
Promedia A/S

Antonigade 2, 2., DK-1106 Copenhagen C

Annual Report for 1 January - 31 December 2016

CVR No 10 85 01 93

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
6 /6 2017

Lars Petersen
Chairman

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Promedia A/S for the financial year 1 January - 31 December 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 May 2017

Executive Board

Morten Kjærsgaard Kristensen
Executive Officer

Board of Directors

Jonas von Barnekow Benzon
Hemmingsen
Chairman

Morten Kjærsgaard Kristensen

Jens Storkfelt

Independent Auditor's Report

To the Shareholder of Promedia A/S

Opinion

We have audited the Financial Statements of Promedia A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Copenhagen, 31 May 2017

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Kim Takata Mücke
State Authorised Public Accountant

Morten Jarlbo
State Authorised Public Accountant

Company Information

The Company

Promedia A/S
Antonigade 2, 2.
DK-1106 Copenhagen C

CVR No: 10 85 01 93
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Board of Directors

Jonas von Barnekow Benzou Hemmingsen, Chairman
Morten Kjærsgaard Kristensen
Jens Storkfelt

Executive Board

Morten Kjærsgaard Kristensen

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-0900 Copenhagen C

Management's Review

Key activities

As in previous years, the Entity has been engaged in consulting, media communication and the production of primarily job and information ads for the state, regions and municipalities as well as private advertisers.

Development in the year

The income statement of the Company for 2016 shows a loss of TDKK 4, and at 31 December 2016 the balance sheet of the Company shows equity of TDKK 3,767.

The Company is inactive, so the financial performance is as expected.

Management believes that - also considering the period after the balance sheet date - the Income statement and the balance sheet with accompanying notes contain all significant information necessary to evaluate the past year and the Entity's financial position at year-end.

Particular risks

No unusual risks are associated with the Entity's business. The business conditions of the market and the external environment as a whole have not changed significantly.

Uncertainty relating to recognition and measurement

Management believes that there are no significant uncertainties related to the preparation of the Entity's 2016 annual report.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income Statement 1 January - 31 December

	Note	2016 TDKK	2015 TDKK
Gross profit/loss		0	1.045
Staff expenses	1	0	-708
Profit/loss before financial income and expenses		0	337
Financial income	2	0	2
Financial expenses		0	-17
Profit/loss before tax		0	322
Tax on profit/loss for the year	3	-4	-73
Net profit/loss for the year		-4	249

Distribution of profit

Proposed distribution of profit

Retained earnings		-4	249
		-4	249

Balance Sheet 31 December

	Note	2016 TDKK	2015 TDKK
Assets			
Trade receivables		0	547
Receivables from group enterprises		3.735	5.292
Deferred tax asset		26	43
Corporation tax		6	12
Prepayments		0	8
Receivables		3.767	5.902
Currents assets		3.767	5.902
Assets		3.767	5.902
Liabilities and equity			
Share capital		500	500
Retained earnings		3.267	3.271
Equity	4	3.767	3.771
Prepayments received from customers		0	27
Trade payables		0	735
Payables to group enterprises		0	1.070
Other payables		0	299
Short-term debt		0	2.131
Debt		0	2.131
Liabilities and equity		3.767	5.902
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	500	3.271	3.771
Net profit/loss for the year	0	-4	-4
Equity at 31 December	500	3.267	3.767

Notes to the Financial Statements

	<u>2016</u> TDKK	<u>2015</u> TDKK
1 Staff expenses		
Wages and salaries	0	656
Pensions	0	43
Other social security expenses	0	9
	<u>0</u>	<u>708</u>
Average number of employees	<u>0</u>	<u>2</u>
2 Financial income		
Interest received from group enterprises	<u>0</u>	<u>2</u>
	<u>0</u>	<u>2</u>
3 Tax on profit/loss for the year		
Current tax for the year	-6	75
Adjustment of deferred tax concerning previous years	10	-2
	<u>4</u>	<u>73</u>
4 Equity		

The share capital consists of 500 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes to the Financial Statements

	<u>2016</u> TDKK	<u>2015</u> TDKK
5 Contingent assets, liabilities and other financial obligations		
Guarantee obligations		
Recourse and non-recourse guarantee commitments	100	100

Other contingent liabilities

The Company participates in a Danish joint taxation arrangement in which WPP Holding Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is, therefore, liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

6 Related parties

Basis

Controlling interest

Mediacom Danmark A/S	Shareholder
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Consolidated Financial Statements

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

<u>Name</u>	<u>Place of registered office</u>
WPP Plc.	27 Farm Street, W17 5RJ, London, England.

The consolidated financial statements are available on: www.wppinvestor.com.

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Promedia A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied to these financial statements are consistent with those applied last year.

The Financial Statements for 2016 are presented in TDKK.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Notes to the Financial Statements

7 Accounting Policies (continued)

Revenue

Revenue from the sale of media and consultants fees is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises consumed use of media to achieve the revenue for the year. Use of media includes received discounts, etc.

Other external expenses

Other external expenses include expenses premises, stationery and office supplies, marketing costs and services provided by group related companies etc. This item also includes write-downs of receivables recognised in current assets.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Financial income and expenses

Other financial income comprises interest income, including interest income on receivables from group enterprises, net foreign exchange, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net foreign exchange, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the other WPP companies in Denmark. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Notes to the Financial Statements

7 Accounting Policies (continued)

Balance Sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Cash pool

The company is part of a cash pool scheme with other Danish WPP companies. Consequently, a considerable portion of the Company's bank deposits and debt is included in receivables from and payables to group enterprises, respectively.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.