



PUBLICIS GROUPE

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PRESS RELEASE

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Paris, 4<sup>th</sup> January, 2005

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**Publicis Groupe proposes early redemption  
of its OCEANE 2018 and mandates bookrunners  
for its inaugural “straight” eurobond issue  
aimed at funding the proposed early redemption**

Publicis Groupe S.A. (“Publicis”) announces today a proposal for an optional early redemption of its €689,999,997.15 1.00 per cent. OCEANE due 2018 (ISIN: FR0000180127) convertible into new shares and/or exchangeable into existing shares of Publicis (the “OCEANE 2018”) by way of a new investor put option.

Publicis has also mandated joint bookrunners for its euro-denominated inaugural eurobond issue to be launched in the near future subject to market conditions. Proceeds from the inaugural eurobond issue are intended to fund the proposed early redemption of the OCEANE 2018.

This proposed transaction represents a further step in the balance sheet simplification process initiated by Publicis in 2004. Publicis has three major objectives: retire complex securities, progressively reduce potential dilution associated with equity-linked instruments and reduce both debt and interest charges, in particular in the context of IFRS accounting standards.

The disposal of Publicis’ Credit Linked Notes and the buy-back of the bond component of its OBSAs in September 2004 was a first step. Today’s transaction, when successfully completed, will have a direct positive effect on interest charges and will make Publicis’ balance sheet simpler.



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### **A. Proposal for an additional early redemption at the option of bondholders**

Publicis is seeking the approval of the holders of the OCEANE 2018 for a proposed modification to their Terms and Conditions. The proposed amendment will give each bondholder an additional option to request the early redemption of all or part of the OCEANE 2018 held by such holder, in addition to the early redemption options exercisable on 18<sup>th</sup> January 2006, 2010 and 2014 already included in the Terms and Conditions. All other Terms and Conditions of the OCEANE 2018 remain unchanged.

The proposed transaction will be completed in two stages. In a first stage (commencing today), Publicis is seeking the approval of bondholders to effect the relevant amendment in respect of the additional investor put option. In a second stage, when the resolution is successfully passed, each bondholder will be able to exercise the early redemption option (outside the United States) between 21<sup>st</sup> January and 2<sup>nd</sup> February 2005, for an expected settlement on 10<sup>th</sup> February 2005.

Jean-Michel Etienne, Publicis' CFO, commented: "*The transaction is a further step in our process of simplifying the group's balance sheet by moving out of a complex financial instrument and reducing future dilution*".

#### **1) Bondholders consent solicitation**

The implementation of the proposed amendment in respect of the OCEANE 2018 requires the approval of the bondholders acting through a collective group (the "Masse") in accordance with Article L. 228-103 of the French Code de Commerce. The approval requires a quorum of 1/3rd of the total nominal amount of the outstanding OCEANE 2018 and a majority of 2/3rds of the voting rights of the bondholders either attending or being represented at the meeting. If such quorum is not reached at the first meeting of bondholders, the meeting will be adjourned and, at any such reconvened meeting, the quorum will be reduced to 1/4th of the total nominal amount of OCEANE 2018 outstanding (the required majority of 2/3rds remaining unchanged).

The first meeting of bondholders is scheduled to take place on 20<sup>th</sup> January 2005. Bondholders have until 14<sup>th</sup> January 2005 to arrange for relevant proxy instructions and blocking certificates in accordance with the procedures set out in a notice published today in the *Bulletin des Annonces Légales Obligatoires* (the "BALO") and attached herewith (English translation). The full text of the proposed amendment (English translation) is also attached herewith.

#### **2) Premium Redemption Price**

If the proposed amendment is accepted by the Masse, each bondholder may have all or part of its OCEANE 2018 redeemed on 10<sup>th</sup> February 2005 upon exercise of the early redemption option at a redemption price (the "Premium Redemption



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Price") that will be calculated on 27<sup>th</sup> January 2005 in accordance with the formula outlined below and rounded to the nearest one Euro-cent (with 0.5 cent rounded upwards):

$$\text{Premium Redemption Price} = \text{Discounted Value of the 2006 Early Redemption Option} + \text{€0.75} + 0.15 \times (\text{Reference Stock Price} - \text{€24.03})$$

**The Premium Redemption Price will not be higher than €42.85.**

The adjustment to the Premium Redemption Price for any movement in the Reference Stock Price will only be taken into account if positive (*i.e.* if the Reference Stock Price exceeds €24.03)

The following definitions are applicable for determining the Premium Redemption Price in accordance with the formula above:

<b>Discounted Value of the 2006 Early Redemption Option:</b>	€42.3971, being the sum of (i) the early redemption price of the OCEANE 2018 on 18 <sup>th</sup> January 2006 (€42.0056, <i>i.e.</i> approximately 107.29% of the nominal value) and (ii) interest due on 18 <sup>th</sup> January 2006 (€0.3915), discounted as of 10 <sup>th</sup> February 2005 at a rate equal to the Reference Swap Rate (without credit spread) and calculated in accordance with market conventions
<b>Reference Swap Rate:</b>	1-year Euro mid swap rate (average of bid and offer) as indicated on Reuters ICAPEURO screen on 26 <sup>th</sup> January 2005 at 4.00pm CET
<b>Reference Stock Price:</b>	Volume weighted average price for Publicis ordinary shares during the period starting on 20 <sup>th</sup> January 2005 (included) and ending on 26 <sup>th</sup> January 2005 (included) as indicated on Bloomberg AQR

This proposal for early redemption will not modify the next interest payment on 18<sup>th</sup> January 2005. Accrued and unpaid interest from (and including) 18<sup>th</sup> January 2005 to (but excluding) the settlement date for the early redemption is included in the calculation of the Premium Redemption Price.



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### 3) Hypothetical example

Based on market conditions on 3<sup>rd</sup> January 2005, the Premium Redemption Price would be calculated as follows. This example is for illustration purposes only and should not be construed as indicative of the actual redemption terms.

<b>Reference Swap Rate:</b>	2.376%
<b>Discounted Value of the 2006 Early Redemption Option:</b>	€41.4744
<b>Reference Stock Price:</b>	€24.03

$$\begin{aligned}
 \text{Premium} & \\
 \text{Redemption} & \\
 \text{Price} & = \text{€41.4744} + \text{€0.75} + 0.15 \times (\text{€24.03} - \text{€24.03}) \\
 & = \text{€42.22}
 \end{aligned}$$

The Premium Redemption Price is calculated as of 10<sup>th</sup> February 2005. For reference, the closing market price of the OCEANE 2018 as of 3<sup>rd</sup> January 2005 was €42.06 as quoted by Bloomberg (price source BGN), resulting in a “clean price” of €41.68 after deducting accrued and unpaid interest of €0.38, which will be paid on 18<sup>th</sup> January 2005 in accordance with the Terms and Conditions of the OCEANE 2018.

For illustration purposes only, the table below shows hypothetical Premium Redemption Price examples based on certain assumptions.

	<b>Reference Stock Price</b>	<b>-5%</b>	<b>€24.03</b>	<b>+5%</b>
<b>Reference Swap Rate</b>				
<b>-10 basis points</b>	€42.26	€42.26	€42.44	
<b>2.376%</b>	€42.22	€42.22	€42.40	
<b>+10 basis points</b>	€42.19	€42.19	€42.37	

Barclays Capital and BNP Paribas are acting as global co-ordinators and advisors to Publicis on this transaction.



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### 4) Expected timetable of events for the consent solicitation

	<u>2005</u>
Announcement of consent solicitation and publication of the bondholder meeting notice	5 <sup>th</sup> January
Deadline for blocking certificates and proxy instructions for the bondholder meeting	14 <sup>th</sup> January
Bondholder meeting	20 <sup>th</sup> January
First day of the put option exercise period <sup>1</sup>	21 <sup>st</sup> January
Pricing date <sup>1</sup> (calculation and announcement of the Premium Redemption Price)	27 <sup>th</sup> January
Last day of the put option exercise period <sup>1</sup>	2 <sup>nd</sup> February
Settlement date <sup>1</sup>	10 <sup>th</sup> February

*(1) If resolution is passed at the first bondholder meeting*

### **B. Euro-denominated inaugural eurobond issue**

Publicis has mandated Barclays Capital, BNP Paribas, Citigroup and SG CIB as joint bookrunners to lead-manage its inaugural euro-denominated eurobond issue. The transaction will be launched in the near future subject to market conditions following a pan-European roadshow that will take place between 13<sup>th</sup> and 17<sup>th</sup> January 2005.

The proceeds of the eurobond issue are intended to finance the proposed early redemption of the OCEANE 2018 and general corporate purposes.

According to Publicis' CFO, Jean-Michel Etienne: *"By replacing part of our existing financings with a new eurobond issue, Publicis accesses for the first time the Eurobond market, diversifies its source of financing and takes advantage of current market conditions"*.



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### **Note:**

All times and dates in this press release are indicative only. The timing of the consent solicitation process is based on a single meeting of bondholders and may be deferred to the extent that an adjourned meeting of bondholders is required. The timing of the inaugural new issue is subject to market conditions.

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**Publicis Groupe** (Euronext Paris: FR0000130577 and member of the CAC40 Index - NYSE: PUB) is the world's fourth largest communications group, as well as world's second largest media counsel and buying group. 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](http://www.publicis.com) and [www.finance.publicis.com](http://www.finance.publicis.com)

*This announcement may not be published, distributed or circulated in the United States. The early redemption option, if approved, will not be exercisable from the United States. This announcement is not an offer to purchase securities in the United States or solicitation of an order to sell securities in the United States or in any other jurisdiction where such offer or solicitation would be illegal*

*This announcement is not an offer for sale of the eurobonds in the United States or any other jurisdiction. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Publicis does not intend to register any portion of the planned eurobond offering in the United States or to conduct a public offering of securities in the United States*

*In respect of the eurobonds this announcement is only intended for investment professionals as per the Financial Services and Markets Act 2000 (Financial Promotion Order) 2001 and any other persons to whom it may lawfully be communicated. No other person should act or rely on it. Persons distributing this announcement must satisfy themselves that it is lawful to do so.*

*The eurobonds will not be offered or sold, directly or indirectly to the public in the Republic of France. Offers and sales of the eurobonds will be made in the Republic of France only to qualified investors (investisseurs qualifiés) as defined in and in accordance with Article L 411-2 of the French Code monétaire et financier and Décret no.98-880 dated 1st October 1998.*



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### **PUBLICIS GROUPE S.A.**

**Société anonyme with a share capital of €78,151,301.20**

**Registered office: 133 avenue des Champs Elysées, 75008 Paris, France**

**Registry of Commerce and Companies of Paris Nr. 542 080 601**

**Siret: 542 080 601 00017**

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## **NOTICE OF GENERAL MEETING**

### **GENERAL MEETING OF OCEANE 2018 HOLDERS**

The holders of the Publicis Groupe S.A. 1% bonds due 18 January 2018 convertible into new shares and/or exchangeable into existing shares of Publicis Groupe S.A. (the "OCEANE 2018"), with a nominal value of €39.15 each, issued in 2002 by Publicis Groupe S.A. (the "Company"), are called to a General Meeting on 20<sup>th</sup> January 2005, at 10:00 a.m. CET, at the Company's registered office 133, avenue des Champs-Elysées, 75008 Paris, in order to consider the following agenda:

- approval of the proposed amendment to the early redemption terms of the OCEANE 2018 which aims to grant OCEANE 2018 holders an additional option for the early redemption of their securities on 10<sup>th</sup> February 2005, exercisable between 21<sup>st</sup> January and 2<sup>nd</sup> February 2005, and supplemental to the pre-existing early redemption options (being specified that such additional option may only be exercised outside the United States of America); and
- granting of powers to carry out all legal formalities required for the completion of the aforementioned amendment.

In order to attend or be represented at such meeting, the holders of OCEANE 2018 securities in bearer form will be required to send to the Fiscal Agent (see details below), at least five days before the date of the meeting, *i.e.* no later than 14<sup>th</sup> January 2005 by 6:00 p.m CET, a blocking certificate from the financial intermediary (*intermédiaire habilité*) through which they hold their OCEANES 2018 confirming the blocking of such OCEANE 2018 until the date of the meeting.

In addition to attending the meeting in person, any OCEANE 2018 holder may choose between either of the following two options:



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- to give a power of attorney to the chairman of the general meeting: in such case the OCEANE 2018 holder shall fill in a form of power without naming any proxy;
- to give a power of attorney to a proxy of its choice: in such case, the OCEANE 2018 holder shall fill in a form of power of attorney indicating the name of such

The choice of proxy is free but is limited by the incapacities to accept such power provided for in Articles L. 228-62 and L. 228-63 of the French *Code de commerce*. Therefore, in particular, members of the *Directoire* (Management Board), members of the *Conseil de Surveillance* (Supervisory Board), *Directeurs Généraux* (Managing Directors), employees or statutory auditors of the Company cannot represent holders at general meetings.

In either case, the power of attorney must be provided in written form and include the signature of the OCEANE 2018 holder acting as beneficial owner, his surname, first name and address.

Admission passes to the general meeting and forms of power of attorney are available to OCEANE 2018 holders upon request, from the Fiscal Agent, BNP Paribas Securities Services S.A. The duly completed power of attorney must be received by the Fiscal Agent at least five days before the date of the general meeting, *i.e.* no later than 14<sup>th</sup> January, 2005 by 6:00 p.m. CET.

The power of attorney shall remain valid for subsequent meetings called with the same agenda.

The full text of the resolutions to be proposed and the Management Board's report to be presented at the general meeting are available to OCEANE 2018 holders at the Company's registered office, 133 avenue des Champs Elysées, 75008 Paris, France, attention Mr. Jean-Michel Etienne (ph: +33 1 44 43 72 30), as well as at the Fiscal Agent office: BNP Paribas Securities Services S.A., Immeuble Tolbiac, 25 quai Panhard et Levassor, 75013 Paris, France, attention *Service Assemblées* (ph: + 33 1 40 14 37 05).

The Management Board





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## **PUBLICIS GROUPE S.A.**

**Société anonyme with a share capital of €78,151,301.20**

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**Siret: 542 080 601 00017**

### **RESOLUTIONS TO BE SUBMITTED TO THE GENERAL MEETING OF OCEANE 2018 HOLDERS ON 20<sup>TH</sup> JANUARY 2005**

#### **FIRST RESOLUTION**

In accordance with Article L. 228-103 of the French *Code de commerce*, the General Meeting of OCEANE 2018 holders decided, having read the Management Board's report, in accordance with the quorum and majority conditions provided for in Article L. 228-103 of the French *Code de commerce*:

- to authorize the addition of an additional early redemption option of the OCEANE 2018 on 10<sup>th</sup> February 2005, exercisable by the holders between 21<sup>st</sup> January and 2<sup>nd</sup> February 2005 at a redemption price calculated according to the formula outlined below (being specified that such option may only be exercised outside the United States of America);
- to approve the inclusion of a new paragraph (a), as follows, at the beginning of Article 2.3.5.5 (*Early redemption at the option of the Bondholders*) of chapter II of the *Prospectus* (page 18), the existing paragraphs (a) and (b) becoming paragraphs (b) and (c):

“(a) *Any Bondholder may demand the early redemption of all or part of its Bonds on 10<sup>th</sup> February 2005, such option to be exercised between 21<sup>st</sup> January and 2<sup>nd</sup> February 2005 (the “Exercise Period”) at a price to be determined on 27<sup>th</sup> January 2005 (the “Premium Redemption Price”) pursuant the following conditions:*

$$\begin{array}{rcl}
 \text{Premium} & & \text{Discounted} \\
 \text{Redemption} & = & \text{Value of the} \\
 \text{Price} & & \text{2006 Early} \\
 & & \text{Redemption} \\
 & & \text{Option}
 \end{array}
 + \text{€}0.75 + 0.15 \times (
 \begin{array}{r}
 \text{Reference} \\
 \text{Stock} \\
 \text{Price}
 \end{array}
 - \text{€}24.03)$$



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*The Premium Redemption Price will not be higher than €42.85.*

*The adjustment to the Premium Redemption Price for any movement in the Reference Stock Price will only be taken into account if positive (i.e. if the Reference Stock Price exceeds €24.03).*

*The following definitions are applicable for determining the Premium Redemption Price in accordance with the formula above:*

***Discounted Value of the 2006 Early Redemption Option:***

*€42.3971, being the sum of (i) the early redemption price of the OCEANE 2018 on 18<sup>th</sup> January 2006 (€42.0056, i.e. approximately 107.29% of the nominal value) and (ii) interest due on 18<sup>th</sup> January 2006 (€0.3915), discounted as of 10<sup>th</sup> February 2005 at a rate equal to the Reference Swap Rate (without credit spread) and calculated in accordance with market conventions*

***Reference Swap Rate:***

*1-year Euro mid swap rate (average of bid and offer) as indicated on Reuters ICAPEURO screen on 26<sup>th</sup> January 2005 at 4.00pm CET*

***Reference Stock Price:***

*Volume weighted average price for Publicis ordinary shares during the period starting on 20<sup>th</sup> January 2005 (included) and ending on 26<sup>th</sup> January 2005 (included) as indicated on Bloomberg AQR*

*This proposal for early redemption will not modify the interest payment on 18<sup>th</sup> January 2005. Accrued and unpaid interest from (and including) 18<sup>th</sup> January 2005 to (but excluding) the settlement date for the early redemption is included in the calculation of the Premium Redemption Price.*

*Each Bondholder wishing to have all or part of its Bonds redeemed early by exercising this option shall advise the financial intermediary (“intermédiaire financier habilité”) with which its securities are held accordingly during the Exercise*



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*Period and such financial intermediary shall forward such request to the Fiscal Agent.*

*Once validly presented by a Bondholder to the relevant financial intermediary, the early redemption request shall be irrevocable and the Company shall be bound to redeem all the Bonds referred to in each request forwarded in accordance with the above conditions.*

*The redemption price of the Bonds shall be paid to the Bondholders who exercised the aforementioned option under the above conditions on 10<sup>th</sup> February 2005.*

*The option cannot be exercised within the United States of America. No envelope containing a request to exercise the option shall be mailed from the United States of America or sent from the United States of America by any other means. Any Bondholder wishing to have all or part of its Bonds redeemed early shall provide an address outside the United States of America or an account number with a bank located outside the United States of America.*

*Financial intermediaries shall not accept requests to exercise the option received from clients with an address in the United States of America, such requests being deemed null and void."*

- to approve the insertion of the following paragraph at the beginning of the section "Early redemption at the option of the Bondholders" (page 7 of the Prospectus) in the section of the Prospectus entitled "Principal characteristics of the Bonds convertible into new shares and/or exchangeable into existing shares".

*"Any Bondholder may demand between 21<sup>st</sup> January and 2<sup>nd</sup> February 2005 (the "Exercise Period") the early redemption of all or part of its Bonds on 10<sup>th</sup> February 2005, at a price to be determined on 27<sup>th</sup> January 2005 in accordance with the formula (the "Premium Redemption Price") and under the conditions provided for under paragraph 2.3.5.5. "*



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## **SECOND RESOLUTION**

The Bondholders noted that the Company published a notice informing OCEANE 2018 holders in the *Journal officiel* dated as of 5<sup>th</sup> January 2005, of the commencement of an exercise period in respect of an early redemption option at the option of the Bondholders, subject to the prior approval of the amendment to the early redemption terms of the OCEANE 2018 by the General Meeting of the OCEANE 2018 holders.

The General Meeting of the OCEANE 2018 holders grants all powers to the holder of an original of these minutes to carry out all required publicity, filing and other formalities necessary for the implementation of the above first resolution, and in particular, to publish in the *Journal officiel* a notice informing the OCEANE 2018 holders of the amendment to the early redemption terms of the OCEANE 2018 by this General Meeting and of the satisfaction of the condition precedent referred to in the previous paragraph.