

M&C SAATCHI

M&C SAATCHI PLC

LETTER FROM CHAIRMAN AND NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

M&C SAATCHI plc

23 April 2009

Registered Office: 36 Golden Square, London W1F 9EE

Registered in England and Wales No. 05114893

LETTER FROM CHAIRMAN

Dear Shareholder,

You are invited to our fifth Annual General Meeting, which will be held at our London offices at 11.30am on 11 June 2009.

The formal notice of Annual General Meeting is set out on page 3 of this document.

The resolutions proposed at this year's Annual General Meeting are routine, and the board recommend that all the motions be approved.

I believe it is useful to explain resolutions 7 to 9 and to let you know what resolution 10 is changing in our articles of association.

7. Authority to allot (a maximum of 1/3 of our share capital)

Under section 80 Companies Act 1985, the directors are prevented, subject to certain exceptions, from allotting relevant securities without the authority of the shareholders in general meeting. Resolution 7 is proposed to authorise the directors to allot relevant securities up to an aggregate nominal value of £202,732 and a further aggregate nominal value of £202,732 where the offer is by way of rights issue. This authority complies with guidelines issued by institutional investors.

8. Statutory pre-emption rights (a maximum of 10% of our share capital)

Under section 89 of the Companies Act 1985, when new shares are allotted or treasury shares are sold for cash, they must first be offered to existing shareholders pro rata to their holdings. Resolution 8, which is being proposed as a special resolution, renews the authorities previously granted to the directors to: (a) allot shares of the Company in connection with a rights issue open offer, or other pre-emptive offer; and (b) otherwise allot shares of the Company, or sell treasury shares for cash, up to an aggregate nominal value of £60,819.

9. Authority for market purchases of own shares (a maximum of 10% of our share capital)

Resolution 9, which is being proposed as a special resolution, renews the directors' current authority to make limited market purchases of the Company's ordinary shares. The power is limited to a maximum aggregate amount of £60,819 and this resolution also sets the minimum and maximum prices that can be paid, exclusive of expenses.

10. New articles of association

Resolution 10, which is being proposed as a special resolution, asks shareholders to approve the adoption of new articles of association to reflect certain provisions of the Companies Act 2006 (the "New Articles"). A brief summary of the main changes to the articles of association, which would be effective if this resolution is passed, follows:

- Provisions in the current articles which replicate provisions contained in the Companies Act 2006 are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company's constitution. Certain examples of such provisions include provisions as to the form of notice required to convene general meetings, the manner of execution of documents by the Company's officers, the requirement to keep accounting records and provisions regarding the rights of the Company's auditors to attend meetings.
- Provisions relating to extraordinary resolutions are being removed as the concept of extraordinary resolutions has not been retained under the Companies Act 2006.
- The provisions in the current articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006. In particular it will be possible for the Company to convene a general meeting to consider a special resolution on 14 days' notice whereas previously 21 days' notice was required.
- Under the Companies Act 2006 proxies are entitled to vote on a show of hands (under the current articles proxies are only entitled to vote on a poll) and multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles will reflect these provisions.
- The current articles contain a provision requiring a director's age to be disclosed, if he has attained the age of 70 years or more, in the notice convening a meeting at which the director is proposed to be elected or re-elected. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.
- The provisions of the current articles relating to the giving of notice to directors who are for the time being outside the UK are being amended so that the directors have more flexibility as regards their ability to convene meetings efficiently.
- The current articles contain a casting vote for the chairman of a general meeting in the event that votes on a certain resolution are equal. This is being removed to comply with the provisions of the Companies Act 2006.

A copy of the New Articles, and a copy of the existing articles of association marked to show the changes being proposed, will be available for inspection during normal business hours at the registered office of the Company from 9.00 a.m. on 23 April 2009 until the conclusion of the Annual General Meeting.

Yours sincerely,
Chairman

NOTICE OF ANNUAL GENERAL MEETING

M&G SAATCHI PLC (THE "COMPANY")

This year's annual general meeting will be held at 36 Golden Square, London W1F 9EE on 11 June 2009 at 11.30am. You will be asked to consider, and if thought fit, pass the resolutions below. Resolutions 8, 9 and 10 will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

Ordinary resolutions

Report and accounts 2008

1. To receive the Company's annual accounts for the financial year ended 31 December 2008, together with the directors' report and the auditors' report on those accounts.

Directors' remuneration report 2008

2. To approve the directors' remuneration report for the financial year ended 31 December 2008.

Re-appointment and remuneration of auditors

3. To reappoint BDO Stoy Hayward as auditors to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid, and to authorise the directors to fix the remuneration of the auditors.

Re-election of directors

4. To re-elect Jeremy Sinclair as a director retiring by rotation in accordance with the Company's articles of association.
5. To re-elect Jerry Wales as a director retiring by rotation in accordance with the Company's articles of association.

Declaration of dividend

6. To declare a final dividend for the year ended 31 December 2008 of 2.75p per ordinary share payable to shareholders on the register at the close of business on 12 June 2009.

Authority to allot shares (a maximum of 1/3 of our share capital)

7. THAT:

- 7.1 the directors be generally and unconditionally authorised under section 80 of the Companies Act 1985 (the "1985 Act") to exercise all the powers of the Company to allot:

- 7.1.1 relevant securities (as defined in that section) up to an aggregate nominal amount of £202,732 (being one third of the Company's issued share capital as at 23 April 2009); and

- 7.1.2 equity securities (as defined in section 94 of the 1985 Act) up to a further aggregate nominal amount of £202,732 in connection with an offer by way of a rights issue to the holders of ordinary shares of one pence each in the capital of the Company ("Ordinary Shares") on the register on a date fixed by the directors in proportion (as nearly as practicable) to their respective holdings of ordinary shares on that date or in accordance with the rights attached to them but subject to such exclusions and other arrangements as the directors may

consider appropriate in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;

- 7.2 these authorities shall expire (unless previously revoked by the Company) at the conclusion of the annual general meeting of the Company in 2010;

- 7.3 the Company may make an offer or agreement before these authorities expire which would or might require relevant securities to be allotted after they have expired and the directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding that these authorities have expired; and

- 7.4 all previous authorities to allot relevant securities, to the extent unused, be revoked.

Special resolutions

Disapplication of pre-emption rights (a maximum of 10% of our share capital)

8. THAT:

- 8.1 subject to the passing of resolution 7, the directors shall have the power under section 95 of the 1985 Act to allot equity securities (as defined in section 94 of the 1985 Act) for cash under the authority conferred by resolution 7 as if section 89(1) of the 1985 Act did not apply to the allotment;

- 8.2 this power shall be limited to:

- 8.2.1 the allotment of equity securities in connection with an offer or issue of such securities to holders of Ordinary Shares on the register on a date fixed by the directors, whether by way of rights issue, open offer or otherwise, in proportion (as nearly as practicable) to their respective holdings of Ordinary Shares on that date or in accordance with the rights attached to them but subject to such exclusions and other arrangements as the directors may consider appropriate in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

- 8.2.2 the allotment (other than under paragraph 8.2.1 above) of equity securities having, in the case of relevant shares (as defined for the purposes of section 89 of the 1985 Act), a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount, not exceeding in aggregate £60,819 (being 10 percent of the Company's issued share capital as at 23 April 2009);

- 8.3 this power shall cease to have effect when the authority given by resolution 7 is revoked or expires at the conclusion of the annual general meeting of the Company in 2010; and

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

- 8.4 the Company may make an offer or agreement before this authority expires which would or might require equity securities to be allotted after it expires and the directors may allot equity securities in pursuance of that offer or agreement notwithstanding that the authority has expired.

Authority to purchase own shares (a maximum of 10% of our share capital)

9. THAT the Company be, and it is hereby, generally and unconditionally authorised for the purpose of section 166 of the 1985 Act to make one or more market purchases (within the meaning of section 163(3) of the 1985 Act) of Ordinary Shares upon such terms and in such manner as the directors of the Company shall determine, provided that:
- 9.1 the maximum aggregate number of Ordinary Shares authorised to be purchased is £60,819;
- 9.2 the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is £0.01 per share;
- 9.3 the maximum price (exclusive of expenses) which may be paid for an Ordinary Share cannot be more than an amount equal to 105 percent. of the average of the closing middle market price for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day the Ordinary Share is purchased;
- 9.4 unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 2010; and
- 9.5 the Company may make a contract or contracts to purchase Ordinary Shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

Amendment of Company's articles of association

10. THAT the Articles of Association produced to the meeting and for the purposes of identification marked "A" and initialled by the Chairman of the meeting, be adopted in substitution for, and to the exclusion of, the current Articles of Association of the Company.

By order of the Board
Andy Blackstone
Company Secretary

23 April 2009

Registered Office: 36 Golden Square, London W1F 9EE
Registered in England and Wales No. 05114893

NOTES TO MEMBERS

- Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A member may appoint more than one proxy in relation to the annual general meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Registrar's helpline 0870 8894044.
- To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11.30am on 9 June 2009. A form of proxy is enclosed with this notice.
- The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 6 below) will not prevent a shareholder attending the annual general meeting and voting in person if he/she wishes to do so.
- To be entitled to attend and vote at the annual general meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at close of business on 8 June 2009 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited, (the operator of the CREST system), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent, Computershare Investor Services plc (CREST ID 3RA50) not less than 48 hours before the time fixed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.