

INTERSTAR HOLDINGS LIMITED
(formerly Cordiant Limited)

FINANCIAL STATEMENTS

31ST DECEMBER 1999



COMPANY NO: 660277

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors submit their annual report together with financial statements for the year ended 31st December 1999.

CHANGE OF NAME

On 21st October 1999 the company changed its name from Cordiant Limited to Interstar Holdings Limited.

ACTIVITIES

The company did not trade during the year.

DIRECTORS

The directors who served during the year were as follows:-

D F Ham
D Williams
A Boland (appointed 24 July 2000)
S M Howard (resigned 17 March 2000)

No Directors held any interest in the shares of the Company. The interests of the Directors who held office during the year in the shares of Cordiant Communications Group plc at the beginning and end of the financial year were as follows:

	<u>Balance at</u> <u>31st Dec</u> <u>1998</u>	<u>Exercised</u> <u>during</u> <u>the year</u>	<u>Granted</u> <u>during</u> <u>the year</u>	<u>Lapsed</u> <u>during</u> <u>the year</u>	<u>Balance at</u> <u>31st Dec</u> <u>1999</u>	<u>Average</u> <u>Exercise</u> <u>price</u>	<u>Exercisable</u>
DF Ham	78,571	-	-	-	78,571	105	Dec 2000 – Dec 2004
D Williams	-	-	50,152	-	50,152	164	Mar 2002 – Mar 2006
A Boland	-	-	50,152	-	50,152	164	Mar 2002 – Mar 2006
SM Howard	178,138	-	-	-	178,138	124	May 2001 - May 2005

Directors' interests include share options granted

YEAR 2000 COMPLIANCE

The Year 2000 project of Cordiant Communications Group plc, the ultimate holding company, which consists of a mixture of corrective actions and the replacement and enhancement of existing systems, continued during the period. Testing and implementation were satisfactorily completed by the end of the financial year. The project has allowed the Company to upgrade some of its older systems, which will enable improved client service and internal information flows.

The Group has to date experienced no problems as a result of the Year 2000 issue. However this does not guarantee that no further issues will arise, either from within the Group or from third parties. The Company will continue to monitor the situation during 2000.

The total incremental cost to the Group of achieving Year 2000 compliance was approximately £1.1 million. Of this £0.5 million was expensed to the profit and loss account and £0.6 million was capitalised. As the programme was undertaken by the Group, it is not possible to allocate the costs to individual companies within the Group.

EMU

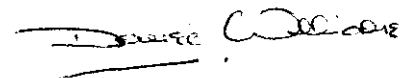
The Group has significant operations within the European Union. Interstar Holdings Limited has not encountered any significant problems since the introduction of the Euro and the associated costs are not material.

DIRECTORS' REPORT (Continued)

ELECTIVE RESOLUTIONS

The company has passed resolutions under sections 252 and 366A of the Companies Act 1985 dispensing with the requirements to lay accounts and reports before the company in general meeting and hold annual general meetings.

By order of the board

A handwritten signature in dark ink, appearing to read 'D Williams', with a horizontal line drawn underneath it.

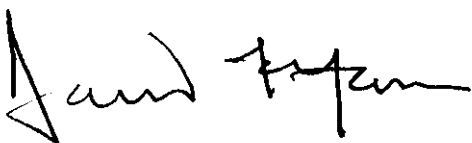
D Williams
Secretary
121 - 141 Westbourne Terrace,
London, W2 6JR
26 September 2000

BALANCE SHEET

	<u>Note</u>	<u>31st Dec 1999</u> £	<u>31st Dec 1998</u> £
CURRENT ASSETS			
Debtors	2	50,000	50,000
NET ASSETS		<u>£50,000</u>	<u>£50,000</u>
CAPITAL AND RESERVES			
Called up share capital	3	50,000	50,000
Profit and loss account	4	<u>-</u>	<u>-</u>
EQUITY SHAREHOLDERS' FUNDS		<u>£50,000</u>	<u>£50,000</u>

The Company was dormant within the meaning of section 250 of the Companies Act 1985 throughout the year.

These financial statements were approved by the board of directors on 26 September 2000 and signed on its behalf by:



DF Ham
Director

NOTES

(forming part of the financial statements)

1. BASIS OF ACCOUNTING:

The following accounting policy has been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting:

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

	<u>31st Dec 1999</u> £	<u>31st Dec 1998</u> £
2. DEBTORS		
Amounts due from holding company	<u>£50,000</u>	<u>£50,000</u>
3. SHARE CAPITAL		
Authorised, allotted, and fully paid		
50,000 ordinary shares of £1 each	<u>£50,000</u>	<u>£50,000</u>

4. PROFIT AND LOSS ACCOUNT

The company did not trade during the year nor the previous year and has received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

5. CONTINGENT LIABILITIES

The company, together with other group companies, has given a cross guarantee to secure the borrowings of itself and other group companies. At 31st December 1999 these borrowings amounted to £65.2 million. In addition the company is grouped for VAT purposes with other group companies and is contingently liable for the VAT liabilities of those companies.

6. ULTIMATE HOLDING COMPANY

The ultimate holding company is Cordiant Communications Group plc which is registered in England and Wales. The company's financial statements are consolidated into those of Cordiant Communications Group plc. Copies of the group financial statements can be obtained from the Secretary at 121 - 141 Westbourne Terrace, London, W2 6JR.