

A Letter from the President and Chief Executive Officer



To Our Shareholders:

In 2017, many of the world's largest marketers and best known brands underwent major changes in response to rapid advances in technology, new disruptive competitors, and changing consumer behavior. These conditions presented both opportunities and challenges for our agencies as our clients sought to leverage the agility and speed of the digital social world, where data and consumer insights are becoming the new currency of business and hyper-connectivity is even more critical.

Against this backdrop, I am pleased to report we achieved our internal organic growth and margin targets for the year, and continued to win the highest level of industry recognition for the creativity and effectiveness of our work.

We achieved these results by growing our strong base of talented people worldwide, investing in technology and analytics, as well as increasingly differentiating our ability to deliver custom, integrated solutions that drive business growth for our clients and their brands.

The true test of a successfully run business is its ability to adapt to changes in the market, navigate twists and turns in the road, and deliver through economic cycles – an ability Omnicom and its agencies have demonstrated more than three decades.

Our people can take pride in these accomplishments. The talents of our people around the world and the great work they do every day are what drive such terrific results for our clients and our shareholders.

Performance Overview

Strong performance across the group, in terms of the quality of our work and the thinking we deliver to clients, drove results that allowed us to achieve the financial goals we set at the beginning of the year.

Our organic revenue growth of 3% was at the top end of our industry. We grew organically in every region of the world with broad participation across our agencies, disciplines and client sectors.

We achieved revenues of \$15.3 billion, a decrease of less than one percent versus 2016. That figure factors in the impact of dispositions, which offset strategic acquisitions and reduced revenue by about \$650 million. On the bottom line, excluding the impact of the tax charge resulting from the enactment of tax reform in the U.S, we delivered earnings of \$5.10 per share, an increase of 6.7% versus 2016.

In 2017, we also remained focused on executing our plan to increase efficiencies and deliver margin improvement. As a result, our EBITA margin increased 40 basis points to 14.2%. We have made good progress on delivering cost improvements by leveraging our scale in real estate, information technology, back office accounting services, and procurement. These initiatives will continue.

Our performance demonstrates the strength, diversity, and stability of our business. This performance allowed us to continue to invest in our talent, fund the development of new capabilities and tools, and make several acquisitions while returning almost \$1.1 billion in cash to shareholders through both dividends and net share repurchases. Moreover, in 2017 we increased our quarterly dividend by nine percent to 60 cents per share.

As our clients continue to evolve their businesses to address advances in technology and changing consumer behavior, we remain optimistic that our strategies will allow us to capture an increasing share of our client's marketing spend, as well as win new business.

Strategic Direction

It was another great year to be in our industry, especially if you embrace change. The pace of change is faster and the magnitude of change is greater than ever before. Marketers are being challenged to keep pace and to adapt to fierce competition and changing consumer behavior. To stay ahead of the competition, our clients – more than ever before – need a valued partner to help solve business problems and grow their businesses through the lens of marketing.

As a result, clients are placing an increasing focus on our ability, working across disciplines, to help them transform their businesses by putting their customers at the center. Unlike consulting or tech firms, marketing agencies have always brought deep consumer insights to our clients. We are now taking these core competencies to the next level as we work to deliver strong creative messaging that speaks to individual consumers. This personalization at scale will provide enormous value to our clients' businesses while driving measurable growth.

Our success is grounded in our steady focus on key strategic objectives that have served the group well:

- We will continue to hire and develop the best talent in the industry;
- We will be relentless in pursuing growth by servicing and expanding our offerings to our existing clients and winning new business;
- We will continue to pursue high growth areas and opportunities through internal investments and acquisitions; and
- We will remain vigilant on driving efficiencies throughout our organization, increasing EBITA and shareholder value.

These areas of focus, combined with our world-class agency brands and deep client relationships, are keeping Omnicom ahead of the competition in the shifting marketing landscape.

While our strategies help keep us ahead of the competition, it is the intangibles such as creativity, flexibility, and caring that are common values shared across Omnicom. This strong culture supports everything we do for our clients, our colleagues, and the communities we share.

Innovation and Connectivity

Omnicom has several of the most iconic agencies in our industry, including names such as BBDO, DDB, TBWA and many more. We have grown by allowing the distinct cultures of our agencies to flourish independently, and that will continue.

Clients are placing an increasing focus on our ability, working across disciplines, to help them transform their businesses with customers at the center.

We are dedicated to making Omnicom a place where people can build their careers placing considerable effort on training to aide in succession planning and advancement.

However, our clients are increasingly telling us they want to take advantage of the full scale and capabilities of Omnicom to receive tailor-made, integrated communications services across the entire consumer journey. I am happy to report that our agencies are embracing this as a “new normal” and working together in a connected way that forms a tightly integrated offer, with media and data in lockstep alongside creative and strategy.

Simply put, our clients value the advantages of an agency model that puts their consumers at the center and is both agile and flexible across disciplines. In response to clients needs, we continue to simplify our best-in-class service offerings through our Matrix organizational approach with our Global Client Leader Group and with the establishment of Practice Areas.

In fact, we had notable success winning big pitches last year when we presented integrated offerings that focused on our clients’ consumers. We were able to grow our business with some of the world’s top marketers – names that include HP, McDonald’s, BMW, and State Farm. Most of these wins are a direct result of the organizational changes, top talent, and strategic investments in data and analytics that we have made over the past couple of years.

We also continued to strengthen our service offerings by creating Practice Areas. This approach has been very successful, to date, and is largely completed. We now have Practice Areas established for Healthcare, Public Relations, Precision Marketing, National Brand Advertising, Experiential, Specialty Marketing, Brand Consulting, and our global Advertising Agency Networks.

With strong leadership in each of these Practice Areas, we can: strengthen our new business development efforts; ensure our client teams consist of the best talent to address their business issues; better target our internal investments; improve expertise and knowledge sharing across the management teams; and create more career opportunities for our people.

The demands of clients, consumers and new technologies are pushing agencies to work faster. Our new organizational structure is designed to deliver more innovation, ideas, and growth in a nimble and flexible fashion so we can adjust quickly as our clients’ needs change.

Unsurpassed Talent

As a shareholder, you know that Omnicom has a deep and longstanding commitment to developing our people. We have been dedicated to making our organization a place where people can build their careers. To accomplish this, we have placed considerable effort on training to aide in succession planning and advancement.

A great example is when we were developing our Practice Area Groups, we tapped a long-time Omnicom employee, Karen Van Bergen, to lead Omnicom Public Relations Group. Previously, Karen was the CEO of Porter Novelli, as well as a Senior Partner at FleishmanHillard. More recently, Charles Trevail, CEO of our agency C-Space, became the new CEO of Interbrand. Charles joined Omnicom in 2012 and has a proven track record of building brands.

We also strive to create a diverse and inclusive workforce that looks like the businesses, people and consumers we work with. In addition to Karen van Bergen, Wendy Clark was promoted to President and CEO of DDB Worldwide effective January 2018. Wendy’s experience running DDB North America coupled with her unmatched marketing expertise made this a seamless leadership transition that will build upon DDB’s well-established capabilities and reputation in the business. We also named Barri Rafferty CEO of Ketchum, making her the first female CEO to lead a top five global PR Agency and promoted Kirsten Flanik to President and

At Cannes Lions, over 152 Omnicom agencies won nearly 360 Lions. BBDO won Network of the Year, Clemenger BBDO won Agency of the Year, and OMD was recognized as Media Network of the Year.

At the Festival of Media Awards, Omnicom Media Group was Media Group of the Year, PHD was named Agency Network of the Year, Touché! PHD Canada was awarded Agency of the Year.

Omnicom swept Campaign Magazine's 2017 Agency of the Year Awards with BBDO winning Network of the Year and adam&eveDDB picking up Agency of the Year for the fourth-consecutive year.

TBWA was named the Dubai Lynx Network of the Year.

CEO of BBDO New York. In 2017, we continued our commitment to education and training, from basic skills training all the way through to the advanced programs of Omnicom University.

For 23 years now, Omnicom University has built the leadership muscle of our most senior leaders by using Omnicom cases to address real industry challenges and opportunities in our rapidly changing business. We have placed thousands of students through Omnicom University programs and have written hundreds of Omnicom "real world" cases.

In addition to Omnicom University, we have many different training and development programs in place within our Practice Area Groups and across our networks. These programs ensure the people in our agencies continue to learn and advance their skills. In today's battle for talent, this is not a "nice to have" but a "strategic imperative."

Our dedication to hiring the best people in the business and staying current through education and training was recognized by the industry.

Our success reflects our outstanding creativity and talent. I want to congratulate our people on their efforts and accomplishments.

Enhancing Our Agency Portfolio

In 2017, we continued to make selective investments and acquisitions to expand our capabilities and geographic presence to serve our clients' needs when and where they need them.

Earlier in the year, TBWA acquired a majority stake in Lucky Generals. Lucky Generals is considered one of the most creative and innovative agencies in the U.K. and it has also made its mark in North America. Earlier in the year, they were the first non-U.S. agency to win USA Today's annual Super Bowl Ad Meter for their Amazon Alexa campaign. The agency is completely aligned with TBWA's culture as creativity and disruption are in their DNA. TBWA also acquired Mobile Strategy in the Netherlands, a digital agency specializing in mobile e-commerce, engagement and loyalty.

In New Zealand, Clemenger BBDO acquired Perceptive Group, an agency that specializes in customer experience, insight-led strategy and data-driven decision-making.

Omnicom Health Group recently acquired Snow Companies. Based in Virginia, the agency specializes in direct-to-patient communications, and research for major pharmaceutical and biotech companies around the world.

Lastly, we expanded our third media network, Hearts & Science, in several markets including Germany, UK, Mexico, Dubai, and Japan.

Looking ahead, we will continue to invest in our agencies, as well as remain focused on expanding our service capabilities and strengthening our geographic footprint.

Corporate Social Citizenship

At Omnicom, diversity, community engagement, and environmental stewardship have always been important values. In 2017, we are excited to report that we enhanced our commitment to corporate social responsibility in a number of visible and noteworthy ways and made great strides towards our goal of doing well by doing good.

Inclusion does not happen by accident. You have to build it into your company from the ground up.

Our Board Leadership: In 2015, we undertook a Board Refreshment initiative that has led to a number of meaningful steps, including expanding the responsibilities of our Lead Independent Director, adopting a mandatory retirement age for Board members, and bringing greater diversity into the Board and committee leadership.

At our May shareholder meeting, Bruce Crawford will step down as Chairman. Bruce has been a remarkable leader within Omnicom starting his career at BBDO in 1977, taking over as President and CEO of Omnicom in 1989, and then transitioning into the role of Chairman in 1997. I would like to extend my gratitude to Bruce for his wisdom, guidance and numerous contributions to both the Board of Directors and to me, personally, over the past three decades.

Long-serving Board members Jack Purcell and Reg Murphy will also be stepping down from the Board in May. We would like to recognize both Jack and Reg and extend our thanks for their outstanding leadership, dedication and loyalty to Omnicom over the years.

In the past year, we also welcomed two new independent directors - Gracia Martore (2017) and Ronnie Hawkins (2018). Ms. Martore was recently the President and CEO of TEGNA, formerly known as Gannett and Co. Mr. Hawkins is Managing Director, Head of International Investments and a member of the Investment Committee of EIG Global Energy Partners.

Following these changes and the anticipated approval of our shareholders at our Annual Shareholders Meeting on May 22nd, Omnicom's Board will have 11 directors, with ten independent members, including six women and four African Americans.

These changes strengthen Omnicom's governance structure and demonstrate our commitment to onboarding exceptional candidates who bring a wealth of experience and diverse points of view.

Diversity: People drive our business success. Whether they are pitching new business, helping to create powerful brands, designing interactive web experiences or planning multi-platform media campaigns, we support them with a diverse, inclusive environment that nurtures their creative energy. That means diversity in backgrounds, race, gender, age, and experience.

Inclusion does not happen by accident. You have to build it into your company from the ground up. Which is why we have numerous diversity professionals embedded throughout our networks and agencies, responding to the needs of their team members, as well as connecting and collaborating across our organizations.

As an international company, we have a global vision with a local focus. In 2017, Omnicom UK fortified its commitment to diversity and inclusion through the formation of OPEN UK (Omnicom People Engagement Network) aimed at providing support and fostering engaging work environments for underrepresented groups. In addition, OPEN Pride, our employee resource group dedicated to Omnicom's LGBTQ community and its allies, launched global chapters in Greater China (Hong Kong and Shanghai), London, Manila, New York City and Mumbai and represented Omnicom in its first-ever New York City Pride March.

Omniewomen, Omnicom's professional women's network, continues to benefit from a groundswell of support adding new global chapters in France, Germany, United Arab Emirates (UAE), and Canada in 2017.

For the second year in a row, we are proud to announce we received a perfect score of 100% on the 2018 Corporate Equality Index (CEI), designating us as a "Best Place to Work for LGBTQ Equality."

In 2017, our work garnered top honors in the American Advertising Federation's (AAF) 2018 Mosaic Awards, which celebrates companies and agencies whose commitment to diversity and inclusion is evident through their creative work and organization-wide initiatives. BBDO's commercial for Procter & Gamble, "The Talk," won a Mosaic Media Image Award for Advocacy while Alma DDB was honored for their workforce inclusion program designed for McDonald's.

Environment: Climate change and resource scarcity are challenges we all must address. Our environmental impact comes mainly from office energy use and business travel. We are optimizing the footprint of our facilities by consolidating space where possible and managing our business travel more efficiently. As an Omnicom shareholder, you will be pleased to know we reduced our overall carbon emissions by 11% through a reduction in air travel, automobile usage, and the use of fuel oil and natural gas.

Supporting United Nations Sustainable Development Goal #4: Since June 2017, Omnicom agencies across the world have partnered with Girl Effect and Theirworld, two leading NGO's focused on SDG #4, Education. We are committed to using the creativity, innovation and power of our people to help achieve the goal of inclusive and quality education for all and promote lifelong learning.

Our Journey Continues

As I travel around the world, I am proud to hear our clients tell us it was the quality of our people, their ability to garner consumer insights from our data and analytics platforms, and an organizational culture of creativity and connectivity that sets us apart from the competition.

Omnicom is adapting and changing to meet our clients' needs as they transform their organizations to remain relevant in the modern marketing world. We are navigating through this cycle and, as always, our agencies are embracing "a new way of working" and our financial performance continues to reflect the excellence of our people.

I want to recognize and thank the more than 77,000 people at our agencies for their world-class integrated campaigns, outstanding client service and new business wins, and the great work that enabled us to deliver these results. I also want to thank you, our investors, for your trust and support.

Sincerely,



John D. Wren
President & Chief Executive Officer