



# PUBLICIS GROUPE

MAY 2008

## Notice of Meeting

We are pleased to inform you that the Ordinary and Extraordinary Meeting of PUBLICIS GROUPE S.A. shareholders will be held on Tuesday, June 3, 2008 at 10:00 a.m., at the Publiciscinémas, 133, avenue des Champs-Élysées, Paris 8<sup>e</sup>.

### ① AGENDA

#### **Of the Ordinary Shareholders' Meeting:**

- report of the Management Board;
- reports of the Supervisory Board and its Chairperson;
- reports of the Auditors;
- approval of the transactions and financial statements for fiscal year 2007;
- approval of the consolidated financial statements for fiscal year 2007;
- appropriation of earnings and establishment of the dividend;
- ratification of the management acts of the Management Board;
- ratification of the acts of the Supervisory Board;
- approval of the agreements referred to in Article L. 225-86 of the French Commercial Code;
- approval of the agreements referred to in Article L. 225-90-1 of the French Commercial Code;
- reelection of two Supervisory Board members;
- election of two Supervisory Board members;
- authorization to the Management Board to have the Company buy back its own shares;

#### **Of the Extraordinary Shareholders' Meeting:**

- authorization to the Management Board to reduce the share capital by cancelling treasury shares;
- employee shareholding: delegation of authority to the Management Board to increase the share capital in favor of members of a company or Group employee stock ownership plan;
- employee shareholding: delegation of authority to the Management Board to increase the share capital in favor of certain categories of beneficiaries;
- delegation of authority to the Management Board to award free shares to employees and officers of the Company and companies in the Group;
- authorization to the Management Board to use the authorizations and delegations given by the Shareholders' Meeting in the event of a tender offer for the Company's shares;
- amendment of paragraph V of Article 11 of the Articles of Incorporation "Deliberations" under the sub-heading Management Board;

#### **Of the combined Ordinary and Extraordinary Shareholders' Meeting:**

- powers to carry out the formalities;
- Any other business.

## 2 SUBJECT MATTER OF RESOLUTIONS

1 <sup>st</sup> resolution	• approval of the transactions and parent company financial statements for fiscal year 2007.
2 <sup>nd</sup> resolution	• approval of the consolidated financial statements for fiscal year 2007.
3 <sup>rd</sup> resolution	• allocation of net income for fiscal year 2007 and establishment of the dividend.
4 <sup>th</sup> and 5 <sup>th</sup> résolutions	• ratification of the acts of the members of the Management Board and the Supervisory Board for fiscal year 2007.
6 <sup>th</sup> resolution	• approval of the related-party agreements referred to in Article L 225-86 of the French Commercial Code and approval of the special report of the Auditors.
7 <sup>th</sup> to 13 <sup>th</sup> resolutions	• approval of the related-party agreements referred to in Article L 225-90-1 of the French Commercial Code and approval of the special report of the Auditors:
7 <sup>th</sup> resolution	• agreement on the covenant not to compete applicable when Maurice Lévy's duties as Management Board Chairman cease and the compensation established in consideration of this covenant.
8 <sup>th</sup> resolution	• agreement on the covenant not to compete applicable when Jack Klues's duties at Groupe Publicis cease and the compensation established in consideration of this covenant.
9 <sup>th</sup> resolution	• agreement on the compensation, indemnities or benefits that will be owed to Maurice Lévy when his term of office as Management Board Chairman ends.
10 <sup>th</sup> resolution	• agreements on the compensation, indemnities or benefits that could be owed directly or indirectly to Management Board member Kevin Roberts, when his duties at Groupe Publicis end.
11 <sup>th</sup> resolution	• agreement on the compensation, indemnities or benefits that could be owed to Management Board member Jack Klues, when his duties at Groupe Publicis end.
12 <sup>th</sup> resolution	• agreement on the compensation, indemnities or benefits that could be owed to Management Board member David Kenny, when his duties at Groupe Publicis end.
13 <sup>th</sup> resolution	• agreement on the compensation, indemnities or benefits that could be owed to Management Board member Jean-Yves Naouri, when his term as Management Board member ends.
14 <sup>th</sup> and 15 <sup>th</sup> resolutions	• reelection of Tateo Matakai and Michel Halpérin to the Supervisory Board for a six-year term.
16 <sup>th</sup> and 17 <sup>th</sup> resolutions	• election of Claudine Bienaimé and Tatsuyoshi Takashima as new Supervisory Board members for a six-year term.
18 <sup>th</sup> resolution	• formal record of the expiration of the terms of office Michel David-Weill and Yutaka Narita.
19 <sup>th</sup> resolution	• authorization to the Management Board, for an 18-month period, to have the Company purchase its own shares, up to a limit of 10% of the share capital; the maximum purchase price is €36 and the minimum selling price is €18.
20 <sup>th</sup> resolution	• authorization to Management Board, for a 26-month period, to reduce the share capital, if necessary, by cancelling all or part of the Publicis Groupe SA shares held by the Company as part of the share buyback plan contemplated in the preceding resolution.
21 <sup>st</sup> resolution	• pursuant to Article L.225-138-1 of the French Commercial Code and Articles L. 443-1 et seq. of the French Labor Code, authorization to the Management Board, for 26 months, to increase the share capital by issuing shares or securities giving access to the Company's capital, with elimination of shareholders' preemptive rights, in favor of members of an employee stock ownership plan, by an aggregate par value of €2.8 million.
22 <sup>nd</sup> resolution	• pursuant to Articles L. 225-129 et seq. and Article L. 225-138 of the French Commercial Code, authorization to the Management Board, for 18 months, to increase the share capital, with elimination of shareholders' preemptive rights, reserved for certain categories of beneficiaries located outside of France, so that an employee shareholding or savings plan can be established in their favor.
23 <sup>rd</sup> resolution	• delegation to be given to the Management Board, for a 38-month period and within the limit of 5% of the share capital on the date of the decision, to award free shares to employees and officers of the Company and companies in the Groupe.

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| 24 <sup>th</sup> resolution | • authorization to the Management Board to utilize the authorizations granted by the Shareholders' Meeting in the event of a tender offer for the Company.   |
| 25 <sup>th</sup> resolution | • proposed amendment of Section V of Article 11 of the articles of incorporation entitled "Deliberations" under the heading "Management Board" to allow the members of the Management Board to participate in and vote at Management Board meetings remotely by means of telecommunications and to give the Management Board Chairman the tie-breaking vote when decisions are made by the Management Board. |
| 26 <sup>th</sup> resolution | • powers for formalities.  |

## RESOLUTIONS PROPOSED

### Resolutions falling within the prerogatives of the Ordinary Shareholders' Meeting

#### **First resolution (Approval of the transactions and parent company financial statements for the 2007 fiscal year)**

Having heard the reports of the Management Board, the Supervisory Board and the reports of the Auditors as well as the balance sheet, the statement of income and the related notes for the 2007 fiscal year, the Shareholders' Meeting approves the transactions and operations summarized in these reports as well as the annual financial statements showing a profit of EUR 163.693.180.

The Shareholders' Meeting formally acknowledges the report of the Supervisory Board Chairperson on the preparation and organization of the Supervisory Board's work and on the internal control procedures implemented by the Company and the report of the auditors on this report.

The Shareholders' Meeting formally acknowledges the report of the Supervisory Board Chairperson on the preparation and organization of the Supervisory Board's work and on the internal control procedures implemented by the Company and the report of the Auditors on this report.

#### **Second resolution (Approval of the consolidated financial statements for the 2007 fiscal year)**

Having heard the Management Board's report on the management of the Group included in the management report under Article L. 233-26 of the French Commercial Code, and the report of the Auditors on the consolidated financial statements, the Shareholders' Meeting approves the consolidated financial statements for 2007 as they were presented and drawn up in accordance with Articles L. 233-16 et seq. of the French Commercial Code, showing a profit of EUR 476,000,000 (Group share of EUR 452,000,000), as well as the transactions reflected in these financial statements and summarized in the Group management report.

#### **Third resolution (Allocation of net income for the 2007 fiscal year and establishment of the dividend)**

On the recommendation of the Management Board, the Shareholders' Meeting resolves:

- to charge the profit for fiscal year 2007 of	163,693,180 euros
- to the legal reserve for an amount of	211,134 euros
- thus representing a distributable profit of	163,482,046 euros
- allocated for distribution to shares (0.60 euro x 194,402,354 shares, including treasury shares, with a record date of March 31, 2008) i.e.	116,641,412 euros
- and to carry forward an amount of	46,840,634 euros

The total net dividend is EUR 0.60 per share with a par value of EUR 0.40. It will be paid on July 25, 2008, and is eligible, as applicable, for the 40% deduction mentioned in Article 158-3 2 of the General Tax Code, for individuals.

In accordance with Article L. 225-210 Paragraph 4 of the French Commercial Code, the Shareholders' Meeting further resolves that the dividend on treasury shares held on the dividend payment date will be appropriated to retained earnings.

The Shareholders' Meeting acknowledges that the Management Board's report indicates that the following dividends were paid in the previous three years:

- 2004: EUR 0.30 per share with a par value of EUR 0.40, eligible for the 50% deduction for individuals.
- 2005: EUR 0.36 per share with a par value of EUR 0.40, eligible for the 40% deduction for individuals.
- 2006: EUR 0.50 per share with a par value of EUR 0.40, eligible for the 40% deduction for individuals.

#### **Fourth resolution (Ratification of Management Board acts)**

The Shareholders' Meeting ratifies the acts of the Management Board for their management during the 2007 fiscal year.

#### **Fifth resolution (Ratification of Supervisory Board acts)**

The Shareholders' Meeting ratifies the acts of the members of the Supervisory Board for their duties for the 2007 fiscal year.

#### **Sixth resolution (Approval of the regulated agreements pursuant to Article L. 225-86 of the French Commercial Code)**

Having heard the Auditors' special report provided for in Article L. 225-86 of the French Commercial Code, the Shareholders' Meeting formally acknowledges the terms of that report and approves the agreements referred to therein, in accordance with Article L. 225-88 of said Code.

#### **Seventh resolution (Approval of a related-party agreement with Mr. Maurice Levy, as regulated by Article L. 225-90-1 of the French Commercial Code)**

The Shareholders' Meeting, having heard the Auditors' report on the agreements referred to in Article L. 225-86 of the French Commercial Code and the Management Board's management report, takes note of the conclusions of that Auditors' report and approves, pursuant to Article L. 225-90-1 of the French Commercial Code, the agreement authorized by the Supervisory Board, between Publicis Groupe SA and Mr. Maurice Levy, regarding his covenant not to compete applicable when his duties as Chairman of the Management Board end and regarding the fixed compensation in consideration of this covenant.

#### **Eighth resolution (Approval of a related-party agreement with Mr. Jack Klues, as regulated by Article L. 225-90-1 of the French Commercial Code)**

The Shareholders' Meeting, having heard the Auditors' report on the agreements referred to in Article L. 225-86 of the French Commercial Code and the Management Board's management report, takes note of the conclusions of that Auditors' report and approves, pursuant to Article L. 225-90-1 of the French Commercial Code, the agreement between Publicis Groupe SA and Starcom MediaVest Group, Inc. and Mr. Jack Klues, as authorized by the Supervisory Board, regarding his covenant not to compete applicable when his duties at Groupe Publicis end and regarding the fixed compensation in consideration of this covenant.

#### **Ninth resolution (Approval of a related-party agreement with Mr. Maurice Levy, as regulated by Article L. 225-90-1 of the French Commercial Code)**

The Shareholders' Meeting, having heard the Auditors' report on the agreements referred to in Article L. 225-86 of the French Commercial Code and the Management Board's management report, takes note of the conclusions of that Auditors' report and approves, pursuant to Article L. 225-90-1 of the French Commercial Code, the agreement authorized by the Supervisory Board, between Publicis Groupe SA and Mr. Maurice Levy, regarding the compensation, severance pay or benefits that will be owed to him when his duties as Chairman of the Company's Management Board end.

**Tenth resolution (Approval of a related-party agreement with Mr. Kevin Roberts, as regulated by Article L. 225-90-1 of the French Commercial Code)**

The Shareholders' Meeting, having heard the Auditors' report on the agreements referred to in Article L. 225-86 of the French Commercial Code and the Management Board's management report, takes note of the conclusions of that Auditors' report and approves, pursuant to Article L. 225-90-1 of the French Commercial Code, the agreements between, Saatchi & Saatchi North America Inc., Saatchi & Saatchi Limited and Mr. Kevin Roberts, a Management Board member, as authorized by the Supervisory Board, regarding the compensation, severance pay or benefits that could be owed directly or indirectly to him when his duties at Groupe Publicis end.

**Eleventh resolution (Approval of a related-party agreement with Mr. Jack Klues, as regulated by Article L. 225-90-1 of the French Commercial Code)**

The Shareholders' Meeting, having heard the Auditors' report on the agreements referred to in Article L. 225-86 of the French Commercial Code and the Management Board's management report, takes note of the conclusions of that Auditors' report and approves, pursuant to Article L. 225-90-1 of the French Commercial Code, the agreement authorized by the Supervisory Board, between Publicis Groupe SA and Starcom MediaVest Group, Inc. and Mr. Jack Klues, a Management Board member, regarding the compensation, severance pay or benefits that could be owed to him when his duties at Groupe Publicis end.

**Twelfth resolution (Approval of a related-party agreement with Mr. David Kenny, as regulated by Article L. 225-90-1 of the French Commercial Code)**

The Shareholders' Meeting, having heard the Auditors' report on the agreements referred to in Article L. 225-86 of the French Commercial Code and the Management Board's management report, takes note of the conclusions of that Auditors' report and approves, pursuant to Article L. 225-90-1 of the French Commercial Code, the agreement authorized by the Supervisory Board, between Publicis Groupe SA and Digitas Inc. and Mr. David Kenny, a Management Board member, regarding the compensation, severance pay or benefits that could be owed to him when his duties at Groupe Publicis end.

**Thirteenth resolution (Approval of a related-party agreement with Mr. Jean-Yves Naouril, as regulated by Article L. 225-90-1 of the French Commercial Code)**

The Shareholders' Meeting, having heard the Auditors' report on the agreements referred to in Article L. 225-86 of the French Commercial Code and the Management Board's management report, takes note of the conclusions of that Auditors' report and approves, pursuant to Article L. 225-90-1 of the French Commercial Code, the agreement authorized by the Supervisory Board, between Publicis Groupe SA and Mr. Jean-Yves Naouri, a Management Board member, regarding the compensation, severance pay or benefits that could be owed to him when his duties as a member of the Company's Management Board end.

**Fourteenth resolution (Reelection of Mr. Tateo Matakai as a member of the Supervisory Board)**

The Shareholders' Meeting resolves to reelect Mr. Tateo Matakai to the Supervisory Board for a six-year period that will expire at the end of the Annual Shareholders' Meeting held to approve the financial statements for fiscal year 2013.

**Fifteenth resolution (Reelection of Mr. Michel Halperin as a member of the Supervisory Board)**

The Shareholders' Meeting resolves to reelect Mr. Michel Halperin to the Supervisory Board for a six-year period that will expire at the end of the Annual Shareholders' Meeting held to approve the financial statements for fiscal year 2013.

### **Sixteenth resolution (Appointment of Mrs. Claudine Bienaimé as a new member of the Supervisory Board)**

The Shareholders' Meeting resolves to appoint Mrs. Claudine Bienaimé as a new member of the Supervisory Board, for a six-year period that will expire at the end of the Annual Shareholders' Meeting held to approve the financial statements for fiscal year 2013.

### **Seventeenth resolution (Appointment of Mr. Tatsuyoshi Takashima as a new member of the Supervisory Board)**

The Shareholders' Meeting resolves to appoint Mr. Tatsuyoshi Takashima as a new member of the Supervisory Board, for a six-year period that will expire at the end of the Annual Shareholders' Meeting held to approve the financial statements for fiscal year 2013.

### **Eighteenth resolution (Expiration of the terms of office of Supervisory Board members Michel David-Weill and Yutaka Narita)**

The Shareholders' Meeting takes note of the expiration of the terms of office of Supervisory Board members M.M. Michel David-Weill and Yutaka Narita.

### **Nineteenth resolution (Share buy-back program)**

Having examined the report by the Management Board, and ruling in accordance with Articles L. 225-209 et seq. of the French Commercial Code, the Shareholders' Meeting authorizes the Management Board, with the right to subdelegate powers on the terms stipulated by law and the Company's Articles of Incorporation, to buy shares or have shares bought to accomplish the following objectives:

- to award or assign shares to the employees and/or officers of the Company and/or the Group, on the terms and in accordance with the procedures provided for by applicable regulations,
- to furnish shares to honor obligations related to shares or other securities giving access to the capital,
- to hold or deliver shares (by way of exchange, payment or otherwise) in connection with acquisition transactions, up to a limit of 5% of capital,
- to make a secondary market for or enhance the liquidity of Publicis stock through an investment services provider acting on behalf and for the account of the Company with total independence and without being influenced by the Company, by means of a liquidity contract that complies with the code of ethics recognized by the French *Autorité des Marchés Financiers*, or any other applicable provision.
- to cancel the shares so acquired, subject to a further authorization being given by an Extraordinary Meeting of Shareholders;
- to implement any market practice already allowed or allowed in the future by the market authorities.

This program would also allow the Company to act to accomplish any other goal that is currently authorized or will be authorized in the future by applicable law or regulations. In such event, the Company would formally inform its shareholders thereof.

The Company may hold the repurchased shares, sell or transfer them at any time and in any manner, in compliance with applicable regulations, and in particular by selling them on the stock exchange or over the counter, including by buying or selling blocks (without the limiting the part of the program that can be realized by this means) in a public offering or a stock swap, by using options or using derivatives traded on a regulated market or over the counter, or repurchase agreements, in all cases either directly or indirectly through an investment broker, and/or cancel the shares acquired in this manner, subject to the authorization of the Shareholders' Meeting at an Extraordinary Meeting, and in accordance with applicable regulations.

The maximum number of shares that can be purchased shall not exceed 10% of the number of shares making up the share capital at any time, and this percentage shall apply to the share capital as adjusted on the basis of transactions affecting it after this Shareholders' Meeting. As of March 31, 2008, the Company had 11,552,990 shares with a par value of EUR 0.40 each that were acquired pursuant to previous authorizations, and the overall ceiling for this authorization is EUR 500 million.

The maximum purchase price per share is set at EUR 36 and the minimum selling price per share at EUR 18, with the specification that these prices will not apply to a buyback of shares so that shares can be awarded to employees free of charge or so that options can be exercised; in the latter case, the selling price or the monetary equivalent is determined in accordance with the specific provisions that apply.

In the event of a change in the par value of the shares, a capital increase by capitalization of reserves, a bonus issue, a stock split or reverse stock split, a distribution of reserves or any other assets, redemption of shares, or any other transaction involving equity capital, the Shareholders' Meeting delegates to the Management Board the power to adjust the aforementioned purchase and selling prices to take account of the repercussion of these transactions on the value of the share.

The Shareholders' Meeting decides that the Company may utilize this resolution and carry out the share buy-back program, even in the event of tender offers involving the Company's shares, instruments or other securities or initiated by the Company, in compliance with applicable regulations, and in particular Article 232-17 of the General Regulations of the AMF (*Autorité des marchés financiers*).

The Shareholders' Meeting grants full powers to the Management Board, with the right to subdelegate powers on the terms provided for by law and the Company's Articles of Incorporation, to sign all acts, agreements, carry out all formalities and, generally to do whatever is necessary to carry out this resolution.

This authorization is granted for a period of eighteen (18) months from the date of this Shareholders' Meeting. It terminates, for the unused portion and the unexpired period, and supersedes the authorization granted previously under the 10<sup>th</sup> resolution approved by the Meeting of the Company's Shareholders on June 4, 2007.

## **Resolutions falling within the prerogatives of the Extraordinary Shareholders' Meeting**

### **Twentieth resolution (Cancellation of treasury shares)**

Having heard the report by the Management Board and the special report by the Auditors, and ruling in accordance with Article L. 225-209 of the French Commercial Code, the Shareholders' Meeting:

- authorizes the cancellation, on one or more occasions, up to the statutory limit of 10% of the capital (which limit applies to an amount of the Company's capital that will be adjusted to take into account any transactions affecting such capital after today's meeting) and at 24-month intervals, of all or part of the Publicis Groupe SA shares acquired under the share buy-back program authorized by the approval of the nineteenth resolution above, by the share buy-back program authorized at the shareholders' meeting on June 4, 2007, in the 10<sup>th</sup> resolution, or any share buy-back programs authorized prior to or after today's meeting;
- delegates to the Management Board, with full powers of substitution, the authority to cancel the shares so acquired, in its sole discretion, on one or more occasions, in the proportions and at the times it deems appropriate, and to reduce the capital as a result, and to amend the articles of incorporation to reflect these events;
- establishes that this authorization will be in effect for twenty-six (26) months from the date of today's Shareholders' Meeting.

As of today, this authorization supersedes the unutilized portion and the unexpired term of the prior authorization given to the Management Board by the Shareholders' Meeting on June 4, 2007, in the 11<sup>th</sup> resolution, to reduce the capital by cancelling treasury shares.

**Twenty-first resolution (Authorization granted to the Management Board by the Shareholders' Meeting to increase the share capital by issuing shares or securities giving access to the Company's capital, with elimination of the shareholders' preemptive rights, to members of an employee stock ownership plan)**

Having reviewed the report by the Management Board and the special report of the Auditors, and in accordance with Articles L. 443-1 et seq. of the French Labor Code and Article L. 225-138-1 of the French Commercial Code, and pursuant to Article L. 225-129-6 of the French Commercial code, the Shareholders' Meeting:

- 1) Authorizes the Management Board to increase the Company's share capital, on one or more occasions, by issuing shares or securities giving access to the Company's capital, reserved for members of an employee stock ownership plan established by the Company or by its French or foreign affiliates within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 444-3 of the French Labor Code.
- 2) Decides that the maximum aggregate par value of capital increases that can be implemented pursuant to this resolution, added to the amount of the capital increases that can be implemented pursuant to the 22<sup>nd</sup> resolution of this Shareholders' Meeting, shall not exceed two million eight hundred thousand (2,800,000) euros (valued as of the date of the Management Board's decision to increase the capital), this limit to be raised by the required number of shares to reflect any adjustments made in compliance with applicable laws or regulations and with any applicable contractual provisions to protect the rights of the holders of securities entitling them to shares of Company stock. The maximum aggregate par value of capital increases that can be implemented pursuant hereto will count towards the overall limit established in the 21<sup>st</sup> resolution of the Shareholders' Meeting held on June 4, 2007;
- 3) Decides that the subscription price(s) will be established on the terms and conditions established by Article L. 443-5 of the French Labor Code, by applying a maximum discount of 20% of the average price quoted during the twenty trading days preceding the decision setting the opening date for the subscription period. However, the Shareholders' Meeting authorizes the Management Board to reduce or eliminate the discount, as it sees fit, in particular to take account of any locally applicable legal, accounting, tax or employment-related rules;
- 4) Decides pursuant to Article L. 443-5 of the French Labor Code that the Management Board may also decide to grant, free of charge, existing or new shares in the Company or existing or new securities giving access to the Company's capital, to cover the discount, if any, provided that their monetary equivalent, valued at the subscription price, does not have the effect of exceeding the limits specified in Articles L. 443-5 and L. 443-7 of the French Labor Code and that the characteristics of the securities giving access to the Company's capital are determined by the Management Board in compliance with the applicable regulations.
- 5) Decides to eliminate the shareholders' preemptive rights to subscribe to new shares or other securities giving access to the Company's capital and to subscribe to the securities to which the securities issued pursuant to this resolution would entitle their holders in favor of the members of an employee stock ownership plan.
- 6) Decides that the Management Board will have full powers, with authority to delegate or subdelegate such powers, in accordance with applicable laws and regulations, to implement this resolution, and in particular:
  - to decide the dates and the terms and conditions of the issues carried out pursuant to this authorization;
  - to set the opening and closing dates of the subscription periods;
  - to set dates from which the shares will be entitled to dividends, the terms on which the shares must be fully paid up, and to establish the deadlines for payment in full of the shares;
  - to request the admission of the shares hereby issued to listing on a stock exchange, wherever it sees fit;
  - to formally record the completion of the capital increases to reflect the quantity of shares that are actually subscribed to; to accomplish, directly or through an intermediary, all transactions and formalities related to the capital increases, and if it sees fit, to offset the costs of the capital increases against the additional paid-in capital arising thereon and to deduct from such additional paid-in capital any sums required to increase the statutory reserve to one-tenth of the new capital following each capital increase.

The Shareholders' Meeting notes that as of today's date, this delegation cancels the unused portion and the unexpired period of the delegation given by the Shareholders' Meeting on June 4, 2007, in its 19<sup>th</sup> resolution.



## **Twenty-second resolution (Delegation of authority to the Management Board, to be approved by the Shareholders' Meeting, to increase the share capital, with elimination of the shareholders' preemptive rights, reserved for certain categories of beneficiaries)**

Having reviewed the report by the Management Board and the special report of the Auditors, and in accordance with Article L. 225-129 et seq. and Article L. 225-138 of the French Commercial Code, the Shareholders' Meeting:

- 1) Delegates to the Management Board the authority to decide to increase the share capital, on one or more occasions, in the proportion and at the times it determines, by issuing shares or any other securities giving immediate or future access to the Company's capital, such issues to be reserved for persons who meet the criteria for one or more of the categories defined below;
- 2) Decides that the maximum aggregate par value of capital increases that can be implemented pursuant to this resolution, added to the amount of the capital increase made pursuant to the 21<sup>st</sup> resolution of this Shareholders' Meeting, shall not exceed two million eight hundred thousand (2,800,000) euros or the equivalent thereof in any other authorized currency (evaluated as of the date of the Management Board's decision to increase the capital), this limit to be raised by the required number of shares to reflect any adjustments made in compliance with applicable laws or regulations and with any applicable contractual provisions to protect the rights of the holders of securities entitling them to Company shares. The maximum aggregate par value of capital increases that can be implemented pursuant hereto will count towards the overall limit established in the 21<sup>st</sup> resolution of the Shareholders' Meeting held on June 4, 2007.
- 3) Decides to eliminate the shareholders' preemptive right to subscribe to the shares or securities (and to the securities to which these securities may give entitlement) that may be issued pursuant to this resolution and to reserve the right to subscribe to them for categories of beneficiaries meeting the following criteria: (i) employees and officers of the companies in Groupe Publicis that are affiliated with the Company within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 444-3 of the French Labor Code and have their registered office outside of France; (ii) and/or employee stock ownership funds or other entities with or without legal personality that invest in securities issued by the Company whose unit holders or shareholders comprise the persons mentioned in section (i) of this paragraph; (iii) and/or any bank or bank subsidiary acting on behalf of the Company to implement an employee stock ownership or similar plan for the persons mentioned in section (i) of this paragraph to the extent that subscription by the person authorized under this resolution would allow employees of subsidiaries located outside France to benefit from employee stock ownership and similar plans on terms that would confer an equivalent economic benefit to that accruing to other employees of Groupe Publicis;
- 4) Decides that the issue price of each share of the Company will be established by the Management Board by applying a maximum discount of 20% of the average price quoted during the twenty trading days preceding the decision setting the opening date for the subscription period for the capital increase or, in the event of a capital increase simultaneous with a capital increase reserved for members of an employee stock ownership plan, the subscription price of this capital increase (21<sup>st</sup> resolution). However, the Shareholders' Meeting authorizes the Management Board to reduce or eliminate the discount, as it sees fit, in order to take account of any locally applicable legal, accounting, tax or employment-related rules;
- 5) Decides that the Management Board will have full powers, with authority to subdelegate such powers as permitted by law, to implement this delegation and in particular, to formally record the capital increase, to issue new shares and to amend the articles of incorporation accordingly.

The Management Board will report to the next Shareholders' Meeting on the use made of this delegation of authority, in accordance with the laws and regulations.

The delegation thus conferred on the Management Board is valid for a period of eighteen (18<sup>th</sup>) months from the date of today's Shareholders' Meeting.

## **Twenty-third resolution (Free award of shares to employees)**

Having heard the report of the Management Board and the special report of the auditors, and in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code, the Shareholders' Meeting:

- 1) authorizes the Management Board to award existing shares, or shares to be issued, of the Company's common stock, free of charge, on one or more occasions, to the beneficiaries that it shall determine from among the members of the salaried personnel and the eligible officers (as defined in Article L.225-197-1 II paragraph I of the French Commercial Code) of the Company or companies or groups affiliated with the Company on the terms established in Article L. 225-197-2 of the French Commercial Code, or to certain categories of them;
- 2) decides that the total number of Company shares which can be allotted free of charge under this resolution shall not represent more than 5% of the Company's capital stock on the date that the Management Board decides to award them, with the understanding that (i) the Management Board shall have the power to modify the number of shares awarded, within the limits of the 5% cap mentioned above, as a result of transactions involving the Company's capital that occur during the vesting period referred to in paragraph 4 below, so as to preserve the beneficiaries' rights, and (ii) in any event, the nominal amount shall be deducted from the global limit set in the twenty-first resolution of the Shareholders' Meeting held on June 4, 2007.
- 3) sets the period of validity of this authorization at thirty-eight (38) months from the date of this Meeting, which thus cancels, as of the same date, the authorization given by the combined Shareholders' Meeting on June 4, 2007, in the 22<sup>nd</sup> resolution;
- 4) decides that (i) the grant of these Company shares to the beneficiaries shall vest following a minimum vesting period of two years. However, the award of shares shall vest before the end of that vesting period in the event that the beneficiary becomes disabled as defined in the second or third categories set forth in Article L. 341-4 of the French Social Security Code, in which case the award shall vest immediately; (ii) the term of the beneficiaries' obligation to hold the Company's shares shall be set at minimum of two years from the vesting of the share award, except where the beneficiary becomes disabled as defined in the above-mentioned categories of the French Social Security Code, in which case the shares can be sold immediately and (iii) the Management Board shall be entitled to increase the duration of the vesting period and the lock-up period each time that it decides to award shares, and to decide that the shares may be contributed an employee stock ownership plan at the end of the vesting period, in accordance with Article L.443-6 of the French Labor Code;
- 5) decides that by way of exception to the principle set forth in paragraph 4 above, (i) the award of Company shares to beneficiaries who are not tax residents of France will not vest until the end of a vesting period lasting a minimum of four years, with the understanding that the Management Board may opt to decide to award shares immediately and without any vesting period in the event that the beneficiary becomes disabled as defined in the second or third category set forth in Article 341-4 of the French Social Security Code; and (ii) beneficiaries who are not tax residents of France will not be subject to a lock-up period and may freely sell the shares once the award has vested;
- 6) within the limits established above, grants all powers to the Management Board, with right of subdelegation on the terms established by law, to implement this authorization, and in particular:
  - to establish, within the legal limits, the dates on which bonus issues of shares shall be made;
  - to determine the criteria (if any) for allotment, the number of shares allotted to each of the beneficiaries and the terms and procedures for allotting the shares and in particular, the vesting period and the lock-up period for the shares so allotted;
  - to provide for the authorization to temporarily suspend the right to allotments;
  - and in general, with powers of subdelegation on the terms established by the law, to enter into any agreements, establish any documents, carry out any formalities and make any statements to any bodies and to take all other necessary action.
- 7) notes that this authorization automatically entails a waiver by shareholders, to the benefit of the beneficiaries of the grants of shares of common stock to be issued, of their preemptive rights to subscribe to shares of common stock that are issued as share awards vest, and also a waiver of any right to shares of common stock awarded free of charge on the basis of this authorization.

#### **Twenty-fourth resolution (Authority to use the authorizations given by the Shareholders' Meeting in the event of a tender offer for Company shares)**

Having examined the report by the Management Board, the Shareholders' Meeting authorizes the Management Board to exercise the authority granted in Resolutions 20<sup>th</sup> to 23<sup>rd</sup> and pursuant to Resolutions 12, 13, 14, 15, 16, 17, 18, 20 and 21 of the Shareholders' Meeting on June 4, 2007, in the event of a tender offer for the Company's shares,

on the terms established by Article L. 233-33 of the French Commercial Code.  
This authorization is valid for eighteen (18) months from the date of this Shareholders' Meeting.

### **Twenty-fifth resolution (Amendment of Article 11 V of the Articles of Incorporation)**

Having heard the report of the Management Board, the Shareholders' Meeting decides to amend Section V of Article 11 of the Articles of Incorporation, entitled "Deliberation," with the sub-heading "Management Board," by replacing the current text:

"V – For the validity of the deliberations of the Management Board, the presence or representation of a majority of the members in office is necessary and sufficient.

The decisions shall be made by a majority of the members present or represented.

In the event of a tie, the person chairing the meeting shall not have the deciding vote."

with the following text:

"V – For the validity of the deliberations of the Management Board, the presence, participation by videoconferencing, teleconferencing or the representation of a majority of the members in office is necessary and sufficient.

The decisions shall be made by a majority of the members present, or participating by videoconferencing or teleconferencing, or represented.

In the event of a tie, the person chairing the meeting shall not have the deciding vote unless that person is the Management Board Chairman."

## **Resolutions falling within the prerogatives of the Ordinary and Extraordinary Shareholders' Meeting**

### **Twenty-seventh resolution (Powers)**

The Shareholders' Meeting grants full powers to the bearer of a copy or extract of the Minutes of this Shareholders' Meeting for filing all documents and performing all legal publicity and other formalities required.

## **4 BRIEF PRESENTATION OF THE GROUP AND PUBLICIS GROUPE S.A.'S SITUATION FOR FISCAL YEAR 2007**

During the past year in which the global economy was shaken by the subprime financial crisis, Publicis Groupe undertook a substantial modification of its structures and operating methods in a move towards the digital field.

Despite the uncertain economic context and the efforts to transform the Group, Publicis Groupe achieved outstanding financial performance. All the objectives announced in December 2004 for the end of 2008 were reached or exceeded one year ahead of time:

- The Group's operating margin reached 16.7% (2008 objective) despite the consolidation of Digitas, whose margin, although increasing, is below the average of the Group, and despite all reorganization costs resulting from this consolidation, and the negative impact of exchange rates. The continued improvement of the Group's profitability is due to ongoing efforts to reduce operating costs.
- The share of consolidated revenue derived from strong growth markets reached 21.3%.
- The share of advertising revenue, which was 55% in 2004, fell below 40% of the Group's consolidated revenues.
- Marketing services including digital (which represents 15% of consolidated revenue) reached 36% of the total, compared to 23% in 2004.

Financially, the Group's average net debt was €1,2 billion and includes €764 million attributable to the acquisition of Digitas. The free cash flow amounted to €615 million before working capital requirements (as defined in Chapter 10).

This performance demonstrates the soundness of the Group's operations, the quality of its teams and its capacity to improve results year after year.

The only blemish was the disappointing organic growth rate of 3.1%, essentially due to the specific situation within the pharmaceutical sector. Excluding this sector, combined activities showed an annual growth of 4.3%, with a rebound of the growth rate in the second semester at 6.1%.

The Group's activity in terms of new business amounted to more than \$5 billion in 2007 and positioned the Group in second place worldwide (Lehman Brothers classification).

2007 was a particularly active year in terms of external growth. This is clearly consistent with Publicis Groupe's strategy of simultaneously promoting rapid growth in the digital business, pursuing the expansion of marketing services (SAMS) and activities related to the purchase of advertising space, and developing in emerging markets with high growth rates.

## THE GROUP

### Revenues

Consolidated revenues of Publicis for the year ended December 31, 2007 were €4,671 million, an increase of 6.5% from the €4,386 million recorded during the year ended December 31, 2006, despite the negative impact of €180 million due to exchange rate changes. The effect of the exchange rate aside, the increase amounted to 11.1%.

#### Revenues by business line

The distribution of the Group's revenue by business line reflects the Group's objective announced in 2004 of concentrating on its businesses with strong growth potential, and in particular SAMS. The share of SAMS in the Group's overall revenues increased in 2007, in particular due to the acquisition of Digitas, Business Interactif (Digitas France) and to the acquisition of various specialized agencies. The following table shows the percentage of the Group's revenues in 2006 and 2007 realized in each of the three main business lines:

	2007	2006
Traditional Advertising	39%	44%
SAMS	36%	30%
Media	25%	26%
Total	100%	100%

#### Revenues by region

Revenues in 2007 increased across all regions, especially in emerging countries (Africa, the Middle East, Latin America, Asia Pacific and Eastern Europe), which represented 21.3% of revenues in 2007 (24% excluding Digitas, which operates mainly in the United States), compared to 21.0% in 2006. The following table shows the allocation of the Group's revenue by region in 2006 and 2007:

	2007	2006	Change	
	(Millions of euros)		Total	Organic
North America	1,799	1,747	3.0%	1.7%
Europe	2,016	1,842	9.4%	1.7%
Asia Pacific	502	471	6.6%	8.6%
Latin America	237	214	10.7%	8.9%
Africa and the Middle East	117	112	4.5%	11.1%
<b>Total</b>	<b>4,671</b>	<b>4,386</b>	<b>6.5%</b>	<b>3.1%</b>

The balanced distribution of revenue by large customer sectors, combined with a solid customer portfolio and a wider exposure to rapidly growing economies, allow the Group to mitigate the effects of variation in economic cycles.

### Operating Margin and Operating Income

#### Operating Margin

Group operating margin before amortization and depreciation was €888 million in the year ended December 31, 2007, compared to €820 million in the year ended December 31, 2006, representing an increase of 8.3%.

Exchange rate fluctuations had a negative impact of €33 million.

Personnel expenses of €2,829 million, compared to €2,630 million in 2006, have increased by 7.6% for the whole year. However, noticeable progress in the second half-year limited these costs to 60.6% of annual revenue. After excluding acquisitions and the impact of exchange rate fluctuations, this ratio would have been below the threshold of 60 % of revenues.

Other operating costs, representing €954 million in 2007 compared to €936 million in 2006, only increased by 1.9% despite the costs of consolidating Digitas, as a result of quite noticeable progress in the relative weight of operating costs to commercial costs, which was 20.4% for 2007 compared to 21.3% for the year 2006.

The management of various costs, such as occupancy costs, the optimization of operating costs, the reduction of costs linked to the Sarbanes-Oxley Act, as well as the optimization of various operating expenses, strongly contributed to the improvement of the operating margin.

After depreciation and amortization, which amounted to €109 million for the 2007 fiscal year, compared to €107 million in 2006, the operating margin reached €779 million in 2007, i.e., an increase of 9.3% compared to 2006.

The operating margin for 2007 increased by 16.7%, compared to an operating margin which had already increased by 16.3% in 2006 and a year in advance of the objectives set by the Group. This remarkable performance, achieved despite the significant level of consolidation costs for Digitas, may be explained by ongoing cost management efforts at the Group level and to a lesser extent by Digitas' rapid improvement of its profitability.

#### *Operating Income*

The amortization of intangible assets linked to acquisitions has increased due to the consolidation of subsidiaries acquired during the year (€30 million in 2007 compared to €22 million the previous year).

An impairment charge of €6 million was recorded, relating mainly to Fallon and a subsidiary of Médias & Régies Europe, compared to the €31 million that was recorded in 2006. Other operating income amounted to €3 million resulting from sales of capital assets and investments, compared to other operating income of €29 million in 2006 representing mostly the capital gains from the sale of the Saatchi & Saatchi building located on the *Ile de la Jatte* island in the Paris region. Operating income amounted to €746 million for 2007 compared to €689 million for 2006, i.e., an 8.3% increase.

### **Net interest expense and other financial expenses**

The Group's net financial result, consisting of the net interest expense and other financial expense, was €78 million in 2007, compared with €50 million in 2006. This significant increase is primarily due to the cost of the financing of the Digitas acquisition (\$1,3 billion acquisition price paid at the end of January 2007).

Tax expenses for 2007 amounted to €201 million, i.e., an effective tax rate of 30%, in accordance with the Group's objective, compared to €192 million paid in 2006, representing a 30.2% effective rate.

The Group's share of income from companies accounted for by the equity method amounted to €9 million in 2007, compared with €22 million in 2006 (2006 included the Group's share of iSe, i.e., €7 million, compared to €1 million in 2007).

Minority interests totaled €24 million compared to €26 million in 2006. Net income attributable to the Group was €452 million in 2007, representing a 2% increase compared with net income attributable to the Group for 2006, which amounted to €443 million.

Net earnings per share (as defined in note 9 of the consolidated financial statements) were €2.28 in 2007, or €2.11 on a fully diluted basis, which reflected increases from the previous year of 5.6% and 5.0%, respectively. Earnings per share were €2.18 and diluted earnings per share were €2.02, which reflected increases from the previous year of 3.3% and 2.5%, respectively.

### **PUBLICIS GROUP (Parent Company of the Group)**

Revenues of the Publicis Groupe consist exclusively of building rentals and "management fees" for services rendered to subsidiaries of the Group. As of December 31, 2007, revenues totaled €22 million (i.e., the same amount as in 2006).

Financial revenues were €235 million as at December 31, 2007, compared to €229 million in 2006.

Operating expenses were €26 million in 2007, compared to €24 million for the previous year. Financial expense increased from €107 million in 2006 to €251 million in 2007. This increase is mainly due to a €40 million allocation to treasury share provisions at the end of the 2007 fiscal year, as well as losses resulting from exchange rate fluctuations (€90 million).

These losses were partially set off in 2007 by exchange rate gains (€56 million). The net loss from exchange rate fluctuations therefore amounted to €34 million and is essentially the result of the unrealized exchange losses on the \$977,25 million advance granted to MMS USA Holdings, which loss had no effect on the Group's consolidated financial statements. Since November 28, 2007, a financing in an equal amount covers this loan allowing for the elimination of any conversion differences.

As a consequence of the foregoing, the current income before tax represents a €17 million loss in 2007, compared to €123 million before tax the previous year.

The extraordinary net income in 2007 amounts to €160 million, resulting mainly from the capital gains on the contribution to Publicis Groupe Investissements (€159 million) of securities held in Publicis USA Holdings and MMS USA Holdings.

The extraordinary net income in 2006 was a €180 million loss, including a capital loss of €200 million relating to the purchase of nearly 80% of the stock warrants reissued at the time of the acquisition of Bcom3 as well as the capital gain of €20 million on the sale of the building on the *Ile de la Jatte* in Neuilly-sur-Seine.

After taking into account a tax credit of €20 million resulting from the consolidation of the Group in France for tax purposes (compared to €17 million in 2006), the net income for the Publicis Groupe S.A., the parent company, was €164 million as at December 31, 2007, compared to a loss of €39 million as at December 31, 2006.

## **5 FULL-YEAR OUTLOOK**

At the end of 2007, a year marked by the Groupe's decisive offensive into the digital world and a strengthening of its positions in China and India, the most significant factor has been a change in Groupe organization designed to maintain the flexibility increasingly necessary in a fast-changing world: consumer behavior, media landscape, technology and, of course, advertisers themselves, who are facing new challenges. And new challenges for advertisers mean new opportunities for those of us who have prepared to take on this new world.

New organizations have been introduced in support of the strategy adopted by Publicis Groupe, which is to meet advertisers' every need in a changing world, whether by enhancing the value of brands or by building upon the privileged link with consumers. What makes this possible is partly the Publicis Groupe's long history in advertising, in the art of creating the content that forges the link, but also now its ability to remain one step ahead of client needs and consumer expectations.

We move forward with confidence into a near future that is uncertain and perhaps more challenging, and at least into a period which could see certain major economies slowing down in the short term. The results for 2007 emphasize the solid basis on which the Group stands, its ability to improve on its results while winning new accounts in a turbulent climate and thereby demonstrating its resilience.

On the strength of these excellent results, Publicis Groupe feels justified in maintaining its short-term and medium-term growth targets and in looking forward to a year of significant improvements in 2008.

## RESULTS OF PUBLICIS GROUPE S.A. OVER THE LAST FIVE YEARS

	2007	2006	2005	2004	2003
<b>Capital stock at year end</b>					
Capital stock (In thousands of euros)	80,955	79,484	78,844	78,188	78,151
Number of shares in issue	202,387,354	198,709,229	197,109,010	195,471,061	195,378,253
Maximum number of future shares to be issued:					
- Through the exercise of stock options granted	75,500	310,510	361,470	441,440	525,080
- Through the exercise of equity warrants <sup>(1)</sup>	5,602,699	5,602,699	-	-	-
- Through the conversion of bonds <sup>(2)</sup>	52,088,682	53,650,811	56,362,527	68,921,934	68,921,934
<b>Operations and results for the year</b>					
(In thousands of euros)					
Billings, excluding VAT	22,498	20,898	25,574	31,011	17,914
Net (loss) income, before taxes, depreciation, amortization and provisions	203,161	(39,537)	143,611	417,618	(559,520)
Income taxes (credit)	(20,454)	(17,293)	(33,554)	(1,857)	(8,399)
Net (loss) income after taxes, depreciation, amortization and provisions	163,693	(38,996)	254,045	418,108	25,677
Income distributed to shareholders <sup>(3)</sup>	121,432	91,954	66,137	54,722	50,803
<b>Earnings per share (in euros)</b>					
Earnings per share after taxes but before depreciation, amortization and provisions	1.10	(0.11)	0.90	2.15	(2.82)
Earnings per share after taxes, depreciation, amortization and provisions	0.81	(0.20)	1.29	2.14	0.13
Dividends per share	0.60	0.50	0.36	0.30	0.26
<b>Employees</b> (In thousands of euros except headcount)					
Average number of salaried employees	3	3	3	9	9
Gross salary expense	4,075	2,951	1,938	2,550	3,183
Social charges and benefits (social security, charities, and similar benefits)	1,568	1,370	671	699	1,561

(1) The equity warrants were not taken into consideration in 2005 and previously because their strike price of 30.50 euros was higher than the stock market price of Publicis shares during these years.

(2) It was assumed that new shares would be issued to redeem both Oceanes and Oranes.

(3) Estimate on the basis of existing shares as at December 31, 2007, including treasury stock.

Joint stock company with a Management Board and a Supervisory Board with a share capital of €77,763,342  
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