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PRESS RELEASE

Havas: 2005 Results

- **Revenue of €1,461 million**
- **Organic growth of +2.5%**
- **Income from operations of €152 million, giving a margin of 10.4%, compared with 10.5% in 2004**
- **Operating income of €128 million, compared with €172 million in 2004**
- **Net income (Group share) of €59 million compared with €55 million in 2004, i.e. +8%**
- **Diluted earnings per share of 14 cents, versus 16 cents in 2004**
- **Average net debt of €42 million, after €38 million in 2004**
- **2005 proposed dividend per share of 3 cents**

At its meeting on March 10, the Board of Directors, chaired by Vincent Bolloré, approved the 2005 financial statements drawn up in accordance with IFRS accounting standards applicable on December 31, 2005.

1. 2005 results

- Organic growth was 2.5% in 2005. Revenue, however, was down 2% by comparison with 2004, due primarily to the impact of the disposals programme decided at the end of 2003 and implemented in 2004.
- The Operating income has two main components: Income from operations, and Other operating expenses and income.

- Income from operations down slightly

Income from operations stood at €152 million in 2005 compared with €157 million in 2004, giving a margin of 10.4% in 2005 versus 10.5% in 2004.

- A significantly negative total for "Other operating expenses and income"

In 2005, Other operating expenses and income produced a negative total of €24 million, in contrast with the positive total of €15 million in 2004.

For 2005, these include:

- Costs associated with the departure of the Group's former CEO amounting to over €10 million,
 - Provisions for litigation by former senior executives or employees amounting to €11 million,
 - Goodwill impairment of €21 million,
 - Capital gains and losses on disposals which produced a net total of + €18 million.
- The Financial result improved significantly, largely due to the partial buy-back of 2006 convertible bonds in 2004 which generated savings of €39 million in 2005.
 - Income tax was sharply reduced despite relatively stable income before tax, bringing the effective tax rate down from 28% to 17%, due primarily to increased recognition of deferred tax assets.
 - Net income (Group share) rose from €55 million to €59 million, i.e. an increase of 8% over 2004.
 - Earnings per share, whether basic or diluted, did not keep pace with this trend due to the full-year impact of the capital increase carried out in October 2004. Earnings per share, basic or diluted, fell from 16 cents in 2004 to 14 cents in 2005.

2. Financial position at December 31, 2005

Net debt at December 31, 2005 was €417 million, compared with €311 million at December 31, 2004.

This increase in net debt at year-end is due to one-off items related to changes in working capital requirements. Average net debt over the year was €542 million in 2005 compared with €538 million in 2004.

The 2006 convertible bond was redeemed in full on January 1, 2006 for €221 million.

3. 2005 dividend

The Board of Directors has decided to recommend to the next Annual Shareholders' Meeting, that will be held on May 23th next, a dividend of 3 cents per share, compared with 7 cents in 2004.

4. Net New Business^(a) 2005

Net new business for 2005 totaled €1,055 million in estimated annual billings.

The main accounts won in 2005 were:

- Integrated communications: Jaguar, ESPN Mobile and Lukoil in the United States, LG Electronics at the pan-European level;
- Traditional advertising: RadioShack, Sony Electronics, CareFirst, Hershey's and Verizon in the United States, Afflelou, Champion, Cacharel Parfums, Tac O Tac, le Transilien (SNCF), Le Figaro, GMF and BHV in France, News Corporation Ltd, Superdrug Stores Plc in the United Kingdom, Sogecable in Spain, Citroën in Russia, Türkiye Is bankasi in Turkey, Palmers in Austria, Germany, Eastern and Central Europe; eBay in China and Dell in South-East Asia;
- Media: Citroën at the pan-European level, AutoZone, Amica Insurance, BAE Systems, Esurance and Hershey's in the United States, P&O Ferries in Great Britain, the Netherlands and Belgium, Peugeot in the Netherlands and Belgium, Telepizza, Hasbro and Tourespaña in Spain, EDF, ING Direct, Interparfums (Burberry, Lanvin and Lacroix), Danone, Axa and Lagardère in France, easyMobile in Germany and the Netherlands;
- Marketing services: Heineken, Danone (CRM), Danoé, the 2007 Rugby World Cup and Tena in France; DirectBuy (U.S.), easyMobile (Netherlands, Germany and Great Britain);
- Corporate/finance: EDF and Préviate-Mutouest in France.
- Healthcare: Benefiber (Novartis) and Lidoderm in the United States.

5. An excellent year for creativity in 2005

At the 52nd International Advertising Festival in Cannes, the Havas Group won awards in a number of categories: Euro RSCG Worldwide shared top ranking in terms of awards received in the Cyber category, Euro RSCG 4D Sao Paulo was rated third best interactive agency and Euro RSCG 4D Amsterdam/Fuel was awarded four Lions including one in the Titanium category (best integrated communications campaign).

In addition, Euro RSCG Worldwide was ranked 8th worldwide in the Gunn Report, the international benchmark for creativity, while the Arnold Boston agency was ranked 3rd in the United States and is a member of the highly exclusive club of just nine agencies to have appeared in every Gunn Report ranking since its was first introduced.

Two Euro RSCG Worldwide films featured amongst the campaigns that received most awards in 2005: the Peugeot "Toys" and Citroën "Carbot" films.

6. Outlook

In order for Havas Group managers and employees to benefit from the group's growth, the Board of Directors has decided to propose to the Annual Shareholders' Meeting the introduction of a new stock options plan, the creation of an allotment of free shares and the launch of an employee share-ownership programme.

7. Decision by the Board of Directors

The Board of Directors thanked Philippe Wahl for turning around the Havas Group and appointed Fernando Rodés as Chief Executive Officer of Havas.

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 77 countries through its networks of agencies located in 44 countries and contractual affiliations with agencies in 33 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 14,400 people. Further information about Havas is available on the company's website: www.havas.com

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.

(a) Net New Business :

Net new business represents the estimated annual advertising budgets 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 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, 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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APPENDICES: CONSOLIDATED FINANCIAL STATEMENTS

I. Consolidated income statement for the year ended December 31, 2005

(in € million)	2005	2004
Revenue	1 461	1 491
Compensation	(901)	(903)
Other expenses and income from operations	(408)	(431)
Income from operations	152	157
Other operating expenses	(42)	(7)
Other operating income	18	22
Operating income	128	172
Interest income	18	23
Cost of debt	(59)	(93)
Other financial expenses and income	(2)	(16)
Net financial expense	(43)	(86)
Income of fully consolidated companies before tax	85	86
Income tax expense	(14)	(24)
Net income of fully consolidated companies	71	62
Share of profit (loss) of associates	(3)	1
Net income	68	63
Minority interests	(9)	(8)
Net income, Group share	59	55
Earnings per share (in €)		
Basic	0,14	0,16
Diluted	0,14	0,16

II. Consolidated balance sheet as at December 31, 2005

ASSETS (in €million)	31.12.05 Net	31.12.04 Net
Non-current assets		
Goodwill	1 450	1 381
Other intangible assets	26	24
Property and equipment	102	113
Equity investments	13	6
Financial assets available for sale	12	16
Deferred tax assets	126	107
Other non-current financial assets	7	10
Total Non-current assets	1 736	1 657
Current assets		
Inventories and work in progress	59	46
Accounts receivable	1 219	1 011
Current tax receivables	6	6
Other receivables	364	299
Other current financial assets	23	28
Cash and cash equivalents	603	534
Total Current assets	2 274	1 924
TOTAL ASSETS	4 010	3 581

LIABILITIES AND EQUITY (in €million)	31.12.05 Net	31.12.04 Net
Shareholders' equity	923	810
Capital	171	171
Share premium account	1 491	1 527
Treasury stock	(17)	(43)
Convertible bonds : option component	188	188
Retained earnings	(942)	(997)
Currency translation adjustments	32	(36)
Minority interests	2	2
Total Equity	925	812
Non-current liabilities		
Long-term borrowings	464	619
Earn-out and minority interest buy-out obligations	28	32
Long-term provisions, pension and post-employment benefits	107	104
Deferred tax liabilities	1	1
Other non-current liabilities	9	9
Total Non-current liabilities	609	765
Current liabilities		
Current maturities of long-term borrowings (portion due in less than 1 year)	359	84
Bank overdrafts	116	51
Earn-out and minority interest buy-out obligations (portion due in less than 1 year)	53	59
Provisions (portion due in less than 1 year)	31	17
Accounts payable	1 107	1 035
Tax payables	12	12
Other payables	781	726
Other current liabilities	17	20
Total Current liabilities	2 476	2 004
TOTAL LIABILITIES AND EQUITY	4 010	3 581

III. Consolidated statement of changes in equity

(in €million)	Group share										Minority interests
	Number of shares issued (in thousands)	Capital	Share premium account	Retained earnings and net income	Treasury stock	Options / OCEANE	Changes in fair value	Actuarial gains and losses	Currency translation adjustments	Total	
Shareholders' equity as at December 1, 2004	298 582	122	1 790	(1 661)	(45)	189				395	2
Dividends distributed (2)			(11)							(11)	
Capital increase (3)	122 513	49	355							404	
Conversion of OCEANEs	1					(1)				(1)	
Issue costs			(16)							(16)	
Snyder SNC acquisition adjustment (1)				17						17	
Stock-options	121			2						2	
Treasury stock	181				2					2	
Currency translation adjustments (4)									(36)	(36)	
Actuarial gains and losses								(4)		(4)	
Other			(591)	594						3	
Consolidated net income				55						55	
Shareholders' equity as at December 31, 2004	421 398	171	1 527	(993)	(43)	188		(4)	(36)	810	2
Dividends distributed (2)			(30)							(30)	
Stock-options	345		1	7						8	
Conversion of OCEANEs	3										
Treasury stock	3 862			(10)	27					17	
Currency translation adjustments (5)									68	68	
Actuarial gains and losses								(8)		(8)	
Other			(7)	7			(1)			(1)	
Consolidated net income				59						59	
Shareholders' equity as at December 31, 2005	425 608	171	1 491	(930)	(16)	188	(1)	(12)	32	923	2

- (1) The acquisition of Snyder SNC in 2000 was accounted for in compliance with the « Pooling of interests » method. According to this method, any provision write-back of unused existing provisions as Snyder's liabilities at the acquisition date should be posted to equity. A tax reserve of €17.4 million was then posted in equity in 2004.
- (2) This includes the Havas dividend and tax paid.
- (3) On October 19, 2004, Havas increased its capital stock by issuing 122,513,404 new shares at a unit issue price of €3.3 and a unit nominal value of €0.4.
- (4) 2004 exchange adjustment impact on shareholders' equity, Group share, was mainly due to the decline of US dollar against the Euro for a total negative amount of €36.0 million.
- (5) 2005 exchange adjustment impact on shareholders' equity, Group share, was mainly due to the increase of US dollar against the Euro for a total positive amount of €65.6 million.

Dividend per share distributed in 2005 amounted to €0.07 against €0.05 in 2004.
2006 dividend per share to be proposed to the Annual Shareholders' Meeting is €0.03.

IV. Statement of recognized income and expenses

(in €million)	31.12.05	31.12.04
Net income	68	63
Net income accounted for against goodwill	(9)	(8)
Actuarial losses deducted from equity	(8)	(4)
Changes in fair value of financial assets available for sale	(1)	0
Currency translation adjustments relating to foreign operations	68	(36)
Total of income and expenses posted to equity	59	(40)
Total of comprehensive income	118	15
Attributable to :		
- <i>Havas' shareholders</i>	<i>118</i>	<i>15</i>
- <i>Minority interests</i>	<i>0</i>	<i>0</i>

V. Consolidated statement of cash flows

(in €million)	2005	2004
OPERATING ACTIVITIES		
Consolidated net income :		
Group share	59	55
Minority interests	9	8
Elimination of non-cash items		
+ Amortization, depreciation and impairment	67	19
+ Changes in deferred taxes	(7)	(11)
-(Gains) / losses on disposal of fixed assets	(16)	(9)
Share of profits of associates	4	(1)
Stock-based compensation - Equity settled plans	7	2
Accrued interest charges	23	33
Changes in accounts receivable	(145)	71
Changes in accounts payable	(1)	14
Changes in advances from clients	(7)	(6)
Changes in other receivables and payables	(31)	(20)
NET CASH PROVIDED (USED IN) BY OPERATING ACTIVITIES	(38)	155
INVESTING ACTIVITIES		
Purchase of fixed assets	(85)	(119)
Intangible and tangible	(37)	(37)
Subsidiaries	(44)	(76)
Loans granted	(4)	(6)
Proceeds from sale of fixed assets	41	59
Intangible and tangible	21	6
Subsidiaries	14	48
Loans repaid	6	5
NET CASH USED IN INVESTING ACTIVITIES	(44)	(60)
FINANCING ACTIVITIES		
Dividends paid to Havas shareholders	(30)	(15)
Dividends paid to minority interests	(7)	(5)
Proceeds from issuance of stock	1	389
Purchase of convertible bonds		(502)
Proceeds from long-term borrowings	109	31
Repayment of long-term borrowings	(15)	(109)
Net proceeds from disposal of treasury stock	17	1
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITIES	75	(210)
Effect of exchange rate changes on net cash	16	(11)
Effect of changes in consolidation methods	(5)	
NET INCREASE (DECREASE) IN NET CASH	4	(126)
NET CASH AT OPENING	483	609
NET CASH AT CLOSING	487	483
Income tax paid	(22)	(26)
Interest income received	15	12
Interest expense paid	(36)	(106)