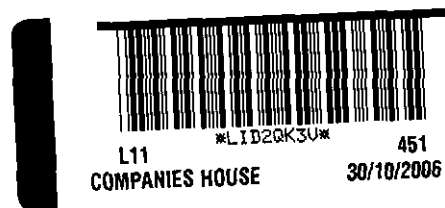


## **Interstar Holdings Limited**

Annual report and financial statements  
for the year ended 31 December 2005

Registered number: 660277



## Directors' report

For the year ended 31 December 2005

The directors present their annual report together with the financial statements for the year ended 31 December 2005.

### Review of developments

The company has been dormant within the meaning of Section 249AA of the Companies Act 1985 throughout the year. It is anticipated that the company will remain dormant for the foreseeable future.

### Directors and their interests

The directors who served during the year were as follows:

P.W.G. Richardson

A. Scott

C. Sweetland

None of the directors had any interest in the shares of the company. The interests of P.W.G. Richardson in the shares of the company's ultimate holding company, WPP Group plc, are shown in that company's financial statements.

C. Sweetland and A. Scott held the following options and restricted stock awards over shares in WPP Group plc at 31 December 2005:

#### Options

	At 1 Jan 2005 Number	Granted 2005 Number	Exercised 2005 Number	At 31 Dec 2005 Number	Commencement	Expiry	Exercise price per share
<u>C. Sweetland</u>	23,750	-	-	23,750	June 1999	June 2006	£2.140
	6,861	-	-	6,861	Sept. 1999	Sept. 2006	£2.335
	5,422	-	-	5,422	Sept. 2000	Sept. 2007	£2.835
	5,012	-	-	5,012	Sept. 2001	Sept. 2008	£2.930
	2,689	-	-	2,689	Sept. 2002	Sept. 2009	£5.700
	12,070	-	-	12,070	Sept. 2003	Sept. 2010	£9.010
	23,143	-	-	23,143	Sept. 2004	Sept. 2011	£4.865
	25,293	-	-	25,293	Sept. 2005	Sept. 2012	£4.210
	17,515	-	-	17,515	Nov. 2006	Nov. 2013	£5.595
	16,300	-	-	16,300	Oct. 2007	Oct. 2014	£5.535
<u>A. Scott</u>	5,614	-	-	5,614	Sept. 2002	Sept. 2009	£5.700
(ADRs) 1,265 <sup>1</sup>		-	-	1,265	Sept. 2003	Sept. 2010	\$63.265
(ADRs) 4,240 <sup>1</sup>		-	-	4,240	Sept. 2004	Sept. 2011	\$35.380
	22,994	-	-	22,994	Sept. 2005	Sept. 2011	£4.21
	15,923	-	-	15,923	Nov. 2006	Nov. 2013	£5.595
	14,818	-	-	14,818	Oct. 2007	Oct. 2014	£5.535

<sup>1</sup> Each ADR (American Depositary Receipt) represents 5 ordinary shares.

## Directors' report

For the year ended 31 December 2005

### Directors and their interests (continued)

#### Restricted stock awards

	At 1 Jan 2005 Number	Granted 2005 Number	Vested 2005 Number	At 31 Dec 2005 Number	Grant date	Vest date
<u>C. Sweetland</u>	669	-	-	669	Feb 2004	Mar 2006
	-	19,262	-	19,262	Mar 2005	Mar 2008
	-	16,050	-	16,050	Nov 2005	Mar 2007
	-	8,896	-	8,896	Nov 2005	Nov 2008
<u>A. Scott</u>	436	-	-	436	Feb 2004	Mar 2006
	-	19,262	-	19,262	Mar 2005	Mar 2008
	-	15,040	-	15,040	Nov 2005	Mar 2007
	-	5,930	-	5,930	Nov 2005	Nov 2008

In addition, C. Sweetland had a beneficial interest in 53,183 (2004 – 50,761) shares in WPP Group plc at 31 December 2005.

The directors have no other interests in any other group company.

27 Farm Street  
London  
W1J 5RJ

25 October 2006

By order of the Board

  
C. Sweetland

## Balance Sheet

At 31 December 2005

	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Investments	4	-	-
<b>Net assets</b>		-	-
<b>Capital and reserves</b>			
Called-up equity share capital	5	50,000	50,000
Profit and loss account		(50,000)	(50,000)
<b>Equity shareholders' funds</b>		-	-

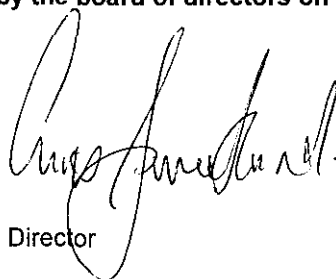
The accompanying notes are an integral part of this balance sheet.

### Dormant company status:

The annual accounts have not been audited because the company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and its members have not required the company to obtain an audit of these accounts in accordance with s249B(2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with Section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the board of directors on 25 October 2006 and signed on its behalf by:



C. Sweetland

Director

## Notes to financial statements

For the year ended 31 December 2005

### 1 Accounting policies

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

### 2 Profit and Loss Account

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during the current or preceding year.

### 3 Information Regarding Directors And Employees

No emoluments were payable to the directors, who were the only employees, of the company during the current or preceding year.

### 4 Fixed asset investments

The investment represents 40% of the issued share capital of Softmedia Limited, an intermediate holding company incorporated in England and Wales. Interstar Holdings Limited also controls the remaining 60%.

	£'000
<b>Cost</b>	
At 1 January and 31 December 2005	199,962
<b>Provision for impairment</b>	
At 1 January 2005	-
Written off	199,962
At 31 December 2005	199,962
<b>Net book value at 31 December 2005</b>	-
<b>Net book value at 31 December 2004</b>	199,962

In accordance with the company's accounting policy, the company annually tests the carrying value of investments for impairment. The 2005 impairment review was undertaken as at 31 December 2005. The review assessed whether the carrying value of investments was supported by the net present value of future cash flows derived from assets using a projection period of up to five years for each subsidiary entity. After the projection period, steady or declining growths have been assumed for each subsidiary entity. An annual growth rate of 3.0% and a pre-tax discount rate of 11.9% has been assumed.

## Notes to financial statements

For the year ended 31 December 2005

### 5 Called-up equity share capital

	2005 £	2004 £
<i>Authorised, allotted, called-up and fully-paid</i>		
50,000 (2004 – 50,000) ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

### 6 Ultimate controlling party

The directors regard WPP Group plc, a company registered in England and Wales, as the ultimate parent company and the ultimate controlling party.

The only group in which the results of Interstar Holdings Limited are consolidated is that headed by WPP Group plc. Copies of the consolidated financial statements of WPP Group plc can be obtained from WPP Group plc, 27 Farm Street, London W1J 5RJ.