



12 November 2010

Aegis Group plc

Interim Management Statement

Introduction

Aegis Group plc ("Aegis" or "the group") today announces a trading update for the third quarter of 2010. Total group revenues for the third quarter were up 8.8% on 2009 on a reported basis and up 4.4% during the first nine months of 2010.

Organic group revenues, excluding the effects of currency movements, acquisitions and disposals, in the third quarter were up +9.7%, compared to the prior year, and up +5.2% in the first nine months of 2010:

Organic revenue growth (%)	Q1 2010	Q2 2010	Q3 2010	YTD 2010
Aegis Media	+3.0	+3.6	+8.5	+5.0
Synovate	-1.9	+6.5	+11.5	+5.7
Group	+1.1	+4.7	+9.7	+5.2

Aegis Media

Aegis Media delivered strong organic revenue growth of +8.5% during the third quarter, and +5.0% during the first nine months of the year.

Growth rates varied by market, during the quarter, with robust organic revenue growth from our businesses in faster-growing regions, particularly in China, Russia and across Latin America.

In slower-growing regions, our North American business continued to gain momentum, with a number of significant new client wins achieved during the last three months.

In Western Europe, there were particularly good performances from our businesses in the UK and the Nordics, with a continued recovery at our business in Spain and mixed performances in other Continental European markets.

Aegis Media has achieved total net new business wins of \$1.6 billion during the first nine months of the year (2009: \$2.4 billion), including net new business wins of \$650 million in the third quarter of 2010 (2009: \$500 million). New business wins during the third quarter included Diageo and Red Bull in North America, Warner Music in Europe, Procter & Gamble in West Africa, BMW in South Africa, Anheuser Busch InBev in the UK and Societe Generale in Russia.

The new business pipeline remains healthy going into the fourth quarter of 2010, and there have already been a number of major client wins in the period including Kellogg's digital creative in Europe and Relativity Media in North America.



Synovate

At Synovate, the trend in quarterly revenue growth improved significantly, with gross organic revenue growth of +11.5% in the third quarter, and +5.7% during the first nine months of 2010. Net organic revenue growth was 10.9% in the third quarter, and 5.3% in the year to date.

As anticipated given the increasingly challenging comparative performance in the prior year periods, Synovate's sales were +4.2% up from the prior year period, whilst orders on hand going into the fourth quarter were +4.3% higher than at the same time last year.

Synovate's businesses in the faster-growing regions of Asia Pacific, Africa and Eastern Europe continued to perform well.

Our North American business continued to deliver strong sales and revenue growth, despite a competitive market.

In Western Europe, the challenging macro-economic environment throughout the region continued to impact the performances of a number of our businesses there.

Update on proposed acquisition of Mitchell Communication Group ("Mitchell")

In the final week of October, the scheme of arrangement for Aegis's proposed acquisition of Mitchell received approval from Mitchell's shareholders and the Supreme Court of Victoria in Australia. The acquisition has also now been cleared by all the relevant competition and regulatory authorities.

The acquisition will be completed when the scheme is implemented on 17 November. At that time, the scheme consideration will be paid, with new Aegis shares being issued to those Mitchell shareholders who have elected to take all or part of their consideration in Aegis equity (the total number of new Aegis shares to be issued to these former Mitchell shareholders is 116, 672, 646, or approximately 9.99% of Aegis's equity in issue).*

The new shares will be admitted to the Official List of the UKLA and will start trading on the London Stock Exchange on 17 November, the same day as completion of the acquisition.

* As Mitchell shareholder elections exceeded the maximum amount of available share consideration, Mitchell shareholders who made a valid election to receive 100% Share Consideration or a combination of Cash and Share Consideration will have their election scaled back by approximately 15.8%. Therefore, those Mitchell shareholders who made a valid election to receive 100% Share Consideration will receive 0.502475 New Aegis Shares plus A\$0.190025 cash for every Mitchell share. Those Mitchell shareholders who made a valid election to receive a combination of Cash and Share Consideration will receive 0.502475 New Aegis Shares and A\$0.190025 cash for every Mitchell share elected to receive Share Consideration and \$1.20 cash for every Mitchell share elected to receive Cash Consideration.



Outlook

Organic growth for 2010

At our 2010 Interim Results on 27 August, we indicated that we expected to see a continuing trend of improvement in organic revenue growth in the second half of 2010, compared to the first half, at both Aegis Media and Synovate. Our performance in the third quarter is in line with these expectations.

Despite the strength of our performance in the third quarter, our guidance for organic revenue growth for the 2010 second half and full year remains unchanged. A combination of the more challenging prior year revenue growth comparatives in the fourth quarter and the relative revenue weighting between the third and fourth quarters mean we expect our organic revenue growth rate will slow in the fourth quarter, relative to that seen in the third quarter.

Operating profit and margin for 2010

As anticipated, and in line with the market, there has been some upward pressure on staff costs at both businesses during the third quarter. This trend continues into the fourth quarter, as we ensure we have the appropriate capabilities in place to support the growth of the business.

We continue to expect group underlying operating profit for 2010 to be in line with current market consensus. Consequently, we continue to anticipate a modest improvement in group operating margin from that seen for the 2009 full year.

Jerry Buhlmann, Chief Executive Officer of Aegis Group plc, said:

“Aegis produced a strong performance in the third quarter of 2010, with continued improvement in organic revenue growth at both Aegis Media and Synovate. Although we expect a moderation in organic revenue growth rate in the fourth quarter, our full year guidance for group organic growth is unchanged. We remain on track to deliver 2010 group underlying operating profit in line with current market consensus.

“Short term visibility in a number of key regions remains relatively low, which creates challenges in precisely predicting how the advertising and market research sectors will fare in 2011. However, we are seeing increasingly positive signals of confidence from our clients regarding their short term advertising expenditure plans, supporting our cautiously optimistic view of the outlook for next year.”

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