

Prospectus dated 14 May 2009

WPP

WPP PLC

(incorporated in Jersey with limited liability under registered number 101749)

£450,000,000

5.75 per cent. Guaranteed Convertible Bonds due 2014

Convertible into Ordinary Shares of

WPP PLC

(incorporated in Jersey with limited liability under registered number 101749)

Guaranteed on a joint and several basis by

WPP 2008 LIMITED

(incorporated in England and Wales with limited liability under registered number 05537577)

WPP 2005 LIMITED

(incorporated in England & Wales with limited liability under registered number 1003653)

WPP AIR 1 LIMITED

(incorporated in the Republic of Ireland with limited liability under registered number 462735)

and

WPP AIR 3 LIMITED

(incorporated in the Republic of Ireland with limited liability under registered number 462738)

Issue Price: 100.00 per cent.

The £450,000,000 5.75 per cent. Guaranteed Convertible Bonds due 2014 (the **Bonds**) of WPP plc (the **Issuer**) will be convertible (subject as provided herein) for fully paid ordinary shares (the **Ordinary Shares**) of the Issuer, having at the Closing Date (as defined below) a nominal value of £0.10 each, at the then applicable Conversion Price at any time on or after 29 June 2009 and up to the close of business on 19 May 2014. The initial Conversion Price will be £6.00 per Ordinary Share and will be subject to adjustment in certain circumstances described in "Terms and Conditions of the Bonds – Conversion of Bonds".

The payment of all amounts payable by the Issuer in respect of the Bonds will be unconditionally and irrevocably guaranteed (the **Guarantee**) on a joint and several basis by WPP 2008 Limited, WPP 2005 Limited, WPP Air 1 Limited and WPP Air 3 Limited (the **Guarantors**, and each a **Guarantor**). Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for the Bonds to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Bonds to be admitted to trading on the London Stock Exchange's Regulated Market (the **Market**). References in this Prospectus to the Bonds being "listed" (and all related references) shall mean that the Bonds have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC.

The Bonds will bear interest from and including 19 May 2009 (the **Closing Date**) at the rate of 5.75 per annum. Interest on the Bonds is payable semi-annually in equal instalments in arrear on 19 May and 19 November in each year (each an **Interest Payment Date**), commencing on 19 November 2009.

Unless previously purchased and cancelled, redeemed or converted, the Bonds will be redeemed at 100 per cent. of their principal amount on 19 May 2014. The Bonds are subject to early redemption in whole, but not in part, at their principal amount, together with accrued interest, at the option of the Issuer (i) in the event of certain changes affecting taxes of the United Kingdom, Jersey or the Republic of Ireland, or (ii) if Conversion Rights have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds. See "Terms and Conditions of the Bonds - Redemption and Purchase".

An investment in the Bonds involves risks. See "Risk Factors" for a discussion of certain factors that should be carefully considered by investors.

None of the Bonds or the Ordinary Shares to be delivered upon conversion of the Bonds have been or will be registered under the United States Securities Act of 1933 (the **Securities Act**) or with any securities regulatory authority of any other jurisdiction. The Bonds are being offered and sold in offshore transactions outside the United States in reliance on Regulation S (**Regulation S**) under the Securities Act and, except in a transaction exempt from the registration requirements of the Securities Act, may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons.

The Bonds will initially be represented by a temporary global bond (the **Temporary Global Bond**), without interest coupons, which will be deposited with a common depository on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) on or about 19 May 2009. The Temporary Global Bond will be exchangeable for interests in a permanent global bond (the **Global Bond**), without interest coupons, on or after a date which is expected to be 29 June 2009 upon certification as to non-U.S. beneficial ownership. See "Summary of Provisions relating to the Bonds while in Global Form".

The Bonds will be rated Baa2 by Moody's Investors Service, Inc. and BBB by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Joint Bookrunners and Joint Lead Managers

BNP PARIBAS

CITI

HSBC

MERRILL LYNCH INTERNATIONAL

BARCLAYS
CAPITAL

RBS
HOARE GOVETT

SANTANDER GLOBAL
BANKING & MARKETS

Each of the Joint Lead Managers is acting for the Issuer and no one else in connection with the offering and will not regard any other person (whether or not as a recipient of this document) as its client in relation to the offering and will not be responsible to anyone other than the Issuer for providing the protections afforded to clients of the Joint Lead Managers, or for providing advice in relation to the offering, the contents of this document or any transaction or arrangement or other matter referred to in this document.

This Prospectus comprises a prospectus for the purposes of Article 5 of the Directive 2003/71/EC (the **Prospectus Directive**) and for the purpose of giving information with regard to the Issuer, the Guarantors, and the Issuer's subsidiaries taken as a whole (the **Group**) and the Bonds which, according to the particular nature of the Issuer, the Guarantors and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantors. The Issuer and each Guarantor accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer and each Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus should be read and construed with any documents incorporated herein by reference.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantors, or any of the Joint Lead Managers (as described herein), to subscribe for or purchase any of the Bonds or the Ordinary Shares. The distribution of this Prospectus and the offering of the Bonds and the Ordinary Shares in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantors and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Bonds and the Ordinary Shares and distribution of this Prospectus, see "Subscription and Sale" below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantors or the Joint Lead Managers. Neither the delivery of this Prospectus nor any offer, sale or delivery made in connection with the issue of the Bonds shall, under any circumstance, constitute a representation that there has been no change or development likely to involve a change in the condition (financial or otherwise) of the Issuer, the Guarantors or the Group since the date hereof or create any implication that the information contained herein is correct as of any date subsequent to the date hereof or the date as of which that information is stated herein to be given.

None of the Issuer, the Guarantors or any of the Joint Lead Managers is providing any advice or recommendation in this Prospectus on the merits of the purchase, subscription for, or investment in, the Bonds or the Ordinary Shares or the exercise of any rights conferred by the Bonds or the Ordinary Shares.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

No representation or warranty, express or implied, is made by any of the Joint Lead Managers as to the accuracy, completeness or sufficiency of the information set out or incorporated in this Prospectus, and nothing set out or incorporated in this Prospectus is, or shall be relied upon as, a promise, representation or warranty by any of the Joint Lead Managers. Each potential purchaser of Bonds should determine for itself the relevance of the information set out or incorporated by reference in this Prospectus and its purchase of Bonds should be based upon such investigations as it deems necessary.

IN CONNECTION WITH THE ISSUE OF THE BONDS, MERRILL LYNCH INTERNATIONAL (THE STABILISING MANAGER) OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER, MAY OVER-ALLOT AND EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF IT) WILL

UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION SHALL BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE CLOSING DATE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSON(S) ACTING ON BEHALF OF IT) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of the Bonds. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947 against liability arising from the discharge of its functions under that law. A copy of this Prospectus has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and he has given, and has not withdrawn, his consent to its circulation. It must be distinctly understood that, in giving these consents, neither the Jersey registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

Unless otherwise specified or the context requires, references to references to (i) “pounds sterling”, “GBP” and “£” are to the lawful currency of the United Kingdom, (ii) “EUR” “Euro” “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

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DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the audited consolidated financial statements of WPP 2008 Limited for the financial years ended 31 December 2006 and 2007, together, in each case, with the audit report thereon, the unaudited consolidated interim financial statements of WPP 2008 Limited for the half year ended 30 June 2008, the audited consolidated financial statements of WPP 2005 Limited for the financial years ended 31 December 2006 and 2007, together, in each case, with the audit report thereon, and the audited consolidated financial statements of the Issuer for the year ended 31 December 2008, together with the audit report thereon, which have been previously published or are published simultaneously with this Prospectus and which have been approved by the Financial Services Authority or filed with it. Such documents shall be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus, shall not form part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/en-gb/pricesnews/marketnews/.

Prospective investors are advised to obtain and read the documents incorporated by reference herein before making their investment decision in relation to the Bonds.

RISK FACTORS

The Issuer and the Guarantors believe that the following factors may affect their respective ability to fulfil their respective obligations under the Bonds and/or the value of the Bonds and Ordinary Shares. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantors is in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer and the Guarantors believe may be material for the purpose of assessing the market risks associated with Bonds are also described below.

The Issuer and the Guarantors believe that the factors described below represent the principal risks inherent in investing in the Bonds, but neither the Issuer nor the Guarantors represents that the statements below regarding the risks of holding any Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

Terms used below but not defined shall have the meaning set out under “Terms and Conditions of the Bonds”.

Risks Relating to the Issuer

The Group competes for clients in a highly competitive industry, which may reduce market shares and decrease profits

The communications services industry is highly competitive and fragmented. At the parent company level, the Group’s principal competitors are other large multinational communications services companies, as well as regional and national advertising and/or marketing services firms and new media companies. In the communications services industry, service agreements with clients are generally terminable by the client upon 90 days’ notice. As such, clients may move their accounts to another agency on relatively short notice. In many cases, a Group agency represents a client for only a portion of its advertising or marketing services needs or only in particular geographic areas, thus enabling the client continually to compare the effectiveness of the Group agency against other agencies’ work. Many clients do not permit an agency working for them to represent competing accounts or product lines in the same market. A lesser number of companies will not permit any of the agencies owned by a communications service company to work on competing accounts or product lines in any market. These client conflict policies can and sometimes do prevent the Group’s agencies from seeking and winning new clients and assignments. If the Group’s agencies are unable to compete effectively in the markets in which they operate, the Group’s market share and profits may decrease.

The Group receives a significant portion of its revenues from a limited number of large clients, and the loss of these clients could adversely impact the Group’s prospects, business, financial condition, working capital and results of operations

A relatively small number of clients contribute a significant percentage of the Group’s consolidated revenues. The Group’s ten largest clients accounted for approximately 18 per cent. of revenues in the year ended 31 December 2008. The Group’s clients generally are able to reduce advertising and marketing spending or cancel projects at any time for any reason. There can be no assurance that any of the Group’s clients will continue to utilise the Group’s services to the same extent, or at all, in the future. A significant reduction in advertising and marketing spending by, or the loss of one or more of, the Group’s largest clients, if not replaced by new client accounts or an increase in business from existing clients, would adversely affect the Group’s prospects, business, financial condition and results of operations.

The Group may be unable to collect balances due from any client that files for bankruptcy or becomes insolvent

The Group generally provides advertising and communications services to its clients in advance of its receipt of payment. The invoices for these services are typically payable within 30 to 60 days. In addition, the Group commits to media and production purchases on behalf of some of its clients. If one or more of its

clients files for bankruptcy, or becomes insolvent or otherwise is unable to pay for the services the Group provides, the Group may be unable to collect balances due to it on a timely basis or at all. In addition, in that event, media and production companies may look to the Group to pay for media purchases and production work to which it committed as an agent on behalf of these clients. The damages, costs, expenses or legal fees arising from the lack of payment could have an adverse effect on the Group's prospects, business, results of operations and financial condition. The reputation of the Group's agencies may also be negatively affected.

The Group is dependent on its employees

The advertising and marketing services industries are highly dependent on the talent, creative abilities and technical skills of the personnel of the service providers and the relationships their personnel have with clients. The Group believes that its operating companies have established reputations in the industry that attract talented personnel. However, the Group, like all service providers, is vulnerable to adverse consequences from the loss of key employees due to competition among providers of advertising and marketing services for talented personnel.

The Group may be subject to certain regulations that could restrict the Group's activities

From time to time, governments, government agencies and industry self-regulatory bodies in the United States, European Union and other countries in which the Group operates have adopted statutes, regulations and rulings that directly or indirectly affect the form, content and scheduling of advertising, public relations and public affairs, and market research, or otherwise affect the activities of the Group and its clients. Although the Group does not expect any existing or proposed regulations to materially adversely impact the Group's business, the Group is unable to estimate the effect on its future operations of the application of existing statutes or regulations or the extent or nature of future regulatory action.

The Group may be exposed to liabilities from allegations that certain of its clients' advertising claims may be false or misleading or that its clients' products may be defective

The Group may be, or may be joined as, a defendant in litigation brought against its clients by third parties, its clients' competitors, governmental or regulatory authorities or consumers. These actions could involve claims alleging, among other things, that:

- advertising claims made with respect to the Group's clients' products or services are false, deceptive, misleading or offensive;
- the Group's clients' products are defective or injurious and may be harmful to others; or
- marketing, communications or advertising materials created for the Group's clients infringe on the proprietary rights of third parties since client-agency contracts generally provide that the agency agrees to indemnify the client against claims for infringement of intellectual property rights.

The damages, costs, expenses or legal fees arising from any of these claims could have an adverse effect on the Group's prospects, business, results of operations and financial condition to the extent that we are not adequately insured against such risks or indemnified by the Group's clients. In any case, the reputation of the Group's agencies may be negatively affected by such allegations.

The Group is exposed to the risks of doing business internationally

The Group operates in 107 countries throughout the world. The Group's international operations are subject to a number of risks inherent in operating in different countries. These include, but are not limited to risks regarding:

- currency exchange rate fluctuations;
- restrictions on repatriation of earnings;

- conflicts between the intent of various terms of the Group's client service contracts with global clients and possible interpretations of those terms based on local laws and business practices or changes therein; and
- changes in a specific country's or region's political or economic conditions, particularly in emerging markets.

The occurrence of any of these events or conditions could adversely affect the Group's ability to increase or maintain its operations in various countries.

Currency exchange rate fluctuations could adversely affect the Group's consolidated results of operations

The Group's reporting currency is pounds sterling. However, the Group's significant international operations give rise to an exposure to changes in foreign exchange rates, since most of its revenues from countries other than the UK are denominated in currencies other than pounds sterling, including US dollars. Changes in exchange rates cause fluctuations in the Group's revenues when measured in pounds sterling.

The Group may have difficulty repatriating the earnings of its subsidiaries

Any payment of dividends, distributions, loans or advances to the Group by its subsidiaries could be subject to restrictions on, or taxation of, dividends or repatriation of earnings under applicable local law, monetary transfer restrictions and foreign currency exchange regulations in the jurisdictions in which the Group's subsidiaries operate. If the Group is unable to repatriate the earnings of its subsidiaries it could have an adverse impact on the Group's ability to redeploy earnings in other jurisdictions where they could be used more profitably.

The Group is subject to recessionary economic cycles

The Group's business is affected by recessionary economic cycles. The current global credit crisis could adversely impact the Group's business, results of operations, ability to raise appropriate finance and financial condition. Many of the economies in which the Group operates are under significant stress or in recession. The Group cannot predict the duration and severity of this economic downturn in any particular market or globally. These conditions make it difficult for the Group's clients and the Group to accurately forecast and plan future business activities, and they may result in the Group's clients reducing or postponing spending on the services the Group offers. A reduction on client spending and a slowdown in client payments could also adversely affect the Group's working capital. Changes to the Group's debt ratings may affect the Group's access to debt capital. The Group's debt issues are rated by the rating agencies Moody's Investor Services and Standard and Poor's Rating Service. The Group's long term debt is currently rated Baa2 and BBB by the agencies respectively and the Group's short term debt obligations P2 and A3 respectively. The interest margins payable on certain of the Group's revolving credit facilities would be increased if the Group's long term debt ratings are downgraded and the Group's access to the bond and commercial paper markets could be impaired.

The Group may be unsuccessful in evaluating material risks involved in completed and future acquisitions

The Group regularly reviews potential acquisitions of businesses that are complementary to its businesses. As part of the review the Group conducts business, legal and financial due diligence with the goal of identifying and evaluating material risks involved in any particular transaction. Despite the Group's efforts, it may be unsuccessful in ascertaining or evaluating all such risks. As a result, it might not realise the intended advantages of any given acquisition. If the Group fails to realise the expected benefits from one or more acquisitions, the Group's business, results of operations and financial condition could be adversely affected.

The Group may be unsuccessful in integrating any acquired operations with its existing businesses

The Group may experience difficulties in integrating operations acquired from other companies. These difficulties include the diversion of management's attention from other business concerns and the potential loss of key employees of the acquired operations. Acquisitions also frequently involve significant costs related to integrating information technology, accounting and management services, rationalising personnel levels and implementing internal controls. If the Group experiences difficulties in integrating one or more acquisitions, the Group's business, results of operations and financial condition could be adversely affected.

Goodwill and other acquired intangible assets recorded on the Group's balance sheet with respect to acquired companies may become impaired

The Group has a significant amount of goodwill and other acquired intangible assets recorded on its balance sheet with respect to acquired companies. The Group annually tests the carrying value of goodwill for impairment. The estimates and assumptions about results of operations and cash flows made in connection with impairment testing could differ from future actual results of operations and cash flows. In addition, future events could cause the Group to conclude that the asset values associated with a given operation have become impaired. Any resulting impairment loss could have a material impact on the Group's financial condition and results of operations.

The Group may use ordinary shares, incur indebtedness, expend cash or use any combination of ordinary shares, indebtedness and cash for all or part of the consideration to be paid in future acquisitions that would result in additional goodwill being recorded on the Group's balance sheet.

Risks Relating to the Bonds

Bonds may not be a suitable investment for all investors

Each potential investor in any Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- (iv) understand thoroughly the terms of the Bonds; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds, which are complex financial instruments, unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

The Bonds may be redeemed prior to maturity

The Conditions provide that the Bonds are redeemable at the Issuer's option in certain limited circumstances and accordingly the Issuer may choose to redeem the outstanding Bonds at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest

the redemption proceeds in a comparable security bearing an effective interest rate as high as that of the Bonds.

Risks attached to the exercise of conversion rights

Investors should be aware that the Bonds, which are convertible into Ordinary Shares, bear certain additional risks. Depending on the performance of the underlying Ordinary Shares, the value of Ordinary Shares may be substantially lower than when the Bonds were initially purchased. In addition, the value of the Ordinary Shares to be delivered upon conversion of the Bonds may vary substantially between the date on which conversion rights are exercised under the Bonds and the date on which such Ordinary Shares are delivered. See “Terms and Conditions of the Bonds – Conversion of Bonds”.

There is a limited period for, and costs associated with, the exercise of conversion rights

A Bondholder will, subject as more fully described herein under “Terms and Conditions of the Bonds”, have the right to convert his or her Bonds into Ordinary Shares. Conversion Rights may be exercised, subject as provided herein, at any time on or after 29 June 2009 up to the close of business on 19 May 2014. If the Conversion Rights are not exercised by Bondholders during the Conversion Period, the Bonds will be redeemed at their principal amount, together with accrued but unpaid interest on 19 May 2014, unless the Bonds are previously purchased and cancelled or redeemed in accordance with the Conditions.

Bondholders have limited anti-dilution protection

The Bonds are convertible into Ordinary Shares. The Conversion Price at which the Bonds may be converted into Ordinary Shares will be adjusted in the event that there is a consolidation, reclassification or subdivision, capitalisation of profits, distribution, rights issue or grant of other subscription rights or other adjustment, including a spin-off event which affects the Ordinary Shares, but only in the situations and only to the extent provided under “Terms and Conditions of the Bonds – Conversion of Bonds”. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares. Events in respect of which no adjustment is made may adversely affect the value of the Ordinary Shares and, therefore, adversely affect the value of the Bonds.

Further issues or sales of Ordinary Shares

There can be no certainty as to the effect, if any, that future issues or sales of Ordinary Shares, or the availability of such Ordinary Shares for future issue or sale, would have on the market price of the Ordinary Shares prevailing from time to time and therefore on the price of the Bonds. Although the Issuer has agreed not to, and the Issuer will procure that none of its Subsidiaries or any other party acting on its behalf will, subject to certain exceptions, directly or indirectly, issue, offer, sell or otherwise transfer or dispose of any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares, or sell or grant options, rights or warrants with respect to any Ordinary Shares, or enter into agreements with the same economic results, without the prior written consent of the Joint Lead Managers (see “Subscription and Sale”), for a period of 90 days from the Closing Date, sales of substantial numbers of Ordinary Shares in the public market, or a perception in the market that such sales could occur, could adversely affect the prevailing market price of the Ordinary Shares and the Bonds.

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Bondholders, agree to (i) modification of the Bonds which are not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or (ii) modifications to the Bonds or the Trust deed of a formal, minor or technical nature

or which are made to correct a manifest error or to comply with mandatory provisions of the law of jurisdiction in which the Issuer is incorporated or (iii) the substitution of another company as principal debtor under any Bonds in place of the Issuer, in the circumstances described in Condition 14(c) of the Conditions.

Change of law

The Conditions are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus. Given the diversity of the Group structure, changes in tax laws in various jurisdictions (including in particular the United Kingdom, Ireland and Jersey) may adversely affect the Group's reported financial results.

Risks related to the market generally

The Bonds may not have an active trading market

Although it is expected that the Bonds will be admitted to trading on the London Stock Exchange's Regulated Market on or after the Closing Date, there may be little or no secondary market for the Bonds. Even if a secondary market for the Bonds develops, it may not provide significant liquidity and it is expected that transaction costs in any secondary market may be high. As a result, the difference between bid and ask prices for the Bonds in any secondary market could be substantial.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in another Member State. However, for a transitional period, Belgium, Luxembourg and Austria may instead (unless during that period they elect otherwise) operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no interest be withheld) (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Jersey and Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Guarantors nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

Exchange rate risks and exchange controls

The Issuer (and, failing the Issuer, the Guarantors) will pay principal and interest on the Bonds in pounds sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than pounds sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the

value of the Investor's Currency relative to pounds sterling would decrease (1) the Investor's Currency equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Credit ratings may not reflect all risks

One or more independent credit rating agencies will assign credit ratings to the Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Irish Law Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended to facilitate the survival of Irish companies in financial difficulties.

The examiner, once appointed, has the power to set aside contracts and arrangements entered into by an Irish company after his appointment.

During the period of protection, the examiner will compile proposals for a compromise or scheme or arrangement to assist in the relevant Irish company's survival or the whole or any part of the relevant Irish company's undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

The primary risks to the holders of bonds if an examiner were appointed to WPP Air 1 Limited or WPP Air 3 Limited are as follows:

- (1) the potential for a scheme of arrangement being approved involving the writing down of the debt due by the relevant company to the bondholders; and
- (2) in the event that a scheme of arrangement is not approved and the relevant company subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on the relevant company's behalf and approved by the Irish High Court) will take priority over any unsecured claims against the relevant company.

TERMS AND CONDITIONS OF THE BONDS

The following, subject to completion and amendment, and save for the paragraphs in italics, is the text of the Terms and Conditions of the Bonds.

The issue of the £450,000,000 5.75 per cent. Guaranteed Convertible Bonds due 2014 (the **Bonds**, which expression shall, unless otherwise indicated, include any Further Bonds) was (save in respect of any such Further Bonds) authorised by a resolution of the Board of Directors of WPP plc (the **Issuer**) passed on 3 April 2009 and resolutions of a Committee of the Board of Directors of the Issuer on 29 April 2009 and 13 May 2009, a resolution of the Board of Directors of WPP Air 1 Limited on 22 April 2009, a resolution of the Board of Directors of WPP Air 3 Limited on 22 April 2009, a resolution of the Board of Directors of WPP 2008 Limited on 28 April 2009 and, a resolution of the Board of Directors of WPP 2005 Limited on 28 April 2009. The Bonds are constituted by a trust deed dated 19 May 2009 (the **Trust Deed**) between the Issuer, WPP Air 1 Limited, WPP Air 3 Limited, WPP 2008 Limited and WPP 2005 Limited (together the **Guarantors** and each a **Guarantor**) and Citicorp Trustee Company Limited (the **Trustee**, which expression shall include all persons for the time being appointed as the trustee or trustees under the Trust Deed) as trustee for the holders (as defined below) of the Bonds. The statements set out in these Terms and Conditions (the **Conditions**) are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds and the Coupons relating to them (the **Coupons**). The Bondholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and those provisions applicable to them which are contained in the Paying and Conversion Agency Agreement dated 19 May 2009 (the **Agency Agreement**) relating to the Bonds between the Issuer, the Guarantors, the Trustee and Citibank, N.A., London Branch (the **Principal Paying and Conversion Agent**, which expression shall include any successor as Principal Paying and Conversion Agent under the Agency Agreement), the Paying and Conversion Agents for the time being (such persons, together with the Principal Paying and Conversion Agent, being referred to below as the **Paying and Conversion Agents**, which expression shall include their successors as Paying and Conversion Agents under the Agency Agreement).

Copies of each of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee (being at the Closing Date at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB), and at the specified offices of the Paying and Conversion Agents.

Capitalised terms used but not defined in these Conditions shall have the meanings provided in the Trust Deed unless, in any case, the context otherwise requires or unless otherwise stated.

1 Form, Denomination, Title and Status of the Bonds

(a) Form and Denomination

The Bonds are serially numbered and in bearer form in denominations of £100,000 each with Coupons attached on issue.

(b) Title

Title to the Bonds and Coupons passes by delivery. The holder of any Bond or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder

(c) Status

The Bonds and Coupons constitute direct, unconditional, unsubordinated and (subject to Condition 3) unsecured obligations of the Issuer ranking *pari passu* and without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such exceptions as may be provided by applicable legislation and subject to Condition 2.

2 **Guarantee**

The Guarantors have, pursuant to the Trust Deed, jointly and severally, unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Bonds and the Coupons. Their obligations in that respect (the **Guarantee**) are contained in the Trust Deed. The obligations of the Guarantors under the Guarantee constitute direct, unconditional, unsubordinated and (subject to Condition 3) unsecured obligations of the Guarantors and rank equally with all their respective other present and future unsecured and unsubordinated obligations, save for such exceptions as may be provided by applicable legislation.

3 **Negative Pledge**

(a) *Restriction*

So long as any Bond or Coupon remains outstanding (as defined in the Trust Deed) neither the Issuer nor any of the Guarantors will create or permit to subsist, and the Issuer will procure that no Principal Subsidiary (as defined below) will create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (“**Security**”) upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any Relevant Debt, or to secure any guarantee of or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, the Issuer’s obligations under the Bonds, the Coupons and the Trust Deed or, as the case may be, any of the Guarantors’ obligations under the Trust Deed, (i) are secured equally and rateably therewith to the satisfaction of the Trustee, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the interests of the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders, save that there may be permitted to subsist (without the obligation to provide to the Bonds, the Coupons and the Trust Deed any security, guarantee, indemnity or other arrangement as aforesaid) any Permitted Security.

(b) *Relevant Debt*

For the purposes of this Condition, **Relevant Debt** means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, but excluding any such indebtedness which has a stated maturity of less than one year.

(c) *Permitted Security*

For the purposes of this Condition, **Permitted Security** means:

- (i) any Security in respect of any Relevant Debt (**Existing Relevant Debt**), or in respect of any guarantee of or indemnity in respect of any Existing Relevant Debt, given by any Principal Subsidiary where such company becomes a Subsidiary after the Closing Date and where such Security exists at the time such company becomes a Subsidiary (provided that (1) such Security was not created in contemplation of that company becoming a Subsidiary and (2) the principal amount secured at the time of that company becoming a Subsidiary is not subsequently increased); and
- (ii) any Security given by any Principal Subsidiary in respect of any Relevant Debt, or in respect of any guarantee of or indemnity in respect of any Relevant Debt where such Relevant Debt (**New Relevant Debt**) is incurred to refinance Existing Relevant Debt in circumstances where there is outstanding Security (**Existing Security**) given by that Principal Subsidiary in respect of such Existing Relevant Debt or, as the case may be, in respect of any guarantee or indemnity in respect of such Existing Relevant Debt, provided that (1) the principal amount of the New Relevant Debt is not greater than the principal amount of the Existing Relevant Debt, (2) the Security does not extend to any undertaking, assets or revenues, present or future, of that

Principal Subsidiary which were not subject to the Existing Security and (3) the final maturity date of the New Relevant Debt does not exceed the final maturity date of the Existing Relevant Debt.

4 Definitions

In these Conditions, unless otherwise provided:

Additional Ordinary Shares has the meaning provided in Condition 6(c).

Bondholder and **holder** mean the holder of any Bond.

business day means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

a **Change of Control** shall occur if an offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associate (as defined in Section 988(1) of the Companies Act) of the offeror), to acquire all or a majority of the issued ordinary share capital of the Issuer or if any person proposes a scheme with regard to such acquisition (other than an Exempt Newco Scheme) and (such offer or scheme having become or been declared unconditional in all respects or having become effective) the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer has or will become unconditionally vested in any person and/or any associate of that person (as defined in Section 988(1) of the Companies Act).

Change of Control Notice has the meaning provided in Condition 6(l).

Change of Control Period means the period commencing on the occurrence of a Change of Control and ending 60 calendar days following the Change of Control or, if later, 60 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 6(l).

Change of Control Put Date has the meaning provided in Condition 7(e).

Change of Control Put Exercise Notice has the meaning provided in Condition 7(e).

Closing Date means 19 May 2009.

Companies Act means the Companies Act 2006 of the United Kingdom.

Conversion Date has the meaning provided in Condition 6(g).

Conversion Notice has the meaning provided in Condition 6(g).

Conversion Period has the meaning provided in Condition 6(a).

Conversion Price has the meaning provided in Condition 6(a).

Conversion Right has the meaning provided in Condition 6(a).

Couponholder means the holder of any Coupon.

Current Market Price means, in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive dealing days ending on the dealing day immediately preceding such date; provided that if at any time during the said five-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

- (a) if the Ordinary Shares to be issued or transferred and delivered do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the

Ordinary Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement of such Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; or

- (b) if the Ordinary Shares to be issued or transferred and delivered do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement of such Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and provided further that if on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued or transferred and delivered do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement of such Dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and provided further that, if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said five dealing days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined by an Independent Financial Adviser.

dealing day means a day on which the Relevant Stock Exchange or relevant market is open for business and on which Ordinary Shares, Securities or Spin-Off Securities (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange or relevant market is scheduled to or does close prior to its regular weekday closing time).

Dividend means any dividend or distribution to Shareholders (including a Spin-Off) whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Ordinary Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), provided that:

(a) where:

- (1) a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend in question shall be treated as a Cash Dividend of an amount equal to the greater of (i) the Fair Market Value of such cash amount and (ii) the Current Market Price of such Ordinary Shares as at the first date on which the

Ordinary Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, as the case may be, the record date or other due date for establishment of entitlement in respect of the relevant capitalisation or, as the case may be, the Fair Market Value of such other property or assets as at the date of first public announcement of such Dividend or capitalisation or, in any such case, if later, the date on which the number of Ordinary Shares (or amount of such other property or assets, as the case may be) which may be issued or delivered is determined; or

- (2) there shall be any issue of Ordinary Shares by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Dividend (whether or not a cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise), the Dividend in question shall be treated as a Cash Dividend of an amount equal to the Current Market Price of such Ordinary Shares as at the first date on which the Ordinary Shares are traded ex- the relevant Dividend on the Relevant Stock Exchange or, as the case may be, the record date or other due date for establishment of entitlement in respect of the relevant capitalisation or, in any such case, if later, the date on which the number of Ordinary Shares to be issued or transferred and delivered is determined;
- (b) any issue of Ordinary Shares falling within Condition 6(b)(ii) below shall be disregarded;
 - (c) a purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer or any member of the Group shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Ordinary Shares by or on behalf of the Issuer or any member of the Group, the weighted average price per Ordinary Share (before expenses) on any one day (a **Specified Share Day**) in respect of such purchases or redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day) exceeds by more than 5 per cent. the average of the closing prices of the Ordinary Shares on the Relevant Stock Exchange (as published by or derived from the Relevant Stock Exchange) on the five dealing days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Ordinary Shares at some future date at a specified price or where a tender offer is made, on the five dealing days immediately preceding the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Ordinary Share, a minimum price per Ordinary Share or a price range or formula for the determination thereof is or is not announced at such time), as the case may be, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Relevant Currency to the extent that the aggregate price paid (before expenses) in respect of such Ordinary Shares purchased, redeemed or bought back by the Issuer or, as the case may be, any member of the Group (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of the average closing price of the Ordinary Shares determined as aforesaid and (ii) the number of Ordinary Shares so purchased, redeemed or bought back;
 - (d) if the Issuer or any member of the Group shall purchase, redeem or buy back any depositary or other receipts or certificates representing Ordinary Shares, the provisions of paragraph (c) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined by an Independent Financial Adviser; and
 - (e) where a dividend or distribution is paid or made to Shareholders pursuant to the Dividend Access Plan of the Issuer, or any like or similar plan or scheme, such dividend or distribution shall for the purposes of these Conditions be treated as a dividend or distribution made or paid to Shareholders by the Issuer, and the foregoing provisions of this definition, and the provisions

of these Conditions, including references to the Issuer paying or making any Capital Distribution or making any Extraordinary Dividend, shall be construed accordingly.

Exempt Newco Scheme means a Newco Scheme where, immediately after completion of the relevant Scheme of Arrangement, the ordinary shares of Newco or depositary or other receipts or certificates representing ordinary shares of Newco are (1) admitted to trading on the Relevant Stock Exchange or (2) admitted to listing on such other regulated, regularly operating, recognised stock exchange or securities market as the Issuer or Newco may determine.

Extraordinary Resolution has the meaning provided in the Trust Deed.

Fair Market Value means, with respect to any property on any date, the fair market value of that property as determined by an Independent Financial Adviser provided that (i) the Fair Market Value of a Cash Dividend shall be the amount of such Cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Securities, Spin-Off Securities, options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by an Independent Financial Adviser), the Fair Market Value (a) of such Securities or Spin-Off Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of both (a) and (b) during the period of five dealing days on the relevant market commencing on such date (or, if later, the first such dealing day such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded; (iv) where Securities, Spin-Off Securities, options, warrants or other rights are not publicly traded (as aforesaid), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights shall be determined by an Independent Financial Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof. Such amounts shall, in the case of (i) above, be translated into the Relevant Currency (if declared or paid or payable in a currency other than the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Relevant Currency; and in any other case, shall be translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on that date. In addition, in the case of (i) and (ii) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit.

Final Maturity Date means 19 May 2014.

Further Bonds means any further Bonds issued pursuant to Condition 18 and consolidated and forming a single series with the then outstanding Bonds.

Group means the Issuer, the Guarantors and the Issuer's Subsidiaries taken as a whole.

Independent Financial Adviser means an independent financial institution of international repute appointed by the Issuer and approved in writing by the Trustee or, if the Issuer fails to make such appointment and such failure continues for a reasonable period (as determined by the Trustee in its sole discretion) and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the costs, fees and expenses of such adviser and otherwise in connection with such appointment, appointed by the Trustee (without liability for so doing) following notification to the Issuer.

Interest Payment Date has the meaning provided in Condition 5(a).

London Stock Exchange means the London Stock Exchange plc.

Newco Scheme means a scheme of arrangement or analogous proceeding (**Scheme of Arrangement**) which:

- (i) effects the interposition of a limited liability company (**Newco**) between the Shareholders of the Issuer immediately prior to the Scheme of Arrangement (the **Existing Shareholders**) and the Issuer; and
- (ii) in respect of which the Issuer and the Trustee agree, immediately prior to the implementation of such Newco Scheme, to make such amendments to the Conditions and the Trust Deed as are necessary, in the opinion of the Trustee, to ensure that (a) the Bonds may be converted into or exchanged for ordinary shares in Newco (or depositary or other receipts representing such ordinary shares) *mutatis mutandis* in accordance with and subject to these Conditions and the Trust Deed and (b) the Trust Deed and the Conditions (including, without limitation, the adjustment and related provisions (in Condition 6), the Events of Default (in Condition 10) and the Undertakings (in Condition 11)) provide at least the same protections and benefits to the Trustee and the Bondholders following the implementation of such Newco Scheme as they provided to the Trustee and the Bondholders prior to the implementation of the Newco Scheme, *mutatis mutandis*,

provided that:

- (A) only ordinary shares of Newco or depositary or other receipts or certificates representing ordinary shares of Newco are issued to Existing Shareholders;
- (B) immediately after completion of the Scheme of Arrangement the only shareholders of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares of Newco, are Existing Shareholders;
- (C) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only shareholder (or shareholders) of the Issuer;
- (D) all Subsidiaries of the Issuer immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary of the Issuer) are Subsidiaries of the Issuer (or of Newco) immediately after completion of the Scheme of Arrangement; and
- (E) immediately after completion of the Scheme of Arrangement the Issuer (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Issuer immediately prior to the Scheme of Arrangement.

Optional Redemption Date has the meaning provided in Condition 7(b).

Optional Redemption Notice has the meaning provided in Condition 7(b).

Ordinary Shares means fully paid ordinary shares in the capital of the Issuer currently with a par value of £0.10 each and registered with ISIN GB00B0J6N107.

a **person** includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, unincorporated association, limited liability company, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

Presentation Day means a day which:

- (i) is or falls after the relevant due date for payment, but, if the due date for payment is not or was not a business day in London, is or falls after the next following such business day; and
- (ii) is a business day in the place of a specified office of the Paying and Conversion Agent at which the relevant Bond or Coupon is presented for payment.

Prevailing Rate means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12 noon (London time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (London time) on the immediately preceding day on which such rate can be so determined, or if such rate cannot be so determined by reference to the Relevant Page, the rate determined in such other manner as an Independent Financial Adviser shall prescribe.

Principal Subsidiary means any Subsidiary of the Issuer or of any of the Guarantors whose consolidated revenue shall have exceeded 5 per cent. of the consolidated revenues of the Group for the preceding financial year. A report by two directors of the Issuer (whether or not addressed to the Trustee) that in their opinion a Subsidiary is or is not or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without liability to any person and without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error be conclusive and binding on all parties.

Reference Date means, in relation to a Retroactive Adjustment, the date as of which the relevant Retroactive Adjustment takes effect or, in any such case, if that is not a dealing day, the next following dealing day.

Relevant Currency means sterling or, if at the relevant time or for the purposes of the relevant calculation or determination, the London Stock Exchange is not the Relevant Stock Exchange, the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time.

Relevant Date means, in respect of any Bond or Coupon, whichever is the later of:

- (i) the date on which payment in respect of it first becomes due; and
- (ii) if the full amount payable has not been received by the Principal Paying and Conversion Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders.

Relevant Page means the relevant page on Bloomberg or such other information service provider that displays the relevant information.

Relevant Stock Exchange means the London Stock Exchange or if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on the London Stock Exchange, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or accepted for dealing.

Retroactive Adjustment has the meaning provided in Condition 6(c).

Scheme of Arrangement has the meaning provided in the definition of Newco Scheme.

Securities means any securities including, without limitation, shares in the capital of the Issuer, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Issuer.

Shareholders means the holders of Ordinary Shares.

Specified Date has the meaning provided in Condition 6 (b) (vii) and (viii).

Spin-Off means:

- (a) a distribution of Spin-Off Securities by the Issuer to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or Securities of or in or issued or allotted by any entity) by any entity (other than the Issuer) to Shareholders as a class or, in the case of or in connection with a Newco Scheme, Existing Shareholders, as a class (but excluding the issue and allotment of ordinary shares (or depositary or other receipts

or certificates representing such ordinary shares) by Newco to Existing Shareholders), pursuant in each case to any arrangements with the Issuer or any member of the Group.

Spin-Off Securities means equity share capital of an entity other than the Issuer or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Issuer.

Subsidiary has the meaning provided in Section 1159 of the Companies Act.

Tax Redemption Date has the meaning provided in Condition 7(c).

Tax Redemption Notice has the meaning provided in Condition 7(c).

UK Listing Authority means the Financial Services Authority in its capacity as competent authority for the purposes of the Financial Services and Markets Act 2000.

Volume Weighted Average Price means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security on any dealing day, the order book volume-weighted average price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of an Ordinary Share) from Bloomberg page VAP or (in the case of a Security (other than Ordinary Shares) or Spin-Off Security) from the principal stock exchange or securities market on which such Securities or Spin-Off Securities are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security or a Spin-Off Security, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined, or as an Independent Financial Adviser might otherwise determine in good faith to be appropriate.

£ and sterling means the lawful currency for the time being of the United Kingdom.

References to **ordinary share capital** has the meaning provided in Section 832 of the Income and Corporation Taxes 1988 of the United Kingdom and **equity share capital** has the meaning provided in Section 548 of the Companies Act.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

References to any issue or offer or grant to Shareholders or Existing Shareholders **as a class** or **by way of rights** shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Financial Adviser considers appropriate to reflect any consolidation or sub-division of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event.

For the purposes of Condition 6 (a), (b), (c), (g) and (h) and Condition 11 only, (a) references to the **issue** of Ordinary Shares or Ordinary Shares being **issued** shall include the transfer and/or delivery of Ordinary Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any member of the Group, and (b) Ordinary Shares held by or on behalf of the Issuer or any member of the Group shall not be considered as or treated as **in issue** or **issued** or entitled to receive any Dividend, right or other entitlement.

References in these Conditions to listing on the London Stock Exchange (or like or similar references) shall be construed as admission to the Official List of the UK Listing Authority and admission to trading on the EEA Regulated Market of the London Stock Exchange and references to **EEA Regulated Market** means a market as defined by Article 4.1 (14) of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

5 Interest

(a) *Interest Rate*

The Bonds bear interest from (and including) the Closing Date at the rate of 5.75 per cent. per annum calculated by reference to the principal amount thereof and payable semi-annually in arrear in equal instalments on 19 May and 19 November in each year (each an **Interest Payment Date**), commencing with the Interest Payment Date falling on 19 November 2009.

The amount of interest payable in respect of a Bond in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the product of the number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next Interest Payment Date and the number of Interest Periods normally ending in any year.

Interest Period means the period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(b) *Accrual of Interest*

Each Bond will cease to bear interest (i) where the Conversion Right shall have been exercised by a Bondholder, from the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Closing Date (subject in any such case as provided in Condition 6(i)) or (ii) where such Bond is redeemed or repaid pursuant to Condition 7 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of the principal in respect of the Bond is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in Condition 5(a) (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying and Conversion Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

6 Conversion of Bonds

(a) *Conversion Right*

Subject to and as provided in these Conditions, each Bond shall entitle the holder to convert such Bond into new and/or existing Ordinary Shares, as determined by the Issuer, credited as fully-paid (a **Conversion Right**).

The number of Ordinary Shares to be issued or transferred and delivered on exercise of a Conversion Right shall be determined by dividing the principal amount of the Bonds to be converted by the conversion price (the **Conversion Price**) in effect on the relevant Conversion Date.

The initial Conversion Price is £6.00 per Ordinary Share. The Conversion Price is subject to adjustment in the circumstances described in Condition 6(b).

A Bondholder may exercise the Conversion Right in respect of a Bond by delivering such Bond, together with a Conversion Notice, to the specified office of any Paying and Conversion Agent in

accordance with Condition 6(b) and making any payment required to be made as provided in Condition 6(b), whereupon the Issuer shall procure the delivery to or as directed by the relevant Bondholder of Ordinary Shares credited as paid-up in full as provided in this Condition 6.

Subject to and as provided in these Conditions, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, at any time subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from 29 June 2009 to the close of business (at the place where the relevant Bond is delivered for conversion) on the date falling 7 days prior to the Final Maturity Date (both days inclusive) or, if such Bond is to be redeemed pursuant to Condition 7(b) or 7(c) prior to the Final Maturity Date, then up to (and including) the close of business (at the place aforesaid) on the 7th day before the date fixed for redemption thereof pursuant to Condition 7(b) or 7(c), unless there shall be a default in making payment in respect of such Bond on such date fixed for redemption, in which event the Conversion Right shall extend up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of such payment becomes available for payment and notice of such availability has been duly given in accordance with Condition 17 or, if earlier, the Final Maturity Date or, if the Final Maturity Date is not a London business day, the immediately preceding London business day; provided that, in each case, if such final date for the exercise of Conversion Rights is not a business day at the place aforesaid, then the period for exercise of Conversion Rights by Bondholders shall end on the immediately preceding business day at the place aforesaid.

Conversion Rights may not be exercised (i) following the giving of notice by the Trustee pursuant to Condition 10 or (ii) in respect of a Bond in respect of which the relevant Bondholder has exercised its right to require the Issuer to redeem that Bond pursuant to Condition 7(e).

The period during which Conversion Rights may (subject as provided below) be exercised by a Bondholder is referred to as the **Conversion Period**.

Conversion Rights may only be exercised in respect of the whole of the principal amount of a Bond.

Fractions of Ordinary Shares will not be issued or transferred and delivered on the exercise of Conversion Rights or pursuant to Condition 6(c) and no cash payment or other adjustment will be made in lieu thereof. However, if a Conversion Right in respect of more than one Bond is exercised at any one time such that Ordinary Shares to be issued or transferred and delivered on the exercise of Conversion Rights or pursuant to Condition 6(c) are to be registered in the same name, the number of Ordinary Shares to be issued or transferred and delivered in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds, and rounded down to the nearest whole number of Ordinary Shares. The Issuer will procure that Ordinary Shares to be issued or transferred and delivered on exercise of Conversion Rights will be issued or transferred and delivered to the relevant person specified in the relevant Conversion Notice. Such Ordinary Shares will be deemed to be issued or transferred and delivered on or as of the relevant Conversion Date. Any Additional Ordinary Shares to be issued or transferred and delivered pursuant to Condition 6(c) will be deemed to be issued or transferred and delivered on or as of the relevant Reference Date.

(b) Adjustment of Conversion Price

Upon the happening of any of the events described below, the Conversion Price shall be adjusted as follows:

- (i) If and whenever there shall be a consolidation, reclassification or subdivision in relation to the Ordinary Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and
- B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

- (ii) If and whenever the Issuer shall issue any Ordinary Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than (1) where any such Ordinary Shares are or are to be issued instead of the whole or part of a Dividend in cash which the Shareholders would or could otherwise have elected to receive, (2) where the Shareholders may elect to receive a Dividend in cash in lieu of such Ordinary Shares or (3) where any such Ordinary Shares are or are expressed to be issued in lieu of a Dividend (whether or not a cash Dividend equivalent or amount is announced or would otherwise be payable to Shareholders, whether at their election or otherwise), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate number of Ordinary Shares in issue immediately before such issue; and
- B is the aggregate number of Ordinary Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares.

- (iii) (A) If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Ordinary Share on the Effective Date; and
- B is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Ordinary Shares entitled to receive the relevant Capital Distribution (or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of the Issuer or any member of the Group, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Ordinary Shares, or any Ordinary Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

Effective Date means, in respect of this paragraph (b)(iii)(A), the first date on which the Ordinary Shares are traded ex-the relevant Dividend on the Relevant Stock Exchange or, in the

case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares, the date on which such purchase, redemption or buy back is made or in the case of a Spin-Off, the first date on which the Ordinary Shares are traded ex- the relevant Spin-Off on the Relevant Stock Exchange.

Capital Distribution means any Non-Cash Dividend.

Non-Cash Dividend means any Dividend which is not a Cash Dividend, and shall include a Spin-Off.

(B) If and whenever the Issuer shall pay any Extraordinary Dividend to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A - C}$$

where:

- A is the Current Market Price of one Ordinary Share on the Effective Date;
- B is the portion of the Fair Market Value of the aggregate Extraordinary Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Dividend by the number of Ordinary Shares entitled to receive the relevant Dividend; and
- C is the amount (if any) by which the Threshold Amount in respect of the Relevant Year exceeds an amount equal to the aggregate of the Fair Market Values of any previous Cash Dividends per Ordinary Share paid or made in such Relevant Year (where C shall be zero if such previous Cash Dividends per Ordinary Share are equal to, or exceed, the Threshold Amount in respect of such Relevant Year). For the avoidance of doubt “C” shall equal the Threshold Amount in respect of the Relevant Year where no previous Cash Dividends per Ordinary Share have been paid or made in such Relevant Year.

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Extraordinary Dividend can be determined.

Effective Date means, in respect of this paragraph (b)(iii)(B), the first date on which the Ordinary Shares are traded ex-the relevant Dividend on the Relevant Stock Exchange.

Extraordinary Dividend means any Cash Dividend (the **Relevant Dividend**) paid or made in a particular year (the **Relevant Year**), if (a) the Fair Market Value of the Relevant Dividend per Ordinary Share or (b) the sum of (i) Fair Market Value of the Relevant Dividend per Ordinary Share and (ii) an amount equal to the aggregate of the Fair Market Value or Values of any other Cash Dividend or Cash Dividends per Ordinary Share paid or made in the Relevant Year, exceeds the Threshold Amount in respect of such Relevant Year, and in that case the Extraordinary Dividend shall be the Relevant Dividend.

Threshold Amount means in respect of any Relevant Year, the amount per Ordinary Share corresponding to such year set out below (adjusted pro rata for any adjustments to the Conversion Price made pursuant to the provisions of this paragraph (b)).

	<i>Threshold Amount (£)</i>
In respect of the Relevant Year ending:	
19 May 2010.....	0.163
19 May 2011.....	0.187
19 May 2012.....	0.216
19 May 2013.....	0.248
19 May 2014.....	0.285

Cash Dividend means (i) any Dividend which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (b) of the definition of **Spin-Off** and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of **Dividend**, and for the avoidance of doubt, a Dividend falling within paragraph (c) or (d) of the definition of **Dividend** shall be treated as being a Non-Cash Dividend.

- (C) For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of **Dividend** and in the definition of **Fair Market Value**) be determined as at the Effective Date.
- (D) In making any calculations for the purposes of this paragraph (b)(iii), such adjustments (if any) shall be made as an Independent Financial Adviser may determine in good faith to be appropriate to reflect (i) any consolidation or sub-division of any Ordinary Shares or the issue of Ordinary Shares by way of capitalisation of profits or reserves (or any like or similar event) or any increase in the number of Ordinary Shares in issue in the Relevant Year in question.
- (iv) If and whenever the Issuer shall issue Ordinary Shares to Shareholders as a class by way of rights, or shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase Ordinary Shares, or any Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, any Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue on the Effective Date;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share; and
- C is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate.

Such adjustment shall become effective on the Effective Date.

Effective Date means, in respect of this paragraph (b)(iv), the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

- (v) If and whenever the Issuer shall issue any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase any Ordinary Shares) to Shareholders as a class by way of rights or grant to Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any Securities (other than Ordinary Shares or options, warrants or other rights to subscribe for or purchase Ordinary Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Ordinary Share on the Effective Date; and
- B is the Fair Market Value on the Effective Date of the portion of the rights attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

Effective Date means, in respect of this paragraph (b)(v), the first date on which the Ordinary Shares are traded ex- the relevant Securities or ex-rights, ex-option or ex-warrants on the Relevant Stock Exchange

- (vi) If and whenever the Issuer shall issue (otherwise than as mentioned in paragraph (b)(iv) above) wholly for cash or for no consideration any Ordinary Shares (other than Ordinary Shares issued on conversion of the Bonds or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Ordinary Shares) or issue or grant (otherwise than as mentioned in sub-paragraph (b)(iv) above) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Ordinary Shares (other than the Bonds, which term shall for this purpose include any Further Bonds), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue immediately before the issue of such Ordinary Shares or the grant of such options, warrants or rights;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the issue of such Ordinary Shares or, as the case may be, for the Ordinary Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Ordinary Share; and
- C is the number of Ordinary Shares to be issued pursuant to such issue of such Ordinary Shares or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

Such adjustment shall become effective on the Effective Date.

Effective Date means, in respect of this paragraph (b)(vi), the date of issue of such Ordinary Shares or, as the case may be, the grant of such options, warrants or rights.

- (vii) If and whenever the Issuer or any member of the Group or (at the direction or request of or pursuant to any arrangements with the Issuer or any member of the Group) any other company, person or entity (otherwise than as mentioned in paragraphs (b)(iv), (b)(v) or (b)(vi) above) shall issue wholly for cash or for no consideration any Securities (other than the Bonds, which term shall exclude any Further Bonds) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be redesignated as Ordinary Shares, and the consideration per Ordinary Share receivable upon conversion, exchange, subscription or redesignation is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the terms of issue of such Securities (or the terms of such grant), the Conversion Price shall be

adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue immediately before such issue or grant (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Ordinary Shares which have been issued, purchased or acquired by the Issuer or any member of the Group (or at the direction or request or pursuant to any arrangements with the Issuer or any member of the Group) for the purposes of or in connection with such issue, less the number of such Ordinary Shares so issued, purchased or acquired);
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such Securities or, as the case may be, for the Ordinary Shares to be issued or to arise from any such redesignation would purchase at such Current Market Price per Ordinary Share; and
- C is the maximum number of Ordinary Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Ordinary Shares which may be issued or arise from any such redesignation;

provided that if at the time of issue of the relevant Securities or date of grant of such rights (as used in this paragraph (b)(vii), the **Specified Date**) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or, as the case may be, such Securities are redesignated or at such other time as may be provided), then for the purposes of this paragraph (b)(vii), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

Effective Date means, in respect of this paragraph (b)(vii), the date of issue of such Securities or, as the case may be, the grant of such rights.

- (viii) If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such Securities (other than the Bonds, which term shall for this purpose include any Further Bonds) as are mentioned in subparagraph (b)(vii) above (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Ordinary Share receivable has been reduced and is less than 95 per cent. of the Current Market Price per Ordinary Share on the date of the first public announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Ordinary Shares in issue immediately before such modification (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, or purchase or acquisition of, Ordinary Shares which have been issued, purchased or acquired by the Issuer or any member of the Group (or at the direction or request or pursuant to any arrangements with the Issuer or any member of the Group) for the purposes of or in connection with such Securities, less the number of such Ordinary Shares so issued, purchased or acquired);
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Ordinary Share or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and
- C is the maximum number of Ordinary Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as an Independent Financial Adviser shall consider appropriate for any previous adjustment under this sub-paragraph (b)(viii) or sub-paragraph (b)(vii) above;

provided that if at the time of such modification (as used in this paragraph (b)(viii), the **Specified Date**) such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription, purchase or acquisition are exercised or at such other time as may be provided), then for the purposes of this paragraph (b)(viii), “C” shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities.

- (ix) If and whenever the Issuer or any member of the Group or (at the direction or request of or pursuant to any arrangements with the Issuer or any member of the Group) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Conversion Price falls to be adjusted under paragraphs (b)(ii), (b)(iii), (b)(iv), (b)(vi) or (b)(vii) above or (b)(x) below (or would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant dealing day) or under paragraph (b)(v) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Ordinary Share on the Effective Date; and
- B is the Fair Market Value on the Effective Date of the portion of the relevant offer attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

Effective Date means, in respect of this paragraph (b)(ix), the first date on which the Ordinary Shares are traded ex-rights on the Relevant Stock Exchange.

- (x) If a Change of Control shall occur, then upon any exercise of Conversion Rights where the Conversion Date falls during the Change of Control Period, the Conversion Price shall be as set out below, but in each case adjusted, if appropriate, under the foregoing provisions of this paragraph (b):

	<i>Conversion Price (£)</i>
Conversion Date	
On or before 19 May 2010.....	4.286
Thereafter, but on or before 19 May 2011	4.629
Thereafter, but on or before 19 May 2012	4.972
Thereafter, but on or before 19 May 2013	5.315
Thereafter, and until the Final Maturity Date	5.658

- (xi) If the Issuer (after consultation with the Trustee) determines that an adjustment should be made to the Conversion Price as a result of one or more circumstances not referred to above in this paragraph (b) (even if the relevant circumstance is specifically excluded from the operation of paragraphs (b)(i) to (x) above), the Issuer shall, at its own expense and acting reasonably, request an Independent Financial Adviser to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and the date on which such adjustment (if any) should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this paragraph (b)(xi) if such Independent Financial Adviser is so requested to make such a determination not more than 21 days after the date on which the relevant circumstance arises and if the adjustment would result in a reduction to the Conversion Price.

Notwithstanding the foregoing provisions:

- (a) where the events or circumstances giving rise to any adjustment pursuant to this paragraph (b) have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by an Independent Financial Adviser to be in its opinion appropriate to give the intended result; and
- (b) such modification shall be made to the operation of these Conditions as may be advised by an Independent Financial Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once.

For the purpose of any calculation of the consideration receivable or price pursuant to paragraphs (b)(iv), (b)(vi), (b)(vii) and (b)(viii), the following provisions shall apply:

- (a) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;

- (b) (x) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities and (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the relevant date of first public announcement as referred to in paragraphs (b)(vi), (b)(vii) or (b)(viii), as the case may be, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights and (z) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;
- (c) if the consideration or price determined pursuant to (a) or (b) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the relevant Effective Date (in the case of (a) above) or the relevant date of first public announcement (in the case of (b) above);
- (d) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and
- (e) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity.

(c) *Retroactive Adjustments*

If the Conversion Date in relation to the conversion of any Bond shall be after the record date in respect of any consolidation, reclassification or sub-division as is mentioned in paragraph (b)(i) above, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in paragraph (b)(ii), (b)(iii) (b)(iv), (b)(v) or (b)(ix) above, or after the date of the first public announcement of the terms of any such issue or grant as is mentioned in paragraph (b)(vi) and (b)(vii) above or of the terms of any such modification as is mentioned in paragraph (b)(viii) above, but before the relevant adjustment to the Conversion Price becomes effective under paragraph (b) above (such adjustment, a **Retroactive Adjustment**), then the Issuer shall (conditional upon the relevant adjustment becoming effective) procure that there shall be issued or transferred and delivered to the converting Bondholder, in accordance with the instructions contained in the relevant Conversion Notice, such additional number of Ordinary Shares (if any) (the **Additional Ordinary Shares**) as, together with the Ordinary Shares issued or to be transferred and delivered on conversion of the relevant Bonds (together with any fraction of an Ordinary Share not so issued or transferred and delivered), is equal to the number of Ordinary Shares which would have been required to be issued or transferred and delivered on such conversion if the relevant adjustment to the Conversion Price had been made and become effective immediately prior to the relevant Conversion Date.

(d) *Decision of an Independent Financial Adviser*

If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, and following consultation between the Issuer and an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error.

(e) *Share or Option Schemes, Dividend Reinvestment Plans*

No adjustment will be made to the Conversion Price where Ordinary Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive or non-executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any member of the Group or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme or pursuant to any dividend reinvestment plan or similar plan or scheme.

(f) *Rounding Down and Notice of Adjustment to the Conversion Price*

On any adjustment, the resultant Conversion Price, if not an integral multiple of £0.01, shall be rounded down to the nearest whole multiple of £0.01. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Conversion Price shall be given by the Issuer to Bondholders in accordance with Condition 17 and to the Trustee promptly after the determination thereof.

The Conversion Price shall not in any event be reduced to below the nominal value of the Ordinary Shares. The Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal value or any minimum level permitted by applicable laws or regulations.

(g) *Procedure for exercise of Conversion Rights*

Conversion Rights may be exercised by a Bondholder during the Conversion Period by delivering the relevant Bond to the specified office of any Paying and Conversion Agent, during its usual business hours, accompanied by a duly completed and signed notice of conversion (a **Conversion Notice**) in the form (for the time being current) obtainable from any Paying and Conversion Agent. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying and Conversion Agent to whom the relevant Conversion Notice is delivered is located.

If the delivery of the relevant Bond and Conversion Notice as described in the foregoing paragraph is made after the end of normal business hours or on a day which is not a business day in the place of the specified office of the relevant Paying and Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day.

Each Bond should be delivered upon exercise of Conversion Rights together with all Coupons relating to it which mature on or after the relevant Conversion Date, failing which the relevant holder will be required to pay the full amount of any such missing Coupon. Each amount so paid will be repaid in the manner specified in Condition 8 against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant missing Coupon at any time after the relevant Conversion Date and

before the expiry of ten years after the Relevant Date in respect of the Relevant Bond (whether or not any such Coupon would otherwise have become void pursuant to Condition 12), but not thereafter.

Any determination as to whether any Conversion Notice has been duly completed and properly delivered shall be made by the relevant Paying and Conversion Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Trustee and the Paying and Conversion Agents and the relevant Bondholder.

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Bond (the **Conversion Date**) shall be the business day in London immediately following the date of the delivery of the relevant Bond and the Conversion Notice as provided in this Condition 6(g).

A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any taxes and capital, stamp, issue and registration and transfer taxes and duties arising on conversion (other than any capital, stamp, issue, registration and transfer taxes and duties payable in Jersey, the Republic of Ireland or the United Kingdom in respect of the allotment, issue or transfer and delivery of any Ordinary Shares in respect of such exercise (including any Additional Ordinary Shares), which shall be paid by the Issuer). If the Issuer shall fail to pay any capital, stamp, issue, registration and transfer taxes and duties payable for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

The Trustee shall not be responsible for determining whether such taxes or capital, stamp, issue and registration and transfer taxes and duties are payable or the amount thereof and it shall not be responsible or liable for any failure by the Issuer to pay such capital, stamp, issue, registration and transfer taxes and duties.

Such Bondholder must also pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of a Bond or any interest therein in connection with the exercise of Conversion Rights by it.

Ordinary Shares to be issued or transferred and delivered on exercise of Conversion Rights (including any Additional Ordinary Shares) will be issued or transferred and delivered in uncertificated form through the dematerialised securities trading system operated by Euroclear UK & Ireland Limited, known as CREST, unless at the relevant time the Ordinary Shares are not a participating security in CREST. Where Ordinary Shares are to be issued or transferred and delivered through CREST, they will be issued or transferred and delivered to the account specified by the relevant Bondholder in the relevant Conversion Notice by not later than seven London business days following the relevant Conversion Date (or, in the case of any Additional Ordinary Shares, not later than seven London business days following the Reference Date). Where Ordinary Shares are to be issued or transferred and delivered in certificated form, a certificate in respect thereof will be dispatched by mail free of charge (but uninsured and at the risk of the recipient) to the relevant Bondholder or as it may direct in the relevant Conversion Notice within 28 days following the relevant Conversion Date or, as the case may be, the Reference Date.

(h) *Ordinary Shares*

- (i) Ordinary Shares (including any Additional Ordinary Shares) issued or transferred and delivered upon exercise of Conversion Rights will be fully paid and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Conversion Date or, in the case of Additional Ordinary Shares, on the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Ordinary Shares or, as the case may be, Additional Ordinary Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record

date or other due date for the establishment of entitlement for which falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.

- (ii) Save as provided in Condition 6(i), no payment or adjustment shall be made on exercise of Conversion Rights for any interest which otherwise would have accrued on the relevant Bonds since the last Interest Payment Date preceding the Conversion Date relating to such Bonds (or, if such Conversion Date falls before the first Interest Payment Date, since the Closing Date).

(i) *Interest on Conversion*

If any notice requiring the redemption of the Bonds is given pursuant to Condition 7(b) on or after the fifteenth London business day prior to a record date which has occurred since the last Interest Payment Date (or in the case of the first Interest Period, since the Closing Date) in respect of any Dividend or distribution payable in respect of the Ordinary Shares where such notice specifies a date for redemption falling on or prior to the date which is 14 days after the Interest Payment Date next following such record date, interest shall accrue at the rate provided in Condition 5(a) on Bonds in respect of which Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date next following such record date in respect of such Dividend or distribution, in each case from and including the preceding Interest Payment Date (or, if such Conversion Date falls before the first Interest Payment Date, from the Closing Date) to but excluding such Conversion Date. The Issuer shall pay any such interest by not later than 14 days after the relevant Conversion Date by transfer to a sterling account with a bank in London in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

(j) *Purchase or Redemption of Ordinary Shares*

The Issuer or any member of the Group may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back any shares of the Issuer (including Ordinary Shares) or any depositary or other receipts or certificates representing the same without the consent of the Trustee or the Bondholders.

(k) *No Duty to Monitor*

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or as to the amount of any adjustment actually made, and will not be responsible or liable to the Bondholders for any loss arising from any failure by it to do so.

(l) *Change of Control*

Within 14 calendar days following the occurrence of a Change of Control, the Issuer shall give notice thereof to the Trustee and to the Bondholders in accordance with Condition 17 (a **Change of Control Notice**). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 7(e) (i).

The Change of Control Notice shall also specify:

- (i) all information material to Bondholders concerning the Change of Control;
- (ii) the Conversion Price immediately prior to the occurrence of the Change of Control and the Conversion Price applicable pursuant to Condition 6(b)(x) during the Change of Control Period on the basis of the Conversion Price in effect immediately prior to the occurrence of the Change of Control;
- (iii) the closing price of the Ordinary Shares as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of the Change of Control Notice;

- (iv) the last day of the Change of Control Period;
- (v) the Change of Control Put Date; and
- (vi) such other information relating to the Change of Control as the Trustee may require.

The Trustee shall not be required to take any steps to monitor or ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

7 Redemption and Purchase

(a) Final Redemption

Unless previously purchased and cancelled, redeemed or converted as herein provided, the Bonds will be redeemed at their principal amount on the Final Maturity Date. The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 7(b) or 7(c).

(b) Redemption at the Option of the Issuer

On giving not less than 45 nor more than 60 days' notice (an **Optional Redemption Notice**) to the Trustee and to the Bondholders in accordance with Condition 17, the Issuer may redeem all but not some only of the Bonds on the date (the **Optional Redemption Date**) specified in the Optional Redemption Notice at their principal amount, together with accrued but unpaid interest to such date if, prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued (which shall for this purpose include any Further Bonds):

(c) Redemption for Taxation Reasons

At any time the Issuer may, having given not less than 45 nor more than 60 days' notice (a **Tax Redemption Notice**) to the Bondholders redeem (subject to the second following paragraph) all but not some only of the Bonds for the time being outstanding on the date (the **Tax Redemption Date**) specified in the Tax Redemption Notice at their principal amount, together with accrued but unpaid interest to such date, if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer (or, if the Guarantee were called, any Guarantor) has or will become obliged to pay additional amounts pursuant to Condition 9 as a result of any change in, or amendment to, the laws or regulations of Jersey, the United Kingdom or the Republic of Ireland or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 29 April 2009 and (ii) such obligation cannot be avoided by the Issuer or the relevant Guarantor, as the case may be, taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the relevant Guarantor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by two directors of the Issuer or the relevant Guarantor, as the case may be, stating that the obligation referred to in (i) above cannot be avoided by the Issuer or the relevant Guarantor, as the case may be, taking reasonable measures available to it and (b) an opinion of independent legal or tax advisers of recognised standing to the effect that such change or amendment has occurred and that the Issuer or the relevant Guarantor, as the case may be, has or will be obliged to pay such additional amounts as a result thereof (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled to accept without any liability for so doing such certificate and opinion as sufficient evidence of the matters set out in (i) and (ii) above in which event it shall be conclusive and binding on the Bondholders and the Couponholders.

On the Tax Redemption Date the Issuer shall (subject to the next following paragraph) redeem the Bonds at their principal amount, together with accrued interest to such date.

If the Issuer gives a Tax Redemption Notice, each Bondholder will have the right to elect that his Bonds shall not be redeemed and that the provisions of Condition 9 shall not apply in respect of any payment of interest to be made on such Bonds or, as the case may be, the Guarantee, by the Issuer or, as the case may be, the relevant Guarantor which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Issuer or, as the case may be, the relevant Guarantor in respect thereof pursuant to Condition 9 and payment of all amounts of such interest on such Bonds shall be made subject to the deduction or withholding of any Jersey, United Kingdom or Republic of Ireland, as the case may be, taxation required to be withheld or deducted by the Issuer or, as the case may be, the relevant Guarantor. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying and Conversion Agent a duly completed and signed notice of election, in the form for the time being current, obtainable from the specified office of any Paying and Conversion Agent together with the relevant Bonds on or before the day falling 10 days prior to the Tax Redemption Date.

(d) Optional Redemption and Tax Redemption Notices

Any Optional Redemption Notice or Tax Redemption Notice shall be irrevocable. Any such notice shall specify (i) the Optional Redemption Date or, as the case may be, the Tax Redemption Date, which shall be a London business day, (ii) the Conversion Price, the aggregate principal amount of the Bonds outstanding and the closing price of the Ordinary Shares as derived from the Relevant Stock Exchange, in each case as at the latest practicable date prior to the publication of the Optional Redemption Notice or, as the case may be, the Tax Redemption Notice, (iii) the last day on which Conversion Rights may be exercised by Bondholders and (iv) the amount of accrued interest payable in respect of each Bond on the Optional Redemption Date or, as the case may be, Tax Redemption Date.

(e) Redemption at the Option of Bondholders upon a Change of Control

Following the occurrence of a Change of Control, the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at its principal amount, together with accrued and unpaid interest to such date. To exercise such right, the holder of the relevant Bond must deliver such Bond, together with all Coupons relating to it which mature after the Change of Control Put Date, to the specified office of any Paying and Conversion Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying and Conversion Agent (a **Change of Control Put Exercise Notice**), at any time during the Change of Control Period. The **Change of Control Put Date** shall be the fourteenth calendar day after the expiry of the Change of Control Period.

Payment in respect of any such Bond shall be made by transfer to a sterling account with a bank in London as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

(f) Purchase

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Guarantor or any member of the Group may at any time purchase any Bonds (provided that all unmatured Coupons relating to them are purchased therewith or attached hereto) in the open market or otherwise at any price. Such Bonds may be held, re-sold or reissued or, at the option of the relevant purchaser, surrendered to any Paying and Conversion Agent for cancellation.

(g) *Cancellation*

All Bonds which are redeemed or in respect of which Conversion Rights are exercised (together with all unmatured Coupons attached to the Bonds or surrendered with the Bonds) will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or the Guarantor or any member of the Group (together with all unmatured Coupons attached to the Bonds or surrendered with the Bonds) may be surrendered to the Principal Paying and Conversion Agent for cancellation and, if so surrendered, shall be cancelled.

(h) *Multiple Notices*

If more than one notice of redemption is given pursuant to this Condition 7, the first of such notices to be given shall prevail.

8 Payments

(a) *Principal*

Payment of principal in respect of the Bonds and payment of accrued interest payable on redemption of the Bonds (other than on an Interest Payment Date) will be made against presentation and surrender (or in the case of partial payment only, endorsement) of the relevant Bond at the specified office of any Paying and Conversion Agent.

(b) *Interest and Other Amounts*

(i) Payment of interest due on any Interest Payment Date will be made against presentation and surrender (or in the case of partial payment only, endorsement) of the relevant Coupons at the specified office of any of the Paying and Conversion Agents.

(ii) Payments of all amounts other than as provided in Condition 8(a) and (b) (i) will be made as provided in these Conditions.

(c) *Coupons*

Each Bond should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, the proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of the relevant Bond (whether or not the Coupon would otherwise have become void pursuant to Condition 12) or, if later, five years after the date on which the Coupon would have become void pursuant to Condition 12, but not thereafter.

(d) *Payments*

Each payment in respect of the Bonds pursuant to Condition 8(a) and (b)(i) will be made by transfer to a sterling account maintained by the payee with a bank in London.

(e) *Payments subject to fiscal laws*

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to Condition 10.

(f) *Presentation Date*

A holder shall be entitled to present a Bond or Coupon for payment only on a Presentation Date and shall not be entitled to any further interest or other payment if the due date for payment is not a Presentation Date or if the relevant Bond or Coupon is presented for payment after the due date.

(g) *Paying and Conversion Agents, etc.*

The initial Paying and Conversion Agents and their initial specified offices are listed below. The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying and Conversion Agent and appoint additional or other Paying and Conversion Agents, provided that it will (i) maintain a Principal Paying and Conversion Agent, (ii) maintain a Paying and Conversion Agent (which may be the Principal Paying and Conversion Agent) with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive and (iii) maintain a Paying and Conversion Agent with a specified office in at least two major European cities approved by the Trustee. Notice of any change in the Paying and Conversion Agents or their specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 17.

(h) *No charges*

None of the Paying and Conversion Agents shall make or impose on a Bondholder or Couponholder any charge or commission in relation to any payment in respect of the Bonds or Coupons or any conversion of the Bonds.

(i) *Fractions*

When making payments to Bondholders or Couponholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

9 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantors in respect of the Bonds or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom, Jersey or the Republic of Ireland or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer or, as the case may be, the relevant Guarantor shall pay such additional amounts as will result in receipt by the Bondholders and the Couponholders of such amounts, after such withholding or deduction, as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon:

- (a) presented for payment by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Jersey, the Republic of Ireland or, as the case may be, the United Kingdom otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond or Coupon; or
- (b) presented for payment by or on behalf of a holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (c) presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days; or
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (e) presented for payment by or on behalf of a Bondholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying and Conversion Agent in a Member State of the European Union.

References in these Conditions to principal and/or interest and/or any other amounts payable in respect of the Bonds or Coupons shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

The provisions of this Condition 9 shall not apply in respect of any payments of interest which fall due after the relevant Tax Redemption Date in respect of any Bonds which are the subject of a Bondholder election pursuant to Condition 7(c).

10 Events of Default

If any of the following events (each an **Event of Default**) occurs and is continuing the Trustee at its discretion may, and if so requested in writing by holders of at least one-quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer and the Guarantors that the Bonds are, and they shall thereby immediately become, due and payable at their principal amount together with accrued interest:

(a) *Non-Payment*

There is a failure to pay the principal of or any interest on any of the Bonds when due and, in the case of interest, such failure continues for a period of seven days or

(b) *Breach of Other Obligations*

The Issuer or any Guarantor does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after written notice of such default shall have been given to the Issuer or, as the case may be, the relevant Guarantor by the Trustee or

(c) *Cross-Default*

- (i) Any other present or future indebtedness of the Issuer or any Guarantor or any Principal Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described) or
- (ii) Any such indebtedness is not paid when due or, as the case may be, within any applicable grace period (as originally provided) or
- (iii) The Issuer or any Guarantor or any Principal Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds £30,000,000 or its equivalent (as reasonably determined by the Trustee) or

(d) *Enforcement Proceedings*

A distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any Guarantor or any Principal Subsidiary and is not discharged or stayed within 30 days or

(e) *Security Enforced*

Any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Guarantor or any Principal Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person) or

(f) *Insolvency*

- (i) The Issuer or any Guarantor or any Principal Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts (within the meaning of Section 123(1)(b), (c), (d) or (e) or Section 123(2) of the Insolvency Act 1986) or bankrupt within the meaning of Article 8 of the Interpretation (Jersey) Law 1954 or unable to pay its debts (within the meaning of Section 214 of the Companies Act 1963 of Ireland (as amended by the Companies Act 1990) and/or Section 2 of the Companies (Amendment) Act 1990 of Ireland) or
- (ii) The Issuer or any Guarantor or any Principal Subsidiary stops, suspends or threatens to stop or suspend payment of all or, in the opinion of the Trustee, a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts, or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, any Guarantor or any Principal Subsidiary or

(g) *Winding-up*

An administrator or examiner is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration or examinership of the Issuer or any Guarantor or any Principal Subsidiary, or the Issuer or any Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on all or, in the opinion of the Trustee, all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, a voluntary solvent winding-up or

(h) *Analogous Events*

Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs (including without limitation the declaration of the assets of the Issuer or any Guarantor *en désastre*) or

(i) *Guarantee*

The Guarantee is not (or is claimed by or on behalf of any Guarantor not to be) in full force and effect, provided that in the case of paragraphs (b), (d), (e) and (h) and, in relation only to a Principal Subsidiary, (f), (g) and (h), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

11 Undertakings

(a) *Undertakings of the Issuer*

Whilst any Conversion Right remains exercisable, the Issuer will, save with the approval of an Extraordinary Resolution or with the prior written approval of the Trustee where, in its opinion, it is not materially prejudicial to the interests of the Bondholders to give such approval:

- (i) issue, allot and deliver Ordinary Shares on exercise of Conversion Rights and at all times keep available for issue free from pre-emptive or other similar rights out of its authorised but unissued share capital such number of Ordinary Shares as would enable the Conversion Rights and all other rights of subscription and exchange for and conversion into Ordinary Shares to be satisfied in full;
- (ii) other than in connection with a Newco Scheme, not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:
 - (1) by the issue of fully paid Ordinary Shares or other Securities to the Shareholders and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive Ordinary Shares or other Securities on a capitalisation of profits or reserves; or
 - (2) by the issue of Ordinary Shares paid up in full out of profits or reserves (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash dividend; or
 - (3) by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive equity share capital (other than Ordinary Shares); or
 - (4) by the issue of Ordinary Shares or any equity share capital to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office of the Issuer or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option scheme whether for all employees, directors, or executives or any one or more of them,

unless, in any such case, the same constitutes a Dividend or otherwise gives (or, in the case of an issue or payment up of Securities in connection with a Change of Control, will give) rise (or would, but for the provisions of Condition 6(f) relating to roundings or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price or is (or, in the case of any issue or payment up of Securities in connection with a Change of Control, will be) otherwise taken into account for the purposes of determining whether such an adjustment should be made;

- (iii) not in any way modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than such rights attaching to the Ordinary Shares but so that nothing in this Condition 11(a)(iii) shall prevent:
 - (1) the issue of any equity share capital to employees (including directors holding or formerly holding executive or non-executive office or the personal service company of any such person) whether of the Issuer or any of the Issuer's subsidiaries or associated companies by virtue of their office or employment pursuant to any scheme or plan approved by the Issuer in general meeting or which is established pursuant to such a scheme or plan which is or has been so approved; or
 - (2) any consolidation, reclassification or subdivision of the Ordinary Shares or the conversion of any Ordinary Shares into stock or vice versa; or
 - (3) any modification of such rights which is not, in the opinion of an Independent Financial Adviser, materially prejudicial to the interests of the holders of the Bonds; or
 - (4) any alteration to the Articles of Association of the Issuer made in connection with the matters described in this Condition 11 or which is supplemental or incidental to any of the foregoing (including any amendment made to enable or facilitate procedures relating

- to such matters and any amendment dealing with the rights and obligations of holders of Securities, including Ordinary Shares, dealt with under such procedures); or
- (5) any issue of equity share capital where the issue of such equity share capital results or would, but for the provisions of Condition 6(f) relating to roundings or the carry forward of adjustments or, where comprising Ordinary Shares, the fact that the consideration per Ordinary Share receivable therefor is at least 95 per cent. of the Current Market Price per Ordinary Share on the relevant date, otherwise result, in an adjustment to the Conversion Price; or
 - (6) any issue of equity share capital or modification of rights attaching to the Ordinary Shares where prior thereto the Issuer shall have instructed an Independent Financial Adviser to determine what (if any) adjustments should be made to the Conversion Price as being fair and reasonable to take account thereof and such Independent Financial Adviser shall have determined either that no adjustment is required or that an adjustment to the Conversion Price is required and, if so, the new Conversion Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly); or
 - (7) without prejudice to Condition 6(b)(x) and Condition 7(e), the amendment of the articles of association of the Issuer following a Change of Control to ensure that any Bondholder exercising its Conversion Right after the occurrence of a Change of Control will receive the same consideration for the Ordinary Shares arising on conversion as it would have received had it exercised its Conversion Right at the time of the occurrence of the Change of Control;
- (iv) procure that no Securities (whether issued by the Issuer or any member of the Group or procured by the Issuer or any member of the Group to be issued) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share at the close of business on the last dealing day preceding the date of the first public announcement of the proposed inclusion of such rights unless the same gives rise (or would, but for the provisions of Condition 6(f) relating to roundings or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;
 - (v) not make any issue, grant or distribution or take any other action if the effect thereof would be that, on conversion of the Bonds, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;
 - (vi) not reduce its issued share capital, share premium account or capital redemption reserve or any uncalled liability in respect thereof except (1) pursuant to the terms of issue of the relevant share capital or (2) by means of a purchase or redemption of share capital of the Issuer or (3) as permitted by Article 39 of the Companies (Jersey) Law 1991 or (4) where the reduction does not involve any distribution of assets to Shareholders or (5) solely in relation to a change in the currency in which the nominal value of the Ordinary Shares is expressed or (6) a reduction of its share premium account to facilitate the writing off of goodwill arising on consolidation which requires the confirmation of the Royal Court of Jersey and which does not involve the return to Shareholders, either directly or indirectly, of an amount standing to the credit of the share premium account of the Issuer in respect of which the Issuer shall have tendered to the Royal Court of Jersey such undertaking as it may require prohibiting, so long as any of the Bonds remains outstanding, the distribution (except by way of capitalisation issue) of any reserve which may arise in the books of the Issuer as a result of such reduction or (7) to create distributable reserves (to which, in respect of any such creation of distributable reserves by the Issuer, the Trustee will be deemed to have irrevocably given its consent (without any liability

for so doing) prior to such creation of distributable reserves occurring and to the extent that express consent is required, the Bondholders authorise and direct the Trustee to give its consent (without any liability for so doing) to such creation of distributable reserves) or (8) pursuant to a Newco Scheme or (9) by way of transfer to reserves as permitted under applicable law or (10) where the reduction is permitted by applicable law and the Trustee is advised by an Independent Financial Adviser, acting as an expert, that the interests of the Bondholders will not be materially prejudiced by such reduction or (11) where the reduction is permitted by applicable law and results (or, in the case of a reduction in connection with a Change of Control, will result) in (or would, but for the provisions of Condition 6(f)) relating to roundings or the carry forward of adjustments, result in) an adjustment to the Conversion Price or is (or, in the case of a reduction in connection with a Change of Control, will be) otherwise taken into account for the purposes of determining whether such an adjustment should be made,

provided that, without prejudice to the other provisions of these Conditions, the Issuer may exercise such rights as it may from time to time be entitled pursuant to applicable law to purchase, redeem or buy back its Ordinary Shares and any depositary or other receipts or certificates representing Ordinary Shares without the consent of Bondholders;

- (vii) if any offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associates (as defined in Section 988 (1) of the Companies Act or any modification or re-enactment thereof) of the offeror) to acquire all or a majority of the issued ordinary share capital of the Issuer, or if a scheme (other than a Newco Scheme) is proposed with regard to such acquisition, give notice of such offer or scheme to the Trustee and the Bondholders at the same time as any notice thereof is sent to its Shareholders (or as soon as practicable thereafter) that details concerning such offer or scheme may be obtained from the specified offices of the Paying and Conversion Agents and, where such an offer or scheme has been recommended by the Board of Directors of the Issuer, or where such an offer has become or been declared unconditional in all respects or such scheme has become effective, use its reasonable endeavours to procure that a like offer or scheme is extended to the holders of any Ordinary Shares issued during the period of the offer or scheme arising out of the exercise of the Conversion Rights by the Bondholders and/or to the holders of the Bonds;
- (viii) use its reasonable endeavours to ensure that the Ordinary Shares issued upon conversion of the Bonds will as soon as practicable be admitted to the Official List of the UK Listing Authority and admitted to trading by the London Stock Exchange in accordance with their respective rules and will be listed, quoted or accepted for dealing as soon as practicable on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in; and
- (ix) in the event of a Newco Scheme, take (or shall procure that there is taken) all necessary action to ensure that (to the satisfaction of the Trustee) as soon as reasonably practicable after completion of any Scheme of Arrangement:
 - (a) at its option, either (i) Newco is substituted under the Bonds and the Trust Deed as principal obligor in place of the Issuer subject to and as provided in the Trust Deed; or (ii) Newco becomes a guarantor under the Bonds and the Trust Deed (jointly and severally with the Guarantors);
 - (b) such amendments are made to these Conditions and the Trust Deed as are necessary, in the opinion of the Trustee, to ensure that the Bonds may be converted into or exchanged for ordinary shares in Newco (or depositary or other receipts or certificates representing ordinary shares of Newco) *mutatis mutandis* in accordance with and subject to these Conditions and the Trust Deed (and the Trustee shall (at the expense of the Issuer) be obliged to concur in making any such amendments);

- (c) the Trust Deed and the Conditions (including, without limitation, the adjustment and related provisions (in Condition 6), the Events of Default (in Condition 10) and the Undertakings (in Condition 11)) provide at least the same protections and benefits to the Trustee and the Bondholders following the implementation of such Newco Scheme as they provided to the Trustee and the Bondholders prior to the implementation of the Newco Scheme, *mutatis mutandis*; and
- (d) the ordinary shares of Newco (or depositary or other receipts or certificates representing ordinary shares of Newco) are (i) admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's EEA Regulated Market or (ii) admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market.

(b) *Compliance Certificates*

The Issuer and the Guarantors have each undertaken in the Trust Deed to deliver to the Trustee annually a certificate signed by two of their respective directors, as to there not having occurred an Event of Default or Potential Event of Default since the date of the last such certificate or if such event has occurred as to the details of such event. The Trustee will be entitled to rely on such certificate and shall not be obliged to independently monitor compliance by the Issuer or the Guarantors with the undertakings set forth in this Condition 11, nor be liable to any person for not so doing.

12 Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 8 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

13 Replacement of Bonds

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Paying and Conversion Agent subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

14 Meetings of Bondholders, Modification and Waiver, Substitution

(a) *Meetings of Bondholders*

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if requested in writing by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to change the Final Maturity Date or the dates on which interest is payable in respect of the Bonds, (ii) to modify the circumstances in which the Issuer or Bondholders are entitled to redeem the Bonds pursuant to Condition 7 (b), (c) or (e), (iii) to reduce or cancel the principal amount of, or interest on, the Bonds or to reduce the amount payable on redemption of the Bonds, (iv) to modify the basis for calculating the interest payable in respect of

the Bonds, (v) to modify the provisions relating to, or cancel, the Conversion Rights, (other than pursuant to or as a result of any amendments to these Conditions, the Trust Deed, made pursuant to and in accordance with the provisions of Condition 11(a)(ix) (**Newco Scheme Modification**) and other than a reduction to the Conversion Price), (vi) to increase the Conversion Price (other than in accordance with the Conditions or pursuant to a Newco Scheme Modification), (vii) to change the currency of the denomination or any payment in respect of the Bonds, (viii) to change the governing law of the Bonds, the Trust Deed or the Agency Agreement (other than in the case of a substitution of the Issuer (or any previous substitute or substitutes) under Condition 14(c)), (ix) to modify certain other provision of these Conditions or the Trust Deed, or (x) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Bondholders (whether or not they were present at the meeting at which such resolution was passed) and all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held.

No consent or approval of Bondholders shall be required in connection with any Newco Scheme Modification.

(b) *Modification and Waiver*

The Trustee may agree, without the consent of the Bondholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions, which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or an error which, in the opinion of the Trustee, is proven or to comply with mandatory provisions of law, and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions, (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions, which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. The Trustee may, without the consent of the Bondholders or Couponholders, determine any Event of Default or a Potential Event of Default (as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders will not be materially prejudiced thereby. Any such modification, authorisation, waiver or determination shall be binding on the Bondholders and Couponholders and, if the Trustee so requires, shall be notified to the Bondholders promptly in accordance with Condition 17.

(c) *Substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Bondholders or Couponholders, to any substitution as provided in Condition 11(a)(ix) or to the substitution of certain other entities in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Bonds, subject to the Bonds continuing to be convertible *mutatis mutandis* as provided in these Conditions, with such amendments as the Trustee shall consider appropriate. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders or Couponholders, to a change of the law governing the Bonds, the Coupons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders.

(d) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Bondholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder or Couponholder be entitled to claim, from the Issuer or any Guarantor or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders or Couponholders.

15 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer or any Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Bonds and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Bonds or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder or Couponholder shall be entitled to proceed directly against the Issuer or any Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

16 The Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, any Guarantor and any entity related to any Guarantor without accounting for any profit. The Trustee may rely without liability to Bondholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers or financial institution, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise and such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantors, the Trustee and the Bondholders and Couponholders.

17 Notices

Notices to Bondholders will be valid if published in a leading English language daily newspaper circulating in the United Kingdom (which is expected to be the *Financial Times*) or, if in the opinion of the Trustee such publication shall not be practicable, in an English language newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition.

If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

18 Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them and the first date on which Conversion Rights may be exercised) and so that such further issue shall be consolidated and form a

single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of securities of other series where the Trustee so decides.

19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

20 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Bonds and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of, or in connection with, the Trust Deed, the Bonds or the Coupons and accordingly any legal action or proceedings arising out of, or in connection with, the Trust Deed, the Bonds or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with, the Trust Deed, the Bonds or the Coupons) (**Proceedings**) may be brought in such courts. The Issuer and the Guarantors have in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Service of Process

Each of the Issuer, WPP AIR 1 Limited and WPP AIR 3 Limited has irrevocably appointed WPP 2008 Limited, whose address is 27 Farm Street, London W1J 5RJ, to act as their agent in England to receive service of process in any Proceedings in England based on the Trust Deed or any of the Bonds or Coupons.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

The Temporary Global Bond and the Global Bond contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the terms and conditions of the Bonds set out in this document. The following is a summary of certain of those provisions:

1 Exchange

The Temporary Global Bond will be exchangeable in whole or in part for interests in the Global Bond on or after a date which is expected to be 29 June 2009 upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Bond. The Global Bond will become exchangeable, in whole but not in part (free of charge to the holder), for the definitive Bonds only (i) if the Global Bond is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, or (ii) if the Issuer would suffer a material disadvantage in respect of the Bonds as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 9 which would not be suffered were the Bonds represented by such Global Bond in definitive form and a certificate to such effect signed by two Directors of the Issuer is delivered to the Trustee. Thereupon (in the case of (i) above) the holder may give notice to the Trustee and (in the case of (ii) above) the Issuer may give notice to the Trustee, the Principal Paying and Conversion Agent and the Bondholders, of its intention to exchange the Global Bond for definitive Bonds on or after the Exchange Date specified in the notice.

On or after the Exchange Date (as defined below), the holder of the Global Bond may surrender the Global Bond to or to the order of the Principal Paying and Conversion Agent. In exchange for the Global Bond the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Global Bond), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Trust Deed. On exchange in full of the Global Bond, the Issuer will procure that it is cancelled and returned to the holder together with any relevant definitive Bonds.

For these purposes, **Exchange Date** means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying and Conversion Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant clearing system is located.

2 Payments

No payment will be made on the Temporary Global Bond unless exchange for an interest in the Global Bond is improperly withheld or refused. Payments of principal and interest in respect of the Global Bond will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Bond to or to the order of the Principal Paying and Conversion Agent or such other Paying and Conversion Agent as shall have been notified to the Bondholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Bond, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Bonds. Condition 8(b)(i) will apply to the definitive Bonds only.

3 Notices

So long as the Bonds are represented by the Temporary Global Bond and/or the Global Bond and the Temporary Global Bond and/or the Global Bond is held on behalf of a clearing system, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders (as defined below) in substitution for publication as required by the Conditions, provided that, so long as the Bonds are admitted to the Official List and admitted to trading on the Market, the notice requirements of the UK Listing Authority and the London Stock Exchange have been complied

with. Any such notice shall be deemed to have been given to the Bondholders on the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be).

4 Prescription

Claims against the Issuer and the Guarantors in respect of principal and interest on the Bonds while the Bonds are represented by the Global Bond will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 4).

5 Meetings

The holder of the Global Bond will be treated at a meeting of Bondholders as having one vote in respect of each £1,000 in principal amount of Bonds.

6 Purchase and Cancellation

Cancellation of any Bond represented by the Temporary Global Bond or the Global Bond to be cancelled following its purchase will be effected by reduction in the principal amount of the Temporary Global Bond or the Global Bond (as the case may be).

7 Trustee's Powers

In considering the interests of Bondholders while the Temporary Global Bond or Global Bond is held on behalf of a clearing system the Trustee may have regard to any information provided to it by such clearing system or its operator or a participant in such system as to the identity (either individually or by category) of its accountholders with entitlements to the Temporary Global Bond or the Global Bond (as the case may be) and may consider such interests as if such accountholders were the holder of the Temporary Global Bond or the Global Bond (as the case may be).

8 Conversion Rights

The Conversion Rights in respect of the Bonds will be exercisable by presentation of the Global Bond to or to the order of the Principal Paying and Conversion Agent for notation of exercise of the relevant Conversion Rights together with one or more duly completed Conversion Notice

9 Put Option

The Bondholders' put option in Condition 7(e) may be exercised by an accountholder giving notice to the Principal Paying and Conversion Agent in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg (which may include notice being given on such Bondholder's instructions by Euroclear and/or Clearstream, Luxembourg or any common depositary for them to the Principal Paying and Conversion Agent by electronic means) and in a form acceptable to Euroclear and Clearstream, Luxembourg of the principal amount of Bonds in respect of which the option is exercised and at the same time presenting, or procuring the presentation of the Global Bond to the Principal Paying and Conversion Agent for endorsement of exercise within the time limits specified in Condition 7(e).

10 Euroclear and Clearstream, Luxembourg

References in the Global Bond and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to be references to any other clearing system approved by the Trustee.

USE OF PROCEEDS

The net proceeds of the offering of the Bonds will be used to refinance in part the £650,000,000 term facility made available for the acquisition of Taylor Nelson Sofres plc pursuant to a facility agreement originally dated 9 July 2008 (as amended and restated on 17 November 2008) between, among others, the Issuer as borrower and Citibank International plc as facility agent.

DESCRIPTION OF WPP PLC

WPP plc (**WPP** or the **Issuer**), a public company limited by shares, was incorporated on 12 September 2008 in Jersey under the Companies (Jersey) Law 1991, with registered number 101749. WPP is the parent company of the WPP group. Unless the context otherwise requires, WPP and its subsidiaries are referred to herein as the **Group**.

WPP operates through a number of established global, multinational and national advertising and marketing services companies that are organised into four business segments. The largest segment is Advertising and Media Investment Management, where the well-known advertising networks Ogilvy & Mather Worldwide, JWT, Y&R, Grey Worldwide, Bates 141 and the United Group operate, as well as Media Investment Management companies such as MediaCom, Mediaedge:cia and Mindshare. Other segments are Information, Insight and Consultancy (where operations are conducted through the Kantar Group), Public Relations and Public Affairs (operated through well-known companies such as Burson Marsteller, Cohn & Wolfe, Hill & Knowlton and Ogilvy Public Relations Worldwide) and Branding & Identity, Healthcare and Specialist Communications (where operations are conducted by B to D Group, Fitch, CommonHealth, Wunderman, Sudler & Hennessey, OgilvyOne Worldwide, Ogilvy Healthworld, G2, OgilvyAction, 24/7 Real Media Inc and other companies).

WPP's ordinary Shares are admitted to the Official List of the UKLA and trade on the London Stock Exchange, and American Depositary Shares (**ADSs**) (which are evidenced by American Depositary Receipts (**ADRs**) or held in book-entry form) representing deposited WPP Shares are quoted on the NASDAQ Global Select Market. At 14 April 2009 WPP had a market capitalisation of approximately £5,272,602,833.

WPP's registered office is located at 22 Grenville Street, St. Helier, Jersey JE4 8PX and its telephone number is (44)-1534-609-000.

History and Development of the Group

Towards the end of 2008, WPP Group plc (the former parent company of the Group, now WPP 2008 Limited) and its subsidiaries were restructured and WPP was incorporated as a new UK listed parent company, registered in Jersey and tax resident in the Republic of Ireland. For historical reasons the entity operating as the Group's parent company had previously been incorporated and tax resident in the UK. As a result of recent concerns regarding possible changes to the UK's taxation of foreign profits, the board of WPP Group plc decided that it would be in the long term interests of the Group to implement a new parent company corporate structure involving a Jersey incorporated parent company with its tax residence in the Republic of Ireland, to reduce the overall tax rate of the Group in the short to medium term. In order to effect the restructuring, an English-court approved scheme of arrangement (the **2008 Scheme**) was implemented. Under the terms of the 2008 Scheme, the ordinary shares of WPP Group plc were cancelled and in consideration for this cancellation, the holders of those shares received ordinary shares in WPP on a one for one basis. Following the implementation of the 2008 Scheme, the Royal Court of Jersey approved a reduction of WPP's share capital thereby creating distributable reserves to provide for ongoing dividend payments and share repurchases by WPP. The 2008 Scheme became effective on 19 November 2008 and the reduction of capital became effective on 24 November 2008.

Following the implementation of the 2008 Scheme as part of the restructuring, WPP Group plc was converted to a private limited company and renamed WPP 2008 Limited (see the section "Description of WPP 2008 Limited" below). WPP sold its ordinary shares in WPP 2008 Limited to WPP Ireland Holdings Limited (a wholly-owned subsidiary of WPP), WPP UK Holdings Limited (also a wholly-owned subsidiary of WPP) was then inserted as a holding company between WPP Ireland Holdings Limited and WPP.

WPP transferred its ordinary and preference shares in WPP UK Holdings Limited to WPP Air 1 Limited (a company incorporated and tax resident in the Republic of Ireland) in exchange for ordinary shares in WPP Air 1 Limited. WPP Air 1 Limited transferred its preference shares in WPP UK Holdings Limited to WPP Air 2 Limited (a company incorporated and tax resident in the Republic of Ireland) in exchange for ordinary shares in WPP Air 2 Limited. WPP Air 1 Limited transferred 5 per cent. of its shares in WPP Air 2

Limited and 5 per cent. of its shares in WPP UK Holdings Limited to WPP Air 3 Limited in exchange for ordinary shares in WPP Air 3 Limited.

WPP Air 1 Limited and WPP Air 3 Limited established an English general partnership (the **General Partnership**) and contributed their shares in WPP Air 2 Limited and WPP UK Holdings Limited to the General Partnership. The entire share capital of Lexington BV (previously an indirect subsidiary of a Group company, WPP 2005 Limited) was then transferred to the General Partnership in exchange for ordinary shares in WPP Air 2 Limited. Subsequently, WPP UK Holdings Limited was transferred by WPP Air 1 Limited and WPP Air 3 Limited (who had each previously contributed these shares to the General Partnership) to Lexington BV in exchange for the issue of shares in Lexington BV.

WPP

WPP develops the professional and financial strategy of the Group, promotes operating efficiencies, co-ordinates cross referrals of clients among the Group companies and monitors the financial performance of its operating companies. The principal activity of the Group is the provision of communications services worldwide. WPP, together with WPP 2005 Limited, complement the operating companies in three distinct ways:

- firstly, WPP relieves them of much administrative work. Financial matters (such as planning, budgeting, reporting, control, treasury, tax, mergers, acquisitions, investor relations, legal affairs and internal audit) are co-ordinated centrally.
- secondly, WPP encourages and enables operating companies of different disciplines to work together, both for the benefit of clients and for the job satisfaction of WPP's people. WPP also plays an across-the-Group role in the following functions: the management of talent, including recruitment and training; in property management; and in procurement, information technology and knowledge sharing.
- and, finally, WPP itself can function as the 21st century equivalent of the full-service agency. For some clients, predominantly those with a vast geographical spread and a need for marketing services ranging from advertising through design and website construction to research and internal communications, WPP can act as a portal to provide a single point of contact and accountability.

WPP and WPP 2005 Limited operate with a limited group of approximately 300 people at their centres in Dublin, London, New York, Shanghai and São Paulo.

Business Overview

The 2008 figures referred to below relate to WPP plc's annual audited consolidated results for the year ended 31 December 2008.

The Group's business comprises the provision of communications services on a national, multinational and global basis. For the year ended 31 December 2008, the Group had revenue of approximately £7,477 million and reported operating profit of approximately £876 million compared with £6,186 million and £805 million respectively for the year ended 31 December 2007. As of 31 December 2008, the Group had approximately 135,000 full-time employees (including associates) located in approximately 2,400 offices in 107 countries.

The Group organises its businesses in the following four operating segments: Advertising and Media Investment Management (the largest segment); Information, Insight & Consultancy; Public Relations & Public Affairs; and Branding & Identity, Healthcare and Specialist Communications (including direct, interactive and internet marketing).

The following table shows, for the 2007 and 2008 financial years, reported revenue attributable to each business segment in which the Group operates:

<i>Revenue</i>	<i>Total in</i>		<i>Total in</i>	
	<i>2007</i>	<i>2007</i>	<i>2008</i>	<i>2008</i>
	<i>(audited)</i>		<i>(audited)</i>	
	(£m)	(%)	(£m)	(%)
Advertising and Media Investment Management	2,871.3	46.4	3,329.5	44.5
Information, Insight & Consultancy	905.4	14.6	1,301.8	17.4
Public Relations & Public Affairs	641.4	10.4	752.3	10.1
Branding & Identity, Healthcare and Specialist Communications	1,767.8	28.6	2,093.3	28.0
Total	6,185.9	100.0	7,476.9	100.0

The Group's principal activities within each of its business segments are described below.

Advertising and Media Investment Management

Advertising

The principal functions of an advertising agency are the planning and creation of marketing and branding campaigns and the design and production of advertisements for all types of media such as television, cable, internet, radio, magazines, newspapers and outdoor locations such as billboards.

The Group's advertising agencies include Ogilvy & Mather Worldwide, JWT, Y&R, Grey Worldwide, the United Group and Bates 141. WPP also owns interests in Asatsu-DK (24 per cent.); GIIR, Inc (20 per cent.); Singleton, Ogilvy & Mather in Australia (33.3 per cent.) and DYR Tokyo (49.0 per cent.).

Ogilvy & Mather Worldwide. Ogilvy & Mather is a full-service multinational advertising agency. Ogilvy & Mather was formed in 1948 and is headquartered in New York. Its strategy includes an integrated service offering known as 360 Degree Brand Stewardship®, a business platform that enables Ogilvy & Mather to integrate its growing range of disciplines which now include OgilvyAction, Ogilvy's brand activation company, Ogilvy Public Relations Worldwide and Ogilvy Healthworld. Ogilvy developed its digital activities as Neo@Ogilvy.

JWT. JWT, one of the world's first advertising agencies, was founded in 1864 and is a full service multinational advertising agency headquartered in New York. JWT's relationships with a number of its major clients have been in existence for many years, exhibiting, management believes, an ability to adapt to meet the clients' and market's new demands.

Y&R. Y&R, a multinational advertising agency network headquartered in New York, was formed in 1923 and is now part of a collaborative, multidisciplinary model under Young & Rubicam Brands. Y&R's clients also benefit from Y&R's continued investments in its proprietary brand management tool, BrandAsset® Valuator.

Grey Group. Grey commenced operations in 1917 and was incorporated in 1925 as Grey Advertising Inc. Grey has offices in 96 countries and was acquired by WPP in March 2005.

The United Group. In late 2005, WPP's Red Cell network was split in two parts, with nine of the former Red Cell offices forming the United Group. The group now includes Senora Rushmore United, Madrid; Berlin Cameron United, New York; Cole & Weber United, Seattle; La Negra United, Buenos Aires; United London; 1861 United, Milan; LDV United, Antwerp; BTS United, Oslo; and Les Ouvriers du Paradis United, Paris.

Bates 141. *Bates 141* is an Asia-dedicated advertising and brand activation network. During 2005-2006, the company integrated the brand activation activities of 141 into its core offering; in 2007 several acquisitions were made to broaden the company's geographic coverage in key disciplines.

Media Investment Management

GroupM. *GroupM* is WPP's consolidated media investment management operation, serving as the parent company to agencies including Maxus, MediaCom, Mediaedge:cia and Mindshare. With its agencies, GroupM has capabilities in business science, consumer insight, communications and media planning, implementation, interactions, content development, and sports and entertainment marketing. The primary purpose of GroupM is to maximise the performance of WPP's media agencies, operating not only as their parent company, but as collaborator on performance-enhancing activities, such as trading, finance, tool development and other business-critical capabilities, in order to leverage the combination of GroupM's scale and talent resources.

MediaCom. MediaCom became part of GroupM following the Grey acquisition in March 2005. It is one of the world's largest media communication specialists, with capabilities in business science, consumer rights, return on investment (ROI), direct marketing, digital and search.

Maxus. Maxus was formed in 2004, bringing together a number of media companies including Maximize in Asia Pacific and Media Insight in Europe. It now comprises 20 offices worldwide. The company's strategy is to combine the disciplines of communications planning and customer relationship marketing in a new model called Relationship Media.

Mediaedge:cia. Mediaedge:cia was formed following the Group's acquisition of Tempus in 2001 with the merger of its core brand CIA with The MediaEdge. In addition to its media planning and implementation capability, Mediaedge:cia has its operations in interaction (digital, direct & search), entertainment marketing, sports, sponsorship and event marketing, cause-related marketing, content development, ROI and consumer insights.

Mindshare. Mindshare was originally formed 10 years ago from the merger of the media departments of JWT and Ogilvy & Mather. Mindshare's operations span Client Leadership, Business Planning, Invention (its creative arm) and The Exchange, its trading and activation arm.

Information, Insight & Consultancy

To help optimise its worldwide research offering to clients, the Group's separate global research and strategic marketing consultancy businesses, which are described below, are managed on a centralised basis under the umbrella of the Kantar Group. On and with effect from 29 October 2008, the Group acquired the entire share capital of Taylor Nelson Sofres plc (TNS). Following the acquisition of TNS, Kantar was restructured to align itself better to client needs. TNS Custom and Research International merged to become TNS, and four operating units comprising Kantar Healthcare, Kantar Media, Kantar Retail and Kantar Worldpanel were formed from existing operations. Additional Kantar businesses include respected brands such as Center Partners, Kantar Operations, Lightspeed Research, Kantar Japan, Added Value, IMRB, Millard Brown and The Futures Company. The combined group is one of the world's largest information, insight and consultancy companies, providing insight at each and every point of the consumer cycle.

Public Relations & Public Affairs

Public relations and public affairs companies advise clients who are seeking to communicate with consumers, governments and/or the business and financial communities. Public relations and public affairs activities include national and international corporate, financial and marketing communications, crisis management, reputation management, public affairs and government lobbying. The WPP's global networks in this area are Burson-Marsteller, Hill & Knowlton, Ogilvy Public Relations Worldwide and Cohn & Wolfe.

Burson-Marsteller. B-M, founded in 1953 and part of Young & Rubicam Brands, specialises in corporate and marketing communications, business-to-business services, crisis management, employee

relations and government relations. The B-M network includes the businesses of Marsteller, a full service multimedia agency, and public affairs companies BKSH and Penn, Schoen & Berland.

Hill & Knowlton. H&K, founded in 1927, is a worldwide public relations and public affairs firm headquartered in New York. H&K provides national and multinational clients with a wide range of communications services including corporate and financial public relations, marketing communications, internal communication, change management, crisis communications and public affairs counselling. The Hill & Knowlton network also includes the businesses of Blanc & Otus, H&K's stand-alone technology company, and Wexler & Walker Public Policy Associates.

Ogilvy Public Relations Worldwide. Part of the Ogilvy & Mather Worldwide network, OPR is a leading public relations and public affairs firm headquartered in New York with practice areas in marketing, health and medical, corporate public affairs and technology and social marketing. The firm has offices in key financial, governmental and media centres as well as relationships with affiliates worldwide.

Cohn & Wolfe. C&W, a Young & Rubicam Brands company, is an international public relations agency established in 1970. It offers marketing-related public relations for its clients and provides its clients with business results and marketing communications solutions. Following the merger of Cohn & Wolfe and GCI Group (part of Grey) the combined company now operates in 55 markets.

Others. The Group includes a number of other companies specialising in Public Relations & Public Affairs, including Buchanan Communications, Clarion Communications, Finsbury, Quinn Gillespie, Robinson Lerer & Montgomery (a Young & Rubicam Brands company), Timmons and Company and Chime Communications (19.3 per cent.).

Branding & Identity, Healthcare and Specialist Communications

The Group's activities in this business area include branding and identity, healthcare communications, direct, digital, promotion and interactive marketing and other specialist communications services including custom media, demographic and sector marketing, sports marketing, and media and film production services.

Branding and identity

B to D Group. This branding and design entity, formed in 2005, consists of Landor Associates (a Young & Rubicam Brands company), The Brand Union (formerly Enterprise IG), Fitch, VBAT, Addison Corporate Marketing, Lambie-Nairn and The Partners (a Young & Rubicam Brands company). The mission of the B to D Group is to maximise and leverage the strengths of each individual company in order to offer clients and prospects the most complete and compelling branding and design solutions. As part of the Group, the companies have access to new clients and untapped markets, as well as resources such as advanced knowledge sharing systems and financial tools. Employee exchange further enables the companies to share top-level strategic thinking, creativity and cultural knowledge.

BDG McColl. BDG McColl are Edinburgh-based architects and interior designers, specialising in the design of commercial buildings and interiors.

BDGworkfutures. This is an international design consultancy focusing on strategy and design for working environments, working with corporate clients and within the Government sector.

Healthcare Communications

The Group has extensive expertise in healthcare communications, including the global networks of CommonHealth, Sudler & Hennessey (a Young & Rubicam Brands company), Ogilvy Healthworld (part of the Ogilvy & Mather Worldwide network) and ghg.

Specialist Communications

Direct, digital, promotion and interactive marketing

The Group has a number of operating businesses in this category, including:

- *Eicoff & Co*, which specialises in targeted cable and broadcast television advertising.
- *Bridge Worldwide*, acquired in 2005, which brings strong capabilities in the interactive and relationship marketing space.
- *EWA*, which specialises in data and relationship management services.
- *G2*, part of Grey Group, which unifies all of its specialised marketing communications services into a global network providing services in branding and design, data consulting, direct communications, interactive marketing, and promotional, trade and shopper marketing.
- *Headcount Worldwide Field Marketing*, which offers field marketing and brand development services, supported by strong customer relationship skills.
- *KnowledgeBase Marketing (KBM)*, a Young & Rubicam Brands company, which provides information-based marketing solutions to businesses in targeted high-growth industries. KBM's capabilities include data warehousing, data mining, information services and data analysis.
- *Mando Brand Assurance*, a UK-based global promotional risk management company, underwriting marketing activity for major international brands.
- *OgilvyOne Worldwide*, part of the Ogilvy & Mather Worldwide network, which is a direct marketing group, offering online marketing consulting and also traditional direct marketing communications such as direct response advertising techniques.
- *RMG Connect*, a global operation which consolidates all of JWT's customer relationship marketing offerings.
- *VML*, headquartered in Kansas City and part of Young & Rubicam Brands, and which specialises in digital and interactive services.
- *Wunderman*, part of Young & Rubicam Brands, an integrated marketing solutions company that delivers customer relationship management services to its clients. Since 2005, Wunderman has acquired several digital companies, including Aqua Online, AGENDA, Blast Radius and ZAAZ, to enhance its offer to clients.
- *Ogilvy Action*, part of the Ogilvy & Mather Worldwide network which is a global marketing services network whose offers include shopper & trade marketing, experiential marketing, digital, retail design and sports & entertainment sponsorship.
- *Warwicks*, a design and publishing company, specialising in the design and production of sales, promotion, public relations and service literature for a diverse range of companies.
- *WPP Digital*, which makes acquisitions and strategic investments in companies that improve the Group's digital offer and its understanding of the digital space and provides access for WPP companies and their clients to a portfolio of digital experts. WPP Digital comprises a number of full-service interactive agencies, including Schematic, BLUE and Quasar, technology-led digital marketing company 24/7 Real Media, as well as investments in businesses providing creative services, analytics, mobile marketing, in-game advertising, ad networks, addressability, video and social networking services. In 2008, WPP Digital created Deliver, a global digital production service which brings together over 700 existing digital production resources within WPP to offer quality, low-cost digital production to WPP companies and their clients.

Custom media

- *Forward* is a full service custom media specialist, whose services include magazines, catalogues, magalogues, mini-zines, e-zines, web content and direct mail.
- *Spafax* creates entertainment and communication experiences for customers and travellers both onboard and on the ground, specialising in inflight entertainment, revenue generation, publishing and technical solutions.

Demographic and sector marketing

Corporate/B2B

- *Ogilvy Primary Contact* is a UK-based provider of business-to-business, financial and corporate advertising.

Demographic marketing

- The Bravo Group, MosaicaMD, Kang & Lee and WINGLATINO create multicultural marketing and communications programmes targeted to the fast-growing US Hispanic, Afro-American and Asian communities. Their multidisciplinary services include advertising, promotion and event marketing, public relations, research and direct marketing. The Bravo Group, MosaicaMD and Kang & Lee are part of Young & Rubicam Brands. WINGLATINO is part of Grey Group.

Event/face-to-face marketing

- *MJM* is a full-service communications company for live events, meetings, exhibits, trade shows, brand theatre and training, serving clients around the world.
- *FitchLive* designs communications experiences using events, film and digital.

Foodservice marketing

- *The Food Group* specialises in targeted food advertising, marketing, and culinary and technology solutions. In 2007, the company added a new division, Nutrition + Culinary Consultants (NCC) which provides strategic, science-based guidance to the food, beverage and wellness industries.

Youth marketing

- *The Geppetto Group* assists clients in communicating their products and services to the youth market (children and teenagers) and implementing creative branding solutions.

Real estate marketing

- *Pace* is one of the largest specialists in the real estate communications market in the United States, offering comprehensive services in the marketing of both commercial and residential property to developers, builders and real estate agents.

Technology marketing

- *Banner Corporation* is a European marketing communications firm specialising in the technology sector. Banner is part of Young & Rubicam Brands.

Sports marketing

- *PRISM Group*, on a global basis, offers sports marketing and consultancy, event management, public relations and communication design.

- *PSM* is a London-based sponsorship marketing consultancy.

Media & production services

- *Metro Group* provides a diverse range of technical and creative services, including multimedia, film, video and asset archiving, equipment sales and post-production systems to clients in the UK.
- *The Farm Group*, headquartered in the UK, is a film and video production services company.

Manufacturing

The original business of the Group remains as the manufacturing division, which operates through subsidiaries of Wire and Plastic Products Limited. The division produces a wide range of products for commercial, industrial and retail applications.

Clients

The Group services 345 of the Fortune Global 500 companies, 50 of the Nasdaq 100 and 29 of the Dow Jones 30, over 30 of the Fortune e-50, and over 700 clients in three or more disciplines. More than 440 clients are served in four disciplines and these clients account for over 58 per cent. of Group revenues. The Group also works with over 310 clients in six or more countries.

Acquisitions

In 2008, WPP completed the acquisition of TNS for total consideration of £1,025.0 million, comprising 80.5 million ordinary shares and £737.0 million in cash (net of cash acquired). TNS is a major information, insight and consultancy group, operating in over 80 countries with almost 17,000 people worldwide. In addition to the acquisition of TNS, WPP strengthened its position in Advertising and Media Investment Management in the US, the UK, Denmark, France, Italy, the Netherlands, Switzerland, Ukraine, the Middle East, Kenya, Argentina, Brazil, Chile, Guatemala, Australia, New Zealand, China, Singapore and Vietnam; in Information, Insight & Consultancy in the US, the UK, Spain, Brazil and India; in Public Relations & Public Affairs in the UK, China, Korea and India; in direct, internet and interactive in the US, the Czech Republic, Denmark, France, Russia, China, India, Japan and Malaysia; and in Branding & Indemnity in the Netherlands. Total initial cash consideration spent on acquisitions and investments, less cash and cash equivalents, was £989.7 million in 2008.

Administrative, Management and Supervisory Bodies

Directors and executive officers of WPP

The directors and executive officers of WPP and their principal functions are as follows:

Philip Lader, Non-executive chairman. Philip Lader is a Senior Advisor to Morgan Stanley, a director of Lloyd's of London, RAND, Marathon Oil, Rusal, AES Corporations and Songbird Estates plc (Canary Wharf), a trustee of Smithsonian Museum of American History and the Atlantic Council and a member of the Council on Foreign Relations.

Sir Martin Sorrell, Chief executive. Sir Martin Sorrell joined WPP in 1986 as a director, becoming Group Chief Executive in the same year. He is a non-executive director of the Formula One Board.

Paul Richardson, Finance director. Paul Richardson is responsible for the Group's worldwide functions in finance, information technology, procurement, property, treasury, taxation, internal audit and corporate responsibility. He is also the country manager for Italy and a fellow of the Association of Corporate Treasurers. He is a non-executive director of CEVA Group plc, Chime Communications PLC and STW Communications Group Limited in Australia, the last two being companies associated with the Group.

Mark Read, Strategy director. Mark Read has been WPP's director of strategy since 2002 and is also CEO of WPP Digital. He worked at WPP between 1989 and 1995 in both parent company and operating company roles. He is a director of CHI & Partners and a member of the Supervisory Board of HighCo., both of which are companies associated with the Group.

Colin Day, Non-executive director. Colin Day is group finance director of Reckitt Benckiser plc and a non-executive director of Cadbury plc.

Esther Dyson, Non-executive director. Esther Dyson sits on the boards of IT start-ups including Boxbe (US), Evernote (USA), 23andMe (US), Airship Ventures (US), Eventful.com (US), Meetup Inc. (US), NewspaperDirect (Canada), CVO Group (Hungary), Voxiva (US) and Yandex (Russia). She operates as an independent investor and entrepreneur under the name of EDventure. She currently sits on the board of the Sunlight Foundation.

Orit Gadiesh, Non-executive director. Orit Gadiesh is chairman of Bain & Company, Inc. She is a member of the International Advisory Board at the Haute Ecole Commerciale in France. She is a member of the Foundation Board for the World Economic Forum, and on the Board of Directors of The Peres Institute for Peace. She is a member of the Council on Foreign Relations, a trustee for Eisenhower Fellowships and a member of the Business Committee of the Metropolitan Museum of Art, New York.

Stanley (Bud) Morten, Non-executive director. Bud Morten is currently the Independent Consultant to Citigroup/Smith Barney with responsibility for its independent research requirements and is one of the five public members of the Investment Advisory Council of the State of Connecticut. He is also a non-executive director of The Motley Fool, Inc., which is a private company.

Koichiro Naganuma, Non-executive director. Koichiro Naganuma is president and group chief executive officer of Asatsu-DK, also known as ADK. ADK is Japan's third largest advertising and communications company, and ninth largest in the world. The Group took a 20 per cent. interest in ADK in 1998.

Lubna Olayan, Non-executive director. Lubna Olayan is the deputy chairman and chief executive officer of the Olayan Financing Company. She is a member of the Board of Saudi Hollandi Bank, of the Board of Directors of INSEAD, the International Advisory Board of the Council on Foreign Relations, of the Board of Trustees of Cornell University and KAUST (King Abdullah University of Science & Technology). Ms Olayan joined the International Advisory Board of Rolls Royce in October 2006.

John Quelch, Non-executive director. He is Senior Associate Dean and Lincoln Filene Professor of Business Administration at Harvard Business School. He also serves as chairman of the Massachusetts Port Authority. He is a non-executive director of Inverness Medical Innovations, Inc. and Pepsi Bottling Group Inc.

Jeffrey A. Rosen, Non-executive director. He is a deputy chairman and managing director of Lazard. He is a member of the Council on Foreign Relations and is President of the Board of Trustees of the International Center of Photography in New York.

Paul Spencer, Non-executive director. He is the chairman of the Association of Corporate Treasurers' Advisory Board, NS&I (National Savings), the UK government-owned retail savings institution, and Sovereign Reversions Group plc. He is also a non-executive director of TR Property Investment Trust plc and Nipponkoa Insurance (Europe) Ltd. He is Independent Trustee of the Rolls Royce Group and BAT Group pension funds. He is also the governor of Motability, a UK charity for the disabled.

Timothy Shriver, Non-executive director. He is the Chairman of Special Olympics, Chairman of the Board of the Collaborative for Academic, Social and Emotional Learning (CASEL), a member of the Council on Foreign Relations and a non-executive director of the Malaria No More, Neogenix Oncology and the founder and president of the Center for Interface Action on Global Poverty. He serves on the advisory committee of Main Street Advisors and Leeds Equity. He also writes a column for The Washington Post/Newsweek.com.

The business address of each of the Directors is 6 Ely Place, Dublin 2, Ireland.

There are no potential conflicts of interest between the duties to WPP of each of the members of the Board of Directors listed above and his or her private interests or other duties, other than the roles mentioned above undertaken by Paul Richardson in Chime Communications PLC and STW Communications Group Limited, by Koichiro Naganuma in Asatsu-DK and by Mark Read in CHI & Partners and HighCo., each of which companies competes with the Group in specific markets.

DESCRIPTION OF WPP 2008 LIMITED

WPP 2008 Limited (formerly WPP Group plc) was incorporated on 16 August 2005 as a public limited company in England and Wales under company number 05537577. As part of the 2008 Scheme its name was changed to WPP 2008 plc and then on 24 November 2008 it converted to a private limited company and became known as WPP 2008 Limited (**WPP 2008**).

Its registered office is located at 27 Farm Street, London W1J 5RJ, and its telephone number is (44)20-7408-2204.

History and Development

WPP 2008 became the parent company of the Group after a structural reorganisation that took place in October 2005, whereby WPP 2005 Limited became its wholly owned subsidiary. At that stage WPP 2005 Limited held all of the operating companies in the Group (see “History and Development” section of the “Description of WPP 2005 Limited” below)

WPP 2008 spent £744.4 million, £252.5 million and £71.9.9 million for acquisitions and investments in 2007, 2006 and 2005, respectively, including payments in respect of loan note redemptions and earnout consideration resulting from acquisitions in prior years. For the same periods, cash spent on purchases of property, plant and equipment and other intangible assets was £170.8 million, £184.5 million and £171.3 million, respectively, and cash spent on share repurchases and cancellations was £415.4 million, £257.7 million and £152.3 million, respectively.

Following the implementation of the 2008 Scheme and the restructuring of the Group at the end of 2008, WPP 2008 is now an indirect subsidiary of the new parent company WPP.

Administrative, Management and Supervisory Bodies

Directors of WPP 2008 Limited:

The directors and executive officers of WPP 2008 and their principal functions are as follows:

Paul Delaney, Director. Paul Delaney has been the Group’s director of treasury since 1999.

Andrew Scott, Director. Andrew Scott has been WPP’s Director of Corporate Development leading the Group’s global Mergers and Acquisition activity since 1999. Andrew Scott also leads WPP’s International Specialist Communications Division. Prior to joining WPP Andrew was a strategy consultant at LEK Consulting. He is a director of Scangroup in Kenya, WVI Holding B.V. in Russia and Bates PanGulf in Dubai.

Chris Sweetland, Director. Chris Sweetland has been WPP’s deputy finance director since 2000. He has worked for WPP since 1989 in both parent company and operating company roles. He sits on the Supervisory Board of HighCo., a company associated with the Group. He is also a director of Scangroup in Kenya, in which the Group has a shareholding.

The business address of each of the directors is 27 Farm Street, London W1J 5RJ.

There are no potential conflicts of interest between the duties to WPP 2008 of each of the members of the Board of Directors listed above and his or her private interests or other duties, other than the roles mentioned above undertaken by Chris Sweetland in HighCo. and Scangroup and Andrew Scott in Scangroup, WVI Holding BV and Bates PanGulf, each of which companies competes with the Group in specific markets.

DESCRIPTION OF WPP 2005 LIMITED

WPP 2005 Limited (formerly WPP Group plc) was incorporated on 1 March 1971 and is now a private limited company in England and Wales (company number 1003653).

Its executive office is located at 27 Farm Street, London W1J 5RJ, and its telephone number is (44)20-7408-2204 and its registered office is located at Pennypot Industrial Estate, Hythe, Kent CT21 6PE.

History and Development

On 25 October 2005, WPP 2005 Limited completed a reorganisation of its capital and corporate structure through a scheme of arrangement (the **2005 Scheme**), resulting in the formation of WPP Group plc which then became the parent company of WPP 2005 Limited (the **Reorganisation**). On completion of the Reorganisation, each shareholder of WPP 2005 Limited received an ordinary share of WPP in place of every WPP 2005 Limited ordinary share held before the Reorganisation.

WPP 2005 Limited was incorporated and registered in England and Wales in 1971 and is a private limited company under the Companies Act 1985, and until 1985 operated as a manufacturer and distributor of wire and plastic products. In 1985, new investors acquired a significant interest in WPP 2005 Limited and changed the strategic direction of WPP 2005 Limited from being a wire and plastics manufacturer and distributor to being a multinational communications services organisation. Since then, the Group grew both organically and by the acquisition of companies, most significantly the acquisitions of JWT Group, Inc. in 1987, The Ogilvy Group, Inc. in 1989, Young & Rubicam, Inc. (**Young & Rubicam** or **Young & Rubicam Brands**, as the group is now known) in 2000, Tempus Group plc (**Tempus**) in 2001, Cordiant Communications Group plc (**Cordiant**) in 2003, Grey Global Group, Inc. (**Grey**) in 2005, 24/7 Real Media, Inc. (**TFSM**) in 2007 and TNS in 2008.

Following the implementation of the 2008 Scheme and the restructuring of the Group at the end of 2008, WPP 2005 Limited is now an indirect subsidiary of the new parent company WPP.

Administrative, Management and Supervisory Bodies

Directors of WPP 2005 Limited

Chris Sweetland, Director. Chris Sweetland has been WPP's deputy finance director since 2000. He has worked for WPP since 1989 in both parent company and operating company roles. He sits on the Supervisory Board of HighCo., a company associated with the Group. He is also a director of Scangroup in Kenya, in which the Group has a shareholding.

Paul Delaney, Director. Paul Delaney has been the Group's director of treasury since 1999.

The business address of each of the Directors is 27 Farm Street, London W1J 5RJ.

There are no potential conflicts of interest between the duties to WPP 2005 Limited of each of the members of the Board of Directors listed above and his or her private interests or other duties, other than the roles mentioned above undertaken by Chris Sweetland in HighCo. and Scangroup, each of which companies competes with the Group in specific markets.

DESCRIPTION OF WPP AIR 1 LIMITED

WPP Air 1 Limited (**Air 1**) was incorporated on 30 September 2008 as a company incorporated under the laws of the Republic of Ireland. Its registered office is at 6 Ely Place, Dublin 2, Ireland and its telephone number is +353-1669-0333.

Air 1 is a wholly owned subsidiary of WPP and forms one of the partners of the General Partnership with WPP Air 3. The General Partnership currently holds the interest in Lexington BV, which in turn indirectly holds the interest in WPP 2008 Limited and the operating companies in the Group.

The authorised share capital of Air 1 is €10,000,000,000 divided into 10,000,000,000 ordinary shares of €1.00 each. The issued share capital of Air 1 comprises 5,025,300,001 ordinary shares of €1.00 each.

Business Overview

Air 1's business is to act as an intermediary holding company for the Group.

Since the date of its incorporation, Air 1 has not prepared any financial statements.

Administrative, Management and Supervisory Bodies

Directors of WPP Air 1 Limited:

JP Donnelly, Chief executive. JP Donnelly is Chief Executive of Ogilvy Group in Ireland. He joined WPP in 1999 and has headed up the Irish operation of Ogilvy since 2003. JP is also a director of WPP Ireland, the holding company for all WPP investments in Ireland. He is a member of the board of The Crafts Council of Ireland, The Royal Victoria Eye & Ear Hospital and the Media Forum. He sits on the advisory board of University College Dublin's Michael Smurfit Graduate Business School.

David Haugh, Chairman/ Director. David Haugh joined WPP operating company Ogilvy in 1975 as a graduate. He was appointed Group Finance director of Ogilvy in 1991 and retired in 2001. Since then he has undertaken a number of assignments for WPP and remains a non-executive director of a number of WPP's businesses in Ireland.

Jim Condren, Director. Jim Condren has been head of finance for the Ogilvy Group in Ireland since 2005. He is a member of the Institute of Chartered Accountants in Ireland.

Thierry Lenders, Director. Thierry Lenders is a director of WPP Group Services in Belgium.

Paul Richardson, Director. Paul Richardson is responsible for the Group's worldwide functions in finance, information technology, procurement, property, treasury, taxation, internal audit and corporate responsibility. He is also the country manager for Italy and a fellow of the Association of Corporate Treasurers. He is a non-executive director of CEVA Group plc, Chime Communications PLC and STW Communications Group Limited in Australia, the two of which are companies associated with the Group.

The business address of each of the Directors is 6 Ely Place, Dublin 2, Ireland.

There are no potential conflicts of interest between the duties to Air 1 of each of the members of the Board of Directors listed above and his or her private interests or other duties, other than the roles undertaken by Paul Richardson in Chime Communications PLC and STW Communications Group Limited, each of which companies competes with the Group in specific markets.

DESCRIPTION OF WPP AIR 3 LIMITED

WPP Air 3 Limited (**Air 3**) was incorporated on 30 September 2008 as a company incorporated under the laws of the Republic of Ireland. Its registered office is at 6 Ely Place, Dublin 2, Ireland and its telephone number is +353-1669-0333.

Air 3 is a wholly owned subsidiary of Air 1 and forms one of the partners of the General Partnership with Air 1. The General Partnerships currently holds the interest in Lexington BV.

The authorised share capital of Air 3 is €10,000,000,000 divided into 10,000,000,000 ordinary shares of €1.00 each. The issued share capital of Air 3 comprises 251,265,001 ordinary shares of €1.00 each.

Business Overview

Air 3's business is to act as an intermediary holding company for the Group.

Since the date of its incorporation, Air 3 has not prepared any financial statements.

Administrative, Management and Supervisory Bodies

Directors of WPP Air 3 Limited:

JP Donnelly, Chief executive. JP Donnelly is Chief Executive of Ogilvy Group in Ireland. He joined WPP in 1999 and has headed up the Irish operation of Ogilvy since 2003. JP is also a director of WPP Ireland, the holding company for all WPP investments in Ireland. He is a member of the board of The Crafts Council of Ireland, The Royal Victoria Eye & Ear Hospital and the Media Forum. He sits on the advisory board of University College Dublin's Michael Smurfit Graduate Business School.

David Haugh, Chairman/ Director. David Haugh joined WPP operating company Ogilvy in 1975 as a graduate. He was appointed Group Finance director of Ogilvy in 1991 and retired in 2001. Since then he has undertaken a number of assignments for WPP and remains a non-executive director of a number of WPP's businesses in Ireland.

Jim Condren, Director. Jim Condren has been head of finance for the Ogilvy Group in Ireland since 2005. He is a member of the Institute of Chartered Accountants in Ireland.

Thierry Lenders, Director. Thierry Lenders is a director of WPP Group Services in Belgium.

Paul Richardson, Director. Paul Richardson is responsible for the Group's worldwide functions in finance, information technology, procurement, property, treasury, taxation, internal audit and corporate responsibility. He is also the country manager for Italy and a fellow of the Association of Corporate Treasurers. He is a non-executive director of CEVA Group plc, Chime Communications PLC and STW Communications Group Limited in Australia, the last two of which are companies associated with the Group.

The business address of each of the Directors is 6 Ely Place, Dublin 2, Ireland.

There are no potential conflicts of interest between the duties to Air 3 of each of the members of the Board of Directors listed above and his or her private interests or other duties, other than the roles undertaken by Paul Richardson in Chime Communications PLC and STW Communications Group Limited, each of which companies competes with the Group in specific markets.

SHARE PRICE HISTORY

The table below sets out, for the periods indicated, the reported high and low closing sales prices per Ordinary Share on the London Stock Exchange, the principal market for the Ordinary Shares. As at 13 May 2009, the closing price in Sterling per Ordinary Share on the London Stock Exchange was 455.25 pence.

Towards the end of 2008, WPP Group plc (the former parent company of the Group, now WPP 2008 Limited) and its subsidiaries were restructured and WPP became the new UK listed parent company of the Group on 19 November 2009. Accordingly, the Share prices in respect of WPP are only available from 19 November 2008. The Share prices set out below in respect of the balance of 2008 and the financial years for 2007 and 2006 relate to the Ordinary Shares of WPP 2008 Limited.

<i>Period</i>	<i>Price per Share</i>	
	<i>High</i>	<i>Low</i>
	<i>(in Sterling)</i>	
2006		
First Quarter	699.0p	617.5p
Second Quarter	706.5p	620.5p
Third Quarter	666.5p	609.0p
Fourth Quarter	693.0p	651.5p
2007		
First Quarter	787.5p	692.0p
Second Quarter	783.0p	725.0p
Third Quarter	749.5p	633.5p
Fourth Quarter	711.5p	576.5p
2008		
First Quarter	635.5p	555.5p
Second Quarter	648.0p	483.75p
Third Quarter	557.5p	425.75p
Fourth Quarter	464.5p	310.25p
2009		
January	439.5p	373.0p
February	408.25p	353.0p
March	411.5p	357.25p

(Source: Bloomberg)

Information about the past and further performance of the Ordinary Shares and their volatility can be obtained from WPP plc's website at <http://www.wpp.com/wpp/investor/shareprice/>.

TAXATION

The following summary of certain taxation matters of the United Kingdom, Jersey and the Republic of Ireland is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law and practices (and the interpretation and application thereof) occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds, or to convert the Bonds for Ordinary Shares, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. This summary is of a general nature based on the understanding of the Group and of current law and practice. Investors should consult their professional advisers on the possible tax consequences of their subscribing for, purchasing, holding, selling or redeeming Bonds and converting Bonds for Ordinary Shares under the laws of their country of citizenship, residence, domicile or incorporation.

The United Kingdom

The following applies only to persons who are the beneficial owners of Bonds and Ordinary Shares and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Bondholders and Shareholders depends on their individual circumstances and may be subject to change in the future. Prospective Bondholders and Shareholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

A. Payment of Interest on the Bonds

Payments of interest on the Bonds may be made without deduction of or withholding on account of United Kingdom income tax provided that the Bonds are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Bonds remain so listed, interest on the Bonds will be payable without withholding or deduction on account of United Kingdom tax.

In other cases, if the interest has a United Kingdom source then an amount must generally be withheld from payments of interest on the Bonds on account of United Kingdom income tax at the basic rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Bondholder, HMRC can issue a notice to the Issuer to pay interest to the Bondholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

If interest on the Bonds constitutes United Kingdom source income for tax purposes it may be subject to income tax by direct assessment even where paid without withholding.

However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Bondholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Bondholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Bonds are attributable (and where that Bondholder is a company, unless that Bondholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Bonds are attributable). There are exemptions for interest received by certain categories of agent (such as some

brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Bondholders.

Bondholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Bondholder. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Bondholder is resident for tax purposes.

B. Taxation of Returns on the Bonds

The United Kingdom taxation treatment for a Bondholder within the charge to corporation tax will depend on, amongst other things, the accounting treatment of a Bond in the Bondholder's hands, including whether or not the Bonds are regarded as containing an "embedded derivative" as an accounting matter. The accounting treatment will also affect the tax treatment of a disposal of the Bonds (including a disposal occurring on redemption or conversion).

Bondholders (whether corporate or non-corporate) should consult their own accounting and tax advisers concerning their tax liabilities that may arise as a result of holding the Bonds, or as a result of the disposal or conversion of the Bonds.

C. Dividends on Ordinary Shares

No amounts will be withheld in respect of United Kingdom tax from dividend payments by the Issuer in respect of the Ordinary Shares.

Any Shareholders who are within the charge to United Kingdom corporation tax will under current law be subject to corporation tax on any dividends received. Such Shareholders should note that the Government has included draft legislation in the Finance Bill 2009 which would introduce a general exemption from corporation tax for foreign dividends received by companies on or after 1 July 2009 on ordinary shares and on most non-ordinary shares. This general exemption would, however, be subject to a number of exclusions.

Shareholders (whether corporate or non-corporate) are recommended to seek their own professional advice on the tax treatment of dividends that are paid by the Issuer in respect of the Shares.

D. Disposal of Ordinary Shares

A disposal of Ordinary Shares would generally constitute a disposal for the purposes of the United Kingdom taxation of chargeable gains and, accordingly, may give rise to a liability to taxation for Shareholders who are resident or (in the case of individual shareholders) ordinarily resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency (in the case of individual Shareholders) or through a permanent establishment (in the case of Shareholders within the charge to corporation tax) to which the relevant Ordinary Shares are attributable, subject to any reliefs and allowances (including indexation allowance, if appropriate) which may then be available.

E. United Kingdom Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Bonds or on a transfer by delivery of the Bonds.

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Ordinary Shares.

No United Kingdom stamp duty reserve tax is payable on the transfer of the Ordinary Shares.

The conveyance or transfer on sale of Ordinary Shares by means of an instrument of transfer will generally be subject to ad valorem stamp duty where the instrument is executed in the United Kingdom or relates, wheresoever executed, to any property situate or to any matter or thing done or to be done in any part of the United Kingdom. Under the CREST system for paperless share transfers, deposits of Ordinary Shares into CREST will generally not be subject to stamp duty.

The Republic of Ireland

The following is a summary based on the laws and practices currently in force in the Republic of Ireland regarding the tax position of investors beneficially owning their Bonds and Ordinary Shares and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Bonds and Ordinary Shares. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Bonds should consult their professional advisers on the tax implications of the purchase, holding, redemption, conversion or sale of the Bonds or Ordinary Shares and the receipt of interest or dividends thereon under the laws of their country of residence, citizenship or domicile.

A. Payment of Interest on the Bonds

1. Withholding tax

In general, tax at the standard rate of income tax (currently 20 per cent) is required to be withheld from payments of Irish source interest. Interest paid on the Bonds may have an Irish source. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the **1997 Act**) for certain interest bearing securities (**quoted Eurobonds**) issued by a body corporate (such as the Issuer) which are quoted on a recognised stock exchange (which would include the London Stock Exchange).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

- (i) the person by or through whom the payment is made is not in Ireland; or
- (ii) the payment is made by or through a person in Ireland, and either:
 - (a) the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear, Clearstream Banking SA and Clearstream Banking AG are so recognised), or
 - (b) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as an Irish paying agent) in the prescribed form.

So long as the Bonds are quoted on a recognised stock exchange and are held in Euroclear, Clearstream Banking SA or Clearstream Banking AG, interest on the Bonds can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the quoted Eurobond exemption referred to above does not or ceases to apply, the Issuer can still pay interest on the Bonds free of withholding tax to a company resident in a “relevant territory” (i.e. a member state of the European Union (other than Ireland) or in a country with which Ireland has a double taxation agreement). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank or other agent in Ireland on behalf of any Bondholder who is Irish resident.

2. Taxation of Bondholders

Notwithstanding that a Bondholder may receive interest on the Bonds free of Irish withholding tax, the Bondholder may still be liable to pay Irish income tax. Interest paid on the Bonds may have an Irish source and therefore be within the charge to Irish income tax, levies and pay related social insurance. Ireland operates a self assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

However, interest on the Bonds will be exempt from Irish income tax if the recipient of the interest is a person resident in a relevant territory provided either (i) the Bonds are quoted Eurobonds and are exempt from withholding tax as set out above (ii) in the event of the Bonds not being or ceasing to be quoted Eurobonds exempt from withholding tax, if the recipient of the interest is a company.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Bonds are held or attributed, may have a liability to Irish corporation tax on the interest.

Interest on the Bonds which does not fall within the above exemptions may be within the charge to Irish income tax.

B. Taxation of sale, redemption or conversion of the Bonds

An Irish resident or ordinarily resident Bondholder and a Bondholder who carries on a trade in Ireland through a branch or agency in respect of which the Bonds are used or held may be subject to Irish tax on any profits or gains arising on a disposal or redemption of Bonds. In any other case a Bondholder would only have a potential liability to tax on any gain or profit on a disposal or redemption of Bonds if they were not quoted on a stock exchange and derived the greater part of their value from Irish land, mineral rights or exploration rights.

The conversion of the Bonds should not be considered a disposal for the purposes of Irish capital gains tax. The Ordinary Shares acquired on conversion would be treated for Irish capital gains tax purposes as acquired at the same cost and date as the original Bonds.

C. Payment of Dividends on Ordinary Shares

1. Withholding Tax

Unless exempted, all dividends paid by the Issuer on Ordinary Shares issued on a conversion of the Bonds will be subject to Irish dividend withholding tax (**DWT**) at the standard rate of income tax (currently 20%). For DWT purposes a dividend includes any distribution made by the Issuer to Shareholders including cash dividends, non-cash dividends and additional shares taken in lieu of a dividend. Exemption from DWT applies in respect of dividends paid by the Issuer to the following categories of Shareholders:

- Irish resident companies;
- Irish approved pension schemes, qualifying employee share ownership trusts, tax exempt charities, and collective investment undertakings;
- individual Shareholders who are not resident or ordinarily resident in Ireland and who are resident for tax purposes either in an EU Member State or in a country with which Ireland has a double tax treaty (a “treaty country”);
- a company which is not resident in Ireland and is ultimately controlled by a person or persons resident in an EU Member State (other than Ireland) or a treaty country;
- a company resident in an EU Member State (other than Ireland) or a treaty country and which is not controlled by a person or persons resident or ordinarily resident in Ireland;

- a company not resident in Ireland whose principal class of shares is substantially and regularly traded on a recognised stock exchange in an EU Member State or treaty country or on a stock exchange approved by the Irish Minister for Finance;
- a company not resident in Ireland which is at least a 75% subsidiary, direct or indirect, of another company the principal class of shares of which is substantially and regularly traded on a recognised stock exchange in an EU Member State or treaty country or on a stock exchange which is approved by the Irish Minister for Finance;
- a company not resident in Ireland which is wholly owned, directly or indirectly, by two or more companies, the principal class of shares of each of which is substantially and regularly traded on a recognised stock exchange in an EU Member State or treaty country or on an exchange which is approved by the Irish Minister for Finance;
- a company of an EU Member State holding at least 5% of the shares of the Issuer.

In each case in respect of an exemption from DWT, the Shareholder claiming the exemption must file the requisite declarations and certifications with the Issuer to substantiate the entitlement to receive the dividend or other distribution gross. If dividends are paid through an intermediary the intermediary will have to fulfil certain requirements to enable the Issuer to pay dividends gross. The exempt Shareholders will have to provide the intermediary with the appropriate declarations and certificates.

A Shareholder in any of the above exempt categories who suffers DWT will be able to make a reclaim subsequently from the Revenue Commissioners.

A Shareholder resident in a treaty country and who is not within any of the above exempt categories may be able to make a reclaim subsequently from the Revenue Commissioners of all or part of the tax withheld, pursuant to the terms of the applicable tax treaty.

2. Taxation of Shareholders

Where an exemption from DWT is available, there should be no further liability to Irish income tax/corporation tax on those dividends for the Shareholder.

If a non-Irish resident shareholder is not entitled to one of the above exemptions from DWT, such shareholder will be liable for Irish income tax, (currently 20%) on dividends received from the Company, but will be entitled to a credit for any DWT withheld.

Irish individual Shareholders who are not entitled to exemption from DWT under any of the provisions listed above, may be liable to income tax, levies and possibly pay related social insurance on the gross amount of any dividend (i.e. the amount of the dividend received plus any DWT withheld). Irish individual shareholders should be able to claim a credit against their resulting income tax liability in respect of any DWT suffered.

Irish corporate shareholders will generally not be subject to Irish tax in respect of dividends received.

D. Taxation on disposal of Ordinary Shares

An Irish resident or ordinarily resident Shareholder and a Shareholder who carries on a trade through a branch or agency will be liable to Irish capital gains tax (currently 25%) on any gain realised on the disposal of Ordinary Shares unless specifically exempted.

In any other case a Shareholder would only have a potential liability to tax on any gain or profit on a disposal of Ordinary Shares if they were not quoted on a stock exchange and derived the greater part of their value from Irish land, mineral rights or exploration rights.

E. Stamp Duty on Bonds and Ordinary Shares

No Irish stamp duty is payable on the issue, or a transfer or redemption solely by delivery, of a Bond. Any document transferring a Bond and, in certain circumstances an electronic transfer of a Bond, would only be subject to a 1% Irish stamp duty if the Bond or Trust Deed was physically located in Ireland when the transfer was executed or the transfer document was executed in Ireland.

No Irish stamp duty is imposed on the issue or transfer of Ordinary Shares.

Jersey

The following summary of the anticipated tax treatment in Jersey of the Issuer and holders of the Bonds, Coupons and (following conversion of the Bonds) Ordinary Shares (other than residents of Jersey) is based on Jersey taxation law as it is understood to apply at the date of this document. It does not constitute legal or tax advice. Holders of the Bonds, Coupons and (following conversion of the Bonds) Ordinary Shares should consult their professional advisers on the implications of acquiring, buying, holding, converting, selling or otherwise disposing of the Bonds, Coupons or (following conversion of the Bonds) Ordinary Shares under the laws of the jurisdictions in which they may be liable to taxation. Holders of the Bonds, Coupons and (following conversion of the Bonds) Ordinary Shares should be aware that tax laws, rules and practice and their interpretation may change.

A. Payments under the Bonds

The Issuer will be entitled to make all payments under the Bonds (including the Coupons) without any withholding or deduction for, or on account of, Jersey tax. Holders of the Bonds and Coupons (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of the Bonds or Coupons or conversion of the Bonds.

B. European Union directive on the taxation of savings income

As part of an agreement reached in connection with the European Union directive on the taxation of savings income in the form of interest payments, and in line with steps taken by other relevant third countries, Jersey introduced with effect from 1 July 2005 a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent established in Jersey. The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to EU Member States of information regarding such payments. During this transitional period, such an individual beneficial owner resident in an EU Member State will be entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the beneficial owner is resident.

The retention tax system in Jersey is implemented by means of bilateral agreements with each of the EU Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and our understanding of the current practice of the Jersey tax authorities (and subject to the transitional arrangements described above), the Issuer would not be obliged to levy retention tax in Jersey under these provisions in respect of interest payments made by it under the Bonds (including the Coupons) to a paying agent established outside Jersey.

C. The Issuer

Under the Income Tax (Jersey) Law 1961 (the **Jersey Tax Law**), the Issuer will be regarded as either:

- (a) not resident in Jersey under Article 123(1) of the Jersey Tax Law provided that (and for so long as) it satisfies the conditions set out in that provision, in which case the Issuer will not (except as noted below) be liable to Jersey income tax; or

- (b) resident in Jersey under Article 123C of the Jersey Tax Law, in which case the Issuer (being neither a financial services company nor a specified utility company under the Jersey Tax Law at the date hereof) will (except as noted below) be subject to Jersey income tax at a rate of 0%.

If the Issuer derives any income from the ownership or disposal of land in Jersey, such income will be subject to tax at the rate of 20%. The Issuer does not currently, and it is not expected that the Issuer will in the future, derive any such income.

D. Holders of Ordinary Shares

The Issuer will be entitled to pay dividends to holders of Ordinary Shares without any withholding or deduction for, or on account of, Jersey tax. Holders of Ordinary Shares (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of Ordinary Shares.

E. Goods and services tax

The Issuer is an “international services entity” for the purposes of the Goods and Services Tax (Jersey) Law 2007. While the Issuer remains an “international services entity”, the Issuer will not be required to:

- (a) (subject to limited exceptions that are not expected to apply to the Issuer) pay goods and services tax in Jersey in respect of any supply made to it; and
- (b) charge goods and services tax in respect of any supply made by it.

F. Stamp duty

No stamp duty is payable in Jersey on the issue or *inter vivos* transfer of the Bonds, Coupons or Ordinary Shares or conversion of the Bonds.

Upon the death of a holder of Bonds, Coupons or (following conversion of the Bonds) Ordinary Shares, a grant of probate or letters of administration will be required to transfer or otherwise deal with the Bonds or Coupons (to the extent they are situated in Jersey) or Ordinary Shares or interests therein of the deceased person, except that where the deceased person was domiciled outside of Jersey at the time of death, the Issuer may (at its discretion) dispense with this requirement where the value of the deceased’s movable estate situated in Jersey (including any Bonds or Coupons (to the extent they are situated in Jersey) or Ordinary Shares or interests therein) does not exceed £10,000.

Upon the death of a holder of Bonds, Coupons or (following conversion of the Bonds) Ordinary Shares, Jersey stamp duty will be payable on the registration in Jersey of a grant of probate or letters of administration, which will be required in order to transfer or otherwise deal with:

- (a) (where the deceased person was domiciled in Jersey at the time of death) the deceased person’s personal estate wherever situated (including any Bonds, Coupons or Ordinary Shares or interests therein) if the net value of such personal estate exceeds £10,000; or
- (b) (where the deceased person was domiciled outside of Jersey at the time of death) the deceased person’s personal estate situated in Jersey (including any Bonds or Coupons (to the extent they are situated in Jersey) or Ordinary Shares or interests therein) if the net value of such personal estate exceeds £10,000.

The rate of stamp duty payable is:

- (i) (where the net value of the deceased person’s relevant personal estate does not exceed £100,000) 0.50% of the net value of the deceased person’s relevant personal estate; or
- (ii) (where the net value of the deceased person’s relevant personal estate exceeds £100,000) £500 for the first £100,000 plus 0.75% of the net value of the deceased person’s relevant personal estate which exceeds £100,000.

Application and other fees may be payable in addition.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in another Member State. However, for a transitional period, Belgium, Luxembourg and Austria may instead (unless during that period they elect otherwise) operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no interest be withheld) (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Jersey and Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

Barclays Bank PLC, Banco Santander S.A., BNP PARIBAS, Citigroup Global Markets Limited, HSBC Bank plc, Merrill Lynch International and RBS Hoare Govett Limited (the **Joint Bookrunners** and the **Joint Lead Managers**) have, pursuant to a Subscription Agreement dated 29 April 2009 (the **Subscription Agreement**), agreed with the Issuer, subject to the satisfaction of certain conditions and ending 90 days after the Closing Date (both dates inclusive), to subscribe for the aggregate principal amount of the Bonds set out opposite their respective names below (at an issue price of 100 per cent. of such aggregate principal amount):

	<i>Principal amount of Bonds (£)</i>
BNP PARIBAS	64,300,000
Citigroup Global Markets Limited	64,300,000
HSBC Bank plc	64,300,000
Merrill Lynch International	64,300,000
Banco Santander, S.A.	64,300,000
Barclays Bank PLC	64,300,000
RBS Hoare Govett Limited	64,200,000
Total	450,000,000

Under the terms of the Subscription Agreement, the Issuer will issue the Bonds to the Joint Lead Managers in consideration for the transfer to the Issuer of the relevant number of fully paid fixed rate redeemable preference shares of no par value in the capital of WPP (Jersey) Limited set out in the Subscription Agreement.

The Issuer (failing whom, the Guarantors) shall pay to the Joint Lead Managers a combined management and underwriting commission and selling concession of 1.5 per cent of the aggregate principal amount of the Bonds issued. In addition, the Issuer (failing whom, the Guarantors) shall pay to the Joint Lead Managers a discretionary fee of 0.5 per cent of the aggregate principal amount of the Bonds issued.

The Issuer and each Guarantor has agreed to reimburse the Managers for certain of their expenses in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment being made to the Issuer.

The Issuer and each Guarantor has agreed that, during the period commencing on 29 April 2009 and ending 90 days after the Closing Date (both dates inclusive), it will not, and the Issuer will procure that none of its subsidiaries will, subject as provided in the Subscription Agreement (i) directly or indirectly, issue, offer, pledge, sell, contract to issue or sell, issue or sell any option or contract to purchase, purchase any option or contract to issue or sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or Relevant Securities or any securities convertible into or exercisable or exchangeable for Ordinary Shares or Relevant Securities or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of Ordinary Shares or Relevant Securities, whether any such swap or transaction described in paragraph (i) or (ii) above is to be settled by delivery of Ordinary Shares or Relevant Securities or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (a) the issue of the Bonds or (b) any Ordinary Shares issued pursuant to the conversion of the Bonds or (c) the issue of Ordinary Shares pursuant to any options, warrants or other rights existing at the date hereof and described herein or (d) the issue of Ordinary Shares pursuant to any employee share schemes existing at the date of the Subscription Agreement and as described in the Prospectus.

For the purposes of this paragraph **Relevant Securities** shall include any participation certificates and any depositary or other receipt, instrument, rights or entitlement representing Ordinary Shares.

Selling Restrictions

United States

The Bonds, the Guarantee and the Ordinary Shares to be issued or delivered upon conversion of the Bonds have not been and will not be registered under the U.S. Securities Act 1933 (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and treasury regulations promulgated thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Republic of Ireland

Each Joint Lead Manager has represented, warranted and agreed that:

- (1) it will not place the Bonds, otherwise than in conformity with the provisions of S.I. No. 60 of 2007, European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998;
- (2) it will not place the Bonds, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 to 2004 (as amended) and any codes of conduct rules made under Section 117(1) thereof;
- (3) it will not place, or do anything in Ireland in respect of the Bonds otherwise than in conformity with the provisions of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Irish Central Bank and Financial Services Regulatory Authority (the **Financial Regulator**); and

- (4) it will not place or otherwise act in Ireland in respect of the Bonds, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Financial Regulator.

General

None of the Issuer, the Guarantor nor any Joint Lead Manager makes any representation that any action will be taken in any jurisdiction by the Joint Lead Managers, the Issuer or the Guarantor that would permit a public offering of the Bonds, or possession or distribution of the Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required, other than obtaining the consent of the registrar of companies in Jersey to the circulation of this Prospectus pursuant to Article 5 of the Companies (General Provisions) (Jersey) Order 2002 and delivering a copy of this Prospectus to the registrar of companies in Jersey.

Purchase of Bonds and Stabilising Activities

The Bonds are a new issue of securities with no established trading market. Accordingly, the Issuer cannot assure the liquidity of the trading market for the Bonds.

Purchasers who purchase Bonds from the Joint Lead Managers may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Issue Price set out on the cover page of this Prospectus.

In connection with the offering of the Bonds, the Joint Lead Managers are permitted to engage in certain transactions that stabilise the price of the Ordinary Shares or the price of the Bonds. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the Ordinary Shares or the price of the Bonds.

In addition, if the Joint Lead Managers over-allot by selling more Bonds than are set out on the cover page of this Prospectus, and thereby create a short position in the Bonds in connection with the offering, the Managers may reduce that short position by purchasing Bonds in the open market.

In general, purchases of a security for the purpose of stabilising or reducing a syndicate short position could cause the price of the security to be higher than it might otherwise be in the absence of such purchases.

None of the Issuer, the Guarantors nor the Joint Lead Managers make any representation or prediction as to the direction or magnitude of any effect that the transaction described above may have on the price of the Ordinary Shares or the price of the Bonds. In addition, none of the Issuer, the Guarantors or the Joint Lead Managers make any representation that the Joint Lead Managers will engage in such transactions or that such transactions will not be discounted without notice, once they are commenced.

From time to time, the Joint Lead Managers and their respective affiliates have or may have provided, and may continue to provide, investment banking services to members of the Group for which they have been or will be paid customary fees.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates may act as an investor for its own account and may take up Bonds in the offering and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Issuer or related investments and may offer or sell such securities or other investments otherwise than in connection with the offering. Accordingly, references herein to the Bonds being offered or placed should be read as including any offering or placement of Bonds to the Joint Lead Managers and/or their respective affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

GENERAL INFORMATION

1. The admission of the Bonds to the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that admission of the Bonds to the Official List and admission of the Bonds to trading on the Market will be granted on or about 19 May 2009, subject only to the issue of the Temporary Global Bond. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.
2. Each of the Issuer and each Guarantor has obtained all necessary consents, approvals and authorisations in Jersey, England and Wales and the Republic of Ireland in connection with the issue and performance of the Bonds and the Guarantee. The issue of the Bonds was authorised by a resolution of the Board of Directors of the Issuer passed on 3 April 2009 and by resolutions of a Committee of the Board of Directors of the Issuer passed on 29 April 2009 and 13 May 2009, and the giving of the Guarantee by the Guarantors was authorised by a resolution of the Board of Directors of WPP Air 1 Limited on 22 April 2009, a resolution of the Board of Directors of WPP Air 3 Limited on 22 April 2009, a resolution of the Board of Directors of WPP 2008 Limited on 28 April 2009 and a resolution of the Board of Directors of WPP 2005 Limited on 28 April 2009.
3. There has been no significant change in the financial or trading position of WPP Air 1 Limited and WPP Air 3 Limited since their dates of incorporation. There has been no significant change in the financial or trading position of WPP 2008 Limited since 30 June 2008. There has been no significant change in the financial or trading position of WPP 2005 Limited since 31 December 2007. There has been no significant change in the financial or trading position of the Issuer since 31 December 2008. There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2008. There has been no material adverse change in the financial position or prospects of WPP 2005 Limited and WPP 2008 Limited since 31 December 2007. There has been no material adverse change in the financial position or prospects of WPP Air 1 Limited and WPP Air 3 Limited since their dates of incorporation.
4. None of the Issuer and its subsidiaries nor any of the Guarantors nor any of their respective subsidiaries is, or has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or any Guarantor is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer and its subsidiaries or any Guarantor and its subsidiaries.
5. Each Bond and Coupon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
6. The Bonds have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 042666009. The International Securities Identification Number (ISIN) for the Bonds is XS0426660097. The
7. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.
8. For the period of 12 months starting on the date on which this Prospectus is made available to the public, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of WPP 2008 Limited, 27 Farm Street, London W1J 5RJ:
 - the Trust Deed (which includes the form of the Temporary Global Bond, the Global Bond and the definitive Bonds);
 - the Memorandum and Articles of Association of the Issuer and each of the Guarantors;

- the published annual report and audited consolidated accounts of WPP 2008 Limited for the years ended 31 December 2006 and 2007, the audited consolidated annual accounts of WPP 2005 Limited for the years ended 31 December 2006 and 2007, and the audited consolidated annual accounts of the WPP plc for the year ended 31 December 2008;
- a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus;
- a copy of the Subscription Agreement; and
- a copy of the Agency Agreement.

In addition, the Prospectus and each of the documents incorporated by reference will be published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/en-gb/pricesnews/marketnews/.

9. Deloitte LLP of 2 New Street Square, EC4A 3BZ (authorised and regulated by the Financial Services Authority for designated investment business) have for the years ended 31 December 2006 and 2007, audited, and rendered unqualified audit reports on, the accounts of WPP 2008 Limited and WPP 2005 Limited and have for the year ended 31 December 2008 audited, and tendered unqualified audit reports on, the accounts of WPP plc. Deloitte & Touche of Deloitte House, Earlsfort Terrace, Dublin 2, Ireland have been appointed the auditors of WPP Air 1 Limited and WPP Air 3 Limited.
10. For investors in the Bonds, the issue price is 100.00 per cent. and the yield is 5.75 per cent., calculated on an annual basis.
11. Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Bonds has an interest material to the offer.
12. The estimated total expenses related to the admission to trading of the Bonds are approximately £500,000.00.

REGISTERED OFFICE OF THE ISSUER

WPP plc
22 Grenville Street
St Helier
Jersey JE4 8PX

Corporate Headquarters

6 Ely Place
Dublin 2
Ireland

GUARANTORS

WPP Air 1 Limited

6 Ely Place
Dublin 2
Ireland

WPP Air 3 Limited

6 Ely Place
Dublin 2
Ireland

WPP 2008 Limited

27 Farm Street
London W1J 5RJ
United Kingdom

WPP 2005 Limited

27 Farm Street
London W1J 5RJ
United Kingdom

TRUSTEE

Citicorp Trustee Company Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

PRINCIPAL PAYING AND CONVERSION AGENT

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

PAYING AND CONVERSION AGENT

**Citigroup Global Markets
Deutschland AG & Co KGaA**

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Germany

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To the Issuer as to Irish law

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International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

To the Issuer as to Jersey Law

Mourant du Feu & Jeune

PO Box 87
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St. Helier
Jersey JE4 8PX
Channel Islands

To the Joint Lead Managers and Trustee as to English law

Linklaters LLP

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London EC2Y 8HQ
United Kingdom

AUDITORS

*Auditors of the Issuer, WPP 2008 Limited and
WPP 2005 Limited*

Deloitte LLP
2 New Street Square
London EC4 A3BZ
United Kingdom

*Auditors of WPP Air 1 Limited and
WPP Air 3 Limited*

Deloitte & Touche
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