



Suresnes, April 29<sup>th</sup> 2004, 7h30

*Press release*

## **HAVAS REVERSES THE TREND IN THE 1<sup>st</sup> QUARTER 2004**

- **Return to positive organic growth of + 0.7% in the 1<sup>st</sup> quarter 2004, posting a sequential improvement of 4.5 points (Q4 2003 -3.8%).**
- **80% of the disposal and closure program has been or is close to being completed.**

### **1) Positive organic growth in 1<sup>st</sup> quarter 2004**

#### **➤ Figures**

Havas today announced positive organic growth of + 0.7% in its revenue for 1<sup>st</sup> quarter 2004, reversing the 4<sup>th</sup> quarter negative trend of – 3.8%. Excluding companies for sale, the organic growth is + 1.6%.

This start to the year confirms that the Group has re-established a firm base for 2004.

Estimated billings and revenue for the 1<sup>st</sup> quarter 2004 total €2.4 billion, and €357 million respectively.

## ➤ Analysis

Features of this organic growth are:

- Positive growth among the 20 leading clients: they now represent 30% of the Group's revenues, and have increased by nearly 5% in 1<sup>st</sup> quarter 2004 compared to 1<sup>st</sup> quarter 2003.
- An excellent performance in France, up by nearly 8%, with growth more than doubled compared to 4<sup>th</sup> quarter 2003.
- Positive growth in the rest of Europe (except the UK) (+ 5%), Asia Pacific (+ 6.8%) and Latin America (+ 7.6%).
- Improvement in the trend in North America and the UK, although organic growth remains negative.
- A strong upturn in the Group's Marketing Services activities around the world.

## 2) Net New Business

Net New Business<sup>1</sup> won in 1<sup>st</sup> quarter 2004 amounted to €438 million. Excluding Centrino (an exceptional product launch budget for Intel in 1<sup>st</sup> quarter 2003), Net New Business was up 12.1% compared to 1<sup>st</sup> quarter 2003.

The Group recorded some major wins in 1<sup>st</sup> quarter 2004, foremost among which was the global Danone Waters account won by Euro RSCG. In the USA, Arnold Worldwide Partners re-won the Fidelity account, and also won brands such as Tyson Foods, Houlihan's Restaurant, Bob Stores, and, more recently, Timberland.

MPG won Air France's global media buying account (a re-win), and Diageo in Spain, as well as Volkswagen by a Spanish subsidiary of MPG.

The main account loss was Red Lobster in the USA for Euro RSCG.

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<sup>1</sup> Net New Business reflects estimated annual advertising budgets won minus estimated annual advertising budgets lost.

### 3) Networks

- **Euro RSCG Worldwide:** Effective cross-fertilization between advertising and the marketing services companies which were recently attached to the division fully demonstrates the pertinence of the strategic reorganization.
- **MPG:** Significant growth, confirmed by the latest RECMA<sup>2</sup> rankings, positions Havas as the Communications Group with the most dynamic evolution of its media activities, behind Aegis and in front of all its competitors.
- **Arnold Worldwide Partners:** The new positioning has begun to bear fruit. This division exceeded its 1<sup>st</sup> quarter 2004 forecast, thanks to substantial new business.

### 4) Creativity

Since January 2004, the Group has won a considerable number of awards, reflecting the constant drive to invest in outstanding creative ideas and the efficiency of its campaigns.

Prominent award winners were Arnold Worldwide Partners in Boston, BETC Euro RSCG in Paris, and Euro RSCG Flagship in Bangkok.

### 5) **80% of the disposal and closure program has been or is close to being completed.**

As part of the divestment program announced on September 18<sup>th</sup> 2003, Havas has already sold six companies, as well as 75% of the WCRS agency in the UK, through a management buyout. Letters of intent have been signed, or are in the final stages of negotiation, for four additional companies, and should soon culminate in a sale.

These companies, together with those already closed, represent approximately 80% of the total disposal and closure program.

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<sup>2</sup> Recma rankings published on 19/04/04 – Billings and Rankings 2003 and Q1 2004

## 6) Prospects

Commenting on these figures, Alain de Pouzilhac, Chairman and CEO of Havas, stated: *“I am happy for our shareholders, employees and all those who have put their faith in us, that Havas has reversed the trend in first quarter 2004 and returned to positive organic growth.*

*To relaunch the Group in 2004 we have worked hard, redefined a strategy, completed the necessary restructuring within the time frame we set for ourselves and hired new talent. This positive result is the natural consequence of all this. That is satisfying in a global environment with recovery in advertising spending still very uncertain, although there is an undeniable improvement in the USA and Asia-Pacific.*

*In this context we continue to focus on our ambition as a “challenger”: achieving the double objective of positive organic growth and a strong improvement in our profitability.”*

### **About Havas**

Havas (Euronext Paris: HAV.PA; Nasdaq: HAVS) is a global advertising and communications services group. Headquartered in Paris, Havas has three principal operating divisions: Euro RSCG Worldwide which is headquartered in New York, Arnold Worldwide Partners in Boston, and Media Planning Group in Barcelona. A multicultural and decentralized Group, Havas is present in 75 countries through its networks of agencies located in 47 countries and contractual affiliations with agencies in 28 additional countries. The Group offers a broad range of communications services, including traditional advertising, direct marketing, media planning and buying, corporate communications, sales promotion, design, human resources, sports marketing, multimedia interactive communications and public relations. Havas employs approximately 16,000 people.

Further information about Havas is available on the company’s website: [www.havas.com](http://www.havas.com)

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### **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.

## APPENDIX 1: PERFORMANCE ANALYSIS

### Q1 ANALYSIS

#### Q1 2004 / Q1 2003 Breakdown by geography

	Revenue Q1'04 (€ millions)	Organic growth Q1-04 vs Q1-03
France	68	+7.9%
Europe (without France et GB)	58	+5.0%
UK	58	-4.6%
North America	146	-3.4%
APAC	15	+6.8%
Latin America	12	+7.6%
TOTAL	357	+0.7%

## APPENDIX 2: Q1 2004 ORGANIC GROWTH

	<u>€ Millions</u>	
1. Revenue Q1 2004	402	
2. Foreign exchange impact	(27)	
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3. Q1 2003 at Q1 2004 exchange rates	375	
4. Impact of disposed or closed companies	(24)	
5. Impact of acquisitions	<u>3</u>	
6. Q1 2003 at Q1 2004 exchange rates and scope	354	
7. Revenue Q1 2004	357	
8. Organic growth	+0,7%	-5%

-11%

## **APPENDIX 3: DETAIL OF Q1 NET NEW BUSINESS**

### **Major wins**

#### **Advertising :**

- Worldwide : Danone Water activities
- North America : Fidelity, Tyson Foods, Relpax, SanDisk, Tourisme Toronto, Houlihan's Restaurant, Bob Stores, Inamed, Pfizer Menostar, Pfizer Corporate
- Europe : Peroni (Italy), Holisten (Germany), INPES (France)
- Asia : Telkom (Indonesia)

#### **Marketing Services :**

- North America : DTVN, Harrah's Casino, Intelstat, Lifescan, Outdoor Vision, Polaroid, Travelocity, University of California
- Europe : Roche, Royal Mail (UK), Banco Bilbao (Spain)

#### **Media :**

- North America : Fidelity, Tyson Foods, SanDisk
- Europe : Volkswagen, Diageo, Daewoo (Spain), Air France, Areva (France),

### **Major loss**

- North America : Red Lobster, Welch Foods

## **APPENDIX 4: 2004 DIARY OF FINANCIAL ANNOUNCEMENTS**

- Annual General Meeting : Wednesday, May 26<sup>th</sup> 2004
- 2<sup>nd</sup> Quarter 2004 Revenue : Tuesday, August 3<sup>rd</sup> 2004
- 2004 Interim Results : Thursday, September 16<sup>th</sup> 2004
- 3<sup>rd</sup> Quarter 2004 Revenue: Thursday, November 4<sup>th</sup> 2004
- 4<sup>th</sup> Quarter 2004 Revenue: Thursday, February 10<sup>th</sup> 2005

## APPENDIX 5: MAJOR AWARDS WON SINCE JANUARY 2004

### International

#### MOBIUS (Feb 6, 2004)

Best of Show TV + 2 Winner TV	Arnold Boston	VW and Am Legacy	AWP
+ 1 Winner Outdoor	Arnold Boston	VW	AWP
+ 2 Winner Integrated	Arnold Boston	VW	AWP
1 Winner TV	BETC ER	Evian	ERW
+ 2 Winner Print	BETC ER	INPES/Air France	ERW
1 Winner Print	ER Düsseldorf		ERW

#### ANDY (April 21, 2004)

##### Several awards for Arnold Boston

**AWP**

The Richard T O'Reilly Award Truth/American Legacy  
(award for the best campaign in Public Service)

1 Silver Integrated Media	Truth/American Legacy
1 Silver Direct Response	VW
3 Bronze TV	Truth/American Legacy
3 Bronze Magazine	Truth/ American Legacy et VW
1 Bronze Out of Home	VW

#### NY ADC (April 7, 2004)

1 Gold	BETC ER	Evian 'Water boy'	ERW
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### Regional

**The Thai agency has been the star of 2 regional festivals, winning, in both cases, the 'best of show' as well as several Golds, Silvers and Bronzes for its Soken DVD campaign.**

#### ADFEST (March 19, 2004)

Best of the Best/ TV +			
+ 3 Gold TV + 2 Silver TV	ER Flagship, Thailand		ERW

#### ASIAN AD (March 25, 2004)

Best of the Best/ TV			
+ 2 Gold TV + 3 Silver TV	ER Flagship, Thailand		ERW

## FIAP (April 23, 2004) – Latin America

2 Silver + 1 Bronze TV	Craverolanis ER, Argentina	ERW
1 Gold + 3 Bronze Print	Craverolanis ER, Argentina	ERW
1 Silver Innovation in Media	Craverolanis ER, Argentina	ERW

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## Local

### US EFFIES (Feb 7, 2004)

#### The Effies award the efficiency of campaigns

2 Winner	Arnold Boston	VW and National Colorectal Cancer Reserach	AWP
2 Winner	McKinney & Silver	Audi/First Citizens Bank	AWP
1 Winner	Arnold New York	Hasbro Games	AWP
2 Winner	ER Black Rocket	Yahoo!	ERW

### BRITISH TV (March 10, 2004) - UK

1 Gold + 3 Silver + 1 Bronze	WCRS	118-118 campaign	AWP
1 Bronze	ER London	British Heart Foundation	ERW

### Club des D.A. (April 1, 2004) - France

1er Prix Ex-aequo TV	Devarrieuxvillaret	Eram	AWP
1er Prix Cinéma	Devarrieux Villaret	Eram	
1er Prix Edition/Mailing	Devil Studio		
1er Prix Affiches	BETC ER	INPES	ERW
3 <sup>e</sup> Prix TV	BETC ER	Française des Jeux	
2e Prix Affichettes/PLV	ER C&O	Airbus	ERW

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## Other awards in 2003

**ER Interaction:** Nr 1 Global Interactive agency of the Year for the third year (AdWeek – January 2004)

**BETC ER:** Creative agency of the year (CB News – December 2003)

**Arnold Boston:** Ranked Number 2 most creative agency in the US (Winners List / Creativity 2003)  
Ranked 4<sup>th</sup> worldwide (Gunn Report 2003)

**WCRS:** Campaign of the year in UK for '118-118' (Campaign - Dec. 2003)  
(Arnold UK)