HAVAS

Suresnes, August 31, 2010 – 5.45pm

PRESS RELEASE

2010 First Half Results

Strong increase in Net income, Group share of +22.5%

► **Revenue up:**

- **+4.2% in H1 2010 over H1 2009**
- **+2.0% organic growth in Q2 2010, for a total of +1.8% for H1 2010**

► **Marked improvement of +18.3% in Income from operations:**

- **Margin on income from operations of 11.5% for H1 2010 against 10.2% in H1 2009, an increase of +130 basis points**

► **Net income, Group share up +22.5% at €49 million for H1 2010 compared with H1 2009**

► **Dynamic trend sustained in Net new business[1]: €1.2 billion for H1 2010 compared with €0.8 billion for H1 2009 (+50%), equivalent to full year performance in 2009**

► **Net financial debt reduced by almost 30%: €129 million at June 30, 2010 compared with €179 million at June 30, 2009; gearing[2] now 11%**

► **Average net financial debt[3] reduced by 50% for H1 2010: €81 million compared with €162 million for H1 2009**

1. KEY FIGURES

in €M	H1 2008	H1 2009	H1 2010	Variance H1 2010 / H1 2009
Revenue	755	700	729	+4.2%
Organic growth	**+8.0%**	**-9.2%**	**+1.8%**	
Income from operations	82	71	84	+18.3%
Income from operations margin	**10.9%**	**10.2%**	**11.5%**	**+130 bp.**
Operating income	91	63	81	+28.6%
Net income, Group share	49	40	49	+22.5%
Net income, Group share in % of revenue	**6.5%**	**5.7%**	**6.7%**	**+100 bp.**
Total consolidated equity	961	1 042	1 182	+13.4%
Net financial debt	**340**	**179**	**129**	**-27.9%**
Average net financial debt [3]	**337**	**162**	**81**	**-50.0%**

2. GENERAL COMMENTS

The Board of Directors, meeting on August 31, 2010, approved the consolidated financial statements for the interim period ended June 30, 2010. In accordance with current regulations governing interim financial statements, these statements were examined by the Group's statutory auditors.

→ Group **Revenue** of €729 million for H1 2010 was up +4.2% at current exchange rates over H1 2009. A weaker euro resulted in a positive exchange rate impact of €13 million in H1 2010.

→ **Organic growth** (excluding exchange rate variations and changes in the scope of consolidation) was +2% in Q2 2010 and +1.8% for H1 2010 overall.

Revenue (in €M)	Q2 2009	Q2 2010	Organic Growth	H1 2009	H1 2010	Organic Growth
EUROPE	220	218	**-2.2%**	401	397	**-2.6%**
of which						
France	90	88	-3.3%	160	158	-1.6%
UK	41	45	+4.6%	81	86	+1.7%
Rest of Europe	89	85	-4.6%	160	153	-5.7%
NORTH AMERICA	117	131	**+4.6%**	231	245	**+4.9%**
REST OF THE WORLD	38	51	**+15.6%**	67	87	**+15.4%**
of which						
Asia Pacific	16	19	-2.1%	30	34	+0.7%
Latin America	22	32	+25.8%	37	53	+25.2%
TOTAL	**375**	**400**	**+2.0%**	**700**	**729**	**+1.8%**

Highlights by region:

Europe:

France reported improved organic growth over H1 2009, albeit still marginally negative as a result of losing the Carrefour account last year (impact fully absorbed as at June 30, 2010). Without the Carrefour effect, organic growth in France would have been up +4.0% for H1 2010.

The **UK** returned to positive organic growth, reporting a Q2 increase of +4.6% driven by the media and advertising businesses and the impact of new business wins at end 2009.

The **rest of Europe** is still suffering from a slowdown in growth, most marked in Southern Europe.

North America: The region continues to be the powerhouse for the Group's growth, thanks to the advertising, healthcare communication and media businesses.

Rest of world:

H1 performance in **Asia Pacific** was mixed with good growth in China, India and Singapore contrasting with declines in Thailand, Indonesia and Australia.

Latin America reported double-digit growth thanks to excellent performances from all our businesses across the region.

For H1 2010 as a whole, the **digital business** accounted for 17% of the Group's total revenue, as compared with 16% for the same period last year.

→ **Results**

Income from operations in H1 2010 was €84 million, an increase of +18.3% on the H1 2009 figure of €71 million. Margin on income from operations rose by +130 basis points to 11.5% in H1 2010 compared with 10.2% for the same period a year earlier. Last year's restructuring operations and continued strict control of all standard operating costs are the main factors responsible for this marked improvement in margin on income from operations.

Operating income of €81 million in H1 2010 was up +28.6% over H1 2009. Operating margin rose significantly by +210 basis points, from 9% in H1 2009 to 11.1% in H1 2010, thanks to lower restructuring costs (one-off costs).

Boosted by a lower tax rate, and despite higher interest expense, **Net income, Group share** of €49 million for H1 2010 was up +22.5% on H1 2009. **Net earnings per share** were €0.11 in H1 2010.

→ **Financial structure**

The Group further reinforced its financial structure over the course of H1 2010. At June 30, 2010, consolidated equity stood at €1,182 million and **net financial debt** was down to €129 million, a reduction of almost 30% on the level at June 30, 2009. Gearing[2] at June 30, 2010 was thus 11%.

Over H1 2010, average net debt[3] was €81 million, representing a 50% reduction on H1 2009.

3. NET NEW BUSINESS[1]

The dynamic trend in new account wins continued unabated with Net new business[1] worth €582 million in Q2 2010 to add to the €574 million of new business won in Q1 2010. **At a total of €1.2 billion, Net new business[1] in H1 2010** was 50% up on the same period last year, and virtually equivalent to the level reported for the whole of 2009. **The latest Nomura* report gives Havas top ranking for net new business as a proportion of revenue for the first seven months of 2010.**

Some of the most significant accounts won include:

Havas Worldwide

- Recruitment advertising for Crédit Suisse worldwide
- Décathlon (BETC Euro RSCG) internationally, excluding the US
- UK electronics retailer Comet
- Panasonic, CVS, Alberto Culver, Huntington Bank and New Balance for the US (Arnold)
- Roche and Novartis for the US (Euro RSCG Life)
- Nike (Leg) in France
- BUPA for Saudi Arabia
- Digital business for Heineken and Heineken Light for the US and all social networks activities for Havaianas for the US
- Euro RSCG was appointed to the global Unilever digital roster.

Havas Media

- Turespaña worldwide (MPG)
- Brother for Europe (MPG)
- Panasonic for the US (MPG USA)
- Lala and Merck (MPG Mexico) and Alpura (Arena Mexico) for Mexico
- Kia (MPG Shanghai) for China
- 3Suisses for France (Havas Media France)
- Crédit Agricole for Italy (MPG Italy)
- Louis Vuitton for the FIFA World Cup and Yahoo! (Havas Sports & Entertainment Global)

*Nomura research report dated August 12, 2010

Strategic wins in digital included Burger King for Argentina and KFC for China, as well as First Choice Hotels for the UK, Yahoo! for Brazil, Smart Technologies for Canada, ClickSeguros for Spain and BNP Paribas for the Netherlands.
(*See Annex 2 for the list of main new accounts won*).

4. CALENDAR

Q3 2010 revenue will by published by November 15, 2010.

ANNEX 1: FINANCIAL INFORMATION

in €M	H1 2008	H1 2009	H1 2010	Variance H1 2010 / H1 2009
Revenue	755	700	729	+4.2%
Organic growth	+8.0%	-9.2%	+1.8%	
Income from operations	82	71	84	+18.3%
Income from operations margin	10.9%	10.2%	11.5%	
Operating income	91	63	81	+28.6%
Operating income margin	12.0%	9.0%	11.1%	
Net financial expense	(19)	(8)	(15)	
Income tax expense	(20)	(14)	(16)	
Net income of fully consolidated companies	52	41	50	+22.0%
Net income of fully consolidated companies in % of revenue	6.9%	5.9%	6.9%	
Net income, Group share	49	40	49	+22.5%
Net income, Group share in % of revenue	6.5%	5.7%	6.7%	

in €M	as of June 30, 2008	as of June 30, 2009	as of June 30, 2010	Variance 06/30/2010 vs 06/30/2009
Total consolidated equity	961	1042	1182	+13.4%
Net financial debt	340	179	129	-27.9%
Net financial debt / Total consolidated equity	0.35	0.17	0.11	
Earnings per share (in €)	0.11	0.09	0.11	22.2%
Average net debt[3]	337	162	81	-50.0%

ANNEX 2: NEW BUSINESS IN H1 2010

HAVAS WORLDWIDE

HAVAS MEDIA

ANNEX 3: MAJOR AWARDS IN H1 2010

Over the second quarter of 2010, many Group agencies took a rich haul of awards at key advertising festivals. Among the most impressive:

At the 57th **International Advertising Festival** in Cannes, the Group scooped 21 Lions: three Gold – one going to **BETC Euro RSCG** for Canal + "Le Placard" in the Film category, another to **Euro RSCG Spain** in the Outdoor category for Reckitt Benckiser, and the third to **Euro RSCG New York** in Radio for Heineken/Dos Equis. A total of eleven Silver Lions were added to the tally: 4 for **BETC Euro RSCG** (in Direct for NCB Universal and 13ème Rue and in Outdoor for Danone/Evian and the Aids Africa Solidarity Fund), **Euro RSCG Vienna** (Direct, for Neunerhaus), **Havas Sports & Entertainment London** (PR, for Sainsbury's), **Euro RSCG Brussels** (Media, for ING), **BETC Euro RSCG** (one in Cyber, for Danone/Evian - "Rollerbabies" and a second, this time in the Press category, for Danone/Evian), **Arnold Boston** (Film, for American Legacy Foundation), **H & Euro RSCG Milan** (Film Craft, for Citroën). This was rounded off by seven Bronze Lions: **MPG Santiago** (Media, for Mars), **Euro RSCG Spain** (Press, for Reckitt Benckiser), **Euro RSCG New York** (Film, for Heineken/Dos Equis, **Palm+Havas** (Film, for Quebec Volkswagen Dealers' Marketing Association), **H & Euro RSCG Milan** (Film, for Citroën), **BETC Euro RSCG** (two awards in Film Craft for Canal + "Le Placard").

The Group carried off a total of eight trophies at the **Clio Awards**. **BETC Euro RSCG** took a Gold in Film for Canal+ "Le Placard" and a Silver for ECPAT. **Arnold Boston** won a Silver in Print and a Bronze in Film for American Legacy Foundation. **H & Euro RSCG Milan** won a Silver in Film for Citroën and **Euro RSCG New York** a Bronze in Film for Heineken/Dos Equis. **Euro RSCG Zurich** was awarded a Bronze in the Print category for its campaign on behalf of the Zürich Chamber Orchestra and **The Furnace** took a Bronze in Press for Peugeot.

At the **FIAP** (Festival Ibero America de Publicidad), **Euro RSCG Buenos Aires** scooped a Gold, a Silver and a Bronze award for Peugeot, while **Euro RSCG Spain** took a Silver for Peugeot and two Bronzes in TV for Bla.

The **One Show** ended with **BETC Euro RSCG** taking home three Gold and two Silver awards while **Euro RSCG New York** carried off a Gold and a Silver and **Arnold Boston** two Silvers and a Bronze.

At the **NY ADC, H and Euro RSCG Milan** won Bronze in Film, **BETC Euro RSCG** took a Bronze in Press and **Euro RSCG 4D** took another Bronze in the Interactive category for Volvo.

At the **D&AD, BETC Euro RSCG** won two Yellow Pencils, one for Canal+ and the other for the Aids Africa Solidarity Fund.

The **Andy Awards** provided **BETC Euro RSCG** with two Gold awards for Canal+ and a Bronze for Danone/Evian. **Euro RSCG New York** won one Gold in Film and another in Radio for Heineken/Dos Equis, while **Arnold Boston** took a Silver in Film for American Legacy Foundation.

Media Contacts Spain was named Best Agency for the seventh year running at the **Interactiva Magazine Awards**.

Havas Media took five awards at the **Valencia Festival of Media**: **MPG Mexico** was voted Media Agency of the Year, **MPG Mexico, Havas Entertainment and MC Media** took the Effectiveness Award for the Mars/Snickers 'Urbania' campaign, **MPG Mexico and Media Contacts** won the Best Consumer Driven Campaign award for Nike 'Huevos' and the team of **MPG UK, Euro RSCG, Media Contacts, Cake-Havas Sports & Entertainment, AIS** won Best Event for the EDF Energy "Green Britain Day" campaign. **Havas Media** won the Service Award, a special prize that recognizes campaign quality and innovation.

Cake UK (Havas Sports & Entertainment) won the Best Use of Online PR award at the **Revolution Awards**, for the "Prince's Rainforest Project".

Havas Sports & Entertainment France took two awards at the first **Brand Content Grand Prix** – a Gold for the FAF and a Bronze for Mars Petcare.

At the **Lapiz de Oro Awards, MPG Argentina** won Bronze in Outdoor for Coca-Cola. **MPG Argentina** also won Bronze for Coca-Cola at the **FIAP** (Festival Iberoaméricano de la Publicidad).

Arena Portugal was awarded the Prize for Innovation at the **Radio Spot Awards**, for Optimus.

Arena Quantum UK was named “Best Travel & Leisure Advertiser” at the **a4uAwards** in recognition of its campaign for Haven Holidays.

Media Contacts Denmark won the title of Best Media Campaign at the **Danish Internet Awards 2010**, for Jabra Halo.

The **Interactiva Awards** named **Media Contacts** Best Online Media Agency and **iGlue** scored Gold for Vodafone.

MPG & Media Contacts US won a Gold **EFFIE** for Sears.

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

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): Gearing is calculated as follows: ratio of net debt/equity at the closing date.

(3): Average net debt (quarterly, half-yearly or annually) is calculated for countries included in the international cash pool as the difference between structured gross debt as defined under IFRS (OBSAAR, bonds, used credit lines, etc.) and cash in hand and at bank measured on a daily basis. For the other countries, average net debt is the debt accounted for at the end of the previous quarter (2007 to 2009) and monthly average net debt in 2010. Average net debt also includes debts associated with earn-out and minority interest buy-out obligations, which are reviewed every six months and adjusted as and when payments are made.

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