First Quarter 2015 Results

April 21, 2015

OmnicomGroup | Investor Presentation



2015 vs. 2014 P&L Summary – First Quarter

	First Quarter	
	2015	2014
Revenue	$ 3,469.2	$ 3,502.2
EBITA [(a)]	405.0	407.1
Margin %	*11.7%*	*11.6%*
Amortization of Intangibles	27.3	24.4
Operating Income	$ 377.7	$ 382.7
Margin %	*10.9%*	*10.9%*

(a) EBITA is a non-GAAP financial measure. See page 25 for the definition of this measure and page 19 for the reconciliation of non-GAAP measures.

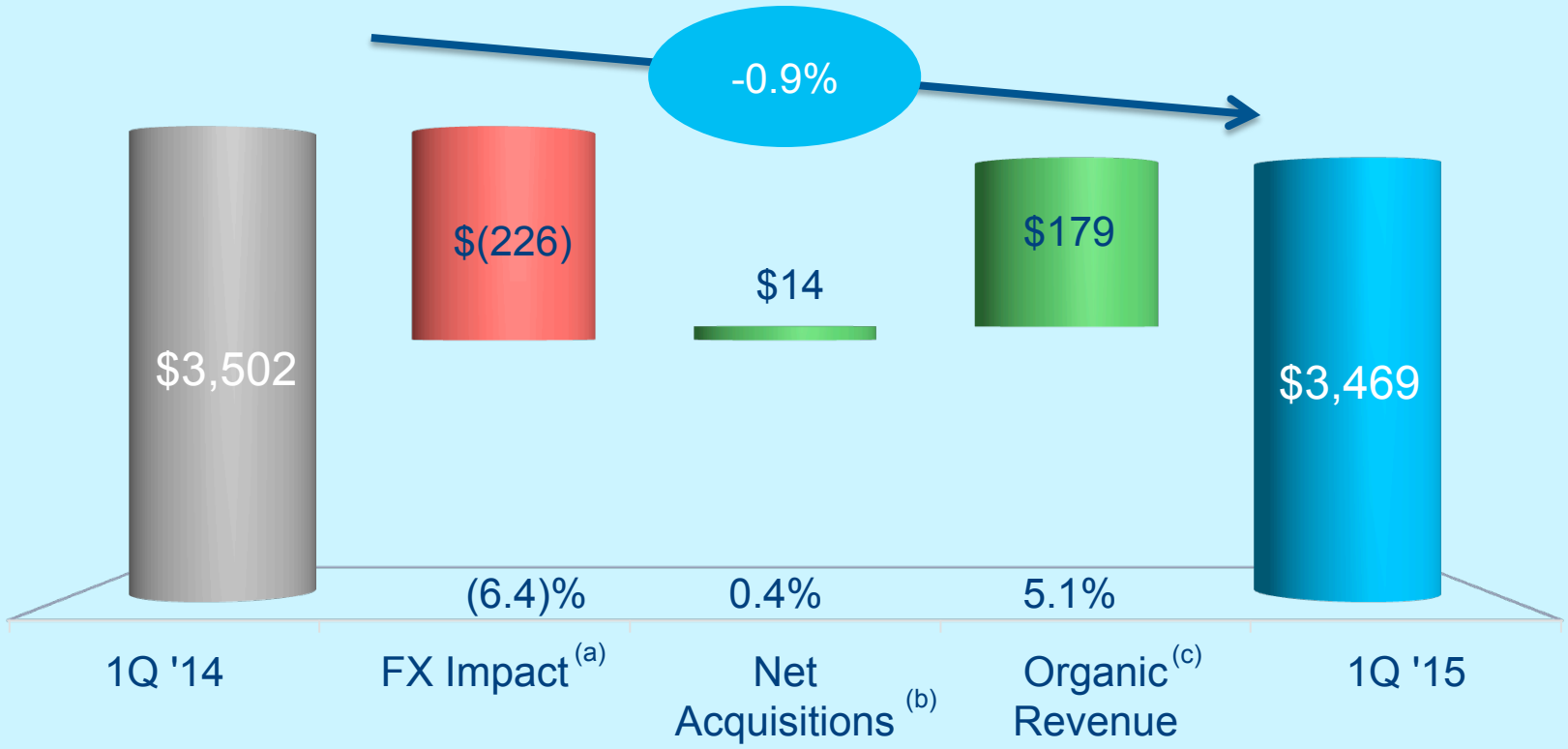
2015 vs. 2014 P&L Summary – First Quarter

	First Quarter	
	2015	2014
Operating Income	$ 377.7	$ 382.7
Net Interest Expense	34.2	39.0
Income Taxes	112.7	116.3
Tax Rate %	*32.8%*	*33.8%*
Income/(Loss) from Equity Method Investments	(1.0)	0.6
Noncontrolling Interests	20.7	22.5
Net Income - Omnicom Group	$ 209.1	$ 205.5

2015 vs. 2014 Earnings Per Share – First Quarter

	First Quarter	
	2015	2014
Net Income - Omnicom Group	$ 209.1	$ 205.5
Net Income allocated to Participating Securities	(2.8)	(4.1)
Net Income available for common shares	$ 206.3	$ 201.4
Diluted Shares (millions)	247.4	261.4
EPS - Diluted	**$ 0.83**	**$ 0.77**
Dividend Declared per Share	$ 0.50	$ 0.40

2015 Total Revenue Change – First Quarter



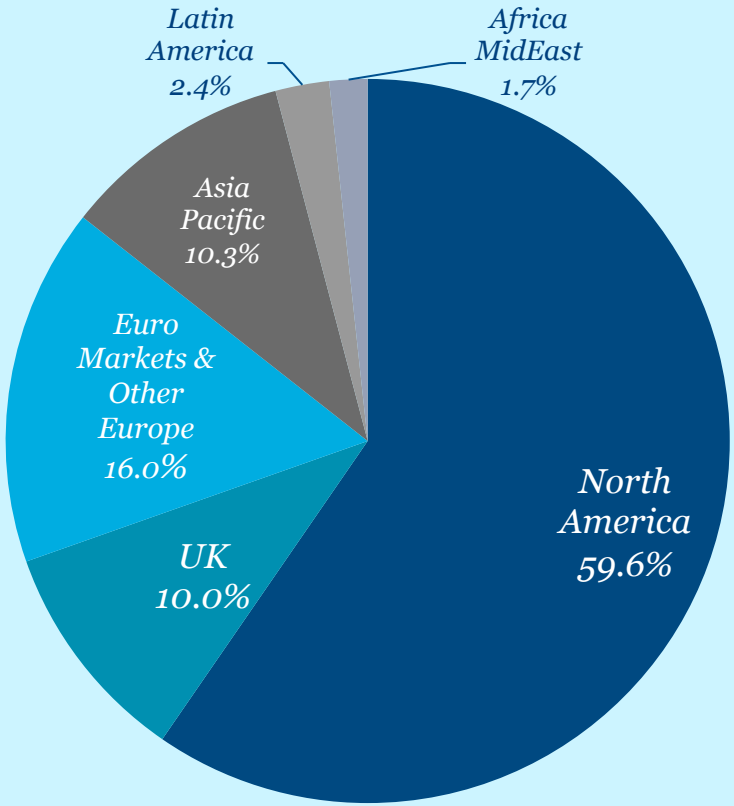
(a) To calculate the FX impact, we first convert the current period's local currency revenue using the average exchange rates from the equivalent prior period to arrive at constant currency revenue. The FX impact equals the difference between the current period revenue in U.S. dollars and the current period revenue in constant currency.

(b) Net acquisitions revenue is the aggregate of the applicable prior period revenue of the acquired businesses. Netted against this number is the revenue of any business included in the prior period reported revenue that was disposed of subsequent to the prior period.

(c) Organic revenue is calculated by subtracting both the net acquisitions revenue and the FX impact from total revenue growth.

2015 Revenue by Region

First Quarter

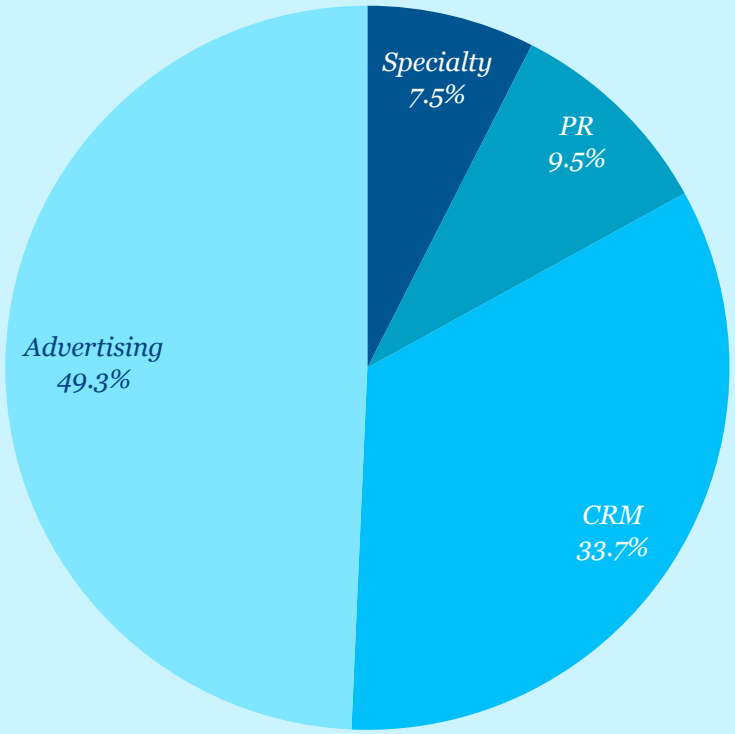


	$ Mix	% Growth	% Organic Growth[(a)]
North America	$ 2,067.2	3.9%	4.8%
UK	346.5	2.4%	9.3%
Euro & Other Europe	554.8	-16.9%	2.7%
Asia Pacific	356.8	-0.7%	6.7%
Latin America	83.8	-9.5%	3.4%
Africa MidEast	60.1	7.9%	10.6%

(a) "Organic Growth" reflects the year-over-year increase or decrease in revenue from the prior period, excluding the FX Impact and Acquisition/Disposition Revenue, as defined on page 4.

2015 Revenue by Discipline

First Quarter

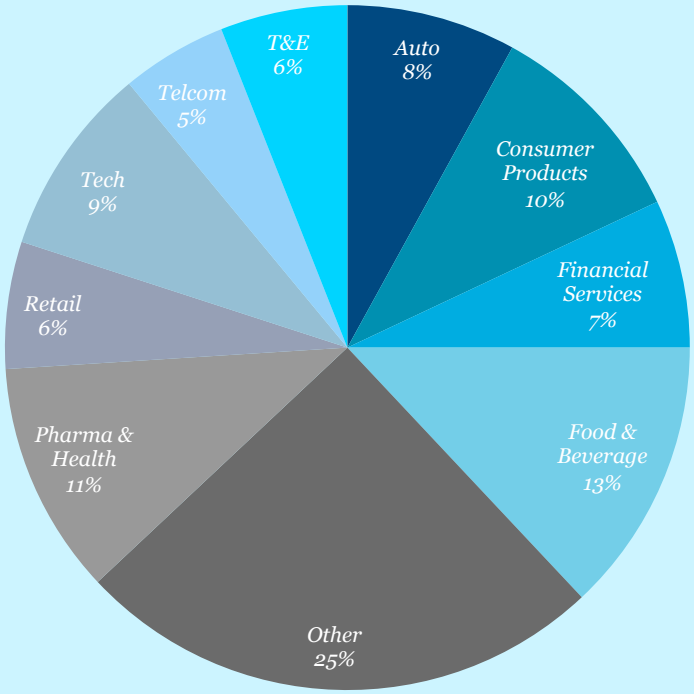


	$ Mix	% Growth	% Organic Growth [(a)]
Advertising	$ 1,709.2	0.9%	7.7%
CRM	1,169.5	-5.0%	2.6%
PR	330.9	1.7%	3.1%
Specialty	259.6	2.7%	2.6%

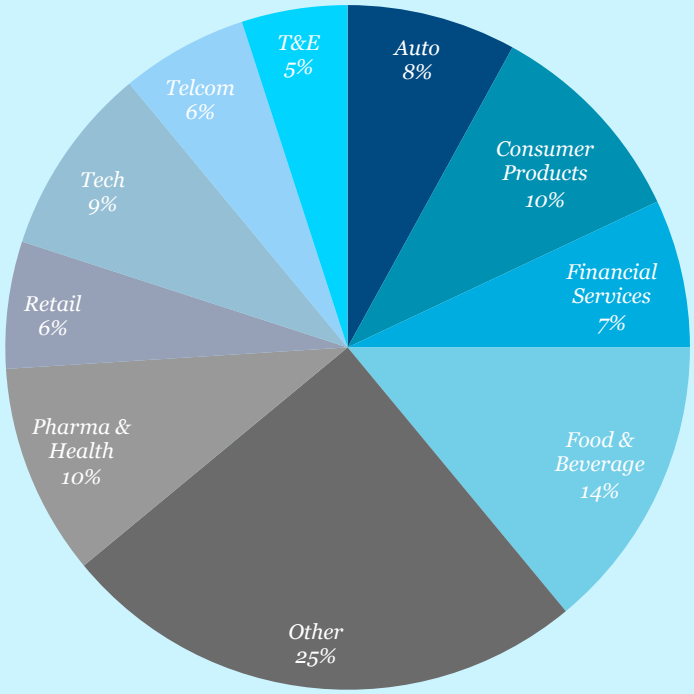
(a) "Organic Growth" reflects the year-over-year increase or decrease in revenue from the prior period, excluding the FX Impact and Net Acquisitions revenue, as defined on page 4.

Revenue by Industry

First Quarter – 2015



First Quarter – 2014



Cash Flow Performance

	Three Months Ended March 31	
	2015	2014
Net Income	**$ 229.8**	**$ 228.0**
Depreciation and Amortization Expense	74.2	70.9
Share-Based Compensation Expense	24.6	21.6
Other Non-Cash Items to Reconcile to Net Cash Used in Operating Activities, net	(7.1)	(8.5)
Free Cash Flow [(a)]	**$ 321.5**	**$ 312.0**

Additional information regarding our cash flows can be found in our condensed cash flow statement on page 18.

(a) The Free Cash Flow amounts presented above are non-GAAP financial measures. See page 25 for the definition of these measures and page 20 for the reconciliation of the non-GAAP measures.

Cash Flow Performance

	Three Months Ended March 31	
	2015	2014
Free Cash Flow [(a)]	**$ 321.5**	**$ 312.0**
Primary Uses of Cash:		
Dividends	126.2	105.9
Dividends paid to Noncontrolling Interest Shareholders	25.0	24.8
Capital Expenditures	38.2	42.5
Acquisition of Businesses and Affiliates, Acquisition of Additional Noncontrolling Interests, Contingent Purchase Price Payments and Purchase of/(Proceeds from) Investments, net	31.6	16.2
Stock Repurchases, net of Proceeds from Stock Plans and Excess Tax Benefit from Stock Plans	256.1	8.5
Primary Uses of Cash [(a)]	**477.1**	**197.9**
Net Free Cash Flow [(a)]	**$ (155.6)**	**$ 114.1**

Additional information regarding our cash flows can be found in our condensed cash flow statement on page 18.

(a) The Free Cash Flow, Primary Uses of Cash and Net Free Cash Flow amounts presented above are non-GAAP financial measures. See page 25 for the definition of these measures and page 20 for the reconciliation of non-GAAP measures.

Current Credit Picture

	Twelve Months Ended March 31	
	2015	**2014**
EBITDA [(a)]	$ 2,236.8	$ 2,120.9
Gross Interest Expense	173.1	195.8
EBITDA / Gross Interest Expense	12.9 x	10.8 x
Total Debt / EBITDA	2.1 x	1.9 x
Net Debt [(b)] */ EBITDA*	1.4 x	0.9 x
Debt		
Bank Loans (Due Less Than 1 Year)	$ 10	$ 8
CP & Borrowings Issued Under Revolver	-	-
Convertible Notes	-	253
Senior Notes [(c)]	4,500	3,750
Other Debt	94	28
Total Debt	**$ 4,604**	**$ 4,039**
Cash and Short Term Investments	1,532	2,089
Net Debt [(b)]	**$ 3,072**	**$ 1,950**

(a) EBITDA is a non-GAAP financial measure. See page 25 for the definition of this measure and page 19 for the reconciliation of non-GAAP measures.
(b) Net Debt is a non-GAAP financial measure. See page 25 for the definition of this measure.
(c) See pages 14 and 15 for additional information on our Senior Notes.

Historical Returns

Return on Invested Capital (ROIC) [(a)] :

Twelve Months Ended March 31, 2015	18.6%
Twelve Months Ended March 31, 2014	16.9%

Return on Equity [(b)]:

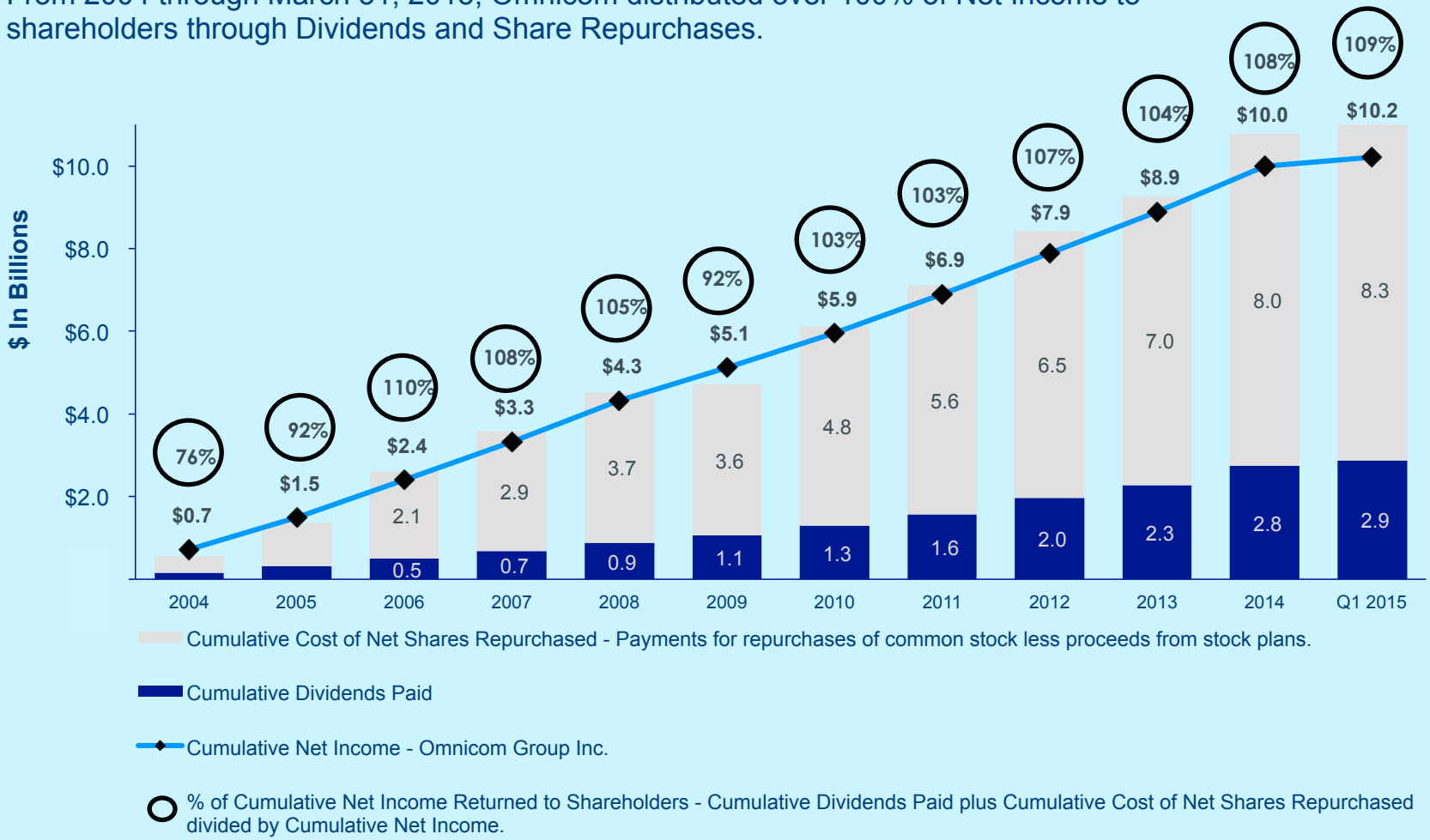
Twelve Months Ended March 31, 2015	36.3%
Twelve Months Ended March 31, 2014	28.8%

(a) Return on Invested Capital is After Tax Reported Operating Income (a non-GAAP measure – see page 25 for the definition of this measure and page 20 for the reconciliation of non-GAAP measures) divided by the average of Invested Capital at the beginning and the end of the period (book value of all long-term liabilities and short-term interest bearing debt plus shareholders' equity less cash, cash equivalents and short term investments).

(b) Return on Equity is Reported Net Income for the given period divided by the average of shareholders' equity at the beginning and end of the period.

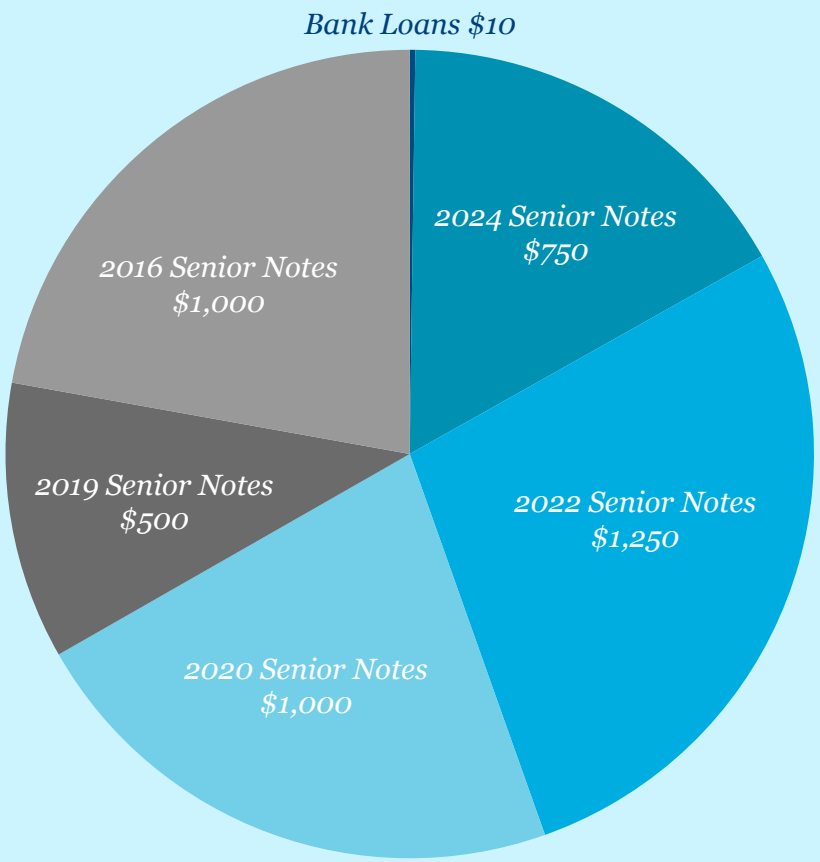
Net Cash Returned to Shareholders through Dividends and Share Repurchases

From 2004 through March 31, 2015, Omnicom distributed over 100% of Net Income to shareholders through Dividends and Share Repurchases.



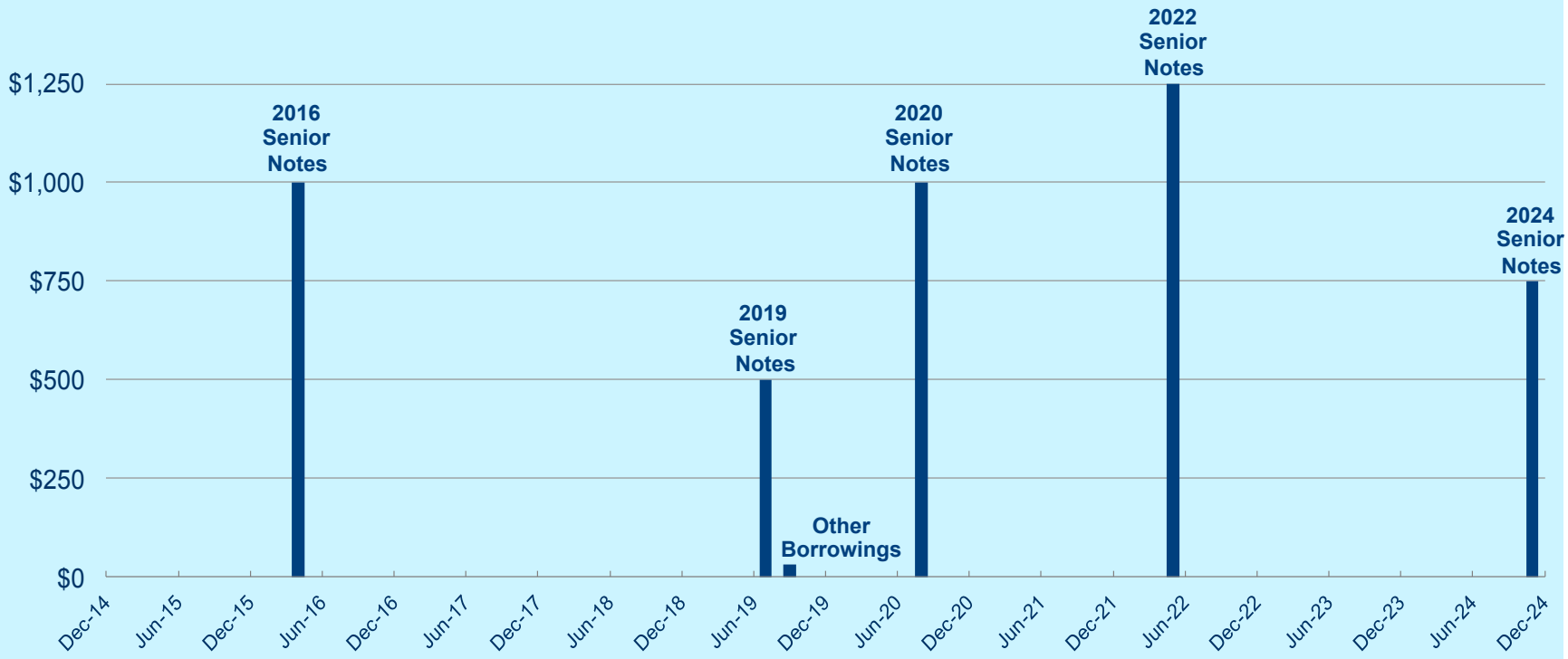
Supplemental Financial Information

Omnicom Debt Structure



The above chart sets forth Omnicom's debt outstanding at March 31, 2015. The amounts reflected above for the 2016, 2019, 2020, 2022 and 2024 Senior Notes represent the principal amount of these notes at maturity on April 15, 2016, July 15, 2019, August 15, 2020, May 1, 2022 and November 1, 2024, respectively.

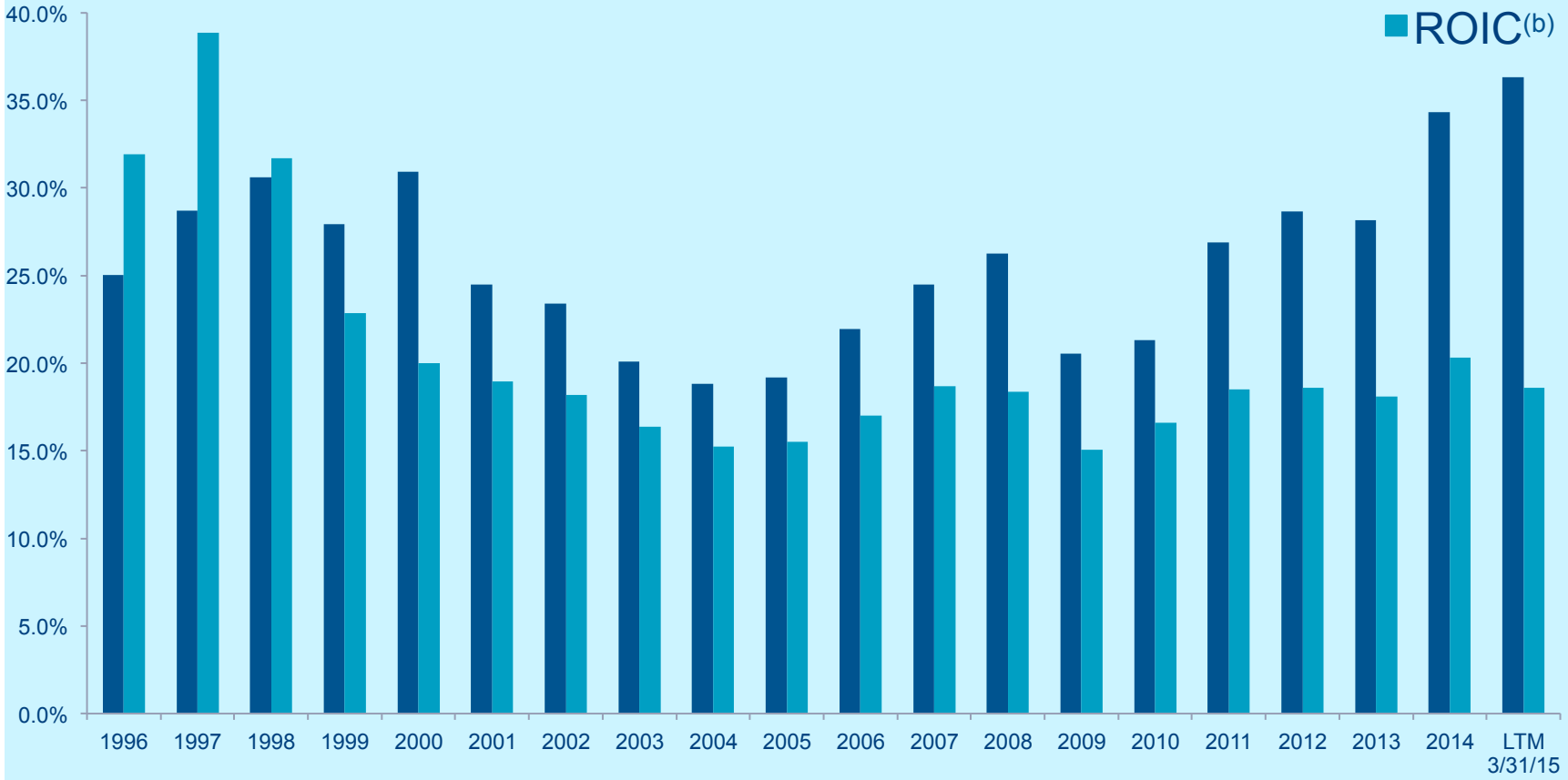
Omnicom Debt Maturity Profile



Other borrowings at March 31, 2015 include short-term borrowings of $10 million which are due in less than one year. For purposes of this presentation we have included these borrowings as outstanding through July 31, 2019, the date of expiration of our five-year credit facility.

Historical Return Trends

Return on Equity Average through March 31, 2015 – 25.9%
Return on Invested Capital Average through March 31, 2015 - 20.5%



(a) Return on Equity ("ROE") is Reported Net Income for the given period divided by the average shareholders' equity at the beginning and end of the period.

(b) Return on Invested Capital ("ROIC") is After Tax Reported Operating Income (a non-GAAP measure – see page 25 for the definition of this measure and page 20 for the reconciliation of non-GAAP measure for LTM 3/31/15) divided by the average of Invested Capital at the beginning and end of the period (book value of all long-term liabilities and short-term interest bearing debt plus shareholders' equity less cash, cash equivalents and short term investments).

2015 Acquisition Related Expenditures

	Year to Date
Acquisition of Businesses and Affiliates (a)	$ 22.8
Acquisition of Additional Noncontrolling Interests (b)	3.1
Contingent Purchase Price Payments (c)	1.8
Total Acquisition Expenditures (d)	**$ 27.7**

(a) Includes acquisitions of a majority interest in agencies resulting in their consolidation, including additional interest in existing affiliate agencies resulting in majority ownership.
(b) Includes the acquisition of additional equity interests in already consolidated subsidiary agencies which are recorded to Equity – Noncontrolling Interest.
(c) Includes additional consideration paid for acquisitions completed in prior periods.
(d) Total Acquisition Expenditures figure is net of cash acquired.

Condensed Cash Flow

	Three Months Ended March 31	
	2015	2014
Net Income	**$ 229.8**	**$ 228.0**
Share-Based Compensation Expense	24.6	21.6
Depreciation and Amortization	74.2	70.9
Other Non-Cash Items to Reconcile to Net Cash Used in Operating Activities, net	(7.1)	(8.5)
Changes in Operating Capital	(559.5)	(742.3)
Net Cash Used in Operating Activities	(238.0)	(430.3)
Capital Expenditures	(38.2)	(42.5)
Acquisition of Businesses and Affiliates and (Purchase of)/Proceeds from Investments, net	(26.7)	-
Net Cash Used in Investing Activities	(64.9)	(42.5)
Dividends	(126.2)	(105.9)
Dividends paid to Noncontrolling Interest Shareholders	(25.0)	(24.8)
Proceeds from Short-term Debt, net	2.7	1.7
Stock Repurchases, net of Proceeds from Stock Plans and Excess Tax Benefit from Stock Plans	(256.1)	(8.5)
Acquisition of Additional Noncontrolling Interests	(3.1)	(8.4)
Contingent Purchase Price Payments	(1.8)	(7.8)
Other Financing Activities, net	(9.0)	(3.2)
Net Cash Used in Financing Activities	(418.5)	(156.9)
Effect of exchange rate changes on cash and cash equivalents	(140.0)	1.3
Net Decrease in Cash and Cash Equivalents	**$ (861.4)**	**$ (628.4)**

Reconciliation of Non-GAAP Measures

	Three Months Ended March 31		Twelve Months Ended March 31	
	2015	2014	2015	2014
Revenue	$ 3,469.2	$ 3,502.2	$ 15,284.8	$ 14,687.8
Operating Expenses, excluding Depreciation and Amortization	3,017.3	3,048.6	13,048.0	12,566.9
EBITDA	451.9	453.6	2,236.8	2,120.9
Depreciation	46.9	46.5	187.7	184.8
EBITA	405.0	407.1	2,049.1	1,936.1
Amortization of Intangibles	27.3	24.4	110.1	99.8
Operating Income	377.7	382.7	1,939.0	1,836.3
Net Interest Expense	34.2	39.0	129.3	162.3
Income Before Tax	343.5	343.7	1,809.7	1,674.0
Taxes	112.7	116.3	589.5	572.3
Income from Equity Method Investments	(1.0)	0.6	14.6	13.3
Net Income	229.8	228.0	1,234.8	1,115.0
Less: Net Income Attributed to Noncontrolling Interests	20.7	22.5	127.2	123.5
Net Income - Omnicom Group	$ 209.1	$ 205.5	$ 1,107.6	$ 991.5

The above reconciles EBITDA and EBITA to the GAAP financial measures for the periods presented.

EBITDA and EBITA are non-GAAP financial measures within the meaning of applicable SEC rules and regulations. Our credit facility defines EBITDA as earnings before deducting interest expense, income taxes, depreciation and amortization. Our credit facility uses EBITDA to measure our compliance with covenants, such as interest coverage and leverage ratios, as presented on page 10 of this presentation.

Reconciliation of Non-GAAP Measures

	Three Months Ended March 31	
	2015	2014
Net Free Cash Flow	**$ (155.6)**	**$ 114.1**
Cash Flow items excluded from Net Free Cash Flow:		
Changes in Operating Capital	(559.5)	(742.3)
Proceeds from Short-term Debt, net	2.7	1.7
Other Financing Activities, net	(9.0)	(3.2)
Effect of exchange rate changes on cash and cash equivalents	(140.0)	1.3
Net Decrease in Cash and Cash Equivalents	**$ (861.4)**	**$ (628.4)**

	Twelve Months Ended March 31	
	2015	2014
Reported Operating Income	**$ 1,939.0**	**$ 1,836.3**
Effective Tax Rate for the applicable period	32.6%	34.2%
Income Taxes on Reported Operating Income	632.1	628.0
After Tax Reported Operating Income	**$ 1,306.9**	**$ 1,208.3**

Supplemental Information

	First Quarter		
	2015 Reported	2014 Reported	% Δ
Operating expenses:			
Salary and service costs	$ 2,620.8	$ 2,622.8	*-0.1%*
Office and general expenses:			
Amortization of Intangibles	27.3	24.4	
Depreciation	46.9	46.5	
Other office and general expenses	396.5	425.8	*-6.9%*
Total office and general expenses	470.7	496.7	
Total operating expenses	$ 3,091.5	$ 3,119.5	*-0.9%*
Net Interest expense:			
Interest expense	$ 43.6	$ 47.7	
Interest income	9.4	8.7	
Net Interest expense	$ 34.2	$ 39.0	*-12.3%*

First Quarter Acquisitions



Founded in 2008, Torben, Lucie und die gelbe Gefahr, or TLGG, is a leading German independent digital marketing agency specializing in digital transformation, specifically with respect to social media, social CRM/Big Data and digital content marketing.

TLGG's services are split between strategic consulting, content creation and community management.

TLGG is located in Berlin, Germany and will operate as part of the RAPP division within The DAS Group of Companies.

First Quarter Acquisitions

Trakken {web services}

Founded in 2008, Trakken Web Services provides specialized web analytics and conversion rate optimization services to an array of clients across multiple industries.

Trakken's consulting services provide clients actionable insights to improve the efficiency of their online assets as well as better understand their customer behaviors. Trakken has also developed a SaaS-based web analytics platform to provide aggregated source metrics to users via a bespoke dashboard.

Trakken is based in Hamburg, Germany and will operate within the Omnicom Media Group network.

First Quarter Acquisitions

Mercury.

Mercury Public Affairs has acquired a controlling interest in its non-equity affiliate Mercury New Jersey ("MNJ"), a government consultancy agency.

MNJ provides strategic consulting services for corporate, non-profit, trade and advocacy groups, focusing on issues impacting the State of New Jersey. Agency services include public affairs campaigns and government relations consulting.

Located in Westfield, New Jersey, MNJ will operate as a division of Mercury Public Affairs within The DAS Group of Companies.

Disclosure

The preceding materials have been prepared for use in the April 21, 2015 conference call on Omnicom's results of operations for the period ended March 31, 2015. The call will be archived on the Internet at http://www.omnicomgroup.com/financialwebcasts.

Forward-Looking Statements

Certain statements in this presentation constitute forward-looking statements, including statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, from time to time, the Company or its representatives have made, or may make, forward-looking statements, orally or in writing. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs of the Company's management as well as assumptions made by, and information currently available to, the Company's management. Forward-looking statements may be accompanied by words such as "aim," "anticipate," "believe," "plan," "could," "would," "should," "estimate," "expect," "forecast," "future," "guidance," "intend," "may," "will," "possible," "potential," "predict," "project" or similar words, phrases or expressions. These forward-looking statements are subject to various risks and uncertainties, many of which are outside the Company's control. Therefore, you should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include: international, national or local economic, social or political conditions that could adversely affect the Company or its clients; losses on media purchases and production costs incurred on behalf of clients; reductions in client spending, a slowdown in client payments and changes in client advertising, marketing and corporate communications requirements; failure to manage potential conflicts of interest between or among clients; unanticipated changes relating to competitive factors in the advertising, marketing and corporate communications industries; ability to hire and retain key personnel; ability to attract new clients and retain existing clients in the manner anticipated; reliance on information technology systems; changes in legislation or governmental regulations affecting the Company or its clients; conditions in the credit markets; risks associated with assumptions the Company makes in connection with its critical accounting estimates and legal proceedings; and the Company's international operations, which are subject to the risks of currency fluctuation and currency repatriation restrictions. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that may affect the Company's business, including those described in the "Risk Factors" in Omnicom's Annual Report on Form 10-K for the year ended December 31, 2014. Except as required under applicable law, the Company does not assume any obligation to update these forward-looking statements.

Non-GAAP Financial Measures

We present financial measures determined in accordance with generally accepted accounting principles in the United States ("GAAP") and adjustments to the GAAP presentation ("Non-GAAP"), which we believe are meaningful for understanding our performance. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Non-GAAP financial measures as reported by us may not be comparable to similarly titled amounts reported by other companies. We provide a reconciliation of non-GAAP measures to the comparable GAAP measures on pages 19 and 20.

The Non-GAAP measures used in this presentation include the following:

Net Free Cash Flow, defined as Free Cash Flow (defined below) less the Primary Uses of Cash (defined below). Net Free Cash Flow is one of the metrics used by us to assess our sources and uses of cash and was derived from our consolidated statements of cash flows. We believe that this presentation is meaningful for understanding our primary sources and primary uses of that cash flow. Free Cash Flow, defined as net income plus depreciation, amortization, share based compensation expense less other non-cash items to reconcile to net cash provided by operating activities. Primary Uses of Cash, defined as dividends to common shareholders, dividends paid to non-controlling interest shareholders, capital expenditures, cash paid on acquisitions, payments for additional interest in controlled subsidiaries and stock repurchases, net of the proceeds and excess tax benefit from our stock plans, and excludes changes in working capital and other investing and financing activities, including commercial paper issuances and redemptions used to fund working capital changes.

EBITDA, defined as operating income before interest, taxes, depreciation and amortization. We believe EBITDA is meaningful because the financial covenants in our credit facilities are based on EBITDA.

EBITA, defined as operating income before interest, taxes and amortization. We use EBITA as an additional operating performance measure, which excludes acquisition-related amortization expense, because we believe that EBITA is a useful measure to evaluate the performance of our businesses.

Net Debt, defined as total debt less cash, cash equivalents and short-term investments. We believe net debt, together with the comparable GAAP measures, reflects one of the metrics used by us to assess our cash management.

After Tax Reported Operating Income, defined as reported operating income less income taxes calculated using the effective tax rate for the applicable period.

Other Information

All dollar amounts are in millions except for per share amounts and figures shown on page 3 and the net cash returned to shareholders figures on page 12. The information contained in this document has not been audited, although some data has been derived from Omnicom's historical financial statements, including its audited financial statements. In addition, industry, operational and other non-financial data contained in this document have been derived from sources that we believe to be reliable, but we have not independently verified such information, and we do not, nor does any other person, assume responsibility for the accuracy or completeness of that information. Certain amounts in prior periods have been reclassified to conform to our current presentation.

The inclusion of information in this presentation does not mean that such information is material or that disclosure of such information is required.