

CHAIRMAN

The Board is delighted to announce another year of healthy organic growth.

There is a certain pleasure in seeing your strategy working. There is another, almost equal, pleasure in seeing it being recognised. The City regularly awards M&C Saatchi plc a 15% higher rating than the average of our media sector peers. Why?

Recently, the advertising industry trade paper Campaign magazine, carried this headline: It pays to turn agency leaders into agency owners.

The article* featured the graphic used on the front of this report.

It also included the chart shown on the page opposite.

It appears that the area where ownership has its greatest effect is on the growth of profit, then upon the growth of gross income, then turnover. As long-term shareholders will know, shared ownership has been our philosophy since birth. It allows us to attract people who are too driven to be employed, who won't be wage slaves, who feel they are born to be masters, not servants of their destiny.

The table also suggests why many of our competitors have to rely on acquisition for growth. Without incentive, companies don't grow, they shrink.

Another part of our DNA is the constant creation of new companies. New Business and New Businesses is the mantra.

The table below that shows the number of the Group's start-ups over the years. We are glad to see the rate shows no sign of slowing.

Additionally the table highlights our profit splits between new companies and older companies since inception. Broadly, it is a third, a third, a third. And the more recent the company, the greater the growth rate, perhaps obviously as it starts from a small base.

In a world driven by change, the only safety is change itself. As veteran industry commentator, Bob Willott put it in a recent article: "It is hard not to believe that M&C Saatchi's model is one that many other companies should be following."

We can't let the year pass without recording the Board's praise for the Australian office. They won back a cherished client who left us five years ago. Welcome back Woolworths.

Finally, the UK had an effective year. Firstly, in helping keep the United Kingdom united. Secondly, in helping keep the Conservatives in office. With a simple image you can change the world.

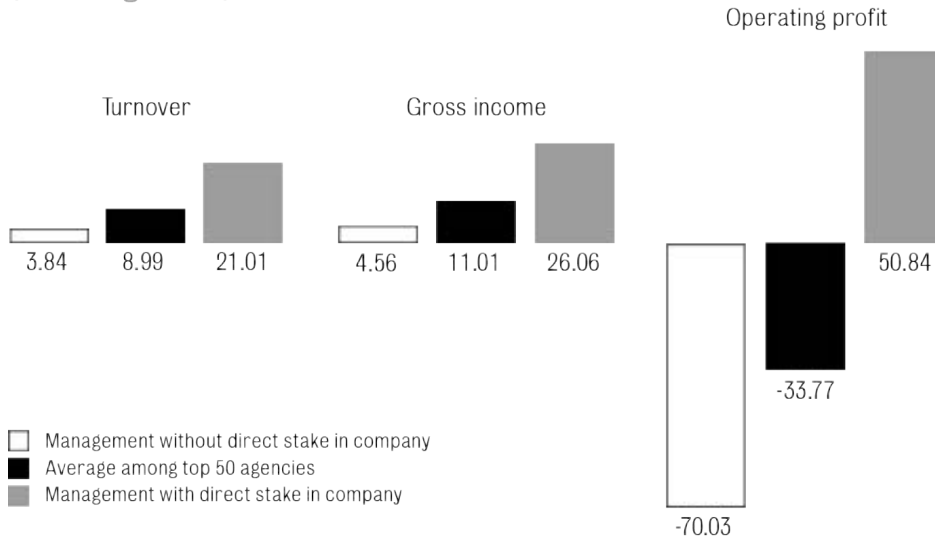
Jeremy Sinclair

Chairman

17 March 2016



Ownership analysis at the top 50 independent marketing services companies
(% 2014 growth)



Number of companies	10+ years	6-10 years	0-5 years
UK	11	6	18
Europe	1	10	4
Middle East and Africa	-	2	5
Asia and Australasia	10	6	11
Americas	2	4	6
Total	24	28	44

Headline profit before tax (£m)	10+ years	6-10 years	0-5 years
UK	3.2	1.7	2.1
Europe	0.1	3.0	0.5
Middle East and Africa	-	0.8	0.3
Asia and Australasia	3.6	-	0.7
Americas	0.8	1.1	2.3
Total	7.7	6.6	5.9
In %	36	33	31

* Article by Mandy Merron of Kingston Smith, in Campaign magazine 26.02.2016.