

Chairman

The year has seen progress on most fronts. Revenue¹ up 5%, profit¹ up 8% and EPS¹ up 11%. M&C Saatchi Mobile and LIDA our CRM agency, had an outstanding year. David and Jamie will go into the detail behind these headline figures. But this movement is all in the right direction.

Shareholders will know that we sold just over 75% of our interest in Walker Media to the Publicis Groupe in November. The board decided that for Walker Media and its people to grow, to attract the major global players, it needed the international clout and buying power that the world's largest agency can offer.

It is our hope that our remaining 24.9% will be worth more than the 100% of Walker we used to own.

By way of precedent, in 2010, we reduced our shareholding in Talk PR from 100% to 51%. The PBT then was £149k. Three years later, in 2013, the PBT is £583K. In halving our share, our income increased by 70%.

Investors will also know that more than half of the £32 million Walker proceeds were returned to shareholders by way of a share buyback. In order to avoid directors' shareholding going above 29%, triggering a takeover, we also scaled down our holding. I'd like to thank Marcus Anselm our advisor at Clarity, for successfully steering us through this deal.

It seems fair to report that after some years of seeing our share price becalmed in the doldrums in spite of rising PBT, EPS etc, investors now seem to have taken to our story. Our strategy of New Business and New Businesses marches on.

Some of the work that our companies round the world are producing is remarkable. A small sample is included after this statement.

The quality of the work is our great asset. It is the spark that attracts customers to our clients and clients to our companies.

Jeremy Sinclair

Chairman

19 March 2014

¹ All on a pro forma basis as defined in note 3.