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Dentsu Aegis Network Ltd

Report and Financial Statements

31 December 2016

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Dentsu Aegis Network Ltd

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Dentsu Aegis Network Ltd

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Jerry Buhlmann
Tadashi Ishii
Kunihiro Matsushima
Nigel Morris
Shoichi Nakamoto
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Nicholas Rey
Hiroaki Sano
Valerie Scoular
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Company secretary
Andrew Moberly

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Registered number
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Auditors
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London

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London EC1Y 8YY

Dentsu Aegis Network Ltd

Strategic Report

The directors present their Strategic Report on the Group for the year ended 31 December 2016.

Principal Activity

The principal activity of Dentsu Aegis Network Ltd ("the Company") is that of a holding company based in London. Its subsidiaries and related companies provide a broad range of customer solutions across Media and Digital including planning and buying, creative solutions and communication strategies through its branded businesses across the global markets in which it operates. The Company and its subsidiaries, collectively the consolidated Dentsu Aegis Network Ltd Group, are referred to as "the Group".

Strategic Objectives

The strategic objectives of the Group are:

- Growing our digital profile and capability;
- Broadening our service offering across all of our clients;
- Growing our international client and new business profile; and
- Strengthening our leading position in the top 20 markets, in particular China and the US.

These strategic objectives continue to be supported by a focus on value-enhancing acquisitions.

Key Performance Indicators

During 2016 the Group has continued to perform well, with the following performance against major Key Performance Indicators, which align to the Group's strategic objectives:

- Organic revenue growth of 6.1% (2015: 11.6%)
- Digital revenue up to 55.0% of the Group's revenue in 2016 (2015: 49.0%)
- £1,342.4m (2015: £116.3m) invested in 37 new acquisitions and investments

Operating Review

Overview

In 2016, the Group delivered organic revenue growth of 6.1% (2015: 11.6%). This strong growth was driven by a unique operating model, which continues to be compelling and relevant for our international clients.

Our operating model, enabled by a "One P&L" per market structure, is based on our unique ability to offer clients specialist capabilities on an integrated basis, and has continued to drive our new business performance. Furthermore Dentsu Aegis Network continues to be well positioned, ahead of the peer group, in faster-growing business areas and geographies. The Group continued to increase the proportion of revenue generated through its digital capabilities to 55.0% from 49.0% in 2015, through a combination of targeted acquisitions and a focus on placing digital media at the centre of our client offering.

In 2016, the Group generated revenue of £2,586.6m, an increase of 31.2% or 20.1% at constant currency.

The Group continues to invest in targeted acquisitions, with around £1,117.2m spent in initial consideration on 37 acquisitions and investments in 2016, to supplement the Group's footprint in faster growing regions and broaden the Group's service offerings in more markets. £785.2m of this is in respect of our acquisition of Merkle which completed in September 2016. Merkle brings a powerful range of data-led, fully addressable and real time capabilities to the Group.

In 2016, there was an increase in Group underlying headcount, excluding the addition of employees brought into the business via acquisition, of 6.5%, from the end of 2015.

EMEA

EMEA revenue increased by 20.9% at reported rates and by 12.9% at constant currency to £1,009.6m. This is a strong performance, considering the effect the EU referendum had on business confidence in the region. There were very strong performances across Continental Europe, with double-digit growth in Spain and Italy, and high single-digit growth in Germany and France. After a relatively unstable environment in 2015, Russia has performed exceptionally well in 2016, also delivering double-digit growth.

Americas

Americas revenue increased by 44.6% at reported rates and by 29.4% at constant currency to £1,072.5m. The performance in the US included a step-up in growth in the second half of 2016, with positive impacts from new business wins. Canada delivered a strong performance, with 2016 growth accelerating significantly compared to 2015. In Latin America, Mexico, Columbia and Argentina produced strong double-digit growth. Brazil, however, remains a challenging market with an uncertain economic and political climate.

APAC

APAC revenue increased by 27.6% at reported rates and by 16.8% at constant currency to £504.5m. There were strong performances from two major markets, India and Australia, which both delivered double-digit growth. China continues to be a key market for the region, and has performed well with increased spend from existing clients.

Financial Review

The Group generated revenue of £2,586.6m (2015: £1,972.2m), and operating profit of £235.9m (2015: £199.6m). Profit from continuing operations before tax was £144.8m (2015: £143.5m).

The balance sheet shows a strong funding position, and net assets of £916.4m (2015: £712.6m). We ended the year comfortably within our financial covenants, with undrawn available credit facilities of £500.0m (2015: £500.0m). Cash inflows from operating activities during the year were primarily used to invest in new acquisitions, settle deferred acquisition payments and invest in capital assets.

Future Developments

The Directors continue to focus on achieving the strategic targets of the Group, including organic revenue growth and expanding the digital domain.

Principal Risks and Uncertainties

Risk Management Approach

The Group recognises the importance of effective risk management processes and systems. The Board is ultimately responsible for risk management and determining the nature and extent of the risks it is willing to take in achieving its strategic objectives. In 2016 the Board delegated its risk management to its Risk Committees, which reported into the Dentsu Aegis Network Audit Committee. There were two Risk Committees, the Dentsu Aegis Operational Risk Committee, chaired by the Group CEO, which focused primarily on strategic and trading risks, and the Dentsu Aegis Network Functional Risk Committee, chaired by the Group CFO, which focused on corporate and Group function risks. The work of the Risk Committees was regularly reviewed by the Audit Committee during 2016. During 2016 it was agreed that the existing Risk Committee structure would be changed to having a single risk committee, the Dentsu Aegis Network Risk Committee which would be chaired by the Group CEO. The first formal meeting of the new committee took place on 9 January 2017. The membership of the Dentsu Aegis Network Risk Committee is drawn from members of the Dentsu Aegis Network Executive Committee, which reviewed and agreed the Dentsu Aegis Network principal risks for 2017.

The Group strategy aims to deliver continued growth whilst managing strategic risk by diversifying client base, country and media. To back this, the Group maintains a strong, flexible balance sheet and ensures that it remains comfortably within its financial covenants.

A summary of our principal risks is as follows:

Risk	Risk description	Potential risk impact	Risk management strategy	Risk mitigation actions
Maintaining strong client relationships	Loss of key clients and failure to win new clients.	Lost profit. Subsequent loss of key managers.	Ensuring we remain a highly competitive organisation to help us win new clients and continue to provide a high quality service to our existing clients.	We have dedicated client relationship teams in place, as well as global client management teams established in regional offices. We develop multiple services, with an emphasis on innovation for our clients.
Managing counterparty risk	Counterparty risks include the loss of income from clients who have cash flow or insolvency problems and potential media buying liabilities in markets where we act as principal.	Lost profit due to bad debt.	Maintaining and developing robust financial and operating systems to ensure we minimise any potential loss of income from third parties.	Due diligence, including credit risk, is undertaken for all new clients and written contracts must be in place before starting any significant work. Ongoing monitoring of existing clients. Group policy requires credit limits to be imposed for all new commercial clients. Global credit insurance policy in place covering the vast majority of our clients.

Principal Risks and Uncertainties (continued)

Risk	Risk description	Potential risk impact	Risk management strategy	Risk mitigation actions
Ensuring strong talent management	Loss of key employees and failure to attract high quality people.	Lost profit.	Talent management is a key priority to ensure we have a strong pipeline of people to develop as our future leaders. We also aim to ensure we are well placed to continue to attract high quality people.	We made significant investment in 2015 to make the Group an attractive place to work. We make developing our future leaders by career planning and training a priority. In particular our Route 500 is a programme for high-potential employees.
Weak economic conditions	Weak economies can lead clients to cut back on media investment and squeeze margins.	Lost profit.	The Group is a diversified business with a strategy to grow our exposure to areas that are less likely to be affected by macro-economic challenges, including faster-growing geographic regions and digital.	Diversify our business into faster-growing product areas and markets. Regular monthly detailed reporting by business units to senior management ensures that senior executives understand local performance. There are regular reforecasts of financial performance presented to the Board. Were sales to slow, controls over costs and working capital would be tightened further to mitigate the loss of profit.
Maintaining a sound financial position	Insufficient liquidity and funding requirements to support the Group's liabilities and manage the growth of the business.	Lack of funds for current operations and future growth.	Maintaining sufficient funding, with secure access to banking facilities, to meet our liabilities and to fund the growth of the business. From a cost perspective, ensuring a cost management culture is integrated throughout the organisation.	We have cash pooling arrangements in place for larger businesses with relationship banks. We maintain daily cash reporting for all operations. We have minimum headroom limits and monitor these regularly. We maintain regular communication with relationship banks and noteholders.

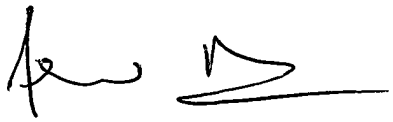
Principal Risks and Uncertainties (continued)

Risk	Risk description	Potential risk impact	Risk management strategy	Risk mitigation actions
Managing the targeting and pursuit of acquisition opportunities	Acquisitions need to be value creating and support the Group strategy.	Loss of profit.	Targeting acquisitions which are aligned with the Group's strategy and culture, as well as ensuring they meet specific financial criteria.	We maintain a pipeline of potential targets across a diverse range of geographies and product offerings. All acquisitions require approval by an internal acquisitions committee chaired by the Group CEO. Larger acquisitions have to be agreed by the Board. We aim to limit the initial consideration and pay the consideration over time through earn-out payment structures. There is a Group M&A team in place to support local management in sourcing and acquiring targets. Acquisitions target to deliver a rate of return of at least 30% above our weighted average cost of capital and need to achieve earnings enhancement in the first full year of ownership.
Ensuring acquisitions are fully integrated	Unsuccessful integration of acquired companies	Management distraction.	Post acquisition integration plans in place for all newly acquired entities to ensure they are properly integrated into the Group.	We monitor and report on the integration process at intervals of three months and one year following acquisition, providing additional assistance to those entities requiring more support. We aim to re-brand acquired businesses in the first full year of ownership.
Managing the security of data	Unauthorised access to or inappropriate use of client, employee or other confidential data.	Lost profit, loss of clients and potential reputational damage.	Ensuring robust IT and financial reporting systems in place, in line with best practice data security and compliance regulations, and based on strict internal policies and procedures.	External access to information is protected by the IT security framework which is regularly assessed through vulnerability testing and IT security audits. We insist on confidentiality clauses in employee and supplier contracts.

Principal Risks and Uncertainties (continued)

Risk	Risk description	Potential risk impact	Risk management strategy	Risk mitigation actions
Ensuring legal and regulatory compliance	The Group may be unprepared for legislative and regulatory changes.	Lost profit. Loss of license to operate and/or market damage to management reputation and credibility.	Ensuring compliance with a range of legal and contractual requirements around the world.	The Group Legal team continually monitors changes in regulation with a view to changing Group policies and communicating the changes before they come into force. This team includes a specialist compliance lawyer. Online compliance training packages have been developed to supplement face-to-face training. We have established a regulatory intranet which is utilised as a tracking tool for new and updated regulation and an internal newsletter which updates employees on developments in the area of compliance.
Managing corporate responsibility risks	The Group is unable to respond to the changing regulatory environment around environmental and community responsibility, unable to meet its clients' and employees' sustainability requirements or unable to fulfil stakeholder expectations.	Lost profit. Reputational damage.	Integrating Corporate Responsibility considerations in Group policies and procedures and developing ambitious targets and programmes to turn Corporate Responsibility risks into opportunities.	Development of a network of Corporate Responsibility champions in each market to ensure local compliance through standardised reporting, to develop local action plans to achieve our targets, and to raise awareness.

By order of the Board



Andrew Moberly
Company Secretary
31 March 2017

The Directors present their report and the audited financial statements of the Company (registered number 1403668) for the year ended 31 December 2016.

Branches outside the UK

The Company has a branch in Luxembourg.

Future Developments

The discussion of future developments of the Company has been included in the Strategic Report.

Dividend

No dividends were declared or paid for the year 2016 or 2015.

Financial instruments

Information about the use of financial instruments by the Company and its subsidiaries is given in Note 18 to the financial statements and in the Principal Risks and Uncertainties section above.

Post-balance sheet events

The Directors are not aware of any significant post-balance sheet events that require disclosure in the financial statements other than those disclosed in Note 29 to the financial statements.

Donations

The Group made charitable donations of £0.9m during the year (2015: £0.7m). No political donations were made during the year.

Corporate Governance

The Group is governed by the Dentsu Aegis Network Board, which is made up of 11 Directors who are collectively responsible for the overall success of the Group and for the creation of long-term shareholder value. The Board meets at least 4 times a year and more frequently if business needs require. The list of matters reserved to the Board for decision includes:

- Group strategy, annual budget and operating plans
- Reporting to shareholders
- Dividend policy
- Matters relating to share capital
- Major capital projects, investments and commitments

The governance of the Group is supported by the Audit Committee, which reviews the internal control framework of the Group, working as necessary with the external auditors, internal auditors and the Company's risk committee and reviewing both internal and external reporting. The Committee, whose members are drawn from the Board, meet at least 4 times a year. Meetings are generally attended by the Group Chairman, CEO and CFO, the external auditors, the Director of Risk and Audit and others. The Committee also meets privately with the internal and external auditors on a number of occasions.

The Board is also supported by the Compensation Committee in matters related to remuneration within the Group. The Committee, whose members are drawn from the Board, meets 4 times a year and its meetings are generally attended by the Global HR Director, the Group Chairman, CEO and Chief Financial Officer.

Directors

The Directors in office during the year were as set out below.

Name	Title	Appointment or Resignation date
Timothy Andree	Executive Chairman, Dentsu Aegis Network, Executive Vice President, Dentsu Inc.	
Jerry Buhlmann	CEO, Dentsu Aegis Network, Senior Vice President, Dentsu Inc.	
Tadashi Ishii	Director, Dentsu Inc.	
Yuzuru Kato	Director, Dentsu Inc.	Retired 4 February 2016
Kunihiro Matsushima	Director, Dentsu Inc.	
Nigel Morris	CEO Americas, Dentsu Aegis Network	
Shoichi Nakamoto	Representative Director, Senior Executive Vice President & CFO, Dentsu Inc.	
Nick Priday	CFO, Dentsu Aegis Network	
Nicholas Rey	Member of the Board, Dentsu Aegis Network	
Hiroaki Sano	Senior Vice President, Dentsu Inc.	Appointed 4 February 2016
Valerie Scoular	Global HR Director, Dentsu Aegis Network	
Nicholas Waters	CEO Asia Pacific, Dentsu Aegis Network	

Directors' Indemnities

A qualifying third party indemnity ("QTPI"), as permitted by the Articles of Association and sections 232 and 234 of the Companies Act 2006, has been granted by the Company to each of its Directors. Under the QTPIs the Company undertakes to indemnify each director against liability to third parties (excluding criminal and regulatory penalties) and to pay Directors' costs as incurred, provided that they are reimbursed to the Company if the director is convicted or, in an action that is brought by the Company, judgement is given against the director. Directors resigning from the Board continue to have the benefit of the QTPI for potential liability to third parties that occurred prior to their resignation.

Employment Policies

The Group operates throughout the world and therefore has developed employment policies that meet local conditions and requirements. These policies are based on the best traditions and practices in any given country in which it operates.

Human Rights, Diversity and Disability

The Group has a series of human resources policies that require its employees to act respectfully and responsibly at all times. These policies include policies on human rights, diversity and disability.

We are committed to treating each employee and applicant fairly and equitably. Employment decisions are based on merit, experience and potential, without regard to race, nationality, sex, marital status, age, religion or sexual orientation. We are committed to following the applicable labour and employment laws in all of the jurisdictions in which we operate.

We believe that disabled people have the same rights as anyone else to become, and continue to be, employees of the Group. Wherever possible, we provide the same opportunities for disabled people as for others. If any of our employees become disabled we make every effort to keep them in the Group's employment, with appropriate training where necessary.

Employee Involvement

We have employee consultation processes throughout our business in accordance with local laws. In addition, we update all of our employees on a regular basis with Group developments and progress through newsletters, internal publications, senior management notes and face-to-face meetings.

Auditors

Ernst & Young LLP served as auditors for the 31 December 2016 financial year.

KPMG LLP are expected to be appointed with effect from 31 March 2017 for the 2017 financial year.

Directors' Confirmation

Each of the Directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware
- the director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Going Concern

The Group's business activities, together with factors likely to affect its future development, performance and financial position and commentary on the Group's financial results, its cash flows, liquidity requirements and borrowing facilities are set out in the Directors' Report, the Strategic Report and in the accompanying Financial Statements.

The Board is satisfied that the Group balance sheet remains strong. The Group remains well-financed with considerable cash and covenant headroom. The Group has sufficient liquidity to meet its obligations with its £500m revolving credit facility remaining undrawn.

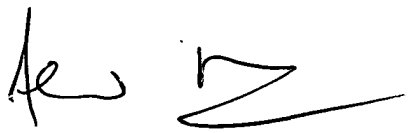
During 2016 the Group has continued to generate positive operating cash inflows from operations before tax, acquisitions and capital expenditure.

The main factors contributing to these cash inflows are the retention and growth of the customer base, terms of trade with customers and suppliers and the continuing management of working capital within the Group. The Board has concluded that the Group's forecasts and projections, taking account of reasonably possible changes in trading performance, indicate that the Group has sufficient funding to operate within the terms of its available facilities.

The Board has considered various alternative operating and funding strategies should these be necessary and is satisfied that a range of actions including cost reduction activities could be adopted if and when necessary.

After making these enquiries, the Board is satisfied that the Group has sufficient resources to continue in operational existence for the foreseeable future and for this reason the going concern basis continues to be adopted in preparing the financial statements for 2016. Furthermore, no material uncertainties related to events or conditions that may cast a significant doubt about the ability of the Group to continue as a going concern have been identified by the Directors.

By order of the Board



Andrew Moberly
Company Secretary
31 March 2017

Directors' Responsibilities

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

Company law requires the Directors to prepare Group financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have elected to prepare the parent company financial statements in accordance with FRS101. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period.

In preparing the parent company and the Group financial statements, the Directors are required to:

- present fairly the financial position, financial performance and cash flows of the Group
- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and *Errors* and then apply them consistently
- make judgments that are reasonable
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- state whether the Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Directors' report in accordance with the Companies Act 2006 and applicable regulations.

By order of the Board

Jerry Buhlmann
Chief Executive Officer
31 March 2017

Nick Priday
Chief Financial Officer
31 March 2017

Independent Auditor's Report to the Members of Dentsu Aegis Network Ltd

We have audited the financial statements of Dentsu Aegis Network Ltd for the year ended 31 December 2016 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and their related notes 1 to 29, and the Company Balance Sheet and Company Statement of Changes in Equity and their related notes 1 to 18. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December, 2016 and of the Group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Richard Addison (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

03 APR 2017

Dentsu Aegis Network Ltd

Consolidated income statement

For the year ended 31 December 2016

	Notes	**31 December 2016** £m	31 December 2015 £m
Turnover		**19,001.6**	15,657.5
Revenue		**2,586.6**	1,972.2
Operating expenses		**(2,350.7)**	(1,772.6)
Operating profit	4	**235.9**	199.6
Share of results of associates		**1.2**	13.5
Profit before interest and tax		**237.1**	213.1
Investment income	6	**9.8**	8.0
Finance costs	7	**(102.1)**	(77.6)
Net finance costs		**(92.3)**	(69.6)
Profit before tax		**144.8**	143.5
Tax	8	**(67.1)**	(52.8)
Profit for the period		**77.7**	90.7
Attributable to:			
Equity holders of the parent		**69.9**	79.8
Non-controlling interests		**7.8**	10.9
		77.7	90.7

All results are from continuing operations.

The accompanying notes form an integral part of the consolidated financial statements.

Dentsu Aegis Network Ltd

Consolidated statement of comprehensive income

For the year ended 31 December 2016

	2016	2015
	£m	£m
Profit for the period	**77.7**	90.7
Other comprehensive income that may be subsequently reclassified to profit or loss:		
Currency translation differences on foreign operations:		
- Group	**181.7**	(62.3)
- Non-controlling interests	**16.4**	(2.1)
Net investment hedges of foreign operations	**(13.5)**	5.2
Cumulative foreign exchange losses on disposals	**-**	(2.6)
Cash flow hedges: movements taken to equity	**(7.5)**	(2.6)
Tax movements taken to equity	**1.3**	0.5
Net other comprehensive income that may be subsequently reclassified to profit or loss	**178.4**	(63.9)
Other comprehensive income that will not subsequently be reclassified to profit or loss:		
Re-measurement (losses)/gains on defined benefit plans	**(0.7)**	0.3
Net other comprehensive income that will not subsequently be reclassified to profit or loss	**(0.7)**	0.3
Other comprehensive income/(expense) for the year, net of tax	**177.7**	(63.6)
Total comprehensive income for the financial year, net of tax	**255.4**	27.1
Attributable to:		
Equity holders of the parent	**231.2**	18.3
Non-controlling interests	**24.2**	8.8
	255.4	27.1

Dentsu Aegis Network Ltd

Consolidated balance sheet

At 31 December 2016

	Notes	2016 £m	2015 £m
Non-current assets			
Goodwill	10	**3,464.1**	1,932.0
Intangible assets	11	**825.4**	298.9
Property, plant and equipment	12	**195.5**	134.6
Interests in associates and joint ventures	13	**21.3**	10.1
Deferred tax assets	19	**72.7**	34.7
Available-for-sale financial assets	14	**16.1**	10.6
Derivative financial assets	18	**80.6**	26.3
Other financial assets	18	**73.6**	35.3
		4,749.3	2,482.5
Current assets			
Work in progress	15	**32.3**	21.2
Trade and other receivables	16	**5,463.9**	4,283.4
Derivative financial assets	18	**0.4**	0.7
Other financial assets	14,18	**10.3**	3.8
Cash and short-term deposits	18,26	**928.6**	679.1
		6,435.5	4,988.2
Total assets		**11,184.8**	7,470.7
Current liabilities			
Trade and other payables	17	**(6,088.8)**	(4,833.2)
Borrowings	18	**(1,590.7)**	(212.7)
Derivative financial liabilities	18	**(11.3)**	(23.1)
Provisions	20	**(6.0)**	(3.7)
Current tax liabilities		**(51.6)**	(27.4)
		(7,748.4)	(5,100.1)
Net current liabilities		**(1,312.9)**	(111.9)
Non-current liabilities			
Borrowings	18	**(984.2)**	(1,157.8)
Other non-current liabilities	24	**(496.3)**	(260.0)
Derivative financial liabilities	18	**(748.8)**	(141.7)
Provisions	20	**(19.2)**	(8.6)
Deferred tax liabilities	19	**(271.5)**	(89.9)
		(2,520.0)	(1,658.0)
Total liabilities		**(10,268.4)**	(6,758.1)
Net assets		**916.4**	712.6
Equity			
Share capital	21	**78.5**	78.5
Share premium account	22	**1,149.8**	724.0
Other equity reserves		**0.2**	0.2
Foreign currency translation reserve		**(87.3)**	(255.5)
Retained earnings		**311.6**	275.6
Potential acquisition of non-controlling interests		**(670.4)**	(158.4)
Equity attributable to equity holders of the parent		**782.4**	664.4
Non-controlling interests		**134.0**	48.2
Total equity		**916.4**	712.6

These financial statements were approved by the Board of Directors on 31 March 2017 and were signed on its behalf by:

Jerry Buhlmann
Chief Executive Officer

Nick Priday
Chief Financial Officer

Dentsu Aegis Network Ltd

Consolidated cash flow statement

At 31 December 2016

	Notes	**2016 £m**	2015 £m
Cash flows from operating activities			
Cash inflow from operations	26	**421.3**	288.0
Income taxes paid		**(96.0)**	(80.3)
Net cash inflow from operating activities		**325.3**	207.7
Investing activities			
Interest received		**9.1**	7.1
Dividends received from associates		**0.1**	1.7
Net cash paid on purchase of subsidiaries		**(977.1)**	(92.8)
Net cash received on disposal of subsidiaries		**1.0**	-
Net cash invested in associates and joint ventures		**(2.0)**	(1.3)
Net cash received on disposal of associates and joint ventures		**0.1**	20.3
Payments of deferred consideration on current and prior period acquisitions		**(175.5)**	(133.6)
Purchase of property, plant and equipment and intangible assets		**(96.0)**	(77.6)
Proceeds from disposal of property, plant and equipment and intangible assets		**2.0**	0.7
Other investing activities		**(11.2)**	(16.0)
Net cash outflow from investing activities		**(1,249.5)**	(291.5)
Financing activities			
Dividends paid to non-controlling shareholders		**(20.3)**	(8.1)
Net cash paid on purchase of additional stakes in existing subsidiaries		**(29.9)**	(9.1)
Cash received on disposal of shares to minority interest holders		**-**	16.0
Interest and other financial charges paid		**(67.2)**	(57.2)
Proceeds from borrowings		**649.3**	136.2
Repayments of loans		**(221.9)**	(165.7)
Proceeds on issue of ordinary share capital		**50.0**	-
Other financing activities		**(16.8)**	13.2
Net cash inflow/(outflow) from financing activities		**343.2**	(74.7)
Net (decrease) in cash and cash equivalents	26	**(581.0)**	(158.5)
Translation differences		**113.5**	(22.8)
Cash and cash equivalents at beginning of financial year	26	**649.4**	830.7
Cash and cash equivalents at end of financial year		**181.9**	649.4
Represented by:			
Cash and short-term deposits		**928.6**	679.1
Bank overdrafts	26	**(746.7)**	(29.7)
Cash and cash equivalents at end of financial year		**181.9**	649.4

	1 January 2016 £m	Cash flow £m	Other non-cash movements £m	Exchange movements £m	**31 December 2016 £m**
Analysis of net debt					
Cash and cash equivalents	649.4	(581.0)	-	113.5	**181.9**
Gross debt net of issue costs	(1,340.8)	(225.1)	(25.6)	(236.7)	**(1,828.2)**
Total	(691.4)	**(806.1)**	**(25.6)**	**(123.2)**	**(1,646.3)**

Dentsu Aegis Network Ltd

Consolidated statement of changes in equity

At 31 December 2016

	Share Capital	Share premium account	Other equity reserves*	Foreign currency translation reserve	Retained earnings	Potential acquisition of non-controlling interests	**Sub-total**	Non-controlling interests	**Total equity**
	£m	£m	£m	£m	£m	£m	**£m**	£m	**£m**
At 1 January 2015	78.5	724.0	0.2	(195.8)	216.5	(102.3)	**721.1**	29.8	**750.9**
Profit for the period	-	-	-	-	79.8	-	**79.8**	10.9	**90.7**
Currency translation differences on foreign operations	-	-	-	(62.3)	-	-	**(62.3)**	(2.1)	**(64.4)**
Net investment hedges of foreign operations	-	-	-	5.2	-	-	**5.2**	-	**5.2**
Cumulative foreign exchange losses on disposals	-	-	-	(2.6)	-	-	**(2.6)**	-	**(2.6)**
Cash flow hedges: movements taken to equity	-	-	-	-	(2.6)	-	**(2.6)**	-	**(2.6)**
Re-measurement loss recognised on defined benefit pension schemes	-	-	-	-	0.3	-	**0.3**	-	**0.3**
Tax on cash flow hedge movements taken to equity	-	-	-	-	0.5	-	**0.5**	-	**0.5**
Total comprehensive income and expense	-	-	-	(59.7)	78.0	-	**18.3**	8.8	**27.1**
Acquisition of subsidiaries from parent undertaking	-	-	-	-	(2.1)	-	**(2.1)**	-	**(2.1)**
Transactions with Non-Controlling Interest	-	-	-	-	(16.8)	(56.1)	**(72.9)**	16.6	**(56.3)**
Dividends	-	-	-	-	-	-	**-**	(7.0)	**(7.0)**
At 31 December 2015	78.5	724.0	0.2	(255.5)	275.6	(158.4)	**664.4**	48.2	**712.6**
At 1 January 2016	78.5	724.0	0.2	(255.5)	275.6	(158.4)	**664.4**	48.2	**712.6**
Profit for the period	-	-	-	-	69.9	-	**69.9**	7.8	**77.7**
Currency translation differences on foreign operations	-	-	-	181.7	-	-	**181.7**	16.4	**198.1**
Net investment hedges of foreign operations	-	-	-	(13.5)	-	-	**(13.5)**	-	**(13.5)**
Cash flow hedges: movements taken to equity	-	-	-	-	(7.5)	-	**(7.5)**	-	**(7.5)**
Re-measurement loss recognised on defined benefit pension schemes	-	-	-	-	(0.7)	-	**(0.7)**	-	**(0.7)**
Tax on cash flow hedge movements taken to equity	-	-	-	-	1.3	-	**1.3**	-	**1.3**
Total comprehensive income and expense	-	-	-	168.2	63.0	-	**231.2**	24.2	**255.4**
New share capital subscribed	-	425.8	-	-	-	-	**425.8**	-	**425.8**
Acquisition of subsidiaries from parent undertaking	-	-	-	-	(14.4)	-	**(14.4)**	-	**(14.4)**
Transactions with Non-Controlling Interest	-	-	-	-	(12.6)	(512.0)	**(524.6)**	81.6	**(443.0)**
Dividends	-	-	-	-	-	-	**-**	(20.0)	**(20.0)**
At 31 December 2016	78.5	1,149.8	0.2	(87.3)	311.6	(670.4)	**782.4**	134.0	**916.4**

*The other equity reserves relate to the capital redemption reserve

1. General information

Dentsu Aegis Network Ltd (DAN Ltd) is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in in the Strategic Report.

These financial statements are presented in pounds sterling (GBP) because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 3.

2. Basis of preparation

The Dentsu Aegis Network Ltd Group is fully integrated into the Dentsu Aegis Network Group which comprises Dentsu Aegis Network Ltd, the companies directly owned by Dentsu Aegis Network Ltd and the Dentsu Network companies owned directly by Dentsu Inc. (the direct parent entity of Dentsu Aegis Network Ltd). However, any reference to DAN in these Group Financial Statements refers to the Dentsu Aegis Network Ltd Group of companies only. The Consolidated IFRS accounts of the ultimate parent company Dentsu Inc. are available at the Dentsu Inc. website at www.dentsu.com.

The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') adopted by the European Union. The financial statements have been prepared on the going concern basis of accounting for the reasons set out in the Directors' Report.

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out in note 3.

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2016 have had a material impact on the Group.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective or EU endorsed:

- IFRS 9 "Financial instruments" is effective for periods commencing on or after 1 January 2018 subject to endorsement by the EU. IFRS 9 is a replacement for IAS 39 'Financial Instruments' and covers three distinct areas. Phase 1 contains new requirements for the classification and measurement of financial assets and liabilities. Phase 2 relates to the impairment of financial assets and requires the calculation of impairment on an expected loss basis rather than the current incurred loss basis. Phase 3 relates to less stringent requirements for general hedge accounting. The Group is assessing the impact of IFRS 9. This is expected to impact the measurement and disclosures of financial instruments.
- IFRS 15 "Revenues from Contracts with Customers" is effective for periods commencing 1 January 2018 subject to endorsement by the EU. IFRS 15 introduces a five-step approach to the timing of revenue recognition based on performance obligations in customer contracts. The Group is currently assessing the impact of IFRS 15.
- IFRS 16 "Leases" is effective for annual periods beginning on or after 1 January 2019 subject to endorsement by the EU. IFRS 16 provides a single lessee accounting model, requiring lessees to recognise right of use assets and lease liabilities for all applicable leases. The leasing standard is expected to have a material impact on net debt, gross assets, profit from operations and interest. The Group await the result of ongoing HMRC consultation to understand the impact on taxes.

  There are no further IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

3. Accounting policies

Principal accounting policies

The principal accounting policies set out below have been consistently applied to all the periods presented in this Annual Report.

Basis of consolidation

(a) Subsidiaries
The consolidated financial statements incorporate the results, cash flows and net assets of Dentsu Aegis Network Ltd and the entities controlled by it (its subsidiaries) drawn up to 31 December each year after eliminating internal transactions and recognising any non-controlling interests in those entities. Control is achieved when the Group:

a) Has power over the acquiree;
b) Is exposed, or has rights, to variable returns from its involvement with the acquiree; and
c) Has the ability to use its power to affect its returns.

The Group re-assesses whether or not it controls an acquiree if facts and circumstances indicate that there are changes to one or more of the three elements of control. When the Group has majority of voting rights of an acquiree, control is presumed.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Where subsidiaries are acquired or disposed of in the year, their results and cash flows are included from the effective date of acquisition or up to the effective disposal date.

Where a consolidated company is less than 100% owned by the Group, the non-controlling interest share of the results and net assets are recognised at each reporting date. The interests of non-controlling shareholders are ordinarily measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets, but may alternatively be initially measured at fair value. The choice of measurement is made on an acquisition-by-acquisition basis.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transaction between members of the Group are eliminated in full on consolidation.

Where a business combination is achieved in stages, on the date control is achieved the Group re-measures its previously held equity interest in the acquiree at its acquisition-date fair value, with any resulting gain or loss presented in profit or loss. Any amounts previously deferred in other comprehensive income are recognised on the same basis as if the Group had directly disposed of the equity interest.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the parent.

3. Accounting policies (continued)

Basis of consolidation (continued)

(a) Subsidiaries (continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of the reclassified investment.

A list of the significant investments in subsidiaries, including the name, country of incorporation and proportion of ownership interest is given in the notes to the Company's separate financial statements.

The company explido GmbH & Co.KG, Augsburg, is included in the consolidated financial statements of Dentsu Aegis Network Ltd; as such we apply S264b HGB of the German Commercial Code.

(b) Associates

Associates are entities in which the Group has a participating interest, over whose operating and financial policies it exercises significant influence and which are neither subsidiaries nor joint ventures. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. The accounting policies used by the Group's associates are the same as those used by the Group, as are the reporting dates in the majority of cases.

The Group's associates are accounted for using the equity method of accounting. Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill within the associate's carrying amount and is assessed for impairment as part of that investment. The Group's share of its associates' post-acquisition profits or losses and any impairment of goodwill is recognised in the income statement and as a movement in the Group's share of associates' net assets in the balance sheet. Its share of any post-acquisition movements in reserves is recognised either directly in equity or in other comprehensive income as appropriate. Losses of the associates in excess of the Group's interest in those associates are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The Group does not have any individually material associates and, on an aggregate basis, the Group's total associate value is immaterial as a percentage of net assets.

3. Accounting policies (continued)

Basis of consolidation (continued)

(c) Joint arrangements

Joint arrangements are arrangements of which two or more parties have joint control. Joint ventures are investments in a joint arrangement whereby the Group exercises joint control along with third party and has rights to the net assets of the joint venture. Joint control is contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require unanimous consent of the parties sharing control. Such investments are equity-accounted, using the same method of equity accounting as described in associates above.

The Group does not have any interests in joint operations.

Business combinations

Acquisitions of subsidiaries and businesses that are external to the Dentsu Inc. Group are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the acquisition-date fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Where applicable, the consideration for the acquisition includes contingent consideration, measured at its acquisition-date fair value. Subsequent changes in the fair value of contingent consideration are adjusted against the cost of the acquisition when they qualify as measurement period adjustments (see below), or otherwise are accounted for as fair value changes in profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Revised (2010) are recognised at their fair value at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts. Provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date. This includes the intangible assets that arise as part of the business combination. Where the value of these intangible assets is incomplete by the end of the reporting period, the full excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is attributed to Goodwill. During the measurement period the Goodwill is adjusted for the value of the business combination intangibles acquired, once completed.
The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

For acquisitions of subsidiaries and businesses under the common control of the Dentsu Inc. Group, the DAN Ltd Group has elected to adopt the Pooling of Interest method for acquisitions. The consideration for each acquisition is measured against the acquisition balance sheet and any surplus recognised in equity.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is achieved (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

3. Accounting policies (continued)

Basis of consolidation (continued)

Goodwill (continued)

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase.

Following initial recognition, goodwill is not amortised but is carried at cost less any accumulated impairment losses. Goodwill recognised under UK GAAP prior to the date of transition to IFRS is stated at net book value as at that date less any subsequent accumulated impairment losses.

Goodwill is allocated to disposals on a cash generating unit ("CGU") basis where entire CGUs are disposed.

Goodwill written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

Goodwill impairment

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units ("CGUs") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. The Group's CGUs are given in note 10.

Intangible assets

Separately acquired intangible assets are capitalised at cost. Intangible assets acquired as part of a business combination are capitalised at fair value at the date of acquisition. Fair value is calculated based on the Group's valuation methodology, using discounted cash flows, charges avoided or replacement costs as appropriate.

An internally-generated intangible asset arising from the Group's development activities is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Where these criteria are met, the development expenditure is capitalised at cost. Where they are not met, development expenditure is recognised as an expense in the period in which it is incurred. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

3. Accounting policies (continued)

Intangible assets (continued)

Intangible assets (both internally generated and separately acquired) are amortised to residual values on a straight-line basis over the useful economic life of the asset as follows:

Software	20% to 50% per annum
Customer relationships	10% to 20% per annum
Patents and trademarks	Nil to 20% per annum
Non-compete agreements	14% to 50% per annum
Intellectual property	33% per annum
Other	10% to 50% per annum

Once acquired intangible assets have exceeded their useful economic lives, the cost and accumulated amortisation of the assets are removed from the balance sheet as an asset retirement.
Where an asset's useful life is considered indefinite, an annual impairment test is performed (see below).

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any recognised impairment losses. Depreciation is charged to write off the cost of these assets to their residual value over their expected useful lives, using the straight-line method, on the following basis:

Freehold buildings	1% to 5% per annum
Leasehold buildings	Over the period of the lease
Leasehold improvements	10% to 20% per annum or over the period of the lease, if shorter
Office furniture, fixtures, equipment and vehicles	10% to 50% per annum

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets (both internally generated and separately acquired) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

3. Accounting policies (continued)

Inventory and work in progress

Work in progress is valued at cost, which includes directly attributable costs incurred on behalf of clients. Provision is made for irrecoverable costs where appropriate. Inventory and work in progress is held in the balance sheet at the lower of cost and net realisable value.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where leasehold properties remain unutilised by the Group or where the Group is demonstrably committed to a period of non-utilisation, and such properties have not been sublet, provision is made in full for the outstanding rental payments together with other outgoings for the remaining period of the lease. This provision takes into account any future sublet income reasonably expected to be obtained. Future rental payments are charged against this provision in the period in which they are made.

From time to time the Group is exposed to claims which the Group vigorously defends. Provision for costs is made when the likelihood of a case proceeding is adjudged as probable. Disclosure is made of potentially material matters where, on the basis of legal advice, an adverse outcome cannot currently be judged as remote.

Turnover and revenue

Turnover represents amounts billable for media handled by the Group on behalf of clients, together with fees earned for media and research services provided, net of discounts, VAT and other sales-related taxes.

Revenue is the value of media and research fees and commission earned by the Group.

Media revenue arises in the form of fees and commissions for media services and performance related incentives.

Fee and commission revenue is recognised when earned, principally when advertisements appear in the media over the period of the relevant assignments or agreements. Performance related income is recognised when it can be reliably estimated whether, and the extent to which, the performance criteria have been met.

For market research and media project businesses, revenue is recognised based on the stage of completion of each project, which is indicated by the satisfactory completion of a specific phase of a project. Provision is made for losses on a project as soon as it becomes clear that a loss will arise. Invoices raised during the course of a project are booked as deferred income in the balance sheet until such a time as the related revenue is recognised in the income statement.

Investment income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

3. Accounting policies (continued)

Deferred incentives

Liabilities are held in respect of deferred incentive payments to certain employees in relation to the Group's long term incentive scheme. The payment of these incentives is conditional on continued employment for specific periods and, in certain cases, on business performance. The present value of these incentive plans is determined using the projected unit credit method, in line with IAS 19, and an appropriate discount rate is applied, based on the opportunity cost of debt.

Retirement benefits

Retirement benefits for employees are principally provided by defined contribution schemes which are funded by contributions from Group companies and employees. The amount charged to the income statement is the contribution payable in the year by Group companies.

In addition, the Group operates a small number of retirement benefit schemes that do not fall under the definition of defined contribution schemes, principally where required by local statutory regulations. The principal schemes are located in Germany, Italy, France and Switzerland. Under these schemes, the Group's liabilities in respect of past service are fixed as a percentage of past salaries, but the schemes do not meet the definition of defined contribution schemes because contributions have not been paid to a separate entity. These schemes are not considered by management to represent standard defined benefit schemes and do not vary significantly in terms of the Group's liability. However, IAS 19 requires that these schemes be disclosed as defined benefit schemes. The numbers below are in respect of all material Group defined benefit schemes, unless otherwise stated.

The re-measurement gains and losses of these schemes are recognised immediately in equity. The service cost to the Group and interest expense is recognised in the income statement in the period that they arise.

The liability recognised in the balance sheet in respect of defined benefit obligations is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets.

Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The defined benefit obligation is calculated using the project unit credit method with actuarial valuations being carried out at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds approximating to the terms of the related liability.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2016. The present value of the defined benefit obligation, the related service cost and the past service cost were measured using the projected unit credit method.

The principal funded defined benefit scheme is in Germany. The assets of this scheme is held separately from those of the Group in independently administered funds, in accordance with scheme rules and statutory requirements. The unfunded defined benefit schemes are principally in Italy, France and Switzerland.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). The consolidated financial statements are reported in Sterling, which is the functional currency of Dentsu Aegis Network Ltd and the presentational currency for the Group's consolidated financial statements.

3. Accounting policies (continued)

Foreign currencies (continued)

In Group companies, the term 'foreign currencies' refers to currencies other than the entity's functional currency. Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Upon settlement, monetary assets and liabilities denominated in foreign currencies are re-translated at the rate ruling on the settlement date. Monetary assets and liabilities denominated in foreign currencies at the yearend are re-translated at the exchange rate ruling at the balance sheet date. Exchange differences arising upon re-translation at the settlement date or balance sheet date are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the re-translation of foreign currency borrowings used to provide a hedge against foreign currency investments, including goodwill, are recognised in other comprehensive income as long as the hedge remains effective.

For consolidation purposes, the trading results and cash flows arising in operations with non-Sterling functional currencies are translated into Sterling at average exchange rates for the period. Assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date.

Exchange differences arising upon consolidation are recognised in other comprehensive income. In the event of the disposal of an operation the cumulative effect of such translation is reclassified to the income statement.

Leased assets

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease rentals are charged to the income statement over the lease term on a straight-line basis. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability and recognised as a reduction of rental expense on a straight-line basis.

Taxation

The tax expense represents the sum of current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax nor accounting profit.

Deferred tax is calculated for all business combinations in respect of intangible assets and properties. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition.

3. Accounting policies (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, including interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in other comprehensive income or equity respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities under current legislation and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets

Classification
Management determines the classification of its financial assets at initial recognition. The classifications include.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. The Group's financial assets at fair value through profit or loss comprise derivatives financial assets in the balance sheet.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and short term deposits' in the balance sheet.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. The Group's available-for-sale financial assets are referred to as such in the balance sheet.

3. Accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Held to maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that the Group intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held to maturity investments are measured at amortised cost. The Group's held to maturity financial assets are referred to as such in note 18b).

Recognition and measurement
The Group's financial assets principally include the following.

a) Cash and short-term deposits
Included within the loans and receivables classification, cash and short-term deposits include cash at bank and in hand and highly liquid deposits with an original maturity of three months or less which are subject to an insignificant risk of changes in value. In the Consolidated Cash Flow Statement, bank overdrafts are deducted from cash and short-term deposits to give cash and cash equivalents.

b) Trade receivables
Included within the loans and receivables classification, Trade receivables are initially recorded at the invoiced value and subsequently reduced by appropriate allowances for estimated irrecoverable amounts. Current trade receivables do not carry any interest charge. Interest may be charged on overdue balances.

c) Available-for-sale financial assets
Available-for-sale financial assets are initially measured at cost, including transaction costs, and at subsequent reporting dates at fair value. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the net profit or loss for the period. Impairment losses recognised in the income statement for equity instruments classified as available-for-sale are not subsequently reversed through profit or loss.

Impairment of financial assets
Financial assets, other than those at FVTPL 'Fair Value Through Profit and Loss', are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Offsetting of balances within financial assets
In line with IAS 32, the Group offsets cash deposits and overdrafts that are in cashpool arrangements with relationship banks. There are legal agreements in place and are legally enforceable. The Group does not offset other financial assets and liabilities. The amounts offset are presented gross in note 18.

3. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Classification
Management determines the classification of its financial liabilities at initial recognition according to the substance of the contractual arrangements entered into. The classifications include:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss are either designated in this category; or they are held for trading, such as an obligation for securities borrowed in a short sale which have to be returned in the future. Derivatives are also categorised as held for trading unless they are designated as hedges. The Group's financial liabilities at fair value through profit or loss comprise derivatives financial assets in the balance sheet.

Other financial liabilities measured at amortised cost using the effective interest method
Other financial liabilities measured at amortised cost using the effective interest method are non-derivative financial liabilities which are not designated on initial recognition as liabilities at fair value through profit or loss

a) Bank borrowings
Interest-bearing bank loans and overdrafts are recorded at the value of proceeds received, net of direct issue costs. Direct issue costs are amortised over the period of the loans and overdrafts to which they relate. Finance charges, including premiums payable on settlement or redemption are charged to the income statement as incurred using the effective interest method and are added to the carrying value of the instrument to the extent that they are not settled in the period in which they arise.

b) Trade Payables
Trade payables are initially stated at fair value and subsequently at amortised cost.

c) Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity instruments. Equity instruments issued by the Company are recorded at the value of proceeds received, net of direct issue costs.

Derivative financial instruments
The Group's activities expose it to certain financial risks including changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures where they are considered to be significant. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are held at fair value at the balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges of future cash flows are recognised directly in other comprehensive income and the ineffective portion is recognised immediately in the income statement. Amounts deferred in this way are recognised in the income statement in the same period in which the hedged firm commitments or forecast transactions are recognised in the income statement.

3. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise. Where such changes are intended to provide a natural hedge of a particular risk, the income statement classification reflects this.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gains or losses on the hedging instrument recognised in other comprehensive income are retained until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the income statement for the period. Note 18 includes further information on hedge accounting as applied by the Group.

Liabilities in respect of option agreements with non-controlling shareholders
The Group is party to a number of put and call options over the remaining non-controlling stakes in its subsidiaries. In accordance with IAS 39, put options are treated as derivatives over equity instruments and the amounts that are potentially to be paid for the stakes are recorded as financial liabilities at fair value on initial recognition, with a corresponding decrease in reserves. Fair value is calculated based on the discounted value of expected future payments.

Subsequent changes in the fair value of the liability are recognised as movements in the income statement. On exercise and settlement of a put option liability the cumulative amounts are removed from reserves, along with the de-recognition of non-controlling interests.

Fair value measurement
The Group applies the requirements of IFRS 13 Fair Value Measurement. In accordance with its provisions, all assets and liabilities which are measured at fair value are classified within the hierarchy levels of 1,2,3 as defined in note 18.

The Group assesses whether there have been any transfers between the hierarchy levels through an annual review. In this review, there is an assessment of whether there have been any changes to the nature of the inputs in each level.

Credit value adjustments and debt value adjustments are derived by the Group and applied to the valuation of the respective financial instruments in order to reflect the credit risk of the derivative counter-party.

Valuation techniques and assumptions applied for the purposes of measuring fair value
The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise held-to-maturity investments and quoted available-for-sale investments.

3. Accounting policies (continued)

Financial instruments (continued)

Valuation techniques and assumptions applied for the purposes of measuring fair value (continued)

- The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Instruments included in Level 2 comprise derivative instruments, other than put options over acquisition of minorities, these are calculated using quoted prices and yield curves derived from these quoted prices.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair values of put option liabilities and deferred consideration are calculated as the best estimate of the gross cash expected to be paid discounted to present value.

Share-based payments

During the year the Group acquired Merkle, Inc. who operate a share option scheme for certain employees. This share option scheme remains in place post-acquisition. The Group considers these share options to be cash-settled share-based payments and account for these awards in accordance with IFRS 2 Share Based Payments. The Group measure the cash-settled share option scheme at fair value and a liability is recognised for the fair-value of cash settled transactions.

The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. More details of how the fair value is determined can be found in note 25.

Accounting estimates and uncertainties

The Group makes estimates and judgements concerning the future and the resulting estimates may, by definition, vary from the related actual results. The Directors consider the critical accounting estimates and judgements to be:

- **Revenue recognition**
  Judgement is required in selecting the appropriate timing and amount of revenue recognised, particularly where the Group recognises performance related income. Revenue is only recognised when it can be reliably estimated using customer specific information and, where there is a performance related element, to the extent to which the performance criteria have been met.

  The likelihood of collection of trade receivables also requires judgement to be applied. The Group monitors the levels of provisioning required based on historical trends and by detailed review of individually significant balances.

3. Accounting policies (continued)

Accounting estimates and uncertainties (continued)

- **Contingent deferred consideration and put option payments in respect of acquisitions**
  The Group determines the amount of deferred consideration to be recognised according to the formulae agreed at time of acquisition, normally related to the future earnings of the acquired entity. Estimates of the expected future earnings of the acquired entity therefore affect the valuation of deferred consideration. The liability for deferred consideration is reviewed at each balance sheet date and revaluation entries are applied, if required, to deferred consideration and either goodwill or profit or loss in accordance with the Group's accounting policy for business combinations, discussed above.

- **Contingent deferred consideration and put option payments in respect of acquisitions (continued)**
  Deferred consideration liabilities are discounted to their fair value in accordance with IFRS 3 and IAS 37. The difference between the fair value of these liabilities and the actual amounts payable is charged to the income statement as a notional finance cost.

  Key areas of judgement in calculating the fair value of the put option liabilities are the expected future cash flows and earnings of the acquired entity and the discount rate.

- **Valuation of intangible assets**
  The Group exercises judgement in determining the fair value of identifiable assets, liabilities and contingent liabilities assumed in business combinations. In calculating the fair values of intangibles the Group makes assumptions on the timing and amount of future cash flows generated by the assets it has acquired, the appropriate discount rates and the useful economic lives of the assets purchased.

- **Impairment**
  In determining whether an impairment loss has arisen on goodwill or intangible assets the Group makes judgements over the value in use of its CGUs. In calculating the value in use of a CGU the Group makes estimates of future forecast cash flows and discount rates to derive a net present value of these cash flows and determine if an impairment has occurred. Key areas of judgement include the determination of the long term growth rate applicable to each CGU and the determination of the CGUs themselves. See note 10 for further details.

- **Share-based payments**
  Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Group measures the cost of cash-settled transactions with employees using the Black Scholes model to determine the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be re-measured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 25.

3. Accounting policies (continued)

Accounting estimates and uncertainties (continued)

- **Taxation**
  Tax laws that apply to the Group's businesses may be amended by the relevant authorities, for example as a result of changes in fiscal circumstances or priorities. Such potential amendments and their application to the Group are regularly monitored and the requirement for recognition of any liabilities assessed where necessary.

  Being a multinational Group with tax affairs in many geographic locations inherently leads to a highly complex tax structure which makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and is often dependent on the efficiency of legal processes. Such issues can take several years to resolve. The Group takes a conservative view of unresolved issues, however the inherent uncertainty regarding these items means that the eventual resolution could differ significantly from the accounting estimates and therefore may impact the Group's results and future cash flows.

- **Deferred tax**
  The key area of judgement in respect of deferred tax accounting is the assessment of the expected timing and manner of realisation or settlement of the carrying amounts of assets and liabilities held at the balance sheet date. In particular, assessment is required of whether it is probable that there will be suitable future taxable profits against which any deferred tax assets can be utilised.

4. Operating profit

Operating profit for the Group has been arrived at after charging/(crediting):

	Year ended 2016 £m	Year ended 2015 £m
Net foreign exchange gains	**(9.9)**	(1.8)
Depreciation of property, plant and equipment	**47.5**	34.4
Amortisation of intangible assets included in operating expenses	**129.6**	92.1
Loss on disposal of subsidiaries	**6.7**	3.6
Operating lease expense	**108.4**	86.4
Staff costs	**1,594.3**	1,180.0

Defined contribution schemes

Retirement benefits for employees are principally provided by defined contribution schemes which are funded by contributions from Group companies and employees. The amount charged to the income statement of £31.1m (2015: £23.6m) represents contributions payable in the year to these schemes at rates specified in the rules of the plans. As at 31 December 2016, contributions of £4.2m (2015: £4.6m) due in respect of the current reporting period had not been paid over to the schemes.

Fees paid to auditors

	2016 £m	2016 %	2015 £m	2015 %
Audit fees				
Fees payable to the Company's auditors for the audit of the company's annual accounts	**0.4**	**6.6%**	0.4	7.1%
The audit of the Company's subsidiaries pursuant to legislation	**4.1**	**67.2%**	3.6	64.3%
Total audit fees	**4.5**	**73.8%**	4.0	71.4%
Non audit fees				
- Quarterly reviews	**0.2**	**3.3%**	0.2	3.6%
- Tax services	**0.8**	**13.1%**	0.6	10.7%
- Other services	**0.6**	**9.8%**	0.8	14.3%
Total non-audit fees	**1.6**	**26.2%**	1.6	28.6%
Total fees paid to the Company's auditors	**6.1**	**100.0%**	5.6	100.0%

5. Staff costs

The average monthly number of employees was:

	2016 Number	2015 Number
DAN Operations	**27,412**	22,826
Corporate	**337**	244
	27,749	23,070

Staff costs consist of:

	2016 £m	2015 £m
Wages, salaries, bonus and benefits	**1,414.6**	1,039.8
Social security costs	**147.5**	115.6
Other pension costs	**32.2**	24.6
	1,594.3	1,180.0

Remuneration of key management personnel

The following is the compensation of key management personnel of the Group, being the Directors.

	Aggregate **2016**	2015	Highest paid director **2016**	2015
	£m	£m	**£m**	£m
Salaries and fees	**11.4**	9.8	**3.4**	2.9
Social security costs	**3.0**	2.7	**0.8**	0.6
Other short term employee benefits	**0.3**	0.3	**-**	-
Post-employment benefits	**1.4**	1.2	**0.3**	0.2
Amounts receivable under long-term incentive schemes	**15.0**	14.9	**6.6**	2.0
	31.1	28.9	**11.1**	5.7

Post-employment benefits were accrued for three Directors (2015: three Directors) under a defined contribution scheme. In addition, six Directors received cash payments in lieu of contributions to defined contribution schemes. The amount shown above against post-employment benefits includes the aggregate value of company contributions paid (or accrued) to a pension scheme in respect of money purchase benefits as well as the cash payments to the Directors.

During the year no Directors (2015: nil) exercised share options in the Company and no Directors (2015: nil) received shares in respect of their qualifying service.

6. Investment income

	Year ended 2016	Year ended 2015
	£m	£m
Interest receivable	**9.8**	8.0
Investment income	**9.8**	8.0

7. Finance costs

	Year ended 2016	Year ended 2015
	£m	£m
Interest payable on overdrafts	**(6.0)**	(3.1)
Interest payable on bank loans, loan notes, other loans and pension scheme liabilities	**(32.1)**	(26.3)
	(38.1)	(29.4)
Fair value movements on deferred consideration and acquisition put options	**(34.9)**	(18.4)
Interest payable on redeemable preference shares	**(22.7)**	(22.0)
Credit adjustment for derivatives	**-**	(0.2)
Costs on close out of loans and swaps and exchange gains	**-**	(4.4)
Other movements	**(6.4)**	(3.2)
Finance costs	**(102.1)**	(77.6)

Exchange movements on financing items includes fair value movements in derivative instruments intended to provide a natural hedge of exchange rate risk. Information on the Group's designated fair value hedges is given in note 18.

8. Tax on profit on ordinary activities

The tax charge for continuing operations is made up of the following:

	2016	2015
	£m	£m
Current tax	**76.0**	68.6
Adjustments in respect of prior years	**6.0**	3.2
	82.0	71.8
Deferred tax (note 19)	**(14.9)**	(19.0)
	67.1	52.8

The tax charge for the year ended 31 December 2016 is £67.1m (2015: £52.8m) representing an effective tax rate (including deferred tax on goodwill) on statutory profits of 46.3% (2015: 36.8%). The tax charge for the year ended 31 December 2016 includes a deferred tax expense of £24.9m (2015: £19.8m) for tax deductions in respect of goodwill. IFRS requires that such deferred tax is recognised even if a liability would only unwind on the eventual sale.

UK Corporation tax is calculated at 20% (2015: 20.25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.
The UK Government enacted legislation which reduced the main rate of corporation tax to 20% from 1 April 2015. A further reduction in the main rate of corporation tax are proposed to reduce the rate to 19% from 1 April 2017 and 17% from 1 April 2020. The net UK deferred tax asset has been calculated using the substantively enacted rates applicable when the temporary difference is expected to reverse. The impact on the Group's net assets is not expected to be material.

8. Tax on profit on ordinary activities (continued)

The total charge for the year for the Total Group can be reconciled to the accounting profit as follows:

	2016 £m	2015 £m
Profit before income tax	**144.8**	143.5
Tax at the UK corporation tax rate of 20% (2015: 20.25%)	**29.0**	29.1
Adjustments in respect of prior years – current and deferred tax	**7.8**	5.4
Non-deductible expenses for tax purposes	**1.0**	(3.3)
Rate differences on overseas earnings	**20.8**	9.6
Movement in tax losses not recognised	**(3.0)**	(1.0)
Other differences	**11.5**	13.0
Tax expense for the year	**67.1**	52.8
Effective rate of statutory tax charge on statutory profits	**46.3%**	36.8%

IAS 1 requires income from associates to be presented net of tax on the face of the income statement and not in the Group's tax charge. Associates' tax included within 'share of results of associates' for the year ended 31 December 2016 is £0.3m (2015: £0.2m).

9. Business disposals

In November 2016 the Group disposed of its interest in Coleman Group Pty Limited, a wholly owned subsidiary in Australia, for £1.0m. The net asset disposal totalled £7.7m.

10. Goodwill

Goodwill

Cost	**£m**
At 1 January 2015	**1,830.4**
Additions	196.2
Measurement period adjustments	(7.4)
Disposal of subsidiaries	(12.9)
Exchange differences	(30.8)
At 31 December 2015	**1,975.5**
Additions	1,097.5
Measurement period adjustments	15.7
Exchange differences	418.9
At 31 December 2016	**3,507.6**

Accumulated impairment losses	
At 1 January 2015	**43.5**
Impairment losses for the year	-
At 31 December 2015	**43.5**
Impairment losses for the year	-
At 31 December 2016	**43.5**

Carrying amount	**£m**
At 31 December 2016	**3,464.1**
At 31 December 2015	1,932.0

Measurement period adjustments relate to adjustments made during the measurement period to the provisional net assets and deferred consideration that was recognised at the acquisition date. These adjustments are made in order to reflect new information obtained about facts and circumstances that existed as of the acquisition date, in accordance with IFRS 3. Under IFRS 3 the Group has 12 months in which to finalise the goodwill valuation and purchase price allocation for each acquisition.

DAN completed the acquisition of 37 entities in 2016, attributing to the large movement in goodwill additions seen above, the most significant impact relating to the acquisition of Merkle Inc. Please see note 23 for further details.

Goodwill is allocated to CGUs which reflects how it is monitored for internal management purposes. This allocation largely represents the geographic areas of operation for the Group as set out below:

	2016	2015
	£m	£m
EMEA	718.8	575.0
Americas	2,055.9	837.3
Asia Pacific	689.4	519.7
Total Group	**3,464.1**	1,932.0

Goodwill is assessed for impairment annually. Due to the proximity of the acquisition date to the year end, the goodwill for Merkle has been initially allocated to the Americas CGU. A full assessment will be performed in 2017.

10. Goodwill (continued)

The recoverable amount of a CGU is determined based on value-in-use calculations. The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next year and management forecasts for the subsequent four years. These calculations reflect management's experience and future expectations of the markets in which the CGU operates. Long term average growth rates used in the projections on the markets in which the CGU operates and overall approximates 2% (2015: 2% - 4%). The pre-tax rate used to discount the forecast cash flows is 12.6% (2015: 12.7%).

Expected future cash flows are inherently uncertain and could materially change over time. They are significantly affected by a number of factors such as market growth, discount rates and currency exchange rates.

11. Intangible assets

	Software	Customer Relationships	Non-compete Agreements	Intellectual Property	Other	Total
Cost	£m	£m	£m	£m	£m	£m
At 1 January 2015	**91.6**	**321.3**	**38.5**	**29.6**	**23.6**	**504.6**
Additions						
- separately acquired	8.0	-	-	-	2.6	10.6
- internally generated	24.4	-	-	-	0.7	25.1
Acquired on acquisition of a subsidiary	1.3	79.9	9.3	5.3	7.3	103.1
Disposals and assets retired	(10.2)	(59.7)	(7.9)	(5.3)	(5.5)	(88.6)
Transfers and other movements	-	0.1	-	(0.1)	-	-
Exchange differences	(1.7)	(12.7)	(0.6)	(0.1)	(0.1)	(15.2)
At 31 December 2015	**113.4**	**328.9**	**39.3**	**29.4**	**28.6**	**539.6**
Additions						
- separately acquired	29.0	-	-	-	2.4	31.4
- internally generated	0.9	-	-	-	0.5	1.4
Acquired on acquisition of a subsidiary	3.2	251.7	16.4	181.6	84.9	537.8
Disposals and assets retired	(0.9)	(49.8)	(3.7)	(4.7)	(5.4)	(64.5)
Impairment, transfers and other movements	(5.8)	2.0	(0.5)	(0.5)	(0.5)	(5.3)
Exchange differences	6.7	95.2	8.1	25.5	13.8	149.3
At 31 December 2016	**146.5**	**628.0**	**59.6**	**231.3**	**124.3**	**1,189.7**
Amortisation						
At 1 January 2015	**45.5**	**134.5**	**20.8**	**12.1**	**10.9**	**223.8**
Acquired on acquisition of a subsidiary	0.8	-	-	-	1.5	2.3
Charge for the year	11.1	63.1	6.6	6.0	5.3	92.1
Disposals and assets retired	(8.5)	(59.7)	(7.9)	(5.3)	(5.5)	(86.9)
Impairment, transfers and other movements	0.5	13.4	1.5	0.1	0.1	15.6
Exchange differences	(1.5)	(3.9)	(0.5)	(0.2)	(0.1)	(6.2)
At 31 December 2015	**47.9**	**147.4**	**20.5**	**12.7**	**12.2**	**240.7**
Charge for the year	15.8	76.9	8.1	14.5	14.3	129.6
Disposals and assets retired	(0.8)	(49.8)	(3.7)	(4.7)	(5.2)	(64.2)
Impairment, transfers and other movements	(4.1)	(5.1)	(0.6)	(0.6)	(0.1)	(10.5)
Exchange differences	5.0	48.0	4.7	6.5	4.5	68.7
At 31 December 2016	**63.8**	**217.4**	**29.0**	**28.4**	**25.7**	**364.3**
Carrying amount						
At 31 December 2016	**82.7**	**410.6**	**30.6**	**202.9**	**98.6**	**825.4**
At 31 December 2015	**65.5**	**181.5**	**18.8**	**16.7**	**16.4**	**298.9**

Proceeds from the disposal of intangible assets during the year were £0.4m (2015: £0.3m).

12. Property, plant and equipment

	Freehold land and buildings	Long leasehold and leasehold improvements	Office furniture, fixtures, equipment and vehicles	Total
Cost	**£m**	**£m**	**£m**	**£m**
At 1 January 2015	**3.2**	**124.0**	**141.8**	**269.0**
Additions	0.1	17.1	24.8	42.0
Acquisitions of subsidiaries	-	2.8	11.9	14.7
Disposals and assets retired	(0.3)	(10.7)	(15.5)	(26.5)
Disposal of subsidiaries	-	-	(0.1)	(0.1)
Transfers and other movements	(1.8)	1.7	(0.2)	(0.3)
Exchange differences	(0.1)	-	(3.1)	(3.2)
At 31 December 2015	**1.1**	**134.9**	**159.6**	**295.6**
Additions	0.4	33.6	29.3	63.3
Acquisitions of subsidiaries	0.4	10.9	15.5	26.8
Disposals and assets retired	(0.6)	(1.8)	(8.4)	(10.8)
Disposal of subsidiaries	-	(0.4)	(3.7)	(4.1)
Transfers and other movements	-	(1.9)	0.2	(1.7)
Exchange differences	0.1	25.6	25.7	51.4
At 31 December 2016	**1.4**	**200.9**	**218.2**	**420.5**
Accumulated depreciation				
At 1 January 2015	**0.8**	**54.8**	**87.8**	**143.4**
Acquisitions of subsidiaries	-	2.2	8.7	10.9
Charge for the year	0.1	13.8	20.5	34.4
Disposals and assets retired	(0.1)	(10.6)	(15.3)	(26.0)
Impairment, transfers and other movements	(0.4)	0.6	-	0.2
Exchange differences	-	-	(1.9)	(1.9)
At 31 December 2015	**0.4**	**60.8**	**99.8**	**161.0**
Charge for the year	0.2	18.4	28.9	47.5
Disposals and assets retired	(0.2)	(1.5)	(7.5)	(9.2)
Disposals and subsidiaries	-	(0.3)	(1.3)	(1.6)
Impairment, transfers and other movements	(0.1)	0.1	0.5	0.5
Exchange differences	-	11.2	15.6	26.8
At 31 December 2016	**0.3**	**88.7**	**136.0**	**225.0**
Carrying amount				
At 31 December 2016	**1.1**	**112.2**	**82.2**	**195.5**
At 31 December 2015	0.7	74.1	59.8	134.6

At 31 December 2016, the Group had £4.4m capital commitments contracted, but not provided, for the acquisition of property, plant and equipment (2015: £0.5m). These commitments arise primarily in relation to leasehold improvements and office furniture and fittings in new premises. Proceeds from the disposal of property, plant and equipment, excluding assets disposed as part of the disposal of subsidiaries, are £1.6m (2015: £0.4m).

13. Interests in associates and joint ventures

	Associates & Joint Ventures £m 2016
At 1 January 2016	**10.1**
Share of results after tax	0.5
Additions	12.0
Step acquisition - gain on disposal	2.2
Step acquisition - transfer to investments	(2.5)
Loss on disposal of associate	(1.5)
Transfers	(0.8)
Dividends received	(0.1)
Exchange differences	1.4
At 31 December 2016	**21.3**

Investments in associates at 31 December 2016 include goodwill of £5.4m (2015: £4.6m).

The additions in the year of £12.0m relate to the acquisition of a minority stake in a number of Dentsu Inc.'s Indian subsidiaries. It is the current intention that DAN will acquire the remainder of these entities in 2017 and these will then be accounted for as subsidiaries from 2017 onwards once a controlling stake is achieved.

The share of results of associates balance in the income statement of £1.2m consists of £0.5m share of profit from associates and £0.7m net gain on disposal of associates. This £0.7m net gain is comprised of a £2.2m gain on disposal of Liveposter, and a £1.5m loss on disposal of Mocom.

£2.5m has been transferred to investments in relation to the step-acquisitions. This balance consists primarily of Liveposter.

Losses of £0.1m have been excluded from the Group share of the result of associates in the current year (2015: £0.3m) since the unaccounted accumulated share of losses has not been fully covered by profits as yet. The cumulative total of the unrecognised share of losses is £0.4m (2015: £1.0m).

The Group does not have any individually material associates and, on an aggregate basis, the Group's total associate value is immaterial on a net asset percentage basis.

14. Available-for-sale financial assets

	2016 £m	2015 £m
Equity investments	**16.8**	10.6

The figure is comprised largely of an investment in iOne Group held by 360i in the US and number of small unlisted securities and small investments in private companies which are held by a number of Group companies.

£0.7m (2015: £nil) of the above equity investments are held as current assets.

15. Work in progress

	2016	2015
	£m	£m
Work in progress	**32.3**	21.2

16. Trade and other receivables

	2016	2015
	£m	£m
Trade receivables and accrued income	**5,028.1**	3,973.5
Prepayments	**127.4**	94.8
Tax receivable	**157.3**	87.4
Receivables from Parent and other Dentsu Group entities	**49.4**	34.2
Other receivables	**101.7**	93.5
	5,463.9	4,283.4

Receivables from the ultimate parent Dentsu Inc and other Dentsu Inc subsidiaries are disclosed in Note 28 Related party transactions.

The average credit period taken for trade receivables is 45 days (2015: 46 days). The Directors consider that the carrying amount of trade and other receivables approximates their fair value. Trade receivables for the Group are stated net of an allowance for doubtful receivables of £111.3m (2015: £84.1m).

Allowance for doubtful receivables

	£m
At 1 January 2015	**79.8**
Provided in the year	17.0
Acquisition of subsidiaries	0.1
Release/Utilisation of allowance	(9.4)
Exchange differences	(3.4)
At 31 December 2015	**84.1**
Provided in the year	9.3
Acquisition of subsidiaries	0.3
Release/Utilisation of allowance	(2.9)
Exchange differences	20.5
At 31 December 2016	**111.3**

As of 31 December 2016, trade receivables of £1,233.0m (2015: £1,017.5m) were past due but not impaired. The ageing analysis of these receivables is as follows:

	2016	2015
	£m	£m
Under 3 months	**1,080.2**	863.0
Over 3 months	**152.8**	154.5
	1,233.0	1,017.5

17. Trade and other payables

	2016	2015
	£m	£m
Trade payables and accruals	**5,080.0**	3,992.1
Deferred income	**165.8**	136.3
Taxation and social security	**179.9**	129.0
Deferred consideration	**124.0**	146.6
Payables to Parent and other Dentsu Group entities	**18.4**	9.2
Other payables	**520.7**	420.0
	6,088.8	4,833.2

Payables to the ultimate parent Dentsu Inc and other Dentsu Inc subsidiaries are disclosed in Note 28 Related party transactions.

The average credit period taken for trade payables is 37 days (2015: 38 days). The Directors consider that the carrying amount of trade payables approximates their fair value.

18. Financial instruments

The Group has established objectives concerning the holding and use of financial instruments. The key objective is to manage the financial risks faced by the Group, which are discussed below. Formal policies and guidelines have been set to achieve these objectives and it is the responsibility of Group Treasury to implement these policies using the strategies set out below.

The Group manages its capital to enable the entities in the Group to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the Group's borrowings, cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital and reserves and retained earnings.

The Group does not trade in financial instruments nor engage in speculative arrangements and it is the Group's policy not to use any complex financial instruments, unless, in exceptional circumstances, it is necessary to cover defined risks.

Management of financial risk

The Group considers its major financial risks to be currency risk, liquidity risk, interest rate risk and credit risk. The Group's policies with regard to these risks and the strategies concerning how financial instruments are used to manage these risks are set out below.

Currency risk

A significant portion of the Group's activities take place overseas. The Group therefore faces currency exposures on transactions undertaken by subsidiaries in foreign currencies and upon consolidation following the translation of the local currency results and net assets / liabilities of overseas subsidiaries.

The Group's foreign currency management policy requires subsidiaries to hedge all transactions and financial instruments with material currency exposures. The Group is party to a number of foreign currency forward contracts in the management of exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets. These are held at fair value at the balance sheet date. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted rates matching the maturities of the contracts. Movements in the fair value of forward foreign exchange contracts are taken to the income statement. The total notional amounts of outstanding forward foreign exchange contracts that the Group has committed are shown below.

18. Financial instruments (continued)

	2016 £m	2015 £m
Forward foreign exchange contracts - notional principal	**160.9**	206.9

It is the Group's policy not to hedge exposures arising from the translation of profits or net assets as these represent an accounting rather than cash exposure.

When it is aligned with the Group's overall funding strategy, the Group's policy is to borrow locally wherever possible to act as a natural hedge against the translation risk arising from its net investments overseas. Where major borrowings are denominated in a currency other than Sterling, the Group may enter into cross-currency swaps to reduce currency risk. A currency analysis of borrowings and other financial liabilities is given in section c) of this note.

Liquidity risk

The Group's objective of ensuring that adequate funding is in place is achieved by having agreed sufficient committed bank facilities. The Group also seeks to manage its working capital requirement by requiring clients to pay for media in advance whenever possible.

At 31 December 2016, the Group had net debt (before issue costs of new debt) of £1,647.7m (2015: £693.3m). The Group had cash and cash equivalents of £181.9m at 31 December 2016 (2015: £649.4m) and gross borrowings (before issue costs of new debt and excluding overdrafts which are included in cash and cash equivalents) of £1,829.6m (2015: £1,342.7m). The Group's principal debt instruments are subject to certain financial covenants.

The following table represents the carrying value of the structured unsecured loans included within gross borrowings:

Description	**Interest rate**	**Maturity date**	**£m**	**2017 £m**	**2018 £m**	**2019 £m**	**2020+ £m**
Dentsu Inc. Loan $400m	1.75%	2018	**325.1**		325.1		
Mitsubishi UFJ Trust and Banking Corp debt $400m	1.16%	2020	**324.7**				324.7
Mizuho bank debt £120m	0.85%	2019	**120.2**			120.2	
Mitsubishi UFJ Trust and Banking Corp debt £60m	0.80%	2019	**60.1**			60.1	
The Bank of Tokyo Mitsubishi UFJ debt $96m	2.27%	2019	**78.1**			78.1	
Sumitomo Mitsui Banking Corp debt $96m	1.34%	2019	**77.9**			77.9	
Mizuho bank debt $500m	0.94%	2017	**405.2**	405.2			
Mizuho bank debt $270m	0.95%	2017	**218.8**	218.8			

The group has a core revolving credit facility of £500m. At 31 December 2016, this facility was undrawn, giving the Group total undrawn committed facilities of £500m (2015: £500m).

18. Financial instruments (continued)

Interest rate risk

Borrowings are held at fixed and floating rates. Certain portions of the Group's borrowings are subject to interest rate swaps.

The Group has in place cash pooling arrangements in a number of territories. These enable the Group to minimise the interest paid on short-term borrowings and overdrafts, whilst allowing net surplus funds to be invested in interest bearing accounts.

Credit Risk

The Group's credit risk is primarily attributable to its trade receivables and cash balances. The amounts presented in the balance sheet in respect of trade receivables are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the current economic environment. Trade credit risk is managed in each territory through a global trade credit insurance policy which is a full turnover policy except in those markets in which we act as agents only. Where credit insurance cover is not available for a client, alternative securities are sought such as bank or parental guarantees, or payments in advance. Every new client is also credit checked.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Current receivables and payables and currency disclosures

Due to the nature of the operations of the business, Group companies are able to match current receivables and payables in currencies other than their functional currency and therefore do not have material, unhedged monetary assets and liabilities. Current receivables and payables are therefore excluded from currency analyses provided in this note.

At 31 December 2016, the carrying value of trade receivables and other financial assets is £3,887.1m (2015: £3,004.8m) and the carrying value of trade payables and other financial liabilities is £3,174.5m (2015: £2,445.4m).

Trade receivables and other financial assets are held at amortised cost and include those items of trade and other receivables that meet the definition of financial assets, derivatives are excluded from this definition.

Trade payables and other financial liabilities are held at amortised cost and include those items of trade and other payables that meet the definition of financial liabilities. Derivatives and deferred consideration are excluded from this definition.

Interest rate swaps

The fair value of the interest rate swaps at 31 December 2016 is £(4.3)m (2015: £(2.1)m). The fair value is based on a discounted cash flow model and market interest yield curves applicable and represents unrecognised gains which the Group expects to realise as a result of lower or higher interest payments under the swap compared with the interest payable on the underlying debt instrument.

18. Financial instruments (continued)

Cross currency interest rate swaps
The fair value of the cross currency rate swaps at 31 December 2016 is £78.3m (2015: £24.9m). The fair value is based on a discounted cash flow model and market yield curves applicable and represents movements in the exchange spot rates and in interest rate yields.

Covenants
The Group's leverage covenant (net debt/EBITDA) was 1.4 times (compared to a covenant requirement of <3.5 times) (2015: 0.3 times) and interest cover covenant (EBITDA/net interest) was 14.9 times (compared to a covenant requirement >4 times) (2015: 17.0 times) at 31 December 2016.

Fair value hedges
Ineffectiveness recognised in the income statement that arises from fair value hedges was nil in both the current and prior years.

Cash flow hedges
The hedged forecast interest payments in GBP and foreign currency are expected to occur at various dates over the duration of the 2013 Mitsubishi UFJ Trust and Banking Corp Loan, the 2013 Dentsu Inc. Loan, the 2014 Mizuho bank Loan, the 2014 Sumitomo Mitsui Banking Corp Loan and 2014 Mitsubishi UFJ Trust and Banking Corp Loan. The portion of the gain or loss on the hedging instruments determined to be an effective hedge is recognised in OCI. This amount is held in the hedging reserve in equity and is subsequently reclassified to the income statement in the same periods during which the forecasted interest payments affect the income statement. The net loss taken to equity in respect of cash flow hedges is £7.5m (2015: £2.6m).

Ineffectiveness recognised in the income statement that arises from cash flow hedges and fair value hedges was £nil in both the current and prior year.

Net investment hedges
No ineffectiveness arises from the Group's hedges of net investments in foreign operations.

18. Financial instruments (continued)

a) Maturity profile of Group financial liabilities

There are no material differences between the recorded and fair values of the Group's financial assets at 31 December 2016. The fair values of financial assets reflect market values or are based upon readily available market data.

2016

	Less than 1 year £m	1-2 years £m	2-5 years £m	More than 5 years £m	Total £m
Financial liabilities					
Bank overdrafts	746.7	-	-	-	746.7
Bank loans	842.5	0.2	660.8	0.1	1,503.6
Amounts due to group companies	2.0	324.0	-	-	326.0
Less: Issue costs of debt to be amortised	(0.5)	(0.5)	(0.4)	-	(1.4)
Derivative financial liabilities:					
- Forward foreign exchange contracts	1.3	-	-	-	1.3
- Interest rate swaps	-	-	6.5	-	6.5
- Put option liabilities	10.0	55.9	624.3	62.1	752.3
Deferred consideration	123.6	98.8	209.2	26.3	457.9
Other financial liabilities	3,031.2	49.9	70.3	24.9	3,176.3
Total	**4,756.8**	**528.3**	**1,570.7**	**113.4**	**6,969.2**

During the year the redeemable preference shares recognised in 2015 were redeemed.

18. Financial instruments (continued)

a) Maturity profile of Group financial liabilities (continued)

2015

	Less than 1 year £m	1-2 years £m	2-5 years £m	More than 5 years £m	Total £m
Financial liabilities					
Bank overdrafts	29.7	-	-	-	29.7
Bank loans	179.7	-	581.9	0.3	761.9
Redeemable preference shares	1.9	-	-	305.5	307.4
Amounts due to group companies	1.9	-	271.5	-	273.4
	213.2	-	853.4	305.8	1,372.4
Less: Issue costs of debt to be amortised	(0.5)	(0.5)	(0.9)	-	(1.9)
	212.7	(0.5)	852.5	305.8	1,370.5
Derivative financial liabilities:					
- Forward foreign exchange contracts	2.2	-	-	-	2.2
- Cross currency interest rate swaps	-	-	-	-	-
- Interest rate swaps	-	-	3.6	-	3.6
- Put option liabilities	20.9	7.3	74.5	56.3	159.0
Deferred consideration	146.6	54.5	107.9	22.3	331.3
Other financial liabilities	2,379.6	13.7	28.9	23.2	2,445.4
Total	**2,762.0**	**75.0**	**1,067.4**	**407.6**	**4,312.0**

The maturity profile of the anticipated future cash flows (including interest but excluding trade and other payables meeting the definition as financial liabilities) in relation to the Group's non-derivative financial liabilities are as follows. These are not discounted and therefore differ from both the liabilities' carrying values and fair values.

	2016 External loans £m	**2016 Other liabilities £m**	**2016 Total £m**	2015 External loans £m	2015 Other liabilities £m	2015 Total £m
Less than 1 year	**1,623.3**	**129.9**	**1,753.2**	250.4	162.3	412.7
1-2 years	**333.6**	**149.2**	**482.8**	30.8	69.0	99.8
2-5 years	**669.0**	**291.9**	**960.9**	932.8	146.9	1,079.7
More than 5 years	**0.1**	**58.0**	**58.1**	393.4	49.1	442.5
	2,626.0	**629.0**	**3,255.0**	1,607.4	427.3	2,034.7
Effect of discount / financing rates	**(478.1)**	**(19.9)**	**(498.0)**	(638.9)	(13.3)	(652.2)
	2,147.9	**609.1**	**2,757.0**	968.5	414.0	1,382.5

18. Financial instruments (continued)

a) Maturity profile of Group financial liabilities (continued)

The maturity profile of the Group's financial derivatives (which include interest rate and foreign exchange swaps), using undiscounted cash flows, is as follows:

	2016 Payable	**2016 Receivable**	2015 Payable	2015 Receivable
	£m	**£m**	£m	£m
Less than 1 year	**(174.5)**	**172.8**	(219.5)	213.6
1-2 years	**(11.1)**	**8.0**	(12.6)	6.7
2-5 years	**(10.5)**	**7.1**	(19.5)	8.9
More than 5 years	**-**	**-**	-	-
	(196.1)	**187.9**	(251.6)	229.2

The maturity profile of the Group's put option liabilities, using undiscounted cash flows, is as follows:

	2016 £m	2015 £m
Less than 1 year	**(11.1)**	(20.8)
1-2 years	**(61.8)**	(7.5)
2-5 years	**(690.5)**	(81.3)
More than 5 years	**(68.7)**	(65.4)
	(832.1)	(175.0)
Effect of discount / financing rates	**79.8**	16.0
	(752.3)	(159.0)

The Group had the following undrawn, committed bank borrowing facilities available at 31 December in respect of which all conditions precedent had been met at that date:

	2016	2015
	£m	£m
Expiring within one year	**-**	-
Expiring after five years or more	**500.0**	500.0
	500.0	500.0

During the year, the facility's maturity date was extended to 17 December 2021.

18. Financial instruments (continued)

b) Valuation of financial assets and liabilities

Except as detailed in the following table, the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values. The following items of financial liabilities are within fair value hierarchy level 2.

	2016 Fair value	**2016 Carrying value**	2015 Fair value	2015 Carrying value
	£m	**£m**	£m	£m
2013 Mitsubishi debt	**320.4**	**324.7**	274.9	271.5
2014 Mizuho debt	**118.9**	**120.2**	121.7	120.0
2014 Mitsubishi debt	**59.3**	**60.1**	60.7	60.0
2014 BTMU debt	**78.0**	**78.1**	67.2	65.2
2014 SMBC debt	**77.4**	**77.9**	66.3	65.2
2016 Mizuho debt	**405.0**	**405.2**	-	-
2016 Mizuho debt	**218.7**	**218.8**	-	-
Total	**1,277.7**	**1,285.0**	590.8	581.9

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset of liability that are not based on observable market data (unobservable inputs).

There were no changes in Level 3 instruments for the year ended 31 December 2016.

18. Financial instruments (continued)

b) Valuation of financial assets and liabilities (continued)

2016	Level 1 £m	Level 2 £m	Level 3 £m	**Carrying value 2016 £m**
Financial assets				
Fair value through profit and loss (FVTPL)				
- Held for trading	-	3.2	-	**3.2**
Derivative instruments in designated hedge accounting relationships	-	80.6	-	**80.6**
Available-for-sale financial assets	-	-	16.8	**16.8**
Total financial assets measured at fair value	**-**	**83.8**	**16.8**	**100.6**
Financial liabilities				
Fair value through profit and loss (FVTPL)				
- Held for trading	-	(1.4)	-	**(1.4)**
- Acquisition put option derivatives	-	-	(752.3)	**(752.3)**
Derivative instruments in designated hedge accounting relationships	-	(6.6)	-	**(6.6)**
Deferred consideration	-	-	(457.9)	**(457.9)**
Total financial liabilities measured at fair value	**-**	**(8.0)**	**(1,210.2)**	**(1,218.2)**

2015	Level 1 £m	Level 2 £m	Level 3 £m	Carrying value 2015 £m
Financial assets				
Fair value through profit and loss (FVTPL)				
- Held for trading	-	0.7	-	0.7
Derivative instruments in designated hedge accounting relationships	-	26.3	-	26.3
Held to maturity investments	-	-	-	-
Available-for-sale financial assets	-	-	10.6	10.6
Total financial assets measured at fair value	-	27.0	10.6	37.6
Financial liabilities				
Fair value through profit and loss (FVTPL)				
- Held for trading	-	(2.2)	-	(2.2)
- Acquisition put option derivatives	-	-	(159.0)	(159.0)
Derivative instruments in designated hedge accounting relationships	-	(3.6)	-	(3.6)
Deferred consideration	-	-	(331.3)	(331.3)
Total financial liabilities measured at fair value	-	(5.8)	(490.3)	(496.1)

There were no transfers between levels during 2016 or 2015.

18. Financial instruments (continued)

c) Interest rate and currency profile

The following interest rate and currency profile of the Group's financial assets and liabilities is after taking into account any interest rate and cross currency swaps entered into by the Group.

Financial assets

The table below summarises current financial assets by interest type. The Group's non-current financial assets do not bear interest.

	Floating rate	**Non-interest bearing**	**2016 Total**	Floating rate	Non-interest bearing	2015 Total
	£m	**£m**	**£m**	£m	£m	£m
GBP	**152.2**	**8.8**	**161.0**	11.0	5.8	16.8
USD	**339.0**	**15.0**	**354.0**	269.0	19.4	288.4
EUR	**136.8**	**3.6**	**140.4**	120.7	13.0	133.7
Other currencies	**253.8**	**19.4**	**273.2**	220.9	19.3	240.2
	881.8	**46.8**	**928.6**	621.6	57.5	679.1

The majority of cash is invested in short term fixed rate deposits of less than one month with the balance in interest bearing current accounts. It is management's view that the short term nature of these deposits means they effectively act as floating rate assets.

The floating rate financial assets above are represented by cash at bank and in hand and short-term deposits.

Financial liabilities

	Fixed rate	**Floating rate**	**Non-interest bearing**	**2016 Total**	Fixed rate	Floating rate	Non-interest bearing	2015 Total
	£m	**£m**	**£m**	**£m**	£m	£m	£m	£m
GBP	**480.3**	**313.1**	**2.3**	**795.7**	429.6	0.2	0.8	430.6
USD	**364.3**	**1,014.0**	**0.9**	**1,379.2**	610.2	0.3	2.4	612.9
EUR	**142.2**	**7.1**	**0.5**	**149.8**	122.7	1.0	1.6	125.3
Other currencies	**57.3**	**194.3**	**-**	**251.6**	30.0	166.5	7.1	203.6
Gross borrowings	**1,044.1**	**1,528.5**	**3.7**	**2,576.3**	1,192.5	168.0	11.9	1,372.4
Issue costs of debt	**(0.3)**	**(1.1)**	**-**	**(1.4)**	(0.4)	(1.5)	-	(1.9)
	1,043.8	**1,527.4**	**3.7**	**2,574.9**	1,192.1	166.5	11.9	1,370.5

Gross borrowings above includes bank overdraft.

The bank overdraft borrowings and the revolving credit facility incur interest at floating rates. All other borrowings incur interest at fixed rates after taking the swap arrangements into account.

19. Deferred tax

	Recognition of Financial Liabilities £m	Purchased Intangibles £m	Deductions in respect of goodwill £m	Losses £m	Other temporary differences £m	Total £m
At 1 January 2015 - asset / (liability)	**0.4**	**(54.3)**	**(66.9)**	**47.7**	**17.9**	**(55.2)**
Exchange rate differences	-	**(17.7)**	-	**4.3**	**11.1**	**(2.3)**
Deferred tax on acquisitions	-	**(174.7)**	-	-	**17.2**	**(157.5)**
Amount provided in reserves	-	-	-	-	**1.3**	**1.3**
Transfers	-	**(7.4)**	**7.4**	-	-	-
P&L movement	**(0.2)**	**42.3**	**(24.9)**	**9.3**	**(11.6)**	**14.9**
At 31 December 2016 - asset/(liability)	**0.2**	**(211.8)**	**(84.4)**	**61.3**	**35.9**	**(198.8)**

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset).

	2016 £m	2015 £m
Deferred tax asset	**72.7**	34.7
Deferred tax liability	**(271.5)**	(89.9)
	(198.8)	(55.2)

The Group has the following temporary differences in respect of which no deferred tax asset has been recognised.

	2016 £m	2015 £m
Losses - revenue	**177.1**	157.3
Losses - capital	**219.5**	186.2
Other temporary differences	**7.7**	13.8
	404.3	357.3

Included in losses - revenue, are losses of £0.6m that will expire by 2017, £0.7m that will expire by 2018, £0.8m that will expire by 2019, £0.2m that will expire by 2020, £2.0m that will expire by 2021, £6.7m that will expire after 2022 and £166.1m of losses that may be carried forward indefinitely. Included in losses - capital, are capital losses of £110.0m (2015: £89.7m) that have a tax expiry of 1 year (2015: 1 year). The total amount of tax losses and other temporary differences for which no deferred tax was recognised was £404.3m (2015: £357.3m).

Balances in the subsidiary entities are shown on a 100% basis, regardless of ownership percentage. Balances in associates and joint ventures are not included.

No deferred tax liability is recognised on temporary differences of £899.7m (2015: £648.9m) relating to the unremitted earnings of overseas subsidiaries as the Group is unable to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The temporary differences at 31 December 2016 represent only the unremitted earnings of those overseas subsidiaries where remittance to the UK of those earnings may still result in a tax liability, principally as a result of dividend withholding taxes levied by the overseas tax jurisdictions in which these subsidiaries operate.
Temporary differences arising in connection with interests in associates and joint ventures are insignificant.

20. Provisions

	2016 £m
At 1 January 2015	12.3
Additional provision in the year	1.5
Additional provision arising on acquisition	8.8
Utilisation	(2.7)
Released	(0.3)
Exchange differences	5.6
At 31 December 2016	**25.2**

Provisions include provisions arising on acquisition for certain potential social security liabilities and onerous leases on property.

Contingent liabilities

In Germany, the tax authorities have disallowed the claim made towards loss incurred in a fraud case, and the potential outflow including interest is £23.2m, the Company is defending this claim and do not consider a provision is required at 31 December 2016.

The Company and its subsidiaries are subject to legal challenges and claims from time to time, and such claims are vigorously defended. As disclosed above, the Directors do not anticipate that the outcome of pending legal proceedings, either individually or in aggregate, will have a material adverse effect on the consolidated accounts or on the operations of the Group.

21. Share capital

	2016 Number of ordinary shares	**2016 £m**	2015 Number of ordinary shares	2015 £m
Ordinary shares of 5.5p issued, allotted, called up and fully paid:				
At 1 January	**1,426,866,828**	**78.5**	1,426,866,828	78.5
Issue of shares by the Company	**2,002**	**-**	-	-
At 31 December	**1,426,868,830**	**78.5**	1,426,866,828	78.5

The Company has one class of ordinary shares which carry no right to fixed income. The ordinary shares each have full voting rights. During the year the Group converted preference shares worth £354.5m at fair value to ordinary share capital of 1,000 shares of 5.5p each with the excess relating to other movements.

22. Share premium account

	2016 £m	2015 £m
At 1 January	**724.0**	724.0
Issue of shares by the Company	**425.8**	-
At 31 December	**1,149.8**	724.0

In the year the Group converted £354.5m of preference shares with Dentsu Inc. to ordinary DAN shares, issued £21.3m of ordinary DAN shares in exchange for the purchase of the DAN Singapore entities from Dentsu Inc. as part of a non-cash purchase and issued £50.0m of ordinary shares to Dentsu Inc.

23. Acquisition of subsidiaries

Summary of acquisitions

During the period, the Group acquired subsidiaries as detailed below:

Company	Country of incorporation	Network brand	% Acquired (Total Group Holding)	% Non-controlling interests recognised	Month of acquisition
PML	Ireland	Posterscope	95% (100%)	-	January
Alesport	Spain	Other	100% (100%)	-	February
Achtung!	Netherlands	mcgarrybowen	100% (100%)	-	February
Barnes, Catmur & Friends	New Zealand	Dentsu	51% (51%)	49%	March
Adexpres	Czech Rep.	iProspect	100% (100%)	-	March
Flock	Mexico	Isobar	100% (100%)	-	March
Cardinal Path	USA	D2D	100% (100%)	-	March
Darwin	China	iProspect	100% (100%)	-	March
Merdeka LHS	Malaysia	Dentsu Media	100% (100%)	-	April
Consider Digital	Malaysia	iProspect	51% (51%)	49%	April
Liveposter	UK	Posterscope	77.2% (100%)	-	April
AC Mexico	Mexico	Mcgarrybowen	100% (100%)	-	April
Verystar China	China	Isobar	60% (60%)	40%	May
Search Factory	Australia	iProspect	100% (100%)	-	June
Scorch	Australia	iProspect	51% (51%)	49%	June
WIS Performance Media	Taiwan	iProspect	100% (100%)	-	July
Gyro	USA	Interprise	100% (100%)	-	July
Naturact	Spain	PSLive	51% (51%)	49%	July
Magnetix	Denmark	Isobar	57.1% (57.1%)	42.9%	August
Accordant	USA	Amnet	100% (100%)	-	September
Merkle	USA	Merkle	68.5% (68.5%)	31.5%	September
Cosin	Brazil	Isobar	100% (100%)	-	September
Avid Media	UK	Amplifi	51% (51%)	49%	September
WiTH	Australia	Other	100% (100%)	-	September
Keneo	France	MKTG	100% (100%)	-	September
Perfect Relations	India	Other	90%** (90%)	-	September
Markenloft	Germany	MKTG	100% (100%)	-	September
C2C	USA	Posterscope	100% (100%)	-	September
Wasabi	France	iProspect	100% (100%)	-	September
Happy Creative Services	India	Mcgarrybowen	90%** (90%)	-	October
Axis 41	USA	Merkle	100%* (68.5%)	31.5%	November
Gravity	USA	Other	100% (100%)	-	November
Bluecom	China	Isobar	100% (100%)	-	November
S&E	Canada	MKTG	100% (100%)	-	December
Digital Republic	Egypt	Isobar	51% (51%)	49%	December
Fractal	India	Isobar	90%** (90%)	-	December
Veriplan	Chile	Vizeum	68% (68%)	32%	December

* During the year Merkle acquired 100% of Axis 41. The Group's effective holding is 68.5%.
** For accounting purposes the Group controls 100% of the acquired entity

Acquisitions that have not been rebranded to the existing network brands are referred to as 'Other' above.

23. Acquisition of subsidiaries (continued)

The acquisitions were entered into to strengthen the Group's operations and increase its market share around the world, especially in faster growing regions; and to enhance its servicing capabilities in media and digital.

During the year, the Group also acquired additional stakes in existing subsidiaries as detailed below:

Company	Country of incorporation	% Acquired (Total Group holding)	Month of acquisition
Vizeum Malaysia	Malaysia	49% (100%)	March
View Portugal	Portugal	18.4% (87.8%)	June
Y-media	Spain	29% (80%)	June
ASPAC	Philippines	30% (100%)	December

If the acquisitions above (excluding additional stakes in existing subsidiaries but including Merkle Inc.) had been completed on the first day of the financial year, Group revenues for 2016 would have been £2,980.3m and the profit before interest and tax for the continuing Group, would have been £261.5m. Post-acquisition revenue and profit before interest and tax on 2016 acquisitions was £312.5m and £64.1m respectively.

Goodwill capitalised in the period represents the expected future benefits of improving the breadth of the Group's service offering and anticipated operational synergies. No goodwill capitalised in the period is deductible for income tax purposes. All non-controlling interests are measured at the non-controlling interest share of the carrying value of net assets. Under IFRS 3 the Group has 12 months in which to finalise the goodwill valuation and purchase price allocation for each acquisition.

Consideration paid for acquisitions of subsidiaries, excluding acquisition costs, totalled £1,029.3m with estimated deferred consideration, as calculated at the acquisition date, of £214.6m payable between 2017-2022 subject to performance criteria.

We have taken the exemption provided by IFRS 3.B65 which allows for the non-disclosure of the particulars of each acquisition on the grounds of impracticability (high volume of acquisitions), with the exception of Merkle, due to its significance and impact on current year net assets.

Acquisition of Merkle Inc.

On 1 September 2016, the Group acquired 68.5% (on a non-diluted basis) or 63.0% (on a diluted basis) of the voting rights in Merkle Inc. ("Merkle"), for an upfront consideration of £785.2m. Merkle is a data analytics company based chiefly in the United States specialising in technology-enabled CRM and performance marketing solutions. The Group acquired Merkle to strengthen its proposition and competitive advantage in strategic consult, data, analytics, CRM and customer experience.

The remaining shares will be acquired through a series of put/call options exercisable over the period from 2018 to 2021.

The Group has elected to measure the non-controlling interests in the acquiree at fair value (percentage share of net assets). At 31 December 2016 the non-controlling interest in relation to the Merkle Group was £91.1m, representing their share of net assets, with profits attributable to non-controlling interest holders for the four months to 31 December 2016 of £(0.3)m. There have been no dividends paid to the non-controlling interest in the period.

23. Acquisition of subsidiaries (continued)

The fair values of the identifiable assets and liabilities of Merkle Inc. as at the date of acquisition were:

	Fair value recognised on acquisition £m
Assets	
Property, plant and equipment	21.1
Cash and cash equivalents	23.4
Trade and other receivables	148.2
Business combination intangibles	421.2
Other	15.3
	629.2
Liabilities	
Trade and other payables	(140.8)
Borrowings (current and non-current)	(192.2)
Other long term liabilities	(112.1)
Other	(7.8)
Deferred tax liability	(140.8)
	(593.7)
Net assets acquired	**35.5**
Non-controlling interest measured at fair value	(30.1)
Goodwill arising on acquisition	779.8
Consideration transferred	**785.2**

The fair value of the trade receivables amounts to £148.2m. The gross amount of trade receivables is £149.4m. However, none of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

The group obtained an independent expert valuation of the separately identifiable intangible assets within Merkle and allocated the following intangible values in accordance with IAS38:

Business Combination Intangibles

	£m
Customer relationship	160.7
Intellectual property	178.2
Technology	77.0
Non-compete agreements	5.3
Total	**421.2**

23. Acquisition of subsidiaries (continued)

The goodwill of £779.8m comprises the value of expected synergies arising from the acquisition, excluding the above separately identifiable intangibles.

The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

From the date of acquisition, Merkle Inc contributed £159.6m of revenue and £23.5m profit before interest and tax.

Transaction costs (acquisition related fees) of £10.3m were expensed on acquisition of Merkle. These acquisition related fees include (but are not limited to): due diligence, legal and other professional fees.

Cash acquired on acquisition of Merkle was £23.4m, resulting in a net cash inflow of £13.1m (excluding the upfront consideration).

23. Acquisition of subsidiaries (continued)

Acquisition of other businesses

The fair values of the identifiable assets and liabilities acquired through all other acquisitions (excluding Merkle) are as follows:

	Carrying amount acquired	Accounting policy and Fair value adjustments	Fair value recognised on acquisition
	£m	£m	£m
Assets			
Property, plant and equipment	5.4	0.3	5.7
Cash and cash equivalents	23.4	-	23.4
Trade and other receivables	90.4	(9.4)	81.0
Business combination intangibles	1.4	108.8	110.2
Deferred tax asset	2.5	18.1	20.6
Other	23.6	(0.3)	23.3
	146.7	**117.5**	**264.2**
Liabilities			
Trade and other payables	(101.1)	17.1	(84.0)
Other liabilities	(4.2)	4.0	(0.2)
Deferred tax liability	(3.3)	(34.0)	(37.3)
	(108.6)	**(12.9)**	**(121.5)**
Net assets acquired	**38.1**	**104.6**	**142.7**
Non-controlling interest measured at fair value			(74.6)
Goodwill arising on acquisition			390.5
			458.6
Satisfied by:			
Cash consideration			244.1
Deferred consideration			214.5
			458.6

24. Other non-current liabilities

	2016	2015
	£m	£m
Deferred consideration	**334.3**	184.7
Pensions	**12.2**	9.1
Deferred lease incentives	**50.4**	43.8
Share based payment liability	**47.7**	-
Other	**51.7**	22.4
At 31 December	**496.3**	260.0

Deferred consideration

Deferred consideration, which has been included within trade and other payables to the extent that it is due within one year (note 17), may be paid to the vendors of certain subsidiary undertakings in the years to 2022. Such payments are either fixed under the terms of the acquisition or are contingent on future financial performance.

Deferred consideration is discounted at the Group's weighted average cost of borrowing. The Directors estimate that, at the rates of exchange ruling at the balance sheet date, the discounted liability at the balance sheet date for payments that may be due is as follows:

	2016	2015
	£m	£m
Within one year	**123.6**	146.6
Between one and two years	**98.8**	54.5
Between two and five years	**209.2**	107.9
Greater than 5 years	**26.3**	22.3
	457.9	331.3

The minimum potential liability is £6.5m (2015: £39.5m) and the maximum potential liability is £2,005.0m (2015: £1,154.8m). There are two acquisitions as at 31 December 2016 (2015: nil) where the deferred consideration due is uncapped, the carrying value of these liabilities is £11.5m and management consider this to be the best estimate. The maximum potential liability is only payable if the post-acquisition profit performance of the acquisition meets stretching profit targets in the post-acquisition period.

Liabilities in respect of put options granted to non-controlling interests are disclosed as derivative liabilities. Their expected maturities are disclosed in note 18 and a reconciliation of movements in the year are shown below.

A reconciliation of the movements in the calculated fair value of deferred consideration is provided below:

	2016	2015
	£m	£m
Balance at 1 January	**(331.3)**	(348.9)
Deferred consideration created	**(227.9)**	(120.1)
Deferred consideration settled	**175.6**	133.6
Revisions of estimated fair value recognised in the income statement	**(18.4)**	3.1
Revisions of estimated fair value impacting goodwill and associates	**9.3**	(9.1)
Unwind of discounting	**(4.0)**	(7.2)
Exchange differences	**(61.2)**	17.3
Balance at 31 December	**(457.9)**	(331.3)

24. Other non-current liabilities (continued)

An increase of 1% in the rate used to discount the expected gross value of payments would lead to a decrease in the recorded liability of £2.7m.

Analysis of derivative financial instruments

A reconciliation of the movements in the calculated fair value of put option derivatives is provided below

	2016	2015
	£m	£m
Balance at 1 January	**(159.0)**	(96.5)
Put options issued	**(530.9)**	(76.8)
Put options settled and lapsed	**29.2**	4.5
Revisions of estimated fair value	**2.4**	(5.2)
Discounting	**(14.1)**	5.0
Exchange differences	**(79.9)**	10.0
Balance at 31 December	**(752.3)**	(159.0)

An increase of 1% in the rate used to discount the expected gross value of payments would lead to a decrease in the recorded liability of £27.6m.

25. Share based payment

The Group acquired Merkle Group Inc. (Merkle) on 1 September 2016. Merkle maintains a Share Option Plan (the "Plan") to reward its officers and employees. The outstanding share options were not replaced and were still in existence at the date of acquistion of Merkle.

Each share option of Merkle Group Inc. converts into one ordinary share of Merkle Group Inc. on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. At the acquistition date there were 624,732 outstanding share options, being 409,515 unvested and 215,217 vested share options.

The Merkle Share Options are treated as a cash settled Plan, considering the Share Option holders' right to net settle their Share Options through the Merkle Put and Call option arrangement with the Group. On consolidation of Merkle by the Group, the Share Options are recorded as a liability, based on the esimated amounts payable to the option holders by the group.

The Share Options vest over a period over a 5 year period from the grant date, and have a 10 year term.

Market-based measure of share options at the acquistion date

All outstanding vested share options were measured in accordance with IFRS 2 at the market-based measure at the acquisition date. The weighted average fair value of the shares in Merkle was $202.71 per share. Options were priced using the Black-scholes option valuation model that utilises the assumptions included in the table below, taking into

25. Share based payment (continued)

Market-based measure of share options at the acquistion date (continued)
account the expected volatility based on the historical share price volatility over the past 5 years, benchmarked against a portfolio of similar listed companies, including Dentsu Inc.

Year	Weighted Average Exercise Price $/share	Number of Options	Grant Date	Expiry Date	Weighted Average Acquisition Share Price $/share	Weighted Average Volatility	Dividend Yield	Risk Free Rate
2012	35.5	54,100	March 2012	March 2022	202.7	29%	0%	2%
2013	35.5	106,450	April – July 2013	April – July 2023	202.7	32%	0%	2%
2014	53.9	147,905	May – Nov 2014	May – Nov 2024	202.7	32%	0%	2%
2015	68.0	220,813	Jan – Oct 2015	Jan – Oct 2025	202.7	31%	0%	2%
2016	78.3	95,464	Jan – May 2016	Jan – May 2026	202.7	31%	0%	2%
		624,732						

Fair value of Share Options granted in the four months to 31 December 2016

In the four months since the acquisiton of Merkle by the Group on 1 September 2016, Merkle have granted options for 171,375 common shares at an exercise price of $138.61 and a weighted average remaining contractual life of 4.0 years at year end.

The weighted average fair value of the share options granted during the financial year is $83.68 per option. The fair value of each option award is estimated at the date of grant using the methodology outlined above, the assumptions utilised for options awarded under the Plan since the acquisition by the Group consist of the following:

Inputs into the Model

	MERKLE GROUP INC. STOCK INCENTIVE PLAN
Grant Date Share Price ($)	202.71
Exercise Price ($)	138.61
Expected Volatility	31.04%
Option Life (years)	4.0 - 4.2
Dividend yield	0%
Risk-free interest rate	2%

25. Share based payment (continued)

Movements in share options during the year

The following table provides a summary of the status of Merkle's share options for the four months ended 31 December 2016:

	Shares	Weighted Average Exercise Price $
Options at 1 September 2016	**624,732**	**57.90**
Granted	171,375	138.61
Forfeited	(8,300)	72.12
Exercised	(1,610)	65.17
Repurchased	(14,926)	54.73
Expired	-	-
Options at 31 December 2016	**771,271**	**75.72**

The weighted average share price of the options exercised in the 4 months to 31 December 2016 (following the acquisition of Merkle Group Inc.) was $138.61. The expense recognised in relation to the cash-settled scheme for the 4 months to 31 December 2016 (following the acquisition of Merkle Group Inc.) is £3.2m.

Share options exercised during the year

The following share options were exercised during the year:

Options series	Number Exercised	Exercise Date	Share price at exercise date $
2012	140	15/12/2016	138.61
2015	1,470	28/09/2016	138.61
	1,610		

Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of $75.72 and a weighted average remaining contractual life of 8.19 years. The total number of shares that are exercisable at the end of the year is 300,850 the total liability under the cash settled scheme in relation to exercisable options at 31 December 2016 is £29.7m with a weighted average exercise price of the exercisable options of $50.58. At 31 December 2016 the total liability (net of the exercise price) under the cash settled scheme for all options is £47.7m.

26. Notes to the cash flow statement

	2016	2015
	£m	£m
Operating profit	**235.9**	199.6
Adjustments for:		
Depreciation of property, plant and equipment	**47.5**	34.4
Amortisation of intangible assets	**129.6**	92.1
Impairment of intangibles and property, plant and equipment	**2.0**	15.6
Impairment on goodwill and investments	**-**	12.9
Loss on disposal of subsidiaries	**6.7**	3.7
Decrease in provisions	**(2.8)**	(3.2)
	418.9	355.1
Increase in receivables	**(228.2)**	(401.1)
Decrease in work in progress	**4.4**	25.5
Increase in payables	**226.2**	308.5
	2.4	(67.1)
Cash generated from operations	**421.3**	288.0

All results are from continuing operations

	1 January 2016 £m	Cash flow £m	Other non-cash movements £m	Exchange movements £m	**31 December 2016 £m**
Analysis of net debt					
Cash and short-term deposits	679.1	132.5	-	117.0	928.6
Overdrafts	(29.7)	(713.5)	-	(3.5)	(746.7)
Cash and cash equivalents	649.4	(581.0)	-	113.5	181.9
Debt due within one year	(183.5)	(602.1)	(1.9)	(57.0)	(844.5)
Debt due after more than one year	(1,159.2)	377.0	(23.2)	(179.7)	(985.1)
Net debt before issue costs of debt	(693.3)	(806.1)	(25.1)	(123.2)	(1,647.7)
Issue costs of debt	1.9	-	(0.5)	-	1.4
Total	(691.4)	(806.1)	(25.6)	(123.2)	(1,646.3)

27. Operating lease arrangements

	2016 £m Land and buildings	2016 £m Other	**2016 £m Total**	2015 £m Land and buildings	2015 £m Other	2015 £m Total
Lease payments under operating leases recognised in operating expenses	106.6	1.8	**108.4**	84.8	1.6	86.4

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Net minimum lease commitments	2016 £m Land and buildings	2016 £m Other	**2016 £m Total**	2015 £m Land and buildings	2015 £m Other	2015 £m Total
Within one year	154.3	1.4	**155.7**	117.6	1.6	119.2
In the second to fifth years inclusive	437.2	2.2	**439.4**	295.3	2.1	297.4
After five years	228.6	-	**228.6**	245.9	-	245.9
	820.1	3.6	**823.7**	658.8	3.7	662.5

Operating lease payments principally represent rentals payable by the Group for certain of its office properties.

28. Related party transactions

The Group's ultimate controlling party and ultimate parent is Dentsu Inc. (incorporated in Japan), which owns 100% of the Company's shares.

Remuneration of key management personnel is disclosed within note 5 - staff costs.

Transactions with associated undertakings

The balance due from Group companies to associated undertakings at the end of 2016 was £0m (2015: £0m). The balance due from associated undertakings to Group companies at the end of 2016 was £5.8m (2015: £3.2m).

Transactions and balances with Dentsu Inc. and Dentsu Group companies

Counterparty	Gross Media Billings £m	Gross Media Buying £m	Receivables £m	Payables £m	Borrowings £m	Other Income £m	Other Purchases £m	Total £m
Dentsu Inc.	12.4	(3.9)	9.5	-	(325.1)	3.6	(29.0)	**(332.5)**
&c. Inc.	-	-	5.0	(4.0)	(4.8)	2.2	-	**(1.6)**
Beijing Dentsu Adv.	-	-	9.1	(1.3)	-	-	-	**7.8**
Dentsu Rihai Communication Co Ltd	-	-	3.9	(0.3)	(24.3)	1.0	-	**(19.7)**
Dentsu Asia Pte Ltd	-	-	-	-	-	-	(3.8)	**(3.8)**
Media Palette Taiwan Inc	5.6	-	1.5	-	-	-	-	**7.1**
Dentsu Hong Kong Ltd	-	-	0.7	(0.1)	(5.3)	0.6	-	**(4.1)**
Dentsu Media Vietnam Company Ltd	-	-	0.8	(3.9)	-	0.4	-	**(2.7)**
360i London Ltd	-	-	2.4	(0.2)	-	0.4	-	**2.6**
Dentsu Brazil	-	-	3.1	(0.4)	-	0.5	-	**3.2**
Other Parent and Other Dentsu Group Entities	19.8	(10.8)	13.4	(8.2)	(3.6)	6.6	(2.4)	**14.8**
Total balance with Parent and Other Dentsu Group Entities	**37.8**	**(14.7)**	**49.4**	**(18.4)**	**(363.1)**	**15.3**	**(35.2)**	**(328.9)**
Other related parties	-	(0.4)	5.9	-	-	-	-	**5.5**
Total	**37.8**	**(15.1)**	**55.3**	**(18.4)**	**(363.1)**	**15.3**	**(35.2)**	**(323.4)**

29. Subsequent events

Acquisitions completed after the balance sheet date

In January 2017 the Group acquired Blue Infinity, a company headquartered in Geneva specialising in digital services such as digital transformation, CRM and ecommerce. Blue Infinity is a well-established business with over 500 employees operating across six countries and will join the worldwide Isobar network.

During January 2017 the Group signed a contract to acquire a majority stake in Dwi Sapta, the number one local agency in Indonesia. Dwi Sapta is an integrated marketing communications company and is a multi-brand acquisition.

Five-year Summary

	2016	2015	2014	2013	2012
	£m	£m	£m	£m	£m
Income statement					
Revenue	**2,586.6**	1,972.2	1,502.0	1,322.5	1,192.6
Profit before tax	**144.8**	143.5	104.8	157.4	79.8
Profit attributable to equity holders of the parent	**69.9**	79.8	54.7	100.4	52.9
Balance sheet					
Non-current assets	**4,749.3**	2,482.5	2,300.3	1,682.0	1,721.7
Net current (liabilities)/assets	**(1,312.9)**	(111.9)	42.4	(97.7)	(388.0)
Non-current liabilities	**(2,520.0)**	(1,658.0)	(1,591.8)	(957.9)	(954.5)
Net assets	**916.4**	712.6	750.9	626.4	379.2
Financed by:					
Equity	**782.4**	664.4	721.1	614.1	374.9
Non-controlling interests	**134.0**	48.2	29.8	12.3	4.3
	916.4	712.6	750.9	626.4	379.2

Dentsu Aegis Network Ltd

Company balance sheet

For the year ended 31 December 2016

	Notes	2016 £m	2015 £m
Fixed assets			
Tangible assets	7	**4.4**	5.7
Intangible assets	8	**3.9**	3.8
Investments	9	**2,200.3**	1,469.8
		2,208.6	1,479.3
Current assets			
Debtors: receivable within one year	10	**1,522.9**	1,092.2
Cash at bank		**-**	0.4
		1,522.9	1,092.6
Creditors: amounts falling due within one year	11	**(492.3)**	(108.2)
Net current assets		**1,030.6**	984.4
Total assets less current liabilities		**3,239.2**	2,463.7
Creditors: amounts falling due after one year	12	**(22.2)**	(21.5)
Net assets		**3,217.0**	2,442.2
Capital and reserves			
Called-up share capital	15	**78.5**	78.5
Share premium account	15	**1,149.9**	724.0
Merger reserve		**13.0**	13.0
Profit and loss account		**1,975.6**	1,626.7
Shareholder's funds		**3,217.0**	2,442.2

Company registration number 2103374 England and Wales.

These financial statements were approved by the Board of Directors on 31 March 2017 and were signed on behalf of the Board of Directors by:

Jerry Buhlmann (Chief Executive Officer)

Nick Priday (Chief Financial Officer)

Dentsu Aegis Network Ltd

Company statement of changes in equity

at 31 December 2016

	Called-up share capital	Share premium account	Merger reserve	Profit and loss account	**Total**
	£m	£m	£m	£m	**£m**
At 1 January 2015	78.5	724.0	13.0	1,612.7	**2,428.2**
Profit for the financial year	-	-	-	14.0	**14.0**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive income/(loss) for the year	-	-	-	14.0	**14.0**
At 31 December 2015	78.5	724.0	13.0	1626.7	**2,442.2**
At 1 January 2016	78.5	724.0	13.0	1,626.7	**2,442.2**
Profit for the financial year	-	-	-	348.9	**348.9**
Shares issued	-	425.9	-	-	**425.9**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive income/(loss) for the year	-	425.9	-	348.9	**774.8**
At 31 December 2016	78.5	1,149.9	13.0	1,975.6	**3,217.0**

1. Authorisation of financial statements and statement of compliance with FRS 101

The parent company financial statements of Dentsu Aegis Network Ltd (the "Company") for the year ended 31 December 2016 were authorised for issue by the board of directors on March 2017 and the balance sheet was signed on the board's behalf by Jerry Buhlmann and Nick Priday.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). They are prepared under the historical cost convention modified to include the revaluation of financial instruments.

No profit and loss account is presented by the Company as permitted by Section 408 of the Companies Act 2006. The results of the Company are included in the consolidated financial statements of Dentsu Aegis Network Ltd. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2016. The financial statements are prepared in pounds sterling and rounded to the nearest million pounds (£m).

The financial statements are prepared on a going concern basis as Dentsu Aegis Network Ltd is the head parent company of the Dentsu Aegis Network Ltd Group, and in making its assessment, management is not aware of any material uncertainties related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

2. Accounting policies

Basis of preparation
The Company has taken advantage of the following disclosure exemptions under FRS 101:

a) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67of IFRS 3 Business Combinations;
b) the requirements of IFRS 7 Financial Instruments: Disclosures;
c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
d) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
    (i) paragraph 79(a)(iv) of IAS 1
    (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    (iii) paragraph 118(e) of IAS 38 Intangible Assets;
e) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
f) the requirements of IAS 7 Statement of Cash Flows;
g) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
h) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
i) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned
j) by such a member; and
k) the effects of new but not yet effective IFRSs.

2. Accounting policies (continued)

Property, plant and equipment
Property, plant and equipment are stated at historical cost less accumulated depreciation and any recognised impairment losses. Depreciation is charged to write-off the cost of these assets to their residual value over their expected useful lives, using the straight-line method, on the following basis:

Freehold buildings	1% to 5% per annum
Leasehold buildings	Over the period of the lease
Leasehold improvements	10% to 20% per annum or over the period of the lease, if shorter
Office furniture, fixtures, equipment and vehicles	10% to 50% per annum

Any gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss account.

Intangible assets
Intangible assets are stated at cost less accumulated amortisation and any recognised impairment losses. Intangible assets are amortised to residual values on a straight-line basis over the useful economic life of the asset as follows:

Software	20% to 50% per annum
Patents and trademarks	Nil to 20% per annum
Other	10% to 50% per annum

Once acquired intangible assets have exceeded their useful economic lives, the cost and accumulated amortisation of the assets are removed from the balance sheet as an asset retirement. Any gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement.

Impairment
At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Income Taxes
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:
where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;

2. Accounting policies (continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated for all business combinations in respect of intangible assets and properties. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, including interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in other comprehensive income or equity respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities under current legislation and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. Accounting policies (continued)

Foreign currencies

The Company's functional currency and presentation currency is pounds sterling. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
The Company does not apply hedge accounting of foreign exchange risks in its Company financial statements.

Investments

Investments in subsidiaries, associates and joint ventures, are held in the Company balance sheet at cost less any provisions for impairment.

Leasing and hire purchase commitments

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease rentals are charged to the income statement over the lease term on a straight-line basis. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability and recognised as a reduction of rental expense on a straight-line basis over the term of the lease.

Retirement benefits

The retirement benefits for employees are provided by defined contribution schemes which are funded by contributions from the Company and employees. The amount charged to profit and loss is the contribution payable in the year.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in interest income and interest expense.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

2. Accounting policies (continued)

Investment income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment has been established.

Equity instruments: Liabilities in respect of option agreements with non-controlling shareholders
In accordance with IAS 39, put options are treated as financial instruments and are required to be accounted for at inception on a net basis in the parent company's accounts. The value of the option is not recognised in the balance sheet until such time that the option is exercised.

Accounting estimates and uncertainties: Contingent deferred consideration and put option payments in respect of acquisitions
The Company determines the amount of deferred consideration to be recognised according to the formulae agreed at the time of acquisition, normally related to the future earnings of the acquired entity. Estimates of the expected future earnings of the acquired entity therefore affect the valuation of deferred consideration. The liability for deferred consideration is reviewed at each balance sheet date and revaluation entries are applied, if required, to deferred consideration and profit or loss in accordance with the Company's accounting policy for investments discussed above.

Deferred consideration liabilities are discounted to their fair value in accordance with IAS 37. The difference between the fair value of these liabilities and the actual amounts payable is charged to the income statement as a notional finance cost.
Key areas of judgement in calculating the fair value of the put option liabilities are the expected future cash flows and earnings of the acquired entity and the discount rate.

3. Profit for the year

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent Company.

Dentsu Aegis Network Ltd reported a profit, before the payment of dividends, for the financial year ended 31 December 2016 of £348.9m (2015: £14.0m).

The profit for the year of £348.9m includes dividends received of £354.5m (2015: £4.3m) from Group companies.
The auditor's remuneration for audit services to the Company amounted to £0.3m (2015: £0.4m) and for non-audit services amounted to £0.1m (2015: £0.3m). The audit fee for the Group is outlined in note 4 to the consolidated financial statements. The fee is borne by Dentsu Aegis Network Ltd on behalf of the Group and includes the audit of the Dentsu Aegis Network Ltd parent Company financial statements.

4. Staff costs

The monthly average number of persons employed by the Company (excluding Directors) during the year was 125 (2015: 108). Their aggregate remuneration comprised:

	2016	2015
	£m	£m
Wages, salaries, bonus and benefits	**17.8**	19.0
Social security costs	**0.5**	0.9
Pension costs	**1.0**	0.9
Staff Costs	**19.3**	20.8

A long term incentive bonus scheme is in place and the charge associated with the year ended 31 December 2016 is £7.0m (2015: £6.5m).

Remuneration for directors of the Company is disclosed in note 5 of the consolidated financial statements. It is paid by Dentsu Aegis Network Ltd. The apportionment of total remuneration relating to the company cannot be reasonably estimated so has not been disclosed.

5. Auditor's remuneration

The auditor's remuneration for audit services to the Company amounted to £0.3m (2015: £0.4m) and for non-audit services amounted to £0.1m (2015: £0.3m).
The audit fee for the group is outlined in note 4 to the consolidated financial statements of Dentsu Aegis Network Ltd. The fee is borne by Dentsu Aegis Network Ltd on behalf of the group and includes the audit of the Aegis Group Holdings Limited company financial statements.

6. Taxation

	2016	2015
	£m	£m
Tax charge on profit	**1.1**	3.4
Net movement in deferred tax	**(1.3)**	(0.5)
Current year tax charge (credit)	**(0.2)**	2.9
Corporation tax payable at 1 January	**(8.2)**	(8.6)
Provisional tax paid	**12.6**	3.8
Current year tax charge	**(1.2)**	(3.4)
Prior year corporation tax credit/(charge)	**0.1**	-
Transfers	**-**	-
Corporation tax receivable/(payable) at 31 December	**3.3**	(8.2)
Deferred tax asset at 1 January	**5.5**	5.0
Current year deferred tax charge	**2.2**	1.2
Prior year deferred tax charge	**-**	(0.2)
Impact of change in deferred tax rate	**(0.9)**	(0.5)
Deferred tax asset at 31 December	**6.8**	5.5

The tax charge/(credit) for the year ended 31 December 2016 is £(0.2m) (2015: £2.9m) representing an effective tax rate on statutory profits of 2.28% (2015: 21.07%).

UK Corporation tax is calculated at 20% (2015: 20.25%) of estimated assessable profit for the year.

The UK Government enacted legislation which reduced the main rate of corporation tax to 20% from 1 April 2015. A further reduction in the main rate of corporation tax is proposed to reduce the rate to 19% from 1 April 2017 and 17% from 1 April 2020. The net UK deferred tax asset has been calculated using the substantively enacted rates applicable when the temporary difference is expected to reverse. The impact on the Company's net assets is not expected to be material.

The company has the following temporary differences in respect of which no deferred tax asset has been recognized:

	2016	2015
	£m	£m
Losses –Revenue	**35.0**	46.4
Losses – Capital	**94.7**	94.7
Total	**129.7**	141.1

These losses may be carried forward indefinitely.

The Chancellor announced in the 2016 budget that the main rate of UK corporation tax will reduce to 17% from 1 April 2020, this rate has not yet been enacted or substantively enacted.

7. Tangible assets

	Long leasehold and leasehold improvements	Equipment, fixtures and fittings	Total
Cost	**£m**	**£m**	**£m**
At 1 January 2016	12.0	2.4	14.4
Additions	-	-	-
At 31 December 2016	**12.0**	**2.4**	**14.4**
Accumulated depreciation			
At 1 January 2016	6.4	2.3	8.7
Charge for the year	1.3	-	1.3
At 31 December 2016	**7.7**	**2.3**	**10.0**
Carrying value			
At 31 December 2016	**4.3**	**0.1**	**4.4**
At 31 December 2015	5.6	0.1	5.7

8. Intangible assets

	Computer software	Patents & trademarks	Total
Cost	**£m**	**£m**	**£m**
At 1 January 2016	6.4	4.1	10.5
Additions	-	1.0	1.0
Disposals	(0.1)	-	(0.1)
At 31 December 2016	**6.3**	**5.1**	**11.4**
Accumulated depreciation			
At 1 January 2016	4.9	1.8	6.7
Charge for the year	0.4	0.4	0.8
At 31 December 2016	**5.3**	**2.2**	**7.5**
Carrying value			
At 31 December 2016	**1.0**	**2.9**	**3.9**
At 31 December 2015	1.5	2.3	3.8

9. Investments

	Shares in subsidiary undertakings	Total
	£m	£m
Cost or fair value		
At 1 January 2016	1,645.8	1,645.8
Additions	730.5	730.5
Fair value adjustments	-	-
At 31 December 2016	**2,376.3**	**2,376.3**
Accumulated impairment losses		
At 1 January 2016	176.0	176.0
Additions	-	-
At 31 December 2016	**176.0**	**176.0**
Carrying amount		
At 31 December 2016	**2,200.3**	**2,200.3**
Carrying amount at 31 December 2015	1,469.8	1,469.8

All shareholdings are of ordinary shares.

Details of the subsidiaries and associates in which the Company holds 20% or more of the nominal value of any class of share capital are listed in note 18.

Investment additions include £708.9m share-for-share redemption of preference shares issued by Dentsu Aegis Network US Holdings, Inc. and £21.4m on the restructure of Singaporean entities into the DAN Ltd group (2015: £nil).

The Company is party to certain put option arrangements in respect of subsidiaries that are not wholly-owned. Under the Company's accounting policies, the value of such options is not to be recognised until such time that they have been exercised. Currently held options are exercisable from 1 January 2017 to and including 30 June 2017. The Company has assessed the value of the options to be £3.2m (2015: £4.5m) and will reassess the value of the options at each reporting period.

10. Debtors: amounts receivable within one year

	Note	2016 £m	2015 £m
Amounts owed by subsidiary undertakings		1,504.0	1,077.9
Other receivables		2.6	5.2
Prepayments and accrued income		6.2	3.6
Corporation tax	6	3.3	-
Deferred tax asset	6	6.8	5.5
		1,522.9	1,092.2

The increase in amounts owed by subsidiary undertakings principally relate to the re-financing of the preference shares held. A loan was made to the issuer of the preference shares (Dentsu Aegis Network US Holdings, Inc.) for $450.0m, and financed by Aegis Group Holdings Limited.

11. Creditors: amounts falling due within one year

	2016 £m	2015 £m
Bank overdraft	2.8	-
Trade payables	1.3	2.5
Amounts owed to subsidiary undertakings	449.2	60.7
Deferred lease incentive	1.9	2.2
Deferred consideration	3.8	1.1
Accruals and deferred income	29.0	24.7
Corporation tax	-	8.2
Derivative financial liabilities	3.4	3.9
Other creditors	0.9	4.9
	492.3	108.2

The increase in amounts owed to subsidiary undertakings principally relate to the re-financing of the preference shares held. A loan was made to the issuer of the preference shares (Dentsu Aegis Network US Holdings, Inc.) for $450.0m, and financed by Aegis Group Holdings Limited.

12. Creditors: amounts falling due after one year

	2016 £m	2015 £m
Deferred lease incentive	13.5	15.4
Deferred consideration	8.7	6.1
	22.2	21.5

13. Maturity profile of Company financial liabilities

2016	Less than 1 year	1-5 years	Total
	£m	£m	£m
Bank overdrafts	2.8	-	2.8
Borrowings	-	-	-
	2.8	-	2.8
Deferred consideration	3.8	8.7	12.5
Deferred lease incentive	1.9	13.5	15.4
	5.7	22.2	27.9

2015	Less than 1 year	1-5 years	Total
	£m	£m	£m
Bank overdrafts	-	-	-
Borrowings	-	-	-
	-	-	-
Deferred consideration	1.1	6.1	7.2
Deferred lease incentive	2.2	15.4	17.6
	3.3	21.5	24.8

14. Derivative financial instruments

	2016	2015
	£m	£m
Current		
Derivative financial assets	-	-
Derivative financial liabilities	**(3.4)**	(3.9)
Non-current		
Derivative financial assets	-	-
Derivative financial liabilities	-	-

The derivative financial assets and liabilities represent the fair value of the external and intra-Group foreign exchange contracts and cross currency interest rate swaps which are accounted for as fair value through the profit and loss account.

Details of the fair value of the Company's derivative financial instruments are set out in note 18 of the consolidated financial statements.

15. Reserves

Called-up share capital

	2016 Number of ordinary shares	**2016 £m**	2015 Number of ordinary shares	2015 £m
Ordinary shares of 5.5p issued, allotted, called up, fully paid and authorised for issue:				
At 1 January	1,426,866,828	78.5	1,426,866,828	78.5
Issue of shares by the Company	2,002	-	-	-
At 31 December	1,426,868,830	78.5	1,426,866,828	78.5

Movements in called-up share capital

The Company has one class of ordinary shares which carry no right to fixed income. The ordinary shares each have full voting rights.

The Company issued 2,002 shares in the year (2015: nil). Refer to note 21 of the consolidated financial statements for details.

Share premium account

	2016	**2015**
	£m	**£m**
At 1 January	724.0	724.0
Issue of shares by the Company	425.9	-
At 31 December	1,149.9	724.0

In the year the Group converted £354.5m of preference shares with Dentsu Inc. to ordinary DAN shares, issued £21.3m of ordinary DAN shares in exchange for the purchase of the DAN Singapore entities from Dentsu Inc. as part of a non-cash purchase and issued £50.0m of ordinary shares to Dentsu Inc.

16. Operating lease arrangements

At 31 December 2016, there were the following annual commitments in respect of non-cancellable operating leases:

	2016 £m	2015 £m
Operating lease payments recognised in expense for the year	9.0	7.0

Operating lease commitments

At balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Not later than one year	11.4	7.3
Between two and five years	43.6	27.6
After 5 years	86.5	66.3
	141.5	101.2

The Company enters into operating lease arrangements for the hire of buildings and plant & equipment as these arrangements are a cost effective way of obtaining the short-term benefits of these assets. There are no material off-balance sheet arrangements.

17. Related parties

The Company's ultimate controlling party and ultimate parent is Dentsu Inc. (incorporated in Japan), which owns 100% of the Company's shares. The financial statements of Dentsu Inc. are publicly available.

Details of the Group's related parties can be found in note 28 of the consolidated financial statements.

18. Subsidiaries and associates

The entities listed below in sections 1 and 2 are subsidiaries of the Company or the Group as at 31 December 2016. The entities listed below in section 3 are associates of the Company or Group as at 31 December 2016. The results (or the relevant proportion of the results) for all of the subsidiaries which are deemed to be controlled by the Company have been consolidated within the Group financial statements.

Section 1 - Subsidiaries held directly by the Company	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Aegis Luxembourg S.A.R.L.	Luxembourg	100	65, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, Luxembourg
Aegis Finance	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis GPS Holdings Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Group Holdings Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Group Investments Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Group Nominees Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Group Trustees Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Media Pacific Ltd	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis TI	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis TIG Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Treasury Investments Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Triton Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Carat Management Services (UK) Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Carat Media Services Asia Pacific Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Dentsu McGarryBowen UK Ltd	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Fetch Media Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Isobar Global Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
John Brown Acquisitions Limited	United Kingdom	85	10, Triton Street, Regent's Place, London, NW1 3BF, England

Section 2 - Subsidiaries held indirectly by the Company	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Carat Argentina S.A.	Argentina	100	1674, Manuel Ugarte, 2nd Floor, City of Buenos Aires, Argentina
iProspect Argentina S.A.	Argentina	100	1674, Manuel Ugarte, 2nd Floor, City of Buenos Aires, Argentina
Vizeum Argentina S.A.	Argentina	100	1674, Manuel Ugarte, 2nd Floor, City of Buenos Aires, Argentina
@ODDS PTY LTD	Australia	100	502, 249 Pitt Street, Sydney, Australia, NSW, NSW 2000
@TACK PTY LTD	Australia	100	502, 249 Pitt Street, Sydney, Australia, NSW, NSW 2000
5th International Group Pty Ltd	Australia	73	L 7 264-278 George St, Sydney, NSW, 2000, Australia
Aegis Finance Australia LLP	Australia	100	Level 2, 85 Coventry Street, South Melbourne, VIC, 3205, Australia
Amnet Australia Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Amplifi Australia Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Belgiovane Williams MacKay Pty Ltd	Australia	51	105 York Street, South Melbourne, VIC 3205, Australia
Carat (WA) Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Carat Aust. Pty Limited	Australia	100	Level 3, Bond One, 20 Windmill St, Walsh Bay, NSW 2000, Australia
Carat Australia Media Services Pty Ltd	Australia	100	Level 3, Bond One, 20 Windmill St, Walsh Bay, NSW 2000, Australia
Carat Media Pty Ltd	Australia	100	Level 3, Bond One, 20 Windmill St, Walsh Bay, NSW 2000, Australia
Carat Melbourne Pty Ltd	Australia	100	Level 3, Bond One, 20 Windmill St, Walsh Bay, NSW 2000, Australia
Coleman Group Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Columbus Agency Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Cox Inall Communications Pty Limited	Australia	51	105 York Street, South Melbourne, VIC 3205, Australia
D2D Data 2 Decisions Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Dentsu Aegis Media Australia Pty Ltd	Australia	100	Level 3, Bond One, 20 Windmill St, Walsh Bay, NSW 2000, Australia
Dentsu Aegis Network (ANZ) Management Services Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Dentsu Aegis Network Australia Holdings Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Dentsu Aegis Network Australia Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Dentsu Australia Pty Ltd	Australia	100	47 Ridge Street, North Sydney, NSW 2060, Sydney, Australia, Australia
Dentsu Mitchell Media (NSW) Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Dentsu Mitchell Media (QLD) Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Dentsu Mitchell Media (WA) Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Dentsu Mitchell Media Australia Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Dentsu Mitchell Media Proprietary Limited	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Haystac Pty Ltd	Australia	51	105 York Street, South Melbourne, VIC 3205, Australia
Haystac Public Affairs Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Hind & Hind Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Huckleberry Agency Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Impact Live Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Insite Organisation Pty Ltd	Australia	100	Level 4, 111 Cecil Street, South Melbourne, VIC 3205, Australia
iProspect Pty Limited	Australia	100	Level 3, Bond One, 20 Windmill St, Walsh Bay, NSW 2000, Australia
Isobar Australia Pty Limited	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Isobar Communications Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Marketing Resources Management Group Pty Limited	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Mitchell Communication Group Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
MKTG Australia Pty Ltd	Australia	100	Suit 3 Level 2, 20 Clarke Street, Crows Nest NSW2065
MKTG Sport & Entertainment Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Neodigital Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Oddfellows Dentsu Pty Ltd	Australia	100	502, 249 Pitt Street, Sydney, Australia, NSW, NSW 2000
Oddfellow Holdings Pty Limited	Australia	100	502, 249 Pitt Street, Sydney, Australia, NSW, NSW 2000
Pacbyte Mitchell Pty Ltd	Australia	75	Level 4, 111 Cecil Street, South Melbourne, VIC 3205, Australia
Patterson Partners Adcafe Pty Limited	Australia	51	105 York Street, South Melbourne, VIC 3205, Australia
Picture This! Productions Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Positive Outcomes Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Posterscope Australia Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Rodeo Agency Pty Ltd	Australia	100	Level 1, 129 York Street, South Melbourne, VIC 3205, Australia
Safecom Solutions Pty Limited	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Scorch Pty Ltd	Australia	51	105 York Street, South Melbourne, VIC 3205, Australia
Search Factory Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Search Found Pty Ltd	Australia	51	105 York Street, South Melbourne, VIC 3205, Australia
SMG Studio Pty Ltd	Australia	51	105 York Street, South Melbourne, VIC 3205, Australia
Soap Creative Pty Ltd	Australia	51	105 York Street, South Melbourne, VIC 3205, Australia
Spark P R Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Sputnik Agency Pty Limited	Australia	51	105 York Street, South Melbourne, VIC 3205, Australia
Stadia Media Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Steak PTY Ltd.	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Storylab Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Vivid Group Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Vivid Holdings Australia Pty Ltd	Australia	100	Level 4, 111 Cecil Street, South Melbourne, VIC 3205, Australia
Vizeum Australia Pty Limited	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia; Level 3, 20 Windmill Street, Walsh Bay, NSW 2000, Australia
Web Data Group Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
WiTH Collective Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
WSA Media Buying Pty Ltd	Australia	100	105 York Street, South Melbourne, VIC 3205, Australia
Amnet Central GmbH	Austria	100	Gumpendorfer Strasse 11-13/19, A-1060 Wien, Austria
Carat Austria GmbH	Austria	100	11-13/19, Gumpendorfer Strasse, Wien, A-1060, Austria
Dentsu Aegis Network Austria GmbH	Austria	100	11-13/19, Gumpendorfer Strasse, Wien, A-1060, Austria
iProspect GmbH	Austria	100	11-13/19, Gumpendorfer Strasse, Wien, A-1060, Austria
IQ mobile Kommunikationsdienste Beratungs-, Entwicklungs - und Vertriebs GmbH	Austria	75	Weygrasse 8/11,Wien, 1030, Austria
isobar Werbeagentur GmbH	Austria	100	11-13/19, Gumpendorfer Strasse, Wien, A-1060, Austria
Vizeum Austria Media Service GmbH	Austria	100	11-13/19, Gumpendorfer Strasse, Wien, A-1060, Austria
Amnet Belgium SA	Belgium	100	Rue du Moulin a Papier 55, Bruxelles, 1160, Belgium

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Applescene Creative Concepts BVBA	Belgium	75	49-51, Hanswijckstraat, Mechelen, 2800, Belgium
Carat Belgium SA	Belgium	100	Rue du Moulin a Papier 55, Bruxelles, 1160, Belgium
Clickpoint BVBA	Belgium	75	49-51, Hanswijckstraat, Mechelen, 2800, Belgium
Dentsu Aegis Network Belgium SA	Belgium	100	Rue du Moulin a Papier 55, Bruxelles, 1160, Belgium
iProspect Belgium SA	Belgium	100	Rue du Moulin a Papier 55, Bruxelles, 1160, Belgium
Netsociety Belgium SPRL	Belgium	100	Rue du Moulin a Papier 55, Bruxelles, 1160, Belgium
Posterscope Belgium SA	Belgium	100	Rue du Moulin a Papier 55, Bruxelles, 1160, Belgium
Printix BVBA	Belgium	75	49-51, Hanswijckstraat, Mechelen, 2800, Belgium
V&V Partnership BVBA	Belgium	100	49-51, Hanswijckstraat, Mechelen, 2800, Belgium
Vizeum Belgium SA	Belgium	100	Rue du Moulin a Papier 55, Bruxelles, 1160, Belgium
Agenciaclick - Midia Interativa S.A.	Brazil	100	298, Rua Wisard, 3 andar, Vila Madalena, 05434-000 Sao Paulo/SP, Brazil
Agenciaclick Brasilia Ltda	Brazil	100	Setor Comercial, Norte, Quadra 04, Bloco B, nº 100, Sala 603, Sao Paulo, CEP 05686-002, Brazil
Amnet Servicos de Publicidade Ltda	Brazil	100	298, Rua Wisard, 3 andar, Vila Madalena, 05434-000 Sao Paulo/SP, Brazil
Amplifi Comunicacao E Otimizacao de Midia Ltda	Brazil	100	31, Parte, Alphavile Commercial, Centro, Barueri/SP, CEP 06453-054, Brazil
Big Scotch Midia Interativa Ltda.	Brazil	100	298, Rua Wisard, 3 andar, Vila Madalena, 05434-000 Sao Paulo/SP, Brazil
Copernicus Assessoria em Marketing Ltda.	Brazil	100	298, Rua Wisard, 3 andar, Vila Madalena, 05434-000 Sao Paulo/SP, Brazil
Cosin & Associados Consultoria e Serviços de Informática S.A.	Brazil	100	Alameda jau, 1754, 2 andar, Jardim Paulista, San Paulo, CEP 01420-002, Brazil
DigitalContent Provedor de Conteudo Ltda.	Brazil	100	1310, Rua Visconde do Rio Branco, Loja 01, terreo, Centro, Curitiba, Parana, CEP80420-210, Brazil
iProspect Search & Marketing S.A.	Brazil	100	298, Rua Wisard, 3 andar, Vila Madalena, 05434-000 Sao Paulo/SP, Brazil
Jumptank Servicos de Marketing e Midia Ltda	Brazil	100	298, Rua Wisard, 8 andar, parte, Vila Madalena, Sao Paulo/SP, CEP 05434-000
Mcgarrybowen Brasil Comunicacoes S.A.	Brazil	100	298, Rua Wisard, 3 andar, Vila Madalena, 05434-000 Sao Paulo/SP, Brazil
Minucon Mobile Marketing Ltda	Brazil	100	Rua Lisboa 224, 1 ander, Bairro Jardim America, CEP05413-000, Sao Paulo-SP, Brazil
MKTG Marketing e Promocao de Eventos Ltda	Brazil	100	298, Rua Wisard, 8 andar, parte, Vila Madalena, Sao Paulo/SP, CEP 05434-000
NVG Participacoes S.A.	Brazil	100	298 Rua Wisard, Andar Intermediario Sala 1, Vila Madalena, Sao Paulo/SP-CEP 05434-000, Brazil
Plusmedia Servicos de Marketing Ltda.	Brazil	100	106 Rua Arnaldo Quintela, 2º andar, Botafogo, CEP 22280-070, Rio de Janeiro-RJ, Brazil
Pontomobi Tecnologia Informatica Ltda	Brazil	100	1562, Alameda Franca, Bairro Jardim Paulista, Sao Paulo-SP, CEP 01422-004, Brazil
PPR Profissionais de Publicidade Reúnidos S.A.	Brazil	100	31, Calcadas das Acacias, Centro Commercial Alphaville, Barueri, SP CEP 06453-05, Brazil
wwwins.com Holding Co., Ltd	British Virgin Islands	100	P.O.Box 957, Offshore Incorporations Centre,Road Town, Tortola, British Virgin Islands
Amnet Bulgaria EOOD	Bulgaria	100	26-30, FL.2, Bacho Kiro Str., Sofia, 1000, Bulgaria

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Dentsu Aegis Network Bulgaria OOD	Bulgaria	60	16, Sveta Nedelya Sq., 1000, Sofia, Bulgaria
eCommera EOOD	Bulgaria	100	49B Bulgaria Blvd, 4th floor, Sofia 1404, Bulgaria
Vizeum Bulgaria OOD	Bulgaria	60	16, Sveta Nedelya Sq., 1000, Sofia, Bulgaria
Aegis Media Innov8 Inc.	Canada	100	22, St Clair Avenue East, Toronto, Ontario, M4T253, Canada
AMNET Media Canada, Inc.	Canada	100	400, Suite 250, de Maisonneuve Blvd. W., Montreal, Quebec, H3A 1L4, Canada
Amplifi Media Canada Inc.	Canada	100	116, Suite 600, Spadina Avenue, Toronto, ON, Canada
Carat Canada Inc	Canada	100	400, Suite 250, de Maisonneuve Blvd. W., Montreal, Quebec, H3A 1L4, Canada
Carat Stratégem Inc.	Canada	100	44 Chipman Hill, 10th Floor, St John New Brunswick, E2L 4S6, Canada
Cardinal Path Inc.	Canada	100	503-1060 Howe Street, Vancouver, BC, V6Z 2T1, Canada
Data2Decisions Canada Inc.	Canada	100	116, Suite 600, Spadina Avenue, Toronto, ON, Canada
Dentsu Aegis Network Canada Inc.	Canada	100	400, Suite 250, de Maisonneuve Blvd. W., Montreal, Quebec, H3A 1L4, Canada
Dentsu Media Canada Inc.	Canada	100	276 King St. West, Toronto, Toronto, Canada
Dentsubos Inc.	Canada	100	276 King St. West, Toronto, Toronto, Canada
Grip Limited	Canada	100	179, John St, Toronto, M5T 1XA, Canada
ICUC/iProspect Moderation services, Inc.	Canada	100	1700-666, Burrard Street, Vancouver, Nritisj Columbia, Canada
iProspect Canada Inc.	Canada	100	4200, Suite 701, boul. Saint-Laurent, Montreal, Quebec, H2W2R2, Canada
Isobar Canada, Inc.	Canada	100	400, Suite 250, de Maisonneuve Blvd. W., Montreal, Quebec, H3A 1L4, Canada
S&E Sponsorship Group, Inc.	Canada	100	1, Suite 801, Eglinton Avenue East, Toronto, ON, M4P 3A1, Canada
Synovate Aztec Limited	Canada	51	480, Suite 500, University Avenue, Toronto, ON, M5G 2R4, Canada
Vizeum Canada Inc.	Canada	100	400, Suite 250, de Maisonneuve Blvd. W., Montreal, Quebec, H3A 1L4, Canada
Aegis Media Chile SpA	Chile	100	Alonso de Cordova No. 5870, Aficina 1119, Las Condes, Santiago, Chile
Agencia Veriplan SA	Chile	68	El Bosque Norte 0107, of 22, Las Condes, Santiago, Chile
Carat Chile SA	Chile	95	Av. Presidente Riesco No. 5335, Oficina 402, Las Condes, Santiago, Chile
iProspect Chile SPA	Chile	100	Alonso de Cordova No. 5870, Aficina 1119, Las Condes, Santiago, Chile
Redirect Chile SPA	Chile	100	Alonso de Cordova No. 5870, Aficina 1119, Las Condes, Santiago, Chile
Vizeum Chile SPA	Chile	100	Alonso de Cordova No. 5870, Aficina 1119, Las Condes, Santiago, Chile
Aegis Media Technology Co., LTD.	China	100	Room 337, 7F, 3409 DongFang Road, Shanghai, China
Band Commercial Consulting (Beijing) Co. Ltd	China	100	77 Jianguo, Level 24, Tower 3, China Central Place, Chaoyang District, Beijing, China
Beijing Posterscope Advertising Company Ltd	China	100	Room 1603, Tower A, Oriental Media Center, 4 Guanghua Road, Chao Yang District, Beijing, China
Beijing Vizeum Advertising Co., Limited	China	100	Floor 21, Tower E1, Beijing Oriental Plaza, China

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Beijing Wonderad Advertising Co., Ltd	China	100	Room 1501 Building A Wanda Plaza, 93 Jianguo Road, Chaoyang District, Beijing, China, China
Beijing Xin Lan Shi Ji Advertising Co., Ltd	China	100	No 1509, Block A, 93 Jianguo Road, Chaoyang District, Beijing, China
Bluecom (Shanghai) Solutions Co., Ltd	China	100	Section B, 3rd floor, Building5, No.255 YangZhai Road, Changning District, Shanghai, China
Catch Stone Advertising (Beijing) Co., Ltd	China	100	Room 408-023, 4th Floor, Building no.2 Daliushu Fuhai Centre, Haidian District, Beijing, China
Dentsu Aegis (Shanghai) Investment Co., Ltd.	China	100	650, Ding Xi Road Unit 6236, Shanghai, China
Dentsu Rihai Communications Co., Ltd.	China	100	Room 2003, Floor 20, Tower A,Bd 16 Fenghuan Yuan, Lane 5 West Shu Guang Li, Chaoyang District, Beijing, 100028, China
Dentsu Top Co., Ltd.	China	100	Room 98, Floor 9, 583 Lingling Road, Xuhui District, Shanghai, China
Guangdong Carat Media Services (China) Limited	China	100	Unit 03-06, 27th Floor Guangzhou International Electronic Tower, 403 Huan Shi East Road, Guangzhou, 510095, China
iProspect (Shanghai) Advertising Media Co., Ltd	China	100	Room 1329, Building 2, No 1630 Yecheng Road, Jiading Industrial District, Shanghai 201821, China
John Brown (Shanghai) Company Limited	China	85	1208, Suit G, Floor 3, South Xizang Road, Shanghai, China
Merkle Business Information Consultancy (Nanjing) Company Limited	China	73	12/F Beidou Tower, 6 Huida Road, Nanjing High & New Tech Industry Development Zone, Jiangsu Province, China
Same Same but different Marketing Planning (Shanghai) Limited	China	100	Room E, 11F, No. 55 West Huai Road, Shanghai, China
Shanghai An Ke Ji Tong Advertising Co., Ltd.	China	100	Room 1177 Building 10, No. 500 Shengxin South Road, Jiading District, Shanghai, China
Shanghai Clarity Advertising Co., Ltd	China	100	650, Ding Xi Road Unit 6238, Shanghai, China
Shanghai Dewen Advertising Co., Ltd	China	100	Room D303, Building 2, No.700, South Huangpi Road, Huangpu District, Shanghai, China
Shanghai OMP Advertising Communication Co, Ltd.	China	100	Room 105, No.671 Yuema Village,Gangyan Township, Chongming County, Shanghai, China
Shanghai Verawom Culture Communications Co., Ltd	China	100	650, Ding Xi Road Unit 6237, Shanghai, China
Shanghai VeryStar Internet Science and Technology Co., Ltd	China	60	Room 202, No.5537, Waiqingsong Road, Qingpu District, Shanghai, China
Shanghai WWWINS Marketing Consultancy Co., Ltd	China	100	Room 1608-11, 688 West Nanjing Road, Jing'an District, Shanghai, China
Trio Digital Integrated (Shanghai) Co., Ltd.	China	100	Room 309,311 & 313, Building No.3, 909 Tian Yao Qiao Road, Shanghai 200030, 200030, China
Trust New Voice PR Consultancy Shanghai Company Limited	China	100	Unit 6204-T, Building 6,990 Chang Ping Road, Jing An District, Shanghai, China
Zhihuitong Advertising (Tianjin) Co., Ltd	China	100	No. 1 Aviation Industry Support Center Room 645N27, Tianjin Airport Economic Zone Bao-Hang Road, China
Aegis Media Colombia S.A.S.	Colombia	51	Calle 98, 22-64 Office 616-617, Bogota, Colombia
Carat Colombia S.A.S.	Colombia	51	Calle 98, 22-64 Office 616-617, Bogota, Colombia
iProspect Colombia SAS	Colombia	51	Calle 98, 22-64 Office 616-617, Bogota, Colombia
Vizeum Colombia S.A.S.	Colombia	51	Calle 98, 22-64 Office 616-617, Bogota, Colombia
Dentsu Aegis Network d.o.o.	Croatia	100	57, Ulica Ljudevita Gaja, Zagreb, 10000, Croatia

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Hullbitt Ltd	Cyprus	76	3, Julia House, Themistokli Dervi Street, Nicosia, Cyprus, 1066
Stanville Investments Ltd	Cyprus	76	3, Julia House, Themistokli Dervi Street, Nicosia, Cyprus, 1066
Adexpres.com s.r.o.	Czech Republic	100	Na hrebenech II 1718/8, 14000 Praha 4, Czech Republic
Bistro Social s.r.o.	Czech Republic	100	Na hrebenech II 1718/8, 14000 Praha 4, Czech Republic
Carat Czech Republic s.r.o.	Czech Republic	100	Celetna 594, 116 22 Praha 1, Czech Republic
Dentsu Aegis Network Czech Republic s.r.o.	Czech Republic	100	Celetna 594, 116 22 Praha 1, Czech Republic
Mobile Internet s.r.o.	Czech Republic	100	Na hrebenech II 1718/8, 14000 Praha 4, Czech Republic
Prague Bistro Digital s.r.o.	Czech Republic	100	Na hrebenech II 1718/8, 14000 Praha 4, Czech Republic
Vizeum Czech Republic s.r.o.	Czech Republic	100	Celetna 21, Praha 1, 116 22, Czech Republic
Amnet AS	Denmark	100	Overgaden, Neden, Vandet 7, 1414, Copenhagen K, Denmark
Dentsu Aegis Network AS	Denmark	100	Overgaden, Neden, Vandet 7, 1414, Copenhagen K, Denmark
Isobar Nordics A/S	Denmark	57	Overgaden, Neden, Vandet 7, 1414, Copenhagen K, Denmark
Magnetix A/S	Denmark	57	Meldahlsgade 5, 1613 Copenhagen V, Denmark
Posterscope Denmark AS	Denmark	100	Overgaden, Neden, Vandet 7, 1414, Copenhagen K, Denmark
Aegis Media LLC	Egypt	100	55, Mohamed Mazhar Street, 6th Floor, app 13, Zamalek, Cairo, Egypt
Digital Republic for Advertising and Digital Services S.A.E.	Egypt	51	2, El Malek El Afdal street, Zamalek, Cairo, 11211, Egypt
Dentsu Aegis Network Estonia AS	Estonia	100	Narva mnt 7d, Tallinn, 10117, Estonia
Amnet Oy	Finland	100	2, Etelaesplanadi, Helsinki, 00130, Finland
Carat Finland Oy	Finland	100	2, Etelaesplanadi, Helsinki, 00130, Finland
Dentsu Aegis Network Oy	Finland	100	2, Etelaesplanadi, Helsinki, 00130, Finland
Isobar Finland OY	Finland	57	2, Etelaesplanadi, Helsinki, 00130, Finland
MKTG Finland Oy	Finland	100	2, Etelaesplanadi, Helsinki, 00130, Finland
Vizeum Oy	Finland	100	2, Etelaesplanadi, Helsinki, 00130, Finland
Aegis Finance SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Amnet France SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Carat France SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Connect Factory Travel SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Dentsu Aegis Network France SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Dentsu Expertise & Consulting SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Granit Production SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Gyro France SAS	France	100	20, Rue Mirabeau, Paris, 75016, France
gyroHSR France SARL	France	100	114 Avenue Charles de Gaulle - 8, rue de l'Hotel de Ville - 92200, Neuilly sur Seine, France
iProspect France SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Isobar SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
JH Conseil SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Keneo SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Mcgarrybowen France SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
MKTG France SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Periscopix France SARL	France	73	140, bid rue de Rennes, Paris, 75006, France
Posterscope Contact SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Posterscope France SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Vizeum France SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
Wasabi Analytics SAS	France	100	30 boulevard Bastille - 75012, Paris, France
Zone Franche SAS	France	100	4 Place de Saverne, Coubervoie, Paris la Defense Cedex, 92971, France
ACT Europe GmbH	Germany	100	Kreuzberger Ring 19, Wiesbaden, 65205, Germany
ADMATICS.COM LTD	Germany	100	Alsterufer 3, Hamburg 20354, Germany
Amnet GmbH	Germany	100	Alsterufer 3, Hamburg 20354, Germany
Carat Deutschland GmbH	Germany	100	Kreuzberger Ring 19, Wiesbaden, 65205, Germany
Dentsu Aegis Network Central Europe GmbH	Germany	100	Kreuzberger Ring 19, Wiesbaden, 65205, Germany
Dentsu Aegis Network Central Europe Holding GmbH	Germany	100	Kreuzberger Ring 19, Wiesbaden, 65205, Germany
Dentsu Aegis Network Germany GmbH	Germany	100	Kreuzberger Ring 19, Wiesbaden, 65205, Germany
Dentsu Aegis Network Hamburg GmbH	Germany	100	Alsterufer 3, Hamburg 20354, Germany
Dentsu Aegis Resolutions GmbH	Germany	100	Kreuzberger Ring 19, Wiesbaden, 65205, Germany
Explido Beteiligungs - GmbH	Germany	100	28, Prollstrabe, 86157 Augsburg, Germany
Explido GmbH & Co. KG	Germany	100	28, Prollstrabe, 86157 Augsburg, Germany
Fetch Media GmbH	Germany	100	Invalidenstrasse 112, Berlin, 10115, Germany
Gyro Communications GMBH	Germany	100	Lindwurmstr. 76, Munchen, 80337, Germany
HME - Healthcare Media Europe GmbH	Germany	100	Steinheilstrasse 10, Ismaning b, 85737, Germany
HMS Group Vizeum GmbH	Germany	100	Kreuzberger Ring 19, Wiesbaden, 65205, Germany
Indigo: Werbeagentur GmbH	Germany	100	Johannstrastresse 37, 40476 Dusseldorf, Germany
iProspect GmbH	Germany	100	Kreuzberger Ring 19, Wiesbaden, 65205, Germany
Isobar Germany GmbH	Germany	100	Johannstrastresse 37, 40476 Dusseldorf, Germany
McGarry Bowen GmbH	Germany	100	Alsterufer 3, Hamburg 20354, Germany
MKTG Germany GmbH	Germany	100	Johannstrastresse 37, 40476 Dusseldorf, Germany
MW Office Gesellschaft fuer Marketing und Werbung GmbH	Germany	100	Steinheilstrasse 10, Ismaning b, 85737, Germany
Posterscope Deutschland GmbH	Germany	100	Alsterufer 3, Hamburg 20354, Germany
The Story Lab GmbH	Germany	100	Alsterufer 3, Hamburg 20354, Germany
Vizeum Deutschland GmbH	Germany	100	Kreuzberger Ring 19, Wiesbaden, 65205, Germany

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Dentsu Aegis Network Ghana Limited	Ghana	60	65, Obenesu Crescent, East Cantonments, Accra, Ghana
Posterscope Ghana Limited	Ghana	60	PHC.0050, APAAA STR, LA, Accra, Ghana
Premier Media Company GH Limited	Ghana	60	No.4, Vraac Crabbe Street, Tesano, Village Accra, Ghana
Carat Communications Services SA	Greece	100	392 Messogion Avenue, Agia Paraskevi 15341, Athens, Greece
Carat Horizon Communications Services SA	Greece	100	392 Messogion Avenue, Agia Paraskevi 15341, Athens, Greece
Carat International Hellas Communication Services SA	Greece	100	392 Messogion Avenue, Agia Paraskevi 15341, Athens, Greece
Dentsu Aegis Network Hellas Communication Services SA	Greece	100	392 Messogion Avenue, Agia Paraskevi 15341, Athens, Greece
Isobar - iProspect Advertising Services SA	Greece	80	95, Aristotelous Str., 136 71 Axarnes, Attica, Greece
Aegis Media Hong Kong Limited	Hong Kong	100	27/F, 625 King's Road, Quarry Bay, Hong Kong
Band Limited	Hong Kong	100	Flat/Rm 901, Yip Fung Building, 2-12 D'Aguilat St, Central, Hong Kong, Hong Kong
Bluecom Solutions Limited	Hong Kong	100	25/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
Carat Media Services Hong Kong Limited	Hong Kong	100	27/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
CC&P Advertising Limited	Hong Kong	100	27/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
Darwin Marketing Limited	Hong Kong	100	25/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
Fetch Media Hong Kong Limited	Hong Kong	100	16th Floor, Wing On Centre, 111 Connaught Road, Central Hong Kong, Hong Kong
Gain Concept Advertising Agency Limited	Hong Kong	100	27/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
Great Method Investments Limited	Hong Kong	73	29th Floor, Caroline Centre, Lee Gardens Two, 28 Yun Ping Road, Hong Kong
iProspect Hong Kong Limited	Hong Kong	100	27/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
Isobar Hong Kong Limited	Hong Kong	100	27/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
John Brown Hong Kong Ltd	Hong Kong	85	151, 5/F, Hollywood Road, Central, Hong Kong, Hong Kong
M&J Interactive Limited	Hong Kong	60	25th & 27th Floors, 625 King's Road, Quarry Bay, Hong Kong
New Language PR Consultancy Company Limited	Hong Kong	100	27/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
Posterscope (Hong Kong) Limited	Hong Kong	100	Flat E, 9/F Siu Yee Building,590 Queen's Road West, Hong Kong
Posterscope Advertising Limited	Hong Kong	100	27/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
Same Same Agency Limited	Hong Kong	100	Ft 01-02, 19th Floor Tai Yip Building, 141 Thomson Road, Wanchai, Hong Kong
Same Same but different Limited	Hong Kong	100	Room 1003, 10/F Boss Commercial Centre, No.28 Ferry Street, Kowloon, Hong Kong
Trio Isobar Hong Kong Limited	Hong Kong	100	27/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
Vision Advertising Holding Limited	Hong Kong	100	27/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
Vizeum Hong Kong Limited	Hong Kong	100	27/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
Aegis Hungary Finance Zrt.v.a.	Hungary	100	15-23, Kacsa utca, Budapest, 1027, Hungary
Carat Hungary 21Media Kft.	Hungary	100	15-23, Kacsa utca, Budapest, 1027, Hungary
Dentsu Aegis Network Hungary Media Kft	Hungary	100	15-23, Kacsa utca, Budapest, 1027, Hungary
Isobar Budapest Zrt.	Hungary	100	15-23, Kacsa utca, Budapest, 1027, Hungary

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Posterscope Hungary Kft	Hungary	100	15-23, Kacsa utca, Budapest, 1027, Hungary
Vizeum Hungary Media Kft	Hungary	100	15-23, Kacsa utca, Budapest, 1027, Hungary
Accord Public Relations Private Limited	India	90	S-27, Second Floor, Star City, Mahatta Towers, District Centre, Mayur Vihar Phase-1, Delhi, 110091, India
Amnet Trading India Private Limited	India	100	601, Poonam Chamber B Wing, Dr A B Road Worli, Mumbai, 400 018, India
Carat Media Services India Pvt Ltd	India	100	Poonam Chambers, B-Wing, 6th Floor, Dr. Annie Besant Road, Worli, Mumbai, 400018, India
Contextual Advertising Private Limited	India	100	8th Floor, Devchano House, C Block, Shivsagar Estate,Dr. Annie Besant Road, Worli, Mumbai - 400018, India
Dentsu Aegis Network India Private Limited	India	100	Poonam Chambers, B-Wing, 6th Floor, Dr. Annie Besant Road, Worli, Mumbai, 400018, India
eCommera India Private Limited	India	100	3rd Floor, Al-Monte,Sr., No.8 Hissa 2B & 2C, Hadaspur Kharadi Bypass, Pune 411045, India
Fountainhead Entertainment Private Limited	India	90	New Era Mill Compound, 16 Mogul Lane, Matunga (West), Mumbai, 400016, India
Fractal Ink Design Studio Private Limited	India	90	Shop No. 2, Trishul B, Sindhi Society, Chembur, Mumbai, 400071, India
Happy Creative Services (India) Private Limited	India	90	40, City Centre, CMH Road, Indiranagar, Bangalore, Karnataka, 560038, India
Image Public Relations Private Limited	India	90	S-27, Second Floor, Star City, Mahatta Towers, District Centre, Mayur Vihar Phase-1, Delhi, 110091, India
Imprimis Life PR Private Limited	India	90	S-27, Second Floor, Star City, Mahatta Towers, District Centre, Mayur Vihar Phase-1, Delhi, 110091, India
Iprospect India Private Limited	India	100	8th Floor, Devchano House, C Block, Shivsagar Estate,Dr. Annie Besant Road, Worli, Mumbai - 400018, India
Isobar India Private Limited	India	100	Poonam Chambers, B-Wing, 6th Floor, Dr. Annie Besant Road, Worli, Mumbai, 400018, India
Milestone Brandcom Private Limited	India	51	Unit 5, Peninsula Corporate Park, Tower 1, Wing B,G. K. Marg, Lower Parel (West), Mumbai 400 013, Mumbai, India
Milestone Signage Solutions Private Limited	India	51	Unit 5, Peninsula Corporate Park, Tower 1, Wing B,G. K. Marg, Lower Parel (West), Mumbai 400 013, Mumbai, India
Perfect Relations Private Limited	India	90	S-27, Second Floor, Star City, Mahatta Towers, District Centre, Mayur Vihar Phase-1, Delhi, 110091, India
Posterscope Outdoor Advertising Private Limited	India	100	Poonam Chambers, B-Wing, 6th Floor, Dr. Annie Besant Road, Worli, Mumbai, 400018, India
Storyboard Brandcom Private Limited	India	51	Unit 5, Peninsula Corporate Park, Tower 1, Wing B,G. K. Marg, Lower Parel (West), Mumbai 400 013, Mumbai, India
Ultimedia E-Solutions Private Limited	India	100	8th Floor, Devchano House, C Block, Shivsagar Estate,Dr. Annie Besant Road, Worli, Mumbai - 400018, India
Vizeum Media Services India Private Limited	India	100	Poonam Chambers, B-Wing, 6th Floor, Dr. Annie Besant Road, Worli, Mumbai, 400018, India
WAT Media Pvt. Ltd	India	90	5th & 6th Floor, Apte Properties, Manjrekar Lane, Off. Dr. E Moses Road, Worli, Mumbai, 400018, India
PT. Aegis Media Indonesia	Indonesia	100	Menara Sentraya Level 35, Jl. Iskandarsyah Raya no. 1A, Kebayoran Baru, South Jakarta, 12160, Indonesia
Amnet Ireland Ltd	Ireland	100	16a, The Crescent, Monkstown, Dublin 1, Ireland
Dentsu Aegis Network Ireland Holdings Limited	Ireland	100	16a, The Crescent, Monkstown, Dublin 1, Ireland
Dentsu Aegis Network Ireland Limited	Ireland	100	16a, The Crescent, Monkstown, Dublin 1, Ireland
Lucidity Technologies Limited	Ireland	100	16a, The Crescent, Monkstown, Dublin 1, Ireland
Poster Audit Bureau Ltd	Ireland	100	Unit 4, Harmony Court, Harmony Row, Dublin 2, Ireland
Poster Management Ireland Ltd	Ireland	100	Unit 4, Harmony Court, Harmony Row, Dublin 2, Ireland
Posterscope Ireland Limited	Ireland	100	16a, The Crescent, Monkstown, Dublin 1, Ireland

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Source out of Home Ltd (Ireland)	Ireland	100	Unit 4, Harmony Court, Harmony Row, Dublin 2, Ireland
Abagada Internet Ltd	Israel	100	21B, Habarzel St, Tel Aviv, Israel
Dentsu Aegis Network Israel Ltd	Israel	100	21B, Habarzel St, Tel Aviv, Israel
Amnet Italia S.r.l.	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
Amplifi Italia srl	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
Carat Italia SPA	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
carat luxury s.r.l.	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
Deepblue Srl	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
Dentsu Aegis Network Italia spa	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
Dentsu Media srl	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
Innov8 Italia srl	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
IProspect S.r.l.	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
Isobar Communications S.R.L.	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
Posterscope Italia S.r.l.	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
PS Live Italia S.r.l.	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
Simple Agency S.r.l.	Italy	70	Via R. Bracco, Milano, NR 6-20159, Italy
Vizeum S.P.A.	Italy	100	Via R. Bracco, Milano, NR 6-20159, Italy
John Brown Japan Ltd	Japan	85	c/o TA Lawyers GKJ, Shiroyama Trust Tower 15F, Toranomon 4-3-1, Minato-Ku, Tokyo, Japan
Dentsu Aegis Network Central Asia/CA LLP	Kazakhstan	58	Al-Farabi Avenue, Bldg.95, Office 115,116, Bostandyk District, Almaty, 050060, Kazakhstan
Dentsu Aegis Network Kazakhstan LLP	Kazakhstan	58	Al-Farabi Avenue, Bldg.95, Office 115,116, Bostandyk District, Almaty, 050060, Kazakhstan
Quattro Media Advertising LLP	Kazakhstan	58	Al-Farabi Avenue, Bldg.95, Office 115,116, Bostandyk District, Almaty, 050060, Kazakhstan
TFF-Central Asia/CA LLP	Kazakhstan	58	Al-Farabi Avenue, Bldg.95, Office 115,116, Bostandyk District, Almaty, 050060, Kazakhstan
Dentsu Aegis Network Kenya Limited	Kenya	100	Office 2, Fifth Floor, Jadala Place, L.R No. 209/409/7, Ngong Lane off Ngong Road, PO Box 36989-00200, Nairobi, Kenya
Isobar Kenya Limited	Kenya	51	Office 2, Fifth Floor, Jadala Place, L.R No. 209/409/7, Ngong Lane off Ngong Road, PO Box 36989-00200, Nairobi, Kenya
Posterscope East Africa Limited	Kenya	80	6th Floor Jadala Place, Ngong Road, PO Box 36989 - 00200, Nairobi, Kenya
Carat Korea Co., Ltd	Korea, Republic of	100	9th Floor, JS Tower,144-19 Samseong-dong, Gangnam-gu, Seoul, Korea, Republic of
Isobar Korea Ltd	Korea, Republic of	100	9th Floor, JS Tower,144-19 Samseong-dong, Gangnam-gu, Seoul, Korea, Republic of
Vizeum Korea Co., Ltd	Korea, Republic of	100	9th Floor, JS Tower, 6 Teheran-ro 79-gil, Gangnam-gu, Seoul, Korea, Republic of
Dentsu Aegis Netweork Latvia AS	Latvia	100	214b, Brivibas, Riga, Latvia, LV 1039, Latvia
Carat Middle East SARL	Lebanon	95	Zakhem Building, Kalaa Street, Sin El Fil, Beirut, Lebanon
iProspect UAB	Lithuania	100	A.Gostauto g. 40B, Vilnius, Lithuania
UAB Carat	Lithuania	100	A. Gostauto g. 4-1,Vilnius, Lithuania
UAB Vizeum	Lithuania	100	A.Gostauto g. 40B, Vilnius, Lithuania
Portman Square Luxembourg S.a.r.l.	Luxembourg	100	6C, Rue Gabriel Lippmann, L-5365 MunsbachLuxembourg, RCS Luxembourg, B123920

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Aegis Media Malaysia Sdn Bhd	Malaysia	100	No.9-2B, Jalan PJU 1/D, Sunwaymas Commercial Centre, 47301 Petaling Jaya, Selangor, Malaysia
Brandscope Malaysia Sdn Bhd	Malaysia	100	B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, Petaling Jaya, 47301, Malaysia
Carat Media Services (M) Sdn Bhd	Malaysia	100	B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, Petaling Jaya, 47301, Malaysia
Consider Digital Sdn Bhd	Malaysia	51	Block J-3A-16, Solaris Mont Kiara (SOHO KL), Jalan Solaris, Mont' Kiara, Kuala Lumpur, 50480, Malaysia
DAN Empower Malaysia Sdn Bhd	Malaysia	100	No.9-2B, Jalan PJU 1/D, Sunwaymas Commercial Centre, 47301 Petaling Jaya, Selangor, Malaysia
IF Interactive Sdn Bhd	Malaysia	70	B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, Petaling Jaya, 47301, Malaysia
IPROSPECT Malaysia Sdn Bhd	Malaysia	100	B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, Petaling Jaya, 47301, Malaysia
Jumptank Malaysia Sdn Bhd	Malaysia	100	B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, Petaling Jaya, 47301, Malaysia
Merdeka LHS Sdn Bhd	Malaysia	100	42B, Jalan SS 6/8, Kelan Jaya, 47301 Ptaling Jaya, Selangor, Malaysia
Meridian Outdoor (M) Sdn Bhd	Malaysia	100	No.9-2B, Jalan PJU 1/D, Sunwaymas Commercial Centre, 47301 Petaling Jaya, Selangor, Malaysia
Posterscope Sdn Bhd	Malaysia	100	B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, Petaling Jaya, 47301, Malaysia
psLIVE Malaysia Sdn Bhd	Malaysia	100	B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, Petaling Jaya, 47301, Malaysia
Unity Communications Malaysia Sdn Bhd	Malaysia	100	No.9-2B, Jalan PJU 1/D, Sunwaymas Commercial Centre, 47301 Petaling Jaya, Selangor, Malaysia
Vizeum Media Services (M) Sdn Bhd	Malaysia	100	B-13-15, Level 13, Menara Prima Tower B, Jalan PJU 1/39, Dataran Prima, Petaling Jaya, 47301, Malaysia
AM Network Group Mexico, S.A. de C.V.	Mexico	100	440, 11th Floor, Avenida Santa Fe, Santa Fe Cuajimalpa, Mexico City, Mexico
Arrechedera y Claverol, S.A. de C.V.	Mexico	100	Palmas 1930, Lomas de Chapultepec I Section, Miguel Hidalgo, Mexico City, Mexico
Carat Mexicana S.A. de C.V.	Mexico	100	440, 11th Floor, Avenida Santa Fe, Santa Fe Cuajimalpa, Mexico City, Mexico
Control Media Region Norte, S.A. de C.V.	Mexico	100	440, 11th Floor, Avenida Santa Fe, Santa Fe Cuajimalpa, Mexico City, Mexico
Flock Advertising Mexico, S.A.P.I. de C.V.	Mexico	100	13, Vicentre Suarex, Condesa, Cuauhtemoc, Mexico City, Mexico
Mercadotecnia en Buscadores, S.A. de C.V.	Mexico	100	440, 11th Floor, Avenida Santa Fe, Santa Fe Cuajimalpa, Mexico City, Mexico
Vizeum de Mexico, S.A. de C.V.	Mexico	100	440, 11th Floor, Avenida Santa Fe, Santa Fe Cuajimalpa, Mexico City, Mexico
Dentsu Aegis Network Morocco	Morocco	100	5th Floor, Residence La Tourette, 5 Angle Bd, Zerktouni et rue de Geneve, Casablanca, MAROC, Morocco
Achtung! B.V.	Netherlands	100	Prins Hendrikkade 20 2 hg, 1012 TL Amsterdam, Netherlands
Aegis International Holding Company BV	Netherlands	100	Moermanskkade 85, Amsterdam, 1013 BC, Netherlands
Aegis Trademarks BV	Netherlands	100	Moermanskkade 85, Amsterdam, 1013 BC, Netherlands
Amnet Nederland B.V.	Netherlands	100	Moermanskkade 85, Amsterdam, 1013 BC, Netherlands
Carat Nederland BV	Netherlands	100	Moermanskkade 93, 1013 BC, Amsterdam, Netherlands
Dentsu Aegis Network Netherlands BV	Netherlands	100	Moermanskkade 85, Amsterdam, 1013 BC, Netherlands
Dentsu Holdings CIS B.V.	Netherlands	76	Moermanskkade 85, Amsterdam, 1013 BC, Netherlands
Group Carat (Nederland) BV	Netherlands	100	Moermanskkade 85, Amsterdam, 1013 BC, Netherlands
Gyro Benelux B.V.	Netherlands	100	Peperstraat 7, 1011 TJ, Amsterdam, Netherlands

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
iProspect Nederland BV	Netherlands	100	Moermanskkade 91, 1013 BC Amsterdam, Netherlands
Isobar Nederland BV	Netherlands	100	Moermanskkade 89, 1013 BC, Amsterdam, Netherlands
Kobalt Media Nederland BV	Netherlands	100	Moermanskkade 83, 1013 BC, Amsterdam, Netherlands
Media Embassy BV	Netherlands	100	Moermanskkade 81, 1013 BC, Amsterdam, Netherlands
Newworld Nederland BV	Netherlands	100	12, Afrikalaan, 5232BD's - Hertogenbosch, Netherlands
Vizeum Netherlands BV	Netherlands	100	Moermanskkade 87, 1013 BC, Amsterdam, Netherlands
Aegis Media New Zealand Limited	New Zealand	100	165, Level 4, The Strand, Parnell, New Zealand
Amnet Limited	New Zealand	100	165, Level 4, The Strand, Parnell, New Zealand
Apollo Marketing Group Limited	New Zealand	100	155 The Strand, Parnell, Auckland, New Zealand
Apollo Marketing Limited	New Zealand	100	Deloitte Touche Tohmatsu, Deloitte House, 8 Nelson Street, Auckland, New Zealand
Barnes, Catmur and Friends Limited	New Zealand	51	6/5, High Street, Auckland 1010, New Zealand
Carat New Zealand Limited	New Zealand	100	Level 4, 155 The Strand, Parnell, Auckland, New Zealand
Dentsu Aegis New Zealand Limited	New Zealand	100	165, Level 4, The Strand, Parnell, New Zealand
iProspect New Zealand Limited	New Zealand	100	Pirrit Ca, 15 Farnham Street, Parnell, Auckland, New Zealand
Isobar New Zealand Limited	New Zealand	100	165, Level 4, The Strand, Parnell, New Zealand
Mitchell & Partners Ltd	New Zealand	100	165, Level 4, The Strand, Parnell, New Zealand
Synergy Brand Experience Limited	New Zealand	100	Level 4, 155 The Strand, Parnell, Auckland, New Zealand
Vizeum NZ Ltd	New Zealand	100	165, Level 4, The Strand, Parnell, New Zealand
Amnet Norge AS	Norway	100	Pilestredet 8, Oslo, 0180, Norway
Carat Norge AS	Norway	100	Pilestredet 8, Oslo, 0180, Norway
Dentsu Aegis Network Norge AS	Norway	100	Pilestredet 8, Oslo, 0180, Norway
iProspect AS	Norway	100	Pilestredet 8, Oslo, 0180, Norway
Isobar Norway AS	Norway	100	Pilestredet 8, Oslo, 0180, Norway
MKTG Norge AS	Norway	100	Pilestredet 8, Oslo, 0180, Norway
Vizeum Norge AS	Norway	100	Pilestredet 8, Oslo, 0180, Norway
Aegis Media Group Philippines, Inc.	Philippines	51	United Life Building, 837 Antonio Arnaiz Avenue, Bgy. San Lorenzo, 1223 Makati City, Philippines
Aegis Media Myco Services, Inc	Philippines	51	United Life Building, 837 Antonio Arnaiz Avenue, Bgy. San Lorenzo, 1223 Makati City, Philippines
Alt:Engine Digital Consultancy Inc	Philippines	100	United Life Building, 837 Antonio Arnaiz Avenue, Bgy. San Lorenzo, 1223 Makati City, Philippines
ASPAC Creative Communications Inc.	Philippines	100	United Life Building, 837 Antonio Arnaiz Avenue, Bgy. San Lorenzo, 1223 Makati City, Philippines
Carat Philippines, Inc	Philippines	51	United Life Building, 837 Antonio Arnaiz Avenue, Bgy. San Lorenzo, 1223 Makati City, Philippines
HLLRD Holdings, Inc	Philippines	51	United Life Building, 837 Antonio Arnaiz Avenue, Bgy. San Lorenzo, 1223 Makati City, Philippines
Mediaforce Vizeum, Inc	Philippines	51	United Life Building, 837 Antonio Arnaiz Avenue, Bgy. San Lorenzo, 1223 Makati City, Philippines
Shuriken Creatives, Inc.	Philippines	70	United Life Building, 837 Antonio Arnaiz Avenue, Bgy. San Lorenzo, 1223 Makati City, Philippines
STB Out of Home Inc.	Philippines	51	United Life Building, 837 Antonio Arnaiz Avenue, Bgy. San Lorenzo, 1223 Makati City, Philippines

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Topdown Holdings, Inc	Philippines	30	United Life Building, 837 Antonio Arnaiz Avenue, Bgy. San Lorenzo, 1223 Makati City, Philippines
Amnet Polska sp.z.o.o.	Poland	100	12, Czerska Street, Warszawa, 00-732, Poland
Carat Polska Sp. z.o.o.	Poland	100	12, Czerska Street, Warszawa, 00-732, Poland
Dentsu Aegis Network Polska Sp.z.o.o	Poland	100	12, Czerska Street, Warszawa, 00-732, Poland
Hypermedia Sp. z.o.o.	Poland	100	12, Czerska Street, Warszawa, 00-732, Poland
IProspect Polska SP. z o.o.	Poland	100	12, Czerska Street, Warszawa, 00-732, Poland
Isobar Polska Sp.zo.o	Poland	100	12, Czerska Street, Warszawa, 00-732, Poland
M20 Sp.Zo.o	Poland	100	12, Czerska Street, Warszawa, 00-732, Poland
Posterscope Polska S.A.	Poland	100	12, Czerska Street, Warszawa, 00-732, Poland
Socialformance Sp.Zo.o	Poland	100	12, Czerska Street, Warszawa, 00-732, Poland
Socializer S.A.	Poland	100	12, Czerska Street, Warszawa, 00-732, Poland
Vizeum Polska Sp. z.o.o.	Poland	100	12, Czerska Street, Warszawa, 00-732, Poland
Carat Portugal Communicacao, Unipessoal Lda.	Portugal	100	R. Gen. Firmino Miguel, 3 - 6, 1600-100 Lisboa, Portugal
Dentsu Aegis Network Portugal, Unipessoal Lda.	Portugal	100	R. Gen. Firmino Miguel, 3 - 6, 1600-100 Lisboa, Portugal
View - Design e Consultoria de Comunicacao	Portugal	88	R. Gen. Firmino Miguel, 3 - 6, 1600-100 Lisboa, Portugal
Vizeum Portugal - Publicidade e Comunicacao Unipessoal Lda	Portugal	100	R. Gen. Firmino Miguel, 3 - 6, 1600-100 Lisboa, Portugal
Dentsu Aegis Network Doha - LLC	Qatar	100	708, 7th Floor, Salant Glibex Business Centre, The Gate Tower 2, Doha, Qatar
Carat Romania S.R.L.	Romania	100	11, Grigore Mara Street, 2nd floor, bureau 3, Bucharest, Romania
Dentsu Aegis Network Romania SRL	Romania	100	11, Grigore Mara Street, 2nd floor, bureau 3, Bucharest, Romania
Kinecto International S.R.L.	Romania	100	11, Grigore Mara Street, 2nd floor, bureau 3, Bucharest, Romania
Vizeum Romania S.R.L.	Romania	100	11, Grigore Mara Street, 2nd floor, bureau 3, Bucharest, Romania
Ad O'Clock LLC	Russian Federation	76	8, Valovaya Street, bld 1, Moscow, 115054, Russian Federation
Adwatch Agency OOO	Russian Federation	76	Presnenskaya Embankment, 6, bld. 2, 123317, Moscow, Russian Federation
Amnet OOO	Russian Federation	76	Presnenskaya Embankment, 6, bld. 2, 123317, Moscow, Russian Federation
Carat-Russ Media LLC	Russian Federation	76	building1, 3A Zvezdniy Boulevard, Moacow, Russian Federation
Dentsu Aegis Central Services OOO	Russian Federation	76	Syromyatnicheskyi pr. 4,building 2, Moscow, Russian Federation
Dentsu Aegis Digital OOO	Russian Federation	76	Presnenskaya Embankment, 6, bld. 2, 123317, Moscow, Russian Federation
Dentsu Aegis LLC	Russian Federation	76	Syromyatnicheskyi pr. 4,building 2, Moscow, Russian Federation
Dentsu New Ideas Limited Liability Company	Russian Federation	76	Osenyaya street 11, Moscow, Moscow, Russian Federation
Dentsu-Smart Limited Liability Company	Russian Federation	76	Osenyaya street 11, Moscow, Moscow, Russian Federation
iProspect OOO	Russian Federation	76	Presnenskaya Embankment, 6, bld. 2, 123317, Moscow, Russian Federation
Posterscope OOO	Russian Federation	76	Presnenskaya Embankment, 6, bld. 2, 123317, Moscow, Russian Federation
Traffic Agency LLC	Russian Federation	76	h.41,Office 429, St Komsomola, St Petersburg, 195009, Russian Federation

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Vizeum 000	Russian Federation	76	Syromyatnicheskyi pr. 4,building 2, Moscow, Russian Federation
Aegis Media Asia Pacific Digital Pte Ltd	Singapore	100	1 Raffles Place #28-61, One Raffles Place Tower 2, 048616, Singapore
Aegis Media Asia Pacific Pte Ltd	Singapore	100	1 Raffles Place #28-61, One Raffles Place Tower 2, 048616, Singapore
Amnet South East Asia Pte Ltd	Singapore	100	1 Raffles Place, #29-61 One Raffles Place Tower 2, Singapore 048616, 048616, Singapore
Band Pte Ltd	Singapore	100	10 Raeburn Park #02-10, Singapore, 088702, Singapore
Bluecom Solutions Pte. Ltd.	Singapore	100	10 COLLYER QUAY, #40-91 OCEAN FINANCIAL CENTRE, 049315, Singapore
Carat Media Services Singapore Pte Ltd	Singapore	100	1 Raffles Place #28-61, One Raffles Place Tower 2, 048616, Singapore
Dentsu Aegis Network Asia Pacific Pte Ltd	Singapore	100	1 Raffles Place #28-61, One Raffles Place Tower 2, 048616, Singapore
Dentsu Aegis Network Singapore Holdings Pte Ltd	Singapore	100	1 Raffles Place #28-61, One Raffles Place Tower 2, 048616, Singapore
Dentsu Asia Pte. Ltd.	Singapore	100	77 Robinson Road #24-01 Robinson 77, Singapore, 068896, Singapore
Dentsu Mobius Media Pte Ltd	Singapore	100	77 Robinson Road #24-01 Robinson 77, Singapore, 068896, Singapore
Dentsu Singapore Pte. Ltd.	Singapore	100	77 Robinson Road, #25-00 Robinson 77, Singapore, Singapore
Gyro Communications PTE. LTD.	Singapore	100	One Marina Boulevard #28-00, Singapore, Singapore
iProspect	Singapore	100	1 Raffles Place #28-61, One Raffles Place Tower 2, 048616, Singapore
Mofuro Pte Ltd	Singapore	70	1 Raffles Place #29-61 One Raffles Place Tower 2, Singapore, Singapore 04861
Posterscope (South East Asia) Pte Ltd	Singapore	100	1 Raffles Place #28-61, One Raffles Place Tower 2, 048616, Singapore
The Upper Storey Pte Ltd	Singapore	70	1 Raffles Place #29-61 One Raffles Place Tower 2, Singapore, Singapore 04861
Vizeum Singapore Pte Ltd	Singapore	100	1 Raffles Place #28-61, One Raffles Place Tower 2, 048616, Singapore
Vizeum Taiwan Pte Ltd	Singapore	100	1 Raffles Place #28-61, One Raffles Place Tower 2, 048616, Singapore
Amnet Slovakia, s.r.o.	Slovakia	100	Teslova 20, Bratislava 25, 82005, Czech Republic
Carat - Slovakia, s.r.o.	Slovakia	100	Teslova 20, Bratislava 25, 82005, Czech Republic
Dentsu Aegis Network Slovakia, s.r.o.	Slovakia	100	Taslova 20, 82102 Bratislava, Slovakia
Vizeum Slovakia, s.r.o.	Slovakia	100	Teslova 20, Bratislava 25, 82005, Czech Republic
Aegis Media Central Services (Pty) Ltd	South Africa	87	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Aegis Media South Africa (Pty) Ltd	South Africa	87	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Carat Media South Africa (Pty) Ltd	South Africa	87	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Clickthinking Online (Pty) Ltd	South Africa	87	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Crimson Room Communication (Pty) Ltd	South Africa	52	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Dentsu Aegis Amnet SSA (Pty) Ltd	South Africa	87	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Full Circle Media (Pty) Ltd	South Africa	87	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
John Brown South Africa (Pty) Limited	South Africa	87	B4 Century Square, Heron Crescent, Century City, 7441, South Africa
MEC Carat (Pty) Ltd	South Africa	87	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Posterscope (Pty) Ltd	South Africa	87	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Rapid Media Outdoor Services (Pty) Ltd	South Africa	87	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Trigger Communication Consulting (Pty) Ltd	South Africa	87	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Vizeum Media South Africa (Pty) Ltd	South Africa	87	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Actividades De Ocio Y Educacion, S.L.	Spain	51	Calle Alfarería 2. Pol. Ind. Los Rosales., 28933 Móstoñes, Madrid, Spain
Amnet Spain S.L.	Spain	100	Gta. del Mar Caribe nº 1 - Avda., Piceas 26., "Edificio Tucumán", 28043 MADRID, Spain
Carat España, S.A.U.	Spain	100	Gta. del Mar Caribe nº 1 - Avda., Piceas 26., "Edificio Tucumán", 28043 MADRID, Spain
Carat International Media Services, S.A.	Spain	100	Gta. del Mar Caribe nº 1 - Avda., Piceas 26., "Edificio Tucumán", 28043 MADRID, Spain
Codrus III, S.L.	Spain	69	Calle Camino Nuevo 53, 1 A Alcobendas, Spain
Comet Solutions Consulting S.L.	Spain	73	Av Diagonal 177- 183 Piso 7, Barcelona, 08018, Spain
Dentsu Aegis Network Iberia S.L.U.	Spain	100	Gta. del Mar Caribe nº 1 - Avda., Piceas 26., "Edificio Tucumán", 28043 MADRID, Spain
Gyro Spain, S.L.	Spain	100	Numero 39, de la calle Cristobal Bordiu, No 22, Madrid, Spain
Inteligencia Y Media S.A.	Spain	80	Paseo de la Castellana, 83-85, 9a, Madrid, Spain
Inteligencia Yperform S.L.	Spain	80	Paseo de la Castellana, 83-85, 9a, Madrid, Spain
Mediasal 2000 S.A.	Spain	70	Calle Elcano, 9 - 3ºB, Bilbao, CP48008, Spain
Naturglobal Imagen, S.L.	Spain	51	Puerto de Navacerrada, 33, 28935 Móstoles, Madrid, Spain
NetThink Iberia S.L.U	Spain	100	Gta. del Mar Caribe nº 1 - Avda., Piceas 26., "Edificio Tucumán", 28043 MADRID, Spain
Netthink North S.A.	Spain	68	Calle Elcano, 9 - 3ºB, Bilbao, CP48008, Spain
Posterscope Iberia S.A.U.	Spain	100	Gta. del Mar Caribe nº 1 - Avda., Piceas 26., "Edificio Tucumán", 28043 MADRID, Spain
RPM Racing, S.L.	Spain	100	8-10, calle Gran Via, P.6, L'Hospitalet de Llobregat, Barcelona, 08902, Spain
Tuentizri III, S.L.	Spain	69	Plaza Alcade Moreno Torres 1, Portal J, 6 A, Madrid, Spain
Vizeum Iberia, S.A.U.	Spain	100	Gta. del Mar Caribe nº 1 - Avda., Piceas 26., "Edificio Tucumán", 28043 MADRID, Spain
Wink Transforming Through Digital S.L.	Spain	84	Paseo de la Castellana, 83-85, 9a, Madrid, Spain
Amnet Sverige AB	Sweden	100	108, Asogatan, Stockholm, 118 29
Carat Sverige AB	Sweden	100	Box 4125, Stockholm, 102 63, Sweden
Dentsu Aegis Network Nordic AB	Sweden	100	Box 4125, Stockholm, 102 63, Sweden
Dentsu Aegis Network Sverige AB	Sweden	100	Box 4125, Stockholm, 102 63, Sweden
iProspect AB	Sweden	100	108, Asogatan, Stockholm, 118 29
Isobar Sweden AB	Sweden	57	108, Asogatan, Stockholm, 118 29
MKTG Sverige AB	Sweden	100	108, Asogatan, Stockholm, 118 29
Posterscope Sverige AB	Sweden	100	Box 4194, Stockholm, 102 64, Sweden
Vizeum Sverige AB	Sweden	100	Box 11940, Goteborg, 404 39, Sweden

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Carat Switzerland AG	Switzerland	100	Kanzleistrasse 57, Zurich, 8004, Switzerland
Dentsu Aegis Network Switzerland AG	Switzerland	100	Kanzleistrasse 57, Zurich, 8004, Switzerland
iProspect Switzerland AG	Switzerland	100	Kanzleistrasse 57, Zurich, 8004, Switzerland
Vizeum Switzerland AG	Switzerland	100	Kanzleistrasse 57, Zurich, 8004, Switzerland
AAA Media Ltd	Taiwan	100	5th Floor, No 132, Sec 3, Ming Sheng East Road, Taipei, Taiwan
Amnet Taiwan Ltd.	Taiwan	100	5th Floor, No 132, Sec 3, Ming Sheng East Road, Taipei, Taiwan
Carat Media Taiwan Ltd	Taiwan	100	8th Floor, No 138 Sec 3,Ming Sheng East Road, Taipei, Taiwan
iProspect Taiwan Ltd	Taiwan	100	13th Floor, No 132, Sec 3,Ming Sheng East Road, Taipei, Taiwan
Isobar Taiwan Co., Ltd	Taiwan	100	5th Floor, No 138, Sec 3,Ming Sheng E. Road, Taipei 105, Taiwan
Posterscope International Co., Ltd	Taiwan	100	5th Floor, No 132, Sec 3,Ming Sheng East Road, Taipei, Taiwan
Vizeum Taiwan Co Ltd	Taiwan	100	13th Floor, No 132, Sec 3,Ming Sheng East Road, Taipei, Taiwan
WIS Performance Media Inc.	Taiwan	100	6F, 337, Fuxing N. Road, Taipei City, Taiwan
Dentsu Aegis Network Tanzania Limited	Tanzania	100	Plot 1736, Khama Court, Khama Road, Masaki, Dar Es Salaam, Tanzania
Posterscope Tanzania Limited	Tanzania	100	Plot 174, Ruhinde Street, Ada Estate Street, Dar Es Salaam, Tanzania
Aegis Media (Thailand) Ltd	Thailand	83	968, U Chu Liang Building, 22nd Floor, Rama IV Rd, Silom, Bangrak, Bangkok, 10500, Thailand
Carat (Thailand) Co., Ltd	Thailand	100	968 U Chu Liang Bldg., 36th Floor, Rama IV Rd., Silom, Bangrak,Bangkok, 10500, Thailand
Digithais Interactive Co., Ltd	Thailand	94	968 U Chu Liang Bldg., 33rd Floor, Rama IV Rd., Silom, Bangrak,Bangkok, 10500, Thailand
Flexmedia Co., Ltd.	Thailand	51	1016 4th Floor, Sri Feung Fung Bldg, Rama IV Rd.,Silom, Bangrak, BANGKOK, THAILAND, 10500
iProspect (Thailand) Co., Ltd	Thailand	83	968 U Chu Liang Bldg., 33rd Floor, Rama IV Rd., Silom, Bangrak,Bangkok, 10500, Thailand
Isobar (Thailand) Co., Ltd	Thailand	92	968 U Chu Liang Bldg., 33rd Floor, Rama IV Rd., Silom, Bangrak,Bangkok, 10500, Thailand
Posterscope (Thailand) Co., Ltd	Thailand	83	968 U Chu Liang Bldg., 33rd Floor, Rama IV Rd., Silom, Bangrak,Bangkok, 10500, Thailand
Vizeum (Thailand) Co., Ltd	Thailand	92	968 U Chu Liang Bldg., 33rd Floor, Rama IV Rd., Silom, Bangrak,Bangkok, 10500, Thailand
Carat Tunisia SA	Tunisia	51	6 ave abderrahman, Azzem, belvedere, Tunis, 1002, Tunisia
Amnet Reklamcilik ve Medya Iletisim Hizmetleri Tic. Ltd Sti	Turkey	100	No. 9, K: 17, Elmadağ, Süzer Plaza, Askerocağı Cad., Sisli, Istanbul, 34367, Turkey, Europe
Carat Medya ve Iletisim Hizmetleri A.S.	Turkey	100	No. 9, K: 17, Elmadağ, Süzer Plaza, Askerocağı Cad., Sisli, Istanbul, 34367, Turkey, Europe
Dentsu Aegis Network Turkey Medya Hizmetleri Ltd Sti	Turkey	100	Cad.No 9, K: 18, Elmadağ Süzer Plaza, Askerocağı, Sisli, Istanbul, 34367, Turkey, Europe
iProspect Reklamcilik Pazarlama Ve Bilsim Hizmetleri Sti.	Turkey	100	Cad.No 9, K: 18, Elmadağ Süzer Plaza, Askerocağı, Sisli, Istanbul, 34367, Turkey, Europe
Posterscope Medya Reklamcilik Ve Iletisim Hizmetleri Limited Sirketi	Turkey	100	Cad.No 9, K: 18, Elmadağ Süzer Plaza, Askerocağı, Sisli, Istanbul, 34367, Turkey, Europe
Vizeum Medya Ve Iletisim Hiz A.S.	Turkey	100	Cad.No 9, K: 18, Elmadağ Süzer Plaza, Askerocağı, Sisli, Istanbul, 34367, Turkey, Europe
DAN Uganda Limited	Uganda	100	5th Floor, Rwenzori Towers, Nakasero Road, Kampala, Uganda
Posterscope Uganda Limited	Uganda	100	5th Floor, Rwenzori Towers, Nakasero Road, Kampala, Uganda

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Amnet Mena FZ-LLC	United Arab Emirates	100	Loft Office 3, Entrance B ,Rm.406, Dubai Media City, P.O. Box 502733, Dubai, United Arab Emirates
Carat Middle East FZ LLC	United Arab Emirates	100	Loft Office 3, Entrance B ,Rm.406, Dubai Media City, P.O. Box 502733, Dubai, United Arab Emirates
Dentsu Aegis Network FZ-LLC	United Arab Emirates	100	Loft Office 3, Entrance B ,Rm.406, Dubai Media City, P.O. Box 502733, Dubai, United Arab Emirates
Gyro International FZ-LLC	United Arab Emirates	100	1204, Business Central Towers (A), Dubai Media City, Dubai, United Arab Emirates
iProspect FZ LLC	United Arab Emirates	100	Loft Office 3, Entrance B ,Rm.406, Dubai Media City, P.O. Box 502733, Dubai, United Arab Emirates
Isobar FZ LLC	United Arab Emirates	100	Loft Office 3, Entrance B ,Rm.406, Dubai Media City, P.O. Box 502733, Dubai, United Arab Emirates
Posterscope FZ LLC	United Arab Emirates	100	Loft Office 3, Entrance B ,Rm.406, Dubai Media City, P.O. Box 502733, Dubai, United Arab Emirates
Vizeum FZ LLC	United Arab Emirates	100	Loft Office 3, Entrance B ,Rm.406, Dubai Media City, P.O. Box 502733, Dubai, United Arab Emirates
ACT EMEA Ltd	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Europe Finance (Alpha) Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Europe Finance Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Group Participations Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis International (Administration) Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis International Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Media Global Brand Management Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Aegis Media Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Alban Communications Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Amnet Limited - UK	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Amnet Manchester Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Amplifi Global Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Avid Media Limited	United Kingdom	51	10, Triton Street, Regent's Place, London, NW1 3BF, England
Carat Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Carat Media Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Citrus Holdings Limited	United Kingdom	85	10, Triton Street, Regent's Place, London, NW1 3BF, England
Citrus Publishing Limited	United Kingdom	85	10, Triton Street, Regent's Place, London, NW1 3BF, England
Clownfish Marketing Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Comet Solutions Holdings Ltd	United Kingdom	73	ARC House, 82 Tanner Street, London, SE1 3GP, England
Comet Solutions Limited	United Kingdom	73	ARC House, 82 Tanner Street, London, SE1 3GP, England
D 2 D Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
DAN Regents Place Finance Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
DBG One Limited	United Kingdom	73	Colston Tower, Colston Street, Bristol, BS1 4UH, England
Dentsu Aegis Edinburgh Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Dentsu Aegis Leeds Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Dentsu Aegis London Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Dentsu Aegis Manchester Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Diffiniti UK Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Ecommera Global Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
e-Commera Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Feather Brooksbank (No.2) Limited	United Kingdom	100	32, Raeburn House, York Place, Edinburgh, United Kingdom
Feather Brooksbank Limited	United Kingdom	100	32, Raeburn House, York Place, Edinburgh, United Kingdom
Glue London Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Gravity Europe Ltd	United Kingdom	100	8, Lincoln's Inn Fields, London, WC2A 3BP, England
Gyro Communications Limited	United Kingdom	100	15, Macklin Street, London, WC2B 5ND
Heavyweight Sports Marketing Limited	United Kingdom	100	Suite 5B, Brook House, 77 Fountain Street, Manchester, M2 2EE
I Spy Marketing Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Isobar UK Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
John Brown Catalogues Limited	United Kingdom	85	10, Triton Street, Regent's Place, London, NW1 3BF, England
John Brown Digital Limited	United Kingdom	85	10, Triton Street, Regent's Place, London, NW1 3BF, England
John Brown Magazines Limited	United Kingdom	85	10, Triton Street, Regent's Place, London, NW1 3BF, England
John Brown Publishing Group Limited	United Kingdom	85	10, Triton Street, Regent's Place, London, NW1 3BF, England
Just Media Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Lakechart Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Liveposter Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Marvellous Ideas Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Media Dynamics Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Media Vision (Manchester) Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Merkle Marketing Limited	United Kingdom	73	25, 6th Floor, Farringdon Street, London, EC4A 4AB, England
MJP Media Services Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
MKTG Inc. UK Ltd	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
MMA Technologies Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Open Outdoor Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Outdoor Life Limited (The)	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Periscopix Limited	United Kingdom	73	ARC House, 82 Tanner Street, London, SE1 3GP, England
Portman Square US Holdings Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Poster Audit Bureau (N.I.) Limited	United Kingdom	100	College House, Citylink Business Park, Albert Street, Belfast, Antrim, BT12 4HQ, Northern Ireland
Poster Management (N.I.) Limited	United Kingdom	100	College House, Citylink Business Park, Albert Street, Belfast, Antrim, BT12 4HQ, Northern Ireland
Posterscope Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
PSI Advertising Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Source Out Of Home (N.I.) Limited	United Kingdom	100	College House, Citylink Business Park, Albert Street, Belfast, Antrim, BT12 4HQ, Northern Ireland
Source Out of Home Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Tempero Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Vizeum Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Vizeum Manchester Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
Vizeum UK Limited	United Kingdom	100	10, Triton Street, Regent's Place, London, NW1 3BF, England
360i LLC	United States	100	32 Avenue of the Americas, 6th Floor, New York, New York 10013, New York, NY, United States
500friends, Inc.	United States	73	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
5th International US, Inc.	United States	73	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Accordant Media, LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Aegis DMN LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Aegis Lifestyle, Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Aegis Media Americas, LLC	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
Aegis Media Deep Blue, Inc.	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
Aegis Media Innov8 LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Agyle Advantage, LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
AM Innov8 Content, LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
AM Innov8 OOH, LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
AM Innov8 Search, LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
AM Trade Inc.	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
Amnet Group, Inc.	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
Amplifi, Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Bluestreak Group Inc.	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
C2C Media LLC	United States	100	Harvard Business Services, Inc.,16192 Costal Highway, Lewes, DE, 19958, United States
Carat Direct, Inc.	United States	100	1925 Century Park East, Suite 1850, Los Angeles, CA 90067, United States
Carat Exchange Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Carat Global Enterprise LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Carat Media Consultants, Inc.	United States	100	1925 Century Park East, Suite 1850, Los Angeles, CA 90067, United States
Carat Trade, Inc.	United States	100	310, Agents for Delaware Corporations, Inc., Alder Road, POB 841, Dover, DE, DE 19904, United States
Carat USA, Inc.	United States	100	CT, 818W, Seventh St, Los Angeles, CA90017, United States
Carat/IMS, Inc.	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
Cardinal Path LLC	United States	100	St Service Co., 4250 North Drinkwater Boulivard, Fourth Floor, Scottsdale, AZ, AZ85251-3693, United States
Clownfish Marketing Inc.	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
Comet Global Consulting Holdings, LLC	United States	73	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Comet Global Consulting LLC	United States	73	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Copernicus: The Marketing Investment Strategy Group, Inc.	United States	100	1, Corporate Centre, Hartford, CT, CT 06103, United States
Covario, Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
CVH Group LLC	United States	100	160, National Registered Agents, Inc., Greentree Drive, Dover, Delaware 19904, United States
D1 Ink, Ltd	United States	100	16211, N Scottsdale Road #484, Scottsdale, AZ, 85254, United States
Data2Decisions, Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Dentsu Aegis Advertising, LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Dentsu Aegis Network US Holdings, Inc.	United States	100	CT, 820 Bear Tavern Road, West Trenton, New Jersey, 08628, United States
Dentsu America, LLC	United States	100	32 Avenue of the Americas, 16th FL, New York, NY, 10013, United States
Dentsu Attik, LLC	United States	100	85 Second Street San Francisco, CA, San Francisco, CA, United States
Dentsu Holdings USA LLC	United States	100	32 Avenue of the Americas, 16th FL, New York, NY, 10013, United States
Dentsu Innovation Interactive, LLC	United States	100	32 Avenue of the Americas, 25th Floor, New York, New York 10013, New York, NY, United States
Dentsu McGarry Bowen, LLC	United States	100	601W 26th Street NY NY 10001, New York, NY, United States
Eaton Gate LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Fetch Media, Inc.	United States	100	3500, South Dupont Highway, City of Dover, County of Kent, Delaware, 19901, United States
Findr Group, LLC	United States	100	Leslee Schwartz, JD, 9 Tilton Drive, Ocecan Township, NJ, 07712, United States
Findr Interactive, LLC	United States	100	114 West, 26th Street, 8th Floor, New York, NY, 10001, United States
Firstborn Multimedia Corporation	United States	100	32 Avenue of the Americas, 16th FL, New York, NY, 10013, United States
Forbes Consulting Group, LLC	United States	100	24, Hartwell Avenue, Lexington, United States
Fuel Professional Casting Network LLC	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
Gravity Media, LLC	United States	100	114 West, 26th Street, 8th Floor, New York, NY, 10001, United States
GryoHSR Inc.	United States	100	Suite 930, CT,818 W. Seventh St, Los Angeles, CA, CA 90017, United States
Gyro, LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
ICUC/iProspect Moderation Services, Inc. (US)	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Impaqt LLC	United States	73	7001, Columbia Gateway Drive, Columbia, MD, 21046, United States
iProspect.com, Inc.	United States	100	200, Clarendon Street, Boston, MA, 02116, United States
Isobar, INC.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
John Brown Holdings (US) Corp.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
John Brown US LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
McGarry Bowen, LLC	United States	100	601W 26th Street NY NY 10001, New York, NY, United States

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Merkle Analytics LLC	United States	73	Suite 800, 10800NE 8th St, Bellevue, WA, 98004-4462, United States
Merkle Creative LLC	United States	73	7001, Columbia Gateway Drive, Columbia, MD, 21046, United States
Merkle Dentsu Aegis Axis LLC	United States	73	7001, Columbia Gateway Drive, Columbia, MD, 21046, United States
Merkle Group Inc.	United States	73	7001, Columbia Gateway Drive, Columbia, MD, 21046, United States
Merkle Inc.	United States	73	7001, Columbia Gateway Drive, Columbia, MD, 21046, United States
Merkle International Holding LLC	United States	73	7001, Columbia Gateway Drive, Columbia, MD, 21046, United States
Merkle Mobile LLC	United States	73	7001, Columbia Gateway Drive, Columbia, MD, 21046, United States
Merkle Response Services, Inc.	United States	73	100, Jamison Court, Hagerstown, MD, United States
Merkle Search LLC	United States	73	7001, Columbia Gateway Drive, Columbia, MD, 21046, United States
Merkle UK LLC	United States	73	7001, Columbia Gateway Drive, Columbia, MD, 21046, United States
Mitchell Communications Group, LLC	United States	100	2 College Ave, Fayetteville, AR, 72701, United States
MKTG, Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
New Control, LLC	United States	73	33, Suite 500, W. Monrose St, Chicago, IL, United States
Outdoor Vision Inc.	United States	100	Suite 240, 13181 Crossroads Parkway, City of Industry, California, 91746, United States
PointMarc Consulting LLC	United States	73	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Portman Square Acquisition Co.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Posterscope USA, Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Posterscope, Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Rockett Interactive, Inc.	United States	100	400, Widdington Lane, Cary, NC 27519, United States
Roundarch Isobar Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Same Same USA inc.	United States	100	RFI Studio, 840 East 59th Street, New York, NY10022, United States
Social AMP, LLC	United States	73	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Studio 630 LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Team Epic LLC	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
Tempero, Inc.	United States	100	1995 Broadway, 16th Floor, New York, NY10023, United States
The Rimm-Kaufman Group, LLC	United States	73	7001, Columbia Gateway Drive, Columbia, MD, 21046, United States
The Story Lab, Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Trade Media Management, Inc.	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
Triomphant Communications LLC	United States	100	114 West, 26th Street, 8th Floor, New York, NY, 10001, United States

Section 2 - Subsidiaries held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Velocity Sports & Entertainment LLC	United States	100	One Landmark Square, Ste 1400, Stamford, Connecticut, United States
Vivid Marketing, LLC	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
Vizeum Interactive, Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Vizeum Trade, LLC	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Vizeum, Inc.	United States	100	Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801, United States
Wave Influence LLC	United States	100	1209, Orange Street, Wilmington, DE, 19801, United States
Aegis Media (Vietnam) Co., Ltd	Vietnam	90	16th Floor Vincom Center, 72 Le Thanh Ton Street, District 1, Ho Chi Minh City, Vietnam
Bluecom Solutions Vietnam One Member Limited Liability Company	Vietnam	100	Lầu 7, Tòa nhà Scetpa 19A, Cộng Hòa, Phường 12, Tan Binh District, Ho Chi Minh City, Vietnam
Dentsu Vietnam Limited	Vietnam	72	16th Floor Vincom Center, 72 Le Thanh Ton Street, District 1, Ho Chi Minh City, Vietnam

Section 3 - Associates held indirectly by the Company	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Tigerspike Pty Ltd	Australia	23	Level 1, 115 Cooper St, Surry Hills NSW 2010, Australia
Dentsu Mcgarrybowen (Shanghai) Advertising Co. Ltd.	China	49	Room 1207-1208, Floor 12, 150 Hubing Road, Huangpu District, Shanghai, China
Locatus Gesellschaft für lokale Marktforderung mbH	Germany	28	Steinheilstrasse 10, Ismaning b, 85737, Germany
BlueLink Hong Kong Limited	Hong Kong	50	21st Floor, Dorset House, 979 King's Road, Hong Kong, Hong Kong
McGarry Bowen Hong Kong Limited	Hong Kong	49	27/F, 625 King's Road, Quarry Bay, Hong Kong, Hong Kong
Media Matrix Kft	Hungary	40	15-23, Kacsa utca, Budapest, 1027, Hungary
Taproot Dentsu India Communication Private Limited	India	25	Plot No. 123, Konkan Nagar Hall Premises, Lt. Prakash Narayan Kotnis Marg, near Hinduja Hospital, Mahim (West), Mumbai 400 016, India
Tigerspike KK	Japan	23	1 Chome-8-3 Nishiazabu, Minato, Tokyo, 106-0031, Japan
Media Base Advertising Sdn Bhd	Malaysia	49	No.9-2B, Jalan PJU 1/D, Sunwaymas Commercial Centre, 47301 Petaling Jaya, Selangor, Malaysia
Perunding Pakar Media Sdn Bhd	Malaysia	30	No.9-2B, Jalan PJU 1/D, Sunwaymas Commercial Centre, 47301 Petaling Jaya, Selangor, Malaysia
Carat I.C.P Limited	Nigeria	25	95B, Oduduwa Crescent, Ikeja, G.R.A., Lagos, Nigeria
Deals Warehouse Limited	Nigeria	25	12, Oweh Street, Jibowu, Shomolu L.G.A., Lagos, Nigeria
Isobar Communications Limited	Nigeria	25	95B, Oduduwa Crescent, Ikeja, G.R.A., Lagos, Nigeria
Media Fuse Dentsu Aegis Network Ltd	Nigeria	25	95B, Oduduwa Crescent, Ikeja, G.R.A., Lagos, Nigeria
Posterscope Nigeria Limited	Nigeria	25	103B, Oduduwa Crescent, Ikeja, G.R.A., Lagos, Nigeria
Sales net Nigeria Limited	Nigeria	25	12, Oweh Street, Jibowu, Shomolu L.G.A., Lagos, Nigeria
Search Prospect Limited	Nigeria	25	95B, Oduduwa Crescent, Ikeja, G.R.A., Lagos, Nigeria
Vizeum Nigeria Limited	Nigeria	25	95B, Oduduwa Crescent, Ikeja, G.R.A., Lagos, Nigeria

Section 3 - Associates held indirectly by the Company (continued)	Country of incorporation	% of equity capital and voting rights held by the Company	Registered office address
Aegis Media Philippines Holding, Inc.	Philippines	30	United Life Building, 837 Antonio Arnaiz Avenue, Bgy. San Lorenzo, 1223 Makati City, Philippines
Mangham Gaxiola Pte Ltd	Singapore	20	91, 02-07, Tanglin Road, Singapore, Singapore, 247918, Singapore
MGLB Pte Ltd	Singapore	20	91, 02-07, Tanglin Road, Singapore, Singapore, 247918, Singapore
Tigerspike Products Pte Ltd	Singapore	23	38 Maxwell Rd #04-01, Singapore 069116
Tigerspike Pte Ltd	Singapore	23	38 Maxwell Rd #04-01, Singapore 069116
Dentsu Aegis Network Employee Scheme (PTY) Ltd	South Africa	49	31, Brickfield Road, Salt River, Cape Town, 7925, South Africa
Buffyshrek Holding Co., Limited	Thailand	49	968 U Chu Liang Bldg., 22nd Floor, Rama IV Rd., Silom, Bangrak,Bangkok, 10500, Thailand
Dentsu (Thailand) Ltd.	Thailand	47	27th-28th Floor, U-Chu Liang Bldg., 968 Rama IV Road, Silom, Bangrak, Bangkok 10500, Bangkok, Thailand
Tigerspike FZ LLC	United Arab Emirates	23	Dubai Media City, Executive Office No.52 Floor: 01 Building: 08 Dubai, United Arab Emirates
Meridian Outdoor Advertising Limited	United Kingdom	50	Pembroke Building, Kensington village, Avonmore Road, London, W14 8DG
SMRS Ltd	United Kingdom	25	Brook House, 77 Fountain Street, Manchester, Greater Manchester, M2 2EE
Storm Marketing Solutions Limited	United Kingdom	42	Unit 5, The Keele Centre, Three Mile Lane, Keele, Newcastle Under Lyme, Staffordshire, ST5 5HH, England
Tigerspike Ltd	United Kingdom	23	4th Floor, King's Court 2-16, Goodge Street, London, W1T 2QA
Tigerspike Inc.	United States	23	235 Park Avenue South Floor 12, New York, NY 10003, United States
Emerald Consulting Company Limited	Vietnam	40	40, 2nd floor, Ward 06, Pham Ngoc Thach, District 3, Ho Chi Minh, Vietnam