

HAVAS GROUP: Q1 2017 REVENUE

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Q1 2017 revenue €M519 vs €M506 for Q1 2016

Reported growth: +2.6%

Organic growth: +0.1%

Yannick Bolloré, Havas Chairman and CEO, said: "Havas posted reported growth of +2.6% and organic growth of +0.1% for the first quarter of 2017. Our main regions performed satisfactorily, with the exception of certain countries in Europe and Asia Pacific that saw a slight reduction in business, largely as a result of reduced spending by certain clients. We remain confident in Group performance over the quarters ahead, thanks to a number of factors: we are working on a strategic agreement with GIMC, China's leading advertising group, which will significantly strengthen our service offering in this key market and ultimately improve our performance in APAC. The commercial drive of our teams all over the world has already been reflected in major new client wins. And the reorganization initiated at the beginning of this year is also helping us to better respond to clients' needs. And our clients, along with our teams all over the world, have welcomed this client-centric model that goes even further in breaking down silos to provide a service that is ever more agile, seamless and integrated.

On the strength of these factors, we confirm our forecast of organic growth of +2% to +3% for full-year 2017."

1. KEY FIGURES

Revenue (in €M)	2016	Q1 2017	Q1 2017	Organic growth
EUROPE	252	250		0.0%
of which				
France	101	101		1.4%
UK	63	60		0.5%
Other European countries	88	89		-2.0%
NORTH AMERICA	187	197		0.9%
APAC & AFRICA	38	39		-5.1%*
LATIN AMERICA	29	33		3.2%
TOTAL	506	519		0.1%

*Organic growth is calculated on revenue adjusted for exchange rate impacts and the acquisition of Riverorchid, closed at end December 2016.

2. GENERAL COMMENTS

Consolidated group revenue for the first quarter of 2017 was €519 million, up from €506 million in Q1 2016, representing reported growth of +2.6% and organic growth of +0.1%.

Exchange rate effects had a positive impact of €5.3 million during the first quarter and variations in consolidation scope had a positive impact of €7.2 million.

Highlights by region:

Europe:

Q1 2017 revenue for Europe was stable compared to the same period in 2016.

France maintained positive growth at +1.4%: highlights included a strong performance from BETC and Havas Paris and new account wins: Skoda by the Rosapark and Fullsix France agencies, Du Pareil au Même by Les Gaulois and the recent launch of the Alpine Showroom by the Parisian Havas Village.

The United Kingdom reported a slight uptick with growth of +0.5%, the main contributors being Havas Medicom, Havas Lynx, All Response Media and Maitland. The UK agencies pulled out all the stops this quarter, winning the business of such high-profile brands as Rolls Royce, Beats, Carling and Thornton's Chocolate.

The rest of Europe was down slightly on Q1 2016 due to a high baseline effect, particularly in Spain. Italy, Germany, Belgium, the Netherlands and Poland, however, continued to report positive growth and profited from increased investment by clients such as Hyundai Kia, Telecom Italia and Orange.

North America:

After a spurt in growth in late 2016, the region has settled into a more moderate pace of growth. Noteworthy were strong performances from Havas Media North America and Havas Chicago and new client wins including Mattress Firm, Bob's Discount Furniture, Change-Diapers.com and Dolce & Gabbana.

Asia-Pacific and Africa:

The region reported the Group's weakest performance in the first quarter, largely as a result of falling spend by certain clients, particularly in China, Hong Kong and the United Arab Emirates. Even so, performance improved sequentially from Q4 2016 and the recent win of Inoherb, China's leading men's skincare brand, is an encouraging sign. Australia, on the other hand, benefited from an increase in spending by several major clients and maintained double-digit growth.

Latin America:

The region began the year on a stronger note than in late 2016, but was nevertheless penalized by the high baseline set in Brazil in the equivalent period last year. Chile performed well and Argentina and Colombia both achieved double-digit growth.

3. NET NEW BUSINESS¹

Net new business¹ progressed at a satisfactory pace in Q1 2017 with €563 million of new billings.

This included a number of integrated Village wins, among them:
Chivas Regal worldwide, Carling Black Label in the UK, Sony in Colombia, Best Western in Italy.

Other global wins included:
Airwick (RB), Clearasil (RB), Seoul Tourism and the European Parliament in 28 markets.

4. AWARDS AND ACCOLADES

Havas agencies and employees continue to be singled out for their creative excellence.

At the international level, **Havas Media** was ranked among the Top 10 **Media Agency Networks** in the Big Won 2016. Group agencies, with **BETC Paris** and **Les Gaulois** leading the way, scooped 12 awards including a Best of Show and six First Prizes at the Mobius Awards.

At regional level, in North America **Havas Media** was hailed **Media Agency of the Year** by Adweek. **Havas PR** took five awards at the Bulldog Awards/Media Relations, including two Gold, for campaigns including "The Barnacle" and "Green Giant".

In the United Kingdom, **Havas Health & You**, and more specifically **Havas Lynx**, stood out at the PM Society Awards, taking a total of 11 awards, including five Gold and three Silver, five of which were for a single campaign, "Change the Face of HIV" (Natasha).

In Asia, **Havas Hong Kong** took a total of 17 awards, including the coveted **Best of Show Agency**, plus five Gold, six Silver and five Bronze, many of them for its campaigns for Aptamil and Danone/Nutrilon.

In the Asia-Pacific zone, **Havas Media Australia** won Bronze in the Best Communication Strategy category at the Festival of Media APAC Awards.

French agencies were spectacularly successful at the Club des DA awards, in particular **BETC Paris** for campaigns that included "Kitchen", "The Mechanic" and "Like My Addiction", as well as at the Grand Prix Stratégies du Marketing Digital, taking three Gold, three Silver and two Bronze awards.

5. CALENDAR

The Annual Shareholders` Meeting will be held on May 10, 2017 at 10.00 am at the Havas headquarters in Puteaux.

The 2017 interim results will be announced on Thursday, July 20 at 5.45 pm CET.

ANNEX 1

Creative duties:

- Adidas Running:** Arnold Madrid (integrated duties)
- Airwick (RB):** Havas worldwide (integrated duties)
- Carling:** Havas London + Cake (advertising duties)
- Cathay Pacific Airlines:** Havas Hong Kong (integrated duties)
- Clearasil (RB):** Havas worldwide (integrated duties)
- Du Pareil au Même:** Les Gaulois (integrated duties)
- English Heritage:** Havas London (integrated duties)
- Gillette:** Havas Village Australia + HSE (advertising duties)
- Hershey`s:** Havas China (integrated duties)
- Mattress Firm:** Havas Village New York (integrated duties)
- Mike`s Hard Lemonade:** Havas Chicago
- MoëtHennessy:** Havas Village Australia (digital/social media duties)
- Nokia:** One Green Bean (PR duties)
- Rolls Royce:** Havas London (integrated duties)
- Royal Petrol:** Havas Dubai (digital duties)
- Skoda:** Rosapark and FullSix France
- Tecentriq:** Havas San Francisco (digital duties)
- Telecom Italia:** Havas Italy
- Thornton`s Chocolate:** Havas London (integrated duties)
- Volvic:** Havas Paris (brand activation)

Media duties:

- Ballerina Laboratorios:** Havas Media Chile
- Beats:** HSE UK (UK, Germany, France)
- Bob`s Discount Furniture:** Havas Media USA
- Change-Diapers.com:** Havas Media USA
- Coca-Cola:** Havas Media Ghana
- Correos:** Arena Media Spain
- Danone:** Havas Media Mexico

DekaBank: Arena Media Germany
Dolce & Gabbana: Havas Media USA
European Parliament: HMI Paris (on 28 markets)
FNAC-Darty: Havas Media France
Generalitat de Catalunya: Arena Media Spain
Kia: Havas Media Australia
Lidl: Havas Media Portugal
L'Oreál: Havas Media Africa (in Benin, Cameroon, Ivory Coast, Senegal and Democratic republic of Congo)
Mattress Firm: Havas Media USA
Monsanto: HMI Frankfurt
Mutual of Omaha: Havas Media USA
Opera Mini: Havas Media APAC
Seoul Tourism: HMI Hong Kong
Société de la Loterie: Havas Media Switzerland
StudioCanal: Havas Media Australia
SWICA: Havas Media Switzerland

About Havas Group

Havas is one of the world's largest global communications groups. Founded in 1835 in Paris, the Group now employs 20,000 people in over 100 countries. Havas Group is committed to being the world's best company at creating meaningful connections between people and brands through creativity, media and innovation. Based on a client-centric and regional organization, Havas is also the most integrated Group in its sector: the *Together* strategy is implemented through its Havas Villages, where most creative, media and healthcare teams share the same premises ensuring agility and a seamless experience for clients. Further information about Havas Group is available on the company's website: www.havasgroup.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.

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.

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Press Release

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