



**Annual and Extraordinary Shareholders' Meeting of May 26, 2004**

Notice of Meeting

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## Invitation to attend the Annual and Extraordinary Shareholders' Meeting on May 26, 2004\*

Shareholders are hereby given notice that the Annual and Extraordinary Shareholders' Meeting of Havas will be held on May 26, 2004 at 9:30 a.m. at the Company's headquarters, 2, allée de Longchamp – 92150 Suresnes. The agenda of the meeting is as follows:

### Agenda

- Approval of the 2003 financial statements of the Company;
- Approval of the 2003 consolidated financial statements;
- Approval of regulated agreements;
- Allocation of the net loss for the year;
- Directors' fees;
- Re-election of five Directors;
- Decision not to replace an incumbent director who has decided not to stand for re-election;
- Authorization to be given to the Board of Directors to trade in the Company's shares;
- Authorization to be given to the Board of Directors to reduce the capital by cancelling shares held in treasury stock;
- Authorization to be given to the Board of Directors to increase the share capital by issuing shares and/or other securities giving right, either immediately or on a deferred basis to the company's equity, without suppressing the preemptive subscription rights of existing shareholders;
- Authorization to be given to the Board of Directors to increase the share capital by issuing shares and/or securities giving right, either immediately or on a deferred basis to the company's equity, without preserving the preemptive subscription rights of existing shareholders;
- Authorization to be given to the Board of Directors to issue shares to be paid up by capitalizing additional paid-in capital, reserves, income or other capitalizable amounts;
- Authorization to be given to the Board of Directors to carry out an employee share issuance with an express waiver by the Company's shareholders of their pre-emptive subscription rights to the benefit of such employees;
- Amendment of Article 11 of the bylaws – Transfer of shares;
- Amendment of Article 15 of the bylaws – Board of Directors;
- Amendment of Article 17 of the bylaws – Powers of the Board of Directors;
- Amendment of Article 19 of the bylaws – Chairman and Chief Executive Officer;
- Amendment of Article 20 of the bylaws – Statutory Auditors;
- Amendment of Article 21 of the bylaws – Regulated agreements;
- Amendment of Article 38 of the bylaws – Disputes;
- Powers to carry out formalities.

\* In accordance with the provisions of the law, the Shareholders' Meeting will be called for the first time on Tuesday, May 18, 2004 at 11:00 a.m. at the Company's headquarters, 2 allée de Longchamp, Suresnes (92150). If, as is probable, there is not a quorum on first call, the meeting will be called a second time on Wednesday, May 26, 2004 at 9:30 a.m. at the Company's headquarters, 2 allée de Longchamp, Suresnes (92150).

## Business review for 2003 and outlook

In 2003, the global economy remained depressed, with the war in Iraq and the SARS epidemic adding to the climate of uncertainty. The global advertising market expanded only slightly, after contracting 7% in 2001 and remaining flat in 2002. This was the first time that the advertising industry had experienced such a long crisis, with such erratic demand and such a lack of visibility concerning the short-term outlook.

As soon as the war in Iraq began, many Havas clients – mainly American and British groups – called a temporary halt to their spending on marketing services. This was followed by a worsening of the economic situation in Europe and although the US economy rallied in the second half this was not enough to offset the European slowdown. At the same time, European companies such as Havas, with significant operations in the dollar zone, were badly affected by the euro's sharp rise against the US currency. In this difficult environment, our performance fell short of our growth and profitability targets. Revenue amounted to €1,645 million, down 5.7% on a comparable structure and exchange rate basis, and operating margin fell back to 8.3% from 11.5% in 2002.

The decline in operating margin was mainly due to poor forecasting from Euro RSCG, which at a late stage in the year turned out to be over-optimistic. Revenues were therefore lower than anticipated, resulting in a cost structure which was too high. Radical measures have been taken to ensure that the same problem does not arise this year.

The Group responded to the difficulties by adopting a strategic reorganization and restructuring plan, which is described below.

The exceptional loss of €226 million for 2003 consisted mainly of restructuring costs, in the amount of €172 million, and of the €51 million cost of buying back the put feature of the "OCEANE" 2009 bonds.

After financial costs, tax and minority interests, the net loss before goodwill amortization amounted to €179 million.

Goodwill amortization came to €217 million, including €151 million in impairment charges linked to the program of company closures and divestments included in the

reorganization plan. After deducting this amount, the net loss for the year came to €396 million, representing a loss per share of €1.33.

Net debt was reduced to €642 million at December 31, 2003 from €664 million at end-2002. Free cash flow<sup>(1)</sup> generated during the year totaled €36 million.

Shareholders' equity amounted to €661 million at December 31, 2003, compared to €1,197 million at December 31, 2002. The decrease of €536 million was due to the €396 million loss for the year and to negative translation adjustments of €121 million.

### Strategic reorganization and restructuring

Faced with worsening results, in September 2003, we took action to improve efficiency, establish a more competitive cost base and put our financial performance back on track, by launching a major restructuring plan. On the strategic front, the plan aims to create a leaner, more efficient organization structure, built around two global networks and a strong creative presence in the world's main markets. The three main components of the plan concern:

- 1) Downsizing measures, leading to the elimination of around 1,100 jobs;
- 2) Action to free up around 70,000 sq.m. of offices for letting, in 40 buildings located mainly in the United Kingdom and the United States;
- 3) The transfer, restructuring, divestment or closure of fifty companies that weakened the Group's performance in 2003, including sixteen companies intended to be sold and eight scheduled for closure.

The 2003 statement of operations includes a €172 million charge in respect of this plan (see detail below). Cash costs are estimated at €68 million, including €41 million expected to be paid out in 2004.

The total estimated cost breaks down as follows:

€M	2003 costs
Severance costs	(47)
Real estate costs	(75)
Other	(50)
<b>Total (excluding goodwill impairment)</b>	<b>(172)</b>

(1) Free cash flow = net cash from operations + net cash from investing activities – dividends + capital increases.

The cost savings expected to be generated by the plan over a full year are estimated €81 million, including €11 million recorded in 2003 and another €70 million in 2004.

These savings can be analyzed as follows:

€M	Realized in 2003	Full-year estimate	Differential 2004 vs 2003
Payroll costs	7	63	56
Occupancy costs	4	17	13
Other	0	1	1
<b>Total</b>	<b>11</b>	<b>81</b>	<b>70</b>

Concerning the third component of the plan, as of end-2003 eight companies had been closed down, as planned, and one company had been sold. A €151 million goodwill impairment charge was recorded in 2003, in respect of all of the companies to be closed down or sold. The total amount of the divestment program is estimated at €70 million.

The following table shows the 2003 revenues and operating expenses of the companies closed or divested in 2003 or scheduled for divestment in 2004:

#### Figures 2003

€M	Closed	Divested in 2003	Other divested or to be divested	Total
Revenues	30	15	125	170
Expenses	(40)	(16)	(127)	(183)
Operating loss	(10)	(1)	(2)	(13)

#### The restructuring did not in any way diminish the Group's capacity in 2003 to develop its existing clients, win new global clients and achieve a successful year in terms of creativity.

On the creative front, 2003 was our best year ever. The Peugeot 206 film entitled "The Sculptor" won the most awards of any commercial in the world in 2003. The Evian "Water Boy" film was voted France's favorite commercial of the year. Euro RSCG was the only network to win awards at Cannes in each of the communication disciplines. Arnold was ranked 4<sup>th</sup> worldwide (*Gunn Report*) for its high level of creativity November, 2003.

#### Dividends

In line with its policy of realigning the dividend with the communication sector average, at the Annual Shareholders' Meeting on May 26, 2004, the Board plans to recommend paying a net dividend of €0.05 per share. If approved, the dividend will be paid as from June 17, 2004.

#### Outlook

Our revenues improved in the fourth quarter of last year and we are looking forward to a more favorable environment in 2004. Our new organization should enable us to recover sustainable growth momentum, leading to a sharp improvement in profitability.

We will continue to:

- attract new talents for key positions, helping us to face the challenge of winning market share, strengthen the management of our divisions and optimize our operations;
- come up with outstanding creative ideas for our clients in all communications sectors;
- expand our innovation capabilities;
- bring down costs, by establishing Group policies and contracts for general purchases, real estate leases, information systems and insurance, as well as by streamlining back office operations in most of the countries where we operate;
- reorganize our financial information system to reduce reaction times and track performance more closely.

## Summary of the resolutions

The purpose of the resolutions to be presented at the Annual Shareholders' Meeting is outlined below.

### Approval of the financial statements

The purpose of the **first and second resolutions** is to approve the 2003 financial statements of the Company and the Group, respectively.

### Regulated agreements

The **third resolution** concerns regulated agreements governed by article L. 225-38 of the Commercial Code. The Auditors have issued a special report to shareholders on these agreements.

### Allocation of earnings

The **fourth resolution** concerns the allocation of the net loss for the year.

The financial statements of the Company for the year ended December 31, 2003 show a loss of €633,956,784.96. We recommend that this amount be allocated as follows:

- €46,547,049.84 to the retained earnings account;
- €587,409,735.12 to the additional paid-in capital account.

Income available for distribution includes €14,796,000 to be paid out of additional paid-in capital and €161,813.46 to be paid out of the special long-term capital gains reserve.

We recommend that this amount be allocated as follows:

- payment of a dividend of €0.05 per share (excluding the *avoir fiscal* – tax credit) €14,929,179.80 of which €133,179.80 will be paid out of the special long-term capital gains reserve
- payment of the *précompte* dividend equalization tax (corresponding to the capped amount payable in the case of distribution of the long-term capital gains reserve) €28,633.66
- allocation to retained earnings €0.00

The special long-term capital gains reserve corresponds to long-term capital gains originally taxed at 19%. The *précompte* dividend equalization tax due on dividends paid out of the reserve corresponds to the amount of tax payable to raise the total tax rate on the gains to 33.33%. Therefore, based on the recommended distribution of long-term gains in the amount of €133,179.80, the *précompte* amounts to 28,633.66, and the total deduction from the long-term capital gains reserve is €161,813.46.

The dividend per share for 2003 will amount to €0.05, giving rise to an *avoir fiscal* (tax credit) for eligible shareholders.

No dividend will be paid on shares held in treasury stock on the dividend payment date.

The dividend per share takes into account the estimated 1,600 shares that may be issued in the period up to the dividend payment date due to the exercise of options by SNC or Snyder Communications Inc.'s Circle.com, which are exchangeable for Havas shares.

If the number of shares held in treasury stock on the dividend payment date or the number of shares issued as explained above is different from the Company's estimate, the amount paid out of the special long-term capital gains reserve will be adjusted, leading to a corresponding adjustment of the *précompte* dividend equalization tax.

The dividend will be paid as from June 17, 2004.

Dividends paid over the last three years and the corresponding *avoir fiscal* (tax credit) and total revenue per share are presented below (in euros per share, adjusted for the 20-for-1 stock-split):

Year	Net dividend	Tax credit	Total revenue
2000	0.17	0.085	0.255
2001	0.17	0.085	0.255
2002	0.09	0.045	0.135

### Directors' fees

In the **fifth resolution** shareholders are invited to set the total fees payable to the members of the Board of Directors for 2004, in cash and in stock.

Following the recommendation of the Compensation and Selection Committee, the Board of Directors proposes to award each Director a fixed fee of €30,000, including €8,000 paid in the form of Havas stock, and a variable fee based on attendance rate at Board meetings and on the increase in Havas's EBIT<sup>(1)</sup>. Accordingly, based on the current number of Board members, we invite you to fix total fees payable to the Board at €784,000, including a maximum of €112,000 payable in Havas stock. Directors will not be authorized to sell any stock received in payment of their fees for as long as they remain members of the Board. The report of the Compensation and Selection Committee is included in this document.

### Re-election of Directors

The **sixth, seventh, eighth, ninth and tenth resolutions** concern the re-election as Directors, for a three-year period, of Ed Eskandarian, Pierre Lescure, Leopoldo Rodés Castañe, Patrick Soulard and Société Centrale Immobilière et Foncière–Socif. Biographical details of each of these Directors are provided in the first section of the report of the Board of Directors and the list of their other directorships is given in the Appendix to the Board's report.

Juan March Delgado, who is also due to retire at the close of the Annual Shareholders' Meeting, has decided not to stand for re-election, for personal reasons. In the **eleventh resolution**, shareholders will be invited to decide not to replace Juan March Delgado.

### Share buyback program

In the Additional Information section of the Annual Report (under "Information about the Company's capital") you will find summary information about the transactions carried out in 2003 under the shareholder-approved share buyback program.

In the **twelfth resolution**, shareholders are invited to renew the authorization given to the Company to trade in its own

shares and to give the Board of Directors the necessary powers to act on the authorization.

The proposed new share buyback program would be used to buy back Havas shares based on market situations or for the following purposes:

- to stabilize the share price by trading systematically against the market;
- to deliver shares in payment or exchange or otherwise for shares of another company, in connection with acquisitions carried out by Havas or a company controlled by Havas within the meaning of article L.233-3 of the Commercial Code;
- to implement one or several stock option plans governed by articles L. 225-177 *et seq.* of the Commercial Code;
- to make stock awards to employees of the Company and/or the Group, under a statutory profit-sharing scheme or any corporate savings plan, as provided for by law including articles L. 443-1 *et seq.* of the Labor Code;
- to deliver shares upon the exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for shares of the Company;
- to allocate such shares to Directors as payment for their fees;
- To implement an asset/liability and financial management policy, according to which such shares may be held as treasury stock, sold, or more generally, transferred including as a pledge in connection with a sale agreement, or cancelled in whole or in part, provided the shareholders meeting adopts the thirteenth resolution hereafter.

Detailed information about this program is provided in the information memorandum approved by the French securities regulator (AMF), which can be obtained from the Company's head office.

The Board of Directors is seeking an authorization to buy back shares of the Company in accordance with the related provisions of the law. Under the terms of the resolution, the shares could be bought back by any method and at any time, including while a takeover bid for the Company was in progress. The authorization could be used on one or several occasions, within the limit specified in the resolution.

(1) EBIT (earnings before interest and tax) corresponds to operating income plus income from associates plus exceptional items, before tax and amortization of goodwill.

The aggregate number of Havas shares bought back during the period covered by the program will not exceed 10% of the Company's issued capital as determined on each buyback date. The purchase price will be capped at €9. The minimum sale price will be set at €1 per share, except for stock delivered in payment or exchange for shares of another company in connection with an acquisition, or allocated to Directors in payment of their fees.

The authorization is being sought for a period of eighteen months commencing on the date of the Meeting.

In a separate resolution, shareholders are asked to authorize the Board to cancel all or some of the shares purchased under the buyback program (**thirteenth resolution**).

### Financial authorizations

The Company is seeking three authorizations to issue shares and share equivalents:

- Authorization to issue shares and share equivalents for cash, with pre-emptive subscription rights for existing shareholders (**fourteenth resolution**);
- Authorization to issue shares and share equivalents for cash, without pre-emptive subscription rights for existing shareholders (**fifteenth resolution**);
- Authorization to issue shares to be paid up by capitalizing income or additional paid-in capital (**sixteenth resolution**).

These authorizations will extend the range of financing solutions available to the Company, particularly for the refinancing of the portion of the debt due on January 1, 2006 that is not covered by cash and cash equivalents. The Company is seeking the flexibility provided by an authorization to issue share equivalents, such as convertible bonds, on a timely basis. For this to be possible, based on current market practice shareholders will need to waive in advance their pre-emptive right to subscribe to any such issues.

The issue of bonds with an embedded option to acquire shares of the issuer represents an efficient financing solution, because it helps to keep borrowing costs low while at the same time having only a limited dilutive impact,

because the price of the embedded option generally includes a premium compared to the share price on the issue date.

We propose limiting the maximum nominal amount that may be issued directly or indirectly without pre-emptive subscription rights to €24 million, representing 60 million potential shares or less than 20% of the current issued capital. This limit is included in the proposed aggregate maximum nominal amount of €60 million, representing 150 million shares, that applies to all capital increases with and without pre-emptive subscription rights.

The maximum aggregate nominal amount of debt securities redeemable, convertible, exchangeable or otherwise exercisable for shares, with or without pre-emptive subscription rights, will be limited to €1 billion.

These authorizations are being sought for a period of twenty-six months.

### Employee savings plans

In accordance with the provisions of the law on employee savings plans, in the **seventeenth resolution** we are seeking an authorization to carry out employee share issues in connection with a company or group savings plan. Shareholders will be required to waive their pre-emptive right to subscribe to any such issues.

### Amendments to the bylaws (resolutions 18 to 24)

Shareholders are asked to approve certain amendments to the bylaws to reflect legislative changes, including the provisions of the August 1, 2003 *Loi de Sécurité Financière*.

The **eighteenth resolution** concerns article 11 of the bylaws dealing with share transfers. The revised text will require shareholders to notify the Company when they cross a disclosure threshold (in terms of both shares and voting rights) within five trading days as opposed to fifteen days currently.

The **nineteenth resolution** concerns an amendment to the provisions of article 15 "Board of Directors" related to the number of Directors, designed to extend the exceptions to the maximum number of Directors in the circumstances prescribed by law.

The **twentieth resolution** concerns an amendment to article 17 “Powers of the Board of Directors” requiring the Chairman or the Chief Executive Officer to provide Directors with all the documents and information they need to fulfill their duties.

The purpose of the **twenty-first resolution** is to align article 19 of the bylaws with the provisions of article L. 225-51 of the Commercial Code by deleting the stipulation that the Chairman represents the Board of Directors.

The **twenty-second resolution** amends article 20 of the bylaws to stipulate that the Statutory Auditors may be re-appointed subject to compliance with the law and that they must be invited to attend Board meetings held to approve the annual and interim financial statements of the Company and the Group.

The **twenty-third resolution** concerns article 21 of the bylaws dealing with regulated agreements. The purpose of the amendment is to raise from 5% to 10% the percentage of voting rights held by shareholders above which agreements with the shareholders concerned are subject to the procedures applicable to regulated agreements, in accordance with article L. 225-38 of the Commercial Code.

The **twenty-fourth resolution** modifies the election of domicile, by eliminating the reference made to the Company’s former registered office.

The **twenty-fifth resolution** gives full powers to carry out all formalities required by the law.

## Biographical details of the Directors standing for re-election at the Meeting

### **Ed Eskandarian, Director since September 2000**

Graduate of Villanova and Harvard universities, Ed began his career as a scientist with NASA. In 1971, he became Senior Vice-President of the Humphrey Browning MacDougall advertising agency, and ten years later, in 1981, he was appointed Chairman and CEO. When the agency was acquired by London-based WCRS, he became Chairman and CEO of the new entity. In 1990, Ed decided to launch his own communications agency and acquired Arnold & Co. He joined the Havas Group in 2000 following the acquisition of Snyder, becoming Chairman and CEO of the new division, Arnold Worldwide Partners.

### **Pierre Lescure, Director since June 1994**

Graduate of the Paris *Centre de Formation de Journalistes*, Pierre started his career in radio. He then moved into television, where he held a variety of positions. In 1984, he participated in the launch of France's first private TV channel, Canal+, becoming Chief Operating officer in 1986. In 1994, he was appointed Chairman and CEO of Groupe Canal+ and in 2001, Chief Operating Officer of Vivendi Universal. He left Vivendi Universal and Groupe Canal+ in April 2002. In November of the same year, he was elected to the Board of Directors of Thomson Multimedia. As well as being a Director of Havas, Pierre has been a member of the Strategy Committee since September 2003.

### **Leopoldo Rodés Castañe, Director since May 2001 Chairman of the Strategy Committee**

Graduate of Barcelona University, Leopoldo set up the Tiempo advertising agency in 1958 and remained the agency's Chairman and CEO until 1984. In 1985, he was named Chairman of "Barcelona 92", the organization he founded to support Barcelona's bid for the 1992 summer Olympics, and he went on to become a member of the Barcelona Olympics executive committee, from 1986 to 1992. From 1994 to 1996, he was a member of the international advisory board of Repsol, a Spanish oil company. Since 1999, he has been Chairman of the Havas Media Planning Group in Spain. He is also Vice-Chairman of the Spanish bank Urquijo, and Chairman of the Fundació Museu d'Art Contemporani de Barcelona.

### **Patrick Soulard, Director since December 1999**

Graduate of IEP de Paris and ENA, Patrick began his career as a civil servant, holding various positions in the Ministry of Finance from 1977 to 1986. In 1986, he joined BNP where he held the positions of Financial Affairs Director, CEO of Banexi and member of the BNP General Management Committee. In 1996, he took up the position of Senior Banker at Société Générale. He is currently Deputy Chief Operating officer of Banque de Financement et d'Investissement Société Générale.

### **Clément Vaturi, Permanent representative of SOCIF (Société Centrale Immobilière et Foncière) Director of Havas since August 1988**

Graduate of Massachusetts Institute of Technology, Clément has been Chairman of the Board of Directors of Société Immobilière Hôtelière since 1983 and Chairman and CEO of its subsidiary, SOCIF, since 1984. As well as being a Director of Havas, he has been a member of the Audit Committee since July 2000 and a member of the Selection and Compensation Committee since October 2001.

### **Juan March Delgado, Director since May 2001**

Graduate of Escuela superior de ingenieros industriales de Madrid, as from 1973 Juan co-managed the March group companies and acted as Chairman of the Juan March Foundation. He is currently Chairman of Corporación Financiera Alba, director of the March bank, member of the Council on Foreign Relations Advisory Committee and member of the Board of Directors of Fondation Internationale Carrefour. As well as being a Director of Havas, since October 2001 he has been a member of the Selection and Compensation Committee.

## Resolutions

*(Translation from French for information purposes only)*

### 1. ORDINARY RESOLUTIONS

#### First resolution

**(APPROVAL OF THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED DECEMBER 31, 2003)**

After considering the report of the Board of Directors for the year ended December 31, 2003 and the general report of the Statutory Auditors on their audit of the financial statements, the Shareholders' Meeting approves the report of the Board of Directors and the financial statements of the Company for the fiscal year ended December 31, 2003, as presented, as well as the transactions reflected therein.

#### Second resolution

**(APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED DECEMBER 31, 2003)**

After considering the report of the Board of Directors for the year ended December 31, 2003 and the general report of the Statutory Auditors on their audit of the consolidated financial statements, the Shareholders' Meeting approves the report of the Board of Directors and the consolidated financial statements of the Group for the fiscal year ended December 31, 2003, as presented, as well as the transactions reflected therein.

#### Third resolution

**(APPROVAL OF AGREEMENTS GOVERNED BY ARTICLE L. 225-38 OF THE COMMERCIAL CODE)**

After considering the Statutory Auditors' special report on agreements governed by article L. 225-38 of the Commercial Code, the Shareholders' Meeting approves the new agreements set forth in this report and the ongoing agreements approved in prior years.

#### Fourth resolution

**(ALLOCATION OF EARNINGS FOR THE CURRENT FISCAL YEAR)**

The Shareholders' Meeting, having noted that the financial statements for the year ended December 31, 2003, and approved by the Meeting, show a net loss of €633,956,784.96, decides to allocate this loss to the retained earnings account, for €46,547,049.84, and to the additional paid-in capital account for €587,409,735.12.

The Shareholders' Meeting, having noted that income available for distribution consists of:

+ Deduction from additional paid-in capital €14,796,000.00

+ Deduction from the special long-term capital gains reserve €161,813.46

**Total €14,957,813.46**

Decides to allocate this amount as follows:

- payment of a dividend of €0.05 per share (excluding the *avoir fiscal* – tax credit) of which €133,179.80 are paid out of the special €14,929,179.80

- payment of the *précompte* dividend equalization tax (corresponding to the capped amount payable case of distribution of the long-term capital gains reserve) €28,633.66

- allocation to retained earnings €0,00

**Total €14,957,813.46**

The total dividend includes €161,813.46 paid out of the long-term capital gains reserve, corresponding to long-term capital gains originally taxed at 19%. The *précompte* dividend equalization tax is therefore limited to the amount of tax payable to raise the total tax rate to 33.33%, i.e. €28,633.66, and the corresponding distributable dividend amounts to €133,179.80.

Accordingly, the dividend to be distributed for the fiscal year 2003 amounts to €0.05 per share which may give rise to an *avoir fiscal* – tax credit for eligible shareholders at the rate prescribed by law.

No dividend will be paid either on shares currently held in treasury stock or on shares that will be held in treasury stock at the date of the dividend payment. The dividend per share also takes into account the estimated 1,600 shares that may be issued prior to the date of the dividend payment as a result of the exercise by Snyder Communications Inc., prior to such date, of its options to convert SNC or Circle.com shares into Havas shares.

If the number of shares held in treasury stock prior to the date of the dividend payment or the number of shares to be issued prior to such date as explained above, is different from the Company's estimate, the amount paid out of the special long-term capital gains reserve will be adjusted, leading to a corresponding adjustment of the *précompte* dividend equalization tax.

The dividend will be paid on June 17, 2004.

The Shareholders' Meeting notes that, over the last three years, the dividend distributed, the corresponding *avoir fiscal* (tax credit) and the total income per share were as follows (in euros per share, adjusted for the 20-for-1 stock-split):

Year	Net dividend	Tax credit	Total income per share
2000	0.17	0.085	0.255
2001	0.17	0.085	0.255
2002	0.09	0.045	0.135

### Fifth resolution

#### (DIRECTORS' FEES FOR 2004)

The Shareholders' Meeting decides to set at €900,000 the total fees payable to the Board of Directors for the fiscal year 2004.

The Meeting further decides that up to €112,000 of this fee will be paid in the form of existing shares, allocated to each Director.

The shares granted to Directors as payment for their fees will be valued at a price equal to the opening price quoted on the Premier marché of Euronext Paris on the effective date of their grant to said Directors. Directors will be prohibited from selling these shares during their term of office.

### Sixth resolution

#### (RE-ELECTION AS DIRECTOR OF ED ESKANDARIAN)

The Shareholders' Meeting, noting that Ed Eskandarian's term of office as Director expires upon adjournment of this Meeting, decides to re-elect him for another three-year period, expiring upon adjournment of the Annual Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2006.

Mr. Eskandarian has indicated that he accepts this office and has confirmed that he complies with the conditions and obligations set out in applicable law and regulations.

### Seventh resolution

#### (RE-ELECTION AS DIRECTOR OF PIERRE LESCURE)

The Shareholders' Meeting, noting that Pierre Lescure's term of office as Director expires upon adjournment of this Meeting, decides to re-elect him for another three-year period, expiring upon adjournment of the Annual

Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2006.

Mr. Lescure has indicated that he accepts this office and has confirmed that he complies with the conditions and obligations set out in applicable law and regulations.

### Eighth resolution

#### (RE-ELECTION AS DIRECTOR OF LEOPOLDO RODÉS CASTAÑE)

The Shareholders' Meeting, noting that Leopoldo Rodés Castañe's term of office as Director expires upon adjournment of this Meeting, decides to re-elect him for another three-year period, expiring upon adjournment of the Annual Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2006.

Mr. Rodés Castañe has indicated that he accepts this office and has confirmed that he complies with the conditions and obligations set out in applicable law and regulations.

### Ninth resolution

#### (RE-ELECTION AS DIRECTOR OF PATRICK SOULARD)

The Shareholders' Meeting, noting that Patrick Soulard's term of office as Director expires upon adjournment of this Meeting, decides to re-elect him for another three-year period, expiring upon adjournment of the Annual Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2006.

Mr. Soulard has indicated that he accepts this office and has confirmed that he complies with the conditions and obligations set out in applicable law and regulations.

### Tenth resolution

#### (RE-ELECTION AS DIRECTOR OF SOCIÉTÉ CENTRALE IMMOBILIÈRE ET FONCIÈRE – SOCIF)

The Shareholders' Meeting, noting that the term of office as Director of Société Centrale Immobilière et Foncière–SOCIF expires upon adjournment of this Meeting, decides to re-elect SOCIF for another three-year period, expiring upon adjournment of the Annual Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2006.

SOCIF's legal representative has indicated that SOCIF accepts this office and complies with the conditions and obligations set out in the applicable law and regulations.

### Eleventh resolution

#### (DECISION NOT TO REPLACE JUAN MARCH DELGADO ON THE BOARD)

The Shareholders' Meeting, noting that the term of office as Director of Juan March Delgado expires upon adjournment of this Meeting, notes that Mr. March Delgado is not standing for re-election and decides not to elect a new Director to replace him.

### Twelfth resolution

#### (AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO BUY BACK THE COMPANY'S SHARES)

After considering the report of the Board of Directors and the prospectus bearing the visa of the *Autorité des Marchés Financiers*, the Shareholders' Meeting authorizes the Board of Directors, in accordance with the provisions of article L. 225-209 of the Commercial Code, to buy back the Company's shares.

The Shareholders' Meeting decides that share buybacks will be carried out, in declining order of priority:

- to make purchases and sales depending on the market situations;
- to stabilize the share price by systematically trading against the market;
- to deliver shares in payment or exchange or otherwise for shares of another company, in connection with acquisitions carried out by Havas or a company controlled by Havas within the meaning of article L. 233-3 of the Commercial Code;
- to implement one or several stock option plans governed by articles L. 225-177 *et seq.* of the Commercial Code;
- to make stock awards to employees of the Company and/or the Group, under a statutory profit-sharing scheme or any corporate savings plan, as provided for by law including articles L. 443-1 *et seq.* of the Labor Code;
- to deliver shares upon the exercise of rights attached to securities giving right to shares of the Company, either by means of a redemption, conversion, or exchange, upon showing a warrant or otherwise;
- to allocate such shares to Directors as payment for their fees;
- to implement an asset/liability and financial management policy, according to which such shares may be held as treasury stock, sold or, more generally, transferred as a pledge in connection with a sale agreement;

- to cancel the shares bought back, in whole or in part, provided the Extraordinary Shareholders' Meeting adopts the thirteenth resolution hereafter as set forth therein.

These share buybacks are subject to the following restrictions:

- The number of shares bought back during the period covered by the buyback program shall not represent more than 10% of the share capital of the Company;
- The number of Havas shares held by the Company shall not, at any given time, exceed 10% of the share capital of the Company.

The shares may be purchased, sold or transferred at any time (including while a tender offer is pending) and by any method, on the stock market or over-the-counter, including:

- Through block purchases or sales, without any limitation on the proportion of the program that may be carried out through this method;
- Through the use of options or other derivative instruments traded on a regulated market or over-the-counter;
- By issuing warrants or other securities convertible, exchangeable, redeemable or otherwise exercisable for Havas shares held by the Company.

The price paid for shares bought back pursuant to this resolution may not exceed €9 per share or, if payment is made in foreign currency, the equivalent of this amount on the transaction date. This maximum price will apply only to share buybacks decided as from the date of this Meeting and not to forward transactions entered into under an earlier shareholder authorization according to which shares would be bought back after the date of this Meeting. Shares purchased under this authorization and earlier shareholders' authorizations may not be resold on the market for a price of less than €1 per share or, if payment is received in foreign currency, the equivalent of this amount on the transaction date.

Notwithstanding the foregoing, if the Company uses any of the options available under the third paragraph of article L. 225-209 of the Commercial Code, the minimum sale price will be determined in accordance with the legal provisions applicable at that time. In addition, the minimum sale price will not apply to shares delivered as payment or exchange for shares of another company in the context of an acquisition, or to shares delivered to Directors as payment of their fees.

The share buybacks carried out under this authorization may not exceed a global amount of €138 million.

This authorization supersedes all earlier authorizations given to the Board of Directors to buy back the Company's shares. It is given for a period of eighteen months commencing on the date of this Meeting.

In the case of an increase or decrease in the par value of the Company's shares, a capital increase paid up by capitalizing reserves, a bonus share issuance, a stock-split or reverse stock-split, a distribution of reserves or any other assets, a partial capital redemption or any other transaction affecting the amount of the shareholders' equity, the Shareholders' Meeting gives full powers to the Board of Directors to adjust the above maximum purchase price and minimum sale price to take into account the impact of such transaction on the value of the shares. These prices will be adjusted by a coefficient equal to the ratio between the number of shares representing the share capital before the operation and the number of shares representing the share capital after the operation.

The Shareholders' Meeting gives full powers to the Board of Directors, including the option to subdelegate as provided by law, to decide upon and implement this authorization, to specify, if necessary the terms and set, with the option to delegate as provided by law, the conditions of the enforcement of the buyback program, including responsibility for placing any and all buy and sell orders, entering into any and all agreements for the keeping of a register of share purchases and sales, making any and all filing formalities with the *Autorité des Marchés Financiers* or any regulatory body that may be substituted to it, carrying out any and all other formalities and generally doing whatever is necessary.

## 2. EXTRAORDINARY RESOLUTIONS

### Thirteenth resolution

**[AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO REDUCE THE CAPITAL BY CANCELING SHARES HELD IN TREASURY STOCK]**

After considering the report of the Board of Directors and the Statutory Auditors' special report, the Shareholders' Meeting authorizes the Board of Directors to reduce the Company's share capital on one or several occasions by

amounts to be decided at the Board's discretion, by canceling shares held in treasury stock, subject to the conditions and limitations provided in articles L. 225-209 *et seq.* of the Commercial Code.

The number of shares that may be canceled by the Company under this authorization during any twenty-four month period may not exceed ten percent (10%) of the total number of shares forming the share capital, provided however, that this limit will be determined on the basis of an amount of share capital that may be adjusted, if necessary, to take into account any corporate actions that will affect the amount of share capital after this Meeting.

This authorization supersedes from this date the unused portion of any earlier authorization given to the Board of Directors to reduce the share capital by canceling shares held in treasury stock. It is given for a period of twenty-six months commencing on the date of this Meeting.

The Shareholders' Meeting gives full powers to the Board of Directors, with the option to sub-delegate, to implement any decision made under this authorization to cancel shares and reduce the share capital, amend the bylaws accordingly and carry out any and all formalities.

### Fourteenth resolution

**[AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING SHARES AND/OR OTHER SECURITIES GIVING RIGHT, EITHER IMMEDIATELY OR ON A DEFERRED BASIS TO THE COMPANY'S EQUITY, WITHOUT SUPPRESSING THE PREEMPTIVE SUBSCRIPTION RIGHTS OF EXISTING SHAREHOLDERS]**

After considering the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with article L. 225-129-III of the Commercial Code, including paragraph 3 thereof, the Shareholders' Meeting:

1 – Gives to the Board of Directors all necessary powers to increase the Company's share capital, on one or several occasions, either in France or abroad, in an amount and according to such timing as it may deem appropriate, either in euros or in any other currency or monetary unit determined by reference to a basket of currencies, by means of an issuance of shares or other securities, including stand-alone warrants which may be issued with or without consideration, and giving right either immediately or on a deferred basis, at any time or at a fixed date, to new or existing shares of the Company by means of a subscription, conversion, exchange, redemption, or upon showing of a warrant or

otherwise (bonds with stock warrants, convertible bonds and exchangeable bonds governed, respectively, by articles L. 225-150 *et seq.*, L. 225-161 *et seq.* and L. 225-168 *et seq.* of the Commercial Code are included in these securities). This authorization does not include, however, the issuance of preferred voting or non-voting stock or investment certificates.

The shares and the other securities may be paid up either in cash or by means of a set-off between the subscription price and an ascertainable claim held against the Company, for all or part of the amount, by capitalizing reserves, income or additional paid-in capital.

2 – Decides that the following limits will apply to the aggregate amounts of the issuances that may be decided by the Board of Directors pursuant to this authorization:

- the maximum nominal amount of all capital increases that may be realized either immediately or on a deferred basis pursuant to this authorization may not exceed the aggregate amount of €60 million. The maximum aggregate nominal amount of all capital increases that may be realized pursuant to this authorization and the authorizations provided in the fifteenth and sixteenth resolutions of this Meeting is also €60 million;
- this limit does not include the par value of any shares to be issued, if any new financial transactions are decided, to protect the rights of holders of securities giving right to shares of the Company on a deferred basis;
- the maximum nominal amount of debt securities that may be redeemed, exchanged or converted into equity may not exceed, the aggregate amount of €1 billion, or, in the case of issuances denominated in foreign currency or in any monetary unit determined by reference to a basket of currencies, the equivalent of this amount as determined on the date of issuance. The nominal amount of the debt securities issued pursuant to the fifteenth resolution of this Meeting shall be deducted from this aggregate amount.

3 – Decides that this authorization is granted for the period specified in article L. 225-129-III of the Commercial Code, i.e., on this date twenty-six months, commencing on the date of this Meeting.

4 – If the Board of Directors uses this Authorization:

- decides that the issuance or issuances will be first offered to existing shareholders, who may subscribe to the shares or other securities in proportion to the number of shares that they then hold;
- gives the Board of Directors the option to offer shareholders a pre-emptive right to subscribe for any shares or securities not taken up by other shareholders;
- acknowledges that this authorization may require, as a matter of law, that existing shareholders waive, to the benefit of the holders of such securities, their preemptive subscription rights attached to the shares to which the issued securities give right either immediately or on a deferred basis;
- decides to suppress the shareholders' preemptive subscription rights attached to the shares issued following a conversion of bonds or the exercise of stand-alone warrants;
- decides that, in the context of an issuance of shares or other securities, if the exercise by shareholders of their preemptive subscription rights pursuant to the first two paragraphs above does not cover the full amount of the subscription, the Board of Directors may use, as provided by law and in the order it may freely determine, either or all of the following options:
  - limit the issuance to the amount of the subscriptions it received, provided however that this amount is at least equal to of the amount initially fixed for the issuance;
  - freely allocate all or part of the shares or other securities, as the case may be, the issuance of which was initially decided but not subscribed for in full;
  - place in the public, by means of a public offering, all or part of the shares or securities, as the case may be, on the French market and/or a foreign market and/or the international market;
- decides that any issuance of stock warrants by the Company may be made either by means of a subscription in cash or by means of an allocation without consideration among the holders of existing shares;
- decides that, in case of an allocation without consideration of stand-alone warrants, the Board of Directors may decide that any rights to fractions of

shares will be non-transferable and that corresponding warrants shall be sold.

5 – Decides that the Board of Directors shall have full powers, including the power to subdelegate as provided by law, to implement this authorization and, in particular to:

- determine the category of securities to be issued;
- decide the amount of each issuance, the issuance price and as the case may be, the issuance premium;
- set the dates and terms of each issuance, as well as the type and characteristics of the securities. In addition, in the case of bonds or other debt securities, the Board may decide to issue senior debt or subordinated debt (in which case the Board shall determine their ranking for repayment purposes in accordance with article L. 228-97 of the Commercial Code), set the interest rate (which may be fixed or floating or indexed to a benchmark rate or take the form of a zero coupon), the maturity (dated or undated) and the other conditions of the issuance (including whether the issuance is secured or unsecured) and redemption (including whether they shall be redeemed against assets of the Company). The Board may also decide to attach warrants to the debt securities, conferring rights to acquire or subscribe to bonds or other debt securities or take the form of complex bonds, as defined by the securities regulator (for example, due to their redemption or interest terms or other rights, such as indexation clauses, or the existence of embedded options). Lastly, throughout the entire life of the securities, the Board may modify the terms and conditions referred to above, provided that the applicable formalities are carried out;
- decide on the method by which the shares or the other securities will be issued either immediately or on a deferred basis;
- determine, if necessary, the conditions of exercise of any rights attached to the shares or securities to be issued, including the date, which may be retroactive, on which the new shares will carry a right to dividends, the terms of exercise of any conversion, exchange or redemption rights, including by means of an exchange for assets such as shares or other securities already issued by the Company, as well as any and all other terms and conditions of the issuance;

- determine the terms pursuant to which the Company may, as the case may be, buy back or exchange the shares and other securities already issued or to be issued immediately or on a deferred basis on the market, at any time or during fixed periods, in order to cancel them or for other purposes, taking into account any applicable law provisions;
- provide for a possible suspension of the right to exercise any rights attached to the securities, for a maximum period of three months;
- on its sole initiative, charge the costs related to the share issuance on the amount of the related premium and deduct from this premium the amount necessary to increase the legal reserve to one-tenth of the new share capital following each capital increase;
- make all necessary adjustments in accordance with the applicable legal, regulatory or contractual provisions, in order to take into account the effect of any transactions affecting the Company's share capital, including any change in the par value of the shares, any capital increase paid up by capitalizing reserves, any bonus share issuance, any stock-split or reverse stock-split, any distribution of reserves or of any other assets, any redemption of the share capital, or any other transaction affecting the shareholders' equity, and to determine the method by which the rights of the holders of securities carrying future rights to the Company's equity will be protected, if necessary;
- record the realization of each capital increase and make the correlative amendments to the bylaws;
- and more generally, enter into any and all underwriting and other agreements, take any and all measures and carry out any and all formalities in connection with the issuance, the quotation and the servicing of the securities issued pursuant to this authorization, as well as the exercise of the rights attached to such securities.

6 – Acknowledges that this authorization supersedes from this date the unused portion of any earlier authorization to issue shares and other securities giving right, either immediately or on a deferred basis to the Company's equity, without suppressing the preemptive subscription rights of existing shareholders.

7 – Acknowledges that, if the Board of Directors uses the authorization granted by this resolution, it shall report to the next Annual Shareholders' Meeting, as provided

by article L. 225-129, V, paragraph 3, of the Commercial Code, on the use of any of the powers granted by this resolution.

### Fifteenth resolution

**AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY ISSUING SHARES AND/OR SECURITIES GIVING RIGHT, EITHER IMMEDIATELY OR ON A DEFERRED BASIS TO THE COMPANY'S EQUITY, WITHOUT PRESERVING THE PREEMPTIVE SUBSCRIPTION RIGHTS OF EXISTING SHAREHOLDERS**

After considering the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with article L. 225-129-III of the Commercial Code, including paragraph 3 thereof, as well as article L. 225-148 of the Code, the Shareholders' Meeting:

- 1 – Gives to the Board of Directors all necessary powers to increase the Company's share capital on one or several occasions, in such amounts and timing as it may deem appropriate, in France or abroad, through a public offering, drawn up in euros or in another currency or monetary unit determined by reference to a basket of currencies, with or without consideration, by means of an issuance of shares or other securities, including stand-alone stock warrants, giving right, either immediately or on a deferred basis, at any time or on a fixed date, to new or existing shares following the subscription conversion, exchange, or redemption or upon showing of a warrant or otherwise (bonds with stock warrants, convertible bonds and exchangeable bonds governed by article L. 225-150 *et seq.*, L. 225-161 *et seq.* and L. 225-168 *et seq.* of the Commercial Code respectively are included in these securities). Are excluded from such securities, however, all preferred voting or non-voting stock and investment certificates.
- The shares or securities may be paid up either in cash or by means of a set-off between the subscription price and an ascertainable claim held against the Company or—for all or part of the amount—by capitalizing reserves, income or additional paid-in capital.
- In particular, the securities may be issued in payment for securities tendered to the Company in connection with an *offre publique d'échange* (OPE) or similar transaction carried out in France or abroad pursuant to local law (e.g., reverse merger), involving securities fulfilling the conditions set forth in article L. 225-148 of the Commercial Code.

2 – Decides that the following limits will apply to the aggregate amounts of the issuances that may be decided by the Board of Directors pursuant to this authorization:

- the maximum nominal amount of all capital increases that may be realized either immediately or on a deferred basis pursuant to this authorization may not exceed the aggregate amount of €24 million. Such aggregate maximum nominal amount of €24 million set for capital increases carried out pursuant to this resolution shall be deducted from the aggregate maximum amount of €60 million that applies to all capital increases realized pursuant to this authorization and the authorizations provided in the fourteenth and sixteenth resolutions of this Meeting;
- this limit does not include the par value of any shares to be issued, if any new financial transactions are decided, to protect the rights of holders of securities giving right on a deferred basis to shares of the Company;
- the maximum aggregate nominal amount of debt securities that may be redeemed, exchanged or converted into equity may not exceed an aggregate amount of €1 billion, or, in the case of issuances denominated in foreign currency or in any monetary unit determined by reference to a basket of currencies, the equivalent of this amount as determined on the date of issuance. The nominal amount of the debt securities issued pursuant to the fourteenth resolution of this Meeting shall be deducted from this aggregate amount.

3 – Decides that this authorization is granted for the period specified in article L. 225-129-III of the Commercial Code, i.e., on this date twenty-six months, commencing on the date of this Meeting.

4 – Decides to suppress the shareholders' pre-emptive rights to subscribe to securities issued pursuant to this authorization, provided however that the Board of Directors may decide to grant shareholders, during such period and in such conditions as it may deem appropriate, for all or part of a given issuance, a non-transferable priority subscription right that will be exercisable in proportion to the number of shares held by each shareholder. In addition to this priority subscription right, shareholders may also be given a priority right to subscribe to any securities not taken

up by other shareholders. The securities composing the issuance that are not subscribed by the shareholders will then be placed, by means of a public placement, in France and/or abroad and/or on the international market.

- 5 – Decides that, if all subscriptions received, including those of the shareholders, if applicable, do not cover the full amount of the issuance, the Board may limit the amount of the issuance to the amount of the subscriptions it received, provided however that this amount is at least equal to the amount initially fixed for the issuance.
- 6 – Acknowledges that this authorization requires, as a matter of law, that existing shareholders expressly waive, to the benefit of the holders of the issued securities, their preemptive rights to subscribe to the securities embedded in the issued securities.
- 7 – Decides to suppress the shareholders' preemptive subscription rights attached to the shares issued following a conversion of bonds or the exercise of stand-alone warrants.
- 8 – Decides that, in accordance with article L. 225-136 paragraph 2 of the Commercial Code:
- the issuance price of the shares issued directly pursuant to this authorization shall be at least equal to the average of the opening prices quoted for existing shares on the Premier marché of Euronext Paris over ten consecutive trading days selected among the twenty trading days preceding the opening of the issuance period, as adjusted for any difference that may exist between the dates on which the shares entail a right to dividends;
  - the issuance price of securities (including stand-alone warrants) other than shares shall be determined in such a way that the amount received immediately by the Company plus any amount received at a future date, for each share issued on redemption, conversion, exchange or exercise of the securities, is at least equal to the adjusted average of the share prices, as defined in the sub-paragraph above;
  - the conversion, redemption or transformation by any other means into shares of each convertible, redeemable or otherwise transformable bond shall result, based on the nominal amount of the bond, in such a number of shares as to allow the Company to receive, for each share, an amount that is at least

equal to the adjusted average of the share prices, as defined in the first sub-paragraph of this paragraph 8;

- In the event of any amendment to article L. 225-136 paragraph 2 of the Commercial Code, the above provisions will be considered as superseded by the new applicable law provisions.
- 9 – Decides that the Board of Directors shall have full powers, including the power to subdelegate as provided by law, to implement this authorization and, in particular to:
- determine the category of securities to be issued;
  - decide the amount of each issuance, the issuance price and as the case may be, the issuance premium;
  - set the dates and terms of each issuance, as well as the type and characteristics of the securities. In addition, in the case of bonds or other debt securities, the Board may decide to issue senior debt or subordinated debt (in which case the Board shall determine their ranking for repayment purposes in accordance with article L. 228-97 of the Commercial Code), set the interest rate (which may be fixed or floating or indexed to a benchmark rate or take the form of a zero coupon), the maturity (dated or undated) and the other conditions of the issuance (including whether the issuance is secured or unsecured) and redemption (including whether they shall be redeemed against assets of the Company). The Board may also decide to attach warrants to the debt securities, conferring rights to acquire or subscribe to bonds or other debt securities or take the form of complex bonds, as defined by the securities regulator (for example, due to their redemption or interest terms or other rights, such as indexation clauses, or the existence of embedded options). Lastly, throughout the entire life of the securities, the Board may modify the terms and conditions referred to above, provided that the applicable formalities are carried out;
  - decide on the method by which the shares or the other securities will be issued either immediately or on a deferred basis;
  - determine, if necessary, the conditions of exercise of any rights attached to the shares or securities to be issued, including the date, which may be retroactive, on which the new shares will carry a right to a dividend, the terms of exercise of any conversion,

exchange or redemption rights, including by means of an exchange for assets such as shares or other securities already issued by the Company, as well as any and all other terms and conditions of the issuance;

- determine the terms pursuant to which the Company may, as the case may be, buy back or exchange the shares and other securities already issued or to be issued immediately or on a deferred basis on the market, at any time or during fixed periods, in order to cancel them or for other purposes, taking into account any applicable law provisions;
- provide for a possible suspension of the right to exercise any rights attached to the securities, for a maximum period of three months;
- more particularly, in the case of an issuance of securities in payment of securities of another company tendered under an *offre publique d'échange* (OPE), draw up the list of securities tendered to the offer, fix the terms and conditions of issuance, the exchange ratio, as well as, if applicable, the amount of any cash payment, and determine the terms of issuance in connection with a stock-for-stock offer, an alternative cash or stock offer, a combined cash and stock offer, a cash offer with a stock alternative, a stock offer with a cash alternative or any other form of offer made in accordance with the applicable laws and regulations;
- on its sole initiative, charge the costs related to the share issuance on the amount of the related premium and deduct from this premium the amount necessary to increase the legal reserve to one-tenth of the new share capital following each capital increase;
- make all necessary adjustments in accordance with the applicable legal, regulatory or contractual provisions, in order to take into account the effect of any transactions affecting the Company's share capital, including any change in the par value of the shares, any capital increase paid up by capitalizing reserves, any bonus share issuance, any stock-split or reverse stock-split, any distribution of reserves or of any other assets, any redemption of the share capital, or any other transaction affecting the shareholders' equity, and to determine the method by which the rights of the holders of securities carrying future rights to the Company's equity will be protected, if necessary;

- record the realization of each capital increase and make the correlative amendments to the bylaws;
- and more generally, enter into any and all underwriting and other agreements, take any and all measures and carry out any and all formalities in connection with the issuance, the quotation and the servicing of the securities issued pursuant to this authorization, as well as the exercise of the rights attached to such securities.

10 – Acknowledges that this authorization supersedes from this date the unused portion of any earlier authorization to issue shares and other securities giving right, either immediately or on a deferred basis to the Company's equity, without preserving the preemptive subscription rights of existing shareholders.

11 – Acknowledges that, if the Board of Directors uses the authorization granted by this resolution, it shall report to the next Annual Shareholders' Meeting, as provided by article L. 225-129, V, paragraph 3, of the Commercial Code, on the use of any of the powers granted by this resolution.

### Sixteenth resolution

#### **AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO ISSUE SHARES TO BE PAID UP BY CAPITALIZING ADDITIONAL PAID-IN CAPITAL, RESERVES, INCOME OR OTHER CAPITALIZABLE AMOUNTS**

The Shareholders' Meeting, voting in accordance with the quorum and majority voting rules applicable to ordinary meetings, having considered the report of the Board of Directors, and in accordance with article L. 225-129-II of the Commercial Code:

- 1 – Gives to the Board of Directors all necessary powers to increase the Company's share capital, on one or several occasions, in an amount and according to such timing as it may deem appropriate, by capitalizing additional paid-in capital, reserves, income or other amounts that may be capitalized as authorized by law and the Company's bylaws, through an issuance of bonus shares and/or by means of an increase of the existing shares' par value.

The maximum aggregate nominal amount of the capital increases that may be realized pursuant to this authorization is €60 million. The maximum aggregate nominal amount of all capital increases that may be realized pursuant to this authorization and the authorizations provided by the fourteenth and fifteenth resolutions of this Meeting is also €60 million.

2 – Decides that the Board of Directors shall have full powers, including the power to subdelegate as provided by law, to implement this authorization and, in particular to:

- decide the amount and nature of the sums to be capitalized, to determine the number of new shares to be issued and/or the amount by which the par value of existing shares is to be increased, to set the date, which may be retroactive, from which the new shares will carry dividend rights or the effective date of the increase of the existing shares' par value;
- in case of a bonus share issuance, to decide:
  - that, as an exception to the provisions of article L. 225-149 of the Commercial Code, rights to fractions of shares will be non-transferable and that the corresponding shares will be sold, the proceeds from such sale shall be allocated among the holders of the rights no later than thirty days after the date on which the whole number of shares is recorded in their account;
  - all necessary adjustments in accordance with applicable law and regulatory provisions;
  - to record the realization of each capital increase and make the correlative amendments to the bylaws;
  - and, more generally, enter into any and all agreements, take any and all measures and carry out any and all formalities related to the issuance, the quotation and the servicing of the shares issued pursuant to this authorization and the exercise of the rights attached thereto.

3 – Decides that this authorization supersedes from this date the unused portion of any earlier authorization given to the Board of Directors to increase the capital by capitalizing additional paid-in capital, reserves, income and other capitalizable amounts. It is given for a period of twenty-six months from the date of this Meeting.

### Seventeenth resolution

**(AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO CARRY OUT AN EMPLOYEE SHARE ISSUANCE WITH AN EXPRESS WAIVER BY THE COMPANY'S SHAREHOLDERS' OF THEIR PRE-EMPTIVE SUBSCRIPTION RIGHTS TO THE BENEFIT OF SUCH EMPLOYEES)**

After considering the report of the Board of Directors and the Statutory Auditors' special report, and in accordance

with articles L. 225-129-VII and L. 225-138 of the Commercial Code and articles L. 443-1 *et seq.* of the Labor Code, the Shareholders' Meeting:

- 1 – Gives to the Board of Directors all necessary powers to increase the Company's share capital, on one or several occasions, by a maximum aggregate nominal amount of €2 million, by issuing shares the subscription of which shall be reserved to employees, employees on early retirement and retired employees of the Company and French and foreign companies that are related to the Company within the meaning provided by law, as soon as these individuals are members of a savings plan of the Company or of the Group as set up by one of the companies of the Group.
- 2 – Indicates that this authorization shall be valid for a period of five years commencing on the date of this Meeting.
- 3 – Decides that the issuance price of the new shares may not be more than the average of the opening prices quoted for Havas shares on the Premier marché of Euronext Paris over the twenty trading days that precede the date of the decision fixing the opening date of the subscription period, or less than 80% of this average, for members of a company savings plan, or less than 70% of this average when the minimum share holding period, as determined in accordance with article L. 443-6 of the Labor Code, is at least ten years.
- 4 – Authorizes the Board of Directors to use the authorization granted to it pursuant to the twelfth resolution of this Meeting to award bonus shares to employees, employees on early retirement and retired employees of the Company, in addition to the shares to be paid up in cash. In this case, the total benefit represented by the bonus shares and by the difference between the subscription price and the average share price referred to above may not exceed the benefit that members of the savings plan would have received if the shares had been offered at a 20% discount for members of a company savings plan or at a 30% discount when such members have held the shares for a minimum holding period of at least ten years, as determined in accordance with article L. 443-6 of the Labor Code.
- 5 – Decides to cancel to the benefit of the Company's employees the shareholders' preemptive subscription rights attached to the shares that shall be issued

pursuant to this authorization, together with the right to any bonus shares issued pursuant to this authorization.

6 – Decides that the Board of Directors shall have full powers, including the power to subdelegate as provided by law, to implement this authorization in the conditions and within the limitations set forth above, and in particular to:

- determine, in the conditions set forth by law, the list of companies whose employees, employees on early retirement and retired employees shall be eligible to subscribe for the shares issued pursuant to this resolution and benefit from any bonus shares, if applicable;
- decide that the subscription to such shares may be made directly or through a collective investment fund;
- determine the conditions of seniority and other conditions to be fulfilled by employees, employees on early retirement and retired employees to be entitled to subscribe for such shares;
- determine the opening and closing dates of the subscription period;
- decide the amounts of the issuances to be carried out pursuant to this authorization and determine in particular the issuance price, the issuance dates, the subscription period, the terms and conditions for the subscription, payment and delivery of the shares and the date on which the shares will carry dividend rights, which may be retroactive, all within the limits prescribed by the applicable laws and regulations;
- in the case of a bonus share issuance, determine the number of shares to be issued, the number of shares to be allotted to each recipient, and set the dates, subscription periods and conditions of the allotment of such shares, all within the limits prescribed by the applicable laws and regulations, and decide, in particular, to either replace all or part of the discount referred to above by an allotment of such bonus shares, and/or set off the value of these bonus shares against the total matching payment to be made by the Company;
- record the realization of all capital increases resulting from such issuances in an amount equal to the shares subscribed hereunder and make the correlative amendments to the bylaws;

- charge the costs related to the share issuances, as the case may be, on the amount of the related premiums and deduct from these premiums the amount necessary to increase the legal reserve to one-tenth of the new share capital following each capital increase;
- and, more generally, enter into any and all agreements to successfully carry out such planned issuances, take any and all measures necessary and carry out any and all formalities related to the issuance, the quotation and the servicing of the shares issued pursuant to this authorization and the exercise of the rights attached thereto.

7 – Decides that this authorization supersedes from this date the unused portion of any earlier authorization given to the Board of Directors to increase the capital by issuing shares reserved to members of a corporate savings plan, with express waiver by existing shareholders of their pre-emptive subscription rights attached to such shares for the benefit of such members.

### **Eighteenth resolution**

#### **(AMENDMENT OF ARTICLE 11 OF THE BYLAWS – TRANSFER OF SHARES)**

The Shareholders' Meeting decides to modify article 11 of the bylaws to reflect the provisions of articles L. 233-7 *et seq.* of the Commercial Code and consequently amend the text of this article to read as follows:

#### **Article 11: Transfer of shares**

"Shares are transferred by means of a transfer order from one shareholder's account to another.

In accordance with articles L. 233-7 *et seq.* of the Commercial Code, any individual or legal entity, acting alone or in concert with other parties, who increases or reduces his, her or its interest to above or below one of the disclosure thresholds provided for in these articles, is required to disclose to the Company the total number of shares and the total number of voting rights held in the Company, within five trading days after the disclosure threshold is crossed. The same disclosure formalities must be carried out with the *Autorité des Marchés Financiers* in accordance with the said Articles.

In the event of a failure to comply with this disclosure requirement, the shareholder will be deprived of the voting rights attached to the shares held in excess of said threshold, under the conditions and within the limitations set forth in the Commercial Code.

In addition, any individual or legal entity that holds or acquires, directly or indirectly through any companies that it controls within the meaning of article L. 233-3 of the Commercial Code, at least 2% of the capital or voting rights, is required to disclose to the Company, by registered mail with return receipt requested sent to the Company's head office, the total number of shares and voting rights held, within five trading days of the date on which the disclosure threshold is crossed.

The same disclosure formalities must be carried out when each disclosure threshold representing a multiple of 2% of the capital or voting rights is crossed in either direction.

In the event of a failure to comply with either of the disclosure requirements stipulated above, the shareholder will be deprived of the voting rights attached to the shares held in excess of said threshold if one or several shareholders owning at least 2% of the Company's issued share capital, so requests and under the conditions and within the limitations set forth in the Commercial Code.

The Company may, at any time, request from the share clearing organization, in accordance with article L. 228-2 of the Commercial Code, information about the identity of holders of shares and securities carrying future rights to vote at the Company's Shareholders' Meetings, as well as the number of securities held by each such holder and details on any restrictions that may apply to such securities, if any."

### **Nineteenth resolution**

#### **(AMENDMENT OF ARTICLE 15 OF THE BYLAWS – BOARD OF DIRECTORS)**

The Shareholders' Meeting decides to modify the first paragraph of article 15 of the bylaws to reflect the new law, and consequently amend this paragraph to read as follows:

#### **Article 15: Board of Directors**

"The Company is administered by a Board of Directors, which shall be composed of at least three but less than eighteen members, subject to the exceptions provided for by law."

### **Twentieth resolution**

#### **(AMENDMENT OF ARTICLE 17 OF THE BYLAWS – POWERS OF THE BOARD OF DIRECTORS)**

The Shareholders' Meeting decides to modify the third paragraph of article 17 of the bylaws to reflect the new law provisions and consequently amend this paragraph to read as follows:

### **Article 17: Powers of the Board of Directors**

3<sup>rd</sup> paragraph:

"The Board of Directors performs all controls and verifications it deems necessary. The Chairman or the Chief Executive Officer of the Company is required to give to each Director all the documents and information necessary to allow the Director to fulfill his or her duties."

### **Twenty-first resolution**

#### **(AMENDMENT OF ARTICLE 19 OF THE BYLAWS – CHAIRMAN AND CHIEF EXECUTIVE OFFICER)**

The Shareholders' Meeting decides to modify the second paragraph of article 19 of the bylaws to reflect the new law provisions and consequently amend this paragraph to read as follows:

#### **Article 19: Chairman and Chief Executive Officer**

2<sup>nd</sup> paragraph:

"The Chairman of the Board of Directors shall organize and supervise the work of the Board and shall report thereon to the Shareholders' Meeting. He or she is responsible for ensuring that the corporate bodies of the Company operate effectively and that the Directors are in a position to fulfill their duties."

### **Twenty-second resolution**

#### **(AMENDMENT OF ARTICLE 20 OF THE BYLAWS – STATUTORY AUDITORS)**

The Shareholders' Meeting decides to modify the third and sixth paragraphs of article 20 of the bylaws to reflect the new law provisions and consequently amend these paragraphs to read as follows:

#### **Article 20: Statutory Auditors**

3<sup>rd</sup> paragraph:

"The Statutory Auditors may be re-appointed in the conditions set forth in applicable laws and regulations."

6<sup>th</sup> paragraph:

"The Statutory Auditors are invited to attend the meetings of the Board of Directors during which the annual and the interim financial statements of the Company and the Group for the prior fiscal year are made up and all Shareholders' Meetings. They may also be invited to attend any other meetings of the Board of Directors. Invitations are sent by registered letter with return receipt requested.

The Statutory Auditors' fees are determined based on the applicable regulations."

### Twenty-third resolution

#### (AMENDMENT OF ARTICLE 21 OF THE BYLAWS – REGULATED AGREEMENTS)

The Shareholders' Meeting decides to modify the first paragraph of article 21 of the bylaws to reflect the new law provisions and consequently amend this paragraph to read as follows:

#### **Article 21: Regulated agreements**

“As provided in article L. 225-38 of the Commercial Code any and all agreements entered into directly or through a third party between the Company and its Chief Executive Officer, one of its Chief Operating Officers, one of its Directors, or any of its shareholders owning more than 10% of the voting rights or, in the case of corporate shareholders, the company that controls such shareholder, within the meaning of article L. 233-3 of the Commercial Code, shall be, prior to its execution, authorized by the Board of Directors.”

### Twenty-fourth resolution

#### (AMENDMENT OF ARTICLE 38 OF THE BY-LAWS – DISPUTES)

Following the relocation of the Company's registered office, the Shareholders' Meeting decides to amend the first paragraph of article 38 of the bylaws as follows:

#### **Article 38**

“In connection with any disputes, any shareholder shall, for purposes of service of process, elect domicile at the Company's registered office and any and all notifications and summonses will be validly delivered to said domicile, regardless of the shareholder's actual domicile.”

### Twenty-fifth resolution

#### (POWERS TO CARRY OUT FORMALITIES)

The Shareholders' Meeting gives full powers to the bearer of an extract or copy of the minutes of the Meeting to carry out any and all formalities required by law.

## Five-year financial summary

	1999	2000	2001	2002	2003
<b>1 – Capital at year-end</b>					
Share capital (in € thousands)	60,756	106,599	121,728	122,088	122,479
Total number of shares	7,594,478	266,496,567	304,320,312	305,219,028	306,196,659
Maximum future shares to be issued on					
• Exercise of subscription rights	696,182	24,884,323	24,629,677	28,631,259	27,814,987
• Conversion of bonds	980,451	42,097,312	41,897,512	84,064,086	70,426,308
<b>2 – Results of operations (in € thousands)</b>					
Net revenues	14,921	22,276	20,286	17,275	16,061
Income (loss) before tax, depreciation, amortization, provisions and employee profit-sharing	92,282	39,515	67,992	(1,063,602)	(80,086)
Corporate income tax	(9,589)	(12,575)	(2,805)	(6,707)	(5,909)
Net income (loss)	100,153	46,809	(1,282,541)	58,191	(633,957)
Total dividends	21,883	44,491	50,760	26,741	14,929
<b>3 – Per share data (in €)<sup>(1)</sup></b>					
Income (loss) after tax, before depreciation, amortization, provisions and employee profit-sharing	0.67	0.20	0.23	(3.46)	(0.24)
Earnings (loss) per share	0.66	0.18	(4.21)	0.19	(2.07)
Dividend per share	0.15	0.17	0.17	0.09	0.05
<b>4 – Employee data</b>					
Number of employees	96	108	128	127	117
Total payroll (in € thousands)	10,065	12,514	12,030	10,974	11,227
Total benefits (in € thousands)	3,842	4,673	4,689	4,494	4,581

(1) After 20-for-1 stock-split.

## Request for documents and information

### Annual and Extraordinary Shareholders' Meeting, **Wednesday May 26, 2004\*** Request for the documents and information provided for in articles 133, 135 and 138 of decree no. 67-236 of March 23, 1967

Last name (Mr./Mrs./Ms.) or Company name<sup>(1)</sup> .....

First name .....

Full address .....

No..... Street .....

Zip code ..... City .....

Number of Havas shares held ..... registered shares .....

..... bearer shares<sup>(2)</sup> .....

Please send me, to the above address, the documents or information provided for in articles 133, 135 and 138 of decree no. 67-236 of March 23, 1967, for the Annual and Extraordinary Shareholders' Meeting of **Wednesday, May 26, 2004\*** with the exception of the documents attached to the form of proxy/postal voting form.

Signed in ..... on .....

Signature:

In accordance with article 138, paragraph 3, of decree no. 67-236 of March 23, 1967, holders of registered shares may submit a single request to the Company to receive the above documents and information for all future Shareholders' Meetings.

\* In accordance with the provisions of the law, the Shareholders' Meeting will be called for the first time on Tuesday, May 18, 2004 at 11:00 a.m. at the Company's headquarters, 2, allée de Longchamp, Suresnes (92150). If, as is probable, there is not a quorum on first call, the meeting will be called a second time on Wednesday, May 26, 2004 at 9:30 a.m. at the Company's headquarters, 2, allée de Longchamp, Suresnes (92150).

(1) For corporate shareholders, give the exact name of the company.

(2) Attach the "certificat d'immobilisation" issued by the bank or broker that manages your share account, stating that a block has been placed on the shares up to the date of the Meeting.







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<http://www.havas.com>  
A French Societe anonyme with a share capital of EUR 122,478,663.60  
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