PUBLICIS GROUPE

2015 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

Contents

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

PUBLICIS GROUPE

2015 REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

This Registration Document contains all the elements of the annual financial report

PROFILE

3rd ranked global communications group

Publicis Groupe offers its local and international clients its services in marketing, communication and digital transformation.

Present in more than **100 countries** on 5 continents, Publicis Groupe has approximately **77,000** employees

Leader in digital communications
52% of 2015 revenue

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This version cancels and replaces the version of the Registration Document filed with the *Autorité des marchés financiers* (AMF) on April 4, 2016, in accordance with Article 212-13 of the AMF general regulations. The sole amendment made since that version is the modification of title B in section 2.2.2 (page 60) and the insertion of a subtitle following said title, on the same page. This Registration Document may be used in the framework of a financial transaction only if supplemented by a Transaction Note certified by the AMF.

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

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

Message from the Chairperson
Élisabeth Badinter

Vitality, a hotbed of ideas and thirst for achievement are not just limited to youth: Publicis, with its 90 years of experience, is the indisputable proof. Throughout 2015, a difficult year in many aspects, the Group demonstrated exceptional dynamism. There has been no shortage of challenges: maintain a particularly sustained pace of activity, successfully integrate Sapient, and lay the foundations for the Group's transformation. Despite this intense workload, the teams performed well, with very satisfactory results, although organic growth did not follow. I would like to thank them for remaining mobilized to both manage day-to-day operations and prepare for the future by launching the Group's transformation process.

I have every confidence in the success of this major initiative that aims to break down the silos and simplify structures, to build a rejuvenated Publicis, in tune with the times, but true to its DNA!

If our founding values have so durably impregnated the Group, it is primarily thanks to Maurice Lévy, who has always wanted to perpetuate the founder's state of mind. Since its creation, the Group has had only two leaders: Marcel Bleustein-Blanchet and Maurice Lévy. Their real, deep understanding and the solidity of the bond of trust between Maurice Lévy and myself, form, in my opinion, the basis of the Publicis difference: exceptional governance.

We often hear about the incredible resilience of family groups closely managed in a sustainable culture. I think I can say that Publicis, whilst it has become a world leader, has managed to remain, at its core, a family group that has been able, during each era, to anticipate and manage its change, to serve its clients' growth.

Shaped by boldness and pioneering, it has not hesitated over the decades to exploit each new media, to create new forms of communication and to lead the charge of its globalization, in order to support clients wherever they are.

Today, the speed of change in technologies has made us enter – in less than ten years – into a new world. As always, by moving into digital technologies from 2006, Publicis Groupe has led the way, anticipating the phenomenal importance that digital technologies would take in the life of individuals and companies.

It is, therefore, with pride that I see the Group continue to maintain its advance on its era, by transforming, to better support companies in their own digital transformation.

Overlook nothing, explore everything, continue to advance, open new horizons: this spirit will be expressed, during 2016, in the form chosen to celebrate Publicis' 90th anniversary. Instead of an ephemeral celebration, we prefer to invest in the future of young talented individuals with a support initiative for 90 start-ups. This project – "Publicis90" – is true to our philosophy: to encourage ideas and initiative taking and to promote upcoming generations.

That this base continues to exist during the years to come and acts as a springboard for our current and future clients and talented individuals.

This is my most profound wish for the future of Publicis Groupe.

Élisabeth Badinter

Chairperson of the Supervisory Board

Message from the Chairman

Maurice Lévy

In many ways, 2015 was the continuation of the macro-economic and political trends of 2014. The US economy continued to grow at a solid rate, creating new jobs. In Europe, there were modest signs of recovery, but with a stark divide between the North and the South, while the migrant crisis called for a common response. The slowdown in the Chinese economy, transitioning towards a consumption-based model, weighed even more heavily on global growth. Finally, with the notable exception of India, several so-called emerging economies encountered major difficulties due to deteriorating political contexts, in particular, Russia and Brazil.

In this contrasting context, the figures published for 2015 allow us to take a considerable step forward. Revenue approached euro 10 billion. Group net income reached euro 900 million, whilst free cash flow exceeded euro 1 billion. Moreover, our Group now has more than 77,000 employees. These figures attest to our good health, with most indicators positive. It is true that the Sapient acquisition strongly contributed to this performance and we benefited from a favorable currency effect. Despite these new records, however, we bear in mind that our organic growth, at 1.5%, did not reflect our capabilities.

Looking at these figures, you might think that 2015 was plain sailing. Nothing could be further from reality.

Like the whole of France, the Publicis family was plunged into mourning by lives lost and people forever wounded by the attacks of November 13. We will continue to move forward, but we will never forget Fabrice Dubois, Yannick Minvielle, or their friends.

2015 was an extremely active year on account of the numerous challenges, as can be seen in the unfolding of the year's different chapters, some of which are key for our future and that of our sector.

In the 2014 activity report's message, we evoked the acquisition of Sapient, which will help us in a unique way to transform our organization and broaden our range of services. The creation of the Publicis.Sapient platform went smoothly, producing in record time an unrivalled force within the digital universe. The targets that we had fixed ourselves for the integration and synergies were rapidly reached, and for certain exceeded. During the first part of the year, Sapient's activity was affected by sudden raw materials price movements, but recovered well during the second half-year. However, this was not true for the other components – Digitas, Rosetta and Razorfish – each for specific reasons. The most important thing is to confirm that our project with Publicis.Sapient to build the most comprehensive and richest offering on the market, covering all service segments that call upon digital and technology, has become actual reality (Internet, digital communication, e-commerce, consulting, technology, etc.).

The creative agencies experienced a year with strong competition, and performed outstandingly in terms of creativity. The Always campaign for P&G received an impressive number of awards and is akin to a true societal movement. Numerous other successes can be noted, as well as some great victories following fierce competitions, which, amongst others, enabled Publicis Worldwide to return to solid growth.

The media agencies experienced mixed fortunes. Starcom MediaVest Group (SMG) suffered from the *mediapalooza*, the famed tsunami of media budget competitions, as customers including P&G and Coca-Cola ceased their media collaboration in the United States, although the partnership on other aspects of our collaboration is continuing and growing stronger.

Despite this intense activity, we devoted ourselves resolutely to preparing for the future, which we know will be conditioned by several key words, such as "digital", "uberization", "transformation", "flexibility" and "rapidity", in the era of the 4th industrial revolution. Our clients are faced with competitive battles of an extraordinary intensity and passion. Hence, the first question that we need to ask ourselves is that of our adaptation to this new world. Our analysis at the time of the Sapient acquisition was that our competitive universe would be expanding – something that we have seen – with numerous consulting firms that have moved into the digital field through acquisitions. With the management team, we conducted a three-phase process: analysis of the market and our clients' needs; strategic thinking on the changes to be carried out; conclusion seminar with 350 Group managers and the presence of major players from Silicon Valley known for their "disruptive" approach. This will all lead to a new positioning for the Group and a revamped organization. The Supervisory Board has of course been closely involved in our discussions and has provided its full backing to this reorganization.

Our ambition looking forward is to give our clients all the means necessary to meet their future challenges: their own transformation, the building of their brands in a virtual world and the growth of their sales and market share across all distribution channels (omni-channel). Our aim is that one day, we will be admired as a powerful force for business transformation, driven through the alchemy of creativity and technology.

With a speed that is rarely seen in groups of 77,000 employees, we have put this new organization in place – leaders, concepts, operating model – and have already started to see the results. We are very confident in our ability to help our clients transform, thanks to the consulting and technology skills of Publicis.Sapient, our intimate understanding of brands and consumers, our approach, always marked by its creativity, and the simple, fluid and open access to all our assets for every client (*No silo, No solo, No bozo*).

This "Power of One" has begun to deliver its full potential through the collaboration of the four Solution hubs that we have set up: Publicis Communications which, under the leadership of Arthur Sadoun, encompasses all our creative power – Saatchi & Saatchi, Leo Burnett, Publicis Worldwide, BBH, etc. – as well as our production activities; Publicis Media, led by Steve King, which has been reinvented from exceptional networks – Starcom, Zenith, Optimedia, Mediavest, Spark, etc.; the Publicis.Sapient platform, led by Alan Herrick and boosted by Sapient's businesses – SapientNitro and Sapient Consulting – as well as the digital networks, DigitasLBi and Razorfish, which is a major asset in the world of tomorrow's platforms; and lastly, Publicis Health, led by Nick Colucci and a model of integrated operating. Placed at the heart of this model, our clients benefit from unequalled modularity, heightened expertise and seamless collaboration thanks to a dedicated point of contact. In smaller-sized markets, Publicis One extends this organization by bringing our brands together under one roof with a unique, entrepreneurial approach.

2015 was also a year of transformation in terms of corporate social responsibility, with, in particular, an integrated approach to issues, including responsible marketing, diversity and data protection. We made considerable progress but remain aware of how much further we still have to go.

In 2015, Publicis carried out a considerable amount of work that we can be proud of on the road to its transformation to serve its clients' success and their own transformations. None of this would have been possible without the full commitment of all our talents. I would like to thank them for this. New and attractive future careers are increasingly opening up every day for each one of them – they are the courageous craft persons that work tirelessly, always one step ahead, to prepare our future. We also give our heartfelt thanks to our clients for the confidence they have shown in us and their encouragement of our new organizational structure.

More than ever, Publicis Groupe remains loyal to its pioneering tradition. It will not be long before the foundations that we have built for our unique model will start to bear fruit, and we will be able to take full advantage of a future for which we are better prepared than our competitors.

Maurice Lévy

Chairman of the Management Board

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PRESENTATION OF THE GROUP

1.1 Key figures

In application of European regulation no. 1606/2002 of July 19, 2002 on international norms, the Group's consolidated financial statements for the financial years presented herein have been drawn up according to the IAS/IFRS international accounting standards and the applicable IFRIC interpretations at December 31, 2015 as approved by the European Union.

The tables below present selected consolidated financial data for Publicis Groupe. The selected financial data for the years ended December 31, 2015, 2014 and 2013, are derived from Publicis Groupe's consolidated financial statements included in this document or incorporated by reference and prepared in accordance with IFRS standards. These financial statements were audited by Publicis Groupe's statutory auditors, Mazars and Ernst & Young.

KEY FIGURES

in million of euros, except percentages and per-share data (in euros)	2015	2014	2013
Data from the Income Statement:			
Revenue	9,601	7,255	6,953
Operating margin before depreciation and amortization	1,661	1,307	1,227
(% of revenue)	*17.3%*	*18.0%*	*17.6%*
Operating margin	1,487	1,182	1,107
(% of revenue)	*15.5%*	*16.3%*	*15.9%*
Operating income	1,378	1,069	1,123
Net income attributable to equity holders of the parent	901	720	792
Diluted Earnings Per Share[(1)]	3.99	3.16	3.54
Headline earnings[(2)] per share (diluted)[(1)]	4.39	3.64	3.54
Dividend per share	1.60	1.20	1.10
Free cash flow before changes in working capital requirements	1,097	836	901
Data from the Balance Sheet:	**December 31, 2015**	**December 31, 2014**	**December 31, 2013[(3)]**
Total assets	25,446	20,626	17,110
Equity attributable to holders of the parent company	6,556	6,086	5,095

(1) The average number of shares used to calculate diluted earnings per share was 226.0 million shares for 2015, 227.8 million shares for 2014 and 224.4 million shares for 2013. They include stock options and bonus shares, equity warrants and convertible loan stock having a dilutive effect. Stock options and equity warrants are deemed to have a dilutive effect when their strike price is below the average share price for the period.

(2) Earnings per share after elimination of the impairment losses, amortization of intangibles from acquisitions, the main capital gains and losses on disposal of assets, the fair value re-measurement gains and losses, the revaluation of earn-out payments, Sapient acquisition costs and the Omnicom merger costs (reversal).

(3) Comparative information for 2013 has been restated to reflect the application of IFRIC 21.

1.2 Group history

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

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

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

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

However, on September 27, 1972, Publicis' head offices were entirely destroyed by fire. A new building was built on the same site and the Company set about pursuing a strategy of expansion in Europe through acquisitions the same year, taking over the Intermarco network in the Netherlands (1972), followed by the Farner network in Switzerland in 1973; this resulted in the creation of the Intermarco-Farner network to support the expansion of major French advertisers in other parts of Europe. In 1977, Maurice Lévy was appointed Chief Executive Officer of Publicis Conseil, the Group's main French business, after joining Publicis in 1971.

In 1978, Publicis set up operations in the United Kingdom after acquiring the Mc Cormick advertising agency. In 1984, Publicis had operations in 23 countries across Europe. In 1981 Publicis opened a small agency in New York, which nowadays we would probably call a start-up.

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

In 1988, Publicis concluded a global alliance with the American firm Foote, Cone & Belding Communications (FCB) and the two European networks of the two partners merged. Publicis thus expanded its global presence with the help of its ally's network.

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

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

In 2000, Publicis acquired Saatchi & Saatchi, a business with a global reputation for its talent and creativity as well as a tumultuous history. This acquisition was a milestone in the development of the Group in Europe and the United States. In September, Publicis Groupe was listed on the New York stock exchange. This same year, Publicis acquired Winner & Associates (public relations) and Nelson Communications (healthcare communication).

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

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

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

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

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

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

2008 and 2009 were devoted to pursuing Publicis Groupe's priority development in the strong growth area of interactive communications and its expansion to emerging markets.

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

Amid brisk growth in the digital arena, the most visible sign of the Group's transformation was undoubtedly the launch of VivaKi, a new initiative aimed at optimizing the performance of advertiser investments and maximizing Publicis Groupe's market share growth. This initiative allows advertisers to reach precisely defined audiences in a single campaign and across multiple networks.

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

The acquisition of Razorfish – the number two interactive agency in the world after Digitas – from Microsoft in October 2009, brought new strengths to the Group's digital activities, notably in e-commerce, interactive marketing, search engines, strategy and planning, social network marketing and the resolution of technological architecture and integration issues.

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

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

In 2009, Publicis Groupe became the world's third-largest communications firm, overtaking its competitor IPG. This position as number three has been considerably strengthened since then.

Thus, having confirmed the success of its strategy, in 2010 the Group continued its investments in digital activities and in developing areas of the world such as China, Brazil and India.

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

During 2012, a difficult and uncertain year for growth, especially in Europe, Publicis Groupe continued to pursue an action plan with persistence and resolve, ranging from acquisitions to agreements designed to intensify the implementation of its strategic choices. The Group thus made a number of targeted acquisitions, particularly in the digital sector, in France, Germany, the United Kingdom, Sweden, the United States, Russia, Brazil, China, Singapore, India, and Israel and, for the first time, in Palestine. Additionally, still in the digital arena, Publicis Groupe and IBM formed a global partnership based on their unparalleled influence on the future of e-commerce.

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

On July 27, 2013, Publicis Groupe and Omnicom Group signed an agreement for a merger of equals.

In May 2014, Publicis Groupe chose not to pursue the merger with Omnicom Group. With its unique position in the digital business, which offers growth prospects in a communications landscape upset by the rapid emergence of new technologies, the Group accelerated its development in innovative disciplines via the acquisition of several digital agencies and strategic partnerships.

In September, Publicis Groupe and Adobe formed a strategic partnership to offer Publicis Groupe Always-On Platform™ the Group's first comprehensive marketing management platform which automates and centralizes all the components of customer marketing. This unique platform, anchored within VivaKi, available to all Publicis Groupe's agencies and networks and standardized on Adobe Marketing Cloud, will enable, for the first time, all Publicis Groupe's agencies to create attractive content, analyze their marketing, identify and create audience segments, deploy campaigns, as well as monitor and measure marketing performance using a common technology and data structure.

Virtually all of the acquisitions involved digital businesses: agencies specializing in social networks, social media, online content, real-time data analysis, e-commerce, digital solutions applied to marketing or multi-channel programs.

The acquisition of Sapient, announced on November 3, 2014, was undoubtedly the most notable transaction of the year. In an increasingly converged world, customers need a partner offering digital solutions to help them keep up with a connected, empowered consumer whose behavior has completely changed. The contribution of Sapient combined with Publicis Groupe's know-how in the digital area, creativity, media and brand communication creates unparalleled expertise in marketing and sales across all distribution channels and consulting services based on outstanding technological prowess. The latent needs of advertisers in light of numerous changes in the economy, consumers and technology, require an overhaul of marketing and communication models, and sometimes even of the companies themselves. Thanks to Sapient, Publicis is in a position to meet all the transformation needs of its clients.

2015 was particularly active on the operational side. The start of the year saw the completion of the Sapient acquisition and the launch of the Publicis.Sapient platform. This platform is not only unique in the communications sector, it brings together all the Group's digital agencies (Razorfish, DigitasLBi, SapientNitro and Sapient Consulting) with a view to providing clients everything the digital communications value chain has to offer from consulting to commerce, including creation, data and production platforms. It is backed up by a team of over 8,000 people based in India.

Publicis.Sapient is part of the new organization announced at the end of the year, aimed at structuring the Group in such a way that its clients are at the very heart of its organization. In the Top 20 countries, the Top 50 clients will each be assigned to a Chief Client Officer, and these "CCOs" will report to Laura Desmond, the Chief Revenue Officer. In this way, the Group can offer the entire array of solutions to its clients: creative solutions by "Publicis Communications" headed by Arthur Sadoun, media solutions through "Publicis Media" led by Steve King, digital solutions from "Publicis.Sapient" under the stewardship of Alan Herrick, and healthcare solutions provided by "Publicis Health" under the leadership of Nick Colucci. For all other countries, a single structure called "Publicis ONE" will combine all these solutions (creative, media, digital, healthcare) in each country. Publicis ONE will be headed by Jarek Ziebinski.

Publicis Groupe is thus implementing the most integrated organization in the sector, for the benefit of its clients and employees alike. This structure should foster growth for the Group by harnessing the opportunities offered by the integration and the new possibilities in consulting and technology as well as enhance the operating margin rate by simplifying the organization. The new structure will be rolled out in the first few months of 2016.

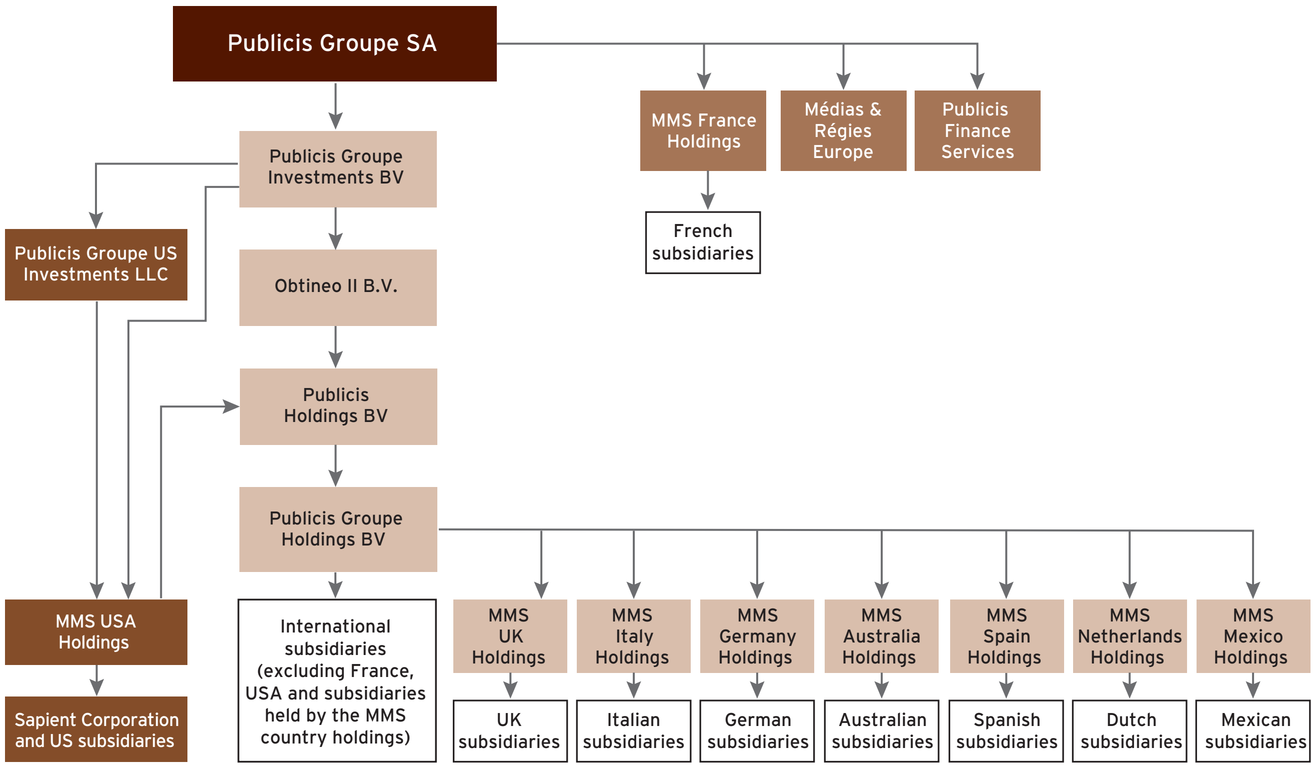
A very large number of media accounts were up for tender in 2015. According to RECMA, there have been tenders for over USD 20 billion worth of billings in 2015. Publicis Groupe was one of the most exposed amongst the major communication groups, but successfully consolidated its position with its clients (Coty, Citi), and made prestigious gains such as Taco Bell, VF, Visa and Etihad. There were some losses, including the "US Media" budgets for Procter & Gamble and Coca-Cola.

Publicis Groupe continued its tactical acquisitions strategy, with a view to completing its operational networks, both in expertise (content, commerce, behavioral analysis) and geographical scope (South Africa, Israel).

1.3 Structure chart

1.3.1 DESCRIPTION OF THE GROUP

SIMPLIFIED ORGANIZATION CHART AT DECEMBER 31, 2015[1]



1.3.2 MAIN SUBSIDIARIES

Information concerning Publicis' principal consolidated subsidiaries at December 31, 2015 is provided in paragraph A, Note 32 to its consolidated financial statements in Section 4.6 of this Registration Document.

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

None of the companies in the list of principal companies consolidated at December 31, 2015 has been sold at the date of this Registration Document.

The majority of the Group's subsidiaries are at least 90% held by Publicis Groupe.

In addition, the Group holds interests in certain bodies in which the percentage of interest may be significant but which are not controlled by the Group. Information concerning the main entities as well as the percentages held by the Group is provided in paragraph B of Note 32 of the consolidated financial statements in Section 4.6 of this document. However, these entities do not hold important assets and are not intended to hold any significant borrowings or financing. The borrowings and financing of the Group are 100% held and controlled by Publicis Groupe.

During 2015, Publicis Groupe SA took no significant stake in any company headquartered in France.

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

1.4 Activities and strategy

1.4.1 INTRODUCTION

Publicis Groupe is a world leader in marketing, communication and digital transformation. Present throughout the value chain from consulting to creation and execution, Publicis Groupe serves its clients through a unified, fluid organization that facilitates access to all its expertise worldwide. It focuses on four major Solutions businesses: "Publicis Communications" for the creative networks (Publicis Worldwide with MSL, Saatchi & Saatchi, Leo Burnett, BBH, and Prodigious); "Publicis Media" (Starcom MediaVest, ZenithOptimedia and VivaKi); "Publicis.Sapient", a unique global digital platform (Sapient Consulting, SapientNitro, DigitasLBi, Razorfish) and Publicis Health. The Group is present in more that 100 countries and has approximately 77,000 employees.

Publicis Groupe is not only the world's third-largest group, but is also a leader in all of the world's 15 largest advertising markets, excluding Japan. Overall, the Group is one of the top communications groups in Europe, North America, the Middle East, Latin America and Asia, ranking number one in media buying in the United States and number two worldwide. Furthermore, over the past years Publicis Groupe has become the world leader in the digital market through both organic growth and acquisitions.

Although the internal management, reporting and compensation systems are not organized by business sector, Publicis Groupe does provide the financial markets with information concerning the relative size of each of the different business sectors for the sole purpose of allowing sector comparisons. Pure digital operations have become the Group's biggest and most important segment with a 52% share of total revenue, far ahead of so-called "analog" advertising (23%), special and marketing operations (13%) and media (12%).

These developments reflect Publicis Groupe's long-held view of the future: the high-speed growth of all forms of digital technology next to new integrated solutions and content for advertisers worldwide.

1.4.2 STRATEGY

For nearly 90 years, Publicis Groupe has been committed to anticipating the development of markets and the behavior of consumers. In this way, it has always been able to better serve its clients, giving them the tools to benefit from winning trends that could deliver progress, growth and savings. Our strategy, patiently put in place over more than 15 years through organic growth and acquisitions, has enabled Publicis Groupe to put together an extensive offering, ranging from fast-growing digital operations in media to marketing services (e-commerce, m-commerce) and specialized agencies, and to renew its growth potential.

As early as the middle of the 1990s, the Group had already foreseen the two major trends still shaping our sector today: globalization and holistic communications.

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

The anticipation of advertisers' needs in terms of integrated or holistic communications allowed Publicis Groupe to be a pioneer in creating new, more horizontally integrated, multidisciplinary and comprehensive working methods as early as the middle of the 1990s. Our customers have been able to immediately benefit from the specific communication techniques.

The same forward thinking approach has guided the adoption from the middle of the 2000s of digital technology through major acquisitions of key interactive communications agencies: Digitas and Razorfish, the two leading interactive communications agencies, in 2007 and 2009 respectively, followed by Rosetta in 2011, LBi in 2013 and Sapient in 2015. At the same time, the Group is making several investments in these areas across the globe, be it in Europe, the United States or high-growth countries.

This strategic choice has allowed the Group – who has become a leader in communications, the booming industry vital for the future – yet again to anticipate the competition and take key positions in major areas for innovation, growth and the future.

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

With the aim of continuously improving its service to its clients, Publicis Groupe marked an important milestone by adopting a client-centered operational mode, to provide all creation, media, digital and health solutions.

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

- a strong focus on "clients", accompanying them and ensuring their marketing investments perform well;
- having a unique ability in digital technology, based on the unique Publicis.Sapient platform and all the digital expertise embedded in its networks. Publicis Groupe's offering is truly in a class of its own, responding to every new technological challenge and to every new client requirement through its range of integrated services;
- clearly a creative leader according to different rankings, a clear indication of its constant concern to deliver novel and strong ideas to its clients on every occasion, constructing the images and brands that create the links between them and consumers in the precious arena of emotion;
- thanks to a dynamic approach, driven by its large creative networks, which are also among the best on the market;
- equipped with the best analysis, measurement and research tools, allowing it to be at the cutting edge in terms of media purchasing, and to provide its customers with the most favorable returns (*ROI = return on investment; return on involvement*);
- at the head of the third largest global communication network specializing in press relations, corporate communications and events built around MSLGROUP, with a leading position on the Chinese and Indian markets;
- backed by a strong capacity for innovation and experimentation, with the creation of VivaKi for example, enabling the Group to anticipate demand and maintain privileged partnerships with major online platforms and digital media.

These features offer advantages to the Group in a changing world where the traditional models of communication must be revised due to the pressure created by titanic forces: consumer empowerment and converged media.

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

This strategy will be built around the following:

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

To implement this strategy, the Group will specifically rely on:

- a Creative Solutions division, "Publicis Communications";
- a Media Solutions division, "Publicis Media";
- a Digital Solutions division, "Publicis.Sapient" covering the entire digital communications value chain, with a unique production division based in India;
- a Healthcare Solutions division, "Publicis Health";
- "Publicis ONE" integrated structures outside of the Group's 20 main countries.

Publicis Groupe will encourage the most promising employees to get involved, by linking their annual compensation and long-term bonuses to targets based on growth and margins.

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

Furthermore, the Group decided to roll out an ERP system with a view to having a cross-functional, global information system, which will be present in the main countries in which the Group operates.

At the same time, a vigorous policy of liquidity creation and debt reduction has enabled the Group to benefit from an "investment grade" rating by the agencies Moody's and Standard & Poor's since 2005 (see details in Section 1.8.5 "Financial Risks").

VALUE CREATION STRATEGY

The media evolutions with the emergence and explosion of the Internet, Google, Microsoft, the appearance of social networks (Facebook, YouTube, MySpace, Twitter), the development of digital television and the proliferation of channels, changing consumer behavior and consumer markets and the fragmentation and growing complexity caused by the interactions between all these actors led to the establishment of the first stage of Publicis' recent strategy. Since 2006, the Group has focused on developing its digital business, which grew from 7% of total revenue in 2006 to nearly 52% in 2015. The Group will pursue this strategic direction seeking for the digital business to reach roughly 60% of total revenue.

The Group's acquisitions must satisfy profitability and financial stability criteria.

The Group intends to seek targets with significant potential for synergies and improvement in operating margin, which also present a good fit with its corporate culture and values.

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

1.4.3 KEY ACTIVITIES AND GROUP ORGANIZATION

On December 3, 2015, Publicis Groupe announced the implementation of the most integrated organization in the sector, for the benefit of its clients and employees alike, thus ending the communications groups' traditional "silo" structure.

The reorganization aims to structure the Group in such a way that its clients are at the very heart of its organization. In the Group's top 20 countries, the major clients will each be assigned to a Chief Client Officer, who in turn will report to a Chief Revenue Officer. In this way, the Group can offer the entire array of solutions to its clients in a horizontally integrated fashion: creative solutions through "Publicis Communications", media solutions through "Publicis Media", digital and technological solutions through "Publicis.Sapient", and healthcare solutions provided by "Publicis Health". For all other countries, a single structure called "Publicis ONE" will combine all these solutions (creative, media, digital, healthcare) in each country.

Publicis Groupe provides an extensive range of communications and marketing solutions designed to meet each client's particular and evolving needs through a horizontally integrated and global approach. These encompass four main categories:

- Creative Solutions;
- Media Solutions;
- Digital Solutions;
- Healthcare Solutions.

"PUBLICIS COMMUNICATIONS", *THE CREATIVE SOLUTIONS HUB*

Think "global", act "local" may sound like a cliché but it is a reality: we only have to look at our client's brands, which are growing increasingly global every day.

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

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

Publicis Communications brings together the Group's creative offering: Publicis Worldwide, Leo Burnett, Saatchi & Saatchi, BBH, as well as Prodigious, world leader in production, and MSLGROUP, specialist in strategic communications. Publicis Communications' strategy focuses on three main principles:

- creativity at the heart of our organization;

- access to comprehensive and unequaled expertise;
- a single, simpler and faster entity.

Publicis Communications aims to become the essential creative partner for its customers in order to support them in their transformations. All of the Solution's entities will operate as an internal accelerator to allow us to transform our ability to offer cutting-edge expertise and make it available to all customers, whilst strictly respecting their confidentiality.

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

- **Publicis Worldwide**: based in Paris, this network covers more than 100 countries with 218 agencies on every continent, notably in Europe, the United States and Brazil (including Marcel, 133, Duval Guillaume, Publicis & Hal Riney, Poke, AR New York ETO, DPZ and Talent). It includes the Publicis Dialog network, established in 44 countries, and Publicis Modem (dedicated to digital offerings), present in 40 countries, so as to provide clients with a holistic offer, and MSLGROUP, present in 22 countries, and which operates over the entire communication strategy chain.

  Its global expertise offer includes advertising, interactive communications and digital marketing (Publicis Modem) expanded in 2014 with a global consulting agency specializing in technology (Nurun), CRM and direct marketing (Publicis Dialog):

  - *Direct Marketing, CRM (Customer Relationship Management)*: the aim is to create a direct relationship between a brand and a consumer (in contrast with traditional mass-market advertising), through a variety of methods (internet, telephone, mail shots) and to develop customer loyalty. Through its CRM operations, Publicis assists clients in creating programs that reach individual customers and enhance brand loyalty. In addition, Publicis provides the appropriate tools and database support to maximize the efficiency of those programs;
  - *Sales promotion and point-of-sale marketing*: consulting services to determine the most effective means of interacting with consumers at points-of-sale, and marketing operations to increase sales either directly at points-of-sale, or indirectly through discount coupons, e-coupons and similar measures.

  Since 2015, Publicis Worldwide also includes public relations activities, communications, corporate and financial communications and events communications that are regrouped within MSLGROUP:

  - *Public Relations*: the aim of these operations or actions is to help clients with the management of their ongoing relationship with the press, specialized audiences and the general public on commercial or corporate topics, client identity, products or services and to develop an image that is coherent with their strategy. These services include strategic consulting to help clients in their strategic positioning and finding market niches to stand out from their competitors, product and service launches or re-launches to reach out to consumers, media relations services to enhance brand image and recognition, copy-writing, organizing events and networking sessions and creating corporate marketing material to reflect a client's strategy and messages;
  - *Corporate and financial communication*: this encompasses all initiatives that allow customers to construct a company image or to communicate with interested parties, such as shareholders, employees, public authorities. In particular, it deals with financial communications (especially during initial public offerings – IPOs – or other financial transactions), in the context of stock market listings, disposals, proxy contests and similar matters. Publicis also provides communication and public relations services to help clients manage communication and public relations during crises as well as other major events;
  - *Events Communication*: planning and organizing corporate or commercial events (exhibitions, trade shows, conventions, meetings and opening ceremonies) aimed at projecting a corporate image consistent with the client's strategic objectives;
  - *Multicultural or ethnic communication*: an area mainly limited to the American market; it consists of advertising and other communication techniques aimed at culturally specific groups, such as Hispanics and African-Americans.
- **Leo Burnett**: based in Chicago, the network has a presence in 84 countries around the world. It also owns the international network Arc Worldwide for marketing services, which focuses primarily on direct and interactive marketing and sales promotion. Leo Burnett also owns other agencies and independent advertising entities, generally more local or regional, with a well-specified target (because of their specific structure and creative styles) to respond to the particular needs of some clients.
- **Saatchi & Saatchi**: based in New York, this network of 130 agencies is present in 70 countries on five continents. It mainly includes the agencies Saatchi & Saatchi (including the agencies Team One and Conill in the United States), as well as the network Saatchi & Saatchi X, a specialist in point of sale marketing (shopper marketing). Saatchi & Saatchi S, a network created in 2008 after the acquisition of Act Now, a sustainable development consultancy of renowned expertise in the United States, brings clients expert advice on, and a solid understanding of, the major issues concerning sustainable development for economic, social and environmental plans; "SSF" brings together the agencies Saatchi & Saatchi and Fallon. The latter, based in Minneapolis, operates from regional platforms in London and Tokyo.
- **Bartle Bogle Hegarty (BBH)**: active in six countries, this London-based flagship creative network operates regional platforms in Mumbai, New York, Sao Paulo, Shanghai and Singapore.

Alongside advertising networks, Publicis Communications also integrates **Prodigious** for the design and delivery of branded content for all channels, with the most advanced tools and processes. Prodigious has 20 sites worldwide and includes WAM, Publicis Groupe's video production and broadcast company, and Bosz Digital, a digital production platform located in Central America. Publicis Groupe's production business, Prodigious can provide its agencies and clients state-of-the-art production means.

"PUBLICIS MEDIA", *THE CONNECTIONS SOLUTIONS HUB*

Publicis' media services include helping clients ensure the most effective media are used for their communications campaigns and buying on their behalf the most suitable advertising space (conventional or digital media). The digital business is growing significantly. These integrated networks of strategy experts, investment experts, creators and digital technology specialists are critical to the building of brands. The six brands of Publicis Media will be consolidated to create four global brands:

- Starcom and Zenith will continue to operate under their respective brands;
- Mediavest | Spark will be the 3rd global network;
- Optimedia | Blue 449 will be merged to form an alternative global brand.

The aim is to consolidate the brands' investment capacities and to pool skills: "Data, Technology & Innovation", "Content", "Trading & Buying", "Performance", "Business Development & Communication", "Business Transformation", "Analytics, Research & Insight". In this respect, VivaKi's functions will be fully integrated within Publicis Media.

- **Starcom MediaVest Group**, based in Chicago, operates 130 agencies in 78 countries, with a strong presence in the United States. SMG developed a product and technology strategy that revolves around advertisers' growth and the creation of products together with partners in three priority areas: digital platforms, content and data analysis. SMG launched or developed many new generation partnerships including with Twitter, comScore, Yahoo!, Google, Turner, ShareThis, Acxiom, The Weather Channel in the UK and Videology in Australia.
- **ZenithOptimedia**, based in London, operates 250 agencies in 74 countries around the world and has a strong presence in the UK, the US, Germany, France and Spain; Performics, an agency specializing in understanding internet users' behavior in order to target and interact with them more effectively, also forms part of the Company. In 2013, ZenithOptimedia unveiled a major global partnership with Google to facilitate the use of mobile phones in media communications. The network also launched an important international program with Google to help the network's clients define a sustainable online video strategy for their media communications. In 25 years, ZenithOptimedia has become the third largest network in the world.
- **VivaKi**, operating in 43 countries, helps Publicis Groupe agencies define and identify potential targets, as well as set up dynamic interactions and data exchange to optimize customer-consumer relations. VivaKi's mission consists primarily in preserving the ecosystem of digital media and put together partners and technologies in innovative contexts to create new consumer engagement models.

The following services are provided:

- **Media consulting/Media planning**: using computer software and data analysis related to consumer behavior and analysis of different media audiences in order to build the most effective plan to implement an advertising or communications strategy, tailored to the marketing objectives, the target audience and the client's budget;
- **Media buying**: purchase of all advertising space (radio, television, billboards, press, Internet and cell phones) on behalf of an advertiser as part of an agreed media plan, using the Group's experience and buying power to obtain the most favorable rates and terms and conditions for our clients. Publicis Groupe is the second global group for its media activities, while being in first place in the United States and second place in China.

"PUBLICIS.SAPIENT", *THE DIGITAL SOLUTIONS HUB*

The Publicis.Sapient platform is not only unique in the communications sector, it brings together all the Group's digital agencies (Razorfish, DigitasLBi, SapientNitro and Sapient Consulting) with a view to providing clients everything the digital communications value chain has to offer from consulting to commerce, including creation, data and production platforms.

It primarily includes the creation of corporate or commercial websites and intranets, online direct marketing consulting, social network expertise, search engine optimization, internet ads (especially banners and pop-ups) and all forms of internet and mobile communication.

Sapient has enabled us to strengthen the platform development businesses (e-commerce, e-CRM) and integrate consulting activities. Publicis. Sapient is backed up by a team of over 20,000 employees, 8,000 of them in India.

"PUBLICIS HEALTH", *THE HEALTHCARE SOLUTIONS HUB*

Publicis Healthcare Communications Group, with operations in 11 countries and with a major presence in the United States, is a world leader in communications in the areas of healthcare and well-being. PHCG includes some flagship brands such as Digitas Health (DH), Publicis Health Media (PHM) specializing in media for the healthcare and well-being sector, which created a holistic model by combining its expertise with the Group's media networks, and in-sync Consumer Insight which brings in a deep knowledge of patients, healthcare professionals and payer organizations, providing strong differentiation.

Healthcare communications is concerned with the pharmaceutical industry, institutes, hospitals and insurance companies, as well as companies producing consumer goods aimed at health and well-being. It must reach healthcare professionals, public authorities and the general public. Healthcare communications encompass a wide range of services covering the entire product lifecycle: consulting prior to release on the market, communication tools (advertising, direct marketing, digital and telemarketing, etc.), medical training, scientific communications, Public Relations, events management and hiring temporary sales staff.

"PUBLICIS ONE"

The Group generates more than 90% of its revenue in around 20 countries. Consequently, a number of countries do not receive the attention that they deserve, and the Group's presence there is often too fragmented. For this reason, all these countries will now be managed through a dedicated Group entity, "Publicis ONE". In "Publicis ONE" countries, all entities will be brought together under the same roof and with the same management. This will ensure improved coordination of all the services offered to our customers, whilst strictly respecting confidentiality. In view of both their size and full range, these structures will be able to attract the most talented individuals.

RE:SOURCES

The Publicis Groupe Shared Service Centers cover most administrative functions necessary for the operation of all Group agencies; with a presence in all regions and in more than 50 markets, Re:Sources operates from a single platform accessible in each of the Group's main markets, works on continuous process improvement and helps with compliance with the articles of incorporation, local tax systems and Publicis Groupe's corporate policy.

PARENT COMPANY

Publicis Groupe SA is the Group's holding company. Its main purpose is to provide advisory services to Group companies. The central costs of consulting services rendered by the parent company and its specialized subsidiaries totaled approximately euro 50 million in 2015 (excluding subsidiary acquisition costs), spread out over all of the Group's operational companies according to the cost of services rendered. In addition, the parent company received dividends from subsidiaries amounting to euro 184 million in 2015 (euro 68 million in 2014).

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

1.4.4 GROUP ASSETS

The Group conducts operations in over 200 cities around the world. Except as stated below, it leases, rather than owns, the offices it occupies in most of the cities where it operates. At December 31, 2015 it owned real estate assets with a net book value of euro 163 million. The Group's main property asset is its corporate headquarters located at 133, avenue des Champs-Élysées, in Paris, France. This seven-story building includes around 12,000 square meters of office space occupied by Group companies, and 1,500 square meters of commercial space, occupied by Publicisdrugstore and two public movie theaters.

The main asset under a finance lease is the Leo Burnett office building located at 35 West Wacker Drive in Chicago, Illinois, United States, with a net recorded value of euro 53 million in the Group's consolidated financial statements as at December 31, 2015, and a gross value of euro 98 million as at the same date, depreciable over 30 years.

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

Since December 31, 2015 the Company has not planned any significant capital expenditures with respect to property, plant and equipment or intangible assets, other than investments made by the Group in the regular course of its business.

1.4.5 MAIN CLIENTS

Publicis Groupe provides advertising and communications services to a diversified customer portfolio that is representative of the global economy. It has a significant number of clients that are either national or global industry leaders, with approximately half of its revenue generated by international clients, i.e. clients with operations in more than five countries. The top 30 clients represent 37% of the Group's consolidated revenue – see Section 4.6 "Notes to the consolidated financial statements" – Note 26. Payment terms are consistent with general market practices and the regulations in force in each of the countries in which the Group operates. Revenue from, and contracts with, different clients vary from year to year. Therefore, a significant share of Publicis Groupe's revenue comes from loyal clients that have been with the Company for years.

The main clients of the Group's major networks in 2015 are listed below:

PUBLICIS COMMUNICATIONS:

- **Publicis Worldwide**: Abbott, Abbvie, AXA, BNP Paribas, Citigroup, Deutsche Telekom, FIAT Group, General Motors, Orange, Groupe Carrefour, Heineken, L'Oréal, Nestlé, Procter & Gamble, Qantas, Renault, sanofi, Siemens, UBS, Wendy's;
- **Leo Burnett**: Allstate, Coca-Cola Company, FIAT Group, Fifth Third Bank, General Motors, Intel, Kellogg's/Keebler, Kraft, McDonald's, Nestlé, Pfizer, Philip Morris International, Philip Morris USA, Procter & Gamble, Renault, SAB-Miller, Samsung, TD Financial, Volkswagen, Woodworths Limited;
- **Saatchi & Saatchi**: Allianz Versicherung, Arby's, Brasil Foods, Coca-Cola Company, Commonwealth Bank, Deutsche Telekom, General-Mills, HR Block, HSBC, JPMorgan, Mead Johnson, Mondelez, Novartis, Orange, Procter & Gamble, Sands, Toyota, WalMart, Wendy's, Westpac;
- **BBH**: Barclay's, Britvic, Discovery, Dulux, International Airlines Group, Google, IKEA, Newell Rubbermaid, Perfetti, Production Partners, Samsung, Sony, Telecom Italia, Tesco, Unilever, United Overseas Bank, Volkswagen, Virgin, Weetabix, Yum! Brands.

PUBLICIS MEDIA:

- **Starcom MediaVest Group**: Allstate, Ally Financial, Bank of America, Best Buy, Coca-Cola Company, Comcast, Heineken, Honda, Kellogg's/Keebler, Kraft, Mars, Mondelez, Novartis, Procter & Gamble, Samsung, Sprint Nextel, Starbucks, US Cellular, Visa, Wal-Mart;
- **ZenithOptimedia**: 21st Century Fox Group, AstraZeneca, Daimler, Deutsche Telekom, Fielmann Optical, General Mills, JPMorgan, Kohl's, Liberty Mutual, L'Oréal, LVMH, Nestlé, Oracle, Reckitt Benckiser, Richemont Group, sanofi, SCA, Sonic, Toyota, Verizon;
- **DigitasLBi**: American Express, Accenture, Astra Zeneca, Bank of America, Comcast, Delta Airlines, eBay, Fitbit, General Motors, Goodyear, Honda, L'Oréal, Michelin, Nissan, Pitney Bowes, Renault, SAB-Miller, Sprint Nextel, Volvo Cars, Whirlpool;
- **Razorfish Global**: Apple, Bridgestone, Citigroup, Daimler, Deutsche Telecom, Discount Tire, Ford, Gouvernement du Québec, Honda, HP, JPMorgan, Luxottica, Microsoft, Samsung, Sherwin-Williams, State Farm, Thrivent Financial, Visa, Volkswagen, Wal-Mart.

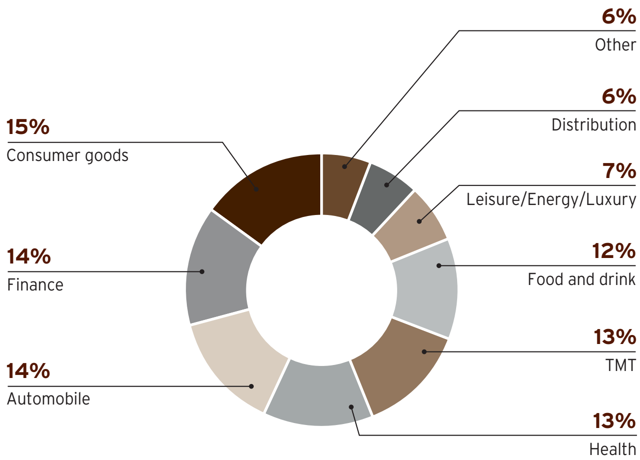
PUBLICIS SAPIENT:

- **SapientNitro and Sapient Consulting**: ADT, Bed Bath and Beyond, Chevron Corporation, Citadel, Federal National Mortgage Association, FIAT, Fidelity, First Niagara Bank, Goldman Sachs, Marks & Spencer, MasterCard, Polo Ralph Lauren, RBS, State Street, Tesco, TUI Travel, Unilever, US Department of Health and Human Services, Voya Financial, Wellington Management.

PUBLICIS HEALTH:

- **Publicis Healthcare Communications Group**: Abbott, Abbvie, Astellas, AstraZeneca, Boehringer, Bristol-Myers Squibb, Daiichi Sankyo, Gilead Sciences, Merck & Co, Johnson & Johnson, Merck KGaA, Mylan, Novartis, Otsuka American Pharma, Pfizer, Purdue Pharma, Roche, sanofi, Shire, Sunovion.

In 2015, the Group's total revenue came from the following client business sectors:



On the basis of 3,057 clients representing 84% of the Group's total revenue.

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

1.4.6 MAIN MARKETS

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

THE TEN LARGEST COUNTRIES IN THE GLOBAL ADVERTISING MARKET AND THE TOP TEN COUNTRIES FOR PUBLICIS GROUPE IN TERMS OF REVENUE

In 2015, the ten largest global advertising markets and the top ten countries for Publicis Groupe were as follows:

	Top ten global advertising markets 2015	Advertising expenditure 2015 (in millions of US dollars)*	% of global advertising expenditure 2015*	Country ranking for Publicis Groupe 2015
1	USA	182,615	33%	USA
2	China	74,308	13%	United Kingdom
3	Japan	42,285	8%	France
4	United Kingdom	26,025	5%	China
5	Germany	25,194	5%	Germany
6	Brazil	14,406	3%	Canada
7	France	13,123	2%	Brazil
8	South Korea	12,208	2%	Australia
9	Australia	11,855	2%	United Arab Emirates
10	Canada	10,172	2%	India

* *In current prices and at 2014 average exchange rates.*
Source: ZenithOptimedia.

GEOGRAPHICAL BREAKDOWN OF PUBLICIS GROUPE'S REVENUE

(in millions of euros)	2013	In %	2014	In %	2015	In %
North America	3,303	47%	3,490	48%	5,184	54%
Europe	2,154	31%	2,237	31%	2,664	28%
Asia Pacific	836	12%	862	12%	1,066	11%
Latin America	464	7%	449	6%	412	4%
Africa & Middle East	196	3%	217	3%	275	3%
TOTAL	**6,953**	**100%**	**7,255**	**100%**	**9,601**	**100%**

1.4.7 SEASONALITY

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

1.4.8 COMPETITION

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

See the table below for the published earnings of the top four groups in 2015:

(in millions)	Omnicom (US GAAP)	WPP (IFRS)	Interpublic (US GAAP)	Publicis Groupe (IFRS)
Figures published in local currency	USD 15,134	GBP 12,235	USD 7,614	Euros 9,601
Figures published in dollars*	USD 15,134	USD 18,699	USD 7,614	USD 10,648

* *2015 exchange rate: EUR = USD 1.109 = GBP 0.726.*

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

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

Advertising and communications markets are highly competitive, and Publicis is in constant competition for business with national and international agencies. The Group expects that competition will continue to stiffen as multinational advertisers increasingly consolidate their budgets among a restricted number of agencies, and the communications sector sees significant changes, reflected in the appearance of new competitors from the consulting or high-tech industries.

1.4.9 GOVERNMENTAL REGULATIONS

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

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

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

1.5 Investments

Our investments focus on digital expertise and creative excellence in order to enrich content, strengthen our teams and promote innovation and new service offerings. The strengthening of our agencies and the development of strategic partnerships and initiatives with major Internet players allows Publicis Groupe to anticipate the changes and evolution of communications industries towards digital technologies. The aim is to offer the most innovative solutions to our clients, in phase with the rapid changes in consumer behavior and technologies.

1.5.1 MAIN INVESTMENTS DURING THE PAST THREE YEARS

During 2013:

On February 5, Publicis Groupe announced the merger of the Digitas integrated global network with the LBi digital marketing and technology network acquired by Publicis Groupe in January 2013, following its successful public tender offer. The resulting entity, called DigitasLBi, thus forms a global leading digital communications network.

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

On April 18, the Group signed an agreement to acquire Neev, one of India's leading technology service providers. Founded in 2005 and based in Bangalore, Neev currently employs 250 new technology specialists, over 220 of which are technologists, with expertise in promoting the innovations developed by the teams that drive their success. It has filed a certain number of patents in cloud and mobility. Neev serves a list of prominent brands and technology companies mainly in India and the US.

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

On July 10, the acquisition of Net@lk, one of the most prominent pure players in China's social media market, was announced. Net@lk, based in Shanghai, specializes in influence marketing and brand development on social networks. The agency has four divisions: Net@lk and Simone offering social media services, Lenx being devoted to social content and Buzzreader offering social media monitoring, with in particular, the monitoring, research and analysis of most Chinese social platforms including Weibo, Renren, Youku, Taobao and WeChat.

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

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

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

On September 5, Publicis Groupe announced the outright acquisition of TPM Communications, a leading Canadian provider of digital, video and event services. This acquisition strengthens the Group's digital offering in the Canadian market. Founded in 1980, a pioneer of the latest technologies, TPM Communications, which is based in Toronto, has a team of 35 experts. The agency is specialized in three fields: interactive media (websites, e-commerce, online marketing, online advertising, social networks, mobile applications, Flash applications); events and video, from podcast to broadcast.

Publicis Groupe's acquisition of Zenith Romania was completed on September 12. This acquisition will see ZenithOptimedia, Publicis Groupe's media network, take majority control of Zenith Romania, which was previously an affiliate. Zenith is a leading media communications agency in Romania. Founded in 2000, the agency offers a full range of specialist media services, including media buying, planning, communications strategy, digital, research and ROI evaluation.

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

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

On October 22, Publicis Groupe acquired Beehive Communications, one of India's foremost independent integrated communications agencies specializing in cutting edge marketing and communications services for clients across South Asia. Founded in 2003, Beehive Communications has over 130 employees providing integrated solutions, and specializing in creation, reputation management, media, digital, brand activation and research. Based in Mumbai, the agency also has a presence in Delhi and Bangalore.

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

Once again at end-October, Publicis Groupe announced the merger of Heartbeat Ideas, one of the most highly regarded digital agencies in healthcare communications, and the Saatchi & Saatchi healthcare network in the United States, to form a wholly new market player with unmatched strength and depth. Founded in 1998, Heartbeat employs a team of 90 employees between its offices in New York and Santa Monica, California. Heartbeat Ideas and Heartbeat West are full-service agencies, and both share a commitment to unconfined ideas and innovation in the healthcare space.

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

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

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

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

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

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

2014 acquisitions were devoted to targeted investments in line with the Group's growth strategy. Virtually all of these acquisitions were aimed at enhancing the Group's expertise in areas undergoing constant change: social networks, social media, online content, real-time data analysis, e-commerce, digital solutions applied to marketing or multi-channel programs. The largest deal of the year was undoubtedly the planned acquisition of Sapient, a unique company in its ability to combine business, marketing and technology in an ever-changing technological environment at an accelerated pace.

On January 10, 2014, Publicis Groupe acquired Qorvis Communications, one of the leading public relations firms in the United States. It became part of MSLGROUP, Publicis Groupe's strategic communication and PR network. Founded in 2000 by Michael Petruzzello, Managing Partner, Qorvis has over 80 professionals based in Washington, DC. Primarily specializing in public affairs, Qorvis also enjoys strong social media and digital resources, and offers integrated services. Qorvis will therefore considerably strengthen the presence of MSLGROUP in this US region.

On January 21, the Group acquired Applied Media Logic (AML), one of the leading media agencies in South Africa, to be integrated into the ZenithOptimedia network. Launched in 2002 and based in Johannesburg, AML has a team of 25 professionals. Considered one of the top ten South African media agencies, AML's main customers include L'Oréal, Reckitt Benckiser, FutureLife, Frank.net, House of Mandela, Fedhealth and Nashua.

On January 30, Publicis Groupe announced the acquisition of a majority interest in Law & Kenneth, the largest independent Indian advertising and digital agency, to be integrated into Saatchi & Saatchi India. Founded in 2004 by Praveen Kenneth and Andy Law, with Anita Roddick from The Body Shop as investor and co-founder, Law & Kenneth employs over 285 professionals. Having become a full-service agency, specializing in traditional and digital advertising, branding and marketing, it has a broad range of local and international clients.

On February 25, Publicis Groupe acquired Lighthouse Digital, the South African market leader, specializing in digital media. The agency will be integrated into Starcom MediaVest Group (SMG) in South Africa. A pioneer in social media analysis tools, Lighthouse is the first African agency to offer its customers secure, real-time online reporting. The agency also specializes in media planning, media buying and keyword research through the use of automated bid management tools. Founded in 2009 by Aaron van Schaik and Steven Waidelich, Lighthouse has become the largest digital agency in Africa. Based in Johannesburg and Cape Town, it has a team of 30 professionals in digital media.

On March 6, the Group acquired Hawkeye, a leading digital marketing agency specializing in data analysis, digital strategy, CRM and experiential marketing. The Dallas-based agency will be integrated into Publicis North-America and the Publicis Worldwide network. It offers a range of integrated digital marketing services such as data management and analysis, website design and development, and mobile and social marketing.

On April 8, the Group acquired OwenKessel, one of the top creative agencies in South Africa, based in Johannesburg, which counts 80 professionals and offers a full range of services including consulting, design, online marketing, social media and branded content.

On May 9, Publicis Groupe SA and Omnicom Group Inc. jointly announced the end of their planned merger of equals by mutual agreement. The two companies have mutually disclaimed any and all liability and no compensation was paid to either side. This decision was unanimously approved by the Management Board and the Supervisory Board of Publicis Groupe and the Board of Directors of Omnicom Group. In addition, decisions voted by Oranes holders during the October 10, 2013 Extraordinary General Shareholders' Meeting are, due to the merger falling through, now void. Nonetheless, on September 16, 2014, the Group announced its intention to submit to the appropriate General Meetings a draft for the early redemption of these Oranes.

On June 12, the Group announced the sale of its stake in the French agency Royalties. The Group, a majority shareholder since 2008, agreed to sell its 60% interest to the founding members.

On June 26, Publicis Groupe announced the creation of ROAR, a New York-based entity that brought together the best talent and expertise of the Group's digital resources. ROAR was designed to serve JP Morgan Chase. Its success may cause it to expand its services to other partners.

On July 1, Publicis Groupe acquired Crown Partners in the US, an e-business specialist offering a comprehensive range of services to help develop e-commerce and online content.

On July 3, the Group acquired Salterbaxter, an international consulting firm. Based in the UK, the firm is recognized for its expertise in sustainable development strategy and communication.

On July 8, the Group acquired Cybermedia, the parent of Proximedia, based in Brussels and leader in Internet services to SMEs in Belgium and the Netherlands. With this acquisition, Publicis Groupe created a European leader in local digital communications while accelerating the expansion of Publicis Webformance.

On July 10, in Africa, Publicis Groupe acquired Prima Integrated Marketing (Prima), a South African digital agency, and an interest in AG Partners, a pan-African communication network. Both entities were integrated into Publicis Worldwide in Africa. On the same date, Publicis Groupe acquired Lead2Action, the top digital agency in Mexico, integrated into Publicis Mexico.

On September 2, Publicis Groupe announced the acquisition of Nurun, a global consulting agency specializing in technology and a subsidiary of Quebecor Media in Canada. Nurun's expertise, including innovation, integration and maintenance of information technology, covers the following areas: design research, digital products, service design, transaction platforms, user interfaces and post-PC ecosystems. In line with its strategic plan through 2018 which is based on its digital and technological leadership, on November 17 Publicis Groupe announced the integration of Nurun's professionals and expertise into two of its networks: Razorfish Global and Publicis Worldwide.

On September 8, the Group acquired Turner Duckworth, a brand design and strategy agency in the US which joined Leo Burnett.

On September 26, Publicis Groupe acquired Zweimaleins GmbH, a major business-to-business (B2B) integrated marketing agency based in Berlin. The agency was integrated into Saatchi & Saatchi Berlin to form Saatchi & Saatchi Pro.

On September 30, the Group acquired Ambito5, a top Italian agency specialized in social media.

On October 8, 2010, Publicis Groupe acquired three major South African agencies covering a wide range of expertise: BrandsRock, an experiential marketing leader, Liquorice, one of the top digital marketing agencies in the country, and MACHINE, an integrated agency that has received multiple awards.

On October 10, following its agreement with Adobe, Publicis Groupe announced the acquisition of 3|SHARE. Based in San Diego, 3|SHARE is an Adobe Solutions specialist and partner of "Business Plus Level Solution" and has become a North American leader in the implementation of digital solutions applied to marketing.

On October 13, Publicis Groupe entered into a strategic partnership with Matomy Media Group Ltd., the world leader in performance-based digital communications with headquarters in Tel Aviv, and acquired a 20% stake in Matomy at the price of 227 pence per share. The Group was also granted an irrevocable option to purchase an additional 4.9% of Matomy shares. Matomy is a global leader in performance-based digital communications, one of the most complex digital marketing techniques that require a deep understanding of consumer behavior and online shopping activities in the digital era.

On October 28, Publicis Groupe announced the acquisition of RUN, a multi-channel programmatic buying and real-time data analysis platform. RUN's outstanding mobile capabilities enable marketers to execute data-driven campaigns. Through its mobile-focused advanced data management platform (DMP), RUN collects, compares and analyzes various consumer data derived from multiple sources, including mobile phone operators and Internet service providers (ISPs).

On November 3, Publicis Groupe and Sapient announced the signing of a definitive agreement for the acquisition of Sapient by Publicis Groupe at dollar 25 per Sapient share (equal to a total price of USD 3.5 billion), payable in cash. This agreement was unanimously approved by the Management Board and the Supervisory Board of Publicis Groupe and the Board of Directors of Sapient. Sapient is a unique technology-driven company with demonstrated expertise in communications, marketing, omni-channel commerce and consulting. This expertise is critical to helping the Group's customers manage their transformation imposed by digital.

On December 11, Publicis Groupe announced the acquisition of Relevant24 (R24), a leading agency specializing in the creation of original multimedia content to help make brands relevant. Based in Boston (Massachusetts), R24 has 23 employees that use real-time client data to produce original content daily. It joined Starcom MediaVest Group.

Total acquisition costs for entities integrated during 2014 (gross payments, before acquired cash) came to euro 308 million. In addition, euro 103 million was paid out in earn-outs and euro 76 million to buy out non-controlling interests.

The Group did not buy back any of its own shares in 2014, except for those shares bought under the liquidity contract.

2015 saw the completion of the Sapient acquisition in February. With the creation of the Publicis. Sapient platform, this acquisition enables Publicis clients to access all digital expertise in communications, marketing, omni-channel commerce and consulting.

On January 27, 2015, acquisition of Monkees, a key French agency specializing in digital marketing and social media. Monkees has a staff of 25 people and works with clients of renown in mass retailing and specialized distribution, auto manufacturing, health and sport.

On February 16, 2015, exclusive negotiations opened for the acquisition of Relaxnews, a press agency (member of the French Federation of Press Agencies and the International Press and Telecom Council), with global expertise in consulting, production and management of content animation for the digital transformation of media and firms.

On February 26, 2015, acquisition of Epic Communications, South Africa's leading independent integrated strategic communications agency. With 50 consultants across its Johannesburg and Cape Town offices, Epic is the undisputed leader in the South African market, and a company with growing influence in the rest of Africa. Epic services over 40 retainer clients including Samsung, Nedbank, DHL, Cipla and Old Mutual. Since its creation, it has recorded more than 40% average annual growth. In 2014, the agency received the title of African Consultancy of the Year at the EMEA Sabre Awards.

On March 12, 2015, acquisition of Expicient Inc., a leading omni-channel services agency with significant expertise in inventory and order management systems (OMS). Founded in 2008, Expicient has a team of over 200 and is based in Andover in Massachusetts, with offices in the United Kingdom and India (Gurgaon and Bangalore). Expicient works for well-known global brands including the Aldo Group, Argos, Bed Bath & Beyond, BJ's Wholesale Clubs, DHL, eBay Enterprise, Guitar Center, J. Crew, Lily Pulitzer, Lockheed Martin, Marks & Spencer, Michael Kors, Ralph Lauren, Staples, Target, Tesco and Williams Sonoma, amongst others.

On March 17, 2015, Publicis Groupe acquired 2,406,873 of its own treasury shares from the Badinter family for a total amount of euro 176 million, equal to euro 73.03 per share. This transaction was carried out as part of the buy-back program authorized by the General Shareholders' Meeting on May 28, 2014 and the planned early redemption of the Orane 2022 approved by the Supervisory Board on September 15, 2014 and announced on September 16, 2014. The entire transaction was funded by Publicis Groupe's available liquidities.

On June 1, 2015, completion of the acquisition of Relaxnews at a price of euro 9.58 per share.

On June 6, 2015, acquisition of Match Media, an independent Australian media agency. Match will be integrated into Blue 449, ZenithOptimedia Group's new global media agency. Match Media was founded in 2003 by John Preston, the agency's CEO. This Sydney-based firm has over 75 employees. The agency specializes in media strategy, media buying, digital media planning and digital media buying, search engines, social media and data analysis.

On June 9, 2015, the Group acquired 3,935,000 shares at a volume-weighted average share price (VWAP) of euro 74.11, representing a total amount of euro 291 million. This transaction came within the framework of the early redemption of the Orane 2022 approved by the Supervisory Board and announced on September 16, 2014. Then, by unanimous decision of the Orane bondholders present and represented at the bondholders' meeting of June 19, 2015, the amendment of the Issuance Agreement authorizing early redemption of all Orane bonds at the Group's discretion was approved. This amendment was also approved by the Publicis Groupe SA's AGM held on May 27, 2015.

On September 3, 2015, Tardis Medical, a consulting agency in the clinical and medical sectors, was acquired by Publicis Healthcare Communications Group Ltd (PHCG), Publicis Groupe's specialist healthcare network, and was integrated into Publicis Touchpoint Solutions.

On September 10, 2015, acquisition of The Creative Counsel Group, the largest integrated below-the-line group of agencies in South Africa, providing marketing and activation solutions. Founded in 2001 by current joint CEOs Ran Neu-Ner and Gil Oved, The Creative Counsel Group boasts over 1,500 talented employees and works with top national and international clients such as Unilever, Vodacom (Vodafone), Microsoft, Brandhouse and Tiger Brands.

On November 10, 2015, acquisition of Langland Advertising, Design & Marketing Limited, one of Europe's largest and most highly regarded healthcare communications agencies. Langland has been acquired by Publicis Healthcare Communications Group Ltd (PHCG), Publicis Groupe's health network.

On November 24, 2015, acquisition of a majority stake in Glickman Shamir Samsonov, one of Israel's top creative agencies with a staff of over 75 people. Its works with clients such as: Coca Cola Israel, the Tnuva dairy cooperative, Orange, El Al, FIBI bank, Mercedes, Hyundai, Direct Insurance, Israel Post, Psagot investments, Sano detergents, Yediot Achronot newspaper and Newpan electronics.

Total acquisition costs for entities integrated during 2015 (gross payments, before acquired cash) came to euro 3,410 million. In addition, euro 180 million was paid out in earn-outs and euro 33 million to buy out non-controlling interests.

1.5.2 MAIN ONGOING INVESTMENTS AND DIVESTMENTS

As announced by a joint press release on October 19, 2015, Publicis Groupe SA and JCDecaux have entered into exclusive negotiations with a view to JCDecaux buying the Publicis Groupe's 67% interest in Metrobus. Following the achievement of the conditions prior to the signature of the transfer agreement (in particular, receiving reasoned opinions from the concerned employee representative bodies), Publicis Groupe SA and JCDecaux signed the transfer agreement on February 8, 2016. The completion of the transaction remains subject to obtaining approval from the Competition Authorities, who began an in-depth assessment procedure on January 26, 2016.

1.5.3 MAIN FUTURE INVESTMENTS

Publicis Groupe will continue its investments to provide proposals and solutions to its clients faced with numerous challenges (consumer behavior, multiplication of communication channels, increasing weight of omni-channel commerce, emergence of new players from digital technologies). Thus, all future investments will aim to improve our offering combining our creative, media and technological expertise.

The creation of the Publicis.Sapient platform, built from acquisitions in digital companies since 2007, provides Publicis with a unique offering covering the entire digital spectrum.

Lastly, as at December 31, 2015 the Group also had commitments of euro 369 million under price-adjustment clauses and of euro 86 million for minority interest buyouts, a total of euro 455 million, euro 232 million of which is due within less than one year.

1.6 Significant contracts

On November 3, 2014, the Company entered into a definitive agreement for the acquisition of Sapient by Publicis Groupe, in the form of a public cash tender offer for all of the outstanding Sapient shares. The completion of this tender offer was subject to certain conditions precedent, including obtaining regulatory approvals, among others from competition authorities in the US and Germany, which were met. The transaction was finalized on February 6, 2015.

Other than the agreements mentioned above, Publicis Groupe did not conclude any significant agreements or any agreements conferring a significant obligation or commitment on the Group, with the exception of those concluded in the normal course of affairs, during the two years preceding the date of this Registration Document.

1.7 Research and development

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

PUBLICIS COMMUNICATIONS:

- For **Publicis Worldwide**: Ignition, Ignition Day Workshops, Brand 16, Android/iOS Mobile SDK Toolkit, Nurun Design Process, Talkmaster and Publicis Insider, tools that can be activated within the framework of the Lead the Change, Brand Optimization and Brand Aesthetic methodology. Newsdesk, Wangfan Wechat platform, DBE Data Management Platform, Nurun Digital Ethnography, Nurun Jetstream, Nurun Caffeine, Nurun Outcome, Nurun M2, Nurun Altitude, Nurun Forks, Nurun Greenlist, Nurun Mobile Framework, Spark Component Library, Journey's Strategic Mapping, Personified Data, Proprietary primary research candidate sourcing, Customer Journey Mapping, Behavior Nudges, and Vision Velocity process.
- For **MSLGROUP**: FreeThinking, People's Lab, e-Reputation Scorecard, Story Stream Lab, Corporate Brand e-ambassadors, Social Business Navigator, Fem'Insight, Fem'Connect, Conversation-to-Commerce (C2C), EPI, OneVoice, White Space Mapping, Earned Plan Lab, Zodiac, and Radar.
- For **Leo Burnett**: BrandProspectR Segmentation, Behavioral ArchetypesSM, BrandPersonaSM Archetypes, What If? Mapping, InnerviewSM Motivation Analytics, Risk Reward Model of Advertising Effects, HumanKind Purpose Workshop, The Decision DNASM, B.A.I.T., Acts Typology, Acts Lift, ChatCastSM WebMining, ChatCastSM Companion Survey, HumanKind QuotientSM, BrandStockT Equity Metrics, Cultural Fuel, Pinpoint Quick Quant, Red and Blue America, BrandShelterSM Recession, Analytics, The Forgotten Senior, Freaks and Geeks vs. The 'In' Crowd, The Luxury Profiler, PeopleShop, MobileShop, SocialShop, Behavioural Currents, Being Human, Maximizing Innovation by Leveraging 9 Styles, Modern Masculinity, and The Sharing Economy: Where We Go From Here, Big Food, The Nudgeables, Idea Spot, Human Journey, Persona Development, Foresight Lab, Ultimate Consumer Panels, Focus Group 2.0, Sherlock Holmes Recruiting, BrandTrac, QuickPredict, Return ePanel.
- For **Saatchi & Saatchi**: Contentizer, Strategic Toolkit, Sisomo, Xploring, the Story Brief, Inside Lovemarks (in association with QiQ), Lovemarks Connector Kit (including the Lovemarks practices: Discovery, Exploration, Inspiration, Attraction and Evaluation), Saatchi & Saatchi Ideas SuperStore, as well as Publicis Ideas IQ Protocol (developed by Saatchi & Saatchi for Publicis Groupe), Saatchi & Saatchi X, Shopper Cycle, Saatchi & Saatchi S, Star Mapping, Ten Cycle Star Mapping, Global Affluent Tribe, Lasting Marks and Consumer Context Research (CCR).
- For **Fallon Worldwide**: Brand-Tube, Fallon Culture Map and Brand Victory Index.
- For **BBH**: Analytical Toolkit, BBH Knowledge & Insight and BBH Performance Dashboard.
- Lastly, within **Prodigious**, **Market Forward** designs, develops and offers BrandVault (Digital Asset Management), Brandtracker, (Digital Workflow); online solutions entirely developed from scratch or integrating market references (NorthPlains for the DAM, ConceptShare for online approval) enabling production teams and their clients – agencies and brands – to collaborate more effectively, by harmonizing processes while contributing towards controlling operating costs.

PUBLICIS MEDIA:

- **ZenithOptimedia** has developed and uses several tools, methodologies and research analytics methods including: Pathmatics (PFX tool), Boudoir, Catalyst/CX Tool, CX Loop, CX Tool, Digital Score, Frequency Planner, OPEN, Consumer Profiler, Market Priorization Planner, Multi-Copy Planner, Multi-Media Calculator, ROI Modeler, Seasonality Planner, Wizard TV Planner, ZEAL, ZEAL+, Zone, Global Analytics Center (Glance), Innovations Database, SocialTools, Touchpoints ROI Tracker, Video Allocator, Live ROI! Works Portal, Content Audit, Benchtools, Adforecast.com, Ninah Market Mix Modeling (MMM), Ninah Marketing PlanLan (MPL), Ninah Multi-touch Attribution (MTA), and Value Tracker;
- **Starcom MediaVest** uses, among others, Tardiis, Tardiis Fusion, Innovest, Media Pathways, Digital Pathways, Pathfinder, Contact Destinations, Intent Tracker/Modeler, Connections Stories, Captivation Blueprint, Map, Beyond Demographics, Media in Motion (patent pending), Budget Allocator, Scenario Planner, Pearl, Ace, Brain Conquest, CVT (client targeting), SPACE ID, Truth Maps, Idea vet and Ideaweb, The Mic, Pulse, Webreader, Surveillance, KPI Engine, BARometer, StarcomEQ, Starcom IQ, Soundwave, Titan, SMBI, EIC, Starprofiler, The Street MAD, Balance TV, .Poem, Benchtools, AOD, MaxxReach, Beacon and ESQ, Connected Intelligence, Community Igniter, Contagion, Echo Listening,

Echo Measurement, Echo Activation, Experience Creation Framework, Catalyst, Content@Scale, SMG's PACE panel, Yangtze, GEMS, smgOS, Convergence Analytics, Liquid Labs, CulturePulse, The VR Accelerator, Content Design Engine, Discoverability and Conversability;

- **Performics** uses the following methodologies, tools and research analytics for its clients: Intent-Based Planning, Dynamic Persona Development, Digital Maturity Audit, Tech & Data Audit, Hypotheses Library, Content Audit, CX Loop Workshop, Experience Matrix, Market Maturity Gauge, Learning Agenda, Competitive Search Analysis, Benchtools, Socialtools (in partnership with Zenith), Social Influence on Search Audit, PFX Forecasting & Planning Tool, PFX Opportunity Matrix, Paid Search Strategic Audit, Paid Search Campaign Architecture Methodology, OneSearch Learning & Measurement Framework, Search Governance Model (SGM), Microtargeting, Hyperflighting, PFX LinkWheel, 4 SEO Pillars, SEO Deliverable Framework, Link Portfolio Audit Tool, Local SEO 3 Pillar Methodology, Mobile Experience Optimization Audit, TV-to-Search Methodology, Online/Offline Measurement, Advanced Copy Testing, GL ANCE Data Management & Business Intelligence Platform Zenith, Cross-Channel Reporting, Account Monitoring Suite, Budget Tracker, Program Management Suite and Customer Resource Center, Pegasus, Performance Content, Influencer Outreach Programs, Forum Boost, Darwin, Link Checker, D+PAD, and ARIA;
- **Razorfish Global** markets the following to its clients: Fluent, Cosmos, Razorshop, the Third Channel, WAVE, Skymanager (UK), Expicient's ExStore, ExSuite, ExIntegrator, ExMobility, ExTest, ExCelerator platforms and tools, Rosetta Connector, and In-Store Customer Engagement (ICE) Platform;
- **VivaKi** uses the following platforms, products and programs: Benchmarks, Bid Strategy, CPA Optimization, CTR Optimization, Solutions Suite, VivaKi Verified, Quality Index, VivaKi DMP, Audience, Dashboard & Reports, Headroom, Heat Map, Report Builder, Site Category Analysis, Leads (Workflow), RFP (Workflow), IO (Workflow), Platform Cost Calculator, Change Log, Categorization, VivaKi IQ Academy, Partnerships, Always On, Audience On Demand (AOD), SkySkraper, RUN Cookie Translator, RUN DSP, and RUN DMP.

PUBLICIS.SAPIENT

- **Sapient Consulting** uses the following tools, products and methodologies for its clients: CMRS, CSS, COBS, SolutionD, Client Connect, Info Mapper, SFRM, FATCA Withholding, REX and Client Clearing Portal;
- **SapientNitro** uses the following tools, products and methodologies for its clients: IEA, IOTA Instrumented Intelligence, Future (m)PACT, BridgeTrack, CATS, IONOS, ReadyCommerce, (m)Dash, Sapient Approach and DOJO.
- **DigitasLBi** markets, among others, Media Futures Desk, Multi-Model Attribution, BrandLive, CONX, MDK, Polino Map, LookOut, People Pulse, Early Warning, Pathematix, the Dashboard, The Port, Site Core Toolbox, AEM Toolbox, EPi Base, Earned Media Planning, Lens, IDIOM, 3|Share DAM in a Box, Spindrift Site Builder, Momentum, and Hypermedia API;

PUBLICIS HEALTH:

- For **PHCG**: BrandFit™ Toolkit, Patient Adherence and Lapse Prediction Model, Change To Win methodology, Point of Practice™ Database, RevealMR, Customer Acument Training App, Verilogue Media Player, Global Voice, CareCoach, Ad-Board Advantage, At-Home Video Diaries, Netnography, Dialogue Infused Qual, Listening Workshop, T-App, CEaas, Connections Planning™, Humanosity™, ExactDoc™, AOD Health.

1.8 Risk factors

The risk factors described below, together with the other information concerning Publicis Groupe and its consolidated financial statements included in this Registration Document, should be carefully considered before making an investment in the shares or the other securities of Publicis Groupe. Each one of the risk factors may have a negative impact on the Group's earnings, financial position or share price. Other risks and uncertainties of which Publicis is unaware or which are not currently considered to be significant could also have a negative impact on the Group. Publicis Groupe is currently unaware of any economic, fiscal, monetary or political strategies or factors that have affected or are liable to affect its operations, whether directly or indirectly.

1.8.1 RISKS SPECIFIC TO THE ADVERTISING AND COMMUNICATIONS INDUSTRY

UNFAVORABLE ECONOMIC CONDITIONS MAY ADVERSELY AFFECT THE GROUP'S OPERATIONS

The advertising and communications industry may experience periodic slumps caused by downturns in the general economy. As previous years have shown, this industry is sensitive to variations in advertisers' businesses and reductions in their marketing investments. Economic downturns can have a more severe impact on the advertising and communications industry than on other sectors, in part because many companies often respond to a slowdown in economic activity by reducing their communications budgets in order to meet their earnings goals. In addition, it may be difficult or even impossible to collect outstanding fees receivable from bankrupt or insolvent customers. For this reason, the Group's business prospects, financial position and earnings may be materially adversely affected by a downturn in general economic conditions in one or more markets, and a reduction in client budgets for advertising and communications.

The Group's presence in geographically diversified markets makes it less sensitive to adverse economic conditions in a given market. In addition, the Group chose to make its expansion in emerging countries and in the digital advertising market a priority from 2006 onwards. This judicious choice, which has been validated by the transformation of the market and the changing requirements of our clients, has enabled us to maintain, and even improve, the relevance of our offering, while standing up well to competitive pressure.

Working together with senior management and the Group's Finance Department, the operating management teams, the Group's networks are continuing to pay particularly close attention to their cost structures and are adopting action plans to maintain their profitability levels.

THE GROUP OPERATES IN AN EXTREMELY COMPETITIVE INDUSTRY

The advertising and communications industry is highly competitive and is expected to remain so. The Group's competitors range from large multinational companies to smaller agencies that operate in local or regional markets. New players such as systems integrators, database design and management specialists, telemarketing and web-based companies now have access to technical solutions that respond to clients' specific marketing and communications needs. The Group must compete with these companies and agencies in order to maintain existing client relationships and to win new clients and accounts. Increased competition could have a negative impact on the Group's revenue and earnings.

The high staff turnover rate that has historically been seen in the communications sector (between 25% and 30%) enables adverse economic conditions to be absorbed more flexibly and easily in the event of a downturn in the market.

Working together with the Group's senior management, the networks' operating management teams monitor the market and competitors on an ongoing basis. The Group's strategy, focusing on digital technology and meeting the constantly evolving needs of its clients, has allowed it to hold and strengthen its competitive position.

PUBLICIS' CONTRACTS MAY BE TERMINATED BY ITS CLIENTS ON SHORT NOTICE

Advertisers are free to terminate their contracts with their communications agencies, at any time or at the end of the contract, after a relatively short notice period of three to six months, in general. Moreover, the Group's contracts with its clients are under constant threat from rival competitive bids. Advertisers also tend to progressively cut down on the number of communications agencies they work with and to allocate their marketing budgets among a few leading agencies. Finally, the recent trend towards consolidation of clients around the world increases the risk that a client will be lost following a merger and/or an acquisition.

In order to deal with this risk, significant existing contracts are monitored on a regular basis at the operating management and Group level, which enables us to make sure that customers are satisfied, and to anticipate the risk of a contract being terminated.

A SIGNIFICANT PERCENTAGE OF PUBLICIS' REVENUE IS GENERATED BY A SMALL NUMBER OF LARGE CLIENTS

The Group's top 5, 10, 30 and 100 clients accounted in 2015 for 15%, 21%, 37% and 55% of the Group's consolidated revenue, respectively (see also Section 4.6 "Notes to the Consolidated Financial Statements", Note 26 "Market risk management"). One or several large clients may, at any time and for any reason, decide either to switch advertising and communications agencies or to curtail its spending on advertising. A substantial decline in the advertising and communications spending of a major client, or the loss of any of these accounts, could have a negative impact on Publicis' business and earnings.

Working with the Group's senior management, the management of the Group's networks continually analyzes the risks related to the loss of major contracts.

See Section 1.4.5 of this Registration Document for a list of the primary clients of the Group's major networks in 2015. The Group has a diversified client portfolio representative of the global economy, including many clients that are global or national leaders in their industries. Revenue from, and contracts with, different clients vary from year to year. Therefore, a significant share of Publicis Groupe's revenue comes from loyal clients that have been with the Company for years. On average, its retention rate of the ten biggest clients is 45 years.

CONFLICTS OF INTEREST BETWEEN PUBLICIS' CLIENTS COMPETING WITHIN A SAME BUSINESS SECTOR MAY NEGATIVELY IMPACT ITS GROWTH

The ability of the Group or one of its networks to obtain a new client may at times be hindered by its partnership with a competitor or by an exclusivity clause in an existing client contract. The Group does its best to avoid these types of commitments, and relies on its numerous networks to limit the situations in which such conflicts of interest may arise. Such conflicts of interest may nonetheless arise, with potentially negative consequences for the Group's growth prospects, results and revenue.

Working with the Group's senior management, the management of the Group's networks continually analyzes the risks related to conflicts of interest.

PUBLICIS' BUSINESS IS HEAVILY DEPENDENT ON THE SERVICES OF ITS MANAGEMENT AND EMPLOYEES

The advertising and communications industry is known for high mobility among its professionals. If the Group loses the services of key managers or other employees, its business and earnings could be negatively affected. Publicis' success is highly dependent on the skills of its creative, sales and media personnel, as well as on their relationships with the Group's clients. If the Group were no longer able to attract and retain new key personnel, or if it were unable to retain and motivate its existing key personnel, its prospects, business, earnings and financial position could be adversely affected.

In conjunction with the Group's Human Resources Department, the networks' Human Resources Departments identify key staff, offer them incentives and include them in the Group's long-term profit-sharing schemes to retain their loyalty.

The Group's Human Resources Department regularly transmits to senior management its analyses of the attraction and retention of talent and the risks related to the possible loss of key senior managers.

DIFFICULTIES IN THE GROUP'S REORGANIZATION MAY HAVE NEGATIVE EFFECTS ON THE DEVELOPMENT OF ITS BUSINESS

Since the end of 2015, the Group is engaged in a profound transformation of its structures and organization to better meet the new market demands encountered by its clients.

Difficulties or delays in the implementation of this transformation project may negatively impact the Group's business and results.

The Group's Senior Management and Operational Managers are strongly involved in the implementation and monitoring of this transformation.

1.8.2 REGULATORY AND LEGAL RISKS

LAWS, REGULATIONS OR VOLUNTARY PRACTICES THAT APPLY TO THE SECTORS IN WHICH PUBLICIS OPERATES MAY HAVE A NEGATIVE IMPACT ON ITS BUSINESS

The communications sector in which Publicis operates is subject to legislation, regulation and voluntary codes of conduct. Governments, regulators and consumer groups often prohibit or restrict the advertising of certain products and services, or regulate certain operations conducted by the Group (such as the *loi Sapin* in France, which prohibits agencies from buying advertising space for resale to their clients, and regulations that restrict alcohol and tobacco advertising in most countries). The imposition of such restrictions may harm the Group's operations and results and expose it to the risk of judicial proceedings, especially by consumer groups, regulators and public authorities.

In order to limit this risk, and to ensure that its advertising campaigns comply with regulations, the Group has implemented, in its main markets, legal clearance procedures carried out by the Legal Department, whose role is to provide support to the creative teams as they develop these campaigns.

PUBLICIS MAY BE EXPOSED TO LIABILITIES IF ANY OF ITS CLIENTS' ADVERTISING CLAIMS ARE FOUND TO BE FALSE, DECEPTIVE OR MISLEADING, OR IF ITS CLIENTS' PRODUCTS ARE DEFECTIVE

Publicis may be named as defendant or co-defendant in litigation brought against its clients by third parties, its clients' competitors, governmental or regulatory authorities, or a consumer association. These actions could, in particular, relate to the following complaints:

- advertising claims used to promote its clients' products or services are false, deceptive or misleading;
- its clients' products are defective or may be harmful to others;
- marketing, communications, or advertising materials created for its clients infringe the intellectual property rights of third parties, since client-agency contracts generally require the agency to indemnify the client against claims for infringement of intellectual or industrial property rights.

The potential damages and expenses, as well as the legal fees arising from any of these claims could harm the Group's prospects, business, results and financial position were it not adequately insured against such risks or indemnified by its clients. In any event, Publicis' reputation could be negatively affected by such allegations.

In conjunction with senior management, the Legal Department keeps a watchful eye on the changes in risks associated with significant litigation. The Group has no knowledge of any legal or arbitration proceedings, initiated in the last 12 months, which could have a significant effect on the financial position or profitability of the Company and/or the Group.

See also Note 20 and Note 1.3 to the consolidated financial statements (Section 4.6), with respect to provisions for litigation and claims.

1.8.3 RISKS ASSOCIATED WITH MERGERS AND ACQUISITIONS

PUBLICIS' STRATEGY OF DEVELOPMENT THROUGH ACQUISITIONS AND MINORITY INVESTMENTS MAY CREATE RISKS

Part of the Group's strategy hinges on enriching its range of advertising and communication services and increasing its operations in high-growth markets. The Group has made a number of acquisitions and other investments in furtherance of this strategy, and may continue to do so in the future. The identification of acquisition and investment candidates is difficult, and there is always the possibility of misjudging the risks of any given acquisition or investment. Sellers may also at times fail to divulge certain risks. The changing and unpredictable regulatory frameworks of certain emerging markets (see Section 1.8.4 below) and certain local practices in these regions are another source of acquisitions risk. In addition, acquisitions may be concluded on terms that are less favorable than anticipated, and/or the newly acquired companies may either fail to be successfully integrated into Publicis' existing operations or fail to generate the synergies or other benefits that were expected. Such cases could have negative consequences for the Group's earnings.

A description of the Group's main acquisitions during 2015 appears in Section 1.5.1 "Main investments during the past three years". See also Note 2 (Section 4.6) to the consolidated financial statement "Variation in the scope of consolidation".

The Group makes its acquisitions according to a formal and centralized process led by senior management, with the assistance mostly of the Mergers and Acquisitions Department, the Financial Department, the Legal Department, the Human Resources Department and the networks' operational and financial divisions.

The network divisions are chiefly responsible for integrating the acquired entities under the oversight of senior management, in particular for major acquisitions. The Finance Department conducts a regular acquisitions performance assessment in conjunction with senior management; this assessment is then presented to the Audit Committee and Supervisory Board.

GOODWILL AND INTANGIBLE ASSETS, INCLUDING BRANDS AND CLIENT RELATIONSHIPS, RECORDED ON THE GROUP'S STATEMENT OF FINANCIAL POSITION FOR ACQUIRED COMPANIES MAY BE SUBJECT TO IMPAIRMENT

Publicis has recorded a significant amount of goodwill on its statement of financial position. Given the nature of its business, the Group's most important assets are intangible, and are accounted for as such. Each year the Group carries out an evaluation of goodwill and intangible assets so as to determine whether these need to be depreciated. The hypotheses made in order to estimate the earnings and the provisional cash flow in the course of these reevaluations cannot be confirmed by subsequent real earnings. If the Group were to carry out any such depreciation, the loss could have an adverse effect on the Group's earnings and financial position.

Analysis of goodwill and intangible assets carried on the Group's statement of financial position is detailed in Notes 10 and 11 to the consolidated financial statements (Section 4.6).

1.8.4 RISKS ASSOCIATED WITH THE GROUP'S INTERNATIONAL PRESENCE

PUBLICIS IS EXPOSED TO A NUMBER OF RISKS FROM OPERATING IN DEVELOPING COUNTRIES

Publicis conducts business in a number of developing countries around the world. The risks associated with conducting business in developing countries can include nationalization, social, political and economic instability, increased currency risk, restrictions on taking money out of the country and late payment of invoices. The Group may not be able to insure or hedge against these risks. In addition, commercial laws and regulations in many of these countries may be vague, arbitrary, contradictory, inconsistently administered or retroactively applied. It is therefore always difficult to determine the exact requirements of these laws and regulations, or to fully understand their application. Non compliance – actual or alleged – with applicable laws in developing countries could have a negative impact on Publicis' prospects, business, earnings, and financial position.

Working with the Group's senior management, the management of the Group's networks continually analyzes the Group's exposure to risks related to its business in politically or economically unstable countries. The Group has moreover put internal monitoring systems in place to ensure its operations comply with local legislation and minimize the risks of violations, especially where anti-corruption laws are concerned.

See Note 27 to the consolidated financial statements (Section 4.6) for a geographical breakdown of the Group's revenue for 2013, 2014 and 2015.

1.8.5 FINANCIAL RISKS

EXPOSURE TO LIQUIDITY RISK

In order to manage its liquidity risk, Publicis holds a substantial amount of cash (cash and cash equivalents) for a total of euro 1,672 million as at December 31, 2015 and undrawn confirmed credit lines representing a total of euro 2,722 million as at December 31, 2015. The main component of these credit lines is a multi-currency syndicated facility in the amount of euro 2,000 million, maturing in 2020. The Group refinanced its syndicated credit facility of USD 1,890 million expiring in January 2016 and intended to finance the acquisition of Sapient by taking a syndicated medium-term loan in the amount of USD 1,600 million, which was concluded on January 20, 2015 and matures in 2018, 2019 and 2020.

These immediately available or almost immediately available amounts allow the Group to pay its financial debt maturing in less than one year.

The Group's treasury management arrangements are described in Section 3.4.3 of this document.

None of the Group's bonds or other debt is subject to financial covenants.

See also Note 22 to the consolidated financial statements (Section 4.6).

A CREDIT RATING DOWNGRADE COULD ADVERSELY AFFECT PUBLICIS' FINANCIAL POSITION

Since 2005, Publicis Groupe SA has been publicly rated. Its rating has remained unchanged, at BBB+ from Standard & Poor's and Baa2 from Moody's Investors Service. A rating downgrade by either of these agencies could adversely affect the Group's ability to raise funds and result in higher interest rates for future borrowings.

See also Section 3.4.3 of this document.

EXPOSURE TO MARKET RISK

Note 26 to the consolidated financial statements in Section 4.6 of this document describes exposure to the following risks:

- exchange rate and interest rate risks;
- client counterparty risk;
- bank counterparty risk.

These risks are monitored by the Group's Finance Department in close liaison with senior management.

1.8.6 INSURANCE AND RISK COVERAGE

The Company's policy regarding insurance is to insure all subsidiaries and all companies in which it holds 50% or more of the voting rights, directly or indirectly, or for which it assumes the management or administrative control or the responsibility for insurance coverage without holding 50% or more of the voting rights.

Coverage of insurable risks is achieved through complementary centralized and local insurance programs.

The insurance programs are subject of regular tender offers, both on a local and global basis, which enables the Group to benefit from the latest guarantee extensions and from optimized insurance premiums.

CENTRALIZED PROGRAMS

These are insurance programs with an international scope, such as professional liability, directors and officers liability and employment practices liability. Worldwide "umbrella" coverage also exists, which applies in the case of differences in conditions or limits of local programs, particularly for property damage insurance and business interruption insurance, general liability, automobile liability, and employer's liability insurance.

The Group has also extended health, life and disability insurance cover to all staff working outside of their native countries, to complement local programs. This program also covers the assistance and repatriation of the employee and his/her family when necessary.

LOCAL PROGRAMS

These are insurance policies for general and employer's liability, property damage and business interruption, and automobile liability. These policies are entered into locally in order to comply with local practices and regulations and to manage related risks.

The Group is working to standardize health and personal risk insurance coverage in each country with the development of shared service centers.

POLICIES TAKEN OUT

The overall amount is:

- damage to property and business interruption: up to USD 250 million;
- civil liability: from USD 25 to 170 million, depending on the risks.

Terrorism risks are covered in the United States, France and the United Kingdom, in accordance with the legal requirements in each country.

These policies are arranged through brokers with major international insurance companies such as AIG, XL, ACE and LIBERTY MUTUAL. All the insurers chosen by the Group have a minimum S&P rating of A-.

Non-life-insurance premiums came to approximately euro 26 million worldwide in 2015.

2

GOVERNANCE AND COMPENSATION

2.1 Governance of Publicis Groupe

Publicis Groupe and the Chairperson of the Supervisory Board place great importance on the quality of the Group's governance and on compliance with the rules and principles governing its business activities.

Publicis has always taken an innovative approach to its governance: since 1987, the Group has had a dual governance system with both Management and Supervisory Boards, in the belief that this would ensure a better balance of powers for the benefit of all stakeholders. Going further than any legal requirements, more than half of the Supervisory Board is composed of female members. The quality of the Board's work is guaranteed by the strong commitment of its members and made easier by the work of four committees: a Compensation Committee, separate from the Appointments Committee, and a Risk and Strategies Committee, separate from the Audit Committee. In September 2014, the new Management Board was appointed and the "Management Board +" was established, with a view to preparing a new generation for the Management of the Group.

2.1.1 SUPERVISORY BOARD *(CONSEIL DE SURVEILLANCE)* AND MANAGEMENT BOARD *(DIRECTOIRE)*

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

2.1.1.1 COMPOSITION OF THE SUPERVISORY BOARD AS OF DECEMBER 31, 2015

ÉLISABETH BADINTER	**CHAIRPERSON OF THE SUPERVISORY BOARD** **CHAIRPERSON OF THE APPOINTMENTS COMMITTEE** **MEMBER OF THE STRATEGY AND RISK COMMITTEE**
Born on March 5, 1944, French National First appointment: November 27, 1987 End of term of office: Annual Ordinary General Shareholders' Meeting 2018 Publicis Groupe SA 133, avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Chairperson of the Supervisory Board:** Médias et Régies Europe SA (France) **Main offices and positions held outside the Group** **Writer** **Chairperson** of the Fondation Marcel Bleustein-Blanchet pour la Vocation **Offices and positions held outside the Group in the last five years** Position listed above
SOPHIE DULAC	**VICE-CHAIRPERSON OF THE SUPERVISORY BOARD**
Born on December 26, 1957, French National First appointment: June 25, 1998 End of term of office: Annual Ordinary General Shareholders' Meeting 2016 Les Écrans de Paris 30, avenue Marceau 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairperson:** Les Écrans de Paris SAS (France) **Manager:** Sophie Dulac Productions SARL (France), Sophie Dulac Distributions SARL (France) **Vice-Chairperson of the Board of Directors:** CIM de Montmartre (Association) **Chairperson:** Association Champs-Élysées Film Festival **Offices and positions held outside the Group in the last five years** Positions listed above
SIMON BADINTER	**MEMBER OF THE SUPERVISORY BOARD**
Born on June 23, 1968, French National First appointment: June 17, 1999 End of term of office: Annual Ordinary General Shareholders' Meeting 2017 Publicis Groupe SA 133, avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Permanent representative of Médias et Régies Europe on the Supervisory Board of:** Mediavision et Jean Mineur SA (France) **Main offices and positions held outside the Group** Presenter of "The Rendez-Vous" radio show (United States) **Chairman and Chief Executive Officer:** Simbad Productions LLC (United States) **Offices and positions held outside the Group in the last five years** None

CLAUDINE BIENAIMÉ	**MEMBER OF THE SUPERVISORY BOARD** **MEMBER OF THE AUDIT COMMITTEE** **MEMBER OF THE COMPENSATION COMMITTEE**
Born on November 23, 1939, French National First appointment: June 3, 2008 End of term of office: Annual Ordinary General Shareholders' Meeting 2018 Publicis Groupe SA 133, avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Director:** Gévelot SA listed company (France), P. C. M. SA (France), Gévelot Extrusion SA (France) **Chairman and Chief Executive Officer:** Société Immobilière du Boisdormant SA (France) **Deputy Chief Executive Officer and Director:** Rosclodan SA (France), Sopofam SA (France) **Manager:** SCI Presbourg Etoile (France) **Offices and positions held outside the Group in the last five years** Position listed above, as well as the following position: **Director:** Gurtner SA (France) (term expired in February 2015)
JEAN CHAREST	**MEMBER OF THE SUPERVISORY BOARD** **CHAIRMAN OF THE AUDIT COMMITTEE** **MEMBER OF THE APPOINTMENTS COMMITTEE**
Born on June 24, 1958, Canadian National First appointment: May 29, 2013 End of term of office: Annual Ordinary General Shareholders' Meeting 2017 McCarthy Tétrault Bureau 2500 1000, rue de la Gauchetière Ouest Montreal Quebec H3B 0A2 Canada	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Partner:** Cabinet McCarthy Tétrault (Canada) **Chairman of the Board of Directors:** Windiga Energie Inc (Canada) **Chairman of the Board of Governors:** L'Idée Fédérale (Canada) **National co-Chairman and spokesperson:** Mouvement Canada 2017 Redonner (Canada) **Member of the Advisory Board:** Woodraw Wilson Center – Canada Institute (Canada) **Member of the panel of experts:** Forum des politiques publiques du Canada (Canada) **Member** of the Canadian group of the Trilateral Commission (Canada) **Adviser:** Canada's Ecofiscal Commission (Canada) **Director:** Asia Pacific Foundation (Canada) **Honorary Chairman of the Board of Directors:** Canada ASEAN Business Council (Singapore) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Chairman of the Steering Committee:** Partnership for Natural Resources Trade (Canada) (term expired in 2015) **Prime Minister** of Quebec (Canada) (term expired in September 2012) **Deputy** for Sherbrooke (Canada) (term expired in September 2012)

MICHEL CICUREL	MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE COMPENSATION COMMITTEE MEMBER OF THE APPOINTMENTS COMMITTEE
Born on September 5, 1947, French National First appointment: June 17, 1999 End of term of office: Annual Ordinary General Shareholders' Meeting 2016 Michel Cicurel Conseil 46, rue Pierre Charron 75008 Paris France	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairman:** Michel Cicurel Conseil SAS (France) **Chairman of the Management Board:** la Maison (Luxembourg) **Chairman of the Board of Directors:** Banque Leonardo SA (France) **Vice-Chairman of the Board of Directors:** Coe-Rexecode (Association) (France) **Director, Chairman of the Accounts Committee and Member of the Corporate Officers' Compensation Committee:** Bouygues Telecom SA (France) **Director, Member of the Compensation Committee and Member of the Appointments and Corporate Governance Committee:** Société Générale SA (France) **Director and Chairman of the Investment Committee:** Cogepa / DF Synergies SA (France) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Chairman of the Management Board:** La Compagnie Financière Edmond de Rothschild Banque SA (France) (term expired in May 2012), Compagnie Financière Saint-Honoré SA (France) (term expired in May 2012) **Chairman of the Board of Directors:** Edmond de Rothschild SIM SpA (Italy) (term expired in April 2011), ERS SA (France) (term expired in May 2012), Edmond de Rothschild Investment Services Limited (Israel) (term expired in April 2012), Edmond de Rothschild SGR Spa (Italy) (term expired in April 2012), **Chairperson of the Supervisory Board:** Edmond de Rothschild Corporate Finance SAS (France) (term expired in May 2012) **Vice-Chairman of the Supervisory Board** Edmond de Rothschild Private Equity Partners SAS (France) (term expired in May 2012) **Member of the Supervisory Board:** Newstone Courtage SA (France) (term expired in December 2011), SIACI Saint-Honoré SA (France) (term expired in May 2012), Milestone SAS (France) (term expired in May 2012) **Director:** Banque Privée Edmond de Rothschild SA (Switzerland) (term expired in May 2012), Edmond de Rothschild Limited (United Kingdom) (term expired in May 2012) **Permanent representative of La Compagnie Financière Edmond de Rothschild Banque and Chairman of the Board of Directors:** Edmond de Rothschild Asset Management SAS (France) (term expired in May 2012) **Permanent representative of La Compagnie Financière Edmond de Rothschild Banque** in: EDRIM Solutions (France) (term expired in May 2012) **Permanent representative of Compagnie Financière Saint-Honoré** in Cogifrance SA (France) (term expired in May 2012) **Observer** of Paris-Orléans SA, listed company (France) (term expired in June 2012)
JERRY A. GREENBERG	**MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE COMPENSATION COMMITTEE MEMBER OF THE STRATEGY AND RISK COMMITTEE**
Born on January 6, 1965, US National First appointment: May 27, 2015 End of term of office: Annual Ordinary General Shareholders' Meeting 2019 Sapient 131 Dartmouth Street Boston, MA 02116 USA	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Member of the Board of Trustees:** Brentwood School (USA) **Chairman and Chief Executive Officer:** Sushi Nozawa LLC (USA) **Offices and positions held outside the Group in the last five years** Position listed above, as well as the following position: **Co-Chairman and Director:** Sapient Corporation (USA) (term expired in February 2015)

MARIE-JOSÉE KRAVIS	**MEMBER OF THE SUPERVISORY BOARD CHAIRPERSON OF THE STRATEGY AND RISK COMMITTEE MEMBER OF THE APPOINTMENTS COMMITTEE**
Born on September 11, 1949, US National First appointment: June 1, 2010 End of term of office: Annual Ordinary General Shareholders' Meeting 2016 625 Park Avenue New York, NY 10065 USA	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Chairperson:** New York Museum of Modern Art -MoMa- (United States) **Vice-Chairperson of the Board of Directors and Senior Researcher:** Hudson Institute (USA) **Director:** LVMH Moët Hennessy Louis Vuitton SA, listed company (France) **Vice-Chairperson of the Board and Member of the Executive Committee:** Memorial Sloan Kettering Cancer Center (USA) **Chairperson of the Board of Directors:** Sloan Kettering Institute (United States) **Member of the International Advisory Committee:** The Federal Reserve Bank of New York (United States) **Journalist** **Offices and positions held outside the Group in the last five years** Positions listed above and the following position: **Director:** Qatar Museum Authority (Qatar) (term expired in 2014)
MARIE-CLAUDE MAYER	**MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE STRATEGY AND RISK COMMITTEE**
Born on October 7, 1947, French National First appointment: June 1, 2010 End of term of office: Annual Ordinary General Shareholders' Meeting 2016 Publicis Groupe SA 133, avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **Senior Vice-President**: Publicis Conseil SA (France) **Representative of Multi Market Services France Holdings** on the Shareholders' Committee of Wefcos SAS (France) **Director:** VivaKi Communications SA (France) **Member of the Management Committee:** Étoile Restauration SAS (France) **Main offices and positions held outside the Group** None **Offices and positions held outside the Group in the last five years** None
VÉRONIQUE MORALI	**MEMBER OF THE SUPERVISORY BOARD MEMBER OF THE COMPENSATION COMMITTEE MEMBER OF THE AUDIT COMMITTEE**
Born on September 12, 1958, French National First appointment: June 1, 2010 End of term of office: Annual Ordinary General Shareholders' Meeting 2016 Webedia 3, avenue Hoche 75008 Paris France	**Other offices and positions held within the Group** **Representative of Multi Market Services France Holdings** on the Shareholders' Committee of Wefcos SAS (France) **Main offices and positions held outside the Group** **Chairperson of the Management Board:** Webedia SA (France) **Chairperson:** Fimalac Développement (Luxembourg) **Director and Vice-Chairperson:** Fitch Group, Inc. (USA) **Director:** Coca-Cola Entreprises Inc., listed company (USA), SNCF Mobilités (EPIC) (France) **Director and Member of the Audit Committee:** Edmond de Rothschild Holding SA (Switzerland), Edmond de Rothschild France SA (France) **Member of the Supervisory Board, Member of the Audit Committee and Member of the Compensation Committee:** Edmond de Rothschild SA (France) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Member of the Supervisory Board** of investissements d'avenir **Member** of the Observatoire de la parité entre les femmes et les hommes (Observatory on gender equality) **Director:** Fimalac SA, listed company (France) (term expired in 2014), Financière Allociné SA (France) (term expired in 2014), Fitch, Inc. (USA) (term expired in 2015), **Permanent representative of Fimalac Développement on the Board of Directors:** Groupe Lucien Barrière SAS (France) (term expired in 2014) **Founder and Chairperson:** TF Co (formerly Femmes Associées SAS) (France) (term expired in December 2013) **Member of the Elle business foundation** (term expired in 2014) **Member of the association:** Le Siècle (term expired in 2014) **Director and Member of the Compensation Committee:** Alcatel-Lucent (France) (term expired in 2015) **Founder and Chairperson of the Association:** Force Femmes, Terrafemina (France) (term expired in 2015) **Member of the Government-owned entity:** the Réunion des musées nationaux et du Grand Palais des Champs-Élysées (Rmn GP) (term expired in 2015) **Manager:** Fimalac Services Financiers (non-commercial company) (term expired in 2015), Fimalac Tech Info (non-commercial company) (term expired in 2015)

AMAURY DE SEZE	**MEMBER OF THE SUPERVISORY BOARD** **CHAIRMAN OF THE COMPENSATION COMMITTEE** **MEMBER OF THE APPOINTMENTS COMMITTEE**
Born on May 7, 1946, French National First appointment: June 25, 1998 End of term of office: Annual Ordinary General Shareholders' Meeting 2016 GBL 24, avenue Marnix B 1000 Brussels Belgium	**Other offices and positions held within the Group** None **Main offices and positions held outside the Group** **Vice-Chairman:** Corporation Financière Power du Canada Ltd, listed company (Canada) **Chairperson of the Supervisory Board:** PAI Partners (France) **Director:** Carrefour SA, listed company (France), Imerys *, listed company (France), BW Group, listed company (Singapore), GBL SA *, listed company (Belgium), Pargesa Holdings SA *, listed company (Switzerland), RM2 International SA, listed company (United Kingdom), Erbe SA (Belgium) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Chairman of the Board of Directors:** Carrefour SA, listed company (France) (term expired in 2011) **Director:** Suez Environnement, listed company (France) (term expired in 2014)**,** Thales SA, listed company (France) (term expired in 2013)

* *Subsidiaries of Corporation Financière Power du Canada Ltd.*

2.1.1.2 COMPOSITION OF THE MANAGEMENT BOARD AS OF DECEMBER 31, 2015

<table>
<tr><th>MAURICE LÉVY</th><th>CHAIRMAN OF THE MANAGEMENT BOARD</th></tr>
<tr><td>Born on February 18, 1942, French National
First appointment: November 27, 1987
End of term of office: September 14, 2018
Publicis Groupe SA
133, avenue des Champs-Élysées
75008 Paris
France</td><td>Other offices and positions held within the Group
Member of the P12: Publicis Groupe SA
Member of the Supervisory Board: Médias et Régies Europe SA (France)
Director: MMS USA Holdings, Inc. (USA), ZenithOptimedia Group Limited (United Kingdom), MMS USA Investments, Inc. (USA), BBH Holdings Ltd (United Kingdom), Jana Mobile, Inc (USA)
Management Board Member: Publicis Groupe US Investments LLC (USA)
Offices held outside the Group
Chairman of the Supervisory Board: Iris Capital Management
Main offices and positions held outside the Group
Founder Member and Director: Brain and Spine Institute (Institut du Cerveau et de la Moelle épinière) (ICM) (France)
Co-Chairman: Friends of the ICM Committee (France)
Chairman of the French Committee of the: Weizmann Science Institute (Israel)
Chairman of the Board of Directors: Conseil Pasteur Weizmann (association) (France)
Offices and positions held outside the Group in the last five years
Positions listed above, as well as the following positions:
Member of the Supervisory Board: Compagnie Financière Edmond de Rothschild Banque SA (term expired in August 2013), Deutsche Bank AG (term expired in May 2012)
Board Member: Foundation of the World Economic Forum Geneva (term of office expired in August 2013)
Chairman of the Association Française des Entreprises Privées (AFEP) (term expired in June 2012)
Positions held outside the Group in the last five years:
Positions listed above, as well as the following positions:
Director: Les Arts décoratifs (term expired in March 2013), Friends of the Quai Branly Museum (term of office expired in June 2011)</td></tr>
<tr><th>JEAN-MICHEL ETIENNE</th><th>MEMBER OF THE MANAGEMENT BOARD</th></tr>
<tr><td>Born on November 2, 1951, French National
First appointment: July 1, 2010
End of term of office: September 14, 2018
Publicis Groupe SA
133, avenue des Champs-Élysées
75008 Paris
France</td><td>Other offices and positions held within the Group
Group Executive Vice-President, Group Finance: Publicis Groupe SA
Member of the P12: Publicis Groupe SA
Chairman and Chairman of the Executive Committee: Multi Market Services France Holdings SAS (France)
Chairman: Publicis Finance Services SAS (France), MMS Mexico Holdings S de RL de CV (Mexico)
Chairman and Director: MMS Canada Holdings Inc. (Canada), 8504741 Canada Inc (Canada), TMG Mac Manus Canada Inc (Canada)
Chairman of the Board of Directors: MMS Italy Holdings S.r.l. (Italy),
Management Board Member: Publicis Groupe US Investments LLC (USA)
Permanent representative of Multi Market Services France Holdings SAS in Publicis La Maison SA (formerly Publicis Technology SA) (France), VivaKi Performance SA (France), Phonevalley SA (France)
Director: Multi Market Services Australia Holdings Pty Limited (Australia), PG Lion Re: Sources Australia Pty Limited (Australia), Publicis Communication Pty Limited (Australia), Re: Sources Mexico S.A de C.V (Mexico), Publicis Groupe Holdings BV (Netherlands), MMS Netherlands Holdings BV (Netherlands), Publicis Groupe Investments BV (Netherlands), Publicis Holdings BV (Netherlands), Saatchi & Saatchi Limited (UK), MMS UK Holdings Limited (UK), Lion Re: Sources UK Limited (UK), Lion Re: Sources Iberia S.L. (Spain), ZenithOptimedia International Limited (UK), Saatchi & Saatchi Holdings Limited (UK), ZenithOptimedia Group Limited (UK), MMS USA Holdings, Inc. (USA), MMS USA Investments, Inc. (USA), Shanghai Ming Mong Song Commercial Consulting Co, Ltd (China), BBH Holdings Ltd (UK), Publicis Groupe Media Bucharest SA (Romania), MMS Multi Market Services Ireland Limited (Ireland), MMS Multi Euro Services Limited (Ireland), SWELG Holding AB (Sweden)
Co-Chairman: Multi Market Services Spain Holdings, S.L (Spain)
Managing Director: MMS Germany Holdings GmbH (Germany), Re: Sources Germany GmbH (Germany)
Director, Chairman and Treasurer: US International Holding Company, Inc. (USA)
Main offices and positions held outside the Group
Member of the Board of Directors of ACTEO
Offices and positions held outside the Group in the last five years
Positions listed above.</td></tr>
</table>

ANNE-GABRIELLE HEILBRONNER	MEMBER OF THE MANAGEMENT BOARD
Born on January 7, 1969, French National First appointment: September 15, 2014 End of term of office: September 14, 2018 Publicis Groupe SA 133, avenue des Champs-Élysées 75008 Paris France	**Other offices and positions held within the Group** **General secretary:** Publicis Groupe SA **Member of the P12:** Publicis Groupe SA **Chairperson:** Publicis Groupe Services SAS (France) **Member of the Executive Committee:** Multi Market Services France Holdings SAS (France) **Representative of Multi Market Services France Holdings on the Shareholders' Committee** of Wefcos SAS (France) **Director**: Régie Publicitaire des Transports Parisiens Metrobus Publicité (France), Somupi (France), US International Holding Company Inc (USA), Publicis Groupe Investments BV (Netherlands), Publicis Groupe Holdings BV (Netherlands), Publicis Holdings BV (Netherlands), BBH Holdings Limited (UK), MMS UK Holdings Limited (UK), Sapient Corporation (USA) **Main offices and positions held outside the Group** None **Offices and positions held outside the Group in the last five years** None
KEVIN ROBERTS	**MEMBER OF THE MANAGEMENT BOARD**
Born on October 20, 1949, New Zealand and British National First appointment: September 14, 2000 End of term of office: September 14, 2018 Saatchi & Saatchi 375, Hudson Street New York NY 10014-3620 USA	**Other offices and positions held within the Group** **Head Coach:** Publicis Groupe SA **Chairman:** Saatchi & Saatchi Worldwide (USA) **Member of the P12:** Publicis Groupe SA **Director:** Fallon Group, Inc. (USA), DPZ - Duailibi Petit Zaragoza Propaganda Ltda (Brazil) **Main offices and positions held outside the Group** **Chairman:** My Food bag (New Zealand) **Director:** Rowland Communications Worldwide, Inc. (USA), Red Rose Limited (New Zealand), Red Rose Charitable Services Limited (New Zealand) **Offices and positions held outside the Group in the last five years** Positions listed above, as well as the following positions: **Director:** NZ Edge.com Holding Limited (New Zealand) (term expired in 2013), Red Rose Music Limited (UK) (term expired in 2013), USA Rugby (USA) (term expired in June 2014), NZ Telecom (New Zealand) (term expired in June 2014)

2.1.1.3 RESIGNATIONS AND APPOINTMENTS DURING 2015

The terms of office for the members of the Supervisory Board, Hélène Ploix, Henri-Calixte Suaudeau and Gérard Worms, ended during the General Shareholders' Meeting of May 27, 2015 following their wish to resign from their positions as of this Meeting. The Board noted these resignations during its meeting of March 2, 2015 and expressed its thanks for their commitment during their terms of office.

The General Shareholders' Meeting of May 27, 2015 appointed Jerry A. Greenberg as a new Supervisory Board member for a four year term. His term will expire at the end of the Ordinary General Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2018.

Changes in the composition of the Supervisory Board in 2015:

Board member:	Departure	Appointment	Renewal	Nationality
Jerry A. Greenberg		May 27, 2015		US
Hélène Ploix	May 27, 2015			French
Henri-Calixte Suaudeau	May 27, 2015			French
Gérard Worms	May 27, 2015			French

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

The Supervisory Board had 11 members as of December 31, 2015; the list of which appears above (see Section 2.1.1.1). The rules pertaining to corporate governance and the independence criteria adopted by the Company for the members of the Supervisory Board are discussed in Sections 2.1.4 and 2.1.5.

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

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

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

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

The Supervisory Board's internal regulations, updated on February 11, 2015, indicate that the independence criteria for members of the Supervisory Board are those applied by the Afep-Medef Code, excluding the criteria for a maximum twelve-year duration for terms of office. During its February 25, 2015 meeting, the Appointments Committee considered the independence of members of the Supervisory Board and confirmed the applicable independence criteria.

In view of the separation of the management and supervisory tasks within the Company, the Supervisory Board accordingly adopted the following characteristics as independence criteria:

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

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

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

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

Except as noted under 2.1.1.4 above and in Section 2.3, there are not, to the Company's knowledge, any family relationships between any of the members of the Company's Supervisory Board or Management Board, nor any potential conflicts of interest between the members of its Supervisory Board or Management Board. There is no undertaking or agreement concluded by the Company or its subsidiaries with members of its Supervisory Board or the Management Board of the Company providing for benefits to be paid upon termination of their functions, nor any other agreement concluded between the Company, its subsidiaries and these persons, other than those described in Sections 2.2 and 2.3. Except as may be described otherwise in Section 2.3, no appointment as member of the Supervisory Board or the Management Board has been made pursuant to an undertaking made to a major shareholder, client or a supplier of the Company.

2.1.2 THE *"DIRECTOIRE +"*

The "*Directoire +*", created in September 2014, is composed of Group executive managers and assists the Management Board with the Company's management.

The "*Directoire +*" comprises the following persons as at December 31, 2015:

- Laura Desmond, Chief Revenue Officer Publicis Groupe;
- Alan Herrick, Chief Executive Officer Publicis.Sapient;
- Steve King, Chief Executive Officer Publicis Media;
- Arthur Sadoun, Chief Executive Officer Publicis Communications;
- Rishad Tobaccowala, Chief Strategist Publicis Groupe.

The "*Directoire +*" members are not Management Board members. They attend Management Board meetings when they are invited to do so and participate, in an advisory capacity only, in the Board's discussions and work. Consequently, they do not vote on Management Board decisions.

When they are invited to a Management Board meeting, they must ensure the strict confidentiality of all of the points discussed and the information obtained during these meetings.

The "*Directoire +*" members must preserve, in all circumstances, their independence of analysis and judgement; they must notify the Management Board of any situation involving a conflict of interest, direct or indirect, even potential, resulting from the other positions and responsibilities which they have within the Group. If such a situation arises, they shall abstain from taking part in the Management Board's discussions and working on the matter concerned.

The Management Board and the "*Directoire +*" aim to prepare a new generation to take on the role of Management of the Group. Its task is to ensure the smooth implementation of the changes required to optimize use of the Group's resources and transform the Group: a blend of talented individuals providing advertisers with strategic, creative and technological solutions to help them improve both their image and their growth in a world which is constantly changing due to technological innovation.

2.1.3 THE "P12"

Selected Group managers known as the "P12" met regularly each month during 2015 by teleconference to review the results and outlook for the different networks, and occasionally face-to-face to discuss the Group's strategy and deal with certain operational questions in depth.

During 2015, in addition to the teleconferences, the P12 met four times, in February, April, June and November.

The P12, chaired by Maurice Lévy, was made up of the following individuals:

- Tom Bernardin, Chairman, Leo Burnett Worldwide;
- Nick Colucci, Chief Executive Officer Publicis Healthcare;
- Laura Desmond, Chief Revenue Officer Publicis Groupe;
- Axel Duroux, Executive Vice President, Emerging and Fast Growing Markets;
- Jean-Michel Etienne, Executive Vice-President Finance, Publicis Groupe, Member of the Management Board;
- Olivier Fleurot, Senior Vice President Publicis Groupe;
- Anne-Gabrielle Heilbronner, Secretary General, Publicis Groupe, Member of the Management Board;
- Alan Herrick, Chief Executive Officer Publicis.Sapient;
- Steve King, Chief Executive Officer Publicis Media;
- Chip Register, Chief Executive Officer Sapient Consulting;
- Kevin Roberts, Head Coach at Publicis Groupe, Chairman Saatchi & Saatchi/Fallon, Member of the Management Board;
- Arthur Sadoun, Chief Executive Officer Publicis Communications;
- Robert Senior, Chief Executive Officer Worldwide Saatchi & Saatchi/Fallon;
- Luke Taylor, Global Chief Executive Officer DigitasLBi;
- Rishad Tobaccowala, Chief Strategist Publicis Groupe;
- Mark Tutssel, Chief Creative Officer at Leo Burnett Worldwide;

- Jean-François Valent, Chief Executive Officer Prodigious;
- Frank Voris, Chief Executive Officer ReSources;
- Alan Wexler, Chief Executive Officer Sapient Nitro.

Monthly meetings in the form of teleconferences involved the heads of the different advertising networks and the Management Board members, and face-to-face meetings brought together all members.

In February 2015, the P12 welcomed the following members, in addition to those who were already members: Alan Herrick, Alan Wexler and Chip Register. It was saddened to lose one of its members with the death of Tom Adamski in October 2015.

The P12 facilitated the preparation and sharing of the Group's policies and strategies, ensuring information flow between the different brands and networks and implementation of the Group's motto, *"No silo, no solo, no bozo".*

It also contributed to ensuring creative quality, beginning all its meetings with a review of the most memorable creations.

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

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

This body allowed Publicis Groupe to guarantee the Group's performance by:

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

2.1.4 OPERATION OF THE SUPERVISORY BOARD COMMITTEES

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

2.1.4.1 APPOINTMENTS COMMITTEE

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

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

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

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

The mission of the Appointments Committee is as follows:

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

The Appointments Committee is currently composed of Élisabeth Badinter, Chairperson, and Marie-Josée Kravis, Michel Cicurel, Jean Charest and Amaury de Seze. During 2015, two members, Henri-Calixte Suaudeau and Gérard Worms, left the committee due to their resignations as

Members of the Supervisory Committee and three members of the Supervisory Committee, Marie-Josée Kravis, Jean Charest and Amaury de Seze, joined the committee. The committee went from four to five members. Four of its members are considered as independent based on the criteria applied by the Supervisory Board: Marie-Josée Kravis, Michel Cicurel, Jean Charest and Amaury de Seze.

The committee met once during 2015, and reported on its work to the Supervisory Board. The members' attendance rate was 100%.

Committee examined the composition of the Supervisory Board and in particular, the representation of independent members in accordance with Afep-Medef Code recommendations. The committee recommended that the Supervisory Board take into account the wish expressed by three of its members, Hélène Ploix, Henri-Calixte Suaudeau and Gérard Worms to end their terms of office as Members of the Supervisory Board from the General Shareholders' Meeting of May 2015. The committee also recommended to the Board to propose the appointment of Jerry A. Greenberg at the General Shareholders' Meeting of May 2015.

The committee also considered the appointment of certain network corporate officers.

2.1.4.2 COMPENSATION COMMITTEE

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

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

The Compensation Committee is currently composed of Amaury de Seze, Chairman, Michel Cicurel, Jerry A. Greenberg, Claudine Bienaimé and Véronique Morali. During 2015, Jerry A. Greenberg joined the committee, which went from four to five members. Out of the five members, four, including the Chairman, are considered to be independent: Amaury de Seze, Michel Cicurel, Jerry A. Greenberg and Claudine Bienaimé.

The committee met eight times during 2015, and reported on its work to the Supervisory Board. The members' attendance rate was 83%.

At its 2015 meetings, the committee studied issues relating to the Chairman's compensation (wholly variable) and that of the Management Board members (fixed and variable parts) and proposed several decisions in this respect to the Supervisory Board. It studied matters relating to the policy of share-based compensation. The committee was made aware of the bonus policy, based on the Group's results in a similar manner to all major networks, and was consulted on a new bonus system based directly on the new Group organization as well as the project for the LTIP 2016 and LionLead3 plans.

2.1.4.3 AUDIT COMMITTEE

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

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

The Audit Committee is currently composed of Jean Charest, Chairman, Claudine Bienaimé and Véronique Morali. During 2015, the Chairman, Gérard Worms and Hélène Ploix, left the committee due to their resignations as Members of the Supervisory Board. Jean Charest was appointed

Committee Chairman, and Véronique Morali joined the committee. Out of the three members, two members, including the Chairman are independent: Jean Charest and Claudine Bienaimé. Due to their professional backgrounds, Claudine Bienaimé, Véronique Morali and Jean Charest, have particular expertise in financial and accounting matters. Jean-Paul Morin was designated as the permanent Audit Committee expert.

The committee met five times during the 2015 fiscal year. The members' attendance rate was 93%.

The committee supervises the organization and implementation of the Group's audit and the quality of internal control, and it verifies the accuracy and fairness of the financial statements. The committee has a sufficient period of time (between four and six days) to study the accounts before they are examined by the Supervisory Board. The Audit Committee is regularly informed about the program, the results and corrective measures implemented following the internal audit, the results of auditing assignments and their follow up as well as the principal pending legal disputes and their developments. The committee is also informed about all fraud or fraud attempts of which the Group may have been made aware. The committee also ensures that the external auditors' recommendations are implemented and gives its opinion on the budgets for the Group's external audit. The Audit Committee gives its opinion about the appointment of external auditors.

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

The Audit Committee also gave an opinion to the Board concerning the takeover bid of Sapient Corporation and its financing, which falls within its remit.

2.1.4.4 STRATEGY AND RISK COMMITTEE

Under articles 9 et seq. of the Supervisory Board's internal rules, the Strategy and Risk Committee's rules for appointing members and conducting business are the same as those of the other committees.

The Strategy and Risk Committee is currently composed of Marie-Josée Kravis, Chairperson, Élisabeth Badinter, Marie-Claude Mayer and Jerry A. Greenberg. During 2015, Hélène Ploix, due to her resignation as a Member of the Supervisory Board and Véronique Morali, due to her new appointment to the Audit Committee, left the committee. The committee was completed by the appointment of Jerry A. Greenberg. The committee went from five to four members, and includes two independent members: Marie-Josée Kravis and Jerry A. Greenberg.

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

The committee met twice in 2015. The members' attendance rate was 100%.

It reviewed the Group's risk mapping and the measures implemented to limit its risks. The committee analyzed in depth some of the major risks to which the Group is exposed and, in particular, legal risks and risks connected with managing Human Resources. The risks associated with the integration of Sapient were also examined, as well as risks associated with IT systems. The committee discussed the major strategic options in terms of development and acquisitions, and worked on the risks associated with the execution of the Group's transformation.

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

In respect of my role as Chairperson of the Supervisory Board and in accordance with Article L. 225-68 paragraph 7 of the French Commercial Code, it is my responsibility to report on the composition of the Board and the application of the principle of gender-balanced representation, the conditions for preparing and organizing the Board's work, as well as the internal control and risk management procedures in place within our Group.

This report was drafted with the support of the Secretary General and particularly the Group's Legal Department, the Internal Audit, Internal Control and Risk Management Department and the Finance Department.

Publicis Groupe SA refers to the Afep-Medef Corporate Governance Code as updated in November 2015, with the exception of the recommendations set out in Section 2.1.7 of this Registration Document. This Corporate Governance Code is available on the Medef website at www.medef.com or on the AFEP site at www.afep.com.

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

Publicis Groupe SA applies all of the principles of the Afep-Medef Code and, as a company with a Supervisory Board, adapts them for one of the criteria proposed by the Code to assess the independence of the members of the Supervisory Board. In accordance with the Afep-Medef Code, Publicis Groupe explained its situation: the Supervisory Board debated the issue of the independence of its members and analysed the criteria that it wished to use. The Board has chosen not to follow the criterion limiting the terms of Supervisory Board members to 12 years, believing that this limitation is not suitable for Supervisory Boards, whose role is fundamentally different from that of a Board of Directors, for which these criteria were defined.

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

Furthermore, the Board decided that the specific characteristics of the communications sector and its global expansion and technological development mean that experience is crucial for Board members to carry out their responsibilities.

In 2015, the Supervisory Board began to change its composition by strengthening its diversity of international experience. Thus, a new independent American member, Jerry A. Greenberg, was appointed by the General Shareholders' Meeting of May 27, 2015.

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

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

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

The General Shareholders' Meeting of June 4, 2007 amended the Company's bylaws, empowering the Supervisory Board to determine each year which transactions referred to in article 12 of the bylaws would require prior approval. At its meeting of February 10, 2016, renewing its discussion of February 11, 2015, the Supervisory Board decided that the purchase or disposal of any real estate, the purchase or disposal of any company whose value exceeded 5% of the Company's equity, and any loan, bond or share issuance exceeding 5% of the Company's equity would be subject to prior approval of the Supervisory Board.

These provisions are also specified in the internal rules of the Supervisory Board, as well as the basic rules such as those concerning the independence of the Board's members, conflicts of interest and confidentiality. The internal rules also establish the terms on which the Board and its four specialized committees operate and the Board's relationship with the Management Board. The Supervisory Board completed its internal rules on February 11, 2015 concerning the procedures according to which Board members can exercise their right to information, the rules for notifying the Board of the Company's financial and cash flow situation and its undertakings, the principle according to which any significant transaction outside the framework of the strategy must be submitted to the Board for approval and the period between the examination of the accounts by the Audit Committee and their being submitted to the Supervisory Board.

To prevent insider trading, the Management Board established rules regulating the conduct of the Group's permanent insiders, defining the periods in which trading in Company shares is permitted, which also applies to Supervisory Board members.

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

During 2015, the Supervisory Board was composed of 13 members, then 11 following the resignations of Hélène Ploix, Gérard Worms and Henri Calixte Suaudeau and the appointment of Jerry A. Greenberg on May 27, 2015.

The current Board is composed of Élisabeth Badinter, Chairperson of the Board, Sophie Dulac, Vice-Chairperson, Claudine Bienaimé. Marie-Claude Mayer, Véronique Morali, Marie-Josée Kravis, Amaury de Seze, Michel Cicurel, Simon Badinter, Jean Charest and Jerry A. Greenberg.

Over half of the Board members are women.

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

The Supervisory Board verified that its independent members had no significant qualitative or quantitative business relations with the Group In order to assess the independence of its members, the Supervisory Board used the criteria set out in the Afep-Medef Code, other than – for the reasons explained previously – the criterion on the 12-year term limit, in particular:

- not be an employee of the Company or a member of its Supervisory or Management Board, employee or director of the parent company or a consolidated company, during the last five years;

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

Thus, for Mr. Cicurel, Director of Société Générale, the total amount of euro 280 million of loans granted by Société Générale to the Group (see section 2.3.1 of this Registration Document) are not considered significant with regard to the Group's total cash assets of euro 4,493 million at December 31, 2015.

According to these criteria, the following members are considered to be independent: Marie-Josée Kravis, Claudine Bienaimé, Jean Charest, Amaury de Seze, Michel Cicurel and Jerry A. Greenberg.

Situation of Members of the Supervisory Board with regard to the Afep-Medef Code's independence criteria:
(the criterion is considered to be met when it is identified by √)

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Qualification applied by the Board
Élisabeth Badinter		√	√		√		√	Not independent
Sophie Dulac	√	√	√		√		√	Not independent
Simon Badinter	√	√	√		√		√	Not independent
Claudine Bienaimé	√	√	√	√	√	√	√	Independent
Jean Charest	√	√	√	√	√	√	√	Independent
Michel Cicurel *	√	√	√	√	√		√	Independent
Jerry A. Greenberg	√	√	√	√	√	√	√	Independent
Marie-Josée Kravis	√	√	√	√	√	√	√	Independent
Marie-Claude Mayer		√	√	√	√	√	√	Not independent
Véronique Morali		√	√	√	√	√	√	Not independent
Amaury de Seze *	√	√	√	√	√		√	Independent

Criterion 1: not be an employee or an Executive Director during the last five years

Criterion 2: not have cross-directorships

Criterion 3: not have significant business relations

Criterion 4: not have a close relative who is a Corporate Officer

Criterion 5: have not been an auditor of the Company during the last five years

Criterion 6: have not been a Director for more than 12 years

Criterion 7: not hold more than 10% of share capital or voting rights

* The Supervisory Board considers that Michel Cicurel and Amaury de Seze, who have over 12 years seniority are independent due to the reasons indicated above (also see section 2.1.7 - Application of the Afep-Medef Code: Applying the «Apply or Explain» rule).

The Board meetings are held in French. The Board met eight times in 2015, with an attendance rate of 91%. The documents required to examine the items on the agenda are normally sent to Board members a few days in advance, and at least five days in advance when they concern examining the parent company and consolidated financial statements for the fiscal year. The Management Board is always available to provide clarifications or additional information to any Board member. Meetings are organized in particular with the network managers in order to present the Group's activities and organization to Board members. In order to facilitate participation by members, particularly those who live overseas, the Supervisory Board has included provisions in its internal rules to allow one or more members to participate in Board meetings by video-conference or other mode of telecommunication in accordance with the law and regulations in force. In article 1.1 of its internal rules, the Board has also set out strict rules concerning conflicts of interest: the principle is that members of the Supervisory Board must be able to exercise their role in a completely independent manner, *vis-à-vis* each other and *vis-à-vis* the Management Board, and that each member undertakes, as soon as he or she learns of it, to inform the Board of any conflict of interest, whether actual or potential. No conflicts of interest were identified by either the Board or by any of its members in 2015.

The main points examined and decisions made by the Supervisory Board at its meetings during 2015 were as follows:

- on January 19, 2015, within the framework of the planned acquisition of Sapient Corporation and its financing, the Board ruled on the authorizations to be given to the Management Board, in accordance with articles 12 and 16 of the Company bylaws;
- during the first part of its meeting of February 11, 2015, Steve King, then CEO of ZenithOptimedia Worldwide (since promoted to CEO of Publicis Media), presented the ZenithOptimedia network to the Board members. The Board took note of the Management Board's management report for the previous year and examined the consolidated financial statements and parent company financial statements for 2014, after having heard the Audit Committee's report and the conclusions of the statutory auditors. It set limits on the powers of the Management Board and its authorizations for sureties and guarantees. The Board was informed of the final completion of the takeover bid for Sapient Corporation. The Board updated its internal rules and heard the Compensation Committee's report;
- during its meeting on March 2, 2015, the Board was informed of the integration plan for Sapient and heard the Strategy and Risk Committee's report. The Board also decided on the draft resolutions to be submitted to the General Shareholders' Meeting. After being informed of the proposals by the Appointments Committee, the Board noted, with regret, the resignation of three of its members, Hélène Ploix, Henri-Calixte Suaudeau and Gérard Worms, with effect from the General Shareholders' Meeting of May 27, 2015 and decided to submit to this Meeting the appointment of Jerry A. Greenberg. After having heard the Compensation Committee's report, the Board examined and approved the compensation criteria for the Chairman of the Management Board (which has been completely variable since 2012) as well as the variable part of the compensation of the other Management Board members for the 2014 fiscal year. The Board decided the terms of its report on the Management Board's report and the financial statements for 2014 and approved the Chairperson's report on the functioning of the Supervisory Board and the internal control and risk management procedures. The Board examined the summary and learned from the conclusions of the annual self-assessment of its work for the 2014 fiscal year;
- during its meeting on March 12, 2015, following a recommendation by the Compensation Committee, the Board confirmed the end-of-term indemnities for Kevin Roberts and Jean-Michel Etienne, adapting them to take into consideration the changes in the Afep-Medef Code, and decided to award one to Anne-Gabrielle Heilbronner. The Board, in accordance with article L. 225-86 of the French Commercial Code, authorized the buyback by the Company of its own shares from Mrs. Badinter and her family Group. Following the recommendation by the Compensation Committee, the Board decided the variable compensation for the Chairman of the Management Board;
- at its meeting on May 27, 2015, the Board heard the management report of the Management Board as of March 31, 2015 and reviewed the quarterly consolidated and parent company financial statements. The Board heard the Audit Committee's report. The Group's position at the end of April 2015, as well as the updated forecasts, were presented to the Board. The Management Board reported the guarantees granted by Publicis Groupe SA to its subsidiaries. Having noted Publicis' project to disengage from certain of the Group's agencies and media, the Board issued a favorable opinion for these transactions. The Board was informed of the Sapient integration situation and the directions given by Publicis to transform its current business model. The Board took note of the convening notice to the General Meeting for Orane 2022 holders, for the purposes of the early redemption, whose principle was approved by shareholders during the General Shareholders' Meeting of May 27, 2015. The Board heard the Compensation Committee's report, with, in particular, the change in the situation with regard to Jean-Yves Naouri and the comparison of Sapient's compensation system with that of Publicis;
- during the first part of the meeting of July 22, 2015, Rishad Tobaccowala, Chief Strategist, Publicis Groupe and member of the "*Directoire +*", presented the Chief Strategist position to Board members. The Board then decided on the new composition of its Committees. The Board took note of the management report of the Management Board as of June 30, 2015 and reviewed the Company's six-monthly consolidated financial statements and parent company financial statements, after having heard the Audit Committee's report and the conclusions of the statutory auditors. It was presented with the forecasts updated to end 2015. The Board was informed of the Sapient integration situation and the early redemption decision for Orane 2022. The Board ruled in accordance with articles 12 and 16 of the Company bylaws on the framework for the renewal of the opening of a multi-currency credit facility;
- during the first part of the meeting of September 16, 2015, Anne-Gabrielle Heilbronner, Member of the Management Board and Secretary General of Publicis Groupe, presented the different functions associated with the Secretary General position to Board members. The Management Board then presented to the Board the market trends to the end of 2015 and the Group's position at August 31, 2015 as well as the annual forecasts at the end of August 2015. The Board was informed of the preparations for the "Power of One" seminar organized in San Francisco, USA and a project for an event to commemorate Publicis' 90th anniversary in 2016. The Board heard the reports of the Audit Committee and the Compensation Committee;
- lastly, at the meeting of December 2, 2015, the Board read the management report by the Management Board on September 30, 2015 and examined the Company's parent company financial statements and consolidated financial statements for the third quarter, after having heard the Audit Committee's report. The Group's position as of the end of October, as well as the updated forecasts, were presented. The Board conducted an annual review of the regulated agreements signed previously and which continued to be executed during the 2015 fiscal year and reached its conclusions. The Board heard the Compensation Committee's report. The Board was informed of the progress on the Metrobus and Mediavision disposal projects. The Board approved the strategic reorganization orientations presented by the Chairman of the Management Board intended to transform the Group's operational mode in order to provide clients with all Publicis' know-how and expertise. The Board wished the Management Board and its teams success in this transformation to anticipate future changes in the profession.

The Supervisory Board performed the annual self-assessment of its work, examined the summary results and drew conclusions. Each member of the Board completed a questionnaire for the self-assessment; the results were then summarized and commented on. Hélène Ploix, independent member in position during the assessment, carried out this assessment with support from the General Secretary. The analysis of the conclusions of this assessment was presented during the Supervisory Board meeting of March 2, 2015. The analysis indicates that the Board members are satisfied with the Board's functioning, its participation in the strategic process, its relations with the Management Board and the quality and openness of discussions with the Management Board. Recommendations were made mainly with regard to the Board's composition, succession plans for managers, retention plans, interactions between Committees and the Board, and information on the Group.

For 2015, this assessment was carried out by Claudine Bienaimé, independent member, with support from the Secretary General, with the conclusions being discussed during the meeting of March 2, 2016.

Four special committees (the Appointments Committee, the Compensation Committee, the Audit Committee and the Strategy and Risk Committee) assist the Supervisory Board in performing its duties with the aim of improving Group corporate governance. During 2015, the committees were reorganized following the resignations of Hélène Ploix, Henri-Calixte Suaudeau and Gérard Worms, members of the Board and certain committees, and the appointment of Jerry A. Greenberg. The operational rules of these four committees were included in the internal rules and are described in Sections 2.1.4.1 to 2.1.4.4 of the Registration Document.

The Appointments Committee is composed of Élisabeth Badinter, Chairperson of the committee, Marie-Josée Kravis, Michel Cicurel, Jean Charest and Amaury de Seze. Four of its members are considered to be independent with regard to the criteria applied by the Supervisory Board.

The Appointments Committee met once during 2015; the attendance rate was 100%. The Appointments Committee studied the independence of Board members and confirmed the criteria to assess this independence. In this respect, it considered that Claudine Bienaimé had become independent as of October 2014, five years after the expiry of her last term as Director of a Group entity. The committee, seeking to renew the composition of the Board and increase its degree of independence, discussed the composition of the Board and recommended that the Supervisory Board accept the resignation of three members, Hélène Ploix, Henri-Calixte Suaudeau and Gérard Worms, as of the May 2015 General Shareholders' Meeting, and earlier than the initial expiry of their term. In accordance with the commitments made during the acquisition of Sapient, the committee recommended to the Board to propose the appointment of Jerry A. Greenberg at the General Shareholders' Meeting of May 27, 2015.

The Compensation Committee is composed of Amaury de Seze, Chairman of the committee, Claudine Bienaimé, Véronique Morali, Michel Cicurel and Jerry A. Greenberg. The committee has four independent members with regard to the criteria applied by the Supervisory Board and is chaired by one of them. Its primary role is to examine and make proposals regarding the compensation of the Company's corporate officers, and to ratify the Group's general policies on compensation and allocation of stock options, performance shares or any other compensation instruments.

The Compensation Committee met eight times during 2015, with an attendance rate of 83%. The committee studied, at its various meetings in 2015, issues relating to the Chairman's compensation (wholly variable since 2012) and that of the Management Board members (fixed and variable parts) and proposed decisions to the Supervisory Board to be taken concerning them. The committee informed the Supervisory Board of its recommendations with regard to the end-of-term indemnities for Management Board members (excluding Maurice Lévy) in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct. In addition, the committee was informed about the compensation of the other members of the P12. It studied matters relating to the policy of share-based compensation. The committee was made aware of the bonus policy based on the Group's results in a similar manner to all major networks and was consulted on a new bonus system for the Group. Within the framework of the Sapient integration, the committee examined the compensation systems for key Group employees and their possible progress.

The rules and principles adopted by the Supervisory Board to determine compensation and benefits of any nature granted to corporate officers are described in Section 2.2 of the Registration Document for the 2015 fiscal year. The key features of the stock option and performance share allocation policy are described in Note 28 to the consolidated financial statements presented in the Registration Document.

The Strategy and Risk Committee is composed of Marie-Josée Kravis, Chairperson of the committee, Élisabeth Badinter, Marie-Claude Mayer and Jerry A. Greenberg. The committee met twice during the year, with an attendance rate of 100%. The committee has two independent members and is chaired by one of them. The committee reviewed the Group's risk mapping, in particular that associated with the integration of Sapient, and the measures implemented to limit these risks. It discussed the major strategic options in terms of growth and acquisitions.

The Audit Committee is composed of Jean Charest, Chairman of the committee, Claudine Bienaimé, Véronique Morali. Jean-Paul Morin was designated as the permanent Audit Committee expert. The three Committee members are independent. Due to their professional backgrounds, Claudine Bienaimé, Véronique Morali and Jean Charest, have particular expertise in financial and accounting matters. The Audit Committee met five times during 2015, with an attendance rate of 93%. This committee supervises the organization and implementation of the Group's audit and the quality of internal control, and it verifies the accuracy and fairness of the financial statements. The Audit Committee is regularly informed about the program, the results and corrective measures implemented following the internal audit, the results of auditing assignments and their follow up as well as the principal pending legal disputes and their developments. It is also informed about all fraud or fraud attempts of which the Group may have been made aware. It also ensures that the external auditors' recommendations are implemented and gives its opinion on the budgets for the Group's external audit. The Audit Committee gives its opinion about the appointment of external auditors. During the 2015 fiscal year, the Audit Committee also gave an opinion to the Board concerning the takeover bid of Sapient Corporation and its financing, which falls within its remit. The Audit Committee listens to the Auditors without the Managers present during its meetings.

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

The Supervisory Board listened to the Audit Committee, which gave its opinion on the financial statements, and more generally on the internal control and audit procedures that are the subject of the second part of this report. The work of the Audit Committee during 2015 is described in the "Audit Committee" paragraph in Section 2.1.4.3 of the Registration Document.

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

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

2.1.5.2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

1. Objectives and organization

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

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

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

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

The Group has a General Administration department enabling it to monitor internal control in a formal and centralized manner: this function includes the Legal Department (managed by the General Counsel), the Internal Audit, Internal Control and Risk Management Department (managed by the VP Internal Audit & Risk Management), the Purchasing Department and the Human Resources Department. The Secretary General is a Member of the Group's Management Board. The Internal Audit & Risk Management VP and the Secretary General attend all Audit Committee meetings and have easy access to its Chairman and each of its members. The Audit Committee also has direct access to the internal control department. The tools needed to gain a broader view of potential risks are thus in place, which supports the effort to improve risk management throughout the entire organization.

The Group's internal control and risk management system is based around the 2013 COSO (Committee Of Sponsoring Organizations of the Treadway Commission) guidelines as well as the reference framework defined by the AMF.

2. Internal control framework

Publicis Groupe SA has defined guidelines based on the Group values stated therein, including practical principles and rules on conduct, ethics and social responsibility, as well as any other practices to ensure that the operations of the Group's entities comply with standards, laws and regulations. These guidelines, applicable to all of the Group's hierarchical levels, set out the rules of conduct for this purpose: "*The way we behave and the way we operate*". These guidelines are known as "Janus" and are distributed to all networks. They are also accessible online to all Group employees. A new version of "Janus" was published in April 2015.

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

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

This system is also strengthened through a network of shared service centers systematically implemented by the Group since 1996 in order to overcome the challenges faced by a business that relies on a large number of agencies. This network is managed by a CEO, reporting to the Chairman of the Management Board, with the legal and financial functions of the shared service centers under the functional responsibility of the Group's Legal Department and Financial Department respectively. The network of shared service centers now covers almost 97% of the Group's revenue.

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

3. Monitoring the effectiveness of the internal control system

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

A) INTERNAL AUDIT ASSIGNMENTS

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

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

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

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

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

B) FINANCIAL MONITORING CONTROLS PROGRAM

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

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

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

C) MONITORING BY THE LEGAL DEPARTMENT

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

4. Risk Management Framework

Every two weeks, a "Group Committee" uniting the Chairman of the Management Board, the Financial Director, the Secretary General, the CEO of the Shared Service Centers, the EVP Emerging markets, the Chief Strategist Officer and the SVP Communication review the major risks faced by the Group's activity.

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

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

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

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

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

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

In 2015, the mapping was updated twice, and was presented to the Strategy and Risk Committee Meetings of February and October 2015. The risks associated with the integration of Sapient were also examined during these two committee meetings. Moreover, the committee analysed in detail some of the Group's major risks, for example those linked to purchasing and IT systems. These analyses were presented to the Strategy and Risk Committee together with proposed action plans to limit the level of residual risk. These analyses and other information served as a basis for the audit plan drawn up for 2016. Monitoring of the implementation of recommendations made with regard to talent management was also presented to the committee in October 2015.

This report, drafted with input from the different actors indicated in the introduction to this document, was approved by Publicis Groupe SA's Supervisory Board during its meeting on March 2, 2016.

Chairperson of the Supervisory Board

Élisabeth Badinter

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

To the Shareholders,

In our capacity as statutory auditors of Publicis Groupe, and in accordance with article L. 225-235 of the French Commercial Code *(code de commerce)*, we hereby report on the report prepared by the chairperson of your company in accordance with article L. 225-68 of the French Commercial Code *(code de commerce)* for the year ended December 31, 2015.

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

Our role is to:

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

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

INFORMATION ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF THE ACCOUNTING AND FINANCIAL INFORMATION

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

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

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

OTHER INFORMATION

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

Courbevoie and Paris-La Défense, March 25, 2016

The statutory auditors

French original signed by

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

2.1.7 APPLICATION OF THE AFEP-MEDEF CODE: APPLICATION OF THE "APPLY OR EXPLAIN" RULE

Within the framework of the "Apply or explain" rule specified in Article L. 225-68 of the French Commercial Code and referred to in Article 25.1 of the Afep-Medef Code, the Company considers that its practices are compliant with the recommendations of the Afep-Medef Code. However, some provisions have been dismissed, for the reasons explained hereafter:

Recommendations of the Afep-Medef Code	Position
Article 9.4 – Independence of Directors criterion The assessment of the nature, significant or otherwise, of the relationship with the Company or its Group must be discussed by the Board and the criteria having led to this assessment must be explained in the Registration Document. Maximum period of 12 years for the terms of office of members of the Board of Directors.	The Board has chosen not to follow the criterion limiting the terms of Supervisory Board members to 12 years, believing that this limitation is not suitable for Supervisory Boards, whose role is fundamentally different from that of a Board of Directors, for which these criteria were defined. The Supervisory Board, as a non-executive body, is not responsible for the management of the Company, which falls to the Management Board alone, but for its direction and constant oversight. Because of this role, the Board decided that the concept of the length of the term of office has no effect on the independence, by its very nature, of the supervisory duties that the Board and its members perform.
Article 14 – Duration of the duties of Directors The terms of office must be staggered in such a manner as to avoid a renewal en masse and to favor a smooth renewal of the directors' mandates.	The Supervisory Board is composed of eleven members; six of the terms of office will end during the General Shareholders' Meeting 2016, which will rule on the financial statements for the fiscal year ended December 31, 2015. To avoid a group renewal, the Board will propose to the General Shareholders' Meeting of May 25, 2016, to stagger the duration of the terms of office to be renewed during this Meeting. The Company bylaws would have to be amended accordingly.

2.1.8 CODE OF ETHICS

The Group has a set of rules governing its behavior and ethics under the name "Janus." These guidelines, applicable to all of the Group's hierarchical levels, set out the rules of conduct to carry out operations: "The Publicis way to behave and to operate". The Code was updated in April 2015 and circulated across all the networks.

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

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

The aim of these rules of conduct is to provide the Group with strict rules and procedures for running our business worldwide in all fields: human management, business ethics, financial management, individual responsibility. This includes encouraging diversity and preventing discriminatory conduct. They are meant to prevent any illegal activity, in particular by ensuring that Group employees comply with laws and regulations in the conduct of the Group's business. Janus also contains a separate Chapter with a detailed code of conduct on stock market trading, designed to prevent insider trading. The Group's rules of conduct are also meant to prevent favoritism, misappropriation of funds, breach of trust, corruption, conflicts of interest or other misconduct and subject the Group and its employees to the highest standards in terms of integrity, ethics and compliance. They are designed to protect the Group's data and know-how by establishing strict guidelines regarding confidentiality and good faith. Finally, they establish procedures for control and reporting by management of the Group and of the various networks of any breach of these rules.

This Code is available on the Group's website (www.publicisgroupe.com) in the "Social Responsibility" section under "Social Responsibility" then "Governance and Ethics".

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

2.2 Compensation report

In application of the law of July 3, 2008, which transposes the European Directive 2006/46/EC of June 14, 2006, Publicis Groupe refers to the Afep-Medef Corporate Governance Code, since 2008, when preparing the report provided for in Article L. 225-68 of the French Commercial Code.

The Supervisory Board is in charge of continuously ensuring that each decision made regarding compensation of the corporate officers complies with the guidelines under the Afep-Medef Corporate Governance Code revised in November 2015.

2.2.1 COMPENSATION OF THE SUPERVISORY BOARD MEMBERS

A. COMPENSATION POLICY

Overall budget

The total amount of attendance fees allocated to members of the Supervisory Board is determined by the Publicis Groupe's General Shareholders' Meeting.

Thus, the Group's General Shareholders' Meeting of May 28, 2014 approved an annual envelope of euro 1.2 million in attendance fees for members of the Supervisory Board, valid for the current fiscal year and each of the following years, until a new decision by shareholders.

59.2% of this budget was used for 2015.

Compensation of the Supervisory Board members

Going beyond the recommendations of the Afep-Medef Corporate Governance Code, the Supervisory Board, on the advice of the Compensation Committee, decided that the allocation of attendance fees among the members of the Supervisory Board would be 100% variable and solely based on actual attendance at Board and committee meetings.

In accordance with the total maximum budget for attendance fees approved by the General Shareholders' Meeting, each member of the Supervisory Board was paid €5,000 in 2015 for each meeting attended in 2014. Each member of the Audit Committee, Appointments Committee, Compensation Committee and Strategy and Risk Committee was paid euro 5,000 for each meeting attended in 2014.

B. COMPENSATION OF THE CHAIRPERSON OF THE SUPERVISORY BOARD

The compensation of Élisabeth Badinter, Chairperson of the Supervisory Board, was determined by the Supervisory Board in accordance with article 17 of the Company's bylaws. It is comprised of fixed compensation and, as for all Supervisory Board members, attendance fees.

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

C. AMOUNTS PAID IN 2015 TO MEMBERS OF THE SUPERVISORY BOARD

The total compensation including all benefits in kind paid during the fiscal year ended December 31, 2015 to each member of the Supervisory Board, both by the Company and by the companies controlled by the Company as defined by Article L. 233-3 of the French Commercial Code, is indicated hereafter. For certain members of the Supervisory Board, this compensation includes both a fixed salary and variable compensation. Total compensation is expressed in euros. The amounts indicated are gross amounts and do not reflect deductions relating to taxes or social charges.

COMPENSATION (IN EUROS) PAID DURING 2015 TO MEMBERS OF THE SUPERVISORY BOARD (GROSS AMOUNTS BEFORE SOCIAL SECURITY AND TAXES)

	Total gross compensation in 2015 including:	Fixed compensation	Variable compensation[1]	Attendance fees	Benefits in kind[2]	Total gross compensation 2014	Of which fixed compensation
Élisabeth Badinter	310,000	240,000	-	70,000	-	310,000	240,000
Sophie Dulac	55,000	-	-	55,000	-	35,000	-
Henri-Calixte Suaudeau	65,000	-	-	65,000	-	60,000	-
Hélène Ploix	90,000	-	-	90,000	-	90,000	-
Gérard Worms	95,000	-	-	95,000	-	90,000	-
Amaury de Seze	80,000	-	-	80,000	-	75,000	-
Simon Badinter	55,000	-	-	55,000	-	45,000	-
Michel Cicurel	95,000	-	-	95,000	-	85,000	-
Michel Halpérin[3]	50,000	-	-	50,000	-	85,000	-
Claudine Bienaimé	120,000	-	-	120,000	-	115,000	-
Marie-Claude Mayer[4]	350,000	250,000	40,000	60,000	-	340,400	250,400
Véronique Morali[5]	85,000	-	-	85,000	-	197,863	122,863
Marie-Josée Kravis	60,000	-	-	60,000	-	50,000	-
Jean Charest	50,000	-	-	50,000	-	35,000	-

(1) Amounts paid in 2015 in respect of the 2014 fiscal year.
(2) Benefits in kind relating to the use of a company-provided vehicle are not mentioned when they are for an immaterial amount.
(3) Died on August 11, 2014.
(4) Marie-Claude Mayer, member of the Supervisory Board, has an employment contract with Publicis Conseil.
(5) Véronique Morali was paid in respect of her position as Chairperson of the Women's Forum for the Economy and Society. She left her position on December 9, 2014.

2.2.2 COMPENSATION OF THE MANAGEMENT BOARD MEMBERS

The compensation policy of the Publicis Groupe Management Board members aims to align the interests of the Group's executives with those of the shareholders by establishing a clear link between performance and compensation. Within this context, its essential purpose is to encourage the achievement of ambitious objectives and create value on a long-term basis, by setting demanding performance criteria.

In order to do so, the compensation structure of the Publicis Groupe executives is mainly based on variable compensation directly linked to their individual performance as well as their contribution to Group performance.

Furthermore, it is based on an in-depth analysis of market trends observed in France and abroad, both in major international companies in general and, more specifically, in the companies competing with Publicis in terms of both business and talents.

A. COMPENSATION POLICY

Objectives and principles

The Publicis Groupe policy concerning the compensation of executives is intended to:

- attract, develop, retain and motivate the most talented individuals in a sector fundamentally based on the quality of employees, and where competition for talent is particularly fierce, especially in the context of the digital transformation, underway throughout the industry;
- encourage the management to achieve a level of performance which is high, growing and long-lasting within a very competitive environment, where new players from consulting or technological firms have become direct competitors of Publicis Groupe.

It is guided by three principles:

- a competitive and coherent compensation package with regard to market trends;
- internal equality, based on individual and collective performance, in order to ensure fair and balanced compensation reflecting the level of individual success of each person, measured both quantitatively and qualitatively;

- achieving all the short, medium and long-term financial and operating results directly linked with the Group's strategic objectives and for the benefit of all stakeholders, our customers, our employees and our shareholders.

These principles apply to all Group executives and are adapted based on the geographical location of the individuals, and take into consideration the differences in terms of regulations, market practices and the competitive environment.

In accordance with Article 10 of the Company's bylaws, the form and amount of compensation of the Chairman and members of the Management Board are set by the Supervisory Board, on the recommendation of the Compensation Committee. For members of the Management Board other than the Chairman, the Chairman of the Management Board makes proposals to the Compensation Committee, and then to the Supervisory Board.

Fixed compensation

DETERMINATION

The fixed salary is determined by taking into account:

- the scope of responsibility;
- the career path and experience of the person holding the position;
- consistency in relation to the other Group functions (internal equality);
- market practice for identical or comparable positions (external competitiveness).

EVOLUTION

The level fixed compensation is reviewed every other year, for the Management Board members and for the other Group executives in order to regularly assess its relevance and competitiveness.

In general, the compensation of the Management Board members is reassessed after a longer period, when such a revision is justified, for example a change in scope or an adjustment versus market practice.

Annual variable compensation

OBJECTIVE

Variable compensation is intended to represent a substantial part of the overall annual compensation of executives, if set objectives are achieved. It encourages them to outperform as it rewards objectives when they are exceeded.

DETERMINATION

Annual variable compensation is subject to financial performance and non-financial performance conditions and no minimum amount is guaranteed.

It is based on several, quantifiable criteria assessed separately and takes into account:

- the overall performance of the Group or that of the network to which the beneficiary belongs;
- achieving the personal objectives of the manager assessed a posteriori by taking into account the items of context in which the performance was achieved.

These parameters are fixed in advance for each fiscal year.

Variable long-term compensation

The share-based compensation program should incentivize managers on a long-term basis; it is subject to performance conditions designed to develop the loyalty of those holding key positions within the organization while encouraging executives over the long term, in a community of interests with Publicis Groupe shareholders. With this in mind, and in accordance with the Afep-Medef Corporate Governance Code, the Group's corporate officers undertake not to use hedging financial instruments on shares to be received or shares received but which are non-transferable. Furthermore, they undertake to keep 20% of the shares acquired during the whole period of the term of office.

The performance conditions which apply to all the granted shares are determined by the Supervisory Board on the recommendation of the Compensation Committee, and are based on the following principles:

DEMANDING PERFORMANCE CONDITIONS, ADAPTED TO THE GROUP'S BUSINESS SECTOR

The conditions governing the acquisition of the performance shares are based on two financial criteria based on the performance of Publicis Groupe compared with that of a benchmark group (Omnicom, WPP, IPG). The two criteria are:

- organic revenue growth: a particularly demanding criterion which translates the ability to extend and develop the client portfolio and existing activities within a group that is also very dynamic in terms of external growth.

  If Publicis Groupe's organic growth is greater than the average of the benchmark group, 100% of the shares are awarded. If organic growth is less than 80% of the benchmark group, no shares are awarded. If organic growth is between 80% and 100%, the number of shares is reduced by 5% for each 1% of performance recorded below 100%;

- operating margin (as a percentage of revenue).

  If Publicis Groupe has the best operating margin in the sector, 100% of the shares are awarded. If Publicis Groupe is in second place, 50% of the shares are awarded. If Publicis Groupe is in third place, 15% of the shares are awarded and if Publicis Groupe is in last place, no shares are awarded.

These criteria are particularly demanding notably because they are based on an assessment relating to performance (encouraging the Publicis management to deliver the best figures in the market) and on complete transparency, as the results are measured on the basis of public data. Publicis demonstrates both the demands and the reality of the expected performance.

VESTING PERIOD

In order to favor the retention of executives, no shares are acquired by the beneficiaries before they have been working in the Group for a certain amount of time, and subject to the performance conditions being satisfied. This period is:

- three years for French beneficiaries, followed by a two-year lock-in period for the shares acquired;
- four years for the other beneficiaries.

STABILITY OF THE PERFORMANCE CONDITIONS

The Supervisory Board considers that consistency in the performance conditions is one of the factors for creating long-term value. This is why the performance criteria concerning organic revenue growth and the Group's operating margin have been used since 2003.

UNIQUENESS OF THE PERFORMANCE CONDITIONS

Although certain conditions governing compensation through share allocation programs may vary among members of the Management Board and other Group executives, the same performance conditions are used for all Group long-term compensation programs whether they apply to members of the Management Board or to other managers. The aim is to ensure perfect cohesion among Publicis Groupe's entire management team.

COMPENSATION THROUGH SHARE ALLOCATION PROGRAMS FOR MEMBERS OF THE MANAGEMENT BOARD

Members of the Management Board may benefit from share allocation programs, be it through the LionLead co-investment plan or the Management Board LTIP.

Members of the Management Board in 2013[(1)] took part in the 2013 LionLead Co-investment Plan for which the shares will only be acquired in April 2017 (or April 2016 for the French with a two-year lock-in period) and the stock options will become exercisable in April 2017 (or April 2016 for the French) subject to the conditions of maintaining the investment, being present, and reaching performance criteria are satisfied.

In 2013, the Management Board members[(1)] also benefitted from the LTIP 2013-2015 program for which the shares will only be acquired in June 2017 (or June 2016 for the French with a two-year lock-in period) subject to the conditions of presence and performance being satisfied.

The allocation of shares or stock options to members of the Management Board are limited to 0.5% of the share capital and this limit is far from being reached considering the allocations actually made to date.

B. COMPENSATION OF THE CHAIRMAN AND THE OTHER MEMBERS PERFORMANCE OF THE MANAGEMENT BOARD

Compensation of Maurice Lévy

COMPENSATION MECHANISM

The compensation of the Chairman of the Management Board is entirely of a variable nature and is linked to the performance of Publicis, in accordance with his wishes.

In agreement with Maurice Lévy, the Supervisory Board decided that as of January 1, 2012 that his compensation will no longer include any fixed part.

The Chairman of the Publicis Group Management Board receives no other element of compensation: he does not benefit from share allocation programs put in place for the benefit of the other Group executives and he has no supplementary pension plan or lump-sum severance payment, despite the very widespread prevalence of these systems for executives of comparable French and foreign multinationals.

The compensation of the Chairman of the Management Board is calculated based on a theoretical maximum of euro 6 million if all targets are fully met.

(1) Kevin Roberts and Jean-Michel Etienne.

However, total annual compensation cannot exceed €5 million. According to actual performance and to the assessment of the qualitative targets reached, Maurice Lévy's compensation can therefore vary from 0 to euro 5 million.

These conditions were set as of January 1, 2012 for the duration of the term of office of the Chairman of the Management Board and were maintained during the last reappointment on September 15, 2014.

COMPENSATION STRUCTURE FOR 2015

Criteria chosen for assessing performance

The compensation of Maurice Lévy is based on financial and stock exchange performance criteria, essentially based on a comparison with the main competitors of Publicis Groupe (Omnicom, WPP and IPG) and on non-financial, individual performance criteria annually defined by the Supervisory Board, following a proposal made by the Compensation Committee depending on objectives considered as major for the future of the Group.

The compensation of the Chairman of the Management Board is thus based on three types of criteria:

- **three financial criteria** taking into account the development of the Group's growth and profitability compared with those of a peer group consisting of three other leading global communication groups (Omnicom, WPP and IPG):
  - the Group's organic revenue growth,
  - the net income rate versus Group revenue,
  - the rate of change of the net income per diluted share of the Group (earnings per share or "EPS"), comparing the EPS of the fiscal year and the average EPS of the previous two fiscal years;
- **a criterion of value creation for the shareholder:** TSR (Total Shareholder Return) which reflects the variation of the share price of Publicis Groupe between the start and end of the fiscal year concerned (on the basis of the average of the first listed prices recorded in the last twenty sessions of the year, compared with the average of the first listed prices in the first twenty sessions in the year), increased by the amount of the dividends paid during the fiscal year. This criterion is directly linked to the immediate interests of shareholders.

  These four criteria were chosen by the Supervisory Board, following the proposal of the Compensation Committee, because they best express the quality of the Company's performance. Measured, for three of the four, in comparison with the main competitors of Publicis Groupe, they encourage over-performance;
- **non-financial individual criteria** in order to value the implementation of strategic actions which will yield long-term effects corresponding to a third of the overall weight of the criteria. Each year the Supervisory Board decides on the strategic objectives assigned to Maurice Lévy.

  For 2015, these individual criteria focused, with identical weighting, on the following three aspects:
- strategy: implementation of the strategy and the means that should achieve a rebound in growth,
- digital transformation: implementation of the Group's digital transformation with the objective by 2018 of:
  - bringing the weight of digital business to over 50% of total revenue,
  - improving margins in this sector to bring them up to the average Group level,
- definition and implementation by stages of the Group's future organization by 2017.

Criteria weighting and measurement of the financial and stock exchange performance

- Weighting:
  - financial and stock exchange criteria account for two-thirds of the theoretical compensation of the Chairman of the Management Board:
    - 3/4 of this envelope is attributed on the basis of the organic growth and net profit criteria, each one taken into account equally,
    - 1/4 of this envelope is attributed on the basis of earnings per diluted share and TSR, each one being taken into account on an equal basis;
  - the non-financial individual criteria together account for a third of the compensation, with each criteria having the same weight.
- Performance relating to each criterion, and the compensation to which this performance confers entitlement, is assessed separately, with each criterion being independent from the others.

- The compensation to be paid in respect of each of the financial and stock exchange criteria is surrounded by a minimum performance threshold, below which the compensation in respect of the criterion in question is zero, and a maximum cap that must be reached to achieve payment of the maximum corresponding amount. These thresholds and caps are shown in the table below:

Financial criteria	Minimum performance/compensation threshold	Maximum performance/compensation threshold
Rate of organic growth	80% of the average rate of organic growth of the peer group	Equal to or greater than 120% of the average rate of the peer group
Net income rate	80% of the highest peer group rate	Equal to or greater than the highest rate of the peer group
Evolution in the rate of diluted earnings per share	80% of the average peer group rate	Equal to or greater than the rate of the average group peer change
TSR	Zero or negative	Positive

For the first three criteria, below the minimum performance threshold, no compensation is paid and between the two limits (minimum and maximum) the compensation to be paid is calculated in a linear manner between 0 and the maximum amount.

Stability of the financial performance conditions

The Supervisory Board considers that consistency in the performance conditions is one of the factors for creating long-term value. Therefore the criteria of organic growth of revenue or net income rate of the Group compared with those of the Group's main competitors have been used as the basis for the calculation of Maurice Lévy's compensation for over ten years. With regard to the other two criteria (rate of net profit per diluted share and the change in the TSR), they were added in 2012 when the structure for the compensation of the Chairman of the Management Board was modified in order to maintain a strong alignment of interest with the shareholders. These two new parameters were applied to fiscal years 2013 to 2015 and this will also be the case in 2016.

In total, the Supervisory Board consequently wanted to base the compensation of the Chairman of the Management Board on diversified, financial and non-financial criteria, representative of the results to be achieved regarding crucial dimensions for the future of Publicis. The need for Publicis Groupe to outperform its main competitors (so that the maximum amount possible could be attributed) illustrates the demanding nature of the financial objectives in respect of which the extent of achievement is measured in a completely transparent manner on the basis of known figures or figures published by Publicis as they are by its competitors.

COMPENSATION PAID IN 2016 IN RESPECT OF THE 2015 FISCAL YEAR

On March 14, 2016, having heard the recommendations of the Compensation Committee, the Supervisory Board set the variable compensation for 2015 payable in 2016 to the Chairman of the Management Board as follows:

- for financial criteria: €1,917,500 (47.9% of the theoretical maximum amount);
- for individual non-financial criteria: €2,000,000 (100% of theoretical maximum amount).

i.e. €3,971,500 in total.

Measuring financial and stock market performance in the 2015 fiscal year

In terms of financial criteria, performance is calculated based on figures published by the companies in the benchmark group (Omnicom, WPP and IPG). For individual non-financial criteria, performance was assessed by the Compensation Committee, and then by the Supervisory Board by examining in detail the achievements of the fiscal year in each of the three areas considered.

Publicis Groupe criteria	Performance level	Amount of variable compensation
Rate of organic growth	Organic growth for Publicis Groupe was 1.5%, which represented 26.95% of the average rate of organic growth of the peer group	No compensation
Net income rate	The net income rate of Publicis Groupe was 9.38%, the second highest in the peer group behind WPP with 9.48%.	€1,417,500
Rate of change of diluted earnings per share	The change in the rate of diluted earnings per share between 2015 and the average for the 2013 and 2014 fiscal years was 19.1%. This result is higher than the average peer group rate.	€500,000
TSR	The TSR was -€0.9	No compensation
Non-financial individual criteria	The Board, upon the recommendation of the Compensation Committee, noted the complete success in terms of the Group's digital transformation, with a weighting of over 50% of the Group's revenue from 2015, i.e. three years advance over the target date of 2018. It considered that the thorough strategic review was carried out and its implementation will allow it to achieve the expected boost to growth. For the third criterion, the Board considered that the reorganizations undertaken in 2015 as well as the setting up of a Management Board+ alongside the Management Board, were perfectly tailored actions that will enable a future pool of executives to be tested and to prepare them for Group executive functions.	€2,000,000

Compensation of Kevin Roberts

In 2015, Kevin Roberts' role was modified. Previously CEO of Saatchi & Saatchi Worldwide, he became Executive Chairman of Saatchi & Saatchi Worldwide and has taken the function of Head Coach of Publicis Groupe.

ANNUAL FIXED COMPENSATION

The annual fixed compensation of Kevin Roberts paid during the 2015 fiscal year remained the same as for the 2013 and 2014 fiscal years.

STRUCTURE OF THE VARIABLE COMPENSATION

To take into account Kevin Roberts' change in responsibilities, and upon recommendation by the Compensation Committee, the Supervisory Board decided that for the variable part of Kevin Roberts' compensation for 2015, the target amount of up to 240% of his fixed salary, would be based:

- for his role as Executive Chairman of Saatchi & Saatchi Worldwide, on two criteria linked to the financial performance of Saatchi & Saatchi Worldwide, for 50% of the variable part, each being taken into account on an equal basis:
  - growth of revenue compared to annual budgetary objectives,
  - operating margin compared to annual budgetary objectives;
- for his role as Head Coach of the Groupe, on non-financial individual criteria, for 50% of the variable part:
  - steering of the reflection and work groups on the Group's repositioning,
  - steering of the redefinition exercise for the Group's strategy and organization,
  - individual support for P12 members in the development of their respective scopes of responsibility.

VARIABLE COMPENSATION PAID IN 2016 FOR 2015

After studying the performance achieved for each of the criteria indicated above during the 2015 fiscal year, and upon recommendation by the Compensation Committee, the Supervisory Board set the variable part for Kevin Roberts at $1,200,000 (or €1,081,932). This amount results from the following facts and assessments:

Saatchi & Saatchi Worldwide criteria	Performance level	Amount of variable compensation
Revenue Growth	Objective not achieved	No compensation
Operating margin	Objective not achieved	No compensation
Non-financial individual criteria	For all non-financial individual criteria, the Supervisory Board noted, upon the recommendation of the Compensation Committee, that Kevin Roberts devoted himself fully to steering the reflection and work groups on the Group's repositioning. He carried out in-depth work that enabled Publicis' new strategic directions to be decided and that led to the announcement of the new organization. The Board noted the remarkable way in which this task was conducted, in addition to the individual support Kevin Roberts provided to P12 members, which enabled them to better take charge of the development of their respective scopes of responsibility.	$1,200,000 (€1,081,932)

Due to the confidential nature of certain information in a highly competitive environment, the detailed breakdown of Saatchi & Saatchi Worldwide's performance that was used to calculate the variable compensation of Kevin Roberts cannot be disclosed in greater detail.

Furthermore, Kevin Roberts, having benefited from the LTIP 2013-2015, did not benefit from any share plans in 2015.

Compensation of Jean-Michel Etienne

ANNUAL FIXED COMPENSATION

The annual fixed compensation of Jean-Michel Etienne paid during the 2015 fiscal year remained the same as for the 2014 fiscal year.

STRUCTURE OF THE VARIABLE COMPENSATION

The Supervisory Board, upon the recommendation by the Compensation Committee, decided that the variable part of Jean-Michel Etienne's compensation for 2015, of a target amount of up to 100% of his fixed salary, would be based on:

- four criteria linked to the financial performance of the Group in relation to the objectives, for 75% of the variable part, each being taken into account on an equal basis:
  - net income rate,
  - operating margin,

- treasury management,
- personnel costs;
- four individual non-financial criteria for 25% of the variable part, each being taken into account on an equal basis:
  - delay to prepare financial statements,
  - launch of the ERP,
  - reduction of the number of under-performing entities,
  - monitoring acquisitions. in particular Sapient.

VARIABLE COMPENSATION PAID IN 2016 FOR 2015

After studying the performance achieved for each of the criteria indicated above during the 2015 fiscal year, the Supervisory Board set the variable part of Jean-Michel Etienne's compensation at euro 686,250. This amount results from the following facts and assessments:

Publicis Groupe criteria	Performance level	Amount of variable compensation
Net income rate	Objective exceeded	€135,000
Operating margin	Objective exceeded	€135,000
Managing cash and cash equivalents	Objectives partially achieved	€101,250
Employee expenses	Objective exceeded	€135,000
Non-financial individual criteria	Four qualitative criteria were set, with the maximum compensation relating to each of these criteria set at euro 45,000: Delay to prepare financial statements, the launch of the ERP, the reduction in under-performing entities and the monitoring of acquisitions, in particular Sapient. Regarding all these criteria, the Board considered, on the recommendation of the Compensation Committee, that Jean-Michel Etienne's personal objectives had been fully achieved.	€180,000

Furthermore, Jean-Michel Etienne, having benefited from the LTIP 2013-2015, did not benefit from any share plans in 2015.

Compensation of Anne-Gabrielle Heilbronner

As Group General Secretary, and in addition to her implication in the Group's strategic operations, the scope of responsibility of Anne-Gabrielle Heilbronner includes the following areas:

- governance, and in particular the supervision of the secretariat of the Management Board, the Supervisory Board and the Shareholders' Meeting;
- legal department;
- internal audit, internal control and risk management;
- procurement;
- human resources.

ANNUAL FIXED COMPENSATION

The annual fixed compensation of Anne-Gabrielle Heilbronner paid during the 2015 fiscal year as Member of the Management Board remained the same as for the 2014 fiscal year.

STRUCTURE OF THE VARIABLE COMPENSATION

The Supervisory Board, upon the recommendation by the Compensation Committee, decided that the variable part of her compensation for 2015, of a target amount of up to 100% of her fixed salary, would be based on criteria taking into account her performance in the areas under her responsibility:

- two criteria linked to the financial performance of the Group in relation to the objectives, for 40% of the variable part, each being taken into account on an equal basis:
  - personnel costs,
  - progression of savings obtained by the Procurement Department;
- four individual non-financial criteria for 60% of the variable compensation, each being taken into account on an equal basis:
  - integration of Sapient (human resources, procurement, legal and internal audit),
  - management of lawsuits and compliance in the governance of Group entities,

- human resources: implementation of a Group performance management tool, project on the Group's compensation policy, in particular within the framework of the Sapient integration,
- risk management and development of audits for cross-function tasks, beyond the systematic agency reviews.

Publicis Groupe criteria		Performance level	Amount of variable compensation
Personnel Costs		Objective exceeded	€96,000
Progression of Procurement savings		Objective exceeded	€96,000
Non-financial individual criteria		Four criteria were set, with the maximum compensation relating to each of these criteria set at €72,000: Integration of Sapient, management of lawsuits and compliance in the governance of the different Group entities, performance of the human resources function and development of audit *missions*. Regarding all these criteria, the Board considered, on the recommendation of the Compensation Committee, that the results were excellent and that Anne-Gabrielle Heilbronner's personal objectives had been fully achieved. Furthermore, the Supervisory Board, on the recommendation of the Compensation Committee, noted exceptional elements in 2015, in particular the settlement of sensitive cases, and the successful *closing* of Sapient, as well as the fact that Anne-Gabrielle Heilbronner, who joined the Management Board on September 15, 2014, whilst the LTIP Management Board plan was still on-going, did not benefit from compensation in shares in 2015; therefore, the Board, on the recommendation of the Compensation Committee, allocates an exceptional bonus of 25% of the target bonus.	€408,000

In addition, Anne-Gabrielle Heilbronner, appointed to the Management Board on September 15, 2014, had not benefited from any share plan since her appointment as a member of the Management Board.

C. COMMITMENTS EXISTING WITH THE MANAGEMENT BOARD MEMBERS

Employment contracts

FOR MAURICE LÉVY

The employment contract entered into with Maurice Lévy at the time of his arrival at the Group in 1971 has since been performed by various Group companies, and lastly by Publicis Conseil SA, where this contract had been suspended since Maurice Lévy's appointment as Chairman of the Management Board on January 1, 1988. Following the end of his term for the period between 2008 and 2011, Maurice Lévy decided to terminate his appointment as Chairman and Chief Executive Officer of Publicis Conseil SA and his employment contract.

FOR KEVIN ROBERTS

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

FOR JEAN-MICHEL ETIENNE AND ANNE-GABRIELLE HEILBRONNER

They continue to hold French employment contracts with Publicis Groupe SA or its subsidiaries.

Termination conditions

On March 17, 2008, on proposal from the Compensation Committee, the Supervisory Board amended existing contractual commitments relating to compensation, indemnities and benefits likely to be due to members of the Management Board on the termination of their office and functions, in order, notably, to bring these commitments into compliance with Law no. 2007-1223 of August 21, 2007 (the "TEPA" law). The statutory auditors were informed of the provisions adopted or authorized by the Board as these are considered related-party agreements and, as required by the TEPA law, the changes were submitted to the General Shareholders' Meeting of June 3, 2008, where they were approved. The General Meetings of 2009, 2010 and 2011 noted that these agreements remained in effect during the fiscal years between 2009 and 2011. Following the renewal of the appointments of the members of the Management Board as of January 1, 2012, on the Compensation Committee's recommendation, the Supervisory Board confirmed the existing commitments (while specifying the potential entitlements to free shares) towards Kevin Roberts on March 6, 2012, and reviewed the existing agreements with Jean-Michel Etienne. The arrangements renewed or adopted by the Board were notified to the statutory auditors as regulated agreements to be put to the vote, when so required by the law, at the General Shareholders' Meeting. The General Meeting of May 29, 2012 approved these agreements. The contracts or agreements existing with Kevin Roberts and Jean-Michel Etienne were amended accordingly. The 2013 and 2014 General Shareholders' Meeting noted that these agreements were renewed during the 2012 and 2013 fiscal years.

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

The General Shareholders' Meeting of May 27, 2015 approved the new commitments for members of the Board of Directors. The provisions adopted or authorized by the Board were communicated to the statutory auditors as related-party agreements.

FOR MAURICE LÉVY

No lump-sum severance payment is anticipated.

FOR KEVIN ROBERTS

The current commitments with Kevin Roberts state that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Kevin Roberts would be entitled to a termination benefit if this departure should occur before the normal term (General Shareholders' Meeting called to approve the 2016 financial statements).

The benefit would be equal to 120% of his annual fixed salary, to which would be added the maximum annual amount of the target bonus to which he would have been entitled and the annual cost of various benefits which he receives, as well as maintaining his social security insurance protection for one year and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the free share award plan in question.

This benefit would be subject to a performance condition: the termination benefit would only be due in its full amount if the average annual amount of the bonus acquired by Kevin Roberts for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus", the payments and benefits will be calculated on a proportional basis between 0% and 100% applying the rule of three.

The termination benefit may only be paid after the determination by the Supervisory Board that the performance condition had been achieved at the date on which his term as a member of the Management Board ended.

FOR JEAN-MICHEL ETIENNE

The current commitments to Jean-Michel Etienne provide that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Jean-Michel Etienne would be entitled to a termination benefit if this departure should occur before the normal term (September 15, 2018).

Providing that Mr. Jean-Michel Etienne does not continue to be employed by Publicis Groupe, the amount of the benefit would be equal to one and a half years' total gross compensation (fixed compensation and target variable component). He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain the bonus shares already granted to him, subject to the performance conditions set out in the regulations for the plan in question being satisfied.

This benefit would be subject to a performance condition: the termination benefit would only be due in its full amount if the average annual amount of the bonus acquired by Mr. Jean-Michel Etienne for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus", the payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The termination benefit may only be paid after the determination by the Supervisory Board that the performance condition had been achieved at the date on which his term as a member of the Management Board ended.

FOR ANNE-GABRIELLE HEILBRONNER

The current commitments to Anne-Gabrielle Heilbronner provide that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Anne-Gabrielle Heilbronner would be entitled to a termination benefit if this departure should occur before the normal term (September 15, 2018).

Providing that Anne-Gabrielle Heilbronner does not continue to be employed by Publicis Groupe, the amount of the benefit would be equal to one years' total gross compensation (fixed compensation and target variable component). She would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to her, and to retain the bonus shares already granted to her, subject to the performance conditions set out in the regulations for the plan in question being satisfied.

This benefit would be subject to a performance condition: the termination benefit would only be due in its full amount if the average annual amount of the bonus acquired by Anne-Gabrielle Heilbronner for the three years prior to the termination of her duties is equal to at least 75% of her "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefit will be due. If the average annual amount is between 25% and 75% of the "target bonus", the payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The termination benefit may only be paid after the determination by the Supervisory Board that the performance condition had been achieved at the date on which her term as a member of the Management Board ended.

Pension plans

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

However, instead of the complementary pension contracts provided for at the time of the acquisition of Saatchi & Saatchi, a commitment was made to pay Kevin Roberts a gross amount of US$1,154,000 per year until he leaves his functions as member of the Group's Management Board.

Non-compete agreement of the Chairman of the Management Board

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

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

This non-compete agreement, approved by a very large majority of 99.85% at the General Shareholders' Meeting of June 3, 2008, continues its effects without any change after the start of the new term of office of the Chairman of the Management Board on January 1, 2012 and its renewal on September 16, 2014.

Other commitments

Jack Klues asked that his term as member of the Management Board and his position as Chairman of VivaKi end as of December 31, 2012. However, his employment contract remained in effect for six months to ensure the transition with the new structure of the Group in the areas of media purchases and digital services.

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

The total amount recognized in the consolidated income statement of the Group in 2014 in relation to post-employment and other long-term benefits for the persons who were at the year end, or had been in the year ended, members of the Supervisory Board and the Management Board, was a net reversal of a provision of 1 million euro.

In addition, the total amount of provisions for these benefits was euro 8 million as at December 31, 2015. This amount was euro 8 million at December 31, 2014, euro 9 million at December 31, 2013, euro 11 million at December 31, 2012 and euro 30 million at December 31, 2011.

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

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

2.2.3 COMPENSATION SUMMARY TABLE

1. AFEP-MEDEF COMPENSATION TABLE

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

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

	2015	2014
Management Board		
Maurice Lévy, Chairman of the Management Board		
Compensation due for the year(1)	3,917,500	2,833,333
Valuation of options granted during the year	-	-
Valuation of performance shares awarded during the year	-	-
TOTAL	**3,917,500**	**2,833,333**
Kevin Roberts, *Head Coach* of Publicis Groupe, *Executive Chairman* of Saatchi & Saatchi Worldwide		
Compensation due for the year(1)(2)	3,055,854	3,892,136
Valuation of options granted during the year	-	-
Valuation of performance shares awarded during the year	-	-
TOTAL	**3,055,854**	**3,892,136**
Jean-Michel Etienne, Executive Vice-President – Group Finance		
Compensation due for the year(1)	1,406,250	1,440,000
Valuation of options granted during the year	-	-
Valuation of performance shares awarded during the year	-	-
TOTAL	**1,406,250**	**1,440,000**
Anne-Gabrielle Heilbronner, Secretary General(3)		
Compensation due for the year(1)	1,080,000	816,000
Valuation of options granted during the year	-	-
Valuation of performance shares awarded during the year	-	-
TOTAL	**1,080,000**	**816,000**

(1) See details in Table 2.
(2) Compensation calculated and paid in US dollars. The euro conversion is carried out at the average rate of $1 = €0.90161 in 2015 and $1 = €0.75375 in 2014.
(3) Anne-Gabrielle Heilbronner was appointed to the Management Board by decision of the Supervisory Board meeting held on September 15, 2014. Compensation for 2014 corresponds to that for the entire year. Compensation during the term of office in 2014 represented €140,000.

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

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

No exceptional compensation was paid to members of the Corporate officers.

	2015 - Amounts:		2014 - Amounts:	
	due	paid	due	paid
Management Board				
Maurice Lévy, Chairman of the Management Board				
Fixed compensation	-	-	-	-
Variable compensation	3,917,500	2,833,333	2,833,333	4,500,000
Benefits in kind[1]	-	-	-	-
TOTAL	**3,917,500**	**2,833,333**	**2,833,333**	**4,500,000**
Kevin Roberts, Head Coach of Publicis Groupe, Executive Chairman of Saatchi & Saatchi Worldwide[2]				
Fixed compensation	901,610	901,610	753,757	753,757
Variable compensation[3]	2,122,390	3,204,322	3,114,862	1,305,844
Benefits in kind[1]	31,854	31,854	23,516	23,516
TOTAL	**3,055,854**	**4,137,786**	**3,892,136**	**2,083,118**
Jean-Michel Etienne, Executive Vice-President – Group Finance				
Fixed compensation	720,000	720,000	720,000	720,000
Variable compensation	686,250	720,000	720,000	600,000
Benefits in kind[1]	-	-	-	-
TOTAL	**1,406,250**	**1,440,000**	**1,440,000**	**1,320,000**
Anne-Gabrielle Heilbronner, Secretary General[4]				
Fixed compensation	480,000	480,000	480,000	480,000
Variable compensation	600,000	336,000	336,000	360,000
Benefits in kind	-	-	-	-
TOTAL	**1,080,000**	**816,000**	**816,000**	**840,000**

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

(2) Compensation calculated and paid in US dollars. The euro conversion is carried out at the average rate of $1 = €0.90161 in 2015 and $1 = €0.75375 in 2014.

(3) The variable compensation component includes a contractual annual pension disbursement.

(4) The fixed compensation paid and due in 2014 corresponds to the entire year, even though Anne-Gabrielle Heilbronner was appointed to the Management Board by decision of the Supervisory Board meeting held on September 15, 2014.

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

	Attendance fees paid in 2015	Attendance fees paid in 2014
Supervisory Board		
Élisabeth Badinter, Chairperson	70,000	70,000
Sophie Dulac	55,000	35,000
Simon Badinter	55,000	45,000
Claudine Bienaimé	120,000	115,000
Michel Cicurel	95,000	85,000
Michel Halpérin(1)	50,000	85,000
Hélène Ploix	90,000	90,000
Felix G. Rohatyn(2)	-	10,000
Amaury de Seze	80,000	75,000
Henri Calixte Suaudeau	65,000	60,000
Gérard Worms	95,000	90,000
Véronique Morali	85,000	75,000
Marie-Josée Kravis	60,000	50,000
Marie-Claude Mayer	60,000	50,000
Jean Charest(3)	50,000	35,000
TOTAL	**1,030,000**	**970,000**

(1) Died on August 11, 2014.
(2) End of term of office as a member of the Supervisory Board on May 29, 2013.
(3) Appointment as member of the Supervisory Board on May 29, 2013.

TABLE 4 (AMF NOMENCLATURE) STOCK OPTIONS ATTRIBUTED DURING THE FISCAL YEAR TO EACH CORPORATE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY

None, no stock options were attributed in 2015.

TABLE 5 (AMF NOMENCLATURE) STOCK OPTIONS EXERCISED DURING THE FISCAL YEAR BY EACH CORPORATE OFFICER (NOMINATIVE LIST)

	Name and date of plan	Number of options exercised during the year	Average exercise price (in euros)	Year granted
Management Board				
Maurice Lévy, Chairman	-	No options exercised in 2015	-	-
Kevin Roberts	-	No options exercised in 2015	-	-
Jean-Michel Etienne	LTIP II 08/21/2006	50,000	29.27	2006
Anne-Gabrielle Heilbronner	-	No options exercised in 2015	-	-

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

	First plan		Second plan		Number of performance shares granted Position at December 31, 2015	
	Description	Date	Description	Date	Total number[(2)]	Of which shares subject to performance conditions
Management Board						
Maurice Lévy, Chairman		-	-	-	-	-
Kevin Roberts	LTIP 2013-2015[(1)]	06/17/2013	Co-investment Plan	04/30/2013	**45,463**	45,463
Jean-Michel Etienne	LTIP 2013-2015[(1)]	06/17/2013	Co-investment Plan	04/30/2013	**42,942**	42,942
Anne-Gabrielle Heilbronner[(3)]	No attribution since her appointment as a member of the Management Board					

(1) Award in 2013 covering 2013-2015

(2) The performance shares awarded to the Management Board members under these plans are definitively acquired (contingent upon four or three years of continued employment with a two-year lock-in period for French residents) depending on Publicis Groupe's relative performance on organic growth and operating margin criteria, compared to the benchmark group (Omnicom, WPP, IPG, Publicis Groupe). 100% of the shares are awarded if the Publicis Groupe achieves organic growth greater than the benchmark group's average, and the highest operating margin rate. No shares are awarded if the Publicis Groupe achieves less than 80% of the benchmark group's average organic growth and the lowest operating margin rate. The result is measured annually for the LTIP 2013-2015 plan, and on average over the 2013-2015 period for the co-investment plan. The LTIP targets were achieved at 59.7% for 2013, 50% for 2014 and 50% for 2015. For the 2013-2015 Co-investment plan, the targets were achieved at 50%. The Management Board members must retain 20% of the vested shares throughout their term of office. See Section 2.2.2 "Compensation of the Management Board".

(3) Prior to being appointed to the Management Board, on September 15, 2014, Anne-Gabrielle Heilbronner benefited from the following annual performance stock plans (shares not yet vested and following application of performace conditions) for LTIP 2013: 1,493 shares, LTIP 2014: 1,500 shares, and the co-investment plan: 3,871 shares.

TABLE 7 (AMF NOMENCLATURE) PERFORMANCE SHARES MADE AVAILABLE TO EACH CORPORATE OFFICER

	Plan – name	Date	Number of performance shares made available in 2015
Management Board			
Maurice Lévy, Chairman	-	-	-
Kevin Roberts	-	-	-
Jean-Michel Etienne	-	-	-
Anne-Gabrielle Heilbronner	LTIP 2012[(1)]	April 17, 2012	2,000

(1) Allocation carried out before being appointed to her functions as a Member of the Management Board.

TABLE 8 (AMF NOMENCLATURE) HISTORY OF OPTIONS AND SHARES GRANTED OVER THE LAST TEN YEARS

	Stock option plans				
Date of authorization by the Exceptional General Meeting (EGM)	**2006**	**2006**	**2007**	**Original Digitas plans[3]**	**Co-investment plan 2013**
Date of the Management Board's meeting deciding the allocation	8/21/2006	8/21/2006	8/24/2007		4/30/2013
Total number of allocated share subscription options (S) or of share purchase options (A)	100,000 A	10,256,050[1] A	1,574,400[1] A	3,199,756 A	5,949,305[1] S/A[10]
• of which corporate officers:	100,000	950,000[1]	-	-	198,687
• of which first ten beneficiary employees (excluding corporate officers):	-	738,000[1]	258,000[1]	-	653,299[1]
Start date for exercise of the options	8/21/2010	50%(2) 2009[2] 50% 2010	50%(2) 2009[2] 50% 2010	1/31/2007	04/30/2016[12] 4/30/2017
Expiry date	8/20/2016	8/20/2016	8/23/2017	2009 to 2017	4/30/2023
Subscription or purchase price in euros	29.27	29.27	31.31	2.47 to 58.58	52.76
Total number of allocated share subscription options or share purchase options adjusted as at 12/31/2015	100,000	10,256,050[1]	1,574,400[1]	3,199,756	5,949,305[1]
Total number of shares subscribed or purchased as at 12/31/2015	100,000	4,104,027	519,760	2,433,778	-
Total number of canceled subscription options or purchase options as at 12/31/2015	-	5,809,423	917,674	736,087	1,055,928
Number of share purchase options, share subscription options or shares remaining as at 12/31/2015	-	342,600	136,966	29,891	4,893,377

Date of authorization by the Exceptional General Meeting (EGM)	Free share plans 2009[4] Employees France	2009[5] Co investment Plan	Original Razorfish plan[6]	LTIP 2010	LTIP 2010-2012	2010[4] Employees United States
Date of the Management Board's meeting deciding the allocation	5/20/2009	3/19/2009	12/01/2009	8/19/2010	9/22/2010	11/19/2010
Total number of free shares awarded	210,125	3,544,176	493,832	667,600	252,000	658,400
• of which corporate officers:	-	225,506	-	2,000	252,000	-
• of which first ten beneficiary employees (excluding corporate officers):	500	447,890	-	54,000	-	500
Delivery date	5/20/2011	03/19/2012[7] 3/19/2013	Between 01/01/2010 and 12/2018	8/19/2013[7] 8/19/2014	9/22/2013[7] 9/22/2014	12/01/2014
Total number of Free shares (FSAs) awarded adjusted as at 12/31/2015	210,125	3,544,176	493,832	667,600	252,000	658,400
Total number of free shares delivered as at 12/31/2015	150,575	2,972,121	314,102	468,450	248,387	248,900
Total number of free shares canceled as at 12/31/2015	59,550	572,055	179,730	199,150	3,613	409,500
Number of free shares remaining as at 12/31/2015	-	-	-	-	-	-

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

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

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

(4) This is the plan awarding 50 free shares to all of the Group's employees.

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

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

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

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

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

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

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

(12) Concerns French employees.

(13) Sapient Plan includes a progressive acquisition mode with delivery of 25% of free shares each year over a 4-year period.

Free share plans									
LTIP 2011	2011[4] International employees	LTIP 2012	2013[4] International employees	LTIP 2013	Co-investment plan 2013[11]	LTIP 2013-2015	LTIP 2014	LTIP 2015	Sapient Plan 2015
4/19/2011	11/21/2011	4/17/2012	2/01/2013	4/16/2013	4/30/2013	6/17/2013	3/20/2014	4/17/2015	4/17/2015
674,650	533,700	681,550[9]	320,475	636,550	846,288	105,000	639,750	639,800	422,970
2,000	-	2,000		1,500	28,263	105,000	-	-	-
62,000	500	54,000	500	44,000	92,931	-	44,000	52,000	197,680
4/19/2014[7] 4/19/2015	12/01/2013[8] 12/01/2015	4/17/2015[7] 4/17/2016	2/01/2017	4/16/2016[7] 4/16/2017	4/30/2016[7] 4/30/2017	6/17/2016[7] 6/17/2017	3/20/2017[7] 3/20/2018	4/17/2018[7] 4/17/2019	4/17/2016[13] 4/17/2019
674,650	533,700	681,550	320,475	636,550	846,288	105,000	639,750	639,800	422,970
478,023	238,150	81,150	-	-	-	-	-	-	5,032
196,627	295,550	148,716	167,800	321,246	150,206	31,602	352,743	12,710	1,887
-	-	451,684	152,675	315,304	696,082	73,398	287,007	627,090	416,051

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

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

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

The rate of attainment of performance conditions each year is measured by an independent expert. It amounted to 59.7% in respect of 2013 and 50% in respect of both 2014 and 2015, The rate of attainment for the 2013 co-investment plan, which is calculated using the average performance over the three years 2013, 2014 and 2015, amounted to 50%.

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

TABLE 9 (AMF NOMENCLATURE) STOCK OPTIONS GRANTED TO THE FIRST TEN EMPLOYEES (NON-CORPORATE OFFICERS) AND OPTIONS RAISED BY THE LATTER

	Plan	Number of options granted/purchased	Weighted average price-(in euros)
Options granted between January 1, and December 31, 2015, by the issuer and by any company included in the scope of option allocation to their ten respective employees, whose number of options thus extended is the highest (overall information).	-	-	-
Options held from the issuer and the aforementioned companies, exercised between January 1, and December 31, 2015, by their respective ten employees who bought or subscribed to the greatest number of options (overall information).	LTIP I 2005	4,254	24.82
	LTIP II 2006	69,529	29.27
	LTIP II 2007	25,975	31.31
TOTAL		**99,758**	**29.61**

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

Corporate officers	Employment contract	Supplementary pension plan	Indemnities or benefits due or payable on cessation or change in functions	Indemnities under a non-compete clause
Management Board				
Maurice Lévy, Chairman	No	No	No	Yes(2)
Kevin Roberts(1)	Yes	No(2)	Yes(2)	No
Jean-Michel Etienne	Yes	No	Yes(2)	No
Anne-Gabrielle Heilbronner	Yes	No	Yes(2)	Yes(3)

(1) In relation to an "employment contract".

(2) See Section 2.2.2 "Compensation of the Management Board" of this document.

(3) A non-compete clause in Anne-Gabrielle Heilbronner's favor was included in her employment contract upon her arrival at the Publicis Groupe in 2012, i.e. before her appointment as a member of the Management Board. This non-compete clause is valid for a maximum of two years and includes maximum financial compensation to be paid equal to 30% of the gross salary, excluding variable elements. Publicis Groupe may waive this clause.

2. ELEMENTS OF THE COMPENSATION DUE OR PAID IN RESPECT OF THE FISCAL YEAR 2015 TO CORPORATE OFFICERS OF THE COMPANY, SUBMITTED TO THE ORDINARY GENERAL SHAREHOLDERS' MEETING FOR OPINION

In accordance with the recommendations of the Afep-Medef Code (in article 24.3) to which the Company refers, the following elements of compensation due or paid in respect of the fiscal year 2015 to corporate officers of the Company are subject to the opinion of Shareholders:

- fixed compensation;
- variable compensation;
- attendance fees;
- exceptional Compensation;
- granting of options and/or performance shares;
- indemnities when taking or leaving a function;
- supplementary pension plan;
- collective health and welfare insurance and healthcare systems;
- other benefits.

The 14th to 17th resolutions submitted to a vote by shareholders at the General Shareholders' Meeting aim to obtain their opinion on the elements of compensation and advantages due or paid with respect to the 2015 fiscal year for the Company's corporate officers, Maurice Lévy, Chairman of the Management Board, and Anne-Gabrielle Heilbronner, Jean-Michel Etienne and Kevin Roberts, Members of the Management Board.

SUMMARY TABLE OF ELEMENTS OF COMPENSATION FOR MAURICE LÉVY, CHAIRMAN OF THE MANAGEMENT BOARD

In the fourteenth resolution, the AGM of May 25, 2016 will be asked to issue a favorable opinion on the following elements of compensation due or paid with respect of the 2015 fiscal year to Maurice Lévy, Chairman of the Management Board:

Elements of Compensation	Amounts in € or accounting valuation submitted for vote	Presentation
Fixed compensation	N/A	N/A
Variable compensation	3,917,500	This amount is determined by the assessment of the performance on the financial, stock market and non-financial individual criteria.
Attendance fees	N/A	N/A
Exceptional Compensation	N/A	N/A
Granting of options and/or performance shares	N/A	N/A
indemnities when taking or ceasing a function	N/A	N/A
Supplementary pension plan	N/A	N/A
Collective health and welfare insurance and healthcare systems;	3,604	This is the employer's contribution to the collective welfare insurance contract.
Other benefits	N/A	N/A

SUMMARY TABLE FOR THE ELEMENTS OF COMPENSATION FOR JEAN-MICHEL ETIENNE, MEMBER OF THE MANAGEMENT BOARD

In the fifteenth resolution, the AGM of May 25, 2016 will be asked to issue a favorable opinion on the following elements of compensation due or paid in respect of the 2015 fiscal year to Jean-Michel Etienne, member of the Management Board:

Elements of Compensation	Amounts in € or accounting valuation submitted for vote	Presentation
Fixed compensation	720,000	No change in fixed compensation in 2015.
Variable compensation	686,250	This amount is determined by the assessment of the performance on the individual financial and non-financial criteria.
Attendance fees	N/A	N/A
Exceptional Compensation	N/A	N/A
Granting of options and/or performance shares	N/A	N/A
Indemnities when taking or ceasing a function	N/A	N/A
Supplementary pension plan	N/A	N/A
Collective health and welfare insurance and healthcare systems;	4,753	This is the employer's contribution for collective health and welfare insurance contracts
Other benefits	N/A	N/A

SUMMARY TABLE OF ELEMENTS OF COMPENSATION FOR KEVIN ROBERTS, MEMBER OF THE MANAGEMENT BOARD

In the sixteenth resolution, the AGM of May 25, 2016 will be asked to issue a favorable opinion on the following elements of compensation due or paid with respect of the 2015 fiscal year to Kevin Roberts, member of the Management Board:

Elements of Compensation	Amounts in € or accounting valuation submitted for vote *	Presentation
Fixed compensation	901,610	No change in fixed compensation in 2015.
Variable compensation(1)	2,122,390	This amount is determined by the assessment of the performance on the individual financial and non-financial criteria.
Attendance fees	N/A	N/A
Exceptional Compensation	N/A	N/A
Granting of options and/or performance shares	N/A	N/A
Indemnities when taking or ceasing a function	N/A	N/A
Supplementary pension plan	N/A	Instead of the supplementary pension contracts provided for at the time of the acquisition of Saatchi & Saatchi, a commitment was made to pay this gross amount each year until the termination of the function as member of the Management Board.
Collective insurance and welfare and healthcare systems	31,854	In relation to a health contract.
Other benefits	N/A	N/A

* *The exchange rate for 2015 is 1€ = US$0.90161.*

(1) *The variable part includes a contractual annual pension disbursement.*

SUMMARY TABLE FOR ELEMENTS OF COMPENSATION FOR ANNE-GABRIELLE HEILBRONNER, MEMBER OF THE MANAGEMENT BOARD

In the seventeenth resolution, the AGM of May 25, 2016 will be asked to issue a favorable opinion on the following elements of compensation due or paid with respect of the 2015 fiscal year to Anne-Gabrielle Heilbronner, member of the Management Board:

Elements of Compensation	Amounts in € or accounting valuation submitted for vote	Presentation
Fixed compensation	480,000	No change in fixed compensation in 2015.
Variable compensation	600,000	This amount is determined by the assessment of the performance on the individual financial and non-financial criteria.
Attendance fees	N/A	N/A
Exceptional Compensation	N/A	N/A
Granting of options and/or performance shares	N/A	N/A
Indemnities when taking or ceasing a function	N/A	N/A
Supplementary pension plan	N/A	N/A
Collective health and welfare insurance and healthcare systems;	4,753	This is the employer's contribution for collective health and welfare insurance contracts
Other benefits	N/A	N/A

2.2.4 INVESTMENT IN THE SHARE CAPITAL

At December 31, 2015, no members of the Management Board and the Supervisory Board owned more than 1% of the Company's shares, with the exception of Élisabeth Badinter and her children (7.50%), and Maurice Lévy, who owns directly or indirectly 4,507,255 shares (2.03% of the Company's capital) including 2,364,748 shares owned through non-commercial companies belonging to Mr. Lévy and his family.

It is stated that:

- on March 17, 2015, Élisabeth Badinter and her family group sold 2,406,873 Publicis Groupe SA shares to the Company;
- on June 12, 2015, following partial withdrawals by associates and capital reductions in the non-commercial companies belonging to Maurice Lévy and his family, 555,252 Publicis Groupe SA shares were granted to certain members of the family group. After these transactions, the total number of Company shares indirectly owned by Maurice Lévy went from 2,920,000 shares to 2,364,748 shares.

As at December 31, 2015, the members of the Management Board and the Supervisory Board (with the exception of Élisabeth Badinter and her children) directly and indirectly owned 6,443,709 shares, or 2.90% of the share capital of the Company, including 2.03% controlled by Maurice Lévy.

As at December 31, 2015, the members of the Management Board also owned 162,930 stock options, 6,331 of which are exercisable. The average weighted exercise price of the options ranges between euro 29.27 and euro 52.76 per share and the expiry date of these options is between 2016 and 2023 (see Note 28 to the consolidated financial statements in Section 4.6).

The following table shows the investment of each Supervisory or Management Board member in the share capital of the Company at December 31, 2015 by the number of shares and voting rights, as well as the number of shares that each Supervisory or Management Board member has the right to acquire through the exercise of new stock subscription options and existing stock purchase options.

SHAREHOLDINGS AND STOCK OPTIONS OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS AT DECEMBER 31, 2015

Member of Management or Supervisory Board	Number of Publicis Groupe shares	Voting rights in Publicis Groupe[1]	Number of shares that may be acquired through the exercise of share subscription options	Number of shares that may be shares that may acquired through the exercise of share purchase options: Total number	Of which conditional options[2][7]	Weighted average price (in euros)
Management Board members						
Maurice Lévy[3]	4,507,255	9,014,510		-	-	-
Kevin Roberts	24,037	24,037		73,554	73,554[7]	52.76
Anne-Gabrielle Heilbronner[4]	2,022	2,022		27,213	27,213[7]	52.76
Jean-Michel Etienne	72,860	145,720		62,163	55,832[7]	50.37
Total Management Board	**4,606,174**	**9,186,289**		**162,930**	**156,599**	**51.85**
Supervisory Board members						
Élisabeth Badinter[5]	16,700,967	33,401,934				
Sophie Dulac	1,749,460	3,375,920				
Claudine Bienaimé	74,500	108,000		20,000	20,000[7]	29.27
Amaury de Seze	500	850				
Simon Badinter[6]	500	850				
Michel Cicurel	1,017	1,217				
Jean Charest	1,300	1,300				
Marie-Josée Kravis	500	500				
Véronique Morali	500	700				
Marie-Claude Mayer	6,058	12,116		8,074	8,074[7]	29.27
Jerry A. Greenberg	3,700	3,700				
Total Supervisory Board	**18,539,002**	**36,907,087**		**28,074**	**28,074**	**29.27**

(1) Shows the impact of possible double voting rights.
(2) The conditions were taken into account to determine the final number of options definitively granted.
(3) Maurice Lévy directly owns 2,142,507 shares, and indirectly owns 2,364,748 shares of the Company through non-commercial companies, representing a total of 9,014,510 voting rights.
(4) Allocations prior to Ms. Heilbronner being appointed to the Management Board.
(5) Élisabeth Badinter fully-owns 5,834,820 shares (representing 2.62% of the shares and 4.73% of the voting rights) and has the right to income for 10,866,147 shares with her children owning the ownership shares (representing 4.88% of the share capital and 8.82% of voting rights).
(6) Excluding the 3,622,049 ownership shares held by Simon Badinter.
(7) Conditions will be applied at the end of the 2013-2015 performance period.

Note: the bylaws require members of the Supervisory Board to hold at least 500 shares. (Mixed General Shareholders' Meeting decision of May 27, 2015).

2.2.5 TRANSACTIONS PERFORMED ON PUBLICIS GROUPE SECURITIES BY CORPORATE OFFICERS AND THE PERSONS RELATED TO THEM

The transactions performed by the corporate officers and the persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code concerning Company stock during the fiscal year 2015 are as follows:

Name and Surname	Position	Description of the financial instrument	Type of transaction	Number of transactions	Amount of the transactions (in euros)
Natural persons related to **Maurice Lévy**	Chairman of the Management Board	Shares	Disposal	3	38,212,440
Jean-Michel Etienne	Member of the Management Board	Shares	Exercise of stock options	1	1,463,500
		Shares	Disposal	1	3,624,305
Anne-Gabrielle Heilbronner	Member of the Management Board	Shares	Dividends in shares	1	1,524
Élisabeth Badinter(1)	Chairperson of the Supervisory Board	Shares	Disposal	1	52,732,758
Sophie Dulac	Vice-Chairperson of the Supervisory Board	Shares	Disposal	6	23,447,023
Simon Badinter	Member of the Supervisory Board	Shares	Disposal	1	41,014,367
Claudine Bienaimé	Member of the Supervisory Board	Shares	Exercise of stock options	1	731,750
		Shares	Disposal	5	829,589
Jerry A. Greenberg	Member of the Supervisory Board	Shares	Acquisition	1	227,920

(1) On March 17, 2015, Élisabeth Badinter and her family group sold 2,406,873 Publicis Groupe SA shares to the Company. The disposal was carried out at a price of euro 73.03, i.e. a total amount of euro 175,775,861

2.3 Related-party transactions

2.3.1 TERMS AND CONDITIONS OF FINANCIAL TRANSACTIONS CARRIED OUT WITH RELATED PARTIES

Some members of Publicis Groupe SA's Supervisory Board (Gérard Worms - member of the Supervisory Board up to May 27, 2015 -, Michel Cicurel and Véronique Morali) hold management positions in financial establishments, set out in Section 2.1.1.1 of this Document, that could have business relations with the Company. Hélène Ploix, member of the Supervisory Board of Publicis Groupe SA until May 27, 2015, was also a member of the Board of Directors of BNP Paribas until May 2014, a financial institution with which Publicis Groupe SA conducts business. Nevertheless, certain members of the Supervisory Board were considered as independent based on the criteria applied by the Company. These independent members were Gérard Worms, Michel Cicurel and Hélène Ploix.

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

On July 22, 2015, Publicis Groupe SA signed a syndicated loan (Club Deal) in the amount of euro 2,000 million with a syndicate of 19 banks. Société Générale also participated for an amount of euro 135 million. This new syndicated loan replaced a previous syndicated loan signed in 2011 to which Société Générale and BNP were also parties.

Additionally, in 2015, Publicis Groupe SA renewed its euro 45 million short-term credit line with Société Générale.

On March 17, 2015, Élisabeth Badinter, with her family group, sold 2,406,873 Publicis Groupe SA shares to the Company for a total of euro 175,775,861, i.e. euro 73.0308 per share, representing a 2% discount to the weighted average share price for the five trading days preceding this date and a 4.5% discount to the closing share price on March 16, 2015.

Benjamin Badinter and Médias & Régies Europe, a wholly-owned subsidiary of Publicis Groupe SA, have initiated discussions with a view to the acquisition by Benjamin Badinter of 57% of the capital and voting rights of the Mediavision et Jean Mineur company, on the basis of a company valuation of euro 27 million for 100% of the capital. This company valuation was endorsed by a fairness opinion issued by PricewaterhouseCoopers. The final price would be determined after adjustments to net debt and the changes in working capital requirements of MediaVision et Jean Mineur at the date of completion. Following this transaction, Médias & Régies Europe would retain 10% of the capital and voting rights of Mediavision et Jean Mineur.

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

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

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

The Supervisory Board meeting held on September 15, 2014 terminated the role of Jean-Yves Naouri as a member of the Management Board and appointed a new Management Board consisting of Maurice Lévy, Chairman, Anne-Gabrielle Heilbronner, Jean-Michel Etienne and Kevin Roberts. On March 12, 2015, on proposal from the Compensation Committee, the Supervisory Board confirmed the current commitments to Jean-Michel Etienne and Kevin Roberts, in terms of end-of-term indemnities, by adapting the terms of these commitments to the recommendations of the Afep-Medef Corporate Governance Code and authorized, for Anne-Gabrielle Heilbronner, the signing of a commitment for the payment of indemnities in the event of a termination of her functions as a member of the Management Board. These commitments were notified to the statutory auditors as related-party agreements. They were approved by the General Shareholders' Meeting of May 27, 2015.

These agreements are discussed in detail in Section 2.2.2 of this document.

The information related to the agreements referred to in Article L. 225-86 of the French Commercial Code and signed by the Company can be found in the Company's 2014, 2013 and 2012 Registration Documents:

- 2014: document filed with the AMF on April 8, 2015, (under no. D.15-0298), on page 80;
- 2013: document filed with the AMF on April 4, 2014, (under no. D.14-0293) on page 45;
- 2012: document filed with the AMF on April 12, 2013, (under no. D.13-0343), on page 87.

2.3.3 RELATED-PARTY TRANSACTIONS

During 2015, the following transactions were carried out by Publicis Groupe SA with related parties:

	Revenue with related parties
OnPoint	-

No transactions were carried out with related parties during the three previous years.

The outstanding amounts with related parties in the balance sheet as at December 31, 2015 were as follows (in millions of euros):

	Receivables/Loans with related parties	Liabilities to related parties
OnPoint	8	6

2.3.4 SPECIAL STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

General Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2015.

To the Shareholders,

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

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

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

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

Agreements and commitments authorized during the past financial year

In accordance with article L. 225-88 of the French Commercial Code *(code de commerce)*, we have been informed of the following agreements and commitments previously authorized by the Supervisory Board.

EARLY TERMINATION OF THE SYNDICATED LOAN ("CLUB DEAL") WITH SOCIÉTÉ GÉNÉRALE

Member of the Supervisory Board involved: Mr Michel Cicurel

Your Supervisory Board, on its meeting of July 22, 2015, has proceeded to the early termination of the syndicated credit loan ("Club Deal") of euro 1.2 billion, valid for a five-year period, signed with several banks including Société Générale, of which Mr Michel Cicurel is a Board Member. This agreement was authorized, in compliance with articles L225-86 *et seq.* of the French Commercial Code *(code de commerce)*, by the Supervisory Board dated June 7, 2011.

As Mr Michel Cicurel is a member of your Supervisory Board, and a Board Member of Société Générale, the early termination of this agreement falls under article L.225-86 of the French Commercial Code *(code de commerce)*, and is subject to prior authorization by the Supervisory Board, which was granted on July 22, 2015.

This early termination was motivated by the healthy financial situation of the Company, and by the attractive financing conditions obtained as part of the confirmed credit lines. According to your Supervisory Board, it thus seemed appropriate to replace this syndicated loan and increase the amount up to euro 2 billion.

Therefore, a new multi-currency syndicated bank loan was signed on July 22, 2015 with new banks and is not subject to shareholders' approval under the legal process for related party agreements.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

I. Agreements and commitments approved in previous financial years

A) WHICH HAVE BEEN PURSUED DURING THE LAST FINANCIAL YEAR

In accordance with article R. 225--57 of the French Commercial Code *(code de commerce)*, we have been informed of the following agreements and commitments approved by the General Shareholders' Meeting in prior years and which remained current during the last year.

CREDIT AGREEMENTS WITH BNP PARIBAS AND SOCIÉTÉ GÉNÉRALE

Members of the Supervisory Board involved: Ms. Hélène Ploix (until May 27, 2015) and Mr. Michel Cicurel

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

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

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

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

As Ms. Hélène Ploix is a member of your Supervisory Board until 27 May 2015 and a director of BNP Paribas and Michel Cicurel is a member of the Supervisory Board and a director of Société Générale, the credit agreement entered into with BNP Paribas and the credit agreement entered into with Société Générale fall under article L. 225-86 of the French Commercial Code (code de commerce), and require the prior authorization of the Supervisory Board, which authorization was granted by the Supervisory Board at its meeting of July 17, 2013.

This agreement was approved by the General Shareholders' Meeting of May 28, 2014, and was reviewed by the Supervisory Board on December 2, 2015.

B) WHICH GAVE RISE TO NO TRANSACTIONS DURING THE LAST FINANCIAL YEAR

We have also been informed of the following agreements and commitments approved in prior years, and which remained current during the last year, but which gave rise to no transactions during the last year.

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

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

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

The agreement was approved by the General Shareholders' Meeting of June 3, 2008 and was reviewed by the Supervisory Board on December 2, 2015.

II. Agreements and commitments approved during the last financial year

In accordance with article R. 225-57 of the French Commercial Code *(code de commerce)*, we have been informed of the following agreements and commitments approved by the General Shareholders' Meeting of May 27, 2015 based on our report on related party agreements and commitments dated April 3, 2015, and which remained current during the last year.

SUBSCRIPTION AGREEMENT WITH SOCIÉTÉ GÉNÉRALE

Member of the Supervisory Board involved: Mr. Michel Cicurel

On December 12, 2014, Publicis Groupe SA signed an subscription agreement with several key players including Société Générale within the framework of investing the bonds issued by the Company on December 16, 2014 with two instalments, one of euro 600 million and one of euro 700 million, maturing in 2024 and 2021, respectively.

Mr. Michel Cicurel is a member of the Supervisory Board and a Board Member of Société Générale, the subscription agreement entered with Société Générale falls under article L. 225-86 of the French Commercial Code (code de commerce), and require the prior authorization of the Supervisory Board, which authorization was granted by the Supervisory Board at its meeting of December 1, 2014.

The subscription agreement, authorized by the Supervisory Board, states the payment by Publicis Groupe a total commission maximum of 0.275% of the principal amount of the seven years bonds and of 0.30% of the principal amount of the ten years bonds.

The agreement was approved by the General Shareholders' Meeting of May 27, 2015 and was reviewed by the Supervisory Board on December 2, 2015.

COMPANY AGREEMENTS AND COMMITMENTS WITH THE MANAGEMENT BOARD MEMBERS

Management Board member involved: Mr. Kevin Roberts

The Supervisory Board held on March 12, 2015 amended the commitments with Mr. Kevin Roberts in terms of end-of-term indemnities by adapting the terms of these commitments to the recommendations of the Afep-Medef Corporate Governance Code. The current commitments state that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Mr. Kevin Roberts would be entitled to a termination benefit if this departure should occur before the normal term (General Shareholders' Meeting called to approve the 2016 financial statements).

The benefit would be equal to 120% of his annual fixed salary, to which would be added the maximum annual amount of the target bonus to which he would have been entitled and the annual cost of various benefits which he receives, as well as maintaining his social security insurance protection for one year and the right to exercise the stock options and/or to purchase the shares that have been awarded to him, and to retain the free shares already granted to him, subject to the performance conditions set out in the regulations for the free share award plan in question.

The termination benefit would only be due in its full amount if the average annual amount of the bonus acquired by Mr. Kevin Roberts for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target bonus", the payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The termination benefit may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended.

The agreement was approved by the General Shareholders' Meeting of May 27, 2015.

Management Board member involved: Mr. Jean-Michel Etienne

The Supervisory Board held on March 12, 2015 amended the commitments with Mr. Jean-Michel Etienne in terms of end-of-term indemnities by adapting the terms of these commitments to the recommendations of the Afep-Medef Corporate Governance Code.

The current commitments state that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Mr. Jean-Michel Etienne would be entitled to a termination benefit if this departure should occur before the normal term (September 15, 2018).

Providing that Mr. Jean-Michel Etienne does not continue to be employed by Publicis Groupe, the amount of the benefit would be equal to one and a half years' total gross compensation (fixed compensation and target variable component). He would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to him, and to retain the bonus shares already granted to him, subject to the performance conditions set out in the regulations for the plan in question being satisfied.

The termination benefit would only be due in its full amount if the average annual amount of the bonus acquired by Mr. Jean-Michel Etienne for the three years prior to the termination of his duties is equal to at least 75% of his "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target bonus", the payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The termination benefit may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended.

The agreement was approved by the General Shareholders' Meeting of May 27, 2015.

Management Board member involved: Ms. Anne-Gabrielle Heilbronner

The Supervisory Board held on March 12, 2015 authorized for Ms. Anne-Gabrielle Heilbronner the signing of a commitment for the payment of indemnities in the event of a termination of her functions as a Member of the Management Board.

The current commitments state that in the event of a forced departure due to a change in control or strategy and other than in the case of serious or gross misconduct, Ms. Anne-Gabrielle Heilbronner would be entitled to a termination benefit if this departure should occur before the normal term (September 15, 2018).

Providing that Ms. Anne-Gabrielle Heilbronner does not continue to be employed by Publicis Groupe, the amount of the benefit would be equal to one year total gross compensation (fixed compensation and target variable component). She would also have the right to exercise the options to subscribe to and/or to purchase the shares that have been awarded to her, and to retain the bonus shares already granted to her, subject to the performance conditions set out in the regulations for the plan in question being satisfied.

The termination benefit would only be due in its full amount if the average annual amount of the bonus acquired by Ms. Anne-Gabrielle Heilbronner for the three years prior to the termination of her duties is equal to at least 75% of her "target bonus". If the average annual amount is less than 25% of the "target bonus", no sum or benefits will be due. If the average annual amount is between 25% and 75% of the "target bonus", the payments and benefits will be calculated on a proportional basis between 0% and 100% using the rule of three.

The termination benefit may only be paid after the determination by the Supervisory Board that the performance conditions had been achieved at the date on which his term as a member of the Management Board ended.

The agreement was approved by the General Shareholders' Meeting of May 27, 2015.

PURCHASE OF PUBLICIS GROUPE OWN SHARES FROM MS. ÉLISABETH BADINTER

Members of the Supervisory Board involved: Ms. Élisabeth Badinter and Mr. Simon Badinter

The Supervisory Board held on March 12, 2015 authorized the acquisition by Publicis Groupe of its own shares from Ms. Élisabeth Badinter for a maximum of 2,500,000 shares, at a price equal to the weighted average share price for the five trading days preceding the sale agreement with a 2% discount, with respect to the closing price quoted at the sale agreement conclusion.

This transaction was authorized by the Supervisory Board, in accordance with the provisions of Articles L. 225-86 *et seq.* of the French Commercial Code *(code de commerce)* and was carried out as part of the buy-back program approved by the General Shareholders' Meeting held on May 28, 2014.

The acquisition of the aforesaid shares was carried out on March 17, 2015 for a total euro 175,775,861, at a price of euro 73.03 per share.

The agreement was approved by the General Shareholders' Meeting of May 27, 2015.

Place: Paris La Défense and Courbevoie, March 25, 2016

The Statutory Auditors

French original signed by

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

2.4 Corporate Social Responsibility (CSR)

STRATEGIC CSR ISSUES

The Group's major transformation, with the Sapient acquisition and the announcement of a new organization to better serve our Customers, goes hand in hand with a closer integration of Corporate Social Responsibility challenges.

In 2015, the Group carried out two important steps: the inclusion of the 17 Sustainable Development Goals (SDGs) adopted by the United Nations in September 2015, believing that the Company can, impact a certain number. (See 2015 CSR report)

The Group also continued its dialog with stakeholders via an *ad hoc* qualitative study. Having a materiality analysis was an essential stage at the end of which the focuses already seen as a priority were confirmed, thus giving a new impetus to the action plan for the coming years. This work modified the CSR reporting presentation, now organized around 3 main groups of stakeholders, each with their major challenges:

- employees, with the main aims of supporting professional development, promoting greater, more inclusive diversity, and improving employee loyalty;
- clients, with the main challenge of deploying a more responsible communication, and as a consequence, clear, ethical rules, involving also involve our suppliers;
- the Society (consumer-citizens), with the ambition of being more precise on data protection issues as part of the digital ecosystem, and improving our positive impact on society.

The questions of governance and ethics, along with environmental impacts, are treated separately in a transversal way.

MATERIALITY OF CSR CHALLENGES

To carry out the materiality analysis, a qualitative study with 40 stakeholders in different countries (mainly employees, customers and investors) was carried out by SalterBaxter, the Group's expert CSR subsidiary. A critical external analysis of the current reporting was also conducted to improve reading quality and anticipate future integrated reporting.

Stakeholders' main expectations were, in order of importance:

1. Business issues, professional ethics with:
   - compliance with the most demanding marketing standards (responsible communication),
   - digital issues on personal data protection and data security;
2. Internal issues on:
   - diversity, Inclusion and internal culture,
   - creativity, to be encouraged even more,
   - employee well-being and professional development;
3. Business challenges, focused on better integration of responsible consumption and sustainable performance, in the different communications produced for clients;
4. Governance and management challenges - undisputable, with increased emphasis on transparency (compensation, tax, etc.);
5. Challenges relating to the implication within communities and society (pro bono campaigns, volunteering, etc.);
6. Environmental concerns come last.

GUIDELINES AND VERIFICATION

This non-financial report was prepared according to the directions set out by Decree 2012-557 dated April 24, 2012, based on Article 225 of the Grenelle II Act, 2010-788 dated July 12, 2010 pertaining to corporate social and environmental transparency obligations, and it covers 2015 (January 1 - December 31, 2015).

The other guidelines that the Group voluntarily follows are:

- the GRI-G4 "core indicators" grid in the GRI (Global Reporting Initiative – www.globalreporting.org) guidelines; the GRI is the main structure followed since 2009;
- Publicis Groupe has been a signatory of the United Nations' Global Compact since 2003 (www.unglobalcompact.org) and supports its 10 principles;
- the Group has chosen to follow the ISO 26000 guidelines (www.iso.org) since 2011 in order to better take into account stakeholders;
- the American SASB guidelines (Sustainability Accounting Standards Board www.sasb.org) established in 2014 for the technology and communications sector: this is in line with the conclusions of the work carried out on materiality and focuses the presentation on the three major stakeholders;
- the OECD guidelines for multinational enterprises (Recommendations for responsible business conduct in a global context www.oecd.org) are also used as a reference;
- in 2007, Publicis Groupe signed the United Nations' "Caring for Climate" initiative, demonstrating its concern for its environmental impacts;
- the Group has also endorsed the CDP on a voluntary basis since 2009 (www.cdp.net) in order to contribute to the general effort to reduce greenhouse gas emissions;
- it is in this spirit that, during the COP21 in Paris in December 2015, the Company joined several business initiatives to reduce CO_2 emissions.

External audit: the verification scope was widened. The audit and verification task entrusted to SGS covers 53 agencies (on-site audits) representing 35% of headcount including Sapient (2014: 32% of headcount), and also the Group's consolidated scope (98% of headcount). The SGS report can be found at the end of this chapter.

The more detailed and also verified version of the 2015 CSR report is published separately, as in previous years (available at www.publicisgroupe.com, social responsibility section).

METHODOLOGICAL FRAMEWORK FOR CSR REPORTING

CSR reporting hinges on data collected within each of the Group's 780 sites, and since 2009, on a wide scope of 98% (the exclusions being mainly entities acquired within the last 6 months).

- Quantitative data are collected in accordance with financial reporting rules and processes via the financial information system in the dedicated module (HFMCSRGRI). These data are under the responsibility of the Financial Directors.

  (NB: the coverage rates [cr] were specified for several indicators since they were less than 98%, in order to improve the robustness of the data, with the exclusions being due to missing or incorrect information);
- Qualitative data are collected via a dedicated internal tool (NORMA), accessible to all of the agencies, which are thus able to present their initiatives in a central tool. Qualitative data are placed under the responsibility of the Talent/Human Resources Directors;
- Both of these tools are linked in order to ensure consistency and run materiality tests.

Organization of CSR process and governance: prior to the reporting process, the shared services center teams (Re:Sources) are closely involved. An internal guide entitled "2015 CSR Guidelines" defines the collection and validation processes at the different levels, as well as the content of the various indicators taken into account (over 90 quantitative and qualitative indicators). This manual was distributed to a cross-functional working group of over 220 key people throughout the various networks. It was also presented during webinar sessions between November and January 2015 during the preparation stage (over 1,000 participants).

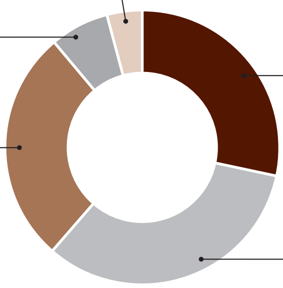
All of the quantitative data and qualitative information are then checked and analyzed by the Group CSR department, which coordinates and carries out the consolidated reporting. This Department is supported by an internal CSR Steering Committee bringing together the Group's key central corporate functions. Moreover, the Internal control teams ensure, during their work throughout the year, that agencies correctly implement the CSR reporting processes. Lastly, throughout the year, the CSR Department intervenes to initiate and support projects deployed within the Group and/or agencies, as part of its dual "push & pull" mission.

2.4.1 OUR TEAMS: VALUE CREATION WITH AND FOR THE COMPANY'S TALENTS

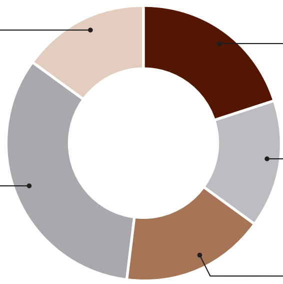
2.4.1.1 KEY FIGURES

2015 headcount: 77,574 employees, i.e. 22% more than the previous year with the integration of Sapient (2014: 63,621)

GEOGRAPHICAL DISTRIBUTION (SEE CHAPTER 4 NOTE 3 OF THIS DOCUMENT)



BREAKDOWN BY MAIN JOB CATEGORY AND FUNCTIONS (SEE CHAPTER 4 NOTE 3 OF THIS DOCUMENT)



- 2015 turnover: 26.3% (Not comparable with 2014: 33.1%)

  In 2015, the approach used to calculate the staff turnover or rotation rate was refined. It is now equal to the cumulative number of voluntary departures during the year of employees with permanent contracts, divided by the annual average number of employees with permanent contracts.

  There may be significant differences between agencies and especially from one country to another. The turnover rate is also impacted by the development of digital businesses, in which staff turnover is higher.
- Employment:
  - total headcount 2015: 77,574 people (2014: 63,621 people). The variation is mainly due to the integration of Sapient employees since February 6, 2015;
  - the net variation of employees is broken down as follows:
    - arrivals: 31,014 arrivals in 2015 (2014: 25,078); the Group continues to be a net job creator, particularly in France, Germany, Spain, Norway, Poland, India, Malaysia, Australia, South Korea, South Africa, Colombia, etc.,
    - departures: 31,357 departures in 2015 (2014: 27,025); this results from the constant adaptation of headcount according to activity, in particular after the occasional losses of significant customers. Work is on-going on the dismissals indicator at the Group level.
- The absenteeism rate within the Group is stable, at around 2% (2014: 2%). *(Definition: the absenteeism rate is equal to the total number of days lost for reasons other than paid leave or maternity/paternity leave, divided by the total number of business days in the year).*
- The Group's employee contracts are drawn up in compliance with the framework of local laws and regulations for permanent contracts, temporary contacts, and freelance service contracts (independent workers).
- Within the agencies, work is often organized based on project management requirements and in line with customer needs. Flexibility (teleworking, organization of working time - at the agency, at our customers, teleworking, etc. - distribution of tasks, flex-management, etc.) is at the heart of the internal changes in the Group and its organization. Agility, availability, rapidity and reactivity are the essential elements of service to our clients. Organizational flexibility must be shared with all, as customers are faced with the same challenges.

2.4.1.2 RECRUIT AND ATTRACT TALENTED INDIVIDUALS WITH VARIED PROFILES

The close relationships of agencies with schools and universities are an advantage in hiring profiles that correspond to the sector's needs. A good number of employees join our teams after the end of their studies, or following internship opportunities during their studies that allow them to develop an interest in the careers we offer. Various initiatives are carried out upstream involving the schools and universities with which agencies cooperate throughout the year, including:

1) Job or Careers fairs: these are key events for recruiting, but remain very competitive. Sometimes several agencies participate jointly in these major events, promoting a more rounded vision of the diversity of occupations; this has been the case for several years at the South by Southwest Conference in Austin (Texas);
2) "Open Days" at agencies: in various countries, specific dates have been set to welcome students, often supported by professional and trade organizations;
3) Education: managers are involved in existing courses or participate in their co-creation. Some are also involved with organizations that reach out to young people who have veered away from traditional educational paths, and who present skills that can be developed;
4) Internships: these are essential to understanding our professions; internships in agencies enable the acquired skills to be put into practice. Most of the Group's agencies take on interns. Nothing can replace on-the-ground learning with actual cases to be dealt with.

Increasingly, the dynamic animation of agencies' digital communities is important to attract the attention of future recruits.

Communications and digital occupations are constantly being reinvented; the most important thing in recruitment is the candidate's personal agility and their potential.

2.4.1.3 INVEST IN SKILLS, TRAIN CONSTANTLY

- 71% of employees received training [2015 cr = 95%] (2014: 63% - 2014 cr = 87%); the training effort by agencies is tangible and essential to support employee development;
- more than 1,230 million training hours were provided during the year via around 5,900 programs (2014: 4,200 programs).

E-learning (or "self-learning") is well suited, in particular for digital developments; face-to-face sessions remain important as the interactions are not of the same nature. The total breaks down as follows:

- 858,000 hours of face-to-face training (2014: 829,000 hours);
- 373,000 hours of e-learning were shared (2014: 275,000 hours). The traceability of e-learning is sometimes difficult as there are numerous modules, and many people carry out "self-learning". Lastly, in-house skills sharing is part of the spirit of cooperation between teams, and remains difficult to assess.

Skills levels are constantly being improved. With the diffusion of digital technologies to all Group activities, the goal is to ensure that each employee is able to acquire basic know-how, whether in rudimentary coding or better understanding the latest generation applications. The boom in mobile device usage and the new challenges of interconnectivity (connected objects) have led agencies to hire and train talented individuals with multiple skills, given the speed of industry change. It has also led to partnerships with major digital platforms. With regard to "big data", "data mining", etc., training has been carried out in-house, in collaboration with outside experts, for a number of years.

It is essential to support our future managers. Organizations change rapidly, and with them, team management modes. Management and leadership training must therefore provide useful and efficient keys to assist leaders in their tasks. Managers must adapt quickly and support their teams in constantly changing environments.

Creativity, and its driving force associated with digital media, remains a key area to assist people in growing their pool of resources and stimulate them so that they develop in the digital ecosystem.

More conventional training is included in a program offered to more junior roles. Lastly, the number of sessions on regulatory themes (or self-regulation practices, ethics) as well as data protection and data use, has increased in the different agencies.

2.4.1.4 DIVERSITY AND INCLUSION

Gender equality in the Group:

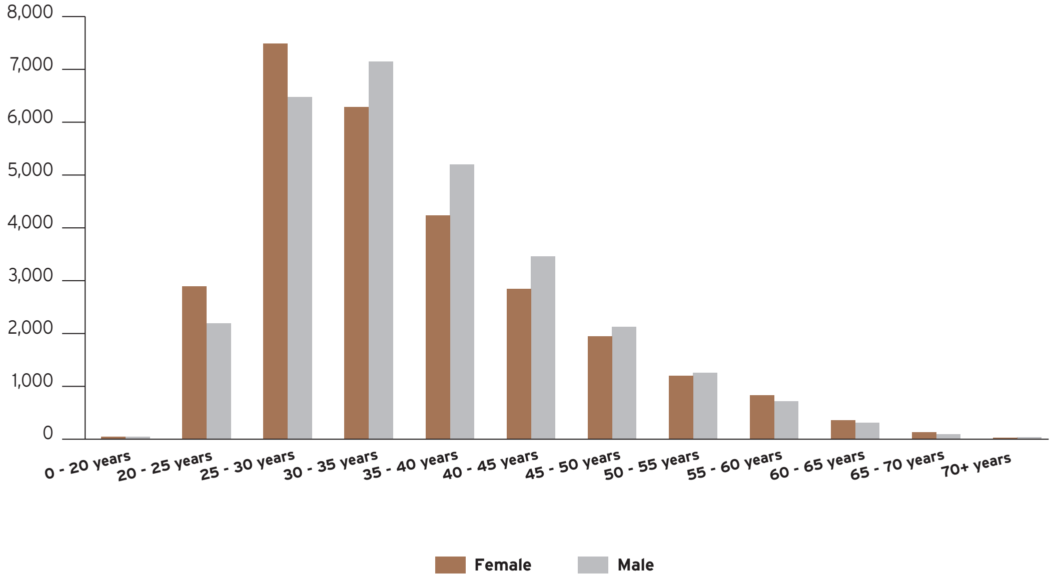
- total headcount: 49.3% women - 50.7% men (2014: 52.3% W - 47.7% M);
- the headcount remained balanced, although men became the majority due to the weighting of digital activities, in which women are under-represented;

- agency Management Committees: 38% women (2014: 39%);

  (figures calculated at agency or entity management level);

  The Publicis Groupe's Supervisory Board, chaired by Élisabeth Badinter, comprised eleven members (54% women – 46% men; compared to 50/50 in 2014);

  Chaired by Maurice Lévy, the Management Board comprised four members – one woman and three men (25% female) – and the total Management Board and "Management Board +" consisted of two women and seven men (22% female) in 2015. (See Sections 2.1.2 and 2.1.3 of this document);
- average employee age: 35 years; 35 years for men – 34 years for women (2014: 35 years M – 34 years W);
- age pyramid: in 2015, it is calculated based on nearly 80% of employees (via the internal P-Talent tool, *versus* 70% en 2014). It correctly reflects the demographic structure of the Company as it has evolved with the integration of Sapient.



Non-discrimination is intangible, and announced as such in the Group's Code of ethics, Janus, and the code of conduct presented in section 2.1.8 of this document (public extract can be viewed at www.publicisgroupe.com).

Teams in every country are multicultural, with varied employee profiles (training, background, experience, etc.). A proactive diversity policy is nonetheless still necessary. The Group continues to concentrate its efforts on eight priorities: gender equality, age, disability, culture and ethnicity, education, sexual orientation, religious practices and veteran status. These priorities are not restrictive, but allow agencies to carry out initiatives in accordance with local regulations, either alone or in partnership with others. It is easier to make progress on some themes than for others: monitoring the integration of disabled employees (not quantified at Group level due to the different regulations applicable in different countries) remains unsatisfactory despite proactive initiatives and increased awareness (see: French interprofessional initiative – AACC – on the subtitling of advertising films http://www.soustitronsnospublicites.aacc.fr/).

As each year and as examples, the approaches in the United States and the United Kingdom are presented to show the tangible measures taken in this area.

2.4.1.4.1 Diversity policy in the United States

American regulations strongly promote active policies on diversity. The "Groupe Diversity Council", which brings together the various managers in charge of Diversity & Inclusion activities, changed its name to "Talent Engagement Inclusion" in 2015. This change shows a greater involvement on the issues of recruitment, loyalty and development. With meetings every quarter and once a year in presence of the Group's Secretary General (Member of the Management Board), it is the chance to discuss best practices and jointly steer workshops and activities. Agencies retain real autonomy for carrying out focused actions based on their hiring needs, but shared actions enable the promotion of job diversity and show the possible development paths within the Group. For example, by participating in conferences such as the "Black Enterprise Women of Power Summit", "3% Conference", "Out & Equal Summit For Workplace Equality", "Diversity Woman", "Odyssey New York", "AdMerica", "Adcolor", "ColorComm".

The BRG ("Business – Employee – Resource Group") continued their activities dynamically. This is the case with the "MOCA" ("Men of Color Alliance"), BESA ("Black Employee Summit Attendees"), "Link" (for Afro-American employees), "Adelante" ("The Latin Culture Group") and "Hola" (for Hispanic employees); Panasian (for Asian-origin employees), and MERG ("Multicultural Employee Resource Group").

The challenges and objectives are still the same: within the Group, to support employees from varied backgrounds in their professional development, and outside of the Group, to raise awareness on the many different profiles and talents that can be found within the Group.

VivaWomen! is the most widely deployed and active network in the United States. It is present in 10 cities with over 1,000 members, followed by Egalité (LGBT). VivaWomen! USA created 2 sub-groups, VivaMama, to more closely support future mothers and parents, and VivaTech, focused on women in the technological and digital sectors.

Lastly, a network of MAIP (Multicultural Advertising Intern Program) alumni was created. Initiated by the US interprofessional association (4As www.aaaa.org), this progam welcomes interns during the summer. Some of them are then hired. This alumni network is important and promising.

2.4.1.4.2 Diversity policy in the United Kingdom

The UK has seen its practices develop, but the monitoring of diversity indicators remains difficult in the current legal framework. The advertising profession (IPA www.ipa.co.uk), aware of the issue and the requirement to improve, acts in a more proactive way to encourage agencies to be more active in promoting diversity within their teams, an approach to which the Group's agencies adhere. Internally, the legal teams continue their work to raise awareness and train managers in non-discriminatory practices and the need to consider diversity of talents as an imperative, with positive repercussions at all levels.

In addition to the very active existence of VivaWomen! over the last few years to support UK employees, in 2015 Egalité UK was relaunched with new priorities.

2.4.1.4.3 Group's internal networks, inter-agencies

VivaWomen!: the Group's internal women's network is 5 years old. VivaWomen! now brings together over 3,000 voluntary, motivated female (and male) Group employees in 20 cities and 10 countries, to take action and support other women in the Group, regardless of their position or function within the Company. Coordinated by the Group CSR department, it spreads out across large cities, from Los Angeles to Shanghai, via Mumbai, Madrid, Paris, London, New York and Chicago, as well as Toronto and Singapore. Its primary objective is to promote the professional and personal development of women within the Group, in an environment of gender cooperation. The network has developed its action plan around two major focuses: "Career Development" (with leadership training, Lunch & Learn sessions, coaching, etc.) and "Worklife Integration" (with coaching workshops, regular testimonies from female or male role models, etc.) – and continuing its Meetings with inspiring people and a Mentoring program. The priorities are adjusted in each city, according to the expectations of local teams. This network also took part in external activities with other intra or inter-company women's networks defending the rights of women and girls. Publicis Groupe is involved in various institutions and local non-profit organizations dealing with themes related to gender equality, such as the Laboratoire de l'égalité (Equality Laboratory) in France as well as other similar local organizations. Lastly, inspired by VivaWomen!, delegations of Group female employees take part in international conferences such as the Women's Forum in Deauville, the "3% Conference", the "Black Enterprise Women of Power Summit" in the United States and many others.

"Égalité": launched in the United States 4 years ago, this network brings together employees from mobilized agencies to promote LGBT (Lesbian, Gay, Bisexual, Transgender) causes, supported by the Group's CSR department. All agencies have now joined this network, which is present in the different cities from Boston to Los Angeles. In 2015, "Égalité" also relaunched a section in London and opened a section in Paris. Égalité also serves as an internal resource (as an ERG – Employee Resource Group). Lastly, "Égalité" intervenes as an external expert on LGBT issues for certain clients.

2.4.1.5 LISTEN TO AND DIALOG WITH EMPLOYEES

2.4.1.5.1 Individual annual assessments

52% of employees had an annual assessment [2015 cr: 92%] - although this is not comparable with 2014 due to the change to the new Fidello tool, and a different method at Sapient (compared to 65% in 2014 - 2014 cr = 87%)

All employees are required to attend an annual internal performance review in line with the human resources regulations set out in the Janus Code of Ethics. As indicated in 2014, agencies implement development and performance monitoring procedures, which are carried out more frequently during the year. In 2015, however, some assessments were postponed, as, after a test year in 2014, the new Fidello tool was rolled out in several networks, with the aim of gradually being extended to the rest of the Group. The principle is based on a 360° assessment that can be used throughout the year. These new practices will change the nature of the consolidated indicator.

2.4.1.5.2 Social dialog

Janus clearly highlights the need to foster dialog and listen to employees. You are reminded, amongst others, of the International Labor Organization (ILO) Convention on respect for the freedom of association and the right to collective negotiation.

The average size of agencies is less than 100 people. This allows for simple and frequent exchanges between managers and their teams regarding Company matters and projects in progress. The Group is careful to respect the fundamental rights of freedom of association and negotiation. Employee representative bodies and employees in general are regularly consulted on and informed of projects and developments affecting their agencies and the Group. (See Chapter 1).

2.4.1.6 COMPENSATION AND RECOGNITION

2.4.1.6.1 Compensation

All of the information pertaining to the compensation of Publicis Groupe senior executives is detailed in Section 2.2 of this document.

Publicis Groupe's different stock option plans and free share plans are detailed in this document in Chapter 4, Note 28.

The Group does not have a consolidated indicator for the compensation of all employees because the significant variations between countries mean that an overall approach is of little relevance. Thus, the approach remains local. It takes industry trends into account, ensuring, at the same time, that the following criteria are met: on the one hand, preservation of competitiveness and appeal on a local level and avoidance of disparities within a same market, and on the other hand, operating in line with Group practices, in particular in terms of equality based on individual and collective performance to ensure fair and balanced compensation; lastly, where appropriate, strengthening of social security provisions.

Despite the Group's decentralization, the Secretary General has implemented a methodology that enables the level of responsibility to be assessed for each position ("job grading"), in order to compare compensation with market practices, with the constant aim of coherence and equality.

2.4.1.6.2 Recognition

Communications business have a long-standing tradition of recognition and reward for creativity. Numerous countries have communications or advertising festivals, and different organizations award prizes each year. Agencies are proud to be recognized, such as by receiving Prizes and Awards. In all cases, the aim is to celebrate the creativity, imagination and inventiveness of the teams and to take into account the effectiveness of the campaign or communications. This recognition highlights the work of the creative teams, and also recognizes all the teams involved: sales, technical, support, etc.

Each year, the Gunn Report (www.gunnreport.com) lists the most acclaimed campaigns; in 2015, it was #LikeAGirl for Always (P&G), created by Leo Burnett, that came first in the global classification.

2.4.1.7 EMPLOYEE WELL-BEING

2.4.1.7.1 Flexibility and new working methods

New technologies generate unequalled flexibility, appreciated for numerous aspects, and new organizations remain to be invented. Whether you are looking at new collaborative working methods, telework, variable hours or part time working, the tools are there to facilitate everyone's tasks. Flexible working methods are used in a specific framework, in accordance with the specific regulations in each agency; these determine the conditions (workload, role in the team, task to be carried out for the customer, performance, etc.) and the employee eligibility criteria. Flexibility is suitable for numerous situations, and employees can benefit from it at different stages of their professional careers.

Parental leave: 3,500 employees benefited from parental leave in 2015. This indicator is published for the first year, and still requires improvement as local regulations are very different.

2.4.1.7.2 Everyday employee well-being

The vast majority of employees work sitting in front of a screen and are therefore rather sedentary, with intense use of their vision, often across multiple screens. The major issues of health prevention in our occupations are, therefore, as follows: prevention of stress (and/or psycho-social risks (PSR); prevention of muscular-skeletal disorders (MSD); prevention of visual fatigue and fight against physical inactivity. Numerous initiatives have been deployed in the agencies, on a case by case basis depending on the context and needs. For example, an ergonomist came on site to sensitize employees to the impacts of problematic seated working postures, leading to changes in equipment; eye exercises were promoted by a specialist (orthoptist, etc.) and webinars were held to raise awareness on how to make the eyes work or rest; fitness classes (or yoga, relaxation, etc.) were available at the agency in the lunch hour (or through exclusive access to local gym clubs, or even in certain buildings hosting the agencies, or nearby facilities); interviews with nutritionists, with fresh fruit and juice even on offer; massages were offered on-site by health professionals (physiotherapist, chiropractor, osteopath, masseur, etc.). For the real athletes, groups were set up for running and bike races (even marathons and half marathons) or to play various team sports.

Prevention of seasonal illnesses: the agencies monitor and act in support of national screening initiatives and disease-specific campaigns (eg. flu vaccinations). Preventative health measures are occasionally subject to specific conditions in countries with collective or occupational agreements. All employees in these countries benefit from these collective or occupational agreements where such agreements exist.

2.4.1.7.3 Social, health and hygiene cover

100% of employees are covered by some form of social security (social security or health insurance), irrespective of local social security provisions (state, state-company-employee or private company-employee contribution plans, self-funded, etc.):

- the workplace accident rate[(1)] was estimated at 0.3% and stable (2014: 0.4%); the main causes of workplace accidents were related to transportation (home-work commuting and work-related travel);
- the accident frequency rate[(2)] was 1.77 (2014: 1.93);
- the severity rate[(3)] was 0.03 (2014: 0.03); these indicators must still be refined.

Fire Prevention and Health Prevention Committees exist in numerous agencies - depending on the local legislative context. Employees that are part of these teams receive specific first aid training.

2.4.1.8 HUMAN RIGHTS POLICY

Publicis Groupe is a signatory to the United Nations' Global Compact and is committed to remaining vigilant on these fundamental issues, including respect for human rights.

The Janus Code of Ethics compels managers and their teams to abide by local laws and regulations, and refers to the fundamental principles of the International Labor Organization (ILO), paying special attention to gender equality in terms of employment and compensation, the scope and effectiveness of social security and the importance of employee relations. The 10 principles of the United Nations' Global Compact include the elimination of all forms of forced or compulsory labor, the elimination of discrimination, and the abolition of child labor.

The aim is to contribute to the general effort to reduce the negative occurrence of human rights abuses. Two focuses are worked on simultaneously: on the one hand, internally, with special attention paid to the issues of non-discrimination and equality (see Chapter 1); on the other hand, externally, with two challenges: make the voices of those that fight for human rights heard, and work with suppliers on this subject. Using the Group's businesses to promote causes is a way of acting tangibly: the aim is not to give financial donations or simple sponsorship, but to treat these organizations as customers and provide the best support to help them, mobilize, inform and raise their profile. Pro-bono campaigns (see Chapter 3) in support of organizations or general interest causes promoting the human rights of women, men and children and opposing all forms of exclusion and discrimination, serve as a demonstration of the Group's long-term commitment, as a whole and through its agencies and employees, to defending human rights. The teams involved not only work on communications campaigns, but a good number of employees also give their time through volunteer support actions and to accompany people in need. There shows a strong commitment by employees.

Suppliers' contracts signed with the Group's major partners (at a central or regional level) include various criteria related to human rights. In addition to the internal CSR Procurement Charter, which binds the Group's buyers in relation to these issues, for several years now, suppliers have been asked to complete the CSR Procurement Questionnaire when responding to calls for tender, with their commitments and actions. Furthermore, it is possible to monitor suppliers' commitments and actions in this area via the EcoVadis platform.

The Group also acts in a more direct way, for example, via certain activities of the Women's Forum (annual women's forum on the economy and society). The defense of human rights, women's rights, freedom and gender equality is reflected through a program that enables women at the forefront of this combat to testify, by providing support for the Women's Forum and its partners and participants, by highlighting the personalities involved in the different countries where the Women's Forum has passed (Myanmar, Brazil, etc.) and by speaking out on unrecognized and important subjects.

(1) Work accident rate calculated with a 2015 cr = 92% [2014 cr = 91%].

(2) Calculation of work accident frequency rate: total lost days of work multiplied by 1,000,000, divided by actual worked hours for the year calculated with a 2015 cr = 92% [2014 cr = 91%].

*(3) Calculation of work accident severity: total lost hours of work multiplied by 1,000, divided by actual worked hours for the year calculated with a 2015 cr = 92% [*2014 cr = 91%].*

2.4.2 VALUE CREATION FOR CLIENTS AND PARTNERS

2.4.2.1 THE GROUP'S CLIENTS

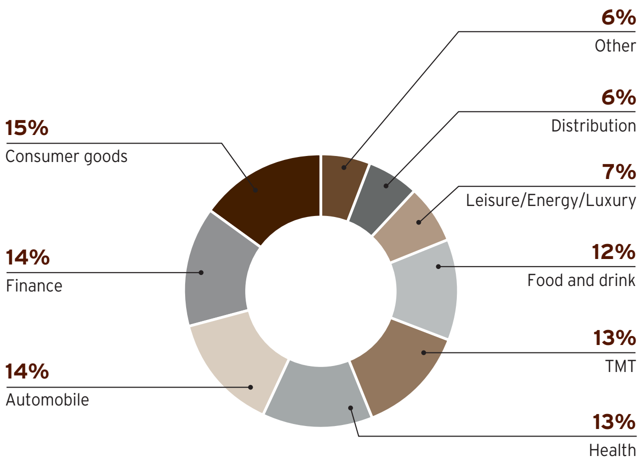
The on-going transformations within the Group aim to provide our customers - at the heart of the system - with the very best in know-how, by giving them a simpler, seamless access to all the cutting-edge services and skills offered by Publicis Groupe.

The Group's client portfolio is presented in section 1.4.5 of this document.

The Group is very committed to the quality of the relations which are forged with all the clients, recent or long-standing, because it is the key to beneficial work. The diversity of sectors of activity and issues submitted to agencies requires the Group to innovate permanently, to design and to co-build projects with its customers.

The Group's top 30 clients represent 37% of its consolidated revenue (see Chapter 4.6 of this document "Notes to the consolidated financial statements" – Note 26).

In 2015, client business sectors as follows:



On the basis of 3,057 clients representing 84% of the Group's total revenue.

Agencies conducted over 8,500 client surveys in 2015 (2014: 8,100). These surveys are conducted either as questionnaires administered by agencies or as annual interviews or performance reviews. Several key international clients also administer these customer satisfaction surveys themselves. A portion of client surveys therefore fails to come to the attention of agencies.

2.4.2.2. SERVICES OFFERED TO CUSTOMERS

The new organization announced at the end of 2015 is presented in Chapter 1.4.3 of this document, with details on the specificities of the new divisions and solutions

- Publicis Communications (grouping together Publicis Worldwide, Leo Burnett, Saatchi & Saatchi, BBH, Prodigious);
- Publicis Media (grouping Starcom MediaVest Group, ZenithOptimedia, VivaKi);
- Publicis.Sapient (grouping Sapient, DigitasLBi, Razorfish);
- Publicis Health (grouping the entities of PHCG).

Publicis One is the Group's new integrated organization for the countries outside of the top 20.

The integration of Sapient considerably broadens the spectrum of skills on offer, and the Group's transformation will enable us to mobilize new, more expert capabilities, to provide the most suitable solutions for our customers' new transformation needs.

The reorganization aims to put clients even closer to the heart of the system. Chief Client Officers, reporting to a Chief Revenue Officer will be designated.

2.4.2.3. RESPONSIBLE COMMUNICATION

This is a major challenge, which meets a clear expectation from our clients and their own customers, consumer citizens. The Group's agencies want to actively participate in the emergence of new types of communication with the final consumer and more sustainable consumption behaviors, in close collaboration with the now deeply committed clients. This must be translated in the form and substance of the messages. It is a significant mutation for the communications industry.

With regard to digital communication, the Group's agencies attach a great deal of importance to the fact that digital advertising must not be intrusive, whatever the channel that is used (to avoid rejection). This principle has been announced and repeated by Publicis Groupe's Management Board Chairman, Maurice Lévy, and is demonstrated by the technical choices and approaches designed for the protection of privacy. These challenges are important, given the fast speed of technological advances.

With regard to message substance, over the last few years, agencies have shown themselves to be inventive in communicating differently and promoting responsible consumption dynamics. In this area, widely acclaimed campaigns such as #LikeAGirl (P&G) or 'Inglorious Fruit and Vegetables' (Intermarché) show that these approaches are relevant and praised by consumer-citizens. (See 2015 and 2014 CSR Reports)

2.4.2.4 TECHNOLOGICAL INNOVATIONS AND PARTNERSHIPS

Publicis Groupe is a preferred partner for the major digital platforms and has established technological partnerships with different companies and solutions. The aim is to better understand the needs and technical possibilities and to collaborate together to find new, intelligent solutions, depending on customer expectations and consumer reactions.

Moreover, the various entities that comprise Publicis Groupe have developed different analysis and research methodologies, in particular for consumer behavior and sociological developments. They have also developed software and other tools to assist them in serving clients. Most of the tools concern the media planning business. They are presented in detail in Chapter 1.7 of this document.

The Drugstore incubator (http://drugstore.global): at the initiative of Publicis Worldwide, a policy that aims to encourage innovations and the emergence of start-ups has been rolled out. An incubator, named The Drugstore, was launched at the end of 2014. It welcomed 80 start-ups in 2015. Launched in London, Zurich, Sydney and Johannesburg, the objective is to allow the emergence of new concepts and activities, and to facilitate the relationship between start-ups, all agencies of the Group and major clients.

This is in line with the significant Group efforts to encourage relationships with and support start-ups. To celebrate the Group's 90th anniversary, the Publicis90 project, announced at the beginning of 2016, has the aim of conducting an international selection process to identify 90 promising start-ups. Awards will be given out during the Viva Technology Conference in Paris in June 2016, co-organized by Publicis Groupe and the Les Echos Group. (See 2015 CSR Report)

2.4.2.5 RESPONSIBLE PROCUREMENT

At the end of 2015, the Group's Procurement Department and the CSR Department continued a program with the EcoVadis platform, with over 150 suppliers being invited. The 3-year plan targets over 500 suppliers, in all types of businesses and of different sizes, from numerous countries (See 2015 CSR Report).

The internal CSR Procurement Charter designed for the Group's international team of buyers was revised around the "Sustainable Procurement Principles", with these principles being shared during calls for tender. The Group's major suppliers are also asked to complete an *ad hoc* CSR Procurement Questionnaire.

The Group's Procurement Department monitors several indicators internally, such as: a) the systematic inclusion of CSR questionnaires in the centrally and regionally managed ITTs (RFIs/RFPs); b) taking into account the responses to these questions in the final score given to the suppliers' bids; c) acceptance by suppliers of our own internal clauses about important issues concerning human rights and labor law, as well as the environmental impact.

As regards procurement contracts with VSEs and SMEs, whilst large groups are required to comply with the themes in order to be more inclusive in the supplier chain, agencies (many of which are themselves SMEs) have long-term working relationships with local VSE and SME players.

Similarly, the issues related to diversity (and social policy) covered by the term "Supplier Diversity" remain important and are monitored internally either by dedicated teams in direct contact with customers in the United States, or with support from external experts working in the Group's agencies. The critical issue is encouraging and verifying that the profiles of the companies with which the Group's agencies may work are truly diversified (size, in particular SMEs/VSEs, diversified entrepreneur profiles, distinctive features, exemplarity, etc.)

For sub-contracting, activities managed by the agencies can call upon outside experts, freelancers or small ultra-specialized entities. This sub-contracting is often carried out under intense conditions imposed by clients; the Group is careful with respect to its service providers to limit reducing the time needed to complete the project and make payments on time.

2.4.3 VALUE CREATION FOR CONSUMER-CITIZENS, FOR SOCIETY

The Group's agencies work permanently with consumers. Traditionally, collaboration occurs prior to campaign projects, through panels, in order to understand the acceptance to the arrival of a new product, service or concept; then while preparing the campaigns, through assessment tests on the relevance of arguments; lastly through post-tests at the end of campaigns. Over the last five years, consumers' ability to react immediately via social networks, and give opinions has completely changed this process. Consumers now have the power to influence directly ("Consumer empowerment"). The consumer is in direct and constant interaction with the brands. This requires other tools and technological systems (monitoring tools) to more closely monitor these reactions, and have a more seamless instant communication, adapted constantly evolving needs.

2.4.3.1 CONSUMER PROTECTION MEASURES

Janus, the Group's Code of Ethics, sets out the key behavioral principles applicable to all employees when performing their job, such as respect for others, confidentiality and avoiding conflicts of interest.

Since its creation, the Group has always refused to participate in partisan campaigns (no political campaigns), a stance that is quite rare in the communications sector.

These rules (publicly available at www.publicisgroupe.com) apply to all employees and are the foundations of our corporate culture.

Publicis Groupe conducts business-to-business communications operations. The Group's direct issues linked to its communication work are also closely related to the nature of the clients' business (brand name/trademark, products, services, etc.).

With regard to data protection (see Chapter 3.2), Group experts take part in different working groups, at both the national and international level, always comprised of several parties to discuss good practices and the issues concerning standards and regulatory changes, while practice standards are developing very quickly. The common objective is to improve the transparency of the new modes of communications and interactions with the end-user, with the Group being very concerned about the notions of confidence, as well as free will and free choice of consumer citizens. (See CSR Reports since 2009)

2.4.3.2 A DIGITAL WORLD: THE CHALLENGES OF PERSONAL DATA PROTECTION

2015 marked a turning point in the Group's internal work to protect personal data. Consumer-citizens are very concerned about this subject and advertising is a stakeholder in the ecosystem that uses data and other voluntary or other "traces" (such as "cookies") left by users via the internet or mobile applications. The complexity and rapidity of technological change has led the Group to deal with these important challenges in a new way. An internal working group, bringing together operational and functional jobs, engineers and legal experts, worked throughout 2015 on fundamental questions of responsibility and ethics, and on questions of internal processes and organization.

The teams responsible for data protection work closely with the Chief Security Officer appointed in 2015. In 2015, an internal awareness raising program (all employees) on the basic rules for digital security, and training sessions were implemented for the engineering and technical teams most exposed to these issues. (See 2015 CSR Report)

2.4.3.3 COMMITMENTS BY THE GROUP, AGENCIES AND EMPLOYEES: CREATE & IMPACT 2015

Since its creation in 2010, Create & Impact has been an internal movement designed to encourage and mobilize efforts that promote "sustainable" activities for different focuses: activities that benefit employee well-being, volunteer commitments for communities, "Green Days" or "Green Weeks" to raise awareness of eco-gestures, etc. In 2015, a major milestone was passed, with more than 150 agencies committed and with the diversity of activities deployed both internally and externally. All these initiatives naturally join the volunteer activities already in place or enrich them.

In 2015, Create & Impact became the name for all the community and general society initiatives, including *pro bono* campaigns, volunteering, charity work and related internal actions.

Create & Impact 2015 now accounts for the Group's commitments (societal impact) for an estimated total of €60.2 million, an increase of 17% (2014: €51.4 million estimated).

2.4.3.4 *PRO BONO* CAMPAIGNS

Close to 440 *pro bono* campaigns have been carried out by the Group's different agencies, not forgetting all the assistance provided from time to time which is not categorized as campaigns (320 in 2014). These campaigns can also be skills-based sponsorship. Agencies concentrate on a limited number of causes. The *pro bono* campaigns conducted by the Group's agencies address the following major themes: defense of human rights (women, protection of children, minorities, etc.); local community initiatives; general health and specific health prevention measures (preventing cancer, fighting AIDS, combating drugs, preventing major diseases, etc.); and environmental protection. Many of these campaigns can be viewed on the Group's website (www.publicisgroupe.com) or on agencies sites. The teams are also very proud of the awards won by these campaigns, which also recognize creative freedom.

2.4.3.5 VOLUNTEERING

310 volunteer projects were carried out in 2015 (230 in 2014)

On a practical level, one or two teams are made available for a limited period of time to provide operational support for certain projects run by associations or organizations in favor of general interest causes. These actions may be in addition to a pro bono campaign. Certain operations sometimes include fundraising involving employees.

In addition to the significant contribution for the beneficiary organization, these initiatives meet the desire for personal commitment by employees. A large selection of examples of the many organizations and associations with which agencies have carried out these projects has appeared in previous Group CSR reports, on the Group's website (www.publicisgroupe.com), or the sites of individual agencies.

2.4.3.6 COMMUNITY CHARITY WORK AND DONATIONS

Some of our agencies continue to participate in charity events, but priority is given to specific commitments such as *pro bono* campaigns, or skills-based sponsorship. The agencies, employees and managers alike, always respond very quickly whenever a dramatic event occurs in their country, a region, a town or city (nearby or not) and it is necessary to organize help urgently. Natural disasters and large-scale serious accidents lead to spontaneous acts of generosity, with employees and management working side by side. Under this type of extraordinary circumstances, local presence is a key factor for success. This is why the Group give priority to a decentralized approach. These amounts remain modest in relation to the effort put into *pro bono* campaigns, dedicated volunteering initiatives or skills-based sponsorships.

2.4.4 BUSINESS ETHICS AND GOVERNANCE

2.4.4.1 GROUP GOVERNANCE

Section 2.1 of this document outlines the Group's corporate governance principles.

Publicis Groupe is a company with a Supervisory Board and a Management Board.

The Supervisory Board has 11 members (54% women). It is chaired by Élisabeth Badinter, daughter of the Group's founder, Marcel Bleustein Blanchet.

The Management Board, chaired by Maurice Lévy, has four members (one woman and three men), and the total Management Board and Management Board+ has 9 members (two women and seven men)

The members of the Supervisory Board and Management Board are presented in Section 2.1 of this document.

Risk factors (industry-related, regulatory and legal, related to mergers and acquisitions, globalization, financial risks and insurance and risk hedging) are presented in detail in Chapter 1.8 of this document.

2.4.4.2 ETHICAL PRINCIPLES IN THE CONDUCT OF BUSINESS

Janus, the Group's Code of Ethics, consists of a code of conduct and corporate operating rules. Janus applies to all managers and their teams, while the code of conduct applies to all employees (see Section 2.1.8 of this document).

In April 2015, a revised edition was distributed to all Group employees, accompanied by a message from Maurice Lévy, Chairman of the Management Board.

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

The Group's key values were established many years ago and focus on major areas, which are explained in the Janus code of conduct with, in the first few pages, details concerning the conduct of the teams and the fundamental rules that must be respected.

A summary document is available at www.publicisgroupe.com. in the social responsibility section.

Anti-corruption

The Group's anti-corruption policy was revised and strengthened in 2015, as an extension to the work carried out in previous years. Janus addresses the issues of gifts, conflicts of interest and inappropriate or unethical relationships, either with clients or suppliers. The Group's legal experts play an important role in terms of awareness and the application of laws and regulations concerning corruption. Based in the shared services centers (Re: Sources) and functionally under the Group's Legal Department, these legal experts keep a constant eye on laws and regulations dealing with corruption. They keep agencies aware of the issues, work on prevention and lay down compliance procedures adapted to local markets. The aim is to maintain extremely strict standards that comply with current applicable regulations. Progress has been made in developing new training programs to ensure that all employees are aware of and comply with the rules.

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

The Group established an anti-fraud alert ("whistleblowing") system several years ago, which is included in Janus. All alerts received (letter, email, etc.) are centralized with the Group's Secretary General and investigations are conducted, if required, by the Internal Audit Department using the appropriate means, whilst ensuring confidentiality. The Internal Audit Director reports the findings of the investigations carried out to the senior management and a report is presented at each Audit Committee meeting. (see Chapter 2.1.4.3 of this document).

2.4.4.3 PROFESSIONAL ETHICS AND ETHICS WITHIN BUSINESS LINES

Ethics is a transversal theme that covers numerous aspects, of which certain aspects have been covered in Chapter 2, relating to customers (responsible communication, personal data protection), or relating to ethical behavior issues.

The following are examples of initiatives in this area carried out and monitored by the Group over the last few years:

- with regard to professional self-regulation on an international scale, work continues on the International Chamber of Commerce (ICC) Code of Ethics (www.iccwbo.org). This ICC Code (Advertising and Marketing Communication Practice – Consolidated ICC Code) sets the international standard for good practice in advertising and marketing, also including digital communication and mobile apps. In the same spirit, concerning data protection, for example, the Group's experts are involved in the 4A's Privacy Committee and the Advertising Self regulatory Council in the United States, as well as the European Advertising Standards Alliance. Similarly, work carried out collectively on Online Behavioral Advertising or Native Advertising shows the constant involvement of all professionals and competent authorities in the ecosystem on best practices and improvements that can be made.
- education: for 6 years, Publicis Groupe has participated in MediaSmart, a European program (Pub Malin in France www.pubmalin.fr) designed to help primary school educators to teach 8-11 year olds critical thinking skills relative to advertising, in partnership with media representatives, teachers, consumer associations and regulatory authorities, among others. The Group also participates in the MediaSmart Plus program aimed at high-school students and their teachers.

Professional organizations at a national, country, or regional level, for the Group's activities, take part in transversal work in line with other stakeholders. Agency managers are involved in these organizations, and, therefore, promote the application of the new working rules by their agencies.

2.4.4.4 THE GROUP'S ECO-SYSTEM: STAKEHOLDER RELATIONS

Stakeholders other than employees, clients and consumer-citizens (society) previously detailed in Chapters 1, 2 and 3 are cited here.

- Shareholder relations

The Group has been listed on the Paris Stock Exchange since 1970. It is one of the companies selected for the Euronext 100 index.

Detailed information on shareholders is provided in Chapter 6.2 of this document.

- Investor relations

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

The press releases and presentations circulated throughout the year are accessible on the Group site: www.publicisgroupe.com, investor relations section.

- Relations with academic organizations

As indicated in Chapter 1, agencies work closely with schools and universities to anticipate the needs of future businesses.

- Relations with regulatory authorities, self-regulated authorities and inter-professional organizations

The current collaborative modes ensure that, in most countries, regular cooperation with the different industry regulatory bodies and/or self-regulation exist, through inter-professional organizations, and inter-sector work can address common issues. The challenges on the protection of personal data are an illustration: advertising is just one of the players involved. We need permanent collective work, bringing together representatives from authorities as well as from consumer-citizens.

Reminder of the Group's key figures for 2015

See Chapter 3.3 on Financial results in this document

- Consolidated revenue for 2015 rose 32.3% to euro 9,601 million.
  - Digital activities represented 51.9% of revenue for 2015 (2014: 41.9%).
- Operating income totaled euro 1,378 million in 2015, i.e. a 28.9% increase on the figure of euro 1,069 million recorded in 2014.
  - The percentage operating margin was 15.5% after 16.3% in 2014.
- Net income attributable to the Group totaled euro 901 million , i.e. a 25.1% increase from euro 720 million in 2014.
  - Fixed personnel costs amounted to euro 5,197 million, i.e. 54.1% of revenue, after 54.7% in 2014.
  - Income tax for the period amounted to euro 386 million, i.e. an effective tax rate of 29.9%, up from euro 311 million in 2014 when the effective tax rate was 28.0%.

2.4.5. ENVIRONMENTAL IMPACT

Although environmental impacts are not considered as particularly tangible, since the Group has entered into a voluntary approach in this area, everyone's efforts must converge towards increasing resource savings. New ideas, such as the circular economy or the sharing economy are also taken into account in operating choices. Employees are increasingly involved in internal approaches, particularly everyday eco-gestures, in order to limit impacts. These voluntary approaches also involve customers, suppliers and partners.

2.4.5.1 ENVIRONMENTAL POLICY

"Consume less, consume better" remains the Group's motto for environmental policy. It was developed around the European 20-20-20 strategy covering the period to 2020*, and associated KPIs were accordingly incorporated. It was written several years ago based on four clear areas of focus in order to tackle the pragmatic challenges faced by the agencies, and updated according to priority impacts:

1) Reducing employee transport and its impact (with teleconference and conference call systems being put in place, etc., encouraging lower-emission modes of transport, such as public transport or "Green cabs", etc.);
2) Reducing energy consumption and improving energy efficiency (by seeking to limit the impact relating to electricity, heating and air conditioning);
3) Reducing consumption of raw materials, mainly paper and water;
4) Putting in place recycling and organized waste management systems.

The greenhouse gas emissions reviews over the last few years are consistent from year to year. The emissions review now integrates Sapient. Sapient only started tracing its environmental impacts this year, and it will need another year before more robust data is obtained for all new entities. (See the 2015 CSR report for the evolution of the KPIs.)

(*) European "20-20-20" strategy: 20% reduction in greenhouse gas emissions; share of renewable energy at 20%; 20% increase in energy efficiency.

- Adapting to climate change: the Group has been a signatory to the United Nations Global Compact "Caring for Climate" since 2007 and its efforts can be seen in the progressive implementation of its environmental policy. Within the framework of the COP21, Publicis Groupe has signed up to two business initiatives including the "Business Proposal for COP21" and the "French Business Climate Pledge".

  The Group's Real estate department has joined the approach. It takes CSR issues into consideration during renovation work for agencies and when looking for new office space, ensuring preference is given, where possible, to premises that meet environmental and energy efficiency criteria. Each year, examples of best practices are exchanged between the different Real Estate managers in different countries in order to anticipate needs for future premises: certification of buildings, energy providers and types of energy mix, energy-saving electrical installations, materials used, etc. (see 2015 CSR report and CSR reports since 2009).
- Certifications: the certification of agencies is dependent on the local context.

  Thirty-three agencies are ISO certified, primarily in the United States, the United Kingdom and France (19 are ISO 9001 and 14 are ISO 14001), to better address clients' expectations or in connection with local regulations. There are other voluntary certifications that set standards and good practices in the advertising and communications industry, as well as more technical certifications obtained with technology partners.

2.4.5.2 CONSUMPTION

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

- travel (calculation: business trips + personal travel [home/office]) estimated at 1,210,712,100 km, an increase of 14% *(reminder +22% headcount)* (2014: 1,062,713,000 km). The Group continued to deploy tele-conferencing rooms and collaborative distance working tools (video & voice) to avoid travel where possible;
- energy consumption was estimated at 196,641,300 kWh [2015 cr = 96%], an increase of 16% *(reminder +22% headcount)*. (2014: 167,982,000 kWh) [2014 cr = 95%], including almost 25% from renewable energy sources (on the basis of the statements provided by electricity suppliers). Efforts continue to improve energy efficiency and best practices (switch off policy for computers and machines such as printers, as well as night and weekend lighting). When the Group has to envisage moves, the energy efficiency of the future offices is part of the selection criteria.

  Energy audits: due to the application in certain European countries of the 2012/27/EU Directive, some agencies carried out energy audits in 2015 (example 7 entities in France). This enabled progress plans to be drafted for the coming years, for example, in terms of improvements to installations, or the strengthening of individual and collective eco-gestures;
- fixed assets (buildings, office materials such as IT equipment and servers, etc.);
- paper: 1,410 tons [2015 cr = 92%] stable consumption *(reminder +22% headcount)* (2014 = 1,400 tons [2014 cr = 80%]) were consumed including +70% of certified or standard-compliant paper (FSC, PEFC or other); and consumables (cartridges, office supplies, etc.).

  Consumption of raw materials: Over several years, agencies have improved their vigilance over their consumption of raw materials, with the generalization of the use of certified papers, including for graphics, and by promoting a "0 paper" policy;

Additionally:

- water consumption is estimated at 859,398 m^3 – 12.1 m^3 per capita [2015 cr = 92%], an increase of 23% but not comparable with 2014 due to the under-estimated volumes for that year *(reminder +22% headcount)*. (2014: 697, 197 m^3 - 11.9 m^3 per capita [2014 cr = 92%]).

  With regard to water consumption, which is complicated to collect as some agencies rent premises in larger buildings, the main improvements have been to sanitation (with the generalization of sensors);
- the volume of waste is estimated at 5,190 tons [2015 cr = 95%], a decrease of 15% compared to 2014 *(reminder +22% headcount)* but not all the new entities have precise monitoring of the impacts (2014: 6,060 tons [2014 cr = 96%]). Most of this waste is paper and cardboard, and is recycled with traceability (some agencies have traceability in place for 100% of these volumes, depending on the local system in place and service providers used). Electronic waste is treated in WEEE recycling systems, in partnership with suppliers as part of materials recycling contracts.

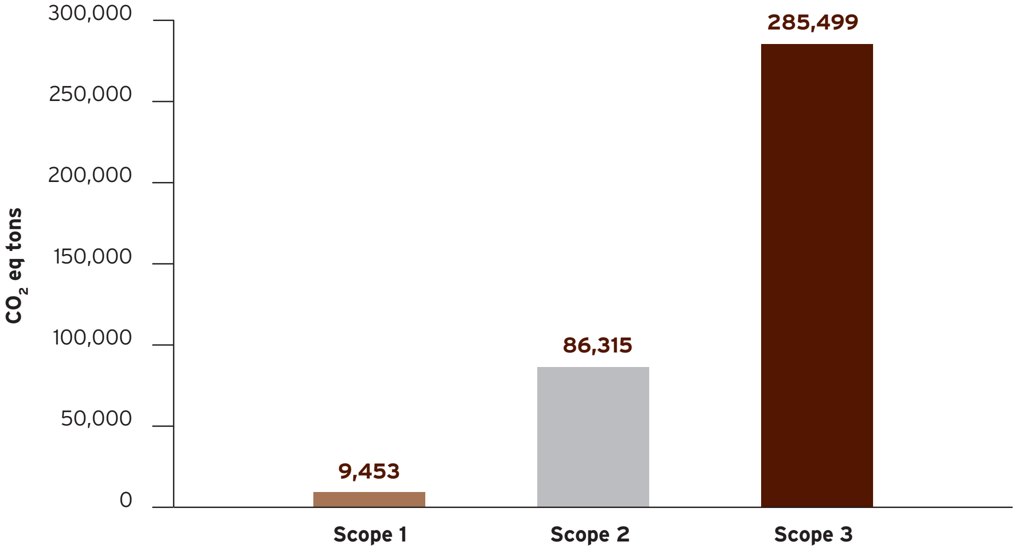
  In recent years, the issue of food waste has been tackled, encouraging employees to make this issue part of their daily lives and to support sharing initiatives.

  Protection of biodiversity: up to the last few years, it was not easy for the Group to measure its ability to act directly on the protection of biodiversity, given its business. Agencies try to restrict their consumption of raw materials, or work with local operational partners in countries with strong environmental concerns such as Costa Rica, where the Group operates. With the COP 21 in Paris in 2015, the Group identified local initiatives that exist in this area, as certain agencies are committed to carbon offsetting. Assessment work is on-going to define work focuses and in particular to ensure that efforts converge in this area.

2.4.5.3 REVIEW OF GREENHOUSE GAS EMISSIONS

For the seventh edition, the greenhouse gas emissions review based on the GHG protocol method was calculated with the assistance of Bureau Veritas based on the data collected by all the Group's entities (98%). The total for scopes 1+2+3 * was 381,066 TeqCO_2 (2014: 329,499 TeqCO_2) and was up 17% *(reminder +22% headcount)*, which is normal considering the Group's expanding business. This total is stable and equivalent to 5.0 TeqCO_2 *per capita*

(Average for service business: 5.3 to 8.8 TeqCO_2 – source: Bureau Veritas)



Scope 1 = energy sources: gas, fuel oil, and other fluids + business transportation (car);

Scope 2 = electricity purchased;

Scope 3 = other personal and work-related transportation (including plane, train, etc.) + fixed assets + consumables + waste.

NB: The GHG protocol calculating method is based on average emission factors (and therefore include a certain degree of uncertainty), thus it only provides estimations by order of size, with its vocation being to encourage GHG emissions reductions and measure the progress made. The degree of uncertainty when making the Publicis Groupe GHG emissions assessment for 2014 is estimated at 20%. Freight is not integrated into this 2015 calculation as, based on the last 6 years, it only represents 0.1% of emissions.

Comments – Environmental impacts not applicable to Publicis Groupe under Art. 225

Given the Group's service-based industry and intellectual operations, certain information required for the implementation decree for Article 225 of the Grenelle II Act, is irrelevant, namely:

- resources dedicated to preventing environmental risks and pollution;
- prevention, reduction or reparation measures concerning air, water and soil pollution seriously affecting the environment;
- taking into consideration noise and all other forms of pollution relating to a specific business;
- land use;
- water supply depending on local constraints;
- provisions and guarantees pertaining to environmental risks.

2.4.6 EXTERNAL - AUDIT REPORT

At the request of Publicis Groupe, SGS ICS carried out an audit of the information included in the management report drawn up for the year ended December 31, 2015 in accordance with Decree no. 2012-557 dated April 24, 2012 relative to companies' social and environmental transparency obligations, with regard to the application of article 225 of law no. 2010-788 dated July 12, 2010 and article 12 of law no. 2012-387 dated March 22, 2012, which amended article L. 225-102-1 of the French Commercial Code and the order of May 13, 2013 determining the procedure to be used by the independent third-party organization when conducting its mission.

It is the responsibility of the Board of Directors to prepare a report concerning the management of the Company including social, environmental and societal information; to define the appropriate standards used for the collection of the quantitative or qualitative data, and to ensure their provision.

The responsibility of SGS ICS, as an independent body, accredited by COFRAC under No. 3-1086 (range available on www.cofrac.fr) is to attest to the presence in the management report of all information provided for in Article R. 225-105-1, express a reasoned opinion indicating one hand on the sincerity of information and, secondly, the explanations given by the Company on the absence of certain information indicating the procedures implemented to accomplish our audit.

TYPE AND SCOPE OF THE AUDIT

SGS ICS' audit consists of:

- reviewing the statement on sustainable development policies in relation to sustainable development as well as the social and environmental impacts of the Company's business activities, its cultural commitments and the actions that stem from these policies and commitments;
- comparing the list of information mentioned in Publicis Groupe's 2015 management report against the list set forth under article R. 225-105-1 and noting, where applicable, any missing information not accompanied by explanations as mentioned under the third paragraph of article R. 225-105;
- verifying that the Company has a data collection process in place to ensure that the information mentioned in the management report is complete and consistent, and identifying any irregularities;
- expressing, at the request of Publicis Groupe, a conclusion of reasonable assurance with regards to whether the CSR information is presented truthfully.

DILIGENCE

SGS ICS conducted its audit of Publicis Groupe on an international scale including its subsidiaries and controlled companies, which are included in the consolidated financial statements.

SGS ICS conducted its audit from December 21, 2015 to March 9, 2016 (65.5 days), by carrying out interviews with key individuals involved in the collection, validation and publication of quantitative and qualitative data from Publicis Groupe and 53 agencies in France, Germany, Brazil, China, the United Kingdom, India and the United States representing 35% of the total headcount *.

- SGS ICS reviewed the reliability of the internal CSR Reporting Guidelines, the internal control procedures and the data and information aggregation systems at each of the sites;
- with regards to quantitative data, we audited each site by using surveys, verifying the calculation formulas and comparing data with supporting documents for 22 indicators selected according to their degree of relevance (legal compliance and taking into consideration the business sector/industry), as well as their reliability, neutrality and comprehensive nature:
  - social indicators (94% to 100% of sites): training hours, number of employees trained, cost of training, turnover, annual assessment interviews, employee well-being, frequency and severity of accidents at work, diversity,
  - environmental indicators (from 85% to 100% of sites): environmental prevention, recycling and waste disposal measures, waste, energy efficiency and use of renewable energy, energy consumption, use of videoconferencing, paper consumption,

* *Arc USA – Bartle Bogle Hegarty UK – BBH Partners – Digitas Boston – DigitasLBi UK – Digitas Netalk China – Digitas Health Philadelphia – Leo Burnett London – Leo Burnett Sao Paulo – Leo Burnett USA – Leo Burnett Beijing – Leo Burnett Shanghai – MediaVest USA – MSL France – MSL Corporate Paris – MSL Influence Paris – MS&L P.R. Consultancy Beijing – MSL Genedigi – MSL New York – MSL North America – Publicis New York – Publicis Blue Print – Publicis Brazil – Publicis Conseil – Publicis Dialog – Marcel Paris – Publicis UK – Publicis Touchpoint Solutions – Razorfish LLC – Razorfish Technology Platform – Re:Sources France – Re:Sources Germany – Re:Sources USA – Rosetta US – Saatchi & Saatchi Nazca Brazil – Saatchi & Saatchi China Great Wall – Saatchi & Saatchi Los Angeles – Saatchi & Saatchi New York – Saatchi & Saatchi North America – Saatchi & Saatchi Team One – Saatchi & Saatchi UK – Sapient India – Sapient Nitro USA – SMG China – SMG UK – Starcom USA – Zenithmedia GmbH – ZenithOptimedia France – ZenithOptimedia International – ZenithOptimedia UK – Zenith USA – ZOG Americas – VivaKi Services USA.*

  - society indicators (74% to 100% of sites): Pro bono campaigns, employee volunteering, donations and charities, responsible procurement, actions taken to prevent corruption, stakeholder involvement, socially responsible communication campaigns, knowledge of the Code of ethics;
- random checks were performed on quantitative and qualitative data during the final phase of consolidation of the Group's consolidation scope (98%) as well as on other required information.
- ten auditors were assigned to this audit including a lead auditor;
- nine interviews were conducted with Group management and with the Procurement, Internal Audit, Finance, Investor Relations, Human resources (compensation) and CSR departments.

We believe that the chosen sampling method and sample sizes for the audit allow to formulate a conclusion of reasonable assurance.

STATEMENT OF INDEPENDENCE AND COMPETENCE

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

SGS ICS is a wholly-owned French subsidiary of the SGS Group. SGS ICS declares that its audit and findings were prepared in complete independence and impartiality with regard to Publicis Groupe and that the tasks performed were completed in line with the SGS Group's Code of ethics and in accordance with the professional best practices of an independent third party. Auditors are authorized and appointed to each audit assignment based on their knowledge, experience and qualifications. The COFACE accreditation received by SGS is recognized in Europe by the EA (European Co-operation for Accreditations) and worldwide by the IAF (International Accreditation Forum). Additionally, third party Sustainability Report Assurance (SRA) checks carried out by SGS in 15 countries are based on AA1000 accountability principles.

STATEMENT AND REASONED OPINION

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

- we certify that the information included in Publicis Groupe's 2015 management report is in compliance with the list set forth under article R. 225-105-1 and that any exceptions have been duly justified;
- we declare that we found no significant irregularity that would call into question the fair presentation of the information included in the 2015 management report.

OBSERVATIONS

- The social indicators: coherence tests between the two information systems should be improved for the calculation of training hours. Qualitative information on workplace health should be supported by quantitative data.
- The environmental indicators: the definition of data on energy consumption and waste should be subject to additional details and a change in scope, in order to improve the granularity, comparability and reliability over the five continents. The use of video-conferencing should be subject to monitoring improvements, in both qualitative and quantitative terms.
- The reliability and materiality of quantitative data and qualitative information, on a scope of over 780 sites, has further progressed.

Signed in Arcueil France, March 11, 2016

SGS ICS France
29 avenue Aristide Briand
F-94111 ARCUEIL Cedex
Téléphone + 33 (0) 1 41 24 88 56
www.sgs.com

Philippe Fusiller

Director SGS-ICS France

3

COMMENTARY ON THE FISCAL YEAR

The developments below are the main elements of the management report mentioned in article L. 451-1-2 of the French Monetary and Financial Code and in article 223-3 of the General Regulations of the AMF which must include the information mentioned in articles L. 225-100, L. 225-100-2, L. 225-100-3 and in the second paragraph of article L. 225-211 of the French Commercial Code.

Other information corresponding to required elements of the management report is to be found in Section 8.6 "Cross-referencing table of the management report".

The following discussion should be read in conjunction with the consolidated financial statements and related notes. They contain information concerning the Group's future objectives which implies risks and uncertainties, including, in particular, those described in Section 1.8, "Risk factors".

3.1 Introduction

The IMF expects global GDP growth of 3.1% for 2015, after 3.4% in 2014. However, the macroeconomic environment remains uneven across the main countries and regions.

The US economy is still performing well. Despite quarterly variances due to a particularly harsh winter, real GDP growth should reach 2.5% in 2015 while inflation will have been contained at +0.7%. Between the large number of new jobs and unemployment falling substantially to 5%, the labor market confirmed that the economy is strong, despite the continued presence of certain weaknesses. Corporate investment has not really picked up, while the upswing in wages is slower than in previous recoveries.

In Europe, the economy continued to pick up slowly in 2015, notably due to the oil counter-shock which benefited the euro zone countries, and to the very accommodative monetary policy which, by weakening the euro against the dollar, helped boost exports. Growth in Europe should rise by 1.5% in 2015, up from 0.9% in 2014. The situation is highly contrasted from one country to another. The UK saw its economy grow 2.2% with an unemployment rate of close to 5%. In Germany, despite the slowdown towards the end of the year, annual growth should be 1.5%. Conversely, GDP growth remained poor in France and Italy, fractionally above 1% in France and slightly below that mark in Italy. Furthermore, the annualized inflation rate was very low, even negative at times during the year, due to the decline of oil prices.

China's slowing growth has been confirmed with real GDP growth at 6.9% in 2015 according to the Chinese government. As elsewhere in the world, the predominant concern is disinflation, or even the risk of deflation, with prices increasing by a mere 1.9%. The transition of the Chinese economy, from a policy based on investment and the export market for the last 20 years, to an economy based on domestic consumption has led to a sharp slowdown. The monetary authorities are finding it difficult to manage bubbles in the credit, real estate and financial markets, especially with a very high level of non-performing loans in the banking sector.

Outside of China, the emerging markets are in deep crisis as a result of the decline in commodity prices. The weakening of demand from China has caused commodity prices to fall and has led to slower business with its main trading partners among the emerging economies. Brazil, in particular, is in deep recession, with its GDP falling 3.8% in 2015. India, at +7.3%, seems to be alone in continuing to record high growth.

After forecasting 4.9% growth of the 2015 advertising media market back in December 2014, ZenithOptimedia regularly revised its forecast downwards throughout the year, with a final downward revision to 3.9% in December to allow for the marked slowing of the emerging markets and growth in Europe that was even below expectations.

Consolidated revenue for 2015 rose 32.3% to euro 9,601 million. The impact of exchange rates was equivalent to 11.3% of 2014 revenue, i.e. + euro 823 million compared with - euro 80 million in 2014, particularly due to the strengthening of the dollar and sterling against the euro. Acquisitions (net of disposals) represented 19.3% of 2014 revenue, i.e. euro 1,399 million in 2015 after euro 245 million in 2014. Against a backdrop of marked slowdown in the emerging markets and a recovery in Europe that was below expectations, the overall global context was one of low growth and virtually non-existent inflation. In this environment, Publicis Groupe was faced with project cancellations and was therefore unable to reap the full benefit of the relatively strong American market despite the fact that the Groupe's performance was satisfactory elsewhere in the world. Organic growth over the full year 2015 was +1.5%.

Despite Razorfish' difficulties, the digital business enjoyed unwavering success. They continue to expand and in 2015 accounted for 51.9% of revenue, compared with 41.9% in 2014. Digital's contribution to Group revenue was boosted by the ever-increasing presence of new technology in the media and in marketing, as well as by the acquisition of Sapient.

The acquisition of Sapient, initiated in November 2014 and concluded on February 6, 2015, enables the creation of a unique product in the digital universe. This transaction marks a decisive step in the transformation of Publicis Groupe, making the Group the undisputed leader in the digital era and enabling it to quickly become the leader of the convergence of marketing, communications, omni-channel commerce and technology. Publicis Groupe has thus created a global platform, Publicis.Sapient, a unique solution capable of providing advertisers with all the necessary means to transform their business model in order to manage the requirements of the new digital convergence era. With this acquisition, digital advertising accounts for over 50% of Publicis Groupe's consolidated revenue in 2015, thus reaching the target set by the strategic plan through 2018 three years earlier.

A very large number of media accounts were up for tender in 2015. According to RECMA, there have been tenders for over USD 20 billion worth of billings in 2015. Publicis Groupe was one of the most exposed amongst the major communication groups, but successfully consolidated its position with its clients (Coty, Citi), and made prestigious gains such as Taco Bell, VF, Visa and Etihad. There were some losses, including the "US Media" budgets for Procter & Gamble and Coca-Cola.

In a low-growth economic environment, Publicis Groupe is more focused than ever on solid profitability and its ability to generate cash flow. The reorganization announced in December 2015 is aimed at a more efficient cost structure that avoids replication. Various cost optimization programs are in the pipeline or have already been launched to achieve the margin targets set out in the strategic plan through 2018. These programs include productivity efforts, improving the margins of underperforming entities, accelerating agencies' multidoor programs, streamlining of procurement, further regionalizing of shared service centers and continuous process improvement. The ERP roll-out, which began in France on July 1, 2014, is continuing and we are currently preparing a roll-out for America and continental Europe. These programs have yet to reach their full potential.

The operating margin rose 25.8% to euro 1,487 million in 2015. The percentage operating margin was 15.5% compared with 16.3% in 2014. This shortfall was due to the dilutive effect of consolidating Sapient since February 6, 2015, to the increase in restructuring costs (euro 118 million in 2015 compared with 69 million in 2014) entailed by the Group's reorganization and the leveraging of synergies with Sapient. These items have more than offset the operational leverage effect from the ramp-up of digital, cost-saving measures and the positive impact of exchange rates.

Net income attributable to the Group totaled euro 901 million, i.e. a 25.1% increase from 720 million in 2014.

Headline EPS (diluted) – as defined in Note 9 to the consolidated financial statements – was up 20.6% to euro 4.39.

The dividend to be proposed at the General Shareholders' Meeting of May 25, 2016 will be euro 1.60 per share. It represents a payout ratio of 39.5% and an increase of 33.3% over the previous year.

On the balance sheet at December 31, 2015, net debt stands at euro 1,872 million after a euro 985 million cash-positive position at year-end 2014.

REORGANIZATION

The start of the year saw the completion of the Sapient acquisition and the launch of the Publicis.Sapient platform. This platform is not only unique in the communications sector, it brings together all the Group's digital agencies (Razorfish, DigitasLBi, SapientNitro and Sapient Consulting) with a view to providing clients everything the digital communications value chain has to offer from consulting to commerce, including creation, data and production platforms. It is backed up by a team of over 8,000 people based in India.

On December 3, 2015, Publicis Groupe announced the implementation of the most integrated organization in the sector, for the benefit of its clients and employees alike, thus ending the traditional communications groups' "silo" structure.

This reorganization is part of the extension to the implementation of the Publicis.Sapient platform. This platform is not only unique in the communications sector, it brings together all the Group's digital agencies (Razorfish, DigitasLBi, SapientNitro and Sapient Consulting) with a view to providing clients everything the digital communications value chain has to offer from consulting to commerce, including creation, data and production platforms.

The reorganization aims to structure the Group in such a way that its clients are at the very heart of its organization. In the Group's top 20 countries, the major clients will each be assigned to a Chief Client Officer, who in turn will report to a Chief Revenue Officer. In this way, the Group can offer the entire array of solutions to its clients in a horizontally integrated fashion: creative solutions through "Publicis Communications", media solutions through "Publicis Media", digital and technological solutions through "Publicis.Sapient", and healthcare solutions provided by "Publicis Health". For all other countries, a single structure called "Publicis ONE" will combine all these solutions (creative, media, digital, healthcare) in each country.

The new structure will be rolled out in the first few months of 2016.

3.2 Organic growth

When comparing its annual performances, Publicis Groupe measures the impact on reported revenue of changes in foreign currency exchange rates, acquisitions and disposals, and organic growth. Organic growth, which represents the increase in like-for-like revenue at constant exchange rates, is calculated as follows:

- revenue of the previous year is recalculated applying the current year average rate;
- revenue from acquisitions (net of revenue from any divested activities) is subtracted from the current year revenue, in order to neutralize the impact on growth of changes in Group scope.

The difference between the revenue for the current year, after subtraction of the revenue from acquisitions (net of that of divested activities) and the revenue of the previous year (translated at the current exchange rate) is compared with the revenue generated in the prior period to determine the percentage of organic growth.

The Group's management believes that the analysis of organic revenue growth provides a better understanding of its revenue performance and trends than reported revenue because it allows for more meaningful comparisons of current period revenue to that of prior periods. Also, like-for-like revenue is generally used in the industry as a key performance indicator.

Organic growth is unaudited and is not a measurement of performance under IFRS. It may not be comparable with similarly titled financial data of other companies.

(in millions of euros)	Total
REVENUE 2014	**7,255**
Impact of exchange rates	823
2014 revenue at the 2015 exchange rate (a)	**8,078**
2015 revenue before impact of acquisitions[1] (b)	**8,202**
Revenue from acquisitions[1]	1,399
REVENUE 2015	**9,601**
ORGANIC GROWTH (b-a)/a	**+1.5%**

(1) Net of disposals.

After forecasting 4.9% growth of the 2015 advertising media market back in December 2014, ZenithOptimedia regularly revised its forecast downwards throughout the year, with a final downward revision to 3.9% in December to allow for the marked slowing of the emerging markets and growth in Europe that was even below expectations. In this environment, Publicis Groupe was faced with project cancellations and was therefore unable to reap the full benefit of the relatively strong American market despite the fact that the Group's performance was satisfactory elsewhere in the world. Organic growth over the full year 2015 was +1.5%.

Organic growth for each quarter in 2015 was:

- First quarter: +0.9%;
- Second quarter: +1.4%;
- Third quarter: +0.7%;
- Fourth quarter: +2.8%.

3.3 Analysis of the consolidated results

3.3.1 REVENUE

Consolidated revenue for 2015 rose 32.3% to euro 9,601 million. The impact of exchange rates was equivalent to 11.3% of 2014 revenue, i.e. +euro 823 million compared with -euro 80 million in 2014, particularly due to the strengthening of the dollar and sterling against the euro. Acquisitions (net of disposals) represented 19.3% of 2014 revenue, i.e. euro 1,399 million in 2015 after euro 245 million in 2014.

Against a backdrop of marked slowdown in the emerging markets and a recovery in Europe that was below expectations, the overall global context was one of low growth and virtually non-existent inflation. In this environment, Publicis Groupe was faced with project cancellations and was therefore unable to reap the full benefit of the relatively strong American market despite the fact that the Groupe's performance was satisfactory elsewhere in the world. Organic growth over the full year 2015 was +1.5%.

The Group's growth continues to be largely driven by digital (organic growth of +5.4%) even though the difficulties encountered by Razorfish and the projects cancelled in the second half-year clearly impeded progress. We note, however, an acceleration in digital growth during the 4th quarter, at +8.8%. The media business posted noteworthy growth and analog activities continued their gradual decline.

	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Digital	+7.5%	+2.3%	+23.8%	+12.2%	+8.8%	+5.4%
Analog	-3.5%	+2.5%	-3.3%	-9.3%	-2.2%	-1.4%
TOTAL	**+0.4%**	**+2.4%**	**+4.0%**	**-5.3%**	**+0.1%**	**+1.5%**

2015 REVENUE BY BUSINESS LINE

The following table shows the percentage of the Group's total revenue from the main business lines in 2015 and 2014:

	2015	2014
Digital	52%	42%
Advertising	23%	28%
Specialized Agencies and Marketing Services	13%	15%
Media	12%	15%
TOTAL	**100%**	**100%**

2015 REVENUE BY GEOGRAPHIC REGION

The second revenue breakdown table below shows the changes to Publicis Groupe's major markets of Europe and North America.

	Revenue		
(in millions of euros)	2015	2014	Organic growth
Europe	2,664	2,237	+0.4%
% of total	28%	31%	
North America	5,184	3,490	+2.4%
% of total	54%	48%	
Asia-Pacific	1,066	862	+4.0%
% of total	11%	12%	
Latin America	412	449	-5.3%
% of total	4%	6%	
Africa and Middle East	275	217	+0.1%
% of total	3%	3%	
TOTAL	**9,601**	**7,255**	**+1.5%**

Europe posted growth of 19.1%. When the impact of acquisitions and exchange rates is factored out, organic growth stands at +0.4%. In Europe as a whole, digital registered strong growth at 7.5%. Revenue grew by 1.7% and 5% in France and Germany respectively. The southern European countries returned to positive growth (+1.1%), particularly in the Iberian Peninsula (+2.4%), while Italy was close to flat growth (-0.4%). The market remained difficult in Russia (-6.1%) and in the UK (-4.3%) with the change of management at Publicis Worldwide UK and the reorganization of Razorfish.

North America grew by 48.5%, notably due to the Sapient acquisition and foreign exchange impacts, while organic growth was 2.4%. This improvement stems mainly from the media business and Publicis Worldwide, with digital only growing by 2.3% due to cancelled projects in the second half of the year.

Asia Pacific recorded a 23.7% revenue increase and 4% organic growth, notably due to good performance in India (+11.0%) and accelerated growth in China in the second half-year (+3.4%) after a first half-year 2015 with growth of 0.1%.

Latin America fell 8.2% (-5.3% organic growth), due to negative growth in Brazil and Mexico (-7.5% and -13.1% respectively) where the economic situation remains tense.

The Middle East & Africa saw its revenue grow by 26.7% with organic growth of 0.1%.

3.3.2 OPERATING MARGIN AND OPERATING INCOME

OPERATING MARGIN

Personnel costs reached euro 5,988 million in 2015, up 32.9% from 4,506 million in 2014. Fixed personnel costs amounted to euro 5,197 million, i.e. 54.1% of revenue after 54.7% in 2014. Restructuring costs rose euro 49 million to reach euro 118 million in 2015 (euro 69 million in 2014), as the Groupe adjusts to an environment that has become increasingly digital-oriented and leverages synergies from the Sapient acquisition. Numerous investments (ERP roll-out, development of production platforms, continuing regionalization of the Shared Services Centers, technological developments) will improve our operational efficiency in the medium term.

Other operating costs (excluding depreciation and amortization) totaled euro 1,952 million for the period, after 1,442 million in 2014. This sharp increase was due to the consolidation of Sapient. These charges stand at 20.3% of total revenue, up from 19.9% in 2014.

Together, these costs (i.e. Personnel costs and Other operating costs) rose by 33.5% while revenue grew by 32.3% as a result of the consolidation of Sapient from February 6, 2015 and due to the impact of exchange rates.

The operating margin before depreciation and amortization rose to euro 1,661 million in 2015, up 27.1% from 1,307 million in 2014, i.e. a percentage operating margin of 17.3% (versus 18% of revenue in 2014). The operational leverage from the ramp-up of digital activities and the savings made, plus the positive impact of exchange rates, were more than offset by the dilutive effect of consolidating Sapient and the increase in restructuring costs.

Depreciation and amortization for the period totaled euro 174 million, up from euro 125 million in 2014.

The operating margin rose to euro 1,487 million in 2015, up 25.8% from euro 1,182 million in 2014. As a percentage of revenue, the margin was 15.5% after 16.3% in 2014.

Operating margins by major regions amounted to 11.1% for Europe, 18.0% for North America, 15.3% for Asia-Pacific, 10.7% for Latin America and 18.2% for Africa & the Middle East.

OPERATING INCOME

Amortization of intangibles arising from acquisitions totaled euro 89 million in 2015, compared with 51 million in 2014, an increase that stemmed mainly from intangibles arising from the acquisition of Sapient. An impairment charge of euro 28 million was booked (down from 72 million in 2014), mainly concerning Rosetta and Neogama. Other non-recurring income and expenses amounted to a positive euro 8 million (mainly attributable to capital gains and losses on asset sales) after euro 10 million in 2014.

Operating income totaled euro 1,378 million in 2015, i.e. a 28.9% increase on euro 1,069 million recorded in 2014.

3.3.3 OTHER INCOME STATEMENT ITEMS

Financial income (expense) was a net expense of euro 89 million in 2015, compared with a net expense of 28 million for the previous year. The cost of net financial debt reached euro 74 million in 2015 compared to 23 million in 2014, due to the cost of financing the Sapient acquisition. Other financial income and expenses deteriorated by euro 10 million, largely due to the revaluation of earn-out payments.

Income tax expense for the year was euro 386 million resulting in an effective tax rate of 29.9%, versus euro 311 million in 2014, corresponding to an effective rate of 28.0%.

The share of profit of equity-accounted entities was euro 8 million, versus euro 4 million in 2014. Non-controlling interests were euro 10 million in 2015, versus euro 14 million in 2014.

Net income attributable to the Group reached euro 901 million in respect of the 2015 financial period, after euro 720 million in 2014 (i.e. growth of 25.1%).

After elimination of impairments, amortization of intangibles arising from acquisitions, the main capital gains (or losses) on the disposal of assets and the revaluation of earn-out payments, the Groupe's share of net income from recurring operations was up 19.7% to euro 992 million in 2015.

3.4 Financial and cash position

3.4.1 CASH FLOWS

Net cash flow from operating activities amounted to an inflow of euro 1,405 million for 2015, versus euro 1,033 million for the previous year. Income tax paid in 2015 amounted to euro 303 million, compared with 321 million in 2014. Interest paid totaled euro 114 million (including 52 million related to the financing of Sapient) after euro 70 million in 2014. Interest received reached euro 37 million versus euro 24 million during the previous period. The euro 79 million change in working capital requirements was slightly higher than in 2014 (euro 66 million).

Cash flow from investments comprises purchases and disposals of tangible and intangible assets, net acquisitions of financial assets and acquisitions and sales of subsidiaries. Net cash flow from investment activities used up euro 3,509 million in 2015, after an outflow of 585 million the previous year. This increase was due to the acquisition of subsidiaries and other financial assets (net of disposals) in an amount of euro 3,280 million in 2015 – including an outflow of euro 3,211 million for the acquisition of Sapient – versus 454 million in 2014. Net investments in fixed assets (tangibles and intangibles) totaled euro 229 million, up from 131 million in 2014.

Financing activities generated a surplus of euro 456 million in 2015, after 1,169 million in 2014. This surplus was attributable to amounts received from new borrowings, i.e. euro 1,453 million in 2015 from a medium-term syndicated loan and euro 1,349 million in 2014 from 2021 and 2024 Eurobond issues. Debt redemption totaled euro 265 million in 2015 (versus 23 million in 2014). The amount paid out in dividends more than doubled to euro 240 million, after 111 million in 2014, as the option of taking the dividend in shares was only taken up on 5% of shares after a take-up of over 50% in 2014. Finally, there was a net outflow of euro 441 million in trading of Treasury shares, mainly due to the purchase of 6,341,873 shares for the early redemption of the Orane bonds (at a cost of euro 467 million), after a net inflow of euro 45 million in 2014.

Overall, the Group's cash position net of positive bank balances decreased by euro 1,479 million in 2015, after a 1,750 million increase in 2014.

FREE CASH FLOW

The Group's free cash flow, before changes in working capital requirements, rose 31.2% over 2014 to reach euro 1,097 million.

The Group uses this indicator to measure liquidity generated by operating activities after accounting for investments in fixed assets, before acquisitions or sales of subsidiaries and before financing activities (including the financing of working capital requirements).

The table below shows the Group's free cash flow (excluding changes in working capital requirements):

(in millions of euros)	2015	2014
Operating margin before depreciation and amortization	**1,661**	**1,307**
Net interest paid	(77)	(46)
Taxes paid	(303)	(321)
Other	45	27
NET CASH FLOWS GENERATED BY (USED IN) OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL REQUIREMENTS	1,326	967
Net investment in fixed assets	(229)	(131)
FREE CASH FLOW BEFORE CHANGES IN WORKING CAPITAL REQUIREMENTS	**1,097**	**836**

3.4.2 SHARE CAPITAL AND DEBT (LONG AND SHORT TERM)

The Group's share of consolidated shareholders' equity increased from euro 6,086 million as at December 31, 2014 to euro 6,556 million as at December 31, 2015. This was mainly due to the income for the fiscal year, partly offset by buyback of shares from the Badinter family (shares then held in Treasury stock) under an agreement with an Investment Services Provider over the period from March 30 to June 9, 2015 (euro 467 million in total), and the dividend payout of euro 240 million.

NET FINANCIAL DEBT (NET CASH AND CASH EQUIVALENTS)

(in millions of euros)	December 31, 2015	December 31, 2014
Borrowings (long and short-term)	3,391	2,160
Fair value of derivative hedging exposure on Eurobond 2021 and 2024[(1)]	170	27
Fair value of derivatives hedging on intra-group loans/borrowings[(1)]	(17)	(14)
TOTAL FINANCIAL DEBT INCLUDING MARKET VALUE OF THE ASSOCIATED DERIVATIVES	**3,544**	**2,173**
Cash and cash equivalents	(1,672)	(3,158)
NET FINANCIAL DEBT	**1,872**	**(985)**
DEBT/EQUITY RATIO (INCL. MINORITY INTERESTS)	**0.28**	**Cash and cash equivalents net positive**

(1) Reported under "Other receivables and current assets" and/or "Other creditors and current liabilities" on the consolidated balance sheet.

Net financial debt at December 31, 2015 amounted to euro 1,872 million, after a cash-positive situation of euro 985 million at year-end 2014 (i.e. a Debt/equity ratio of 0.28 at December 31, 2015). The variance between the two periods was mainly attributable to the payment of the Sapient acquisition completed on February 5, 2015 for a consideration of USD 3.7 billion (on a fully diluted basis). The Group's average net debt in 2015 was euro 2,429 million, after a cash-positive average of euro 93 million in 2014.

The Group's gross consolidated debt was euro 3,391 million as at December 31, 2015, compared with euro 2,160 million as at December 31, 2014. This debt consisted of 91% long-term borrowings (see Note 22 to the consolidated financial statements as at December 31, 2015 for a detailed maturity schedule of Group debt).

The financial liabilities, after taking into account the interest rate swaps on the Eurobond, are essentially made up of fixed-rate borrowings (51% of the gross debt excluding debt related to long-term equity investments and commitments to buy out non-controlling interests as at December 31, 2015) with an average rate recorded for 2015 of 3.5%.

Debt breakdown by currency (after currency swaps) as at December 31, 2015 was as follows: euro 529 million denominated in euros, euro 2,572 million denominated in US dollars, and euro 290 million denominated in other currencies.

In December 2005, the Group established financial ratio targets meant to direct the Group's financial policy on such matters as acquisitions and dividends. These ratios were complied with at the end of the fiscal year, as the following table shows:

	Optimal ratio	December 31, 2015	December 31, 2014
Average net debt/operating margin before depreciation and amortization[(1)]	< 1.50	1.46	n/a
Net debt/equity[(1)]	< 0.5	0.28	n/a
Coverage of interest: operating margin before depreciation and amortization/cost of net financial debt	> 7	22	57

(1) Not applicable as the cash position was positive as at December 31, 2014. Not applicable for the average net debt in 2014.

3.4.3 BORROWINGS AND STRUCTURE OF THE GROUP'S FINANCING

In order to manage its liquidity risk, Publicis has substantial cash and cash equivalents amounting to euro 1,672 million and confirmed unused credit lines amounting to euro 2,722 million as of December 31, 2015. The main component of these credit lines is a multi-currency syndicated facility in the amount of euro 2,000 million, maturing in 2020, which was renegotiated for a duration of 5 years on July 22, 2015.

These immediately available or almost immediately available amounts allow the Group to pay its financial debt maturing in less than one year (including non-controlling interests buyout commitments).

Moreover, the issue of two euro-denominated bonds in December 2014 for respectively euro 600 million maturing in December 2024 and euro 700 million maturing in December 2021, and the implementation of a 1,600 million dollar loan from a group of international banks managed by BNP Paribas on January 20, 2015 and repayable by thirds in January 2018, January 2019 and January 2020, enabled financing of most of the Sapient acquisition price. The balance was financed by the Group's available cash and cash equivalents.

Group cash management continued to benefit from the introduction of local centralized cash-pooling centers in the Group's main markets. Since 2006, an international cash pooling structure has been implemented with the goal of pooling all cash for the Group as a whole.

Cash resources are for the most part held by subsidiaries in countries where funds can be freely transferred and centralized.

Since December 2005, the Group has been rated by the two leading international credit rating agencies, Standard & Poor's and Moody's. At the date of this Registration Document, the ratings are: BBB+ for Standard & Poor's and Baa2 for Moodys.

It should be noted that in the context of the Sapient acquisition, the two rating agencies, Standard & Poor's and Moodys, have confirmed their current ratings of the Group.

See also Notes 22 and 26 to the consolidated financial statements (Section 4.6).

3.4.4 RESTRICTIONS ON USE OF CAPITAL

As of December 31, 2015 and the date of the closing of accounts, there were no rating triggers or financial covenants for short-term bank credit lines, syndicated loans, confirmed medium-term bilateral bank credit lines or bond debt likely to restrict the Group's liquidity.

There are no legal or economic restrictions likely to limit or significantly restrict any transfers of funds to the parent company in the near future.

3.4.5 SOURCES OF FINANCING

Given its cash position and its confirmed unused credit lines amounting to euro 4,394 million at December 31, 2015, the Group has the necessary cash resources to meet its operating requirements and investment plan over the next 12 months.

3.5 Publicis Groupe SA (Group parent company)

Publicis Groupe SA's revenue consists exclusively of property rental income and management fees for services rendered to subsidiaries of the Group. This revenue amounted to euro 21 million in 2015, down from 82 million the previous year, a large portion of the downturn in billings being directly related to the decrease of costs between 2014 and 2015. It should be noted that the Company had a staff of 38 at the end of 2014, which was reduced to just one employee in early 2015, there being no longer any justification to retain staff transferred in late 2013 with a view to the merger with Omnicom.

Financial income totaled euro 328 million in 2015, up from 131 million in 2014. This increase came from interest income on the loans extended to MMS Ireland as part of the funding of the Sapient acquisition, and from the increase in dividends received by comparison with 2014 (+euro 116 million).

Operating expenses totaled euro 36 million after 89 million in 2014. However, the 2014 operating expenses included euro 37 million in costs relating to the merger between Publicis and Omnicom which had been carried on the balance sheet at year-end 2013 before being reclassified as expenses on the Income statement in 2014.

Financial expenses totaled euro 172 million in 2015, after euro 159 million the previous year. This increase was notably due to interest expense on the new loans taken out to finance the Sapient acquisition, partly offset by the lesser interest expense subsequent to the early redemption of the Orane bonds in July 2015.

Pre-tax profit from recurring operations was a profit of euro 142 million, following on a loss of 35 million in 2014.

An extraordinary expense of euro 345 million was booked on the occasion of the early redemption of the Orane bonds on July 15, 2015, this loss being the difference between the nominal value of the Orane bonds carried under Other Equity and the price paid for the shares used for the redemption.

After inclusion of a euro 49 million income tax credit resulting from tax consolidation in France, Publicis Groupe, the parent company of the Group, posted a loss of euro 155 million for 2015 after a loss of euro 3 million in 2014.

The breakdown at close of the last two fiscal years of outstanding trade payables by due date was as follows:

INFORMATION ON SUPPLIER PAYMENT PERIODS (ARTICLE 441-6-1 OF THE FRENCH COMMERCIAL CODE)

Accounts payable (in thousands of euros)	Total at 12/31/2015	Total at 12/31/2014
Invoices not yet due	700	621
Invoices less than 60 days overdue	2	399
Invoices over 60 days overdue	107	1,079
TOTAL	**809**	**2,099**

The General Shareholders' Meeting called to approve the 2015 financial statements will be asked to approve:

1) appropriation of the 2015 loss of euro 154,751,729.96 to previously retained earnings of euro 903,110,842.61, representing distributable earnings of euro 748,359,112.65;
2) distribution of dividends in the amount of euro 356,065,184 (on the basis of a dividend per share amount of euro 1.60 and 222,540,740 shares, including treasury shares as at December 31, 2015) from distributable earnings, which will then decrease from euro 748,359,112.65 to euro 392,293,928.65.

3.6 Dividend distribution policy

Dividend paid for year	Number of shares that received dividends*	Dividend per share (in euros)	Total dividend distribution (in millions of euros)	Share price at December 31 (in euros)	Yield
2010	184,024,870	0.70	128.8	39.00	1.79%
2011	170,644,648	0.70	119.5	35,545	1.97%
2012	197,977,185	0.90	178.2	45.25	1.99%
2013	208,639,984	1.10	229.5	66.51	1.65%
2014	209,343,987	1.20	251.8	59.64	2.01%
2015	**222,540,740***	**1.60****	**356.1**	**61.38**	**2.61%**

Number of dividend-bearing shares after deducting treasury shares, except for the 2015 appropriation, which includes treasury shares existing as at December 31, 2015.

** *Dividend proposed at the GSM of May 25, 2016.*

The dividends will be time-barred after five years. They are then paid to the French state.

For the past several years, the Company's dividend distribution policy focused on ensuring regular dividend payments to its shareholders while maintaining sufficient cash flow to finance its development.

Seeking to manage its resources prudently against a global financial crisis backdrop, the Group maintained the proposed dividend in respect of 2010 and 2011 earnings at euro 0.70 per share. For the 2012 fiscal year, the dividend was increased to euro 0.90 per share given the commitment made by the Group to gradually increase the payout ratio to eventually reach 35% over time. This dividend was paid in cash and in shares. The dividend proposed for 2013 was euro 1.10 per share. It was paid in cash and in shares.

The Company raised its medium-term payout ratio commitment to 42%, reflecting its determination to reach the average payout ratio for its industry. In order to honor this commitment, the dividend in respect of 2014 was increased to euro 1.20 per share, which represents a payout ratio of 37.3%. A proposal will be made in respect of 2015 to increase the dividend to euro 1.60 per share, which represents a payout ratio of 39.5% and an increase of 33.3% over the previous year. Subject to the approval of the General Shareholders' Meeting of May 25, 2016 and in line with the proposals for the last two years, the dividend will be paid in cash or in shares.

3.7 Outlook

The trends described below do not constitute forecasts or profit estimates as defined by modified European Regulation no. 809/2004 of April 29, 2004 used in application of directive 2003/71/00 of the European Parliament and Council of November 4, 2003.

2016 is expected to remain a low-growth economic environment with low inflation, characterized by macroeconomic uncertainty, continued commodity price falls, and also a client focus on the very short term (cost cutting). Against this backdrop, Publicis Groupe expects all its financial indicators to improve in 2016: revenue, operating margin, adjusted EPS, dividend payout.

The results obtained to date in digital technologies and the evolutions of companies to model transformations confirm the relevance of the long-term strategic choices made by Publicis Groupe, and give it a real competitive advantage. On the operations side, Publicis Groupe continues to implement the most integrated organization in the sector, with the aim of structuring the Group with its clients at the very heart of its organization in order to provide access to the whole range of its solutions. This structure should foster growth for the Group by harnessing the opportunities offered by the integration and the new possibilities in consulting and technology as well as enhance the operating margin rate by simplifying the organization.

This transformation and the Group's very broad exposure to digital activities (52% of revenue in 2015) should bolster its future growth and continue to improve margins.

4

CONSOLIDATED FINANCIAL STATEMENTS: YEAR 2015

4.1 Consolidated income statement

(in millions of euros)	Notes	2015	2014
REVENUE		**9,601**	**7,255**
Personnel expenses	3	(5,988)	(4,506)
Other operating expenses	4	(1,952)	(1,442)
OPERATING MARGIN BEFORE DEPRECIATION AND AMORTIZATION		**1,661**	**1,307**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	5	(174)	(125)
OPERATING MARGIN		**1,487**	**1,182**
Amortization of intangibles arising from acquisitions	5	(89)	(51)
Impairment loss	5	(28)	(72)
Non-current income and expenses	6	8	10
OPERATING INCOME		**1,378**	**1,069**
Financial expenses	7	(109)	(48)
Financial income	7	35	25
COST OF NET FINANCIAL DEBT	**7**	**(74)**	**(23)**
Other financial income and expenses	7	(15)	(5)
PRE-TAX INCOME OF CONSOLIDATED COMPANIES		**1,289**	**1,041**
Income taxes	8	(386)	(311)
NET INCOME OF CONSOLIDATED COMPANIES		**903**	**730**
Share of profit of associates	13	8	4
NET INCOME		**911**	**734**
Of which:			
• Net income attributable to non-controlling interests		10	14
• **Net income attributable to equity holders of the parent company**		**901**	**720**

Per share data (in euros) - Net income attributable to equity holders of the parent company	9		
Number of shares		*222,677,137*	*223,868,360*
Earnings per share		4.05	3.22
Number of diluted shares		*226,018,018*	*227,772,479*
Diluted earnings per share		3.99	3.16

4.2 Consolidated statement of comprehensive income

(in millions of euros)	2015	2014
NET INCOME FOR THE PERIOD (A)	911	734
Comprehensive income that will not be reclassified to income statement		
• Actuarial gains (and losses) on defined benefit plans	4	(43)
• Deferred taxes on comprehensive income that will not be reclassified to income statement	(1)	(17)
Comprehensive income that may be reclassified to income statement		
• Revaluation of available-for-sale investments and hedging instruments	5	5
• Consolidation translation adjustments	156	338
• Deferred taxes on comprehensive income that may be reclassified to income statement	-	(1)
TOTAL OTHER COMPREHENSIVE INCOME (B)	164	282
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A) + (B)	**1,075**	**1,016**
Of which:		
• Total comprehensive income attributable to non-controlling interests	13	11
• Total comprehensive income attributable to equity holders of the parent company	1,062	1,005

4.3 Consolidated balance sheet

(in millions of euros)	Notes	December 31, 2015	December 31, 2014
Assets			
Goodwill, net	10	10,211	7,006
Intangible assets, net	11	1,541	955
Property, plant and equipment, net	12	660	552
Deferred tax assets	8	159	133
Investments in associates	13	116	36
Other financial assets	14	174	195
NON-CURRENT ASSETS		12,861	8,877
Inventories and work in progress	15	411	320
Trade receivables	16	9,733	7,676
Other current receivables and assets	17	769	595
Cash and cash equivalents	18	1,672	3,158
CURRENT ASSETS		12,585	11,749
TOTAL ASSETS		**25,446**	**20,626**
Equity and liabilities			
Share capital		89	88
Additional paid-in capital and retained earnings, Group share		6,467	5,998
Equity attributable to holders of the parent company	**19**	**6,556**	**6,086**
Non controlling interests		27	29
TOTAL EQUITY		6,583	6,115
Long-term borrowings	22	3,086	1,627
Deferred tax liabilities	8	658	360
Long-term provisions	20	527	442
NON-CURRENT LIABILITIES		4,271	2,429
Trade payables		11,766	9,640
Short-term borrowings	22	305	533
Income taxes payable		110	72
Short-term provisions	20	162	125
Other creditors and current liabilities	23	2,249	1,712
CURRENT LIABILITIES		14,592	12,082
TOTAL EQUITY AND LIABILITIES		**25,446**	**20,626**

4.4 Consolidated statement of cash flows

(in millions of euros)	2015	2014
Cash flows from operating activities		
Net income	911	734
Neutralization of non-cash income and expenses:		
Income taxes	386	311
Cost of net financial debt	74	23
Capital (gains) losses on disposals (before tax)	(7)	(9)
Depreciation, amortization and impairment loss on property, plant and equipment and intangible assets	291	248
Non-cash expenses on stock options and similar items	38	34
Other non-cash income and expenses	19	(4)
Share of profit of associates	(8)	(4)
Dividends received from associates	2	1
Taxes paid	(303)	(321)
Interest paid	(114)	(70)
Interest received	37	24
Change in working capital requirements(1)	79	66
NET CASH FLOWS GENERATED BY (USED IN) OPERATING ACTIVITIES (I)	**1,405**	**1,033**
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(231)	(135)
Disposals of property, plant and equipment and intangible assets	2	4
Purchases of investments and other financial assets, net	(18)	(52)
Acquisitions of subsidiaries	(3,265)	(403)
Disposals of subsidiaries	3	1
NET CASH FLOWS GENERATED BY (USED IN) INVESTING ACTIVITIES (II)	**(3,509)**	**(585)**
Cash flows from financing activities		
Dividends paid to holders of the parent company	(240)	(111)
Dividends paid to non-controlling interests	(18)	(15)
Proceeds from borrowings	1,453	1,349
Repayment of borrowings	(265)	(23)
Net purchases of non-controlling interests	(33)	(76)
Net (purchases)/sales of treasury shares and warrants	(441)	45
NET CASH FLOWS GENERATED BY (USED IN) FINANCING ACTIVITIES (III)	**456**	**1,169**
Impact of exchange rate fluctuations (IV)	**169**	**133**
CHANGE IN CONSOLIDATED CASH AND CASH EQUIVALENTS (I + II + III + IV)	**(1,479)**	**1,750**
Cash and cash equivalents on January 1	3,158	1,442
Bank overdrafts on January 1	(26)	(60)
Net cash and cash equivalents at beginning of year (V)	**3,132**	**1,382**
Cash and cash equivalents on December 31 (Note 18)	1,672	3,158
Bank overdrafts on December 31 (Note 22)	(19)	(26)
Net cash and cash equivalents at end of year (VI)	**1,653**	**3,132**
CHANGE IN CONSOLIDATED CASH AND CASH EQUIVALENTS (VI - V)	**(1,479)**	**1,750**
(1) Breakdown of change in working capital requirements		
Change in inventory and work in progress	*(65)*	*10*
Change in accounts receivable and other receivables	*(1,311)*	*(65)*
Change in accounts payable, other payables and provisions	*1,455*	*121*
Change in working capital requirements	**79**	**66**

4.5 Consolidated statement of changes in equity

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital
206,587,262	**JANUARY 1, 2014**	**86**	**3,051**
	Net income		
	Other comprehensive income, net of tax		
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		
1,585,411	Publicis Groupe SA capital increase	1	47
2,094,672	Dividends	1	118
815,623	Share-based compensation, net of tax		
	Effect of acquisitions and commitments to buy-out non-controlling interests		
684,773	Equity warrant exercise		20
562,921	Océane 2018 conversion		
977,829	Purchases/sales of treasury shares		
213,308,491	**DECEMBER 31, 2014**	**88**	**3,236**
	Net income		
	Other comprehensive income, net of tax		
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		
	Publicis Groupe SA capital increase		
163,082	Dividends		
655,982	Share-based compensation, net of tax	1	
	Effect of acquisitions and commitments to buy-out non-controlling interests		
517,819	Equity warrant exercise		16
12,684,356	Effect of early redemption of the Orane bonds		
(6,005,829)	Purchases/sales of treasury shares		
221,323,901	**DECEMBER 31, 2015**	**89**	**3,252**

Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to the holders of the parent company	Non controlling interests	Total equity
2,187	**(337)**	**108**	**5,095**	**38**	**5,133**
720			720	14	734
(60)	340	5	285	(3)	282
660	**340**	**5**	**1,005**	**11**	**1,016**
(48)			-		-
(230)			(111)	(15)	(126)
34			34		34
(9)			(9)	(5)	(14)
			20		20
27			27		27
25			25		25
2,646	**3**	**113**	**6,086**	**29**	**6,115**
901			901	10	911
	152	9	161	3	164
901	**152**	**9**	**1,062**	**13**	**1,075**
(240)			(240)	(18)	(258)
39			40		40
(10)			(10)	3	(7)
			16		16
59			59		59
(457)			(457)		(457)
2,938	**155**	**122**	**6,556**	**27**	**6,583**

4.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Accounting policies

Pursuant to European Regulation no. 1606/2002 of July 19, 2002 pertaining to international accounting standards, the 2015 consolidated financial statements were prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable on December 31, 2015 as approved by the European Union.

The financial statements for the 2015 financial year are presented alongside comparative figures for the 2014 financial year, which were also prepared under IAS/IFRS.

The financial statements were approved by the Management Board on February 5, 2016 and reviewed by the Supervisory Board on February 10, 2016. They will be submitted for the approval by the shareholders at the General Shareholders' Meeting on May 25, 2016.

1.1 Impact of IFRS standards and IFRIC interpretations taking effect as of January 1, 2015 and impact of published IFRS standards and IFRIC interpretations not yet in force

Compliance with IFRS standards as adopted by the European Union

The accounting principles applied in the preparation of the consolidated financial statements comply with IFRS standards and IFRIC interpretations, as adopted by the European Union as of December 31, 2015 and published on the following website:

http://ec.europa.eu/internal_market/accounting/legal_framework/regulations_adopting_ias_fr.htm

These accounting principles are consistent with those applied to prepare the annual consolidated financial statements for the financial year ending December 31, 2014, except for the following standards and interpretations.

Application of new standards and interpretations

At December 31, 2015, Publicis Groupe applied the same accounting standards, interpretations, principles and policies as for the 2014 financial statements.

The Group's application of the following standards and interpretations, adopted by the European Union and mandatory in financial years beginning on or after January 1, 2015, had no major impact on the Group's financial statements:

- Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions.

For reference, IFRIC 21 - Levies, published by the IASB and adopted by the European Union for financial years beginning on or after June 17, 2014, was applied early by Publicis Groupe, at December 31, 2014.

Early application

As at December 31, 2015, the Group has not introduced the early application of any new standard or interpretation.

Standards published by the IASB, for which application is not mandatory

The principles applied by the Group do not differ from IFRS standards as published by the IASB, since the application of the following standards and interpretations is not mandatory in financial years beginning on or after January 1, 2015:

- IFRS 9 and amendments to IFRS 9 - Financial Instruments: Classification and measurement of financial assets, fair value option for financial liabilities and hedge accounting;
- IFRS 15 – Revenue from Contracts with Customers.

Publicis is currently in the process of determining the potential impact of the application of these new standards and interpretations on the Group's consolidated financial statements.

1.2 Consolidation principles and policies

Presentation currency of the consolidated financial statements

Publicis prepares and publishes its consolidated financial statements in euros.

Investments in subsidiaries

The consolidated financial statements include the financial statements of Publicis Groupe SA and of its subsidiaries as at December 31 of each year. Subsidiaries are consolidated as from the time that the Group obtains control until the date on which control is transferred to an entity outside the Group.

Control is exercised when the Group is exposed or entitled to the variable returns and provided that it can exercise its power to influence such returns.

Investments in associates

The Group's investments in associates are accounted for under the equity method. An associate is a company over which the Group has significant influence but not the control, which generally implies an ownership percentage of between 20% and 50% of the voting rights.

Investments in associates are recognized in the balance sheet at their acquisition cost and adjusted to reflect subsequent changes to the Group's share in the net assets of the associate, in accordance with the equity method. The Group's investment includes the amount of any goodwill, which is treated in accordance with the Group's accounting policy in this area, as presented in Section 1.3 below. The income statement reflects the Group's share of the associate's net income after taxes for the period.

Joint arrangements

Partnerships recognized as joint ventures are recognized under the equity method to the extent that they only give rights to the net assets of the entity.

Foreign currency transactions

Transactions in foreign currencies are recognized at the exchange rate applicable on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable at the reporting date. All differences arising are recognized in the income statement, except for differences on loans and borrowings that, in substance, form part of the net investment in a foreign entity. These differences are recognized in equity until such time as the net investment is disposed of, at which time they are recorded in the income statement.

Translation of financial statements prepared in foreign currencies

The functional currency of each Group entity is the currency of the economic environment in which it operates. The financial statements of subsidiaries located outside the euro zone that are presented in local currencies are translated into euros, the presentation currency of the consolidated financial statements, in the following manner:

- assets and liabilities are translated at year-end exchange rates;
- the income statement is translated at the average exchange rate over the year;
- translation adjustments resulting from the application of these rates are recognized in "Other comprehensive income items – Consolidation translation adjustments" for the Group share, with the remainder being recorded as "Non-controlling interests (minority interests)".

Goodwill and fair value adjustments of assets and liabilities recognized in the context of the acquisition of a foreign entity are expressed in the functional currency of the acquired company and translated at the exchange rate applying at the reporting date.

Elimination of intra-group transactions

Transactions between consolidated subsidiaries are fully eliminated, as are the corresponding receivables and payables. Similarly, intercompany gains or losses on sales, internal dividends, and provisions relating to subsidiaries are eliminated from consolidated results, except in the case of impairment loss.

1.3 Accounting principles

Business combinations effective before January 1, 2010

The accounting treatments applied to business combinations prior to January 1, 2010 and which may still have an impact at December 31, 2015, are as follows:

- Price adjustments were recognized at the acquisition date if and only if the Group had a current obligation with a likely settlement which could be reliably assessed. Changes in estimations of the amount of the price adjustment affected goodwill. These arrangements continue to be applied to the variations, subsequent to January 1, 2010, of price adjustments in relation to business combinations prior to this date;
- Initially, the commitments to buy-out non-controlling interests were recognized as borrowings at the discounted value of the purchase obligation, with a double entry booked to non-controlling interests and the remainder to goodwill; subsequent changes in the amount of the obligation were recognized by adjusting the amount of goodwill. These arrangements continue to be applied to the subsequent changes to commitments prior to January 1, 2010.

Business combinations effective as of January 1, 2010

Business combinations have been treated in the following manner:

- identifiable assets acquired and liabilities assumed are recognized at their fair value on the acquisition date;

- non-controlling interests in the acquired business (minority interests) are recognized either at fair value or at the proportionate share of recognized identifiable net assets in the acquired business. This option is available on a case-by-case basis for each business combination.

Acquisition costs are recognized as an expense when incurred and are recorded under "Other operating expenses" in the consolidated income statement.

Any earn out payments on business combinations are recognized at fair value on the acquisition date. After the acquisition date, earn out payments are recognized at their fair value on the balance sheet date. As of the end of the period for allocating the acquisition price, which comes one year following the acquisition date at the latest, any change in this fair value is recorded in income. Within this allocation period, any changes in this fair value explicitly linked to events subsequent to the acquisition date are also recognized in income. Other changes are recognized as an offset to goodwill.

At the acquisition date, goodwill represents the difference between:

- the fair value of the transferred asset, including earn out payments, plus the amount of non-controlling interests in the acquired company and, where a business combination occurs in several stages, the fair value at the acquisition date of the interest previously held by the buyer in the acquired company, which is adjusted through income; and
- the net residual value of identifiable assets acquired and liabilities assumed at the acquisition date and recorded at fair value.

Although deferred tax assets were not recognized at the acquisition date because their recoverability was uncertain, any subsequent recognition or utilization of these deferred taxes after the allocation period will be recorded as an offset to income (i.e. with no impact on the amount recorded as goodwill).

BUY-OUT COMMITMENTS TO NON-CONTROLLING INTERESTS UPON BUSINESS COMBINATIONS

Pending an IFRIC interpretation or a specific IFRS standard on this matter, the following accounting treatment has been adopted in accordance with currently applicable IFRS standards and the AMF recommendation:

- initially, these commitments are recognized in borrowings at the present value of the buy-out amount, with a double entry booked in diminution of equity,
- subsequent changes in the value of the commitment (including the effect of discounting) are recognized by adjusting equity on the grounds that it is a transaction between shareholders.

ADDITIONAL ACQUISITION OF SECURITIES WITH THE EXCLUSIVE TAKEOVER OF AN ENTITY PREVIOUSLY UNDER SIGNIFICANT INFLUENCE

The exclusive takeover leads to the recognition of a disposal gain or loss calculated on the entire interest at the transaction date. The previously held interest is thus remeasured at fair value through the income statement at the time of the exclusive takeover.

ADDITIONAL ACQUISITION OF SECURITIES AFTER THE EXCLUSIVE TAKEOVER

When additional securities are acquired in an entity that is already exclusively controlled, the difference between the acquisition price of these securities and the proportion of additional consolidated equity acquired is recognized as equity attributable to shareholders of the parent company of the Group. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

In the statement of cash flows, the acquisition of additional securities in an entity already controlled is presented as net cash flow relating to financing activities.

SALE OF SECURITIES WITHOUT LOSS OF EXCLUSIVE CONTROL

In the event of a partial sale of securities in an exclusively controlled entity that does not modify control of this entity, the difference between the fair value of the sale price of the securities and the proportion of consolidated equity capital that these securities represent at the date of sale is recognized as equity attributable to shareholders in the parent company of the Group. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

In the statement of cash flows, the sale of securities without loss of exclusive control is presented as net cash flow relating to financing activities.

SALE OF SECURITIES WITH LOSS OF EXCLUSIVE CONTROL BUT RETENTION OF AN EQUITY INTEREST

The loss of exclusive control leads to the recognition of a disposal gain or loss calculated on the entire interest held at the transaction date.

Any residual interest is therefore remeasured at fair value through the income statement at the time of the exclusive loss of control.

Research and study costs

Publicis recognizes expenditures for studies and research as expenses attributable to the financial year in which they are incurred. This expenditure primarily relates to the following items: studies and tests relating to advertising campaigns, research programs into consumer behavior and clients' needs in various areas, and studies and modeling to optimize media buying for the Group's clients.

Development expenditures incurred for an individual project are capitalized once they are considered to be reasonably certain of being recovered in the future. Any capitalized expense is amortized over the future period during which the project is expected to generate income.

Goodwill

When a takeover takes place in a single transaction, goodwill is equal to the fair value of the consideration paid to acquire the securities (including any earn out payments which are recorded at fair value at the takeover date), plus the value of non-controlling interests (these items are valued for each business combination either at fair value or at the proportionate share of the fair value of the net assets of the acquired business and minus the fair value of assets, liabilities and contingent liabilities identified at the acquisition date).

Goodwill that is recorded in the balance sheet is not amortized but is instead subject to impairment tests on at least an annual basis. Impairment tests are performed for the cash-generating unit(s) to which goodwill has been allocated by comparing the recoverable value and the carrying amount of the cash-generating unit(s). The Group considers each agency or group of agencies to be a cash-generating unit.

The recoverable value of a cash-generating unit is the greater of its fair value (generally its market value), net of disposal costs, and its value in use. Value in use is determined on the basis of discounted future cash flows. Calculations are based on five-year cash flow forecasts, a terminal growth rate for subsequent cash flows and the application of a discount rate to all future flows. The discount rate used reflects current market assessments of the time value of money and the specific risks to which the cash-generating unit is exposed.

If the carrying amount of a cash-generating unit is higher than its recoverable value, the assets of the cash-generating unit are written down to their recoverable value. Impairment losses are allocated, firstly, to goodwill, and are recognized through the income statement and then against other assets.

Intangible assets

Separately acquired intangible assets are recognized at acquisition cost. Intangible assets acquired in the context of a business combination are recognized at their fair value on the acquisition date, separately from goodwill, if they are identifiable, i.e. if they meet one of the following two conditions:

- the intangible assets arise from legal or contractual rights; or
- the intangible assets can be separated from the acquired entity.

Intangible assets primarily consist of trade names, client relationships, technology, e-mail address databases and software.

Trade names, which are considered to have indefinite useful lives, are not amortized. They are subject to impairment tests, at least once a year, which involve comparing their recoverable value to their carrying amount. Any impairment loss is recorded in the income statement.

Client relationships with a finite useful life are amortized over such useful lives, which are generally between 10 and 40 years. They are also subject to impairment tests if there are any indicators that they may have been impaired.

Technology assets result from the Group's engagement in digital activities. They are amortized over a 3 to 4-year period.

E-mail address databases are used in direct e-mailing campaigns. These databases are amortized over 2 years.

The method used to identify any impairment of intangible assets is based on discounted future cash flows. The Group uses the "royalty savings" method for trade names, which takes into account the future cash flows that the trade name would generate in royalties if a third party were to pay for the use of said trade name. For client contracts, the method involves discounting future cash flows generated by the client. Valuations are carried out by independent appraisers. The parameters used are consistent with those used to measure goodwill.

Capitalized software includes in-house applications as well as commercial packages; it is measured either at its acquisition cost (if purchased externally) or at its production cost (if developed internally). It is amortized over its useful life:

- ERP: 8 years;
- Other: 3 years maximum.

Property, plant and equipment

Items of property, plant and equipment are measured at cost minus accumulated depreciation and impairment loss.

When appropriate, the total cost of an asset is broken down into its various components that have distinct useful lives. Each component is then recognized separately and depreciated over a distinct term.

Items of property, plant and equipment are depreciated on a straight-line basis over each asset's estimated useful life. The useful life of property, plant and equipment is generally assumed to be as follows (straight-line method):

- buildings: 20 to 70 years;
- fixtures, fittings and general installations: 10 years;
- office equipment and furniture: 5 to 10 years;
- vehicles: 4 years;
- IT equipment: 2 to 4 years.

If any indicators suggesting impairment loss exist for items of property, plant and equipment, the recoverable value of the property, plant and equipment or the cash-generating unit(s) to which such assets belong is compared to their carrying amount. Any impairment loss is recorded in the income statement.

Leases

Finance leases, which transfer substantially all the risks and rewards of the ownership of the leased asset to the Group, are recognized in the balance sheet from the beginning of the lease contract at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Assets acquired under finance leases are recognized in property, plant and equipment and a corresponding liability is recognized in borrowings. They are depreciated over the length of the lease contract or over the useful lives applicable to similar assets owned, whichever is shorter. In the income statement, lease rental expenses are replaced by the interest on the debt and the depreciation of the assets. The tax effect of this restatement for consolidation purposes is accounted for through the recognition of a deferred tax asset or liability.

Leases in which the lessor does not transfer substantially all of the risks and rewards of ownership of the leased assets are classified as operating leases. Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease.

Other financial assets

All investments are initially recognized at fair value, which corresponds either to the price paid or the value of assets given in payment, plus any transaction costs.

Subsequent to their initial recognition, investments classified as "investments held for trading" or "available-for-sale financial assets" are measured at their fair value at the reporting date. Gains and losses on investments held for trading are recognized in income. Gains and losses on available-for-sale financial assets are recognized in equity, on a specific line, until the investment is sold or shown to be substantially or permanently impaired.

Other long-term investments held until maturity, such as bonds, are measured at amortized cost using the effective interest rate method. For investments recognized at amortized cost, gains and losses are recognized in the income statement if they are sold or impaired, as well as through the process of amortization.

For investments that are actively traded on organized financial markets, fair value is determined by reference to the published market price at the reporting date. For investments that are not listed on an active market, fair value is determined with reference to the current market price of another substantially similar instrument, or calculated based on the cash flows that are expected from the investment.

Loans and receivables owed by associates and non-consolidated companies

This includes financial receivables from associates or unconsolidated companies held by the Group.

Impairment is recognized whenever there is a risk of non-payment as a result of the financial position of the entity in question.

Inventories and work in progress

This mainly includes work in progress linked to our advertising business, i.e. the technical work involved in the creation and production of advertisements for print, TV, radio, publishing, etc. for which the client is ultimately liable but has not yet been invoiced. They are recognized on the basis of costs incurred and a provision is recorded when their net realizable amount is lower than cost. Un-billable work or costs incurred relating to new client development activities are not recognized as assets, except for tendering expenses which may be re-invoiced to the client under the terms of the contract. In order to assess the net realizable amount, inventory and work in progress are reviewed on a case-by-case basis and written down, if appropriate, on the basis of criteria such as the existence of commercial disputes with the client.

Trade accounts receivable

Receivables are recognized at the initial amount of the invoice. Receivables presenting a risk of non-recovery are subject to impairment. Such allowances are determined, on a case-by-case basis, using various criteria such as difficulties in recovering the receivables, the existence of any disputes and claims, or the financial position of the debtor.

Due to the nature of the Group's activities, trade receivables are of a short-term nature. Nevertheless, any trade receivables of a longer-term nature will be recognized at their discounted value.

Derivative financial instruments

The Group uses derivatives such as foreign currency and interest rate hedges to hedge its current or future positions against foreign exchange rate risks or interest rate risks. These derivatives are measured at fair value, determined either by reference to observable market prices at the reporting date or by the use of valuation models based on market parameters at the reporting date. Including counterparty risk in the valuation of derivatives did not have a material impact.

Whenever these financial instruments are involved in an arrangement treated as a hedge for accounting purposes, the following should be distinguished:

- fair value hedges, which are used to hedge against changes in the fair value of a recognized asset or liability;
- cash flow hedges, which are used to hedge against exposure to changes in future cash flows.

For fair value hedges related to a recognized asset or liability, all gains and losses resulting from the remeasurement of the hedging instrument at fair value are recognized immediately in the income statement. At the same time, any gain or loss on the hedged item will change the carrying amount of this item as an offset to its effect on the income statement.

For hedges used to hedge firm or highly probable future commitments and that meet the conditions for recognition as hedge accounting (future cash flow hedges), the portion of gain or loss realized on the hedging instrument deemed to be an effective hedge is recognized directly in equity. The ineffective portion is recognized immediately in profit and loss. Gains and losses recognized in other comprehensive income are reported in the income statement for the period in which the hedged risk affects income; for example, when a planned sale actually occurs.

As for derivatives that do not qualify for hedge accounting, any gain or loss resulting from changes in their fair value is recognized directly in the income statement for the financial year.

Changes in the fair value of derivatives that qualify as fair value hedges are recognized in other financial income and expenses, as are changes in the value of the underlying items. The fair value of derivative instruments is recognized in other receivables and current assets and in other creditors and current liabilities.

Cash and cash equivalents

Cash and cash equivalents include sight deposits, cash, short-term deposits with initial maturity of three months or less and UCITS and money market funds with a negligible risk of a change in value, i.e. that meet the following criteria: sensitivity to interest rate risk less than or equal to 0.25 and 12-month historical volatility of close to zero.

For the purposes of the statement of cash flows, "cash" includes cash and cash equivalents as defined above, net of bank overdrafts.

Treasury shares

Irrespective of their intended use, all treasury shares are recognized at their acquisition price by the Group as a deduction from equity.

Bonds

- Bonds redeemable in cash:

  The bonds are initially recognized at their fair value, which corresponds to the amount of cash received, net of issuance costs.

  Subsequent to initial recognition, bonds are recognized at their amortized cost, using the effective interest rate method, which takes into account all issuance costs and any redemption premium or discount.
- Convertible bonds and debentures redeemable for stock:

For convertible bonds (Océane) or debentures (Orane), or debentures with warrants (OBSA), the liability and equity components are initially recognized separately. The fair value of the debt component at issuance is determined by discounting the future contractual cash flows at market rates that the Company would have had to pay on an instrument offering the same terms but without a conversion option.

The equity component is measured on issuance by deducting the fair value of the debt component from the fair value of the bond as a whole. The value of the conversion option is not revised during subsequent financial years.

Issuance costs are divided between the debt and equity components based on their respective carrying amounts at issuance.

The debt component is subsequently measured at amortized cost.

Provisions

Provisions are funded when:

- the Group has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- the amount of the outflow can be estimated reliably. Where the effect of the time value of money is material, provisions are discounted to present value. Increases in the amount of provisions resulting from the unwinding of the discount are recognized as financial expenses.
- Contingent liabilities are not recognized but, if material, are disclosed in the notes to the financial statements, except in the case of business combinations where they constitute identifiable items for recognition.
- Provisions for litigation and claims:

  The Group recognizes a provision in each case where a risk related to litigation or a claim of any type (commercial, regulatory, tax or employee related) is identified, where it is probable that an outflow of resources will be necessary to extinguish this risk and where a reliable estimate of the costs to be incurred can be made. In such cases, the amount of the provision (including any related penalties) is determined by the agencies and their experts, under the supervision of the Group's head office teams, on the basis of their best estimate of the probable costs related to the litigation or the claim.
- Restructuring provisions:

  The total cost of restructuring is recognized in the financial year that these actions were approved and announced.

  In the context of an acquisition, restructuring plans that do not constitute liabilities for the acquired company on the date of the acquisition are recognized as expenses.

  These costs consist primarily of severance and early retirement payments and notice periods that have not been worked, which are recognized in employee benefits expenses, and, in some cases, of write-downs of property, plant and equipment and other assets.
- Vacant property provisions:

  A provision is recognized for the amount of rent and related charges to be paid, net of any sublease revenue to be received, for all buildings that are sublet or vacant and not intended to be used in the context of the Group's principal activities.

  In the context of business combinations, provisions are also recorded when the acquired company has property rental contracts with less favorable terms than those prevailing on the market as of the acquisition date.

Pensions and other retirement benefits

The Group recognizes obligations relating to pensions and other post-employment benefits based on the type of plan in question:

- defined contribution plans: the amount of the Group's contribution to the plan is recognized as an expense during the period;
- defined benefit plans: the commitment in respect of defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses relating to post-employment plans and arising during the year are recorded directly in other comprehensive income. The effect of the unwinding of discounts on pension obligations net of the expected return on plan assets is recorded in "Other financial income and expenses". Various plan administrative expenses are, when directly billed to the Group, recognized under operating income.

Trade payables

This line item includes all operating payables (including notes payable and accrued supplier invoices) related to the purchase of goods and services including those related to media buying where the Company acts as agent. These payables are generally due within less than one year.

Revenue

Written confirmation from the customer (purchase order, letter, contract, etc.) specifying the nature and amount of the work to be performed is required prior to the recognition of revenue. The Group's revenue recognition policies are summarized below:

- commission-based agreements (excluding production):

  revenue from creative advertising and media buying services is recognized on the date of broadcast or publication;
- fees (project-based agreements, fixed-fee agreements, time-based agreements, etc.):

  revenue from project-based agreements is recognized once the service has been rendered. Revenue under fixed-fee agreements is recognized on a straight-line basis, which reflects the nature and the scope of the services rendered. Revenue under time-based agreements is recognized on the basis of work done;
- fees based on performance criteria:

  revenue is recognized when the performance criteria have been met and the customer has confirmed its agreement.

In most of its transactions, Publicis acts as an agent for its clients. For these, Publicis calculates the net amount earned, and any expenses incurred with third-party suppliers are excluded from revenue. In certain instances, Publicis acts as the "principal", such as for example when the contract is signed directly with media suppliers. In these circumstances, Publicis recognizes the gross amount invoiced as revenue.

Publicis Groupe stock option plans

The fair value of the options granted is recognized in employee benefits expense over the vesting period of the options. It is determined by an independent expert, generally using the Black-Scholes model, except in cases where the plan contains market objectives in which case the Monte-Carlo method is used.

For plans containing non-market performance objectives, the Group evaluates the probability that the objectives will be achieved and takes account of this estimate in its calculation of the number of shares to be issued.

Publicis Groupe free share plans

The fair value of the free shares granted is recognized in employee benefits expense over the vesting period of the rights. This value is determined by an independent expert and is equal to the market price per share on the date of the award, adjusted to reflect the expected loss of dividend(s) during the vesting period.

For plans containing non-market performance objectives, the Group evaluates the probability that the objectives will be achieved and takes account of this estimate in its calculation of the number of shares to be issued.

Non-current income and expenses

In order to facilitate the analysis of the Group's operational performance, Publicis records exceptional income and expenses under "Non-current income and expenses". This line item mainly includes gains and losses on the disposal of assets.

Operating margin before depreciation and amortization

The operating margin is equal to revenue after deducting personnel expenses, other operating expenses (excluding other non-current income and expenses as defined above).

Operating margin

The operating margin is equal to revenue after deducting personnel expenses, other operating expenses (excluding other non-current income and expenses described above) and depreciation and amortization expense (excluding intangibles from acquisitions). The operating margin, which represents operating income expressed as a percentage of revenue, is an indicator used by the Group to measure the performance of cash-generating units and of the Group as a whole.

Cost of net financial debt and other financial income and expenses

The cost of net financial debt includes financial expenses on borrowings and interest income on cash and cash equivalents.

Other financial income and expenses mainly include the effects of unwinding discounts on vacant property and pension provisions (net return on plan assets), the effect of revaluation of earn-out payments on acquisitions, changes in the fair value of derivatives and foreign exchange gains and losses.

Income tax

Net income for the period is taxed based on the tax laws and regulations in force in the respective countries where the income is reported. Deferred taxes are reported using the balance sheet liability method for temporary differences between the tax value and the carrying amount of assets and liabilities at the reporting date.

Deferred tax assets are recognized for deductible temporary differences, tax loss carryforwards and unused tax credits to the extent that it is probable that there will be taxable income for the period (either from the reversal of the temporary differences or generated by the entity) against which such items can be charged in future years.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that there will be sufficient taxable income for the period to take advantage of all or part of this deferred tax asset. Deferred tax assets that are unrecognized are measured on every reporting date and recognized if it is likely that they will be usable against future taxable income for the period.

Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applicable in the year in which the asset is realized or the liability settled. The tax rates used are those that have been enacted, or virtually enacted, at the reporting date.

Earnings per share and diluted earnings per share (EPS and diluted EPS)

Earnings per share are calculated by dividing net income for the financial year attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the period, including the effect of the redemption of Orane in shares, as Orane are contractually redeemable in ordinary shares.

Diluted earnings per share are calculated by dividing net income for the financial year attributable to ordinary shares, after cancellation of interest on bonds redeemable for, or convertible into, ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year adjusted to reflect the effect of options, free shares granted, outstanding warrants and the conversion of bonds convertible into shares (Océane). The calculation of diluted earnings per share reflects only instruments that are dilutive, i.e. that reduce earnings per share.

For Publicis Groupe stock options, free shares and warrants, the method applied is set forth below.

For the calculation of diluted earnings per share, all dilutive options and warrants are assumed to have been exercised and the free shares actually received.

The proceeds from the exercise of these instruments are deemed to have been received with the issue of ordinary shares at the average market price for ordinary shares during the period. That issue, which is presumed to be measured at fair value, is neither dilutive nor accretive and is not included in the calculation of diluted earnings per share. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at average market price must be treated as an issue of ordinary shares without proceeds and therefore as dilutive. This number is added to the denominator in the diluted earnings per share ratio.

Hence, options and warrants are dilutive only when the average price per share of ordinary shares during the period exceeds the options' or warrants' strike price (i.e. when they are "in the money").

In addition to these earnings per share (base and diluted), the Group calculates and regularly releases a "current" base and diluted EPS, similar to the one described above, except with respect to the earnings figure used, which excludes:

- the items "Impairment loss" and "Amortization expense of intangibles from acquisitions";
- the effect of the revaluation of earn out payments on acquisitions recorded under "Other financial income and expenses";
- certain specifically designated items of exceptional income and expense generally recorded as "Non-current income and expenses".

1.4 Principal sources of uncertainty arising from the use of estimates

The Group's financial position and earnings depend on the accounting methods applied and the assumptions, estimates and judgments made when the consolidated financial statements are prepared. The Group bases its estimates on its past experience and on a series of other assumptions considered reasonable under the circumstances to measure the amounts to be used for the Group's assets and liabilities. Actual outcomes may, however, vary significantly from these estimates.

The characteristics of the main accounting policies, judgments and other uncertainties affecting the application of these accounting policies, together with the sensitivity of the results to changes in circumstances and assumptions associated with them are factors to be taken into consideration. The Group makes estimates and assumptions regarding the future. The accounting estimates will, by definition, rarely be exactly the same as the related actual outcomes.

The main assumptions concerning future events and other sources of uncertainty, relate to the use of estimates on the reporting date, when there is a significant risk that the estimates of the net carrying amount of the assets and liabilities will be modified in future years, i.e.:

- the fair value allocated to assets and liabilities obtained through business combinations;
- the calculation of the recoverable value of goodwill and intangible assets used for impairment tests;
- provisions for liabilities and charges, particularly for defined benefit pension liabilities and post-employment medical care;
- impairment of doubtful receivables;
- the fair-value measurement of stock options awarded under Publicis Groupe SA's stock option plans.

Detailed disclosures concerning these matters are provided in Notes 5, 20, 21, 26 and 28 below.

Note 2 Changes in the scope of consolidation

2.1 Acquisitions in 2015

On November 3, 2014, Publicis Groupe announced the signing of an agreement relating to the acquisition of Sapient Corporation for a cash amount of US dollar 25 per Sapient Corporation share. The public tender offer is dated November 12, 2014.

Full regulatory clearance was obtained on February 4, 2015, allowing the offer to be completed on February 6, 2015, for a total amount of US dollar 3,676 million (equal to euro 3,211 million). This amount breaks down into euro 3,077 million paid for the buyback of all outstanding shares and euro 134 million paid for the buyback of the rights giving access to capital held by the employees of Sapient Corporation and/or its subsidiaries (pursuant to the "Agreement and Plan Merger" signed on November 1, 2014 by Publicis Groupe and Sapient Corporation).

Sapient is a global services company that assists its clients in their digital transformation in the fields of marketing, omni-channel commerce and consulting. This transaction provides Publicis Groupe with access to new markets and new sources of revenue and allows it to simultaneously achieve a number of the following objectives: strengthening its position as a digital leader and generating 50% of its revenue from digital business and technology three years earlier than set out in the 2018 strategic plan. Furthermore, its technological and consulting expertise will enable it to enter new business sectors.

The main sources of financing used in the acquisition of Sapient Corporation were as follows:

- Eurobond 2021 for euro 700 million swapped to US dollar;
- Eurobond 2024 for euro 600 million swapped to US dollar;
- medium-term loan originally granted for the amount of US dollar 1,600 million recorded in the consolidated balance sheet at euro 1,458 million as at December 31, 2015.

The allocation of the consideration paid was as follows at December 31, 2015:

(in millions of euros)	Sapient Corporation
CONSIDERATION PAID (A)	**3,211**
Non-current assets	199
Current assets excluding cash and cash equivalents	368
Cash and cash equivalents	294
TOTAL ASSETS (B)	**861**
Non-current liabilities	67
Current liabilities	360
TOTAL LIABILITIES (C)	**427**
NET ASSETS ACQUIRED BEFORE FAIR VALUE ADJUSTMENT(1) (D = B - C)	**434**
Trade name	295
Client relationships	224
Technological applications	40
TOTAL INTANGIBLE ASSETS	**559**
Other adjustments	9
Deferred and current income tax(2)	(247)
TOTAL FAIR VALUE ADJUSTMENTS (E)	**321**
NET ASSETS ACQUIRED AFTER FAIR VALUE ADJUSTMENTS (F = D + E)	**755**
GOODWILL (G = A - F)	**2,456**

(1) Excluding goodwill and intangible assets from prior acquisitions
(2) This amount primarily relates to deferred tax liabilities pertaining to the recognition of intangible assets for euro 201 million and the taxation of dividends of international subsidiaries (excluding USA) for euro 55 million. The remainder corresponds to the adjustment of other tax assets and liabilities.

Residual goodwill of euro 2,456 million includes:

- employee expertise;
- organizational know-how manifested in efficient internal processes;
- commercial know-how with regard to how better to sell the services and trade name to customers;
- the ability to maintain and develop existing assets;
- the ability to generate new opportunities through the development of new customers and new technology.

The other main acquisitions in the year were as follows:

- in March 2015, the Group acquired Expicient Inc. outright;
- in June 2015, the Group acquired Tardis Medical UK outright;
- in September 2015, the Group acquired The Creative Counsel outright;
- in October 2015, the Group acquired Langland outright;
- in December 2015, the Group acquired a specialist healthcare communications business from PDI, Inc.

The fair value, at the acquisition date, of the consideration paid (excluding cash and cash equivalents acquired) of all entities that were fully consolidated (notably including the ones detailed above, as well as smaller acquisitions) with an exclusive takeover during the period, totaled euro 3,634 million. This amount mainly includes:

- euro 3,410 million paid out during the period;
- euro 211 million in earn out payment commitments;
- euro 13 million in commitments to buy-out non-controlling interests;

The amount paid out for acquisitions in 2015 (net of cash and cash equivalents acquired) totaled euro 3,265 million and includes:

- euro 3,410 million paid out during the period;
- euro (325) million in acquired net cash and cash equivalents;

- euro 180 million in earn out payments paid out during the period.

Total acquisitions made over the period contributed less than 13% to consolidated revenue and comprised 13% of net income attributable to equity holders of the parent company.

2.2 Acquisitions in 2014

There was no significant takeover (individually or taken together) during the period.

The main acquisitions in the year were as follows:

- in July 2014, the Group acquired Proximedia outright;
- in September 2014, the Group acquired Nurun outright.

The fair value, at the acquisition date, of the consideration paid (excluding cash and cash equivalents acquired) of all entities that were fully consolidated (notably including the ones detailed above, as well as smaller acquisitions) with an exclusive takeover during the period, totaled euro 492 million. This amount mainly includes:

- euro 308 million paid out during the period;
- euro 175 million in earn out payment commitments;
- euro 6 million in commitments to buy-out non-controlling interests;
- euro 3 million equal to the fair value of unconsolidated securities as of the date of the takeover.

The amount paid out for acquisitions in 2014 (net of cash and cash equivalents acquired) totaled euro 403 million and includes:

- euro 308 million paid out during the period;
- euro (8) million in acquired net cash and cash equivalents;
- euro 103 million in earn out payments.

All acquisitions made over the period represented less than 2% of consolidated revenue and consolidated net income attributable to equity holders of the parent company.

2.3 Disposals in 2015 and 2014

No significant disposals were made during 2015 and 2014.

Companies sold contributed no more than 0.5% of revenue and consolidated net income attributable to equity holders of the parent company in 2015. This was the same in 2014.

Note 3 Personnel expenses and headcount

Personnel expenses include salaries, commissions, employee profit sharing, vacation pay and bonus estimation. They also include expenses related to stock option and free share plans and expenses related to pensions (excluding the net effect of unwinding the discount on benefit obligations, which is included in other financial income and expenses).

(in millions of euros)	2015	2014
Compensation	(4,705)	(3,504)
Social security charges	(685)	(569)
Post-employment benefits	(146)	(103)
Share-based payments	(38)	(35)
Temporary employees and freelancers	(414)	(295)
TOTAL	**(5,988)**	**(4,506)**

Changes in and breakdown of headcount

BY REGION

	2015	2014
Europe	22,135	20,460
North America	25,554	22,030
Asia Pacific	21,267	12,710
Latin America	5,562	5,827
Middle East & Africa	3,056	2,594
TOTAL	**77,574**	**63,621**

BY FUNCTION (AS A %)

	2015	2014
Account planning and management	20%	21%
Creative	15%	17%
Media and research	17%	20%
Specialized production activities and other	33%	27%
Administration and management	15%	15%
TOTAL	**100%**	**100%**

Note 4 Other operating expenses

Other operating expenses include all external charges other than production and media buying. They include rent, other lease expenses and other expenses related to the occupation of premises amounting to euro 502 million in 2015, compared to euro 395 million in 2014. They also include taxes (other than income taxes) and similar payments, as well as additions to and reversals of provisions.

Note 5 Depreciation, amortization and impairment expense

(in millions of euros)	2015	2014
Amortization of other intangible assets (excluding intangibles from acquisitions)	(17)	(15)
Depreciation of property, plant and equipment	(157)	(110)
DEPRECIATION AND AMORTIZATION EXPENSE (EXCLUDING INTANGIBLES ARISING FROM ACQUISITIONS)	**(174)**	**(125)**
AMORTIZATION OF INTANGIBLES FROM ACQUISITIONS	**(89)**	**(51)**
Impairment expense of intangibles from acquisitions	(28)	(4)
Goodwill impairment expense	-	(68)
IMPAIRMENT EXPENSE	**(28)**	**(72)**
TOTAL DEPRECIATION, AMORTIZATION AND IMPAIRMENT EXPENSE	**(291)**	**(248)**

Impairment of intangibles from acquisitions

Impairment tests were carried out on all of the Group's trade names recognized on acquisition. Client relationships were also tested for impairment. All valuations required for these impairment tests were conducted by an independent expert.

At December 31, 2015, the after-tax discount rates used in the valuations ranged from 8% to 16%. They are determined on the basis of the specific characteristics belonging to each asset undergoing impairment testing.

These tests resulted in the Group recognizing a euro 28 million impairment loss in 2015:

- euro 17 million for the Rosetta trade name, with a recoverable amount after impairment of euro 28 million, assuming an after-tax discount rate of 9.5% and a terminal growth rate of 3%;
- euro 11 million for the BBH Neogama agency relationship, with a recoverable amount after impairment of euro 2 million, assuming an after-tax discount rate of 16% and a terminal growth rate of 4%.

At December 31, 2014, the after-tax discount rates used in the valuations ranged from 8.5% to 14.5%.

These tests resulted in the Group recognizing a euro 4 million impairment loss in 2014.

Goodwill impairment

Impairment tests were performed on the cash-generating units, which consist of agencies or combinations of agencies.

The valuations required for the impairment tests on goodwill were conducted by an independent expert. The goodwill impairment tests were carried out on the basis of the value in use of the cash-generating units, which was determined based on five-year financial forecasts (2016-2020). Forecasts for 2016 are taken directly from the annual budget approved by management.

At December 31, 2015, the after-tax discount rates used ranged from 8.5% (11.5% before tax) to 11% (15% before tax). The terminal growth rate used in the forecasts ranged from 2.0% to 3.0%.

These tests resulted in no impairment loss being recognized by the Group in 2015.

The main assumptions used in these tests are presented in the table below:

	2015			2014		
(in millions of euros)	Carrying amount of goodwill	After-tax discount rate	Terminal growth rate	Carrying amount of goodwill	After-tax discount rate	Terminal growth rate
Publicis Worldwide	1,147	9.5%	2.0%	1,020	10%	2.0%
Leo Burnett	1,393	9.0%	2.0%	1,296	9.5%	2.0%
Zenith Optimedia	879	8.5%	2.5%	742	9.0%	2.5%
Starcom	963	8.5%	2.5%	927	9.0%	2.5%
Publicis.Sapient	3,931	10%	3.0%(1)	n/a	n/a	n/a
MSL Group	737	10.5%	2.5%	683	10.5%	2.5%
Other goodwill	1,161	9.5% - 11%	2.0%	2,338	9.5% - 12%	2.5% - 3%
TOTAL GOODWILL	**10,211**			**7,006**		

(1) As historical performance and market research forecasts have shown, growth in advertising expenditure in the United States' digital sector is particularly strong (annual growth is generally between 10% and 20% depending on the year). Consequently, it was assumed that the market was not yet fully mature at the end of the forecast period.

The sensitivity tests performed show that there is no impact on the impairment charge of the Group's cash-generating units, with the exception of the MSL agency network and the Publicis.Sapient platform, for which:

- an increase in the discount rate of 100 basis points would result in the Group recognizing an impairment loss of euro 77 million for the MSL agency network and euro 629 million for Publicis.Sapient;
- a decrease in the terminal growth rate of 50 basis points would result in the Group recognizing an impairment loss of euro 22 million for the MSL agency network and euro 247 million for Publicis.Sapient.

At December 31, 2014, the after-tax discount rates used in the valuations ranged from 9.0% (12% before tax) to 12.0% (16.5% before tax). The terminal growth rate used in the forecasts ranged from 2.0% to 3.0%.

These tests resulted in the Group recognizing a euro 68 million impairment loss in 2014, including:

- euro 23 million for the BBH Neogama agency network, with a recoverable amount after impairment of euro 233 million assuming an after-tax discount rate of 11.0% and a terminal growth rate of 2.5%;
- euro 45 million for the MSL agency network, with a recoverable amount after impairment of euro 736 million assuming an after-tax discount rate of 10.5% and a terminal growth rate of 2.5%.

Note 6 Non-current income and expenses

This covers non-recurring income and expenses. This line item mainly includes gains and losses on the disposal of assets.

(in millions of euros)	2015	2014
Capital gains (losses) on disposal of assets	7	9
Non-current income and (expenses)	1	1
TOTAL NON-CURRENT INCOME AND (EXPENSES)	**8**	**10**

In 2015, this mainly included a euro 4 million gain on the partial disposal of FCPR and a euro 2 million gain on the disposal of Dentsu Razorfish.

In 2014, capital gains (losses) on the disposal of assets primarily included a euro 4 million gain on the partial disposal of FCPR, and the euro 3 million revaluation of the previously held interest in Medianet (previously accounted for under the equity method) at the time of the takeover.

Note 7 Financial income and expenses

(in millions of euros)	2015	2014
Interest expense on loans and bank overdrafts[(1)]	(98)	(38)
Interest expense on finance leases	(11)	(10)
Financial expenses	**(109)**	**(48)**
Financial income	35	25
COST OF NET FINANCIAL DEBT	**(74)**	**(23)**
Foreign exchange gains (losses) and change in the fair value of currency derivatives	8	1
Financial expense related to unwinding of discount on long-term vacant property provisions	(3)	-
Net financial expense related to the discounting of pension provisions	(9)	(7)
Revaluation of earn-out payments on acquisitions	(12)	1
Dividends received from unconsolidated companies	-	-
Reversal of bad loan provision	1	-
OTHER FINANCIAL INCOME AND (EXPENSES)	**(15)**	**(5)**
TOTAL NET FINANCIAL INCOME AND (EXPENSES)	**(89)**	**(28)**

(1) Including the revaluation of interest rate swaps and bonds in respect of fair value hedges see Note 22

Note 8 INCOME TAXES

Analysis of income tax expense

(in millions of euros)	2015	2014
Current tax expense for the period	(272)	(290)
Current tax income for previous years	15	11
TOTAL TAX INCOME/(EXPENSE)	(257)	(279)
Deferred tax income/(expense)	(131)	(43)
Changes in unrecognized deferred tax assets	2	11
TOTAL NET DEFERRED TAX INCOME /(EXPENSE)	(129)	(32)
INCOME TAXES	**(386)**	**(311)**

Effective tax rate

The effective tax rate is obtained as follows:

(in millions of euros)		2015	2014
PRE-TAX INCOME OF CONSOLIDATED COMPANIES	A	1,289	1,041
Goodwill impairment (see Note 5)			68
RESTATED PRE-TAX INCOME OF CONSOLIDATED COMPANIES	B	1,289	1,109
French tax rate applicable to the parent company		34.43%	34.43%
Expected tax expense on Pre-tax income of consolidated companies:		**(444)**	**(358)**
Impact of:			
• difference between the French tax rate and foreign tax rates		79	51
• changes in unrecognized deferred tax assets		2	11
• other impacts[(1)]		(23)	(15)
INCOME TAX IN THE INCOME STATEMENT	C	(386)	(311)
EFFECTIVE TAX RATE ON PRE-TAX INCOME OF CONSOLIDATED COMPANIES	C/A	29.9%	29.9%
EFFECTIVE TAX RATE	**C/B**	**29.9%**	**28.0%**

(1) Other impacts mainly include those related to permanent differences, income taxed at reduced rates, adjustments to previous financial years. In addition, other impacts also include the provisory additional contribution of 10.7% on the taxable income of the French entities, which does not exist in 2015 and represents an expense of euro 1 million in 2014.

Tax effect on other comprehensive income

	December 31, 2015			December 31, 2014		
(in millions of euros)	Gross	Tax	Net	Gross	Tax	Net
Fair value adjustments to available-for-sale investments	5	-	5	5	-	5
Actuarial gains and losses on defined benefit plans	4	(1)	3	(43)	12	(31)
Effect of translation and other	156	-	156	338	(30)	308
TOTAL	**165**	**(1)**	**164**	**300**	**(18)**	**282**

Schedule of deferred taxes recognized in the balance sheet

(in millions of euros)	December 31, 2015	December 31, 2014
Short-term (less than one year)	95	90
Long-term (over one year)	(592)	(317)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(497)**	**(227)**

Source of deferred taxes

(in millions of euros)	December 31, 2015	December 31, 2014
Deferred tax on adjustment of asset and liability valuations due to acquisitions	(435)	(244)
Deferred tax arising on the restatement of the Champs-Elysées building	(51)	(52)
Deferred tax on hybrid bonds	-	8
Deferred tax on pensions and other post-employment benefits	66	55
Deferred tax arising on tax loss carryforwards	251	174
Deferred tax on other temporary differences	(155)	(63)
GROSS DEFERRED TAX ASSETS (LIABILITIES)	**(324)**	**(122)**
Unrecognized deferred tax assets	(173)	(105)
NET DEFERRED TAX ASSETS (LIABILITIES)	**(497)**	**(227)**

As at December 31, 2015, deferred tax liabilities included tax on the revaluation of intangible assets made at the time of the acquisition of Zenith (euro 20 million), Bcom3 (euro 173 million), Digitas (euro 67 million) and Sapient (euro 199 million), as well as deferred tax linked to the fair value being deemed as the cost of the Champs-Elysées land and building on the date of transition to IFRS.

Tax loss carryforwards

The Group also had tax loss carryforwards that had not been recognized as deferred tax assets in the consolidated balance sheet because of uncertainty as to their availability for use:

(in millions of euros)	December 31, 2015	December 31, 2014
AMOUNT OF UNRECOGNIZED TAX LOSS CARRYFORWARDS	**532**	**349**
Of which carried forward indefinitely	413	224

Tax provisions

The Group's tax positions are based on its interpretations of tax regulations and past experience. Each position is assessed individually without offsetting or aggregation with other positions and gives rise to the recognition of a liability when an outflow of resources is deemed probable. The assessment of these tax liabilities corresponds to the best estimate of risk at the reporting date and, where appropriate, includes late-payment interest and any penalties.

Liabilities pertaining to tax risks and litigation are recognized with provisions for risks and litigation (see Note 20) and include euro 119 million in respect of income tax and euro 60 million relating to other taxes and levies.

Note 9 Earnings per share

Earnings per share (basic and diluted)

(in millions of euros, except for share data)		2015	2014
Net income used for the calculation of earnings per share			
Group net income	**a**	**901**	**720**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Group net income – diluted	**b**	**901**	**720**
Number of shares used to calculate earnings per share			
Number of shares at January 1		221,203,857	216,023,378
Shares created over the period		792,984	1,750,294
Treasury shares to be deducted (average for the year)		(6,096,348)	(8,175,360)
Shares to be issued to redeem the Orane		6,776,644	14,270,048
Average number of shares used for the calculation	c	222,677,137	223,868,360
Impact of dilutive instruments:			
• Free shares and dilutive stock options[1]		2,416,360	2,780,749
• Equity warrants[1]		924,521	1,103,921
• Shares resulting from the conversion of convertible bonds		-	19,449
Number of diluted shares (in euros)	**d**	**226,018,018**	**227,772,479**
(in euros)			
EARNINGS PER SHARE	**a/c**	**4.05**	**3.22**
DILUTED EARNINGS PER SHARE	**b/d**	**3.99**	**3.16**

(1) Only stock options and warrants with a dilutive impact, i.e. whose strike price is lower than the average strike price, are included in the calculation. In 2015, all stock options and warrants not yet exercised at the reporting date had a dilutive impact.

Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)		2015	2014
Net income used to calculate headline earnings per share[1]			
Group net income		**901**	**720**
Items excluded:			
• Amortization of intangibles from acquisitions, net of tax		61	33
• Impairment, net of tax		18	71
• Revaluation of earn-out payments		12	[1]
• Publicis/Omnicom merger costs (2014 reversal), Sapient acquisition costs, net of tax		-	6
Headline Group net income	**e**	**992**	**829**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Group net income, diluted	**f**	**992**	**829**
Number of shares used to calculate earnings per share			
Number of shares at January 1		**221,203,857**	**216,023,378**
Shares created over the period		792,984	1,750,294
Treasury shares to be deducted (average for the year)		(6,096,348)	(8,175,360)
Shares to be issued to redeem the Orane		6,776,644	14,270,048
Average number of shares used for the calculation	**c**	**222,677,137**	**223,868,360**
Impact of dilutive instruments:			
• Free shares and dilutive stock options		2,416,360	2,780,749
• Equity warrants		924,521	1,103,921
• Shares resulting from the conversion of convertible bonds		0	19,449
Number of diluted shares	**d**	**226,018,018**	**227,772,479**
(in euros)			
HEADLINE EARNINGS PER SHARE[1]	**e/c**	**4.45**	**3.70**
HEADLINE EARNINGS PER SHARE – DILUTED[1]	**f/d**	**4.39**	**3.64**

(1) EPS after elimination of the impairment losses, amortization of intangibles from acquisitions, the main capital gains and losses on disposal of assets, the revaluation of earn-out payments, and in 2014, Sapient acquisition costs and the Publicis/Omnicom merger costs.

Note 10 Goodwill

Changes in goodwill

(in millions of euros)	Gross amount	Impairment[2]	Net amount
JANUARY 1, 2014	**6,268**	**(145)**	**6,123**
Acquisitions	455	-	455
Impairment expense	-	(68)	(68)
Changes related to the recognition of commitments to buy-out non-controlling interests[1]	(5)	-	(5)
Translation adjustments and other	509	(8)	501
DECEMBER 31, 2014	**7,227**	**(221)**	**7,006**
Acquisitions	2,796	-	2,796
Changes related to the recognition of commitments to buy-out non-controlling interests[1]	2	-	2
Disposals and derecognition	(3)	-	(3)
Translation adjustments and other	410	-	410
DECEMBER 31, 2015	**10,432**	**(221)**	**10,211**

(1) See Note 1.3 for the accounting treatment of commitments to purchase non-controlling interests.
(2) See Note 5.

The analysis of goodwill by geographic area is described in Note 27 and by agency network in Note 5.

Note 11 Intangible assets, net

Changes in intangible assets

(in millions of euros)	Intangible assets with a finite useful life		Intangible assets with an indefinite useful life	Total intangible assets
	Client relationships	Software, technology and other	Brands	
GROSS VALUE AT JANUARY 1, 2014	**811**	**254**	**564**	**1,629**
Acquisitions	-	21	-	21
Disposals and derecognition	-	(61)	-	(61)
Translation adjustments and other	76	(8)	73	141
GROSS VALUE AT DECEMBER 31, 2014	**887**	**206**	**637**	**1,730**
Acquisitions	235	96	310	641
Disposals and derecognition	-	(12)	-	(12)
Translation adjustments and other	49	29	72	150
GROSS VALUE AT DECEMBER 31, 2015	**1,171**	**319**	**1,019**	**2,509**
ACCUMULATE AMORTIZATION ON DECEMBER 31, 2014	**(554)**	**(165)**	**(56)**	**(775)**
Amortization	(70)	(40)	-	(110)
Impairment expense	(11)	-	(17)	(28)
Disposals and derecognition	-	9	-	9
Translation adjustments and other	(31)	(26)	(7)	(64)
ACCUMULATE AMORTIZATION ON DECEMBER 31, 2015	**(666)**	**(222)**	**(80)**	**(968)**
NET AMOUNT AT DECEMBER 31, 2015	**505**	**97**	**939**	**1,541**

Valuation of intangible assets

Valuation tests carried out by an independent expert at the close of the 2014 and 2015 fiscal years resulted in the Group recognizing impairment losses of euro 28 million in 2015 and euro 4 million in 2014 (see Note 5).

Note 12 Property, plant and equipment, net

(in millions of euros)	Land and buildings	Fixtures and fittings	IT equipment	Other	Total
GROSS VALUE AT JANUARY 1, 2014	**265**	**450**	**284**	**342**	**1,341**
Increases	-	30	38	43	111
Decreases	(6)	(30)	(43)	(24)	(103)
Changes to consolidation scope	-	3	6	40	49
Translation adjustments and other	11	35	21	14	81
GROSS VALUE AT DECEMBER 31, 2014	**270**	**488**	**306**	**415**	**1,479**
Increases	-	81	46	48	175
Decreases	-	(25)	(36)	(26)	(87)
Changes to consolidation scope	(1)	57	59	34	149
Translation adjustments and other	10	24	19	25	78
GROSS VALUE AT DECEMBER 31, 2015	**279**	**625**	**394**	**496**	**1,794**
ACCUMULATED DEPRECIATION ON DECEMBER 31, 2014	**(55)**	**(365)**	**(237)**	**(270)**	**(927)**
Increases	(4)	(53)	(50)	(47)	(154)
Decreases	-	24	35	32	91
Changes to consolidation scope	1	(27)	(43)	(21)	(90)
Translation adjustments and other	(5)	(23)	(14)	(12)	(54)
ACCUMULATED DEPRECIATION ON DECEMBER 31, 2015	**(63)**	**(444)**	**(309)**	**(318)**	**(1,134)**
NET AMOUNT AT DECEMBER 31, 2015	**216**	**181**	**85**	**178**	**660**

Land and buildings

On December 31, 2015, the net amount of the property assets directly owned by Publicis listed on the balance sheet was euro 163 million.

The Group's main property asset is its corporate headquarters located at 133, avenue des Champs-Elysées, in Paris, France. This seven-story building includes around 12,000 square meters of office space occupied by Group companies, and 1,500 square meters of commercial space, occupied by Publicis Drugstore and two public movie theaters.

Other property, plant and equipment

The Group owns a considerable array of IT equipment used for the creation and production of advertising, the management of media buying and administrative work.

Assets under finance lease

The total net amount of assets under finance lease in the consolidated balance sheet stood at euro 53 million on December 31, 2015.

These mainly concern the Leo Burnett building at 35 West Wacker Drive in Chicago, Illinois, USA. The finance lease on this building represents a gross amount of euro 98 million depreciated over 30 years.

The following are the amounts related to finance leases included under property, plant and equipment:

(in millions of euros)	December 31, 2015	December 31, 2014
Gross value of buildings	100	92
Depreciation	(47)	(41)
NET AMOUNT	**53**	**51**

Note 13 Investments in associates

Investments accounted for using the equity method amounted to euro 116 million on December 31, 2015 (versus euro 36 million on December 31, 2014).

(in millions of euros)	Value in balance sheet
AMOUNT ON JANUARY 1, 2014	**28**
Acquisitions	9
Disposals	(3)
Share of profit of associates	4
Dividends paid	(1)
Effect of translation and other	(1)
AMOUNT ON DECEMBER 31, 2014	**36**
Acquisitions	68
Disposals	(2)
Share of profit of associates	8
Dividends paid	(2)
Effect of translation and other	8
AMOUNT ON DECEMBER 31, 2015	**116**

The Group's main investments in associates are Jana Mobile, Burrell Communications, Somupi and Matomy Media Group. As at December 31, 2015, the carrying amounts of these four associates amounted to euro 19 million, 6 million, 5 million, and 70 million, respectively.

Note 14 Other financial assets

Other financial assets mainly include investments classified as "available for sale".

(in millions of euros)	December 31, 2015	December 31, 2014
Available-for-sale financial assets		
Matomy Media Group securities(1)	-	67
Venture Capital Fund(2)	63	52
Other	18	9
Security deposits	37	22
Loans to non-consolidated companies	18	13
Loans and receivables owed by associates and non-consolidated companies	12	11
Other	50	56
Gross value	**198**	**230**
Impairment	(24)	(35)
NET AMOUNT	**174**	**195**

(1) Investments reclassified as associates in 2015.
(2) These Venture Capital Funds are dedicated to businesses that create value in the digital economy.

Balances related to other non-current financial assets maturing in less than one year are classified under current assets.

Note 15 Inventories and work in progress

(in millions of euros)	December 31, 2015	December 31, 2014
Gross value	**416**	**323**
Impairment of inventories and work in progress	(5)	(3)
NET AMOUNT	**411**	**320**

Note 16 Trade receivables

(in millions of euros)	December 31, 2015	December 31, 2014
Trade accounts receivable[1]	9,799	7,716
Notes receivable	11	37
GROSS VALUE	**9,810**	**7,753**
Opening impairment	(77)	(77)
Impairment over the year	(14)	(10)
Reversals during the year	17	17
Changes to consolidation scope	(1)	(5)
Translation adjustments and other	(2)	(2)
Closing impairment	**(77)**	**(77)**
NET AMOUNT	**9,733**	**7,676**

(1) Including invoiced trade receivables of euro 7,278 million as of December 31, 2015 and euro 5,741 million as of December 31, 2014.

Note 17 Other current receivables and assets

(in millions of euros)	December 31, 2015	December 31, 2014
Taxes and other receivables from the government	347	238
Advances to suppliers	147	150
Prepayments	108	75
Derivatives hedging current assets and liabilities	62	37
Derivatives on intercompany loans and borrowings	30	30
Other receivables and other current assets	81	72
GROSS VALUE	**775**	**602**
Impairment	(6)	(7)
NET AMOUNT	**769**	**595**

Note 18 Cash and cash equivalents

(in millions of euros)	December 31, 2015	December 31, 2014
Cash and bank balances	1,618	492
Short-term liquid investments	54	2,666
TOTAL	**1,672**	**3,158**

Short-term liquid investments mainly included UCITS (French Undertakings for Collective Investment in Transferable Securities) funds classified by the AMF as "*monétaire court terme*" and subject to very low risk of a change in value, and short-term deposits.

Note 19 Equity

The table of changes in equity is presented along with the other consolidated financial statements.

Share capital of the parent company

The following are the changes in the share capital over the last two years:

(in shares)	2015	2014
Share capital on January 1	221,203,857	216,023,378
Capital increases	1,336,883	5,180,479
SHARES COMPRISING THE SHARE CAPITAL ON DECEMBER 31	**222,540,740**	**221,203,857**
Treasury shares on December 31	(1,216,839)	(7,895,366)
SHARES OUTSTANDING ON DECEMBER 31	**221,323,901**	**213,308,491**

Publicis Groupe SA's share capital increased by euro 534,753 in 2015, corresponding to 1,336,883 shares with a par value of euro 0.40:

- 655,982 shares issued in connection with the free share plans whose definitive delivery date occurred during the year;
- 163,082 shares issued following the exercise by certain shareholders of the option to receive dividends in shares;
- 517, 819 shares created following the exercise by certain holders of their warrants.

As of December 31, 2015, the share capital of Publicis Groupe SA totaled euro 89,016,296, split into 222,540,740 shares with a par value of euro 0.40.

Neutralization of the treasury shares existing on December 31, 2015

Treasury shares held at the end of the year, including those owned under the liquidity contract, are deducted from the share capital.

The portfolio of treasury shares showed the following movements in 2014 and 2015:

	Number of shares
TREASURY SHARES HELD ON JANUARY 1, 2014(1)	**9,436,116**
Disposals (exercise of stock options) and deliveries of free shares (co-investment plan outside France and other plans)	(852,235)
Delivery of shares following the conversion request of Océane 2018	(562,921)
Delivery of shares in connection with the additional compensation of Orane holders	(109,924)
Movements as part of the liquidity contract	(15,670)
TREASURY SHARES HELD ON DECEMBER 31, 2014(1)	**7,895,366**
Disposals (exercise of stock options) and deliveries of free shares	(354,223)
Shares issued as payment for acquisitions	(43,991)
Buyback of treasury shares	6,341,873
Delivery of shares in connection with the early redemption of the Orane 2022 bonds	(12,684,356)
Movements as part of the liquidity contract	62,170
TREASURY SHARES HELD ON DECEMBER 31, 2015(1)	**1,216,839**

(1) Including shares held as part of the liquidity contract(85,000 on December 31, 2015 and 22,830 on December 31, 2014).

Dividends proposed and voted

	Per share (in euros)	Total (in millions of euros)
Dividends paid in 2015 (for 2014)	1.20	251[1]
Dividends proposed to the General Shareholders' Meeting (for 2015)	1.60	356[2]

(1) Amount paid in shares at the relevant shareholders' option for up to euro 12 million (leading to the creation of 163,082 shares).
(2) For all shares outstanding on December 31, 2015, including treasury shares.

The cash portion of the distribution proposed for 2015 will be subject to the 3% tax on dividends.

Capital management and buyback of treasury shares

The Group's policy is to maintain a solid capital base in order to maintain the confidence of investors, creditors and the market and to support future activity development. The Group's management pays particular attention to the debt-to-equity ratio, which is defined as net debt (financial debt less cash and cash equivalents) divided by equity (including non-controlling interests) and has calculated that the ideal debt-to-equity ratio is less than 0.50. As at December 31, 2015 the debt-to-equity ratio was 0.28. As at December 31, 2014 the debt-to-equity ratio was negative.

Management also pays close attention to the pay-out ratio, defined as dividends per share divided by earnings per share. This ratio will be 39.5% for 2015 based on the dividend amount (euro 1.60 per share) to be proposed at the next General Shareholders' Meeting, versus 37.3% for 2014.

The Group buys back its own shares on the market in accordance with the authorization delegated to the Management Board for a period of 18 months by the General Shareholders' Meeting of May 28, 2014. In 2014 and 2015, the Group directly purchased its own shares in order to meet its obligations with regard to stock option plans and free share plans granted to employees, bond conversion requests or the cancellation of shares. During said years, the Group indirectly purchased and sold its own shares through the intermediary of an investment services provider acting in the name and on behalf of Publicis Groupe SA, independently and without being influenced by it, as part of a liquidity contract compliant with a code of conduct recognized by the Autorité des marchés financiers (the French Financial Markets Authority). Euro 15 million had initially been allocated to the liquidity agreement signed with Kepler Cheuvreux Securities on July 3, 2012 (replacing the previous liquidity agreement with SG Securities).

On March 17, 2015, prior to the opening of the Paris Stock Exchange, Publicis Groupe acquired 2,406,873 of its own treasury shares from the Badinter family for a total amount before tax on financial transactions of euro 176 million, equal to euro 73.03 per share (see Note 29). In addition, Publicis Groupe established a share purchase agreement with an investment services provider as part of its share buyback program as authorized by the General Shareholders' Meeting of May 28, 2014. This agreement, signed on March 27, 2015, allowed it to acquire 3,935,000 shares at an average price of euro 73.89, representing a total amount of euro 291 million.

These buybacks were carried out for the purposes of the early redemption of the Oranes 2022, unanimously approved by the Meeting of Orane bondholders of June 19, 2015, and by Publicis Groupe shareholders at the General Shareholders' Meeting held on May 27, 2015

Publicis completed the early redemption of the Orane bonds on July 15, 2015, at a rate of 8.12 shares per Orane bond, based on the conversion ratio resulting from the adjustment made pursuant to the agreement in October 2013; the redemption resulted in the delivery of 12,684,356 shares.

The General Shareholders' Meeting on May 27, 2015 also renewed, for a period of 26 months, the authorization to reduce the share capital through the cancellation of shares held by Publicis Groupe SA up to a limit of 10% of the share capital; this authorization was delegated to the Management Board.

Note 20 Provisions for liabilities and charges

(in millions of euros)	Restructuring	Vacant property commitments	Pensions and other long-term benefits	Risks and litigation	Other provisions	Total
JANUARY 1, 2014	**26**	**20**	**238**	**160**	**63**	**507**
Increases	23	4	31	29	29	116
Releases with usage	(20)	(5)	(38)	(9)	(9)	(81)
Other releases	(3)	(2)	-	(42)	(8)	(55)
Changes to consolidation scope	-	-	3	2	3	8
Actuarial losses (gains)	-	-	43	-	-	43
Translation adjustments and other	1	2	16	7	3	29
DECEMBER 31, 2014	**27**	**19**	**293**	**147**	**81**	**567**
Increases	45	12	59	34	24	174
Releases with usage	(16)	(5)	(44)	(14)	(11)	(90)
Other releases	(3)	(1)	-	(16)	(8)	(28)
Changes to consolidation scope	1	-	1	33	4	39
Actuarial losses (gains)	-	-	(4)	-	-	(4)
Translation adjustments and other	-	1	15	16	(1)	31
DECEMBER 31, 2015	**54**	**26**	**320**	**200**	**89**	**689**
Of which short-term	50	8	55	33	16	162
Of which long-term	4	18	265	167	73	527

Restructuring provisions

These include an estimate of the closure or restructuring costs of certain activities resulting from plans that were announced but not yet executed at the end of 2015 (mainly severance pay). The plans are detailed by project and by type, and are approved in advance by the senior management. They are managed centrally to ensure that the provision is applied based on the actual costs incurred and to justify the remaining balance at the year-end on the basis of the outstanding cost to be incurred.

Vacant property provisions

Vacant property provision valuations were made by discounting the rent payable, less income expected from sub-leasing.

Provisions for risks and litigation

These provisions (euro 200 million) include a short-term component (euro 33 million) and a long-term component (euro 167 million). The risks mainly concern tax risks relating to North America and Latin America. Tax risks and litigation break down by type as follows:

- approximately 67% concerns corporate income taxes;
- approximately 33% concerns other taxes and levies.

Information on tax risks is provided in Note 8.

Obligations in respect of employee benefits

The obligations for employee benefits (see Note 21) include:

- defined benefit pension plans;
- post-employment health coverage;
- long-term benefits such as deferred compensation and long-service rewards.

Note 21 Pensions and other long-term benefits

Defined benefit pension plans

The Group has a certain number of obligations under defined benefit pension plans, mainly split between:

- pension funds (77% of the Group's obligations): these are rights to which employees have earned entitlement, with external pre-funding requirements predominantly in the US and the UK;
- other mandatory and legal pension plans, such as retirement-type indemnities (19% of the Group's obligations), in France in particular: the rights have not vested so payment is uncertain and notably dependent on employees still being employed by the Company when they retire;
- health coverage schemes for retirees (4% of the Group's obligations): consisting of an effective liability vis-à-vis current pensioners and a provision for current workers (future pensioners), in particular in the US and the UK.

The largest plans are therefore the pension funds in the United Kingdom (35% of the Group's obligations) and in the United States (34% of the Group's obligations).

- In the United Kingdom, the Group's obligations are managed through six pension funds administered by independent Boards of trustees. These independent Boards are made up of representatives of the Group, employees and retirees and in some instances an independent expert. These Boards are required by regulation to act in the best interests of plan beneficiaries, notably ensuring that the pension fund is financially stable, as well as monitoring its investment policy and management.

  Four of the six pension funds are closed and frozen. All existing entitlements (based on salary and number of years of service to the Group) were frozen: beneficiaries still working will not earn any further entitlement under these defined benefit plans.

  The pension fund obligations in the United Kingdom relate to retirees (63%), beneficiaries with deferred entitlement who have not yet drawn down their pension entitlements (29%) and employees still working (8%).
- In the United States, the Group's obligations are basically limited to a closed and frozen pension fund. The obligations relate to beneficiaries with deferred entitlement who have not yet drawn down their pension entitlements (28% of obligations), retirees (34% of obligations) and employees still working (38%).

Defined benefit pension plan valuations were carried out by independent experts. The main countries concerned are the United States, the United Kingdom, Germany, France, Switzerland, the United Arab Emirates, Saudi Arabia, Bahrain, South Korea, Japan and India.

No material events occurred during the reporting period to affect the value of the Group's liabilities under these plans (significant plan change).

Surplus (deficit)

Publicis Groupe sets aside financial assets to cover these liabilities, primarily in the UK and the US, in order to comply with its legal and/or contractual obligations and to limit its exposure to an increase in these liabilities (interest and inflation rate volatility, longer life expectancy, etc.).

The policy to cover the Group's liabilities is based on regular asset-liability management reviews to ensure optimal asset allocation, designed both to limit exposure to market risks by diversifying asset classes on the basis of their risk profile, and to better reflect the payment of benefits to beneficiaries, having regard to plan maturity. These reviews are performed by independent advisers and submitted to the Trustees for approval. Investments are made in compliance with legal constraints and the criteria governing the deductibility of such covering assets in each country. Funding requirements are generally determined on a plan-by-plan basis and as a result surplus assets in over-funded plans cannot be used to cover under-funded plans.

Risk exposure

The principal risks to which the Group is exposed through its pension funds in the United Kingdom and the United States are as follows:

- Volatility of financial assets: the financial assets in the plans (shares, bonds, etc.) often have a return higher than the discount rate over the long term, but are more volatile in the short term, especially since they are measured at their fair value for the Group's annual accounting needs. The asset allocation is determined so as to ensure the financial viability of the plan over the long term;
- Variation of bond rates: a decrease in private bond rates leads to an increase in obligations under the plans as recognized by the Group, even where this increase is partially reduced by a growth in value of the financial assets in the plans (for the portion of first category private bonds);
- Longevity: the largest part of benefits guaranteed by the plans is retirement benefits. An extended life expectancy therefore leads to an increase in these plans;
- Inflation: a significant portion of the benefits guaranteed by the pension funds in the United Kingdom is indexed to inflation. A rise in inflation leads to an increase in the obligation (even when thresholds have been set for most of them in order to protect the plan from hyper-inflation). Most of the financial assets are either not impacted by inflation or linked very little with inflation, therefore inferring that a rise in inflation would lead to an increase of the plan's deficit from an accounting perspective. The American pension funds do not expose the Group to a significant inflation risk as the benefits are not indexed to inflation.

Actuarial gains and losses

Actuarial gains and losses reflect unforeseen increases or reductions in the present value of a defined benefit obligation or of the fair value of the corresponding plan assets. Actuarial gains and losses resulting from changes in the present value of liabilities under a defined benefit plan stem, firstly, from experience adjustments (differences between the previous actuarial assumptions and what has actually occurred) and, secondly, from the effect of changes in actuarial assumptions.

Other long-term benefits

Publicis Groupe also recognizes various long-term benefits, primarily seniority payments, long-service awards in France in particular, and certain multi-year plans for which the deferred compensation is linked to continued employment.

Change in the actuarial benefit obligation

	December 31, 2015			December 31, 2014		
Change in the actuarial benefit obligation (in millions of euros)	Pension plans	Health cover	Total	Pension plans	Health cover	Total
Opening actuarial benefit obligation	**(628)**	**(26)**	**(654)**	**(512)**	**(20)**	**(532)**
Cost of services rendered during the year	(23)	-	(23)	(15)	-	(15)
Benefits paid	39	2	41	34	2	36
Interest expense on benefit obligation	(22)	(1)	(23)	(19)	(2)	(21)
Effect of remeasurement	24	1	25	(69)	(3)	(72)
Experience gains (losses)	*9*	*1*	*10*	*(1)*	*(1)*	*(2)*
Gains (losses) arising from a change in economic assumptions	*15*	*-*	*15*	*(60)*	*(1)*	*(61)*
Gains (losses) arising from other changes in demographic assumptions	*-*	*-*	*-*	*(8)*	*(1)*	*(9)*
Acquisitions, disposals	(28)	-	(28)	(1)	-	(1)
Foreign exchange differences	(46)	(3)	(49)	(46)	(3)	(49)
ACTUARIAL BENEFIT OBLIGATION AT YEAR-END	**(685)**	**(26)**	**(711)**	**(628)**	**(26)**	**(654)**

Change in the fair value of plan assets

(in millions of euros)	December 31, 2015 Pension plans	December 31, 2015 Health cover	December 31, 2015 Total	December 31, 2014 Pension plans	December 31, 2014 Health cover	December 31, 2014 Total
Fair value of plan assets at start of year	**459**	**-**	**459**	**375**	**-**	**375**
Actuarial return on plan assets	3	-	3	54	-	54
Employer contributions	23	2	25	21	2	23
Administrative fees	(1)	-	(1)	(1)	-	(1)
Acquisitions, disposals	14	-	14	-	-	-
Benefits paid	(37)	(2)	(39)	(29)	(2)	(31)
Foreign exchange differences	39	-	39	39	-	39
FAIR VALUE OF PLAN ASSETS AT YEAR-END	500	-	500	459	-	459
SURPLUS (DEFICIT)	(185)	(26)	(212)	(169)	(26)	(195)
Effect of ceiling on value of assets	(55)	-	(55)	(36)	-	(36)
Effect of minimum financing requirement	(18)	-	(18)	(23)	-	(23)
NET PROVISION FOR DEFINED BENEFIT PENSION COMMITMENTS AND RETIREMENT MEDICAL COVERAGE	(258)	(26)	(284)	(228)	(26)	(254)
Provision for other long-term benefits	**(36)**	**-**	**(36)**	**(39)**	**-**	**(39)**
TOTAL PROVISION FOR PENSION AND OTHER RETIREMENT AND LONG-TERM BENEFIT OBLIGATIONS	**(294)**	**(26)**	**(320)**	**(267)**	**(26)**	**(293)**

Net periodic pension cost

(in millions of euros)	December 31, 2015 Pension plans	December 31, 2015 Health cover	December 31, 2015 Total	December 31, 2014 Pension plans	December 31, 2014 Health cover	December 31, 2014 Total
Cost of services rendered during the year	(21)	-	(21)	(14)	-	(14)
Cost of other plans (including defined contribution plans) and other benefits	(104)	-	(104)	(88)	-	(88)
Financial expense	(7)	(1)	(8)	(6)	(1)	(7)
Administrative fees excluding plan management fees	(1)	-	(1)	(1)	-	(1)
TOTAL RETIREMENT COSTS RECOGNIZED IN THE INCOME STATEMENT	**(133)**	**(1)**	**(134)**	**(109)**	**(1)**	**(110)**

Breakdown of plan assets

The table below provides a breakdown of plans by asset type and by fair value hierarchy. The various fair value hierarchy levels are defined in Note 25.

	December 31, 2015				December 31, 2014			
(in millions of euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Shares	121			121	156			156
Bonds		143		143		100		100
Treasury bonds		192		192		188		188
Real estate			12	12			9	9
Other	10		22	32			6	6
TOTAL	**131**	**335**	**34**	**500**	**156**	**288**	**15**	**459**

Estimate of employer contributions and of future benefits payable

(in millions of euros)	Pension plans	Health cover	Total
Estimated employer contributions in 2016	13	2	15

(in millions of euros)	Pension plans	Health cover	Total
Estimated future benefits payable			
2016	44	2	46
2017	45	2	47
2018	40	2	42
2019	42	2	44
2020	40	2	42
2021 to 2025	205	9	214
TOTAL OVER THE NEXT 10 FINANCIAL YEARS	**416**	**19**	**435**

The average duration of plans at end-December 2015 was 12 years.

Actuarial assumptions (weighted average rates)

Discount rates are calculated using rates of long-term investment grade corporate bonds (minimum AA rating) with maturities equivalent to the length of the plans assessed. They were determined based on external indexes commonly considered to be benchmarks, namely the iBoxx in Europe and the City Group Index in the United States.

	Pension plans				Post-employment health coverage	
December 31, 2015	United States	United Kingdom	Euro Zone	Others	United States	United Kingdom
Discount rate	3,65%	3,45% - 3,75%	2,10%	0,70% - 7,90%	3,65%	3,45% - 3,75%
Future wage increases	n/a	3,70% - 3,95%	2,25%(1)	1,50% - 10%	5,00%	n/a
Future pension increases	n/a	2,80% - 2,95%	2,00%(1)	n/a	n/a	n/a

	Pension plans				Post-employment health coverage	
December 31, 2014	United States	United Kingdom	Euro Zone	Others	United States	United Kingdom
Discount rate	3.64%	3.10% - 3.25%	1.75%	0.60% - 3.64%	3.64%	4.25%
Future wage increases	n/a	3.70% - 3.95%	2.25%(1)	1.50% - 5.00%	5.00%	n/a
Future pension increases	n/a	2.90% - 2.95%	2.00%(1)	n/a	n/a	n/a

(1) For Germany only.

The rate of increase in medical expenses used for 2015 is 7.5% with a gradual decrease to 5%.

Sensitivity analysis

	0.5% increase				
Pension plans (in millions of euros)	United States	United Kingdom	Euro Zone	Others	TOTAL
Change in discount rate Effect on actuarial benefit obligation at year-end	(13)	(17)	(6)	(5)	(40)
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-	-	4	5	9

	0.5% decrease				
Pension plans (in millions of euros)	United States	United Kingdom	Euro Zone	Others	TOTAL
Change in discount rate Effect on actuarial benefit obligation at year-end	14	18	7	6	45
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-	-	(4)	(3)	(7)

	0.5% increase			0.5% decrease		
Post-employment health coverage (in millions of euros)	United States	United Kingdom	TOTAL	United States	United Kingdom	TOTAL
Change in discount rate Effect on actuarial benefit obligation at year-end	(1)	-	(1)	1	-	1
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-	-	-	-	-	-

Note 22 Borrowings and other financial liabilities

Number of securities on December 31, 2015	(in millions of euros)	December 31, 2015	December 31, 2014
	Bonds (excluding interest accrued) issued by Publicis Groupe		
7,000	Eurobond 1.125% - December 2021 (Effective interest rate 1.261%)[1]	694	693
6,000	Eurobond 1.625% - December 2024 (Effective interest rate 1.732%)[1]	604	601
-	Eurobond 4.25% - March 2015 (Effective interest rate 3.85%)	-	255
-	Oranes 0.82% variable - September 2022 (Effective interest rate 8.50%)	-	28
	Other debt		
	Medium-term syndicated loan	1,458	-
	Accrued interest	3	10
	Other borrowings and credit lines	60	54
	Bank overdrafts	19	26
	Debt related to finance leases	98	88
	Debt related to acquisitions of shareholdings	369	322
	Debt arising from commitments to buy-out minority interests	86	83
	TOTAL BORROWINGS AND OTHER FINANCIAL LIABILITIES	**3,391**	**2,160**
	OF WHICH SHORT-TERM	**305**	**533**
	OF WHICH LONG-TERM	**3,086**	**1,627**

(1) Net of issuance costs

Bonds

Publicis Groupe SA bonds are issued at a fixed rate and denominated in euros.

In December 2014, Publicis Groupe issued a bond for the amount of euro 1.3 billion in two tranches:

- euro 700 million in bonds maturing on December 16, 2021, with an annual coupon rate of 1.125%;
- euro 600 million in bonds maturing on December 16, 2024, with an annual coupon rate of 1.625%.

The tranche of euro 700 million maturing in December 2021 (Eurobond 2021) and the tranche of euro 600 million maturing in December 2024 (Eurobond 2024) were initially swapped into US dollars at a fixed and variable rate, respectively, for the purposes of financing the acquisition of Sapient Corporation.

The Eurobond 2021 swaps, carried out in December 2014, were classified as cash flow hedges for intercompany US dollar financing. The fair value of these swaps was booked in the balance sheet under "Other creditors and current liabilities" in the amount of euro 102 million as at December 31, 2015 (euro 16 million as at December 31, 2014). The change in the fair value of these instruments was booked in "Other comprehensive income" and transferred to the income statement as interest on debt was paid and the asset value changed in US dollars.

The Eurobond 2024 swaps, carried out in December 2014, were classified as fair value hedges of the bond tranche maturing in 2024 (with respect to interest rate risk) and of the intercompany US dollar financing (with respect to exchange rate risk). The fair value of the swaps on the Eurobond 2024 was booked in the balance sheet under "Other creditors and current liabilities" in the amount of euro 11 million as at December 31, 2014. In 2014 and until January 2, 2015, the change in fair value of these instruments was recognized in income, offsetting the revaluation of the Eurobond 2024 debt with respect to interest rate risk and the revaluation of the US dollar asset at the closing price.

The swaps on the Eurobond 2024 US dollar floating-rate payers were restructured into US dollar fixed-rate payer swaps from January 2, 2015 (restructuring without cash impact), with the following impacts on the financial statements:

- the original two fair value hedging relationships ended on January 2, 2015. The revalued amount of the Eurobond 2024 with respect to hedging rate risk (euro 11 million as at January 2, 2015) will be amortized in the income statement until December 2024 through an adjustment to the effective interest rate;
- the restructured US dollar fixed-rate payer swaps were classified as cash flow hedges for the intercompany US dollar financing (in the same manner as the Eurobond 2021 swaps). The fair value of the swaps on the Eurobond 2024 was booked in the balance sheet under "Other creditors and current liabilities" in the amount of euro 68 million as at December 31, 2015.

The amount accumulated in other comprehensive income with regard to the swaps documented as cash flow hedges was euro 9 million before tax as at December 31, 2015 (the change in fair value was booked in "Other comprehensive income" in the amount of euro (139) million and transferred to the income statement in the amount of euro 148 million).

These financial instruments were recognized at fair value according to the level 2 measurement method that corresponds to observable data other than quoted prices for identical assets or liabilities in active markets. This observable data corresponds primarily to exchange rates and interest rates.

In addition, Publicis Groupe redeemed the Eurobond 2015 that matured in March 2015 for an amount of euro 253 million.

The Group also completed the early redemption of the Orane bonds on July 15, 2015 at a rate of 8.12 shares per Orane bond, based on the conversion ratio adjusted in October 2013. All Orane bondholders were entitled to a number of shares calculated by multiplying the number of Orane bonds owned by 8.12. The Company used 12,684,356 existing Publicis shares in the redemption of these Orane bonds. It also paid in cash, on the date of redemption, the interest incurred up to July 15, 2015, calculated prorata temporis from September 1, 2014 to the date of redemption, which totaled euro 11 million. Originally, the Orane bonds were considered to comprise two components: a debt component corresponding to the discounted amount of interest payable and an equity component (which corresponded to the value of the Orane bond less the value of the debt component). The early redemption of this borrowing and this equity instrument was carried out in a manner consistent with the initial allocation. Publicis measured the fair value of the debt component of the redeemed Orane bonds. The difference between the fair value and the carrying amount of the Orane borrowing was recognized in the income statement.

On the date of redemption, the borrowing totaled euro 29 million (of which euro 11 million was interest incurred), and the residual amount was reclassified to equity. Deferred tax relating to the transaction was also reclassified in the amount of euro 6 million.

Other debt

The Group refinanced its syndicated credit facility of US dollar 1,890 million expiring in January 2016 and intended to finance the acquisition of Sapient by taking a syndicated, variable-rate, medium-term loan in the amount of US dollars 1,600 million, which was concluded on January 20, 2015 and matures in 2018, 2019 and 2020. As at December 31, 2015, this medium-term loan comprising two components, was carried to the balance sheet in the amount of:

- euro 1,012 million denominated in US dollars, i.e. US dollar 1,100 million;
- euro 446 million denominated in euros.

Changes in debt resulting from commitments to purchase non-controlling interests are as follows:

(in millions of euros)	Debt arising from commitments to buy-out non-controlling interests
AT JANUARY 1, 2014	**127**
Debt contracted during the year	6
Buy-outs	(53)
Revaluation of the debt and translation adjustments	3
AS AT DECEMBER 31, 2014	**83**
Debt contracted during the year	13
Buy-outs	(23)
Revaluation of the debt and translation adjustments	13
AT DECEMBER 31, 2015	**86**

The buy-outs during the year were paid for in cash.

Analysis by date of maturity

	December 31, 2015						
		Maturity					
(in millions of euros)	Total	2016	2017	2018	2019	2020	+5 yrs
Bonds and other bank borrowings	2,838	73	9	486	486	486	1,298
Debt related to finance leases	98	-	-	-	-	-	98
Debt related to acquisitions of shareholdings	369	172	94	74	29	-	-
Debt related to commitments to purchase non-controlling interests	86	60	8	10	8	-	-
TOTAL	**3,391**	**305**	**111**	**570**	**523**	**486**	**1,396**

	December 31, 2014						
		Maturity					
(in millions of euros)	Total	2015	2016	2017	2018	2019	+5 yrs
Bonds and other bank borrowings	1,667	354	19	-	-	-	1,294
Debt related to finance leases	88	-	-	-	-	-	88
Debt related to acquisitions of shareholdings	322	125	83	58	56	-	-
Debt related to commitments to purchase non-controlling interests	83	54	14	9	6	-	-
TOTAL	**2,160**	**533**	**116**	**67**	**62**	**-**	**1,382**

Analysis by currency

(in millions of euros)	December 31, 2015	December 31, 2014
Euros*	1,827	1,681
US dollars	1,274	264
Other currencies	290	215
TOTAL	**3,391**	**2,160**

* *Including euro 1,298 million in Eurobonds, swapped to US dollar at December 31, 2015.*

Analysis by interest rate type

See Note 26. "Risk management - Exposure to interest rate risk".

Exposure to liquidity risk

Future payments related to financial debt before the impact of discounting (excluding debt linked to finance leases) are as follows:

	December 31, 2015						
		Maturity					
(in millions of euros)	Total	2016	2017	2018	2019	2020	+5 yrs
Bonds and other bank borrowings	2,975	91	27	504	504	504	1,345
Debt related to acquisitions of shareholdings	369	172	94	74	29	-	-
Debt related to commitments to purchase non-controlling interests	86	60	8	10	8	-	-
TOTAL	**3,430**	**323**	**129**	**588**	**541**	**504**	**1,345**

	December 31, 2014						
		Maturity					
(in millions of euros)	Total	2015	2016	2017	2018	2019	+5 yrs
Bonds and other bank borrowings	1,838	384	37	18	18	18	1,363
Debt related to acquisitions of shareholdings	335	127	86	62	60	-	-
Debt related to commitments to purchase non-controlling interests	90	57	16	10	7	-	-
TOTAL	**2,263**	**568**	**139**	**90**	**85**	**18**	**1,363**

In order to manage its liquidity risk, Publicis holds a substantial amount of cash (cash and cash equivalents) for a total of euro 1,672 million as at December 31, 2015 and undrawn confirmed credit lines representing a total of euro 2,722 million as at December 31, 2015. The main component of these credit lines is a multi-currency syndicated facility in the amount of euro 2,000 million, maturing in 2020. These immediately or almost immediately available sums allow the Group to meet its general funding requirements.

Apart from bank overdrafts, most of the Group's debt is comprised of bonds and the medium-term syndicated loan, none of which are subject to financial covenants. They only include standard credit default event clauses (liquidation, cessation of payment, default on the debt itself or on the repayment of another debt above a given threshold) which are generally applicable above a threshold of euro 25 million. The only early redemption option exercisable by the holders relates to the Océane 2018 and was exercised in January 2014.

The Group has not established any credit derivatives to date.

Finance leases

The reconciliation between future minimum payments in respect of finance leases and the discounted value of net minimum payments for those leases is as follows:

	December 31, 2015						
		Maturity					
(in millions of euros)	Total	2016	2017	2018	2019	2020	+5 yrs
Minimum payments	238	12	12	12	13	13	176
Effect of discounting	(140)	(12)	(12)	(12)	(13)	(13)	(78)
DISCOUNTED VALUE OF MINIMUM PAYMENTS	**98**	**-**	**-**	**-**	**-**	**-**	**98**

	December 31, 2014						
		Maturity					
(in millions of euros)	Total	2015	2016	2017	2018	2019	+5 yrs
Minimum payments	224	10	11	11	11	11	170
Effect of discounting	(136)	(10)	(11)	(11)	(11)	(11)	(82)
DISCOUNTED VALUE OF MINIMUM PAYMENTS	**88**	**-**	**-**	**-**	**-**	**-**	**88**

Note 23 Other creditors and current liabilities

(in millions of euros)	December 31, 2015	December 31, 2014
Advances and deposits received	440	364
Liabilities to employees	600	471
Tax liabilities (excl. income tax)	227	218
Deferred income	487	354
Derivatives backed by current assets or liabilities	53	37
Eurobond 2021 and 2024 derivatives	170	27
Derivatives on intercompany loans and borrowings	13	15
Other current liabilities	259	226
TOTAL	**2,249**	**1,712**

Note 24 Commitments

Simple Rental Contracts

(in millions of euros)	December 31, 2015						
		Maturity					
	Total	2016	2017	2018	2019	2020	+5 yrs
Commitments given							
Operating leases	2,099	352	310	268	217	200	752
Commitments received							
Sub-lease commitments	12	3	2	2	1	1	3

(in millions of euros)	December 31, 2014						
		Maturity					
	Total	2015	2016	2017	2018	2019	+5 yrs
Commitments given							
Operating leases	1,665	296	264	236	204	167	498
Commitments received							
Sub-lease commitments	13	4	2	1	1	1	4

Lease expenses (net of sub-lease income) amounted to euro 360 million in 2015, compared to euro 281 million in 2014.

Other commitments

(in millions of euros)	December 31, 2015			
		Maturity		
	Total	-1 yr	1 to 5 yrs	+5 yrs
Commitments given				
Guarantees[(1)]	201	81	63	57
Other commitments[(2)]	469	149	317	3
Commitments to purchase investment[(3)]	10	10	-	-
TOTAL	**680**	**240**	**380**	**60**
Commitments received				
Undrawn credit lines[(4)]	2,948	431	2,517	-
Other commitments[(5)]	96	77	8	11
TOTAL	**3,044**	**508**	**2,525**	**11**

(1) At December 31, 2015, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of euro 40 million, staggered until 2019 and the Parisquare building for euro 27 million. They also included guarantees of approximately euro 14 million relating to media-buying operations.

(2) These included euro 385 million of minimum fees guaranteed under advertising space usage contracts. In addition, the Group remains committed to minimum purchases over two years which, if not concluded, could entail cash payments of up to a maximum of euro 46 million for the entire term of the contract expiring on June 30, 2017.

(3) This refers to obligations to buy securities.

(4) The undrawn credit lines included euro 2,722 million of confirmed credit lines (see Note 22).

(5) This primarily relates to the obligation of JC Decaux to buy the Group's interest in Metrobus SA.

	December 31, 2014			
		Maturity		
(in millions of euros)	Total	-1 yr	1 to 5 yrs	+5 yrs
Commitments given				
Guarantees(1)	153	70	37	46
Other commitments(2)	565	139	406	20
Commitments to purchase investment(3)	2,916	2,916	-	-
TOTAL	**3,634**	**3,125**	**443**	**66**
Commitments received				
Undrawn credit lines(4)	3,700	432	3,268	-
Other commitments(5)	64	24	29	11
TOTAL	**3,764**	**456**	**3,297**	**11**

(1) At December 31, 2014, guarantees included a guarantee to pay real estate taxes and expenses relating to the Leo Burnett building in Chicago for a total of euro 46 million, staggered until 2019. They also included guarantees of approximately euro 8 million relating to media-buying operations.

(2) These included euro 499 million of minimum fees guaranteed under advertising space usage contracts. In addition, the Group remains committed to minimum purchases over two years which if not concluded could entail payments (cash and services) of up to a maximum of euro 21 million per annum for this contract expiring on June 30, 2016.

(3) Refers to obligations to buy securities in connection with the public tender offer on Sapient Corporation for an amount of euro 2,901 million (US dollar 3,522 million).

(4) The undrawn credit lines included euro 3,473 million of confirmed credit lines (see Note 22).

(5) This refers to euro 21 million in annual billing commitments received for an initial five-year period starting in 2010 and ending on June 30, 2015.

Obligations related to warrants

The exercise of warrants, which could occur at any time from September 24, 2013 to September 24, 2022, will lead to an increase in the Publicis Groupe's capital stock. The conversion ratio was adjusted by a factor of 1.015 so as to reflect those distributions drawn from the Company's reserves and premiums. Following the cancellation of warrants bought in previous years or exercised since September 24, 2013, Publicis Groupe was, at December 31, 2015, committed to creating (in the event that the 1,660,313 outstanding warrants were exercised), 1,685,218 shares with a euro 0.40 par value and a euro 30.10 premium.

Pledges guarantees or collateral

As at December 31, 2015, there were no significant commitments such as pledges, guarantees or collateral, nor any other significant off-balance sheet commitment in accordance with currently applicable standards.

Note 25 Financial instruments

Statement of financial position for each category of financial instrument

(in millions of euros)	Value in balance sheet as at December 31, 2015	Category of financial instrument					
		Fair value through P&L	Available-for-sale assets	Loans and receivables, Borrowings and other debt	Assets held to maturity	Debt at amortized cost	Derivative instruments
Other financial assets	174	-	74	100	-	-	-
Trade receivables	9,738	-	-	9,738	-	-	-
Other receivables and current assets[1]	168	-	-	76	-	-	92
Cash and cash equivalents	1,672	1,672	-	-	-	-	-
ASSETS	**11,752**	**1,672**	**74**	**9,914**	**- -**	**-**	**92**
Long-term borrowings	3,086	-	-	-	-	3,086	-
Short-term borrowings	305	-	-	-	-	305	-
TOTAL BORROWINGS	**3,391**	**-**	**-**	**-**	**-**	**3,391**	**-**
Trade payables	11,771	-	-	11,771	-	-	-
Other creditors and current liabilities[2]	495	-	-	259	-	-	236
LIABILITIES	**15,657**	**-**	**-**	**12,030**	**-**	**3,391**	**236**

(in millions of euros)	Value in balance sheet as at December 31, 2014	Category of financial instrument					
		Fair value through P&L	Available-for-sale assets	Loans and receivables, Borrowings and other debt	Assets held to maturity	Debt at amortized cost	Derivative instruments
Other financial assets	195	-	123	72	-	-	-
Trade receivables	7,676	-	-	7,676	-	-	-
Other receivables and current assets[1]	133	-	-	66	-	-	67
Cash and cash equivalents	3,158	3,158	-	-	-	-	-
ASSETS	**11,162**	**3,158**	**123**	**7,814**	**0 -**	**-**	**67**
Long-term borrowings	1,627	-	-	-	-	1,627	-
Short-term borrowings	533	-	-	-	-	533	-
TOTAL BORROWINGS	**2,160**	**-**	**-**	**-**	**-**	**2,160**	**-**
Trade payables	9,640	-	-	9,640	-	-	-
Other creditors and current liabilities[2]	304	-	-	225	-	-	79
LIABILITIES	**12,104**	**-**	**-**	**9,865**	**-**	**2,160**	**79**

(1) Excluding tax claims, advances to suppliers and prepayments (see Note 17).
(2) Excluding advances and deposits received, liabilities to employees, tax liabilities and deferred income (see Note 23).

INCOME STATEMENT PER CATEGORY OF FINANCIAL INSTRUMENTS

	December 31, 2015								
					Debt at amortized cost		Loans and receivables		
(in millions of euros)	Valuation at fair value	Interest of assets remeasured at fair value	Dividends on available-for-sale assets	Impairment of assets held to maturity	Foreign exchange effects	Interest	Foreign exchange effects	Impairment and reversal of impairment	Change in value of derivatives
Operating income	-	-	-	-	-	-	-	(14)	-
Cost of net financial debt	-	35	-	-	-	(109)	-	-	-
Other financial income and expenses(1)	-	-	-	-	-	-	143	-	(132)

	December 31, 2014								
					Debt at amortized cost		Loans and receivables		
(in millions of euros)	Valuation at fair value	Interest of assets remeasured at fair value	Dividends on available-for-sale assets	Impairment of assets held to maturity	Foreign exchange effects	Interest	Foreign exchange effects	Impairment and reversal of impairment	Change in value of derivatives
Operating income	-	-	-	-	-	-	-	(17)	-
Cost of net financial debt	-	26	-	-	-	(48)	-	-	-
Other financial income and expenses(1)	-	-	-	-	-	-	24	-	(19)

(1) Excluding the financial cost related to discounting long-term vacant property provisions and pension provisions (see Note 7).

Fair value

The carrying amount of financial assets and liabilities recognized at amortized cost approximates fair value, except for financial liabilities, which had a fair value of euro 3,572 million at December 31, 2015 (versus a carrying amount of euro 3,391 million). At December 31, 2014, the fair value of financial liabilities was euro 2,366 million (versus a carrying amount of euro 2,160 million).

The fair values of Eurobonds, convertible bonds and the debt component of Orane have been calculated by discounting the expected future cash flows to present at market interest rates (fair value Level 2).

Fair value hierarchy

The table below breaks down financial instruments recognized at fair value according to the measurement method used. The different levels of fair value have been defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Observable data other than quoted prices for identical assets or liabilities in active markets;
- Level 3: Unobservable data.

	December 31, 2015			
(in millions of euros)	Level 1	Level 2	Level 3	Total
Short-term liquid investments	54	-	-	54
Available-for-sale financial assets	63	-	18	81
Derivative instruments – Assets	-	92	-	92
	117	**92**	**18**	**227**
Derivative instruments – Liabilities	-	(236)	-	(236)
TOTAL	**117**	**(144)**	**18**	**(9)**

	December 31, 2014			
(in millions of euros)	Level 1	Level 2	Level 3	Total
Short-term liquid investments	2,666	-	-	2,666
Available-for-sale financial assets	52	-	71	123
Derivative instruments – Assets	-	67	-	67
	2,718	**67**	**71**	**2,856**
Derivative instruments – Liabilities	-	(79)	-	(79)
TOTAL	**2,718**	**(12)**	**71**	**2,777**

Note 26 Risk Management

Exposure to interest rate risk

Group management determines the allocation of debt between fixed and variable-rate debt, which is periodically reviewed in terms of interest rate trend forecasts.

At the end of 2015, the Group's gross borrowings, excluding debt related to acquisition of shareholdings and debt relating to commitments to buy-out non-controlling interests, was composed of:

- 48% in fixed-rate loans with an average interest rate for 2015 of 3.5%;
- 52% in variable-rate loans.

The table below sets out the carrying amount by maturity on December 31, 2015 of the Group's financial instruments that are exposed to interest rate risk:

(in millions of euros)	Total at December 31, 2015	Maturity -1 yr	1 to 5 yrs	+5 yrs
Fixed rate				
Eurobond 2021[(2)(3)]	694	-	-	694
Eurobond 2024[(1)(3)]	604	-	-	604
Debt related to finance leases	98	-	-	98
NET FIXED-RATE LIABILITIES (ASSETS)	**1,396**		**-**	**1,396**
Variable rate				
Medium-term syndicated loan	1,458	-	1,458	-
Bank borrowings	63	54	9	-
Bank overdrafts	19	19	-	-
Cash and cash equivalents	(1,672)	(1,672)	-	-
Other financial assets	(174)	(74)	-	(100)
NET VARIABLE-RATE LIABILITIES (ASSETS)	**(306)**	**(1,673)**	**1,467**	**(100)**

(1) The Eurobond 2024 swaps have the following characteristics:
- *euro 300 million equivalent, 10-year, fixed rate at 2.994%*
- *euro 300 million equivalent, 10-year, fixed rate at 2.965%*

(2) The Eurobond 2021 swaps have the following characteristics:
- *euro 350 million equivalent, 7-year, fixed rate at 2.921%*
- *euro 350 million equivalent, 7-year, fixed rate at 2.918%*

(3) Net of issuance costs

Exposure to exchange rate risk

NET ASSETS

The table below shows the Group's net assets at December 31, 2015 broken down by principal currencies:

(in millions of euros)	Total at December 31, 2015	Euro[(1)]	US dollar	Pound Sterling	Brazilian Real	Yuan	Other
Assets	25,366	2,564	15,554	1,394	363	1,387	4,104
Liabilities	(18,783)	(4,234)	(10,157)	(984)	(159)	(798)	(2,451)
NET ASSETS	6,583	(1,670)	5,397	410	204	589	1,653
Effect of foreign exchange hedges[(2)]		**2,873**	**(2,791)**	**264**	**-**	**(56)**	**(290)**
NET ASSETS AFTER HEDGING	**6,583**	**1,203**	**2,606**	**674**	**204**	**533**	**1,363**

(1) Presentation currency used to present consolidated financial statements.
(2) The financial instruments used to hedge foreign exchange risk are mainly currency swaps.

In addition, changes in exchange rates against the euro, the presentation currency used in the Group's financial statements, can have an impact on the Group's consolidated balance sheet and consolidated income statement.

REVENUE AND OPERATING MARGIN

The breakdown of Group revenue by the currency in which it is earned is as follows:

	2015	2014
Euro	15%	17%
US dollar	52%	47%
Pound Sterling	9%	8%
Other	24%	28%
TOTAL REVENUE	**100%**	**100%**

The impact of a drop of 1% in the euro's exchange rate against the US dollar and the pound sterling would be (favorable impact):

- euro 59 million on 2015 consolidated revenue;
- euro 10 million on the 2015 operating margin.

The majority of our commercial dealings are done in the local currencies of the countries in which they are transacted. As a result, exchange rate risk relating to such transactions is not very significant and is occasionally hedged through currency hedging agreements.

As regards intercompany loans/borrowings, these are subject to appropriate hedges if they present a significant net exposure to exchange rate risk.

Derivatives used are generally forward currency contracts or currency swaps.

Exposure to client counterparty risk

The Group analyzes its trade receivables, focusing in particular on improving the time taken to recover such receivables, in the context of the management of its working capital requirements. The Group Treasury Department monitors overdue receivables for the entire Group. In addition, the Group periodically reviews the list of its main clients in order to determine exposure to client counterparty risk at Group level and, if necessary, it puts in place specific monitoring in the form of a weekly summary of the Group's exposure to certain clients.

Any impairments required are assessed on an individual basis and take into account different criteria such as the customer's situation and delays in payment. No general provisions are recorded on an overall basis.

The following table shows the period overdue of the invoiced trade receivables for the last two financial years:

(in millions of euros)	2015	2014
Amounts not yet due	**6,383**	**5,067**
Overdue receivables:		
Up to 30 days	531	396
31 to 60 days	183	118
61 to 90 days	67	48
91 to 120 days	20	23
More than 120 days	94	89
TOTAL OVERDUE RECEIVABLES	**895**	**674**
INVOICED TRADE RECEIVABLES	**7,278**	**5,741**
Impairment	(77)	(77)
INVOICED TRADE RECEIVABLES, NET	**7,201**	**5,664**

Disclosures regarding major clients

(% of revenue)	2015	2014
Five largest clients	15%	17%
Ten largest clients	21%	24%
Twenty largest clients	30%	33%
Thirty largest clients	37%	40%
Fifty largest clients	45%	49%
One hundred largest clients	55%	59%

Exposure to bank counterparty risk

Publicis has established a group-wide policy for selecting authorized banks as counterparties for all its subsidiaries. This policy requires that deposits be made in authorized banks and that in general all banking services be provided exclusively by these banks. The list of authorized banks is reviewed periodically by the Group Treasury Department. Exceptions to this policy are handled centrally for the entire Group by the treasury office.

Additionally, studies are carried out in order to ensure that almost all cash and cash equivalents are deposited in authorized banks.

Note 27 Operating segment information

Information by business sector

The Publicis Groupe structure, developed over several years, is designed to provide the Group's clients with comprehensive, holistic communication services involving all disciplines.

The Group has identified operating segments which correspond to our networks of agencies and which may be categorized together since they share similar economic features (similar margins across the various operating segments) and provide similar services (a full range of advertising and communications services) and do so for similar types of clients (the Group's top 20 clients are clients of several operating segments). The operating segments are thus pooled into a single sector in accordance with IFRS 8.

Reporting by region

Given the importance of geographic location for the analysis of our business, the Group has chosen to provide specific information by region.

Data are established on the basis of the location of the agency.

YEAR 2015

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue[(1)]	2,664	5,184	1,066	412	275	9,601
Depreciation and amortization expense (excluding intangibles from acquisitions)	(63)	(75)	(27)	(5)	(4)	(174)
Operating margin	297	933	163	44	50	1,487
Amortization of intangibles from acquisitions	(18)	(64)	(3)	(4)	(0)	(89)
Impairment	0	(17)	0	(11)	0	(28)
Balance sheet items						
Goodwill, net	2,730	5,442	1,479	374	186	10,211
Intangible assets, net	153	1,372	2	12	2	1,541
Property, plant and equipment, net	318	267	48	17	10	660
Other financial assets	103	34	31	5	1	174
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(80)	(116)	(25)	(7)	(3)	(231)
Purchases of investments and other financial assets, net	(18)	1	(3)	-	2	(18)
Acquisitions of subsidiaries	(142)	(3,039)	(13)	(7)	(64)	(3,265)

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.

See Note 26 for information by currency on the exposure to exchange rate risk presented by liabilities.

YEAR 2014

(in millions of euros)	Europe	North America	Asia Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Revenue[(1)]	2,237	3,490	861	449	218	7,255
Depreciation and amortization expense (excluding intangibles from acquisitions)	(51)	(50)	(16)	(5)	(3)	(125)
Operating margin	268	698	115	61	40	1,182
Amortization of intangibles from acquisitions	(11)	(35)	(1)	(4)	-	(51)
Impairment expenses	(38)	(15)	(13)	(6)	-	(72)
Balance sheet items						
Goodwill, net	2,253	3,467	770	402	114	7,006
Intangible assets, net	148	769	4	34	-	955
Property, plant and equipment, net	296	199	31	17	9	552
Other financial assets	142	26	21	5	1	195
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(53)	(56)	(7)	(16)	(3)	(135)
Purchases of investments and other financial assets, net	(58)	(1)	-	7	-	(52)
Acquisitions of subsidiaries	(134)	(143)	(43)	(73)	(10)	(403)

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), no eliminations are required between the different zones.

Note 28 Publicis Groupe SA stock option and free share plans

Two free share plans were created in 2015, with the following features:

- Long Term Incentive Plan "LTIP 2015" (April 2015)

  Under this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the free shares are subject to performance criteria, such that the total number of shares received will depend on the overall attainment of growth and profitability targets in 2015. The shares were initially awarded in April 2015 and will vest in April 2019, except for French employees whose share awards will vest in April 2018.

- Long Term Incentive Plan "Sapient 2015 Plan" (April 2015)

  In accordance with the agreements with Sapient and as a transitional measure, at the same time as LTIP 2015 which concerns only Group employees to the exclusion of Sapient employees, three specific plans were introduced in respect of 2015 to the exclusive benefit of Sapient managers and employees. Two of these plans are conditional only upon continued employment and, in the case of the first plan, give rise to the delivery of one-quarter of the shares awarded, on the dates of the first four anniversaries of the plan (i.e. in April 2016, 2017, 2018 and 2019) and, in the case of the second plan, to the delivery of all shares awarded, at the end of a 4-year period, i.e. in April 2019. The third plan, in addition to the condition of continued employment, is conditional upon performance criteria, such that the total number of shares delivered shall depend on the level of attainment of targets in respect of 2015, 2016 and 2017. The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a 3-year period, i.e. in April 2018.

Moreover, the following should be noted concerning the other free share plans in force on December 31, 2015:

- Long Term Incentive Plan "LTIP 2014" (March 2014)

  Free shares awared under this plan are subject to presence and performance criteria, such that the total number of shares deliverable at the end of the vesting period (April 2018, except for French beneficiaries, for whom shares will vest in April 2017) will depend on the attainment of growth and profitability targets in 2014. Performance was measured for this plan in March 2015, when the rate of attainment of the targets for 2014 was 50%.

Share subscription or purchase options originated by Publicis Groupe

Characteristics of Publicis Groupe stock option plans outstanding at December 31, 2015

Plans	Type[1]	Date of grant	Exercise price of options (in euros)	Options outstanding on January 1, 2015 (or if later: the grant date)	Cancelled or lapsed options in 2015	Options exercised in 2015	Options outstanding on December 31, 2015	Of which exercisable on December 31, 2015	Expiry date	Remaining contract life (in years)
20th tranche LTIP 2003-2005	A	05/24/2005	24.76	56,815	(22,952)	(33,863)	-	-	05/24/2015	-
22nd tranche LTIP 2006-2008	A	08/21/2006	29.27	599,201	-	(256,601)	342,600	342,600	08/21/2016	0.63
23rd tranche LTIP 2006-2008	A	08/24/2007	31.31	186,961	-	(49,995)	136,966	136,966	08/24/2017	1.64
Co-investment 2013 – options	S	04/30/2013	52.76	5,602,211	(708,834)	-	4,893,377	-	04/30/2023	7.33
TOTAL OF ALL TRANCHES				**6,445,188**	**(731,786)**	**(340,459)**	**5,372,943**	**479,566**		

(1) A = stock options - S = share subscription options.

The award of the share purchase or subscription options under the above plans is conditional on continued employment throughout the vesting period. The award is also subject to non-market performance conditions for all plans, plus a market condition in the case of the 2013 co-investment plan.

Movements in Publicis Groupe stock option plans over the last two years

	2015		2014	
	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)
OPTIONS AT JANUARY 1	**6,445,188**	**49.71**	**7,459,241**	**47.35**
Options granted during the year	-		-	-
Options exercised[1]	(340,459)	29.12	(835,458)	28.05
Cancelled or lapsed options	(731,786)	51.88	(178,595)	52.46
OPTIONS OUTSTANDING AT DECEMBER 31	**5,372,943**	**50.72**	**6,445,188**	**49.71**
Of which exercisable	479,566	29.85	842,977	29.42
(1) Average share price on exercise (in euros).		66.57		60.23

Free share plans originated by Publicis Groupe

Characteristics of Publicis Groupe free share plans outstanding at December 31, 2015

Plans	Date of grant initial	Grants as of January 1, 2015 (or if later: date of grant)	Shares canceled, lapsed or transferred[1] in 2015	Shares vesting in 2015[4]	Shares yet to vest at December 31, 2015	Vesting date of shares[2]	Remaining contract life (in years)
LTIP Plan 2011 – Outside France	04/19/2011	427,737	(24,321)	(403,416)	-	04/19/2015	-
50 free shares plan 2011 – 14 countries	12/01/2011	207,600	(33,600)	(174,000)[3]	-	12/01/2015	-
LTIP Plan 2012 – France	04/17/2012	89,800	(11,950)	(77,850)	-	04/17/2015	-
LTIP Plan 2012 – Outside France	04/17/2012	480,139	(25,155)	(3,300)	451,684	04/17/2016	0.30
50 free shares plan 2013 – 26 countries	02/01/2013	206,125	(53,450)	-	152,675	02/01/2017	1.09
LTIP Plan 2013 – France	04/16/2013	47,254	(5,017)	-	42,237	04/16/2016	0.29
LTIP Plan 2013 – Outside France	04/16/2013	292,521	(19,454)	-	273,067	04/16/2017	1.29
LTIP Plan 2013-2015 (Management Board members France)	06/17/2013	60,598	(11,666)	-	48,932	06/17/2016	0.46
LTIP Plan 2013-2015 (Management Board members Outside France)	06/17/2013	30,299	(5,833)	-	24,466	06/17/2017	1.46
2013 co-investment plan – Free shares France	04/30/2013	125,697	(7,777)	-	117,920	04/30/2016	0.33
2013 co-investment plan – Free shares Outside France	04/30/2013	671,217	(93,055)	-	578,162	04/30/2017	1.33
LTIP Plan 2014 – France	03/20/2014	84,240	(47,194)	-	37,046	03/20/2017	1.22
LTIP Plan 2014 – Outside France	03/20/2014	539,635	(289,674)	-	249,961	03/20/2018	2.22
LTIP Plan 2015 – France	04/17/2015	75,960	2,100	-	78,060	04/17/2018	2.30
LTIP Plan 2015 – Outside France	04/17/2015	563,840	(14,810)	-	549,030	04/17/2019	3.30
Sapient 2015 Plan (4 year)	04/17/2015	371,774	(1,887)	(5,032)	364,855	04/17/2019	3.30
Sapient 2015 Plan (3 year)	04/17/2015	51,196	-	-	51,196	04/17/2018	2.30
TOTAL OF FREE SHARE PLANS		**4,325,632**	**(642,743)**	**(663,598)**	**3,019,291**		

(1) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.
(2) After this date, French beneficiaries must observe an additional two-year lock-in period.
(3) 171,775 shares resulting from a capital increase were delivered in December 2015. The 2,225 shares still to be delivered will not be delivered until February 2016, certain countries having confirmed the definitive allocations late.
(4) 3,300 shares (LTIP 2012) and 5,032 (Sapient 2015 - 4 years) have been delivered early.

The award of the free shares under the above plans is conditional on continued employment throughout the vesting period. Awards are or were also subject to non-market performance conditions for LTIP Plans 2010 to 2015, for the 2013 co-investment plan relating only to the members of the Management Board and for the Sapient 2015 Plan for which the vesting period is three years.

Movements in Publicis Groupe free share plans over the last two years

	2015	2014
PROVISIONAL GRANTS AT JANUARY 1	**3,262,862**	**4,085,605**
Provisional grants during the year	1,062,770	639,750
Grants vesting (deliveries)	(663,598)	(817,823)
Grants lapsed	(642,743)	(644,670)
PROVISIONAL GRANTS AT DECEMBER 31	**3,019,291**	**3,262,862**

Fair value of free Publicis Groupe shares granted in the last two years

Free shares	LTIP 2015(1)	Sapient 2015 (4 year)(2)	Sapient 2015 (3 year)(2)	LTIP 2014(2)
Date of Management Board Meeting	04/17/2015	04/17/2015	04/17/2015	03/20/2014
Number of shares originally granted	639,425	371,774	51,196	639,750
Initial valuation of shares granted (weighted average, in euros)	67.27	69.47	69.04	59.84
Assumptions:				
Share price on the grant date (in euros)	73.50	73.50	73.50	64.10
Lock-in period (in years)(3)	4	4	3	4

(1) Conditional shares whose vesting is subject to the achievement of targets set for 2015.
(2) Conditional shares whose vesting is subject to the achievement of targets set for 2014.
(3) The vesting period for tax residents of France is three years, followed by a two-year lock-in period.

It should be noted that for these plans, the only adjustment made in the fair value of the free shares was to account for lost dividends during the vesting period; no discount was applied for the lock-in period since the effect was considered to be negligible.

Effect of share subscription or stock option plans and free share plans on profit (loss)

The total impact of these plans on the 2015 income statement was euro 38 million (excluding taxes and social security charges), compared to euro 35 million in 2014 (see Note 3 - "Personnel expenses").

With regard to the free share plans granted subject to performance conditions, the rights of which were still to be vested as of December 31, 2015, the probability of the targets for 2015 being met has been estimated as follows:

- LTIP Plan 2015: 50%;
- Sapient Plan 2015 (3 years): 100%;
- LTIP Plan 2013-2015 (Management Board): 53.2%;
- 2013 co-investment plan: 50%.

Note 29 Related-party disclosures

Related-party transactions

The balance of related-party transactions is presented below and concerns the entities OnPoint in 2015 and Somupi in 2014:

(in millions of euros)	2015	2014
Receivables	8	3
Liabilities	6	-

Terms and conditions of related-party transactions

- On March 17, 2015, prior to the opening of the Paris Stock Exchange, Publicis Groupe acquired 2,406,873 of its own treasury shares from the Badinter family for a total amount of euro 176 million, equal to euro 73.03 per share. This transaction was carried out as part of the buy-back program authorized by the General Shareholders' Meeting on May 28, 2014 and the planned early redemption of the Orane 2022 approved by the Supervisory Board and announced on September 15, 2014.

  The transaction takes Élisabeth Badinter and her family group's stake in the share capital from 8.67% to 7.58% and their stake in the voting rights from 15.87% to 13.88%. Élisabeth Badinter remains the Company's largest shareholder. The transaction represents a 2% discount to the weighted average share price for the five trading days preceding this date and a 4.5% discount to the closing share price of euro 76.47 on March 16, 2015.
- The other related-party transactions are immaterial and carried out based on prevalent market terms and conditions, similar to those that would be offered to third parties.

Compensation of managers

Managers cover individuals who were members of the Supervisory Board or Management Board, at the reporting date or during the year ended.

(in millions of euros)	2015	2014
Total gross compensation(1)	(11)	(9)
Post-employment benefits(2)	1	-
Other long-term benefits(3)	(1)	(1)
Share-based payments(4)	(1)	(2)

(1) Compensation, bonuses, indemnities, directors' fees and benefits in kind paid during the year.
(2) Change in pension provisions (net impact on income statement).
(3) Increase/release of provisions for deferred compensation and contingent bonuses.
(4) Expense recognized in the income statement under the Publicis Groupe share subscription and purchase options and free share plans.

In addition, the accounting provision as at December 31, 2015 for retirement and other long-term benefits for senior management amounted to euro 8 million. This figure was euro 8 million on December 31, 2014.

Note 30 Events after the reporting period

None

Note 31 Fees of the statutory auditors and members of their networks

The fees paid by Publicis Groupe SA during 2015 and 2014 to all of the Group's statutory auditors were as follows:

	Ernst & Young				Mazars				Total			
	Total (excl. VAT)		%		Total (excl. VAT)		%		Total (excl. VAT)		%	
(in millions of euros)	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Audit												
Statutory audit, audit opinion, review of individual and consolidated financial statements												
Publicis Groupe SA (parent company)	0.7	0.7	8%	9%	0.4	0.4	9%	9%	1.1	1.1	8%	9%
Subsidiaries	5.8	3.9	68%	49%	4.0	3.1	89%	71%	9.8	7.0	75%	57%
Planned merger	-	1.1	-	14%	-	0.7	-	16%	-	1.8	-	15%
SUBTOTAL	**6.5**	**5.7**	**76%**	**72%**	**4.4**	**4.2**	**98%**	**96%**	**10.9**	**9.9**	**83%**	**81%**
Other work and services directly related to the audit mission												
Publicis Groupe SA (parent company)	-	-		-	-	-		-	-	-		-
Subsidiaries	1.8	2.0	21%	25%	0.1	0.1	2%	2%	1.9	2.1	15%	17%
SUBTOTAL	**1.8**	**2.0**	**21%**	**25%**	**0.1**	**0.1**	**2%**	**2%**	**1.9**	**2.1**	**15%**	**17%**
Other services												
Tax	0.3	0.2	3%	3%	-	0.1	-	2%	0.3	0.3	2%	2%
TOTAL	**8.6**	**7.9**	**100%**	**100%**	**4.5**	**4.4**	**100%**	**100%**	**13.1**	**12.3**	**100%**	**100%**

Note 32 List of main consolidated companies on December 31, 2015

A) Fully consolidated companies

The companies listed below are our operating companies with 2015 revenue of at least euro 10 million.

Name	Voting rights	Shareholding	Country
MediaVision et Jean Mineur SA	66.63%	66.63%	France
Metrobus Publicité SA	67.00%	67.00%	France
Mediagare SNC	100.00%	67.00%	France
Drugstore Champs Elysées SNC	100.00%	100.00%	France
Marcel SAS	100.00%	99.98%	France
Publicis K1 SAS	100.00%	99.98%	France
Publicis Conseil SA	99.98%	99.98%	France
Publicis Consultants I France SARL	99.99%	99.99%	France
Publicis Activ France SA	99.96%	99.94%	France
Leo Burnett SAS	100.00%	100.00%	France
Publicis Dialog SAS	100.00%	99.98%	France
VivaKi Performance SA	100.00%	100.00%	France
VivaKi Communication SA	100.00%	100.00%	France
World Advertising Movies (SAS)	100.00%	100.00%	France
ETO SAS	100.00%	84.16%	France
SCAP SARL	100.00%	100.00%	France
PLBSA	100.00%	100.00%	France
Razorfish France SAS(2)	100.00%	100.00%	France
Publicis Life Brands SA(2)	100.00%	100.00%	France
LBi Germany AG	100.00%	100.00%	Germany
MetaDesign AG	100.00%	100.00%	Germany
CNC AG	100.00%	100.00%	Germany
Razorfish	100.00%	100.00%	Germany
Optimedia Gesellschaftfür Media-Services GmbH	100.00%	100.00%	Germany
Zenithmedia Dusseldorf GmbH	100.00%	97.07%	Germany
Saatchi & Saatchi GmbH	100.00%	100.00%	Germany
Leo Burnett GmbH	100.00%	100.00%	Germany
Publicis Hamburg PWW GmbH	100.00%	97.07%	Germany
VivaKi GmbH	100.00%	100.00%	Germany
Pixelpark AG	93.69%	93.69%	Germany
Publicis Pixelpark GmbH(2)	97.00%	97.00%	Germany
Performics – Newcast GmbH(2)	100.00%	100.00%	Germany
Sapient GmbH(2)	100.00%	100.00%	Germany
Abdulkader Suleiman El Khereiji & Brothers Advertising Company	100.00%	100.00%	Saudi Arabia
MMS Comunicaciones Argentina SA	100.00%	100.00%	Argentina
ZenithOptimedia Australia Pty Ltd	100.00%	100.00%	Australia
Publicis Mojo Pty Ltd	100.00%	100.00%	Australia
Publicis Loyalty Pty Ltd	100.00%	100.00%	Australia
Saatchi & Saatchi Communications Australia Pty Ltd	100.00%	100.00%	Australia
Leo Burnett (VIC) Pty Ltd	100.00%	100.00%	Australia
Leo Burnett Pty Ltd	100.00%	100.00%	Australia
Starcom MediaVest Group Pty Ltd	100.00%	100.00%	Australia
Proximedia SA(2)	100.00%	100.00%	Belgium

Name	Voting rights	Shareholding	Country
Taterka Comunicações SA	100.00%	100.00%	Brazil
Neogama BBH Publicidade Ltda	100.00%	100.00%	Brazil
DPZ Duailibi Petit Zaragoza Propaganda	70.00%	70.00%	Brazil
Publicis Brasil Comunicaçao Ltda	100.00%	100.00%	Brazil
Leo Burnett Publicidade Ltda	99.99%	99.99%	Brazil
Finance Nazca Saatchi & Saatchi Publicidade Ltda	59.00%	59.00%	Brazil
Talent Comunicacao e Planejamento SA	100.00%	100.00%	Brazil
ZenithOptimedia Canada Inc.	100.00%	100.00%	Canada
G/B2 Inc.	100.00%	100.00%	Canada
Leo Burnett Company Ltd	100.00%	100.00%	Canada
TMG MacManus Canada Inc.	100.00%	100.00%	Canada
Publicis Canada Inc.	100.00%	100.00%	Canada
Saatchi & Saatchi Advertising Inc.	100.00%	100.00%	Canada
Nurun Inc.	100.00%	100.00%	Canada
Sapient Canada Inc.(2)	100.00%	100.00%	Canada
MMS Communications Chile SA	100.00%	100.00%	Chile
Shanghai Genedigi Brand Management Co. Ltd	100.00%	100.00%	China
Publicis Advertising Co. Ltd	100.00%	100.00%	China
Saatchi & Saatchi Great Wall Advertising Co. Ltd	100.00%	100.00%	China
Leo Burnett Shanghai Advertising Co. Ltd	100.00%	100.00%	China
BBH China Limited(2)	100.00%	100.00%	China
Beijing MSLgroup PR Consultants BJ Co Ltd(2)	100.00%	100.00%	China
Leo Burnett Ltd	100.00%	100.00%	China
Denuo Ltd	100.00%	100.00%	China
MMS Comunicaciones Colombia S.A.S	99.99%	99.99%	Colombia
Publicis Groupe Media SA	97.44%	97.44%	Colombia
Leo Burnett Korea Inc.	100.00%	100.00%	Korea
Lion Re: Sources S.A.	100.00%	100.00%	Costa Rica
Leo Burnett	100.00%	100.00%	UAE
Publicis Middle East FZ-LLC	100.00%	100.00%	UAE
Starcom MediaVest Group	100.00%	100.00%	UAE
Optimedia SL	100.00%	100.00%	Spain
Starcom MediaVest Group Iberia SL	100.00%	100.00%	Spain
Publicis Comunicacion Espana LC	100.00%	100.00%	Spain
Zenith Media SL	100.00%	100.00%	Spain
Rokkan Media LLC	100.00%	100.00%	United States
MRY US LLC	100.00%	100.00%	United States
Publicis Hawkeye, Inc.	100.00%	100.00%	United States
Apex Exchange, LLC	100.00%	100.00%	United States
Bartle Bogle Hegarty LLC	100.00%	100.00%	United States
Fallon Group Inc.	100.00%	100.00%	United States
Optimedia International US Inc.	100.00%	100.00%	United States
Martin Retail Group LLC	70.00%	70.00%	United States
Kekst and Company Inc	100.00%	100.00%	United States
Publicis Inc. (DE)	100.00%	100.00%	United States
Leo Burnett Detroit Inc	100.00%	100.00%	United States
SCAP USA LLC	100.00%	100.00%	United States
Medicus Group International Inc	100.00%	100.00%	United States
Publicis Healthcare Solutions Inc.(1)	100.00%	100.00%	United States
Saatchi & Saatchi Healthcare Communications Inc	100.00%	100.00%	United States
Manning Selvage & Lee Group Americas Inc	100.00%	100.00%	United States

Name	Voting rights	Shareholding	Country
Publicis Inc (NY)	100.00%	100.00%	United States
VivaKi Inc.	100.00%	100.00%	United States
VNC Communications Inc	100.00%	100.00%	United States
Starcom MediaVest Group Inc	100.00%	100.00%	United States
Saatchi & Saatchi North America Inc.	100.00%	100.00%	United States
Digitas Inc	100.00%	100.00%	United States
Zenith Media Services Inc	100.00%	100.00%	United States
Conill Advertising Inc	100.00%	100.00%	United States
Saatchi & Saatchi X Inc	100.00%	100.00%	United States
Razorfish LLC	100.00%	100.00%	United States
Leo Burnett Company Inc	100.00%	100.00%	United States
SC USA Division	100.00%	100.00%	United States
Rosetta Marketing Group LLC	100.00%	100.00%	United States
Schwartz MSL LLC	100.00%	100.00%	United States
Drumbeat Digital, LLC	100.00%	100.00%	United States
Level Sunset, LLC	100.00%	100.00%	United States
Publicis Health Media(2)	100.00%	100.00%	United States
Expicient, Inc.(2)	100.00%	100.00%	United States
Run, Inc.(2)	100.00%	100.00%	United States
Nurun SF Inc.(2)	100.00%	100.00%	United States
Verilogue, Inc.(2)	100.00%	100.00%	United States
Digitas Health Philadelphia(2)	100.00%	100.00%	United States
Sapient Corporation(2)	100.00%	100.00%	United States
Sapient Government Services, Inc.(2)	100.00%	100.00%	United States
Mphasize, LLC(2)	100.00%	100.00%	United States
La Comunidad Corporation(2)	100.00%	100.00%	United States
3Share Inc.(2)	100.00%	100.00%	United States
Alpha245 Inc.(2)	100.00%	100.00%	United States
Saatchi & Saatchi Services (HK) Ltd.	100.00%	100.00%	Hong Kong
TLG India Pvt Ltd	100.00%	100.00%	India
Beehive communications Pvt Ltd(2)	98.00%	98.00%	India
Sapient Consulting Private Limited(2)	100.00%	100.00%	India
Baumann-Ber-Rivnay Ltd	100.00%	88.09%	Israel
ZenithOptimediaGroup Srl	100.00%	100.00%	Italy
Publicis Srl(1)	100.00%	100.00%	Italy
Leo Burnett Company Srl	100.00%	100.00%	Italy
Saatchi & Saatchi Srl	100.00%	100.00%	Italy
Beacon Communications KK	66.00%	66.00%	Japan
MMS Communications KK	100.00%	100.00%	Japan
Star Reacher Advertising Sdn Bhd	100.00%	100.00%	Malaysia
Lion Communications Mexico SA de CV	100.00%	100.00%	Mexico
Starcom Worldwide SA de CV	100.00%	100.00%	Mexico
SSW Holdings Ltd	100.00%	100.00%	New Zealand
VivaKi Norway AS(2)	90.00%	90.00%	Norway
LBi Netherlands BV	100.00%	99.41%	Netherlands
DMX Media BV(2)	100.00%	100.00%	Netherlands
NME Media BV	100.00%	100.00%	Netherlands
StarcomSp. Z.o.o	100.00%	100.00%	Poland
Publicis Jimenez Basic Inc.(2)	65.00%	65.00%	Philippines
Publicis Manila, Inc.(2)	89.00%	89.00%	Philippines
Walker Media Limited	75.10%	75.10%	United Kingdom

Name	Voting rights	Shareholding	Country
DigitasLBi Limited	100.00%	100.00%	United Kingdom
MSLGROUP London Limited	100.00%	100.00%	United Kingdom
Razorfish UK Ltd	100.00%	100.00%	United Kingdom
Publicis Ltd	100.00%	100.00%	United Kingdom
Saatchi & Saatchi Group Ltd	100.00%	100.00%	United Kingdom
Zenith Optimedia Services Ltd	100.00%	100.00%	United Kingdom
Leo Burnett Ltd	100.00%	100.00%	United Kingdom
PGM Media Services Ltd	100.00%	100.00%	United Kingdom
Arc Integrated Marketing Ltd	100.00%	100.00%	United Kingdom
Publicis Healthcare Communications Group Ltd	100.00%	100.00%	United Kingdom
Zenith Optimedia International Ltd	100.00%	100.00%	United Kingdom
BBH Partners LLP	100.00%	100.00%	United Kingdom
D&D Holdings Limited (UK)(2)	100.00%	100.00%	United Kingdom
Sapient Limited(2)	100.00%	100.00%	United Kingdom
Capital MSL Ltd(2)	100.00%	100.00%	United Kingdom
Leo Burnett LLC	100.00%	100.00%	Russia
Publicis Groupe Media Eurasia LLC	100.00%	100.00%	Russia
MMS Communications Singapore Pte Ltd	100.00%	100.00%	Singapore
BBH communications (Asia Pacific) Pte Ltd(2)	100.00%	100.00%	Singapore
LBi Sverige AB	100.00%	100.00%	Sweden
JKL AB	100.00%	100.00%	Sweden
VivaKi Sweden AB	100.00%	100.00%	Sweden
Leo Burnett SA Switzerland	100.00%	100.00%	Switzerland
Zenith Optimedia AG	100.00%	100.00%	Switzerland
Publicis Communications Schweiz AG	100.00%	100.00%	Switzerland
Star Reachers Group Company Ltd	100.00%	100.00%	Thailand

(1) Change in corporate name.
(2) Companies on the 2015 list but not on the 2014 list.

B) Associates

Name	Voting rights	Shareholding	Country
Burrell Communications Group	49.00%	49.00%	United States
Jana Mobile Inc.	23.48%	23.48%	United States
On Point Consulting, Inc.(1)(2)	100.00%	100.00%	United States
Somupi SA	34.00%	34.00%	France
Arcade (Private) Ltd	25.00%	25.00%	Singapore
Matomy Media Group Ltd(2)	24.90%	24.90%	Israel

(1) Although this company is wholly-owned, it is not, however, controlled by the Group, which only has a significant influence.
(2) Companies on the 2015 list but not on the 2014 list.

4.7 Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Publicis Groupe;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 1.3 "Accounting principles" to the consolidated financial statements describes the accounting policies and methods with respect to revenue recognition.

  As part of our assessment of the accounting policies and principles applied by your group, we assessed the appropriateness of the accounting method used for revenue recognition and we assured ourselves of the correct application of this accounting method.
- Your group carries out impairment tests with regard to the value of intangible assets, goodwill and property, plant and equipment in accordance with the methods described in Note 1.3 "Accounting principles" and Note 5 "Depreciation, amortization and impairment expense" to the consolidated financial statements. We reviewed the conditions in which these impairment tests were performed, as well as the cash flow forecasts and assumptions used by your group and independent experts.
- As exposed in Notes 1.3 "Accounting principles" and 22 "Borrowings and other financial liabilities" to the consolidated financial statements, your group recognizes in financial liabilities all commitments related to the acquisition of companies whether they concern commitments to buy-out non-controlling interests or earn-out, based on contractual clauses and the fair value of these commitments, according to the latest available data and projections over the future concerned periods. We reviewed the accounting principles used as well as the evaluation and underlying assumptions.

- Your group has established provisions as described in Notes 20 "Provisions for liabilities and charges" and 21 "Pensions and other long-term benefits" to the consolidated financial statements. These Notes describe the methods of calculation and measurement of restructuring provisions, vacant property provisions, provision for litigation and claims and provisions for pension and other post-retirement benefits obligation. Our assessment of the valuation of these provisions was based on tests related to the procedures followed by management in valuing these provisions and on the review of independent valuations performed by experts.
- Your group has determined the fair value of options granted in the context of Publicis Groupe stock option plans, as described in Note 28 "Publicis Groupe SA stock option and free share plans" to the consolidated financial statements. Our work consisted in reviewing the data used and in assessing the assumptions made by your group and the independent expert.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Courbevoie and Paris-La Défense, February 11, 2016

The statutory auditors

French original signed by

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

PARENT COMPANY FINANCIAL STATEMENTS 2015

5.1 Income statement

(in thousands of euros)	Note	2015	2014
Billings (goods and services)	3	9,608	52,838
Reversal of provisions and expense transfers	4	11,276	29,011
Other income		521	41
TOTAL OPERATING INCOME		**21,405**	**81,890**
Other purchases and external charges		(22,816)	(43,021)
Taxes other than income taxes		(915)	(2,316)
Personnel expenses	5	(8,381)	(39,212)
Amortization and increases in provisions		(2,909)	(3,187)
Other expenses		(991)	(1,326)
TOTAL OPERATING EXPENSES		**(36,012)**	**(89,062)**
OPERATING INCOME (EXPENSE)		**(14,607)**	**(7,172)**
Investment income		304,615	110,040
Interest and other financial income		10,806	8,864
Reversal of financial provisions		12,704	11,895
TOTAL FINANCIAL INCOME		**328,125**	**130,799**
Amortization and increases in provisions		(7,644)	(35,343)
Interest and other financial expenses		(164,274)	(123,271)
TOTAL FINANCIAL EXPENSES		**(171,918)**	**(158,614)**
NET FINANCIAL INCOME (EXPENSE)	6	**156,207**	**(27,815)**
Net income (loss) before exceptional items and taxes		**141,600**	**(34,987)**
Exceptional expenses on operational transactions		(345,465)	-
TOTAL EXCEPTIONAL EXPENSES		**(345,465)**	**-**
EXCEPTIONAL ITEMS	7	**(345,465)**	**-**
Income taxes	8	**49,113**	**31,980**
NET INCOME FOR THE PERIOD		**(154,752)**	**(3,007)**

5.2 Balance sheet at December 31

(in thousands of euros)	Note	December 31, 2015	December 31, 2014
ASSETS			
Intangible assets	9.1		
Concessions and business goodwill		2,991	2,991
Other intangible assets		507	507
Depreciation		(1,057)	(848)
Tangible assets	9.2		
Land		2,291	2,291
Buildings		3,044	3,044
Machinery and equipment		1,133	1,133
Other		32,224	30,591
Depreciation		(19,202)	(16,638)
Investments and other financial assets			
Investments	9.3	5,637,897	5,190,895
Impairment provisions on investments	9.3	(117,118)	(123,974)
Loans and receivables owed by associates and non-consolidated companies	9.4	2,668,353	2,889,366
Other non-current securities	9.5	1,093	83,063
Loans and other financial assets		282	282
Provisions on investments and other financial assets		(31)	(31)
NON-CURRENT ASSETS		**8,212,408**	**8,062,672**
Trade receivables		11,209	34,983
Other receivables		20,063	12,674
Marketable securities	10	59,788	252,641
Cash and cash equivalents		-	1,182
CURRENT ASSETS		**91,060**	**301,480**
Prepayments		476	451
Deferred expenses	11	12,623	9,232
Bond redemption premiums	12	7,353	8,314
Unrealized foreign exchange losses	13	55	35
TOTAL ASSETS		**8,323,975**	**8,382,184**

Balance sheet at December 31

(in thousands of euros)	Note	December 31, 2015	December 31, 2014
EQUITY AND LIABILITIES			
Share capital		89,016	88,482
Retained earnings		3,309,890	3,283,190
Statutory reserve		8,641	8,641
Earnings brought forward		903,111	1,158,886
EQUITY BEFORE NET INCOME FOR THE PERIOD		**4,310,658**	**4,539,199**
Net income for the period		(154,752)	(3,007)
EQUITY	15	**4,155,906**	**4,536,192**
Proceeds from issuance of participating securities (Orane)		-	381,159
Other equity	16	**-**	**381,159**
Provisions for liabilities and charges	17	**45,939**	**42,853**
Bonds	18	1,301,938	1,562,679
Bank borrowings and overdrafts	19	446,330	-
Borrowings and other financial liabilities	20	2,165,153	1,795,356
Trade payables		7,984	11,247
Income tax and social security liabilities		17,494	21,967
Other creditors		384	242
Deferred income	22	3,725	4,140
LIABILITIES		**3,943,008**	**3,395,631**
Unrealized foreign exchange gains	23	179,122	26,349
TOTAL EQUITY AND LIABILITIES		**8,323,975**	**8,382,184**

5.3 Statement of cash flows

(in thousands of euros)	2015	2014
Cash flows from operating activities		
Net income for the period	**(154,752)**	**(3,007)**
Gains (losses) on disposals	346,326	6,377
Increases in provisions (net of reversals)	(2,026)	39,919
Transfer of asset merger costs to expenses	-	37,467
Transfer to deferred expenses, net of amortization	9,250	-
Amortization of redemption premiums on the Océane and Eurobond	4,751	1,495
Gross operating cash flow	***207,601***	***82,251***
Change in working capital requirements	(133,698)	(43,590)
NET CASH FLOWS GENERATED BY (USED IN) OPERATING ACTIVITIES (I)	**(73,903)**	**38,661**
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(1,633)	(551)
Acquisitions of subsidiaries	(1,216)	(624)
Disposals of subsidiaries	45	-
NET CASH FLOWS GENERATED BY (USED IN) INVESTING ACTIVITIES (II)	**(2,804)**	**(1,175)**
Cash flows from financing activities		
Dividends paid to holders of the parent company	(239,800)	(110,548)
Capital increase	15,722	22,823
Redemption of Orane	(392,063)	-
New bonds	-	1,291,642
Redemption of bonds and related interest	(307,517)	(28,201)
Increases in other borrowings/(loans)	369,797	(1,267,395)
Decreases in loans/(other borrowings)	221,013	-
Buyback of treasury shares	(466,886)	-
Sale of treasury shares	88,686	25,254
NET CASH FLOWS GENERATED BY (USED IN) FINANCING ACTIVITIES (III)	**(711,048)**	**(66,425)**
CHANGE IN CASH AND CASH EQUIVALENTS (I + II + III)	**(639,949)**	**(28,939)**
Net cash and cash equivalents at beginning of the year	253,823	282,762
Net cash and cash equivalents at end of the year	(386,126)	253,823
CHANGE IN CASH AND CASH EQUIVALENTS	**(639,949)**	**(28,939)**

5.4 Notes to the financial statements of Publicis Groupe SA

DETAILED SUMMARY OF THE NOTES TO THE FINANCIAL STATEMENTS

The Company's primary business mainly involves managing its investments and providing services to all Group companies.

Additionally, and to a lesser degree, the Company receives rental income from leasing the building it owns at 133, avenue des Champs-Élysées in Paris.

Note 1 Significant events during the period

In 2015 the following significant events occurred:

- subsequent to the agreement signed on November 3, 2014, the Group acquired, via its subsidiary MMS USA Holdings, the US Sapient Group in a USD 3.5 billion (euro 3,077 million) cash deal. Given that this acquisition was financed by the parent company, Publicis Groupe SA signed a USD 1.6 billion medium-term syndicated loan agreement on January 20, 2015, which will mature in 2018, 2019 and 2020. This loan replaces the unused syndicated credit line of USD 1.9 billion.

  This acquisition was also financed using the two tranches of the Eurobond loan issued on December 16, 2014, for euro 700 million and 600 million respectively;
- on July 15, 2015, the Company completed the early redemption of the 1,562,129 Orane 2022 bonds, through the issue of treasury shares, resulting in a capital loss of euro 345 million recorded under exceptional items;
- further to the decision not to proceed with the Publicis-Omnicom merger in May 2014, rendering futile the reorganization of central departments carried out on January 1, 2014, 37 people were transferred back from Publicis Groupe SA to their original companies at the beginning of 2015. The Company now has only one employee. However, personnel costs include those of the Chairman of the Management Board, and other external expenses; those of people seconded from other Group entities for the purposes of setting up two new departments, "Strategy" and "Group coaching",
- on July 22, 2015, Publicis Groupe SA agreed a 5-year new multi-currency syndicated credit line for euro 2 billion, designed to meet its general funding requirements. It replaces the euro 1.2 billion syndicated credit line subscribed on July 13, 2011.

Note 2 Accounting policies, rules and methods

The parent company's financial statements for 2015 have been prepared in accordance with the French Chart of Accounts (*plan comptable général*) and in compliance with legal and regulatory texts applicable in France.

Comparability of financial statements

The measurement methods used to prepare the 2015 financial statements are identical to those used to prepare the financial statements for the previous financial year, with the exception of retirement indemnities for which the measurement method has changed (see Note 17, (4) for details).

Intangible assets

Intangible assets subject to amortization consist of the concession in respect of parking spaces, which is amortized over 75 years (length of the concession), and the business goodwill of Publicis Cinema, which is already fully amortized.

Property, plant and equipment

Tangible assets are recognized at net acquisition cost and are subject to annual depreciation calculated on a straight-line basis over the following periods:

- 50 years Building on avenue des Champs-Élysées, Paris, France;
- 10 to 20 years Fixtures, fittings and general installations;
- 10 years Machinery and equipment;
- 4 years Vehicles;
- 3 years IT equipment.

Investments and other financial assets

The gross amount of long-term equity investments is composed of the acquisition price of the securities excluding ancillary expenses. Foreign currency-denominated securities are recognized at their acquisition price translated into euros at the exchange rate applicable on the date of the transaction.

Impairment provisions are recognized whenever the investment's value in use is lower than its carrying amount. Value in use is determined on the basis of objective criteria, such as net asset value, capitalized earnings or market capitalization, associated where necessary with more subjective criteria, such as specific industry indicators or ratios determined, in the context of economic assumptions and the Company's growth forecasts, on the basis of the present value of projected future cash flows, and the strategic nature of the investment to the Group.

Marketable securities

Marketable securities primarily include treasury shares, which are classified according to their intended purpose.

A provision for liabilities is recognized for treasury shares allocated to stock option or free share plans in order to reflect the loss resulting from the difference between the subscription price (zero for the free shares) and their cost price.

A provision is recognized for treasury shares that are not allocated to such a plan, as well as "other marketable securities", whenever their current value at the reporting date is lower than their carrying amount. The current value of publicly traded securities equals the average quoted price for the final month of the financial year; and for non-listed securities, the probable selling price.

Bonds

Bonds are recognized at their par value.

In cases where a redemption premium exists, the liability is increased by the total amount of such a premium. This premium is offset by the recognition of an asset, which is amortized over the life of the bond on an actuarial basis.

In cases where an issue premium exists, the liability is recognized at par value and the issue premium is recognized as an asset; the issue premium being amortized over the life of the bond.

Orane (*i.e.* bonds redeemable in new or existing shares) are recognized in other equity because of their intrinsic characteristics.

Provisions for liabilities and charges

Provisions are funded when:

- the Group has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- the amount of the outflow can be estimated reliably.

Where the effect of the time value of money is material, provisions are discounted, with the increase in the amount of the provision resulting from the unwinding of the discounting being recognized under financial expenses.

Contingent liabilities are not recognized but, where material, are disclosed in the Notes to the financial statements.

Net financial income (expense)

Financial income is recognized by applying the usual rules, *i.e.*:

- dividends: on the date the distribution is approved by the General Shareholders' Meeting;
- financial income on current accounts, time deposits and bonds: as and when benefits are acquired;
- interest and dividends on marketable securities: on the date of receipt.

Financial expenses relating to the Eurobond 2015 as well as the Eurobonds 2021 and 2024 are presented, where applicable, net of the interest income from the interest rate swaps.

It should, moreover, be noted that the swaps connected with the two aforementioned bonds were treated as hedges of a loan and of a current account in dollars recognized as assets.

Exceptional items

These include capital gains and losses on the sale of property, plant and equipment, and intangible and financial assets.

Note 3 Billings

Billings are mainly composed of:

- rent received from the building at 133, avenue des Champs-Élysées in Paris, France;
- services invoiced to Group companies.

Note 4 Reversal of provisions and expense transfers

Expense transfers primarily include re-invoicing of Group companies with respect to Publicis Groupe free share grants to certain key Group executives as part of the co-investment programs granted in 2009 and 2013.

Note 5 Personnel expenses

2015 personnel expenses include, in addition to the compensation of the Chairman of the Management Board and related expenses, the costs associated with the co-investment plan granted to key Group executives in 2013. This cost, totaling euro 7,726,874 in 2015, represents the future loss on the free shares granted under this plan, staggered over the vesting period.

In 2014, the costs associated with the co-investment plan amounted to euro 20,774,281.

Note 6 Net financial income (expenses)

(in thousands of euros)	2015	2014
Dividends	183,806	67,943
Other income from investments	120,809	42,097
Investment income	**304,615**	**110,040**
Other financial income	3,415	8,174
Foreign exchange gains	7,391	690
Interest and other financial income	**10,806**	**8,864**
Amortization of the Eurobond 2024 payment	434	-
Reversal of provision for liabilities on treasury shares	5,379	11,864
Reversal of impairment provisions for equity investments	6,856	-
Reversal of other financial provisions	35	31
Reversal of financial provisions	**12,704**	**11,895**
TOTAL FINANCIAL INCOME	328,125	130,799
Provision for liabilities on treasury shares	(2,854)	(5,379)
Bond-related amortization	(4,751)	(1,495)
Increases in provisions for foreign exchange losses	(19)	(35)
Increases in provisions for impairment of equity investments	-	(28,434)
Increases in other financial provisions	(20)	-
Amortization and increases in provisions	**(7,644)**	**(35,343)**
Bond-related expenses	(59,767)	(25,659)
Other financial expenses	(96,874)	(96,968)
Foreign exchange losses	(7,633)	(644)
Interest and other financial expenses	**(164,274)**	**(123,271)**
TOTAL FINANCIAL EXPENSES	(171,918)	(158,614)
NET FINANCIAL INCOME (EXPENSE)	**156,207**	**(27,815)**

Note 7 Exceptional items

The exceptional items recorded for the 2015 financial year mainly correspond to the capital loss incurred on the redemption of the Orane 2022: on July 15, 2015, the Company completed the early redemption of the 1,562,129 Orane bonds that it held, recorded in the balance sheet for a principal of euro 381,150,547. At this time, 12,684,356 treasury shares, the cost price of which amounted to euro 726,606,763, were issued in compensation, resulting in a capital loss of euro 345,456,215 recorded under exceptional expenses.

There were no exceptional items in 2014.

Note 8 Income taxes

The income statement shows a deferred tax amount of euro 49,112,731. This amount corresponds to the tax consolidation gain recognized as income in the financial statements of the tax group's parent company, in accordance with the tax consolidation agreements signed with the member companies, net of the 3% tax expense on dividends paid in cash by the Company in 2015 (euro 7,194,009).

The Company, which is the parent company of the French tax group (comprising 34 subsidiaries), recorded a tax loss of euro 384,214,958 in 2015.

Tax loss carryforwards of the French tax group, which can be carried forward without any time limit, amounted to euro 307,057,002 at December 31, 2015.

Note 9 Non-current assets

9.1 Intangible assets

There were no acquisitions or disposals during 2015. Consequently, the balance at December 31, 2015 stands at euro 3,498,498, the same figure as at December 31, 2014.

9.2 Property, plant and equipment

In 2015, euro 1,632,870 was invested in fixtures.

In 2014, euro 1,398,226 was invested in fixtures.

9.3 Investments

At the end of 2015, the impairment provisions on the Metrobus and Médias et Régies Europe securities were reversed in full, for the amounts of euro 5,347,000 and euro 1,509,000 respectively.

In 2014, a further provision for impairment totaling euro 28,434,000 was recognized for securities held in MMS France Holdings (gross value of euro 249,293,677), bringing the provision to euro 117,118,000.

9.4 Loans and receivables owed by associates and non-consolidated companies

(in thousands of euros)	December 31, 2015	December 31, 2014
Loans to MMS USA Holdings	897,630	804,917
Loan to MMS Multi Market Services Ireland	1,479,122	715,798
Loan to MMS France Holdings	30,249	-
MMS France Holdings current account	235,304	144,729
Publicis Finance Services current account	-	1,202,332
Other receivables	8,075	7,958
Interest receivable	17,973	13,632
TOTAL	**2,668,353**	**2,889,366**

In 2015, the funds from the second tranche of the Eurobond issued in December 2014 (euro 600,000,000 swapped for dollars), having been temporarily debited from the current account with Publicis Finance Services, were the subject of a ten-year loan to MMS Multi Market Services Ireland for a principal amount of USD 741,270,000. This loan is in addition to the loan previously granted in December 2014 for an amount of USD 869,050,000 (corresponding to the first tranche of the seven-year euro 700,000,000 Eurobond).

9.5 Other non-current securities

Following the decision to redeem the Orane 2022 for existing shares, the Company bought back, as part of its share buyback program authorized by the General Shareholders' Meeting of May 28, 2014, 6,341,873 of its treasury shares in two stages. On March 17, 2015, 2,406,873 shares were bought back from the Badinter family for the sum of euro 176,127,411 and 3,935,000 others on the market, as part of an agreement signed with an investment services provider, for the amount of euro 290,758,340.

In order to perform this redemption, it also reclassified 4,089,615 shares from marketable securities to investments and other financial assets, in the amount of euro 179,326,618.

Accordingly, on July 15, 2015, Publicis Groupe SA delivered 12,684,356 shares, with a book value of euro 726,606,763, to redeem the Orane 2022.

In January 2014, 562,921 treasury shares were delivered in response to conversion requests by Océane 2018 bondholders, in addition to the 109,924 shares in respect of compensation offered to Orane 2022 bondholders.

Other non-current securities break down as follows at December 31, 2015:

	December 31, 2015	December 31, 2014
Number of treasury shares	23,328	2,320,187
Value of treasury shares (in thousands of euros)	1,093	83,063

Movements for the financial year and position at the reporting date for non-current securities are summarized in the following table:

(in thousands of euros, except for share data)	Number of shares	Gross carrying amount	Provision for impairment	Net carrying amount
TREASURY SHARES HELD IN OTHER NON-CURRENT SECURITIES AT DECEMBER 31, 2014	**2,320,187**	**83,063**	**-**	**83,063**
Shares bought during the year	6,341,873	466,885	-	466,885
Reallocation from marketable securities to non-current securities	4,089,615	179,327	-	179,327
Delivery in connection with the early redemption of the Orane bonds	(12,684,356)	(726,607)	-	(726,607)
Shares issued as payment for acquisitions	(43,991)	(1,575)	-	(1,575)
TREASURY SHARES HELD IN OTHER NON-CURRENT SECURITIES AT DECEMBER 31, 2015	**23,328**	**1,093**	**-**	**1,093**

Note 10 Marketable securities

Marketable securities broke down as follows at December 31, 2015:

(in thousands of euros)	December 31, 2015	December 31, 2014
Excluding liquidity contract:		
• Treasury shares	44,010	236,018
Held under the liquidity contract:		
• Money mutual funds	10,747	15,310
• Treasury shares	5,031	1,313
TOTAL MARKETABLE SECURITIES (NET AMOUNT)	**59,788**	**252,641**

The movements for the financial year and position at the reporting date for marketable securities (excluding the liquidity contract) are summarized in the table below:

(in thousands of euros, except for share data)	Number of shares	Gross carrying amount	Provision for impairment	Net carrying amount
TREASURY SHARES HELD AS MARKETABLE SECURITIES (EXCLUDING LIQUIDITY CONTRACT) AT DECEMBER 31, 2014	**5,552,349**	**236,018**	**-**	**236,018**
Disposals (exercise of options) and delivery of free shares to employees	(354,223)	(12,681)	-	(12,681)
Reallocation from marketable securities to non-current securities	(4,089,615)	(179,327)	-	(179,327)
TREASURY SHARES HELD AS MARKETABLE SECURITIES (EXCLUDING LIQUIDITY CONTRACT) AT DECEMBER 31, 2015	**1,108,511**	**44,010**	**-**	**44,010**

The liquidity contract with Kepler Cheuvreux was maintained in 2015. At December 31, 2015, 85,000 shares were held under this contract.

Note 11 Deferred expenses

This line item includes costs associated with the bond issue and the arrangement of the syndicated credit lines, for the portion still to be amortized over the remaining period to maturity of the bonds and to expiry of the credit lines.

Deferred expenses at December 31, 2015 were composed of:

(in thousands of euros)	December 31, 2015	December 31, 2014
Bond issuance costs	4,156	4,794
Capital loss on the Eurobond 2012, net of the payment received upon unwinding of the corresponding interest rate swap	-	54
Costs of arranging credit lines and bank loans	8,467	4,384
TOTAL	**12,623**	**9,232**

Note 12 Bond issue and repayment premiums

The amounts on this line item represent the amounts still to be amortized over the remaining period to maturity of the bonds in question.

At December 31, 2015, the issue premiums broke down as follows:

(in thousands of euros)	December 31, 2015	December 31, 2014
Eurobond 2021	3,597	4,175
Eurobond 2024	3,756	4,139
TOTAL	**7,353**	**8,314**

Note 13 Unrealized foreign exchange losses

At December 31, 2015, unrealized foreign exchange losses amounted to euro 55,000.

At December 31, 2014, unrealized foreign exchange losses amounted to euro 35,000.

Note 14 Average headcount

The Company's average headcount was 1 employee and 10 people seconded for other Group entities.

Note 15 Equity

The Publicis Groupe share capital has changed as follows over the past five financial years:

Dates	Capital transactions	Changes in capital – Shares with a euro 0.4 par value: Number of shares	Par value (in thousands of euros)	Additional paid-in capital (in thousands of euros)	Successive capital amounts (in thousands of euros)	Total number of Company shares
	SITUATION AT JANUARY 1, 2011				**76,658**	**191,645,241**
2011	Issue of shares as part of the free share plan for Group employees in France (2009 Plan)	150,575	60	-	76,718	191,795,816
	Orane redemption (7th tranche)	1,562,129	625	47,020	77,343	193,357,945
2012	Cancellations	(10,759,813)	(4,304)	(380,897)	73,039	182,598,132
	Issue of shares following the conversion of 25,750,630 Océanes 2014	25,848,473	10,339	702,790	83,378	208,446,605
	Orane redemption (8th tranche)	1,562,129	625	47,020	84,003	210,008,734
2013	Issue of shares as part of the free share plans for Group employees	292,076	116	-	84,119	210,300,810
	Issue of shares following the distribution in shares of dividends based on 2012 earnings	1,361,502	545	70,117	84,664	211,662,312
	Orane redemption (9th tranche)	1,562,129	625	47,020	85,289	213,224,441
	Creation of shares as a result of the exercise of 2,757,571 warrants	2,798,937	1,120	82,987	86,409	216,023,378
2014	Creation of shares as a result of the exercise of 674,652 warrants	684,773	274	20,303	86,683	216,708,151
	Issue of shares as part of the free share plans for Group employees	815,623	326	-	87,009	217,523,774
	Issue of shares following the distribution in shares of dividends based on 2013 earnings	2,094,672	838	118,119	87,847	219,618,446
	Orane redemption (10th tranche)	1,585,411	634	47,003	88,482	221,203,857
2015	Creation of shares as a result of the exercise of 517,819 warrants	517,819	207	15,353	88,689	221,721,676
	Issue of shares following the distribution in shares of dividends based on 2014 earnings	163,082	65	11,347	88,754	221,884,758
	Issue of shares as part of the free share plans for Group employees	655,982	262	-	89,016	222,540,740
	POSITION AT DECEMBER 31, 2015				**89,016**	**222,540,740**

Stockholder's equity changed as follows between January 1, 2015 and December 31, 2015:

(in thousands of euros)	January 1, 2015	Allocation of 2014 net income	Change in method for retirement indemnities	Exercise of stock options and creation of shares	Distribution of dividends in shares	Distribution of dividends in cash	2015 net income	December 31, 2015
Share capital	88,481	-	-	470	65	-	-	89,016
Additional paid-in capital	3,283,191	-	-	15,352	11,347	-	-	3,309,890
Retained earnings	8,641	-	-	-	-	-	-	8,641
Earnings brought forward	1,158,886	(3,007)	(1,294)	(262)	(11,969)	(239,243)	-	903,111
SUBTOTAL	**4,539,199**	**(3,007)**	**(1,294)**	**15,560**	**(557)**	**(239,243)**	**-**	**4,310,658**
Net income for the period	(3,007)	(3,007)	-	-	-	-	(154,752)	(154,752)
TOTAL	**4,536,192**	**-**	**(1,294)**	**15,560**	**(557)**	**(239,243)**	**(154,752)**	**4,155,906**

Note 16 Other equity

Other equity consisted of a 20-year bond redeemable in new or existing shares (Oranes) issued on September 24, 2002 as part of the Bcom3 Group acquisition. This loan was also redeemed early in July 2015. This redemption included the payment of interest incurred up to the date of redemption, July 15, 2015, for a total of euro 11 million, recorded under financial expenses.

Note 17 Provisions for liabilities and charges

(in thousands of euros)	Amount at January 1, 2015	Equity increase	Increase in 2015	Reversal in 2015 (used provision)	Reversal in 2015 (unused provision)	Amount at December 31, 2015
Provision for taxes(1)	6,647	-	-	-	-	6,647
Provision for conditional long-term commitments to employees(2)	6,404	-	-	-	-	6,404
Provision for risks on treasury shares and free share grants that have still not vested(3)	26,153	-	31,355	-	(26,153)	31,355
Other provisions for risks(4)	3,649	1,294	175	(204)	(3,381)	1,533
TOTAL	**42,853**	**1,294**	**31,530**	**(204)**	**(29,534)**	**45,939**

(1) Refers to the provision for tax on the capital gain on the transfer of shares to Publicis USA Holdings in March 2000, in respect of which taxation is deferred in accordance with article 210-A of the French General Tax Code. It was partially reversed in 2008.

(2) Refers to the provision created (including social charges) for the non-compete agreement signed with the Chairman of the Management Board.

(3) This provision was funded, firstly, to cover the loss resulting from the difference between the subscription price and the cost price of the treasury shares when they were allocated to Group employee stock option plans, and, secondly, to cover the future loss on the free shares granted under the 2013 co-investment plan.

It should also be noted that provisions and provision reversals relating to costs borne by Publicis Groupe in relation to the co-investment plan are presented in the income statement under personnel expenses in accordance with Notice no. 2008-17 from the French National Accounting Council.

(4) Pursuant to CNC recommendation no. 2003-R-01, the Company changed the method it applies to retirement indemnities and now records the amount of the commitment calculated as a provision. The difference between the provision calculated using the corridor rule and the commitment amount at Janua^ry 1, 2015 is recorded under Earnings brought forward. The impact of this change in method is an increase in opening equity of euro 1,293,736.

Note 18 Bonds

Number of securities (in thousands of euros)	Category of bond	December 31, 2015	December 31, 2014
253,242	Eurobond 2015 – 4.250%	-	253,242
7,000	Eurobond 2021 – 1.125%	700,000	700,000
6,000	Eurobond 2024 – 1.625%	600,000	600,000
	TOTAL EXCLUDING ACCRUED INTEREST	**1,300,000**	**1,553,242**
	Accrued interest	1,938	9,437
	BALANCE SHEET TOTAL	**1,301,938**	**1,562,679**

Eurobond 2015 - 4.25%

This euro 253 million loan, comprised of 253,242 bonds, was redeemed in full on its contractual maturity date, March 31, 2015.

Eurobond 2021 - 1.125% and 2024 - 1.625%

This euro 1.3 billion loan issued on December 16, 2014 as part of the financing for the acquisition of Sapient, which took place in February 2015, comprises two tranches:

Eurobond 2021 - 1.125%: This euro 700 million tranche has a maturity of seven years and a fixed rate of 1,125%. It is fully redeemable at par upon maturity on December 16, 2021.

Eurobond 2024 - 1.625%: This euro 600 million tranche has a maturity of ten years and a fixed rate of 1.625%. It is fully redeemable at par upon maturity on December 16, 2024.

The two tranches were subject to the following cross currency interest rate swaps:

- the first tranche of euro 700 million was swapped for a fixed-rate loan of USD 869 million (half at 2.921% and half at 2.918%);
- the second tranche of euro 600 million was initially swapped in 2014 for a variable-rate loan of USD 741 million, and then converted into a fixed-rate loan on January 2, 2015 (half at 2.965% and half at 2.994%).

Note 19 Bank borrowings and overdrafts

The Group refinanced its syndicated credit facility of USD 1,890 million expiring in January 2016 and intended to finance the acquisition of Sapient, by taking a syndicated, variable-rate, medium-term loan in the amount of USD 1,600 million, which was concluded on January 20, 2015 and matures in 2018, 2019 and 2020. This loan was then split between two borrowers as follows:

- Publicis Groupe SA: euro 445,831,476;
- MMS Multi Market Services Ireland: USD 1,100,000,000.

Note 20 Borrowings and other financial liabilities

(in thousands of euros)	December 31, 2015	December 31, 2014
Long-term borrowings from Publicis Finance Services[1]	897,630	804,917
Long-term loan from MMS Multi euro services[2]	930,000	930,000
Current accounts, short-term borrowings from subsidiaries and accrued interest[3]	336,962	59,878
Other creditors	561	561
TOTAL	**2,165,153**	**1,795,356**

(1) The USD 977,250,000 borrowed by Publicis Groupe from Publicis Finance Services, the Group subsidiary managing the international cash pool, with a due date of January 31, 2012, was rolled over for a period of ten years (new due date of January 31, 2022).

(2) The 55-year subordinated participating loans, for euro 300 million and 630 million respectively, originally granted by Publicis Groupe Holdings in 2007 and Publicis Groupe Investments in 2012, were transferred by the latter to MMS Multi euro services on December 11, 2014.

(3) Includes at December 31, 2015 a current account of euro 281 million from Publicis Finance Services.

Note 21 Maturity schedule for receivables and liabilities

All receivables included in current assets are due to be settled within less than one year.

The maturity schedule for liabilities is presented below:

(in thousands of euros)	Total	-1 year	1 to 5 yrs.	+5 yrs.
Bonds	1,301,938	1,938	-	1,300,000
Bank borrowings and overdrafts	446,330	499	445,831	-
Borrowings and other financial liabilities	2,165,153	337,523	-	1,827,630
Trade payables	7,984	7,984	-	-
Income tax and social security liabilities	17,494	17,494	-	-
Deferred income	3,725	417	2,079	1,229
Other creditors	384	384	-	-
TOTAL LIABILITIES	**3,943,008**	**366,239**	**447,910**	**3,128,859**

Note 22 Deferred income

At December 31, 2015, this line item only included the payment received when arranging the hedging swaps. This payment is staggered over the term of the hedging.

Note 23 Unrealized foreign exchange gains

The unrealized foreign exchange gains stemmed from the remeasurement of the following two assets:

- euro 98,245,614 on the USD 869,050,000 loan granted to MMS Multi Market Services Ireland (compared to euro 15,797,710 at December 31, 2014);
- euro 80,876,274 on the USD 741,270,000 loan granted to MMS Multi Market Services Ireland (compared to euro 10,551,025 on the current account of the same amount opened with Publicis Finance Services at December 31, 2014).

Note 24 Disclosures concerning related parties and investments

(in thousands of euros)	Amount concerning companies related parties	Amount concerning companies in which the Company has invested
Balance sheet		
Investments	5,520,779	
Loans and receivables owed by associates and non-consolidated companies	2,668,353	
Trade receivables	11,163	
Other receivables	7,753	
Borrowings and other financial liabilities	2,165,117	
Trade payables	2,549	
Tax liabilities	9,118	
Income statement		None
Billings (goods and services)	9,361	
Expense transfers	7,727	
Other purchases and external charges	(2,167)	
Investment income	183,806	
Interest and other financial income	120,809	
Reversal of impairment provisions on investments	6,856	
Interest and other financial expenses	(92,590)	

Note 25 Off-balance-sheet commitments

Off-balance sheet commitments given

Commitments related to bonds

EUROBOND 2021

When issued in December 2014, this new euro 700 million bond at a fixed rate of 1.125% was the subject of a cross currency interest rate swap transforming it from euro fixed rate to dollar fixed rate. Two contracts, each for euro 350 million, were agreed for 2.921% and 2.918%, respectively.

EUROBOND 2024

When issued in December 2014, this new euro 600 million bond at a fixed rate of 1.625% was the subject of a cross currency interest rate swap transforming it from euro fixed rate to dollar variable rate. Two contracts, each for euro 300 million, were originally agreed in December 2014 at three-month Libor +1.1365% and three-month Libor +1.10%, respectively, then converted on January 2, 2015 to fixed rates of 2.965% and 2.994%, respectively.

Obligations related to warrants

The exercise of warrants, which could occur at any time from September 24, 2013 to September 24, 2022, will lead to an increase in the Publicis Groupe's capital stock. The conversion ratio was adjusted by a factor of 1.015 so as to reflect those distributions drawn from the Company's reserves and premiums. Following the cancellation of warrants, bought back during the previous years or exercised since September 24, 2013, Publicis Groupe is, at December 31, 2015, committed to creating (in the event that the outstanding 1,660,313 warrants were exercised) 1,685,218 shares with a euro 0.40 par value and a euro 30.10 premium.

Publicis Groupe SA stock option and free share plans

Two free share plans were created in 2015, with the following features:

- Long Term Incentive Plan "LTIP 2015" (April 2015):

  Under this plan, a certain number of Group managers were awarded free shares, subject to two conditions. Firstly, employment must continue throughout the four-year vesting period, except for tax residents of France who have a shorter three-year vesting period but an additional two-year lock-in period. Furthermore, the free shares are subject to performance criteria, such that the total number of shares received will depend on the overall attainment of growth and profitability targets in 2015. The shares were initially awarded in April 2015 and will vest in April 2019, except for French employees whose share awards will vest in April 2018;
- Long Term Incentive Plan "Sapient 2015 Plan" (April 2015):

  In accordance with our agreements with Sapient and as a transitional measure, at the same time as LTIP 2015 which concerns only Group employees to the exclusion of Sapient employees, three specific plans were introduced in respect of 2015 to the exclusive benefit of Sapient managers and employees. Two of these plans are conditional only upon continued employment and, in the case of the first plan, give rise to the delivery of one-quarter of the shares awarded, on the dates of the first four anniversaries of the plan (i.e. in April 2016, 2017, 2018 and 2019) and, in the case of the second plan, to the delivery of all shares awarded, at the end of a 4-year period, i.e. in April 2019. The third plan, in addition to the condition of continued employment, is conditional upon performance criteria, such that the total number of shares delivered shall depend on the level of attainment of targets in respect of 2015, 2016 and 2017. The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a 3-year period, i.e. in April 2018.

In addition, regarding other free share plans in force on December 31, 2015:

- Long Term Incentive Plan "LTIP 2014" (March 2014):

  The free shares awarded under this plan are conditional to continued employment and performance criteria, such that the total number of shares deliverable at the end of the vesting period (April 2018, except for French beneficiaries: April 2017) will depend on the level of growth and profitability targets achieved for fiscal year 2014. Performance was measured for this plan in March 2015: the rate of attainment of the targets for 2014 was 50%.

Share subscription or purchase options originated by Publicis Groupe

CHARACTERISTICS OF PUBLICIS GROUPE STOCK OPTION PLANS OUTSTANDING AT DECEMBER 31, 2015

Plans	Type*	Date of grant	Exercise price of options *(in euros)*	Options outstanding on January 1, 2015 (or if later: the grant date)	Cancelled or lapsed options in 2015	Options exercised in 2015	Options outstanding at December 31, 2015	Of which exercisable at December 31, 2015	Expiry date	Remaining contract life *(in years)*
20th tranche LTIP 2003-2005	A	05/24/2005	24.76	56,815	(22,952)	(33,863)	-	-	05/24/2015	-
22nd tranche LTIP 2006-2008	A	08/21/2006	29.27	599,201	-	(256,601)	342,600	342,600	08/21/2016	0.63
23rd tranche LTIP 2006-2008	A	08/24/2007	31.31	186,961	-	(49,995)	136,966	136,966	08/24/2017	1.64
Co-investment 2013 – options	S	04/30/2013	52.76	5,602,211	(708,834)	-	4,893,377	-	04/30/2023	7.33
TOTAL OF ALL TRANCHES				**6,445,188**	**(731,786)**	**(340,459)**	**5,372,943**	**479,566**		

* *A = stock options; S = share subscription options.*

The award of the share purchase or subscription options under the above plans is conditional on continued employment throughout the vesting period. The award is also subject to non-market performance conditions for all plans, plus a market condition in the case of the 2013 co-investment plan.

MOVEMENTS IN PUBLICIS GROUPE STOCK OPTION PLANS OVER THE LAST TWO YEARS

	2015		2014	
	Number of options	Average exercise price (in euros)	Number of options	Average exercise price (in euros)
Options at January 1	**6,445,188**	**49.71**	**7,459,241**	**47.35**
Options exercised[1]	(340,459)	29.12	(835,458)	28.05
Cancelled or lapsed options	(731,786)	51.88	(178,595)	52.46
Options outstanding at December 31	**5,372,943**	**50.72**	**6,445,188**	**49.71**
Of which exercisable	479,566	29.85	842,977	29.42
(1) Average share price on exercise (in euros)		*66.57*		*60.23*

Free share plans originated by Publicis Groupe

CHARACTERISTICS OF PUBLICIS GROUPE FREE SHARE PLANS OUTSTANDING AT DECEMBER 31, 2015

Plans	Date of grant	Grants as of January 1, 2015 (or if later: date of grant)	Shares canceled, lapsed or transferred[1] in 2015	Shares vesting in 2015[4]	Shares yet to vest at December 31, 2015	Vesting date of shares[2]	Remaining contract life (in years)
LTIP Plan 2011 – Outside France	04/19/2011	427,737	(24,321)	(403,416)	-	04/19/2015	-
50 free shares plan 2011 – 14 countries	12/01/2011	207,600	(33,600)	(174,000)[3]	-	12/01/2015	-
LTIP Plan 2012 – France	04/17/2012	89,800	(11,950)	(77,850)	-	04/17/2015	-
LTIP Plan 2012 – Outside France	04/17/2012	480,139	(25,155)	(3,300)	451,684	04/17/2016	0.30
50 free shares plan 2013 – 26 countries	02/01/2013	206,125	(53,450)	-	152,675	02/01/2017	1.09
LTIP Plan 2013 – France	04/16/2013	47,254	(5,017)	-	42,237	04/16/2016	0.29
LTIP Plan 2013 – Outside France	04/16/2013	292,521	(19,454)	-	273,067	04/16/2017	1.29
LTIP Plan 2013-2015 (Management Board members France)	06/17/2013	60,598	(11,666)	-	48,932	06/17/2016	0.46
LTIP Plan 2013-2015 (Management Board members Outside France)	06/17/2013	30,299	(5,833)	-	24,466	06/17/2017	1.46
2013 co-investment plan – Free shares France	04/30/2013	125,697	(7,777)	-	117,920	04/30/2016	0.33
2013 co-investment plan – Free shares Outside France	04/30/2013	671,217	(93,055)	-	578,162	04/30/2017	1.33
LTIP Plan 2014 – France	03/20/2014	84,240	(47,194)	-	37,046	03/20/2017	1.22
LTIP Plan 2014 – Outside France	03/20/2014	539,635	(289,674)	-	249,961	03/20/2018	2.22
LTIP Plan 2015 – France	04/17/2015	75,960	2,100	-	78,060	04/17/2018	2.30
LTIP Plan 2015 – Outside France	04/17/2015	563,840	(14,810)	-	549,030	04/17/2019	3.30
Sapient 2015 Plan (4 year)	04/17/2015	371,774	(1,887)	(5,032)	364,855	04/17/2019	3.30
Sapient 2015 Plan (3 year)	04/17/2015	51,196	-	-	51,196	04/17/2018	2.30
TOTAL OF FREE SHARE PLANS		**4,325,632**	**(642,743)**	**(663,598)**	**3,019,291**		

(1) These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.
(2) After this date, French beneficiaries must observe an additional two-year lock-in period.
(3) 171,775 shares, resulting from a capital increase, were delivered in December 2015. The 2,225 shares still to be delivered will not be delivered until February 2016, certain countries having confirmed the definitive allocations late.
(4) 3,300 shares (LTIP 2012) and 5,032 (Sapient 2015 – 4 years) have been delivered early.

The award of the free shares under the above plans is conditional on continued employment throughout the vesting period. Awards are or were also subject to non-market performance conditions for LTIP Plans 2010 to 2015, for the 2013 co-investment plan relating only to the members of the Management Board and for the Sapient 2015 Plan for which the vesting period is three years.

MOVEMENTS IN PUBLICIS GROUPE FREE SHARE PLANS OVER THE LAST TWO YEARS

	2015	2014
PROVISIONAL GRANTS AT JANUARY 1	**3,262,862**	**4,085,605**
Provisional grants during the year	1,062,770	639,750
Grants vesting (deliveries)	(663,598)	(817,823)
Grants lapsed	(642,743)	(644,670)
PROVISIONAL GRANTS AT DECEMBER 31	**3,019,291**	**3,262,862**

Contractual guarantees given

- Guarantee until 2019 on behalf of Leo Burnett USA to the owner of the premises at 35 West Wacker Drive in Chicago, for a maximum of USD 43,086,300 in respect of rental payment and of USD 43,083,960 in respect of real estate taxes and rental charges related to the building.
- Guarantee until 2020 on behalf of ZenithOptimedia Ltd (UK) to the owner of the premises at 24 Percy Street, London, for a maximum of GBP 21,628,023 in respect of rental payments and of GBP 1,700,580 in respect of rental charges related to the building.
- Guarantee until 2022 on behalf of Fallon London Limited (UK) to the owner of the premises at 20-30 Great Titchfield Street, London, for a maximum of GBP 14,303,888 in respect of rental payments and of GBP 1,422,433 in respect of rental charges related to the building.
- Joint and several guarantee of the debts of Publicis Groupe Holdings, Publicis Holdings and Publicis Groupe Investments.
- Guarantee given to Réseau Ferré de France for an agreement on Médial Rail's use of advertising space for euro 19,685,000.
- First demand guarantee given to the Régie Publicitaire des Transports Parisiens until 2017 for euro 70,000,000.
- Autonomous first demand guarantee given to BNP Paribas in the amount of USD 1,155,000,000 until February 4, 2020 in favor of MMS Multi Market Services Ireland drawdowns.

Commitments given as part of the hedging of foreign currency loans granted to certain subsidiaries:

Amount in currency (in thousands of units)	USD 1,808	USD 14	USD 432	USD 446
Type of contract	seller's hedge	seller's hedge	seller's hedge	seller's hedge
Currency	USD/EUR	USD/EUR	USD/EUR	USD/EUR
Maturity date	1/19/2016	1/29/2016	1/29/2016	1/29/2016
Forward rate	1.083292	1.103670	1.059917	1.089482
Equivalent (in thousands of euros)	1,669	13	407	409
Market value at December 31, 2015 (in thousands of euros)	1,661	13	396	410

Amount in currency (in thousands of units)	USD 1,314	USD 657	USD 1,217	USD 435,190
Type of contract	seller's hedge	buyer's hedge	buyer's hedge	buyer's hedge
Currency	USD/EUR	USD/EUR	USD/EUR	USD/EUR
Maturity date	12/16/2016	1/20/2016	1/22/2016	12/16/2021
Forward rate	1.102145	1.096185	1.099302	1.2434
Equivalent (in thousands of euros)	1,192	599	1,107	350,000
Market value at December 31, 2015 (in thousands of euros)	1,207	603	1,118	373,501

Amount in currency (in thousands of units)	USD 433,860	USD 370,710	USD 370,560
Type of contract	buyer's hedge	buyer's hedge	buyer's hedge
Currency	USD/EUR	USD/EUR	USD/EUR
Maturity date	12/16/2021	12/16/2024	12/16/2024
Forward rate	1.2396	1.2357	1.2352
Equivalent (in thousands of euros)	350,000	300,000	300,000
Market value at December 31, 2015 (in thousands of euros)	373,501	331,882	331,882

Off-balance sheet commitments received

- Multi-currency syndicated credit lines for euro 2 billion maturing in July 2020:

  This line was not used at December 31, 2015.
- Confirmed bilateral credit lines for euro 722 million:

  These lines were not used at December 31, 2015.

Note 26 Subsidiaries and other investments at December 31, 2015

(Figures in thousands of euros except for equity which is stated in local currency)

A) Subsidiaries and other investments whose carrying amount exceeds 1% of Publicis Groupe's share capital

Company	Share capital	Reserves and earnings brought forward	% interest	Gross carrying amount	Net carrying amount	Loans and advances	Billings	Net income	Dividends received
Subsidiaries									
Publicis Groupe Investments B.V.	68,709	7,475,908	100.00	5,344,146	5,344,146	-	-	1,952,793	120,307
Prof. W.H. Keesomlaan 12 1183 DJ Amstelveen Netherlands									
MMS France Holdings	114,607	(125,168)	100.00	249,294	132,176	37,020	-	47,288 (1)	-
133, avenue des Champs-Élysées 75008 Paris France SIREN 444 714 786									
Médias et Régies Europe	24,150	2,467	99.99	25,508	25,508	-	10,896	24,799	2,978
133, avenue des Champs-Élysées 75008 Paris SIREN 353 938 905									
Metrobus	1,840	1,885	32.30	17,508	17,508	8,099	148,885	2,251	922
1, Rond Point Victor Hugo 92137 Issy-les-Moulineaux SIREN 327 096 426									

(1) Based on preliminary non audited financial statements.

B) General information with regard to all subsidiaries and other investments

	Subsidiaries		Investments	
	French	Foreign	French	Foreign
Carrying amount of shares held				
• gross	292,535	5,345,362	2	-
• net	175,417	5,345,362	2	-
Amount of dividends received	63,499	120,307	-	-

DETAILS OF SECURITIES AT DECEMBER 31, 2015

	% interest	Net carrying amount (in thousands of euros)
I – Investments		
A. Investments in French companies		
382,023,537 shares in MMS France Holdings	100.00%	132,176
1,609,991 shares in Médias et Régies Europe	99.99%	25,507
37,146 shares in Metrobus	32.30%	17,508
9,100 shares in Publicis Finance Services	100.00%	186
3,700 shares in Publicis Groupe Services	100.00%	37
Investments with a carrying amount less than euro 15,000, aggregate		3
TOTAL FRENCH INVESTMENTS		**175,417**
B. Investments in foreign companies		
151,343 shares in Publicis Groupe Investments	100.00%	5,344,146
MMS Communications Saudi Arabia (under creation)	99.00%	1,216
Investments with a carrying amount less than euro 15,000, aggregate		-
TOTAL FOREIGN INVESTMENTS		**5,345,362**
TOTAL INVESTMENTS		**5,520,779**
II – Other non-current securities		
C. French securities		
TOTAL OTHER NON-CURRENT SECURITIES		-
III – Other securities		
D. Other securities of French companies		
1,216,839 Publicis Groupe SA treasury shares[1]	0.55%	50,135
Money mutual funds		10,747
Investments with a carrying amount less than euro 15,000, aggregate		5
E. Other foreign securities		14
TOTAL OTHER SECURITIES		**60,901**
TOTAL SECURITIES		**5,581,680**

(1) Shares held under share buyback programs, including liquidity contract.

5.5 Results of Publicis Groupe SA over the past five years

Information type	2015	2014	2013	2012	2011
Share capital at year-end					
Share capital (in thousands of euros)	89,016	88,482	86,409	84,003	77,343
Number of shares in issue	222,540,740	221,203,857	216,023,378	210,008,734	193,357,945
Maximum number of future shares to be issued:					
• under free share plans	8,092,893	8,865,073	9,041,944	2,826,154	2,504,950
• as a result of warrant exercises	1,685,218	2,203,033	2,887,805	5,602,699	5,602,699
• as a result of the conversion of bonds[1]	0	12,684,488	14,954,875	18,245,828	45,646,889
Operations and results for the year					
Billings, excluding VAT	9,608	52,838	18,751	14,599	20,484
Profit (loss), before tax, depreciation, amortization and provisions	(209,565)	(14,347)	574,606	(5,747)	347,285
Income tax	(49,113)	(31,980)	(26,997)	(36,622)	(28,196)
Net income after taxes, depreciation, amortization and provisions	(154,752)	(3,007)	551,959	37,483	378,815
Income distributed for the period[2]	356,065[4]	251,212	229,505	178,179	119,452
Earnings per share (in euros)					
Net income after taxes, but before depreciation, amortization and provisions	(0.72)	0.08	2.78	0.15	1.94
Net income after taxes, depreciation, amortization and provisions	(0.70)	(0.01)	2.56	0.18	1.96
Dividend per share	1.60[4]	1.20	1.10	0.90	0.70
Employees					
Average headcount	1	38	2	2	2
Payroll expense	2,895	11,680	4,847	20,870[3]	2,711
Benefits (social security, other employee benefits, etc.)	634	4,466	1,429	5,179	796

(1) It was assumed that new shares would be issued to redeem the Oranes.

(2) Estimate on the basis of existing shares at December 31, 2015, including treasury shares.

(3) In 2012, payroll expense included euro 16,035,969 in respect of the deferred bonus of the Chairman of the Management Board, which vested between 2003 and 2011, for which provisions were funded each successive year and paid out in 2012.

(4) Payable in cash or in shares and subject to shareholder approval (General Shareholders' Meeting to be held on May 25, 2016).

5.6 Statutory auditors' report on the financial statements

Year ended December 31, 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Publicis Groupe;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Your company reviews the value in use of its investments as described in the "Investments" section of Note 2 "Accounting policies" to the financial statements. We assessed the appropriateness of the methods used by the Company and we ensured ourselves of the reasonableness of the estimates made.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Management Board and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Paris-La Défense and Courbevoie, March 25, 2016

The statutory auditors

French original signed by

ERNST & YOUNG et autres

Vincent de La Bachelerie **Christine Staub**

MAZARS

Loïc Wallaert **Anne-Laure Rousselou**

6

INFORMATION ABOUT THE COMPANY AND THE SHARE CAPITAL

6.1 Information about the Company

6.1.1 COMPANY NAME AND TRADE NAME

Publicis Groupe SA (the "Company") does business under the trade name Publicis.

6.1.2 REGISTRATION PLACE AND NUMBER

542,080,601 RCS Paris; code APE - NAF 7010Z

6.1.3 DATE OF INCORPORATION AND TERM

Incorporation date: October 4, 1938.

Term: October 3, 2037, unless extended.

6.1.4 REGISTERED OFFICE, LEGAL FORM, APPLICABLE LEGISLATION, COUNTRY OF ORIGIN, ADDRESS AND TELEPHONE NUMBER OF THE REGISTERED OFFICE

Publicis Groupe SA is a French joint-stock limited liability company (*société anonyme*) with a Management Board and a Supervisory Board, governed by articles L. 225-57 through L. 225-93 of the French Commercial Code.

The Company's registered office is located at 133, avenue des Champs-Élysées, 75008 Paris, France. The telephone number of the Company's registered office is +33 (0) 1 44 43 70 00.

6.1.5 DEEDS OF INCORPORATION AND BYLAWS

CORPORATE PURPOSE (ARTICLE 2 OF THE COMPANY BYLAWS)

The Company's corporate purposes are to:

- produce and derive added value in any manner from advertising and publicity in any format or of any type;
- organize shows and radio or television broadcasts, set up radio, television and other programming, use movie theaters, recording or broadcasting studios and projection and viewing rooms, publish paper documents and edit music, sketches, scripts and theater productions;
- and more generally, all commercial, financial, industrial and real and intangible property transactions of any type relating directly or indirectly to the above in order to foster the development and growth of the Company's business.

The Company may conduct operations in any country in its own behalf or on the account of third parties, either alone or jointly, with other companies or persons and carry out in any form, directly or indirectly, activities in line with its corporate purpose.

The Company may also acquire interests in any form in any other French or foreign businesses or companies, whatever their corporate purposes.

MANAGEMENT BOARD (ARTICLES 10 TO 12 OF THE COMPANY BYLAWS)

The Management Board oversees Publicis' management. It is fully empowered to act on the Company's behalf in all circumstances. These powers may only be exercised within the limit of the corporate purpose and subject to the powers that are by law reserved for the Supervisory Board and Shareholders' Meetings. The Management Board is appointed by the Supervisory Board and must have at least two but no more than seven members. Each member is appointed for a period of four years and must be a natural person, but need not be a shareholder. Its members may be re-appointed. The terms of office of each Supervisory Board member ends at the Annual Ordinary General Shareholders' Meeting following their seventy-fifth birthday. The Supervisory Board appoints one of the members of the Management Board as Chairperson and may appoint one, several or all the other members of the Management Board as Managing Directors.

The members of the Management Board may be dismissed either by the Supervisory Board or by a General Shareholders' Meeting.

SUPERVISORY BOARD (ARTICLES 13 TO 17 OF THE COMPANY BYLAWS)

The Supervisory Board has the responsibility of exercising ongoing supervisory authority over the Management Board. It has at least three and at most eighteen members, who may be reappointed, and who are appointed by the General Shareholders' Meeting for a period of four years in accordance with the decision of the Extraordinary General Shareholders' Meeting of May 29, 2013 which reduced this term of office from six to four years. By way of exception, the terms of office of Supervisory Board members who were in the process of serving six year terms as of that Shareholders' Meeting will continue up to their original expiry date. Members over 75 years of age may not constitute more than one-third of the Supervisory Board, which may be rounded up. Should this limit be exceeded, the oldest member of the Supervisory Board will automatically resign. The potential crossing of this threshold shall be determined at the date of the Supervisory Board's Meeting to approve the financial statements for the past year. Each member of the Supervisory Board must own at least five hundred Company shares during the course of his or her term.

The members of the Supervisory Board may be dismissed only by the General Shareholders' Meeting.

RIGHTS RELATED TO EACH CATEGORY OF SHARES (ARTICLE 8 OF THE COMPANY BYLAWS)

Each share confers the right proportionate to such share to a part of the corporate assets and benefits. The shareholders may be held liable, even with regards to third party, only up to the value of the shares that they hold. Each time that it is necessary to hold several shares to exercise any right, shareholders must be personally responsible for gathering the number of shares required.

POWERS OF THE MANAGEMENT BOARD WITH RESPECT TO SHARE BUYBACKS (ARTICLE 7 IV OF THE COMPANY BYLAWS)

The Extraordinary General Shareholders' Meeting may authorize the Management Board to purchase a specified number of Company shares in order to cancel them by way of a capital reduction in accordance with article L. 225-206 of the French Commercial Code.

In addition, the Company may acquire its own shares in accordance with the provisions of articles L. 225-208 and L. 225-209 of the French Commercial Code, specifically those intended to regulate the stock market price of the Company shares.

GENERAL SHAREHOLDERS' MEETINGS (ARTICLE 19 OF THE COMPANY BYLAWS)

General Shareholders' Meetings are open to all shareholders regardless of the number of shares held. The procedures for providing notice of meetings and holding meetings are prescribed by French law. Meetings take place at the Company's headquarters or at any other location specified in the above-mentioned notice and set by the notifier. If so decided by the Management Board when calling the meeting, the meeting may be publicly broadcast by videoconferencing or any other means of telecommunication, including over the Internet.

REPRESENTATION AND ADMISSION TO GENERAL SHAREHOLDERS' MEETINGS (ARTICLE 20 OF THE COMPANY BYLAWS)

Any shareholder may participate, personally or through an authorized representative, in Shareholders' Meetings, justifying his/her identity and his/her ownership of the securities, under the conditions provided for by the law.

Any shareholder may, if so permitted by the Management Board when calling the General Shareholders' Meeting, participate in the meeting by videoconferencing or any other means of telecommunication including over the Internet, subject to applicable laws and regulations. Any such shareholder is deemed present for the purposes of calculating the quorum and majority.

VOTING RIGHTS (ARTICLE 21 PARAGRAPHS 5 TO 8 OF THE COMPANY BYLAWS)

Each member of the Meeting shall have as many votes as he owns or represents shares, without restriction. However, in accordance with a resolution approved at the Extraordinary General Shareholders' Meeting on September 14, 1968, shares registered with the same shareholder for at least two years or which have only been transferred during that period from one registered owner to another within the framework of an intestate estate, of testamentary succession, of division of community of property between spouses, of donation *inter vivos* for the benefit of a spouse or a relative entitled to inherit. The Extraordinary General Shareholders' Meeting has the possibility to purely and simply cancel the double voting right, however this cancellation will only become effective after the approval of a special meeting of shareholders who hold double voting right shares.

In the event of the division of ownership of Company shares, the limited owners and bare owners of shares can freely distribute voting rights at the Exceptional or Ordinary General Shareholders' Meetings provided they notify the Company beforehand, by providing a certified copy of their agreement at least twenty calendar days before the first General Shareholders' Meeting is held following the above-mentioned ownership division by registered mail. Failing notification within this period, the distribution will be implemented *ipso jure* in accordance with article L. 225-110, paragraph 1, of the French Commercial Code.

Any shareholder may vote by post in accordance with and in the manner provided for in prevailing laws and regulations. When so decided by the Management Board, and indicated in the meeting notice published in the BALO (*Bulletin des annonces légales obligatoires*), shareholders may vote by any means of telecommunication including over the Internet, subject to the laws and regulations prevailing as of the moment of its use.

AMENDMENTS TO THE BYLAWS (ARTICLES 23 OF THE COMPANY BYLAWS)

An Extraordinary General Shareholders' Meeting may make any change to any provision of the bylaws that is permissible under the law. Such changes include, but are not limited to: increasing or reducing the share capital, consolidating shares or splitting shares into shares with a lower par value.

DECLARATIONS OF SHARE OWNERSHIP (ARTICLES 7 III AND 6 PARAGRAPH 6 OF THE COMPANY BYLAWS)

Any natural or legal person, acting individually or jointly, who owns or acquires, by any means as described in article L. 233-7 of the French Commercial Code, any fraction equivalent to or greater than 1% of the share capital or voting rights, or any multiple thereof, including above the declaration thresholds set out in the legal and regulatory provisions, must notify the Company of the total number of shares or voting rights held as well as securities giving access to share capital and the voting rights potentially associated by registered mail with return receipt sent to the registered office within five trading days of crossing any of these thresholds. These declaration obligations also apply each time that the fraction of the shares or voting rights held falls below one of the thresholds specified above.

Shareholders who fail to comply with this requirement may be deprived of voting rights with respect to any shares exceeding the relevant threshold until the required disclosure is made, a period provided for by current legislation. Unless one of the thresholds provided for in the above-mentioned article L. 233-7 is breached, this sanction will only be applied subsequent to a request, recorded in the minutes of the General Shareholders' Meeting, of one or more shareholders holding at least 1% of the Company's capital.

Moreover, the Company is entitled to request that a legal entity holding shares representing more than 2.5% of share capital or voting rights disclose the identity of the persons holding, directly or indirectly, more than one-third of the share capital or voting rights at the General Shareholders' Meeting of that entity.

LIQUIDATION RIGHTS (ARTICLE 32 OF THE COMPANY BYLAWS)

At the end of the company's term of incorporation, or in the event of early dissolution, the assets of the dissolved company shall be allocated, first, to the payment of the debts and social security expenses, as well as to the liquidation expenses, then to the reimbursement of the remaining obligation. The remaining proceed of the liquidation shall be allocated equally among all the shares.

6.2 Ownership structure

6.2.1 MAJOR SHAREHOLDERS AND VOTING RIGHTS

As at December 31, 2015, to the best of Publicis' knowledge, no person held, directly or indirectly, individually or jointly, 5% or more of its shares (a "Major Shareholder") except those disclosed below. Publicis' bylaws state that all its shareholders have the same proportional voting rights with respect to the shares they hold, except that shares owned by the same shareholder in registered form for at least two years carry double voting rights. The Company has not issued any preferred shares or any securities without voting rights.

On March 17, 2015, Élisabeth Badinter and her family group sold 2,406,873 Publicis Groupe SA shares to the Company;

DISTRIBUTION OF THE COMPANY'S SHARE CAPITAL AND VOTING RIGHTS

At December 31, 2015	Shares held	% of capital[(2)]	Voting rights	% of voting rights[(3)]
A/ Shareholders holding more than 5% of the capital				
Élisabeth Badinter[(1)]	16,700,967	7.50%	33,401,934	13.55%
The Capital Group Companies, Inc.[(4)]	11,226,876	5.05%	11,226,876	4.55%
B/ Treasury shares	1,216,839	0.55%	-	-
C/ Public (registered and bearer shares)	193,396,058	86.90%	201,873,023	81.90%
TOTAL	**222,540,740**	**100.00%**	**246,501,833**	**100.00%**

(1) Élisabeth Badinter fully owned 2.62% of the shares (representing 4.73% of the voting rights) and had the right to income for 4.88% of the shares with her children owning the underlying shares (representing 8.82% of the voting rights).

(2) Percentages are calculated based on the total number of shares issued by the Company, including treasury shares.

(3) Percentages are calculated based on the total number of shares issued by the Company (percentage of voting rights that can be exercised at the General Shareholders' Meeting), excluding treasury shares with no voting rights, and counting the double voting rights attached to some shares.

(4) Acting as an "investment adviser" on behalf of managed funds. It aggregates the positions held by Capital Research and Management Company and Capital Group International Inc.

REMINDER OF THE DISTRIBUTION OF THE COMPANY'S SHARE CAPITAL AND VOTING RIGHTS FOR THE PREVIOUS TWO YEARS

As at December 31, 2014	Shares held	% of capital(2)	Voting rights	% of voting rights(3)
A/ Shareholders holding more than 5% of the capital				
Élisabeth Badinter(1)	19,172,340	8.67%	38,344,680	15.87%
B/ Treasury shares	7,895,366	3.57%	-	-
C/ Public (registered and bearer shares)	194,136,151	87.76%	203,285,039	84.13%
TOTAL	**221,203,857**	**100.00%**	**241,629,719**	**100.00%**

(1) Élisabeth Badinter fully owned 2.67% of the shares (representing 4.88% of the voting rights) and had the right to income for 6.00% of the shares with her children owning the underlying shares (representing 10.99% of the voting rights).
(2) Percentages are calculated based on the total number of shares issued by the Company, including treasury shares.
(3) Percentages are calculated based on the total number of shares issued by the Company, excluding treasury shares with no voting rights, and counting the double voting rights attached to some shares.

At December 31, 2013	Shares held	% of capital(2)	Voting rights	% of voting rights(3)
A/ Shareholders holding more than 5% of the capital				
Élisabeth Badinter(1)	19,172,340	8.88%	38,344,680	16.35%
BlackRock Inc.(4)	13,261,591	6.14%	13,261,591	5.65%
Thornburg Investment Management Inc.(4)	12,809,443	5.93%	12,809,443	5.46%
B/ Treasury shares	9,436,116	4.37%	-	-
C/ Public (registered and bearer shares)	161,343,888	74.68%	170,174,387	72.54%
TOTAL	**216,023,378**	**100.00%**	**234,590,101**	**100.00%**

(1) Élisabeth Badinter fully owned 2.73% of the shares (representing 5.03% of the voting rights) and had the right to income for 6.14% of the shares with her children owning the underlying shares (representing 11.32% of the voting rights).
(2) Percentages are calculated based on the total number of shares issued by the Company, including treasury shares.
(3) Percentages are calculated based on the total number of shares issued by the Company, excluding treasury shares with no voting rights, and counting the double voting rights attached to some shares.
(4) Institutional funds hold shares on behalf of funds or clients under management.
It is noted that on February 15, 2013, Publicis Groupe acquired the remaining shares still held by Dentsu, namely 3,875,139 shares. These shares were kept as treasury shares.

The Company and the AMF were notified that legal thresholds had been crossed in the following cases, in accordance with article L. 233-7 of the French Commercial Code:

By letter of March 20, 2015, Élisabeth Badinter declared that she had crossed under the threshold of 15% of Company voting rights on March 17, 2015.

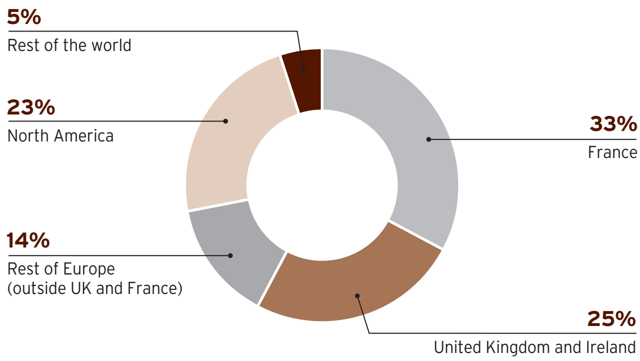
By letters of April 30, 2015, and May 6, 2015, the company Invesco Ltd, acting on behalf of funds that it manages, declared that it had exceeded the threshold of 5% of the company's share capital on April 28, 2015.

The company, The Capital Group Companies, Inc., acting as an "investment advisor" on behalf of managed funds, declared:

- by letter received on December 22, 2015, that it had exceeded the threshold of 5% of the Company's share capital on December 18, 2015;
- by letter received on January 12, 2016, that it had exceeded the threshold of 5% of voting rights in the Company on January 8, 2016;
- by letter received on January 26, 2016, that it had crossed under the threshold of 5% of voting rights in the Company on January 22, 2016;
- by letter received on January 27, 2016, that it had crossed under the threshold of 5% of the Company's share capital on January 26, 2016;
- by letter received on February 10, 2016, that it had exceeded the threshold of 5% of the Company's share capital on February 8, 2016;
- by letter received on February 15, 2016, that it had crossed under the threshold of 5% of the Company's share capital on February 11, 2016;
- by letter received on March 14, 2016, that it had exceeded the threshold of 5% of the Company's share capital on March 10, 2016.

According to the most recent exhaustive survey of the approximate number of identifiable bearer shares (*titres au porteur identifiables*) and information on registered shares managed by CACEIS Corporate Trust, there were approximately 73,739 shareholders as at December 31, 2015.

BREAKDOWN OF SHARE CAPITAL BY REGION AS AT DECEMBER 31, 2015 (AS A % OF THE SHARE CAPITAL)



6.2.2 CONTROL OF THE COMPANY

On December 31, 2015, to the best of its knowledge, the Company was not controlled and was not subject to any agreement or engagement linking one or several shareholders, company, foreign government or other natural or legal person operating individually or conjointly with regard to the direct or indirect holding of its capital or under its control, and there existed no agreement of which the fulfillment could cause a change in the Company's control at a later date.

6.2.3 AGREEMENTS RELATED TO A POSSIBLE CHANGE OF CONTROL OR LIABLE TO HAVE AN INFLUENCE IN THE EVENT OF A PUBLIC TENDER OFFER

The information required by article L. 225-100-3 of the French Commercial Code can be found in this Registration Document as follows: the indication of the existence of authorizations and delegations granted by the Company's General Shareholders' Meeting to the Management Board regarding the share issuance and buyback (described in sections 6.3.1 and 6.3.3), the capital structure (described in section 6.2) and the existence of double voting rights (provided for in the Company's bylaws (article 21) and mentioned in section 6.1.5).

It is also specified that, to the best of the Company's knowledge, no agreements exist requiring payment of indemnities, in the event of a takeover, to the members of the Management Board or employees if their employment should end as a result of this takeover.

Certain borrowings include change in control clauses.

6.3 Share capital

6.3.1 SUBSCRIBED CAPITAL AND SHARE CATEGORIES

COMPOSITION OF SHARE CAPITAL

On July 2, 2015, Publicis Groupe SA paid out the full amount of the dividend voted by the Combined Ordinary and Extraordinary Shareholders' Meeting of May 27, 2015, with each shareholder having the option between cash and shares, which resulted in a capital increase of euro 65,232.80 through the creation of 163,082 new shares with a par value of euro 0.40.

During 2015, 655,982 new shares at a par value of euro 0.40 per share were created as a result of free share plans (in particular under the LTIP 2011, LTIP 2012 and LTIP 2013 for beneficiaries in France and the international free share plan 2011), representing a total capital increase of euro 262,392.80.

517,819 new shares with a par value of euro 0.40 were also created as a result of warrant exercises, representing a total capital increase of euro 207,127.60.

As of December 31, 2015, the share capital totaled euro 89,016,296, divided into 222,540,740 fully paid-up shares with a par value of euro 0.40, of which 25,177,932 shares carried double voting rights.

TABLE OF DELEGATIONS OF AUTHORITY AND AUTHORIZATIONS GRANTED TO THE MANAGEMENT BOARD

Type of delegation or authorization	Date of the meeting	Duration of the authorization	Amount authorized	Used in 2015
Authorizations to reduce share capital through the cancellation of treasury shares	May 29, 2013 (12th resolution)	26 months Expired by General Shareholders' Meeting of 5/27/2015 (17th resolution)	No more than 10% of capital per 24 month period	None
Authorization to increase the capital without preferential subscription rights with the option to set the issue price	May 29, 2013 (13th resolution)	26 months Expired by General Shareholders' Meeting of 5/27/2015 (18th resolution)	Within the limits set by the 13th and 14th resolutions of the Extraordinary Shareholders' Meeting of May 28, 2014(1)(2)	None
Delegation to issue securities as consideration for contributions in-kind granted to the Company	May 29, 2013 (14th resolution)	26 months Expired by General Shareholders' Meeting of 5/27/2015 (19th resolution)	No more than 10% of capital(1)(2)	None
Authorization to grant stock options to employees and/or corporate officers	May 29, 2013 (15th resolution)	38 months Expires: 7/29/2016	No more than 3% of capital Maximum of 0.5% of capital for corporate officers(3)	None

(1) This amount counts toward the €30,000,000 maximum for all capital increases set forth by the Extraordinary Shareholders' Meeting of May 28, 2014 in its thirteenth resolution.

(2) This amount counts towards the €9,000,000 maximum par value of capital increases without preferential subscription rights set forth by the Extraordinary Shareholders' Meeting of May 28, 2014 in its fourteenth or fifteenth resolution depending on whether it involves a public offering or an offer made pursuant to paragraph II of article L. 411-2 of the French Monetary and Financial Code.

(3) This maximum counts toward the 3% maximum set forth by the Extraordinary Shareholders' Meeting of May 29, 2013 in its fifteenth resolution.

Type of delegation or authorization	Date of the meeting	Duration of the authorization	Amount authorized	Used in 2015
Authorization to trade in the Company's shares	May 28, 2014 (12th resolution)	18 months Expired by General Shareholders' Meeting of 5/27/2015 (16th resolution)	No more than 10% of capital Overall maximum: €1,836,200,000 Maximum share purchase price: €85	March 17, 2015: buyback of 2,406,873 shares held by the Badinter family at a price of €73.03/share Total buyback amount: €175,775,861 (excluding taxes on financial transactions) Any use during 2015 is recorded under the similar authorization granted by the General Shareholders' Meeting of 5/27/2015 (16th resolution listed below)
Delegation to increase capital by issuing shares or other equity securities with preferential subscription rights	May 28, 2014 (13th resolution)	26 months Expires: 7/28/2016	Maximum par value: €30,000,000(1) Maximum par value of debt securities: €1,200,000,000(4)	None
Delegation to increase capital by issuing shares or equity securities without preferential subscription rights through a public offering	May 28, 2014 (14th resolution)	26 months Expires: 7/28/2016	Maximum par value: €9,000,000(1)(2) Maximum par value of debt securities: €1,200,000,000(4)	None
Delegation to increase capital by issuing shares or equity securities without preferential subscription rights through an offer made pursuant to paragraph II of article L. 411-2 of the French Monetary and Financial Code	May 28, 2014 (15th resolution)	26 months Expires: 7/28/2016	No more than 20% of capital Maximum par value: €9,000,000(1)(2) Maximum par value of debt securities: €1,200,000,000(4)	None
Delegation to increase capital by incorporating reserves, earnings, premiums or other sums	May 28, 2014 (16th resolution)	26 months Expires: 7/28/2016	Maximum par value: €30,000,000(1)	None
Delegation to issue securities in the event of a public offering initiated by the Company	May 28, 2014 (17th resolution)	26 months Expires: 7/28/2016	Maximum par value: €9,000,000(1)(2)	None
Delegation to increase the number of securities issued in the event of an increase in the Company's capital, with or without preferential subscription rights	May 28, 2014 (18th resolution)	26 months Expires: 7/28/2016	No more than 15%(1)(2) of the initial issue and at the same price as this issue. Subject to compliance with the ceiling set forth under the corresponding resolution	None
Authorization to grant free shares to employees and/or corporate officers of the Company or companies within the Group	May 28, 2014 (19th resolution)	38 months Maturity: 7/28/2017	No more than 5% of capital(5) Maximum of 0.5% of capital for corporate officers(6)(7)	Total of 1,062,770 free shares
Delegation to increase capital for the benefit of subscribers to a company savings plan	May 28, 2014 (20th resolution)	26 months Expired by General Shareholders' Meeting of 5/27/2015 (20th resolution)	Maximum par value: €2,800,000(1)(8)	None

(1) This amount counts toward the €30,000,000 maximum for all capital increases set forth by the Extraordinary Shareholders' Meeting of May 28, 2014 in its thirteenth resolution.
(2) This amount counts towards the €9,000,000 maximum par value of capital increases without preferential subscription rights set forth by the Extraordinary Shareholders' Meeting of May 28, 2014 in its fourteenth or fifteenth resolution depending on whether it involves a public offering or an offer made pursuant to paragraph II of article L. 411-2 of the French Monetary and Financial Code.
(4) This amount applies to all debt securities that the Management Board is authorized to issue under the resolutions of the Extraordinary General Shareholders' Meeting of May 28, 2014.
(5) This maximum counts toward the 3% maximum set forth by the Extraordinary Shareholders' Meeting of May 29, 2013 in its fifteenth resolution (share purchase and/or subscription options).
(6) This maximum counts toward the 5% maximum set forth under this resolution.
(7) This maximum counts toward the 0.5% maximum set forth by the Extraordinary Shareholders' Meeting of May 29, 2013 in its fifteenth resolution.
(8) This amount counts toward the capital increase possible under the twenty-first resolution of the Extraordinary Shareholders' Meeting of May 28, 2014.

Type of delegation or authorization	Date of the meeting	Duration of the authorization	Amount authorized	Used in 2015
Delegation to increase capital for the benefit of certain categories of recipients located outside France in order to establish a shareholder or savings plan for them	May 28, 2014 (21st resolution)	18 months Expired by General Shareholders' Meeting of 5/27/2015 (21st resolution)	Maximum par value: €2,800,000(1)(9)	None
Authorization to trade in the Company's shares*	May 27, 2015 (16th resolution)	18 months Maturity: 11/27/2016	No more than 10% of capital Overall maximum: €2,212,038,570 Maximum share purchase price: €100	Acquisition of 3,935,000 shares through Citigroup (average purchase price: €73.89). Total amount: €290,758,340 Liquidity contract: acquisition of 1,390,551 shares (average purchase price €67.09) and disposal of 1,328,381 shares (average sale price €66.79) Sale of 354,223 shares to stock option recipients. Delivery of 12,684,356 shares (Orane 2022 redemption) and of 43,991 shares (other transactions)
Authorizations to reduce share capital through the cancellation of treasury shares	May 27, 2015 (17th resolution)	26 months Maturity: 7/27/2017	No more than 10% of capital per 24 month period	None
Authorization to increase the capital without preferential subscription rights with the option to set the issue price*	May 27, 2015 (18th resolution)	26 months Maturity: 7/27/2017	Within the limits set by the 13th, 14th, and 15th resolutions of the Extraordinary Shareholders' Meeting of May 28, 2014(1)(2)	None
Delegation to issue securities as consideration for contributions in-kind granted to the Company*	May 27, 2015 (19th resolution)	26 months Maturity: 7/27/2017	No more than 10% of capital(1)(2)	None
Delegation to increase capital for the benefit of subscribers to a company savings plan	May 27, 2015 (20th resolution)	26 months Maturity: 7/27/2017	Maximum par value: €2,800,000(1)(10)	None
Delegation to increase capital for the benefit of certain categories of recipients located outside France in order to establish a shareholder or savings plan for them	May 27, 2015 (21st resolution)	18 months Maturity: 11/27/2016	Maximum par value: €2,800,000(1)(11)	None

(1) This amount counts toward the €30,000,000 maximum for all capital increases set forth by the Extraordinary Shareholders' Meeting of May 28, 2014 in its thirteenth resolution.
(2) This amount counts towards the €9,000,000 maximum par value of capital increases without preferential subscription rights set forth by the Extraordinary Shareholders' Meeting of May 28, 2014 in its fourteenth or fifteenth resolution depending on whether it involves a public offering or an offer made pursuant to paragraph II of article L. 411-2 of the French Monetary and Financial Code.
(9) This amount counts toward the total capital increase possible under the twentieth resolution of the Extraordinary Shareholders' Meeting of May 28, 2014.
(10) This amount counts toward the total capital increase possible under the twenty-first resolution of the Extraordinary Shareholders' Meeting of May 27, 2015.
(11) This amount counts toward the total capital increase possible under the twentieth resolution of the Extraordinary Shareholders' Meeting of May 27, 2015.
** Unless there is prior authorization by the General Shareholders' Meeting, the Management Board cannot use this authorization or delegation from the moment a third party has filed a public offer for Company shares, up to the end of the offer period.*

6.3.2 EXISTENCE OF NON-REPRESENTATIVE SHARES, THEIR AMOUNT AND MAIN FEATURES

All shares are representative of the Company's share capital.

6.3.3 NUMBER, BOOK VALUE AND PAR VALUE OF SHARES HELD BY THE ISSUER ITSELF OR ON ITS BEHALF, OR BY ITS SUBSIDIARIES

TREASURY SHARES

The Combined Ordinary and Extraordinary General Shareholders' Meeting of May 27, 2015, in its sixteenth resolution, authorized the Management Board to carry out, or to have carried out, purchases in order to fulfill the following objectives:

(1) the grant or transfer of shares to employees and/or corporate officers of the Company and/or of the Group in accordance with the provisions of the applicable regulations;

(2) delivery of shares in order to honor commitments related to securities giving access to the capital;

(3) retention and later delivery of shares (pursuant to an exchange, payment or other transaction) or within the framework of external growth transactions within the limit of 5% of share capital;

(4) stimulation of activity or liquidity on the secondary market of Publicis Groupe shares through an investment services provider who acts independently and without being influenced by the Company, in the name and on the behalf of the Company, in accordance with a liquidity agreement, which complies with the Code of Ethics recognized by the Autorité des marchés financiers (the French Financial Markets Authority, or AMF) or any other applicable regulations;

(5) canceling of shares acquired by the aforementioned methods;

(6) implementation of any market practices allowed at present or in the future by market authorities.

This repurchase program would also permit the Company to operate with any other authorized purpose or which would become so by the law or regulations in force. In such a case, the Company would inform its shareholders through a press release.

The Company may purchase shares, sell shares it has bought back or transfer such shares at any time and by any method that complies with the regulations in effect, namely by purchase or sale on the stock exchange or by private sale, including through the purchase or sale of blocks (without restricting the portion of the program that may be carried out via this method); public purchase, sale or exchange offer; alternative funding mechanisms; derivatives traded on a regulated market or by private sale; or repurchase agreements; either directly or indirectly via an investment services provider; the Company may also retain the shares bought back and/or cancel them, subject to the approval of the General Meeting, ruling on an extraordinary basis in accordance with any applicable regulations.

Unless there is prior authorization by the General Shareholders' Meeting, the Management Board cannot use this authorization from the moment a third party has filed a public offer for Company shares, up to the end of the offer period.

The maximum number of shares that may be repurchased cannot exceed 10% of the number of shares in the share capital, at any time, this percentage applying to the capital adjusted to reflect transactions affecting it following the meeting having voted in favor, this authorization being subject to an overall maximum of euro two billion two hundred and twelve million, thirty-eight thousand, five hundred and seventy (euro 2,212,038,570).

The maximum share purchase price was set at euro 100; this limit does not apply, however, to shares purchased to cover the free allocations of shares to employees or the exercise of stock options.

This authorization for a period of eighteen months expired – for the unused portion and the remaining time period – and replaced that previously granted by the twelfth resolution of the General Shareholders' Meeting on May 28, 2014.

The description of the share buyback program was made available on the Publicis Groupe SA website.

SUMMARY TABLE OF PURCHASES UNDER VARIOUS BUYBACK PROGRAMS SINCE 2011

	Amount	Average acquisition price (in euros)
Period from 1/1/2011 to 12/31/2011	2,339,802	36.64
Period from 1/1/2012 to 12/31/2012	18,389,396	35.91
Period from 1/1/2013 to 12/31/2013	4,770,687	48.93
Period from 1/1/2014 to 12/31/2014	1,251,497	58.73
Period from 1/1/2015 to 12/31/2015	**7,732,424**	**72.45**

On March 17, 2015, Élisabeth Badinter, with her family group, sold 2,406,873 Publicis Groupe SA shares to the Company for a total (excluding taxes on financial transactions) of euro 175,775,861, i.e. euro 73.03 per share, representing a 2% discount to the weighted average share price for the five trading days preceding this date and a 4.5% discount to the closing share price on March 16, 2015. The Company also acquired, between March 30 and June 9, 2015, 3,935,000 Publicis Groupe SA shares through Citigroup for a total amount of euro 290,758,340, i.e. an average purchase price of euro 73.89. All these shares were allocated to covering debt securities providing access to share capital and in particular for the redemption of Oranes 2022.

In addition, under the liquidity agreement signed with Kepler Cheuvreux, the Company acquired 1,390,551 shares in 2015 at an average price of euro 67.09, and sold 1,328,381 shares at an average price of euro 66.79.

In 2015, the Company sold 354,223 treasury shares to the recipients of stock options who exercised their purchase options during the year. It did not release any existing shares under free share plans. The Company also released 12,684,356 shares as part of the early redemption of the 2022 Orane bonds and 43,991 shares in payment of acquisitions.

The trading fees and other expenses incurred by the Company during 2015 for transactions performed pursuant to the share buyback program authorized by the twelfth resolution of the General Shareholders' Meeting on May 28, 2014, and then by the sixteenth resolution of the General Shareholders' Meeting on May 27, 2015, amounted to euro 485,353.

As at December 31, 2015, Publicis Groupe SA owned 1,216,839 shares (0.55%) of its own capital under various buyback authorizations, at a total cost of euro 50,134,862 and an average price per share of euro 41.20.

6.3.4 AMOUNT OF CONVERTIBLE OR EXCHANGEABLE SECURITIES OR SECURITIES ACCOMPANIED BY WARRANTS, WITH INDICATION OF THE TERMS AND CONDITIONS FOR CONVERSION, EXCHANGE OR SUBSCRIPTION

The allocation of share capital as at December 31, 2015, on the basis of full dilution resulting from financial instruments issued by the Company, is the following:

At December 31, 2015	Shares held	%	Voting rights	%
Élisabeth Badinter	16,700,967	7.45%	33,401,934	13.46%
Capital Group Companies, Inc.	11,226,876	5.01%	11,226,876	4.52%
Treasury shares held	1,216,839	0.54%	-	-
Public (registered and bearer)	193,396,058	86.25%	201,873,023	81.34%
Equity warrants*	1,685,218	0.75%	1,685,218	0.68%
TOTAL	**224,225,958**	**100.00%**	**248,187,051**	**100.00%**

* *Securities in-the-money as of the date of the closing of the 2015 accounts (price at February 5, 2016: €53.89).*

A shareholder holding 1% of the share capital in Publicis Groupe SA at December 31, 2015, would hold 0.99% of the share capital of Publicis Groupe SA at that date, in case of exercise or conversion of rights attached to securities giving access to the capital (equity warrants).

The terms of conversion of equity warrants are described in Note 24 to the consolidated financial statements in section 4.6 of this document.

6.3.5 PLEDGES, GUARANTEES AND SURETIES

There is no indirect self-control of the Company. As at December 31, 2015, 539,000 registered shares managed by the Company, and 114,641 registered shares administered by others, were pledged, representing a total of 653,641 pledged shares.

PRINCIPAL PLEDGE

Name of pure registered shareholder	Beneficiary creditor lienor	Opening date of pledge	Closing date of pledge	Condition for lifting pledge	Number of issuer's shares pledged	% of issuer's capital pledged at December 31, 2015
Consorts Badinter	LCF Edmond de Rothschild	09/09/2003	Not indicated	Agreement of creditor lienor	509,000	0.002%

No major asset held by Group companies was subject to a pledge.

6.3.6 EMPLOYEE SHAREHOLDING

Employees' interests in the share capital through the Company savings plans, and according to the definition of article L. 225-102 of the French Commercial Code as at December 31, 2015 were not significant.

It should be noted that the Publicis Groupe FCPE held 407,097 Publicis Groupe shares as at December 31, 2015. As a result, Publicis Groupe employees owned 0.18% of the share capital via the FCPE at that date.

As at December 31, 2015, the total number of options outstanding for all beneficiaries was 5,372,943 including 479,566 share purchase options that are immediately exercisable and 4,893,377 subscription or purchase options that are still vesting.

The Group renewed its Long Term Incentive Plan with the "LTIP 2015." In April 2015, this plan awarded 639,800 free shares to a certain number of Group managers, under two conditions. First, these shares are subject to the condition that employment continues throughout the four-year vesting period, except for French nationals who have a shorter, three-year vesting period, but are subject to an additional two-year lock-in period. Furthermore, the shares are subject to performance criteria, so that the total number of shares received will depend on the growth and profitability objectives attained in 2015.

To facilitate the integration of Sapient and its subsidiaries into the Publicis Groupe, the Management Board created a specific long-term incentive plan with the "2015 Stock Incentive Plan Sapient". The share compensation plan is based on three variable duration formulas with specific presence and, where appropriate, performance characteristics. In April 2015, this plan awarded 422,970 free shares to a certain number of Sapient managers. The first formula stipulated an annual delivery of one-quarter of the free shares awarded spread over a four-year period. For the second formula, the delivery of all the free shares takes place after a three-year period. For the third formula, all the free shares are delivered after a four-year period.

The "LTIP 2013-2015" free share award plan, which was set up in June 2013 for the sole benefit of the members of the Management Board, provides for the award of 105,000 shares in total following a three-year period (2013, 2014 and 2015), subject to performance conditions (growth and profitability targets). No free shares were granted to the members of the Management Board during the 2015 fiscal year.

As at December 31, 2015, the total number of free shares yet to vest to Group employees on condition of employment, and performance, in some cases, amounted to 3,019,291.

All the details concerning the option and free share plans (description, changes for the year, and closing balance) are shown in Note 28 of the consolidated financial statements in Section 4.6 of this document.

6.3.7 SHARE CAPITAL TRANSACTIONS

Changes regarding the share capital in the last three years are shown below:

Dates	Share capital transactions	Number of shares	Par value	Share capital
12/31/2012	**CAPITAL AS AT DECEMBER 31, 2012**	**210,008,734**	**0.40**	**84,003,494**
4/11/2013 8/19/2013 9/22/2013 12/2/2013	Capital increases (delivery of free shares)	292,076	0.40	116,830
7/05/2013	Capital increase (dividend payment in shares)	1,361,502	0.40	544,600
9/02/2013	Capital increase (9th tranche of Orane redemption)	1,562,129	0.40	624,852
9/30/2013 10/31/2013 11/30/2013 12/13/2013 12/31/2013	Capital increases (exercise of equity warrants)	2,798,937	0.40	1,119,575
12/31/2013	**CAPITAL AS AT DECEMBER 31, 2013**	**216,023,378**	**0.40**	**86,409,351**
1/31/2014 2/28/2014 3/31/2014 4/30/2014 5/31/2014 6/30/2014 7/31/2014 8/31/2014 9/30/2014 10/31/2014 12/31/2014	Capital increases (exercise of equity warrants)	684,773	0.40	273,909
5/01/2014 8/19/2014 9/22/2014 12/01/2014	Capital increases (delivery of free shares)	815,623	0.40	326,249
7/03/2014	Capital increase (dividend payment in shares)	2,094,672	0.40	837,869
9/17/2014	Capital increase (10th tranche of Orane redemption)	1,585,411	0.40	634,165
12/31/2014	**CAPITAL AS AT DECEMBER 31, 2014**	**221,203,857**	**0.40**	**88,481,543**
1/31/2015 2/28/2015 3/31/2015 4/30/2015 5/31/2015 6/30/2015 7/31/2015 9/30/2015	Capital increases (exercise of equity warrants)	517,819	0.40	207,127
4/17/2015 4/19/2015 9/01/2015 12/01/2015	Capital increases (delivery of free shares)	655,982	0.40	262,393
7/02/2015	Capital increase (dividend payment in shares)	163,082	0.40	65,233
12/31/2015	**CAPITAL AS AT DECEMBER 31, 2015**	**222,540,740**	**0.40**	**89,016,296**

6.4 Stock market information

6.4.1 THE TRADING OF PUBLICIS GROUPE SHARES

The general context for financial markets was mainly favorable in 2015, particularly up to the summer. European share markets benefited from the conjunction of several factors:

- uneven economic growth across the geographical zones, but acceleration in Europe;
- the ECB's monetary policy that provided liquidity to the market;
- the appreciation of the dollar compared to the euro, favorable for profitable outlooks for European groups.

The concerns of a slowdown in the Chinese economy weighed on market trends from September.

Overall, stock market indices increased by 5 to 15%. The CAC 40 index increased by 8.5%, and the Stoxx Europe Media index by 12%. Conversely, the major American indices stagnated or slightly decreased, due mainly to the increase in the dollar over the period. Economic growth was slightly disappointing at the end of the year, in particular in industrial and energy sectors.

Publicis Groupe's share price ended 2015 on an increase of 2.9%. Its behavior is correlated with that of market indices and comparable companies. The share price began the year on an upwards trend: at April 22, the 2015 performance of the Publicis share price culminated at +31%. It then experienced a consolidation period, due to the Group's exposure to numerous budget reviews initiated by major world advertisers, then entered a downward trend at the end of the summer, following organic growth forecasts lower than analysts' expectations. This unfavorable trend strongly reduced the stock market performance, although this remains positive. Based on reinvested dividends, Publicis Groupe shares posted 4.6% growth.

6.4.2 INVESTOR RELATIONS

Publicis Groupe's financial communication is based on the principle of providing precise, transparent, and sincere information on the Group's situation to all financial markets within the framework of the current texts, standards and procedures in France: Financial security law, IFRS (International Financial Reporting Standards)... Publicis Groupe's investor relations ensure close and continuous dialog with brokerage company and investment fund analysts. Publicis Groupe's financial communications with institutional investors is reflected in the organization of meetings in the world's major financial markets, and by the participation of Group representatives at investor conferences.

During 2015, Publicis Groupe met nearly 900 institutional investors in Europe, the UK and the USA (compared to around 600 in 2014), during private meetings (roadshows) and investor conferences on the sector in Europe and the USA.

6.4.3 SECURITIES MARKET

The following information regarding the shares and financial instruments comes from the Euronext and Bloomberg websites.

PUBLICIS GROUPE SHARES

- listed on: Euronext Paris (ISIN code: FR0000130577);
- first day listed: June 9, 1970;
- shares listed on Euronext Paris: all of the shares comprising the share capital.

On December 27, 2007, Publicis Groupe SA was informed that Publicis Groupe SA shares were now no longer listed on the New York Stock Exchange. This delisting following the Company's notification on September 17, 2007 to the US market authorities that it no longer wanted Publicis Groupe SA shares listed on the New York Stock Exchange (listed in the form of American Depositary Receipt; ratio: one ADR for every one Publicis share), with average annual trading volumes rarely exceeding 1% of all shares in the share capital.

By default, the share can be traded on the New York Stock Exchange OTCQX market as and American Depositary Receipt, ratio: four ADRs for one Publicis share (ticker: PUBGY). The OTCQX platform is an information tool that provides access to US investors, while guaranteeing price transparency.

Changes in the trading price on Euronext Paris during 2015:

- highest: euro 79.40 on April 22, 2015;
- lowest: euro 55.60 on October 22, 2015;
- average price: euro 66.565 (based on closing prices).

TRANSACTION VOLUMES AND CHANGES IN COMPANY SHARE PRICES DURING THE LAST EIGHTEEN MONTHS ON EURONEXT PARIS

			Average volumes traded per session[1]		Monthly price (in euros)			
Period		Number of sessions	Number of securities	Share capital (in thousands of euros)	First listing	Last listing	Highest	Lowest
	August	21	555,462	30,579	54.22	56.70	58.05	53.15
	September	22	580,532	32,467	56.76	54.37	58.53	53.02
	October	23	945,261	49,738	54.10	55.27	55.58	49.62
	November	20	688,640	38,880	54.00	59.06	59.08	52.10
2014	December	21	623,967	36,789	58.79	59.64	60.78	56.15
	January	21	854,782	53,486	59.85	66.43	67.97	57.34
	February	20	656,219	45,598	66.53	72.87	73.23	65.77
	March	22	813,493	59,660	72.95	71.83	77.02	68.83
	April	20	862,910	64,783	71.92	74.86	79.40	71.26
	May	20	618,942	46,298	74.89	72.81	77.46	70.85
	June	22	1,098,907	75,906	73.00	66.32	73.79	66.32
	July	23	958,186	66,211	67.08	68.94	73.97	64.73
	August	21	895,900	57,140	68.82	63.52	69.63	57.81
	September	22	727,456	44,578	62.80	60.98	64.28	58.09
	October	22	1,181,159	71,513	61.42	59.06	65.24	55.60
	November	21	863,105	50,520	58.77	59.72	60.33	55.70
2015	December	22	811,300	48,636	60.02	61.38	62.98	57.57
	January	20	1,040,319	55,928	60.84	55.27	60.84	49.94
2016	February	21	1,125,301	62,106	55.40	57.16	58.04	50.50

(1) Volumes traded on Euronext (excluding alternative platforms).

BONDS RELATED TO PUBLICIS GROUPE WARRANTS (BSA)

- listed on: Euronext Paris (ISIN code: FR0000312928);
- first day listed: September 25, 2002;
- changes in the trading price on Euronext Paris in 2015:
  - highest: euro 49.98 on April 23, 2015,
  - lowest: euro 27.02 on January 6, 2015,
  - average price: euro 37.503 for 2015 (based on closing prices).

As at December 31, 2015, 1,660,313 warrants, exercisable until 2022, were outstanding.

EUROBOND ISSUED IN TWO TRANCHES ON DECEMBER 9, 2014 WITH MATURITY IN 2021 AND 2024

Bond issue as part of a placement of euro 1.3 billion in two tranches:

- listed on: Euronext Paris;
- first day listed: December 11, 2014;
- changes in the trading price on Euronext Paris in 2015:
  - euro 700 million tranche maturing on December 16, 2021, with an annual coupon of 1.125% (ISIN code: FR0012384634):
    - highest: euro 102.663 on March 11, 2015,
    - lowest: euro 97.923 on July 10, 2015,
    - average price: euro 100.199 (based on closing prices),
  - euro 600 million tranche maturing on December 16, 2024, with an annual coupon of 1.625% (ISIN code: FR0012384667):
    - highest: euro 105.729 on March 11, 2015,
    - lowest: euro 96.097 on July 10, 2015,
    - average price: euro 100.485 (based on closing prices).

7

GENERAL SHAREHOLDERS' MEETING

The Combined Annual Ordinary and Extraordinary General Shareholders' Meeting will take place on May 25, 2016 at Publicis cinémas, 133, avenue des Champs-Élysées, Paris 8, France.

Prior to this meeting, the legal documents and information will be communicated to shareholders, in accordance with the applicable laws, and notably by electronic consultation on the Publicis website.

ADDITIONAL INFORMATION

8.1 Documents on display

During the validity of this document, the Company's bylaws, minutes of the General Shareholders' Meetings, as well as reports of the Management Board and the auditors, and all other documents addressed or available to shareholders as required by law are available at the registered office of Publicis Groupe SA, 133, avenue des Champs-Élysées, 75008 Paris.

The Company bylaws are also available on the Publicis Groupe's website (www.publicisgroupe.com).

The parent company's financial statements and the consolidated financial statements of Publicis Groupe SA for the fiscal years ending December 31, 2014 and December 31, 2015 are available at the registered office of the Company according to the laws and regulations in effect. They are also available on the Publicis Groupe website (www.publicisgroupe.com and www.publicisgroupe.com/ir) and on the website of the French Regulatory Authority (www.amf-france.org).

Furthermore, historical financial information for any direct or indirect subsidiary of the Company for the years ending December 31, 2014 and December 31, 2015 is available at the registered office of such subsidiary, as required by relevant laws and regulations.

8.2 Registration Document responsibility and declaration

8.2.1 RESPONSIBILITY FOR THE REGISTRATION DOCUMENT

Maurice Lévy, Chairman of the Management Board of Publicis Groupe SA ("the Company").

8.2.2 DECLARATION OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I confirm, having exercised due diligence in this regard, that, to the best of my knowledge, the information in this Registration Document is true and contains no material omission.

I also confirm that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and provide a true and fair view of the Company's assets, financial position and profit, as well as those of its consolidated subsidiaries, and that the management report, the various components of which are indicated in the cross-referencing table in Section 8.6, provides a fair view of the progress of the business, results and financial position of the Company and all its consolidated subsidiaries, and a description of the main risks and uncertainties that they face.

I have obtained from the statutory auditors an end-of-engagement letter (*lettre de fin de travaux*), in which they state that they have verified the financial position and financial statements in this Registration Document, and have reviewed this Registration Document.

Paris, April 4, 2016

Maurice Lévy,

Chairman of the Management Board

8.3 Statutory auditors

8.3.1 PRINCIPAL STATUTORY AUDITORS

ERNST & YOUNG ET AUTRES

Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (Regional Company of Statutory Auditors of Versailles)

Represented by Vincent de La Bachelerie and Christine Staub

1/2, place des Saisons, 92400 Courbevoie – Paris La Défense 1

Appointed at the General Shareholders' Meeting of June 4, 2007; appointment renewed at the General Shareholders' Meeting of May 29, 2013, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2018.

Ernst & Young et Autres replaced Ernst & Young Audit, a company belonging to the same network, which was appointed statutory auditor by the General Shareholders' Meeting of June 14, 2001.

MAZARS

Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles (Regional Company of Statutory Auditors of Versailles)

Represented by Loïc Wallaert and Anne-Laure Rousselou

61, rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie

Appointed at the General Shareholders' Meeting of June 25, 1981; appointment renewed most recently at the General Shareholders' Meeting of June 7, 2011, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2016.

8.3.2 ALTERNATE STATUTORY AUDITORS

AUDITEX

1/2, place des Saisons, 92400 Courbevoie – Paris La Défense 1

Appointed at the General Shareholders' Meeting of June 4, 2007; appointment renewed at the General Shareholders' Meeting of May 29, 2013, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2018.

GILLES RAINAUT

61, rue Henri-Regnault, Tour Exaltis, 92400 Courbevoie

Appointed at the General Shareholders' Meeting on June 1, 2010 to replace Patrick de Cambourg, for a term of six years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

8.4 Cross-reference table for the Registration Document

See Appendix 1 of European Regulation no. 809/2004

	Page no.	Section no.
17. Employees		
17.1. Number of employees	*142*	4.6 (Note 3)
17.2. Shareholdings and stock options	*68 to 81*	2.2.3; 2.2.4 and 2.2.5
17.3. Agreement on employee share ownership	*225*	6.3.6
18. Main shareholders		
18.1. Shareholders holding more than 5% of capital	*217 and 218*	6.2.1
18.2. Existence of different voting rights	*215 and 216*	6.1.5
18.3. Direct or indirect control	*219*	6.2.2
18.4. Agreement that could lead to a change in control	*219*	6.2.3
19. Related party transactions	*82 and 83*	2.3
20. Financial information concerning the issuer's assets, financial position, and results of operations		
20.1. Historical financial information	*121 to 184 and 187 to 210*	4 and 5
20.2. Pro forma financial information	-	NA
20.3. Financial statements	*121 to 184*	4
20.4. Verification of annual historical financial information	*185 and 186; 211 and 212*	4.7 and 5.6
20.5. Date of most recent financial information	-	NA
20.6. Intermediate and other financial information	-	NA
20.7. Dividend distribution policy	*119*	3.6
20.8. Legal and arbitrage procedures	*30; 136; 156 and 157*	1.8.2; 4.6 (Notes 1.3 – Provisions and 20)
20.9. Significant change in financial or commercial situation	-	NA
21. Additional information		
21.1. Share capital	*220 to 226*	6.3
21.2. Memorandum and bylaws	*214 to 216*	6.1.5
22. Major contracts	*25*	1.6
23. Information from third parties, experts and declared interests	-	NA
24. Documents on display	*234*	8.1
25. Information on holdings	*181 to 184*	4.6 (Note 32)

Pursuant to article 28 of EC Commission Regulation no. 809/2004, the following information is incorporated by reference into this Registration Document:

- the consolidated financial statements for the 2014 fiscal year drawn up in accordance with IFRS standards, and the statutory auditors' report relating thereto, which are shown on pages 117 to 190 and 191 to 192 of the 2014 Registration Document filed with the AMF on April 8, 2015 under no. D. 15-0298;
- the consolidated financial statements for the 2013 fiscal year drawn up in accordance with IFRS standards, and the statutory auditors' report relating thereto, which are shown on pages 111 to 189 and 190 to 191 of the 2013 Registration Document filed with the AMF on April 4, 2014 under no. D. 14-0293;
- the change in the Group's financial position and operating profit for the 2014 fiscal year, shown on pages 103 to 114 of the 2014 Registration Document filed with the AMF on April 8, 2015 under no. D. 15-0298;
- the change in the Group's financial position and operating profit for the 2013 fiscal year, shown on pages 97 to 108 of the 2013 Registration Document filed with the AMF on April 4, 2014 under no. D. 14-0293;
- the parent company financial statements for the 2014 fiscal year drawn up according to French accounting standards, and the statutory auditors' report relating thereto, which are shown on pages 193 to 219 and 220 of the 2014 Registration Document filed with the AMF on April 8, 2015 under no. D. 15-0298;
- the parent company financial statements for the 2013 fiscal year drawn up according to French accounting standards, and the statutory auditors' report relating thereto, which are shown on pages 193 to 219 and 220 of the 2013 Registration Document filed with the AMF on April 4, 2014 under no. D. 14-0293;
- the statutory auditors' special report on related-party agreements for the 2014 financial year, shown on pages 82 to 85 of the 2014 Registration Document filed with the AMF on April 8, 2015 under no. D. 15-0298;
- the statutory auditors' special report on related-party agreements for the 2013 financial year, shown on pages 46 to 48 of the 2012 Registration Document filed with the AMF on April 4, 2014 under no. D. 14-0293;
- the sections of the 2014 and 2013 Registration Documents that are not included are either irrelevant for investors, or covered by this Registration Document.

8.5 Cross-reference table for the annual financial report

In order to facilitate the reading of the annual financial report, the following thematic table makes it possible to identify the main information required by article L. 451-1-2 of the French Monetary and Financial Code in this Registration Document.

8.6 Cross-reference table for the management report

COMMENTARY ON THE FISCAL YEAR

	Page no.	Section no.
Situation and business activities of the Company and the Group	*6; 7 to 9; 11 to 19*	1.1; 1.2 and 1.4
Business results of the Company and the Group	*122 to 124; 188; 189 to 190; 208 to 209; 210*	4.1 to 4.3; 5.1; 5.2; 5.4 (Note 26) and 5.5
Objective and exhaustive analysis of business developments, results and financial position of the Company and the Group	*20 to 24; 109 to 118*	1.5 and 3.1 to 3.5
Key indicators of non-financial performance with regard to the Company's specific business activities		NA
Key events occurring between the date of close of the financial year and the date the report is prepared	*11 to 13; 24; 96; 110*	1.4.2; 1.5.2; 2.4.2.2 and 3.1
Foreseeable development of the Company and the Group	*24; 120*	1.5.2 and 3.7
Dividends distributed over the three preceding years and amount of income distributed during the same years eligible for 40% deduction	*119*	3.6
Investments or controlling interests in companies headquartered in French territory	*20 to 24*	1.5.1

PRESENTATION OF THE GROUP

	Page no.	Section no.
The main risks and uncertainties faced by the Group	*28 to 33*	1.8
The Company's use of financial instruments: objectives and policy in relation to financial risk management	*131 to 138; 169 to 171; 171 to 174*	4.6 (Notes 1.3, 25 and 26)
Exposure of the Company to price, credit, liquidity or cash flow risks	*31 to 32; 117; 162 to 166; 171 to 174*	1.8.5; 3.4.3 and 4.6 (Notes 22 and 26)
Social and environmental consequences of business activities and societal commitments to promote sustainable development, the circular economy, to fight against food waste and discrimination and to encourage diversity	*88 to 105*	2.4
Research and development activities	*26 to 27; 133*	1.7 and 4.6 (Note 1.3)

CORPORATE GOVERNANCE

	Page no.	Section no.
List of all offices and functions exercised in any company by each corporate officer during the year	*36 to 43*	2.1.1
Total compensation and other benefits paid to corporate officers during the year	*57 to 81*	2.2
All commitments made by the Company for its corporate officers, such as compensation, indemnities or benefits due or likely to be due as a result of taking up, ceasing or changing functions, or subsequently	*57 to 81*	2.2
Options granted, subscribed or bought during the year by the corporate officers and the top ten highest paid Company non-executive employees, and stock options granted to all beneficiary employees, by category	*71; 73 to 76; 225*	2.2.3 (Tables 4, 5, 8 and 9) and 6.3.6
Conditions for raising and retaining options by the executive corporate officers	*58 to 68; 176 to 178*	2.2.2 and 4.6 (Note 28)
Conditions for retaining free shares attributed to executive corporate officers	*58 to 68; 72; 176 to 178*	2.2.2; 2.2.3 (Tables 6 and 7) and 4.6 (Note 28)
Operations in the Company's shares by directors and associated persons	*81*	2.2.5
Agreements between a corporate officer or major shareholder with a subsidiary of the Company (excluding agreements relating to current operations or concluded on arm's length terms)		NA

COMPANY INFORMATION AND CAPITAL STRUCTURE

	Page no.	Section no.
Rules applicable to the appointment and replacement of members of the Supervisory Board and the Management Board, as well as to changes in the bylaws or capital	*214 to 216*	6.1.5
Power of the Supervisory Board or the Management Board, in particular concerning the issue or buyback of shares	*214 to 216; 220 to 222; 223 to 224*	6.1.5; 6.3.1 and 6.3.3
Sales and purchases of own shares during the year	*223 to 224*	6.3.3
Any adjustments for shares giving access to capital in case of buyback or financial transactions	*168*	4.6 (Note 24)
Current delegations	*220 to 222*	6.3.1
Structure of and changes in the Company's capital	*217 to 219; 220 to 226*	6.2 and 6.3
Major shareholders and voting rights	*217 to 219*	6.2.1
Employee stockholdings	*225*	6.3.6
Agreements related to a possible change of control or liable to have an influence in the event of a public tender offer	*219*	6.2.3
Statutory limitations on the exercise of voting rights and transfer of shares or clauses in agreements brought to the attention of the Company in application of article L. 233-11 of the French Commercial Code		NA
Direct or indirect ownership of the Company's capital of which it is aware, pursuant to article L. 233-7 of the French Commercial Code	*217 to 219*	6.2.1
Agreements between shareholders of which the Company is aware and which might hinder the transfer of shares and the exercise of voting rights		NA
Agreements allowing for indemnities to members of the Management Board or employees if they resign or are dismissed without real or serious cause, or if their employment ends because of a public offering	*58 to 68*	2.2.2

ELEMENTS PERTAINING TO THE FINANCIAL STATEMENTS

	Page no.	Section no.
Company's earnings over the past five years	*210*	5.5
Payment periods	*118*	3.5
Amount of loans granted in application of article L. 511-6 of the French Monetary and Financial Code		NA

REPORT OF THE CHAIRPERSON OF THE SUPERVISORY BOARD

	Page no.	Section no.
On the conditions for preparing and organizing the work conducted by the Supervisory Board and on internal control procedures	*47 to 54*	2.1.5
Statutory auditors' report on the report from the Chairperson of the Supervisory Board	*55*	2.1.6

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Publicis Groupe SA

French limited liability company (*société anonyme*) with a Management Board and a Supervisory Board, with a share capital of euro 89,016,296

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