



# **Analyst Presentation**

**3rd March 2005**

# Introductory Matters

## Forward-Looking Information

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

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

Note 2: Net new business represents the estimated annual advertising budgets (or revenue depending on the circumstances) for new business wins (which includes new clients, clients retained after a competitive review, and new product or brand expansions for existing clients) less the estimated annual advertising budgets (or revenue depending on the circumstances) for lost accounts. Havas' management uses net new business as a measurement of the effectiveness of its client development and retention efforts. Net new business is not an accurate predictor of future revenues, since what constitutes new business or lost business is subject to differing judgments, the amounts associated with individual business wins and losses depend on estimated client budgets (or revenue depending on the circumstances) , clients may not spend as much as they budget, the timing of budgeted expenditures is uncertain, and the amount of budgeted expenditures that translate into revenues depends on the nature of the expenditures and the applicable fee structures. In addition, Havas' guidelines for determining the amount of new business wins and lost business may differ from those employed by other companies.

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**In 2004 Havas re-establishes a great  
performance at all levels**

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## In 2004 Havas re-establishes a great performance at all levels

- Organic growth accelerated significantly: **+2%** for full year, including +4.6% for fourth quarter
- Operating income of **€197 million**, showing strong growth of **+45%**
- Full-year operating margin rebounds to **13.2%** compared to 8.3% in 2003, an increase of + 490 basis points
- Operating margin of **14.2%** for the second half 2004, compared to 8.4% for second half 2003
- Net income before goodwill (Group share) of € 92 million, compared with a loss of € 179 million in 2003
- Diluted earnings per share before goodwill of **27 cents**, against a loss of 56 cents in 2003

## In 2004 Havas re-establishes a great performance at all levels


- Balance sheet significantly strengthened by success of the € 404 million capital increase in October 2004
- Free cash flow<sup>[1]</sup> before capital increase highly positive at **€ 103 million**
- Net debt divided almost by 3, down from € 642 million to **€ 226 million**
- Proposed dividend per share up **+40%**
- New business up **+59%** in terms of annual net revenue (at constant exchange rates)
- The Group is one of the leaders in creativity worldwide

<sup>[1]</sup> Free cash flow = Net cash from from operating activities - net cash used in operations - dividends paid and before buy-backs of 2006 Oceanes

**2**

**The reasons behind this performance**

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- This good performance results from the success of our strategic reorganization and the restructuring decided and implemented in third quarter of 2003.

**3**

**This is only the first step of Havas' recovery**

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## This is only the first step of Havas' recovery

- This good performance provides Havas with very positive prospects for the future.
- We want to continue to develop this positive trend in 2005 – 2007.
- We are confident and ambitious regarding the feasibility of our development as we think that the business model developed end 2003 for 2004 – 2007 is unique, competitive and sustainable.

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**2004 Results**

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## 2004 P&L

€million	2004	2003
<b>Revenue</b>	<b>1 494</b>	<b>1 645</b>
<b>Operating income</b>	<b>197</b>	<b>136</b>
% operating margin	13.2%	8.3%
Financial income (expense)	1	(45)
Exceptional item	(62)	(226)
Tax	(36)	(38)
Tax rate	26%	ns
Net income before goodwill	101	(173)
<b>Net income before goodwill, group share</b>	<b>92</b>	<b>(179)</b>
Goodwill amortization	(58)	(216)
<b>Net income, group share</b>	<b>34</b>	<b>(396)</b>

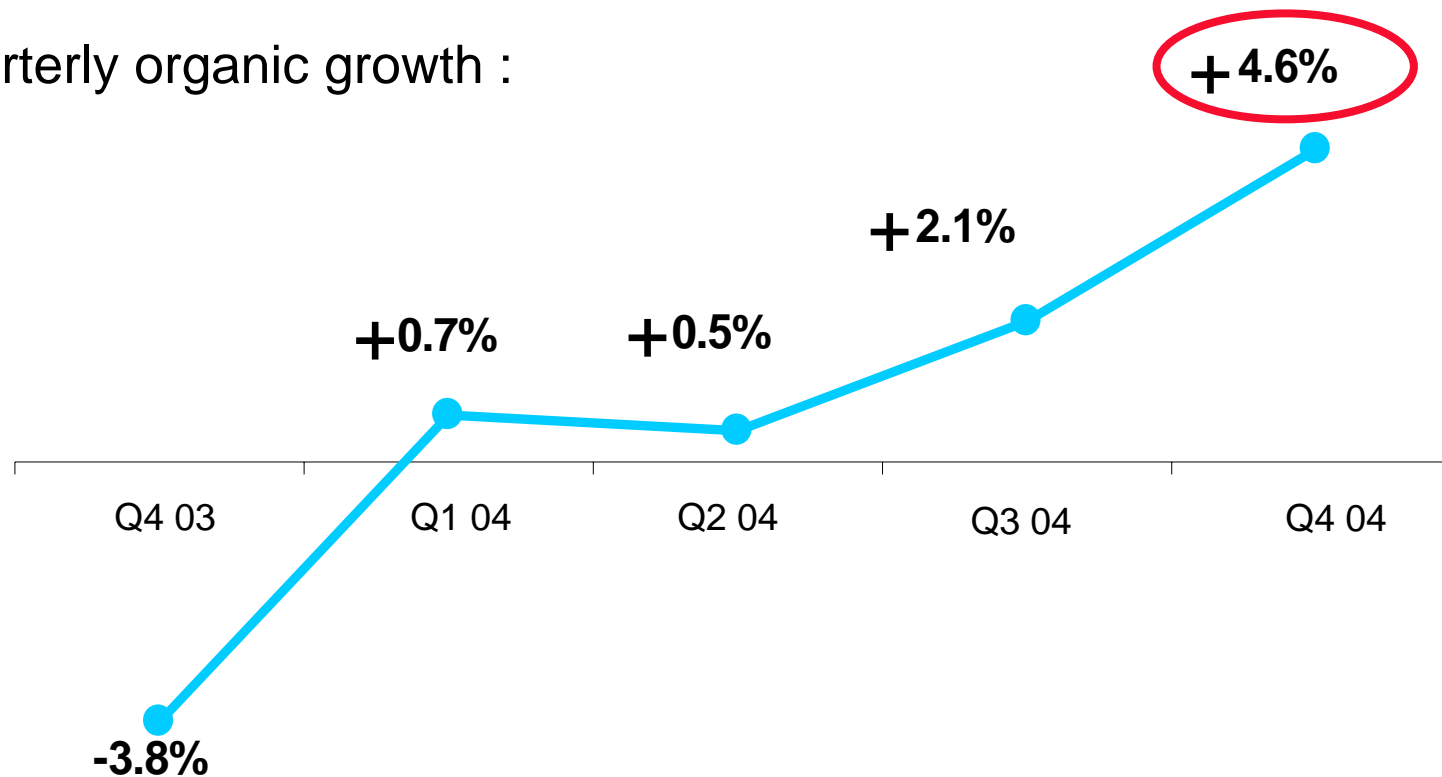
## Operating performance over and above objectives

	2004	2003	Change
Organic growth	+2.0%	-5.7%	+7.7 pts
Operating margin	13.2%	8.3%	+490 basis pts
Operating Income	197	136	+45%

# Organic growth accelerates

2004 organic growth \* : + 2.0 %

Quarterly organic growth :



## Havas compared to its peer group

Published 2004 organic growth

	2004	Q4 2004
Omnicom	+6.7%	+6.4 %
WPP	+4.0%	+5.7%
Publicis	+4.0%	+2.4%
<b>Havas</b>	<b>+2.0%</b>	<b>+4.6%</b>
Interpublic*	+0.5%	+1.8%

\* : 9 months / 3rd quarter

## 4th quarter recovery in the US and the UK

	2004 € million	% Full year Organic growth	% Q4 04 Organic growth
<b>TOTAL</b>	1 494	+ 2.0 %	+ 4.6%
France	296	+ 6.6 %	+ 6.4%
Europe (exclud FR & UK)*	264	+ 4.1 %	+ 1.0%
United Kingdom	221	- 0.4 %	+2.4%
North America	585	- 1,9 %	+3.4%
Asia-Pacific*	65	+ 7.3 %	+ 10.4%
Latin America	63	+ 11.6 %	+ 11.1%

\* Because revenue from the Middle East and Africa represent less than 1% of total revenue, the geographic breakdown of revenue currently includes, and historically has included, revenue from the Western part of the Middle East and Africa in Europe, and revenue from the Eastern part of the Middle East in Asia-Pacific.

## Operating income up 45%

€million	2004	2003	
Revenue	1 494	1 645	-9.2% (1)
Total operating expenses	(1 297)	(1 509)	-14.1%
<b>Operating income</b>	<b>197</b>	<b>136</b>	<b>+ 45%</b>
<b>Operating margin</b>	<b>13.2%</b>	<b>8.3%</b>	<b>+490 basis pts</b>

(1): of which

- currency impact of - 4% (dollar - 10% & sterling + 2 % in 2004 vs. 2003)
- impact of companies sold of - 8%

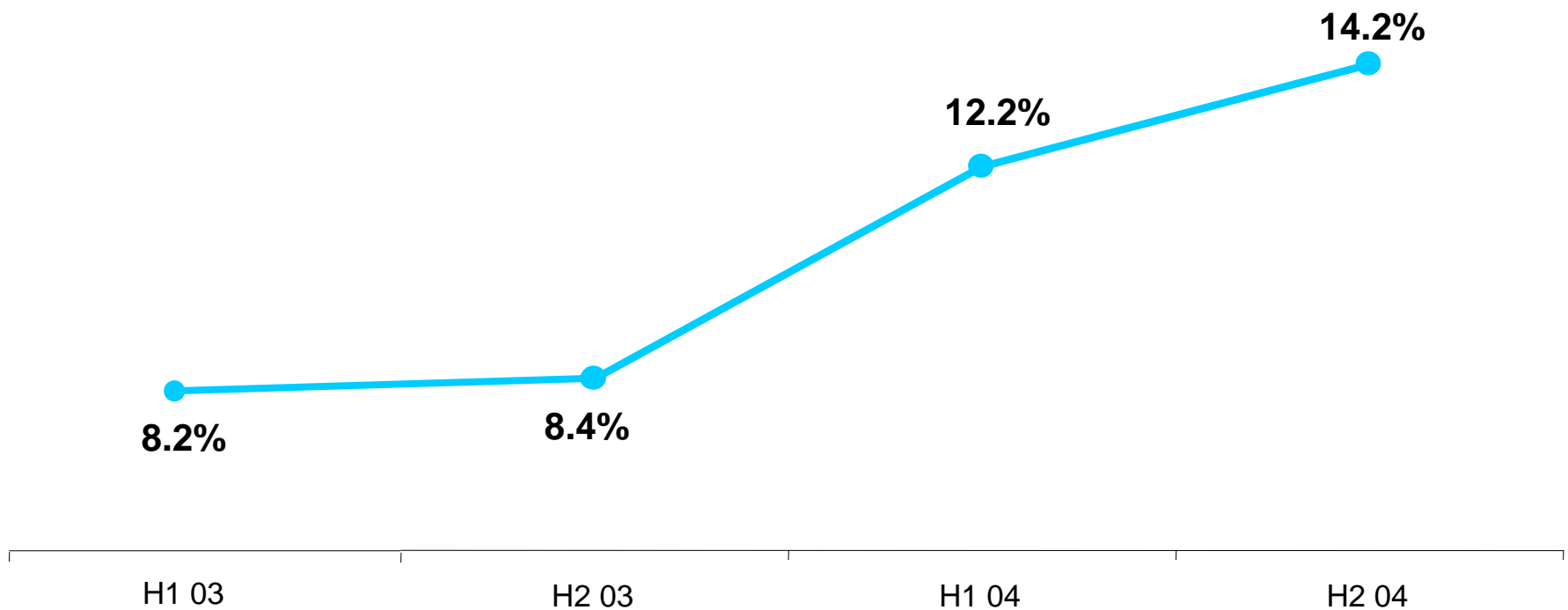
## Strong improvement in H2 profitability

€million	H1 2004	H2 2004
Revenue	750	744
Total operating expenses	(658)	(639)
Operating income	91	106
Operating margin	12.2%	14.2%

## Operating margin up strongly

2004 operating margin : **+ 13.2 %**

Operating margin by semester :



## Havas compared to its peers

Published 2004 operating margins

2004

Publicis *(estimate)*<sup>1</sup> > 15%

**Havas 13.2%**

WPP *(excluding associates)* 13.0%

Omnicom 12.5%

Interpublic<sup>2</sup> 6.2%

<sup>1</sup> Consensus

<sup>2</sup> Last available figures : 9 months

## Strong improvement in profitability

### Reduction in total employee costs

€million	2004	2003	Change
Employee costs/revenue	56.1%	58.9%	-2.8 pts
Employee costs	838	968	-13.5 %
N° of employees (at 31/12)	14 403	15 961	-9.8%

## Strong improvement in profitability

### Reduction in rents and investments

€million	2004	2003	Change
Other costs/revenue	30.7 %	32.9 %	-2.2 pts
Other costs	459	541	-15.1%
Of which : Rent (as % of revenue)	6.6%	7.8%	-1.2 pts
Depreciation (as % of revenue)	2.9%	3.5%	-0.6 pts

## Strong improvement in profitability

### The disposal and closing program is finished

€million	Contribution from companies		TOTAL
	Closed	Sold	
2003 Revenue	30	125	155
Operating expenses	-39	-128	-167
2003 operating income	-9	-3	-12
<hr/>			
2004 Revenue	0	43	43
Operating expenses	0	-47	-47
2004 operating income	0	-4	-4

- Excluding these companies, the Group's 2004 organic growth would have been +2.3% (versus +2.0%).
- The selling price amounts to €65million, including deferred payments

## Net income before goodwill at €92 million

€million	2004	2003
<b>Operating income</b>	<b>197</b>	<b>136</b>
Financial income(expense)	1	(45)
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## 2006 OCEANE Buy-backs : positive global impact

€million

2004

Capital loss in exceptional item	(59.7)
Reversal of provision for redemption premiums, in financial income	+ 39.0
Depreciation of issue costs in financial income	(3.7)
Accrued interest in financial income	(3.5)

**TOTAL in 2004 P&L (27.9)**

Net financial costs savings in 2004 + 19.0

**2004 impact of operation (8.9)**

Net financial costs savings in 2005 + 11.3

**Global impact of operation + 2.4**

## 2004 Tax

- Effective tax rate of 26.4%
- Deferred tax assets at 31.12.2004 :
  - Recognized = € 165 million
  - Unrecognized = € 578,4 million
    - of which
      - € 472.7 million in France
      - € 49.2 million in the USA
      - € 31.4 million in Germany

## Diluted EPS before goodwill of 27 cents

In € cents	2004	2003
<b>Basic</b>		
EPS before goodwill	27	(56)
N° of shares	340 534 449	276 973 029
<hr/>		
EPS	11	(124)
N° of shares	340 534 449	276 973 029
<hr/>		
<b>Diluted</b>		
EPS before goodwill	27	(56)
N° of shares	388 843 323	277 647 904
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EPS	10	(124)
N° of shares	342 031 620	277 647 904
<hr/>		

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**Balance sheet strengthened and  
Positive free cash flow**

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## Clear improvement in operating cash flow

€ million	2004	2003
Net income group share	34	(396)
Minority interests	9	7
Depreciation	101	274
Provisions and DTA	(61)	130
Capital gain or loss*	46	7
Operating cash flow	129	22

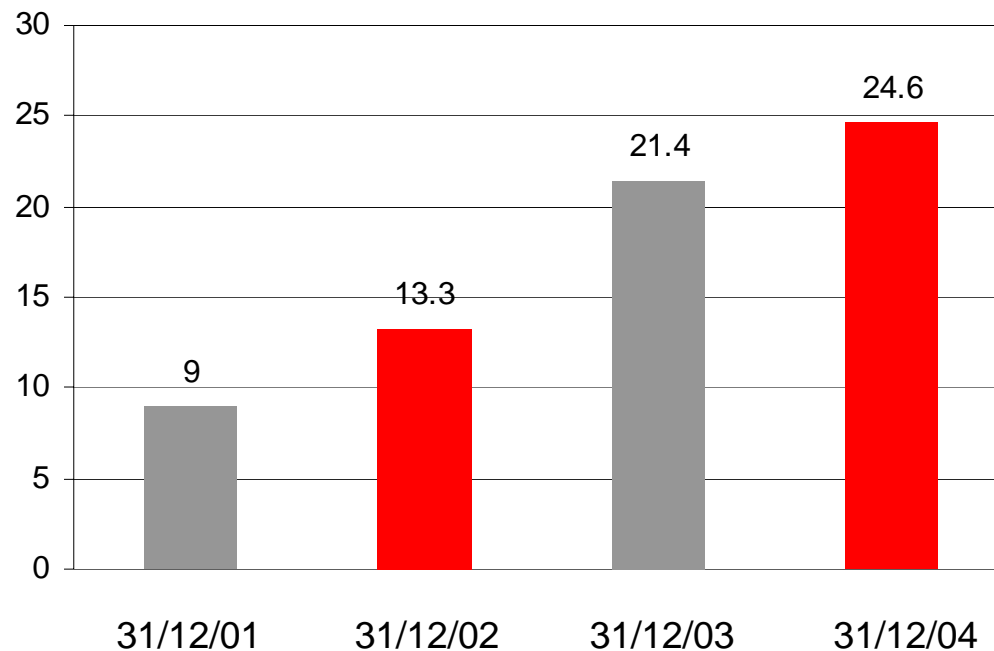
\* Of which €59,7 million of capital loss on 2006 Oceane buy-backs



## Steady improvement in working capital resources

Working capital resources as at 31/12/04 account for almost 25% of 2004 revenue vs 21 % in 2003 and 13% in 2002

Working capital resources/revenue



## Net debt is divided by almost 3

€ million			Conversion price
	31/12/2004	31/12/2003	in €
Convertible Bond 99 - Maturity 01/01/04	0	(85)	
Convertible Bond 00 - Maturity 01/01/06	(186)	(566)	19.11
Convertible Bond 02 - Maturity 01/01/09	(450)	(450)	9.51
<b>TOTAL CONVERTIBLE BONDS</b>	<b>(636)</b>	<b>(1 101)</b>	
Bank facilities	(64)	(93)	
Other financial debts	(44)	(99)	
Overdrafts	(55)	(48)	
<b>GROSS DEBT</b>	<b>(799)</b>	<b>(1 341)</b>	
CASH AND CASH EQUIVALENT	573	699	
<b>NET DEBT</b>	<b>(226)</b>	<b>(642)</b>	

## Strong and sustainable financial structure

	2004	2003
Net debt	226	642
Shareholders equity	1 049	662
<b>Gearing</b>	<b>22%</b>	<b>97%</b>
Operating income before depreciation	240	193
<b>Net debt / Op.income bef.dep</b>	<b>0.9 x</b>	<b>3.3 x</b>

## Earn-out and Buy-out commitment strictly controlled

€ million	2005	2006	2007	2008	2009 and +	TOTAL
Estimated at 31/12/2004	45	15	11	16	9	96
				Of which Earn-out		26
					Buy-out	70

## A 40% increase in the proposed dividend per share

In €Cents	2003	2004 <sup>*</sup>
Net dividend	5	7
Pay-out ratio	30 % <sup>1</sup>	32 % <sup>2</sup>
Dividend yield <sup>3</sup>	1.2%	1.7%

1. Net dividend / net income before goodwill and exceptional items
2. Net dividend / net income before goodwill
3. Based on share price as at 31/12

\* to be proposed at the next AGM

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**These results were obtained in a  
favorable market environment**

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## 2004 Market

- The vigorous recovery of advertising expenditure announced at the beginning of 2004 was confirmed and is more important than initially forecasted.
- It was about +6.5%, after a +3.4% increase in 2003.
- Asia : +7.5%
- USA : +7%
- Europe : +4%
- Latin America : +3%

Source : ZénithOptimedia and London Business School Marketing Expenditure Trends

## Trends for 2005-2007

- Trends remain positive with a market expected at around +5% on average over the period
- Asia Pacific should remain the fastest growing region
- Excluding APAC, Europe should be the only region growing slightly faster in 2005 than in 2004
- The USA should continue to perform well but with a slightly lower growth than in 2004
- Latin America will register different trends depending on the country

Source : ZénithOptimedia and London Business School Marketing Expenditure Trends

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**A market undergoing profound changes**

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## Changes in Clients' needs

They no longer only want traditional advertising but  
Integrated Communications:

- Either through global networks
- Or via creative and innovating agencies with a strong local reputation
- To measure the efficiency of communications - More ROI
- Better efficiency for the same price or at a lower price
- More creative ideas and innovation that outperform
- They are ready to pay more to their agency → for increased market share

# Changes in consumers' attitudes

## With new attitudes:

- They have a more realistic and mature approach to brands because they are better educated in marketing and more demanding in their choices
- They demonstrate a high level of expertise in interactive technology: 1/3 go on the Internet before making a purchase
- They convey their experiences rapidly, easily and forcefully by using all these techniques: → Forums (they are good mediums of communication that influence others)
- They have specific behavioral criteria:
  - Health: important
  - Age: not important
  - Rejection of stereotypes
  - They generate “buzz”
- They want multiple contact and information points as they demand more intimate and exclusive relationships with brands (they see themselves as being unique)

# Changes in the Media

- A strong fragmentation
- An erosion of traditional media particularly concerning TV leaders and this on a global scale
- The emergence in new media forms
- The efficiency of leading Media is being called into question (ex Tivo)
- Captive audiences no longer exist

# 8

**How have Communications Groups reacted to these developments?**

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## By concentration

Based on a financial logic as all Groups are now quoted on the stock market (this was not the case 10 years ago)

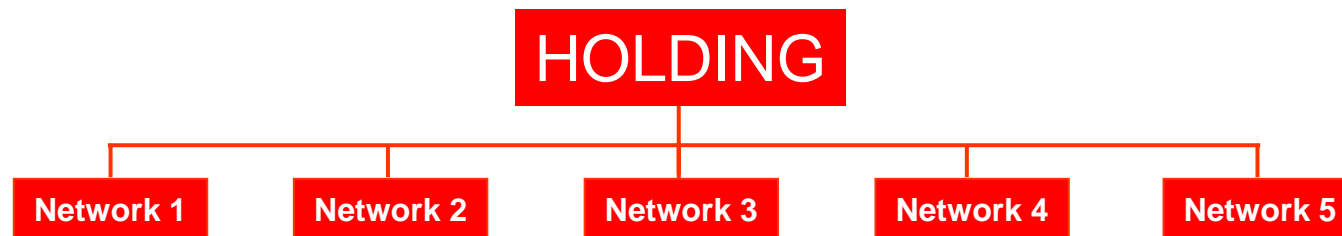
**« the bigger you are the better you are »**

This has led, over the last ten years, to the disappearance of a dozen independent groups such as BDDP, Y&R, Leo Burnett, Saatchi & Saatchi, Bates/Cordiant, FCB, Bozell, Lowe, Snyder and lately Grey.

## By concentration

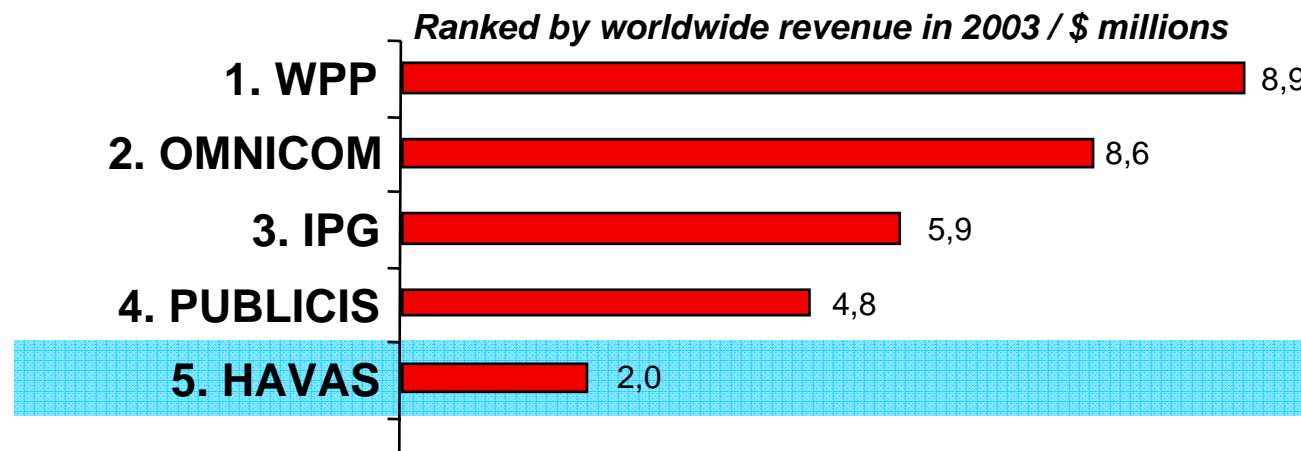
By purchasing networks, this financial logic has led them to duplicate once, twice, three, four times and even up to five times the same organizational structure.

With a single objective in mind, in other words the creation of value for shareholders, client value creation has been pushed into the background.



## By concentration

It is in this logic that communications Groups have evolved.  
They want to be judged by the size of their holding company.



Source: AdAge

(The Japanese communication groups are not included because they are not truly international)

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**Is this still the best way forward ?**

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## Is this still the best way forward ?

- Is this logic efficient for all clients?
- Has this logic reached its limit, are they not creating more problems than advantages, especially with regards to client conflicts ?
- Is client logic not the opposite of the financial logic? In other words, shouldn't quality of services be more important than size?
- Is the exclusivity of the relationship not of capital importance?

## Is this still the best way forward ?

Is there not a different route for Communications Groups ?

To take into account clients' needs  
without worrying exclusively about size?

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**Clients' expectations**

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## Clients' expectations – Exclusivity of the relationship

- 1) A relationship based on trust, exclusivity and with no risk of the client's strategy, expertise and experience being transmitted to its main competitor

## Clients' expectations – homogeneous messages

- 2) Become more efficient than their direct competitors by developing, via integrated communications on a global or a local scale, homogeneous messages across all communication techniques in order to innovate and optimize costs.

Clients want to spend **less** whilst continuing to **increase** their market share

## Clients' expectations – Coordination methods

- 3) For global accounts ensure a strong and powerful unique coordination centre which drives the Client's Global communication

## Clients' expectations – Originality of choice

- 4) Finally, that the organization of their chosen agency be the reflection of their own organization and communications policy.
  - A. Some want global homogeneous networks
  - B. Others favor creative agencies, be they small or large, but with a strong local or regional reputation.

This choice has nothing to do with size: Coca-Cola chooses « B » whereas P&G selects « A », Areva chooses « A » when Orange favors « B ».

# 11

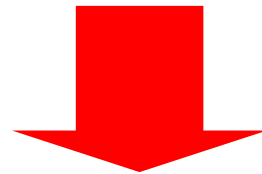
**In order to respond to these expectations we have adapted Havas' strategy**

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## The strategic reorganization

Via its three Divisions, it has sought to offer answers to all of its Clients' needs:

By offering the choice between a strong global integrated network and creative agencies with a strong local or regional reputation



**Our organization does not duplicate networks : it is complementary in order to respond to the diversity of our Clients' needs**

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**Today, Havas has three brands**

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## 1) Havas today is:

**A Global integrated communications network, strong in all disciplines:**

To achieve this, we have integrated all of the Group's Marketing Services



Euro RSCG, present in 77 countries, has a specific philosophy: the « Creative Business Ideas® », an original financial structure: 1 P&L per country, integrating all communications techniques, the « Power of One » and an exclusive professional approach based on innovative behavioral studies, the « Prosumers »

## 2) Havas today is :

**Strong creative agencies, genuinely professional stars federated with Arnold Worldwide in key markets**

To achieve this, we have taken away all the companies which were not part of Arnold's « core business »

**arnold**worldwidepartners

AWWP consists of highly-regarded agencies placed strategically in the strongest local markets that attract big clients (Fidelity), key clients (VW) or those full of potential (Vonage); and that share the same creative standards and operate through a unique philosophy: « Brand Essence » based upon rational and emotional brand elements in order to help build brand image and superiority.


### 3) Havas today is:

## A Global Media Expertise Network



MPG has to perform in three domains: strategy, planning and media buying both below and above the line.

MPG is an international network that acts locally as the media market is still local.



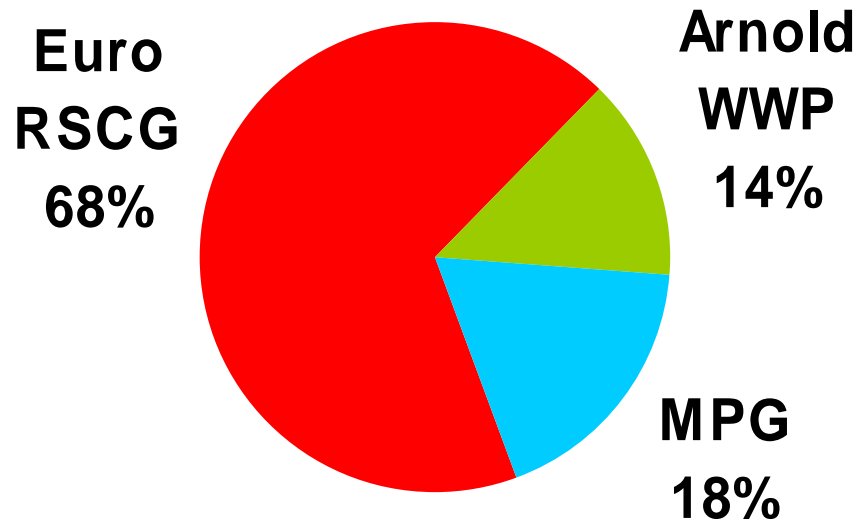
Finally, we have disposed of all companies which did not bring any value or synergies to a brand



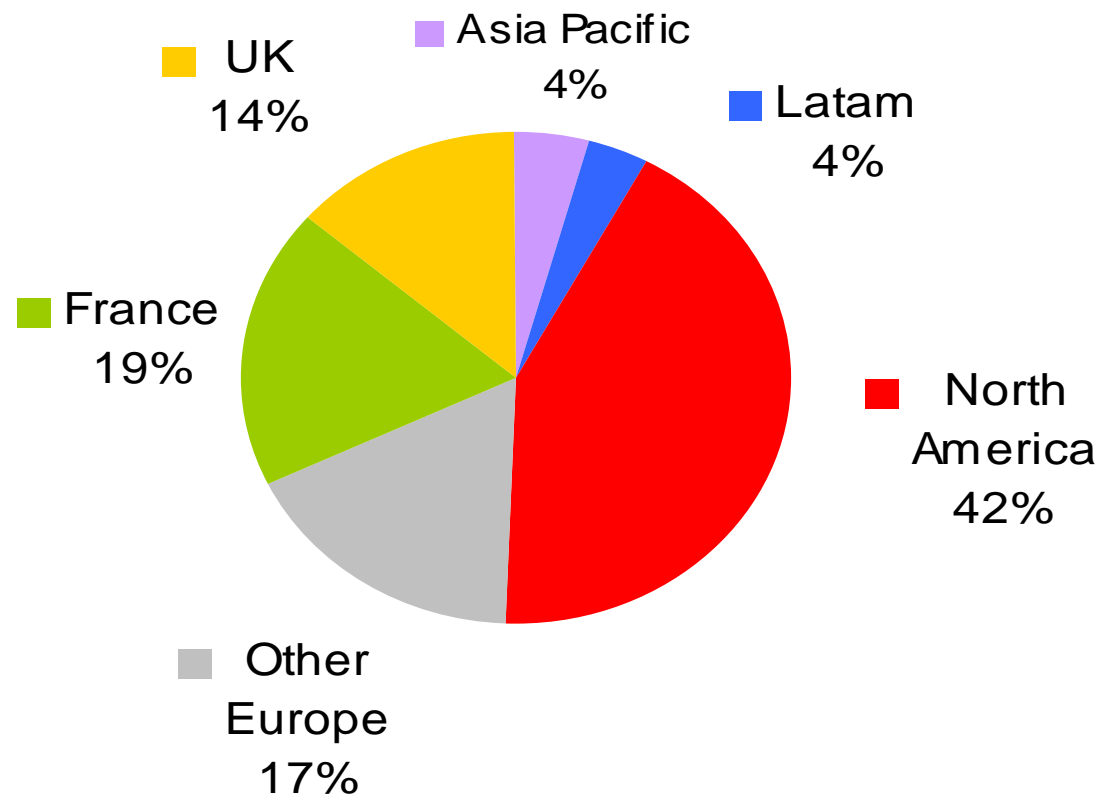
They have been sold or closed

# HAVAS today: Revenue by Division

2004, excluding  
companies closed,  
sold or to be sold

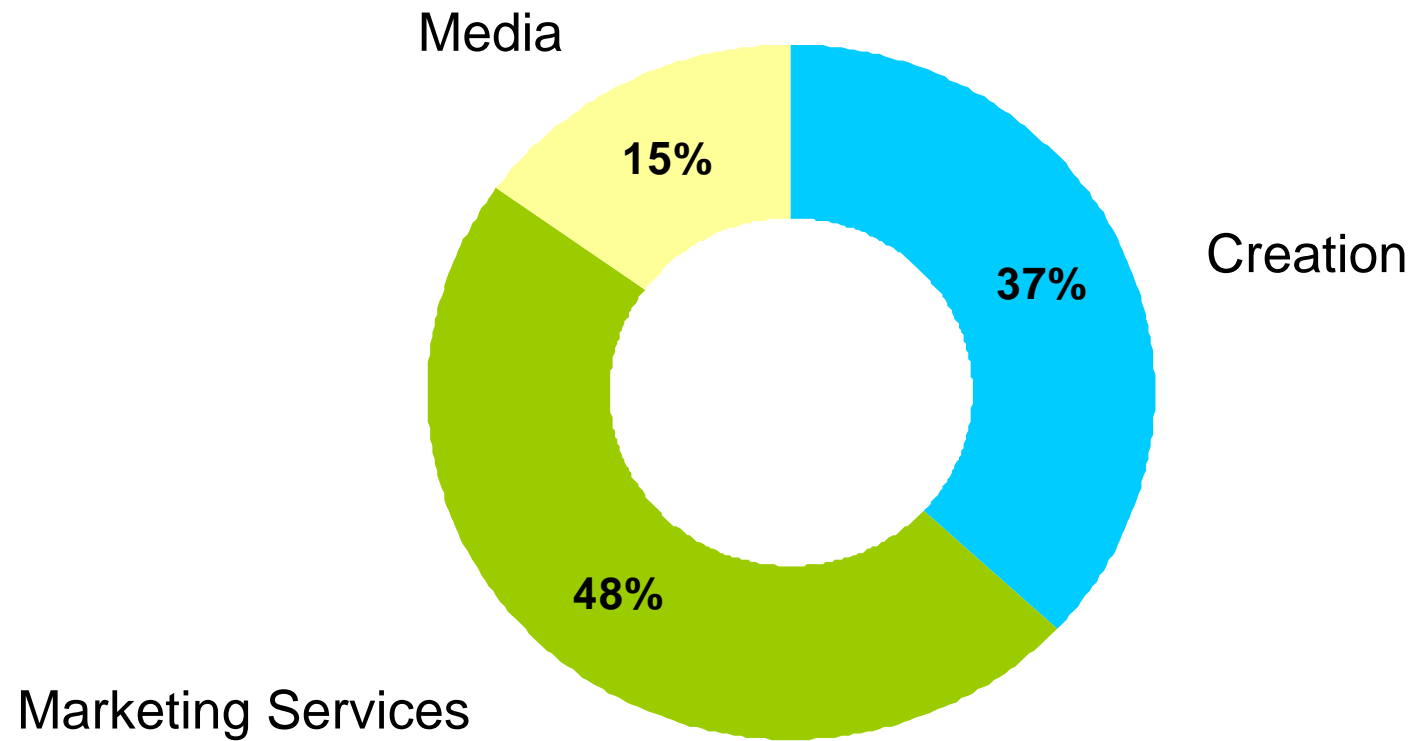


# HAVAS today : Revenue by Region



2004, excluding companies closed, sold or to be sold

# HAVAS today : Revenue by Discipline



# HAVAS today : Main Clients



charles SCHWAB

**VOLVO**



**CITROËN**

**Carrefour**



**VONAGE**  
THE BROADBAND PHONE COMPANY™



Schering-Plough

**france telecom**



**Polaroid**

**RECKITT  
BENCKISER**



**L'ORÉAL**



**sanofi aventis**

**MCI**



**Nestlé**

**Wyeth**



Boehringer  
Ingelheim



**P&G**

**Auchan**



**AIR FRANCE**

**NOVARTIS**

**CANAL+**

**Microsoft**

**GOODYEAR**

**BBVA**

**DIAGEO**

**AREVA**

**AutoZone**

**HAVAS**

**13**

**Havas has taken this strategic challenge on board**

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## Havas has taken this strategic challenge on board

***A) By remaining faithful to our multicultural model which attracts the best talent; it makes them responsible and allows them to be key players in the success of New Business, and permits them to earn the benefits of their success.***

Talent is, in a « people business », the motor that wins client loyalty and attracts new clients. It is key for organic growth.

## Havas has taken this strategic challenge on board

***B) By continuing to invest in the communications sectors at the vanguard of our profession and that are the most dynamic: Marketing Services (which penalized us in 2000-2003)***

Today they represent 48 % of our revenue

- We are among the most innovative in new communications technologies both on a creative and media level (website, interactive CRM) through our 4D agencies (ex Brann)
- We are among the pioneers of Direct TV in the US
- We are the leaders in interactive communications

1. Euro RSCG 4D (Havas)
2. Grey Digital Marketing
3. Ogilvyinteractive (WPP)
4. Avenue A/Razorfish (aQuantive)
5. Agency.com (Omnicom)
6. Tribal DDB (Omnicom)
7. Isobar (Aegis)
8. Digitas
9. Zentropy Partnres (Interpublic)
10. R/GA (Interpublic)

Source : Adweek: The top 50 Interactive Agencies  
Février 2005

Havas has taken this strategic challenge on board

***C) By reducing costs thanks to a stronger centralization and a better organization***

## Havas has taken this strategic challenge on board

### *D) By relying upon strong creativity*

- In 2004, Havas was the French Group which received the most Gold Lions at Cannes in the most prestigious category, TV Films, receiving 25% of the global awards
- Havas won in the TV/Film category, at the New York Festivals, 50% of the total prizes awarded to the French
- Arnold Boston is one of the most award-winning agencies in the World

## Havas has taken this strategic challenge on board

### ***E) By developing a very strong New Business***

**1.5 Billion € in billings in 2004**

**+ 59% in estimated annual net revenue, at constant exchange rates**

- In 2004, all 3 Divisions have attracted prestigious brands, particularly in the USA.
- Arnold distinguished itself through:
  - The renewal of its contract with Fidelity and by securing the **Tyson Foods**, Relpax, Pfizer, **Goodyear**, **Timberland**, Delta Faucet, Polaris, **Vonage**, Rare Hospitality, Citizens Bank accounts

## Havas has taken this strategic challenge on board

- Euro RSCG in consumer communications has won:
  - On an integrated global level, all of Danone waters, Nicotinell, Lacoste.
  - On a regional integrated level : **Schering Plough Clarityn**, SanDisk, Novartis, **Charles Schwab** and GSK Advair
  - On a local level : **Eurotel Praha** (Prague), **ING** (Belgium), Joy (Brazil), Jacob Delafon (France)

## Havas has taken this strategic challenge on board

- Euro RSCG was particularly strong in Marketing Services and secured the following accounts:
  - Royal Mail (UK), **Outdoor Vision**, Dial Corporation, University of California, Talk America, Countrywide Financial, **Diageo** and Bosley Medical Institute (US)

## Havas has taken this strategic challenge on board

- Euro RSCG also performed well in specialized communications (Health and Corporate) with the win of:
  - 2 large global accounts :
    - **Sanofi-Aventis** : Lovenox and Lantus
    - **Novartis Meded** : 2 products
  - Regional accounts :
    - **2 New Pfizer Products**, Inamed Corporation and Celgène
    - Arkema, Areva and Alstom (Corporate)

## Havas has taken this strategic challenge on board

- The majority of MPG New Business was achieved through:
  - Budgets in collaboration with other Divisions such as : **Tyson Foods**, SanDisk, **Goodyear**, Citizens Bank, Delta Faucet, **Vonage** (US), and **Volkswagen** (Spain).
  - Regional Accounts in the leading markets : Ayto Madrid, **Grupo Breil** (Spain), SNCF (France) **Coca Cola** and CTI Pc Telecom (Argentina).

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**IFRS**

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## Havas: IFRS update

- **A meeting will be held in mid-April in order to give a complete picture of Havas' IFRS accounts**
- **The main impacts which affect Havas are confirmed :**
  - Stock options
  - OCEANE
  - Goodwill

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**Conclusion**

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## Perspectives for 2005

We are confident at the start of 2005

### **With a triple objective :**

- Continuing the positive development of our organic growth
- Achieving positive organic growth for in the USA and in the UK
- Further improving Havas' profitability due notably to continued cost reduction

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**Appendix**

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# Simplified balance sheet

(€million)

Assets				Liabilities	
	31/12/04	31/12/03	31/12/04	31/12/03	
Goodwill	1 483	1 583	1 042	662	Shareholders equity
Tangible and Intangible assets	159	190			
Fiancial assets	39	23	174	245	Provisions for risks and charges
Working capital	(368)	(331)	227	642	Net debt
Deferred tax assets	150	157	18	73	Debts re fixed assets
<b>TOTAL</b>	<b>1 462</b>	<b>1 622</b>	<b>1 462</b>	<b>1 622</b>	<b>TOTAL</b>

## 2004 – Exceptional items

€million	2004
Buy-backs of the 2006 Océanes	(60)
Capital gain on disposals (net of costs)	+6
Reversal of MCI provision	+5
Grey transaction	(5)
Reversal on retirement provisions	+5
Redundancies and real estate costs	(10)
Others	(3)
<b>TOTAL</b>	<b>(62)</b>

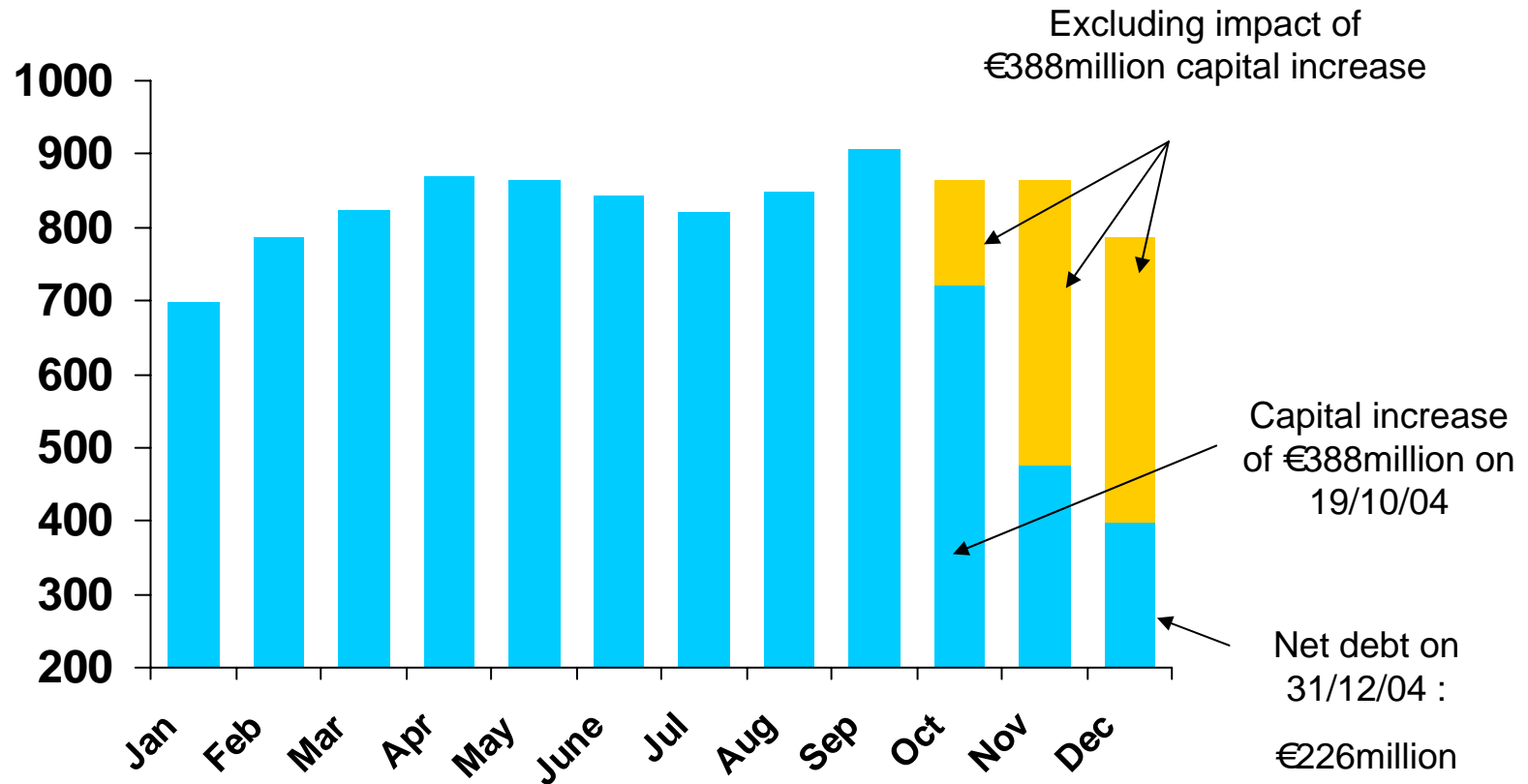
## 2004 – Financial income analysis

€ million	2004	2003
Financial expenses	(27.4)	(29.7)
Financial income	5.3	9.0
Oceane 2006 Buy-backs impact Reversal of provision for redemption premium	39.0	8.0
Other financial provisions Of which provision for redemption premium and convertible bonds issuance costs	(13.5)	(27.1)
Currency gains and losses	(2.6)	(5.0)
<b>Total</b>	<b>0.8</b>	<b>(44.8)</b>

## Liquidity at 31/12/2004

€ million	Total Amount	Used	Available
4-year syndicated loan	150	0	150
Other short term credits	245	85	160
<b>Total credit lines</b>	<b>395</b>	<b>85</b>	<b>310</b>
Cash and marketable securities			573
<b>Total cash available</b>			<b>883</b>

## 2004 - Average net debt per month



- Average estimated net debt after the capital increase is about €450million
- An amount of approximately €250million cash is required as operating float, down in the last few years

# Detailed organic growth calculation

1. REPORTED REVENUE 2003		1 645		In M€
2. Exchange rate impact		(66)		
3. REVENUE 2003 at 2004 exchange rates		<u>1 579</u>		
4. Impact of companies sold or closed	- 9,2 %	(129)		
5. Impact of acquisitions		+14		
7. REVENUE 2003 at 2004 exchange rates and scope		<u>1 464</u>	-5,4 %	
8. REPORTED REVENUE 2004		1 494		
9. ORGANIC GROWTH		<u>+2,0 %</u>		

## 2004 Number of shares used for the EPS calculation

	Issued at 31/12/04	Used for the calculation
Ordinary shares	<b>428 832 440</b>	348 438 532
Treasury stock	-7 434 117	-7 904 083
Basic number		340 534 449
Warrants		
Havas Stock-option	32 651 060	1 364 815
Snyder SNC Stock-options	2 412 997	13 716
Circle.com Stock-options	78 762	35
Purchase option	4 406 598	118 605
Océane 1999	0	0
Océane 2000	9 733 665	
Océane 2002	47 301 275	46 811 703
Total issued at 31/12/04	<b>517 982 680</b>	
Diluted number of shares		<b>388 843 323</b>