2015

Half-Year Financial Report for the period ended June 30, 2015

havas.com

Free translation for the convenience of users

CONTENTS

I. Declaration by the person responsible for the half-year financial report

Declaration by the person responsible for the half-year financial report

I the undersigned, Yannick Bolloré, “Président Directeur Général” of Havas, certify that, to the best of my knowledge, the consolidated financial statements for the half-year ended June 30, 2015 are prepared in accordance with the accounting standards applicable and give a true and fair view of the assets, financial position and results of the company and all the subsidiaries included in the scope of consolidation and that the interim management report gives a true and fair view of the material events that occurred in the first half of the financial year and of their impact on the financial statements, of the main transactions with related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

Puteaux, August 27, 2015

Yannick BOLLORE
Président Directeur Général

II. Half-Year Activity Report

Activity report for the first half of 2015

1. Accounting methods and principles

The condensed consolidated financial statements of the Havas Group for the interim period ended June 30, 2015 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union on this date. These standards are available on the following website of the European Union:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

Comparative first half of 2014 and full year 2014 consolidated financial statements have also been prepared in accordance with the same accounting principles and rules.

IFRIC 21 “Levies” came into force on January 1, 2015. As its application is retrospective, financial statements for the interim period ended June 30, 2014 have been restated accordingly.

In compliance with IAS 34, these financial statements do not include all the notes as required for an annual report, merely selected explanatory notes. These financial statements should be read in conjunction with the Group’s financial statements as at December 31, 2014.

2. Activity and highlights of first half 2015

Group revenue was €565 million for Q2 2015, making a total of €1,034 million for H1 2015, an increase of 19.2% on an unadjusted basis.
The Group's organic growth (excluding exchange rate variations and changes in the scope of consolidation) was +5.5% in Q2 2015 and +6.3% for H1 2015.

Exchange rate variations had a positive exchange rate impact of €85.6 million over the first half of the year.

Europe maintained sound growth of +5.1% in Q2 2015, resulting in a highly satisfactory first half driven by strong performances from France, Spain, Germany and Italy in particular. After an outstanding year in 2014, the UK continued to deliver good results.

North America continued its strong growth, driven mainly by healthcare communications and creative agencies.

Asia Pacific felt the effects of the downturn caused by China’s economic difficulties. The big-country contributors to H1 growth were Australia, China and India.

Latin America reported satisfactory growth of +3.2% for H1 2015, but the pace of growth is now slackening due to a sharp downturn in the economies of key countries such as Brazil and Mexico.

3. Consolidated income

Income from operations amounted to €137.3 million in the first half of 2015 compared with €112.8 million in the first half of 2014, representing a gain of €24.5 million. Margins on income from operations were 13.3% and 13.0% respectively.
Operating income amounted to €127.5 million in the first half of 2015 compared with €104.2 million in the first half of 2014, an increase of €23.3 million.
Other operating income and expenses amounted to €-9.8 million for the first half of 2015 against €-8.6 million for the first half of 2014.

Ongoing restructuring generated total non-recurring expenses of €-6.9 million in the first half of 2015.

The Other operating expenses and income line items also include goodwill impairment charges, acquisition-related costs and adjustments to earn-out obligations in application of IFRS 3R, and other non-recurring items (litigations, etc.).

Net financial loss amounted to €-8.3 million for the first half of 2015 compared with €-12.4 million for the first half of 2014. The reduction in financial expenses resulted from the repayment of bonds and lower debt refinancing costs due to the decrease in interest rates.

The effective income tax rate was 30.4% for the first half of 2015 compared with 29.0% for the first half of 2014.
The change in effective tax rate resulted from more restrictive tax policies of OECD countries, and a steady use of tax losses.

Consolidated net income, Group share, reached €77.0 million in the first half of 2015 compared with €60.4 million in the first half of 2014.
Diluted earnings per share amounted to €0.18 for the first half of 2015, up sharply by comparison with the first half of 2014.

4. Related party transactions

Media Planning Group and its subsidiaries have entered into transactions with members of the family of Alfonso Rodés Vilà, Deputy Chief Executive Officer of Havas SA and Chief Executive Officer of Havas Media, and with his father Leopoldo Rodés Castañe (died on July 8, 2015), a Director of Havas SA till June 14, 2012 and Chairman of Media Planning Group, or with companies they control. These transactions were mainly in connection with media space buying, advertising and administrative services rendered, and leases of Media Planning Group premises in Barcelona.

On July 28, 2011, Havas Management España entered into an agreement with Mr. Fernando Rodés Vilà that includes services to be rendered successively, a non-compete clause and a notional dividend. A further agreement was signed on June 28, 2012 stipulating the remuneration in respect of the notional dividend of ISP and Gevisa, represented by Mr. Fernando Rodés Vilà and Mr. Leopoldo Rodés Castañe respectively, as Board members.

Furthermore, certain subsidiaries of the Group have rendered services in connection with advertising to Bolloré Group subsidiaries. Transactions were carried out at market value.

Certain subsidiaries of the Group have also performed operating transactions at market value for Vivendi and its subsidiaries. In the case of Canal+ Group:

- Havas Group clients have bought media space, via media agencies for the purposes of their advertising campaigns, from the Canal+ Group totaling €54 million in the first half of 2015 (€45 million in the first half of 2014);
- As part of its campaigns to promote its brands Canal+, Canalsat, Canalplay, the Canal+ Group has purchased space in the principal media through the Havas Group and its agencies totaling €41 million in the first half of 2015 (€32 million in the first half of 2014);
- The Havas Group and its subsidiaries realized €3 million on non-media and production services, broadcasting rights and fees in the first half of 2015 (€4 million in the first half of 2014);
- The Havas Group and its subsidiaries devised and produced campaigns for Canal+ totaling €5 million in the first half of 2015 (€7 million in the first half of 2014).

All of these transactions were fully described in the 2014 annual report.

The Havas Group did not enter into any new material transactions with related parties in the first half of 2015.

5. First half 2015 balance sheet and statement of cash flows

Group share in equity amounted to €1,531.8 million as at June 30, 2015 compared with €1,446.6 million as at December 31, 2014. Group equity increased by €85.2, mainly resulting from the exercise of *BSAARs* for a total amount of €10.2 million, net income for the current period of €77.0 million, currency translation adjustments of €59.0 million, and dividend payments to Havas shareholders of €-54.3 million.

Net debt as at June 30, 2015 amounted to €139.0 million against €-42.6 million as at December 31, 2014. The increase in indebtedness mainly resulted from the following:

- change in working capital requirement which is traditionally negative in the first half of the year, amounting to €216.6 million for the period, partly offset by positive operating cash flows for the period, resulting in net operating cash used in operating activities of €-114.2 million compared with €-81,0 million for the first half 2014;
- capital expenditure of €27.5 million, net of proceeds from disposals;
- net financial investments of €5.4 million including in particular earn-out and buy-out payments, loans and deposits;
- total dividend payment of €59.3 million of which €54.3 million to Havas SA shareholders;
- proceeds from issuance of stock for €10.2 million relating to the exercise of stock options and *BSAARs*.

6. Risks and uncertainties

All economic zones reported strong business performances of activities in the first half of 2015. North America, Europe and the United Kingdom posted organic growth in excess of 5%. Other regions (France, Latin America …) grew less strongly, however.

In this context, Havas remains vigilant in tracking current international economic trends, and confident in its ability to react.

III. Condensed consolidated financial statements

Condensed consolidated financial statements for the interim period ended June 30, 2015

1. Consolidated balance sheet for the interim period ended June 30, 2015

ASSETS (in euro million)	Notes	06.30.2015 Net	12.31.2014 Net
Non-current assets			
Goodwill	5.2.2	1 799	1 686
Other intangible assets		43	43
Property and equipment		290	274
Equity investments		3	3
Financial assets available for sale		19	20
Deferred tax assets		180	168
Other non-current financial assets		10	9
Total non-current assets		**2 344**	**2 203**
Current assets			
Inventories and work in progress		47	36
Accounts receivable		1 934	1 868
Current tax receivables		45	42
Other receivables		690	566
Other current financial assets		7	9
Cash and cash equivalents	5.2.3	180	522
Total current assets		**2 903**	**3 043**
TOTAL ASSETS		**5 247**	**5 246**

EQUITY AND LIABILITIES (in euro million)	Notes	06.30.2015 Net	12.31.2014 Net
Shareholders' equity		**1 532**	**1 447**
Capital		167	166
Share premium account		1 363	1 354
Retained earnings		(51)	(67)
Currency translation adjustments		53	(6)
Minority interests		**15**	**13**
Total equity	**3**	**1 547**	**1 460**
Non-current liabilities			
Long-term borrowings	5.2.4	105	255
Earn-out and minority interest buy-out obligations		130	95
Long-term provisions, pension and post-employment benefits	5.2.5	120	103
Deferred tax liabilities		80	80
Other non-current liabilities		2	1
Total non-current liabilities		**437**	**534**
Current liabilities			
Current maturities of long-term borrowings	5.2.4	165	211
Bank overdrafts	5.2.3 - 5.2.4	49	14
Earn-out and minority interest buy-out obligations		29	22
Provisions	5.2.5	53	50
Accounts payable		1 748	1 814
Tax payables		27	28
Other payables		1 187	1 109
Other current liabilities		5	4
Total current liabilities		**3 263**	**3 252**
TOTAL EQUITY AND LIABILITIES		**5 247**	**5 246**

2. Consolidated income statement – Consolidated statement of comprehensive income for the interim period ended June 30, 2015

(in euro million)	Notes	1st Half 2015	1st Half 2014*	Full year 2014
Revenue	5.2.12	**1 034**	**867**	**1 865**
Compensation	5.2.9	(636)	(530)	(1 138)
Other expenses and income from operations	5.2.10	(261)	(225)	(464)
Share of profit of associates		-	1	-
Income from operations	5.2.12	**137**	**113**	**263**
Other operating expenses		(10)	(10)	(22)
Other operating income		1	1	4
Operating income	5.2.11	**128**	**104**	**245**
Interest income		3	6	8
Cost of debt		(8)	(17)	(31)
Other financial expenses		(4)	(1)	3
Net financial expense	5.2.13	**(9)**	**(12)**	**(20)**
Income of consolidated companies before tax		**119**	**92**	**225**
Income tax expense	5.2.8	(36)	(27)	(68)
Net income		**83**	**65**	**157**
Minority interests		(6)	(5)	(17)
Net income, Group share		**77**	**60**	**140**
Earnings per share (in euro)	5.2.14			
- basic and diluted		**0.18**	**0.15**	**0.34**

* Restated figures further to the retrospective application of IFRIC 21.

Consolidated statement of comprehensive income for the interim period ended June 30, 2015

(in euro million)	1st Half 2015	1st Half 2014*	Full year 2014
Net income	**83**	**65**	**157**
Actuarial gains/(losses) recognized in equity	(16)	(8)	(15)
Deferred taxes on actuarial gains/(losses)	5	2	4
Total items that will not be reclassified to profit or loss	(11)	(6)	(11)
Changes in the fair value of financial assets available for sale	3	-	(2)
Currency translation adjustments relating to foreign operations(1)	61	13	75
Total items that may be reclassified subsequently to profit or loss	64	13	73
Total comprehensive income	**136**	**72**	**219**
- Group share	*128*	*67*	*200*
- Minority interests	*8*	*5*	*19*

* Restated figures further to the retrospective application of IFRIC 21.

(1) In the first half of 2015, the euro weakened against the British pound, the US dollar and the Hong Kong dollar. Group equity was positively impacted, respectively, by €17.2 million, €38.5 million and €3.7 million.

In the first half of 2014, the euro declined, particularly against the British pound, the US dollar and the Brazilian real. Group equity was positively impacted, respectively, by €5.3 million, €4.1 million and €1.7 million.

3. Consolidated statement of changes in shareholders' equity for the interim period ended June 30, 2015

(in euro million)	Group share									Minority interests	Total equity
	Number of shares in thousands	Capital (1)	Share premium account	Retained earnings and net income	Transactions between shareholders (3)	Changes in fair value of financial instruments	Actuarial gains (losses)	Currency translation adjustments	Total		
Shareholders' equity as at 01.01.2014	**408 847**	**164**	**1 334**	**(148)**	**8**	**(1)**	**(19)**	**(79)**	**1 259**	**9**	**1 268**
Dividends distributed (2)	-	-	-	(45)	-	-	-		(45)	(5)	(50)
Stock options, *BSAARs* and other (5)	3 769	1	13	1	-	-	-		15	-	15
Recognized income and expenses (4)	-	-	-	60	-	-	(6)	12	66	6	72
Other	-	-	-	-	6	-	-		6	-	6
Shareholders' equity as at 06.30.2014	**412 616**	**165**	**1 347**	**(132)**	**14**	**(1)**	**(25)**	**(67)**	**1 301**	**10**	**1 311**
Shareholders' equity as at 01.01.2015	**414 690**	**166**	**1 354**	**(50)**	**16**	**(3)**	**(30)**	**(6)**	**1 447**	**13**	**1 460**
Dividends distributed (2)	-	-	-	(54)	-	-	-		(54)	(6)	(60)
BSAARs and other (5)	2 732	1	9	3	-	-	-		13	-	13
Recognized income and expenses	-	-	-	77	-	3	(11)	59	128	8	136
Other	-	-	-	(1)	(1)	-	-	-	(2)	-	(2)
Shareholders' equity as at 06.30.2015	**417 422**	**167**	**1 363**	**(25)**	**15**	**-**	**(41)**	**53**	**1 532**	**15**	**1 547**

(1) The nominal value of each ordinary share is €0.40.

(2)The dividends per share paid by Havas SA were €0.13 and €0.11, respectively, on June 11, 2015 and June 13, 2014.

(3) Havas has applied IFRS 3R since January 1, 2010.

(4) First half 2014 figures have been restated further to the retrospective application of IFRIC 21.

(5) This line item includes the exercise effect of *BSAARs* and performance shares' impact on equity.

4. Consolidated statement of cash flows for the interim period ended June 30, 2015

(in euro million)	1st Half 2015	1st Half 2014*	Full year 2014
OPERATING ACTIVITIES			
Net income:			
Group share	77	60	140
Minority interests	6	5	17
Elimination of non-cash items:			
Amortization, impairment and provisions	24	17	63
Changes in deferred taxes	(12)	(10)	(10)
(Gains)/losses on disposal of fixed assets	1		(3)
Accrued interest	2	11	(3)
Other operations	2	1	3
Cash flow after net cost of debt	**100**	**84**	**207**
Net cost of debt, excluding accrued interest	3		25
Cash flow before net cost of debt	**103**	**84**	**232**
Changes in accounts receivable	(2)	(62)	(149)
Changes in accounts payable	(121)	(77)	205
Changes in advances from clients	(10)	(5)	(4)
Changes in other receivables and payables	(84)	(21)	(61)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**(114)**	**(81)**	**223**
INVESTING ACTIVITIES			
Purchase of fixed assets	**(37)**	**(23)**	**(92)**
Intangible and tangible	(28)	(12)	(52)
Subsidiaries	(8)	(10)	(34)
Loans granted	(1)	(1)	(6)
Proceeds from sale and repayment of fixed assets	**4**	**1**	**15**
Intangible and tangible			2
Subsidiaries			13
Repayment of loans granted	4	1	
NET CASH USED IN INVESTING ACTIVITIES	**(33)**	**(22)**	**(77)**
FINANCING ACTIVITIES			
Dividends paid to Havas shareholders	(54)	(45)	(45)
Dividends paid to minority interests	(5)	(3)	(10)
Changes in equity	10	30	37
Repayment of bonds	(33)	(33)	(383)
Proceeds from borrowings	11	112	222
Repayment of borrowings	(182)	(18)	(16)
Payments for buy-out of non-controlling interests	(1)		(1)
Net interest paid	(3)		(25)
NET CASH USED IN FINANCING ACTIVITIES	**(257)**	**43**	**(221)**
Effect of exchange rate changes on net cash	27	1	28
NET INCREASE (DECREASE) IN NET CASH	**(377)**	**(59)**	**(47)**
NET CASH AT OPENING (see note 5.2.3)	**508**	**555**	**555**
NET CASH AT CLOSING (see note 5.2.3)	**131**	**496**	**508**

* Restated figures further to the retrospective application of IFRIC 21.

5. Notes to the consolidated financial statements

5.1. Accounting principles

5.1.1. Information related to Havas Group

Havas SA is a public limited company, registered in France, and listed on Euronext. The functional currency of Havas SA is the euro. The Havas Group's (the "Group" or "Havas") consolidated financial statements are presented in millions of euro (€M), unless otherwise indicated.

5.1.2. Approval of the consolidated financial statements by the Board of Directors

The preparation of Havas' condensed consolidated financial statements for the interim period ended June 30, 2015 under IFRS is the responsibility of the Board of Directors. These statements were approved by the Board at its meeting on August 27, 2015.

5.1.3. Statement of compliance, accounting principles and methods

Pursuant to European Regulation 1606/2002 of July 19, 2002 on international accounting standards, the condensed consolidated financial statements of the Havas Group for the interim period ended June 30, 2015 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union on this date. These standards are available on the following website of the European Union:

http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

Comparative first half of 2014 and full year 2014 consolidated financial statements have also been prepared in accordance with the same accounting principles and rules.

In compliance with IAS 34, these financial statements do not include all the notes as required for an annual report, merely selected explanatory notes. These financial statements should be read in connection with the Group's financial statements as at December 31, 2014.

5.1.4. New standard applicable in 2015

The following interpretation came into force on January 1, 2015:

- IFRIC 21 "Levies".

IFRIC 21 prescribes the recognition of levies other than corporate tax at the date when they are due. When the event of a levy is subject to several conditions, all of them should be met to account for the levy.
As its application is retrospective, financial statements for the interim period ended June 30, 2014 have been restated accordingly.

5.1.5. Estimates

The preparation of the financial statements requires management to make estimates and formulate judgments that affect the amounts of certain assets, liabilities, income and expenses as well as certain disclosures reported in the consolidated financial statements. The actual data may differ slightly from these estimates, depending on changes in assumptions and situations.

Any events occurring in the first half of the current year and requiring revisions to be made to estimates or assumptions used for the preceding closing are mentioned in the following notes.

5.2. Notes to the consolidated balance sheet and income statement

5.2.1. Scope of consolidation

The total number of consolidated companies was 431 at June 30, 2015 compared with 418 at December 31, 2014.

5.2.2. Goodwill

The carrying value of goodwill and trademarks is subject to an impairment test carried out at least once per annum and whenever events or circumstances indicate that they may be impaired. Such events or circumstances are tied to significant unfavorable changes on a long-term basis that affect either the economic environment or assumptions and objectives previously used. An impairment charge is required when the recoverable value of tested assets is persistently lower than their carrying value.

The Group has therefore carried out goodwill impairment tests on its cash generating units (CGUs) or groups of CGUs at risk of impairment over the first half of 2015. The tests identified no goodwill impairment as at June 30, 2015.

Changes in goodwill net value in the first half of 2015 and full year 2014 are the following:

(in euro million)	1st Half 2015	Full year 2014
Value at beginning of period	**1 686**	**1 593**
Acquisitions of companies (1)	44	35
Buy-out adjustments (2)		(3)
Adjustments to goodwill estimates	(1)	1
Reclassifications (3)		(16)
Changes in consolidation scope (5)		(5)
Currency translation adjustments (4)	70	81
Value at end of period	**1 799**	**1 686**

(1) Havas acquired a 60% stake in Havas Formula PR in December 2014, and consolidated it for the first time in the first half of 2015. Havas Formula PR is an integrated communications and experiential marketing agency. In addition, Havas took over Plastic Mobile, a Canadian company that builds applications and other strategic solutions for m-commerce, and also Bird and Schulte, two German award-winning agencies which offer a full spectrum of services for Rx and OTC. Finally, Havas acquired EGC & Associés, a French agency specializing in general-interest events.

(2) Commitments undertaken prior to January 1, 2010.

(3) Goodwill of €16.1 million was reclassified to "Other intangible assets" in 2014.

(4) In the first half of 2015, the euro weakened, particularly against the British pound, the US dollar and the Hong Kong dollar. Currency translation adjustments were, respectively, €20.1 million, €42.9 million and €3.2 million.

(5) Havas sold a business in the United States in 2014.

5.2.3. Net cash and cash equivalents

The net cash and cash equivalents position is the following:

(in euro million)	06.30.2015	12.31.2014
Cash	178	515
Short-term financial investments	2	7
Cash and cash equivalents	**180**	**522**
Bank overdrafts	(49)	(14)
Net cash and cash equivalents	**131**	**508**

Cash mainly includes sight deposits and term deposits at leading banks.
As at June 30, 2015, short-term financial investments consisted of investments in money market funds of €1.9 million compared with €7.7 million as at December 31, 2014. They are subject to Level 2 valuation and can be converted into cash at any time without risk of capital loss or penalty.
The reduction in net cash at June 30, 2015 as compared to December 31, 2014 resulted in particularly from repayment of borrowings for a total amount of €215 million.
Net cash shown on the consolidated statement of cash flows includes cash and cash equivalents net of bank overdrafts, which form an integral part of cash management.

5.2.4. Financial debt

5.2.4.1. Net debt summary

(in euro million)	06.30.2015	12.31.2014
Bonds and Bonds with associated warrants *(OBSAARs)*	99	133
Bank borrowings	70	220
Other financial debts	92	105
Employee profit-sharing blocked in current accounts	9	8
Borrowing and financial debts	**270**	**466**
Bank overdrafts	49	14
Total financial liabilities	**319**	**480**
Cash and cash equivalents	(180)	(522)
Net debt	**139**	**(42)**

5.2.4.2. Bonds

On July 11, 2013, Havas SA issued bonds for a total amount of €100.0 million in the form of a Euro Private Placement (EURO PP) at a price of 99.663%. The bonds carry a coupon rate of 3.125% per annum, payable annually in arrears on July 11 of each year. They will be redeemed at par on July 11, 2018.

The amortized cost of this debt on the balance sheet represented €99.5 million as at June 30, 2015 compared with €99.4 million as at December 31, 2014.

5.2.4.3. OBSAAR

On February 8, 2008, Havas SA entered into a borrowing arrangement for €100.0 million represented by 10,000 bonds with associated callable subscription and/or acquisition warrants (*OBSAAR*) to be amortized by equal or approximately equal tranches on February 8, 2013, 2014 and 2015. Each bond included 1,500 *BSAARs* immediately detachable.

Net proceeds from the issuance of bonds amounted to €98.5 million.

The last tranche of this borrowing was redeemed on February 9, 2015 for €33.3 million.

The 2008 *OBSAARs* were subject to financial covenants to be met at each year-end closing. These covenants are also applicable to confirmed credit lines contracted by Havas SA, and are as follows:

Financial covenants	
Adjusted EBITDA/Net interest expense	>3.5 : 1
Adjusted net debt/Adjusted EBITDA	<3.0 : 1

These financial covenants were met as at December 31, 2014.

5.2.4.4. Bank borrowings and other financial debts

As at June 30, 2015, the Group drew down a total amount of €70.0 million in short-term credit lines granted by banks, of which €60.0 million were located in Asia and Latin America.

These borrowings were not subject to financial covenants since Havas SA has undertaken to cover their repayment.

In addition, Havas SA had confirmed credit lines granted by leading banks for a total amount of €506.0 million of which €176.0 million will be available until September 30, 2016, €150.0 million until the second half of 2018, and €150.0 million, signed in July 2015, until September 30, 2020.

The applicable interest rate is Euribor + spread for all these credit lines.

These credit lines are subject to financial covenants as indicated above.

The “Other financial debts” line item of €92.4 million included commercial paper for €82.0 million issued as part of the issue plan for a maximum total amount of €400.0 million implemented in the first half of 2009, and €5.5 million of accrued interest.

5.2.4.5. Breakdown of long-term borrowings and financial debts as at June 30, 2015

(in euro million)	Total	H2 2015/ H1 2016 (2)	H2 2016 (2)	2017	2018	2019	2020	After 2020
Bonds	99				99			
Bank borrowings	70	70						
Other financial debts (1)	101	95		2	2	2		
Total	**270**	**165**		**2**	**101**	**2**		
Portion due in less than 1 year	(165)	(165)						
Total of long-term borrowings and financial debts	**105**		**0**	**2**	**101**	**2**	**0**	**0**

(1) First half (H1), second half (H2).

5.2.5. Provisions

The table below summarizes changes in provisions in the first half of 2015:

(in euro million)	Non-current: Long-term provisions, pension and post-employment benefits				Current: Provisions			Total
	Tax risk	Pensions and post-employment benefits (1)	Vacant premises	Sub-total	Litigations (2)	Other provisions	Sub-total	
12.31.2014	**24**	**72**	**7**	**103**	**10**	**40**	**50**	**153**
Increase in provisions	-	4	-	4	6	2	8	**12**
Reversal of used provisions	-	(3)	(2)	(5)	(1)	(3)	(4)	**(9)**
Reversal of unused provisions	(1)	(2)	-	(3)	-	(1)	(1)	(4)
Currency translation adjustments and other	1	18	2	21	-	-	-	**21**
06.30.2015	**24**	**89**	**7**	**120**	**15**	**38**	**53**	**173**

(1) Actuarial losses recognized in equity (see Consolidated statement of changes in shareholders' equity) amounted to €-15.6 million as at June 30, 2015. This amount is shown above on the "Currency translation adjustments and other" line item.

(2) As at June 30, 2015, a provision of €7.7 million was recognized on litigations in connection with current operations, and another of €7.6 million on litigations with personnel.

5.2.6. Accounting for stock option plans, and performance share plans

- Performance share plans

The Board of Directors at its meeting on January 29, 2014 decided, to grant a performance share plan to employees and directors of Havas SA and its subsidiaries in France and abroad. The allocation involved 2,465,000 new Havas shares out of an authorization of 2,500,000 shares, through a capital increase. No performance shares were allocated to the Chief Executive Officer of Havas SA.

On January 19, 2015, the Board of Directors granted a second plan involving 2,420,000 new Havas shares, with similar characteristics.

Furthermore, on March 19, 2015, in accordance with the authorization granted by the Shareholders' Meeting of June 5, 2013, the Board of Directors granted 70,000 performance shares to Mr. Yannick Bolloré.

The characteristics of these three plans are the following:

Grant date	January 29, 2014	January 19, 2015	March 29, 2015
Number of shares granted	2,465,000	2,420,000	70,000
Market price of the share at the grant date	€5.76	€6.56	€7.41
Fair value per share	€5.10	€5.89	€6.74
Vesting period	4 years and 3 months	4 years and 3 months	4 years and 3 months
Retention period	None at end of the vesting period, i.e. April 29, 2018	None at end of the vesting period, i.e. April 19, 2019	None at end of the vesting period, i.e. June 19, 2019
Number of outstanding performance shares at December 31, 2014	2,465,000		
Granted in 2015		2,420,000	70,000
Cancelled in 2015	(238 000)	(10 000)	
Number of outstanding performance shares at June 30, 2015	2,227,000	2,410,000	70,000

The related charge amounted to €2.9 million for the first half of 2015 compared with €1.2 million for the first half of 2014.

- Plans for Havas SA shares

All of the stock options were exercised as at December 31, 2014.

5.2.7. Callable subscription and/or acquisition warrants (*BSAARs*)

- 2008 *BSAAR*

The associated callable subscription and/or acquisition warrants (*BSAAR*) to the bonds (*OBSAAR*) issued in February 2008 were sold to Havas managers and directors for a unit price of €0.34 which was approved by an independent expert. Nevertheless, this value was different from the option value determined according to IFRS 2. The difference between the option value and the *BSAAR* price represented an expense to be allocated as compensation over the vesting period.
The *BSAARs* were not transferable prior to February 8, 2012, the date of their admission on the Eurolist of Euronext Paris SA stock market.
BSAARs were exercisable at any time from that date until the 7th anniversary of their issuance. Each *BSAAR* gave the right to subscribe or buy a new or existing Havas SA share for €3.85.
Following the success of the share repurchase tender offer (*OPRA*) launched by Havas SA in May 2012, a 2008 *BSAAR* gave the right to subscribe or buy 1.03 new or existing Havas SA shares.
The table below summarizes all operations relating to BSAARs in the first half of 2015:

	BSAAR
Grant date	**2008**
ISIN code	FR0010562058
Number of outstanding *BSAARs* as at 12.31.14	**2 822 219**
Exercised	(2 651 987)
Cancelled	(170 232)
Number of outstanding *BSAARs* as at 06.30.15	**0**

5.2.8. Income tax expense

(in euro million)	**1st Half 2015**	**1st Half 2014**
Income of consolidated companies before tax	119	92
Income tax expense	(36)	(27)
Effective tax rate	**30.4%**	**29.0%**

The change in effective tax rate resulted from more restrictive tax policies in OECD countries, and a steady use of tax losses.

5.2.9. Compensation

(in euro million)	**1st Half 2015**	**1st Half 2014**
Personnel costs	(633)	(529)
Stock option and performance share charges	(3)	(1)
Total	**(636)**	**(530)**

In France, article 66 of Amending Finance Law n° 2012-1510 of December 29, 2012 for 2012 introduced a tax credit for competitiveness and employment (*Crédit d'impôt compétitivité emploi or CICE*). Income of €1.5 million has been recognized in the first half of 2015 compared with €1.3 million in the first half of 2014, as a reduction in compensation, according to the statement issued by the French Accounting Authority (*Autorité des Normes Comptables*) on February 28, 2013.

5.2.10. Other expenses and income from operations

(in euro million)	1st Half 2015	1st Half 2014*
Expenses	**(278)**	**(238)**
Amortization and depreciation	(21)	(19)
Other expenses	(257)	(219)
Income	**17**	**13**
Other income	17	13
Total	**(261)**	**(225)**

* Figures have been restated further to the retrospective application of IFRIC 21 leading to additional pre-tax charges of €-1.8 million.

5.2.11. Other operating expenses and income

(in euro million)	1st Half 2015	1st Half 2014
Other operating expenses	**(10)**	**(10)**
Litigations with managers, and risk in operations	(10)	(5)
Other		(5)
Other operating income	**1**	**1**
Other	1	1
Total	**(9)**	**(9)**

Significant and non-recurring expenses generated by restructuring and litigations are recorded on the "Other operating expenses" line item in order to give a clearer picture of the Group's operational performance.

Ongoing restructuring generated total non-recurring expenses of €-6.9 million in the first half of 2015.

The other non-recurring expenses amounted to €-3.8 million.

The "Other operating expenses and income" line item also include goodwill impairment charges, acquisition-related costs and adjustments to earn-out obligations in application of IFRS 3R.

5.2.12. Operating segments

All Group businesses present identical characteristics, are complementary and are run according to the same business model. For several years, the operating structure of Havas has increasingly been organized to offer each client a global range of communications services including traditional advertising, media and digital expertise.

As a result, internal reporting is based on an analysis of the various activities by geographical zone, permitting comparability over time. The scope of operations is adjusted to reflect managerial developments and expected synergies. The operating segments remained constant over the two comparative periods.

1st Half 2015

(in euro million)	France	Europe	United Kingdom	North America	Apac and Africa	Latam	Eliminations	Total
Consolidated income statement								
Revenue								
Revenue from external customers	189	185	137	375	77	71	0	1 034
Revenue from transactions with other segments	5	-	-	1	-	-	(6)	0
Total Revenue	**194**	**185**	**137**	**376**	**77**	**71**	**(6)**	**1 034**
Income from operations	**56**	**21**	**12**	**53**	**(4)**	**(1)**	**0**	**137**
Other operating expenses and income	-	(6)	(1)	(1)	(1)	-	0	(9)
Amortization and depreciation	(5)	(4)	(2)	(7)	(2)	(1)	0	(21)

1st Half 2014

(in euro million)	France	Europe	United Kingdom	North America	Apac and Africa	Latam	Eliminations	Total
Consolidated income statement								
Revenue								
Revenue from external customers	198	173	102	260	64	70	0	867
Revenue from transactions with other segments	4	-	-	-	-	-	(4)	0
Total Revenue	**202**	**173**	**102**	**260**	**64**	**70**	**(4)**	**867**
Income from operations	**61**	**22**	**5**	**20**	**(1)**	**6**	**0**	**113**
Other operating expenses and income	1	(5)	(2)	(3)	-	-	0	(9)
Amortization and depreciation	(5)	(5)	(1)	(6)	(1)	(1)	0	(19)

5.2.13. Net financial expense

The table below details net financial expense for the first half of 2015 and 2014:

(in euro million)	1st Half 2015	1st Half 2014
Interest income	**3**	**6**
Cost of debt	**(8)**	**(17)**
-Bonds	(2)	(12)
-Other	(6)	(5)
Other financial expenses and income	**(4)**	**(1)**
Impairment of assets available for sale	(3)	
Other financial expenses and income	(1)	(1)
Net financial expense	**(9)**	**(12)**

5.2.14. Earnings per share

	1st Half 2015	1st Half 2014*
Net income, Group share, in euro million	77	60
Number of weighted average outstanding shares, in thousands	417 099	410 471
Basic earnings per share, Group share, in euro	**0.18**	**0.15**
Impact of dilutive instruments (options)		
Number of options, in thousands	4 707	4 766
May 2004 SOP		47
October 2006 SOP		722
June 2007 SOP		74
January 29, 2014 performance share plan	2 227	2 070
January 19, 2015 performance share plan	2 410	
March 19, 2015 performance share plan	70	
BSAAR		1 853
In euro million	0	0
Net income adjusted to dilutive instrument impact, Group share, in euro million	77	60
Diluted number of shares, in thousands	421 806	415 237
Diluted earnings per share, Group share, in euro	**0.18**	**0.15**

* Restated figures further to the retrospective application of IFRIC 21.

The outstanding number of subscription or purchase options and *BSAARs* amounted to 5,018,251 as at June 30, 2014. All of the *BSAARs* were exercised as at June 30, 2015. The number of performance shares granted amounted to 4,707,000 as at June 30, 2015.

4,707,000 stock share equivalents have been taken into account for the calculation of diluted earnings per share for the first half of 2015.

5.2.15. Related party transactions

Media Planning Group and its subsidiaries have entered into transactions with members of the family of Alfonso Rodés Vilà, Deputy Chief Executive Officer of Havas SA and Chief Executive Officer of Havas Media, and with his father Leopoldo Rodés Castañe (died on July 8, 2015), a Director of Havas SA till June 14, 2012 and Chairman of Media Planning Group, or with companies they control. These transactions were mainly in connection with media space buying, advertising and administrative services rendered, and leases of Media Planning Group premises in Barcelona.

On July 28, 2011, Havas Management España entered into an agreement with Mr. Fernando Rodés Vilà that includes services to be rendered successively, a non-compete clause and a notional dividend. A further agreement was signed on June 28, 2012 stipulating the remuneration in respect of the notional dividend of ISP and Gevisa, represented by Mr. Fernando Rodés Vilà and Mr. Leopoldo Rodés Castañe respectively, as Board members.

Furthermore, certain subsidiaries of the Group have rendered services in connection with advertising to Bolloré Group subsidiaries. Transactions were carried out at market value.

Certain subsidiaries of the Group have also performed operating transactions at market value for Vivendi and its subsidiaries. In the case of Canal+ Group:

- Havas Group clients have bought media space, via media agencies for the purposes of their advertising campaigns, from the Canal+ Group totaling €54 million in the first half of 2015 (€45 million in the first half of 2014);
- As part of its campaigns to promote its brands Canal+, Canalsat, Canalplay, the Canal+ Group has purchased space in the principal media through the Havas Group and its agencies totaling €41 million in the first half of 2015 (€32 million in the first half of 2014);
- The Havas Group and its subsidiaries realized €3 million on non-media and production services, broadcasting rights and fees in the first half of 2015 (€4 million in the first half of 2014);
- The Havas Group and its subsidiaries devised and produced campaigns for Canal+ totaling €5 million in the first half of 2015 (€7 million in the first half of 2014).

All of these transactions were fully described in the 2014 annual report.

The Havas Group did not enter into any new material transactions with related parties in the first half of 2015.

5.2.16. Events after the balance sheet date

None.

IV. Statutory Auditor's review report on the first half-year financial information

HAVAS

Limited company

29-30, quai de Dion Bouton
92800 PUTEAUX

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2015

AEG FINANCES

French Member of Grant Thornton International
100, rue de Courcelles
75017 PARIS

CONSTANTIN ASSOCIES

Member of Deloitte Touche Tohmatsu Limited
185, avenue Charles de Gaulle
92200 NEUILLY-SUR-SEINE

HAVAS

Limited company

29-30, quai de Dion Bouton
92800 PUTEAUX

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1 to June 30, 2015

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L.451-1-2 III of the Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying (condensed) half-yearly consolidated financial statements of HAVAS, for the period from January 1 to June 30, 2015,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I- Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II- Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris and Neuilly-sur-Seine, August 27, 2015

The Statutory Auditors

French original signed by

AEG FINANCES	CONSTANTIN ASSOCIES
French Member of Grant Thornton International	*Member of Deloitte Touche Tohmatsu Limited*
Gilles HENGOAT	Thierry QUERON

29-30, quai de Dion-Bouton - 92817 Puteaux Cedex - France
Tél.: +33 (0)1 58 47 80 00 - Fax: +33 (0)1 58 47 90 38
www.havas.com
335 480 365 RCS Nanterre