



2006 Results
– April 05, 2007 –

Fernando Rodés – Hervé Philippe

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 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.

Average Net debt (quarterly or annually) is calculated for the main 4 countries (France, USA, UK and Spain), as the difference between structured gross debt (oceanes, credit lines, etc...) and treasury in bank measured on a daily basis; concerning the other countries, the average net debt is the debt accounted as of each quarter.



2006 Revenue

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Revenue

- **For the first time since 2001, annual revenue was up in 2006**
 - **Actual revenue growth** : +0,8%
 - The revenue totalled 1.472 billion € in 2006 versus 1.461 billion € in 2005

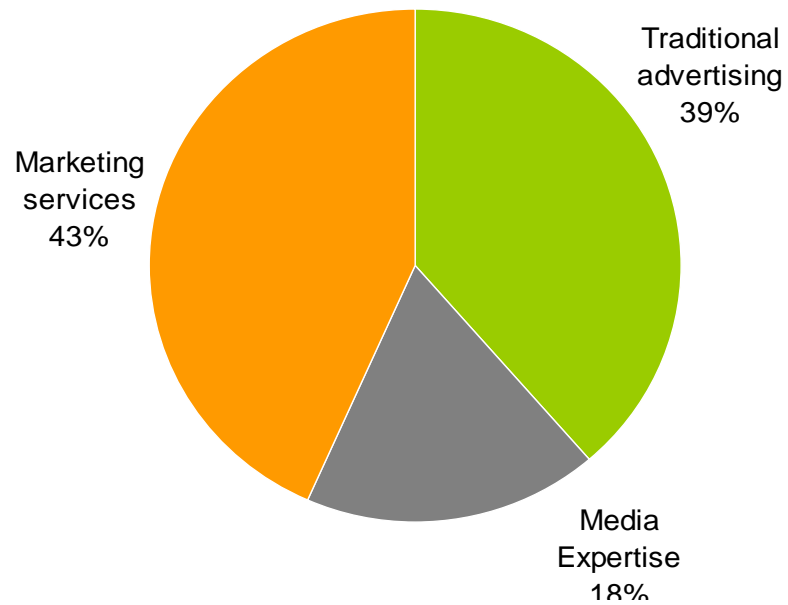
- **Positive organic growth for 2006 : +0,6%**

2006 – Revenue evolution

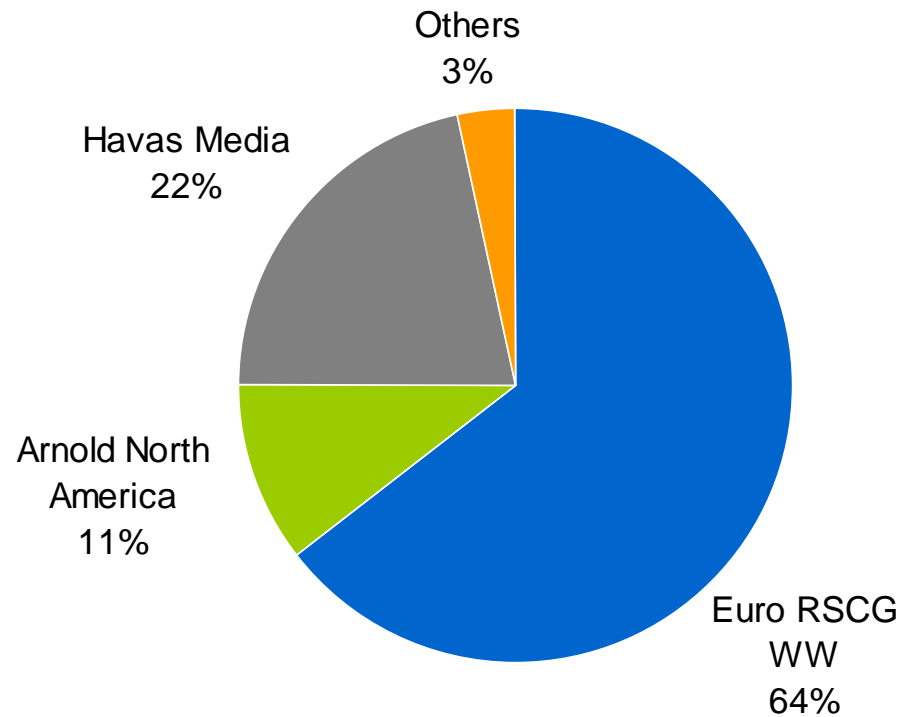
2006 – Detailed calculation of Organic growth

	in €M
Reported Revenue 2005	1 461
Exchange rate impact	-3
2005 revenue after 2006 exchange rate impact	1 457
Scope variations : Acquisitions, disposals, closure of companies and other	+6
2005 revenue at 2006 scope and exchange rate	1 463
Reported Revenue 2006	1 472
Organic revenue evolution	+0,6%

2006 – Revenue split by activity

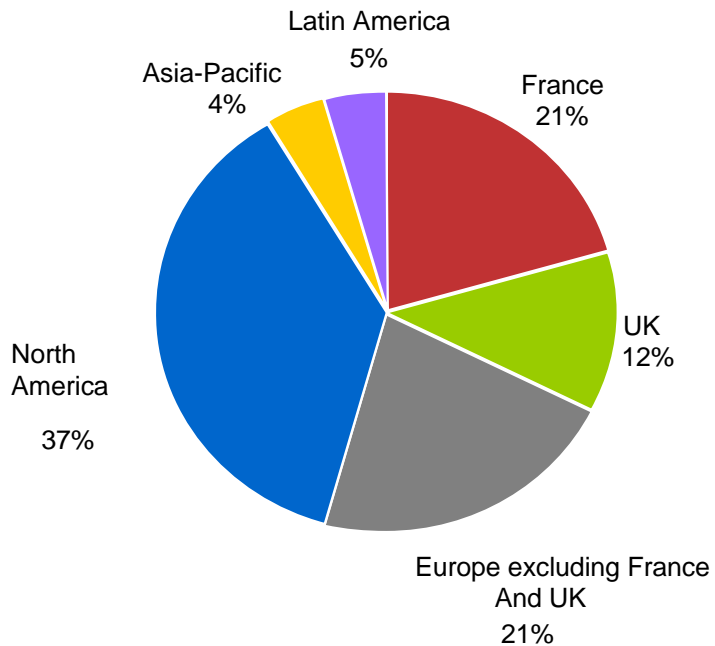


2006 – Revenue split by division

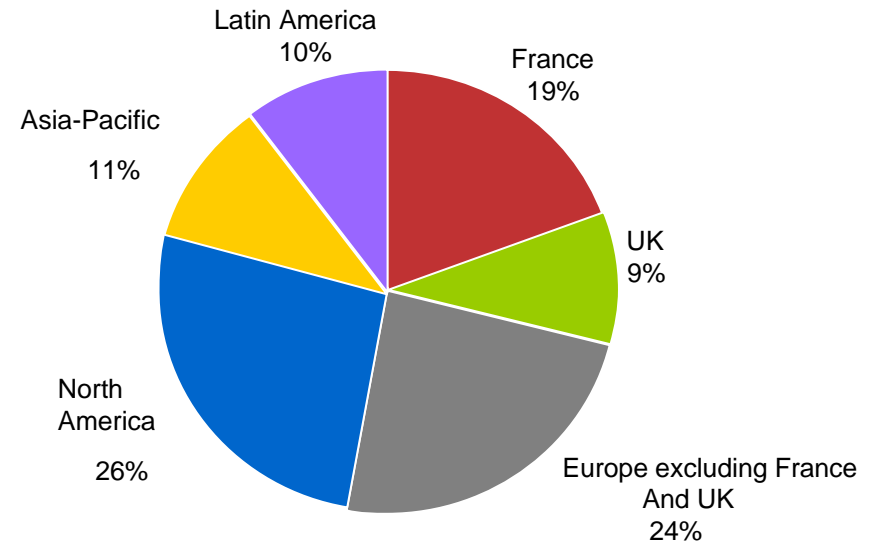


2006 – Revenue and headcount split by geographical area

Revenue

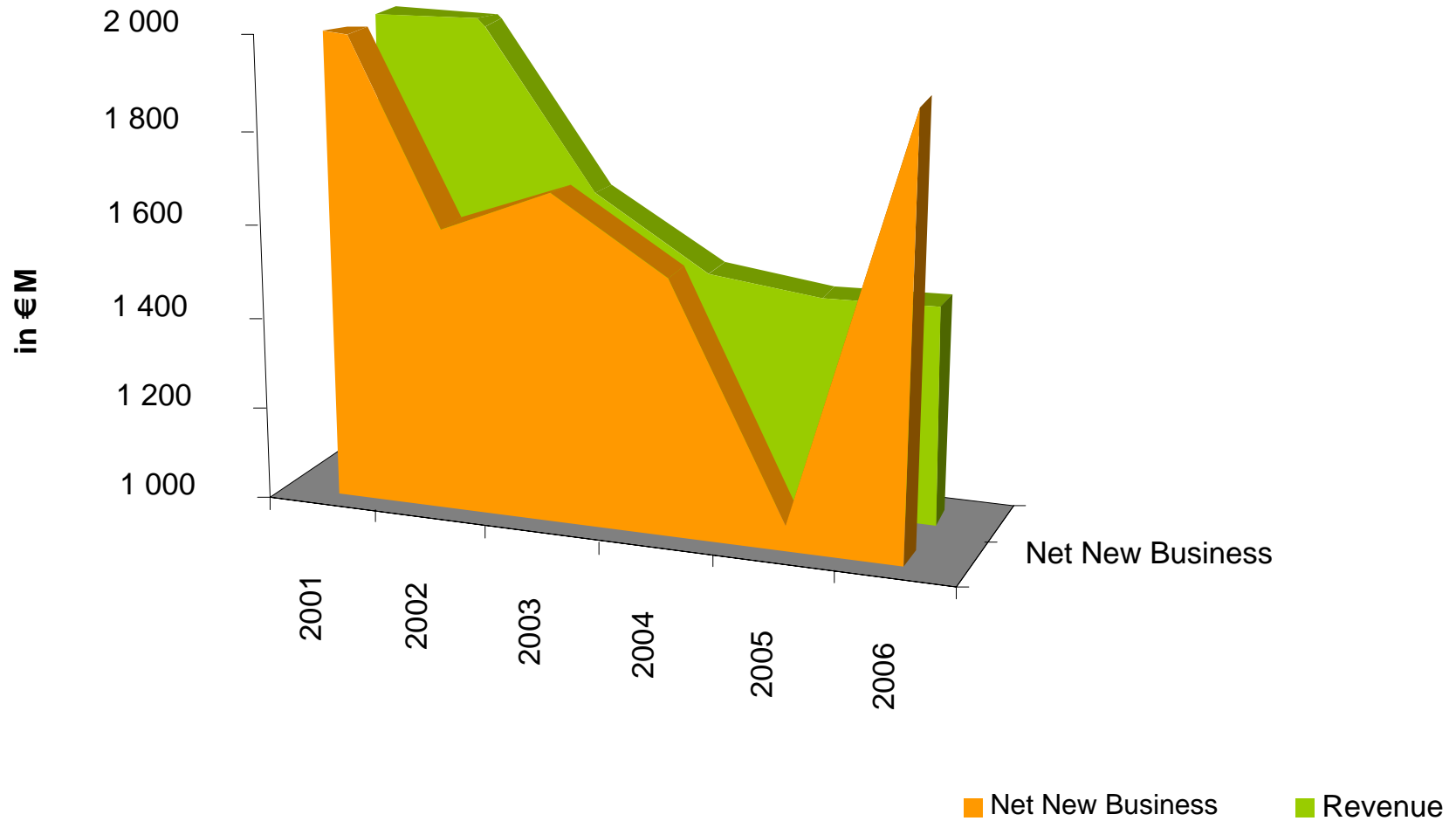


Headcount



As of December 31, 2006

Historical trend of Revenue and Net New Business





2006 Results



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2006 – Income statement

2006 results performance marked by recruitment

In €M	2006	2005	Variance
Revenue	1 472	1 461	+0.8%
Compensation	(934)	(901)	
Other expenses and income from operations	(398)	(408)	
Income from operations	140	152	(7.9%)
Other operating expenses and income	(19)	(42)	
Operating income	121	128	(5.5%)
Net financial expense	(38)	(43)	
Income of fully consolidated companies before tax	83	85	(2.4%)
Income tax expense	(25)	(14)	
Net income of fully consolidated companies	58	71	
Share of losses of associates	(4)	(3)	
Net income	54	68	(20.6%)
<i>Minority interests</i>	(8)	(9)	
Net income, Group share	46	59	(22.0%)

Earnings per share (in €)	2006	2005	Variance
Basic and diluted	0.11	0.14	(22.0%)

2006 – Income from operations

In € Million	2006	2005	Variance
Revenue	1 472	1 461	+0.8%
Compensation (excluding stock options)	(928)	(889)	+4.4%
	-63.0%	-60.9%	
Other operating expenses and income	(361)	(366)	(1.2%)
	-24.5%	-25.0%	
Fixed assets amortization and depreciation	(37)	(42)	
	-2.5%	-2.9%	
Stock-Option charges	(6)	(12)	
	-0.4%	-0.8%	
Income from operations	140	152	(7.8%)
Income from operations margin (in %)	9.5%	10.4%	

2006 – Operating income

In € Million	2006	2005	Variance
Income from operations	140	152	(12)
Income from operations margin (in %)	9.5%	10.4%	
Goodwill impairment charge	(11)	(21)	10
Capital gains on disposal of assets		18	(18)
Costs related to the departure of former top management		(21)	21
Restructuring	(8)		(8)
Total other operating expenses and income	(19)	(24)	5
Operating income	121	128	(7)
<i>Operating margin (in %)</i>	8.2%	8.8%	

2006 – Financial result

In € Million	2006	2005	Variance
Interest income	13	18	(5)
Cost of debt	(50)	(59)	9
<i>of which OCEANE's</i>	(30)	(43)	13
Other financial expenses	(1)	(2)	1
Net financial expense	(38)	(43)	5

2006 – Income tax expense

In € Million	2006	2005
Income of fully consolidated companies	83	85
Income tax expense	(25)	(14)
Effective tax rate	29.6%	16.5%

2006 – Earnings per share

	2006	2005
Basic		
Net income, Group share (in €M)	46	59
EPS in €	0.11	0.14
Nb of shares (in thousands)	425 918	424 280
Diluted		
Net income, Group share (in €M)	46	59
EPS in €	0.11	0.14
Nb of shares (in thousands)	434 695	434 787

2006 – Income statement by semester

A more positive performance in H2

In €M	H1 2006	H2 2006	Full Year 2006
Revenue	719	753	1 472
Compensation <i>in % of revenue</i>	(452) (62.8%)	(482) (64.1%)	(934) (63.5%)
Other expenses and income from operations <i>in % of revenue</i>	(203) (28.2%)	(195) (25.9%)	(398) (27.0%)
Income from operations <i>in % of revenue</i>	64 8.9%	76 10.1%	140 9.5%
Operating income <i>in % of revenue</i>	56 7.7%	65 8.7%	121 8.2%
Net income, Group share <i>in % of revenue</i>	21 2.9%	25 3.4%	46 3.1%
Headcount end of period (Havas without NRS)	13 402	13 310	13 310

H2 2006 corresponds to the difference between Full Year 2006 and H1 2006.



**Financial structure as of
12/31/2006**

Simplified balance sheet as of 12/31/2006

Stronger financial situation

Goodwill	1 404	1 409	1 450
Other fixed assets	164	168	183
Net deferred tax	127	127	125
WCR	-255	-37	-278
Assets	1 440	1 667	1 480
Total equity	943	901	925
Provisions	115	118	138
Net financial debt	382	648	417
Liabilities	1 440	1 667	1 480

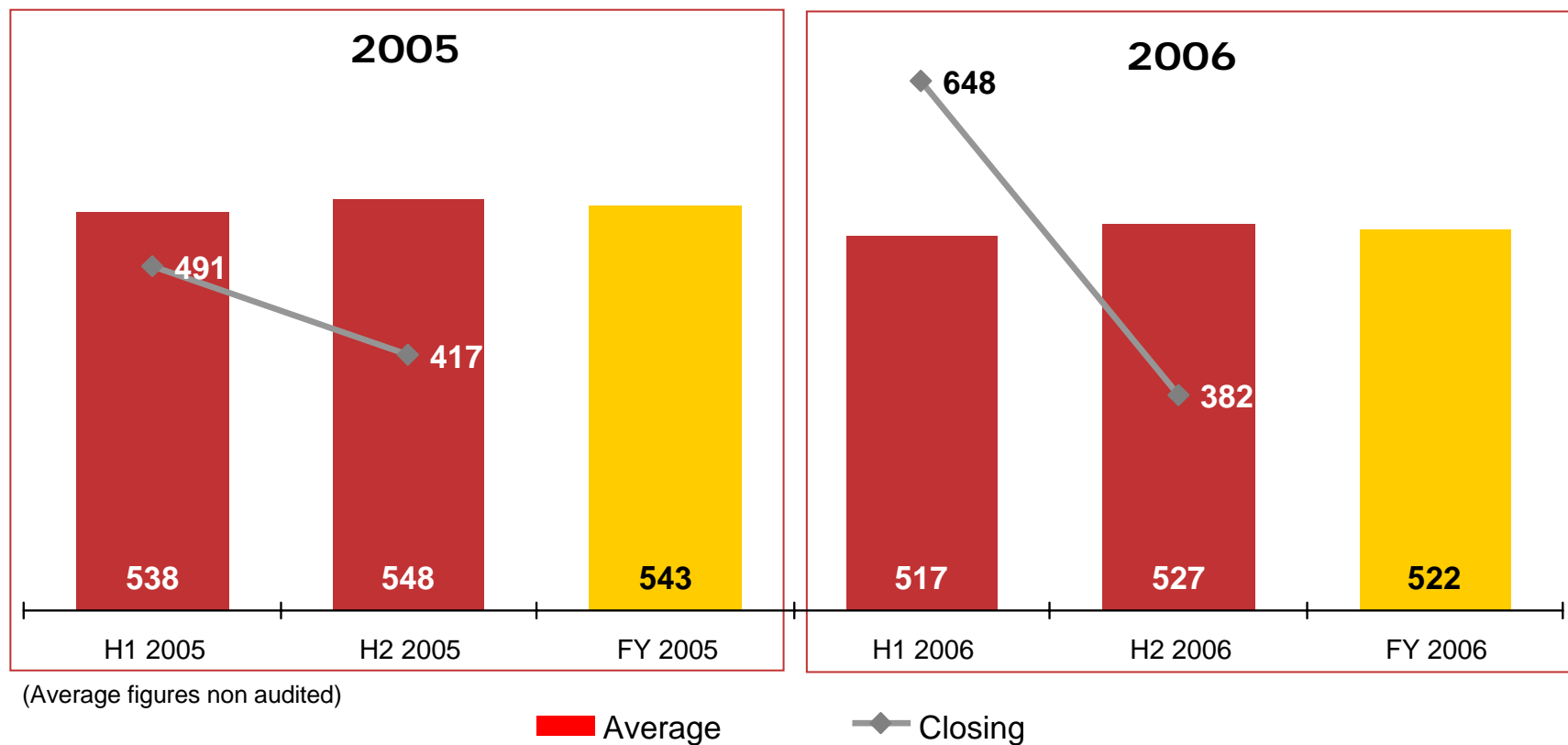
Financial structure

in €M	12.31.06	12.31.05
Net Debt	382	417
Total equity	943	925
Gearing	0.41	0.45
Adjusted EBITDA	183	206
Net Debt / Adjusted EBITDA	2.1x	2.0x
Averaged Net Debt	522	543
Averaged Net Debt / Adjusted EBITDA	2.9x	2.6x
Financial Result	-38	-43
Adjusted EBITDA / Financial Result	4.8x	4.8x

- As of 12/31/2006, all Group financial covenants are met.
- Adjusted EBITDA = income from operations plus intangible and tangible fixed assets depreciation and amortization, stock option charges and other compensation defined by IFRS 2

Average Net Debt

Reduction of Average Net Debt by 21€M



NB : - Cf definition of average net debt in page 2

Utilisation du free cash flow

In €M	2006	2005
Net cash provided by operating activities	86	-38
Tangibles and intangibles (Capex)	-28	-34
Free Cash Flow	58	-72
Dividends paid	-22	-37
Financial investments	-23	-28
Others	-1	47
Non cash impacts on net debt	23 *	-16 **
Net debt variation	35	-106

* of which reduction of Earn-out / Buy-out debts by 17M€, reclassification of the OBSAAR optional value in equity for 14 M€, interest charges not yet due of -12 M€ and exchange rate impact of 4 M€

** of which reduction of Earn-out/Buy-out debts by 10M€, interest charges not yet due of -23 M€ and exchange rate impact of -3 M€

2006 – Dividend

dividend unchanged

Net income, Group share (consolidated accounts) in €M	46	in 2006, i.e. - 22% / 2005
EPS in €	0.11	in 2006, i.e. - 22% / 2005
Net income (statutory accounts) in €M	50	in 2006 versus -15 in 2005

→ The proposed dividend for 2006 is maintained at **3 cts per share** i.e. exactly the same amount as for 2005



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