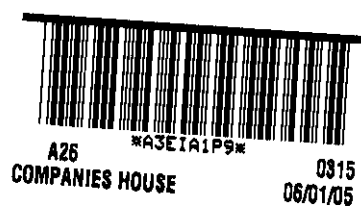


Stream\MSI Limited
Directors' report and financial
statements

Registered number 219652

31 December 2003



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Directors' report

For the year ended 31 December 2003

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Principal activities

The Company's principal activity is to offer innovative brand communication and brand content services.

Business review

The loss after taxation for the year was £75,693 (2002- loss of £7,459).

The company has net current liabilities of £54,922 at 31 December 2003.

The directors consider that the company has access to sufficient funding to meet its needs for the reasons set out below.

The company together with its intermediate UK parent undertaking, Omnicom Europe Limited, and certain of its subsidiary and fellow subsidiary undertakings, have entered into a £8,000,000 collective net overdraft facility with a third party UK based bank.

The company has access to an overdraft facility within the above net collective facility and has appointed Omnicom Europe Limited as its agent to manage the facility within the agreed limits. The company's access to the facility is not limited as long as the borrowings are required in the normal course of business and are made in accordance with the Omnicom Group Inc. Grant of Authority.

Omnicom Europe Limited through its wholly owned UK subsidiary undertaking, Omnicom Finance plc is able to make this commitment because Omnicom Finance plc is a co-borrower with Omnicom Finance Inc and Omnicom Capital Inc under certain group bank facilities which are more fully described in the Omnicom Group Inc. financial statements filed on Form 10-K and available at OmnicomGroup.com.

The directors consider the combination of the group bank facilities and expected funding requirements of the Omnicom Group Inc and its subsidiaries provides sufficient access to funding to ensure that the company is able to meet its liabilities as they fall due for the foreseeable future. Accordingly, the directors have prepared the financial statements on a going concern basis.

Directors' report *(continued)*

For the year ended 31 December 2003

Proposed dividend

The directors are unable to recommend the payment of a dividend (2002 - £nil).

Directors and directors' interests

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

G. Arkell

P. Smith

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. Both Directors were remunerated by TBWA UK Group Limited during the year.

Subsequent to the year end, Mr G. Arkell and Ms P. Smith resigned as Directors of the Company with effect from 11th June 2004 and Mr A.P. McGuinness and Mrs S.M. Walsh were appointed as Directors in their place.

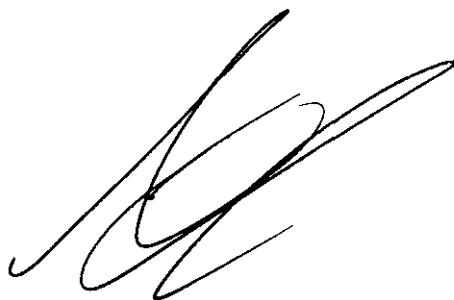
Auditors

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

A. P. McGuinness

Director



76-80, Whitfield Street
London
W1T 4EZ
16th December 2004

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the 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, KPMG Audit Plc, to the members of Stream\MSI

We have audited the financial statements on pages 5 to 15.

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

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.


Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs as at 31 December 2003 and of its loss for the year and have been properly prepared in accordance with the Companies Act 1985.


KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

22 December 2004

Profit and loss account

For the year ended 31 December 2003

	Note	2003	2002
			(As Restated)
		£	£
Gross billings		602,661	869,225
Rebillable costs		(13,742)	(300,483)
		<hr/>	<hr/>
Revenue	2	588,919	568,742
Direct costs		(29,491)	(9,167)
		<hr/>	<hr/>
Gross profit		559,428	559,575
Administrative expenses		(597,268)	(557,920)
		<hr/>	<hr/>
Operating (loss)/ profit		(37,840)	1,655
Interest payable and similar charges	6	(2,477)	-
Other interest receivable and similar income	7	8,387	2,457
		<hr/>	<hr/>
(Loss)/Profit on ordinary activities before taxation	3-5	(31,930)	4,112
Tax on (loss)/profit on ordinary activities	8	(43,763)	(11,571)
		<hr/>	<hr/>
Loss on ordinary activities after taxation and retained loss for the financial year.	13	(75,693)	(7,459)
		<hr/>	<hr/>

The results shown above are derived wholly from continuing operations. There were no recognised gains or losses in either the current or prior year except as shown above. Consequently, a statement of total recognised gains and losses has not been prepared.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for each period and their historical cost equivalent.

The notes on pages 7-15 form part of these financial statements.

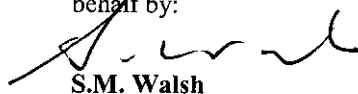
Balance sheet

As at 31 December 2003

	Note	2003	2002
		£	£
Current assets			
Work in progress	9	4,969	100
Debtors	10	267,008	313,972
Cash at bank and in hand		294,380	-
		<hr/>	<hr/>
Creditors: amounts falling due within one year	11	566,357 (621,279)	314,072 (293,301)
		<hr/>	<hr/>
Net current (liabilities)/assets and net (liabilities)/assets		<hr/> (54,922) <hr/>	<hr/> 20,771 <hr/>
Capital and reserves			
Called up share capital	12	25,000	25,000
Share premium account	13	100,000	100,000
Profit and loss account	13	(179,922)	(104,229)
		<hr/>	<hr/>
Equity shareholders' (deficit)/funds		<hr/> (54,922) <hr/>	<hr/> 20,771 <hr/>

The notes on pages 7 to 15 form part of these financial statements.

These financial statements were approved by the board of directors on 16th December 2004 and were signed on its behalf by:


S.M. Walsh

Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company's financial statements.

Basis of preparation

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

Under 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.

The company has net current liabilities of £54,922 at 31 December 2003.

The directors consider that the company has access to sufficient funding to meet its needs for the reasons set out below.

The company together with its intermediate UK parent undertaking, Omnicom Europe Limited, and certain of its subsidiary and fellow subsidiary undertakings, have entered into a £8,000,000 collective net overdraft facility with a third party UK based bank.

The company has access to an overdraft facility within the above net collective facility and has appointed Omnicom Europe Limited as its agent to manage the facility within the agreed limits. The company's access to the facility is not limited as long as the borrowings are required in the normal course of business and are made in accordance with the Omnicom Group Inc. Grant of Authority.

Omnicom Europe Limited through its wholly owned UK subsidiary undertaking, Omnicom Finance plc is able to make this commitment because Omnicom Finance plc is a co-borrower with Omnicom Finance Inc and Omnicom Capital Inc under certain group bank facilities which are more fully described in the Omnicom Group Inc. financial statements filed on Form 10-K and available at OmnicomGroup.com.

The directors consider the combination of the group bank facilities and expected funding requirements of the Omnicom Group Inc and its subsidiaries provides sufficient access to funding to ensure that the company is able to meet its liabilities as they fall due for the foreseeable future. Accordingly, the directors have prepared the financial statements on a going concern basis.

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

Notes (continued)

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 the address given in note 17.

Work in progress

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

Taxation

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.

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.

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.

Restatement

In November 2003 the Accounting Standards Board (ASB) issued *Amendment to FRS 'Reporting the substance of transactions': Revenue recognition* ("the Amendment"). The Amendment includes specific guidance in respect of the presentation of revenue as principal or agent. The directors have considered the various factors set out in the Amendment and determined that, in dealing with external media and production services suppliers, the company is effectively acting as an intermediary for its clients. In order to comply with the requirements of the Amendment presentation of the profit and loss account has been restated to show memorandum information on gross billings and to identify the amounts the company has earned as principal as revenue. These restatements have no impact on operating profit in the current or prior year.

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.

Notes (continued)

Rebillable costs

Rebillable costs comprises media payments and third party production costs for those services that the company is arranging for its clients in its capacity as an intermediary. 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 intermediary, costs incurred with external suppliers are excluded from revenue.

Revenue

Consequently, 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.

2 Analysis of revenue

The company's revenue resulted from the provision of advertising services in the following areas:

	2003	2002
		(As Restated)
	£	£
United Kingdom	316,038	341,393
Netherlands	272,881	178,868
Rest of Europe	-	40,682
USA	-	7,799
	<hr/>	<hr/>
	588,919	568,742
	<hr/>	<hr/>

Notes *(continued)*

3 (Loss)/Profit on ordinary activities before taxation

	2003 £	2002 £
(Loss)/Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	4,000	5,764
And after crediting:		
Net exchange gains	5,766	-

4 Remuneration of Directors

The Directors were remunerated by TBWA UK Group Limited, which is a related party of the company.

5 Staff numbers and costs

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

	Number of employees	
	2003	2002
Account Management	4	5
Research	1	1
	<hr/> 5 <hr/>	<hr/> 6 <hr/>

The aggregate payroll costs of these persons were as follows:

	2003 £	2002 £
Wages and salaries	362,723	343,029
Social security costs	48,160	34,636
Other pension costs (see note 15)	8,892	7,573
	<hr/> 419,775 <hr/>	<hr/> 385,238 <hr/>

Notes (continued)

6 Other interest receivable and similar income

	2003 £	2002 £
Net exchange gains from foreign transactions	5,766	-
Bank interest receivable	2,621	2,457
	<u>8,387</u>	<u>2,457</u>

7 Interest payable and similar charges

	2003 £	2002 £
On bank loans and overdrafts	2,477	-
	<u>2,477</u>	<u>-</u>

8 Taxation

Analysis of charge in period

	2003 £	2002 £
<i>UK corporation tax</i>		
Current tax (credit)/charge on income for the period	(14,360)	2,190
Adjustments in respect of prior periods	77,094	9,381
Total current tax charge	<u>62,734</u>	<u>11,571</u>
Deferred tax (see note 10)		
Origination/reversal of timing differences	(18,971)	-
	<u>(18,971)</u>	<u>-</u>
Tax on loss/profit on ordinary activities	<u>43,763</u>	<u>11,571</u>

Notes (continued)

Taxation (continued)

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2002: higher) than the standard rate of corporation tax in the UK (2003: 30 %, 2002: 30 %). The differences are explained below:

	2003 £	2002 £
<i>Current tax reconciliation</i>		
(Loss)/Profit on ordinary activities before tax	(31,930)	4,112
	<hr/>	<hr/>
Current tax at 30% (2002: 30 %)	(9,579)	1,234
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1,542	956
Capital allowances for period in excess of depreciation	(6,323)	-
Adjustments to tax charge in respect of previous periods	77,094	9,381
	<hr/>	<hr/>
Total current tax charge (see above)	<u>62,734</u>	<u>11,571</u>

9 Work in progress

	2003 £	2002 £
Work in progress	4,969	100
	<hr/>	<hr/>

Notes (continued)

10 Debtors

	2003 £	2002 £
Trade debtors	246,646	272,324
Amounts owed by group undertakings	656	900
Amounts receivable in respect of group relief	-	27,823
Deferred tax assets	18,971	-
Other debtors	735	12,925
	<hr/> 267,008 <hr/>	<hr/> 313,972 <hr/>

Debtors contained no element of accrued income or any amounts recoverable on contracts due after more than one year.

The elements of deferred taxation are as follows:

	2003 £	2002 £
Difference between accumulated depreciation and amortisation and capital allowances	18,971	-
Deferred tax asset	<hr/> 18,971 <hr/>	<hr/> - <hr/>

11 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	-	221,726
Trade creditors	664	7,756
Amounts owed to group undertakings	537,549	42,128
Taxation	34,911	-
Other creditors	28,663	-
Accruals and deferred income	19,492	21,691
	<hr/> 621,279 <hr/>	<hr/> 293,301 <hr/>

Notes (continued)

12 Called up share capital

	2003 £	2002 £
<i>Authorised, allotted, called up and fully paid</i>		
Equity: 25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

13 Share premium and reserves

	Share premium account £	Profit and loss account £
At beginning of year	100,000	(104,229)
Retained loss for the year	-	(75,693)
	<u>100,000</u>	<u>(179,922)</u>
At end of year	<u>100,000</u>	<u>(179,922)</u>

14 Contingent liabilities and contingent assets

The company together with certain other group companies has entered into a cash pooling arrangement 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.

Notes *(continued)*

15 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £ 8,892 (2002: £7,573).

16 Related party transactions

As a subsidiary of Omnicom Group Inc. the company has taken advantage of the exemption in Financial Reporting Standard No.8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by Omnicom Group Inc.

17 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 group in which the results of the company are consolidated is that headed by Omnicom Group Inc. The smallest group in which they are consolidated is that headed by TBWA UK Group Limited. 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, respectively.