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*FOR IMMEDIATE RELEASE*

## **Havas: Net income +40 %**

- Q2 organic growth reached 8.4%, after 7.4% in Q1, establishing H1 organic growth at 8.0%.
- Marked growth in profitability in H1 2008:
  - Margin on income from operations **10.9%** compared to 10.3% in H1 2007,
  - Operating margin **12%** compared to 10.3% in H1 2007.
- Net income, Group share, up by **40%**.
- Stronger financial structure with net debt at June 20, 2008 down to €340 million from €430 million at June 30, 2007, a decrease of 21%.

## 1. H1 2008 results and financial position at June 30, 2008

The Board of Directors, meeting on August 28, approved the accounts for the first half of 2008.

Group **revenue** of €755 million for H1 2008 was **up by +3.6%** over H1 2007, due in large part to strong business growth in key markets reflecting new account wins and increased market share.

The strong euro has penalized the Group, with a negative exchange rate impact over the first six months of the year of €46 million against the weaker US dollar and sterling, as compared to H1 2007.

→ The Group's organic growth over the first half of 2008 progressed as follows:

Q1 2008	+ 7.4%
Q2 2008	+ 8.4%
<b>H1 2008</b>	<b>+ 8.0%</b>

- **Income from operations** totaled €82 million, an **increase of +9.3%** over H1 2007. **Margin on income from operations** gained **60 basis points** to rise from 10.3% to 10.9%, thanks to successful cost control.
- **Operating income** rose to €91 million, a **significant increase of +21.3%** over H1 2007. The increase in operating income includes a capital gain of €8.4 million on the disposal of McKinney. Operating margin for H1 2008 thus rose to 12% compared to 10.3% for H1 2007.
- **Consolidated net income** rose to €52 million in the first half of 2008, a **sharp increase of +33 %** over H1 2007.
- **Net income, Group share**, was €49 million in H1 2008, **up by an impressive +40%** on H1 2007.
- **Earnings per share** for H1 2008 were €11 cents compared to €8 cents in H1 2007, an **increase of +38%**.
- The Group continued to strengthen its financial position in H1 2008 as compared to the same period in 2007. **Net debt at June 30, 2008** was down to €340 million, compared to €430 million at June 30, 2007. **Average net debt<sup>1</sup>** also **fell by 18%** compared to H1 2007.

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<sup>1</sup> Average net debt (quarterly or annual) is calculated for the main 4 countries (France, USA, UK and Spain) as the difference between structured gross debt (oceanes, credit lines, etc...) and cash in bank measured on a daily basis; for the other countries, the average net debt is the debt carried at the end of each quarter. The closing position is a net book debt position.

## **2. General comments activity and results for H1 2008**

The first half of 2008 further confirmed the pertinence of the Group's growth strategy based on the creative talent and knowhow of its teams and closer commercial integration of its networks.

All the Group's main businesses have enjoyed strong growth: putting digital at the core of all our agencies and businesses means we can provide our clients with global communication advertising solutions and a choice of media.

The Group is significantly outperforming the market in terms of growth in all its key regions, most notably in North America (+6.4%) and Europe (+8.1%). For the Rest of the World, organic growth was up by +11.4%.

Net New Business of €1,133 billion for H1 2008 is also extremely encouraging and enables us to look to the future with confidence on behalf of both our shareholders and Group employees.

## APPENDIX

### Financial information

in €M	H1 2008	H1 2007	Variance H1 2008 / H1 2007
Revenue	755	729	+3.6%
Organic growth			+8.0%
Income from operations	82	75	+9.3%
	10.9%	10.3%	
Operating income	91	75	+21.3%
	12.0%	10.3%	
Net income of fully consolidated companies	52	39	+33.3%
	6.9%	5.3%	
Net income, Group share	49	35	+40.0%
	6.5%	4.8%	

in €M	as of June 30, 2008	as of June 30, 2007	Variance 06/30/2008 vs 06/30/2007
Total consolidated equity	961	976	-1.5%
Net financial debt	340	430	-20.9%
Net financial debt / Total consolidated equity	0.35	0.44	

## **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 and Havas Media, which are headquartered in New York and Barcelona respectively, and through a number of independent agencies renowned for their creativity, such as 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 which speak only as of the date on which they are made. Forwardlooking statements relate to projections, anticipated events or trends, future plans and strategies, and reflect Havas' current views about future events. They are therefore subject to inherent risks and uncertainties that may cause Havas' actual results to differ materially from those expressed in any forward-looking statement. Factors that could cause actual results to differ materially from expected results include changes in the global economic environment or in the business environment, and in factors such as competition and market regulation. For more information regarding risk factors relevant to Havas, please see Havas' filings with the *Autorité des Marchés Financiers* (documents in French) and, up to October 2006, with the U.S. Securities and Exchange Commission (documents in English only). 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.

## **(1) : 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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