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PRESS RELEASE

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2004 Annual results

Operating margin up 15.4%
Net income up 40%
EPS increased 40%
Fully diluted EPS up 29%
Proposed dividend increase of +15.4%

Paris, March 9 2005 – Publicis Groupe reported very strong operating results across the board for 2004 as well as significant net New Business that provide a solid base for continued growth.

The Groupe achieved its **three top priorities** for the year:

1. **Growth** — *gain market share and participate in clients' development*
   - **Organic growth: +4%**
   - **A record year for new accounts, totaling a net $4.4 billion** (€3.5 billion). Publicis Groupe is ranked second worldwide for net New Business volumes (Lehman Brothers ranking).
2. **Profitability** — *achieve 15% operating margin full year*
   - **Operating margin: 15.4%** full year (16.4% in the second half), a rise of 110 basis points from 2003.
   - **Net income** up 40% to €210 million.
   - **Fully diluted EPS** up 29.3% to €0.97.
3. **Finances** — *cut debt and substantially increase cash flows*
   - **Working capital improves by €299 million.**
   - **Net financial debt halved to €563 million.**
   - Proposed **dividend up 15.4% to €0.30**.

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Publicis Groupe is better positioned than ever for a new growth phase, benefiting its clients, its employees, and its shareholders.

Commenting on the results, Publicis Groupe Chairman & CEO **Maurice Lévy** said:

"Our people did remarkable work in all areas, enabling us to meet or surpass our targets. I am very grateful to them and I congratulate them on their achievements.

We are now determined to maintain the success track of 2004 by reinforcing our efforts in all directions. In this, our first priority will be service to our clients, ensuring that they count on us for the commitment, creativity and professional excellence that make them winners in image and in winning market share. We will also be accelerating our drive for added competitive strength through appropriate investments in media buying and consultancy, healthcare communications and holistic communication.

We should logically see the positive impact of the record levels of New Business won, a trend that continued through the first two months of this year. So 2005 should be another good year for Publicis Groupe, whatever the worldwide economic situation."

The General Meeting of Shareholders will be held at 11am on Wednesday, June 1, 2005 at Publiciscinémas, 133 avenue des Champs Elysées, Paris, France.

Maurice Lévy, Chairman and CEO, presented financial statements and the management report for 2004 at the meeting of the Supervisory Board presided by Mrs. Elisabeth Badinter on March 8, 2005.

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Key financial data (in euros)

	2003	**2004**	**% change**	**at constant currencies**
Revenues	3.86 billion	**3.83 billion**	**+4%** (organic)	**+4%**
Operating income before depreciation and amortization *% of revenues*	677 million *17.5%*	**707 million** ***18.5%***	**+4.4%**	**+10%**
Operating income before amortization of intangibles *% of revenues*	553 million *14.3%*	**590 million** ***15.4%***	**+6.7%**	**+12.6%**
Net income	150 million	**210 million**	**+40%**	**+55.5%**
Fully diluted EPS	0.75	**0.97**	**+29.3%**	
Dividend per share	0.26	**0.30**	**+15.4%**	

Consolidated financial data were again affected by the impact of a steep rise in the euro compared to other currencies, particularly against the US dollar. This had a negative impact of €183 million on revenues and of €15 million on net income.

1 — The strongest organic growth in four years

Revenues for 2004 came to €3.83 billion, with organic growth for the year as a whole reaching 4%, its strongest since 2000. (Organic growth is calculated on the basis of constant scope of consolidation and exchange rates). Importantly, all geographical regions contributed to this performance, with organic growth reaching 2% in Europe, 2.7% in North America, 10% in the Asia-Pacific area, 15.9% in Latin America and 21.7% in the rest of the world

2 — Net New Business reaches record high in 2004

Net New Business reached $4.4 billion (€3.5 billion) in 2004, the highest figure ever for Publicis Groupe, placing it second worldwide for New Business in rankings from major financial and trade publications.

This performance demonstrates clearly the market's enthusiasm for Publicis Group offerings as well as the creativity of its networks—recognition also evidenced by a string of creative awards:

- 2004 **Cannes Festival**: Publicis Groupe placed second with **67 Lions**,
- **Gunn Report**: Publicis Groupe placed **second worldwide in 2004** and also was ranked second over the entire 6 year period since 1999,
- **EFFIE Awards**: Publicis Groupe placed **first for campaign impact in the US**,
- **"Media Agency of the Year" 2004:** both Ad Age and Media Week recently named **Starcom MediaVest Group** "Media Agency of the Year" for the second year in a row, and AdWeek gave MediaVest the same rating for 2004.

3 — New talents and new organizations to consolidate Groupe strengths

- On the Management Board ("*Directoire*"), Jack Klues (age 50), CEO of Starcom MediaVest Group, has replaced Roger Haupt.
- The Executive Committee (or "P12") has welcomed Steve King (age 45) CEO of ZenithOptimedia, and Tom Bernardin (age 52), CEO of Leo Burnett USA and Worldwide COO of Leo Burnett.
- Management teams of the Group's main networks have also been significantly reinforced.
  - ❖ **Leo Burnett:** Rich Stoddart, President and COO of Leo Burnett USA**.**
  - ❖ **Starcom MediaVest Group:**
    - Renetta McCann, CEO of SMG Americas,
    - John Muszynski, CEO of Starcom USA.
  - ❖ **PGM (Publicis Groupe Media)**, Roger Haupt, Chairman:
    In a major strategic initiative, the Group's two media buying and media consultancy brands, Starcom MediaVest Group and ZenithOptimedia, were put under joint management in September 2004.
  - ❖ **Publicis Worldwide:**
    - Tim Lindsay, Chairman of Publicis UK,
    - Mark Cramphorn, Group General Manager UK,
    - Gill Duff, President and CEO of the New York Agency
    - Roland Berger, Non Executive Chairman, and Manfred Schüller, CEO at Publicis Germany,
    - Karen Francis, Chairman and CEO of Publicis & Hal Riney.

- **Saatchi & Saatchi:**
  - Lee Daley, CEO of the London Agency,
  - Kevin Dundas, Worldwide Strategy Director for the network,
  - Mary Baglivo, CEO of the New York Agency.
- **Fallon:** Paul Silburn, Executive Creative Director.
- **ARC network:**
  - Nick Brien CEO of the ARC Worldwide Network,
  - Mark Landsberg, President.

4 — Operating margin above target at 15.4%

Operating margin for 2004 came in above the 15% target set in 2002 at 15.4%, a rise of 110 basis points from 14.3% in 2003 and once again among the top financial performers worldwide in the communications sector. The full-year figure of 15.4% combines 14.4% operating margin in the first half and 16.4% in the second. The improved pace reflects the completion of the integration of Bcom3.

All geographic regions contributed to the rise in operating margin, although to differing degrees.

5 — Net income up 40%

Net income excluding minority interests came to €210 million, a rise of 40% from €150 million in 2003. This reflects in particular a €21 million fall in net interest expense and a significant decline in the effective tax rate, down 400 basis points from 37.8% in 2003 to 33.8% in 2004 following reorganization of the Group's legal structure. Exceptional items also contributed to the rise in net income.

6 — Fully diluted EPS up 29%

Net EPS before dilution showed a rise of 40%, matching that of net income, from €0.82 in 2003 to €1.15 in 2004, while fully diluted net EPS, allowing for all potential new shares, rose 29% from €0.75 in 2003 to €0.97.

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7 — Focus on Cash program proves effective, with working capital improving by €299 million

Working capital improved significantly in 2004, freeing up €299 million. This follows an improvement of €232 million in 2003 to make up a total of €531 million over two years. This impressive result clearly illustrates the mobilization of employees behind our Focus on Cash program.

8 — Targets for debt reduction achieved two years ahead of schedule

Excellent progress in treasury management contributed to a steep decline in debt, halved from €1,166 million at the end of 2003 to €563 million at December 31, 2004. Average net debt for the year, a more significant indicator considering sharp seasonal variations, fell €241 million from €1,620 million in 2003 to €1,379 million in 2004.

The debt/equity ratio improved markedly from 91% at the end of 2003 to 40% at the end of 2004, reflecting the combined effect of lower debt and the rise in shareholders' equity that resulted from the separation of equity warrants from bonds with equity warrants attached (OBSAs) when the bond component was redeemed. The ratio of operating income to net interest expense reached 15.1 and the ratio of net debt to operating income before depreciation and amortization came to 0.8.

The Group thus achieved the targets originally set for the end of 2006 two years ahead of schedule. These called for a debt/equity ratio below 50%, a ratio of operating income to net interest expense above 12 and a ratio of net debt to operating income before depreciation and amortization below 1.5.

The Group remains firmly committed to its goal of obtaining official investment-grade rating.

9 — Liquidity picture

As of December 31, 2004, total cash and available credit was at €2.7 billion of which €1.2 billion of available credit facilities and €1.5 billion of cash.

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10 — Simplification of the balance sheet

In keeping with the commitment made at the end of 2003, Publicis Groupe took four important steps to implement its program to simplify the balance sheet

- Redemption of the bond component of bonds with attached equity warrants (OBSAs) for an amount of €475 million and sale of Credit Linked Notes in an amount of €380 million,
- Redemption of 62% of the nominal amount of 2018 OCEANEs (bonds convertible or exchangeable for new or existing shares) in an amount of €464 million following the exercise of an additional put option granted to holders in February 2005,
- The Group's first straight bond issue for an amount of €750 million in January 2005, oversubscribed three times,
- Improved access to cash with the syndicated credit facility raised to €1 billion and its maturity simultaneously extended to five years.

As announced, this process should continue over following months, reducing future earnings dilution.

11 — Dividend up 15.4%

On June 1, the General Meeting of Shareholders will be asked to approve a dividend of €0.30 per share, 15.4% more than in 2003. The sharpest increase since 2000, this raises the payout to 28%. The dividend will be paid on July 5, 2005.

12 — Publicis Groupe enters the CAC 40 Index

On October 1, 2004, Publicis Groupe became a component of the CAC 40, Euronext's prime index for the Paris market. This puts the Group on an equal footing with its main competitors around the world, all represented in the top indices for their national markets, and confirms its place as a leading stock in its sector.

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Appendix 1:

Consolidated Statement of Income

Millions of euros	2004	2003	2002
Revenues	**3,825**	**3,863**	**2,926**
Personnel expenses	(2,197)	(2,254)	(1,659)
Other operating expenses	(921)	(932)	(734)
Total operating expenses	(3,118)	(3,186)	(2,393)
Operating income before depreciation and amortization	**707**	**677**	**533**
Depreciation and amortization expense (excluding goodwill and intangibles arising on acquisition)	(117)	(124)	(104)
Operating income before amortization of intangibles on acquisition	**590**	**553**	**429**
Amortization of intangibles arising on acquisition	(29)	(31)	(24)
Impairment of intangibles arising on acquisition	(123)	-	-
Operating income	**438**	**522**	**405**
Net financial costs	(39)	(60)	(28)
Income of consolidated companies before taxes and exceptional items	**399**	**462**	**377**
Exceptional items	23	(7)	(3)
Income taxes	(134)	(172)	(132)
Net change in deferred taxes related to capital gains on CLN/OBSA transactions	130	-	-
Net income of consolidated companies	**418**	**283**	**242**
Equity in net income of non-consolidated companies	6	4	3
Net income before goodwill amortization	**424**	**287**	**245**
Group's share of net income before goodwill amortization	**398**	**263**	**216**
Goodwill amortization	(188)	(113)	(69)
Net income before minority interests	**236**	**174**	**176**
Minority interests	(26)	(24)	(29)
Group net income	**210**	**150**	**147**

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Per share data *(in euros)*	**2004**	**2003**	**2002**
Number of shares - basic (thousands)	*182,411*	*182,795*	*146,262*
Net earnings per share	1.15	0.82	0.99
Earnings per share after tax and before goodwill amortization, impairment of intangibles arising on acquisition, capital gains on the OBSA/Credit Linked Notes transactions and corresponding taxes	1.74	1.44(1)	1.46(1)
Number of share - diluted (thousands)	*251,608*	*239,541*	*171,026*
Net earnings per share – diluted	0.97	0.75	0.97
Earnings per share after tax and before goodwill amortization, impairment of intangibles arising on acquisition, capital gains on the OBSA/Credit Linked Notes transactions and corresponding taxes - diluted	1.40	1.23(1)	1.37(1)

(1) figures have been adjusted for amortization of intangible arising on acquisition

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Appendix 2:

Consolidated balance sheet as at December 31

Millions of euros	2004	2003	2002
Assets			
Goodwill, net	2,470	2,596	3,028
Intangible assets, net	740	916	879
Property and equipment, net	439	463	599
Investments and other financial assets, net	106	481	98
Investments accounted for by the equity method	17	30	33
Non-current assets	**3,772**	**4,486**	**4,637**
Inventory and costs billable to clients	437	416	295
Accounts receivable	3,282	3,263	3,663
Other receivables	833	1,086	951
OCEANE redemption premium	202	215	227
Marketable securities	67	196	342
Cash	1,128	1,219	863
Current assets	**5,949**	**6,395**	**6,341**
Total assets	**9,721**	**10,881**	**10,978**

Liabilities and Shareholders' Equity			
Capital stock	78	78	78
Additional paid-in capital and retained earnings	803	648	928
Other shareholders' equity (ORANEs) (1)		-	495
Shareholders' equity	**881**	**726**	**1 501**
Minority interests	**46**	**55**	**100**
ORANEs (1)	**495**	**495**	**-**
Provisions for contingencies and charges	**827**	**1,020**	**1,169**
Bonds, bank borrowings and overdrafts	1,960	3,188	2,762
Accounts payable	3,694	3,590	3,832
Accrued expenses and other liabilities	1,818	1,807	1,614
Bonds, bank borrowings and current liabilities	**7,472**	**8,585**	**8,208**
Total liabilities and shareholders' equity	**9,721**	**10,881**	**10,978**

Net financial debt	**563**	**1,166**	**1,330**

(1) Reclassification made following clarification of certain rules by the French Financial MarketsAuthority (Autorité des Marchés Financiers) in 2003.

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Appendix 3:

Consolidated cash flow statement

Millions of euros	2004	2003	2002
I- Cash flows from operating activities			
Net income before minority interests	236	174	176
Capital (gain) loss on disposal (before tax)	(23)	2	4
Amortization of bond redemption premium and additional interest on OBSA	20	27	16
Depreciation and amortization on fixed assets	457	268	197
Change in deferred taxes [1]	(141)	-	-
Self-financing ability	*549*	*471*	*393*
Equity in net income of unconsolidated companies	(6)	(4)	(3)
Dividends received from equity accounted investments	7	1	1
Restructuring expenses	(79)	(141)	-
Change in working capital requirements	299	232	183
Net cash provided by operating activities	**770**	**559**	**574**
II- Cash flows from investing activities			
Purchases of property and equipment and intangible assets	(104)	(118)	(74)
Proceeds from sale of property and equipment	3	22	15
Purchases of investments and other financial assets, net [2]	480	(381)	(5)
Acquisitions of subsidiaries [3]	(124)	(200)	(75)
Net cash provided by (used in) investing activities	**255**	**(677)**	**(139)**
III- Cash flows from financing activities			
Payment of contingent value rights attached to shares provided as consideration for Saatchi & Saatchi	-	-	(196)
Dividends paid to parent company shareholders	(47)	(44)	(32)
Dividends paid to minority shareholders of subsidiaries	(23)	(20)	(26)
Increase in capital	-	-	-
Change in borrowings [4]	(857)	519	445
Net purchases of treasury stock	-	(5)	(180)
Change in treatment of treasury stock	-	-	(138)
Net cash provided by (used in) financing activities	**(927)**	**450**	**(127)**
IV- Impact of exchange rate fluctuations	**(39)**	**(83)**	**(76)**
Net change in consolidated cash flows (I + II + III + IV)	**59**	**249**	**232**
Cash and marketable securities at January 1	1,415	1,205	799
Bank overdrafts at January 1	(451)	(490)	(316)
Net cash and cash equivalents at beginning of year	964	715	483
Cash and marketable securities at December 31	1,195	1,415	1,205
Bank overdrafts at December 31	(172)	(451)	(490)
Net cash and cash equivalents at end of year [3]	1,023	964	715
Net change in cash and cash equivalents	**59**	**249**	**232**

(1) Including a net change in deferred taxes of 130 million euros arising, in 2004, on the redemption of the bond component of the OBSA and the sale of the CLN.

(2) Including, in 2003, 380 million euros in respect of the Credit Linked Notes purchased in the second half of that year and, in 2004, 487 million euros in respect of proceeds of their sale in the third quarter .

(3) After deducting the net cash of the companies acquired on the date of their acquisition.

(4) Including 558 millions euros corresponding to the redemption of the bond component of the OBSA in the third quarter of 2004 and 193 million euros corresponding to the early redemption, in March 2004, of nearly all the bonds convertible into Interpublic Group (IPG) shares.