-	-	-	**(4)**
Balance sheet items						
Goodwill, net	2,095	2,813	701	408	106	**6,123**
Intangible assets, net	196	702	4	37	-	**939**
Property, plant and equipment, net	285	174	32	15	7	**513**
Other financial assets	67	22	26	5	1	**121**
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(61)	(39)	(16)	(7)	(3)	**(126)**
Purchases of investments and other financial assets, net	(14)	63	1	(1)	-	**49**
Acquisitions of subsidiaries	(395)	(115)	(143)	(13)	(20)	**(686)**

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.

YEAR 2012 [(1)]

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue [(2)]	1,976	3,146	842	463	183	**6,610**
Depreciation and amortization expense (excluding intangibles from acquisitions)	(46)	(56)	(15)	(6)	(3)	**(126)**
Operating margin [(1)]	256	580	114	82	30	**1,062**
Amortization of intangibles from acquisitions	(8)	(31)	(2)	(4)	-	**(45)**
Impairment	(3)	(7)	-	-	(1)	**(11)**
Balance sheet items						
Goodwill, net	1,654	2,834	649	449	81	**5,667**
Intangible assets, net	161	768	3	49	1	**982**
Property, plant and equipment, net	279	174	35	12	6	**506**
Other financial assets	143	65	28	5	1	**242**
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(60)	(39)	(18)	(4)	(2)	**(123)**
Purchases of investments and other financial assets, net	(118)	1	(3)	-	-	**(120)**
Acquisitions of subsidiaries	(135)	(33)	(51)	(143)	(7)	**(369)**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.
(2) Because of the way this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.

YEAR 2011 (1)

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue (2)	1,872	2,721	690	374	159	**5,816**
Depreciation and amortization expense (excluding intangibles from acquisitions)	(43)	(43)	(11)	(4)	(2)	**(103)**
Operating margin (1)	239	521	84	60	25	**929**
Amortization of intangibles from acquisitions	(7)	(26)	(2)	(3)	-	**(38)**
Impairment	-	-	-	-	-	**-**
Balance sheet items						
Goodwill, net	1,381	2,833	598	340	55	**5,207**
Intangible assets, net	136	819	2	28	-	**985**
Property, plant and equipment, net	270	176	31	12	7	**496**
Other financial assets	20	64	25	3	1	**113**
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(60)	(37)	(4)	(12)	(3)	**(116)**
Purchases of investments and other financial assets, net	15	(1)	-	(1)	-	**13**
Acquisitions of subsidiaries	(128)	(439)	(150)	(11)	-	**(728)**

(1) Figures have been restated as explained in Note 1 "Accounting policies" in accordance with IAS 19 amended.
(2) Because of the way this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.

Note 28 Publicis Groupe SA stock option and free share plans

The free share plans in force on December 31, 2013 have the following features:

- Long Term Incentive Plan "LTIP 2013" (April 2013) and "LTIP 2013-2015" (June 2013) for members of the Management Board

  Under these plans, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the free shares are subject to performance criteria, such that the total number of shares received will depend on the overall attainment of growth and profitability targets in 2013 (or over the 2013-2015 period for members of the Management Board). The shares were initially awarded in April 2013 and will vest in April 2017, except for French employees whose share awards will vest in April 2016.

- Free shares granted as part of a co-investment program (April 2013)

  Under this plan, offered to 200 members of Group management, each beneficiary is awarded one free share and 7.03 share subscription options for each Publicis share purchased on their behalf by LionLead, a specific structure dedicated to this operation. The free shares are subject to conditions: *i.e.*, that the entire investment remains unsold and that employment continues throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. These shares were awarded in April 2013 and will vest in April 2017, except for French employees whose shares will vest in April 2016.

  The free shares granted to corporate officers are subject to additional performance conditions, such that the number of shares that can effectively be received will depend on the growth and profitability targets attained over the 2013-2015 period.

- Free share plan for employees in the following 26 countries (February 2013): Australia, Austria, Bulgaria, Colombia, South Korea, Costa Rica, United Arab Emirates, Greece, Guatemala, Hong Kong, Hungary, Israel, Lebanon, Malaysia, Mauritius, New Zealand, Panama, Puerto Rico, Czech Republic, Romania, Serbia, Singapore, Switzerland, Taiwan, Thailand, Turkey.

  Under this plan, as was done in France in 2009, in the United States in 2010 and in 16 other countries in 2011, 50 free shares were allocated on February 1, 2013 to all employees who have at least six months of employment and who work more than 21 hours per week in a majority-owned subsidiary established in one of the countries included in the plan. Receipt of the shares is conditional on four years of employment: the free shares will be issued to the beneficiaries in February 2017, the date at which they become the beneficial owners thereof and are able to exercise their rights as shareholders.

- Long Term Incentive Plan "LTIP 2012" (April 2012)

  Under this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the free shares are subject to additional performance criteria, such that the total number of shares received was dependent on the overall attainment of growth and profitability targets in 2012. Performance was measured in March 2013, with 100% of the targets for this plan being achieved. The shares were initially awarded in April 2012 and will vest in April 2016, except for French employees whose share awards will vest in April 2015.

- Free share plan for employees in the following 16 countries (December 2011): Germany, Belgium, Brazil, Canada, Denmark, Spain, Finland, India, Italy, Mexico, Norway, Netherlands, Poland, Portugal, United Kingdom, Sweden.

  Under this plan, as was done in France in 2009 and in the United States in 2010, 50 free shares were allocated on December 1, 2011 to all employees who have at least six months of employment and who work more than 21 hours per week in a majority-owned subsidiary established in one of the countries included in the plan. Receipt of the shares is conditional on two years of employment for Spain and Italy, plus a lock-in period of three-years, and of four years for the other countries: the free shares were received by beneficiaries in December 2013 for Spain and Italy and will be received in December 2015 for the other countries, at which point they will become the beneficial owners thereof and may exercise their rights as shareholders.

- Long Term Incentive Plan "LTIP 2011" (April 2011)

  Under this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the free shares are subject to additional performance criteria, such that the total number of shares received was dependent on the overall attainment of growth and profitability targets in 2011. Performance was measured in March 2012, with 95.7% of the targets for this plan being achieved. The shares were initially awarded in April 2011 and will vest in April 2015, except for French employees whose share awards will vest in April 2014.

- Free share plan for employees of American entities (December 2010)

  Under this plan in the US, 50 free shares were awarded on December 1, 2010 to all employees working more than 21 hours per week in a majority-owned subsidiary in the USA. Receipt of the shares is conditional on four years of employment: the free shares will be issued to the beneficiaries in December 2014, the date at which they become the beneficial owners thereof and are able to exercise their rights as shareholders.

- Long Term Incentive Plan "LTIP 2010" (August 2010) and "LTIP 2010-2012" for members of the Management Board (September 2010)

  Under these plans, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the shares are subject to additional performance criteria, such that the total number of shares received was dependent on the overall attainment of growth and profitability targets in 2010 (or over the 2010-2012 period for members of the Management Board). Performance was measured in March 2011, with 100% of the targets being achieved for LTIP 2010 and 98.6% for LTIP 2010-2012 (Management Board). The shares were initially awarded in August (September for the Management Board) 2010 and will vest in August (and September) 2014, except for French employees whose share awards vested in August (and September) 2013.

- Free share plan for certain employees of Razorfish (December 2009)

  At the time of the Razorfish acquisition, some of its employees benefited from Microsoft "Restricted Share Units" awarded between 2007 and 2009. On December 1, 2009 a new Publicis Groupe free share plan was implemented, subject to continued employment of the same beneficiaries, whereby the same number of shares was awarded after being converted into Publicis Groupe shares with the same vesting dates as the prior plans (which for most beneficiaries vested between January 2010 and September 2015). The number of free Microsoft shares in the process of vesting was converted into Publicis Groupe shares, using the existing ratio between the average Microsoft share price over the preceding 20 trading days over the Publicis Groupe share price on the acquisition date (October 13, 2009).

- Free shares granted as part of the co-investment program (March 2009)

  Under this plan, offered to 160 members of Group management, each beneficiary is awarded two free shares for each Publicis share purchased on their behalf by LionLead, a specific structure dedicated to this operation. These shares are subject to conditions: *i.e.*, that the entire investment remains unsold and that employment continues throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the second free share is subject to additional performance criteria, such that the total number of shares received was dependent on the overall attainment of growth and profitability targets over the 2009-2011 period. Free shares awarded to corporate officers depend entirely on performance criteria. Performance was measured in March 2012, with 100% of the targets for this plan being achieved. These shares were awarded in March 2009 and vested in March 2013, except for French employees whose shares vested in March 2012.

The stock option plans in force at December 31, 2013 had the following features:

- Stock option plan as part of a co-investment program (April 2013)

  Under this plan, offered to 200 members of Group management, each beneficiary is awarded one free share and 7.03 stock options for each Publicis share purchased on their behalf by LionLead, a specific structure dedicated to this operation. The stock options are subject to conditions: *i.e.*, that the entire investment remains unsold and that employment continues throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period. These options, which were granted in April 2013, will become exercisable in April 2017, except for French employees for whom they will become exercisable in April 2016.

  The options are also subject to performance criteria, such that the number of options that can effectively be exercised will depend on the overall attainment of growth and profitability targets over the 2013-2015 period. On top of this, a market condition, designed to limit the theoretical gain calculated at the end of a three-year period at 50% of the exercise price of the option, will also lead to an adjustment in the number of exercisable options.

- "LTIP 2006-2008" Long Term Incentive Plan (twenty-second tranche in 2006 and twenty-third tranche in 2007)

  Options granted under this plan grant a right to acquire one share for an exercise price equal to the average Publicis share price over the 20 days preceding the date of grant. The number of options that may be exercised out of the total number granted was determined in April 2009 based on the growth and profitability levels achieved over the entire 2006-2008 period, corresponding to 62.59% of the initial grant. For the first half of the options, the exercise period began in 2009, while the second half was exercisable as of April 2010. The options expire ten years after the grant date.

- Plan awarded in 2006 (twenty-first tranche)

  Options granted under this plan grant a right to acquire one share for an exercise price equal to the average Publicis share price over the 20 days preceding the date of grant. Options may be exercised after a period of four years and expire ten years after the date of grant.

- Long Term Incentive Plan (LTIP) 2003-2005 (seventeenth tranche in 2003, nineteenth tranche in 2004, twentieth tranche in 2005)

  Options granted under this plan confer entitlement to one share, the exercise price of which is the average cost of the treasury shares on the date of grant. The number of options that may be exercised out of the total number granted was determined in April 2006 based on the growth and profitability levels achieved over the entire 2003-2005 period, corresponding to 98.92% of the initial grant. For the first half of the options, the exercise period began in 2006, while the second half was exercisable in 2007. The options expire ten years after the grant date.

- Plan awarded in 2003 (sixteenth tranche)

  Options granted under this plan grant a right to acquire one share for an exercise price equal to the average Publicis share price over the 20 days preceding the date of grant. Options may be exercised after a period of four years and expire ten years after the date of grant.

Share subscription options originated by Publicis Groupe

Characteristics of Publicis Groupe share subscription or share purchase plans outstanding at December 31, 2013

Plans	Type [1]	Date of grant	Exercise price of options (in euros)	Options outstanding on January 1, 2013 (or if later: the grant date)	Cancelled or lapsed option in 2013	Options exercised in 2013	Options outstanding on December 31, 2013	Of which exercisable at December 31, 2013	Expiration date	Remaining contract life (in years)
16th tranche	A	08/28/2003	24.82	26,000	(15,000)	(11,000)	-	-	-	-
17th tranche LTIP 2003-2005	A	08/28/2003	24.82	341,395	(79,532)	(261,863)	-	-	-	-
19th tranche LTIP 2003-2005	A	09/28/2004	24.82	282,671	-	(45,766)	236,905	236,905	09/28/2014	0.74
20th tranche LTIP 2003-2005	A	05/24/2005	24.76	94,624	-	(23,547)	71,077	71,077	05/24/2015	1.39
21st tranche	A	08/21/2006	29.27	100,000	-	-	100,000	100,000	08/21/2016	2.63
22nd tranche LTIP 2006-2008	A	08/21/2006	29.27	1,484,647	(14,708)	(435,592)	1,034,347	1,034,347	08/21/2016	2.63
23rd tranche LTIP 2006-2008	A	08/24/2007	31.31	329,343	(4,382)	(86,351)	238,610	238,610	08/24/2017	3.64
Co-investment 2013 - options	S	04/30/2013	52.76	5,949,305	(171,003)	-	5,778,302	-	04/30/2023	9.33
TOTAL OF ALL TRANCHES				**8,607,985**	**(284,625)**	**(864,119)**	**7,459,241**	**1,680,939**		

(1) A = stock options – S = share subscription options.

Movements in Publicis Groupe stock option plans over the last three years

	2013		2012		2011	
	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)
Options outstanding at January 1	2,658,680	28.27	5,892,204	27.82	7,806,986	28.02
Options granted during the year	5,949,305	52.76	-		-	
Options exercised [1]	(864,119)	27.71	(2,837,244)	27.50	(1,792,636)	28.60
Options cancelled or lapsed	(284,625)	41.94	(396,280)	27.09	(122,146)	29.79
OPTIONS OUTSTANDING AT DECEMBER 31	**7,459,241**	**47.35**	**2,658,680**	**28.27**	**5,892,204**	**27.82**
Of which exercisable	1,680,939	28.74	2,658,680	28.27	5,892,204	27.82
(1) Average option price (in euros)		*56.19*		*40,57*		*36,29*

Fair value of options granted in the last three years

- Stock options granted in 2013:

Options	2013 co-investment plan [1]
Date of Management Board Meeting	04/30/2013
Number of shares granted during the year	5,949,305
Initial valuation of options granted (weighted average, in euros)	6.99
Assumptions:	
Share price on the grant date (in euros)	53.37
Exercise price of options (in euros)	52.76
Stock price volatility used for option valuation	20%
Vesting period (in years) [2]	4
Average life [2]	7

(1) Options conditional on the achievement of targets under the 2013-2015 three-year plan. On top of this, a market condition limits the theoretical gain calculated at the end of a three-year period at 50% of the exercise price of the option. Given this market condition, the Monte Carlo method was used to calculate fair value.

(2) For the French beneficiaries, the vesting period is three years and the average option life is 6.5 years.

- Share subscription and stock options granted in 2012 and 2011: None.

Free share plans originated by Publicis Groupe

Characteristics of the Publicis Groupe free share plans outstanding at December 31, 2013

Plans	Grant date initial	Grants as of January 1, 2013 (or if later: date of grant)	Shares canceled, lapsed or transferred (1) in 2013	Shares vesting in 2013	Shares yet to vest at December 31, 2013	Vesting date of shares (2)	Remaining contract life (in years)
2009 co-investment plan – Outside France	03/19/2009	2,166,651	-	(2,166,651)	-	03/19/2013	-
LTIP Plan 2010 - France	08/19/2010	83,550	(10,850)	(72,700)	-	08/19/2013	-
LTIP Plan 2010 - Outside France	08/19/2010	463,600	(22,600)	-	441,000	08/19/2014	0.63
LTIP Plan 2010-2012 (Management Board members France)	09/22/2010	149,821	-	(149,821)	-	09/22/2013	-
LTIP Plan 2010-2012 (Management Board members Outside France)	09/22/2010	98,566	-	-	98,566	09/22/2014	0.73
50 free shares plan 2010 - United States	12/01/2010	373,150	(70,000)	-	303,150	12/01/2014	0.92
LTIP Plan 2011 - France	04/19/2011	82,744	(7,179)	-	75,565	04/19/2014	0.30
LTIP Plan 2011 - Outside France	04/19/2011	493,048	(26,186)	-	466,862	04/19/2015	1.30
50 free shares plan 2011 - Spain, Italy	12/01/2011	72,500	(8,350)	(64,150)	-	12/01/2013	-
50 free shares plan 2011 - 14 countries	12/01/2011	342,200	(67,425)	-	274,775	12/01/2015	1.92
LTIP Plan 2012 - France	04/17/2012	99,800	(9,300)	-	90,500	04/17/2015	1.29
LTIP Plan 2012 - Outside France	04/17/2012	567,175	(31,901)	-	535,274	04/17/2016	2.30
50 free shares plan 2013 - 26 countries	02/01/2013	320,475	(70,050)	-	250,425	02/01/2017	3.09
LTIP Plan 2013 - France	04/16/2013	83,500	(1,525)		81,975	04/16/2016	2.29
LTIP Plan 2013 - Outside France	04/16/2013	553,050	(12,500)	-	540,550	04/16/2017	3.29
LTIP Plan 2013-2015 (Management Board members France)	06/17/2013	70,000	-	-	70,000	06/17/2016	2.46
LTIP Plan 2013-2015 (Management Board members Outside France)	06/17/2013	35,000	-	-	35,000	06/17/2017	3.46
2013 co-investment plan - Free shares France	04/30/2013	142,866	(9,531)	-	133,335	04/30/2016	2.33
2013 co-investment plan - Free shares Outside France	04/30/2013	703,422	(14,794)	-	688,628	04/30/2017	3.33
TOTAL OF FREE SHARE PLANS		**6,901,118**	**(362,191)**	**(2,453,322)**	**4,085,605**		

(1) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.

(2) After this date, French beneficiaries must observe an additional two-year lock-in period.

The award of the free shares listed above is conditional on continued employment by the employee throughout the vesting period. Awards under the following plans are also subject to non-market performance conditions: the 2009 and 2013 co-investment plans for the members of the Management Board and for the half of the shares awarded to beneficiaries of the 2009 co-investment plan who are not members of the Management Board and LTIP 2010 to LTIP 2013.

Movements in Publicis Groupe free share plans over the last three years

	2013	2012	2011
Provisional grants at January 1	4,992,805	5,629,822	5,013,183
Provisional grants during the year	1,908,313	681,500	1,208,350
Grants vesting (deliveries)	(2,453,322)	(805,470)	(150,575)
Grants lapsed	(362,191)	(513,097)	(441,136)
Provisional grants at December 31	**4,085,605**	**4,992,805**	**5,629,822**

Fair value of free Publicis Groupe shares granted in the last three years:

FREE SHARES GRANTED IN 2013

Free shares	2013 plan - employees worldwide - 26 countries (1)	LTIP 2013 (2)	2013 co-investment plan (3)	LTIP 2013-2015 (3)
Date of Management Board Meeting	02/01/2013	04/16/2013	04/30/2013	06/17/2013
Number of shares originally granted	320,475	636,550	846,288	105,000
Initial valuation of shares granted (weighted average, in euros) (4)	44.05	47.17	48.59	51.26
Assumptions:				
Share price on the grant date (in euros)	48.49	51.43	53.37	54.80
Vesting period (in years) (5)	4	4	4	4

All of the aforementioned free share grants are conditional on continued employment during the vesting period.

(1) *The countries concerned are: Australia, Austria, Bulgaria, Colombia, South Korea, Costa Rica, United Arab Emirates, Greece, Guatemala, Hong Kong, Hungary, Israel, Lebanon, Malaysia, Mauritius, New Zealand, Panama, Puerto Rico, Czech Republic, Romania, Serbia, Singapore, Switzerland, Taiwan, Thailand, and Turkey.*

(2) *Conditional shares whose vesting is subject to the achievement of targets set for 2013.*

(3) *Share awards to members of the Management Board are conditional on the achievement of targets under the 2013-2015 three-year plan.*

(4) *In the case of the co-investment plan, the reference price used for the purposes of calculating the fair value is the average price from April 22 to 29, 2013, namely the period in which the share purchases were made under the co-investment plan and which made possible the determination of the number of free shares and options awarded.*

(5) *For the French, the vesting period is three years, followed by a two-year lock-in period.*

FREE SHARES GRANTED IN 2011 AND 2012

Free shares	LTIP 2012	LTIP 2011	2011 Plan – employees worldwide (1)
Date of Management Board Meeting	04/17/2012	04/19/2011	12/01/2011
Number of shares originally granted	681,550	674,650	533,700
Initial valuation of shares granted (weighted average, in euros)	37.66	34.72	32.31
Assumptions:			
Share price on the grant date	40.69	37.71	35.47
Lock-in period (in years) (2)	4	4	4

(1) *The countries concerned are: Germany, Belgium, Brazil, Canada, Denmark, Finland, India, Mexico, Norway, Netherlands, Poland, Portugal, United Kingdom, and Sweden.*

(2) *The vesting period for French beneficiaries is three years followed by a two-year lock-in period. Under the 50 free shares plan 2011 - worldwide, the vesting period for Italian and Spanish beneficiaries is two years followed by a three-year lock-in period.*

It should be noted that for these plans, the only adjustment made in the fair value of the free shares was to account for lost dividends during the vesting period; no discount was applied for the lock-in period since the effect was considered to be negligible.

Share subscription plans originated by Digitas

On the acquisition of Digitas these plans were converted into the Publicis Groupe stock option plans, applying the ratio existing between the acquisition price of our public offering for Digitas (translated into euros) and to the Publicis Groupe share price at the completion date of the merger. The subscription price was correspondingly adjusted.

Characteristics of the Digitas stock option plans outstanding at December 31, 2013

Shares with a euro 0.40 par value	Date of grant min	Date of grant max	Exercise price of options (in euros) min	Exercise price of options (in euros) max	Number of options outstanding at December 31, 2013	Of which exercisable at December 31, 2013	Expiry date min	Expiry date max	Remaining contract life (in years)
Digitas Plans									
2001	03/01/2001	01/24/2007	5.08	35.42	85,965	85,965	03/01/2011	01/24/2017	2.43
2005 UK	06/01/2005	12/01/2006	21.70	35.42	5,055	5,055	06/01/2015	12/01/2016	3.00
TOTAL OF TRANCHES					**91,020**	**91,020**			
Average exercise price (in euros)					27.59	27.59			

Movements in Digitas stock option plans for the last three years

	2013		2012		2011	
	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)
Options at January 1	188,408	27.20	326,685	25.27	453,627	22.99
Exercised options (1)	(76,433)	36.23	(42,106)	18.53	(83,651)	16.22
Cancelled or lapsed options	(20,955)	23.16	(96,171)	24.45	(43,291)	18.93
OPTIONS AT DECEMBER 31	**91,020**	**27.59**	**188,408**	**27.20**	**326,685**	**25.27**
Of which exercisable	91,020	27.59	188,408	27,20	326,685	25,27
(1) Average option exercise price (in euros)		*56.19*		*40.57*		*36.29*

Publicis Groupe free share plans granted to certain Razorfish employees

The new Publicis Groupe free share plan, established on December 1, 2009, to replace the plans granted to certain Razorfish employees that were in effect at the time of the acquisition, resulted in the granting of 493,832 free shares in the Publicis Groupe. For the majority of shares the vesting period runs for four years (2010-2013), with a smaller portion running until 2018. At December 31, 2013, the number of free shares yet to be vested was 5,162.

Effect of share subscription or stock option plans and free share plans on profit (loss)

The total impact of these plans on the 2013 income statement was euro 40 million (excluding taxes and social security charges), compared to euro 26 million in 2011 and 2012 (see Note 3 "Personnel expenses").

With regard to the share or options plans granted subject to non-market performance conditions, the rights of which were still to be vested as of December 31, 2013, the probability of the targets for 2013 being met has been estimated as follows:

- LTIP 2013 plans: 62%;
- LTIP 2013-2015 plan (Management Board): 87%;
- 2013 co-investment plan: 87%.

Note 29 Related-party disclosures

Related-party transactions

The following related-party transactions occurred:

	Receivables/Loans		
(in millions of euros)	2013	2012	2011
Somupi	3	6	4

Terms and conditions of related-party transactions

- On February 17, 2012, Publicis purchased 18 million of its own shares offered for sale by Dentsu. This transaction, along with the simultaneous cancellation of 10.8 million shares, was authorized by the Supervisory Board (the interested parties having abstained from voting), pursuant to the provisions of articles L. 225-86 *et seq.* of the Commercial Code. So that this project could be carried out, Ms. Badinter waived her rights under the shareholders' agreement entered into with Dentsu following its acquisition of a stake in the share capital of Publicis Groupe SA in 2002. The transaction brings this agreement to a close, together with the resulting concert party and the SEP Dentsu-Badinter, which has been dissolved. It also results in the termination of the shareholder agreement entered into by Dentsu and Publicis Groupe in 2003.
- Certain members of the Group's Supervisory Board hold management positions in financial establishments that have business relations with the Group, notably:
  - on July 13, 2011, Publicis Groupe SA signed a syndicated loan (Club Deal) in the amount of euro 1,200 million with a syndicate of 15 banks. BNP Paribas is the agent for the syndicate and also contributed euro 106 million to this facility. Société Générale and Deutsche Bank also contributed euro 106 million and euro 50 million, respectively;
  - agreements on confirmed lines of credit were made by the Company in 2009 with BNP Paribas and Société Générale, for a principal of euro 100 million each and a maturity of five years, these lines of credit have been renewed in 2013 until 2018.

Compensation of managers

Managers cover individuals who were members of the Supervisory Board or Management Board, at the reporting date or during the year ended.

(in millions of euros)	2013	2012	2011
Total gross compensation (1)	(10)	(27)	(11)
Post-employment benefits (2)	1	-	5
Other long-term benefits (3)	1	19	(2)
Share-based payments (4)	(3)	(3)	(4)

(1) Compensation, bonuses, indemnities, directors' fees and benefits in kind paid during the year.

(2) Change in pension provisions (net impact on income statement).

(3) Increase/release of provisions for deferred compensation and contingent bonuses. The 2012 reversal of the provision was due to the payment of the deferred bonus to the Chairman of the Management Board and the corresponding social security expenses.

(4) Expense recognized in the income statement under the Publicis Groupe stock option and free share plans.

In addition, the accounting provision as at December 31, 2013 for post-employment and other long-term benefits for senior management amounts to euro 9 million (this number was euro 11 million on December 31, 2012 and euro 30 million on December 31, 2011).

Note 30 Subsequent events

Océane 2018

Out of the 559,278 outstanding Océane 2018 bonds as of December, 31 2013, 554,604 bonds were converted in December 2013 and January 2014. On this basis, 562,921 Publicis shares were delivered in January 2014 and during the same month the remaining 4,674 bonds were redeemed in cash at a unit price of euro 48.74.

Oranes

As part of the compensation offer made by Publicis to Orane bondholders, approved by the Meeting of Orane bondholders on October 10, 2013, the holders who claimed their entitlements received euro 865,656 in additional interest on January 15, 2014 as well as 110,871 Publicis Groupe shares in connection with the adjustment of the redemption rate.

Note 31 Fees of the statutory auditors and members of their networks

The fees paid by Publicis Groupe SA during 2013 and 2012 to all of the Group's statutory auditors were as follows:

	Ernst & Young				Mazars				Total			
	Total (excl. VAT)		%		Total (excl. VAT)		%		Total (excl. VAT)		%	
(in millions of euros)	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Audit												
Statutory audit, audit opinion, review of individual and consolidated financial statements												
Publicis Groupe SA (parent company)	0.7	0.7	9%	10%	0.3	0.4	7%	9%	1.0	1.1	8%	10%
Subsidiaries	4.0	4.6	52%	66%	3.0	3.7	68%	84%	7.0	8.3	58%	73%
SUBTOTAL	**4.7**	**5.3**	**61%**	**76%**	**3.3**	**4.1**	**75%**	**93%**	**8.0**	**9.4**	**66%**	**83%**
Other work and services directly related to the audit mission												
Publicis Groupe SA (parent company)	-	-	-	-	-	-	-	-	-	-	-	-
Subsidiaries	1.9	1.4	25%	20%	0.1	0.3	2%	7%	2.0	1.7	17%	15%
SUBTOTAL	**1.9**	**1.4**	**25%**	**20%**	**0.1**	**0.3**	**2%**	**7%**	**2.0**	**1.7**	**17%**	**15%**
Other services												
Tax	0.1	0.3	1%	4%	-	-	-	-	0.1	0.3	1%	2%
Merger	1.0	-	13%	-	1.0	-	23%	-	2.0	-	16%	-
SUBTOTAL	**1.1**	**0.3**	**14%**	**4%**	**1.0**	**-**	**23%**	**-**	**2.1**	**0.3**	**17%**	**2%**
TOTAL	**7.7**	**7.0**	**100%**	**100%**	**4.4**	**4.4**	**100%**	**100%**	**12.1**	**11.4**	**100%**	**100%**

Note 32 List of main consolidated companies on December 31, 2013

A) Fully consolidated companies

The companies listed below are our operating companies with revenue of at least euro 10 million.

Name	Voting rights	Shareholding	Country
Mediavision et Jean Mineur SA	66. 63%	66.63%	France
Metrobus Publicité SA	67.00%	67.00%	France
Mediagare SNC	100.00%	67.00%	France
Drugstore Champs-Élysées SNC	100.00%	100.00%	France
Marcel SAS	100.00%	99.61%	France
Publicis Conseil SA	99.61%	99.61%	France
Publicis Consultants I France SARL	99.99%	99.99%	France
Publicis Activ France SA	99.96%	99.57%	France
Leo Burnett SAS	100.00%	100.00%	France
Publicis Dialog SAS	100.00%	99.61%	France
VivaKi Performance SA	100.00%	100.00%	France
VivaKi Communication SA	100.00%	100.00%	France
PLBSA	100.00%	100.00%	France
LBi Germany AG (2)	100.00%	100.00%	Germany
MetaDesign AG (2)	100.00%	100.00%	Germany
CNC AG (2)	100.00%	100.00%	Germany
Razorfish	100.00%	100.00%	Germany
Optimedia Gesellschaftfür Media-Services GmbH	100.00%	100.00%	Germany
Zenithmedia Dusseldorf GmbH	100.00%	100.00%	Germany
Saatchi & Saatchi GmbH	100.00%	100.00%	Germany
Leo Burnett GmbH	100.00%	100.00%	Germany
Publicis Hamburg PWW GmbH	100.00%	100.00%	Germany
VivaKi GmbH	100.00%	100.00%	Germany
Pixelpark AG	79.23%	79.23%	Germany
ZenithOptimedia Australia Pty Ltd	100.00%	100.00%	Australia
Publicis Loyalty Pty Ltd	100.00%	100.00%	Australia
Saatchi & Saatchi Communications Australia Pty Ltd	100.00%	100.00%	Australia
Leo Burnett Pty Ltd	100.00%	100.00%	Australia
Starcom MediaVest Group Pty Ltd	100.00%	100.00%	Australia
Taterka Comunicações SA (2)	100.00%	100.00%	Brazil
Neogama BBH Publicidade Ltda	100.00%	100.00%	Brazil
DPZ Duailibi Petit Zaragoza Propaganda	70.00%	70.00%	Brazil
AG2 Agencia de Inteligencia Digital SA	62.44%	62.44%	Brazil
Publicis Brasil Comunicaçao Ltda	100.00%	100.00%	Brazil
Leo Burnett Publicidade Ltda	99.99%	99.99%	Brazil
Finance Nazca Saatchi & Saatchi Publicidade Ltda	59.00%	59.00%	Brazil
Talent Comunicacao e Planejamento SA	100.00%	100.00%	Brazil
ZenithOptimedia Canada Inc	100.00%	100.00%	Canada
G/B2 Inc	100.00%	100.00%	Canada
Leo Burnett Company Ltd	100.00%	100.00%	Canada
TMG MacManus Canada Inc	100.00%	100.00%	Canada
Publicis Canada Inc	100.00%	100.00%	Canada
MMS Communications Chile SA (2)	100.00%	100.00%	Chile
Shanghai Genedigi Brand Management Co. Ltd	100.00%	100.00%	China

Name	Voting rights	Shareholding	Country
Publicis Advertising Co. Ltd	100.00%	100.00%	China
Saatchi & Saatchi Great Wall Advertising Co. Ltd	100.00%	100.00%	China
Leo Burnett Shanghai Advertising Co. Ltd	70.00%	70.00%	China
Leo Burnett Ltd	100.00%	100.00%	China
Denuo Ltd	100.00%	100.00%	China
Leo Burnett Colombiana SA	99.99%	99.99%	Colombia
Publicis Groupe Media SA	97.44%	97.44%	Colombia
Leo Burnett Korea Inc	100.00%	100.00%	Korea
Publicis Graphics LLC (2)	100.00%	100.00%	UAE
Leo Burnett	100.00%	100.00%	UAE
Starcom MediaVest Group	100.00%	100.00%	UAE
Optimedia SL	100.00%	100.00%	Spain
Starcom MediaVest Group Iberia SL	100.00%	100.00%	Spain
Publicis Comunicacion Espana LC	100.00%	100.00%	Spain
Zenith Media SL	100.00%	100.00%	Spain
Rokkan Media LLC (2)	100.00%	100.00%	USA
MRY US LLC (2)	100.00%	100.00%	USA
Engauge Marketing LLC (2)	100.00%	100.00%	USA
A/R Media Inc (2)	100.00%	100.00%	USA
ZenithDirect LLC (2)	100.00%	100.00%	USA
Bartle Bogle Hegarty LLC (2)	100.00%	100.00%	USA
Fallon Group Inc	100.00%	100.00%	USA
Optimedia International US Inc	100.00%	100.00%	USA
Martin Retail Group LLC	70.00%	70.00%	USA
Kekst and Company Inc	100.00%	100.00%	USA
Publicis Inc (DE)	100.00%	100.00%	USA
Leo Burnett Detroit Inc	100.00%	100.00%	USA
SCAP USA LLC	100.00%	100.00%	USA
Medicus Group International Inc	100.00%	100.00%	USA
Publicis Touchpoint Solutions Inc	100.00%	100.00%	USA
Saatchi & Saatchi Healthcare Communications Inc	100.00%	100.00%	USA
Manning Selvage & Lee Group Americas Inc	100.00%	100.00%	USA
Publicis Inc (NY)	97.42%	97.42%	USA
VivaKi Inc	100.00%	100.00%	USA
VNC Communications Inc	100.00%	100.00%	USA
Starcom MediaVest Group Inc	100.00%	100.00%	USA
Saatchi & Saatchi North America Inc	100.00%	100.00%	USA
Digitas Inc	100.00%	100.00%	USA
Zenith Media Services Inc	100.00%	100.00%	USA
Conill Advertising Inc	100.00%	100.00%	USA
Saatchi & Saatchi X Inc	100.00%	100.00%	USA
Arc Worldwide Inc	100.00%	100.00%	USA
Razorfish LLC	100.00%	100.00%	USA
Leo Burnett Company Inc	100.00%	100.00%	USA
SC USA Division	100.00%	100.00%	USA
Rosetta Marketing Group LLC	100.00%	100.00%	USA
Schwartz MSL LLC	100.00%	100.00%	USA
TLG India Pvt Ltd	100.00%	100.00%	India
Baumann-Ber-Rivnay Ltd (2)	100.00%	88.09%	Israel
Red Lion Communications Srl	100.00%	100.00%	Italia
Leo Burnett Company Srl	100.00%	100.00%	Italia

Name	Voting rights	Shareholding	Country
Saatchi & Saatchi Srl	100.00%	100.00%	Italia
Beacon Communications KK	66.00%	66.00%	Japan
MMS Communications KK	100.00%	100.00%	Japan
Star Reacher Advertising Sdn Bhd	100.00%	100.00%	Malaysia
Olabuenaga Chemistri SA de CV	75.00%	75.00%	Mexico
Leo Burnett Mexico SA de CV	100.00%	100.00%	Mexico
Lion Communications Mexico SA de CV	100.00%	100.00%	Mexico
Starcom Worldwide SA de CV	100.00%	100.00%	Mexico
SSW Holdings Ltd	100.00%	100.00%	New Zealand
LBi Netherlands BV (2)	100.00%	99.41%	Netherlands
NME Media BV	100.00%	100.00%	Netherlands
Starcom Sp. Z.o.o	100.00%	100.00%	Poland
Kitcatt Nohr Alexander Shaw Ltd (2)	100.00%	100.00%	United Kingdom
LBI UK Holding Ltd (2)	100.00%	100.00%	United Kingdom
Sceneric Ltd (2)	100.00%	100.00%	United Kingdom
Razorfish UK Ltd	100.00%	100.00%	United Kingdom
Publicis Blueprint Ltd	100.00%	100.00%	United Kingdom
Fallon London Ltd	100.00%	100.00%	United Kingdom
Publicis Ltd	100.00%	100.00%	United Kingdom
Saatchi & Saatchi Group Ltd	100.00%	100.00%	United Kingdom
ZenithOptimedia Services Ltd	100.00%	100.00%	United Kingdom
Leo Burnett Ltd	100.00%	100.00%	United Kingdom
PGM Media Services Ltd	100.00%	100.00%	United Kingdom
Arc Integrated Marketing Ltd	100.00%	100.00%	United Kingdom
Publicis Healthcare Communications Group Ltd	100.00%	100.00%	United Kingdom
ZenithOptimedia International Ltd	100.00%	100.00%	United Kingdom
Leo Burnett LLC	100.00%	100.00%	Russia
Publicis Groupe Media Eurasia LLC	100.00%	100.00%	Russia
MMS Communications Singapore Pte Ltd	100.00%	100.00%	Singapore
LBISverige AB (2)	100.00%	100.00%	Sweden
JKL AB	100.00%	100.00%	Sweden
VivaKi Sweden AB	100.00%	100.00%	Sweden
Leo Burnett SA Switzerland	100.00%	100.00%	Switzerland
ZenithOptimedia AG	100.00%	100.00%	Switzerland
Leo Burnett Schweiz AG (1)	100.00%	100.00%	Switzerland
Publicis Communications Schweiz AG	100.00%	100.00%	Switzerland
Star Reachers Group Company Ltd	100.00%	100.00%	Thailand
Starcom Mediavest Group Medya Planlama Satinalma Danişmanlik Ve Pazarlama A.Ş. (2)	100.00%	100.00%	Turkey
MMS Communicaciones de Venezuela SA	60.00%	60.00%	Venezuela

(1) Change in corporate name.
(2) Companies on the 2013 list but not on the 2012 list.

Name in 2013	Name in 2012	Country
Leo Burnett Schweiz AG	Spillman, FelserLBAG	Switzerland

- Entities whose revenue in the financial year has become greater than the threshold for publication:

Name in 2013	Country
LBi Germany AG	Germany
MetaDesign AG	Germany
CNC AG	Germany
Taterka Comunicações SA	Brazil
MMS Communications Chile SA	Chile
Publicis Graphics LLC	UAE
Rokkan Media LLC	USA
MRY US LLC	USA
Engauge Marketing LLC	USA
A/R Media Inc	USA
ZenithDirect LLC	USA
Bartle Bogle Hegarty LLC	USA
Baumann-Ber-Rivnay Ltd	Israel
LBi Netherlands BV	Netherlands
Kitcatt Nohr Alexander Shaw Ltd	United Kingdom
LBi UK Holding Ltd	United Kingdom
Sceneric Ltd	United Kingdom
LBi Sverige AB	Sweden
Starcom Mediavest Group Medya Planlama Satinalma Danişmanlik Ve Pazarlama A.Ş.	Turkey

B) Associates

Name	Voting rights	Shareholding	Country
Burrell Communications Group	49.00%	49.00%	United States
Jana	23.62%	23.62%	United States
Dentsu Razorfish	19.35%	19.35%	Japan
M Publicité	34.38%	34.38%	France
Somupi	34.00%	34.00%	France

4.7 Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your general meetings, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying consolidated financial statements of Publicis Groupe;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the management board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Note 1.3 "Accounting policies" to the consolidated financial statements describes the accounting policies and methods with respect to revenue recognition.

As part of our assessment of the accounting policies and principles applied by your Group, we assessed the appropriateness of the accounting method used for revenue recognition and we assured ourselves of the correct application of this accounting method.

Your Group has established provisions as described in note 20 "Provisions for liabilities and charges" and in note 21 "Pensions and other post-employment benefits" included in the notes to the consolidated financial statements. These notes describe the methods of calculation and measurement of restructuring provisions, vacant property provisions, provision for litigation and claims and provisions for employee benefits. Our assessment of the valuation of these provisions was based on tests related to the procedures followed by management in valuing these provisions and on the review of independent valuations performed by experts.

Your Company has determined the fair value of options granted in the context of Publicis Groupe stock option plans, as described in note 28 "Publicis Groupe S.A. stock option and free share plans" included in the notes to the consolidated financial statements. Our work consisted in reviewing the data used and in assessing the assumptions made by the company and the independent expert.

Your Company carries out impairment tests with regard to the value of intangible assets, goodwill and property, plant and equipment in accordance with the methods described in note 1.3 "Accounting principles" and note 5 "Depreciation, amortization and impairment" of the notes to the consolidated financial statements. We reviewed the manner in which these impairment tests were performed, as well as the cash flow forecasts and assumptions used by the company and independent experts.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense, February 13, 2014

The statutory auditors

MAZARS		ERNST & YOUNG et Autres	
Loïc Wallaert	**Anne-Laure Rousselou**	**Christine Staub**	**Vincent de La Bachelerie**

2013 PARENT COMPANY FINANCIAL STATEMENTS

5.1 Income statement

(in thousands of euros)	Note	2013	2012	2011
Billings (goods and services)	3	18,751	14,599	20,484
Reversal of provisions and expense transfers	4	9,252	12,479	31,340
Other income		2	7	0
TOTAL OPERATING INCOME		**28,005**	**27,085**	**51,824**
Other purchases and external charges		(12,859)	(11,912)	(12,928)
Taxes other than income taxes		(1,654)	(1,196)	(4,892)
Personnel expenses	5	(14,838)	(17,351)	(28,918)
Amortization and increases in provisions		(4,020)	(9,544)	(4,752)
Other expenses		(1,378)	(1,087)	(1,009)
TOTAL OPERATING EXPENSES		**(34,749)**	**(41,090)**	**(52,499)**
NET OPERATING INCOME (EXPENSE)		**(6,744)**	**(14,005)**	**(675)**
Investment income		696,277	108,212	333,912
Interest and other financial income		50,103	10,304	7,135
Reversal of financial provisions		57,553	57,673	66,922
TOTAL FINANCIAL INCOME		**803,933**	**176,189**	**407,969**
Amortization and increases in provisions		(104,467)	(62,554)	(64,584)
Interest and other financial expenses		(173,792)	(100,017)	(116,553)
TOTAL FINANCIAL EXPENSES		**(278,259)**	**(162,571)**	**(181,137)**
Share in net income of partnerships		0	1,262	1,893
NET FINANCIAL INCOME (EXPENSE)	**6**	**525,674**	**14,880**	**228,725**
Net income (loss) before exceptional items and taxes		**518,930**	**875**	**228,050**
Exceptional income on capital transactions		260,370	0	599,841
TOTAL EXCEPTIONAL INCOME		**260,370**	**0**	**599,841**
Exceptional expenses on operational transactions		(90)	(14)	(71)
Exceptional expenses on capital transactions		(254,247)	0	(477,201)
TOTAL EXCEPTIONAL EXPENSES		**(254,337)**	**(14)**	**(477,272)**
EXCEPTIONAL ITEMS	**7**	**6,033**	**(14)**	**122,569**
Income taxes	**8**	**26,996**	**36,622**	**28,196**
NET INCOME FOR THE PERIOD		**551,959**	**37,483**	**378,815**

5.2 Balance sheet at December 31

(in thousands of euros)	Note	December 31, 2013	December 31, 2012	December 31, 2011
Assets				
Intangible assets:				
Concessions and business goodwill		2,991	2,991	2,991
Depreciation		(640)	(600)	(559)
Assets in progress	9.1	37,467	0	0
Tangible assets:	9.2			
Land		2,291	2,291	2,291
Buildings		3,044	3,044	3,044
Machinery and equipment		1,133	1,133	1,133
Other		27,704	23,021	21,120
Depreciation		(14,495)	(12,128)	(9,973)
Investments and other financial assets:				
Investments	9.3	5,190,271	5,190,603	5,190,603
Impairment provisions on investments	9.3	(95,540)	(6,856)	(6,856)
Loans and receivables owed by associates and non-consolidated companies	9.4	1,526,317	1,141,456	1,601,954
Other non-current securities	9.5	107,151	182,196	0
Loans and other financial assets		308	486	509
Provisions on investments and other financial assets		(32)	(32)	(32)
NON-CURRENT ASSETS		**6,787,970**	**6,527,605**	**6,806,225**
Trade receivables		2,319	4,233	28,466
Other receivables		11,804	25,907	8,093
Marketable securities	10	282,754	192,661	225,863
Cash and cash equivalents		14	15	17
CURRENT ASSETS		**296,891**	**222,816**	**262,439**
Prepayments		228	262	431
Deferred expenses	11	2,975	5,180	10,990
Bond redemption premiums	12	2,235	12,292	14,790
Unrealized foreign exchange gains (losses)	13	27	47,519	53,375
TOTAL ASSETS		**7,090,326**	**6,815,674**	**7,148,250**

Balance sheet at December 31

(in thousands of euros)	Note	December 31, 2013	December 31, 2012	December 31, 2011
Equity and liabilities				
Share capital		86,409	84,003	77,343
Statutory reserve		3,097,766	2,897,642	2,528,730
Retained earnings		8,400	8,095	8,095
Earnings brought forward		836,999	978,117	718,754
EQUITY BEFORE NET INCOME FOR THE PERIOD		4,029,574	3,967,857	3,332,922
Net income for the period		551,959	37,483	378,815
EQUITY	15	4,581,533	4,005,340	3,711,737
Proceeds from issuance of participating securities (Orane)		428,804	476,449	524,094
Other equity	16	**428,804**	**476,449**	**524,094**
Provisions for liabilities and charges	17	**33,700**	**133,391**	**176,780**
Bonds	18	290,880	393,298	1,630,054
Bank borrowings and overdrafts	19	6	10	4
Borrowings and other financial liabilities	20	1,699,702	1,770,371	1,083,696
Trade payables		38,078	10,201	5,712
Income tax and social security liabilities		17,270	26,279	15,538
Other creditors		271	268	268
LIABILITIES		2,046,207	2,200,427	2,735,272
Unrealized foreign exchange gains		80	67	367
TOTAL EQUITY AND LIABILITIES		**7,090,326**	**6,815,674**	**7,148,250**

5.3 Statement of cash flows

(in thousands of euros)	2013	2012	2011
Cash flows from operating activities			
Net income for the period	**551,959**	**37,483**	**378,815**
(Gains) losses on disposals	53,221	15,799	(127,618)
Increases in provisions (net of reversals)	(8,598)	(41,254)	15,351
Transfer to deferred expenses, net of amortization	2,205	2,565	3,755
Amortization of redemption premiums on the Océane and Eurobond	1,694	2,497	3,181
Gross operating cash flow	***600,481***	***17,090***	***273,484***
Change in working capital requirements	(18,525)	(25,874)	72,866
NET CASH FLOWS FROM OPERATING ACTIVITIES (I)	581,956	(8,784)	346,350
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets	(39,188)	(1,936)	(3,921)
Disposals of property, plant and equipment and intangible assets	(45)	0	0
Disposals of subsidiaries	6,500	0	599,841
NET CASH FLOWS FROM INVESTING ACTIVITIES (II)	(32,733)	(1,936)	595,920
Cash flows from financing activities			
Dividends paid to holders of the parent company	(107,518)	(119,452)	(128,818)
Capital increase	81,698		
Redemption of bonds and related interest	(13,889)	(528,122)	(55,468)
Unwinding of interest rate swap	19,770		
Increases in other borrowings	0	677,698	0
Decreases in other loans/(other borrowings)	(314,192)	510,013	(864,920)
Buyback of treasury shares	(181,797)	(644,400)	0
Sale of treasury shares	56,801	81,773	56,088
NET CASH FLOWS GENERATED BY (USED IN) FINANCING ACTIVITIES (III)	(459,127)	(22,490)	(993,118)
CHANGE IN CASH AND CASH EQUIVALENTS (I + II + III)	**90,096**	**(33,210)**	**(50,848)**
Net cash and cash equivalents at beginning of the year	192,666	225,876	276,724
Net cash and cash equivalents at end of the year	282,762	192,666	225,876
CHANGE IN CASH AND CASH EQUIVALENTS	**90,096**	**(33,210)**	**(50,848)**

5.4 Notes to the financial statements of Publicis Groupe SA

DETAILED SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

The Company's primary business mainly involves managing its investments and providing services to all Group companies.

Additionally, and to a lesser degree, the Company receives rental income from leasing its property assets.

Note 1 Significant events during the period

In 2013 the following significant events occurred:

- on July 28, 2013, Publicis Groupe SA and Omnicom Group Inc. (Omnicom) announced the signing of an agreement for a merger of equals, to create the world leader in communications, advertising, marketing and digital services. The deal is notably conditional on approval by shareholders of both companies, as well as on receipt of the various regulatory clearances. All the approvals by the Competition Authority before the merger is concluded have been granted, with the exception of China, currently under consideration;
- on January 10, 2013, Publicis Groupe SA unwound the interest rate swap on the Eurobond 2015 (used to swap the 4.25% fixed rate for a variable rate) early. This transaction generated a financial income of euro 12,295,418;
- on February 15, 2013, Publicis Groupe SA bought back 3,875,139 treasury shares from Dentsu at euro 46.82 each, representing a total of euro 181,796,876 (including the financial transaction tax). These shares, available for grant to employees, were recognized under marketable securities;
- exercisable since September 24, 2013, 2,757,751 of the 5,602,699 outstanding warrants were exercised, creating 2,798,937 new shares.

Note 2 Accounting policies, rules and methods

The parent company's financial statements for 2013 have been prepared in accordance with the French Chart of Accounts *(plan comptable général)* and in compliance with legal and regulatory texts applicable in France.

Comparability of financial statements

The measurement methods used to prepare the 2013 financial statements are identical to those used to prepare the financial statements for the previous financial year.

Intangible assets

Intangible assets subject to amortization consist of the concession in respect of parking spaces, which is amortized over 75 years (length of the concession), and the business goodwill of Publicis Cinema, which is already fully amortized.

Property, plant and equipment

Tangible assets are recognized at net acquisition cost and are subject to annual depreciation calculated on a straight-line basis over the following periods:

- 50 years Building on avenue des Champs-Élysées, Paris, France;
- 10 to 20 years Fixtures and fittings;
- 10 years Machinery and equipment;
- 4 years Vehicles;
- 3 years IT equipment.

Investments and other financial assets

The gross amount of long-term equity investments is composed of the acquisition price of the securities excluding ancillary expenses. Foreign currency-denominated securities are recognized at their acquisition price translated into euros at the exchange rate applicable on the date of the transaction.

Impairment provisions are recognized whenever the investment's value in use is lower than its carrying amount. Value in use is determined on the basis of objective criteria, such as net asset value, capitalized earnings or market capitalization, associated where necessary with more subjective criteria, such as specific industry indicators or ratios determined, in the context of economic assumptions and the Company's growth forecasts, on the basis of the present value of projected future cash flows, and the strategic nature of the investment to the Group.

Marketable securities

Marketable securities primarily include treasury shares, which are classified according to their intended purpose.

A provision for liabilities is recognized for treasury shares allocated to stock option or free share plans in order to reflect the loss resulting from the difference between the subscription price (zero for the free shares) and their cost price.

A provision is recognized for treasury shares that are not allocated to such a plan, as well as "other marketable securities", whenever their current value at the reporting date is lower than their carrying amount. The current value of publicly traded securities equals the average quoted price for the final month of the financial year; and for non-listed securities, the probable selling price.

Bonds

Bonds are recognized at their par value.

In cases where a redemption premium exists, the liability is increased by the total amount of such a premium. This premium is offset by the recognition of an asset, which is amortized over the life of the bond on an actuarial basis.

In cases where an issue premium exists, the liability is recognized at par value and the issue premium is recognized as an asset; the issue premium being amortized over the life of the bond.

Orane (*i.e.* bonds redeemable in new or existing shares) are recognized in other equity because of their intrinsic characteristics.

Provisions for liabilities and charges

Provisions are funded when:

- the Group has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- the amount of the outflow can be estimated reliably.

Where the effect of the time value of money is material, provisions are discounted, with the increase in the amount of the provision resulting from the unwinding of the discounting being recognized under financial expenses.

Contingent liabilities are not recognized but, where material, are disclosed in the Notes to the financial statements.

Net financial income (expense)

Financial income is recognized by applying the usual rules, *i.e.:*

- dividends: on the date the distribution is approved by the General Shareholders' Meeting;
- financial income on current accounts, time deposits and bonds: as benefits are acquired;
- interest and dividends on marketable – securities: on the date of receipt.

Financial expenses relating to the Eurobond 2012 as well as the Eurobond 2015 are presented net of the interest income from the interest rate.

The "Share in net income of partnerships" recognized in the income statement represents the Company's proportional share (49%) in the 2013 results of Régie 1, in accordance with the provisions of that entity's bylaws. As indicated in Note 7, this company was sold in 2013.

Exceptional items

These include capital gains and losses on the sale of tangible, intangible and financial assets and in particular capital losses corresponding to the buyback price of warrants and capital gains and losses arising from the early repayment of borrowings.

Note 3 Billings

Billings are mainly composed of:

- rent received from the building at 133, avenue des Champs-Élysées in Paris, France;
- services invoiced to Group companies.

Note 4 Reversal of provisions and expense transfers

Expense transfers primarily include re-invoicing of Group companies with respect to Publicis Groupe free share grants to certain key Group executives as part of the 2009 co-investment program.

Note 5 Personnel expenses

Personnel expenses include the costs borne by Publicis Groupe SA in relation to the co-investment plan, which correspond to the future losses on free share grants under this plan and staggered over the vesting period. These costs totaled euro 7,846,000 for 2013, compared to income of euro 8,518,000 generated in 2012 (following the recalculation of costs from previous years) and an expense of euro 25,591,000 in 2011.

Note 6 Net financial income (expenses)

(in thousands of euros)	2013	2012	2011
Dividends	644,603	52,563	284,858
Other income from investments	51,674	55,649	49 ,054
Investment income	**696,277**	**108,212**	**333,912**
Other financial income	44,375	8,607	5,708
Foreign exchange gains	5,728	1,697	1,427
Interest and other financial income	**50,103**	**10,304**	**7,135**
Reversal of provisions on investments	0	0	0
Reversal of provision for impairment of treasury shares	0	0	0
Reversal of provision for liabilities on treasury shares	9,958	4,301	5,521
Reversal of other financial provisions	47,595	53,372	61,401
Reversal of financial provisions	**57,553**	**57,673**	**66,922**
TOTAL FINANCIAL INCOME	803,933	176,189	407,969
Provision for liabilities on treasury shares	(11,864)	(9,958)	(4,301)
Bond-related amortization	(3,180)	(4,123)	(5,242)
Increases in provisions for foreign exchange losses	0	(47,410)	(53,372)
Increases in provisions for impairment of equity investments	(88,684)	0	0
Increases in other financial provisions	(739)	(1,063)	(1,669)
Amortization and increases in provisions	**(104,467)**	**(62,554)**	**(64,584)**
Bond-related expenses	(24,737)	(21,753)	(55,808)
Other financial expenses	(90,433)	(76,552)	(59,411)
Foreign exchange losses	(58,622)	(1,712)	(1,334)
Interest and other financial expenses	**(173,792)**	**(100,017)**	**(116,553)**
TOTAL FINANCIAL EXPENSES	(278,259)	(162,571)	(181,137)
Share in net income of partnerships	0	1,262	1,893
NET FINANCIAL INCOME (EXPENSES)	**525,674**	**14,880**	**228,725**

Note 7 Exceptional items

2013 exceptional items primarily included the capital gain realized on the sale of Régie 1 shares (representing a 49% stake in the share capital) for euro 6,126,500.

Exceptional items were not material in 2012.

2011 exceptional items mainly included the capital gain realized on securities in the buyback by Publicis Groupe Investments BV of a portion of its own shares (1.1%) for euro 122,717,328.

Note 8 Income taxes

In 2013, the Company, which is the parent company of the French tax group (which includes 36 subsidiaries), recognized a tax loss of euro 18,685,193 on a standalone basis.

In application of the rule limiting tax loss carryforwards, the gain on tax consolidation recognized in income in the financial statements of the French tax group's parent company – in accordance with the tax consolidation agreements signed by the member companies – fell by euro 18,068,336. The net gain on tax consolidation recognized stood at euro 26,995,586 for 2013.

Tax loss carryforwards of the French tax group, which can be carried forward without any time limit, amounted to euro 76,629,682 at December 31, 2013, after allocation of the 2013 tax profit.

Note 9 Non-current assets

9.1 Intangible assets

Intangible assets mainly include euro 37,467,147 in expenses relating to the merger between Publicis Groupe SA and Omnicom Group Inc. recognized under intangible assets in progress at December 31, 2013 until they are reclassified under start-up costs once the merger is effective.

9.2 Property, plant and equipment

Publicis Groupe SA continued with the renovation of its registered office in 2013, adding investments in fixtures to the value of circa euro 1,765,297.

In 2012 euro 1,900,473 was invested in fixtures.

In 2011, assets worth euro 9,317,913 were decommissioned. They were amortized for euro 9,245,637. Their carrying amount, euro 72,276, was recognized under exceptional items.

Investments of euro 4,286,586 were also made.

9.3 Investments

A provision for impairment amounting to euro 88,684,000 was recognized in 2013 for shares held in Multi Market Services.

There was no increase or reversal in impairment provisions for securities in either 2012 or 2011.

In December 2011, Publicis Groupe Investments BV bought back from Publicis Groupe SA 1,680 shares out of the 153,023 that Publicis Groupe SA held in its share capital. These shares were recorded at a net carrying amount of euro 477.1 million and sold for euro 599.8 million. The gain of euro 122.7 million on this sale was recognized under exceptional items.

9.4 Loans and receivables owed by associates and non-consolidated companies

(in thousands of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Loan to MMS UK	0	259,344	253,383
Loans to MMS USA Holdings	708,614	806,902	821,755
MMS France Holdings current account	18,639	56,760	134,839
Publicis Finance Services current account	531,420	0	373,316
Receivable from Publicis Groupe Holding BV	253,870	0	0
Other receivables	6,460	6,107	6,900
Interest receivable	7,314	12,343	11,761
TOTAL	**1,526,317**	**1,141,456**	**1,601,954**

The loan to MMS UK Holdings was capitalized on December 31, 2013 for its value on that date in euros, i.e. euro 253,870,000. The corresponding shares were sold on the same day to Publicis Groupe Holding BV at their carrying amount.

9.5 Other non-current securities

In December 2013, following the Management Board's decision to reallocate a portion of the treasury shares recorded under non-current securities, 2,096,233 shares were delivered as a result of the conversion requests from Océanes 2018 bondholders.

In 2012, Publicis Groupe SA bought 18 million shares from Dentsu, 5,089,265 of which were set aside to cover acquisitions and were therefore recognized under other non-current securities.

There were no non-current securities in 2011.

(in thousands of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Treasury shares	107,151	182,196	-

Note 10 Marketable securities

The liquidity contract with Kepler Cheuvreux was maintained in 2013.

The available-for-sale securities broke down as follows at December 31, 2013:

(in thousands of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Excluding liquidity contract:			
• Treasury shares	266,528	177,543	196,836
Held under the liquidity contract:			
• Monetary mutual funds	13,794	14,212	28,672
• Treasury shares	2,433	906	355
TOTAL MARKETABLE SECURITIES (NET AMOUNT)	**282,754**	**192,661**	**225,863**

The movements for the financial year and position at the reporting date for marketable securities (excluding the liquidity contract) are summarized in the table below:

(in thousands of euros, except for share data)	Number of shares	Gross carrying amount	Provision for impairment	Net carrying amount
TREASURY SHARES AT DECEMBER 31, 2012	**5,695,819**	**177,543**	**0**	**177,543**
Shares bought back from Dentsu [1]	3,875,139	181,797	0	181,797
Disposals (exercise of options) and delivery of free shares to employees	(3,166,374)	(92,812)	0	(92,812)
TREASURY SHARES (EXCLUDING THE LIQUIDITY CONTRACT) AT DECEMBER 31, 2013	**6,404,584**	**266,528**	**0**	**266,528**

(1) Including the financial transaction tax.

Note 11 Deferred expenses

This line item includes costs associated with the bond issue and the arrangement of the syndicated credit lines, for the portion still to be amortized over the remaining period to maturity of the bonds and to expiry of the credit lines.

Deferred expenses at December 31, 2013 were composed of:

(in thousands of euros)	December 31, 2013	December 31, 2012
Océane 2018 issuance costs	22	860
Eurobond 2015 issuance costs	280	504
TOTAL BOND ISSUANCE COSTS	302	1,364
Capital loss on the Eurobond 2012, net of the payment received upon unwinding of the corresponding interest rate swap	274	494
Costs associated with the USD 75 million credit line arranged with JP Morgan	201	253
Costs of arranging the syndicated credit line	2,198	3,069
TOTAL	**2,975**	**5,180**

Note 12 Bond issue and repayment premiums

These wholly consist of the Océane 2018 redemption premium, the net carrying amount of which was euro 2,235,124 at December 31, 2013 compared to euro 12,292,968 at December 31, 2012.

Note 13 Unrealized foreign exchange gains (losses)

No further unrealized foreign exchange gains or losses were recognized following the capitalization of the GBP 211,651,576 loan granted to MMS UK Holdings on December 31, 2013. The unrealized foreign exchange loss on this loan amounted to euro 47,410,387 at December 31, 2012.

Note 14 Average headcount

The Company's average headcount was two executives.

Note 15 Equity

The Publicis Groupe share capital has changed as follows over the past five financial years:

Dates	Capital transactions	Changes in capital — Shares with a euro 0.40 par value — Number of shares	Par value (in thousands of euros)	Additional paid-in capital (in thousands of euros)	Capital amount (in thousands of euros)	Total number of Company shares
	SITUATION AT JANUARY 1, 2009				**78,408**	**196,020,983**
2009	Orane redemption (5th tranche)	1,562,129	625	47,020	79,033	197,583,112
2010	Cancellation of shares following buyback from SEP Dentsu-Badinter	(7,500,000)	(3,000)	(214,500)	76,033	190,083,112
	Orane redemption (6th tranche)	1,562,129	625	47,020	76,658	191,645,241
2011	Issue of shares as part of the free share plan for Group employees in France (2009 Plan)	150,575	60	0	76,718	191,795,816
	Orane redemption (7th tranche)	1,562,129	625	47,020	77,343	193,357,945
2012	Cancellations	(10,759,813)	(4,304)	(380,897)	73,039	182,598,132
	Issue of shares following the conversion of 25,750,630 Océanes 2014	25,848,473	10,339	702,790	83,378	208,446,605
	Orane redemption (8th tranche)	1,562,129	625	47,020	84,003	210,008,734
2013	Issue of shares as part of the free share plans for Group employees	292,076	116	0	84,119	210,300,810
	Issue of shares following the distribution in shares of dividends based on 2012 earnings	1,361,502	545	70,117	84,664	211,662,312
	Orane redemption (9th tranche)	1,562,129	625	47,020	85,289	213,224,441
	Creation of shares as a result of the exercise of 2,757,571 warrants	2,798,937	1,120	82,987	86,409	216,023,378
	SITUATION AT DECEMBER 31, 2013				**86,409**	**216,023,378**

Stockholder's equity changed as follows between January 1, 2013 and December 31, 2013:

(in thousands of euros)	January 1, 2013	Allocation of 2012 net income	Orane capital increase	Exercise of stock options and creation of shares	Distribution of dividends in shares	Distribution of dividends in cash	2013 net income	December 31, 2013
Share capital	84,003	-	625	1,236	545		-	86,409
Additional paid in capital	2,897,642	-	47,020	82,986	70,118		-	3,097,766
Retained earnings	8,095	305					-	8,400
Earnings brought forward	978,117	37,178		(116)	(70,663)	(107,517)		836,999
SUB-TOTAL	**3,967,857**	**37,483**	**47,645**	**84,106**	**-**	**(107,517)**		**4,029,574**
Net income for the period	37,483	(37,483)	-	-	-		551,959	551,959
TOTAL	**4,005,340**	**-**	**47,645**	**84,106**	**-**	**(107,517)**	**551,959**	**4,581,533**

Note 16 Other equity

Other equity consists of a 20-year bond redeemable in new or existing shares (Oranes) issued on September 24, 2002 as part of the Bcom3 Group acquisition.

The initial amount of the bond was euro 857,812,000. It was reduced to euro 428,804,410 following the redemption of the first nine tranches every September from 2005 to 2013. At December 31, 2013 there remained 1,562,129 Orane with a par value of euro 274,50. As the Orane conversion ratio was adjusted by a factor of 1.015 so as to reflect the portion of dividends paid in 2003 and 2004 deducted from the Company's reserves and premiums, each Orane entitled the holder to 9.135 new or existing Publicis Groupe shares (instead of nine shares) at a rate of 1.015 per year from September 1, 2013 to September 1, 2022, representing a total of 14,270,048 shares to be issued. In parallel, the unit value of each Orane is reduced by euro 30.50 per year on each of these dates.

Orane bear interest at a minimum rate of 0.82% of the par value. The coupon fixed for the period September 2010 to September 2013 represents annual interest of 2.28%.

As part of the proposed merger between Publicis and Omnicom, Orane bondholders were asked at the meeting held on October 10, 2013 to approve the merger and the mandatory early redemption of all Orane, should the merger take place. With this redemption, an interest payment would be made for the period at an annual rate of 3.2946%.

The General Meeting also planned to compensate Orane bondholders in early 2014, consisting of the additional shares and interest that they should have received every year on September 1 from 2009 to 2013 as a result of the revised conversion ratio (1.015 versus 1 previously). A provision was funded in the 2013 financial statements for the interest due.

Note 17 Provisions for liabilities and charges

(in thousands of euros)	Amount at January 1, 2013	Increase in 2013	Reversal in 2013 (used provision)	Reversal in 2013 (unused provision)	Amount at December 31, 2013
Provision for taxes [(1)]	6,647	-	-	-	6,647
Provision for conditional long-term commitments to employees [(2)]	6,589	-	-	(185)	6,404
Provision for foreign exchange losses [(3)]	47,410	-	-	(47,410)	-
Provision for risks on treasury shares and free share grants that have still not vested [(4)]	64,301	11,864	(54,343)	(9,958)	11,864
Other provisions for risks	8,444	1,630	(1,130)	(159)	8,785
TOTAL	**133,391**	**13,494**	**(55,473)**	**(57,712)**	**33,700**

(1) Refers to the provision for tax on the capital gain on the transfer of shares to Publicis USA Holdings in March 2000, in respect of which taxation is deferred in accordance with article 210-A of the French General Tax Code.

(2) This is the provision created (including social charges) for the non-compete agreement signed with the Chairman of the Management Board.

(3) The provision for foreign exchange losses primarily related to the unrealized loss on the loan granted to MMS UK at December 31, 2012 was fully written back after the loan was capitalized on December 31, 2013.

(4) This provision was funded, firstly, to cover the loss resulting from the difference between the subscription price and the cost price of the treasury shares when they were allocated to Group employee stock option plans, and, secondly until December 31, 2012, to cover the future loss on existing shares delivered under free share grants in March 2013 as part of the 2009 co-investment plan.

It should also be noted that provisions and provision reversals relating to costs borne by Publicis Groupe in relation to the co-investment plan are presented in the income statement under personnel expenses in accordance with Notice no. 2008-17 from the French National Accounting Council.

Note 18 Bonds

Number of securities (in thousands of euros)	Category of bond	December 31, 2013	December 31, 2012	December 31, 2011
82,431	Océane 2.75% – actuarial – January 2018	21,894	102,749	102,749
-	Océane 2.75% – redemption premium	7,578	35,541	35,541
-	Océane 3.125% – July 2014	-	-	718,750
-	Eurobond 4.125% – January 2012	-	-	505,725
253,242	Eurobond 4.250% – March 2015	253,242	253,242	253,242
	Total excluding accrued interest	282,714	391,532	1,616,007
	Accrued interest	8,166	1,766	14,047
	Balance sheet total	290,880	393,298	1,630,054

Océane 2.75% actuarial – January 2018

The 16-year bond convertible into new or existing shares (Océane), issued on January 18, 2002 for a total initial amount of euro 690 million (excluding premium), was comprised of 17,624,521 bonds of euro 39.15 each (representing a premium of 35% over the Publicis Groupe reference share price at the time of issuance), issued at par and bearing interest at an annual rate of 1%. These bonds are fully redeemable upon maturity, on January 18, 2018, for an amount equal to their par value plus a redemption premium of 34.59%. They were partially redeemed in 2005, 2006, 2009 and 2010. Following the conversion requests in November 2013 and the subsequent delivery of shares in December, 559,278 bonds remained outstanding at December 31, 2013. Due to further conversion requests in December, less than 10% of the bonds initially issued remained outstanding. On December 20, 2013, the Company therefore exercised its early redemption right for cash (issuer call) at euro 48.76 per bond payable on January 25, 2014.

Océane 3.125% – July 2014

This five-year bond convertible into new or existing shares (Océane), issued on June 24, 2009 for a total amount of euro 719 million was fully redeemed during 2012, primarily by means of conversion into shares, following the various redemption requests made prior to or upon the exercise of the issuer call.

Eurobond 4.125% – January 2012

This standard bond issued on January 28, 2005, for an original amount of euro 750 million bearing interest at 4.125% and maturing in 2012, comprised 505,725 bonds with a par value of euro one thousand each on the day before the maturity date, as one-third of the bonds originally issued were redeemed following the public exchange offer launched on December 2, 2009 to extend the maturity of this liability. These 505,725 bonds were fully redeemed at par at maturity on January 31, 2012.

Eurobond 4.25% – March 2015

Following the public exchange offer launched on December 2, 2009 pursuant to which holders of the Eurobond 2012 were entitled to exchange it for newly issued, 4.25% euro-denominated bonds maturing in March 2015, the Publicis Groupe issued a new Eurobond maturing in 2015 for euro 253 million, consisting of 253,242 bonds. These new bonds will be fully redeemed at par when they mature on March 31, 2015.

This fixed rate bond was subject to an interest rate swap to convert it into a variable-rate bond. The swap was unwound on January 10, 2013, resulting in a euro 12 million payment.

Note 19 Bank borrowings and overdrafts

This line item consists solely of bank overdrafts.

Note 20 Borrowings and other financial liabilities

(in thousands of euros)	December 31, 2013	December 31, 2012	December 31, 2011
Long-term borrowings from Publicis Finance Services [(1)]	708,614	740,678	755,275
Long-term borrowings from Publicis Groupe Holdings [(2)]	300,000	300,000	300,000
Long-term borrowings from Publicis Groupe Investments BV [(3)]	630,000	630,000	-
Current accounts, short-term borrowings from subsidiaries and accrued interest	54,909	95,437	23,776
Other creditors	6,179	4,256	4,645
TOTAL	**1,699,702**	**1,770,371**	**1,083,696**

(1) The USD 977,250,000 borrowed by Publicis Groupe from Publicis Finance Services, the Group subsidiary managing the international cash pool, with a due date of January 31, 2012, was rolled over for a period of ten years (new due date of January 31, 2022).

(2) The euro 300,000,000 loan is a subordinated participating loan granted by Publicis Groupe Holdings on October 5, 2007 with a term of 55 years.

(3) The euro 630,000,000 loan is a subordinated participating loan given by Publicis Groupe Investments on June 26, 2012 for a period of 55 years.

Note 21 Maturity schedule for receivables and liabilities

All receivables included in current assets are due to be settled within less than one year.

The maturity schedule for liabilities is presented below:

(in thousands of euros)	Total	< One year	One to five years	> Five years
Bonds	290,880	37,638	253,242	-
Bank borrowings and overdrafts	6	6	-	-
Borrowings and other financial liabilities	1,699,702	60,489	-	1,639,213
Trade payables	38,078	38,078	-	-
Income tax and social security liabilities	17,270	17,270	-	-
Other creditors	271	-	271	-
TOTAL LIABILITIES	**2,042,207**	**153,481**	**253,513**	**1,639,213**

Note 22 Disclosures concerning related parties and investments

	Amount concerning companies	
(in thousands of euros)	related parties	in which the Company has invested
Balance sheet		None
Investments	5,094,731	
Loans and receivables due from associates and non-consolidated companies	1,526,317	
Trade receivables	2,288	
Other receivables	3,902	
Borrowings and other financial liabilities	1,694,049	
Trade payables	603	
Tax liabilities	7,858	
Income statement		None
Billings (goods and services)	18,612	
Expense transfers	7,959	
Other purchases and external charges	(2,788)	
Investment income	644,603	
Interest and other financial income	51,674	
Share in net income of partnerships	0	
Increases in financial provisions	0	
Interest and other financial expenses	(86,114)	
Exceptional expenses	(254,337)	
Exceptional income	260,370	

Note 23 Off-balance-sheet commitments

Off-balance sheet commitments given

Commitments related to bonds and to Orane

OCÉANE 2018 - 2.75% ACTUARIAL JANUARY 2018

With respect to the Océane 2018, bondholders may request the conversion of the bonds, which had a unit value of euro 39.15 at issue, at any time from January 18, 2002 until the seventh business day before the maturity date (January 18, 2018). The conversion ratio of the Océanes was adjusted in September 2013 by a factor of 1.015 so as to reflect those distributions drawn from the Company's reserves and premiums. Following the early redemptions in 2005, 2006, 2009 and 2010 and conversion requests in November 2013, 559,278 bonds remained outstanding at December 31, 2013, potentially entitling holders to 567,667 shares in the event of a conversion request.

Further conversion requests were registered in December for 476,847 of the remaining bonds, leading to the delivery of 483,998 shares on January 10, 2014.

ORANE - BONDS REDEEMABLE IN NEW OR EXISTING SHARES - SEPTEMBER 2022

Following the redemption of the first nine tranches of the bond on September 1 of every year since 2005 and the adjustment of the conversion ratio from 1 to 1.015 shares per Orane, each Orane legally confers a right to 9.135 new or existing Publicis Groupe shares at a rate of 1.015 shares per year until the 20th anniversary of the bond's issue. Publicis Groupe is therefore committed to delivering 1,585,561 shares each year from September 2014 to September 2022, representing a total of 14,270,048 shares, which may be, at Publicis Groupe's discretion, either newly-issued shares or existing shares held in its portfolio.

A meeting of Orane bondholders was held on October 10, 2013 to decide, subject to the approval of the merger by the General Shareholders' Meetings of both Publicis Groupe and Omnicom Group, on the mandatory conversion of all outstanding Orane for Publicis shares immediately following these meetings. Each Orane is redeemable for 9.135 Publicis shares plus accrued interest calculated at an annual rate of 3.2946%. The General Meeting also planned to compensate Orane bondholders in early 2014, consisting of the additional shares and interest that they should have received every year on September 1 from 2009 to 2013 as a result of the revised conversion ratio (1.015 versus 1 previously).

Following the announcement of the planned merger between Publicis and Omnicom, Orane bondholders may take advantage of the early redemption option provided for in the agreement for a period of 10 days ending, at the latest, 15 days prior to the General Shareholders' Meeting to be called to vote on the merger.

Obligations related to warrants

The exercise of warrants, which could occur at any time from September 24, 2013 to September 24, 2022, will lead to an increase in the Publicis Groupe's capital stock. The conversion ratio was adjusted by a factor of 1.015 so as to reflect those distributions drawn from the Company's reserves and premiums. After cancellation of the warrants bought back in 2005 and 2006 and the exercise of 2,757,571 warrants in 2013, creating 2,798,937 new shares, at December 31, 2013 Publicis Groupe was committed to creating (in the event the 2,845,128 warrants are exercised) 2,887,805 shares with a par value of euro 0.40 and a premium of euro 30.10.

Publicis Groupe SA stock option and free share plans

The free share plans in force on December 31, 2013 have the following features:

- Long Term Incentive Plan "LTIP 2013" (April 2013) and "LTIP 2013-2015" (June 2013) for members of the Management Board

Under these plans, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the free shares are subject to additional performance criteria, such that the total number of shares received will depend on the overall attainment of growth and profitability targets in 2013 (or over the 2013-2015 period for members of the Management Board). The shares were initially awarded in April 2013 and will vest in April 2017, except for French employees whose share awards will vest in April 2016.

- Free shares granted as part of a co-investment program (April 2013)

Under this plan, offered to 200 members of Group management, each beneficiary is awarded one free share and 7.03 share subscription options for each Publicis share purchased on their behalf by LionLead, a specific structure dedicated to this operation. The free shares are subject to conditions: *i.e.,* that the entire investment remains unsold and that employment continues throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. These shares were awarded in April 2013 and will vest in April 2017, except for French employees whose shares will vest in April 2016.

The free shares granted to corporate officers are subject to additional performance conditions, such that the number of shares that can effectively be received will depend on the growth and profitability targets attained over the 2013-2015 period.

- Free share plan for employees in the following 26 countries (February 2013): Australia, Austria, Bulgaria, Colombia, Korea, Costa Rica, United Arab Emirates, Greece, Guatemala, Hong Kong, Hungary, Israel, Lebanon, Malaysia, Mauritius, New Zealand, Panama, Puerto Rico, Czech Republic, Romania, Serbia, Singapore, Switzerland, Taiwan, Thailand, Turkey

Under this plan, as was done in France in 2009, in the United States in 2010 and in 16 other countries in 2011, 50 free shares were allocated on February 1, 2013 to all employees who have at least six months of employment and who work more than 21 hours per week in a majority-owned subsidiary established in one of the countries included in the plan. Receipt of the shares is conditional on four years of employment: the free shares will be issued to the beneficiaries in February 2017, the date at which they become the beneficial owners thereof and are able to exercise their rights as shareholders.

- Long Term Incentive Plan "LTIP 2012" (April 2012)

Under this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the free shares are subject to additional performance criteria, such that the total number of shares received was dependent on the overall attainment of growth and profitability targets in 2012. Performance was measured in March 2013, with 100% of the targets for this plan being achieved. The shares were initially awarded in April 2012 and will vest in April 2016, except for French employees whose share awards will vest in April 2015.

- Free share plan for employees in the following 16 countries (December 2011): Germany, Belgium, Brazil, Canada, Denmark, Spain, Finland, India, Italy, Mexico, Norway, Netherlands, Poland, Portugal, United Kingdom, Sweden

Under this plan, as was done in France in 2009 and in the United States in 2010, 50 free shares were allocated on December 1, 2011 to all employees who have at least six months of employment and who work more than 21 hours per week in a majority-owned subsidiary established in one of the countries included in the plan. Receipt of the shares is conditional on two years of employment for Spain and Italy, plus a lock-in period of three-years, and of four years for the other countries: the free shares were received by beneficiaries in December 2013 for Spain and Italy and will be received in December 2015 for the other countries, at which point they will become the beneficial owners thereof and may exercise their rights as shareholders.

- Long Term Incentive Plan "LTIP 2011" (April 2011)

Under this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the free shares are subject to additional performance criteria, such that the total number of shares received was dependent on the overall attainment of growth and profitability targets in 2011. Performance was measured in March 2012, with 95.7% of the targets for this plan being achieved. The shares were initially awarded in April 2011 and will vest in April 2015, except for French employees whose share awards will vest in April 2014.

- Free share plan for employees of American entities (December 2010)

Under this plan in the US, 50 free shares were awarded on December 1, 2010 to all employees working more than 21 hours per week in a majority-owned subsidiary in the USA. Receipt of the shares is conditional on four years of employment: the free shares will be issued to the beneficiaries in December 2014, the date at which they become the beneficial owners thereof and are able to exercise their rights as shareholders.

- Long Term Incentive Plan "LTIP 2010" (August 2010) and "LTIP 2010-2012" for members of the Management Board (September 2010)

Under these plans, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the shares are subject to additional performance criteria, such that the total number of shares received was dependent on the overall attainment of growth and profitability targets in 2010 (or over the 2010-2012 period for members of the Management Board). Performance was measured in March 2011, with 100% of the targets being achieved for LTIP 2010 and 98.6% for LTIP 2010-2012 (Management Board). The shares were initially awarded in August (September for the Management Board) 2010 and will vest in August (and September) 2014, except for French employees whose share awards vested in August (and September) 2013.

- Free share plan for certain employees of Razorfish (December 2009)

At the time of the Razorfish acquisition, some of its employees benefited from Microsoft "Restricted Share Units" awarded between 2007 and 2009. On December 1, 2009 a new Publicis Groupe free share plan was implemented, subject to continued employment of the same beneficiaries, whereby the same number of shares was awarded after being converted into Publicis Groupe shares with the same vesting dates as the prior plans (which for most beneficiaries vested between January 2010 and September 2015). The number of free Microsoft shares in the process of vesting was converted into Publicis Groupe shares, using the existing ratio between the average Microsoft share price over the preceding 20 trading days over the Publicis Groupe share price on the acquisition date (October 13, 2009).

- Free shares granted as part of the co-investment program (March 2009)

Under this plan, offered to 160 members of Group management, each beneficiary is awarded two free shares for each Publicis share purchased on their behalf by LionLead, a specific structure dedicated to this operation. These shares are subject to conditions: *i.e.,* that the entire investment remains unsold and that employment continues throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the second free share is subject to additional performance criteria, such that the total number of shares received was dependent on the overall attainment of growth and profitability targets over the 2009-2011 period. Free shares awarded to corporate officers depend entirely on performance criteria. Performance was measured in March 2012, with 100% of the targets for this plan being achieved. These shares were awarded in March 2009 and will vest in March 2013, except for French employees whose shares vested in March 2012.

The stock option plans in force at December 31, 2013 had the following features:

- Stock option plan as part of a co-investment program (April 2013)

Under this plan, offered to 200 members of Group management, each beneficiary is awarded one free share and 7.03 stock options for each Publicis share purchased on their behalf by LionLead, a specific structure dedicated to this operation. The stock options are subject to conditions: *i.e.,* that the entire investment remains unsold and that employment continues throughout the four-year vesting period, except for tax residents of France who have a three-year vesting period. These options, which were granted in April 2013, will become exercisable in April 2017, except for French employees for whom they will become exercisable in April 2016.

The options are also subject to performance criteria, such that the number of options that can effectively be exercised will depend on the overall attainment of growth and profitability targets over the 2013-2015 period. On top of this, a market condition, designed to limit the theoretical gain calculated at the end of a three-year period at 50% of the exercise price of the option, will also lead to an adjustment in the number of exercisable options.

- Long Term Incentive Plan "LTIP 2006-2008" (twenty-second tranche in 2006 and twenty-third tranche in 2007)

Options granted under this plan grant a right to acquire one share for an exercise price equal to the average Publicis share price over the 20 days preceding the date of grant. The number of options that may be exercised out of the total number granted was determined in April 2009 based on the growth and profitability levels achieved over the entire 2006-2008 period, corresponding to 62.59% of the initial grant. For the first half of the options, the exercise period began in 2009, while the second half was exercisable as of April 2010. The options expire ten years after the date of grant.

- Plan awarded in 2006 (twenty-first tranche)

Options granted under this plan grant a right to acquire one share for an exercise price equal to the average Publicis share price over the 20 days preceding the date of grant. Options may be exercised after a period of four years and expire ten years after the date of grant.

- Long Term Incentive Plan "LTIP 2003-2005" (seventeenth tranche in 2003, nineteenth tranche in 2004, twentieth tranche in 2005)

Options granted under this plan confer entitlement to one share, the exercise price of which is the average cost of the treasury shares on the date of grant. The number of options that may be exercised out of the total number granted was determined in April 2006 based on the growth and profitability levels achieved over the entire 2003-2005 period, corresponding to 98.92% of the initial grant. For the first half of the options, the exercise period began in 2006, while the second half was exercisable as of April 2007. The options expire ten years after the grant date.

- Plan awarded in 2003 (sixteenth tranche)

Options granted under this plan grant a right to acquire one share for an exercise price equal to the average Publicis share price over the 20 days preceding the date of grant. Options may be exercised after a period of four years and expire ten years after the date of grant.

Share subscription or purchase options originated by Publicis Groupe

CHARACTERISTICS OF PUBLICIS GROUPE STOCK OPTION PLANS OUTSTANDING AT DECEMBER 31, 2013

Plans	Type (1)	Date of grant	Exercise price of options (in euros)	Options outstanding on January 1, 2013 (or if later: date of grant)	Cancelled or lapsed option in 2013	Options exercised in 2013	Options outstanding on December 31, 2013	Of which exercisable at December 31, 2013	Expiration date	Remaining contract life (in years)
16th tranche	A	08/28/2003	24.82	26,000	(15,000)	(11,000)	-	-	-	-
17th tranche LTIP 2003-2005	A	08/28/2003	24.82	341,395	(79,532)	(261,863)	-	-	-	-
19th tranche LTIP 2003-2005	A	09/28/2004	24.82	282,671	-	(45,766)	236,905	236,905	09/28/2014	0.74
20th tranche LTIP 2003-2005	A	05/24/2005	24.76	94,624	-	(23,547)	71,077	71,077	05/24/2015	1.39
21st tranche	A	08/21/2006	29.27	100,000	-	-	100,000	100,000	08/21/2016	2.63
22nd tranche LTIP 2006-2008	A	08/21/2006	29.27	1,484,647	(14,708)	(435,592)	1,034,347	1,034,347	08/21/2016	2.63
23rd tranche LTIP 2006-2008	A	08/24/2007	31.31	329,343	(4,382)	(86,351)	238,610	238,610	08/24/2017	3.64
Co-investissement 2013 – options (2)	S	04/30/2013	52.76	5,949,305	(171,003)	-	5,778,302	-	04/30/2023	9.33
TOTAL DES TRANCHES				**8,607,985**	**(284,625)**	**(864,119)**	**7,459,241**	**1,680,939**		

(1) A = stock options – S = share subscription options

(2) Options subject to a continued employment condition during the vesting period (three years for French beneficiaries and four years for foreign beneficiaries) and the achievement of targets under the 2013-2015 three-year plan. On top of this, a market condition limiting the theoretical gain calculated at the expiration of the three-year period at 50% of the exercise price of the option.

MOVEMENTS IN PUBLICIS GROUPE STOCK OPTION PLANS OVER THE LAST THREE YEARS

	2013		2012		2011	
	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)
Options outstanding at January 1	2,658,680	28.27	5,892,204	27.82	7,806,986	28.02
Options granted during the year	5,949,305	52.76	-		-	
Options exercised (1)	(864,119)	27.71	(2,837,244)	27.50	(1,792,636)	28.60
Options cancelled or lapsed	(284,625)	41.94	(396,280)	27.09	(122,146)	29.79
Options outstanding at December 31	7,459,241	47.35	2,658,680	28.27	5,892,204	27.82
Of which exercisable	1,680,939	28.74	2,658,680	28.27	5,892,204	27.82
(1) Average share price on exercise (in euros)		*56.19*		*40.57*		*36.29*

Free share plans originated by Publicis Groupe

CHARACTERISTICS OF THE PUBLICIS GROUPE FREE SHARE PLANS OUTSTANDING AT DECEMBER 31, 2013

Plans	Grant date initial	Grants as of January 1, 2013 (or if later: date of grant)	Shares cancelled, lapsed or transferred (1) in 2013	Shares vesting in 2013	Shares yet to vest at December 31, 2013	Vesting date of shares (2)	Remaining contract life (in years)
2009 co-investment plan – Outside France	03/19/2009	2,166,651	-	(2,166,651)	-	03/19/2013	-
LTIP Plan 2010 – France	08/19/2010	83,550	(10,850)	(72,700)	-	08/19/2013	-
LTIP Plan 2010 – Outside France	08/19/2010	463,600	(22,600)	-	441,000	08/19/2014	0.63
LTIP Plan 2010-2012 (Management Board members France)	09/22/2010	149,821	-	(149,821)	-	09/22/2013	-
LTIP Plan 2010-2012 (Management Board members Outside France)	09/22/2010	98,566	-	-	98,566	09/22/2014	0.73
50 free shares plan 2010 – United States	12/01/2010	373,150	(70,000)	-	303,150	12/01/2014	0.92
LTIP Plan 2011 – France	04/19/2011	82,744	(7,179)	-	75,565	04/19/2014	0.30
LTIP Plan 2011 – Outside France	04/19/2011	493,048	(26,186)	-	466,862	04/19/2015	1.30
50 free shares plan 2011 – Spain, Italy	12/01/2011	72,500	(8,350)	(64,150)	-	12/01/2013	-
50 free shares plan 2011 – 14 countries	12/01/2011	342,200	(67,425)	-	274,775	12/01/2015	1.92
LTIP Plan 2012 – France	04/17/2012	99,800	(9,300)	-	90,500	04/17/2015	1.29
LTIP Plan 2012 – Outside France	04/17/2012	567,175	(31,901)	-	535,274	04/17/2016	2.30
50 free shares plan 2013 – 26 countries	02/01/2013	320,475	(70,050)	-	250,425	02/01/2017	3.09
LTIP Plan 2013 – France	04/16/2013	83,500	(1,525)		81,975	04/16/2016	2.29
LTIP Plan 2013 – Outside France	04/16/2013	553,050	(12,500)	-	540,550	04/16/2017	3.29
LTIP Plan 2013-2015 (Management Board members France)	06/17/2013	70,000	-	-	70,000	06/17/2016	2.46
LTIP Plan 2013-2015 (Management Board members Outside France)	06/17/2013	35,000	-	-	35,000	06/17/2017	3.46
2013 co-investment plan – Free shares France	04/30/2013	142,866	(9,531)	-	133,335	04/30/2016	2.33
2013 co-investment plan – Free shares Outside France	04/30/2013	703,422	(14,794)	-	688,628	04/30/2017	3.33
TOTAL OF FREE SHARE PLANS		**6,901,118**	**(362,191)**	**(2,453,322)**	**4,085,605**		

(1) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.
(2) After this date, French beneficiaries must observe an additional two-year lock-in period.

The award of the free shares listed above is conditional on continued employment by the employee throughout the vesting period. Awards under the following plans are also subject to non-market performance conditions: the 2009 and 2013 co-investment plans for the members of the Management Board and for the half of the shares awarded to beneficiaries of the 2009 co-investment plan who are not members of the Management Board and LTIP 2010 to LTIP 2013.

MOVEMENTS IN PUBLICIS GROUPE FREE SHARE PLANS OVER THE LAST THREE YEARS

	2013	2012	2011
Provisional grants at January 1	4,992,805	5,629,822	5,013,183
Provisional grants during the year	1,908,313	681,500	1,208,350
Grants vesting (deliveries)	(2,453,322)	(805,470)	(150,575)
Grants lapsed	(362,191)	(513,097)	(441,136)
PROVISIONAL GRANTS AT DECEMBER 31	**4,085,605**	**4,992,805**	**5,629,822**

Share subscription plans originated by Digitas

On the acquisition of Digitas these plans were converted into the Publicis Groupe stock option plans, applying the ratio existing between the acquisition price of our public offering for Digitas (translated into euros) and to the Publicis Groupe share price at the completion date of the merger. The subscription price was correspondingly adjusted.

CHARACTERISTICS OF THE DIGITAS STOCK OPTION PLANS OUTSTANDING AT DECEMBER 31, 2013

Shares with a euro 0.40 par value	Date of grant		Exercise price of options (in euros)		Number of options outstanding at December 31, 2013	Of which exercisable at December 31, 2013	Expiry date		Remaining contract life (in years)
	min	max	min	max			min	max	
Digitas Plans									
2001	03/01/2001	01/24/2007	5.08	35.42	85,965	85,965	03/01/2012	01/24/2017	2.43
2005 UK	06/01/2005	12/01/2006	21.70	35.42	5,055	5,055	06/01/2015	12/01/2016	3.00
TOTAL OF TRANCHES					**91,020**	**91,020**			
Prix moyen d'exercice (en euros)					27,59	27,59			

MOVEMENTS IN DIGITAS STOCK OPTION PLANS FOR THE LAST THREE YEARS DIGITAS

	2013		2012		2011	
	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)
Options at January 1	188,408	27.20	326,685	25.27	453,627	22.99
Exercised options [(1)]	(76,433)	36.23	(42,106)	18.53	(83,651)	16.22
Cancelled or lapsed options	(20,955)	23.16	(96,171)	24.45	(43,291)	18.93
OPTIONS AT DECEMBER 31	**91,020**	**27.59**	**188,408**	**27.20**	**326,685**	**25.27**
Of which exercisable	91,020	56.19	188,408	40.57	326,685	36.29
(1) Average share price on exercise (in euros)		*56.19*		*40.57*		*36.29*

Publicis Groupe free share plans granted to certain Razorfish employees

The new Publicis Groupe free share plan, established on December 1, 2009, to replace the plans granted to certain Razorfish employees that were in effect at the time of the acquisition, resulted in the granting of 493,832 free shares in the Publicis Groupe. For the majority of shares the vesting period runs for four years (2010-2013), with a smaller portion running until 2018. At December 31, 2013, the number of free shares yet to be vested was 5,162.

Contractual guarantees given

- Guarantee until 2019 on behalf of Leo Burnett USA to the owner of the premises at 35 West Wacker Drive in Chicago, for a maximum of USD 64,898,000 in respect of rental payment and of USD 80,125,000 in respect of real estate taxes and rental charges related to the building;
- Guarantee until 2016 on behalf of ZenithOptimedia Ltd (UK) to the owner of the premises at 24 Percy Street, London, for a maximum of GBP 6,552,578 in respect of rental payments and of GBP 882,240 in respect of rental charges related to the building;
- Guarantee until 2022 on behalf of Fallon London Limited (UK) to the owner of the premises at 20-30 Great Titchfield Street, London, for a maximum of GBP 18,390,713 in respect of rental payments and of GBP 1,828,842 in respect of rental charges related to the building;
- Joint and several guarantee of the debts of Publicis Groupe Holdings, Publicis Holdings and Publicis Groupe Investments;
- Guarantee given to CitiIndonesia for the repayment of loans totaling 34 billion Indonesian rupiahs given to PT Dyan Prana Shakti, PT Publicis Metro and PT Indonesia Media Exchange;

- Guarantee given to Réseau Ferré de France for an agreement on Médial Rail's use of advertising space for euro 48,771,000.

Commitments given as part of the hedging of foreign currency loans granted to certain subsidiaries:

Amount in currency (in thousands of units)	USD 268	USD 208	USD 171
Type of contract	buyer's hedge	buyer's hedge	buyer's hedge
Currency	USD/EUR	USD/EUR	USD/EUR
Maturity date	01/10/2014	01/15/2014	01/15/2014
Forward rate	1.379300	1.376850	1.369000
Equivalent (in thousands of euros)	194,5	151,1	125,2851
Market value at December 31, 2013 (in thousands of euros)	195,6	150,8	124,3

Amount in currency (in thousands of units)	USD 432	USD 460
Type of contract	buyer's hedge	buyer's hedge
Currency	USD/EUR	USD/EUR
Maturity date	01/31/2014	01/31/2014
Forward rate	1.361150	1.379180
Equivalent (in thousands of euros)	317,1	333,5
Market value at December 31, 2013 (in thousands of euros)	312,9	333,5

Off-balance sheet commitments received

- Undrawn credit lines: euro 1.2 billion as part of the multi-currency syndicated loan maturing in July 2016;
- There were unused bilateral credit lines of euro 709 million at December 31, 2013.

Note 24 Risks and litigation

A lawsuit seeking to block or cancel the merger agreement between Publicis Groupe SA and Omnicom Group Inc. (Omnicom) into Publicis Omnicom Group, signed on July 27, 2013, was filed on August 5, 2013 by various Omnicom shareholders with the Supreme Court of New York State. The claimants are suing the Chairman and members of the Board of Directors of Omnicom for having, in their view, breached their fiduciary duties by approving a merger that would be harmful to the interests of Omnicom shareholders. It also alleged that Publicis aided and abetted this breach.

Two writs were also filed with the Supreme Court of New York State on August 14 and August 20, 2013 on the same grounds. On October 3, 2013, the various claimants petitioned the Supreme Court of New York State to join these three cases. On October 28, 2013, the Supreme Court agreed to the joining of the cases, which will have to be amended within three weeks of the filing with the SEC (Securities and Exchange Commission) of the prospectus (Form S-4) prepared as part of the merger of Publicis Groupe SA and Omnicom Group Inc.

At present, this claim is considered to be without merit and to have no adverse impact on the 2013 financial statements.

Note 25 Subsequent events

Oranes 2022

As part of the compensation offer made by Publicis to Orane bondholders, approved by the meeting of Orane bondholders on October 10, 2013, the holders who claimed their entitlements received euro 865,656 in additional interest on January 15, 2014 as well as 110,871 Publicis Groupe shares in connection with the adjustment of the redemption rate.

Océanes 2018

Out of the 559,278 outstanding Océane 2018 bonds as of December 31, 2013, 554,604 bonds were converted in December 2013 and January 2014. On this basis, 562,921 Publicis shares were delivered in January 2014 and during the same month the remaining 4,674 bonds were redeemed in cash at a unit price of euro 48.74.

Note 26 Subsidiaries and other investments at December 31, 2013

(Figures in thousands of euros except for equity which is stated in local currency)

A) Subsidiaries and other investments whose carrying amount exceeds 1% of Publicis Groupe's share capital

Company	Share capital	Reserves and earnings brought forward	% interest	Gross carrying amount	Net carrying amount	Loans and advances	Billings	Net income	Dividends received
1- Subsidiaries									
Publicis Groupe Investments BV. Prof. W.H. Keesomlaan 12 1183 DJ Amstelveen Netherlands	68,709	6,912,382	100.00	4,898,314	4,898,314	0	0	128,533	593,369
MMS France Holdings 133, avenue des Champs-Élysées 75008 Paris France SIREN 444 714 786	114,607	(88,012)	99.61	248,670	159,986	18,639	0	9,592	0
Médias et Régies Europe 133, avenue des Champs-Élysées 75008 Paris SIREN 353 938 905	24,150	7,968	99.99	25,508	23,999	0	6,147	5,783	0
Metrobus 1 Rond Point Victor Hugo 92137 Issy-les-Moulineaux SIREN 327 096 426	1,840	184	32.30	17,508	12,161	6,460	139,721	2,997	317

B) General information with regard to all subsidiaries and other investments

	Subsidiaries		Investments	
	French	Foreign	French	Foreign
Carrying amount of shares held				
• Gross	291,911	4,898,359	2	0
• Net	196,371	4,898,359	2	0
Amount of dividends received	51,234	593,369	0	0

Details of securities at December 31, 2013

	% interest	Net carrying amount (in thousands of euros)
I - Investments		
A. Investments in French companies		
380,517,041 shares in MMS France Holdings	99.61%	159,986
1,609,991 shares in Médias et Régies Europe	99.99%	23,999
37,146 shares in Metrobus	32.30%	12,161
9,100 shares in Publicis Finance Services	100.00%	186
3,700 shares in Publicis Groupe Services	100.00%	37
Investments with a carrying amount less than euro 15,000, aggregate		3
Total French investments		**196,372**
B. Investments in foreign companies		
151,343 shares in Publicis Groupe Investments	100.00%	4,898,314
45,000 shares in Publicis Omnicom Group NV	100.00%	45
Investments with a carrying amount less than euro 15,000, aggregate		-
Total foreign investments		**4,898,359**
TOTAL INVESTMENTS		5,094,731
II - Other non-current securities		
C. French securities		
TOTAL OTHER NON-CURRENT SECURITIES		-
III - Other securities		
D. Other securities of French companies		
9,436,116 Publicis Groupe SA treasury shares (1)	4.37%	376,112
Money mutual funds		13,794
Investments with a carrying amount less than euro 15,000, aggregate		5
E. Other foreign securities		14
TOTAL OTHER SECURITIES		389,925
TOTAL SECURITIES		**5,484,655**

(1) Shares held under share buyback programs, including the liquidity contract.

5.5 Results of Publicis Groupe SA over the past five years

	2013	2012	2011	2010	2009
Share capital at year-end					
Share capital (in thousands of euros)	86,409	84,003	77,343	76,658	79,033
Number of shares in issue	216,023,378	210,008,734	193,357,945	191,645,241	197,583,112
Maximum number of future shares to be issued:					
• under free share plans	9,041,944	2,826,154	2,504,950	1,704,475	185,575
• as a result of warrant exercises [1]	2,887,805	5,602,699	5,602,699	5,602,699	-
• as a result of the conversion of bonds [2]	14,954,875	18,245,828	45,646,888	47,131,733	49,311,847
Operations and results for the year (in thousands of euros)					
Billings, excluding VAT	18,751	14,599	20,484	15,146	33,847
Profit (loss), before tax, depreciation, amortization and provisions	574,606	(5,747)	347,285	202,334	152,354
Income taxes (credit)	(26,996)	(36,622)	(28,196)	(37,717)	(30,332)
Net income after taxes, depreciation, amortization and provisions	551,959	37,483	378,815	235,928	319,692
Income distributed for the period	237,626 [3] [5]	178,179	119,452	128,817	107,312
Earnings per share (in euros)					
Net income after taxes, but before depreciation, amortization and provisions	2.78	0.15	1.94	1.25	0.92
Net income after taxes, depreciation, amortization and provisions	2.56	0.18	1.96	1.23	1.62
Dividend per share	1.10 [5]	0.90	0.70	0.70	0.60
Employees (in thousands of euros except headcount)					
Average headcount	2	2	2	2	2
Payroll expense [4]	4,847	20,870	2,711	761	3,074
Benefits (social security, other employee benefits)	1,429	5,179	796	645	959

(1) Warrants are taken into consideration except for 2009 when their exercise price of euro 30.50 was greater than the Publicis share price.
(2) It was assumed that new shares would be issued to redeem both Océanes and Oranes.
(3) Estimate on the basis of existing shares at December 31, 2013, including treasury shares.
(4) In 2010, payroll included the reversal of the provision for the bonus for a gross amount of €2,033,000.
In 2012, payroll expense included €16,036,000 in respect of the deferred bonus of the Chairman of the Management Board, which vested between 2003 and 2011, for which provisions were funded each successive year and paid out in 2012.
(5) Payable in cash or in shares and subject to shareholder's approval (General Shareholder's Meeting to be held on May 28, 2014).

5.6 Statutory auditors' report on the parent financial statements

Year ended December 31, 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying financial statements of Publicis Groupe SA, attached to this report;
- the justification of our assessments;
- the specific verification required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2013 and of the results of its operations for the year then ended in accordance with French Accounting Principles.

II - JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

Your Company reviews the value in use of its investments as described in the "Investments" section of Note 2 "Accounting policies" in the Notes to the annual financial statements. We assessed the appropriateness of the methods used by the Company and we ensured ourselves of the reasonableness of the estimates made.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names of the principal shareholders has been properly disclosed in the management report.

Paris-La Défense and Courbevoie, March 31, 2014

The statutory auditors

French original signed by

ERNST & YOUNG et Autres		MAZARS	
Vincent De la Bachelerie	Christine Staub	Loïc Wallaert	Anne-Laure Rousselou

6

INFORMATION ABOUT THE COMPANY AND THE SHARE CAPITAL

6.1 Information about the Company

6.1.1 COMPANY NAME AND TRADE NAME

Publicis Groupe SA (the "Company") does business under the trade name Publicis.

6.1.2 REGISTRATION PLACE AND NUMBER

Publicis Groupe SA is registered with the Paris Trade and Companies Registry under number 542 080 601; code APE – NAF 7010Z.

6.1.3 DATE OF INCORPORATION AND TERM

Incorporation date: October 4, 1938.

Term: October 3, 2037, unless extended.

6.1.4 REGISTERED OFFICE, LEGAL FORM, APPLICABLE LEGISLATION, COUNTRY OF ORIGIN, ADDRESS AND TELEPHONE NUMBER OF THE REGISTERED OFFICE

Publicis Groupe SA is a French limited liability company *(société anonyme)* with a Management Board and a Supervisory Board, governed by articles L. 225-57 through L. 225-93 of the French Commercial Code.

The Company's registered office is located at 133, avenue des Champs-Élysées, 75008 Paris, France. The telephone number of the Company's registered office is +33 (0) 1 44 43 70 00.

6.1.5 DEEDS OF INCORPORATION AND BYLAWS

CORPORATE PURPOSE (ARTICLE 2 OF THE COMPANY BYLAWS)

The Company's corporate purposes are to:

- produce and derive added value in any manner from advertising and publicity in any format or of any type;
- organize shows and radio or television broadcasts, set up radio, television and other programming, use movie theaters, recording or broadcasting studios and projection and viewing rooms, publish paper documents and edit music, sketches, scripts and theater productions;
- and more generally, all commercial, financial, industrial and real and intangible property transactions of any type relating directly or indirectly to the above in order to foster the development and growth of the Company's business.

The Company may conduct operations in any country in its own behalf or on the account of third parties, either alone or jointly, with other companies or persons and carry out in any form, directly or indirectly, activities in line with its corporate purpose.

The Company may also acquire interests in any form in any other French or foreign businesses or companies, whatever their corporate purposes.

MANAGEMENT BOARD (ARTICLES 10 TO 12 OF THE COMPANY BYLAWS)

The Management Board oversees Publicis' management. It is fully empowered to act on the Company's behalf in all circumstances. These powers may only be exercised within the limit of the corporate purpose and subject to the powers that are by law reserved for the Supervisory Board and Shareholders' Meetings. The Management Board is appointed by the Supervisory Board and must have at least two but no more than seven members. Each member is appointed for a period of four years and must be a natural person, but need not be a shareholder. Members of the Supervisory Board may be re-appointed. The terms of office of each Supervisory Board member ends at the Annual Ordinary General Shareholders' Meeting following their seventy-fifth birthday. The Supervisory Board appoints one of the members of the Management Board as Chairperson and may appoint one, several or all the other members of the Management Board as Managing Directors.

The members of the Management Board may be dismissed either by the Supervisory Board or by a General Shareholders' Meeting.

SUPERVISORY BOARD (ARTICLES 13 TO 17 OF THE COMPANY BYLAWS)

The Supervisory Board has the responsibility of exercising ongoing supervisory authority over the Management Board. It has at least three and at most eighteen members, who may be reappointed, and who are appointed by the General Shareholders' Meeting for a period of four years in accordance with the decision of the Extraordinary General Shareholders' Meeting of May 29, 2013 which reduced this term of office from six to four years. The Company therefore complies with the recommendations of the AFEP-Medef Code on the lengths of the terms of office of the Supervisory Board members. By way of exception, the terms of office of Supervisory Board members who were in the process of serving six year terms as of that Shareholders' Meeting will continue up to their original expiry date. Members over 75 years of age may not constitute more than one-third of the Supervisory Board, which may be rounded up. Should this limit be exceeded, the oldest member of the Supervisory Board will automatically resign. The potential crossing of this threshold shall be determined at the date of the Supervisory Board's meeting to approve the financial statements for the past year. Each member of the Supervisory Board must own at least 200 Company shares at least during the course of his or her term.

The members of the Supervisory Board may be dismissed only by the General Shareholders' Meeting.

RIGHTS RELATED TO EACH CATEGORY OF SHARES (ARTICLE 8 OF THE COMPANY BYLAWS)

Each share confers the right proportionate to such share to a part of the corporate assets and benefits. The shareholders may be held liable only up to the value of the shares that they hold. Each time that it is necessary to hold several shares to exercise any right, shareholders must be personally responsible for gathering the number of shares required.

GENERAL SHAREHOLDERS' MEETINGS (ARTICLES 19 TO 24 OF THE COMPANY BYLAWS)

General Shareholders' Meetings are open to all shareholders regardless of the number of shares held. The procedures for providing notice of meetings and holding meetings are prescribed by French law. Meetings take place at the Company's headquarters or at any other location specified in the above-mentioned notice and set by the notifier. If so decided by the Management Board when calling the meeting, the Meeting may be publicly broadcast by videoconferencing or any other means of telecommunication, including over the Internet (article 19 of the Company bylaws).

REPRESENTATION AND ADMISSION TO GENERAL SHAREHOLDERS' MEETINGS (ARTICLE 20 OF THE COMPANY BYLAWS)

Any shareholder may participate, personally or through an authorized representative, in Shareholders' Meetings, justifying his identity and his ownership of the securities, through registration on the Company's registry, under the conditions provided for by the law.

Any shareholder may, if so permitted by the Management Board when calling the General Shareholders' Meeting, participate in the meeting by videoconferencing or any other means of telecommunication including over the Internet, subject to applicable laws and regulations. Any such shareholder is deemed present for the purposes of calculating the quorum and majority.

VOTING RIGHTS (ARTICLE 21 PARAGRAPHS 5 TO 8 OF THE COMPANY BYLAWS)

Each of the Company shares carries the right to cast one vote in shareholder elections. However, in accordance with a resolution approved at the Extraordinary General Shareholders' Meeting on September 14, 1968, shares registered with the same shareholder for at least two years, or which have only been transferred during that period from one registered owner to another within the framework of an intestate estate or testamentary succession (based on the joint ownership of the shares or a donation to a living person for the benefit of a spouse or relative through an inherited right) carry double voting rights. The Extraordinary General Shareholders' Meeting has the possibility to purely and simply cancel the double voting right, however this cancellation will only become effective after the approval of a special meeting of shareholders who hold double voting right shares.

In the event of the division of ownership of Company shares, the limited owners and bare owners of shares can freely distribute voting rights at the exceptional or Ordinary Shareholders' Meetings provided they notify the Company beforehand, by providing a certified copy of their agreement at least 20 calendar days before the first General Meeting is held following the above-mentioned ownership division by registered mail. Failing notification within this period, the distribution will be implemented *ipso jure* in accordance with article L. 225-110, paragraph 1, of the French Commercial Code.

Any shareholder may vote by post in accordance with and in the manner provided for in prevailing laws and regulations. When so decided by the Management Board, and indicated in the meeting notice published in the BALO *(Bulletin des annonces légales obligatoires),* shareholders may vote by any means of telecommunication including over the Internet, subject to the laws and regulations prevailing as of the moment of its use.

AMENDMENTS TO THE BYLAWS (ARTICLE 23 OF THE COMPANY BYLAWS)

An Extraordinary General Shareholders' Meeting may make any change to any provision of the bylaws that is permissible under the law. Such changes include but are not limited to: vote on any modification of share capital, such as increasing or reducing share capital, consolidating shares or splitting shares into shares with a lower par value.

DECLARATIONS OF SHARE OWNERSHIP (ARTICLES 7 III AND 6, PARAGRAPH 6 OF THE COMPANY BYLAWS)

Any natural or legal person, acting individually or jointly, who owns or acquires, by any means as described in article L. 233-7 of the French Commercial Code, any fraction equivalent to or greater than 1% of the share capital or voting rights, or any multiple thereof, must notify the Company of the total number of shares or voting rights held, by registered mail with return receipt sent to the registered office within five trading days of crossing any of these thresholds. In addition, a legal entity holding shares representing more than 2.5% of the Company's share capital or voting rights must disclose to the Company the identity of all persons holding, directly or indirectly, more than one-third of the share capital or voting rights of that entity. Should the number of voting rights be greater than the number of shares, the percentages will be calculated based on voting rights. These declaration obligations also apply each time that the fraction of the shares or voting rights held falls below one of the thresholds specified above.

Shareholders who fail to comply with this requirement may be deprived of voting rights with respect to any shares exceeding the relevant threshold until the required disclosure is made, a period provided for by current legislation. Unless one of the thresholds provided for in the above-mentioned article L. 233-7 is breached, this sanction will only be applied subsequent to a request, recorded in the minutes of the General Shareholders' Meeting, of one or more shareholders holding at least 1% of the Company's capital.

LIQUIDATION RIGHTS (ARTICLE 32 OF THE COMPANY BYLAWS)

At the end of the Company's term of incorporation, or in the event of dissolution or liquidation, any assets remaining after payment of the Company's debts and social security expenses, liquidation expenses and all of the Company's remaining obligations will be distributed first to repay in full the par value of its shares. Any surplus will be distributed *pro rata* among shareholders in proportion to the par value of their shareholdings.

6.2 Ownership structure

6.2.1 MAJOR SHAREHOLDERS AND VOTING RIGHTS

At December 31, 2013, to the best of Publicis' knowledge, no person held, directly or indirectly, individually or jointly, 5% or more of its shares (a "Major Shareholder") except those disclosed below. Publicis' bylaws state that all its shareholders have the same proportional voting rights with respect to the shares they hold, except that shares owned by the same shareholder in registered form for at least two years carry double voting rights. The Company has not issued any preferred shares or any securities without voting rights.

It is noted that Publicis Groupe acquired 18,000,000 shares from the Dentsu Company on February 17, 2012. Of these shares, 10,759,813 shares were canceled, leaving the balance remaining in the portfolio at 7,240,187 shares. Then, on February 15, 2013, Publicis Groupe acquired the remaining shares still held by Dentsu, namely 3,875,139 shares. These shares were kept as treasury shares.

DISTRIBUTION OF THE COMPANY'S SHARE CAPITAL AND VOTING RIGHTS

At December 31, 2013	Shares held	% of capital (2)	Voting rights	% of voting rights (3)
A/ Shareholders holding more than 5% of the capital				
Élisabeth Badinter (1)	19,172,340	8.88%	38,344,680	16.35%
BlackRock Inc (4)	13,261,591	6.14%	13,261,591	5.65%
Thornburg Investment Management Inc. (4)	12,809,443	5.93%	12,809,443	5.46%
B/ Treasury shares	9,436,116	4.37%	-	-
C/ Public (registered and bearer shares)	161,343,888	74.68%	170,174,387	72.54%
TOTAL	**216,023,378**	**100.00%**	**234,590,101**	**100.00%**

(1) Élisabeth Badinter fully owned 2.73% of the shares (representing 5.03% of the voting rights) and had the right to income for 6.14% of the shares with her children owning the underlying shares (representing 11.32% of the voting rights).

(2) Percentages are calculated based on the total number of shares issued by the Company, including treasury shares.

(3) Percentages are calculated based on the total number of shares issued by the Company, excluding treasury shares with no voting rights, and counting the double voting rights attached to some shares.

(4) Institutional funds hold shares on behalf of funds or clients under management.

REMINDER OF THE DISTRIBUTION OF THE COMPANY'S SHARE CAPITAL AND VOTING RIGHTS FOR THE PRIOR TWO YEARS

At December 31, 2012	Shares held	% of capital [(2)]	Rights voting	% of voting rights [(3)]
A/ Shareholders holding more than 5% of the capital				
Élisabeth Badinter [(1)]	19,172,340	9.13%	38,344,680	16.57%
Thornburg Investment Management Inc. [(4)]	14,955,035	7.12%	14,955,035	6.46%
B/ Treasury shares	10,805,084	5.15%	-	-
C/ Public (registered and bearer shares)	165,076,275	78.60%	178,154,939	76.97%
TOTAL	**210,008,734**	**100.00%**	**231,454,654**	**100.00%**

(1) Élisabeth Badinter fully owned 2.81% of the shares (representing 5.10% of the voting rights) and had the right to income for 6.32% of the shares with her children owning the underlying shares (representing 11.47% of the voting rights).

(2) Percentages are calculated based on the total number of shares issued by the Company, including treasury shares.

(3) Percentages are calculated based on the total number of shares issued by the Company, excluding treasury shares with no voting rights, and counting the double voting rights attached to some shares.

(4) Institutional funds hold shares on behalf of funds or clients under management.

At December 31, 2011	Shares held	% of capital [(4)]	Rights voting	% of voting rights [(5)]
A/ Shareholders holding more than 5% of the capital				
Élisabeth Badinter [(1)]	20,072,339	10.38%	40,144,678	16.95%
Dentsu Inc. [(2)]	18,102,255	9.36%	35,520,446	15.00%
SEP Dentsu-Badinter [(3)]	3,772,485	1.95%	7,544,970	3.19%
Thornburg Investment Management Inc. [(6)]	14,876,062	7.69%	14,876,062	6.28%
Harris Associates L.P. [(6)]	11,691,900	6.05%	11,691,900	4.94%
B/ Treasury shares	7,361,882	3.81%	-	-
C/ Public (registered and bearer shares)	117,481,022	60.76%	127,032,350	53.64%
TOTAL	**193,357,945**	**100.00%**	**236,810,406**	**100.00%**

(1) Ms. Élisabeth Badinter fully owned 3.52% of the shares (representing 5.74% of the voting rights) and had the right to income for 6.86% of the shares with her children owning the underlying shares (representing 11.21% of the voting rights).

(2) These figures do not include the shares held by the SEP and of which Dentsu may be considered the effective owner according to the shareholder agreement concluded between Élisabeth Badinter and Dentsu (see Section 2.9.5 of the 2011 registration document ("Shareholders' agreement between Élisabeth Badinter and Dentsu" for more details). For such shares, Dentsu would be deemed to beneficially own 21,874,739 shares, amounting to 11.31% of the share capital of the Company and 18.19% of voting rights. The voting rights of Dentsu are limited by agreement to 15%.

(3) This silent partnership was created in September 2004 by Dentsu and Ms. Badinter in order to put into action the limitation on voting rights of Dentsu to 15% (see Section 2.9.5 of the 2011 registration document "Shareholders' agreement between Élisabeth Badinter and Dentsu" for more details).

(4) Percentages are calculated based on the total number of shares issued by the Company, including treasury shares.

(5) Percentages are calculated based on the total number of shares issued by the Company, excluding treasury shares with no voting rights, and counting the double voting rights attached to some shares.

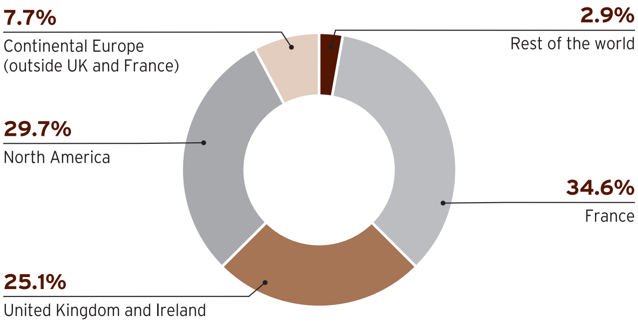
(6) Institutional funds hold shares on behalf of funds or clients under management.

In 2013, the Company was not notified of any crossing of legal thresholds (article L. 233-7 of the French Commercial Code).

BlackRock Inc, acting on behalf of funds and clients under management, declared, in letters received on January 3 and 6, 2014, by way of regularization, having crossed over, on November 8, 2013, the thresholds of 5% of the share capital and voting rights of Publicis Groupe SA and holding, on that date, 5.65% of the share capital and 5.002% of the voting rights.

According to the most recent exhaustive survey of the approximate number of identifiable bearer shares *(titres au porteur identifiables)* and information on registered shares managed by CACEIS Corporate Trust, there were approximately 33,657 shareholders as of December 31, 2013.

BREAKDOWN OF SHARE CAPITAL BY GEOGRAPHIC AREA AS OF DECEMBER 31, 2013 (AS A % OF THE SHARE CAPITAL)



6.2.2 CONTROL OF THE COMPANY

On December 31, 2013, to the best of its knowledge, the Company was not controlled and was not subject to any agreement or engagement linking one or several shareholders, company, foreign government or other natural or legal person operating individually or conjointly with regard to the direct or indirect holding of its capital or under its control, and there existed no agreement of which the fulfillment could cause a change in the Company's control at a later date.

It should be recalled that the Company signed an agreement for a merger of equals with Omnicom Group Inc. as described in 2.4.10, and that Elisabeth Badinter and the members of the family along with Maurice Lévy, in line with identical undertakings by the top managers of Omnicom, signed agreements indicating their support for the deal. Following the merger with Omnicom Group Inc., the Company created as a result of the merger of the two groups, Publicis Omnicom Group, will not be controlled.

6.2.3 AGREEMENTS RELATED TO A POSSIBLE CHANGE OF CONTROL OR LIABLE TO HAVE AN INFLUENCE IN THE EVENT OF A PUBLIC TENDER OFFER

Information required by article L. 225-100-3 of the French Commercial Code included in this registration document is the following: the mention of the existence of approvals granted by the Company's General Shareholders' Meeting to the Management Board regarding the share issuance (described in Section 6.3.1), the capital structure (described in Section 6.2) and the existence of double voting rights (provided for in the Company's bylaws and mentioned in Section 6.1.5).

It is also specified that, to the best of the Company's knowledge, no agreements exist requiring payment of indemnities, in the event of a takeover, to the members of the Management Board or employees if their employment should end as a result of this takeover.

Certain borrowings include change in control clauses. It should be noted that the Merger will not result in the application of these changes in control clauses.

6.3 Share capital

6.3.1 SUBSCRIBED CAPITAL AND SHARE CATEGORIES

COMPOSITION OF SHARE CAPITAL

Between April and December 2013, Publicis Groupe SA allocated free shares to beneficiaries of the Publicis free share plans (in particular under the LTIP 2010, LTIP 2010-2012 for Management Board members, the 2011 international free share plan) in accordance with the provisions of these plans. Thus, during 2013, a total of 292,076 new shares at a par value of euro 0.40 per share were created as a result of these free share plans, representing a total capital increase of euro 116,830.40.

On July 5, 2013, Publicis Groupe SA paid out the full amount of the dividend voted by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 29, 2013, with each shareholder having the option between cash and shares, which resulted in a capital increase of euro 544,600 through the creation of 1,361,502 new shares with a par value of euro 0.40.

In September 2013, the repayment of the ninth tranche of the bonds redeemable in new or existing shares (Orane) resulted in a capital increase in the amount of euro 624,851.60, through the creation of 1,562,129 new shares with a par value of euro 0.40.

In the second half of 2013, 2,798,937 new shares with a par value of euro 0.40 were created as a result of warrant exercises, representing a total capital increase of euro 1,119,574.80.

As at December 31, 2013, the share capital totaled euro 86,409,351.20, divided into 216,023,378 fully paid-up shares with a par value of euro 0.40, of which 28,002,839 shares carried double voting rights.

UNISSUED AUTHORIZED CAPITAL

The Extraordinary General Shareholders' Meeting held on June 1, 2010

- In its twenty-fourth resolution, it authorized the Management Board, for a period of 38 months, to grant to employees or corporate officers of the Company or of companies or economic interest groups affiliated to it under the conditions set forth in article L. 225-180 of the French Commercial Code, or to some of them, and within the limits set by the regulations in force, options granting the right to subscribe for new shares of the Company to be issued pursuant to a capital increase and/or options granting the right to purchase shares acquired by the Company as permitted by law. The total number of options outstanding and unexercised under this authorization cannot give rights to subscribe for a number of shares representing more than 6% of the Company capital. The subscription or purchase price of the shares shall be set by the Management Board on the date on which the options are granted, without any possibility of discount, within the limits and under the conditions provided for by law. The beneficiaries may exercise the options over a period of ten years, starting on the day that the options are granted.

  This delegation expired on May 29, 2013, for the unused portion and the remaining time period, *via* a decision by the Combined Ordinary and Extraordinary Shareholders' Meeting on May 29, 2013 in its fifteenth resolution. The Management Board used this delegation of authority, awarding 5,949,305 stock options to certain key Group executives in France and outside France.

The Extraordinary General Shareholders' Meeting held on June 7, 2011

- In its eighteenth resolution, it authorized the Management Board, for a period of 26 months, to issue shares or other equity securities, subject to a maximum of 10% of the Company's share capital at the time of the issue, as consideration for contributions in-kind of shares or other equity securities agreed by the Company, where the provisions of article L. 225-148 of the French Commercial Code do not apply. This delegation terminates the delegation granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 9, 2009 in its fifteenth resolution with immediate effect, for the unused portion and the remaining time period.

  This delegation expired on May 29, 2013, for the unused portion and the remaining time period, *via* a decision by the Combined Ordinary and Extraordinary Shareholders' Meeting on May 29, 2013 in its fourteenth resolution. The Management Board did not use this delegation of authority.
- In its twenty-second resolution, pursuant to articles L. 225-197-1 *et seq.* of the French Commercial Code, it authorized the Management Board to grant free ordinary shares of the Company, either existing or to be issued, over a period of 38 months, to salaried employees of its choosing and eligible corporate officers (within the meaning of article L. 225-197-1 II paragraph 1 of the French Commercial Code) of the Company or of companies or groups affiliated to it under the provisions of article L. 225-197-2 of the French Commercial Code, or to certain categories of employees or eligible corporate officers, without preferential subscription rights. The total number of Company shares that may be freely given may not exceed 5% of the share capital of the Company, and the par value shall count towards the limit established in the twenty-third resolution. This authorization terminates the authorization granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 3, 2008 in its twenty-third resolution, for the unused portion and the remaining time period.

As at December 31, 2013, the Management Board had made use of this delegation of authority through various new or existing free share plans. In 2013, it therefore awarded 1,908,313 Publicis Groupe SA shares with a par value of euro 0.40. It should be recalled that the Management Board had already made use of this delegation of authority:

- in 2011, by awarding 533,700 Publicis Groupe SA shares with a par value of euro 0.40 under an international free share plan;
- in 2012, by awarding 681,150 Publicis Groupe SA shares with a par value of euro 0.40 under "LTIP 2012".

In addition, the Extraordinary General Shareholders' Meeting, in its twenty-third resolution, set the maximum amount of all capital increases through the issue of shares or other securities made pursuant to the authorizations granted to the Management Board in the twelfth to twenty-second resolutions above at the total par value of euro 40 million, in light of the effect on share capital of adjustments that may be made in accordance with legislative and regulatory provisions relating to the issue of shares or other equity securities.

The Extraordinary General Shareholders' Meeting held on May 29, 2012

- In its thirteenth resolution, it authorized the Management Board, for a period of 26 months, to issue shares (other than preferred stock) or other equity or debt securities, with preferential subscription rights. This delegation of authority authorizes one or several issues of equity securities of the Company's subsidiaries in accordance with article L. 228-93 of the French Commercial Code. The maximum par value of any immediate or future capital increases likely to be carried out under this delegation is euro 35 million. The maximum par value of any capital increases likely to be carried out under the delegations granted to the Management Board by this General Meeting in resolutions thirteen through twenty-one and by the Combined Ordinary and Extraordinary Shareholders' Meeting on June 7, 2011 in resolutions eighteen and twenty-two is euro 35 million. The maximum par value of debt securities that may be issued under this delegation may not exceed euro 1.2 billion. This amount applies to all debt securities that the Management Board is authorized to issue pursuant to these resolutions. This delegation terminates the delegation granted by the Combined Ordinary and Extraordinary Shareholders' Meeting on June 7, 2011 in its twelfth resolution, for the unused portion and the remaining time period.

  As at December 31, 2013, the Management Board had not used this delegation of authority.
- In its fourteenth resolution, it authorized the Management Board, for a period of 26 months, to issue shares (other than preferred shares) or other equity or debt securities, without preferential subscription rights, through a public offering. This delegation of authority authorizes one or several issues of equity securities of the Company's subsidiaries in accordance with article L. 228-93 of the French Commercial Code. In addition, this resolution authorizes the issue of ordinary shares by the Company to cover the issuance of equity securities by the Company's subsidiaries. The maximum par value of any immediate or future capital increases likely to be carried out under this delegation may not exceed euro 14 million. This amount will count toward the overall maximum established in the thirteenth resolution, above. The maximum par value of debt securities may not exceed euro 1.2 billion. This amount applies to all debt securities that the Management Board is authorized to issue pursuant to these resolutions.

  As at December 31, 2013, the Management Board had not used this delegation of authority.
- In its fifteenth resolution, it authorized the Management Board, for a period of 26 months, to issue shares (other than preferred shares) or other equity or debt securities, without preferential subscription rights, through an offer made in accordance with the provisions of paragraph II of article L. 411-2 of the French Monetary and Financial Code. This delegation of authority authorizes one or several issues of equity securities of the Company's subsidiaries in accordance with article L. 228-93 of the French Commercial Code. In addition, this resolution authorizes the issue of ordinary shares by the Company to cover the issuance of equity securities by the Company's subsidiaries. The maximum par value of any immediate or future capital increases under this delegation may not exceed euro 14 million. This value will count toward the maximum par value of all capital increases without preferential subscription rights authorized by this General Shareholders' Meeting in its fourteenth resolution, above, and toward the maximum established in the thirteenth resolution, above. The maximum par value of debt securities may not exceed euro 1.2 billion. This amount applies to all debt securities that the Management Board is authorized to issue pursuant to these resolutions. The issue of shares can be carried out through an offer made pursuant to paragraph II of article L. 411-2 of the French Monetary and Financial Code up to a maximum of 20% of the Company's share capital per year.

  As at December 31, 2013, the Management Board had not used this delegation of authority.

- In its seventeenth resolution, it authorized the Management Board, for a period of 26 months, to implement capital increases by incorporating reserve, earnings, premiums or other sums that may be capitalized in accordance with the law and bylaws, followed by the issue and granting of free shares or increases in the par value of existing shares, or a combination of the two. The maximum par value of capital increases resulting from all issues under this resolution must not exceed euro 35 million. This delegation terminates the delegation granted by the Combined Ordinary and Extraordinary Shareholders' Meeting on June 7, 2011 in its sixteenth resolution, for the unused portion and the remaining time period.

  As at December 31, 2013, the Management Board had not used this delegation of authority.
- In its eighteenth resolution, it authorized the Management Board, for a period of 26 months, to issue shares or other securities, including warrants issued autonomously, in exchange for shares tendered as part of a public exchange offer launched by the Company with respect to the shares of another company listed on a regulated market in accordance with article L. 225-148 of the French Commercial Code, or any other such transaction having the same effect involving another company whose shares are traded on a market regulated by foreign law. The resolution also provided for the elimination, if necessary, of the preferential subscription rights attached to such securities. The maximum par value of any immediate or future capital increases under this delegation may not exceed euro 14 million. This value will count toward the maximum par value of all capital increases without preferential subscription rights authorized by this General Shareholders' Meeting in its fourteenth resolution, above, and toward the maximum established in the thirteenth resolution, above.

  As at December 31, 2013, the Management Board had not used this delegation of authority.
- In its nineteenth resolution, it authorized the Management Board, for a period of 26 months, to increase the number of shares or equity securities issued in the event of an increase in the Company's share capital, with or without preferential subscription rights, within 30 days of the close of the initial offer subscription period, by up to a maximum of 15% of the initial issue and at the same price as the initial issue. The par value of the capital increases issued under this delegation will count toward the maximum set forth under the resolution on the basis of which the initial capital increase is carried out and toward the overall maximum set forth by this General Meeting in its thirteenth resolution.

  As at December 31, 2013, the Management Board had not used this delegation of authority.
- In its twentieth resolution, pursuant to articles L. 3332-1 *et seq.* of the French Labor Code and article L. 225-138-1 of the French Commercial Code and in accordance with the provisions of article L. 225-129-2 and L. 225-129-6 of the same Code, it authorized the Management Board to increase the share capital over a period of 26 months by issuing shares or other equity securities, without preferential subscription rights, to participants in an employee savings plan of the Company and related companies in France and abroad under the provisions of article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code. The maximum par value of the capital increase authorized by this resolution plus the amount of any increase pursuant to the twenty-first resolution below may not exceed euro 2.8 million. This amount will count toward the maximum established in the thirteenth resolution above. The subscription price will be established under the provisions of article L. 3332-19 of the French Labor Code, with a discount not to exceed 20% of the average price over the 20 trading sessions immediately preceding the date of the decision setting the date on which the subscription period begins. The General Meeting also authorized the Management Board to reduce or eliminate the discount at its discretion in order to reflect legal, accounting, tax and social benefit regimes that may exist locally. The Management Board may also decide to grant free shares, either existing or to be issued, or other equity securities, either existing or to be issued, when necessary, for the discount, provided that their monetary value established at the subscription price is taken into consideration and does not cause the limits set in articles L. 3332-19 and L. 3332-11-12-13 of the French Labor Code to be surpassed, and that the characteristics of any other equity securities are decided upon by the Management Board under the provisions of applicable regulations. This delegation terminates the delegation granted by the General Meeting on June 7, 2011 in its twentieth resolution, for the unused portion and the remaining time period.

  This delegation expired on May 29, 2013, for the unused portion and the remaining time period, *via* a decision by the Combined Ordinary and Extraordinary Shareholders' Meeting on May 29, 2013 in its sixteenth resolution. The Management Board did not use this delegation of authority.
- In its twenty-first resolution, pursuant to articles L. 225-129 *et seq.* and article L. 225-138 of the French Commercial Code, it authorized the Management Board to increase the share capital over a period of 18 months in the proportions and at such times as it deems appropriate through the issue of shares and any other equity securities immediately or in the future, without preferential subscription rights. The beneficiaries of subscription rights must be: (i) employees and corporate officers of companies of the Publicis Groupe affiliated to the Company under the provisions of article L. 225-180 of the French Commercial Code and article L. 3444-1 of the French Labor Code, which have their headquarters outside France; (ii) and/or investment funds or other entities, whether or not they are legal entities, employee shareholder plans invested in securities of the Company when the unit holders or shareholders are the individuals mentioned in (i) of this paragraph; (iii) and/or any bank or subsidiary thereof acting at the request of the Company for the purpose of implementing a shareholder or savings plan for the individuals mentioned in (i) of this paragraph to the extent that the subscription rights of parties authorized pursuant to this resolution would allow the employees of subsidiaries located abroad to benefit from equivalent share ownership or savings schemes in respect of their economic advantages as those available to other employees of the Publicis Groupe. The par value of the capital increase

authorized by this resolution plus the amount of any increase pursuant to the twentieth resolution above may not exceed euro 2.8 million. This amount will count toward the maximum established in the thirteenth resolution below. The issue price per share will be established by the Management Board with a maximum discount of 20% of the average price over the 20 trading days immediately preceding the date of the decision setting the subscription price for the capital increase, or in the case of a capital increase taking place at the same time as a capital increase reserved for members of the savings plan, the subscription price of this capital increase (twentieth resolution). The General Meeting also authorized the Management Board to reduce or eliminate the discount at its discretion in order to reflect legal, accounting, tax and social benefit regimes that may exist locally. This delegation terminates the delegation granted by the General Meeting on June 7, 2011 in its twenty-first resolution, for the unused portion and the remaining time period.

This delegation expired – for the unused portion and the remaining time period – on May 29, 2013, *via* a decision by the Combined Ordinary and Extraordinary Shareholders' Meeting on May 29, 2013 in its seventeenth resolution. The Management Board did not use this delegation of authority.

It is noted that, where applicable, the par value of any additional shares to be issued in the event of new financial transactions intended to preserve the rights of equity security holders in accordance with legal and regulatory provisions and any contractual adjustment clauses will be added to the maximums set forth by the resolutions above.

The Extraordinary General Shareholders' Meeting held on May 29, 2013

- In its thirteenth resolution, it authorized the Management Board, for a period of 26 months, to issue through a public offering or an offer made pursuant to paragraph II of article L. 411-2 of the French Monetary and Financial Code, without preferential subscription rights, ordinary shares or other equity securities, setting the issue price. The issue price of any shares may not be lower than, as decided by the Management Board (i) the volume weighted average share price on the Euronext Paris regulated market in the final trading session preceding the setting of the issue price or (ii) the volume weighted average share price on the Euronext Paris regulated market taken mid-session when the issue price is set, less, in both instances, a possible maximum discount of 5%. The par value of the Company's capital increase resulting from the issue authorized under this resolution will count toward the maximum par value of capital increases without preferential subscription rights authorized by the General Shareholders' Meeting of May 29, 2012 in application of the fourteenth or fifteenth resolution depending on whether it involves a public offering or an offer made pursuant to paragraph II of article L. 411-2 of the French Monetary and Financial Code. This amount will count toward the maximum established in the thirteenth resolution of the General Shareholders' Meeting of May 29, 2012.

  As at December 31, 2013, the Management Board had not used this delegation of authority.
- In its fourteenth resolution, it authorized the Management Board, for a period of 26 months, to issue shares or other equity securities, subject to a maximum of 10% of the Company's share capital at the time of the issue, as consideration for contributions in-kind of shares or other equity securities agreed by the Company, where the provisions of article L. 225-148 of the French Commercial Code do not apply. This delegation terminates the delegation granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 7, 2011 in its eighteenth resolution with immediate effect, for the unused portion and the remaining time period.

  As at December 31, 2013, the Management Board had not used this delegation of authority.

It is noted that, where applicable, the maximums set in similar resolutions that may supersede said resolutions during the period of validity of said authorizations may be added to the maximums set in the thirteenth and fourteenth resolutions.

- In its fifteenth resolution, it authorized the Management Board, for a period of 38 months, to grant to employees or corporate officers of the Company or of companies or economic interest groups affiliated to it under the conditions set forth in article L. 225-180 of the French Commercial Code, or to some of them, and within the limits set by the regulations in force, options granting the right to subscribe for new shares of the Company to be issued pursuant to a capital increase and/or options granting the right to purchase shares acquired by the Company as permitted by law. The total number of options outstanding and unexercised under this authorization cannot give rights to subscribe for a number of shares representing more than 3% of the Company capital. This maximum will count toward the 5% maximum mentioned in the twenty-second resolution of the General Shareholders' Meeting of June 7, 2011 until the expiry of this authorization. The exercise of some or all of the options awarded under this authorization is subject to two performance conditions set by the Management Board when awarding them and measured over a period of three years. The option awards made under this authorization may, in accordance with the law, be made to eligible corporate officers of the Company, provided that the exercise of the options is subject to two performance conditions set by the Management Board when awarding them and measured over a period of three years, and that the shares resulting from the exercise of the options do not represent more than 0.5% of the share capital of the Company as it was on the date the decision to award the options was made by the Management Board (subject to any aforementioned adjustments), which will count toward the aforementioned maximum of 3% of the share capital. The subscription or purchase price of the shares shall be set by the Management

Board on the date on which the options are granted, without any possibility of discount, within the limits and under the conditions provided for by law. The beneficiaries may exercise the options over a period of ten years, starting on the day that the options are granted. This delegation terminates the delegation granted by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 1, 2010 in its twenty-fourth resolution with immediate effect, for the unused portion and the remaining time period.

As at December 31, 2013, the Management Board had not used this delegation of authority.

- In its sixteenth resolution, pursuant to articles L. 3332-1 *et seq*. of the French Labor Code and article L. 225-138-1 of the French Commercial Code and in accordance with the provisions of article L. 225-129-2 and L. 225-129-6 of the same Code, it authorized the Management Board to increase the share capital over a period of 26 months by issuing shares or other equity securities, without preferential subscription rights, to participants in an employee savings plan of the Company and related companies in France and abroad under the provisions of article L. 225-180 of the French Commercial Code and article L. 3344-1 of the French Labor Code. The maximum par value of the capital increase authorized by this resolution plus the amount of any increase pursuant to the seventeenth resolution below may not exceed euro 2.8 million. This amount will count toward the maximum established in the thirteenth resolution of the General Shareholders' Meeting of May 29, 2012. The subscription price will be established under the provisions of article L. 3332-19 of the French Labor Code, with a discount not to exceed 20% of the average price over the 20 trading sessions immediately preceding the date of the decision setting the date on which the subscription period begins. The General Meeting also authorized the Management Board to reduce or eliminate the discount at its discretion in order to reflect legal, accounting, tax and social benefit regimes that may exist locally. The Management Board may also decide to grant free shares, either existing or to be issued, or other equity securities, either existing or to be issued, when necessary, for the discount, provided that their monetary value established at the subscription price is taken into consideration and does not cause the limits set in articles L. 3332-19 and L. 3332-11-12-13 of the French Labor Code to be surpassed, and that the characteristics of any other equity securities are decided upon by the Management Board under the provisions of applicable regulations. This delegation terminates the delegation granted by the General Meeting on May 29, 2012 in its twentieth resolution, for the unused portion and the remaining time period.

  As at December 31, 2013, the Management Board had not used this delegation of authority.

- In its seventeenth resolution, pursuant to articles L. 225-129 *et seq*. and article L. 225-138 of the French Commercial Code, it authorized the Management Board to increase the share capital over a period of 18 months in the proportions and at such times as it deems appropriate through the issue of shares and any other equity securities immediately or in the future, without preferential subscription rights. The beneficiaries of subscription rights must be: (i) employees and corporate officers of companies of the Publicis Groupe affiliated to the Company under the provisions of article L. 225-180 of the French Commercial Code and article L. 3444-1 of the French Labor Code, which have their headquarters outside France; (ii) and/or investment funds or other entities, whether or not they are legal entities, employee shareholder plans invested in securities of the Company when the unit holders or shareholders are the individuals mentioned in (i) of this paragraph; (iii) and/or any bank or subsidiary thereof acting at the request of the Company for the purpose of implementing a shareholder or savings plan for the individuals mentioned in (i) of this paragraph to the extent that the subscription rights of parties authorized pursuant to this resolution would allow the employees of subsidiaries located abroad to benefit from equivalent share ownership or savings schemes in respect of their economic advantages as those available to other employees of the Publicis Groupe. The par value of the capital increase authorized by this resolution plus the amount of any increase pursuant to the sixteenth resolution above may not exceed euro 2.8 million. This amount will count toward the maximum established in the thirteenth resolution of the General Shareholders' Meeting of May 29, 2012. The issue price per share will be established by the Management Board with a maximum discount of 20% of the average price over the 20 trading days immediately preceding the date of the decision setting the subscription price for the capital increase, or in the case of a capital increase taking place at the same time as a capital increase reserved for members of the savings plan, the subscription price of this capital increase (sixteenth resolution above). The General Meeting also authorized the Management Board to reduce or eliminate the discount at its discretion in order to reflect legal, accounting, tax and social benefit regimes that may exist locally. This delegation terminates the delegation granted by the General Meeting on May 29, 2012 in its twenty-first resolution, for the unused portion and the remaining time period.

  As at December 31, 2013, the Management Board had not used this delegation of authority.

It is noted that, where applicable, the par value of any additional shares to be issued in the event of new financial transactions intended to preserve the rights of equity security holders in accordance with legal and regulatory provisions and any contractual adjustment clauses will be added to the maximums set forth by the sixteenth and seventeenth resolutions above.

TABLE OF DELEGATIONS OF AUTHORITY AND AUTHORIZATIONS GRANTED TO THE MANAGEMENT BOARD:

Type of delegation or authorization	Date of the meeting	Duration of the authorization	Amount authorized	Use of the authorization in 2013
Authorization to grant stock options to employees and/or corporate officers	June 1, 2010 (24th resolution)	38 months Expired by General Meeting of 05/29/2013 (15th resolution)	No more than 6% of capital	5,949,305 new shares granted
Authorization to reduce share capital through the cancellation of treasury shares	June 7, 2011 (11th resolution)	26 months Expired by General Meeting of 05/29/2013 (12th resolution)	No more than 10% of share capital over a period of 24 months	None
Authorization to issue securities as consideration for contributions in-kind granted to the Company	June 7, 2011 (18th resolution)	26 months Expired by General Meeting of 05/29/2013 (14th resolution)	No more than 10% of capital (1)	None
Authorization to grant free shares to employees and corporate officers of the Company or companies within the Group	June 7, 2011 (22nd resolution)	38 months Expires: 08/07/2014	No more than 5% of capital (1)	Total of 1,908,313 new or existing free shares awarded
Authorization to trade in the Company's shares	May 29, 2012 (12th resolution)	18 months Expired by General Meeting of 05/29/2013 (11th resolution)	No more than 10% of capital Overall maximum: €900,000,000 Maximum share purchase price: €50	February 15, 2013: Acquisition of 3,875,139 shares owned by Dentsu Total cost of the buyback: €181,000,000 Any other use during 2013 is recorded under the similar delegation granted by the General Meeting on 05/29/2013 (11th resolution listed below)
Authorization to increase capital by issuing shares or other equity securities with preferential subscription rights	May 29, 2012 (13th resolution)	26 months Expires: 07/29/2014	Maximum par value: €35,000,000 (1) Maximum par value of debt securities: €1,200,000,000 (2)	None
Authorization to increase capital by issuing shares or equity securities without preferential subscription rights through a public offering	May 29, 2012 (14th resolution)	26 months Expires: 07/29/2014	No more than 20% of capital Maximum par value: €14,000,000 (1) (3) Maximum par value of debt securities: €1,200,000,000 (2)	None
Authorization to increase capital by issuing shares or equity securities without preferential subscription rights through an offer made pursuant to paragraph II of article L. 411-2 of the French Monetary and Financial Code	May 29, 2012 (15th resolution)	26 months Expires: 07/29/2014	No more than 20% of capital Maximum par value: €14,000,000 (1) (3) Maximum par value of debt securities: €1,200,000,000 (2)	None
Authorization to increase capital by incorporating reserves, earnings, premiums or other sums	May 29, 2012 (17th resolution)	26 months Expires: 07/29/2014	Maximum par value: €35,000,000 (1)	None
Authorization to issue securities in the event of a public offering initiated by the Company	May 29, 2012 (18th resolution)	26 months Expires: 07/29/2014	Maximum par value: €14,000,000 (1) (3)	None

(1) This amount counts toward the €35,000,000 maximum for all capital increases set forth by the Extraordinary General Meeting on May 29, 2012 in its thirteenth resolution.

(2) This amount applies to all debt securities that the Management Board is authorized to issue under the resolutions of the Extraordinary General Meeting on May 29, 2012.

(3) This amount counts toward the €14,000,000 maximum par value of capital increases without preferential subscription rights set forth by the Extraordinary General Meeting on May 29, 2012 in its fourteenth resolution.

Type of delegation or authorization	Date of the meeting	Duration of the authorization	Amount authorized	Use of the authorization in 2013
Delegation to increase the number of securities issued in the event of an increase in the Company's capital, with or without preferential subscription rights	May 29, 2012 (19th resolution)	26 months Expires: 07/29/2014	No more than 15% (1) (4) of the initial issue and at the same price as this issue. Subject to compliance with the ceiling set forth under the corresponding resolution.	None
Authorization to increase capital for the benefit of Group employees	May 29, 2012 (20th resolution)	26 months Expired by General Meeting of 05/29/2013 (16th resolution)	Maximum par value: €2,800,000 (1) (2)	None
Authorization to increase capital for the benefit of certain categories of recipients located outside France in order to establish a shareholder or savings plan for them	May 29, 2012 (21st resolution)	18 months Expired by General Meeting of 05/29/2013 (17th resolution)	Maximum par value: €2,800,000 (1) (3)	None
Authorization to trade in the Company's shares	May 29, 2013 (11th resolution)	18 months Expires: 11/29/2014	No more than 10% of capital Overall maximum: €1,365,000,000 Maximum share purchase price: €65	Liquidity contract: acquisition of 895,548 shares (average purchase price of €57.64) and sale of 877,048 shares (average sale price of €58.38). Sale of 2,225,822 shares to stock option recipients Delivery of 940,552 free shares Delivery of 2,096,233 shares (conversion of Océane 2018)
Authorization to reduce share capital through the cancellation of treasury shares	May 29, 2013 (12th resolution)	26 months Expires: 07/29/2015	No more than 10% of share capital over a period of 24 months	None
Delegation to increase the capital without preferential subscription rights with the option to set the issue price	May 29, 2013 (13th resolution)	26 months Expires: 07/29/2015	Within the limits set by the 13th, 14th, and 15th resolutions of the Extraordinary Shareholders' Meeting of May 29, 2012 (1) (4) (5)	None
Authorization to issue securities as consideration for contributions in-kind granted to the Company	May 29, 2013 (14th resolution)	26 months Expires: 07/29/2015	No more than 10% of capital (1) (4)	None
Authorization to grant stock options to employees and/or corporate officers	May 29, 2013 (15th resolution)	38 months Expires: 07/29/2016	No more than 3% of capital (6) Maximum of 0.5% of capital for corporate officers (7)	None
Authorization to increase capital for the benefit of Group employees	May 29, 2013 (16th resolution)	26 months Expires: 07/29/2015	Maximum par value: €2,800,000 (1) (2)	None
Authorization to increase capital for the benefit of certain categories of recipients located outside France in order to establish a shareholder or savings plan for them	May 29, 2013 (17th resolution)	18 months Expires: 11/29/2014	Maximum par value: €2,800,000 (1) (3)	None

(1) This amount counts toward the €35,000,000 maximum for all capital increases set forth by the Extraordinary General Meeting on May 29, 2012 in its thirteenth resolution.

(2) This amount counts toward the total capital increase possible under the resolution below.

(3) This amount counts toward the total capital increase possible under the resolution above.

(4) This amount counts toward the €14,000,000 maximum par value of capital increases without preferential subscription rights set forth by the Extraordinary General Meeting on May 29, 2012 in its fourteenth resolution.

(5) This amount counts toward the €14,000,000 maximum par value of capital increases without preferential subscription rights set forth by the Extraordinary General Meeting on May 29, 2012 in its fourteenth or fifteenth resolution, depending on whether it involves a public offering or an offer made pursuant to paragraph II of article L. 411-2 of the French Monetary and Financial Code.

(6) This maximum will count toward the 5% maximum set forth by the Extraordinary General Meeting on June 7, 2011 in its twenty-second resolution until the expiry of the authorization provided for under that resolution.

(7) This maximum will count toward the 3% maximum set under this resolution.

6.3.2 EXISTENCE OF NON-REPRESENTATIVE SHARES, THEIR AMOUNT AND MAIN FEATURES

All shares are representative of the Company's share capital.

6.3.3 NUMBER, BOOK VALUE AND PAR VALUE OF SHARES HELD BY THE ISSUER ITSELF OR ON ITS BEHALF, OR BY ITS SUBSIDIARIES

TREASURY SHARES

The Combined Ordinary and Extraordinary General Shareholders' Meeting on May 29, 2013, in its eleventh resolution, authorized the Management Board to carry out, or to have carried out, purchases in order to fulfill the following objectives:

(1) the grant or transfer of shares to employees and/or corporate officers of the Company and/or of the Group in accordance with the provisions of the applicable regulations;

(2) delivery of shares in order to honor commitments related to securities giving access to the capital;

(3) retention and later delivery of shares (pursuant to an exchange, payment or other transaction) or within the framework of external growth transactions within the limit of 5% of share capital;

(4) stimulation of activity or liquidity on the secondary market of Publicis Groupe shares through an investment services provider who acts independently and without being influenced by the Company, in the name and on the behalf of the Company, in accordance with a liquidity agreement, which complies with the code of ethics recognized by the Autorité des marchés financiers (the French Financial Markets Authority, or AMF) or any other applicable regulations;

(5) canceling of shares acquired by the abovementioned methods;

(6) implementation of any market practices allowed at present or in the future by market authorities.

This repurchase program would also permit the Company to operate with any other authorized purpose or which would become so by the law or regulations in force. In such a case, the Company would inform its shareholders through a press release.

The Company may purchase shares, sell shares it has bought back or transfer such shares at any time and by any method that complies with the regulations in effect, namely by purchase or sale on the stock exchange or by private sale, including through the purchase or sale of blocks (without restricting the portion of the program that may be carried out *via* this method); public purchase, sale or exchange offer; alternative funding mechanisms; derivatives traded on a regulated market or by private sale; or repurchase agreements; either directly or indirectly *via* an investment services provider; the Company may also retain the shares bought back and/or cancel them, subject to the approval of the General Meeting, ruling on an extraordinary basis in accordance with any applicable regulations.

The maximum number of shares that may be repurchased cannot exceed 10% of the number of shares in the share capital, at any time, this percentage applying to the capital adjusted to reflect transactions affecting it following the meeting having voted in favor, this authorization being subject to an overall maximum of euro one billion, three hundred and sixty five million (euro 1,365,000,000).

The maximum share purchase price was set at euro 65; this limit does not apply, however, to shares purchased to cover the free allocations of shares to employees or the exercise of share options.

This authorization for a period of eighteen months expired – for the unused portion and the remaining time period – and replaced that previously granted by the twelfth resolution of the General Meeting on May 29, 2012.

The description of the share buyback program was made available on the Publicis Groupe SA website.

SUMMARY TABLE OF PURCHASES UNDER VARIOUS BUY-BACK PROGRAMS SINCE 2009

	Amount	Average acquisition price (in euros)
Period from 01/01/2009 to 12/31/2009	2,717,068	22.96
Period from 01/01/2010 to 12/31/2010	12,710,327	29.86
Period from 01/01/2011 to 12/31/2011	2,339,802	36.64
Period from 01/01/2012 to 12/31/2012	18,389,396	35.91
Period from 01/01/2013 to 12/31/2013	**4,770,687**	**48.93**

On February 15, 2013, as part of the program in place, the Company purchased the 3,875,139 remaining shares owned by Dentsu at a total price of euro 181 million. These shares will be used to fund attendance and performance share awards or stock option plans.

Under the liquidity agreement signed with CA Cheuvreux, which became Kepler Cheuvreux, the Company acquired 895,548 shares in 2013 at an average price of euro 57.64, and sold 877,048 shares at an average price of euro 58.38.

In 2013, the Company sold 2,225,822 treasury shares to the recipients of stock options who exercised their purchase options during the year and released 940,552 shares under free share plans. The Company also delivered 2,096,233 shares following the conversion of Océane 2018.

The trading fees and other expenses incurred by the Company during 2013 for transactions performed pursuant to the share buyback program authorized by the twelfth resolution of the General Meeting on May 29, 2012, and then by the eleventh resolution of the General Meeting on May 29, 2013, amounted to euro 70,000.

As of December 31, 2013, Publicis Groupe SA owned 9,436,116 shares (4.37%) of its own capital under various buyback authorizations, at a total cost of euro 376,111,116 and an average price per share of euro 39.86.

6.3.4 AMOUNT OF CONVERTIBLE OR EXCHANGEABLE SECURITIES, OR SECURITIES ACCOMPANIED BY WARRANTS, WITH MENTION OF THE TERMS AND CONDITIONS FOR CONVERSION, EXCHANGE OR SUBSCRIPTION

The allocation of share capital at December 31, 2013, on the basis of full dilution resulting from financial instruments issued by the Company, is the following:

At December 31, 2013	Shares held	%	Voting rights	%
Élisabeth Badinter	19,172,340	8.20%	38,344,680	15.19%
BlackRock Inc.	13,261,591	5.67%	13,261,591	5.26%
Thornburg Investment Management Inc.	12,809,443	5.48%	12,809,443	5.07%
Treasury shares held	9,436,116	4.03%	0	0.00%
Public (registered and bearer)	161,343,888	68.99%	170,174,387	67.41%
Oranes (1)	14,387,208	6.15%	14,387,208	5.70%
Equity warrants (2)	2,887,805	1.24%	2,887,805	1.14%
Océanes 2018 (2)	567,667	0.24%	567,667	0.23%
TOTAL	**233,866,058**	**100.00%**	**252,432,781**	**100.00%**

(1) At December 31, 2013, each Orane was convertible into 9.135 shares and 117,160 shares were delivered for past redemptions (2009 to 2013).

(2) Securities in-the-money as of the date of the closing of the 2013 accounts (price at February 7, 2014: €66.24).

A shareholder holding 1% of the share capital of Publicis Groupe SA as of December 31, 2013 would hold 0.92% of the share capital of Publicis Groupe SA at that date, in case of exercise or conversion of rights attached to securities giving access to the capital (Océanes, Oranes, equity warrants) assuming these rights would be fully satisfied by the issue of new shares.

The terms of conversion, exchange and subscription of convertible and exchangeable securities and warrants are described in Note 24 to the consolidated financial statements in Section 4.6 of this document.

6.3.5 PLEDGES, GUARANTEES AND SURETIES

There is no indirect self-control of the Company. As of December 31, 2013, 3,711,000 registered shares managed by the Company, and 40 registered shares administered by others, were pledged, representing a total of 3,711,040 pledged shares.

PRINCIPAL PLEDGE

Name of registered shareholder	Beneficiary creditor lienor	Opening date of pledge	Closing date of pledge	Condition for lifting pledge	Number of issuer's shares pledged	% of issuer's capital pledged at December 31, 2013
Consorts Badinter	LCF Edmond de Rothschild	09/09/2003	Not indicated	Agreement of creditor lienor	3,681,000	1.70%

No major asset held by Group companies was subject to a pledge.

6.3.6 EMPLOYEE SHAREHOLDING

Employees' interests in the share capital through the Company savings plans, and according to the definition of article L. 225-102 of the French Commercial Code as of December 31, 2013 were not significant.

It should be noted that the Publicis Groupe FCPE held 451,497 Publicis Groupe shares as of December 31, 2013. As a result, Publicis Groupe employees owned 0.20% of the share capital *via* the FCPE at that date.

As at December 31, 2013, the total number of options outstanding for all beneficiaries was 7,459,241, including 1,680,939 share purchase options that are immediately exercisable and 5,778,302 subscription or purchase options that are still vesting.

The Group renewed its Long Term Incentive Plan with the "LTIP 2013." In April 2013, this plan awarded 636,550 free shares to a certain number of Group managers, under two conditions. First, these shares are subject to the condition that employment continues throughout the four-year vesting period, except for French nationals who have a shorter, three-year vesting period, but are subject to an additional two-year lock-in period. Furthermore, the shares are subject to performance criteria, so that the total number of shares received will depend on the growth and profitability objectives attained in 2013.

A new co-investment plan was introduced in April 2013 for 200 key Group managers, giving them an opportunity to sign up for a Publicis Groupe share investment program. This program is based on a personal investment, in shares bought on the market. It is accompanied by a mechanism to build loyalty and drive Group performance. The managers-investors will, subject to conditions and after three or four years of continued employment, depending on the laws applicable in each country, receive free shares in recognition of their loyalty. On top of this and depending on the performance of Publicis Groupe relative to its peers in terms of organic growth and operating margin, the managers-investors may receive performance stock options.

With respect to the members of the Management Board (corporate officers), in accordance with the AFEP-Medef recommendations of October 2008, all free shares and stock options awarded are directly linked to the Group's performance both in terms of its growth and margin relative to its peers. The rules governing continued employment and ownership are the same for all.

Under the Co-investment plan, 846,288 shares (including 28,263 performance shares) and 5,949,305 performance stock options may be awarded.

The "LTIP 2013-2015" free share award plan, which was set up in June 2013 for the sole benefit of the members of the Management Board, provides for the award of 105,000 shares in total following a three-year period (2013, 2014 and 2015), subject to continued employment conditions (three years for French beneficiaries and four years for the others) and performance conditions (growth and profitability targets).

Finally, after rolling out the "50 free share" plan in France (in 2009), in the US (in 2010) and 16 other countries (in 2011), Publicis Groupe finalized the plan in 53 new countries in February 2013. Because of the particularities of certain local legal systems, in 27 of these countries this plan takes the form of a cash bonus equivalent to the value of 50 Publicis shares. This bonus will be paid to employees still working for the Group in February 2017. In the 26 other countries, 50 shares were granted to each employee for a total of 320,475 shares, provided that they have been with the Company for four years.

As of December 31, 2013, the total number of free shares yet to vest to Group employees on condition of employment, and performance, in some cases, amounted to 4,085,605.

All the details concerning the option and free share plans (description, changes for the year, and closing balance) are shown in Note 28 of the consolidated financial statements in Chapter 4.6 of this document.

6.3.7 SHARE CAPITAL TRANSACTIONS

Changes regarding the share capital in the last three years are shown below:

Dates	Share capital transactions	Number of shares	Par value	Share capital
12/31/2010	**CAPITAL AS AT DECEMBER 31, 2010**	**191,645,241**	**0.40**	**76,658,096**
05/23/2011	Capital increase (delivery of free shares)	150,575	0.40	60,230
09/01/2011	Capital increase (7th tranche of Orane redemption)	1,562,129	0.40	624,852
12/31/2011	**CAPITAL AS AT DECEMBER 31, 2011**	**193,357,945**	**0.40**	**77,343,178**
02/17/2012	Capital reduction (partial cancellation of shares bought back from Dentsu)	(10,759,813)	0.40	(4,303,925)
04/11/2012 05/10/2012 06/11/2012 07/10/2012 07/30/2012	Capital increases (conversion of Océane 2014 into new shares)	25,848,473	0.40	10,339,389
09/01/2012	Capital increase (8th tranche of Orane redemption)	1,562,129	0.40	624,852
12/31/2012	**CAPITAL AS AT DECEMBER 31, 2012**	**210,008,734**	**0.40**	**84,003,494**
04/11/2013 08/19/2013 09/22/2013 12/02/2013	Capital increases (delivery of free shares)	292,076	0.40	116,830
07/05/2013	Capital increase (dividend payment in shares)	1,361,502	0.40	544,600
09/02/2013	Capital increase (9th tranche of Orane redemption)	1,562,129	0.40	624,852
09/30/2013 10/31/2013 11/30/2013 12/13/2013 12/31/2013	Capital increases (exercise of equity warrants)	2,798,937	0.40	1,119,575
12/31/2013	**CAPITAL AS AT DECEMBER 31, 2013**	**216,023,378**	**0.40**	**86,409,351**

6.4 Stock market information

6.4.1 THE TRADING OF PUBLICIS GROUPE SHARES

The global economy didn't show any firm signs of recovery in early 2013 and seemed to have entered a period of transition in the second half consisting of improved growth in certain mature economies combined with a slowdown in emerging and developing economies. According to the latest estimates from the IMF, global economic growth slowed from 3.1% in 2012 to 3.0% in 2013. In the Eurozone, growth went from -0.7% to -0.4% in 2013 (France going from zero growth in 2012 to 0.2% in 2013). Emerging and developing economies saw growth slow from 4.9% in 2012 to 4.7% in 2013. The United States and Japan saw their growth go from 2.8% in 2012 to 1.9% in 2013 and from 1.4% to 1.7%, respectively. 2013 thus saw a rebalancing of global growth, with the outlook for mature economies improving with emerging economies in a prolonged slowdown. In January 2014, the IMF forecast global economic growth of 3.7%, although felt it was not sufficiently robust and was subject to greater downside risks.

Given the lack of favorable major events, 2013 was once again challenging for the global advertising market with in particular a deterioration in emerging markets at year-end.

Against the backdrop of this slight improvement in the global economy and the continued accommodating policies of central banks, the financial markets performed well overall. The CAC 40 index rose 17.99% in 2013 following a 15.2% increase in 2012, its best performance since 2009, closing at 4,295.95 points on December 31, 2013. In 2013, Publicis shares' stock market performance was in line with comparables and posted a gain of 46.98%, thereby substantially outperforming the CAC 40 and ahead of the SXME (33.18%) as well.

The leadership position in the digital sphere, which accounted for 38.4% of the Group's total revenue in 2013, the good performance of the North-American market, stabilization in Europe, renewed growth in emerging and developing economies as well as the very sizable new accounts won during the past year all point to growth and mean that the Group can look forward to 2014 with confidence.

6.4.2 INVESTOR RELATIONS

During 2013, the Group pursued its relationship with all the main actors in the marketplace. Over the year, the Group's directors held private meetings with circa 600 institutional investors, in France, Denmark, Sweden, the United Kingdom, Canada and the United States. Publicis Groupe also participated in several major sector conferences in Barcelona, the United States and London, as well as in international conferences aimed at promoting French listed companies, held in Paris and London.

6.4.3 SECURITIES MARKET

The following information regarding the shares and financial instruments comes from the Euronext and Bloomberg websites.

PUBLICIS GROUPE SHARES

- Listed on: Euronext Paris (code ISIN/FR0000130577);
- First day listed: June 9, 1970;
- Shares listed on Euronext Paris: all of the shares comprising the share capital.

On December 27, 2007, Publicis Groupe SA was informed that Publicis Groupe SA shares were now no longer listed on the New York Stock Exchange. This delisting followed the Company's notification on September 17, 2007 of the US market authorities that it no longer wanted Publicis Groupe SA shares listed on the New York Stock Exchange (listed in the form of American Depositary Receipt; ratio: four ADR for every one Publicis share), with average annual trading volumes rarely exceeding 1% of all shares in the share capital.

By default, the share can be traded on the New York Stock Exchange OTCQX market (ticker: PUBGY). The OTCQX is a platform that includes over 300 companies from 27 different countries. This platform is an information tool that provides access to US investors, while guaranteeing price transparency.

Changes in the trading price on Euronext Paris during 2013:

- highest: euro 66.51 on December 31, 2013;
- lowest: euro 46.11 on January 2, 2013;
- average price: euro 56.1932.

TRANSACTION VOLUMES AND CHANGES IN COMPANY SHARE PRICES DURING THE LAST EIGHTEEN MONTHS ON EURONEXT PARIS

			Average volumes traded per session [(1)]		Monthly price (in euros)			
Period		Number of sessions	Number of securities	Capital (in thousands of euros)	First listing	Last listing	Highest	Lowest
2012	September	20	906,574	38,930	41	43.55	44.90	40.950
	October	23	665,976	28,448	43.53	41.565	44.645	39.450
	November	22	474,126	20,008	41.44	43.495	43.710	40.670
	December	19	467,007	21,072	43.495	45.25	46.710	43.495
2013	January	22	508,343	24,345	45.515	48.255	49.30	45.375
	February	20	579.769	28.702	48.49	50.62	51.60	47.83
	March	20	520,318	27,227	50.65	52.31	54.09	50.27
	April	21	735,253	38,683	52.10	52.82	56.66	50.01
	May	22	472,876	26,304	53.03	55.27	57.64	53.03
	June	20	625,921	33,711	55.20	54.70	56.26	51.51
	July	23	952,941	55,800	54.87	60.64	63.27	54.76
	August	22	774,659	44,759	60.20	56.32	61.37	54.97
	September	21	693,233	41,318	56.78	58.82	62.16	56.75
	October	23	664,705	39,349	59.09	61.43	61.59	56.55
	November	21	767,526	49,198	61.43	65.06	65.96	61.27
	December	20	717,666	45,805	64.95	66.51	66.51	61.39
2014	January	22	757,065	50,106	66.60	65.78	68.23	63.86
	February	20	919,738	61,852	65.75	68.80	70.37	64.08

(1) Volumes traded on Euronext (excluding alternative platforms).

OCÉANE PUBLICIS GROUPE 2018 -1%

- Listed on: Euronext Paris (ISIN code: FR0000180127);
- First day listed: January 21, 2002;
- Changes in the trading price on Euronext Paris during 2013:
  - highest: euro 67.524 on December 31, 2013,
  - lowest: euro 56.136 on March 1, 2013,
  - average price: euro 59.732 for 2013.

As at December 31, 2013, 559,278 bonds were outstanding.

BONDS RELATED TO PUBLICIS GROUPE WARRANTS (BSA)

- Listed on: Euronext Paris (ISIN code: FR0000312928);
- First day listed: September 25, 2002;
- Changes in the trading price on Euronext Paris during 2013:
  - highest: euro 36.78 on December 31, 2013,
  - lowest: euro 14.59 on January 2, 2013,
  - average price: euro 25.6129 for 2013.

As at December 31, 2013, 2,845,128 warrants, exercisable until 2022, were outstanding.

ORANE PUBLICIS GROUPE

- Listed on: Euronext Paris (ISIN code: FR0000187783);
- First day listed: September 24, 2002;
- Duration: 20 years.

The Orane are redeemable in Publicis Groupe shares (each Orane initially giving entitlement to 18 Publicis Groupe shares), at a rate of 1.05 per annum for the maturities from September 1, 2014 to September 1, 2022. The meeting of Orane bondholders held on October 10, 2013 approved the mandatory conversion, provided the merger is approved by the shareholders of both groups, of all outstanding Orane at a ratio of 9.135 shares per Orane, in the days following the merger.

Changes in the trading price on Euronext Paris during 2013:

- highest: euro 461.683 on June 19, 2013;
- lowest: euro 455.633 on June 20, 2013;
- average price: euro 459.052 for 2013

GENERAL SHAREHOLDERS' MEETING

The Combined Annual Ordinary and Extraordinary General Shareholders' Meeting will take place on May 28, 2014 at Publicis Cinémas, 133, avenue des Champs-Élysées, Paris 8.

Prior to this meeting, the legal documents and information will be communicated to shareholders, in accordance with the applicable laws, and notably by electronic consultation on the Publicis website.

8

ADDITIONAL INFORMATION

8.1 Documents on display

During the validity of this document, the Company's bylaws, minutes of the General Shareholders' Meetings, as well as reports of the Management Board and the auditors, and all other documents addressed or available to shareholders as required by law are available at the registered office of Publicis Groupe SA, 133, avenue des Champs-Élysées, 75008 Paris.

The Company bylaws are also available on the Publicis Groupe's website (www.publicisgroupe.com).

The parent company's financial statements and the consolidated financial statements of Publicis Groupe SA for the financial years ending December 31, 2012 and December 31, 2013 are available at the registered office of the Company according to the laws and regulations in effect. They are also available on the Publicis Groupe website (www.publicisgroupe.com and www.publicisgroupe.com/ir) and on the website of the French Regulatory Authority (www.amf-france.org).

Furthermore, historical financial information for any direct or indirect subsidiary of the Company for the years ending December 31, 2012 and December 31, 2013 is available at the registered office of such subsidiary, as required by relevant laws and regulations.

8.2 Registration document responsibility and declaration

8.2.1 RESPONSIBILITY FOR THE REGISTRATION DOCUMENT

Mr. Maurice Lévy, Chairman of the Management Board of Publicis Groupe SA ("the Company").

8.2.2 DECLARATION OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I confirm, having exercised due diligence in this regard, that, to the best of my knowledge, the information in this registration document is true and contains no material omission.

I also confirm that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the Company's assets, financial position and profit, as well as those of its consolidated subsidiaries, and that the management report, the various components of which are indicated in the cross-referencing table in Section 8.6, provides a fair view of the progress of the business, results and financial position of the Company and all its consolidated subsidiaries, and a description of the main risks and uncertainties that they face.

I have obtained from the statutory auditors an end-of-engagement letter *(lettre de fin de travaux)*, in which they state that they have verified the financial position and financial statements in this registration document, and have reviewed this registration document. The statutory auditors' report on the consolidated financial statements for the 2013 financial year, which is shown in Section 4.7 of this document, contains no observations.

The statutory auditors submitted reports on the financial information presented in this document:

The general report of the statutory auditors on the consolidated financial statements for 2012 in the registration document filed with the Financial Markets Authority (AMF) on April 12, 2013 under the no. D. 13-0343 do not contain any observations.

The general report of the statutory auditors on the consolidated financial statements for 2011 in the registration document filed with the Financial Markets Authority (AMF) on March 19, 2012 under the no. D. 12-0174 do not contain any observations.

Signed in Paris, April 4, 2014

Maurice Lévy,

Chairman of the Management Board

8.3 Statutory auditors

8.3.1 PRINCIPAL STATUTORY AUDITORS

ERNST & YOUNG et Autres

Represented by Mr. Vincent de La Bachelerie and Ms. Christine Staub

1/2 place des Saisons 92400 Courbevoie – Paris La Défense 1

Appointed at the General Shareholders' Meeting of June 4, 2007; appointment renewed at the General Shareholders' Meeting of May 29, 2013, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2018.

MAZARS

Represented by Mr. Loïc Wallaert and Ms. Anne-Laure Rousselou

61 rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie

Appointed at the General Shareholders' Meeting of June 25, 1981; appointment renewed at the General Shareholders' Meeting of June 7, 2011, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2016.

8.3.2 ALTERNATE STATUTORY AUDITORS

AUDITEX

1/2 place des Saisons 92400 Courbevoie – Paris La Défense 1

Appointed at the General Shareholders' Meeting of June 4, 2007; appointment renewed at the General Shareholders' Meeting of May 29, 2013, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2018.

Mr. Gilles Rainaut

61 rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie

Appointed at the General Shareholders' Meeting on June 1, 2010 to replace Mr. Patrick de Cambourg, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

8.4 Cross-reference table for the registration document

See Appendix 1 of European Regulation no. 809/2004

	Page no.	Section no.
17/ Employees		
17.1. Number of employees	136	4.6. (Note 3)
17.2. Participations and stock options	36 to 44	1.2.4.; 1.2.5 and 1.2.6.
17.3. Agreement on employee share ownership	237 to 238	6.3.6.
18/ Main shareholders		
18.1. Shareholders holding more than 5% of capital	225 and 226	6.2.1.
18.2. Existence of different voting rights	223	6.1.5.
18.3. Direct or indirect control	227	6.2.2.
18.4. Agreement that could lead to a change in control	227	6.2.3.
19/ Related party transactions	45 and 46	1.3
20/ Financial information concerning the issuer's assets, financial position, and results of operations		
20.1. Historical financial information	111 to 189 and 193 to 219	4. and 5.
20.2. *Pro forma* financial information		NA
20.3. Financial statements	111 to 189	4.
20.4. Verification of annual historical financial information	190 and 220	4.7. and 5.6.
20.5. Date of most recent financial information		NA
20.6. Intermediate and other financial information		NA
20.7. Dividend distribution policy	109	3.6.
20.8. Legal and arbitrage procedures	92; 128 and 129; 153 and 154 216	2.8.2.; 4.6. (Notes 1.3 and 20); 5.4 (Note 24)
20.9. Significant change in financial or commercial situation	185; 217	4.6. (Note 30) and 5.4. (Note 25)
21/ Additional information		
21.1. Share capital	228 to 238	6.3.
21.2. Memorandum and by-laws	222 to 224	6.1.5.
22/ Major contracts	87	2.6.
23/ Information from third parties, experts and declared interests		NA
24/ Documents on display	246	8.1.
25/ Information on holdings	186 to 189	4.6. (Note 32)

Pursuant to article 28 of EC Commission Regulation no. 809/2004, the following information is incorporated by reference into this registration document:

- the consolidated financial statements for the 2012 financial year drawn up in accordance with IFRS standards, and the statutory auditors' report relating thereto, which are shown on pages 109 to 192 and 193 to 194 of the 2012 registration document filed with the AMF on April 12, 2013 under no. D. 13-0343;
- the consolidated financial statements for the 2011 financial year drawn up in accordance with IFRS standards, and the statutory auditors' report relating thereto, which are shown on pages 97 to 178 and 179 to 180 of the 2011 registration document filed with the AMF on March 19, 2012 under no. D. 12-0174;
- the change in financial position and income from Group operations for the 2012 financial year, shown on pages 95 to 106 of the 2012 registration document filed with the AMF on April 12, 2013 under no. D. 13-0343;
- the change in financial position and income from Group operations for the 2011 financial year, shown on pages 83 to 93 of the 2011 registration document filed with the AMF on March 19, 2012 under no. D. 12-0174;
- the parent company financial statements for the 2012 financial year drawn up according to French accounting standards, and the statutory auditors' report relating thereto, which are shown on pages 195 to 223 and 224 of the 2012 registration document filed with the AMF on April 12, 2013 under no. D. 13-0343;
- the parent company financial statements for the 2011 financial year drawn up according to French accounting standards, and the statutory auditors' report relating thereto, which are shown on pages 181 to 209 and 210 of the 2011 registration document filed with the AMF on March 19, 2012 under no. D. 12-0174;
- the statutory auditors' special report on related-party agreements for the 2012 financial year, shown on pages 90 to 93 of the 2012 registration document filed with the AMF on April 12, 2013 under no. D. 13-0343;
- the statutory auditors' special report on related-party agreements for the 2011 financial year, shown on pages 77 to 80 of the 2011 registration document filed with the AMF on March 19, 2012 under no. D. 12-0174;
- the sections of the 2012 and 2011 registration documents that are not included are either irrelevant for investors, or covered by this registration document.

8.5 Cross-Reference table for the annual financial report

In order to facilitate the reading of the annual financial report, the following thematic table makes it possible to identify the main information required by article L. 451-1-2 of the French Monetary and Financial Code in this registration document.

	Item in the annual financial report	Page no.	Section no.
1.	Financial statements	194 to 219	5.1. to 5.5.
2.	Consolidated financial statements	112 to 189	4.1. to 4.6.
3.	Statutory auditors' report on the financial statements	220	5.6.
4.	Statutory auditors' report on the consolidated financial statements	190 to 191	4.7.
5.	Management report including at least the information mentioned in articles L. 225-100, L. 225-100-2, L. 225-100-3 and L. 225-211 paragraph 2 of the French Commercial Code		
	Objective and thorough analysis of the progress of the business, results and the financial position	99 to 100; 108 and 82 to 86	3.1.; 3.5. and 2.5.
	Description of the main risks and uncertainties	90 to 95; 159 to 163 and 171 to 174	2.8.; 4.6. (Notes 22 and 26)
	Release of the financial instruments	167 to 174	4.6. (Notes 25 and 26)
	Social and environmental impact of the business	49 to 62	1.4.
	Rules applicable to the appointment and replacement of members of the Supervisory Board and the Management Board, as well as to changes in the statutes or capital	222 to 224	6.1.5.
	Buyback by the Company of its own shares	222 to 224; 228 to 234 and 235 to 236	6.1.5.; 6.3.1. and 6.3.3.
	Current delegations	228 to 234	6.3.1.
	Shareholder base, structure and changes in capital	225 to 238	6.2 and 6.3.
	Agreements related to a possible change of control or liable to have an influence in the event of a public tender offer	227	6.2.3.
	Restrictions on the transfer of shares and the exercising of voting rights	222 to 224	6.1.5.
	Agreements allowing for indemnities to the members of the Management Board or employees if they resign or are dismissed without real or serious cause, or if their employment ends because of a public offering	30 to 35	1.2.3.
6.	Declaration of the persons responsible for the management report	247	8.2.2.
7.	Remuneration of the statutory auditors	185	4.6. (Note 31)
8.	Report of the Chairman of the Supervisory Board, established in adherence to legal provisions	19 to 25	1.1.5.
9.	Statutory auditors' report on internal control	26	1.1.6.

8.6 Cross-Reference table for the management report

COMMENTARY ON THE FISCAL YEAR

	Page no.	Section no.
Situation and business activities of the Company and the Group	64 and 69 to 81	2.1.; 2.4.
Business results of the Company and the Group	112 to 114 194; 195; 217 to 219	4.1. to 4.3.; 5.1.; 5.2.; 5.4. (Note 26); 5.5.
Objective and exhaustive analysis of business developments, results and financial position of the company and the Group	99 to 108 82 to 86	3.1. to 3.5. and 2.5.
Key indicators of non-financial performance with regard to the Company's specific business activities		NA
Key events occurring between the date of close of the financial year and the date the report is prepared	86; 185; 217	2.5.2.; 4.6. (Note 30); 5.4. (Note 25)
Foreseeable development of the Company and the Group	79 to 81; 86 and 110	2.4.10.; 2.5.3.; 3.7.
Dividends distributed over the three preceding years and amount of income distributed during the same years eligible for 40% deduction	109	3.6.
Investments or controlling interests in companies headquartered in French territory	82 to 86	2.5.1.

PRESENTATION OF THE GROUP

	Page no.	Section no.
The main risks and uncertainties faced by the Group	90 to 95	2.8.
The Company's use of financial instruments: objectives and policy in relation to financial risk management	167 to 174	4.6. (Notes 25 and 26)
Exposure of the Company to price, credit, liquidity or cash flow risks	94;159 to 164 and 171 to 174	2.8.5. and 4.6. (Notes 22 et 26)
Social and environmental consequences of business activities (including Seveso) and social commitments to promote sustainable development, to fight discrimination and to encourage diversity	49 to 62	1.4.
Research and development activities	88 and 89	2.7.

CORPORATE GOVERNANCE

	Page no.	Section no.
List of all offices and functions exercised throughout the Company by its executive officers during the year	8 to 16	1.1.1.
Total compensation and other benefits paid to executive officers during the year	28 to 44	1.2.
All commitments made by the Company for its corporate officers, such as compensation, indemnities or benefits due or likely to be due as a result of taking up, ceasing or changing functions, or subsequently	28 to 44	1.2.
Options granted, subscribed or bought during the year by the corporate officers and the top ten highest paid Company non-executive employees, and stock options granted to all beneficiary employees, by category	38 to 42 237 to 238	1.2.4. (Tables 4, 5, 8 and 9) and 6.3.6.
Conditions for raising and retaining options by the executive officers	35 and 38	1.2.3. and 1.2.4. (Table 4)
Conditions for retaining free shares attributed to executive officers	35 and 39 176 to 183	1.2.3. and 1.2.4. (Tables 6 et 7) and 4.6 (Note 28)
Operations in the Company's shares by directors and associated persons	44	1.2.6.

COMPANY INFORMATION AND CAPITAL STRUCTURE

	Page no.	Section no.
Rules applicable to the appointment and replacement of members of the Supervisory Board and the Management Board, as well as to changes in the statutes or capital	222 to 224	6.1.5.
Power of the Supervisory Board or the Management Board, in particular concerning the issue or buyback of shares	222 to 224 and 228 to 234; 235 to 236	6.1.5. 6.3.1. and 6.3.3.
Sales and purchases of own shares during the year	235 to 236	6.3.3.
Any adjustments for shares giving access to capital in case of buyback or financial transactions	164 to 167	4.6. (Note 24)
Current delegations	228 to 234	6.3.1.
Structure of and changes in the Company's capital	225 to 227 and 228 to 238	6.2. and 6.3.
Major shareholders and voting rights	225 to 227	6.2.1.
Employee stockholdings	237 to 238	6.3.6.
Agreements related to a possible change of control or liable to have an influence in the event of a public tender offer	227	6.2.3.
Statutory limitations on the exercise of voting rights and transfer of shares or clauses in agreements brought to the attention of the Company	222 to 224	6.1.5.
Direct or indirect ownership of the Company's capital of which it is aware, pursuant to article L. 233-7 of the French Commercial Code	225 to 227	6.2.1.
Agreements between shareholders of which the Company is aware and which might hinder the transfer of shares and the exercise of voting rights		NA
Agreements allowing for indemnities to members of the Management Board or employees if they resign or are dismissed without real or serious cause, or if their employment ends because of a public offering	30 to 35	1.2.3.

ELEMENTS PERTAINING TO THE FINANCIAL STATEMENTS

	Page no.	Section no.
Company's earnings over the past five years	219	5.5.
Payment periods	108	3.5.

REPORT OF THE CHAIRPERSON OF THE SUPERVISORY BOARD

	Page no.	Section no.
On the conditions for preparing and organizing the work conducted by the Supervisory Board and on internal control procedures	19 to 25	1.1.5.
Statutory auditors' report on the report from the Chairperson of the Supervisory Board	26	1.1.6.

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Publicis Groupe SA

French limited liability company *(société anonyme)* with a Management Board and a Supervisory Board, with a share capital of euro 86,409,351.20

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