

# Publicis Groupe merger good for Leo Burnett SA

Reinher Behrens, CEO of Leo Burnett South Africa, has welcomed the recent merger announcement of Bcom3 with the Paris based Publicis Groupe of advertising agencies, saying, "We positively embrace the merger. It will extend our geographic footprint and presence in more than 100 countries worldwide, with a top 3 position in 8 of the world's top 10 ad markets."

Publicis Groupe completed its acquisition of Bcom3 Group on Wednesday, creating the world's fourth largest holding company with \$4.8 billion in revenues.

The deal, valued at about \$3 billion, was approved by 95 percent of Bcom3 shareholders last week. Publicis shareholders approved the acquisition in June. Bcom3 partner Dentsu will own 15 percent of the merged holding company, which has 109 offices and employs 38,000.

Bcom3 was the holding company for advertising agencies Leo Burnett and D'Arcy Masius Benton & Bowles. Those agencies will join Saatchi & Saatchi, Publicis and Fallon as Publicis Groupe's global advertising networks. Its media holdings now include Starcom, MediaVest, Zenith and Optimedia.

Maurice Levy will remain CEO of Paris-based Publicis. Former Bcom3 CEO Roger Haupt becomes president and chief operating officer.

"The new organization will have the necessary scale and resources to more effectively compete in today's global marketplace," said Roger Haupt, the chairman and CEO of Bcom3 Group who will become president and chief operating officer of the new Publicis Groupe upon closing of the deal.

"On its own, Bcom3 held a strong position in The Americas and Asia-Pacific, while Publicis Groupe has an enviable presence in Europe. Importantly, Dentsu's participation in this new venture, by virtue of its dominance in Japan and Asia, will enable us to offer clients a unique multicultural view of the world that no other holding company can match."

"This is a great day for clients, shareholders and employees of the Publicis Groupe," said Maurice Levy, who will continue as chairman & chief executive officer of the Groupe that now has combined 2001 worldwide gross income of \$4.77 billion. "The world-class agency brands under the Bcom3 umbrella share our commitment to creative excellence and they deliver brand-building results to some of the world's most successful and demanding marketers. When you consider our exclusive partnership with Dentsu, Publicis Groupe is well-positioned to offer cross-border advertising, media and marketing services solutions to a much broader range of multinational and local clients."

"It gives me great pleasure to congratulate Bcom3 shareholders on their decision to unite with Publicis in a new global

partnership," said Yutaka Narita, chairman & chief executive officer of Dentsu Inc. "Dentsu has forged a solid relationship with Bcom3 over the past two and a half years, and we will carry our strong ties forth into our relationship with Publicis Groupe S.A."

## **About Publicis Groupe**

Publicis Groupe SA (Euronext Paris: 13057, NYSE: PUB) will be the world's fourth largest communications group (Ad Age ranking, April 2002) following the merger with Bcom3, with operations in 109 countries on five continents.

The Groupe's activities include advertising, marketing services and specialized communications, including public relations, corporate and financial communications, ethnic communications and healthcare communications. Publicis Groupe also is ranked first worldwide in media consultancy and buying. This comprehensive range of services is made available to clients through the autonomous worldwide advertising networks of Publicis, Saatchi & Saatchi, Leo Burnett, D'Arcy, and Fallon, and its consultancy and media buying networks: The Zenith Optimedia Group and Starcom MediaVest Group.

With a staff of approximately 20,000, Publicis Groupe SA reported (before the acquisition of Bcom3) year 2001 billings of EUR 16.7 billion, revenues of EUR 2.43 billion and net income of EUR 151 million.

For its part, Bcom3, with more than 18,000 employees, reported worldwide revenue of \$1,917.3 million in 2001 on global billings of \$21.9 billion. Its net income for the year was \$26.1 million.

## **About Dentsu Inc.**

Dentsu Inc., founded in 1901, is the largest advertising agency brand and the fifth largest marketing and communications organization in the world (Ad Age ranking, April 2002). Based in Tokyo, Dentsu offers national, multinational and global clients the most comprehensive range of advertising and marketing services through its unique "Total Communications Services" approach. Dentsu has pioneered and set global standards for integrated communications, which in latter years have been adopted by a number of major international networks. The group has more than 6,000 clients and more than 12,100 full-time employees in Japan and in its overseas offices. Total billings for FY 2001 were recorded at 1,789.4 billion yen. Dentsu is publicly traded on the Tokyo Stock Exchange.

For more, visit: <https://www.bizcommunity.com>