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PRESS RELEASE

## Havas: third quarter 2006 revenue

- **Revenue of €1,062 million, up +2.1% for the first nine months of 2006 compared to the same period in 2005**
- **Net New Business<sup>1</sup> of €1,580 million for the first nine months of 2006, more than double that of the first nine months of 2005**

Havas today announced third quarter 2006 revenue of €343 million, compared to €341 million reported for third quarter 2005. This represents organic growth of +1.9%, after +0.2% in the first half of 2006.

For the first nine months of 2006, revenue was €1,062 million compared to €1,041 million for the same period last year, an increase of +2.1%.

At constant exchange rates, the increase is +1.1% over the first nine months of the year. The exchange rate impact is once again linked to a stronger US dollar and Canadian dollar in the early part of the year, but this impact was significantly reduced in the third quarter. Excluding exchange rate and scope of consolidation changes, organic growth over the first nine months of 2006 was +0.7%.

### 1. General remarks

The third quarter of 2006, with organic growth of 1.9%, followed a similar pattern to the second. Most regions performed strongly, driven by sustained activity in corporate communication, healthcare and media consulting.

Organic growth in third quarter 2006 saw a progression for the Euro RSCG and MPG divisions, which benefited from strong respective markets and new account wins since the start of the year.

Net new business was €1,580 million for the first nine months of 2006, compared to €760 million for the first nine months of 2005 and €1,055 million for full-year 2005. New accounts wins over the period were satisfactory, including the major wins of Reckitt Benckiser and Danone in the USA, not to mention Progressive Direct and PSA (media buying France), the effects of which will be felt in the fourth quarter.

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<sup>1</sup> Net account wins, expressed in estimated annual billings. Full definition given on the last page of this press release.

## 2. Detailed analysis by region

The figures in brackets show revenue (millions of euros) and organic growth for the periods mentioned.

- France (67, +3.4% in Q3 2006 and 221, +2.8% for the first nine months of 2006)  
The improvement was maintained in the third quarter, including excellent performances from healthcare communication and from traditional advertising at Euro RSCG.
- United Kingdom (44, +3.5% in Q3 2006 and 128, +0.5% over the first nine months of 2006)  
Q3 momentum in this region was driven by corporate communication, but confirmed growth in advertising and media consulting was also noteworthy.
- Europe (excluding France and Great Britain) (70, +16.4% in Q3 2006 and 220, +10.6% for the first nine months of 2006)  
Once again, the two growth drivers were media consulting at MPG and CRM, which enjoyed remarkable growth in the third quarter. Spain, Germany and Belgium were the biggest contributors to growth in this region.
- North America (130, -7.1% in Q3 2006 and 404, -5.9% for the first nine months of 2006)  
Second quarter trends were accentuated in the third quarter: healthcare and corporate communication reported exceptional levels of activity within the Euro RSCG network. The Euro RSCG New York agency has also performed well since the start of the year. Furthermore, Arnold has been awarded with the major win of Progressive Direct which allows to partly amortize the loss in 2005 of Volkswagen and will positively impact the net new business for the fourth quarter 2006.
- Asia-Pacific (15, +1.8% in Q3 2006 and 43, -2.6% for the first nine months of 2006)  
A difficult start to the year in Australia was offset by strong performances, particularly from China (excluding Hong Kong) and also from India, Indonesia, Japan and Singapore.
- Latin America (17, +13.9% in Q3 2006 and 45, +15.5% for the first nine months of 2006)  
Media consulting had an excellent third quarter. Advertising and CRM continued to report highly satisfactory growth.

## 3. New Business and creativity

The main accounts won in third quarter 2006 were:

- **Advertising:** Reckitt Benckiser (global account), Breathe Right® (Canada, Japan, Mexico, United Kingdom, France, Spain, Italy, Germany and Poland), La Mairie de Paris, Labeyrie and Pierre & Vacances (France), EPSON (Germany), Montepio (Portugal), Bharat Sanchar Nigam Limited (India), Vichy and Sony (China), LG Electronics (Latin America)
- **Media:** Danone (United States), LG Electronics (Latin America), M6 theme channels and Arkema (France), Correos y Telégrafos, Ministerio de Sanidad Y Consumo, Magners, Vallehermoso, Guerlain, Skoda, Unidental, BNP Paribas, Multicanal, Banak and Marca Valencia (Spain), Link4 (Poland), Almacenes Paris (Chile), Casa Pedro Domecq (Mexico).
- **Marketing services:** Maison de France and Barclays (United Kingdom)
- **Corporate:** Natlxis and NYSE (France), Vinci (pan-European).

Campaign awards during the second quarter of 2006 included:

The AMO network (Euro RSCG C&O, Maitland UK, Abernathy USA), a strategic alliance of Havas Group PR and financial communication agencies in Europe (including Euro RSCG C&O in Paris), was recently named "financial consultancy of the year" by the Holmes Report, the benchmark report card for corporate and PR agencies around the world, published annually by Paul Holmes.

For the third year running Media Planning Spain has been chosen as the Best Media Agency 2006 in the Spanish publicity awards, Premios Control.

In August 2006, EHS Brann Argentina has won a CAMPRO (Golden award) in the "Best Use of an Innovative Communications Strategy" category for its "Zest in the City" campaign to promote soft drink Cepita. EHS Brann Madrid has been awarded an Echo Award, organised by the prestigious American Direct Marketing Association.

BETC Euro RSCG won yet more honors with its "March of the Emperors" campaign for Canal+, taking two Gold awards at the international Shark Awards Festival held in Ireland in September.

At the New York Festivals International Advertising Awards in September, Arnold Boston, BETC Euro RSCG, Euro RSCG Carillo Pastore, Euro RSCG 4D Amsterdam, Euro RSCG Singapore, Euro RSCG Buenos Aires, Euro RSCG Vale and Euro RSCG Zurich were all big winners, taking a total of 21 awards including five gold awards.

In the WebAwards, which recognize the best corporate websites, Arnold Boston walked away with a total of 12 prizes, and Euro RSCG 4D in Boston, New York and Portland in the United States took 4 prizes.

In September 2006, MPG and Euro RSCG Argentina awarded Silver Award "Financial Services Category": "Enjoy Life Today" for BBVA Banco Francés (EFFIE Awards). MPG Barcelona and the The Eat Out (Grupo Agrolimen) won the Metro Global Print Award 2006 with their campaign for Bocatta. Media Contacts USA's 'Stupid Things' Campaign for Vonage received a bronze award in the Direct Response category at the 2006 MIXX Awards.

At the Grand Prix de l’Affichage in October, Devarrieuxvillaret won two awards for its "Les Portraits" and "Les Baches" campaign for the SNCF/Transilien, BETC Euro RSCG won two awards for its "Les Sièges" campaigns for Air France and INPES, and Scher Lafarge took an award for RTL.

#### **4. Calendar**

The Group will publish its fourth quarter 2006 revenue in February 2007.

## **About Havas**

Havas (Euronext Paris: HAV.PA) is a global advertising and communications services group. Headquartered in Paris, Havas operates through its two worldwide networks, Euro RSCG Worldwide headquartered in New York and Havas Media in Barcelona, and through Arnold Worldwide Partners. A multicultural and decentralized Group, Havas is present in more than 75 countries through its networks of agencies and contractual affiliations. 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](http://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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