



06/07/16

PRESS RELEASE



ANA REPORT: PUBLICIS GROUPE STATEMENT

Statement Highlights:

- We are committed to understanding and respecting our clients' transparency requirements in all situations, and this is a standard part of our client contract negotiation process. We are crystal clear: we are committed to full compliance with the terms of the client-agency agreements we sign, and we have strict internal rules that serve as controls on our practices.
- The ANA has failed its members, advertisers, agencies and the entire industry by releasing a report that relies on allegations about situations involving unnamed companies and individuals to make broad, unsubstantiated and unverifiable assertions. Despite repeated urging by Publicis Groupe and others in the industry to include names and sources in its report, the document hides behind suspicions and anonymity rather than encouraging real accountability.

Publicis Groupe Media Statement:

We fully understand that clients need to be certain that their investments are managed in a professional way and according to the contracts they have signed. Mutual trust has been a pillar of our Groupe for decades. Had the ANA been willing to have an open dialogue with our industry we would have been immediately ready to cooperate, as we did last year, and that is reflected in our engagement with the 4A's. By refusing such a dialogue and choosing a sensational approach, it seems clear that the ANA is not trying to find a solution to the alleged problems, and instead is acting with other goals in mind.

The ANA has failed its members, advertisers, agencies and the entire industry by releasing a report that relies on allegations about situations involving unnamed companies and individuals to make broad, unsubstantiated and unverifiable assertions. Despite repeated urging by Publicis Groupe and others in the industry to include names and sources in its report, the document hides behind suspicions and anonymity rather than encouraging real accountability.

As a result, the report fails to achieve a constructive outcome of encouraging change that can assure advertisers and agencies are well-equipped to work together in a rapidly evolving media environment. The various highlighted practices distort the picture of the marketplace by suggesting that they are pervasive. These allegations are too serious for the ANA to act in such an unhelpful way.

If the report's authors have evidence of wrongdoing by specific agencies, they should come forward and state their case, so that the appropriate action can be taken.

The unsubstantiated claims are already causing serious damage to the reputation of the industry and endangering the most valuable component of the agency-advertiser relationship: trust.

Trust is a key tenet at Publicis Groupe. We are committed to understanding and respecting our clients' transparency requirements in all situations, and this is a standard part of our client contract negotiation process. Publicis Groupe has strict internal rules, including a code of conduct that serve as important controls on our practices and public reporting. In addition, we continually examine our processes and procedures to ensure we are following best practices, and our people are expected to meet these high standards.

We are crystal clear: we are committed to full compliance with the terms of the client-agency agreements we sign. We always want to hear from any client that has concerns about the delivery of our services and how we are compensated, so that we can address those directly with them. We also recognize that some alleged practices under question may not be egregious transgressions, but rather outmoded practices that have not kept pace with the fast changes in the media landscape that require more engagement and dialogue between agencies and clients, and better alignment to assure comfort and consensus.

Consistent with our strong advocacy for the industry and our clients' best interests, we were active participants in discussions last year with the ANA and the 4A's toward the shared goal of enhancing media transparency. We were on the verge of announcing a broad set of principles when these efforts were unexpectedly abandoned by the ANA. We remain strong advocates of developing industry guidance now.

Our letter sent to the 4A's on May 30, before the report was released, outlined our concerns about the ANA's approach, which went unheeded.

Ultimately, the industry has been diminished and maligned by the ANA's short-sighted and unilateral agenda of casting aspersions on an entire industry, rather than promoting trust and transparency, which should be paramount.

We are continuing to review the ANA's report, and will comment further as appropriate.

About Publicis Groupe – The Power of One

Publicis Groupe [Euronext Paris FR0000130577, CAC 40] is a global leader in marketing, communication, and digital transformation. Active across the entire value chain, from consulting to creation, and production, Publicis Groupe offers its clients a transversal, unified and fluid model allowing them access to all the Groupe's tools and expertise around the world. Publicis Groupe is organized across four Solutions hubs:

Publicis Communications, Publicis Media, Publicis.Sapient and **Publicis Health**. These 4 Solutions hubs operate across principal markets, and are carried across all others by Publicis One. **Publicis One** is a fully integrated service offering making the Groupe's expertise available to all clients, under one roof. Present in over 100 countries, Publicis Groupe employs nearly 80,000 professionals.

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Publicis Groupe

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PUBLICIS GROUPE

MAURICE LÉVY

*Chairman of the Management Board
Chief Executive Officer*

To: Bill Koenigsberg

Cc: Michael Roth, Sir Martin Sorrell, John Wren,

Dear Bill,

On behalf of Publicis Groupe, I would like to share our views on the pending ANA report on media transparency. For more than one year, we have heard rumors about the ANA's investigations into questions of bad business practices. Recent leaks to the press have placed blame for these actions on the agencies. This seems to have been done without specifics or names, and is therefore unfair and an unwarranted attack on the entire industry.

It is shocking to me, if the press leaks are to be believed, that the ANA report is likely to be anonymous; that is, it may use specific situations involving an unnamed agency or other actors to make broad unsubstantiated and unverifiable assertions of unethical behavior against some or all advertising agencies. These claims have the potential to cause great financial and reputational damage to these businesses. They also have the potential to negatively affect investors' confidence in these companies. We have already seen some concerns expressed in analysts' reports regarding these rumors. If there is evidence to support violations of law, it is the responsibility of those who possess that information to share it with the relevant authorities which will have to decide on the actions to be taken.

This debate raises serious questions about how our industry is responding to the rapid changes in the media landscape. Publicis Groupe has strict internal rules, including a code of conduct, that serve as important controls on our conduct and public reporting. We continually examine our processes and procedures to follow best practices; our people are expected to meet these high standards, which were implemented at the time we were listed on the New York Stock Exchange and reported under Sarbanes Oxley requirements. Since then, we kept them updated, and indeed strengthened them. That includes the actions of our teams being subject to review by our internal and external auditors, pursuant to the oversight of our Audit Committee.



PUBLICIS GROUPE

MAURICE LÉVY

*Chairman of the Management Board
Chief Executive Officer*

In addition, the agreements we have with our clients regulate how we behave. There are well known safeguards in our agreements to protect the advertiser's interests, including the client's right to audit. Generally, these provisions work extremely well for both parties.

What our industry needs now is a set of principles to further guide us as change continues at light speed. You will recall that the ANA and 4A's were on the verge of announcing a broad set of principles last year. These would have provided much needed guidance. We, and others, made considerable efforts to achieve consensus among various stakeholders, only to have all of that work discarded at the eleventh hour. We live and work in an economy where the most important principle, freedom, is key. In the end, it will be on the basis of this freedom to work together and to enter into mutually beneficial contracts that are fair and open and reflect the parties' intentions that will determine the future of our industry.

I hope that you as well as my colleagues share my views and, as you have your lunch with Bob Liodice, I'd like you to share them with him before the ANA makes damaging claims supported only by unverifiable communication involving unnamed parties.

Best,

Merci!
Maurice Lévy

Maurice Lévy