



H1 2003 Activity

July 31, 2003

Introductory Matters

Forward-Looking Information

This document contains certain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. These forward-looking statements reflect Havas’ current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause Havas’ actual results to differ significantly from those expressed in any forward-looking statement. Certain factors that could cause actual results to differ materially from expected results include changes in global economic, business, competitive market and regulatory factors. For more information regarding risk factors relevant to Havas, please see Havas’ filings with the U.S. Securities and Exchange Commission. Havas does not intend, and disclaims any duty or obligation, to update or revise any forward-looking statements contained in this document to reflect new information, future events or otherwise.

Note 1: Except where otherwise indicated, EBIT as used in this presentation means earnings before interest, taxes and goodwill amortization but after associates and exceptional items.

Note 2: Except where otherwise indicated, net New Business in this presentation means estimated annual advertising budgets won minus estimated annual advertising budgets lost.

H1 2003 Summary

Revenue : € 835.6 million

Billings : € 5,573 million

	% change (revenue) H1-03 vs H1-02
Unadjusted :	-18.8 %
Constant currency :	-7.8 %
Organic growth :	-6.8 %

Q1 -5.8 %, Q2 -7.8 %

H1 2003 Revenue by Region

	H1-03 € million	% organic growth H1-03
TOTAL	835.6	- 6.8 %
Europe	418.9	-11.1 %
North America	361.2	- 2.3 %
Latin America	24.1	- 7.8 %
Asia Pacific	31.4	+ 5.4 %

Revenue by Region by quarter

	% organic growth Q1-03	% organic growth Q2-03
TOTAL	- 5.8 %	- 7.8 %
Europe	- 10.0 %	- 12.6 %
North America	- 2.6 %	- 2.1 %
Latin America	- 10.2 %	- 5.8 %
Asia Pacific	+ 13.3 %	- 0.6 %

H1 2003 Revenue by activity

	H1 2003 € million	% organic growth
TOTAL	835.6	-6.8 %
Traditional Advertising*	420.3	-1.8 %
Marketing Services	415.3	-11.4 %
. <i>Marketing communications</i> <i>(C.R.M. + Public Relations)</i>	290.2	-13.6 %
. <i>Specialist communications</i> <i>(Corporate + Healthcare)</i>	125.1	-5.8 %

* Media activities are henceforth included within traditional advertising

Revenue by activity by quarter

	% organic growth Q1-03	% organic growth Q2-03
TOTAL	-5.8 %	-7.8 %
Traditional Advertising*	-1.3 %	-2.2 %
Marketing Services	-9.7 %	-13.0 %
. Marketing communications (C.R.M. + Public Relations)	-10.9 %	-16.2 %
. Specialist communications (Corporate + Healthcare)	-6.7 %	-5.0 %

* Media activities are henceforth included within traditional advertising

H1 2003 : Net New Business ¹

€ 912 million of net New Business
-5.3% on constant exchange rate

in %	Breakdown of revenue by activity
Creation	48 %
Media	6 %
Marketing Services	29 %
Specialized Services	17 %
TOTAL	100 %

**Havas ranked n# 3 by Lehman Brothers² on the first 6 months 2003,
Euro RSCG ranked n# 3 by AdAge³ at the end of June 2003**

1. Net New Business reflects estimated annual advertising budgets won minus estimated annual advertising budgets lost

2. Lehman Brothers Report, New Business Scorecard, published on July 7th 2003

3. AdAge, published on July 21st, 2003

Q2 2003 – Major wins

■ **Integrated communications**

Cap Gemini, Amtrak

■ **Traditional advertising (local or regional)**

- Creation : American Legacy, Vision Express, Pastis 51, Schweizerische Bundesbahn, Nutricia, Peugeot, Carrefour
- Media : Amtrak, Universal Studio, Daewoo, Barclays, Campari, Nike, Decathlon

■ **Marketing communications**

Intelstat, Promo Edge, LE Group, 02 UK, Egypte 2010

■ **Specialized communications**

Central Bank Pacific, GlaxosmithKline Corporate

■ Traditional advertising

Creation : Abbey National, Subway, Monster.com, RATP

Media: Atlas

■ Marketing communications

Nextel

Havas' Strategic Reorganization

Havas strategic reorganization

- Why this strategic reorganization?
 - ① To respond to the needs of clients and the market
 - ② To enable Havas to improve growth of revenue and profit
- Our future lies in positioning ourselves as an attractive alternative to the choices available today to clients from conventional groups.

This alternative is firmly based on client needs on a global basis.

- Exclusiveness of the relationship and trust
- Enormous potential of new media opportunities
- Innovative and creative ideas
- Cost reduction
- Improved return on investment

Objective :

Reorganize Havas with a clear, simple vision :

- Be a new leader in our market by proposing the most innovative communication solutions.
- this must be reflected in our organization, which must be simplified, rationalized and avoid any duplication

Havas strategic reorganization

To achieve this:

1. The Group's global clients will be principally developed by **Euro RSCG Worldwide** through integrated communications driven by Creative Business Ideas®
2. In the main markets, a real creative alternative will be offered by **Arnold Worldwide Partners**.
3. Havas – via MPG - will accelerate its worldwide media expertise and focus that expertise on the fully integrated realities of traditional media, Marketing Services and data driven interactivity.

Euro RSCG Worldwide

- will become our single global agency network through which we shall drive this new strategy.
- The network will build long term relationships with clients by delivering Creative Business Ideas® and business solutions in all key worldwide markets.
- Organized around the « Power of One » principles that have proved their worth in the US, in France and the UK.

Arnold Worldwide Partners

- will concentrate on different clients and prospects that value above all else extraordinarily creative advertising locally or internationally.
- All the companies that are currently with the Arnold Group and which do not have this local market positioning will be integrated in Euro RSCG Worldwide.

MPG

- will continue to provide its media services to its own clients as well as those of Euro RSCG Worldwide and of Arnold Worldwide Partners.
- will accelerate its global expansion program with the objective of becoming a top-five global competitor in the next 12 months.

Which means that :

- Specialized Services companies will, according to their fit, be integrated into Euro RSCG Worldwide or MPG.
- These integrations will be carried out carefully, taking into account the interests of both clients and employees within the framework of an integrated communications approach.
- Companies that do not represent a strategic advantage for Euro RSCG Worldwide or MPG will not remain long-term in our organization.

Headquarters

The HQs will be streamlined and re-focused around five principal Group functions:

- ❑ Creative Reputation
- ❑ Finance and Legal
- ❑ Talent Development
- ❑ Internal and External Communications
- ❑ Information Technology and Knowledge management

External Advisory Boards will also be set up in the USA, France and the UK

Havas strategic reorganization

To conclude, this new strategy will enable Havas, in the framework of its organizational structure, to significantly improve its effectiveness while developing:

- The quality of our products and services to our clients
- Our financial performance through cost reduction
- Existing and new client relationships both locally and globally
- Our capacity to attract and promote new talents
- Value creation for our shareholders
- The values inherent to our Group.

All details of this reorganization will be communicated to the market on September 18th.

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Selected financial information

H1 2003 Organic growth calculation

			In M€
1. H1-02 REPORTED REVENUE	1,029	100%	
2. FX impact to convert H1-02 reported revenues using the average currency exchange rates from H1-03	(122)	-11.9%	
3. H1-02 at H1-03 FX	<u>907</u>		100%
4. Residual impact of deconsolidations : to exclude from H1-02 the revenue of businesses closed or sold, and to take into account changes in the scope of consolidation	(12)		
5. 2002 acquisition effect : pre-acquisition revenues during H1-02 for companies acquired in 2002	1		
6. 2003 acquisition effect : comparable period revenue for H1-02 for companies acquired during H1-03	0		
7. H1-02 AT H1-03 CONSTANT CURRENCY AND SCOPE	<u>896</u>	100%	
8. H1-03 REPORTED REVENUE	836		- 7.8%
9. ORGANIC REVENUE CHANGE	<u>(61)</u>	-6.8%	

Adjustments for scope and changes in method in 2002

	Cumulated 2002 revenue (€M)			
	<i>at end March</i>	<i>at end June</i>	<i>at end Sept</i>	<i>at end December</i>
Traditional Advertising	233	486	704	972
Marketing Services	268	543	768	1 015
2002 Revenue	<u>501</u>	<u>1 029</u>	<u>1 472</u>	<u>1 987</u>
Impact of :				
<i>companies closed or sold,</i>				
<i>change of accounting method</i>				
<i>and acquisitions</i>				
	(13)	(11)	(14)	(15)
Pro-forma 2002 revenue	<u>488</u>	<u>1 018</u>	<u>1 458</u>	<u>1 972</u>