



# 2005 REVENUE

February 9<sup>th</sup>, 2006

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# 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: Net new business represents the estimated annual advertising budgets (or revenue depending on the circumstance) 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 circumstance) 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 circumstance), 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.

- **Organic growth of +1.8% in the fourth quarter**
- **2005 revenue of €1,461 million, with organic growth of +2.5%**
- **Net New Business of over €1 billion for full year 2005**

# **2005 ACTIVITY**

# Summary Q4 2005

- Revenue: €420 M
- Unadjusted growth: +3.7%
- Organic growth: +1.8%

As expected, Q4 2005 (+1.8%) has been below Q3 2005 (+3.9%) in terms of organic growth due to a strong basis of comparison.

Very good performance in France, Spain, Eastern Europe and Latin America.

# Revenue by region – Q4 2005

	Q4 2005 € Million	% organic growth
<b>TOTAL</b>	420	+1,8 %
France	87	+2,9 %
United Kingdom	47	-4,9 %
Europe (excl. FR & UK)*	96	+20,8 %
North America	154	-5,1 %
Asia-Pacific*	17	-17,2 %
Latin America	19	+13,8 %

\* 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.

# Summary Full Year 2005

- Revenue: €1461 M
- Unadjusted growth: -2.0%
- Constant FX: -2.6%
- Organic growth: +2.5%

Net New Business exceeds €1 billion.

# Revenue by region – Full Year 2005

	2005 € Million	% organic growth
<b>TOTAL</b>	1,461	+2.5 %
France	297	+1.5 %
United Kingdom	177	-1.1 %
Europe (excl. FR & UK)*	292	+10.9 %
North America	576	+0.4 %
Asia-Pacific*	61	-10.0 %
Latin America	58	+18.5 %

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# Revenue by region - Trends

	% OG Q1-05	% OG Q2-05	% OG Q3-05	% OG Q4-05
<b>TOTAL</b>	+1.4%	+ 3.0%	+3.9%	+1.8%
France	+2.2%	-1.6%	+2.6%	+2.9%
United Kingdom	-3.3%	+4.0%	+0.1%	-4.9%
Europe (excl. FR & UK)*	+2.1%	+14.1%	+2.3%	+20.8%
North America	+1.8%	-0.9%	+ 7.0%	-5.1%
Asia Pacific	-2.7%	-8.6%	-8.6%	-17.2%
Latin America	+19.7%	+ 18.2%	+24.3%	+13.8%

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# Net New business

- Demonstrated ability to win news clients. New Business wins: +24% in terms of annual billings.
- Top 5 wins in 2005 : Radio Shack, Jaguar, Danone, Hershey's, Tourespaña.
- Good level of net new business: €1,055 million, down from €1,548 million in 2004 due primarily to the loss of 2 top ten accounts, Intel and Volkswagen (in the U.S.A.)

# Main wins in Q4 05

- **Advertising:** GMF, ADA, BHV, and I-Télé (France), Carglass and Lafarge (Italy), Verizon, Lumene Group and Oasys Mobile Inc. (U.S.A), Casinos du Québec (Canada), Dell (South Asia) and Mangocity (China)
- **Media:** Citroën (Pan European) Danone, AXA and Lagardère (France), Tourespaña, ADIF, Grupo Pinar and Paul Versan (Spain), Griesson De Beukelaer (Germany), easymobile (Germany and the Netherlands), Grupo Cencosud (Chile), Hubbard Broadcasting (U.S.A)
- **Marketing services:** Tena (France), Diageo (U.K), Bentley (U.S.A)
- **Corporate/finance:** Nexity, Sopra, Ipsopresto.com (France)

# Creative Achievements

## Very satisfactory qualitative report on the 4th quarter 2005

- **Euro RSCG 4D** in the United States has been ranked **First Interactive Agency** in 2005 by *Adweek* magazine for the 5th time in a row.
- “Housewife” News 1 Channel campaign, directed by **Euro RSCG Flagship (Thailand)** was elected **Best 2005 international print ad** by *Campaign* magazine.
- **Euro RSCG Prague** was elected **Agency of the year for Eastern Europe** during the International Advertising Festival in Moscow last November.
- The Citroën C4 « The Dancer » campaign produced by **Euro RSCG London** is **the advertisement preferred by the French** in 2005 according to a survey realized by the Ipsos Institute.
- **Euro RSCG 4D Sao Paulo** has been named **Interactive Agency of the year 2005** by *About Magazine*.
- For the 3rd year in a row, **MPG Argentina** was awarded the “**Excellence in Communications**” Jerry Goldenberg award in the media agency category last November.

# Creative Achievements

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- The Eurobest Awards, one of the most important European awards that took place last December rewarded BETC Euro RSCG for its Mikado clip “Star Wars”, Euro RSCG 4D in the Netherlands for its Volvo clip “Life on Board project” and Nokia clip “Nokia 20 lives” and finally, Euro RSCG London for its Citroën clip “Carbot” and Peugeot “Easy Life”.
- Dassault System’s “The Meeting” campaign by Devarrieuxvillaret, “Salt & Pepper” for Lu’s Tuc by Euro RSCG Amsterdam and Peugeot’s “Easy Life” were awarded during the Epica Awards, one of the most important awards in Europe which aims at promoting advertising creation.
- El Ojo Iberoamerica prizes were awarded to Euro RSCG Santiago, Euro RSCG Vale and Viceversa Euro RSCG snatching 8 awards, including 4 Gold.
- BETC Euro RSCG won the Grand Cristal of advertising creation at the Meribel Festival for its Canal+ campaign called “La Marche de l’Empereur”.

The trends for 2005 full year results, which will be presented in March, are characterized by:

- income from operations margin (i.e., operating margin before costs related to executive departures, goodwill impairment and capital gains) in the range of 10%
- net profit improved due to a reduction of financial and tax expenses.

# Questions & Answers

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# **Selected Financial Information**

# Organic growth calculation

			In M€
1. REPORTED REVENUE 2004		1 490.5	
2. Exchange rate impact		+9.6	
3. REVENUE 2004 at 2005 exchange rates		<u>1 500.1</u>	
4. Impact of companies sold or closed	- 2.0 %	(87.2)	
5. Impact of acquisitions		+12.3	
7. REVENUE 2004 at 2005 exchange rates and scope		<u>1 425.2</u>	-2.6 %
8. REPORTED REVENUE 2005		1 460.7	
9. ORGANIC GROWTH		<u>+2.5 %</u>	

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