PUBLICIS GROUPE SA
Form 425
February 13, 2014

Filed by Publicis Groupe S.A.

pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

under the Securities Exchange Act of 1934

Subject Company: Publicis Groupe S.A.; Omnicom Group Inc.

Filer s SEC File No.: 001-14736

Date: February 13, 2014

2013 Results: A Record Year

Revenue:	**6.953 billion**
Operating Margin*:	**+40bp (16.5%)**
Net income*:	**816 million**

Maurice Lévy, Chairman and CEO of Publicis Groupe:

Our performance was outstanding and ahead of schedule for our 2018 targets.

Having well anticipated the shift to digital share of revenue, digital now accounts for 38.4% of our total revenue and 13.9% organic growth for the year. In the fourth quarter alone, digital generated 40.4% of our total revenue (and 20.1% of organic growth).

Operating margin rate rose 40 basis points to 16.5% and is solid evidence of the strength of our business model (despite moderate organic growth of 2.6%). Other indicators are just as satisfactory, and include double-digit growth of our Free Cash Flow (+19.0%) or our Net income (+11.5%).
As promised, the dividend payout will meet the 30% mark.

The only cloud on the horizon was our organic growth in the fourth quarter which was affected by campaigns being cancelled or postponed, particularly in the emerging markets.

Our client portfolio, overweighed in the luxury sector, undoubtedly caused us to have a greater exposure than the market. This one-time blip does not call into question our growth plan, particularly for 2014.

For the year ZenithOptimedia forecasts investments in media growth of around 5.3%, which would leave agencies revenue growth at approximately 3.5%. With new business reaching $4.5 billion dollars and an exceptional position in digital, we have started 2014 with confidence, greater energy than ever before and an eagerness to continue our growth program and margins improvement. The merger project is progressing steadily; we are currently working through the long process of obtaining the relevant administrative authorizations, one that is advancing smoothly. I *wish to thank all our clients for their support and confidence and all of our people around the world for the quality of their work and their efforts.*

** Excluding merger costs*

2013 KEY FIGURES

in EUR million (except for EPS and Dividend)

¡ **Revenue**	**6,953**	**+5.2%**
¡ **Organic growth**		**+2.6%**
¡ **Operating margin***	**1,145**	**+7.8%**
¡ **Operating margin rate*** (16.1% in 2012)		**16.5%**
¡ **Net income***	**816**	**+11.5%**
¡ **EPS** (euro)**	**3.64**	**+9.0%**
¡ **Free Cash Flow*****	**901**	**+19.0%**
¡ **Dividend**** (euro)**	**1.10**	**+22.2%**

* *Excluding merger costs*

** *Diluted Earnings Per Share*

*** *Excluding changes in Working Capital Requirements (WCR)*

*****Payable on July 3, 2014 subject to approval at the AGM of May 28, 2014*

Publicis Groupe s Supervisory Board met on February 12, 2014, under the chairmanship of Elisabeth Badinter, to examine the annual accounts for 2013 presented by Maurice Lévy, Chairman of the Management Board.

KEY FIGURES

Data from the Consolidated Income Statement

EUR million, excepting percentages and per

share data (in euro)

	2013	*2013**	*2012***	2013* / 2012**
Data from the Income Statement				
Revenue	6,953	6,953	6,610	5.2%
Operating margin before Depreciation & Amortization	1,227	1,265	1,188	6.5%
% of revenue	*17.6%*	*18.2%*	*18.0%*	
Operating margin	1,107	1,145	1,062	7.8%
% of revenue	*15.9%*	*16.5%*	*16.1%*	
Operating income	1,123	1,161	1,045	11.1%
Net income attributable to the Groupe	792	816	732	11.5%
Earnings Per Share [1]	3.67	3.79	3.64	4.1%
Diluted Earnings Per Share [2]	3.54	3.64	3.34	9.0%
Dividend per share	1.10	1.10	0.90	22.2%
Free cash-flow before changes in working capital requirements	901		757	19.0%
Data from the Balance Sheet				
	December 31, 2013		**December 31, 2012****	
Total Assets	17,111		16,605	
Groupe share of consolidated shareholders equity	5,094		4,614	

* *Excluding merger-related costs*

** *In compliance with IAS 19 (revised) applicable as of January 1, 2013, the data relating to 2012 have been restated for the purposes of comparison (see 1.1 in the Notes to the consolidated financial statements). The impact on the 2012 Operating margin is -2 million and -5 million on Net income attributable to the Groupe and 1 million on Group share of consolidated shareholders equity.*

[1] *Earnings Per Share calculations based on an average of 215.5 million shares in 2013, and 201.0 million shares in 2012.*

[2] *Diluted Earnings Per Share (EPS) calculations based on an average of 224.4 million shares in 2013 and 224.1 million in 2012. These calculations include stock options, free shares, equity warrants and convertible*

bonds that dilute EPS. 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.

Ø ***2013* Revenue : +5.2%**

The Groupe s consolidated revenue for 2013 rose to 6,953 million, up 5.2% from 6,610 million in 2012, with organic growth standing at +2.6% for the period. The impact of exchange rates was 237 million due to sharp depreciation of the currencies of certain developing countries.

Expressed in US dollars, revenue rose 8.7% to $9,232 million.

Organic growth, which was down regards to that of the first nine months (+3.3%), was adversely affected by the European economic situation and the confirmation of the slowdown in emerging economies when particularly in China, already observed in the third quarter. It was further impacted by certain government decisions that had negative consequences on advertising investments, causing campaigns to be postponed or cancelled.

Revenue in the high-growth countries accounted for 24.4% of total revenue (25.5% in 2012) due to higher volumes in mature countries following the acquisition of LBi, which is mainly established in northern Europe, as well as to the economic slowdown in certain emerging countries.

In accordance with the Groupe s strategic goals, our efforts and investments in digital activities have generated very strong growth (organic growth of +13.9%), and now represent 38.4% of the Groupe s total revenue.

More generally, analog activities continued to decline in the developed economies, as shown in the table below:

	Europe*	**North America**	**BRIC+MISSAT****	**Rest of the world**	**Total**
Digital	10.0%	+13.1%	+20.1%	+38.9%	**+13.9%**
Analog	-5.2%	-3.1%	-1.5%	+1.5%	**-2.9%**
Total	-1.6%	+4.7%	+1.0%	+6.8%	**+2.6%**

* *Europe excluding Russia and Turkey*

** *MISSAT: Mexico, Indonesia, Singapore, South Africa and Turkey*

- Breakdown of 2013 revenue by region

(EUR million)	***Revenue***		***Reported growth***	***Organic growth***
	2013	*2012*	*2013/2012*	*2013/2012*
Europe*	2,060	1,881	+9.5%	-1.6%
North America	3,303	3,146	+5.0%	+4.7%
BRIC+MISSAT**	918	892	+2.9%	+1.0%
Rest of the world	672	691	-2.7%	+6.8%
Total	**6,953**	**6,610**	**+5.2%**	**+2,6%**

* *Europe excluding Russia and Turkey*

***MISSAT: Mexico, Indonesia, Singapore, South Africa and Turkey*

Europe (excluding Russia and Turkey): Despite the negative outcome, the region has been sending out encouraging signals, with a slight improvement in France (organic growth of -0.4%) and positive growth in the UK (+1.4%) and Germany (+3.6%).

Central Europe and Russia also posted positive growth (+2.6% and +3.1% respectively). Only the southern European countries were down (-11.3%).

North America: Good growth (+4.7% for the year), mainly thanks to the digital and media businesses.

BRIC and MISSAT: weak growth (+1%) due to the economic slowdown already recorded in the third quarter.

Rest of the world: good growth of +6.8% (Australia +5.0%, Colombia +9.3%, Malaysia -3.7%, South Korea -7.6%).

Q4 2013 revenue

- Breakdown of Q4 2013 revenue by region

(EUR million)	***Revenue***		***Reported growth***	***Organic growth***
	Q4 2013	*Q4 2012*	*Q4 2013 / Q4 2012*	*Q4 2013*
Europe*	621	573	+8.4%	+0.1%
North America	848	834	+1.7%	+2.4%
BRIC+MISSAT**	267	287	-7.0%	-5.9%
Rest of the world	191	205	-6.8%	+4.8%
Total	**1,927**	**1,899**	**+1.5%**	**+0.7%**

* *Europe excluding Russia and Turkey*

***MISSAT: Mexico, Indonesia, Singapore, South Africa and Turkey*

As mentioned, the trend was reversed in various advertising markets in the fourth quarter, particularly in emerging markets. Europe (excluding Russia and Turkey) has stabilized (+0.1%). North America remained positive thanks to the strong growth of digital activities.

At -5.9%, the BRIC and MISSAT countries experienced a number of macroeconomic factors (economic slowdown) as well as those specific to our clients (campaign postponements) that hampered investments. China, for economic reasons of its own (slowdown, government decisions that impacted the advertising market mainly in the last quarter), was affected by the postponement of campaigns until 2014. In this context the Greater China region situation was negative at -10.8%. India, in a pre-election year also had mixed fortunes, with a decline in investments leading to structural adjustments.

The Rest of the world saw an organic growth of +4.8% with highly contrasting situations (Colombia +4.0%, United Arab Emirates +8.7%, Australia -2.3% and Japan -2.0%).

Ø **Operating margin: +40 bps at 16.5%**

It should be noted that the following figures do not include merger-related costs incurred for 2013 and, in the case of 2012, these figures have been restated for compliance with IAS 19 (revised). Merger-related costs totaled 38 million in 2013 and the restating of the accounts for compliance with IAS 19 had a 2 million negative impact on the operating margin.

The operating margin before depreciation and amortization reached 1,265 million in 2013, up 6.5% from 1,188 million in 2012.

The Operating margin rose 7.8% to 1,145 million.

Personnel costs totaled 4,330 million in 2013 (up 6.2% from 4,078 million in 2012), i.e. 62.3% of consolidated revenue (after 61.7% in 2012). The cost of freelancers was 298 million, i.e. a 10% increase on 2012. Fixed personnel costs remained unchanged and represented 54.5% of revenue. Restructuring costs rose to 79 million, up from 68 million in 2012. Increased selectivity remains the agenda in allocating investment to talent in growth segments while containing or even reducing its costs in low-growth businesses and regions. Current investments (ERP, production platforms, regionalization of the shared services centers, or technological developments, for instance) should reduce costs in the medium term, as should the simplification of the organization.

Other operating costs (excluding depreciation) totaled 1,358 million, i.e. 19.5% of total revenue (after 20.3% in 2012). Commercial expenses amounted to 283 million, i.e. 4.1% of revenue. Administrative costs continued to fall thanks to optimization programs and especially the regionalization of shared services centers. The impact of acquisition-related costs was 10 million. Depreciation and amortization for the period was 120 million, down from 126 million in 2012 as a result of good investment control.

The operating margin rate for the period was 16.5%, i.e. a 40 basis-point improvement on the 16.1% recorded in 2012.

Operating margin rates for the main regions were as follows: 11.2% in Europe, 20.3% in North America, 13.5% in Asia Pacific, 16.8% in Latin America, and 21.4% in Africa / Middle East.

Amortization of intangibles arising from acquisitions stood at 49 million in 2013, after 45 million in 2012. An impairment charge of 4 million was booked for the period (down from 11 million in 2012), and other non-recurring income rose to 69 million (which included a 47 million capital gain from the sale of the Groupe s 1.1% stake in Interpublic Group) from 39 million in 2012.

Ø ***Net income attributable to the Groupe: +11.5%***

Net income attributable to the Groupe stood at 792 million on December 31, 2013. Net financial expense of 21 million for the period (compared with 32 million in 2012). Income tax for the period was 298 million (versus 279 million in 2012). The Associates share of profit was 5 million, after 25 million in 2012. Minority interests for the period totaled 17 million, compared with 27 million in 2012.

Ø ***Free cash-flow: +19%***

The Groupe s free cash-flow for the period was 901 million before the changes to Working Capital Requirements, i.e. a 19% increase.

Ø ***Net financial debt***

At year-end 2013, the Groupe s net cash situation was a surplus 593 million, up 375 million from the 218 million surplus at year-end 2012. Of this increase, close to half was due to reduced working capital requirements, and a further 100 million euro can be attributed to the conversion of close to three-quarters of the 2018 Oceane outstanding bonds in December 2013.

The Groupe s average net debt in 2013 was 490 million, down from an average of 628 million in 2012.

Ø ***Shareholders equity***

The Groupe s share of shareholders equity rose from 4,614 million on December 31, 2012 to 5,094 million on December 31, 2013. This increase was mainly due to the 2013 net profit and conversion of the 2018 Oceane during the period (100 million).

Ø ***Dividends: +22.2%***

As announced, the payout ratio will reach **30%**. A dividend of 1.10 per share, up 22.2%, will be proposed to the shareholders at their Annual General Meeting on May 28, 2014. Subject to approval by the shareholders, the dividends will be payable as of July 3, 2014.

HIGHLIGHTS FROM 2013

Ø ***Distinctions/Creativity***

Since 2004, Publicis Groupe has been N°1 according to the Gunns Reports Creative Performance ranking.

The Groupe s entities and agencies received prizes and awards at numerous events on global, international, regional and local levels. In 2013, Publicis Groupe was awarded 174 Lions at the 60th edition of the Cannes Lions International Festival of Creativity, compared to 153 Lions in 2012.

Beyond these examples, the Groupe s agencies are regularly awarded hundreds of prizes and nominations throughout the world in numerous areas of expertise. These distinctions bear witness to the quality of the teams, their commitment and their talent, which are essential components of the Groupe s development.

Ø **The Groupe s Corporate Social Responsibility (CSR) policy**

2013 saw the Groupe take its CSR endeavors a step further in two respects:

- In terms of substance, there has been an increase in the number of initiatives and measures taken by the agencies, networks and by the Groupe itself in all four areas of this policy (Social issues, Society, Governance & Economics, and Environment). This is evidence to the greater awareness of the CSR challenges in our daily lives.

- In terms of form, 2013 is the second year the Groupe published a fully audited and verified (by SGS) CSR Report, with 40 agencies audited on-site (corresponding to approximately 25% of the Groupe s staff). This more stringent reporting demands greater attention to all aspects covered and has brought about large-scale mobilization within the Groupe.

The CSR department has placed an emphasis on two areas: enhancing tools and procedures (while creating an in-house system of qualitative indicators), and improving the preparation of the teams concerned. Furthermore, the staff has been strongly encouraged to pursue their participation in projects initiated locally in numerous fields.

Involvement in CSR-related projects enables the Groupe s agencies to take part in interesting new forms of cooperation with their clients in areas of common interest.

The 2013 CSR Report is available at www.publicisgroupe.com.

Ø ***External growth***

2013 was a good year in terms of targeted acquisitions consistent with the strategy of developing the Groupe s digital activities in order to boost skill sets in areas undergoing constant change as well as in regions in which the Groupe is eager to enlarge its footprint.

Numerous acquisitions were made in digital, and specialized agencies (PR, Health) and throughout various parts of the world, the USA, the UK, France, but also in Asia-Pacific and Brazil among others.

Special mention should be made of the acquisition of LBi, a digital agency established mainly in northern Europe whose combination with Digitas to form DigitasLBi allowed the Groupe to create the largest digital network worldwide.

Ø ***Transactions involving Publicis Groupe securities***

- **Buyback of the remaining Publicis shares held by Dentsu**

Further to the proposal put forward by Dentsu, Publicis Groupe bought back close to 3.9 million of its own shares, in the form of a block transaction before the market opened for trading on February 15, 2013, for a total of 181 million, i.e. 46.82 per share.

This transaction was carried out at a 4.7% discount to the closing price on February 14, 2013 (49.11 euro).

The 3,875,139 shares thus purchased will serve to cover presence- and performance-based share attributions and stock option plans.

- **New co-investment plan**

In April 2013, the key executives of Publicis Groupe subscribed in large part to the co-investment plan proposed to them and approved by the Supervisory Board. An independent entity (LionLead SCA) was set up to manage these investments. The plan has proved an immense success as 190 candidates subscribed, i.e. a participation rate of 96.4%. Overall, they requested subscriptions for a total of 135 million, thus over-subscribing the plan three times (maximum of 45 million). LionLead SCA duly purchased 846,379 Publicis Groupe shares for 45 million, at an average share price of 52.81 between April 22 and 29, 2013 (i.e. 0.4% of the share capital).

- **Conversion of the 2018 Oceane bonds**

On December 10, 2013, 78.7% of the Oceane bonds still in circulation were converted (subsequent to requests submitted in November) into 2,096,233 existing shares. On December 23, 2013, Publicis Groupe exercised its contractual early redemption right (Issuer s call) on the 2018 Oceane bonds issued on January 18, 2002, at a price of 48.76 per bond, plus the coupon accrued. Furthermore, up to and including January 14, 2014, bondholders were entitled to exercise their right to the attribution of Publicis shares at a parity of 1.015 shares per bond tendered for conversion.

- **General meeting of Orane bondholders: mandatory redemption of Orane bonds before the merger**

The holders of Orane bonds were convened to a general assembly meeting on October 10, 2013 to decide, subject to the approval of the merger by the general meetings of the shareholders of Publicis Groupe and Omnicom Group, the mandatory early redemption of all Orane bonds in Publicis shares immediately after the aforementioned general meetings. Each ORANE will be redeemed in exchange for 9.135 Publicis shares, in addition to the accrued coupon calculated from September 1, 2013 on the basis of an annual rate of 3.2946%. The general meeting also decided that compensation would be paid, in early 2014, corresponding to the number of additional shares and coupons Orane bondholders should have received on September 1 of each year from 2009 to 2013 as a result of the redemption parity adjustment (from 1 up to 1.015).

It should also be pointed out that, in view of the announcement of the Publicis-Omnicom merger project, Orane bondholders shall, for a period of ten days ending no later than fifteen days before the general meeting convened to approve the merger, be entitled to early redemption as contractually specified.

- **Exercising of equity warrants**

The equity warrants issued in 2002 have been exercisable since September 24, 2013. A total of 2,757,571 equity warrants were exercised in 2013, giving rise to the issuance of 2,798,937 new shares. At December 31, 2013, the total number of equity warrants in circulation was 2,845,128 which can be exercised until 2022.

MERGER OF PUBLICIS GROUPE AND OMNICOM Inc.

On July 28, 2013, Publicis Groupe SA and Omnicom Group Inc. announced that they had signed an agreement for a merger of equals, creating the world s leading company in communications, advertising, marketing and digital services.

The transaction takes the form of a cross-border merger within a holding company named Publicis Omnicom Group to be headquartered in the Netherlands. Publicis Omnicom Group will be listed on Euronext Paris and the NYSE.

The transaction has been structured so that the shareholders of Publicis Groupe and Omnicom will each hold approximately 50% of the equity of Publicis Omnicom Group on the date of the merger. Publicis Groupe shareholders will receive one newly issued ordinary share of Publicis Omnicom Group for each Publicis Groupe share they own, together with a special dividend of 1.00 per share. Omnicom shareholders will receive 0.813 newly issued ordinary shares of Publicis Omnicom Group for each Omnicom share they own, together with a special dividend of $2.00 per share. Under the terms of the agreement, adjustments may be made to the special dividend paid out and to the share exchange parity.

The transaction is subject to approval by the shareholders of both companies as well as to numerous regulatory approvals. All anti-trust authority clearances needed to proceed with the merger have been granted, with the exception of China which is currently under review.

The completion of the transaction is scheduled for the end of first half-year 2014.

Before the general meeting of shareholders convened to vote on the merger, Publicis Groupe will provide its shareholders with a detailed report on the terms and conditions of the transaction.

RECENT EVENTS

Ø ***Acquisitions***

- **Qorvis Communications**, one of the USA s foremost public relations firms.

- **Applied Media Logic** (AML), the Johannesburg-based media agency.

- Acquisition of a majority stake in **Law & Kenneth**, India s biggest independent advertising and digital services agency.

Ø ***Finance***

- **2018 Oceane bonds**

Of the 559,278 Oceane bonds (2018) in existence at December 31, 2013, a total of 554,604 were tendered for conversion in December 2013 and January 2014. Accordingly, 562,921 Publicis shares were delivered in January 2014. The remaining 4,674 bonds were redeemed in cash at a unit price of 48.74, also in January.

- **Orane bonds**

Subsequent to the compensation proposal made by Publicis to its Orane bondholders, and as approved by the general meeting of Orane bondholders on October 10, 2013, the beneficiaries who applied received, on January 15, 2014, a total of 865,656 in additional interest as well as 110,871 Publicis Groupe shares in respect of the redemption parity adjustment.

OUTLOOK

For 2014, ZenithOptimedia media observatory anticipates 5.3% growth in the global advertising market (media), which would corresponds to agencies revenues growth estimated at 3.5% . In recent years, the bulk of growth has come from digital activities (e.g. internet, mobile, etc.). This trend will continue and even increase as digital activities accentuate their growth and analog activities further weaken.

Geographically, the markets expected to show a marked improvement are the USA, the UK, Germany, Australia and Mexico. The markets in southern Europe are expected to stabilize. France should post slightly positive growth (0.3%).

For the emerging markets (BRIC), ZenithOptimedia expects the advertising market (media) to grow by 9.4% in the BRIC countries, and by 13.9% overall in the MISSAT countries.

The figures for January show clearly that the fourth quarter was not a harbinger of market deterioration but indeed a temporary situation. The Groupe is confident about its estimation of both growth and renewed margins improvement.

***

This presentation contains forward-looking statements. The use of the words aim(s), expect(s), feel(s), will, may, believe(s), anticipate(s) and similar expressions in this presentation are intended to identify those statements as forward-looking. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Other than as required by applicable securities laws, Publicis Groupe undertakes no obligation to publish revised forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events. Publicis Groupe urges you to review and consider carefully the various disclosures it has made concerning the factors that may affect its business, including the disclosures made under the caption Risk Factors in the 2011 Registration Document filed with the French financial markets aut