Company Registration No 1403668

Aegis Group plc

Unconsolidated Interim Company Financial Statements

for the period ended 13 October 2011

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COMPANIES HOUSE

Registered Office

10 Triton Street

Regent's Place

London NW1 3BF

Unconsolidated interim company profit and loss account

For the period ended 13 October 2011

	Period ended 13 October 2011 £m
Management fee income	6 7
Operating costs	(15 3)
Operating profit	**(8 6)**
Investment and other financial income	328 7
Finance costs and similar charges	(43 5)
Profit before tax	**276 6**
Tax credit	10 4
Profit for the period	**287 0**

The profit and loss account has been prepared on the basis that all operations are continuing

The accompanying notes form an integrated part of the unconsolidated financial statements

Unconsolidated interim company balance sheet

As at 13 October 2011

	Notes	13 October 2011
Non-current assets		£m
Tangible assets		10 9
Investments	2	1,708 5
Derivative financial assets	7	19 5
		1,738 9
Current assets		
Debtors		
- due within one year	3	268 7
- due after more than one year	4	3 9
Derivative financial assets	7	0 1
Cash at bank and in hand		315 5
		588 2
Creditors Amounts falling due within one year	5	(792 1)
Derivative financial liabilities	7	(18 7)
Net current liabilities		(222 6)
Total assets less current liabilities		1,516 3
Creditors Amounts falling due after more than one year	6	(452 1)
Derivative financial liabilities	7	(3 2)
Net assets		1,061 0
Called up share capital	8	64 4
Share premium account	9	398 5
Capital redemption reserve	9	0 2
Other reserve	9	13 0
Merger reserve	9	13 0
ESOP reserve	9	(46 4)
Capital reserve	9	301 4
Profit and loss account	9	316 9
Equity shareholders' funds		1,061 0

Company number 1403668 England and Wales

These financial statements were prepared in accordance with Section 838 of the Companies Act 2006, as explained in note 1 The financial statements were approved by the Board of Directors on 14 October 2011 and were signed on its behalf by

Nick Priday (Chief Financial Officer)

Notes to the Company's financial statements (continued)
For the period ended 13 October 2011

1 Basis of preparation and accounting policies

Basis of preparation

These interim financial statements are for the period ended 13 October 2011 The information for the period ended 13 October 2011 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 but constitutes interim accounts prepared for the purposes of a distribution to shareholders A copy of the statutory accounts for the year ended 31 December 2010, which were prepared in accordance with applicable United Kingdom law and United Kingdom generally accepted accounting practice, has been delivered to the Registrar of Companies The auditors reported on those accounts their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006

These interim financial statements have been prepared pursuant to Section 838 of the Companies Act 2006 for the purposes of a distribution to shareholders and have not been audited These are the separate interim financial statements of Aegis Group plc, the parent company of the Aegis Group They are not consolidated group financial statements The interim financial statements are prepared on the basis of detailed transactional information up to 30 September 2011, with additional entries processed to record the two most material transactions between 30 September 2011 and 13 October 2011, being the disposal of Synovate Healthcare Ltd and Synovate (Holdings) Ltd, and the dividend of £188 0m declared by Aegis Group Participations Ltd, a subsidiary of Aegis Group plc

In preparing these financial statements disclosure is made of those items relevant to the distributable reserves of the company Comparative figures have not been provided as they are not relevant The financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statement for the year ended 31 December 2010

These interim financial statements are in accordance with the applicable United Kingdom Accounting Standards and the Companies Act 2006 They have been prepared under the historical cost convention

Accounting policies

The principal accounting policies are summarised below They have been applied as described in the "Basis of Preparation" set out above

Employee 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

Share-based payments

The Company applies the requirements of FRS 20 Share-based payment In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2005

Certain employees receive remuneration in the form of share-based payments, including shares or rights over shares The cost of equity-settled transactions with employees is measured by reference to the fair value of the instruments concerned at the date at which they are granted The fair value is determined by an external valuer using a stochastic model The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based vesting conditions The impact of the revision of the original estimates, if any, is recognised in profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity

Where a parent entity grants rights to its equity instruments to employees of a subsidiary, and such share-based compensation is accounted for as equity-settled in the consolidated financial statements of the parent, UITF 44 requires the subsidiary to record an expense for such compensation in accordance with FRS 20 Share-based payment, with a corresponding increase recognised in equity as a contribution from the parent

Notes to the Company's financial statements (continued)
For the period ended 13 October 2011

1 Basis of preparation and accounting policies (continued)

Interest 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

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 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

Tangible assets

Tangible fixed assets are stated at historical cost less accumulated depreciation

Depreciation is provided to write off the cost of all fixed assets to their residual value over their expected useful lives using the straight-line method It is calculated on the historic cost of the assets at the following rates

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
Software	20% to 50% per annum
Other	10% to 50% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Investments

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

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs

Loans

Interest-bearing bank loans and overdrafts are recorded at the 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 profit and loss 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

Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements The Company does not hold or issue derivative financial instruments for speculative purposes

For a forward foreign exchange contract to be treated as a hedge the instrument must be related to actual foreign currency assets or liabilities or to a probable commitment It must involve the same currency or similar currencies as the hedged item and must also reduce the risk of foreign currency exchange movements on the Company's operations Gains and losses arising on these contracts are deferred and recognised in the profit and loss account, or as adjustments to the carrying amount of fixed assets, only when the hedged transaction has itself been reflected in the Company's financial statements

Changes in the fair value of the derivative financial instruments that do not qualify for hedge accounting are recognised in the profit and loss account as they arise

2 Investments

	Interests in associates	Shares in subsidiary undertakings	Total
COST	£m	£m	£m
At 1 January 2011	0 2	1,708 5	1,708 7
Additions	-	214 9	214 9
Disposals	-	(42 1)	(42 1)
At 13 October 2011	0 2	1,881 3	1,881 5
ACCUMULATED IMPAIRMENT LOSSES			
At 1 January 2011	-	190 1	190 1
Disposal	-	(17 1)	(17 1)
At 13 October 2011	-	173 0	173 0
CARRYING AMOUNT			
At 13 October 2011	0 2	1,708 3	1,708 5

A listing of principal subsidiary and associated undertakings is included in note 10

Additions to investments principally relate to the recapitalisation of Aegis Finance (Guernsey) Ltd, a direct subsidiary of the Company

On 12 October 2011, the Group completed its disposal of the Synovate division to Ipsos S A As part of this transaction, Aegis Group plc (Company) disposed of two subsidiaries Synovate (Holdings) Ltd and Synovate Healthcare Ltd, for consideration of £127 5m, realising a gain on disposal of £102 5m (excluding transaction costs)

The Company's associated undertaking is

	Nature of Operation	Country of Incorporation	Effective interest in ordinary share capital
Carat Philippines Inc	Media Communications	Philippines	30%

3 Debtors due within one year

	13 October 2011 £m
Trade debtors	8 6
Amounts owed by subsidiary undertakings	257 4
Other debtors	1 6
Prepayments and accrued income	1 1
	268 7

Amounts owed by subsidiary undertakings are on-demand and interest-bearing

4 Debtors due after more than one year

	13 October 2011 £m
Deferred tax asset	3 9
	3 9

5 Creditors amounts falling due within one year

	13 October 2011 £m
Bank overdrafts	20 0
Trade creditors	9 1
Amounts owed to subsidiary undertakings	739 9
Corporation tax	9 2
Provision for liabilities	0 8
Accruals and deferred income	13 1
	792 1

Amounts owed to subsidiary undertakings are on-demand and interest-bearing

The provision for liabilities is the Company's vacant leasehold properties which are located in the UK Provision has been made for the residual lease commitments for the remaining period of the leases of £0 8m, all of which is current

6 Creditors amounts falling due after more than one year

	13 October 2011 £m
Borrowings	456 8
Less issue costs of debt to be amortised	(4 7)
	452 1

Borrowings falling due after more than one year relate to private placement debt, as explained in further detail below

6 Creditors amounts falling due after more than one year (continued)

Private Placement Debt – July 2005

On 28 July 2005, the Company issued US$342m of unsecured loan notes, repayable between 2012 and 2017 On 9 November 2005 cross currency swaps were entered into for US$142m of the loan notes due in 2012 and US$50m of the loan notes due in 2015 to convert this USD fixed rate borrowing into EUR fixed rate borrowing These loan notes are guaranteed by the Company and certain of its subsidiaries

Private Placement Debt – September 2007

On 17 September 2007, the Company issued US$125m of unsecured loan notes, repayable between 2014 and 2017 These loan notes are guaranteed by the Company and certain of its subsidiaries

Private Placement Debt – December 2009

On 17 December 2009, the Company issued US$183m and £25m of unsecured loan notes repayable between 2017 and 2019 These loans are guaranteed by the Company and certain of its subsidiaries On 17 November 2009, an interest rate swap was entered into for US$50m of the loan notes due 2019 to convert the USD fixed rate debt to USD floating rate debt On 17 November 2009, cross currency interest rate swaps were entered into for US$18m of the loan notes due 2017 and US$115m of the loan notes due 2019 to convert the USD fixed rate borrowing to GBP floating rate borrowing

Revolving Credit Facility – July 2010

On 26 July 2010, the Company re-financed the five year £450m multi-currency credit facility with a group of international financial institutions, which was originally entered into in June 2006 The facility is of a committed revolving nature with drawings allowable under a variety of currencies The facility is guaranteed by the Company and certain of its subsidiaries

7 Denvative financial instruments

	13 October 2011 £m
Current	
Denvative financial assets	0 1
Denvative financial liabilities	(18 7)
Non-current	
Denvative financial assets	19 5
Denvative financial liabilities	(3 2)

The denvative financial assets and liabilities represent the fair value of the external and intra-group foreign exchange contracts, cross currency swaps, interest rate swap and cross currency interest rate swaps which are accounted for as fair value through profit and loss All denvative financial instruments are used for the purpose of Group-wide exchange risk and interest-rate risk mitigation strategies, and are not taken out for speculative purposes

Cross currency swaps

The fair value is based on a discounted cash flow model and market interest yield curves applicable and represents movements in the Euro/USD foreign exchange spot rate and in Euro and USD interest rate yields The cross currency swaps are synthetically split to reflect the Company's functional currency of Sterling The USD/Sterling legs of the swaps are designated and effective as cash flow hedges against the Company's USD loan notes The Euro/Sterling legs of the swaps have been designated as fair value through profit and loss

Interest rate swap

The fair value is based on a discounted cash flow model and market interest yield curves applicable and represents unrecognised movements which the Company expects to realise as a result of lower or higher variable interest payments under the swap compared with the fixed interest rate applicable on the underlying loan note The interest rate swap is designated and effective as fair value hedge against changes in the fair value of the debt caused by changes in interest rates/risk Movement in the fair value of the interest rate swap is taken to profit and loss where it offsets against similar but opposite movement in the fair value of the debt caused by movement in interest rates

Cross currency interest rate swaps

The fair value is based on a discounted cash flow model and market yield curves applicable and represents movements in the GBP/USD foreign exchange spot rate and in GBP and USD interest rate yields Movements in the fair value of the cross currency interest rate swaps excluding the credit spread are taken to profit and loss where they offset against opposite movements in the fair value of the USD loan notes caused by changes in interest rates and foreign exchange spot rates Movements in the fair value of the cross currency interest rate swaps relating to the credit spread are taken to reserves and released to the profit and loss when the underlying portion of USD loan notes interest is recognised in profit and loss

Notes to the Company's financial statements (continued)
For the period ended 13 October 2011

8 Share capital

	13 October 2011 Number of ordinary shares	£m
Authorised		
Ordinary shares of 5p each	1,500,000,000	75 0

Issued, allotted, called up and fully paid		
At 1 January 2011	1,285,146,066	64 3
Issue of shares by the Company	2,658,740	0 1
At 13 October 2011	1,287,804,806	64 4

Movements in called up share capital

The Company has one class of ordinary shares which carry no right to fixed income The ordinary shares of 5p each have full voting rights

The Company issued a total of 2,685,740 shares in the year with an aggregate nominal value of £132,937 The total share premium arising on the issue of shares in the year was £2,714,981

9 Share premium account and reserves

	Share premium account £m	Capital Redemption reserve £m	Other reserve £m	Merger reserve £m	ESOP reserve £m	Capital reserve £m	Profit and loss account £m	Total £m
At 1 January 2011	395 8	0 2	19 2	13 0	(33 7)	301 4	49 5	745 4
Retained profit for the year	-	-	-	-	-	-	287 0	287 0
Cash flow hedge reserve	-	-	-	-	-	-	4 6	4 6
Share capital subscribed	2 7	-	-	-	-	-	-	2 7
Purchase of shares by ESOP	-	-	-	-	(12 7)	-	-	(12 7)
Shares awarded by ESOP	-	-	-	-	-	-	-	-
Credit for share-based incentive schemes	-	-	-	-	-	-	5 1	5 1
Reclass of convertible bond imputed interest	-	-	(6 2)	-	-	-	6 2	-
Dividends to shareholders	-	-	-	-	-	-	(35 5)	(35 5)
At 13 October 2011	398 5	0 2	13 0	13 0	(46 4)	301 4	316 9	996 6

The capital redemption reserve represents the conversion, issue and redemption of shares by the company, less expenses

The other reserve contains the equity component of the convertible bond

Notes to the Company's financial statements (continued)
For the period ended 13 October 2011

9 Share premium account and reserves (continued)

The ESOP reserve represents the cost of shares in Aegis Group plc acquired in the open market by the Trust using funds provided by Aegis Group plc The Trust has waived any entitlement to the receipt of dividends in respect of all of its holding of the Company's Ordinary shares The Trust has purchased the shares to satisfy future share options and share awards under the Company's share-based payment schemes

10 Principal subsidiary and associated undertakings

All shareholdings are of ordinary shares

Principal subsidiary and associated undertakings are disclosed below To avoid a statement of excessive length, details of investments which are not significant have been omitted

Principal subsidiary undertakings	Country of incorporation and operation	Effective interest in issued share capital at 13 October 2011
Media Communications		
Aegis Media France S A S	France	100%
Aegis Media Iberia S L	Spain	100%
Aegis Media (Central Europe & Africa) GmbH	Germany	100%
Carat Nordic AB	Sweden	100%
Aegis Media Italia Srl	Italy	100%
Aegis Media Ltd	England and Wales	100%
Eaton Gate Inc	US	100%
Aegis Media Pacific Limited	England and Wales	100%
Aegis Australia Holdings Pty Ltd	Australia	100%
Principal associate undertakings		
Media Communications		
Charm Communications Inc	China	15 8%
L'Agence Des Services del la Presse et de L'edition SAS	France	49 8%