

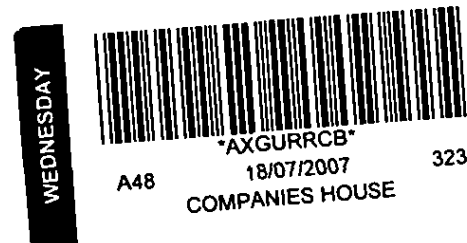
**OMD Europe Holdings Ltd**

**Directors' report and financial  
statements**

**Registered number 4431736**

**For the period**

**1 August 2005 to 31 December 2006**



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## Directors' report

The directors present their annual report and the audited financial statements for the 17 months to 31 December 2006

### Principal Activities and Business Review

The Company acts as a holding company and as such did not trade. The Directors consider the Company's state of affairs to be satisfactory.

### Dividends

The company proposed a dividend of £3,336,884 at £667,377 per share (2005 nil)

### Directors and directors' interests

The directors who held office during the period were as follows

C Gottlieb  
P Poelzlbauer

Neither of the directors have any interest in the share capital of the company or other group undertakings that require to be disclosed under the Companies Act 1985

### Political and charitable contributions

The company made no political or charitable contributions in the period (2005 nil)

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

### Auditors

In accordance with section 384 of the Companies Act 1985, a resolution reappointing KPMG Audit Plc as auditors of the company will be proposed at the forthcoming Annual General Meeting

By order of the board



Sally Ann Bray  
Secretary

239 Old Marylebone Road  
London NW1 5QT  
12<sup>th</sup> July, 2007

## **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 and applicable law (UK Generally Accepted Accounting Practice)

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 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 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 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.

## **Independent auditor's report to the members of OMD Europe Holdings Ltd**

We have audited the financial statements of OMD Europe Holdings Ltd for the period ended 31 December 2006 which comprise the primary statements such as, the Profit and Loss account, 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

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

### **Basis of audit 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 judgments 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 2006 and of the company's results for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Directors' Report is consistent with the financial statements.

*KPMG Audit Plc*

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
London

*13 July* 2007

## Profit and loss account

*for the period ended 31 December 2006*

	Note	17 months ending 31 December 2006 £	5 months ending 31 July 2005 £
Income from shares in group undertakings	2	3,336,884	-
<b>Profit on ordinary activities before taxation</b>		<b>3,336,884</b>	-
Tax on profit on ordinary activities	3	-	-
<b>Profit for the financial period</b>		<b>3,336,884</b>	-

The results are derived from continuing activities. 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.

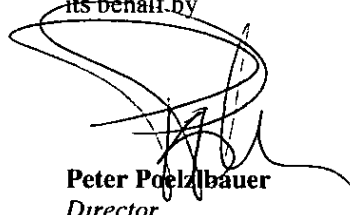
A note of historical cost profit and losses has not been prepared as part of the financial statements as the results disclosed in the profit and loss account are prepared on an unmodified historical cost basis.

The notes on pages 6 to 10 form an integral part of these financial statements.

**Balance sheet**  
 at 31 December 2006

	Note	31 December 2006		31 July 2005	
		£	£	£	£
<b>Fixed Assets</b>					
Investments	5		5		2
			<u>5</u>		<u>2</u>
<b>Current Assets</b>					
Debtors	6	3,336,884		-	
<b>Creditors: amounts falling due within one year</b>	7	(3,336,884)		-	
		<u></u>	-	<u></u>	-
<b>Net current assets</b>			-		-
<b>Net Assets</b>			<u>5</u>		<u>2</u>
<b>Capital and reserves</b>					
Called up share capital	8		5		2
Profit and loss account	9		-		-
			<u></u>		<u></u>
<b>Equity shareholders' funds</b>			<u>5</u>		<u>2</u>

These financial statements were approved by the board of directors on 12 July 2007 and were signed on its behalf by

  
**Peter Poelzbauer**  
 Director

The notes on pages 6 to 10 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

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 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Omnicom Group Inc and the company's voting rights are controlled within the group headed by Omnicom, 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. The consolidated financial statements of Omnicom Group Inc, within which this company is included, can be obtained from the address given in note 11.

#### ***Investments***

Fixed asset investments are shown at cost less provision for impairment.

The company has taken advantage of the provision afforded by section 132 of the Companies Act 1985, where consideration for investments in subsidiaries includes the issue of shares qualifying for merger relief, to record the cost of investment by reference to the higher of the nominal value of the shares issued or the carrying value in the Financial Statements of the transferor.



## Notes (continued)

### 2 Income from shares in group undertakings

	17 months ending 31 December 2006 £	5 months ending 31 July 2005 £
Dividends from shares in group undertakings	3,336,884	-
	<u>3,336,884</u>	<u>-</u>

### 3 Taxation on profit on ordinary activities

Analysis of charge in the period

	17 months ending 31 December 2006 £	5 months ending 31 July 2005 £
<i>UK corporation tax</i>		
Current tax on profit for the period	-	-
Total Current Tax	-	-
Deferred Tax	-	-
Tax on Profit of ordinary Activities	-	-

*Factors affecting the tax charge for the current period*

The current tax charge for the period is explained below

	17 months ending 31 December 2006 £	5 months ending 31 July 2005 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	3,336,884	-
Current tax at 30% (2005 30 %)	1,001,065	-
<i>Effects of</i>		
UK Dividends not subject to Corporation Tax	(1,001,065)	-
Total current tax charge (see above)	-	-

## Notes (continued)

### 4 Dividends and other Appropriations

	17 months ending 31 December 2006 £	5 months ending 31 July 2005 £
Dividend on shares classified as shareholders funds	3,336,884	-
	<u>3,336,884</u>	<u>-</u>

### 5 Fixed Asset Investments

	Shares in group undertakings £
<i>Cost and Net Book Value</i>	
At beginning of year	2
Additions	3
	<u>5</u>
<b>At end of year</b>	<u><u>5</u></u>

The details of OMD Europe Holdings Ltd investments are as follows

Subsidiary undertakings	Country of Incorporation	Principal activity	Holding
OMD Group Ltd	UK	Media Agency	100%
Omnicom Media Group A/S	Denmark	Media Agency	5 45%

On 3<sup>rd</sup> January 2006, the Company acquired 5 45% of the issued share capital of Omnicom Media Group A/S (formerly OMD Denmark A/S) from Omnicom Europe Ltd for the allotment of one Ordinary Share of the Company

On 3<sup>rd</sup> April 2006, the Company transferred its entire interest in Manning Gottlieb OMD Ltd and OMD International Ltd to OMD Group Ltd (formerly OMD UK Ltd) for the allotment of two Ordinary Shares of £1 00 each in OMD Group Limited

### 6 Debtors

	17 months ending 31 December 2006 £	5 months ending 31 July 2005 £
Amounts owed by group undertakings	3,336,884	-
	<u>3,336,884</u>	<u>-</u>

## Notes (continued)

### 7 Creditors: amounts falling due within one year

	17 months ending 31 December 2006 £	5 months ending 31 July 2005 £
Amounts owed to group undertakings	3,336,884	-
	<u>3,336,884</u>	<u>-</u>

### 8 Called up share capital

	2006 £	2005 £
<i>Authorised</i>		
Equity 10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<i>Allotted, called up and unpaid</i>		
Equity 5 (2005 2) Ordinary share of £1 each	<u>5</u>	<u>2</u>

On 1 September 2005, the Company acquired Omnicom Media Group Europe Ltd's (formerly OMD Europe Ltd) interest in OMD Group Ltd (formerly OMD UK Ltd) and Manning Gottlieb OMD Ltd for the allotment of two ordinary shares in the Company

On 3<sup>rd</sup> January 2006, the Company acquired 5 45% of the issued share capital of Omnicom Media Group A/S (formerly OMD Denmark A/S) from Omnicom Europe Ltd for the allotment of one Ordinary Share of the Company

### 9 Profit and loss reserve

	Profit and loss account £
At beginning of period	-
Profit for the financial period	3,336,884
Dividends on shares classified as shareholders' funds	<u>(3,336,884)</u>
At end of period	<u>-</u>

## Notes (continued)

### 10 Reconciliation of movements in shareholders' funds

	Share capital £	Profit and loss account £	Total £
At beginning of period	2	-	2
Profit for the financial period	-	3,336,884	3,336,884
Dividends	-	(3,336,884)	(3,336,884)
Share Issue	3	-	3
	<hr/>	<hr/>	<hr/>
<b>At end of period</b>	<b>5</b>	<b>-</b>	<b>5</b>
	<hr/>	<hr/>	<hr/>

### 11 Immediate and ultimate parent company

The company is subsidiary of Omnicom Media Group Europe Limited, a company registered in England and Wales, whose principal place of business is at Seymour Mews House, 26-37 Seymour Mews, London W1H

The smallest group in which the company's results are included are the consolidated accounts of its United Kingdom parent company, Omnicom Europe Limited, whose principal place of business is at 239 Old Marylebone Road, London NW1 5QT

The largest group in which the results of the company are consolidated is that headed by Omnicom Group Inc, a company incorporated in the United States of America. These consolidated accounts are available to the public and may be obtained from Omnicom Group Inc, 437 Madison Avenue, New York, NY 10022, USA