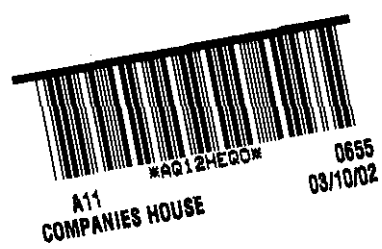


J. Walter Thompson UK Holdings Limited

Financial Statements 31 December 2001
together with directors' and auditors' reports

Registered number: 280055



Directors' report

For the year ended 31 December 2001

The directors present their annual report together with the financial statements and auditors' report of the company, for the year ended 31 December 2001.

Principal activities and business review

The company is a holding company. The principal activities of its subsidiary undertakings are to act as agents and consultants in advertising, marketing and market research.

Results and dividends

Results for the financial year showed a profit after tax of £7,000 (2000 - £14,000). The directors propose a final dividend of £nil (2000 - £70,139). An interim dividend of £70,139 was paid (2000 - £70,139).

Directors and their interests

The directors who served during the year were as follows:

M.S. Sorrell

A.K. Sanderson (resigned 21 December 2001)

M. Lucas (appointed 7 March 2002)

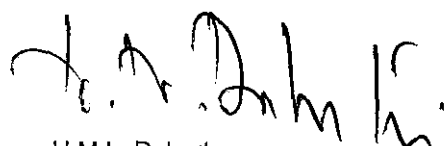
H.M.L. Doherty (appointed 25 July 2002)

None of the directors held any shares in the company during the year or had a beneficial interest in any contract or arrangement to which the company was a party during the year.

The interests of M.S. Sorrell in the shares of WPP Group plc, the ultimate parent company, are disclosed in the financial statements of that company. The beneficial interests of the remaining directors in the shares of WPP Group plc were as follows:

| | 1 January 2001 Number | Granted during year | Lapsed During Year | Exercised during year | 31 December 2001 Number |
|----------------|-----------------------------|---------------------------|--------------------------|--------------------------|-------------------------------|
| A.K. Sanderson | 625 | 125 | (450) | 0 | 300 |

By order of the Board,



H.M.L. Doherty
J. Walter Thompson UK Holdings Limited
1 Knightsbridge Green
London
SW1X 7NW

30 July 2002

Statement of directors' responsibilities

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the shareholders of J. Walter Thompson UK Holdings Limited

We have audited the financial statements of J. Walter Thompson UK Holdings Limited for the year ended 31 December 2001 which comprise the Profit and loss account, Balance sheet, and the related notes numbered 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



ANDERSEN

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 2001 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen
Chartered Accountants and Registered Auditors

180 Strand
London
WC2R 1BL

30 July 2002

Profit and loss account

For the year ended 31 December 2001

| | Notes | 2001 £'000 | 2000 £'000 |
|---------------------------------------------------------------|-------|---------------|---------------|
| Finance charges (net) | | 7 | 14 |
| Profit on ordinary activities before taxation | 2 | 7 | 14 |
| Tax on profit on ordinary activities | 3 | - | - |
| Profit on ordinary activities after taxation | | 7 | 14 |
| Dividends paid and proposed (on equity and non-equity shares) | 4 | (70) | (140) |
| Retained loss for the year | 9 | (63) | (126) |
| Retained profit, brought forward | | 2,393 | 2,519 |
| Retained profit, carried forward | 9 | 2,330 | 2,393 |

There are no recognised gains and losses in either year other than the profit on ordinary activities after taxation for the year of £7,000 (2000 - £14,000).

All operations of the company continued throughout both years and no operations were acquired or discontinued.

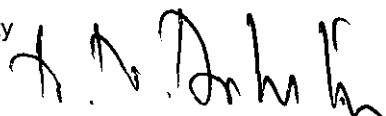
The accompanying notes are an integral part of this profit and loss account.

Balance sheet
31 December 2001

| | Notes | 2001 £'000 | 2000 £'000 |
|-------------------------------------------------------|-------|---------------|---------------|
| Fixed assets | | | |
| Investments | 5 | 38,337 | 38,337 |
| Current assets | | | |
| Debtors - due within one year | 6 | 8,471 | 8,604 |
| - due after one year | 6 | 8,752 | 8,752 |
| Creditors: Amounts falling due within one year | 7 | - | (70) |
| Net current assets | | <u>17,223</u> | <u>17,286</u> |
| Total assets less current liabilities | | <u>55,560</u> | <u>55,623</u> |
| Net assets | | <u>55,560</u> | <u>55,623</u> |
| Capital and reserves | | | |
| Called-up share capital | 8 | 32,248 | 32,248 |
| Share premium | 9 | 20,982 | 20,982 |
| Profit and loss account | 9 | <u>2,330</u> | <u>2,393</u> |
| Shareholders' funds | 10 | <u>55,560</u> | <u>55,623</u> |

The accounts were approved by the Board of Directors and signed on its behalf on 30 July 2002 by

H Doherty



Director

The accompanying notes are an integral part of this balance sheet.

Notes to financial statements

31 December 2001

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is as follows:

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of WPP Group plc which prepared consolidated accounts which are publicly available.

b) Investments

Fixed asset investments are shown at cost less provision for impairment.

c) Taxation

Corporation tax payable is provided on taxable profits at the current rate, except to the extent that the losses are transferred from another group company under the group relief provisions, without corresponding payment by the claimant company.

d) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date or, if hedged, at the forward contract rate. Items of income and expenditure are translated at the rate of exchange ruling at the date of recording the transaction in the financial statements, or, if appropriate, at the forward contract rate. Differences arising from movements in rates of exchange are dealt with in the profit and loss account.

e) Cash flow statement

Under the provision of Financial Reporting Standard 1 (Revised) the company has not presented a cash flow statement as it is a wholly owned subsidiary undertaking of WPP Group plc, which is registered in England and Wales, and which has prepared consolidated accounts which include the results of the company and which contain a cash flow statement.

Notes to financial statements (continued)

2 Profit on ordinary activities before taxation

The auditors' remuneration was borne by the company's main operating subsidiary undertaking, J. Walter Thompson Group Limited.

None of the directors received any remuneration (including pensions and pension contributions) for their services to the company (2000 – nil).

The company has no employees (2000 - nil).

3 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

| | 2001 £'000 | 2000 £'000 |
|-------------------------------------|---------------|---------------|
| Corporation tax at 30% (2000 - 30%) | - | - |

Corporation tax was eliminated by the transfer of losses from another group company which had been surrendered under the group relief provisions, without any corresponding payment.

4 Dividends

| | 2001 £'000 | 2000 £'000 |
|--------------------------------------------------------------|---------------|---------------|
| <i>Non equity</i> | | |
| Interim paid of 1 pence (2000: 1 pence) per ordinary share | 70 | 70 |
| Final proposed of 0 pence (2000: 1 pence) per ordinary share | - | 70 |
| | <u>70</u> | <u>140</u> |
| <i>Equity</i> | | |
| Interim paid of 0 pence (2000: 0 pence) per ordinary share | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>70</u> | <u>140</u> |

Notes to financial statements (continued)

5 Investments

| | Subsidiary undertakings £'000 | Other £'000 | Total £'000 |
|-----------------------|-------------------------------------|----------------|----------------|
| Cost | | | |
| At 1 January 2001 | 28,853 | 10,169 | 39,022 |
| At 31 December 2001 | 28,853 | 10,169 | 39,022 |
| Provisions | | | |
| At 1 January 2001 | (685) | - | (685) |
| At 31 December 2001 | (685) | - | (685) |
| Net book value | | | |
| At 1 January 2001 | 28,168 | 10,169 | 38,337 |
| Net book value | | | |
| At 31 December 2001 | 28,168 | 10,169 | 38,337 |

Investments in subsidiary undertakings are in the shares of the following companies, all of which are engaged in advertising and related activities:

J. Walter Thompson Group Limited
BMRB International Limited

J. Walter Thompson Group Limited has investments in the ordinary shares of the following wholly-owned companies which are registered in England and Wales:

J. Walter Thompson Company (Manchester) Limited
British Marketing and Distributing Company Limited
J. Walter Thompson Trustees Limited
J. Walter Thompson Company Limited
The Brand Consultancy Limited
J. Walter Thompson Sponsorship Limited
JWT Direct (UK) Limited
Commodore Media Limited
Brand Dating Limited
Commodore Production Limited
Vision 40 Limited
Blue Logic Consulting Limited
Digital @ JWT Limited
Thompson Connect Limited
Cheetham Bell JWT Limited

Notes to financial statements (continued)

5 Investments (continued)

During the year the wholly owned subsidiary J. Walter Thompson Group Limited acquired 75% of Cheetham Bell JWT Limited.

The following wholly owned J Walter Thompson Group Limited investment was dissolved during 2001:

Forty Below Limited

J. Walter Thompson Company (Manchester) Limited has investments in the ordinary shares of the following wholly-owned companies which are registered in England and Wales:

Conquest Media Limited

Conquest Creative Services Limited

BMRB International Limited has an investment in the ordinary shares of the following wholly-owned company, which is registered in England. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

Optitech Limited

Hill and Knowlton (UK) Limited

In the opinion of the directors the aggregate value of the investments, consisting of shares in and amounts owing from subsidiary undertakings, is not less than the aggregate of the amounts at which these assets are stated in the company's balance sheet.

6 Debtors

| | Falling due within one year | | Falling due after more than one year | |
|------------------------------------------|--------------------------------|---------------|-----------------------------------------|---------------|
| | 2001 £'000 | 2000 £'000 | 2001 £'000 | 2000 £'000 |
| Amounts owed by subsidiary undertaking | 8,471 | 8,604 | - | - |
| Amounts owed by fellow group undertaking | - | - | 8,752 | 8,752 |
| | <u>8,471</u> | <u>8,604</u> | <u>8,752</u> | <u>8,752</u> |

Of the amounts owed by fellow group undertaking a loan of £8,752,000 (2000 - £8,752,000) remains outstanding and accrues no interest. All of the other group amounts receivable are non-interest bearing.

Notes to financial statements (continued)

7 Creditors: amounts falling due within one year

| | 2001 £'000 | 2000 £'000 |
|--------------------------------|---------------|---------------|
| Proposed dividend – non equity | - | 70 |

8 Share capital

| | 2001 £'000 | 2000 £'000 |
|----------------------------------------------------------------------------------------------------------|---------------|---------------|
| <i>Authorised, equity share capital</i> | | |
| 18,720,004 (2000 – 18,720,004) ordinary shares of £1 each | 18,720 | 18,720 |
| <i>Authorised non-equity share capital</i> | | |
| 3,000,000 (2000 – 3,000,000) 1% "A" fixed rate cumulative preference shares of £10 each | 30,000 | 30,000 |
| 50,000 (2000 – 50,000) 1% "B" fixed rate cumulative redeemable preference shares of £10 each | 500 | 500 |
| 20,000,000 (2000 – 20,000,000) 1% "C" fixed rate cumulative preference shares of £1 each | 20,000 | 20,000 |
| 1,500,000 (2000 – 1,500,000) 1% "D" fixed rate cumulative redeemable preference shares of £1 each | 1,500 | 1,500 |
| 1,000,000 (2000 – 1,000,000) 1% "E" fixed rate cumulative preference shares of £1 each | 10,000 | 10,000 |
| 150,000 (2000 – 150,000) 1% "F" fixed rate cumulative redeemable preference shares of £1 each | 1,500 | 1,500 |
| | <u>82,220</u> | <u>82,220</u> |
| <i>Allotted, called up and fully paid equity share capital</i> | | |
| 18,220,006 (2000 – 18,220,006) ordinary shares of £1 each | 18,220 | 18,220 |
| <i>Allotted, called up and fully paid non-equity share capital</i> | | |
| 13,227,894 (2000 – 13,227,894) 1% cumulative "C" fixed rate cumulative preference shares of £1 each | 13,228 | 13,228 |
| 800,000 (2000 – 800,000) 1% cumulative redeemable "D" fixed rate cumulative preference shares of £1 each | 800 | 800 |
| | <u>32,248</u> | <u>32,248</u> |

Notes to financial statements (continued)

8 Share capital (continued)

Holders of the cumulative preference shares have identical voting rights to ordinary shareholders with one vote for every share held. They are also entitled to a fixed cumulative preference dividend of 1% (net of associated tax credit) per annum on each share fully paid or fully credited. The cumulative redeemable preference shares are redeemable at par together with any arrears of dividends at any time (no later than the 31 December 2050) at the option of the company or preference shareholders.

The ordinary shares and ordinary 'B' shares have the same voting rights, rights to dividends and rights on winding-up.

9 Reserves

| | Share Premium Account £'000 | Profit and loss account £'000 | Total £'000 |
|----------------------------|--------------------------------------|-------------------------------------|----------------|
| At 1 January 2001 | 20,982 | 2,393 | 23,375 |
| Retained loss for the year | - | (63) | (63) |
| At 31 December 2001 | <u>20,982</u> | <u>2,330</u> | <u>23,312</u> |

10 Reconciliation of movements in shareholders' funds

| | 2001 £'000 | 2000 £'000 |
|----------------------------------------------------------|---------------|---------------|
| Shareholders' funds, beginning of year | 55,623 | 55,749 |
| Profit for the year | 7 | 14 |
| Dividends paid and proposed equity and non-equity shares | <u>(70)</u> | <u>(140)</u> |
| Shareholders' funds, end of year | <u>55,560</u> | <u>55,623</u> |

11 Guarantees and charges

JWT UK Holdings Limited participates in group banking arrangements with its parent company, WPP Group plc, and has access to a group cash management facility. JWT UK Holdings Limited guarantees the facility to the extent of its cash deposited in the U.K. with its clearing bank. JWT UK Holdings Limited, together with its parent, WPP Group plc, and certain other subsidiary undertakings, is a party to the groups syndicated banking arrangements. JWT UK Holdings Limited has jointly and severally guaranteed the borrowings under these arrangements. Details of these arrangements are included in the financial statements of WPP Group plc.

12 Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 8 not to disclose the details of transactions with other WPP Group companies as it is ultimately 100% owned by WPP Group plc, the consolidated accounts of which are publicly available.

Notes to financial statements (continued)

13 Ultimate parent company

The ultimate parent company is WPP Group plc. This is the only group in which the financial statements of J. Walter Thompson UK Holdings Limited are consolidated. The address from which copies of the consolidated financial statements can be obtained is 27 Farm Street, London, W1J 5RJ.