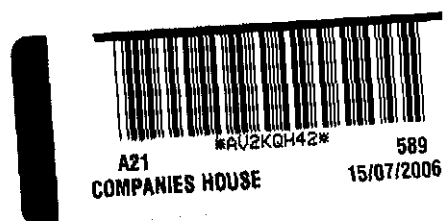


TBWA\London Limited
Directors' report and financial
statements

Registered number: 1367372
31 December 2005



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Report of the independent auditor, KPMG Audit Plc, to the members of TBWALondon Limited	3
Profit and loss account	4
Balance sheet	5
Reconciliation of movements in shareholders' funds	6
Notes	7 - 18

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

Principal activities and Business Review

The principal activity during the year was the provision of advertising and media services to clients.

The directors are satisfied with the company's results for the year and its future prospects.

Results and Dividends

The company made a profit on ordinary activities after taxation for the financial year of £573,000 (2004: £5,472,000)

The directors did not propose a dividend for the year ended 31 December 2005 (2004: £1,732,000; £11.55 per share). During the year, the directors paid the 2004 ordinary dividend of £1,732,000. In accordance with FRS 21, any dividends proposed at the year end but not declared at the year end are not recorded as a liability. The dividend charge is set out in note 9 to these financial statements.

Directors and directors' interests

The directors who held office during the year were as follows:

P. Bainsfair

N. Baum

T. Beattie (Resigned 4th May 2005)

D. Firth (Resigned 13th February 2006)

S Walsh

A McGuiness (Resigned 4th May 2005)

M Shepherd-Smith (Appointed 20th July 2005)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

Charitable and Political Contributions

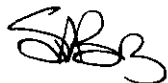
During the year the company made charitable donations of £44,374 (2004: £67,982), principally to local charities serving the communities in which the company operates.

Political cash contributions of £nil (2004: £1,200) and marketing services with a value of £218,848 (2004: £442,326) were provided free of charge to The Labour Party during the year.

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



S-A Bray
Secretary
12th June 2006

76-80Whitfield St
London
W1T 4EZ

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the independent auditor to the members of TBWA\London Limited

We have audited the financial statements of TBWA\London Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants

Registered Auditor

1 Puddle Dock
London EC4V 3PD

12th June 2006

Profit and loss account

for the year ended 31 December 2005

	Note	2005 £'000	2004 Restated £'000
Gross billings	1	44,193	49,571
Rebillable costs	1	(23,586)	(25,918)
Revenue	1,2	20,607	23,653
Direct costs	1	(62)	(70)
Gross profit		20,545	23,583
Administrative expenses		(19,280)	(18,888)
Operating profit		1,265	4,695
Other interest receivable and similar income	6	462	502
Interest payable and similar charges	7	(2)	(124)
Profit on ordinary activities before taxation	3-7	1,725	5,073
Tax (charge)/credit on profit on ordinary activities	8	(1,152)	399
Profit on ordinary activities after taxation		573	5,472
Dividends payable on equity shares	1,9	(1,732)	(14,856)
Retained loss for the year	19	(1,159)	(9,384)

The results shown above are derived wholly from continuing operations.

There are no recognised gains or losses in either the current year or prior year except as shown above. Consequently, a statement of total recognised gains and losses has not been prepared.

The notes on pages 7 to 18 form part of these financial statements.

Balance sheet
 at 31 December 2005

	Note	2005		2004	
	Note	£'000	£'000	£'000	Restated £'000
Fixed assets					
Investments	10		-		-
Intangible assets	11		11,319		12,213
Tangible assets	12		1,368		1,461
			<hr/>		<hr/>
			12,687		13,674
Current assets					
Work in progress	13	2,247		2,687	
Debtors	14	5,483		6,824	
Cash at bank and in hand		12,615		16,996	
		<hr/>		<hr/>	
		20,345		26,507	
Creditors: amounts falling due within one year	15	(13,083)		(19,102)	
		<hr/>		<hr/>	
Net current assets			7,262		7,405
			<hr/>		<hr/>
Total assets less current liabilities			19,949		21,079
			<hr/>		<hr/>
Provisions for liabilities and charges	16		(468)		(439)
			<hr/>		<hr/>
Net assets			19,481		20,640
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	18		125		125
Share premium account	19		14,975		14,975
Other reserves	19		68		68
Profit and loss account	19		4,313		5,472
			<hr/>		<hr/>
Equity shareholders' funds			19,481		20,640
			<hr/>		<hr/>

The notes on pages 7 to 18 form part of these financial statements.

These financial statements were approved by the board of directors on 12th June 2006 and were signed on its behalf by:



S Walsh
 Director

Reconciliation of movements in shareholders' funds

for the year ended 31 December 2005

	2005	2004
	£'000	Restated £'000
Profit for the financial year	573	5,472
Dividends	(1,732)	(14,856)
	<hr/>	<hr/>
Net addition to shareholders funds	(1,159)	(9,384)
Opening shareholders funds (originally £28,394 before prior year adjustment of £1,630)	20,640	30,024
	<hr/>	<hr/>
Closing shareholders' funds	19,481	20,640
	<hr/>	<hr/>

The notes on pages 7 to 18 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the company's financial statements, except as noted below.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

During the year the company adopted FRS21 "Events after the balance sheet date" which superseded SSAP17. Under the new standard, dividends declared after the balance sheet date are no longer recognised as a liability at the balance sheet date. Comparatives for 2004 have been restated accordingly. The adoption of FRS21 resulted in an increase of £102,000 in retained profit for the year ended 31 December 2004 and an increase in net assets of £1,732,000 at 31 December 2004. The effect of this adjustment on the current year has been a decrease of £1,732,000 in retained profit.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts as the company is included in the consolidated accounts of a larger group headed by Omnicom Europe Limited, a parent undertaking established under the law of a member state of the European Union. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard ("FRS") 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Omnicom Group Inc., which includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Omnicom Group Inc., the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Omnicom Group Inc., within which this company is included, can be obtained from 437 Madison Avenue, New York NY 10022, U.S.A.

Goodwill and negative goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of 20 years.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Short leasehold	-	over the life of lease on a straight-line basis
Fixtures, fittings, tools and equipment	-	20% per annum straight-line basis
Computer equipment	-	25% per annum straight-line basis

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Work in progress

Work in progress consists of amounts spent by the company on behalf of its clients which have not been recharged to clients by the end of the year.

Taxation

Taxation is provided for the estimated liability for the period at the current rate.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Gross billings

Gross billings comprises the gross amounts billed to clients in respect of commission based income together with the total of other fees earned and amounts recharged to clients for rebillable costs.

Rebillable costs

Rebillable costs comprise media payments and third party production costs for those services that the company is arranging for its clients in its capacity as an agent. The company contracts directly with suppliers and is responsible for their payment, recharging its clients for all costs incurred. Although the company bears credit risk in respect of these activities, the arrangements with its clients are such that, in effect it acts as an intermediary on behalf of its client. Where the company acts as an agent, costs incurred with external suppliers are excluded from revenue.

Revenue

Revenue comprises fees, and commissions earned in respect of gross billings and direct costs, which meet the Companies Act definition of turnover. Revenue is recognised when services are performed in accordance with the terms of arrangements reached with each client. Performance based incentives are recognised when specified quantitative goals are achieved, or when the client determines performance against qualitative goals. Gross billings and revenue are stated exclusive of VAT, sales taxes and trade discounts.

Direct costs

Direct costs include amounts payable to external suppliers where they are retained at the company's discretion to perform part of a specific client project or service where the company has full exposure to the benefits and risks of the contract with the client.

Notes (continued)

2 Analysis of revenue

The company's turnover and operating profit resulted from the provision of advertising services in the following areas:

	2005	2004
	£'000	£'000
United Kingdom	17,037	20,403
Rest of Europe	3,396	3,183
Rest of World	174	67
	<u>20,607</u>	<u>23,653</u>

3 Profit on ordinary activities before taxation

2005	2004
£'000	£'000

Profit on ordinary activities before taxation is stated after charging / (crediting):

Auditors' remuneration:		
Audit	62	61
Profit on disposal of assets	-	5
Depreciation and other amounts written off tangible fixed assets	301	252
Amortisation of goodwill	894	893
Hire of equipment - rentals payable under operating leases	254	310
Hire of property - operating leases	1,221	1,221
Exchange losses / (gains)	2	(19)
Property provision write back	-	(2,595)

Notes (continued)

4 Remuneration of directors

	2005 £'000	2004 £'000
Directors' emoluments	1,040	901
Company contributions to money purchase pension schemes	37	30
	<hr/>	<hr/>
	1,077	931
	<hr/>	<hr/>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £471,728 (2004: £562,776).

	Number of directors	
	2005	2004
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	3	3
	<hr/>	<hr/>

The company's directors participated in the restricted stock scheme operated by the Ultimate Parent Undertaking.

Shares were received or receivable at the end of the year under this restricted share scheme by no directors (2004: 2).

Under this scheme, certain directors have been awarded restricted shares in the ultimate parent undertaking, Omnicom Group Inc. The restricted shares typically vest in 20% annual increments provided the director remains an employee of the Omnicom group. Restricted shares may not be sold, transferred, pledged or otherwise encumbered until the restrictions lapse. Under most circumstances, the director forfeits the shares still subject to restriction in return of the nominal price they paid for them at the time the award was granted, if the director ceases employment prior to the end of the period of restriction.

Amounts recognised as long term incentives are in respect of restricted share awards vesting within the year. At the end of the year the company had accrued £nil (2004: £169,949) in respect of unvested restricted share awards to directors.

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2005	2004
Client Services	82	96
Creative	30	41
Production	35	35
Administration	30	36
	<hr/>	<hr/>
	177	208
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2005 £'000	2004 £'000
Wages and salaries	10,073	11,270
Social security costs	1,190	1,401
Pension costs (see note 22)	236	271
Severance compensation	270	450
Other payroll costs	251	227
	<hr/>	<hr/>
	12,020	13,619
	<hr/>	<hr/>

6 Other interest receivable and similar income

	2005 £'000	2004 £'000
Interest receivable on bank deposits	462	502
	<hr/>	<hr/>
	462	502
	<hr/>	<hr/>

7 Interest payable and similar charges

	2005 £'000	2004 £'000
Unwinding of discount on provisions	-	124
Other interest payable	2	-
	<hr/>	<hr/>
	2	124
	<hr/>	<hr/>

Notes (continued)

8 Taxation

Analysis of charge / (credit) in year

	2005	2004
	£'000	£'000
<i>UK corporation tax charge / (credit)</i>		
Current tax on income for the period	844	2,007
Adjustments in respect of prior periods	-	(3,065)
Total current tax charge / (credit)	844	(1,058)
Deferred tax (see note 17)		
Origination/reversal of timing differences	96	659
Adjustment in respect of previous years	212	-
	308	659
Tax charge / (credit) on profit on ordinary activities	1,152	(399)

Factors affecting the tax charge / (credit) for the current period

The current tax charge for the period is higher (2004: lower) than the standard rate of corporation tax in the UK (2005: 30%, 2004: 30%). The differences are explained below:

	2005	2004
	£'000	£'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,725	5,073
Current tax at 30% (2004: 30 %)	518	1,521
<i>Effects of:</i>		
Expenses not deductible for tax purposes (primarily goodwill amortisation)	306	342
Capital allowances for period in excess of depreciation	(8)	(38)
Other timing differences	28	182
Adjustments to tax charge in respect of previous periods	-	(3,065)
Total current tax charge / (credit) (see above)	844	(1,058)

9 Dividends and other appropriations

	2005	2004
	£'000	Restated £'000
Equity shares:		
Interim dividend paid	-	13,226
2004 final dividend declared in 2005 restated per FRS 21 (see note 1)	1,732	-
2003 final dividend declared in 2004 restated per FRS 21 (see note 1)	-	1,630
	1,732	14,856

Notes (continued)

10 Fixed asset investments

	2005 £'000	2004 £'000
<i>Cost and net book value</i>		
At the end of the year	-	-

On 25th January 2005 the company disposed of 3,756 ordinary shares in Copithorne and Bellows Public Relations Limited. This company was incorporated in England and Wales and has now been dissolved.

11 Intangible fixed assets

	Goodwill £'000
At beginning and end of year	33,000
<i>Amortisation</i>	
At beginning of year	20,787
Charged in year	894
At end of year	21,681
<i>Net book value</i>	
At 31 December 2005	11,319
At 31 December 2004	12,213

In 1998 the company acquired the trade, assets and liabilities of BDDP.GGT. This company was struck off the Register of Companies on the 9th May 2006. The goodwill arising on the acquisition is being amortised over 20 years from the date of purchase. In 2001 an impairment of this goodwill of £12,606,000 was recognised. The remaining goodwill continues to be amortised over its remaining estimated useful life.

Notes (continued)

12 Tangible fixed assets

	Short Leasehold Improvements £'000	Fixtures, fittings, tools and equipment £'000	Computer Equipment £'000	Total £'000
Cost				
At beginning of year	2,001	1,143	1,178	4,322
Additions	52	103	59	214
Disposals	-	(9)	-	(9)
At end of year	2,053	1,237	1,237	4,527
Depreciation				
At beginning of year	875	1,034	952	2,861
Charge for year	149	87	65	301
Disposals	-	(3)	-	(3)
At end of year	1,024	1,118	1,017	3,159
Net book value				
At 31 December 2005	1,029	119	220	1,368
At 31 December 2004	1,126	109	226	1,461

13 Work in progress

	2005 £'000	2004 £'000
Work in progress	2,247	2,687

14 Debtors

	2005 £'000	2004 £'000
Trade debtors	4,386	3,067
Amounts owed by group undertakings	55	2,467
Other debtors	103	62
Deferred tax assets (see note 17)	-	223
Prepayments and accrued income	939	1,005
	5,483	6,824

Notes (continued)

15 Creditors: amounts falling due within one year

	2005	2004
	£'000	Restated £'000
Bank loans and overdrafts	-	637
Payments received on account	1,366	608
Trade creditors	2,988	3,313
Amounts owed to group undertakings	2,024	2,485
Taxation and social security	2,174	3,586
Other creditors	405	310
Accruals and deferred income	4,126	8,163
	<u>13,083</u>	<u>19,102</u>

16 Provisions for liabilities and charges

	Deferred Tax (note 17)	Other	Total £'000
At beginning of year	-	439	439
Utilised during year	-	(56)	(56)
Provided in the year	85	-	85
	<u>85</u>	<u>383</u>	<u>468</u>
At end of year	85	383	468

The other provisions relate to a lessor cash contribution from the agency's landlord towards leasehold improvement costs on moving into the present premises.

Notes (continued)

17 Deferred Taxation

	2005	2004
	£'000	£'000
Deferred tax asset at the beginning of the year	223	882
Charge to the profit and loss account in year	(308)	(659)
	<hr/>	<hr/>
Deferred tax (liability) / asset at the end of the year	(85)	223
	<hr/>	<hr/>

The elements of deferred taxation are as follows:

	2005	2004
	£'000	£'000
Difference between accumulated depreciation and amortisation and capital allowances	(113)	(95)
Other timing differences	28	318
	<hr/>	<hr/>
Deferred tax (liability) / asset	(85)	223
	<hr/>	<hr/>

18 Called up share capital

	2005	2004
	£'000s	£'000s
<i>Authorised</i>		
Equity: 150,000 Ordinary shares of £1 each	150	150
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Equity: 125,000 Ordinary shares of £1 each	125	125
	<hr/>	<hr/>

19 Share premium and reserves

	Share premium account	Other reserves	Profit and loss account
	£'000	£'000	Restated £'000
At beginning of year as previously stated	14,975	68	3,740
Prior year adjustment (see note 1)	-	-	1,732
	<hr/>	<hr/>	<hr/>
At beginning of year as restated	14,975	68	5,472
Retained loss for the year	-	-	(1,159)
	<hr/>	<hr/>	<hr/>
At end of year	14,975	68	4,313
	<hr/>	<hr/>	<hr/>

Notes (continued)

20 Contingent Liabilities

The company together with certain other group companies, has entered into a £8,000,000 collective net overdraft facility with HSBC Bank plc. HSBC Bank plc has the right to apply positive cash balances of the company against indebtedness or liabilities of any of the other companies named in the agreement. This facility is guaranteed by Omnicom Group Inc.

21 Commitments

(a) Capital commitments at the end of the financial year for which no provision has been made are as follows:

	2005 £'000	2004 £'000
Contracted	78	-

(b) Annual commitments under non-cancellable operating leases are as follows:

	2005		2004	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
Within one year	-	199	-	-
In the second to fifth years inclusive	-	118	-	224
Over five years	1,221	-	1,221	-
	<u>1,221</u>	<u>317</u>	<u>1,221</u>	<u>224</u>

22 Pension scheme

The company makes pension contributions to the IPA Portable Pension Plan, a defined contribution pension scheme, and other private pension schemes for certain employees. The assets of the company are held separately from those of the company in independently administered funds.

The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £235,667 (2004: £271,000).

Contributions amounting to £65,327 (2004: £59,848) were payable to the scheme and are included in creditors.

Notes *(continued)*

23 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Omnicom Group Inc incorporated in the United States of America.

The largest and smallest groups in which the results of the company are consolidated is that headed by Omnicom Group Inc. and Omnicom Europe Limited respectively. The consolidated accounts of these groups are available to the public and may be obtained from Omnicom Group Inc, 437 Madison Avenue, New York, NY 10022, USA, or Companies House, Crown Way, Cardiff, CF14 30Z respectively.