

Puteaux, March 1st, 2012

## 2011 RESULTS

**Revenue: €1,645 million for full-year 2011**

- Organic growth +5.9%
- 16% of revenue from fast growing markets in Latin America and Asia-Pacific
- Digital and social media increase to 23% of revenue

**Income from operations of €220 million in 2011, up from €204 million in 2010, an increase of +8%**

- Income from operations margin up 30 basis points to 13.4%

**Net Income, Group share up 9% to €120 million in 2011**

**Earnings per share (basic and diluted) up 8% to 28 cents (€) in 2011**

**Net debt: €37 million at December 31, 2011 compared to a net cash position of €87 million at December 31, 2010**

**Net New Business<sup>(1)</sup> strong at €1.4 billion**

**Dividend proposed\*: 11 cents (€) per share, an increase of 10%**

\* 2011 dividend proposed at the General Shareholders' Meeting of Thursday, May 10, 2012.

**David Jones**, Havas CEO said: *"It was another strong year for Havas driven by aggressive growth in digital, double digit results in emerging markets and the growth from our major global accounts. At the same time, we were successful in reducing costs in 2011 and generated an increase in margins as a result. Our new business performance and pipeline remain solid as we move into 2012."*

The Board of Directors, meeting on February 29, 2012, approved the annual accounts for the 2011 financial year.

## KEY FIGURES

€ million (M€)	2011	2010	2011/2010
Revenue	1,645	1,558	+5.6%
Organic growth	5.9%	3.5%	
Income from operations	220	204	+8%
Income from operations margin (%)	13.4%	13.1%	+30 bp
Net income, group share	120	110	+9%
Net income, Group share as revenue %	7.3%	7.1%	
Net debt at December 31	37	-87	
Dividend* in cents (€)	11	10	10%

The consolidated financial statements have been audited. The statutory auditors will issue their report after their verification of the directors' report.

### 1. Revenue

Group revenue for 2011 was €1,645 million, an increase of 5.6% over 2010 on an unadjusted basis.

Organic growth was +5.9% over the full year 2011. Revenue for the fourth quarter of 2011 was €492 million, representing organic growth of +5.4%. This sustained growth, at both the annual and the quarterly level, was driven by strong performances from all businesses and regions.

Over the year, the Euro appreciated in value against the US dollar and GB pound, producing a negative exchange rate impact on revenue of €29 million for the full year 2011.

Digital and social media grew rapidly and once again increased their contribution to the company's overall revenue, as the Group pursued its strategy of putting these businesses at the core of all its activities and agencies around the world. With no significant acquisitions made over the course of the year in these areas, digital and social media now make up 23% of total Group revenue.

## The geographic distribution of revenue for the 2011 financial year was as follows:

Revenue (in €M)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011
<b>EUROPE</b>	190	216	195	263	864
<i>of which</i>					
France	75	87	76	102	340
UK	43	43	45	49	180
Rest of Europe	72	86	74	112	344
<b>NORTH AMERICA</b>	125	127	126	142	520
<b>REST OF WORLD</b>	47	61	66	87	261
<i>of which</i>					
Asia Pacific & Africa	19	23	26	35	103
Latin America	28	38	40	52	158
<b>TOTAL</b>	<b>362</b>	<b>404</b>	<b>387</b>	<b>492</b>	<b>1 645</b>

Organic Growth	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011
<b>EUROPE</b>	3.8%	-0.9%	1.8%	3.6%	2.1%
<i>of which</i>					
France	4.9%	-0.9%	-0.8%	1.4%	1.0%
UK	2.4%	-2.3%	3.7%	5.8%	2.4%
Rest of Europe	3.5%	-0.7%	3.6%	4.8%	3.0%
<b>NORTH AMERICA</b>	7.2%	9.0%	8.2%	3.5%	6.8%
<b>REST OF WORLD</b>	19.5%	18.0%	18.7%	13.1%	16.5%
<i>of which</i>					
Asia Pacific & Africa	10.3%	8.4%	14.6%	7.7%	9.8%
Latin America	24.6%	24.6%	21.5%	17.5%	21.4%
<b>TOTAL</b>	<b>6.8%</b>	<b>4.5%</b>	<b>7.3%</b>	<b>5.4%</b>	<b>5.9%</b>

### Europe:

Europe posted organic growth of 3.6% for the fourth quarter of 2011, fuelled by media, digital and traditional advertising. This reflects positive results and a return to growth in France, strong four quarter results in the UK and significant contributions from Germany, Italy and Poland in the Rest of Europe.

### North America:

North America outperformed market forecasts with full-year growth of 6.8%, despite a slightly softer pace in the fourth quarter of 2011. Performance in North America was primarily driven by strong results at Arnold and the media businesses and double-digit growth at several local agencies.

### Rest of world:

**Asia-Pacific** reported growth of 9.8% for full-year 2011 and 7.0% for the fourth quarter. The region's two main growth engines were China and Australia. **Latin America** maintained double-digit growth over the full year, thanks to excellent performances from all businesses across the entire region.

## 2. Results

**Income from Operations** was **€220 million in 2011**, up from €204 million in 2010. This resulted in an **income from operations margin of 13.4%** of 2011 revenue compared with 13.1% in 2010. This increase of +30 basis points on income from operations margin was driven by continued strict cost control, including a reduction in compensation from 61.7% in 2010 to 60.9% in 2011. Non-recurrent costs associated with restructuring and reorganization, which continued into 2011 in

some regions, and with removal costs and limited goodwill impairment, resulted in operating income of €197 million in 2011, compared with €184 million in 2010. The operating margin increased from 11.8% in 2010 to 12% in 2011.

Driven by higher operating profitability, **Net income, Group share** rose to **€120 million in 2011**, an increase of +9% over 2010. **Earnings per share** also rose to 28 cents (€) in 2011 compared with 26 cents (€) in 2010, an increase of 8%.

### 3. Financial structure

**Net debt** stood at €37 million at December 31, 2011, compared with a net cash position of €87 million at December 31, 2010. This was due principally to the acquisition of the new headquarters building in Puteaux, which represented an investment of €159 million funded from cash flow.

**Average net debt<sup>2</sup>** over the full year in 2011 was €74 million, compared with €75 million in 2010.

Total consolidated equity increased by €103 million to €1.3 billion at December 31, 2011, giving a net debt/total consolidated equity ratio of virtually zero.

### 4. Dividend and General Shareholders' Meeting

The Board of Directors has decided to propose a dividend of 11 cents (€), an increase of 10% over the dividend distributed in 2010, at the next Shareholders' Meeting.

The Havas S.A. Shareholders' Meeting will be convened on Thursday, May 10, 2012.

Q1 2012 revenue will be published on Friday, May 11, 2012.

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

Net New Business<sup>1</sup> won in 2011 amounted to €1.4 billion.

Among the most significant wins over the year:

#### **Havas Worldwide:**

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**Unilever:** We won the global digital business for Unilever's Dove deodorant portfolio. We also extended our Unilever global digital roster presence into Asia - now working with 5 brands across Euro RSCG Asia including winning the regional digital agency of record for Fair & Lovely (led by Euro RSCG India), Dove Deo, Radiant/Rin in emerging markets and Citra and Vaseline across SEA. Euro RSCG in London won the social media account for Unilever's V05 brand, and Euro RSCG in Mexico won the digital business for the Unilever brand Ades.

**Sony:** Euro RSCG Chicago won America's Sony PlayStation Network and PS+ business e-mail, digital, social, mobile and experiential, ER Copenhagen won the TTL Sony business for the Nordic

countries, Cake was named Social Media agency of record for UK business, ER Spain won the launch of the Sony tablet in Spain and Arnold4D won Sony Ericsson business in Spain.

**Volvo:** EHS 4D won the centralization of Volvo's DM/eDM campaign across 17 EU markets and the development of a bimonthly eNewsletter program across 12 markets.

**Coty:** Euro RSCG WW PR won Coty global corporate communications messaging and outreach.

**IBIS:** BETC Euro RSCG won the global creative and digital account for IBIS. BETC Digital won the new reservation portal for the Ibis hotel chain across 53 countries.

**PRO-EUROPE:** We were awarded the pan-European account for the European Recycling trademark.

**Pernod Ricard:** Euro RSCG London won the advertising account for Pernod Ricard's global portfolio of standard vodka brands, namely, Wyborowa, Wyborowa International and Oddka, in a competitive pitch against a number of rival Pernod Ricard roster agencies. Euro RSCG Sao Paulo won the Teacher's whiskey advertising business. Project House in Turkey won the Ballantine's digital account, Euro RSCG Belgium won Havana Club digital, social media and experiential duties and Euro RSCG Tokyo won the Pernod Ricard champagne brands in Japan. ER C&O was awarded Pernod Ricard's digital account – including social media, website and mobile apps.

**Sanofi:** Euro RSCG further extended the partnership with our #1 client Sanofi, with BETC Euro RSCG responsible for the global BGM devices division.

**Reckitt Benckiser:** Euro RSCG Worldwide PR was selected to handle the account for Reckitt Benckiser's 2011 acquisition of Durex. Euro RSCG India won the Paras healthcare business that includes over 5 brands (another recent RB acquisition) and ER Singapore was appointed to the digital launch of Dettol in Singapore and Malaysia.

**Van Cleef & Arpels:** BETC Luxe won the pitch for global advertising business

**Freescale:** ER San Francisco appointed agency of record for global Freescale business – joint pitch with MPG.

**Groupon:** Euro RSCG Chicago won Groupon Now digital.

**Deezer:** Euro RSCG WW PR won the global Deezer music platform corporate communications and social media account.

**New York Life:** Euro RSCG New York was appointed creative agency of record for NY Life.

**Cockburn's:** BETC London has won its first retained account since it launched in May with its capture of the global advertising relaunch for the port brand Cockburn's. The agency picked up the business without a pitch, and will roll out an integrated campaign to promote Cockburn's across the brand's key markets of the UK, Western Europe and the US.

**Georgia-Pacific:** ER San Francisco won Georgia-Pacific's North American Consumer Products Sustainability account.

**Air Mauritius:** Air Mauritius global website redesign, e-marketing and social media.

**Metro Cash & Carry:** We were appointed the global agency of record for Metro Cash & Carry, the international self-service wholesaler. The win was led jointly by Euro RSCG Germany and Euro RSCG Czech Republic.

## Arnold

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**Boston Bruins:** (2011 Stanley Cup Champions) Agency of Record, US

**Carbonite:** (Online Backup Service) Agency of Record, US

**The Climate Reality Project:** (former Vice President Al Gore's initiative) pro bono effort, US

**Dell:** (Small-to-Medium Business Division) Global Agency of Record

**P&O Cruise Lines:** (a division of Carnival Cruise Lines) Agency of Record, UK

**Sanofi Aventis:** Seven pharma brands won: **Lantus®**, **Lixisenatide**, **Apidra®**, **BGStar®**, **Aubagio**, **Lemtrada**, **US Multiple Sclerosis franchise**, US)

**Tribe Hummus/Veggie Patch:** Agency of Record, US

## Havas Media:

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### Global:

**Philips** was won by MPG & Media Contacts in North America, France, Latin America and Southern Europe.

**Air France** awarded its global account to Havas Media International.

At a global level **Turismo de Mexico** was won by MPG with Media Contacts and **Escada** was won by MPG.

**Liebeskind:** global off and online account, through MPG & Media Contacts.

**Nissan**, **Coca Cola** and **Powerade** will work with Havas Sports & Entertainment on several global assignments.

### Regional:

**Belcorp** and **Nextel** were won by MPG LATAM.

**INSEAD** was won by Havas Media International for APAC.

**Haier** chose Havas Media International for its European account.

**Megabrands:** MPG Spain, France, UK, Portugal, Germany, Belgium, Italy.

**Medwins:** MPG / Media Contacts UK, Media Contacts Spain.

**Polska - Polish Tourism Organization:** Arena Media Poland; Arena Media UK, Havas Media France.

### Local:

In Spain, **Partido Popular** (Arena Media), **Freixenet**, **Maxxium**, **Port Aventura** (MPG).

In the US, **Clarins** (MPG USA).

In China, **KIA** and **Nature's Bounty** (MPG China).

Havas Media France won **Credit Agricole**.

Arena Media UK won the off and online account for **Eurostar**, and Havas Sports & Entertainment won a European assignment on this account.

MPG/MC UK won **Lacoste** for the UK plus global coordination.

**Axa** was won by MPG/MC in UK, UAE, Spain, Poland and Japan.

**Danone**: MPG México and Turkey.

**Mars** was won by MPG Portugal and Havas Media France.

**Volvo**, **RJ Reynolds** and **Yellow Tail** - MPG USA.

### **Pure digital and social media wins:**

Media Contacts won the account of **Net-A-Porter.com** in Europe and Asia.

Havas Media International won the search account for **Clarins** for Europe.

**Mexico Tourism** was won by Havas Digital Global.

In the UK, Cake became **Sony Brand**'s social media and experiential agency.

In Spain, **Iberostar** digital communication (iGlue), **ICO** (MPG/MC), **Mapfre** (MC), **Verti** (iGlue Spain).

**Barceló** was won by Media Contacts USA, Media Contacts Spain and Media Contacts Mexico.

**Panasonic**, **The Economist**, **NPD Group**: Havas Digital USA.

## **6. HIGHLIGHTS OF 2011**

### **a) The Arnold micronetwork expands within Havas Worldwide**

Spurred by growth in global new business and client development on an international scale, **Arnold Worldwide** opened new offices in **Shanghai** and **Costa Rica**. These new openings are part of the Group's ambitious growth strategy for Arnold Worldwide, to make it the most competitive, creative and profitable micronetwork in the world. In May last year, Arnold launched **Arnold Furnace in Sydney** and **Melbourne** to serve global clients such as Progressive Insurance and Carnival Cruise Lines. These followed on from Arnold's earlier creation of **Arnold Amsterdam** to serve as the global hub for its client Volvo. Arnold also strengthened its UK presence by merging with Euro RSCG KLP.

### **b) BETC expands within RSCG**

The **BETC London** agency opened its doors last May, headed by Matthew Charlton (ex Modernista) and Neil Dawson (ex DDB). The start-up is already showing its mettle, capturing accounts for Cockburn's port, the election campaign for London Mayor candidate Ken Livingstone, the Association of Chief Police Officers,

Ibis Hotels, Cow & Gate and Warburtons Bread, for whom the agency created the Warburtons Facebook Toastcard app (to send friends a cheering slice of virtual Warburtons toast).

BETC has set its sights on opening up in the US, Brazil and Asia.

### c) Acquisitions and specialist start-ups

- Havas acquired a majority stake in **Siren-Communication**, since renamed **Euro RSCG Siren**, a boutique Singapore-based PR agency specializing in social media, digital PR and content generation.
- Havas strengthened its leadership in healthcare communication via a strategic alliance with one of China's largest agencies in the sector: **Medmed**.
- In September 2011, Havas launched **multicultural marketing agency Totality**, a full-service creative, strategic and media agency dedicated to the Hispanic, Afro-American and LGBT markets.
- Havas acquired Australian agency **Host** and its sister agency **One Green Bean** in July last year, as part of long-term plans to strengthen its Asia Pacific operations. Prior to the acquisition, Host was Australia's largest independent agency, positioned at the intersection of creativity and digital in the region. As part of moves to develop the brand, Havas opened a Host subsidiary in Singapore.
- In April 2011, Havas acquired integrated agency **Strategy Farm**, now renamed Euro RSCG Worldwide Strat Farm. The agency specializes in high-level strategic positioning, digital, social media and CRM.
- Havas took a majority stake in **Socialistic**, the American specialized social media and social technology agency led by Colleen DeCourcy, formerly head of digital at TBWA. Socialistic now works with the other Havas agencies.
- Havas launched start-up **Camp + King** in February. This new kind of agency, run by Jamie King and Roger Camp, aims to create ideas and content that influence conversations with consumers in a multichannel way.
- **Euro RSCG Worldwide PR** formed the New York-based **Health Buzz Group** to offer its targeted buzz generation services to the pharmaceutical and wellness sectors worldwide.
- **BETC** launched **BETC Content**, a new agency positioning itself "at the intersection of editorial expertise and entertainment".
- Following its merger with Euro RSCG Apex, London agency **Maitland** set up a new public relations arm named **Maitland Political**.
- In partnership with sister agency Cake, **Havas Sports & Entertainment** set up a new sports PR division in the UK, based on experiential marketing and social media.
- In France, **Havas Digital** launched **Socialyse**, its new social media brand.
- **MPG** launched its mobile marketing brand **Mobext** in Asia, starting with China, Indonesia and the Philippines. Mobext currently operates in eight markets around the world.
- **MPG Media Contacts** launched dedicated creative unit **Branded** in the UK, providing in-house production capability that includes digital ad production, video apps and product placement strategy.
- **WebNarrative**, the London digital design and build agency, has joined **MPG Media Contacts**.
- Irish digital agency **eightytwenty/interactive** has joined Havas Worldwide's global digital network 4D and will now be known as **eightytwenty/4D**. The agency's clients include Bank of Ireland, Toyota, The Irish Times, Munster Rugby and Unilever.
- In the wake of strong growth and performances, **Euro RSCG Life 4D** opened in London. Other offices are scheduled to open in Brazil shortly and in Asia Pacific in early 2012.
- **Havas Media Spain** launched public relations and communications agency **Havas Media PR**.

### d) Havas recognized as a key player in digital

**MOBEXT** (Havas Media) was named **best mobile agency** at the **Digiday Mobi Awards**.

**David Jones** was the only CEO of a holding company to be invited by **Facebook** to be part of its Facebook Client Council created to advise the social network on advertising.

**BLINQ Media**, the world leader in technological innovation for Facebook advertising and the only pure-play media and technology company with official access to Facebook APIs, signed a partnership agreement with Havas Digital.

Havas has attracted recognized digital talents including:



- **Matt Howell, Sebastian Gard and Bob Goodman.** The former Modernista! team joined **Arnold** as Global Chief Digital Officer, Director Social Media and Director of User Experience Arnold.
- **Elliot Seaborn**, ex Digitas, is now Executive Director of **Arnold**.
- **Andrew Althersonn**, ex Digitas, joined **Havas Digital North America** as its President.
- **Dave Dugan**, ex President of BzzAgent joined **Arnold** as Global Commercial Officer.
- **Justin Crawford**, ex Organic, became Executive Creative Director of **Socialistic**.
- **Jason Jercinovic**, ex R/GA, became President of **Euro RSCG 4D New York**.
- **Claire Adams**, formerly with Social Fuel, is now heading **The Cupola Lab**, Euro RSCG London's Social Media unit in the UK.
- **Colleen DeCourcy**, ex Chief Digital Officer of TBWA, is the founder and head of **Socialistic**.
- **Kim Bartkowski**: ex Digitas, is now Digital Creative Director of Arnold WW New York.
- **Allyson Witherspoon**: ex KBSP/Kirshenbaum Bond Senecal & Partners where she handled the BMW USA account and, prior to that, account executive on the Mercedes Benz USA account at Merkley & Partners, joined Euro RSCG New York as Global Digital Brand Director.
- **Bob Macintosh**: joined Host Sydney as Digital Creative Director.
- **Christian Johansen**: ex Ogilvy New York, joined Euro RSCG 4D Amsterdam as Chief Executive Officer.
- **Michael Olaye**: formerly director of The Creative Partnership, is Technical Director of Euro RSCG London.
- **Angela Wei**: ex Time Inc., joined Arnold New York as Chief Digital Office.
- **David Graham**: Head of Digital Strategy at Havas Digital in the UK

## e) Awards and accolades

### AWARDS

At the 58<sup>th</sup> International Advertising Festival in Cannes, the Group carried off a total of 23 Lions: 6 Gold Lions, 9 Silver Lions and 8 Bronze Lions; double the tally of 2009 and 2 more than in 2010. The Group also collected numerous awards at events such as the Clio Awards, the Andy Awards, the One Shows, the New York ADC & LIAA awards, the D&AD awards, the Global Media Festival and the Internationalist Awards for Media Innovation.

The most awarded campaigns of 2011 were: **Heineken - DosXX** by Euro RSCG New York (the continuation of the Most Interesting Man in the World campaign) in film and radio; **Reckitt Benckiser - Shieldtox** Naturgard 'Frog/Chameleon' by Euro RSCG Bangkok in print; **Amnesty International 'Mugshots'** by Fuel Lisbon in print; **Monoprix - Non au Quotidien Quotidien** by Havas City in design; **Polish Cancer Federation** in media and direct by Euro RSCG Warsaw; **Reckitt Benckiser - Vanish Napisan Crystal White 'Sponsor the White House'** by Euro RSCG Sydney; **Legacy for Truth** by Arnold Boston in film.

**Citroën DS5 Twitterace** (Euro RSCG Amsterdam) featured in the AdAge/Book of Tens Top 10 Social Media Campaigns of the Year.

Several of BETC Euro RSCG's campaigns for **Canal +** also won a slew of awards, in particular the film '**L'Ours**', ranked 5<sup>th</sup> in Best Work 2011 for Creativity (AdAge).

The **Roller Babies** campaign (**Evian-Danone** by BETC Euro RSCG) continued its success in 2011, taking 5<sup>th</sup> place in the Viral Video Charts/Top Creative campaigns 2011 compiled by AdAge and Visible Measure.

The most awarded media campaigns were: **Fidelity Investments 'Follow the Green line'** by MPG in the US; **Mars/Pedigree 'My Ideal Dog'** by Havas Media in the US and Latin America; **Nike Mexico City Cup** by MPG/Media Contacts/Havas Sports in Mexico; **CoppaFeel! Boob Hijack** by AIS London; **Sparkassen 'Giro sucht Hero'** by MPG Germany; **Fnac 'yovivoenfnac'** by Arena Media Spain; **The West End Partnership 'Get Lost in the West End'** by Cake London.

## ACCOLADES

**MPG US** was named **Media Agency of the Year** by *Media Post* for the third year in succession.

*The Holmes Report* named **Abernathy MacGregor Group** as **Financial Agency of the Year** and **Cake Group** as **Consumer Consultancy of the Year**.

**Media Contacts Spain** was named **Best Digital Media Agency** at the Interactiva Magazine Awards for the 8<sup>th</sup> year in succession. At the Premios a la Eficacia, **Arena Media Spain** was named **Media Agency of the Year** and at the Premios a Eficacia de Comunicação, **Arena Media Portugal** was also named **Agency of the Year**.

**Euro RSCG Sensors** was named **Most Awarded Agency of the Year** at the Golden Clip Awards and **Poland's largest international PR agency** by the Polish Public Relations Consultancies Association. **Euro RSCG Worldwide PR** was named **Agency of the Year** at the Golden Bridge Business Awards.

**RECMA** ranked **MPG France** number one in terms of revenue and quality.

**Euro RSCG 4D** and **Euro RSCG Marketing House** were named **Agencies of the Year** in the *MMP Report*.

*Media Monitor* magazine named **Euro RSCG Portugal** as **Advertising Agency of the Year**.

**MPG Mexico** was named **Agency of the Year** for the second year in succession by *Merca 2.0*.

At the Araw Awards, **Media Contacts Philippines** was named **Agency of the Year**, as were **MPG Mexico** and **Arena Media** at the Eagle Awards.

## f) Havas and social responsibility

Addressing the issue of Corporate Social Responsibility lies at the very heart of the Group's businesses and strategy.

- In terms of direct environmental impacts, the Group exceeded all its targets in 2011. Paper consumption per employee fell by 35% in 2011, hitting the Group's 2015 target four years ahead of schedule. Waste production per employee fell by 12%, once again reaching the final target in just one year. Water and energy consumption were also reduced.
- The Group took a major step forward in 2011 by including a sustainable development clause in all its supplier contracts, as well as incorporating "responsible" criteria into its purchasing procedures. In France, Havas has committed itself to developing a Disability policy now enshrined in a partnership agreement signed with French disability agency Agefiph on March 28, 2011. The year was also marked by an increase in the employment rate of disabled people of almost 30% for France.
- Havas pioneered the non-profit One Young World global platform described by CNN as the "junior Davos". One Young World gives the world's brilliant young people a platform to effect positive change. The second One Young World summit was held in Zurich, Switzerland, in September 2011 and attracted close on 1,300 delegates from 170 countries - no other event gathers representatives from more countries except the Olympic Games. For more information: <http://www.oneyoungworld.com>.

The creation of the Social Business Idea™ also bears witness to Group strategy on societal issues. The concept, set out in a book entitled by *Who Cares Wins: Why good business is better business* by David Jones, lies at the nexus of social responsibility and social media and explains why doing well and doing good are no longer seen as mutually exclusive.

Havas Media's "Meaningful Brands" study is in its fourth year of development. Havas is the only group to offer a structured and detailed global analysis that can connect brands with consumer quality of life and wellbeing.

The Group also demonstrated its commitment to society at large in 2011 through some one hundred pro bono campaigns on behalf of non-profit associations and NGOs.

## ANNEXE 1: Financial information

### CONSOLIDATED INCOME STATEMENT

€ million (€m)	2010	2011	Change 2011/2010
<b>Revenue</b>	<b>1,558</b>	<b>1,645</b>	<b>+6%</b>
Compensation	(961) <sup>(1)</sup>	(1,002)	
Other expenses and income from operations	(393)	(424)	
<b>Income from operations</b>	<b>204</b>	<b>220</b>	<b>+8%</b>
Other operating expenses and income	(20)	(23)	
<b>Operating income</b>	<b>184</b>	<b>197</b>	<b>+7%</b>
Net financial expense	(33) <sup>(1)</sup>	(31)	
<b>Income of fully consolidated companies before tax</b>	<b>151</b>	<b>166</b>	<b>+10%</b>
Income tax expenset	(36)	(38)	
<b>Net income of fully consolidated companies</b>	<b>115</b>	<b>128</b>	<b>+11%</b>
Minority interests	(5)	(8)	
<b>Net income, Group share</b>	<b>110</b>	<b>120</b>	<b>+9%</b>
<b>Number of employees, end of period</b>	<b>14,299</b>	<b>15,186</b>	<b>+6%</b>

(1) Interest on actuarial debt represented an expense of €-1.8 million in 2011 and 2010, and of €-1.9 million in 2009. This expense was previously reported under "Compensation" but will henceforth be reported under "Other financial expenses".

### ANNEXE 2: 2010 REVENUE

Revenue (in €M)	Q1 2010	Q2 2010	Q3 2010	Q4 2010	2010
<b>EUROPE</b>	<b>179</b>	<b>218</b>	<b>190</b>	<b>252</b>	<b>839</b>
<i>of which</i>					
France	70	88	75	94	327
UK	41	45	46	46	178
Rest of Europe	68	85	69	113	335
<b>NORTH AMERICA</b>	<b>114</b>	<b>131</b>	<b>127</b>	<b>137</b>	<b>509</b>
<b>REST OF WORLD</b>	<b>36</b>	<b>51</b>	<b>51</b>	<b>72</b>	<b>210</b>
<i>of which</i>					
Asia Pacific & Africa	15	19	17	26	77
Latin America	21	32	34	47	134
<b>TOTAL</b>	<b>329</b>	<b>400</b>	<b>368</b>	<b>461</b>	<b>1 558</b>

## **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, 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 and the UK, H and W&Cie in France... Havas Media incorporates the MPG, Arena Media, 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 15,000 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 AMF (*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 translates 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): Average 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.

### **Other definitions:**

**Organic growth** is calculated by comparing revenue for the current financial period against revenue for the previous financial period adjusted as follows:

- revenue for the previous financial period is recalculated using the exchange rates for the current financial period;
- to this resulting revenue is added the revenue of companies acquired between January 1 of the previous financial period and the acquisition date for the period in which these companies were not as yet consolidated;
- revenue for the previous financial period is also adjusted for the consolidated revenue of companies disposed of or closed down between January 1 of the previous financial period and the date of disposal or closure.

Organic growth calculated by this method is therefore adjusted for variations in exchange rate against the euro, and for variations in the scope of consolidation.

**Income from operations** corresponds to revenue after deduction of compensation and other operating income and expenses from operations.

**Operating income** is equivalent to income from operations after deduction of individually significant items of "other operating expenses and income" of an unusual or infrequent nature.

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