PUBLICIS GROUPE

PRESS RELEASE

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First-half 2004 results

Operating margin up, a steep rise in net income and a reduction in debt

Healthy rises in all indicators for Publicis Groupe in the first half of 2004 reflect:

- the success of our teams in developing business
- the growing benefits of synergies flowing from the acquisitions of recent years
- the effectiveness of our program to strengthen finances.

In view of the consolidation of growth in the second half and good first-half performances, Publicis Groupe confirms all its targets for the current year.

- **Organic growth a healthy 4.5%**
- **Operating margin up a strong 110 basis points** (before amortization of intangible items) from 13.3% in the first half of 2003 to 14.4% in the first half this year.
- **Net income excluding minorities up a steep 23%** from €65 million at June 30, 2003 to €80 million at June 30 this year.
- **Marked reduction in net debt**:
  - €185 million lower than at June 30, 2003
  - €115 million lower than the average for the first half of 2003
- **Net new business a record $1.9 billion.**

Maurice Lévy, Chairman and CEO commented:

"Strong first-half results confirm steady progress towards our goals for profitability and finances. The impact of our Focus on Cash program is already apparent and should in time significantly enhance our cash generation capacity. Combined with current efforts to improve the structure of our balance sheet, this should result in a marked improvement in our ratios.

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I am also particularly pleased that Publicis Groupe is soon to be a component of the CAC 40 index, a decision that recognizes the efforts made by all of our teams. Yet we are also aware of investors expectations on major stocks in Paris in terms of performance and return on investment.

Ultimately, we must never forget that success hinges on our ability to constantly enhance the quality of service delivered to our clients and the strategic and creative input we provide to improve their competitive edge. There is no better path to future growth ».

At its meeting on Thursday September 9, 2004, the Publicis Groupe Supervisory Board, presided by Elisabeth Badinter, approved the financial statements and management report for the first half of 2004 presented by Maurice Lévy, Chairman and CEO.

Financial Highlights (in euros) :

	1st half 2003	**1st half 2004**	Change
Revenues	1.87 bn	**1.85 bn**	+ 4.5 % organic growth
Operating income before depreciation and amortization	314 million	**324 million**	**+ 3.2 %**
Operating income before amortization of acquisition-related intangibles	249 million	**266 million**	**+ 6.8 %**
Net income before goodwill amortization (excl. minority interests)	112 million	**130 million**	**+ 16 %**
Group net income	65 million	**80 million**	**+ 23 %**
Diluted EPS, before goodwill amortization	0.59	**0.64**	**+ 8.5 %**
Gross Cash Flow	214 million	**231 million**	**+ 8 %**

The negative impact of exchange rates, with the US dollar down 10% on average during the six months, cut €98 million off revenues, €11 million off operating income and €4 million off net income. However, the impact is tending to lessen.

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1. Healthy organic growth

Organic growth held firm in the first half of this year, reflecting the sound basis of the improving trend observed earlier. Business in North America and Asia continued to benefit from the momentum of growth in advertising outlays, while European markets generally continued improving in the second quarter, although the Netherlands and some Scandinavian markets were exceptions, showing further declines. In Latin America, the strong rebound observed since the beginning of the year continued.

Organic growth by quarter

First quarter	+4.4%
Second quarter	+4.5%
First half	**+4.5%**

2. Fresh rise in operating margin

Operating margin for the first half came in at **14.4%**, 110 basis points higher than in the same period of last year. This reflects in particular the decline in personnel and other operating expenses achieved with the integration of Bcom3. Operating income before amortization of intangible items relating to acquisitions rose 6.8% from the same period of last year to stand at €266 million.

3. Vigorous rise in net income and EPS

Net income excluding minorities rose more steeply than operating income as a result of a lower effective rate of taxation. This was despite the fact that net interest and other financial items were practically unchanged, while minority interests were slightly higher. All told, net income showed **a rise of 23%** to €80 million. Net income per share before amortization of goodwill and intangible items relating to acquisitions thus rose 16% to €0.80 and 8.5% to €0.64 on a fully diluted basis.

4. Significant improvement in working capital

Significant improvement in **working capital requirement** in the first half cut €58 million off the traditionally high seasonal requirement. It thus fell from €213 million in the first half of 2003 to €155 million in the first half of this year. This fresh progress rewards the efforts which all Group teams have put into the “Focus on Cash” program, which buoyed cash inflows during the first half, generally an unfavorable time of year in this respect. As result, there was a further decline in debt from June 30, 2003, in line with targets.

5. New Business hits new peaks

Winning new accounts was again a major focus of efforts in the first half of 2004, with a net total of $1.9 billion (€1.6 billion) booked during the period. This was equally divided between advertising and SAMS business, and media buying and consultancy.

At the end of August, brokerage firm Bear Stearns ranked Publicis Groupe first for net new business in July and August this year, and first for the eight months to the end of August.

6. Kudos for Publicis Groupe's advertising creation

Publicis Groupe won 67 Lions at the Cannes International Advertising Festival to once again take the number-two place, coming in well ahead of the number-three contender. This bears out the quality of Publicis Groupe's creative advertising, which ranks among the best on the market.

Saatchi & Saatchi turned in the best performance in the Groupe, winning 23 Lions, followed by Leo Burnett with 17, Publicis Worldwide with 12, Fallon with 5 and Bartle Bogle Hegarty (a 49% subsidiary), also with five.

7. Publicis Groupe creates Publicis Groupe Media (PGM) in media buying and consultancy

Publicis Groupe today announced the creation of Publicis Groupe Media (PGM), a new management structure for its media buying and consultancy operations. PGM is intended to strengthen worldwide networks Starcom MediaVest Group and ZenithOptimedia, thereby contributing to continuing improvement in the Groupe's overall offering.

PGM thus represents neither a new company nor a merger of worldwide networks. Instead it is a management structure — a board whose purpose is to supervise operations more effectively and enhance client service. This board will also be exploring opportunities to streamline investments that support the core media product and for consolidation of some administrative departments for greater efficiency.

At the same time, PGM will be working to favor the emergence of new synergies by pooling diversified service business units within ZenithOptimedia and SMG (SMG's Relay Sport and Events Marketing , SMG Directory Marketing, etc.)

Finally, PGM is to examine the feasibility of combining buying operations in some countries to give clients the benefit of increased buying power. This does not concern the US, where Groupe businesses already have sufficient buying power to offer clients the best possible deals.

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8. Highly selective approach to acquisitions

In keeping with its commitment to optimize financial resources, Publicis Groupe made no significant acquisitions in the first half of 2004. Investments totaled a net €81 million, consisting primarily of the buyout of minority interests in subsidiaries and earnout payments.

The largest single acquisition was US "shopper marketing" specialist ThompsonMurray, which will serve as an overall center of excellence for Saatchi & Saatchi X, the brand's future marketing services network.

9. Publicis Groupe to join CAC 40 index

On August 20, the Expert Committee on Indices of Euronext Paris announced that Publicis Groupe will become a component stock of the CAC 40 index with effect from October 1, 2004. The decision enhances the company's stockmarket status and reflects official recognition of sweeping changes at Publicis Groupe over the past few years.

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

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

Web sites: *www.publicis.com* and *www.finance.publicis.com*

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Appendix 1

New Business first quarter 2004

Publicis Worldwide:
L'Oréal/MiniNurse (China) - Agencia Tributaria (Spain) - 24 Hour Fitness (U.S.) - Cœur de Lion and Fidelity Investments (France) - Purefoods (Philippines) - UDC (Italy) - S-Oil (Korea) - Jetstar and Gulf Air (Australia).

Leo Burnett:
ConAgra/Life Choice (U.S.) - GM/Cadillac (China) - Swatch (Brazil) - McDonald's (Thailand and India) - Supermercados Norte (Argentina) - Sogrape wines (Portugal) - Loterias del Estado and the Red Cross (Spain).

Saatchi & Saatchi:
Toyota/Lexus (ext.) and Sagatiba Rum (Europe) - P&G/Olay Daily Facials and Saga Services motor insurance (U.K.) - Snowflake Beer (China) - Snipp Juices (Czech Rep.) - Yoplait (ext. - U.S.) - Pacific Brands and Emirates Airline (Australasia).

Other networks and agencies:

- *Fallon*: BT Broadband (U.K.) - Volkswagen/Golf (Japan) - ConAgra Snack Foods (U.S.).
- *Beacon Communications* (Japan): McDonald's (jointly with Dentsu).
- *Bromley Communications* (U.S.): Circuit City.

Starcom MediaVest Group (media counsel and buying):
Mars/Masterfoods, Chuck E. Cheese restaurants and Caterpillar (U.S.) - Interbrew/Beck's (Italy, Netherlands, Czech Rep. and Ukraine) - Coca-Cola (Hong Kong) - Capital One (Italy) - US Pharmacia (Poland).

ZenithOptimedia (media counsel and buying):
Ferrero (U.S.) - Wella and Transitions Optical (U.K.) - Heineken, Grupo SOS Cuetara, Multiopticas and Sygma bank (Spain).

SAMS (specialized agencies and marketing services):

- *ARC North America* (U.S.): California State - Häagen Dasz - Capital One - P&G/Always, Whisper and PUR.
- *Publicis Healthcare Communications Group:* Roche + GsK/Boniva - Bristol-Myers Squibb + Sanofi-Synthélabo/Plavix - Abbott/Humira - AstraZeneca/Symbicort - Sanofi-Synthélabo/Eloxatin.

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Appendix 2

New Business second quarter 2004

Publicis Worldwide:
Zurich Financial (worldwide) - L'Oréal/SoftSheen-Carson and Beringer Blass Wine Estates (USA) – French Ministry of Health / Health Insurance Reform and Lee Cooper (France) - Fortis Bank (Belgium) - Excelcomindo (Indonesia) - Daewoo Consumer Electronics and Hyundai Card 'S' (South Korea).

Leo Burnett:
PetsMart (USA) - Meat and Livestock Commission (United Kingdom) - Mexicana de Aviacion (Mexico) - Unibanka (Slovakia) - Caixa de Credito Agricola (Portugal).

Saatchi & Saatchi:
Lion Nathan/Tooheys New (ext. - Australia) - MovieLink (USA) - Suez (corporate) and Axa (credit) (France) - Ritz-Carlton Hotels (North America, Caribbean and Mexico) - Visa (ext. - United Kingdom).

Other networks and advertising agencies:
- *Fallon*: Starz Encore (USA) - Holsten Pils (United Kingdom) - Conagra (Japan).
- *Kaplan Thaler Group* (USA): Foxwood Resort Casino - Eight O'Clock Coffee.

Starcom MediaVest Group (media consultancy and media buying):
Oracle, Heinz Frozen Foods and Applebee's Restaurants (USA) - Kraft Foods (United Kingdom and Sweden + ext. in the USA) - Pizza Hut (United Kingdom) - Levi's (Italy) - Vattenfall (power) (Sweden).

ZenithOptimedia (media consultancy and media buying):
O2 (United Kingdom) - Telenet (Belgium) - Bolton (Italy) - Honda (Spain) - Taiwan Telecom Group - Ligne Roset and Cinna (France) - News Corporation and Jetstar (Australia).

SAMS (specialized agencies and marketing services):
- *Publicis Healthcare Communications Group*: Galderma International/Clobex (worldwide) - Yamanouchi (project - Europe) - Sanofi-Synthélabo/Hyalgan and Uroxatral (USA) - Pfizer/Celebrex, Lundbeck/Cipralex and Crookes Healthcare OTC line (United Kingdom).

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