ARTHUR ANDERSEN

Adelphi Communications Limited

Financial statements 31 January 2001
together with directors' and auditors' reports

Registered number: 2761321

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Directors' report

For the year ended 31 January 2001

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 January 2001.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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; and
- 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 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.

Principal activity

The principal activity of the company is medical publishing within the pharmaceutical industry.

Results and dividends

The result for the year is shown on page 4.

The directors consider the company's state of affairs and future prospects to be satisfactory.

The directors recommend payment of a final dividend of £1,000,000 (2000 - £Nil). The retained loss for the year of £172,809 (2000 - £478,097 profit) has been transferred to reserves.

Directors and their interests

The directors who served during the year were as follows:

Y.M. Buxton
D.G. Harrison
J. Hayes
L.T. Morgan

The directors do not have any interests required to be disclosed under Schedule 7 of the Companies Act 1985.

The Euro

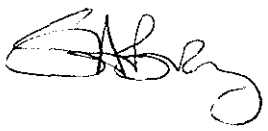
The directors are investigating the likely impact of the Euro on the company. Their brief is to ensure that the company is fully prepared in readiness for the introduction of the Euro and, in particular, for the business implication of the United Kingdom's potential entry into EMU.

Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Adelphi Mill
Bollington
Macclesfield
Cheshire
SK10 5JB

On behalf of the Board,



S.A. Bray
Secretary

14 August 2001

ARTHUR ANDERSEN

To the Shareholders of Adelphi Communications Limited:

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts, and of whether the accounting policies are appropriate to the circumstances of the company, 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 January 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen
Chartered Accountants and Registered Auditors

Bank House
9 Charlotte Street
Manchester
M1 4EU

14 August 2001

Profit and loss account

For the year ended 31 January 2001

	Notes	Year ended 31 January 2001 £	13 months ended 31 January 2000 £
Turnover		8,463,880	6,739,200
Cost of sales		(3,300,916)	(2,386,985)
Gross profit		5,162,964	4,352,215
Administrative expenses		(3,957,801)	(3,663,281)
Other operating income		5,089	29,173
Operating profit		1,210,252	718,107
Interest payable and similar charges		(24,499)	(31,033)
Profit on ordinary activities before taxation	2	1,185,753	687,074
Tax on profit on ordinary activities	4	(358,562)	(208,977)
Profit on ordinary activities after taxation		827,191	478,097
Dividends proposed	5	(1,000,000)	-
Retained (loss) profit for the period		(172,809)	478,097
Retained profit brought forward		640,710	162,613
Retained profit carried forward		467,901	640,710

The above results all derive from continuing operations.

The company has no recognised gains or losses other than the result for the financial year and the preceding period.

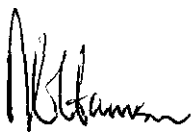
The accompanying notes are an integral part of this profit and loss account.

Balance sheet

31 January 2001

	Notes	2001 £	2000 £
Current assets			
Debtors	6	2,941,665	1,869,211
Cash at bank and in hand		2,090,788	733,087
		5,032,453	2,602,298
Creditors: amounts falling due within one year	7	(4,564,550)	(1,961,586)
Net assets		467,903	640,712
Capital and reserves			
Called-up share capital	8	2	2
Profit and loss account		467,901	640,710
Equity shareholders' funds	9	467,903	640,712

Signed on behalf of the Board,



D.G. Harrison
Director

14 August 2001

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

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently through the year and the preceding period.

a) Basis of accounting

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

b) Cash flow statement

The company has taken advantage of the exemption under FRS1 (revised) from producing a cash flow statement as it is a wholly owned subsidiary undertaking of Omnicom Group Inc. in whose financial statements the company is consolidated.

c) Amounts recoverable on contracts

Profit is recognised on long term work in progress in proportion to the stage of completion of the work where the financial outcome can be foreseen with reasonable certainty. Amounts recoverable on long term contracts are included in debtors and comprise any excess of cumulative turnover over cumulative payments on account.

Advance and progress payments are included under creditors to the extent that they exceed the related work in progress.

d) Pension costs

The company contributes to the Adelphi Group Limited pension scheme which is a defined contribution scheme for employees. Contributions are charged to the profit and loss account as they fall due.

e) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

1 Accounting policies (continued)

f) Turnover

Turnover represents the value of work done in the period net of VAT. Geographical analysis of turnover is not disclosed as, in the opinion of the directors, this would be seriously prejudicial to the interests of the company.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses.

g) Operating leases

The costs of operating leases are charged to the profit and loss account as they accrue.

h) Foreign currency translation

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the rate of exchange ruling at that date. All exchange differences are dealt with through the profit and loss account.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Year ended 31 January 2001 £	13 months ended 31 January 2000 £
Auditors remuneration for audit services	18,316	16,077
Group operating lease recharges:		
Rent of property	153,893	202,989

3 Directors and employees

The average monthly number of persons employed (including executive directors) was:

	Year ended 31 January 2001 Number	13 months ended 31 January 2000 Number
Sales and production	66	73

3 Directors and employees (continued)

Staff costs during the year (including executive directors):

	Year ended 31 January 2001 £	13 months Ended 31 January 2000 £
Wages and salaries	2,066,325	2,112,890
Social security costs	229,592	234,765
Pension costs	151,067	182,212
	2,446,984	2,529,867

Directors' remuneration

	Year ended 31 January 2001 £	13 months ended 31 January 2000 £
Emoluments	85,441	83,324
Company contributions to money purchase pension schemes	7,106	7,645
	92,547	90,969

	Year ended 31 January 2001 Number	13 months ended 31 January 2000 Number
Number of directors who are members of the group's money purchase pension scheme	3	3

4 Tax on profit on ordinary activities

	Year ended 31 January 2001 £	13 months ended 31 January 2000 £
United Kingdom corporation tax	358,562	208,977

5 Dividends proposed

	Year ended 31 January 2001 £	13 months ended 31 January 2000 £
Dividends proposed of £500,000 per share (2000 - £nil per share)	1,000,000	-

6 Debtors

	2001 £	2000 £
Trade debtors	1,654,905	811,396
Amounts recoverable on contracts	205,378	252,108
Amounts owed by immediate parent company	1,069,739	736,202
Amounts owed by other group undertakings	-	51,034
Other debtors and prepayments	11,643	18,471
	2,941,665	1,869,211

7 Creditors: amounts falling due within one year

	2001 £	2000 £
Payments received on account	2,203,868	1,354,647
Trade creditors	244,665	254,758
Amounts owed to group undertakings	-	84,641
Corporation tax	575,847	223,331
Accruals and deferred income	540,170	44,209
Proposed dividends	1,000,000	-
	4,564,550	1,961,586

8 Called-up share capital

	2001 £	2000 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Called-up, allotted and fully paid		
2 ordinary shares of £1 each	2	2

9 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	827,191	478,097
Dividends proposed on equity shares	(1,000,000)	-
Net (reduction) increase in shareholders' funds	(172,809)	478,097
Opening shareholders' funds	640,712	162,615
Closing shareholders' funds	467,903	640,712

10 Financial commitments

Omnicom Europe Limited, jointly and severally with certain of its subsidiary undertakings including Adelphi Communications Limited, has entered into a £8,000,000 collective net overdraft facility with HSBC Bank plc. HSBC Bank plc has the right to apply positive cash balances of the company against indebtedness or liability of any of the other companies named in the agreement. This facility is guaranteed by Omnicom Group Inc. The maximum liability to the company under this arrangement is £2,090,788 (2000 - £733,087).

11 Pension arrangements

The immediate parent company, Adelphi Group Limited, operates a defined contribution scheme; the pension cost for the year recharged to Adelphi Communications Limited amounted to £151,067 (2000 - £182,212).

12 Related party transactions

As a wholly owned subsidiary of Omnicom Group Inc., the company has taken advantage of the exemption in FRS8 "Related Party disclosures" not to disclose transactions with other members of the group headed by Omnicom Group Inc.

13 Ultimate parent company

The directors regard Omnicom Group Inc. as the ultimate parent company and the ultimate controlling party. The smallest group in which the company's results are included is the consolidated accounts of Omnicom Europe Limited. These consolidated accounts are available to the public and may be obtained from Omnicom Europe Limited, 239 Old Marylebone Road, London, NW1 5QT.

The largest group in which the company's results are included is the consolidated accounts of the ultimate parent company, Omnicom Group Inc., a company incorporated in the United States of America. These consolidated accounts are available to the public and may be obtained from Omnicom Group Inc., 437 Madison Avenue, New York, NY 10022, U.S.A.