

PRESS RELEASE

## 2009 RESULTS:

### Solid performance in 2009

### Net cash position turned positive

### Proposed doubling of dividend

- ▶ Annual revenue of €1,441 million, organic growth of -7.9% for the full year and -4.4% for the fourth quarter, the strongest performance in the sector
- ▶ Income from operations margin of €180 million or 12.5% of revenue, up from 12% in 2008
- ▶ Net income, Group share: €92 million
- ▶ Net cash position of €48 million at 31 December 2009, after net debt of €79 million at year-end 2008
- ▶ Proposed doubling of dividend to 8 cents (€) per share

The Board of Directors, meeting on March 23, 2010, approved the annual accounts for the 2009 financial year.

The key figures were as follows:

€million (€M)	2009	2008	2007
<b>Revenue</b>	<b>1441</b>	<b>1568</b>	<b>1532</b>
Organic growth (%)	-7.9	+4.7	+7.1
<b>Income from operations</b>	<b>180</b>	<b>188</b>	<b>169</b>
Income from operations margin (%)	12.5%	12.0%	11.0%
<b>Net income, Group share</b>	<b>92</b>	<b>104</b>	<b>83</b>
<b>Net cash position at December 31</b>	<b>+48</b>	<b>-79</b>	<b>- 226</b>
<b>Dividend* in cents (€)</b>	<b>8</b>	<b>4</b>	<b>4</b>

\* proposed at the Annual General Shareholders' Meeting on 11 May 2010

## 1. Revenue

Group revenue for 2009 was €1,441 million, i.e. a gross decrease of 8.1% on 2008.

Organic growth was -7.9% for the full year 2009.

In the fourth quarter of 2009, revenue totaled €415 million, i.e. organic growth of -4.4%. This was a significant improvement on the previous quarters and the best performance in the sector to date.

## 2. Results

**Income from operations** totaled €180 million in 2009, compared with €188 million in 2008. The income from operations margin was 12.5% of revenue, up from 12% in 2008.

This good level of margin on income from operations was achieved through disciplined cost control and the Group's ability to rapidly adjust its operating expenses to the demands of a highly fluctuating environment.

Non-recurring restructuring costs (severance payments, real estate) resulted in Operating income of €150 million in 2009.

The sharp drop in financial expense (due to the OCEANE bond redemption in early 2009 and the Group's strong financial position), as well as the lower tax rate, enabled the Group to contain the decrease in Net income (€92 million in 2009 after €104 million in 2008). When 2008 capital gains from disposals (€9 million) are factored out, **2009 Net income (Group share) fell by a mere 3%.**

## 3. Financial structure

The Group's financial structure was further reinforced in 2009:

- the net cash position at December 31, 2009 became positive at €48 million, after net debt of €79 million at December 31, 2008,
- the maturity of net financial debt, which stood at two and a half years in 2006, was extended to over four years in early 2010,
- and average net debt<sup>2</sup> over the full year 2009 was €147 million, down 50% on 2008.

The further improvement of the Group's financial structure was due to:

- the high level of cash generated through good results and constant attention to cash management
- the moderate level of financial investment (approximately €13 million) in 2009, and substantial decrease in capital expenditure on tangible assets.

#### 4. Net New Business<sup>1</sup>

Net new business<sup>1</sup> for 2009 remained robust at €1,270 million.  
Some of the most significant account wins of the year include:

##### Global :

**Hyundai Kia** (Havas Media)  
**Jacob's Creek** Pernod Ricard (Euro RSCG)  
**Turespana** (MPG)  
**Credit Suisse** (Euro RSCG London)  
**Dulux (Akzonobel)** (Euro RSCG London)  
**Israel Tourist Office** (MPG International)  
**Reckitt Benckiser** (MPG)  
**Cerruti** (Euro RSCG BETC Luxe)  
**Symantec** in 6 Asia-Pacific countries (MPG Singapore)

##### Regional :

**Heineken** in the US (Euro RSCG New York)  
**LVMH** in the US (MPG US)  
**AXA** in the UK and United Arab Emirates (Havas Media)  
**Coty** in France (Havas Media France)  
**Nova Schin** in Brazil (Euro RSCG Brazil)  
**BBVA** and **Viagra** in Latin America (Euro RSCG)  
**Orange Business Services** in Asia-Pacific (Euro RSCG)  
**Pfizer, GlaxoSmithKline, Novartis** and **Shire US** (Euro RSCG Life)  
**DBS** (Euro RSCG Singapore)  
**Yell Publicidad** and **Ministero de Defensa** (MPG Spain)

The year also brought a number of new account wins in digital, some of the most significant of which were:

**IBM** (Euro RSCG 4D) worldwide, **EDF** (Euro RSCG C&O) worldwide, **Heineken** (Euro RSCG New York), **Lacoste** (Euro RSCG New York), **Sprint** (Euro RSCG Chicago) and **Method** (Euro RSCG San Francisco) in the US, **Clearasil** (Euro RSCG Sydney), **comparethemarket.com** (Euro RSCG 4D Digital UK), **First Choice Holidays** and **Tesco Finance** (Havas Media UK), **Cruz Roja Espagnola** and **Unicef** (Havas Media Spain), **Carrefour, P&G** and **Embratel** (Havas Media Brazil), **Telmex** and **Lan Chile** (Havas Media LATAM), **Unilever** (Havas Media Philippines), **KFC & Pizza Hut (Yum Brands)** (Havas Media China) and **Tata** (Havas Media Singapore).

Euro RSCG was also appointed to **Unilever's** first ever global digital roster.

In the area of social networks, Euro RSCG was named agency of reference for **Motorola USA, IKEA UK** and **sanofi-aventis** in North America.

#### 5. Board decisions and outlook

In view of the Group's satisfactory results and improved financial structure, the Board of Directors has decided to propose that the dividend be increased to 8 cents (€) at the next Annual General Meeting of shareholders.

The shareholders will also be asked to approve a share buyback plan totaling 40 million shares, i.e. 9.3% of the Group's capital.

The Havas S.A. shareholders' meeting will be convened on Tuesday, May 11, 2010.

## APPENDIX 1: Financial information

in €M	2009	2008	Variance 2009/2008
Revenue	1441	1568	-8.1%
Organic growth (%)	-7.9	4.7	
Income from operations	180	188	-4.3%
Income from operations margin (%)	12.5%	12%	
Operating income	150	189	-20.7%
Net income of fully consolidated companies	97	112	-13.4%
Net income, Group share	92	104	-11.5%
	6.4%	6.6%	
Earnings per share (in €)	0.21	0.24	-12.5%

in €M	as of December 31, 2009	as of December 31, 2008	Variance 12/31/2009 vs 12/31/2008
Total consolidated equity	1087	1015	7.1%
Net cash and cash equivalents	+48	-79	
Net debt / Total consolidated equity	N/A	-0.8	
Average net debt (1)	147	295	-50.2%

## **About Havas**

Havas (Euronext Paris: HAV.PA) is a global advertising and communications services group. Headquartered in Paris, Havas operates through its two Business Units (the term « Business Unit » will from now on replace the term « Division »), Havas Worldwide and Havas Media, in order to optimize synergies and further reinforce Havas's position as the most integrated of all of the major holding companies. Havas Worldwide incorporates the Euro RSCG Worldwide network as well as agencies with strong local identities: Arnold in the USA, the UK and Italy, H and W&Cie in France... Havas Media incorporates the MPG, Arena, Havas Sports & Entertainment and Havas Digital networks. 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 14,000 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. Forward looking 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.

**(2) Net Debt (quarterly, by semester or annually)** is calculated for the four main countries (France, USA, UK and Spain), as the difference between structured gross debt (OCEANE, OBSAAR, credit lines, etc.) and cash at bank and in hand measured on a daily basis. For the other countries, net debt is the debt accounted for at the end of the previous quarter.

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