



PUBLICIS GROUPE

TO ACQUIRE

razorfish.

FROM MICROSOFT CORPORATION

AUGUST 11, 2009

**MAURICE LÉVY – CHAIRMAN AND CEO, PUBLICIS GROUPE**

**DAVID KENNY – MANAGING PARTNER, VIVAKI**

**JEAN-MICHEL ETIENNE – EXECUTIVE VP, GROUP CFO**

# Disclaimer

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Certain statements in this presentation, apart from historical facts, may constitute forward-looking statements or unaudited financial forecasts. These forward-looking statements involve certain risks and uncertainties and may prove to be materially different from actual future results. All forward-looking statements are expectations as of the date of this presentation, and Publicis Groupe undertakes no obligation to update them for new events or for any other reason except as required by law. Publicis Groupe encourages you to study carefully all information concerning factors that may impact its business, as described in the Référence Document filed with the French market authority (AMF-Autorité des Marchés Financiers).

# Publicis Groupe and Razorfish



PUBLICIS GROUPE  
A global leader in  
media and digital  
communications



One step forward  
in making digital  
core to  
Publicis Groupe  
offering

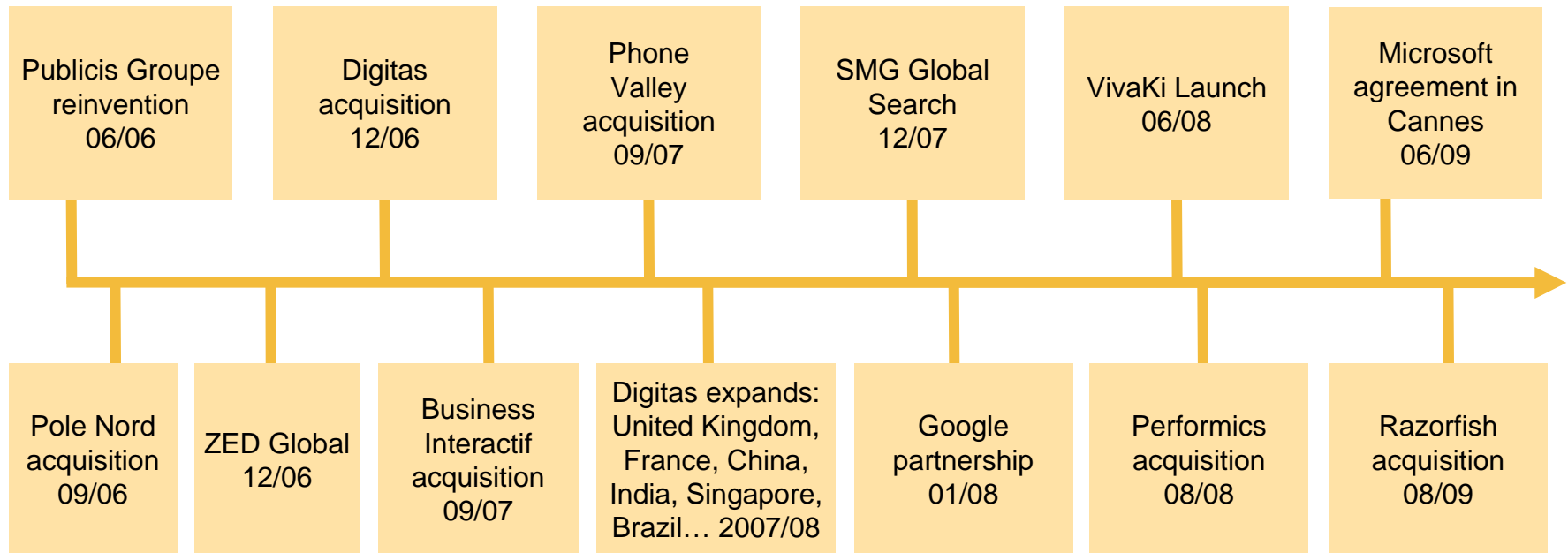


razorfish  
A global leader in digital  
and interactive  
marketing



# Publicis Groupe's Digital Roadmap

## "The Human, Digital Agency"



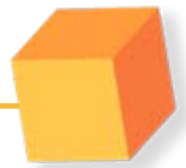
# Transaction Summary

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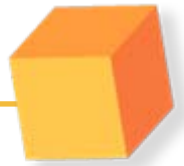
- Publicis Groupe to acquire Razorfish from Microsoft for approximately \$530 million in cash and treasury shares
- In connection with the transaction, the parties have entered into a Strategic Alliance Agreement
- Razorfish will continue to operate under its brand name, and will become part of VivaKi
- Transaction is expected to close in the fourth quarter of 2009

# Strategic Alliance Agreement Overview



- 5-year agreement that builds upon strategic cooperation agreement announced in Cannes in June, 2009
- Enables Publicis Groupe to purchase search and display advertising from Microsoft at favorable rates for our clients, in exchange for aggregate volume purchases from Publicis Groupe
- Razorfish will continue as a preferred provider for digital strategy, creative and experiential marketing services to Microsoft which has committed to minimum guaranteed spending levels during the agreement term
- Incentives/Disincentives linked to Strategic Alliance Agreement performance
- Microsoft and Publicis Groupe will work to create and optimize advertising-related solutions
  - Create more frictionless way to share and utilize data, in turn increasing the efficiency and effectiveness of digital advertising platforms
  - Collaborate to improve effectiveness of existing search and display advertising solutions across a broad media footprint, including online, television, and mobile formats
  - Apply joint thought leadership to launch new and innovative advertising platforms and solutions

# Overview of Razorfish



## Leading Digital Platform

- 2<sup>nd</sup> largest U.S. interactive advertising agency
- Operations across U.S., U.K., France, Spain, Germany, Hong Kong, China, Japan, and Australia
- Global exposure\* : 75% Americas, 25% ROW
- Annual net revenue\* of approximately \$380 million
- Blue chip customer base servicing approximately one third of the Fortune 100

## Global Footprint



- **Global CEO:** Bob Lord
- **President of Americas:** Dave Friedman
- **President of Europe:** Darin Brown
- **President of APAC:** Lee Sherman
- **Client Operating Officer:** Sydney Hunsdale
- **Chief Innovation Officer:** Colin Kinsella
- **Chief Strategy Officer:** Jeff Lanctot

\* Unaudited - U.S. GAAP - source: Razorfish

# Razorfish Selected Clients

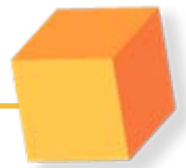


# Razorfish Operational Highlights

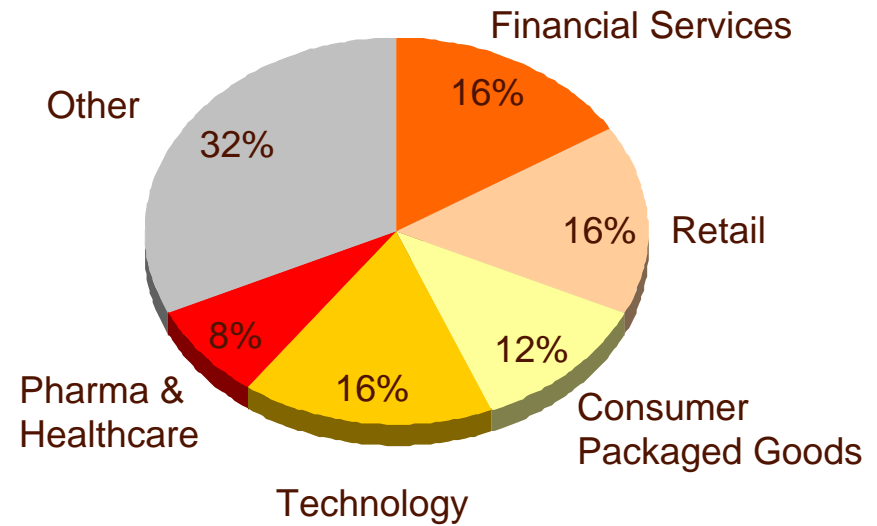
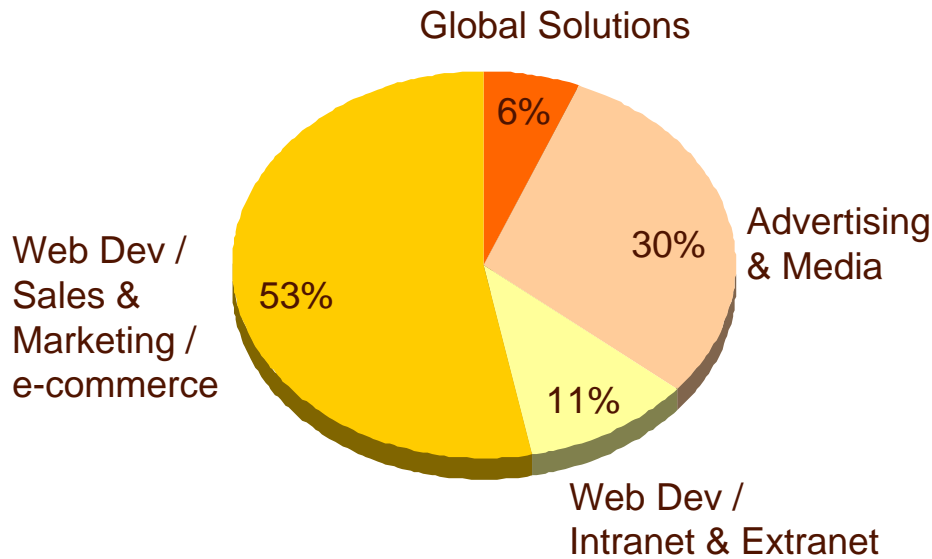


- Differentiated player in interactive marketing with diversified revenue base across customers and industries, strong profile in technology
- Focus around innovation, technology and ROI with a significant level of interactive media buying scale
- Strong capabilities across e-commerce, Advertising & Branding, Search Marketing, Strategy & Technology, Architecture & Design, Analytics, Email Marketing and eCRM, Emerging Media (mobile communication), Interaction Design, Web Design

# Razorfish Revenue Composition



## Diversified Revenue Base Across Activities and Sectors\*



\* Unaudited - U.S. GAAP - source: Razorfish

# Strategic Rationale

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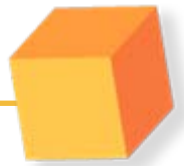


***One step forward in making digital core to Publicis Groupe's offering to best serve its clients in an increasing digital world***

- Enhance digital, technology, talents, tools and solutions capabilities to best serve our clients and grow by winning market share
  
- Scale in Digital Media:
  - Strengthens Publicis Groupe's position as a global leader in digital media
  - Adds incremental \$600mm of digital media billings to Publicis Groupe's existing \$4.1bn base
  - Increases digital penetration within Publicis Groupe to 25% (50% within VivaKi)
  - Razorfish is a clear market leader in creating extraordinary digital customer experiences and very effective e-commerce sites
  - Innovation leader with strong brand and leading customer mind-share

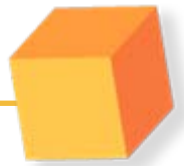
# Strategic Rationale

*(continued)*



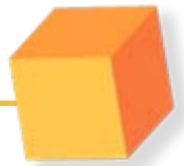
- Enriching Client Portfolio with marquee set of blue chip clients including Best Buy, Capital One, Dell, Ford, Kraft, JCPenney, Levi Strauss, Mattel, McDonald's, Microsoft, Miller Coors and Starwood Hotels
- Geographic Reach:
  - Razorfish has leading capabilities spanning 8 countries and 20 cities
  - Strong capabilities where Publicis Groupe seeks to increase presence, including UK, Germany, China and Spain
- Strengthened Relationship with Microsoft:
  - Closer collaboration with Microsoft, through Strategic Alliance Agreement, will foster first-mover access to new programs, content, inventory and experiences across all digital media channels

# Benefits to Publicis Groupe Clients



- Gains access to premium display inventory at favorable rates for Publicis Groupe's clients through Strategic Alliance Agreement
- Extends Publicis Groupe's success in delivering digital offerings to clients as part of its VivaKi unit
- Offers clients exclusive, first-mover access to new opportunities, programs, content, inventory and experiences developed alongside Microsoft
- Provides broader, more diverse platform of capabilities, which clients can leverage to drive campaign effectiveness and optimize ROI
- Clients will benefit both from Strategic Alliance with Microsoft and Strategic Partnership with Google

# Overview of Potential Synergies



- **Cross-selling** opportunities
  - Enables Media Agencies of Record (AORs) into Razorfish website-only clients
  - Razorfish website services into Publicis Groupe's clients who need more technological depth and expertise
- **Ability to drive full digital consolidation** into clients using both Razorfish and Publicis Groupe digital agencies
- **Combine Razorfish Global Services and VivaKi Nerve Center** into a single business unit to accelerate VivaKi's product offerings
  - Digital media exchange, Navigator, Audience on Demand, Navic, and Razorfish EDGE
- **Razorfish will join** Publicis Groupe's shared services platform and global procurement organisation

# Razorfish Financial Highlights\*

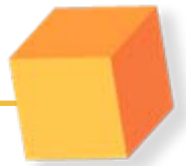


- FY June 30, 2009 Revenue approximate\*\* = \$380 million
- FY June 30, 2009 EBITDA/Revenue\*\* = 10.1%
- No Financial Debt\*\*:  
  
(Estimated earn-out liabilities: \$15 million)
- Headcount: 2,200

\*Not directly comparable with 2006/2007: Merger with Avenue A after acquisition of aQuantive by Microsoft and carve out

\*\* Unaudited - U.S. GAAP - source: Razorfish

# Acquisition Impact on Publicis Groupe Financials



- Target of 25% of total revenue in digital reached on FY basis
- Acceleration of growth
- Increased resilience
- Simple financing: available liquidity and treasury stock
- Limited impact on net debt: approximately \$310 million
- Accretive as from 2011 (possibly 2010 depending upon closing date and speed of integration execution)