INTRODUCTION & GROUP OVERVIEW
AGENDA

- Introduction and Group Overview          David Kershaw
- European Overview                      Moray MacLennan
- France                                 Gilles Masson
- Germany                                Dominik Tiemann
- Spain                                  Vicente Hernández
- UK                                     Tim Duffy
- Q&A                                    All
JOURNEY SINCE THE IPO

- July 2004  IPO
- September 2005  M&C Saatchi.GAD launch (Paris)
- October 2005  M&C Saatchi loses flagship BA account
- July 2006  M&C Saatchi Berlin launch
- March 2007  M&C Saatchi bounces back after BA loss – ups annual revenues 11.6% to £75.9m and pre-tax profits by 4.6% to £6m during 2006
- April 2007  M&C Saatchi Mumbai launch
- April 2007  Zapping/M&C Saatchi launch (Spain)
- May 2007  M&C Saatchi increases stake in Walker Media to 93.75% by acquiring Christine Walker’s and half of Phil Georgiadis’s shares
COMPETITIVE POSITIONING

- Local, regional or global capability – more powerful than solo boutiques, more creative and agile than conglomerates
- Network founded on entrepreneurial, motivated ‘owner/drivers’
- Distinctive offering to clients based on Brutal Simplicity
ROUTES TO GROWTH

• Shift in emphasis in mature markets (UK & Australia) towards higher growth/higher margin business streams
• Rapidly build share via start-ups/modest acquisitions in major markets
• Develop export model in high potential/higher risk markets
DIGITAL VS. NON DIGITAL REVENUE

- **2005**: 94.8%
- **2006**: 91.1%
- **2007**: 89.5%

Percentage showing the decrease in digital revenue over the years.
1. MATURE MARKETS (UK and Australia)

- Major ad markets where M&C Saatchi has a top-5 presence
- Established infrastructure, creative reputation, integrated offering
- Movement into new disciplines builds offer and growth
  - Digital
  - Brand consultancy
  - PR
- Growth will come organically and through selective acquisitions
2. NEW MARKETS (Europe/India)

- Major markets where M&C Saatchi has recently established a presence
- Create agencies strong enough in own right to win local business
- Open opportunities for global/regional wins
3. EXPORT MARKETS  
(Dubai, Abu Dhabi, Russia?)

- High growth ad markets
- Relatively unestablished with clients that demand a mature market offering
- Therefore, source work from UK/Australia, with low-risk local infrastructure
US OVERVIEW

• 2006/07 was a year of progress
  – Excellent performance in LA (e.g., $30MM PETCO win)
  – US will be profitable by the end of 2007 through cost reductions in NY and revenue growth in LA

• LA
  – High profile creative work establishing an excellent reputation
  – Significant trend emerging with major national clients moving their accounts to the West Coast ($2.25B+ in 2007)

• NY
  – Removed significant overhead
  – Converted to a service office for LA
ASIA PACIFIC – AUSTRALIA & NZ

- Australia is a highly competitive and saturated ad market
  - Management (Tom Dery & Tom McFarlane) back in Sydney charged with reinvigorating the business
  - Digital will be a growth driver (launch of ‘Mark’)
  - M&C Saatchi in Sydney was ranked No.2 in the ‘Top 50 Direct Agencies Worldwide’ according to the Won report

- New Zealand is delivering a strong performance after bouncing back from the New Zealand Tourism loss
  - Won 8 accounts in the past 12 months ($15.3MM)
ASIA PACIFIC - ASIA

- Continued focus on improving performance in smaller markets
- India has rapidly grown in 15 months from 2 clients and a shared office in New Delhi to 15 solid clients with 50+ employees in two offices (New Delhi and Mumbai)
- Kuala Lumpur continues to deliver strong results
- China is the process of being restructured under new management team
2007 GLOBAL AD EXPENDITURE

(figures based on newspapers, magazines, television, radio, cinema, outdoor and internet)

North America 42%
Central & Eastern Europe 6%
Latin America 5%
AMEA/ROW 3%
Asia Pacific 21%
Western Europe 23%

M&C SAATCHI
2007 WESTERN EUROPE AD EXPENDITURE

- Germany: 24%
- France: 16%
- UK: 30%
- Spain: 10%
- Italy: 13%
- Other: 7%
EUROPEAN LOCAL MANAGEMENT

Europe

France

UK

Germany

Spain
THE FUTURE

Growth through 3 channels

| Local | - High growth disciplines – start-up / acquisition  
|       | - Continued start-up momentum  
|       | - Accelerator  
| International | - Exploit current client list  
|               | - Single-hub  
|               | - Multi-hub  
| Import | - C&EE  
|        | - ME  

ESTABLISHING M&C SAATCHI EUROPE

Positioning

Client opportunity

Marketing
POSITIONING

Brand Truths

Independence

Common ethos

Streamlined

Presence
DIFFERENTIATING

Micro Networks

Lack of national presence
& sensitivity

Major Networks

Lack of independence
& action
A BRUTALLY SIMPLE SOLUTION

Strong national agencies in major markets
Independent, but collaborative culture
Common entrepreneurial ethos
Streamlined structure and processes

↓

Quality
Speed
Cost
OUR CLIENTS WITH EUROPEAN PRESENCE

DSG
GSK
Mini
Silverjet
Orange
Mandarin Oriental
Reebok
Veolia

Heinz
Carlsberg
Coca-cola
Ferrero
Daimler Chrysler
Kellogg's
Krug
Qantas

Coca-Cola
Travelex
Yves Rocher
Twinings
Walt Disney
Tommy Hilfiger
Tourism Australia
Pernod Ricard
SUMMARY

Phase 1
- All European Agency hubs now set up and fully running
- 2 year investment phase complete
- European profit to be realized in 2007

Phase 2
- Define, establish and exploit M&C Saatchi unique European offering
- Identify potential Client targets in all regions, across all functions
- Focus and capitalise on high growth, high margin disciplines
M&C SAATCHI
FRANCE
The Agency
Market conditions
New bus pipeline
Recent work
Key opportunities
Agenda

The Agency
Market conditions
New bus pipeline
Recent work
Key opportunities
Sept. 05: launch of M&C SAATCHI.GAD from scratch

GAD is Gilles, Antoine, Daniel.

After having managed Leo Burnett, Publicis and BETC EuroRSCG together, Gilles Masson, Antoine Barthuel, Daniel Fohr met M&C SAATCHI entrepreneurship spirit, with the ambition to build the best human and talentwise agency.

With the conviction that freedom is a source of innovation and value creation.
Five major wins in 12 months

Sept. 05: Pernod Ricard
world’s n°2 in Wines & spirits

Havana Club, for 27 countries
Olmeca, for 4 countries
Five major wins in 12 months

Dec. 05: Musée du quai Branly
Primitive art museum, launched in 2006
Our very first campaign
Five major wins in 12 months

March 06: Bordeaux Wines
For Europe (5 countries) and USA/Japan to come
Five major wins in 12 months

July 06: Yves Rocher
World leader in botanical beauty care
For Europe and Asia

Se réinventer chaque jour.
Five major wins in 12 months

Dec. 06: La Banque Postale
New bank launched in 2006 by french Postoffice
30 Millions of clients
First bank network with 17 000 counters
360° Approach

Several expertise within one single P&L:
- advertising
- design
- digital media

35 people now
Launch of Me’Us in May 07

First subsidiary of our “village”
Corporate & PR
Crisis
Coaching

The most dynamic segment of our market.
Eric Brac, former Burson Marsteller managing director,
and Nathalie Varagnat, former Landor CEO.
7 people planned in Dec.
First projects for Danone, Veolia, Private Equity UIG.
Business model innovation

Very disruptive approach
Short and senior circuits
Speed, no middle management
Process
361° ® immersion day ®

Integration, one P&L
Networking
Partnership in production fields
(“Leveraged Back Office” concept)
Le réseau M&C Saatchi en avance sur son plan de marche en France

La communication

M&C Saatchi GAD, l'agence fondate de l'année, va réaliser une marge brute de 6 millions d'euros.

M&C SAATCHI GAD a récemment obtenu la confiance de nombreux clients, notamment dans les domaines public et privé. L'agence a enregistré une progression de 50% en termes de chiffre d'affaires, grâce à une stratégie de développement axée sur la créativité et la relation client. Elle a également renforcé son équipe avec la nomination de plusieurs professionnels de renom.

La stratégie de M&C Saatchi GAD est axée sur l'innovation et la créativité. L'agence a noué des collaborations avec des marques internationales pour développer des campagnes publicitaires novatrices. Elle a également mis l'accent sur l'expérience client, en proposant des solutions digitales interactives et innovantes.

La direction de M&C Saatchi GAD a également mis l'accent sur l'engagement sociétal. L'agence a participé à plusieurs initiatives caritatives, contribuant ainsi à favoriser une société plus équitable.

En résumé, M&C Saatchi GAD est une agence qui se distingue par sa créativité, son expertise et son engagement envers la société. Elle continue d'innover et de croître, affirmant ainsi sa position de leader dans le secteur de la communication.

Gilles Masson, Antolin Bartheau et Daniel Fohls se sont réunis pour annoncer l'arrivée de cette nouvelle étiquette. Ils ont souligné l'importance de la communication digitale et l'importance de travailler à travers des collaborations internationales pour développer des solutions innovantes.

Philipp Lesheux
Agenda

The Agency
Market conditions
New bus pipeline
Recent work
Key opportunities
French market is mature

Evolution du produit sectoriel brut (*)
Unité : % variations annuelles en valeurs

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>4.4%</td>
</tr>
<tr>
<td>1997</td>
<td>6.1%</td>
</tr>
<tr>
<td>1998</td>
<td>6.8%</td>
</tr>
<tr>
<td>1999</td>
<td>10.0%</td>
</tr>
<tr>
<td>2000</td>
<td>10.9%</td>
</tr>
<tr>
<td>2001</td>
<td>3.3%</td>
</tr>
<tr>
<td>2002</td>
<td>4.0%</td>
</tr>
<tr>
<td>2003</td>
<td>1.6%</td>
</tr>
<tr>
<td>2004</td>
<td>2.5%</td>
</tr>
<tr>
<td>2005</td>
<td>1.9%</td>
</tr>
<tr>
<td>2006</td>
<td>2.8%</td>
</tr>
<tr>
<td>2007</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

tcm = 7.6%
tcm = 2.77%


tcm = taux de croissance moyen annuel.
(* ) par analogie au produit intérieur brut (PIB) qui est la somme des valeurs ajoutées des entreprises françaises, le produit sectoriel brut est la somme des valeurs ajoutées des agences de publicité de notre échantillon.
French market is dominated by “Gorillas”

- OMNICOM (TBWA, DDB, BBDO): 506
- HAVAS (EURO RSCG, MPG): 434
- PUBLICIS (PUBLICIS, SAATCHI&SAATCHI, LEO BURNET): 379
- WPP (OGILVY, Y&R, JWT): 250
- INTERPUBLIC (McCANN): 234
- Gross Revenues in Mds € - Source AACC 2004
Internet spendings growth

Growth of 48% in 2006 of the online Advertising in France 2 billion €

Average 10% of global media spendings.

IAB - May 07
Agenda

The Agency
Market conditions
New bus pipeline
Recent work
Key opportunities
Pitches under progress

YellowPages - €40/50 m
Jamesons’ for Europe
Fortuna (B2C for Europe)
IGN

... And 4 more pitches in shortlist.
Probably the most demanded agency in 2007 Q2.
Reminder 70% success rate in 2006.
Agenda

The Agency
Market conditions
New bus pipeline
Recent work
Key opportunities
HAVANA CLUB

1. Print
- Portrait (magazines & posters)
- 4X3
- 6X3
- 8X3
- Lighten billboards

2. TVc
- TVc
- Making of
- Video for night clubs

3. Music
- TV clip
- CD cover
- “Cubanito 20.02” tour

4. Events & trade
- On trade material: T-shirt, stirrer, podium, sous-verres, confettis, bracelets, photomaton, clip auréole-bouteille, bar de plage, bar évenementiel, ñuHAVANA
- Off trade: POS material, leaflet BtoB

5. Internet
- Online campaign
- Web site

6. Extras
- Packaging
- Flash animation
- Notes book

Two pluri media campaigns produced in Paris for 27 countries
LA BANQUE POSTALE

TV show

10 TVC shot in 3 months

Directed by Antoine De Caunes

20 30” TVC planned for 2007

Communication kit for 17 000 counters
(29 million clients)
YVES ROCHER

Off line + on line communication for 5 countries
24 products communication kit (point of sales material, press ad ...)
“Le Manifeste” brochure: 2,7 millions copies

And
the design of a
new concept Store
AGENDA

The Agency
Market conditions
New bus pipeline
Recent work
Key opportunities
Consumer in constant mutation
Everything is media ...

One single idea
Content economy
All is about connecting with consumers
Innovate in client service
Enlarge service rendered

Multiples usages
- Corporate
- Digital
Les cultures sont faites pour dialoguer.


Merci !
CONTENT

• What’s going on in Germany
• Who we are
• What we do
• Why we exist
• Who we work for
• Work we have done
WHAT’S GOING ON IN GERMANY
• A boom is on the horizon but it will take a while for clients to become more risk-taking and for the ad-industry to benefit from the positive economical environment.

• Strong competition, more business.
WHO WE ARE
The management team of M&C SAATCHI in Germany is Todd Schulz (formerly Founder, Executive Creative Director of INTERNATIONAL) & Dominik Tiemann (formerly Managing Director of TBWA Berlin).
In mid-2006 M&C Saatchi took a majority stake in Todd‘s former agency INTERNATIONAL while Dominik joined as Partner and MD.

We started with 8 permanent employees in July 2006. By July 2007, we will have 22 employees who come from 8 different countries and who have gained vast experience in various communication disciplines.
Das zweite Leben


DIE WELT.de

Der Berliner Punkt und der Werbe-Lord


Agenturen und Kreation

Wir wollen kein Hotshop sein

Die Berliner Agentur M&C Saatchi ist bekannt für ihre kreativen und unkonventionellen Werbekampagnen. Sie strebt danach, ein eigenständiges Image zu schaffen und nicht nur den Markt zu dominieren, sondern auch Kreativität und Geschmack zu fördern.

Saatchi setzt auf Berlin

WHAT WE DO
• Brand Strategy
• Advertising
• Brand Entertainment
• Design

• Online
• Promotion
• PR
WHY WE EXIST
• Brutal simplicity is in our genes.

• Our goal is to work closely with brands in order to accomplish ideas and marketing solutions that transcend the conventional role of advertising.

• By identifying the single most recognizable truth associated with a brand, we can create identifiable advertising that goes beyond executions and traditional mediums to connect with the consumer.
WHO WE WORK FOR
NEW BUSINESS
WINS & OPPORTUNITIES

2006:
Ferrero Schoko-Bons
Ferrero Kinder Riegel

2007:
Ferrero Mon Cheri
Ferrero Kinder Schokolade
Apollinaris Water
Green Party of Germany
Green Party State Elections
Universal Music
HDK (Cultural Institution Berlin)

Pending:
Ferrero Küsschen

Opportunities:
Mitsubishi Motors Germany, Berliner Zeitung, Joop, Eurosport
WORK WE HAVE DONE
COKE WORLD CUP CAMPAIGN

- 2 TVC
- 4 Promo-TVC
- Outdoor
- Online
- Guerilla
- Programming

M&C SAATCHI
### Coke und Telekom vorn

Ungestützte Bekanntheit von Sponsoren/Werbern im Umfeld der WM  

<table>
<thead>
<tr>
<th>Sponsoren/Werber</th>
<th>vor Beginn der WM, Juni 2006</th>
<th>nach dem Finale, Juli 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coca-Cola</td>
<td>15</td>
<td>31</td>
</tr>
<tr>
<td>Dt. Telekom/T-Com/T-Mobile</td>
<td>20</td>
<td>28</td>
</tr>
<tr>
<td>McDonald’s</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Bitburger</td>
<td>6</td>
<td>23</td>
</tr>
<tr>
<td>Adidas</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>Hyundai</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

*After Recall WM 7/2006 Vorab-Auswertung; Basis: 390 Befragte ab 14 Jahren*

*Quelle: Sport + Markt*
Global TVC to support Coke’s new Happiness Strategy
HAVANA CLUB EVENT

HAVANA CLUB
EL CULTO A LA VIDA

FIESTA-IMPROVISADA
VILLA SIOSKIND / WÄCHTERSTR. 15 / 10.03 / 21h
APOLLINARIS RELAUNCH
AUCH OHNE THRON EIN KÖNIGLICHES ERLEBNIS.

FEIN PERLEND UND REIN, MIT DEM ROTEN SIEGEL FÜR KÖNIGLICHEN GESCHMACK.

DIETI FEINSTEN PERLEN HAT DIE KÖNIGIN IM GLAS.

FEIN PERLEND UND REIN, MIT DEM ROTEN SIEGEL FÜR KÖNIGLICHEN GESCHMACK.
FIRST, THEY RAISE MEN, THEN THEY DON'T GET A JOB FROM THEM.
EQUAL JOB OPPORTUNITIES FOR WOMAN.
LUCKILY, THE OIL PRICE WILL ONLY GO UP FOR ANOTHER 35 YEARS. THEN IT'S EMPTY.
UNTER 30% DÜRFT IHR HIER NICHT MEHR RAUS.

CO2-AUSSTOSS WELTWIT SOFORT SENKEN.

BÜNDNIS 90 DIE GRÜNEN
Hilfe – die Demonstranten kommen

Gefährliches Wettrüsten für G-8-Gipfel

Polizei nimmt Geruchsproben von G-8-Gegnern
1. Introduction to the Agency
Announcement
The Agency
The People
The Key Management

- Urs Frick. Chairman
- Adolfo Pizcueta. Vice-President
- Vicente Hernandez. CEO
- Uschi Henkes. Executive Creative Director
- Manolo Moreno. Executive Creative Director Advertising
- Carlos Ruiz de Clavijo. Managing Director Activities/Web
- David Palacios. Creative Director Activities/Web
- Juan Searle. Technical Director Activities/Web
- Guillermo Hernandez. Managing Director MediabyDesign
- Angeles Blas. Plannification Manager MediabyDesign
- Aurea Fernandez. Sales Director MediabyDesign
Group Companies

M&C Saatchi Advertising
M&C Saatchi Activities
M&C Saatchi Design
M&C Saatchi Interactive
MbD
BOB
Official creative ranking Spain

Amongst most pitch short-listed agency in 2007
The Clients

[Various company logos]
2. Market Conditions
Market Conditions

- Media investment growing over 4%
- Key players are battling to be positioned as client lead strategic adviser
- Traditional advertising conditions challenging, even though the offer is growing
- Opportunity for new adventures
3. New business pipeline
New Business Pipeline

- Waiting for response:
  - Ministerio de vivienda (Housing Ministry)
  - Springfield (Clothing chain)
  - Campofrío (#1 food company)
  - Aldeasa (Airport stores)
- Working on:
  - Ministerio de fomento (Public Works Ministry)
  - Red.es (Industry Ministry)
  - Referees Association
- Longlisted on:
  - Ono (Telecommunications), ING (Real Estate)
- Credentials presented:
  - ONCE (Blinds Lottery), Vueling (Airline), Telefónica (Telecomm.), Bankinter, Barclays (Banking), PC City (Computer Store).
4. Recent work
Recent Work

- TV: Miguel Delibes Auditorium
- Press: Spanish Red Cross
- BTL: NH Hotels
Spanish Red Cross
Nh Hotels
5. New projects/opportunities
New Projects / Opportunities

- Bob
- MbD-i
- European Network
New Projects / Opportunities

• Bob
• MbD-i
• European Network
Agenda

• Market forces and trends
• Our strategy
• Some recent work
The Market

- Overall, sluggish, though some optimism in latest Bellwether survey
Bellwether Chart

- Adspend (annual % change)
- Bellwether media budget revisions

- Advertising Association adspend
- Bellwether, revisions to media adspend budgets
The Market

- Overall, sluggish, though some optimism in latest Bellwether survey
- Over-supplied and converging
IPA Agencies

Total number of agencies in IPA membership

- 2000: 195 agencies
- 2003: 218 agencies
- 2006: 258 agencies

Source: IPA
The Market

- Overall, sluggish, though some optimism in latest Bellwether survey
- Over-supplied and converging
- Procurement departments more powerful
- Margin pressure, particularly in core, traditional areas
Industry Margins

<table>
<thead>
<tr>
<th>Service</th>
<th>Margin</th>
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<tbody>
<tr>
<td>Media Buying</td>
<td>18%</td>
</tr>
<tr>
<td>PR</td>
<td>13.6%</td>
</tr>
<tr>
<td>DM</td>
<td>11.9%</td>
</tr>
<tr>
<td>Advertising</td>
<td>10.9%</td>
</tr>
<tr>
<td>Digital</td>
<td>9.6%</td>
</tr>
<tr>
<td>Branding &amp; Design</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

Source: Willott Kingston Smith
The Market

- Overall, sluggish, though some optimism in latest Bellwether survey
- Over-supplied and converging
- Procurement departments more powerful
- Margin pressure, particularly in core, traditional areas
- Continued growth of digital
- Private Equity marches onwards
Growing the Business

1. Exploit our key competitive advantage
2. Diversify beyond core
3. Generate new competitive advantage
4. Exploit digital
Exploit Key Competitive Advantage

Brutal Simplicity of Thought

A combination of professionalism and flair
simplicity sells

M&C Saatchi
New Business Opportunities

Porsche

Abercrombie & Kent

Jameson’s

COI
Growing the Business

1. Exploit our key competitive advantage
2. Diversify beyond core
3. Generate new competitive advantage
4. Exploit digital
Growing Beyond Advertising

Number of disciplines:

- 1 discipline: 13
- 2 disciplines: 52
- 3 disciplines: 22
- 4 disciplines: 9
- 5 disciplines: 4

- 2001: 20% BTL, 80% Agency
- 2002: 20% BTL, 80% Agency
- 2003: 28% BTL, 72% Agency
- 2004: 27% BTL, 73% Agency
- 2005: 33% BTL, 67% Agency
- 2006: 39% BTL, 61% Agency
Growing the Business

1. Exploit our key competitive advantage
2. Diversify beyond core
3. Generate new competitive advantage
4. Exploit digital
Open Plan Thinking
Sell First World Creativity in Emerging Markets

GEORGIA

M&C SAAATCHI
Exploit the Growth in Private Equity

Accelerator
Growing the Business

1. Exploit our key competitive advantage
2. Diversify beyond core
3. Generate new competitive advantage
4. Exploit digital
Exploit Growth in Digital

Four Pronged Strategy

Advertising
M&C Saatchi
Digital extensions of advertising ideas

Direct Marketing
LIDA
Website development; customer capture & relationships

Pure
*play
Solus digital advertising

Media
Walker-i
Search, display consultancy & implementation
Some Recent Work
Nevermind, billions of berries make it. Ribena
EXTEND YOUR LIFE.
CYCLE.

You're better off by bike

MAYOR OF LONDON
Transport for London

M&C SAATCHI
Forget Heathslow.

Private terminal at Luton. 30 min check-in. Flat bed. New York £999. flySILVERJET.com
CFOs.
Please see the bottom line.

30 min check-in. 6'3" flat bed. New York! £999: flySILVERJET.com
MOBILE
Three different stories, one terrifying ending.

New Drama, Monday, 19th March, 19:30, ITV.com
SERIAL KILLERS: BORN OR BRED?

FALLEN ANGEL
THE MAKING OF A MURDERER
3-part drama starring Charles Dance and Emilia Fox. Sunday, 9pm. itv.com