

**Harrison Salinson Media
Outdoor Limited
(Registered Number 1971130)**

**Annual Report And Financial
Statements**

31 December 1998



Harrison Salinson Media Outdoor Limited

Directors' Report For The Year Ended 31 December 1998

The directors present their report on the affairs of the Company, together with the financial statements and auditors' report, for the year ended 31 December 1998.

Principal Activity, Business Review, And Future Developments

The Company did not trade in 1998 or 1997 and will not do so for the foreseeable future.

Directors And Their Interests

The directors who served during the year, together with their interests and options in the ordinary shares of the ultimate parent undertaking, Aegis Group plc, at the beginning and end of the year are shown in Note 8 of the financial statements.

Year 2000

The directors do not expect that Year 2000 will have any significant direct effect on the Company's financial position.

Statement Of 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 that period. 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;
- 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.

Auditors

Following the merger of Price Waterhouse and Coopers & Lybrand on 1 July 1998, Price Waterhouse resigned as auditors in favour of the new firm PricewaterhouseCoopers, and the directors have appointed PricewaterhouseCoopers to fill the casual vacancy created by the resignation. A resolution to reappoint PricewaterhouseCoopers as auditors to the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



P Core
Secretary

2 | 8 | 1999

Auditors' Report To The Members Of Harrison Salinson Media Outdoor Limited

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 1 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, 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.

**Auditors' Report To The Members Of
Harrison Salinson Media Outdoor Limited** (Continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

21/8/ 1999

Harrison Salinson Media Outdoor Limited

Balance Sheet - 31 December 1998

	<i>Note</i>	1998 £	1997 £
Current Assets			
Debtors	4	100	100
Net Assets		100	100
Capital And Reserves			
Called-up share capital	5	100	100
Equity Shareholders' Funds		100	100

Approved By The Board On 2/8/1999



P Core
Director

The accompanying notes on pages 5 to 6 are an integral part of this balance sheet.

Harrison Salinson Media Outdoor Limited

Notes To The Financial Statements - 31 December 1998

1 Accounting Policies

Basis of accounting

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

2 Profit And Loss Account For The Year Ended 31 December 1998

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently during those years, the Company made neither a profit nor a loss.

3 Auditors' And Directors' Remuneration

The audit fee has been borne by one of the Company's fellow subsidiary undertakings.

The directors received no remuneration during the year.

4 Debtors

The following amounts are included in debtors:

	1998	1997
	£	£
Amounts due from group undertakings	100	100

5 Called-Up Share Capital

The called-up equity share capital comprises 100 authorised, allotted, called-up and fully paid ordinary shares of £1 each.

6 Statement Of Cash Flows

The financial statements of Aegis Group plc for the year ended 31 December 1998 contain a consolidated Statement of Cash Flows. Therefore the Company has taken advantage of the exemption granted under FRS1 whereby it is not required to publish its own Statement of Cash Flows.

Harrison Salinson Media Outdoor Limited

Notes To The Financial Statements - 31 December 1998

7 Ultimate Parent Undertaking

The Company's immediate parent company is Carat Group UK Limited (formerly Carat UK Limited), a company registered in England. The ultimate parent company and controlling party is Aegis Group plc, a company registered in England.

The largest group in which the results of the Company are consolidated is that headed by Aegis Group plc registered in England. The consolidated financial statements of Aegis Group plc are available to the public and may be obtained from 11a West Halkin Street, London SW1X 8JL.

The smallest group in which the results of the company are consolidated is that headed by Carat Group UK Limited.

8 Directors' Interests

The directors of the Company who served during the year together with their beneficial interests in the 5 pence ordinary shares of the ultimate parent undertaking, Aegis Group plc, at the beginning and end of the year are shown below. The Register of Directors' Interests (which is open to inspection) contains full details of the directors' shareholdings and options to subscribe.

	5p Ordinary shares of Aegis Group plc	
	31 December 1998 Shares	31 December 1997 Shares
AT Rickard (Appointed 5 March 1998)	-	-
P Core	-	-

The middle market price of the shares at 31 December 1998 was 87.75 pence and the range during 1998 was 64.25 pence to 112 pence.

Ordinary shares of 5 pence each in Aegis Group plc for which the directors in office at 31 December 1998 have beneficial options to subscribe are shown below:

	Options held at start of year	Granted during year	Expired/ lapsed during year	Options held at end of year	Exercise price	Date from which exercisable	Expiry date
AT Rickard	120,754	-	-	120,754	265p	21.6.98	20.6.2005
	46,075	-	-	46,075	29.3p	5.5.96	4.5.2003
	5,000	-	-	5,000	28.5p	25.5.97	24.5.2004
	67,308	-	-	67,308	52.0p	2.7.2001	1.7.2006
	62,745	-	-	62,745	63.75p	8.7.2000	7.7.2007
	-	60,759	-	60,759	98.75p	2.6.2001	1.6.2008
P. Core	25,000	-	-	25,000	63.75p	8.7.2000	7.7.2007
	-	25,000	-	25,000	98.75p	02.6.2001	01.6.2008