

Paris, November 16, 2017

**Q3 2017 revenue: €525 million**  
**Organic growth +0.1%**  
**Strong improvement of the Group's US agencies**

**Yannick Bolloré**, Havas Group CEO, commented: *"Havas achieved a slightly improved performance in the third quarter as compared with Q2 2017, with organic growth of +0.1%. We take particular satisfaction from the recovery in North America, where we are reaping the benefits of our new organization and the unflagging commitment of our teams. APAC and Africa reported highly encouraging operating performances in a macroeconomic climate rather less favorable than in the recent past. Europe remained in negative growth over the quarter. There are many factors at work, foremost among them reduced spending by most of our clients or a change of management in certain countries, such as in our UK media agency. Nonetheless, despite an ever more challenging sector environment, we remain positive over the mid-term because we believe firmly in the positive effects of our strategy and in our client-centric organization. We will be forging ahead with our strategy to make our structures and the organization of our Villages even more fluid. We are also delighted to have joined the Vivendi Group to work together on creating a world leader in content, communication and distribution."*

## 1. KEY FIGURES

Revenue (in €M)	Q1 2017	Q2 2017	Q3 2017	9 months 2017
EUROPE	250	298	256	804
of which				
France	101	125	99	325
UK	60	58	57	175
Other European countries	89	115	100	304
NORTH AMERICA	197	201	185	583
APAC & AFRICA	39	51	48	138
LATIN AMERICA	33	39	36	108
<b>TOTAL</b>	<b>519</b>	<b>589</b>	<b>525</b>	<b>1 633</b>

Organic Growth	Q1 2017	Q2 2017	Q3 2017	9 months 2017
EUROPE	0.0%	-0.7%	-4.7%	-1.8%
of which				
France	1.4%	8.9%	2.6%	4.6%
UK	0.5%	-7.1%	-10.9%	-6.0%
Other European countries	-2.0%	-6.3%	-7.6%	-5.6%
NORTH AMERICA	0.9%	-1.7%	2.9%	0.6%
APAC & AFRICA	-5.1%	3.2%	8.4%	2.3%
LATIN AMERICA	3.2%	-4.0%	13.4%	3.6%
<b>TOTAL</b>	<b>0.1%</b>	<b>-0.9%</b>	<b>0.1%</b>	<b>-0.3%</b>

## 2. GENERAL COMMENTS

→ Consolidated Group **Revenue** for Q3 2017 was €525 million, compared to €537 million for Q3 2016. For the first nine months of the year, consolidated Group revenue was €1,633 million compared to €1,624 million for the equivalent period in 2016.

→ The Group's **organic growth** (excluding exchange rate variations and changes in the scope of consolidation) was +0.1% for Q3 2017 and -0.3% for the first nine months of 2017.

Exchange rate variations had a negative impact of €7.1 million on the first nine months of 2017, mainly due to a falling UK pound, Argentine peso and Mexican peso. Aggregate growth over the first nine months at constant exchange rates was +1.0%.

Changes in the scope of consolidation had a positive impact of €21 million at end September, with the main contributions coming from Target Media (UK), RiverOrchid (Asia), Lemz (Netherlands) and Agence 79 (France).

### Highlights by region:

#### Europe:

The French agencies kept up their dynamic performance in both creative and media, posting organic growth of +2.6% in Q3 and +4.6% over the first nine months of the year.

In the UK, spending by major clients such as Unilever or Pernod Ricard continued to fall, with the impact falling heaviest on the media business. This resulted in organic growth of -10.9% for Q3 and -6.0% to end September 2017, although this was measured against a very high baseline (+8.6% in Q3 2016).

A number of other European countries also reported negative organic growth: Spain, Germany, Belgium and Portugal were the hardest hit by the downturn, primarily in the media business.

#### North America:

The region made excellent progress over the quarter, posting organic growth of +2.9% due in large part to the turnaround at Arnold and the performance of Havas New York, particularly in its healthcare business. US agencies also benefited from the effects of recent account wins and increased spending on the part of certain clients. The reorganization introduced since the start of the year played a key role in achieving this strong performance.

#### Asia Pacific and Africa:

Asia proved its dynamism with yet another quarter of significant organic growth at +8.4%, driven by the creative business. Australia, China and Hong Kong were the main growth drivers. The region also benefited from increased spending by recently won clients such as Glaxosmithkline, Swarovski or LG. Over the first nine months, aggregate organic growth was +2.3%.

#### Latin America:

After a second quarter in negative territory, the region bounced back strongly in Q3 2017, all countries considered (Brazil, Mexico, Argentina and Chile), largely thanks to the media business. Organic growth hit +13.4% for the quarter (albeit against a low baseline of -6.3% in Q3 2016) and +3.6% for the first nine months. The region is well served by clients that are still ramping up their spending, such as Hyundai Kia.

## HIGHLIGHTS OF Q3 2017

### a) NET NEW BUSINESS<sup>1</sup>

At the end of September, net new business<sup>1</sup> stood at €1,702 million (in terms of billings, the yardstick adopted by the market).

Some of the most significant wins in Q3 2017 include:

Global:

**LOT Polish Airlines** (Havas Media Poland and HMI Frankfurt), **Bord Bia** (Havas Dublin & Havas Shanghai), **Lacoste** (BETC Digital), **Naver** (BETC Design);

Asia-Pacific: **BMW** (Havas Media South Korea), **Sino Group** (Havas Media Hong Kong);

Latin America: **Nacion Servicios** (Havas Media Argentina), **TIM** (Havas Media Brazil), **GPA** (BETC/Havas Sao Paulo);

USA: **Sanofi** (Havas Media USA); **BioMarin**, **PKU Franchise** (Havas San Francisco);

Europe: **Office Outlet** (Havas Media UK), **Soubry** (Havas Media Belgium), **M7** (Havas Dusseldorf), **CDiscount** (Rosapark), **Rabobank** (Havas Lemz), **LG** (Havas Denmark).

See annex 1 for a complete list of new account wins.

### b) ACQUISITIONS

In mid-September, the Group announced its acquisition of New York-based agency **The 88**. The digital/social boutique agency provides strategic direction, creative services, influence, event coverage and social media management to fashion, lifestyle and consumer brands.

Over summer 2017, the Group also finalized the acquisitions of **So What Global**, a UK-based communications agency specializing in healthcare, wellness and lifestyle, and **Blink**, Israel's first social media agency.

## 4. CORPORATE SOCIAL RESPONSIBILITY

Thanks to imaginative CSR initiatives by Group agencies, Havas is having an increasing impact on local communities around the world.

In the Netherlands, Havas Lemz is partnering with Justdiggitt to turn dry land green again in Kenya, Morocco and Tanzania. By capturing rainwater and introducing sustainable agriculture to establish healthy ecosystems, the partnership aims to promote the growth of more sustainable economies across Africa.

The determination of Joon Kwon, Creative Director, Havas Seoul, to find a cheap, safe, long-lasting and eco-friendly alternative for women with no access to feminine hygiene products resulted in the design of the Dream Ring, costing just one-thirtieth of the price of a regular pad. Dream Ring was named a Top Winner in the IDEA 2017 global design contest for its ingenuity and in the hope that it will help solve one issue of gender inequality in developing countries.

Havas Canada has joined forces with Habitat for Humanity to try and find a solution to the housing crisis in Toronto. By modernizing and rethinking the charity's digital presence in order to

raise public awareness and make it easier for people to donate time, money or belongings, Havas Canada hopes to increase the community's engagement with Habitat for Humanity.

Havas Group has great expectations of the integration of Vivendi's CSR vision into its corporate practices: the promotion of cultural diversity in content production and distribution, knowledge sharing, and vigilance in the conduct of affairs between other CSR initiatives pursued by Vivendi.

For more information about the Group's CSR policy: <http://www.havasgroup.eu/csr>

## **5. AWARDS & ACCOLADES**

During the third quarter of 2017, the Group received a total of 143 awards at various events. At the global level, Group agencies took a total of 21 Clio Awards.

In APAC, Campaign Brief Asia published its ranking of Agencies of the Year by country: Havas Shanghai came in 3<sup>rd</sup> and Taiwan and Singapore made the Top 10. At the Spikes Asia, Group agencies won 16 awards including a Grand Prix in the "Music" category for the Air New Zealand "*Summer Wonderland*" campaign by Host Sydney/Universal Music.

In the USA, Camp + King was awarded Gold at the Small Agency Awards organized by Advertising Age.

Havas Lemz was named one of Amsterdam's 10 most creative agencies in The Drum rankings.

Fuel Lisbon made a splash at the Premios M&P Criatividade with a total of 11 awards, including "Agency of the Year" and a Grand Prix and two Gold awards for the "*Sequeira in its rightful place*" campaign for client MNAA/Publico. At the UK's Creative Floor Healthcare Awards, Havas Lynx won awards in five categories for its campaigns "*B!rth*" for The Royal Exchange Theatre, "*It's About Time*" for Teva Neuroscience and "*Sun Safety on Site*" for Cancer Research UK/HSS Hire.

Group leaders winning recognition in the third quarter included Imogen Hewitt, Head of Strategy, Havas Media Australia, who received two accolades, voted Woman of the Year and winner of the "Strategy" award at the B&T's Women in Media Awards. Donna Murphy, CEO Havas Health & You, featured in the "4's Top 100 Shaping the Future of the Industry" and Anita Nayyar, CEO India & South Asia, Havas Media, was awarded 1<sup>st</sup> prize in the category "Women Leadership Award for Excellence in Advertising & Media Sector" at the Women Leadership Excellence Awards 2017.

## **ANNEX 1**

### **Havas Media Group:**

**Bajaj Finserv:** Havas Media India  
**Basic-Fit:** Havas Media Belgium & Havas Media France  
**BMW:** Havas Media South Korea  
**Carré Couture:** Havas Media UK  
**Citibank Berhad:** Havas Media Malaysia  
**Housing.com:** Havas Media India  
**Hutchison Global Communications:** Havas Media Hong Kong  
**Juwer:** Havas Media Spain  
**LOT Polish Airlines:** Havas Media Poland & HMI Frankfurt (global account)  
**Nacion Servicios:** Havas Media Argentina  
**Naver:** Havas Media Vietnam  
**Office Outlet:** Havas Media UK  
**Sanofi:** Havas Media USA  
**Sharekhan:** Havas Media India  
**Sino Group:** Havas Media Hong Kong  
**Soubry:** Havas Media Belgium  
**TIM:** Havas Media Brazil  
**Trident Hotels:** Havas Media India  
**Village House:** Havas Media Japan  
**XXL Sports:** Havas Media Austria

### **Havas Creative Group:**

**BioMarin, PKU Franchise:** Havas San Francisco (agency of record)  
**Bolletje:** Havas Lemz (integrated communication)  
**Bord Bia:** Havas Dublin & Havas Shanghai (global digital duties)  
**Boulanger:** W&Cie (positioning and brand management)  
**BVG:** Havas beebop (integrated communication)  
**CDiscount:** Rosapark (integrated communication)  
**Chivas:** Havas Lemz (integrated project)  
**Citroën:** Havas Traction (integrated creative duties)  
**E. Leclerc:** Les Gaulois (social media)  
**EHL Lausanne Hospitality school:** Havas Geneva (agency of record in integrated communication)  
**Fonds Verhelst:** Boondoggle (digital platform)  
**GPA:** BETC/Havas Sao Paulo (integrated communication)  
**GRDF:** Rosapark (integrated communication)  
**Huawei:** Havas Fuel (integrated communication)  
**ING Direct:** Rosapark (integrated communication)  
**Klesia:** Havas Paris (crisis communication)  
**La Poste:** W&Cie (retail / architecture)  
**Lacoste:** BETC Digital (global CRM)  
**LG:** Havas Denmark (creative campaigns)  
**L'Oréal:** Havas Paris (consulting and event management)  
**M7:** Havas Dusseldorf (integrated communication)  
**Mairie de Paris:** Les Gaulois (OOH campaign)  
**Marvel (Disney):** Boondoggle (agency of record in brand management)  
**Naver:** BETC Design (global design)  
**Pernod Ricard:** Havas Paris (influence and e-influence)  
**Printemps:** Les Gaulois (activation campaign)  
**Rabobank:** Havas Lemz (global positioning and integrated communication)  
**Rogers Bank:** Plastic Mobile (development of an app)  
**Sutter Health:** Havas San Francisco (digital and social media duties)  
**Sanofi Consumer Digestive Brands:** Havas San Francisco (integrated communication)  
**Tissaia:** Les Gaulois (social media)  
**Villa Beau Soleil (Steva Group):** W&Cie (brand management and communication)  
**Visit Fyn:** Havas Denmark (integrated communication)

## ANNEX 2

Revenue (in €M)	Q1 2017	Q2 2017	Q3 2017	Organic Growth	Q1 2017	Q2 2017	Q3
EUROPE	250	298	256	EUROPE	0.0%	-0.7%	-4.7%
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Other European countries	89	115	100	Other European countries	-2.0%	-6.3%	-7.6%
NORTH AMERICA	197	201	185	NORTH AMERICA	0.9%	-1.7%	2.9%
APAC & AFRICA	39	51	48	APAC & AFRICA	-5.1%	3.2%	8.4%
LATIN AMERICA	33	39	36	LATIN AMERICA	3.2%	-4.0%	13.4%
<b>TOTAL</b>	<b>519</b>	<b>589</b>	<b>525</b>	<b>TOTAL</b>	<b>0.1%</b>	<b>-0.9%</b>	<b>0.1%</b>

### Havas Group

Havas is one of the world's largest global communications groups. Founded in 1835 in Paris, the Group employs 20,000 people in over 100 countries and is fully integrated into Vivendi. 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 model across media and creative, the Havas Group is the most integrated company in its sector. We operate with three business units (creative, media and healthcare & wellness) within our Havas Villages all over the world where teams share the same premises ensuring agility and a seamless experience for clients.

#ToBetterTogether

Further information about Havas Group is available on the company's website: [www.havasgroup.com](http://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;
- this figure is added to 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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