
Y&R Denmark Holdings II ApS

c/o AdPeople A/S, Per Henrik Lings Allé 4, DK-2100
Copenhagen Ø

Annual Report for 1 January - 31 December 2016

CVR No 24 21 35 60

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 2017

Lars Petersen
Chairman

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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Y&R Denmark Holdings II ApS 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

Anders Hviid Schack

Torben Snowman

Independent Auditor's Report

To the Shareholder of Y&R Denmark Holdings II ApS

Opinion

We have audited the Financial Statements of Y&R Denmark Holdings II ApS 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

Y&R Denmark Holdings II ApS
c/o AdPeople A/S
Per Henrik Lings Allé 4
DK-2100 Copenhagen Ø

CVR No: 24 21 35 60

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

Executive Board

Anders Hviid Schack
Torben Snowman

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-0900 Copenhagen C

Management's Review

Main activity

The objective of the Company is to own shares in group enterprises, to finance and support such enterprises as well as related business as assessed by Management.

The Group renders advertising, marketing, media and various other forms of consulting and client services.

Development in the year

The income statement of the Company for 2016 shows a profit of DKK 20,312,988, and at 31 December 2016 the balance sheet of the Company shows equity of DKK 85,041,600.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Other external expenses		-174.598	-155.879
Gross profit/loss		-174.598	-155.879
Income from investments in subsidiaries		20.449.985	7.793.045
Profit/loss before tax		20.275.387	7.637.166
Tax on profit/loss for the year	1	37.601	37.442
Net profit/loss for the year		20.312.988	7.674.608

Distribution of profit

Proposed distribution of profit

Retained earnings		20.312.988	7.674.608
		20.312.988	7.674.608

Balance Sheet 31 December

Assets

	Note	2016 DKK	2015 DKK
Investments in subsidiaries	2	33.772.483	26.229.068
Fixed asset investments		33.772.483	26.229.068
Fixed assets		33.772.483	26.229.068
Receivables from group enterprises		51.300.870	38.524.220
Corporation tax		38.411	36.632
Receivables		51.339.281	38.560.852
Currents assets		51.339.281	38.560.852
Assets		85.111.764	64.789.920

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Share capital		160.000	160.000
Retained earnings		<u>84.881.600</u>	<u>64.568.612</u>
Equity	3	<u>85.041.600</u>	<u>64.728.612</u>
Trade payables		<u>70.164</u>	<u>61.308</u>
Short-term debt		<u>70.164</u>	<u>61.308</u>
Debt		<u>70.164</u>	<u>61.308</u>
Liabilities and equity		<u>85.111.764</u>	<u>64.789.920</u>
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Related parties	5		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	160.000	64.568.612	64.728.612
Net profit/loss for the year	0	20.312.988	20.312.988
Equity at 31 December	160.000	84.881.600	85.041.600

Notes to the Financial Statements

	2016 DKK	2015 DKK
1 Tax on profit/loss for the year		
Current tax for the year	-38.411	-36.632
Adjustment of tax concerning previous years	810	-810
	<u>-37.601</u>	<u>-37.442</u>
 2 Investments in subsidiaries		
Cost at 1 January	<u>57.398.320</u>	<u>57.398.320</u>
Cost at 31 December	<u>57.398.320</u>	<u>57.398.320</u>
Value adjustments at 1 January	-31.169.252	-27.371.017
Share of profit/loss for the year	21.062.168	8.405.228
Dividend	-12.906.570	-11.591.280
Amortisation of goodwill	<u>-612.183</u>	<u>-612.183</u>
Value adjustments at 31 December	<u>-23.625.837</u>	<u>-31.169.252</u>
 Carrying amount at 31 December	<u>33.772.483</u>	<u>26.229.068</u>
Hereof the value of goodwill DKK 306k.		

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Corporate form	Equity interest
Burson-Marsteller A/S	Copenhagen	A/S	100%
Wunderman A/S	Copenhagen	A/S	51%

3 Equity

The share capital consists of 160 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

4 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Entity 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 Entity 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.

5 Related parties

Consolidated Financial Statements

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

Name	Place of registered office
WPP Plc.	Queensway House, Hilgrove Street, St Helier, Jersey

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

Notes, Accounting Policies

Basis of Preparation

The Annual Report of Y&R Denmark Holdings II ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Consolidated financial statements

With reference to section 112(1) of the Danish Financial Statements Act and to the consolidated financial statements of WPP Plc., the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes, Accounting Policies

Income Statement

Other external expenses

Other external expenses comprise expenses administration etc.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year and amortisation of goodwill.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with all Danish WPP subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised positive, or negative, goodwill.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Notes, Accounting Policies

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.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.