

ASX Announcement & Media Release

27 September 2010

Mitchell Scheme Booklet and Shareholders Meeting

On 29 July 2010, Mitchell Communication Group Limited ("Mitchell") and Aegis Group plc ("Aegis") announced that they had entered into a Merger Implementation Agreement under which it is proposed that Aegis will acquire all of the issued capital in Mitchell by way of a Scheme of Arrangement ("Scheme").

Attached is the Scheme Booklet which explains the effects of the proposed acquisition and provides important information to assist shareholders in making a decision on whether to vote in favour of the Scheme. The Scheme Booklet also contains an Independent Expert's Report. The attached Scheme Booklet replaces the copy lodged on 24 September 2010 (this copy contained a formatting error on page 147).

A copy of the Scheme Booklet, including the notice of meeting and Independent Expert's Report was posted to Mitchell shareholders on 24 September 2010. A copy of the Scheme Booklet can also be found on the Mitchell website at www.mitchells.com.au.

Mitchell Board Recommendation

The Mitchell Board unanimously recommends that all Mitchell shareholders vote in favour of the Scheme in the absence of a superior proposal. Each Director of Mitchell will vote or cause to be voted all of their direct and indirect interests in Mitchell in favour of the Scheme, again in the absence of a superior proposal.

Independent Expert's Report

The Independent Expert, Ernst & Young Transaction Advisory Services Ltd, has concluded that the Scheme is fair and reasonable and in the best interests of Mitchell shareholders.

Australian Competition and Consumer Commission ("ACCC")

The ACCC has advised that, based on the information provided by Aegis (and other material the ACCC has before it), it does not propose to undertake a public review of the proposed acquisition pursuant to section 50 of the Trade Practices Act 1974 (Cth).

Shareholders Meeting

Mitchell shareholders will be asked to vote at the Scheme Meeting, which will take place at The Langham, 1 Southgate Ave, Southbank, Victoria at 10.00am (AEDT) on 25 October 2010. If shareholders vote in favour of the merger, Mitchell intends to seek court approval at a second hearing at the Supreme Court of Victoria, which is expected to occur on or about 29 October 2010. Subject to Court approval at this second hearing, the Scheme will be implemented on or about 17 November 2010.

Enquiries

If you have any questions related to the Scheme or the acquisition, please refer to our website www.mitchells.com.au or telephone the Shareholder Information Line on 1300 089 802 (within Australia), +61 3 9415 4613 (outside Australia). The Mitchell Shareholder Information Line is open between Monday and Friday from 9.00am to 5.00pm (Sydney time).

For further information, please contact:

Harold Mitchell
EXECUTIVE CHAIRMAN
Mitchell Communication Group
(03) 9690 5544

Luke Littlefield
CHIEF OPERATING OFFICER
Mitchell Communication Group
(03) 9690 5544

This is an important document and requires your immediate attention. You should read it in its entirety before you decide whether or not to vote in favour of the Scheme. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

Scheme Booklet

In relation to a recommended proposal from Aegis Group plc (Company Number (1403668))
For a scheme of arrangement between Mitchell Communication Group Limited and the holders of ordinary shares in Mitchell Communication Group Limited

“ Your Directors unanimously recommend that you **VOTE IN FAVOUR** of the Scheme, in the absence of a Superior Proposal. ”

Financial Adviser



Legal Adviser

MALLESONS STEPHEN JAQUES



Shareholder Information Line

Mitchell has established a Shareholder Information Line which Mitchell Shareholders should call if they have any questions in relation to the Scheme. The telephone number for the Mitchell Shareholder Information Line is 1300 089 802 (within Australia), +61 3 9415 4613 (outside Australia). The Mitchell Shareholder Information Line is open between Monday and Friday from 9.00am to 5.00pm (Sydney time).

This Scheme Booklet contains important information about the Scheme and it will help you make an informed decision about how to vote.

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This Scheme Booklet contains important information

This Scheme Booklet is the explanatory statement required to be sent to Mitchell Shareholders under Part 5.1 of the Corporations Act in relation to the Scheme.

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved by a Requisite Majority of Mitchell Shareholders and by the Court) and to provide information as is prescribed or otherwise material to the decision of Mitchell Shareholders whether or not to vote in favour of the Scheme.

You should read this booklet in its entirety before making a decision as to how to vote.

Responsibility for information

The information contained in this Scheme Booklet (other than in the letter from the Chairman of Aegis and sections 6, 7, 9, 10.3, 12, 13 and 14) has been prepared by Mitchell and is the responsibility of Mitchell. Neither Aegis, nor its shareholders, directors, officers or advisers assume any responsibility for the accuracy or completeness of that information.

The information regarding Aegis and Aegis Shares contained in this Scheme Booklet (including the letter from the Chairman of Aegis and sections 6, 7, 9 and 10.3) of this Scheme Booklet (**Aegis Information**) has been provided by Aegis and is the responsibility of Aegis. Neither Mitchell nor any of its directors, officers or advisers assume any responsibility for the accuracy or completeness of the Aegis Information.

Ernst & Young Transaction Advisory Services Ltd has prepared the Independent Expert's Report in relation to the Scheme contained in section 12 of this Scheme Booklet and takes responsibility for that report.

Ernst & Young has prepared the Tax Report on taxation implications of the Scheme contained in section 13 of this Scheme Booklet and takes responsibility for that report.

Deloitte Touche Tohmatsu (ABN 74 490 121 060) has prepared the Investigating Accountant's Report contained in section 14 of this Scheme Booklet and takes responsibility for that report.

ASIC and ASX involvement

A copy of this Scheme Booklet has been examined by ASIC for the purposes of section 411(2) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. ASIC's policy in relation to statements under section 411(17)(b) of the Corporations Act is that it will not provide such a statement until the Second Court Date. This is because ASIC will not be in a position to advise the Court until it has had an opportunity to observe the entire Scheme process. If ASIC provides that statement, it will be produced to the Court on the Second Court Date.

A copy of this Scheme Booklet has been lodged with ASX.

Neither ASIC nor ASX nor any of their respective officers take any responsibility for the contents of this Scheme Booklet.

Forward looking statements

Certain statements in this Scheme Booklet relate to the future. These statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements to be materially different from expected future results, performance or achievements expressed or implied by those statements. These statements reflect only views held as at the date of this Scheme Booklet.

None of Mitchell or its directors or officers, or any other person gives any representation, assurance or guarantee that the events expressed or implied in any forward looking statements in this Scheme Booklet will actually occur and you are cautioned not to place undue reliance on such forward looking statements.

Investment advice

Other than the Independent Expert's Report, the information contained in this Scheme Booklet does not constitute financial product advice. In preparing this Scheme Booklet, Mitchell has not taken into account the objectives, financial situation or needs of individual Mitchell Shareholders. It is important that you consider the information contained in this Scheme Booklet in light of your particular circumstances. You should seek advice from your legal, financial or other professional adviser regarding your particular circumstances and the Scheme or if you are in doubt as to how to vote on the Scheme.

Important notice associated with the Court order

In ordering that the Scheme Meeting be held and approving the Scheme Booklet, the Court does not in any way indicate that the Court has formed any views as to the merits of the proposed Scheme or as to how Shareholders should vote (on this matter Shareholders must reach their own decision) or that the Court has prepared, or is responsible for, the content of this Scheme Booklet.

Shareholders outside Australia

This Scheme Booklet is subject to Australian disclosure requirements. Financial information in this Scheme Booklet has been prepared in accordance with IFRS and is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

Australian disclosure requirements and AIFRS may be different from those applicable in other jurisdictions.

Tax implications of the Scheme

Section 13 of this Scheme Booklet provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for Mitchell Shareholders who dispose of their Mitchell Shares to Aegis in accordance with the Scheme. It does not purport to be a complete analysis nor to identify all potential tax consequences. It is not intended to replace the need for specialist tax advice in respect of the particular circumstances of individual Mitchell Shareholders.

Shareholders who are subject to taxation outside Australia should also consult their tax adviser as to the applicable tax consequences of the Scheme in the relevant jurisdiction.

Privacy

Mitchell and Aegis may collect personal information in the process of implementing the Scheme. This information may include the names, contact details and security holdings of Mitchell Shareholders and the names of persons appointed to act as proxy, attorney or corporate representative at the Scheme Meeting.

The primary purpose of collecting this information is to assist Mitchell and Aegis to conduct the Scheme Meeting and to implement the Scheme. Personal information of the type described above may be disclosed to the share registries of Mitchell and Aegis respectively, print and mail service providers, authorised securities brokers and Related Bodies Corporate of Mitchell and Aegis.

Mitchell Shareholders have certain rights to access personal information that has been collected. They should contact the Mitchell Share Registry in the first instance, if they wish to access their personal information.

Mitchell Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

Notice of Scheme Meeting

The Notice of the Scheme Meeting is set out in section 18.

Defined terms

Capitalised terms used in this Scheme Booklet are defined in the Glossary.

The documents reproduced in some of the sections of Part C of this Scheme Booklet have their own defined terms, which are sometimes different from those in the Glossary.

All numbers are rounded unless otherwise indicated.

The financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated. A reference to \$, A\$, AUD and cents is to Australian currency, unless otherwise stated.

A reference to £ and GBP is a reference to British pounds sterling, unless otherwise stated.

All times referred to in this Scheme Booklet are references to times in Sydney, Australia unless otherwise stated.

The contents of Mitchell's and Aegis's websites do not form part of this Scheme Booklet and Mitchell Shareholders should not rely on their content.

www.mitchells.com.au

www.aegisplc.com

Date

This Scheme Booklet is dated 17 September 2010.

Letter from the Chairman of Mitchell



Dear Shareholders

On 29 July 2010, Mitchell Communication Group Limited announced a proposal under which Aegis Group plc would acquire all of the issued shares in Mitchell by way of a scheme of arrangement under Part 5.1 of the Corporations Act.

The Mitchell Board considers that the Scheme is in the best interests of Mitchell Shareholders. The Directors unanimously recommend that you **VOTE IN FAVOUR of the Scheme**, in the absence of a Superior Proposal.

Details of the Scheme

In order to best cater for the differing needs of Mitchell Shareholders, the Scheme Consideration has been structured to maximise flexibility. The Scheme Consideration comprises:

- Cash Consideration of \$1.20 for every Share held in Mitchell; or
- Share Consideration equating to 40 Aegis Shares for every 67 Mitchell Shares.

You can elect to receive the Scheme Consideration in one of the following combinations:

- 100% Cash Consideration;
- 75% Cash Consideration and 25% Share Consideration;
- 50% Cash Consideration and 50% Share Consideration;
- 25% Cash Consideration and 75% Share Consideration, or
- 100% Share Consideration,

subject to a cap on the overall number of Aegis Shares to be issued as Share Consideration of approximately 9.99% of the share capital of Aegis.

Ineligible Foreign Shareholders (and shareholders who do not make a valid Election) will be deemed to have elected to receive 100% Cash Consideration.

All New Aegis Shares issued as Scheme Consideration will be quoted on the London Stock Exchange (but not on ASX).

In addition, eligible Mitchell Shareholders will be paid a 5 cents per share fully franked, final dividend for the year ended 30 June 2010 if the Scheme is implemented.

The Scheme is subject to a number of conditions, including Court approval and the approval of Mitchell Shareholders at a meeting to be held at 10.00am (Melbourne time) on Monday 25 October 2010 at The Langham Hotel, 1 Southgate Avenue, Southbank, Victoria.

Why VOTE IN FAVOUR of the Scheme?

Each member of the Mitchell Board recommends that you vote in favour of the Scheme and will vote their shareholding in Mitchell in favour of the Scheme, in each case in the absence of a Superior Proposal.

Full details of the key reasons for the Directors' recommendation of the Scheme are set out in section 3 of this Scheme Booklet.

The Independent Expert, Ernst & Young Transaction Advisory Services Ltd, has concluded that the Scheme is fair and reasonable and in the best interests of Mitchell Shareholders. It has also concluded that, should the Scheme not be approved and implemented, it is likely that the Mitchell Share price would trade below the price at which it has been trading since the Scheme

was announced. The full report of the Independent Expert is set out in section 12 of this Scheme Booklet.

The Scheme Consideration is compelling, offering substantial premiums of approximately:

- 30.7% to the volume weighted average price (**VWAP**) of Mitchell Shares in the three months up to and including the close of trade on 28 July 2010 (the day prior to the announcement of the Scheme); and
- 33.8% to the VWAP of Mitchell Shares in the six months up to and including the close of trade on 28 July 2010; and
- 15.4% to the Mitchell Share price at the close of trade on 28 July 2010.

Your vote is important and we encourage you to attend the Scheme Meeting. If you are unable to attend, you should appoint a proxy to vote for you either by making your appointment online at www.investorvote.com.au or completing and returning the enclosed Proxy Form so it is received no later than 10:00am on Saturday 23 October 2010. Information on how to vote is detailed in this Scheme Booklet at pages 12 to 15.

On behalf of the Mitchell Board, I would like to take this opportunity to thank you for your support of Mitchell and our executive team. Both the Mitchell Board and the executive team believe that the proposed acquisition of Mitchell by Aegis makes strong commercial and strategic sense and is in the best interest of Mitchell Shareholders.

The Mitchell Board advocates that, in the absence of a Superior Proposal, you VOTE IN FAVOUR of the Scheme at the Scheme Meeting. I encourage you to read this Scheme Booklet (including the report of the Independent Expert) carefully in full and, if required, to seek your own investment or other professional advice. If you have any general questions regarding the Scheme, please contact us on 1300 089 802 (within Australia) or + 61 3 9415 4613 (outside Australia).

Yours sincerely



Harold Mitchell AC

Executive Chairman

Letter from the Chairman of Aegis



Dear Mitchell Shareholder

The Aegis Board and management are very pleased to provide you with the opportunity to participate in the Scheme under which Aegis proposes to acquire the entire issued share capital of Mitchell.

The Mitchell Board unanimously supports the acquisition by Aegis of Mitchell, and encourages you to vote in favour of the acquisition at the Scheme Meeting on Monday 25 October 2010, in the absence of a Superior Proposal. As a Mitchell Shareholder your vote is important in order to ensure the Scheme is implemented, which we firmly believe will be beneficial for shareholders of both Aegis and Mitchell.

Under the Scheme, Aegis will offer each Mitchell Shareholder \$1.20 in cash, Aegis Shares, or a combination of cash and Aegis Shares for each Mitchell Share they hold. The Aegis Share component of the offer will be based on a ratio of 40 Aegis Shares for 67 Mitchell Shares. The total number of Aegis Shares to be issued will be capped at 116.7 million or approximately 64.3% of the total consideration being offered for Mitchell. All Aegis Shares issued as consideration will be quoted on the London Stock Exchange (but not on ASX) after the transaction. In addition to this consideration, a 5 cent per share fully franked, final dividend will be paid to Mitchell Shareholders for the period ended 30 June 2010 if the Scheme proceeds.

Aegis is one of the world's fastest growing marketing communications groups operating in 82 countries around the world, with a market capitalisation of around A\$2.3 billion. In the year to 31 December 2009, Aegis made an underlying operating profit of £170.3 million on revenue of £1.35 billion. If the Scheme is implemented it will represent a further step in transforming Aegis's operations in the Asia Pacific region. Combining Mitchell with our existing business in Australia will create a strengthened business, position us well for continued strong growth in the future and benefit our clients and shareholders.

The founder and Executive Chairman of Mitchell, Mr Harold Mitchell, has indicated his intention, if the Scheme is implemented, to take substantially all of the consideration in respect of his holding of approximately 30% of the issued Mitchell Shares in Aegis Shares. It is also intended that Mr Mitchell will lead the combined Aegis Media Pacific business.

I encourage you to read the Independent Expert's Report and this Scheme Booklet in full before considering your vote and your preference regarding your election for cash, Aegis Shares, or a combination of the two as consideration for your Mitchell Shares. The Scheme Meeting of Mitchell Shareholders will be held on Monday 25 October 2010 commencing 10:00am. On behalf of the Aegis Board I strongly encourage you to attend the Scheme Meeting and vote in favour of the Scheme, or if you are unable to attend, to complete the enclosed Proxy Form and return it as instructed.

I look forward to welcoming those of you who take up Aegis Shares as an Aegis shareholder following successful implementation of the Scheme.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Napier'. The signature is written in a cursive, flowing style.

John Napier

Chairman

Important dates

Friday 17 September 2010	First Court Date.
Friday 24 September 2010	Scheme Booklet and Notice of Meeting despatched to Shareholders.
10:00am, Saturday 23 October 2010	Latest time and date for receipt of Proxy Forms for Scheme Meeting.
10:00am, Saturday 23 October 2010	Time and date for determining eligibility to vote at the Scheme Meeting.
10:00am, Monday 25 October 2010	Scheme Meeting to vote on the Scheme to be held at The Langham Hotel, 1 Southgate Avenue, Southbank, Victoria at 10:00am (Melbourne time).
Tuesday 26 October 2010	Mitchell Shares commence trading on an ex-dividend basis.
Friday 29 October 2010	Second Court Date for approval of the Scheme.
Monday 1 November 2010	Record date for payment of dividend.
Monday 1 November 2010	Court order lodged with ASIC and announced to ASX - Scheme takes effect (Effective Date). Last day of trading in Mitchell Shares.
Monday 8 November 2010	Dividend payment date.
5.00pm, Tuesday 9 November 2010	Last date for receipt of Election Forms for choice of Scheme Consideration (Election Date).
7.00pm, Tuesday 9 November 2010	Record Date for determining entitlement to Scheme Consideration.
Wednesday 17 November 2010	Implementation Date. Payment of the Scheme Consideration. Issue of New Aegis Shares and admission to the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities.

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and other Regulatory Authorities. Any changes to the above timetable will be announced through ASX and notified on Mitchell's website www.mitchells.com.au.

All references to time in this Scheme Booklet are references to Sydney time.

Overview of this booklet

<p>What is this booklet for?</p>	<p>This Scheme Booklet is about the proposed recommended acquisition of Mitchell by Aegis by way of the Scheme of Arrangement.</p> <p>The Scheme Booklet is designed to provide Mitchell Shareholders with information to consider before voting on whether the Scheme should proceed, at the Scheme Meeting scheduled for Monday 25 October 2010 and to evaluate the choice of Scheme Consideration which best suits their needs.</p>
<p>Why should you vote?</p>	<p>As a Mitchell Shareholder, you have a say in whether the acquisition of Mitchell by Aegis is completed or not - this is your opportunity to play a role in deciding the future of the business in which you have a stake.</p> <p>The Mitchell Board unanimously recommends that Mitchell Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.</p> <p>For the Scheme to proceed, it is necessary that a Requisite Majority votes in favour of the Scheme. The Scheme is also subject to Court approval.</p>
<p>Is the Scheme in the best interests of Mitchell Shareholders?</p>	<p>The Mitchell Board unanimously recommends that Mitchell Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal.</p> <p>The Independent Expert has also concluded that the Scheme is fair and reasonable and in the best interests of Mitchell Shareholders. Its report is included in section 12 of this booklet for your consideration.</p>
<p>How do the Mitchell Directors intend to vote in respect of their own shares?</p>	<p>In the absence of a Superior Proposal, each Mitchell Director will vote or cause to be voted all their direct and indirect interests in Mitchell in favour of the Scheme at the Scheme Meeting.</p>
<p>What you should do next.</p>	<p>You should read and carefully consider the information included in this Scheme Booklet to help you make an informed decision.</p> <p>Please review the 'What to do next and how to vote' section on pages 11 and 12.</p> <p>There is also a "Frequently Asked Questions" summary included in section 1, to help answer any questions you may have.</p> <p>If you have any doubts as to what action you should take, please contact your legal, financial or other professional adviser.</p>

For further information

If you have any questions of a general nature, or require further information, then you may refer to Mitchell's corporate website at www.mitchells.com.au, or call the Mitchell Shareholder Information Line on 1300 089 802 (within Australia) or +61 3 9415 4613 (outside Australia). For more specific advice pertinent to your own circumstances please contact your legal, financial or other professional adviser.

Part A:

Overview of the Scheme

Reasons to vote in favour or against the Scheme

You should read this Scheme Booklet in full before deciding how to vote. In particular, section 3 in Part B contains a more detailed discussion on the matters which the Mitchell Directors consider are relevant to your vote on the Scheme. If you are in doubt as to how you should vote or as to how the Scheme may impact on your affairs if approved, you should seek the advice of your legal, financial or other professional adviser.

Reasons to vote in favour of the Scheme

✓	The Mitchell Board believes that the Scheme accelerates value to the Mitchell Shareholders (that otherwise may only have accrued over a longer period of time) and is the most value enhancing alternative for Mitchell to pursue at this time.
✓	Mitchell Shareholders who elect to receive Cash Consideration will receive certain and immediate value for their Mitchell Shares.
✓	The Scheme Consideration represents a significant premium to historical trading prices.
✓	The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Mitchell Shareholders.
✓	Eligible Mitchell Shareholders will be paid an increased fully franked, final dividend of 5 cents per share for the year ended 30 June 2010 if the Scheme proceeds.
✓	Mitchell Shareholders have a choice of receiving either Share Consideration or Cash Consideration or a combination of both.
✓	The Mitchell Board unanimously recommends the Scheme, in the absence of a Superior Proposal.
✓	The Share Consideration gives Mitchell Shareholders the opportunity to become members of Aegis.
✓	No brokerage will be payable on the transfer of your Mitchell Shares.
✓	Mitchell's Share price may fall if the Scheme is not approved.
✓	Capital Gains Tax rollover relief may be available to eligible Mitchell Shareholders.

Possible reasons not to vote in favour of the Scheme

✗	You might not agree with the Mitchell Directors' recommendations and the Independent Expert's conclusions.
✗	Scheme Participants will no longer be members of Mitchell.
✗	The tax consequences of transferring your Shares pursuant to the Scheme may not be optimal for your financial position.
✗	You may consider that there is potential for a Superior Proposal to be made.
✗	Scheme Participants who elect to receive 100% Cash Consideration will no longer participate in possible future increases in the value of Mitchell.
✗	<p>There are potential risks that may result from the implementation of the Scheme and you may consider that these risks outweigh the advantages of the Scheme. These risks are described in section 10 of this booklet and include:</p> <ul style="list-style-type: none"> the risk that the value of the Share Consideration may change between the date of this Scheme Booklet and the Implementation Date; risks associated with holding shares in Aegis (which are relevant to Shareholders who elect to receive Share Consideration) including risks relating to a change of investment profile, credit risks and counterparty relationships, liquidity and working capital availability, client relationships, acquisitions and successful integration, competition and competitors, security of data, talent management and foreign exchange; and risks specific to the transaction, such as the requirement for FIRB approval, integration risks, change of control implications and transaction and integration costs.

What to do next and how to vote

A.1 Carefully read and consider this Scheme Booklet

This is an important document. You should read the information in this Scheme Booklet in its entirety before making a decision on how to vote at the Scheme Meeting. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

A.2 Consider the reasons to vote in favour of the Scheme, the disadvantages of voting in favour of the Scheme and the risks of the Scheme

Refer to section 3 for a discussion of the reasons to vote in favour of the Scheme and a discussion of the disadvantages of voting in favour of the Scheme and section 10 for a discussion of the risks relating to the Scheme.

A.3 Consider the unanimous recommendation of the Mitchell Directors and the opinion of the Independent Expert

The Mitchell Board unanimously recommends that, in the absence of a Superior Proposal, you vote in favour of the Scheme at the Scheme Meeting. Each Mitchell Director will vote or cause to be voted all their direct and indirect interests in Mitchell in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal.

Harold Mitchell, founder and Executive Chairman of Mitchell, together with his immediate family (being approximately 40% shareholders in Mitchell) also intend to vote or cause to be voted all of their direct and indirect interests in Mitchell in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal.

A.4 Consider the Independent Expert's opinion that the Scheme is in the best interests of Mitchell Shareholders

The Independent Expert has concluded that the Scheme is fair and reasonable and the Scheme is in the best interests of Mitchell Shareholders.

The Independent Expert's Report is contained in section 12. You are encouraged to read this report in full.

A.5 Scheme Meeting

The Scheme Meeting is scheduled to be held at The Langham Hotel, 1 Southgate Avenue, Southbank, Victoria on Monday 25 October 2010 commencing at 10:00am (Melbourne time).

Your vote is important and we encourage you to attend the Scheme Meeting. If you are unable to attend, you should:

- appoint a proxy to vote for you either by making that appointment online at www.investorvote.com.au; or
- complete and return the enclosed Proxy Form, so it is received no later than 10:00am on Saturday 23 October 2010.

For the Scheme to proceed, votes in favour of the Scheme must be received from the Requisite Majority, being both:

- (a) a majority in number (more than 50%) of Mitchell Shareholders present and voting (whether in person, by proxy, by attorney or by corporate representative) at the Scheme Meeting (unless the Court orders otherwise); and
- (b) at least 75% of the total number of Mitchell Shares voted at the Scheme Meeting (whether in person, by proxy, by attorney or by corporate representative) by Mitchell Shareholders.

The passing of the resolution agreeing to the Scheme is a condition of the Scheme becoming Effective and being implemented.

The Notice convening the Scheme Meeting is contained in section 18. A personalised Proxy Form and personalised Election Form are also enclosed with this Scheme Booklet.

A.6 Vote on the Scheme in person or by proxy

For the Scheme to proceed, it is necessary, among other things, that the Requisite Majority vote in favour of the Scheme.

You are urged to vote at the Scheme Meeting either in person, by attending the meeting, or by appointing a proxy (by using the enclosed Proxy Form) or attorney, or in the case of a corporate Mitchell Shareholder by corporate representative, to attend and vote on your behalf. Voting entitlements and how to vote instructions follow in items A.7 and A.8 below.

A.7 Voting entitlements

(a) Scheme Meeting

Each person who is registered on the Share Register at 10.00am on Saturday 23 October 2010 as a Mitchell Shareholder is entitled to attend and vote on the resolution to approve the Scheme at the Scheme Meeting, either in person, by proxy or attorney or, in the case of a corporate Mitchell Shareholder, by corporate representative. Registered transfers or transmission applications that are registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

Voting at the Scheme Meeting will be by poll.

The Notice convening the Scheme Meeting is contained in section 18. A Proxy Form for the Scheme Meeting is also enclosed with this Scheme Booklet.

(b) Jointly held Mitchell Shares

Where there are joint registered holders of any Mitchell Shares, only one of the joint Shareholders is entitled to vote either in person, by proxy or attorney or, in the case of a corporate Mitchell Shareholder, by corporate representative in respect of those Mitchell Shares as if that person was solely entitled to those Mitchell Shares.

If more than one joint Shareholder votes, only the vote of the Shareholder who attends and whose name appears first on the Register will be counted.

A.8 Voting at the Scheme Meeting

(a) Voting in person

To vote in person at the Scheme Meeting, you must attend the Scheme Meeting to be held at 10:00am (Melbourne time) on Monday 25 October 2010 at The Langham Hotel, 1 Southgate Avenue, Southbank, Victoria.

A Shareholder who wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card at the point of entry to the Scheme Meeting on disclosing their name and address.

(b) Voting by proxy

You can appoint a proxy to attend and vote on your behalf at the Scheme Meeting using the personalised Proxy Form that accompanies this Scheme Booklet. A proxy need not be a Mitchell Shareholder and may be an individual or a body corporate. If you are entitled to cast two or more votes you may appoint two proxies to attend and vote for you at the Scheme Meeting. If two proxies are appointed, each proxy may be appointed to exercise a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half your votes.

If you do not instruct your proxy on how to vote, your proxy may vote as they see fit at the Scheme Meeting.

A proxy will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their identity at the point of entry to the Scheme Meeting. If a nominated proxy, who is not the Chairman of the Scheme Meeting, fails to attend the proxy then falls to the Chairman of the Scheme Meeting who will vote as directed or for open non-directed votes according to the policy in A8(c) below.

If you wish to appoint a proxy in respect of the Scheme Meeting, you are requested to make that appointment online or complete and sign the Proxy Form in accordance with the instructions set out in the Proxy Form so that it (together with the original or a certified copy of any authority under which it was executed) is received at the Mitchell Share Registry, Computershare Investor Services Pty Limited no later than 10.00am (Sydney time) on Saturday 23 October 2010. Proxy forms may be lodged as follows:

Online at: www.investorvote.com.au

Mail to: Computershare Investor Services Pty Limited
GPO Box 242, Melbourne
VIC 3001

Deliver to: Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067

Fax to: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

Any faxed Proxy Form:

- (i) must be in legible writing; and
- (ii) will be regarded as received by the addressee at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety.

Any revocations of proxies must be received prior to the commencement of the Scheme Meeting.

A Mitchell Shareholder who appoints a Proxy Form as set out above will not be precluded from attending in person and voting at the Scheme Meeting at which the Mitchell Shareholder is entitled to attend and vote. In such case, the attendance and voting in person overrides the previously submitted Proxy Form.

If a proxy appointment is signed by a Mitchell Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman of the Scheme Meeting will act as proxy.

If you require assistance with completing the Proxy Form, please call the Mitchell Shareholder Information Line on 1300 089 802 (within Australia) or +61 3 9415 4613 (outside Australia).

(c) Undirected proxies

Proxy appointments in favour of the Chairman of the Scheme Meeting, the company secretary or any Mitchell Director which do not contain a direction will be voted in support of the Scheme at the Scheme Meeting (in the absence of a Superior Proposal arising prior to the Scheme Meeting).

(d) Voting by attorney

Persons who are attending as an attorney should bring the original or certified copy of the power of attorney to the Scheme Meeting, unless Mitchell has already noted it.

An attorney will be admitted to the Scheme Meeting and given a voting card upon providing, at the point of entry to the Scheme Meeting, written evidence of their appointment and their identity.

(e) Voting by corporate representative

Persons who are attending as a corporate representative for a corporation must bring evidence of their appointment. The appointment must comply with section 250D of the Corporations Act.

An authorised corporate representative will be admitted to the Scheme Meeting and given a voting card upon providing, at the point of entry to the Scheme Meeting, written evidence of their appointment (including any authority under which it is signed), their name and address and the identity of their appointer.

A.9 Election

You may elect to be paid either the 100% Cash Consideration or the 100% Share Consideration or one of the combinations of Cash Consideration and Share Consideration as outlined at section 2.4 of this Scheme Booklet.

The Election Form which accompanies this Scheme Booklet is the form under which each Shareholder (other than Ineligible Foreign Shareholders) elects to receive either the Cash Consideration or the Share Consideration or a combination of both.

Mitchell Shareholders can make an Election by completing the Election Form and returning it to the Mitchell Share Registry as follows:

Online at: www.investorvote.com.au

Mail to: Computershare Investor Services Pty Limited,
GPO Box 242, Melbourne,
VIC 3001

Deliver to: Computershare Investor Services Pty Limited, Yarra Falls,
452 Johnston Street, Abbotsford, Victoria, 3067

Fax to: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

To be valid, the Election Form must be received by the Mitchell Share Registry, or the online instruction completed, by no later than 5:00pm (Sydney time) on the Election Date (currently anticipated to be Tuesday 9 November 2010).

Each Ineligible Foreign Shareholder will be deemed to have made a valid Election to receive the 100% Cash Consideration in respect of all Scheme Shares held by that Ineligible Foreign Shareholder.

If you have not made a valid Election, you will also be deemed to have elected to receive 100% Cash Consideration.

Further information on the Election process is contained in section 2.4(c) of this Scheme Booklet.

A.10 If you have any further queries

If you have any questions in relation to the Scheme or the Scheme Meeting after reading this Scheme Booklet, you should consult your legal, financial or other professional adviser.

If, after reading this Scheme Booklet you have any questions about your Mitchell Shares or any other matter in this Scheme Booklet, you should contact the Mitchell Shareholder Information Line. The telephone number for the Shareholder Information Line is 1300 089 802 (within Australia), +61 3 9415 4613 (outside Australia).

Further information about Mitchell can be found at Mitchell's corporate website at www.mitchells.com.au.

If you would like more information about the Aegis Group, you can visit the Aegis website at www.aegisplc.com.

Part B:

Scheme of Arrangement

1 Frequently Asked Questions

This section provides summary answers to some questions that Shareholders may have in relation to the Scheme and will assist you to locate further detailed information in this Scheme Booklet. You should read this section in conjunction with the entire Scheme Booklet (including the recommendations of the Mitchell Directors and the key reasons for those recommendations as set out in sections 3.1 and 3.2), before deciding how to vote on the Scheme. This section is not intended to address all relevant issues for Mitchell Shareholders.

Questions	Answer	Further Information
Consideration		
What is the Scheme?	<p>On 29 July 2010, Mitchell and Aegis announced that they had entered into a Merger Implementation Agreement under which Aegis will acquire all of the Mitchell Shares, and as a result, Mitchell will become a wholly owned subsidiary of Aegis.</p> <p>The acquisition will be implemented by way of Scheme of Arrangement under which Mitchell Shareholders (other than Ineligible Foreign Shareholders) can elect to receive the Scheme Consideration wholly in cash, or through the provision of Aegis Shares or one of various combinations of cash and Aegis Shares.</p> <p>If the Scheme is approved and implemented, all Scheme Shares will be transferred to Aegis.</p> <p>Section 2 contains a summary of the Scheme.</p>	Section 2
What will I receive if the Scheme is implemented?	<p>If the Scheme is implemented, for each Scheme Share, Scheme Participants will be entitled to receive, at their election:</p> <ul style="list-style-type: none"> • \$1.20 cash for each Scheme Share held (Cash Consideration); or • 40 New Aegis Shares for every 67 Scheme Shares held (Share Consideration), (together the Scheme Consideration). <p>Mitchell Shareholders can elect one of the following combinations of Cash Consideration and Share Consideration:</p> <ul style="list-style-type: none"> • 100% Cash Consideration; • 75% Cash Consideration and 25% Share Consideration; • 50% Cash Consideration and 50% Share Consideration; • 25% Cash Consideration and 75% Share Consideration; or • 100% Share Consideration. <p>There will be a cap on the overall number of New Aegis Shares to be issued as Share Consideration, of approximately 9.99% of the share capital of Aegis. See section 2.4 for further details.</p> <p>This cap will be reached if Mitchell Shareholders holding approximately 64.3% of Mitchell Shares elect to receive 100% Share Consideration.</p> <p>Mitchell Shareholders who elect to receive Share Consideration will have their entitlements to New Aegis Shares scaled back proportionately to the extent that this cap would otherwise be exceeded and will receive Cash Consideration in the alternative.</p> <p>All New Aegis Shares issued as Share Consideration will be quoted on the London Stock Exchange (but not on ASX).</p> <p>Mitchell Shareholders whose registered address is outside Australia and its external territories should consider the question relating to foreign Shareholders below.</p> <p>If a valid Election is not received by the Election Date you will be deemed to have validly elected to receive 100% Cash Consideration in respect of all your Mitchell Shares.</p>	Sections 2.4(c) and 2.4(d)

<p>What if I am a foreign Shareholder?</p>	<p>Mitchell Shareholders whose address shown in the Mitchell Register is in Australia, New Zealand, the United Kingdom or the United States of America are entitled to make an Election to receive Share Consideration</p> <p>Mitchell Shareholders whose address shown in the Mitchell Register is a place outside Australia and its external territories, New Zealand, the United Kingdom or the United States of America, or who is acting on behalf of such a person, will be Ineligible Foreign Shareholders except where:</p> <ul style="list-style-type: none"> the Mitchell Shareholder has warranted compliance with the legal and regulatory requirements set out in section 4.7(c) of this Scheme Booklet; and Mitchell and Aegis are satisfied, acting reasonably, that the invitation to make an Election or the issue of New Aegis Shares to the relevant Mitchell Shareholder is lawful and not unduly onerous or impracticable in that place. <p>Each Ineligible Foreign Shareholder will be deemed to have made a valid Election to receive 100% Cash Consideration in respect of all Scheme Shares held by that Ineligible Foreign Shareholder.</p> <p>Foreign Shareholders should read section 4.7 of this document.</p>	<p>Section 4.7</p>
<p>Will I receive the Mitchell final dividend for the period ended 30 June 2010?</p>	<p>If the Scheme is approved, eligible Mitchell Shareholders who are registered in the Register as a holder of Mitchell Shares on the Dividend Record Date (currently anticipated to be 1 November 2010) will be paid a 5 cents per share fully franked, final dividend for the year ended 30 June 2010.</p> <p>You should read the Tax Report set out in section 13 of this Scheme Booklet which contains details of the taxation treatment of this dividend.</p> <p>If the Scheme is not approved, the Mitchell Board anticipates that the final dividend for the period ended 30 June 2010 would be calculated using a methodology consistent to that applied in determining the interim dividend for the 2010 financial year, which would be a lesser amount than 5 cents per share fully franked.</p> <p>The Mitchell Board also announced on 18 August 2010 that it had resolved to suspend the Mitchell Dividend Reinvestment Plan.</p>	<p>Sections 2.4(b), 3.2(e) and 13</p>
<p>Who is Aegis?</p>	<p>The Aegis Group is one of the world's leading marketing communications groups and offers services including market insight and communications strategy, digital creative execution and website design and build, media planning and buying, brand tracking and marketing analytics.</p> <p>Aegis is a public limited company incorporated under the laws of England and Wales and has its shares traded on the London Stock Exchange under the symbol AGS.LN.</p> <p>See section 9 of this Scheme Booklet for further details.</p>	<p>Sections 6, 7 and 9</p>
<p>When will I receive the Scheme Consideration?</p>	<p>You will be provided with your Cash Consideration no later than the Implementation Date, currently anticipated to be Wednesday 17 November 2010.</p> <p>The New Aegis Shares to be issued as Share Consideration will be issued on the Implementation Date and share certificates will be despatched to Scheme Participants within 5 Business Days of the Implementation Date (other than to Scheme Participants who have validly elected to receive New Aegis Shares in uncertificated form).</p> <p>See section 9.9 of this Scheme Booklet for further details.</p>	<p>Section 4.6 and 9.9</p>
<p>Will this be a taxable transaction for Australian tax purposes?</p>	<p>The sale of your Shares pursuant to the Scheme may be a taxable transaction. If you are an Australian resident, further details of the general tax consequences of the transaction are set out in section 13 of this Scheme Booklet. You should seek your own professional advice regarding the individual tax consequences applicable to you. It will vary with your country of tax residence.</p>	<p>Section 13</p>

Will I have to pay brokerage fees or stamp duty?	No brokerage fees or stamp duty will be payable on the transfer of Scheme Shares under the Scheme.	Sections 3.2(i) and 13
What is the Election Form enclosed with this Scheme Booklet?	<p>You may elect to receive either 100% Cash Consideration or 100% Share Consideration or one of the combinations of Cash Consideration and Share Consideration as outlined at section 2.4 of this Scheme Booklet.</p> <p>The Election Form is the form of Election under which each Shareholder (other than Ineligible Foreign Shareholders) elects to receive either the Cash Consideration or the Share Consideration or a combination of both.</p> <p>If you make an invalid Election (or are an Ineligible Foreign Shareholder), you will be deemed to have validly elected to receive 100% Cash Consideration.</p> <p>The Election Form sets out the Election process and must be received before 5.00pm (Sydney time) on the Election Date (currently anticipated to be Tuesday 9 November 2010) to the Mitchell Share Registry.</p> <p>If a valid Election is not received by the Election Date you will be deemed to have validly elected to receive 100% Cash Consideration in respect of all your Mitchell Shares.</p>	Section 2.4(c) and Election Form
Recommendations		
What does the Mitchell Board recommend?	The Mitchell Board unanimously considers that the Scheme is in the best interests of Mitchell Shareholders and recommends that Mitchell Shareholders vote in favour of the Scheme in the absence of a Superior Proposal.	Section 3.1
How do the Mitchell Directors intend to vote?	All Mitchell Directors who hold Mitchell Shares intend to vote in favour of the Scheme in the absence of a Superior Proposal.	Section 3.1
What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Mitchell Shareholders. The complete Independent Expert's Report is set out in section 12. You are encouraged to read it in full.	Sections 2.3, 3.2(c) and 12
Voting		
When and where will the Scheme Meeting be held?	The Scheme Meeting is scheduled to be held on Monday 25 October 2010 at The Langham Hotel, 1 Southgate Avenue, Southbank, Victoria commencing at 10:00am (Melbourne time).	Section A5
Am I entitled to vote?	If you are registered as a Mitchell Shareholder on the Register as at 10:00am on Saturday 23 October 2010, you will be entitled to vote at the Scheme Meeting. You may vote in person, by attorney or, in the case of a body corporate, by a duly appointed corporate representative. You may also appoint a proxy to vote if you have completed and lodged or faxed the Proxy Form accompanying this Scheme Booklet and it is received by 10:00am on Saturday 23 October 2010.	Section A7
How must the Scheme be approved?	<p>For the Scheme to be approved, votes in favour of the Scheme must be received from:</p> <ul style="list-style-type: none"> a majority in number (more than 50 per cent) of Mitchell Shareholders present and voting at the Scheme Meeting (in person, by proxy, by attorney or, in case of corporate Shareholders, by corporate representative), unless the Court orders otherwise; and Mitchell Shareholders who together hold at least 75 per cent of the total number of votes cast on the resolution. <p>It is also necessary for the Court to approve the Scheme before it can become Effective.</p>	Section A5

Voting continued		
Should I vote?	<p>You do not have to vote. However, the Mitchell Directors believe that the Scheme is important to all Shareholders and unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal.</p> <p>If you are not able to attend the meetings in person, you may also appoint a proxy to vote for you.</p>	Sections A6 and A8
Where do I send my Proxy Form?	<p>If you would like to appoint a proxy to vote at the Scheme Meeting, the Proxy Form which accompanies this Scheme Booklet should be returned in one of the following ways:</p> <p>Online: www.investorvote.com.au</p> <p>Post: Computershare Investor Services Pty Limited GPO Box 242, Melbourne VIC, 3001</p> <p>Delivery: Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067</p> <p>Fax: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)</p> <p>In order for an appointment of a proxy to be effective, a validly completed Proxy Form must be received by the share registrar of Mitchell no later than 10:00am on Saturday 23 October 2010.</p> <p>Appointing a proxy does not mean that you are not able to attend the Scheme Meeting. However, the Corporations Act specifies that the presence of a shareholder at a meeting suspends his or her proxy's rights to speak and vote. Accordingly you will be asked to revoke your proxy when registering at the Scheme Meeting.</p>	Section A8
What happens if I do not vote or if I vote against the Scheme?	<p>If you are a Shareholder as at 7:00pm (Sydney time) on the Record Date and the Scheme is approved by the Requisite Majority of Mitchell Shareholders and the Court, your Shares will be transferred pursuant to the Scheme and you will be entitled to receive the Scheme Consideration for your Shares. This is so even if you did not vote, or voted against the Scheme.</p> <p>If you do not make an Election as to the form of Scheme Consideration you wish to receive, you will be deemed to have elected to receive 100% Cash Consideration.</p> <p>If the Scheme is not approved, you will remain a Mitchell Shareholder.</p>	Section 3.5
Other		
What will happen to Mitchell if the Scheme proceeds?	Aegis's intentions for Mitchell if the Scheme is implemented are set out in section 7.4 of this Scheme Booklet.	Section 7.4
When will the result of the meeting be known?	The result of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX once available. You should be aware that the Scheme is also subject to the approval of the Court at the Second Court Hearing.	

Other continued		
What happens if a higher bid emerges?	If a higher bid emerges this will be announced to ASX and the Mitchell Directors will carefully consider the proposal and advise you of their recommendation.	Sections 3.3(d) and 3.4
What if I have further questions about the Scheme?	<p>If you have any doubt about what you should do or anything in this Scheme Booklet, you should consult your legal, financial or other professional adviser.</p> <p>If, after reading this Scheme Booklet, you have any questions about your Mitchell Shares or any other matter in this Scheme Booklet, you should contact the Mitchell Shareholder Information Line. The telephone number for the Shareholder Information Line is 1300 089 802 (within Australia) or, (03) 9415 4613 (outside Australia).</p> <p>Further information about Mitchell can be found at Mitchell's corporate website at www.mitchells.com.au.</p>	

2 Summary of the Scheme

2.1 Background

On 29 July 2010 Mitchell and Aegis announced the Scheme, under which Aegis would acquire all of the issued share capital in Mitchell by way of a scheme of arrangement.

The Mitchell Board considers that Aegis is well placed for the convergent future and has significant growth prospects.

2.2 Mitchell Board's recommendation

The Mitchell Board unanimously recommends that, in the absence of a Superior Proposal, you vote in favour of the Scheme at the Scheme Meeting. Each Mitchell Director will vote or cause to be voted all their direct and indirect interests in Mitchell in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal.

In making this recommendation, the Mitchell Board have, among other things, considered the matters detailed in section 3 of this Scheme Booklet.

2.3 The Independent Expert has concluded the Scheme is fair and reasonable and in the best interests of Mitchell Shareholders

The Independent Expert has concluded that the Scheme is in the best interests of Shareholders stating that:

"...As we are able to conclude that the terms of the Scheme are fair and reasonable we also consider them to be in the best interests of Mitchell Shareholders" (Independent Expert's Report page ii)

Section 12 of this Scheme Booklet contains a copy of the Independent Expert's Report.

2.4 Scheme Consideration

(a) Summary

If the Scheme becomes Effective, Aegis will:

- (i) pay to each Scheme Participant the Cash Consideration to which they are entitled; or
- (ii) issue to each Scheme Participant the Share Consideration to which they are entitled; or
- (iii) pay and issue a combination of Cash Consideration and Share Consideration,

in accordance with the Elections.

The Cash Consideration is \$1.20 per Scheme Share held on the Record Date.

The Share Consideration is such number of New Aegis Shares for each Scheme Share held by a Scheme Participant validly electing to receive the Share Consideration, calculated in accordance with the ratio of 40 Aegis Shares for every 67 Mitchell Shares.

There will be a cap on the overall number of New Aegis Shares to be issued as Share Consideration of approximately 9.99% of the share capital of Aegis. Mitchell Shareholders electing to receive Share Consideration will have their entitlements to New Aegis Shares scaled back proportionately to the extent that this cap would otherwise be exceeded.

For further detail regarding the scale back mechanism refer to section 2.4(d) of this Scheme Booklet.

All New Aegis Shares issued as Share Consideration will be quoted on the London Stock Exchange (but not on ASX).

Each Ineligible Foreign Shareholder will be deemed to have made a valid Election to receive 100% Cash Consideration in respect of all Scheme Shares held by that Ineligible Foreign Shareholder.

Each Scheme Participant who does not make a valid Election (which includes not returning an Election Form) will be deemed to have made a valid Election to receive 100% Cash Consideration in respect of all Scheme Shares held by that Scheme Participant.

(b) Dividend

On the basis that the Scheme is approved, Mitchell announced a fully franked, final dividend of 5 cents per Share on 18 August 2010 with a proposed record date for determining entitlements to receive the dividend of 1 November 2010.

If the Scheme is approved, any Mitchell Shareholder that holds Mitchell Shares on 26 October 2010 (being the ex-dividend date) and continues to hold them on the Mitchell Register until the dividend record date of Monday 1 November 2010, will receive the 5 cents per share fully franked, final dividend for the period ended 30 June 2010.

You should refer to the Tax Report set out in section 13 of this Scheme Booklet for details of the taxation treatment of this final dividend.

If the Scheme is not approved, the 5 cents per share final dividend for the period ended 30 June 2010 will not be paid and the Mitchell Board anticipates that the final dividend for that period would be calculated using a methodology consistent to that applied in determining the interim dividend for the 2010 financial year, which would be a lesser amount than 5 cents per share fully franked.

It is possible that there may be some delay in receipt of the final dividend payment if the Scheme does not proceed.

The Mitchell Board also announced on 18 August 2010 that it had resolved to suspend the Mitchell Dividend Reinvestment Plan.

(c) Election mechanism

(i) General

Scheme Participants may elect to receive one of the following:

- 100% Cash Consideration;
- 75% Cash Consideration and 25% Share Consideration;
- 50% Cash Consideration and 50% Share Consideration;
- 25% Cash Consideration and 75% Share Consideration; or
- 100% Share Consideration.

A valid Election made by a Scheme Participant will apply to all of the Scheme Shares in the relevant holding of the Mitchell Shareholder as at the Record Date and will be valid if the Election Form is received before 5.00pm (Sydney time) on the Election Date by the Mitchell Share Registry. Mitchell Shareholders can make their Elections by completing the Election Form which accompanies this Scheme Booklet and returning it as follows:

- online at www.investorvote.com.au;
- by mail to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, Australia;
- in person at Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067; or
- by facsimile transmission to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

If an Ineligible Foreign Shareholder purports to elect to receive any form of Share Consideration, that Shareholder will be deemed to have made a valid Election to receive 100% Cash Consideration in respect of all Scheme Shares held by that Shareholder.

Elections must be made in accordance with the terms and conditions set out in this Scheme Booklet and the Election Form. If no Election is made, or an Election is invalid, or it is received after the Election Date, a Shareholder will be deemed to have validly elected to receive 100% Cash Consideration in respect of those Scheme Shares.

Mitchell Shareholders may change their Election by lodging a replacement Election Form provided that it is received by the Mitchell Share Registry by 5.00pm on the Election Date. You can make changes to your Election online at www.investorvote.com.au or obtain a replacement Election Form by contacting the Mitchell Shareholder Information Line on 1300 089 802 (within Australia) or (03) 9415 4613 (outside Australia).

Replacement Election Forms received after 5:00pm (Sydney time) on the Election Date will be disregarded and the Scheme Consideration you receive will be determined in accordance with your last valid Election received or if no earlier valid Election was received, you will be deemed to have validly elected to receive 100% Cash Consideration.

(ii) Trustee or nominee shareholders

Scheme Participants who hold one or more parcels of Mitchell Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in accordance with the Election process in relation to each of those parcels of Mitchell Shares, to reflect the instructions of the beneficial owners of the Mitchell Shares as to how they wish to receive the Scheme Consideration.

In order to make separate Elections, the trustee or nominee must establish sufficient distinct holdings in the Mitchell Register to cater for their underlying client's instructions for the Election. On each of these separate holdings the nominee must:

- take regard of the transfer methods available to them; and
- take regard of the intention, or otherwise, to elect to receive Aegis Shares in certificated form or uncertificated form as set out in section 9.9; and
- make a distinct Election for 100% Cash Consideration, 100% Share Consideration or one of the combinations of Cash Consideration and Share Consideration as outlined above.

Separate holdings must be established prior to the Record Date in order to make separate Elections for Scheme Consideration in relation to each holding. The trustee or nominee should then lodge a separate Election Form for each separate holding by the Election Date. You can use the election process online at www.investorcentre.com.au or obtain additional copies of the Election Form by contacting the Mitchell Shareholder Information Line on 1300 089 802 (within Australia) or (03) 9415 4613 (outside Australia).

The Scheme Consideration payable in respect of each separate holding will be calculated on the total balance of the holding, not individual beneficial shareholder entitlements.

Trustees or nominees who would like further information on how to make a separate Election in relation to parcels of Mitchell Shares should contact the Mitchell Shareholder Information Line on 1300 089 802 (within Australia) or +61 3 9415 4613 (outside Australia).

(d) Scale back

There will be a cap on the overall number of New Aegis Shares to be issued as Share Consideration, of approximately 9.99% of the share capital of Aegis.

This cap will be reached if Mitchell Shareholders holding approximately 64.3% of Mitchell Shares elect to receive 100% Share Consideration.

Mitchell Shareholders who elect to receive Share Consideration will have their entitlements to New Aegis Shares scaled back on a pro rata basis so that the total number of New Aegis Shares to be issued as Share Consideration is as close as possible to, but no greater than, 116,672,646 Aegis Shares.

Where the application of this scale back mechanism results in an aggregate entitlement of a Scheme Participant to New Aegis Shares that is less than would have applied (but for the application of the scale back mechanism), the Scheme Participant will be entitled to Cash Consideration in the alternative.

The formula to implement this scale back is contained in clause 5.6 of the Scheme (a copy of which is set out in section 16 of this Scheme Booklet).

Harold Mitchell and Aegis have entered into an Option Deed pursuant to which Harold Mitchell has granted Aegis an option to acquire the Option Shares. The exercise price of the option is at the same ratio as the Share Consideration offered under the Scheme, being 40 New Aegis Shares for every 67 Option Shares acquired by Aegis under the Option Deed.

Any Aegis Shares issued pursuant to the terms of the Option Deed will be counted towards the maximum number of approximately 116,672,646 Aegis Shares to be issued in payment of the Share Consideration to satisfy the entitlements determined for all Scheme Participants, and this will be subject to the same scale back mechanism.

Further details of the Option Deed are set out at section 11.5 of this Scheme Booklet.

(e) Effects of rounding

The aggregate number of New Aegis Shares to which a Scheme Participant is entitled will be rounded down to the nearest whole number of Aegis Shares.

If Aegis and Mitchell reasonably believe that a Mitchell Shareholder has been a party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, Mitchell may give notice to those Scheme Participants and will attribute to one of them specifically identified in the notice the Scheme Shares held by all of them and which Election made by or on behalf of them applies to all of them.

Aegis will be deemed to have complied with its obligations to the other Scheme Participants named in the notice under the terms of the Scheme by complying with the terms of the Scheme relating to it in respect of the Scheme Participant specifically identified in the notice as the deemed holder of all the Scheme Shares.

2.5 Performance Rights and Options

As at 16 September 2010 there were:

- 1,602,441 Performance Rights issued under the Mitchell Performance Rights Plan; and
- 664,602 Options issued under the Mitchell Employee Option Plan,

on issue.

Under the Merger Implementation Agreement, it is a condition precedent to implementation of the Scheme that all holders of Performance Rights and Options have either:

- (a)** exercised their Performance Rights or Options; or
- (b)** duly executed and delivered a Performance Rights Cancellation Deed or an Option Cancellation Deed.

Performance Rights

The Board intends to amend the terms of the Mitchell Performance Rights Plan as follows:

- (a)** to change the exercise period attached to Performance Rights - under the terms of the plan, if the Court orders a scheme meeting to be held, the Performance Rights may be exercised up to a prescribed number of Business Days before the date of the meeting. To ensure that Performance Rights are not vested and exercised in circumstances where Mitchell shareholders or the Court subsequently fail to approve the Scheme, it is proposed that the terms of the plan will be amended to provide that the Performance Rights can only be exercised after the Second Court Date, provided that the Scheme is approved by Mitchell Shareholders and the Court; and
- (b)** to enable waiver of the pro rata vesting provisions - under the terms of the plan, the Board does not have a specific power to waive the pro-rata vesting provisions attached to the Performance Rights. It is proposed that Mitchell will amend the terms of the Plan to specifically permit the Board to waive the pro-rata vesting provisions.

ASX has granted relief to Mitchell to enable these amendments to be made (see section 11.8(b) of this Scheme Booklet for details).

The Mitchell Board accordingly intends to resolve to waive the performance and pro rata vesting conditions attached to the Performance Rights, subject to the Scheme being approved by Mitchell Shareholders and the Court.

Mitchell anticipates that all holders of Performance Rights will (subject to the Scheme being approved by Mitchell shareholders and the Court) either:

- (a)** exercise their Performance Rights and participate in the Scheme as Mitchell Shareholders; or
- (b)** enter into a Performance Rights Cancellation Deed to provide for the cancellation of the Performance Rights for consideration, anticipated to be \$1.20 (being the Cash Consideration) per Performance Right cancelled.

Options

All Options on issue have an exercise price less than the Cash Consideration amount of \$1.20, other than 300,000 Options (which are held by one holder). Mitchell anticipates that all holders of Options with an exercise price less than \$1.20 will (subject to the Scheme being approved by Mitchell Shareholders and the Court) either:

- (a) exercise their Options so as to enable the Option holders to participate in the Scheme as Mitchell Shareholders;
or
- (b) enter into an Option Cancellation Deed to provide for the cancellation of the Options for consideration, anticipated to be equal to the difference between the exercise price attached to the relevant Options and \$1.20 (being the Cash Consideration) per Option cancelled.

One Option holder holds 300,000 Options which have an exercise price greater than the Cash Consideration amount of \$1.20. The holder of these Options has entered into an Option Cancellation Deed to provide for the cancellation of the Options for no consideration.

2.6 Foreign Shareholders

Details regarding the treatment of foreign Mitchell Shareholders are contained in section 4.7 of this Scheme Booklet.

2.7 Transaction costs

Mitchell anticipates that it will incur approximately \$1.1 million in transaction costs in the event that the Scheme is approved and implemented.

3 Matters relevant to your vote on the Scheme

3.1 Mitchell Board's recommendation

The Mitchell Directors believe that the Scheme is in the best interests of Mitchell Shareholders and unanimously recommend that, in the absence of a Superior Proposal, Shareholders vote in favour of the Scheme at the Scheme Meeting.

In reaching their recommendation, the Mitchell Directors have, among other things:

- assessed the Scheme having regard to Mitchell's current strategic plans; and
- obtained advice from Mitchell's financial and legal advisers.

The Mitchell Directors believe the offer represents a fair price and provides an opportunity for Shareholders to realise value that might not be achieved in the near term if the Scheme does not proceed.

In the announcement of the Scheme on 29 July 2010, Mr Harold Mitchell, Executive Chairman of Mitchell, stated that the Mitchell Board believes the Scheme is "in the best interests of our people, clients and our shareholders".

Each Director (including Mr Harold Mitchell who, together with his immediate family, currently has direct shareholdings and related interests in approximately 40% of Mitchell's fully diluted issued capital) will vote or cause to be voted all their direct and indirect interests in Mitchell in favour of the Scheme, in the absence of a Superior Proposal. If a Competing Transaction arises, Aegis may be able to exercise an option over some of Mr Mitchell's Shares (comprising approximately 19.9% of the Mitchell issued share capital). For further details see section 11.5 of this Scheme Booklet.

The interests of the Mitchell Directors and the number and description of Mitchell Shares held by or on behalf of the Mitchell Directors is set out in section 11.2 of this Scheme Booklet.

In considering whether to vote in favour of the Scheme, the Mitchell Board encourages you to:

- read the whole of this Scheme Booklet (including the Independent Expert's Report) in full;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- obtain advice from your legal, financial or other professional adviser on the Scheme and obtain taxation advice on the effect of the Scheme.

3.2 Why Mitchell Shareholders should vote in favour of the Scheme

(a) The Mitchell Board believes that the Scheme accelerates value to the Mitchell Shareholders (that otherwise may only have accrued over a longer period of time) and is the most value enhancing alternative for Mitchell to pursue at this time

The Mitchell Board believes that the Scheme will accelerate value to the Mitchell Shareholders than otherwise may only have accrued over a longer period of time.

In forming its recommendation with respect to the Scheme, the Mitchell Board has carefully considered Mitchell's strategy, market position and future growth prospects as a stand-alone entity. The Mitchell Board has also had regard to independent consensus broker price targets. The Mitchell Board believes that the Scheme is in the best interests of Mitchell Shareholders, in the absence of a Superior Proposal.

(b) Mitchell Shareholders who elect to receive Cash Consideration will receive certain and immediate value for their Mitchell Shares

The Cash Consideration under the Scheme of \$1.20 per Mitchell Share provides you with certainty of value for your Mitchell Shares.

The certainty of \$1.20 cash per Mitchell Share should be compared to the external and company specific risks and uncertainties which Mitchell may be subject to and that could affect the future trading price of Mitchell Shares.

Mitchell's external and company specific risks may include, but are not limited to:

- ability to continue to outperform the market in a very competitive environment;
- maintenance of number 1 market position in numerous business pursuits;

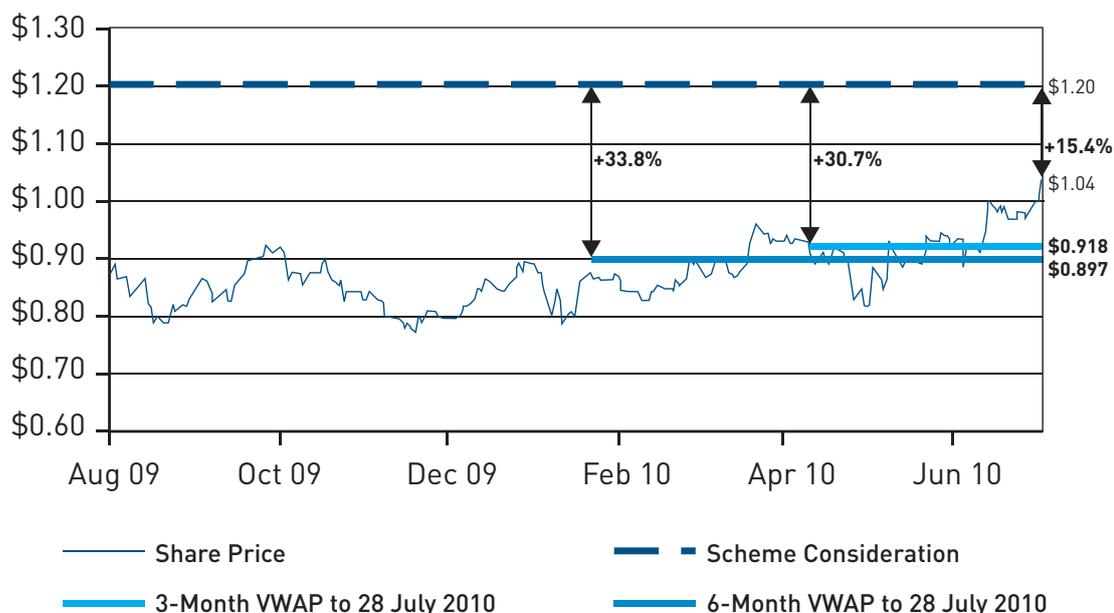
- the risk of changes in interest rates, employment rates, inflation, consumer spending and government policy which may impact consumer and business confidence and thus advertising expenditure;
- the risk of economic cycles and potential downturns in the markets (and particularly the advertising market) in which Mitchell operates;
- the risk of adverse changes in operating conditions, which may include a more intense competitive environment, renewal of key customers and margin pressure; and
- the risk of a deterioration in broader equity market conditions.

(c) The Scheme Consideration represents a significant premium to historical trading prices

The Scheme Consideration (excluding the proposed final dividend) represents a substantial premium of approximately:

- 30.7% to the volume weighted average price (VWAP) of Mitchell Shares in the three months up to and including the close of trade on 28 July 2010 (the day prior to the announcement of the Scheme);
- 33.8% to the VWAP of Mitchell Shares in the six months up to and including the close of trade on 28 July 2010; and
- 15.4% to the Mitchell Share price at the close of trade on 28 July 2010 (which was \$1.04 per Share).

The chart below illustrates the premium that the Scheme Consideration represents to the recent historic trading prices of Mitchell Shares.

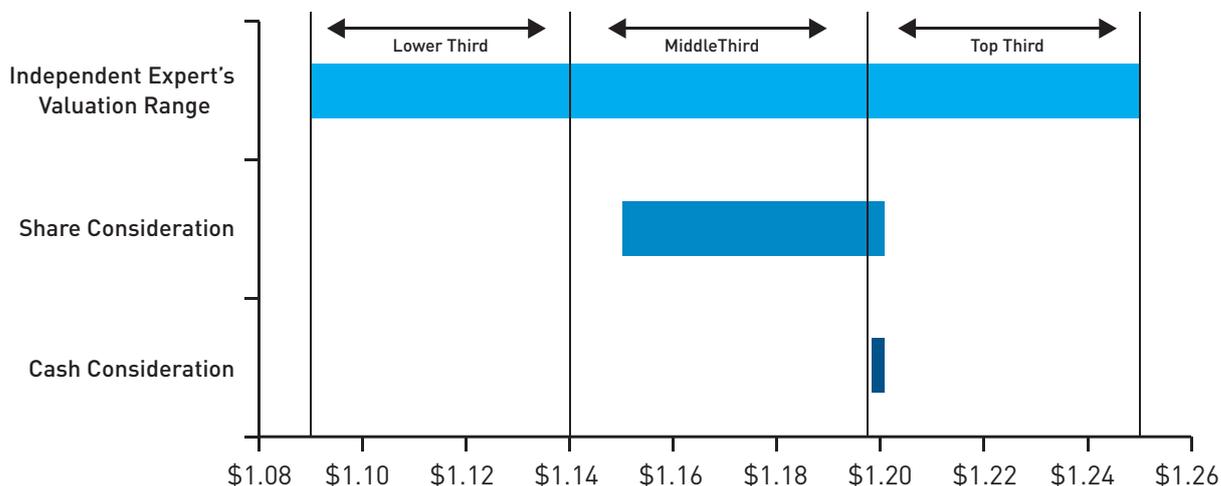


(d) The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Mitchell Shareholders

The Independent Expert has concluded that the Scheme is in the best interests of Mitchell Shareholders stating that:

“...As we are able to conclude that the terms of the Scheme are fair and reasonable, we also consider them to be in the best interests of Mitchell Shareholders” (Independent Expert’s Report page ii)

The Independent Expert has assessed the fair market value of Mitchell Shares, incorporating a control premium, to be in the range of \$1.09 and \$1.25 per Mitchell Share.



The Cash Consideration lies within the top third of the Independent Expert's valuation range.

Further, the Independent Expert has said, in the event that the Scheme is not approved and implemented, "... we would expect that a significant proportion of the premium that appears to have been attached to the Mitchell Share price since the announcement of the Scheme would cease to be priced into the Mitchell Share price, causing it to decline, perhaps significantly." (Independent Expert's Report page 51)

Section 12 of this Scheme Booklet contains a copy of the Independent Expert's Report.

(e) Eligible Mitchell Shareholders will be paid an increased fully franked, final dividend of 5 cents per share for the year ended 30 June 2010 if the Scheme proceeds

If the Scheme is approved, any Mitchell Shareholder that holds Mitchell Shares on 26 October 2010 (being the ex-dividend date) and continues to hold them on the Mitchell Register on the dividend record date (currently anticipated to be 1 November 2010), will receive a 5 cents per share fully franked, final dividend for the year ended 30 June 2010.

Scheme Participants should refer to the Tax Report set out in section 13 which contains information in relation to the taxation treatment of this final dividend.

If the Scheme is not approved, the 5 cents per share final dividend for the period ended 30 June 2010 will not be paid and the Mitchell Board anticipates that the final dividend for that period would be calculated using a methodology consistent to that applied in determining the interim dividend for the 2010 financial year, which would be a lesser amount than 5 cents per share fully franked. It is possible that there may be some delay in receipt of the final dividend payment if the Scheme does not proceed.

(f) Mitchell Shareholders have a choice of receiving Share Consideration or Cash Consideration or a combination of both

Under the Scheme, Mitchell Shareholders can elect to receive either 100% Share Consideration, 100% Cash Consideration or various combinations of both as set out in section 2.4(c) (subject to the overall cap on the number of New Aegis Shares available for issue to Scheme Participants - see section 2.4).

This flexibility permits Mitchell Shareholders to tailor their Scheme Consideration to better match their personal circumstances.

Each Ineligible Foreign Shareholder will be deemed to have made a valid Election to receive 100% Cash Consideration in respect of all Scheme Shares held by that Ineligible Foreign Shareholder.

Each Scheme Participant who does not make a valid Election will be deemed to have made a valid Election to receive 100% Cash Consideration in respect of all Scheme Shares held by that Scheme Participant.

(g) The Mitchell Board unanimously recommends the Scheme, in the absence of a Superior Proposal

In the announcement of the Scheme on 29 July 2010, Mr Harold Mitchell, Executive Chairman of Mitchell, stated that the Mitchell Board believes the Scheme is "in the best interests of our people, clients and our shareholders".

In the absence of a Superior Proposal, the Mitchell Board unanimously recommends Mitchell Shareholders vote in favour of the Scheme. Each Director (including Mr Harold Mitchell who, together with his immediate family, currently has direct shareholdings and related interests in approximately 40% of Mitchell's fully diluted, issued

capital) will vote or cause to be voted all their direct and indirect interests in Mitchell in favour of the Scheme in the absence of a Superior Proposal.

If a Competing Transaction is publicly announced, Aegis may be able to exercise an option over some of Mr Mitchell's Shares (comprising 19.9% of the Mitchell issued share capital). For further details see section 11.5 of this Scheme Booklet.

(h) The Share Consideration gives Mitchell Shareholders the opportunity to become members of Aegis

If the Scheme is implemented, those Mitchell Shareholders who validly elect to receive Share Consideration are expected to benefit from the increased financial scale, capability, geographic and business diversification of the Combined Group.

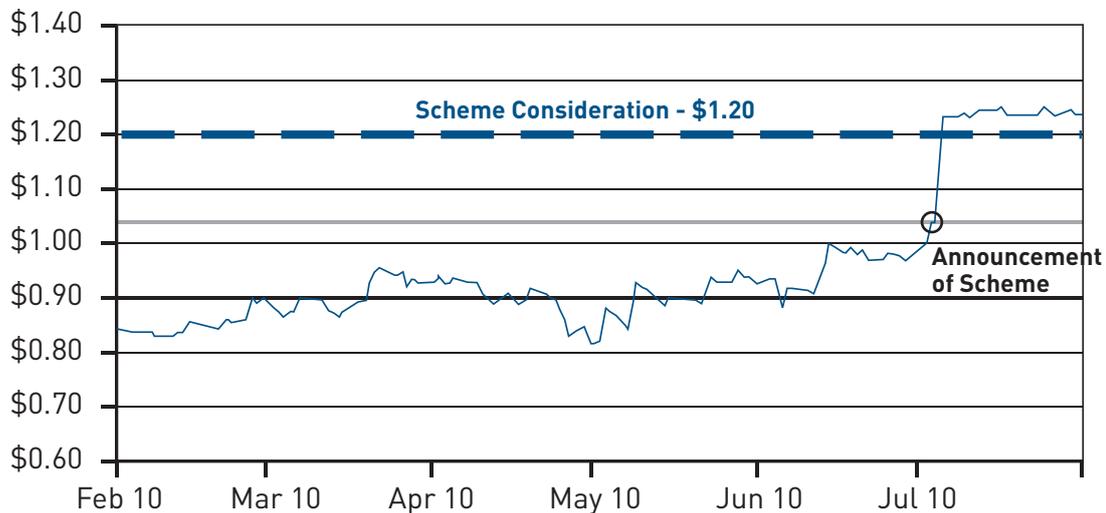
The Mitchell Board also considers that Aegis is well placed for the convergent future and has significant growth prospects. Mitchell Shareholders will have the opportunity to participate in one of the world's fastest growing marketing communications groups.

(i) No brokerage will be payable on the transfer of your Mitchell Shares

You will not incur any brokerage on the transfer of your Mitchell Shares to Aegis pursuant to the Scheme.

(j) Mitchell's Share price may fall if the Scheme is not approved

As at the date of this Scheme Booklet Mitchell's Share price has risen by 19.7 per cent following the announcement of the Scheme on 29 July 2010.



The Mitchell Directors believe that if the Scheme is not approved and no alternative proposal emerges it is likely that the Mitchell Share price will fall to below its current price.

Regarding the potential impact on the price of Mitchell Shares if the Scheme does not proceed, the Independent Expert stated: "...we would expect that a significant proportion of the premium that appears to have been attached to the Mitchell Share price since the announcement of the Scheme would cease to be priced into the Mitchell Share price, causing it to decline, perhaps significantly." (Independent Expert's Report page 51).

(k) Capital Gains Tax rollover relief may be available to eligible Mitchell Shareholders

If the Scheme is implemented, those Mitchell Shareholders who validly elect to receive Share Consideration may benefit from Capital Gains Tax rollover relief, provided that they qualify.

For further detail regarding general tax consequences of the transaction if you are an Australian resident, refer to the Tax Report in section 13 of this Scheme Booklet.

3.3 Possible reasons not to vote in favour of the Scheme

(a) You might not agree with the Mitchell Directors' recommendation and the Independent Expert's conclusions

The Mitchell Directors have had regard to the considerations set out in sections 3.1 and 3.2 in recommending that Mitchell Shareholders vote in favour of the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Mitchell Shareholders.

However, Mitchell Shareholders may hold a different view and are not obliged to follow the recommendation of Mitchell Directors or agree with the Independent Expert's conclusions.

(b) Scheme Participants will no longer be members of Mitchell

If the Scheme proceeds, Scheme Participants will no longer be members of Mitchell and, if they elect to take 100% Cash Consideration, will not participate in any potential upside that may result from being a member of the Combined Group going forward.

(c) Tax consequences of transferring your Shares pursuant to the Scheme may not be optimal for your financial position

If the Scheme becomes Effective there may be tax consequences for Mitchell Shareholders which may include tax being payable on any gain on disposal of Shares.

Further information on the relevant tax consequences for Australian residents is contained in the Tax Report in section 13 of this Scheme Booklet. However, the Tax Report does not amount to specific taxation advice and Mitchell Shareholders should seek their own professional advice regarding their individual tax consequences.

(d) You may consider that there is potential for a Superior Proposal to be made

You may consider that there is potential for a Superior Proposal to emerge before the Scheme Meeting. However, as at the date of this Scheme Booklet, no other proposal has emerged. If an alternative proposal does arise, this will be announced to ASX and the Mitchell Directors will carefully consider the proposal and advise you of their recommendation.

Mitchell Shareholders should refer to section 3.4 in respect of the emergence of alternative proposals.

(e) Scheme Participants who elect to receive 100% Cash Consideration will no longer participate in possible future increases in the value of Mitchell

Scheme Participants who elect to receive 100% Cash Consideration will not retain any ownership of either Mitchell or Aegis and therefore will not benefit from any future capital or dividend growth of Aegis

(f) There are potential risks that may result from the implementation of the Scheme and you may consider that these risks outweigh the advantages of the Scheme

There are potential risks that may result from the implementation of the Scheme and you may consider that these risks outweigh the advantages of the Scheme. These risks are described in section 10 of this Scheme Booklet and include:

- the risk that the value of the Share Consideration may change between the date of this Scheme Booklet and the Implementation Date;
- risks associated with holding shares in Aegis (which are relevant to Shareholders who elect to receive Share Consideration) including risks relating to a change of investment profile, credit risks and counterparty relationships, liquidity and working capital availability, client relationships, acquisitions and successful integration, competition and competitors, security of data, talent management and foreign exchange; and
- risks specific to the transaction, such as the requirement for FIRB approval, integration risks, change of control implications and transaction and integration costs.

3.4 No alternative proposal has emerged

As at the date of this Scheme Booklet, no other proposal has emerged. However, there remains the possibility that a third party may make a Superior Proposal prior to the Scheme Meeting.

The Merger Implementation Agreement includes customary no-shop and no-talk obligations on Mitchell which prevent Mitchell from soliciting a competing offer or proposal in certain circumstances (see section 4.3(b) for more details).

The Merger Implementation Agreement does not prevent a third party from making an alternative proposal and does not prevent the Mitchell Directors from responding to an unsolicited written proposal if, and to the extent, necessary to discharge their fiduciary and statutory duties. However, under the Merger Implementation Agreement, Mitchell is required to pay a break-fee of \$2.7 million to Aegis on the occurrence of certain events, which, in broad terms, includes a third party acquiring an interest of at least 30% of Mitchell or the Mitchell Directors make a public statement indicating that they support an alternative proposal (see section 4.3(c) for more details).

Mitchell Shareholders should also consider the information included in section 11.5 regarding an option granted to Aegis by the major shareholder, Mr Harold Mitchell. Under this agreement Aegis may, in certain circumstances, acquire 19.9% of Mitchell's Shares from Mr Harold Mitchell. This agreement may restrict the ability for a Superior Proposal to emerge or ultimately to be successfully implemented.

The Mitchell Directors will notify Shareholders if an alternative proposal is received before the Scheme Meeting.

3.5 Other considerations

(a) Potential risks of the Scheme for Mitchell Shareholders

There are a number of risks that may result from the implementation of the Scheme that must be considered when making a decision on how to vote on the Scheme. These risks are outlined in section 10 of this Scheme Booklet. While the Mitchell Board acknowledges these risks, it believes that they are outweighed by the advantages of the Scheme and recommends that Mitchell Shareholders vote in favour of the Scheme, subject to no Superior Proposal being received.

(b) Scheme may be implemented even if you vote against it

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majority of Mitchell Shareholders and the Court. If this occurs, your Mitchell Shares will be transferred to Aegis and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme. If you do not make an Election as to the form of Scheme Consideration you wish to receive, you will be deemed to have elected to receive 100% Cash Consideration.

(c) Mitchell Shareholders do not need to wait if they wish to dispose of their Mitchell Shares

Shareholders should take into account that they may offer to sell their Mitchell Shares on ASX at any time prior to the Effective Date if they do not wish to hold them and participate in the Scheme. However Mitchell Shareholders should note that they may not receive consideration equivalent to the Scheme Consideration and brokerage expenses on sale may be incurred. Certain Mitchell Shareholders' individual financial or taxation circumstances may make it preferable for them to do so.

Mitchell Shareholders should seek their own professional advice regarding any decision with respect to their Mitchell Shares.

3.6 Deemed warranties

You should be aware that, if the Scheme becomes Effective, under the terms of the Scheme, Scheme Participants will be deemed to have warranted that their Scheme Shares (including any rights and entitlements attaching to those Shares) are fully paid and free from all encumbrances and that they have full power and capacity to transfer those Shares.

These warranties are set out in full in clause 4.5 of the Scheme which is contained in section 16 of this Scheme Booklet.

Similarly, an Election by a foreign Shareholder to receive any part of the Scheme Consideration as New Aegis Shares may require the Shareholder to give the warranties set out in section 4.7.

3.7 Effect of the Scheme

Details of the effect of the Scheme on Scheme Participants are set out in section 4 of this Scheme Booklet.

3.8 Steps for implementation of the Scheme

Details of the steps for implementation of the Scheme are set out in section 4.4 of this Scheme Booklet.

4 Effect of the Scheme

4.1 Overall effect of the Scheme

Implementation of the Scheme, through the transfer of all of the Scheme Shares to Aegis, will result in Mitchell becoming a wholly owned subsidiary of Aegis.

If the Scheme becomes Effective, all Scheme Participants will be paid the Scheme Consideration in respect of each Mitchell Share held by them as at 7:00pm on the Record Date, as set out in section 4.6.

Suspension of trading on ASX in Mitchell Shares will occur from close of trading on the day the Scheme becomes Effective. Following final implementation of the Scheme, Mitchell will apply to ASX to terminate the official quotation of Mitchell Shares on ASX and to remove Mitchell from the official list of ASX.

4.2 What happens if the Scheme does not proceed?

(a) Mitchell Shareholders will retain shares

If the Scheme does not proceed, the Scheme Consideration will not be paid and Mitchell will continue to be listed on ASX. Mitchell Shareholders will retain their Mitchell Shares and continue to share in any benefits and risks of Mitchell's ongoing business.

(b) Intentions of the Mitchell Board

If the Scheme does not proceed, decisions in relation to the future of Mitchell will continue to be taken by the Mitchell Board. The Mitchell Board has not formed any plans to:

- make any significant changes to the business of Mitchell nor redeploy any of the operating assets of Mitchell; or
- change or affect the future employment of the present employees of Mitchell.

(c) Dividend

If the Scheme is not approved, the 5 cents per share fully franked, final dividend for the period ended 30 June 2010 will not be paid and the Mitchell Board anticipates that the final dividend for the year ended 30 June 2010 would be calculated using a methodology consistent to that applied to determine the interim dividend for the 2010 financial year, which would be a lesser amount than 5 cents per share fully franked. It is possible that there may be some delay in receipt of the final dividend payment if the Scheme does not proceed.

4.3 Key terms of the Merger Implementation Agreement

Mitchell and Aegis have entered into a Merger Implementation Agreement in relation to the Scheme. The key terms of this agreement are summarised in this section and a full copy of the agreement is contained in section 15 of this Scheme Booklet.

(a) Conditions precedent to the Scheme

The following summarises the conditions precedent to the Scheme becoming Effective:

- receipt of FIRB, ACCC (if required) and other government agency approvals necessary or desirable to implement the Scheme before 8:00am on the date of the Second Court Date;
- the Court approves the Scheme;
- Mitchell Shareholders approve the Scheme;
- no Mitchell Prescribed Event or Aegis Prescribed Event occurs prior to 8:00am on the day of the Second Court Date;
- no Mitchell Material Adverse Change or Aegis Material Adverse Change occurs or becomes apparent prior to 8:00am on the date of the Second Court Date;
- the New Aegis Shares to be issued pursuant to the proposed scheme are approved for official quotation on the Official List of the United Kingdom Listing Authority prior to 8:00am on the date of the Second Court Date;

- the share price of the Aegis Shares has not (for three or more consecutive trading days) been 20% less than the 5 day VWAP of the Aegis Shares up to the date of the Merger Implementation Agreement (on the basis that the relevant Aegis daily price has been normalised for movements in the FTSE 250 index over the period between the date of the Merger Implementation Agreement and the testing day); and
- all holders of Options and Performance Rights have exercised their Options or Performance Rights or agreed to the cancellation of their Options or Performance Rights as at 8:00am on the Second Court Date.

As at the date of this Scheme Booklet, Mitchell and Aegis are not aware of any circumstances which would cause the Scheme conditions not to be satisfied. An update as to the status of the Scheme conditions will be provided at the Scheme Meeting.

(b) Exclusivity

During the period between 29 July 2010 and the earlier of the termination of the Merger Implementation Agreement and 12 December 2010 (or any other date as agreed by Aegis and Mitchell), the following exclusivity arrangements apply.

No-talk

Mitchell must ensure that it, its Representatives or Related Bodies Corporate do not directly or indirectly participate in or continue any discussions or negotiations, enter into any agreement with any third party or provide or make available any information to a third party for the purposes of conducting due diligence, or communicate to a third party any intention to do any of the above, in relation to or which may reasonably be expected to lead to a Competing Transaction to the Scheme.

This restriction does not prevent Mitchell from continuing to make normal presentations to, or responding to enquiries from, brokers, portfolio investors and analysts in the ordinary course.

The no-talk restrictions do not apply in respect of a bona fide Competing Transaction which was not solicited or invited, provided that the Mitchell Board determines in good faith (after obtaining advice from its legal advisers) that failing to respond to the Competing Transaction would be reasonably likely to involve a breach of the fiduciary or statutory duties or obligations owed by any Mitchell Directors or would otherwise be unlawful.

No-shop

Mitchell must ensure that it, its Representatives or Related Bodies Corporate do not directly or indirectly solicit or encourage any Competing Transaction.

This restriction does not prevent Mitchell from continuing to make normal presentations to, or responding to enquiries from, brokers, portfolio investors and analysts in the ordinary course.

Mitchell must not accept or recommend a competing proposal to the Scheme to its Shareholders unless it has notified Aegis of the terms of the Competing Transaction and has given Aegis 72 hours after the provision of that information in which to provide a matching or superior deal to the relevant Competing Transaction.

(c) Costs reimbursement

Mitchell is obliged to pay Aegis A\$2.7 million if, on or before the End Date (being 12 December 2010, or any date agreed between Aegis and Mitchell):

- a transaction that would result in a person (other than Aegis or its Related Bodies Corporate or Representatives) taking control of Mitchell completes or is recommended by the Mitchell Board and has been the subject of a public announcement, or such a person acquires a relevant interest in 30% or more of the Mitchell Shares and the Merger Implementation Agreement is terminated;
- any member of the Mitchell Board fails to recommend the Scheme, withdraws or adversely modifies his or her recommendation that Mitchell Shareholders vote in favour of the Scheme, or makes a public statement indicating that he or she no longer supports the Scheme (or that he or she supports a Competing Transaction) and the Merger Implementation Agreement is terminated;
- Mitchell is in breach of its 'no shop' or 'no talk' obligations and the Merger Implementation Agreement is terminated;
- Aegis is entitled to terminate, and terminates, the Merger Implementation Agreement due to a material breach of the Merger Implementation Agreement by Mitchell;

- a Mitchell Material Adverse Change occurs (other than as a result of events outside the control of the Mitchell Group) and the Merger Implementation Agreement is terminated;
- a Mitchell Prescribed Event occurs (other than a Mitchell Prescribed Event the occurrence of which is outside the control of the Mitchell group) and the Merger Implementation Agreement is terminated; or
- the Independent Expert has opined that the Scheme is not in the best interests of Mitchell Shareholders and the Merger Implementation Agreement is terminated by Mitchell.

Aegis is obliged to pay Mitchell A\$2.7 million if, on or before the End Date (being 12 December 2010, or any date agreed between Aegis and Mitchell):

- Mitchell is entitled to terminate, and terminates, the Merger Implementation Agreement due to a material breach of the Merger Implementation Agreement by Aegis;
- an Aegis Material Adverse Change occurs (other than as a result of events outside the control of the Aegis Group) and the Merger Implementation Agreement is terminated; or
- an Aegis Prescribed Event occurs (other than an Aegis Prescribed Event the occurrence of which is outside the control of the Aegis group) and the Merger Implementation Agreement is terminated.

(d) Termination

The Merger Implementation Agreement may be terminated by either party in various circumstances, including the following:

- if the Scheme has not become Effective on or before the End Date (being 12 December 2010, or any date agreed between Aegis and Mitchell);
- at any time prior to 8.00am on the Second Court Date if the other party is in material breach of any clause of the Merger Implementation Agreement (including a warranty), taken in the context of the proposed merger as a whole, provided that either Aegis or Mitchell, as the case may be, has, if practicable, given notice to the other setting out the relevant circumstances and stating an intention to terminate and, the relevant circumstances continue to exist 5 Business Days (or any shorter period ending at 5:00pm on the day before the Second Court Date) after the time such notice is given;
- if the resolution submitted to the Scheme Meeting is not approved by the Requisite Majority;
- if a Court or other Regulatory Authority has issued a final and non appealable order, decree or ruling or taken other action which permanently restrains or prohibits the proposed Scheme; and
- if the Independent Expert opines that the Scheme is not in the best interests of Mitchell Shareholders.

The Merger Implementation Agreement may also be terminated by Aegis in various circumstances, including the following:

- at any time prior to 8.00am on the Second Court Date if any member of the Mitchell Board fails to recommend the Scheme, changes his or her recommendation to Mitchell Shareholders that they vote in favour of the resolution to approve the Scheme (including any adverse modification to his or her recommendation), or otherwise makes a public statement indicating that he or she no longer supports the Scheme (or that he or she supports a Competing Transaction);
- if Mitchell is in breach of its 'no-shop' or 'no-talk' obligations; and
- if, after the date of the Merger Implementation Agreement, a person (other than Aegis or its associates) acquires a relevant interest in more than 20% of the Mitchell Shares.

4.4 Steps in implementing the Scheme

(a) Merger Implementation Agreement

On 29 July 2010 Mitchell and Aegis entered into the Merger Implementation Agreement under which Mitchell agreed to propose the Scheme. A summary of the key terms of the Merger Implementation Agreement is set out in section 4.3 and a copy of the Merger Implementation Agreement is provided in section 15.

(b) Deed Poll

On 13 September 2010, Aegis executed the Deed Poll pursuant to which Aegis agreed, subject to the Scheme becoming Effective, to provide the Scheme Consideration to each Scheme Participant. A copy of the Deed Poll is provided in section 17.

(c) Court hearings

On Friday 17 September 2010, the Court ordered that Mitchell convene the Scheme Meeting to be held at The Langham Hotel, 1 Southgate Avenue, Southbank, Victoria on Monday 25 October 2010 commencing at 10:00am (Melbourne time) for the purposes of considering the Scheme. The order of the Court convening the Scheme Meeting is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

Mitchell will apply to the Court for an order approving the Scheme if the Scheme is approved by the Requisite Majority of Scheme Participants at the Scheme Meeting. The Court has a discretion as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the Requisite Majority of Scheme Participants.

The *Corporations Act* and Order 2 of the *Supreme Court (Corporations) Rules 2003* provide a procedure for Shareholders to oppose the approval by the Court of the Scheme. If you wish to oppose the approval of the Scheme at the Second Court Hearing you may do so by filing with the Court and serving on Mitchell an interlocutory process in the prescribed form together with any affidavit on which you wish to rely at the hearing. With leave of the Court, you may also oppose the approval of the Scheme by appearing at the Second Court Hearing and applying to raise any objections you may have at the hearing. Mitchell should be notified in advance of an intention to object. The date for the Second Court Hearing is currently scheduled to be Friday 29 October 2010. Any change to this date will be announced through ASX and notified on Mitchell's website www.mitchells.com.au.

(d) Actions by Mitchell and Aegis

If the Court order approving the Scheme is obtained, the directors of each of Mitchell and Aegis will take or procure the taking of the steps required for the Scheme to proceed. In particular:

- Mitchell will lodge with ASIC office copies of the Court order under section 411 of the Corporations Act, approving the Scheme and the Scheme will become Effective; and
- Aegis will appoint nominees to the Mitchell Board.

4.5 Determination of who is entitled to the Scheme Consideration

For the purpose of calculating entitlements under the Scheme, any dealings in Mitchell Shares will only be recognised if such dealings are effected on or before 7:00pm (Sydney time) on the Record Date and registrable transmission applications or transfers in respect of those dealings are received on or before 7:00pm (Sydney time) on the Record Date, at the place where the Register for those Mitchell Shares is kept.

If the Scheme becomes Effective, no Mitchell Shareholder shall dispose of or purport or agree to dispose of any Mitchell Shares or any interest in Shares after 7:00pm (Sydney time) on the Record Date. Any dealings in Mitchell Shares other than the transfer into the name of Aegis or its nominees after 7:00pm (Sydney time) on the Record Date will not be recognised.

Mitchell will register transmission applications or transfers effected on or before 7:00pm (Sydney time) on the Record Date. Mitchell will not accept for registration or recognise for any purpose any transfer or transmission application in respect of Shares received after 7:00pm (Sydney time) on the Record Date.

For the purpose of determining entitlements to Scheme Consideration, Mitchell will, until payment of such Scheme Consideration has been made, maintain the relevant register upon the basis that Mitchell Shares have not been transferred and otherwise in accordance with the foregoing provisions of this section, and the registers in this form will solely determine entitlements to consideration under the Scheme.

4.6 Payment of Scheme Consideration

If the Scheme becomes Effective:

- no later than 2 Business Days before the Implementation Date, Aegis will deposit the aggregate amount of the Cash Consideration payable to all Scheme Participants in Immediately Available Funds in a trust account operated by Mitchell to be held on trust for the purpose of paying the Scheme Consideration to the Scheme Participants;
- on the Implementation Date, Aegis will enter the name of each Scheme Participant in the Aegis share register in respect of the New Aegis Shares which that Scheme Participant is entitled to receive under the Scheme;

- within 5 Business Days from the Implementation Date, Aegis will send or procure the dispatch by pre-paid ordinary post (or, if the address of the Scheme Participant in the Register is outside the United Kingdom, by pre-paid airmail post) to each Scheme Participant to their address recorded in the Register at 7.00pm on the Record Date, a share certificate for the New Aegis Shares issued to that Scheme Participant in accordance with the Scheme other than to the extent that a Scheme Participant has confirmed to Aegis's satisfaction that the Scheme Participant is entitled to receive its New Aegis Shares in uncertificated form through CREST, the United Kingdom's securities settlement system, and has provided all relevant CREST settlement details to Aegis (in each case before 5.00pm on the Election Date);
- on the Implementation Date, Mitchell will deliver to Aegis a duly completed and executed master share transfer form signed on behalf of each Scheme Participant by Mitchell to transfer all of the Scheme Shares to Aegis;
- on the Implementation Date, Mitchell will dispatch a cheque in Australian currency drawn on an Australian bank to each Scheme Participant entitled to Cash Consideration in accordance with the terms of the Scheme by pre-paid post to their address, as it appears in the Mitchell Share Registry or pay such amounts by electronic funds transfer (for Shareholders who have provided Mitchell Share Registry with their bank account details); and
- subject to provision of the Scheme Consideration by Aegis, the legal transfer of all of the Shares to Aegis will be completed and Mitchell will enter the name of Aegis in the Mitchell Register in respect of the Scheme Shares.

If the Scheme becomes Effective, Scheme Participants will be deemed to have warranted that their Scheme Shares are fully paid and free from all encumbrances and that they have full power and capacity to transfer those shares.

Scheme Participants who wish to receive Cash Consideration by way of electronic funds transfer should ensure their direct credit instructions are up to date in the Mitchell Share Registry.

Further information regarding the provision of New Aegis Shares and the ability of shareholders to trade those shares is set out in section 9.9.

4.7 Foreign Mitchell Shareholders

(a) Ineligible Foreign Shareholders

This Scheme Booklet and the Scheme do not, either individually or in combination, constitute any offer or invitation to issue or sell any securities in Aegis to any person in any jurisdiction in which such offer or invitation would not be lawful. This Scheme Booklet has been prepared having regard to applicable Australian disclosure requirements. These requirements may be different to those of other jurisdictions.

Mitchell Shareholders whose address shown in the Mitchell Register is a place outside Australia and its external territories, New Zealand, the United Kingdom or the United States of America, or who is acting on behalf of such a person, will be **Ineligible Foreign Shareholders** except where:

- (i) the Mitchell Shareholder has given the confirmation as to compliance with legal and regulatory requirements set out in section 4.7(c) of this Scheme Booklet and the accompanying Election Form; and
- (ii) Mitchell and Aegis are satisfied, acting reasonably, that the invitation to make an Election or the issue of New Aegis Shares to the relevant Mitchell Shareholder is lawful and not unduly onerous or impracticable in that place.

Each Ineligible Foreign Shareholder will be deemed to have made a valid Election to receive 100% Cash Consideration in respect of all Scheme Shares held by that Ineligible Foreign Shareholder (regardless of whether that Ineligible Foreign Shareholder has purported to elect to receive Share Consideration).

(b) New Zealand, the United Kingdom and United States of America

New Zealand

New Aegis Shares will be issued to Scheme Participants who elect to receive Share Consideration in New Zealand in reliance on the Securities Act (*Overseas Companies*) Exemption Notice 2002 (NZ). On this basis, Mitchell Shareholders in New Zealand will not be classified as Ineligible Foreign Shareholders for the purposes of the Scheme.

This Scheme Booklet is not a New Zealand prospectus or an investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the *Securities Act 1978 (NZ)* (or any other relevant New Zealand law). It follows that this Scheme Booklet may not contain all the information that a prospectus or investment statement is required to contain under New Zealand law.

Mitchell Shareholders in New Zealand should also seek their own advice and satisfy themselves as to the Australian and New Zealand tax implications of participating in the Scheme.

United Kingdom

New Aegis Shares will be issued to Scheme Participants who elect to receive Share Consideration in the United Kingdom in reliance on certain exemptions under the FSMA and the UK Prospectus Rules. On that basis, Mitchell Shareholders in the UK will not be classified as Ineligible Foreign Shareholders for the purposes of the Scheme.

This Scheme Booklet is not a UK prospectus and has not been approved by the UK Listing Authority in accordance with the UK Listing Rules, Disclosure and Transparency Rules, and the Prospectus Rules (or any other relevant English law). It follows that this Scheme Booklet may not contain all the information that a prospectus is required to contain under English law.

Mitchell Shareholders should also seek their own advice and satisfy themselves as to the UK tax implications of participating in the Scheme.

United States of America

The New Aegis Shares to be issued pursuant to the Scheme have not been, and will not be, registered under the *US Securities Act of 1933 (US Securities Act)* or the securities laws of any state or other jurisdiction in the United States.

Aegis and Mitchell intend to rely on an exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) of the US Securities Act in connection with the implementation of the Scheme and the issue of New Aegis Shares. Approval of the Scheme by the Court will be relied upon by Aegis and Mitchell for the purposes of qualifying for the section 3(a)(10) exemption.

On this basis, Mitchell Shareholders in the United States will not be classified as Ineligible Foreign Shareholders for the purposes of the Scheme.

This Scheme Booklet has not been filed with or reviewed by the United States Securities Exchange Commission or any United States state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of this Scheme Booklet.

(c) Elections by Shareholders who are potentially Ineligible Foreign Shareholders

The ability of a Scheme Participant whose address shown in the Mitchell Register is a place outside Australia and its external territories, New Zealand, the United Kingdom or the United States of America, or who is acting on behalf of such a person (**Affected Foreign Shareholder**) to make an Election for Share Consideration may be affected by the laws and regulations of their relevant jurisdictions.

It is the responsibility of such Affected Foreign Shareholders or any person into whose possession this Scheme Booklet comes to inform themselves about and observe any applicable legal and regulatory requirements. The Affected Foreign Shareholder must satisfy himself/herself as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the allotment and issue of New Aegis Shares including the obtaining of any governmental, exchange control or other consents which may be required in addition to any compliance with other necessary formalities which are required to be observed.

Each Affected Foreign Shareholder will be responsible for any issue, transfer or other taxes or other requisite payments due in any overseas jurisdiction in respect of acceptance of Share Consideration by whomsoever they are payable. Aegis and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder for any such issue, transfer or other taxes or other requisite payments as Aegis and any person acting on its behalf may be required to pay in respect of the offer of Share Consideration insofar as it relates to such Shareholder.

Unless an Affected Foreign Shareholder elects to receive 100% Cash Consideration, the Affected Foreign Shareholder irrevocably undertakes, represents, warrants and agrees to and with Aegis and its respective agents (so as to bind him/her, his/her personal representatives and his/her heirs, successors and assigns) that he/she:

- (i) has observed the laws and regulations of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in Aegis or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the issue of Share Consideration pursuant to an Election; and

(ii) has not yet received or sent copies or originals of this document, the Election Form or any related offering documents in, into or from any jurisdiction where such actions may constitute a breach of any legal or regulatory requirements, and has not utilised in connection with the making of an Election for Share Consideration, directly or indirectly the mails of, or any means or instrumentality (including without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of any jurisdiction where such actions may constitute a breach of any legal or regulatory requirements, is not making an Election for Share Consideration from within any jurisdiction where such actions may constitute a breach of any legal or regulatory requirements and is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Scheme from outside any jurisdiction where such actions may constitute a breach of any legal or regulatory requirements.

This document does not constitute an offer to sell or issue, or the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful.

If you are an Affected Foreign Shareholder and you are in doubt about your position, you should consult your independent professional advisor in the relevant jurisdiction.

4.8 End date

The Scheme will lapse and be of no further force or effect if the Scheme has not become Effective on or before 12 December 2010 or any other such later date as Mitchell and Aegis agree in writing.

5 Information regarding Mitchell

5.1 Mitchell

Mitchell is Australia's largest independent communications group with offices in Melbourne, Canberra, Sydney, Brisbane and Perth as well as Auckland and Singapore.

Mitchell founder and Executive Chairman Harold Mitchell pioneered the idea of a specialist media agency wholly dedicated to the task of researching, analysing and buying media in Australia with Mitchell & Partners in 1976. Over the years, Mitchell has evolved from a traditional media buying and planning agency into a diversified marketing communications group with a significant presence in Australia and New Zealand.

emitch Limited was incorporated to undertake internet media buying activities in June 1999 and listed on the ASX in March 2000.

In December 2006, emitch announced that it would acquire the entities comprising the Mitchell Group and change its registered name to Mitchell Communication Group Limited.

The name change to Mitchell Communication Group occurred in May 2007 and now comprises 21 businesses that provide an integrated approach to communication efforts.

Mitchell's businesses offer marketing and communications services including media planning and buying, strategy, digital media and marketing, branded entertainment, public relations, brand experience, sponsorship management, sportsground advertising, direct marketing, corporate social responsibility and digital publishing.

5.2 Operations

Mitchell operates three core divisions comprising businesses specialising in Media, Digital and Diversified marketing activities:

- **Media**

Mitchell's media division offers communications strategy, media planning and buying, consumer insights research, specialist strategic advice and branded content solutions, through Mitchell & Partners and global partner MPG.

- **Digital**

Digital communications strategy, planning and buying, including return on investment (ROI) planning and tracking, search strategy, electronic direct marketing expertise and creative services are provided through the Digital division, comprising emitch, Columbus, Catch!, SMU (Social Media Unit), Media Contacts and Visual Jazz.

- **Diversified**

Mitchell's Diversified division offers a full suite of complementary marketing services, including research and technology specialists. This includes:

- ▶ specialists in public relations, corporate social responsibility, brand experience and sponsorships, through Haystac, Haystac Positive Outcomes, Spark and Impact; and
- ▶ leading edge mobile marketing solutions through Mocom and complete printing and signage services through Coleman Signs.

Mitchell's Diversified division also has exclusive access to Australia's premier sports ground marketing opportunities through Stadia Media, media, event and broadcast solutions from Picture this! Productions. Creative digital solutions are offered by Rodeo and sponsorship management, integrated marketing, PR, digital publishing and talent management is offered by Insite.

The Vivid Group specialises in technology services supporting digital communication solutions and Agile provides a range of marketing and advertising automation systems.

Symphony conducts research and analytics into consumer markets, helping clients determine how to achieve the best results for their brand. Mitchell Knowledge Centre (MKC) draws on the latest research and news from around the world.

Mitchell services more than 2,000 clients including some of Australia's biggest advertisers.

5.3 Directors and senior management

The current directors of Mitchell are:

(a) Harold Mitchell AC - Executive Chairman

Harold Mitchell is the founder of Mitchell and Partners and Executive Chairman of the Mitchell Communication Group. Since he started Mitchell & Partners in 1976, the company has evolved to become the largest media and communications group in Australia today, with a growing presence in New Zealand and across the Asia-Pacific region.

Mr Mitchell holds a large number of community roles including Chairman CARE Australia, Chairman of the Melbourne Symphony Orchestra, Chairman of ThoroughVision, Chairman and Owner of the Melbourne Rebels Rugby Union team, Chairman of TVS, University of Western Sydney's television service for Greater Sydney, Chairman of Art Exhibitions Australia, Director of Tennis Australia and Director of Deakin Foundation.

Mr Mitchell was appointed Companion of the Order of Australia in 2010 for eminent service to the community through leadership and philanthropic endeavours in the fields of art, health and education and as a supporter of humanitarian aid in Timor-Leste and Indigenous communities.

(b) Stuart Mitchell

Stuart Mitchell is the Chief Executive Officer of Mitchell Communication Group. Under his leadership, Mitchells has grown to incorporate 21 separate but integrated businesses across a broad range of media and communication services.

Stuart has more than 18 years experience with the company across all aspects of media, from planning to negotiating annual buying deals with major media organisations.

Stuart has led the diversification of the Mitchell Communication Group from a traditional and digital focus to cover all communication channels. Under Stuart's leadership, the Group has expanded geographically into Western Australia and secured a market-leading position for a number of businesses.

(c) Garry Hounsell

Garry Hounsell is a former Senior Partner of Ernst & Young and Chief Executive Officer and Country Managing Partner of Arthur Andersen. He is also a Fellow of The Institute of Chartered Accountants in Australia, and a Fellow of the Australian Institute of Company Directors. He holds a Bachelor of Business (Accounting) degree from Swinburne Institute of Technology and is a Certified Practising Accountant.

Mr Hounsell is currently Chairman of PanAust Limited, Chairman of Investec Global Aircraft Fund and a director of Qantas Airways Limited, Orica Limited, Nufarm Limited, Dulux Group Limited, Ingeus Limited and Freehills.

(d) Rob Stewart

Rob Stewart is a company director and management consultant with broad general management experience and a legal background. He has been a director of a number of public and private companies in a diverse range of industries covering information technology, internet services, biotechnology, high technology filtration, manufacturing, packaging, telecommunications and forestry.

For 11 years, he was National Managing Partner of Minter Ellison, one of Australia's leading law firms, before retiring in June 1999. Mr Stewart spent five years with Pacific Dunlop from 1976 to 1981 in a variety of general management positions. He has also served on the boards of a number of not for profit organisations.

Mr Stewart is a director of Melbourne IT Limited and Chairman of the Baker IDI Heart & Diabetes Institute Ltd.

(e) Stephen Cameron

Stephen Cameron has over 35 years of experience in the advertising and marketing industry. Since 1970, he has worked primarily in the advertising industry with a variety of global marketers in Australia and Asia, and on world-leading brands such as Coca-Cola, McDonalds, Mars, Nestlé, Levi's and Goodyear.

Mr Cameron has held a number of senior management positions in advertising agencies and was a partner with advertising agency George Patterson Bates for eight years.

For seven years to December 2005, Mr Cameron was Director of Corporate Marketing for Optus. Mr Cameron presently owns and runs eight Yes Optus retail stores in metropolitan Sydney.

(f) Naseema Sparks

Naseema Sparks is a professional non-executive director and sits on a number of listed company and not for profit boards. Naseema's expertise as a director is in marketing, corporate brand reputation and risk management, corporate strategy and business management.

Naseema's executive career was as Managing Director of M&C Saatchi, one of the world's leading branding and advertising businesses. Naseema was a global equity partner, and held the position of MD for 10 years to 2007, a period which saw the Australian Agency grow to become one of the top 10 agency groups in Australia.

She is currently a director of Blackmores Ltd, Osteoporosis Australia, the Sydney Dance Company and PMP Ltd. Naseema is National President of Chief Executive Women.

(g) Rod Lamplugh

Rod Lamplugh has over 20 years experience as a commercial lawyer assisting with the acquisition of businesses and major business transactions in the media sector.

Mr Lamplugh has been a director of Mitchell Communication Group since its inception. Mr Lamplugh is also a director of all the Mitchell Group's subsidiary companies.

5.4 Executive managers

The current senior managers of Mitchell are:

(a) Harold Mitchell AC - Executive Chairman;

(b) Stuart Mitchell - Chief Executive Officer; and

(c) Luke Littlefield - Chief Operating Officer.

Luke has been Chief Operating Officer of the Mitchell Communication Group since December 2007.

Trained as a chartered accountant, Luke has more than 18 years experience in accounting, finance and the management of wholesale and retail business operations.

Luke has more than nine years experience in running the operations of publicly listed companies including but not limited to: strategy, developing and implementing best practice systems and processes, leading, negotiating and implementing mergers and acquisitions, leading major client and supplier contract negotiations, driving functional and business restructures and conducting investor relations.

Prior to joining Mitchells, Luke worked for IWL, Pacific Dunlop and KPMG. Luke is a member of the Institute of Chartered Accountants in Australia, the Australian Institute of Company Directors and Chairman of the Harold Mitchell Foundation.

(d) Paul Davey - Managing Director, Media

Paul has worked with Mitchell Communication Group since December 2008. He was appointed Managing Director – Media in August 2009 and oversees media strategy, buying and planning agencies Mitchell & Partners and MPG.

With an international career that spans over 25 years, Paul has worked on some of the world's biggest and best-loved brands, including Clorox, Coca-Cola, McDonald's, Ford, Cadbury Schweppes, Mobil, Kia, Microsoft and Telstra.

He began his career in Melbourne at USP Needham, and has since worked with McCann Erickson, Media Logic (an independent media consulting agency which he co-founded), DDB and OMD. Paul launched OMD in Australia and spent eight years working for Omnicom in the U.S.

Prior to joining Mitchell's, Paul was CEO of Omnicom Media Group for Australia and New Zealand, where he was responsible for all Omnicom media assets including; OMD, PHD, Total Media and MediaWise and oversaw billings in excess of \$US1 billion.

(e) John Murray - Managing Director, Digital

John became Managing Director - Digital for the Mitchell Communication Group in March 2007.

He began his career in media as a Publisher at EMAP. John entered the world of digital in 1995 when he became Managing Director of a consultancy firm set up specifically to look at the opportunities that interactive media

presented to brands and agencies.

In 1999, he joined PHD Media Ltd to set up PHDiQ, the digital arm of PHD. As Managing Director and a member of the PHD Media Ltd main board, John created a business with specialists in every field of interactive media. One of the first agencies to set up a specialist search division in 2003, PHDiQ became the first UK agency to set up its own affiliate network in 2006.

(f) Anthony Charles - Managing Director, Diversified

Anthony is one of Australia's leading sports advertising practitioners, with over 22 years experience across a diverse range of sport and entertainment properties throughout Australia, Asia and the UK.

Anthony brings to the Mitchell Communication Group a diverse range of experience and skills across sports marketing, ambient advertising, traditional outdoor media and branded content.

A marketer by profession, Anthony worked for global organisations Mobil and Coca-Cola before entering the emerging sports advertising industry in 1984. He worked in a number of marketing, sales and operational roles with Boyer Sports Media, Sports and Outdoor Media and Sportsworld, before founding Stadia Media within the Mitchell Communication Group in 2002.

5.5 Capital structure

As at 16 September 2010 there were:

- 301,761,208 Shares;
- 1,602,441 Performance Rights; and
- 664,602 Options

on issue.

5.6 Continuously disclosing entity

As an ASX listed company and a "disclosing entity" under the Corporations Act, Mitchell is subject to regular reporting and disclosure obligations. Broadly, these require it to announce price sensitive information to ASX as soon as it becomes aware of the information subject to exceptions for certain confidential information. Mitchell's most recent announcements are available from its website www.mitchells.com.au. Further announcements concerning Mitchell will continue to be made available on the website after the date of this Scheme Booklet.

ASX maintains files containing publicly available information about entities listed on their exchange. Mitchell's files are available for inspection at ASX during normal business hours and are available on the ASX website (www.asx.com.au).

Additionally, copies of documents lodged with ASIC in relation to Mitchell may be obtained from or inspected at an ASIC service centre. Please note ASIC may charge a fee in respect of such services.

5.7 Publicly available information

The following documents are available for inspection free of charge prior to the Scheme Meeting during normal business hours at the registered office of Mitchell:

- constitution of Mitchell;
- Mitchell's 2009 annual report which contains the consolidated financial statements of the Mitchell Group for the financial year ended 30 June 2009; and
- Mitchell's public announcements in respect of results for the financial year ended 30 June 2010.

The annual and interim reports and public announcements are also available at www.mitchells.com.au.

6 Information regarding Aegis

The information in this section 6 of the Scheme Booklet has been provided by Aegis and Aegis is responsible for its accuracy.

6.1 Background

The Aegis Group is one of the world's leading marketing communications groups and offers services including market insight and communications strategy, digital creative execution and website design and build, media planning and buying, brand tracking and marketing analytics.

Aegis is a public limited company incorporated under the laws of England and Wales and has its shares traded on the London Stock Exchange under the symbol AGS.LN. According to Aegis's London Stock Exchange company report, Aegis's market capitalisation was approximately £1,247.1 million as at 30 June 2010.

6.2 History

Aegis, originally a conventional advertising agency, was founded in 1978 and listed on the London Stock Exchange in 1984. It acquired the world's first independent media buying agency, Carat in 1989.

In 1990, Aegis adopted its current name. A number of acquisitions of specialist businesses as well as, more importantly, disposal of its full-service advertising business, led Aegis to focus on the core business of media buying and planning business with headquarters in London.

In 2003, Synovate was launched as a single, global research brand while Aegis Media became the unified brand for the media business. A year later, Isobar was launched as a global, full service, digital marketing network.

6.3 Overview

(a) Aegis Group

Aegis Group is a leading independent global marketing communication business specialising in media strategy, consulting, planning and buying as well as market research through two separate divisions: Aegis Media and Synovate. Aegis Media is comprised of five principal brands: Carat, Vizeum, Posterscope, Isobar and iProspect. Synovate is the Aegis Group's market research division and operates a full service model across 62 territories.

A combination of continuous organic expansion driven by market share gains and international rollout combined with selected strategic acquisitions has built a business present in over 80 countries with revenues of £1,346.5 million and an underlying operating profit of £170.3 million for the year ended 31 December 2009.

(b) Aegis Media

Aegis Media is the world's largest independent media communications network. It employs over 9,000 people (on average throughout 2009) in over 80 countries around the world.

Aegis Media provides an operating platform for all of its media businesses. As one Aegis Media network, the different businesses benefit from common operational functions and systems. Aegis Media maximizes scale benefits by providing a number of shared services and internal resources including media negotiation, information technology and finance.

Based on the financial year ended 31 December 2009, Aegis Media's gross revenues are broadly based with 10% in Asia Pacific, 19% in the Americas and 71% in Europe, the Middle East and Africa. Aegis Media's business is well diversified by both customer and industry sector.

Aegis Media had revenues in 2009 of £825.2 million and accounts for approximately 60% of Aegis's revenues.

(c) Business operations of the principal Aegis Media brands

(i) Carat and Vizeum

Carat and Vizeum manage the strategy, planning, buying and evaluation of marketing communication for their clients to provide them with a business advantage through the effective use of various forms of media. Carat and Vizeum are independent of any advertising agency and they use proprietary tools and analytic systems to provide objective input to the strategy and planning they provide to their clients.

Beyond the traditional media such as TV, radio, press, billboards or cinema, Carat and Vizeum can enhance a brand's performance by using sponsorship opportunities, new and different programming or various events. The planners' task is to build a program that engages consumers with the brand and reveals the inherent values in a product or service that cause consumers to purchase the product.

Carat has a presence in 82 countries with more than 4,700 employees worldwide and has major clients including Philips, Pfizer, Nokia and Procter & Gamble.

Vizeum has a presence in 50 countries with more than 1,100 employees worldwide, and has major clients including 20th Century Fox, Panasonic and Pernod Ricard.

(ii) Posterscope

Posterscope specialises in posters/billboards and other out of home (OOH) media. OOH media is very diverse, with each site having different characteristics as to size, visibility and positioning in relation to passing foot or motor traffic, and in relation to the socio demographic makeup of the passing traffic.

Specialist OOH media agencies have, together with the media owners, invested in complex and sophisticated databases to understand and measure the effectiveness of OOH media, and have hence made it more attractive to advertisers. The changing media landscape, changes in consumer behaviour, more innovative uses of OOH sites and the spread of OOH specialists globally are all contributing to a steady growth in OOH as a share of total global advertising spend.

Posterscope has a presence in 20 countries, with more than 600 employees worldwide and has major clients including Coca Cola, MasterCard and Nestlé.

(iii) Isobar

Isobar is one of the largest digital marketing networks in the world. It provides clients with a full range of local and international digital services, including creative, strategy and consulting, online advertising and media, website build, social and viral marketing, mobile and CRM.

Isobar has a presence in 30 countries with approximately 2,000 employees worldwide and has major clients including adidas-Reebok, Fiat, Johnson & Johnson.

(iv) iProspect

iProspect is a leading search engine marketing firm. iProspect helps many of the most successful brands in the world maximize the return on their online sales and marketing investments through a variety of performance marketing services, including: search engine optimization, paid search advertising, online display advertising, shopping feed management, conversion enhancement, reputation management, search leveraged public relations and a number of related services.

iProspect has a presence in 26 countries with more than 600 employees worldwide, and has major clients including Sears, American Express, and adidas-Reebok.

(d) Synovate

Synovate is a global market research company with representation in over 60 countries. Operations encompass a comprehensive range of quantitative and qualitative research services. Synovate is the "umbrella" brand name that covers a number of specialist capabilities including the following:

- Brand and Communications;
- Customer Experience; and
- MarketQuest.

Within these capabilities, Synovate has a number of product and service offerings, including BVC (Brand Value Creator), Market Barriers and Censydiam.

Synovate's performance is driven by cyclical influences on research spend as well as industry specific factors.

Continuous revenue streams come from Aztec (retail data), Healthcare (Synovate therapy monitors) and a large number of tracking studies and custom research. Custom research makes up the majority of Synovate revenues where typically a brand owning company requests specific research, increasingly on a multi-market basis.

Based on 2009 full year results Synovate's gross revenues are broadly based with 26% in Asia Pacific, 29% in the Americas and 45% in Europe, the Middle East and Africa. Important industry sectors include Fast Moving Consumer Goods, Healthcare, Finance and Banking, Business Services, and Public Services, Government and Utilities.

Synovate had revenues in 2009 of £521 million and accounts for approximately 40% of Aegis's revenues.

Synovate's strength is its custom research capability and its client base, which includes 61 of the Fortune 100 companies and over 4,000 clients worldwide.

6.4 Summary financial position

In 2009 Aegis continued to deliver a strong operating performance and considers it has demonstrated resilience in what was a substantial global downturn. Aegis undertook a targeted cost reduction programme in 2009, the balance sheet position was improved and the Aegis Board strengthened.

This has placed Aegis in a good position to face the continuing challenges of 2010. The world outlook, although improved, is still patchy and has elements of uncertainty. Despite this Aegis is well placed to resume modest growth.

An increase in funding and liquidity has helped Aegis to maintain a strong balance sheet and this was further enhanced in March 2010, when Aegis successfully launched a convertible bond issue, due in April 2015, to raise £190.6 million. Further information about this issue is set out in section 9.1 of this Scheme Booklet.

In July 2010, Aegis also successfully re-financed its £450 million revolving credit facility, which was due to expire in 2011 lengthening the tenure of this facility until 2015, as well as diversifying the debt held in the facility by increasing the pool of lending banks involved.

As at 30 June 2010 Aegis's covenant position remained robust and Aegis had undrawn available funds.

6.5 Details of performance

(a) Aegis Group

Key figures representing a summary of Aegis Group performance as a whole are set out in section 6.11 of this Scheme Booklet.

(b) Aegis Media

Financial year 2008 started with a strong tailwind from an excellent new business performance in 2007, revenue of £823.8 million was up 10.0% on the prior year on a constant currency basis, with organic revenue growth of 6.1%, ahead of the market.

However, in the second half of 2008 the business experienced deflationary conditions in a number of its major media markets. In response to these tougher market conditions and greater uncertainty Aegis Media took measures to reduce the overall headcount in a number of markets. This timely action helped to deliver an operating profit of £157.9 million, up 3.0% on the prior year on a constant currency basis, at an operating margin of 19.2% down 130 basis points at constant currency.

The downturn in the global economy was severe in 2009. As clients reduced spend on media, Aegis's aims were to:

- focus on growing market share through new business;
- maintain service levels to clients; and
- quickly adjust cost base.

As a consequence of these actions, while revenue was down 8.7% on a constant currency basis on the prior year at £825.2 million, operating costs decreased by 7.6% over the same period. The cost savings principally reflected the benefit of Aegis's targeted cost reduction programme. Operating profit at £150.4 million was down 13.5% at constant currency but operating margin at 18.2% was reasonably maintained.

The Aegis Media business also ended the year with an improvement in revenues in the last quarter of 2009, relative to the year as a whole and recorded its best new business performance globally at US\$2.7 billion.

Aegis Media digital business continued to account for a greater share of total revenues at 31% in 2009 (2008: 29%).

Aegis Media's performance during the first half of 2010 confirmed expectations of a return to growth. Revenue grew 2.6% at constant currency, and 3.4% organically during the period at £414.5 million. Operating costs increased by 2.0% over the first half at constant currency, leading to an operating profit of £66.1 million, up 5.4% at constant currency, operating margin also improved to 15.9%, up 40 basis points on the prior year.

Aegis Media also recorded a strong net new business performance of US\$1.0 billion (annualised value of media billings).

The proportion of revenue derived from digital business was up from 31% in 2009 to 32% for the first half 2010.

(c) Synovate

In 2008 Synovate gross revenue increased 10.3% at constant currency over the previous year at £518.2 million, with net revenue increasing by 11.3% at £329.2 million. However, the trading environment weakened in the second half of the year, particularly in the last quarter.

Despite this Synovate delivered operating profit of £42.2 million, up 13.1% at constant currency over the prior year for 2008, with operating margin maintained at 8.1%.

In response to the downturn in global market conditions Synovate put a programme in place to reduce its cost-base in selected markets, the benefit of which would principally be felt in 2009.

As indicated by adverse trading conditions towards the end of 2008, 2009 proved to be a difficult year for the market research industry with an unprecedented contraction in revenues. Whilst the industry had proven resilient during previous recessions, in 2009 it was just as negatively impacted as other industry sectors. Reflecting this market, gross revenue for the year was £521.3 million, down 8.7% at constant currency, net revenue was down 12.6% at constant currency at £321.8 million.

In addition to action taken on its cost-base in 2008 Synovate implemented a further round of restructuring, resulting in staff costs savings against the prior year of 8.2%. The targeted cost reduction programme coupled with a renewed focus on sales resulted in a strong improvement in second half performance over the prior year. However, the improvement was not enough to fully offset the decline in revenues over the full year and operating profit of £36.9 million was 25.0% down on a constant currency basis.

The business ended 2009 with momentum in the sales order book position going into 2010 and a smaller cost base from action taken in 2008 & 2009, well placed to resume modest growth into 2010.

During the first half of 2010 there were initial signs of an improving market environment, with consistent evidence of renewed client confidence in utilising market research budgets. Synovate's performance during the period was ahead of initial expectations, due to management's success in delivering on a short term commercial strategy of increasing sales whilst also improving efficiency. As a consequence, sales, the leading forward indicator of performance increased 4.4% during the first half of 2010, the prior year period end.

Gross revenue increased 2.2% at constant currency to £248.8 million, an increase of 2.8% on an organic basis. Net revenue was up 2.3% at constant currency to £152.9 million. Management continued to focus on improving efficiency levels in all areas of the business, with total operating costs 0.3% better than 2009, an improvement of 2.7% at constant currency. The continued focus on efficiency helped produce operating margins of 1.9%, from a loss making position during the prior year period, with operating profit of £4.7 million, from a loss of £(3.2) million in 2009.

6.6 Outlook for the Aegis Group

(a) General

Comments in this section are based on Aegis's current expectations and current market conditions. Those expectations and conditions are subject to change and may be affected by a range of factors outside the control of Aegis (including those described in section 10 – Risks) which would affect the outlook discussed below.

Although global economic uncertainties remain, Aegis is optimistic about the short term outlook for the advertising sector in the light of recent trends in clients' short term marketing and advertising budgets. Aegis expects Aegis Media to deliver a continuing trend of improvement in organic growth in the second half of 2010, compared to the first half.

Aegis also expects Synovate to deliver a continuing trend of improvement in organic growth in the second half of 2010, compared to the first half, with the usual seasonal impact of revenue being heavily weighted towards the fourth quarter. However, the profit comparators at Synovate during the second half become more challenging.

Mitchell Shareholders may also wish to refer to Aegis's interim results announcement for the period to 30 June 2010, which was released on 27 August 2010. A full copy of this announcement, together with associated management presentations, can be found on Aegis's website at www.aegisplc.com.

(b) Forecast financial information

Aegis has given careful consideration as to whether a reasonable basis exists on which to produce reliable and meaningful forecast financial information for the Aegis Group beyond the general comments about Aegis's expectations referenced in this Scheme Booklet. The Aegis Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable Australian law, policy and market practice. The financial performance of the Aegis Group in any period will be influenced by various factors that will be outside of the Aegis Board's control and that cannot, at this time, be predicted with a high level of confidence. In particular, the financial performance of the Aegis Group may be affected by:

- changes in market conditions and the economic environment in which Aegis operates
- client relationships and competition; and
- acquisition activity.

Aegis does not have an established practice of issuing financial forecasts given the potential impact of the considerations above.

6.7 Group and organisational structure

Aegis is the Aegis Group's holding company and is registered in England. Its various subsidiary legal entities (approximately 550 in total) are located in 80 countries worldwide and are organised to reflect Aegis Group's operating structure.

6.8 Aegis Board

The directors of Aegis as at the date of this Scheme Booklet are as follows:

(a) John Napier, Chairman

John Napier joined the Aegis Board in June 2008 and became chairman in July 2008. From December 2008 until May 2010, he took on the responsibilities of chief executive on an interim basis. John is also chairman of the RSA Insurance Group, a position he has held since 2003. John was chief executive of Hays plc from 1990 to 1998. Prior to that he was chief executive of AGB, the market research and information company. From 1998 he was chairman of Booker until its sale to Iceland in 2000, and chairman of Kelda from 1999 to 2008.

(b) Jerry Buhlmann, Group CEO and CEO, Aegis Media

Jerry Buhlmann became CEO of Aegis in May 2010, having joined the Aegis Board in June 2008 as CEO of Aegis Media. Jerry has some 25 years' experience in the media and advertising industries. From 2003 to May 2008 he was CEO of Aegis Media EMEA. Between 2000 and 2003, Jerry was CEO of Carat International. In 1989 he founded media agency BBJ, which was sold to the Aegis Group in 1999.

(c) Nick Priday, Group Chief Financial Officer and CFO, Aegis Media

Nick Priday was appointed group Chief Financial Officer in September 2009. Nick has held a variety of finance roles at the Group since joining in 2003, and was previously director of financial reporting, analysis and control. He qualified as a chartered accountant with Ernst & Young.

(d) Robert Philpott, CEO, Synovate

Robert Philpott joined the Aegis Board in March 2010, having been appointed global CEO of Synovate in September 2009. Robert is a career market researcher, having worked at Synovate for almost 15 years. He previously held the position of global COO of Synovate from March 2006. During his time in research he has played senior leadership roles in Europe, Asia and the Americas. Robert began his marketing career at IBM.

(e) Charles Strauss, Senior non-executive director

Charles Strauss joined the Aegis Board in September 2003. He is a US national with 35 years' international experience in consumer products businesses, including 18 with Unilever. From 2000 to 2004 Charles served on the Unilever board as group president, Unilever Home & Personal Care, chairman of Unilever's North American Committee, and its US president and CEO. He is a former director of The Hershey Company and currently a director of The Hartford Financial Services Group.

(f) Lorraine Trainer, non-executive director, Chairman, Remuneration Committee

Lorraine Trainer joined the Aegis Board in August 2005. She is also a non-executive director of Jupiter Asset Management and has held a number of human resource leadership roles in international organisations, focusing on performance and development. These include Citibank, the London Stock Exchange and Coutts, then part of the NatWest Group. She now runs a business in board advisory work and development. She also has significant experience of working with arts organisations and the not-for-profit sector.

(g) Dr Martin Read, non-executive director

Dr Martin Read joined the Aegis Board in August 2009. He is a non-executive director of Invensys plc, Lloyds of London and is a senior advisor to Indian technology company HCL. He was chief executive of Logica plc, the international IT services company from 1993 to 2007, and has served as a non-executive director on the boards of British Airways, Siemens Holdings, Boots and ASDA.

(h) John Brady, non-executive director

John Brady joined the Aegis Board in August 2009. He also serves on the boards of Greene King plc and Invest Northern Ireland as a non-executive director, and was previously a non-executive director of Hanson plc. Between 1980 and 2004 he worked for McKinsey & Company, the international management consultancy. He was made a director in 1994 and had a range of senior roles including responsibility for McKinsey's European Retail and Marketing practices.

(i) Simon Laffin, non-executive director, Chairman, Audit Committee

Simon Laffin joined the Aegis Board in August 2009. He is also a non-executive director of Quintain Estates & Development PLC, an adviser to CVC Capital Partners and chairman of Hozelock Group. From 2007 to 2008 he served as a non-executive director of Northern Rock, as part of the rescue team, and from 2009 to 2010 served on the board of Mitchells & Butlers plc. Between 1995 and 2004 he was group CFO of UK grocery retailer Sainsbury's, which he joined in 1990. He is a qualified accountant.

6.9 Aegis Group executives

In the day-to-day running of the Aegis Group, the Aegis Board is supported by a senior management team. Further details on the team can be found on Aegis's website at www.aegispkc.com.

6.10 Corporate governance issues

(a) Board of directors

The principal legislation under which Aegis acts is the Companies Act 2006 (the **Companies Act**). Aegis applies the main and supporting principles and the provisions of the UK Combined Code on Corporate Governance 2008 (the **Code**) overseen by the Financial Reporting Council. All Aegis Directors are collectively responsible for the overall success of Aegis and for the creation of long-term shareholder value. Aegis's executive directors have direct responsibility for business operations, whereas the non-executive directors have a responsibility to bring independent, objective judgement to bear on Aegis Board decisions. This includes constructively challenging management and helping to develop its strategy.

The Aegis Board comprises nine directors – a Chairman (who until May 2010 acted as interim Chief Executive), three executive directors and five independent non-executive directors. Details of the directors and their biographies are set out in section 6.8 of this Scheme Booklet. The Aegis Directors have a broad range of expertise and experience, which is intended to contribute to the effectiveness of the Aegis Board.

Each of Aegis's non-executive directors is independent of the management of the Aegis Group and free from any business or other relationship that could materially affect the exercise of their independent judgement. The Chairman was independent at the time of his appointment.

The other material commitments of the Aegis Chairman and non-executive directors are set out in their biographies at section 6.8 of this Scheme Booklet.

The Aegis Board considers that, in principle, it is to the benefit of Aegis that its executive directors and other senior employees accept external non-executive directorships in order to broaden their skills and knowledge. Aegis Directors and employees are usually permitted to retain any fees in respect of such appointments.

Aegis Directors must not vote in respect of any contract or other proposal in which they (or any person connected with them) have a material interest otherwise than by virtue of their interests in securities of Aegis. The Articles of Association were recently amended by shareholders to address the new statutory provisions regarding

directors' duties in relation to conflicts of interest which came into force on 1 October 2008 under the Companies Act and Aegis has taken steps to ensure compliance with the new law on conflicts of interest, with procedures in place to identify and deal with any conflict situations should they arise. They include procedures for the Aegis Board to authorise any conflicts that may arise if necessary and a regular review of all such actual and potential conflicts.

To avoid potential conflicts of interest, non-executive directors are required to inform the Chairman before taking up any additional external appointments.

Since August 2009 Charles Strauss has been the Senior Independent Non-Executive Director and he is responsible for undertaking the annual review of the Chairman's performance and chairing the Nomination Committee when considering the role of Chairman. He is available to shareholders if they need to convey concerns to the Aegis Board other than through the Chairman or Chief Executive Officer.

In accordance with the Articles of Association, directors appointed to the Aegis Board since the previous Annual General Meeting, those who have not been subject to re-election at the previous two years' annual general meetings and non-executive directors who have served more than nine years on the Aegis Board are all required to retire and to offer themselves for re-election at the next annual general meeting.

The division of responsibilities between the Aegis Chairman and Chief Executive Officer is set out in writing and has been agreed by the Aegis Board.

The Aegis Chairman is responsible for:

- the composition and leadership of the Aegis Board;
- monitoring corporate governance processes;
- ensuring effective communication with shareholders and other stakeholders;
- supporting the Aegis Chief Executive Officer by acting as confidant, advisor and mentor as requested.

The Aegis Chief Executive Officer is responsible for:

- the development and execution of the Aegis Group's strategy and its operational performance;
- leading the executive team;
- leading the management of relationships with external stakeholders; and
- the execution of strategy and the Group's operating performance.

(b) Audit arrangements

(i) Auditor

Deloitte LLP Chartered Accountants and Statutory Auditors of London, UK was appointed as the external auditor of the Aegis Group at the Aegis 2004 annual general meeting and has continued in this role since that date.

(ii) Audit committee

Simon Laffin is chairman of the Aegis Audit Committee. He is a chartered management accountant and the Aegis Board is satisfied that he has appropriate recent and relevant financial experience to lead the Aegis Audit Committee in its duties and deliberations. The other members of the Aegis Audit Committee are Charles Strauss and Martin Read.

Biographical details of the members of the Aegis Audit Committee, all of whom are independent non-executive directors, are set out in section 6.8.

Work carried out by the Aegis Audit Committee, in accordance with its responsibilities, includes:

- monitoring the integrity of Aegis's financial statements and reviewing significant reporting judgements;
- reviewing internal audit and risk management and controls, and considering progress reports from the Aegis Risk Committee and head of internal audit;
- reviewing Aegis's internal financial controls and procedures;

- reviewing the external auditors' independence, objectiveness and effectiveness;
- approving the external auditors' terms of engagement, the scope of the audit and the applicable levels of materiality;
- reviewing its own terms of reference; and
- prior to the release of the preliminary announcement of the annual results, reviewing the year's results and audit findings.

In reviewing the half year and annual financial statements the Aegis Audit Committee focused in particular on:

- any changes in accounting policies and practices;
- major judgemental areas;
- issues resulting from the external audit;
- the going concern assumption;
- compliance with accounting standards and the Combined Code; and
- compliance with stock exchange and legal requirements.

(c) Risk management

The Aegis Board has ultimate responsibility for ensuring that the Aegis Group has an effective framework in place for managing its risks. The risk committee structure supports the Aegis Board in fulfilling these responsibilities.

The Group Head Office Risk Committee meets three to four times a year and is attended by senior head office management.

The Aegis Risk Committee provides a forum for the discussion of key risks faced by the Aegis Group, the development of risk assessment techniques and the consideration and approval of risk management action plans. It also ensures that effective risk management policies and procedures are established for matters which relate to the Aegis Group Head Office's functional expertise, such as tax, treasury and Aegis Group finance.

Recognising that day-to-day responsibility for the management of operational risks lies with the Aegis Chief Executive Officer of each of the Aegis Group's two divisions, additional risk committee bodies have been established in Aegis Media and in Synovate. Each comprises a varied range of senior representatives (from different markets, disciplines and business streams). The principal duties of these committees are to ensure that risks within the divisions are identified and appropriately managed and to approve minimum standards and procedures to enhance the control environment.

The head of Aegis's internal audit attends all meetings to ensure a cohesive approach to risk and the dissemination of good practice amongst the three committees. The risks identified, and the control mechanisms applicable to each risk and how well they are being managed, are maintained in a risk register.

Further information on risks associated with an investment in Aegis is provided in section 10.

6.11 Historical financial information

(a) Basis of preparation

Aegis Group plc is a company incorporated in the United Kingdom under the Companies Act.

The Aegis Group financial statements are prepared in accordance with International Financial Reporting Standards (**IFRSs**) adopted by the European Union, comply with Article 4 of the EU IAS Regulation and are presented in pounds sterling (**GBP**).

The Aegis historical financial information provided below has been extracted from the financial statements in the audited annual reports of Aegis for the years ended 31 December 2008 and 31 December 2009 and the interim financial statements for the six month period to 30 June 2010.

The consolidated income statement is presented on an "underlying" basis with an accompanying reconciliation of underlying profit before tax to statutory profit before tax. These measures are used for internal performance analysis and incentive compensation arrangements for employees. The term "underlying" is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

For these purposes, underlying operating profit, underlying profit before interest and tax, underlying profit before tax, and underlying profit after tax are operating profit, profit before interest and tax, profit before tax, and profit after tax respectively, stated before those items of financial performance that the Aegis Group believes should be separately disclosed to assist in the understanding of the underlying performance achieved by the Aegis Group and its businesses (**adjusting items**).

Such adjusting items are material by nature or amount in the opinion of the Directors and may include impairment charges and other exceptional items which are material by nature or amount, including profits and losses on disposals of investments, amortisation of purchased intangible assets, unrealised gains and losses on non-hedge derivative financial instruments, fair value gains and losses on liabilities in respect of put option agreements, and any related tax thereon, as appropriate. Adjusting items may also include specific tax items such as the benefit arising on the reduction of certain tax liabilities in a particular half-year period and deferred tax liabilities for tax deductions taken in respect of goodwill, where a deferred tax liability is recognised even if such a liability would only unwind on the eventual sale or impairment of the business in question.

This information does not and cannot be expected to, provide as full an understanding of the financial performance and financial position and financing and investing activities of Aegis as its full consolidated annual report and interim financial statements. Copies of Aegis's 2009 Annual Report and 2010 interim financial statements, including the consolidated financial statements and independent auditor's reports are available on Aegis's website www.aegisplc.com.

(b) Consolidated Balance Sheets

Set out below are the consolidated balance sheets of Aegis as at 30 June 2010, 31 December 2009 and 31 December 2008, all amounts are stated in GBP million:

Aegis Group plc Consolidated Balance Sheet	As at 30 June 2010 (unaudited) £m	As at 31 Dec 2009 (audited) £m	As at 31 Dec 2008 (audited) £m
Non-current assets			
Goodwill	1,028.9	1,010.9	1,114.6
Intangible assets	74.2	85.5	104.9
Property, plant and equipment	57.2	59.9	73.5
Interests in associates and joint ventures	48.6	3.3	26.7
Deferred tax assets	28.6	25.5	23.5
Available-for-sale financial assets	14.2	14.9	0.4
Derivative financial assets	14.1	-	-
Other financial assets	0.6	0.7	2.1
	1,266.4	1,200.7	1,345.7
Current assets			
Work in progress	19.3	15.2	22.5
Trade and other receivables	1,983.0	2,006.2	2,324.0
Current tax assets	5.8	-	-
Derivative financial assets	2.5	0.2	6.0
Other financial assets	-	-	2.8
Cash at bank and in hand and short-term deposits	333.3	391.1	412.7
	2,343.9	2,412.7	2,768.0
Total assets	3,610.3	3,613.4	4,113.7
Current liabilities			
Trade and other payables	(2,314.6)	(2,365.1)	(2,699.3)
Borrowings	(38.8)	(43.2)	(52.7)

Aegis Group plc Consolidated Balance Sheet	As at 30 June 2010	As at 31 Dec 2009	As at 31 Dec 2008
	(unaudited)	(audited)	(audited)
	£m	£m	£m
Derivative financial liabilities	(12.8)	(3.6)	(4.9)
Provisions	(0.8)	(2.3)	(2.2)
Current tax liabilities	-	(5.0)	(14.3)
	(2,367.0)	(2,419.2)	(2,773.4)
Net current liabilities	(23.1)	(6.5)	(5.4)
Non-current liabilities			
Borrowings	(692.9)	(605.1)	(657.5)
Other non-current liabilities	(28.3)	(52.9)	(141.7)
Derivative financial liabilities	(21.2)	(54.8)	(48.3)
Provisions	(1.2)	(1.1)	(2.3)
Deferred tax liabilities	(35.9)	(35.8)	(30.7)
	(779.5)	(749.7)	(880.5)
Total liabilities	(3,146.5)	(3,168.9)	(3,653.9)
Net assets	463.8	444.5	459.8
EQUITY			
Share capital	58.3	58.1	58.0
Shares to be issued	-	-	4.0
Own shares	(26.8)	(23.3)	(30.6)
Share premium account	250.6	245.5	243.5
Other equity reserves	22.6	0.2	0.2
Foreign currency translation reserve	67.5	64.1	107.9
Retained earnings	126.3	134.5	102.9
Potential acquisition of minority interests	(47.8)	(47.2)	(43.4)
Equity attributable to equity holders of the parent	450.7	431.9	442.5
Non-controlling interests	13.1	12.6	17.3
Total equity	463.8	444.5	459.8

(c) Consolidated Income Statements

Set out below are Aegis's consolidated income statements for the six months to 30 June 2010, the year ended 31 December 2009 and the year ended 31 December 2008:

Consolidated underlying income statements	6 months ended 30 June 2010	12 months ended 31 December 2009**	12 months ended 31 December 2008*, **
	(unaudited)	(audited)	(audited)
	£m	£m	£m
Turnover – amounts invoiced to clients	5,092.8	9,684.6	10,413.8
Revenue	663.3	1,346.5	1,342.0
Cost of sales	(95.9)	(199.5)	(189.0)
Gross profit	567.4	1,147.0	1,153.0
Operating expenses	(506.3)	(976.7)	(976.0)
Operating profit	61.1	170.3	177.0
Share of results of associates	1.5	(0.3)	2.7
Underlying profit before interest and tax	62.6	170.0	179.7
Investment income	3.5	7.9	15.9
Finance costs	(17.8)	(27.5)	(27.2)
Net financial costs	(14.3)	(19.6)	(11.3)
Underlying profit before tax	48.3	150.4	168.4
Tax	(12.0)	(38.1)	(43.1)
Underlying profit for the financial year	36.3	112.3	125.3
Attributable to:			
Equity holders of the parent	35.2	109.3	118.9
Non-controlling interests	1.1	3.0	6.4
	36.3	112.3	125.3
Earnings per ordinary share:			
Basic (pence)	3.0	9.6	10.5
Diluted (pence)	3.0	9.6	10.5
Dividend per ordinary share (pence/cents)	1.025	2.50	2.50

* The 2008 results were restated in the 2009 Annual Report for the re-classification of financing- related exchange gains and losses. The change impacted statutory and underlying operating profit but had no effect on profit before tax or profit after tax.

** The 2009 and 2008 underlying results are restated to exclude imputed interest arising due to discounting of deferred consideration.

Reconciliation of Underlying to Statutory Profit before Tax:	6 months ended 30 June 2010	12 months ended 31 December 2009	12 months ended 31 December 2008
	(unaudited)	(audited)	(audited)
	£m	£m	£m
Underlying profit before tax	48.3	150.4	168.4
Restructuring costs	-	(30.5)	(27.4)
Amortisation of purchased intangibles	(13.6)	(24.2)	(17.2)
Write-off of software tools	-	-	(4.4)
IAS 39 adjustments	(1.8)	(4.0)	5.2
Disposal of subsidiaries and associates	(7.6)	(0.5)	-
Statutory profit before tax	25.3	91.2	124.6

Consolidated statutory income statement	6 months ended 30 June 2010	12 months ended 31 December 2009	12 months ended 31 December 2008*
	(unaudited)	(audited)	(audited)
	£m	£m	£m
Turnover – amounts invoiced to clients	5,092.8	9,684.6	10,413.8
Revenue	663.3	1,346.5	1,342.0
Cost of sales	(95.9)	(199.5)	(189.0)
Gross profit	567.4	1,147.0	1,153.0
Operating expenses before restructuring charges	(529.6)	(1,001.9)	(997.6)
Restructuring charges	-	(30.5)	(27.4)
Operating expenses	(529.6)	(1,032.4)	(1,025.0)
Operating profit	37.8	114.6	128.0
Share of results of associates	3.6	0.2	2.7
Profit before interest and tax	41.4	114.8	130.7
Investment income	3.5	7.9	15.9
Finance costs	(19.6)	(31.5)	(22.0)
Net financial costs	(16.1)	(23.6)	(6.1)
Profit before tax	25.3	91.2	124.6
Tax	(10.3)	(27.0)	(35.4)
Profit for the financial year	15.0	64.2	89.2

Attributable to:			
Equity holders of the parent	14.6	62.7	82.8
Non-controlling interests	0.4	1.5	6.4
	15.0	64.2	89.2

Earnings per ordinary share:			
Basic (pence)	1.2	5.5	7.3
Diluted (pence)	1.2	5.5	7.3
Dividend per ordinary share (pence)	1.025	2.50	2.50

* The 2008 results were restated in the 2009 Annual Report for the re-classification of financing related exchange gains and losses. The change impacted statutory and underlying operating profit but had no effect on profit before tax or profit after tax.

6.12 Material changes in the Aegis Group's financial position

Apart from the announcement of the Scheme and the associated financial obligations incurred by Aegis there have been no material changes to the Aegis Group's financial position since 30 June 2010.

6.13 Further information

Aegis is a public limited company incorporated under the laws of England and Wales and has its shares traded on the London Stock Exchange. Further information about Aegis is available from Aegis's website, www.aegisplc.com and on the London Stock Exchange website, www.londonstockexchange.com (information available on the London Stock Exchange website does not constitute part of this Scheme Booklet).

Further announcements concerning Aegis will continue to be made available on the London Stock Exchange website after the date of this booklet.

7 The Aegis Group and the Scheme

The information in this section 7 of the Scheme Booklet has been provided by Aegis and Aegis is responsible for its accuracy.

7.1 Rationale for the Scheme

Aegis sees Mitchell as an attractive asset, with a strong brand, good management of client relationships and a proven ability to grow its business. Aegis believes that the proposed transaction would result in a strong strategic and cultural fit between Aegis's strong global network and Mitchell's outstanding local capabilities.

The proposed acquisition is consistent with Aegis's core strategy to maintain and grow its market leading positions in its principal areas of activity, media communications and market research to meet the needs of the increasing numbers of multinational clients who require a one-stop shop for their media planning and buying needs. Aegis considers that strategic acquisition of businesses with a high degree of local autonomy enables smoother integration of acquisitions as well as closer cultural fit, reducing the risk of loss of key talent. A focus on bolt-on acquisitions rather than large scale transformational acquisitions has minimised the risk of destroying the cultural make-up of the business as well as managing the incremental growth in the Aegis Group.

7.2 Structure of the acquisition

Aegis Group plc will be the legal entity acquiring the Scheme Shares if the Scheme is approved and implemented.

Aegis has sufficient undrawn facilities and cash resources to fund the Cash Consideration.

As at 30 June 2010, Aegis had committed undrawn and available central facilities of £450 million.

7.3 Ownership of Aegis Shares after implementation of the Scheme

The ownership structure of Aegis as between current Aegis Shareholders and Mitchell Shareholders will depend on the number of Mitchell Shareholders who make a valid Election to receive Share Consideration under the Scheme. Given that the maximum number of Aegis Shares that can be issued by Aegis in payment of the Share Consideration must not exceed 116,672,646 Aegis Shares, if a sufficient number of Scheme Participants validly elect to receive Share Consideration such that that limit is reached, after the Implementation Date, Aegis will be owned just under 90.91% by current Aegis Shareholders and just over 9.09% by Scheme Participants (excluding any Aegis Shares which a Scheme Participant holds prior to the Implementation Date).

7.4 Aegis's intentions

This section sets out Aegis's current intentions in respect of the business, assets and employees of Mitchell.

Mitchell Shareholders should note that this section contains statements of intention which are based on publicly available information concerning Mitchell, its business and the general business environment available to Aegis at the time of preparation of this Scheme Booklet, as well as the limited information made available to Aegis in the course of its due diligence in connection with the transaction.

Aegis's final decisions on these matters will only be reached in light of all material facts and circumstances at the relevant time and once Aegis has had an opportunity to conduct a detailed review of the operations of Mitchell after completion of the Scheme. Accordingly, the statements set out in the following sections are statements of current intentions only and may change as new information becomes available or circumstances change.

If the Scheme becomes Effective and Aegis comes to own 100% of the issued ordinary shares in Mitchell, its intentions are described below:

(a) Management and employees

Aegis recognises that Mitchell has a deep pool of talent in Australia and New Zealand and the combination with Aegis's own Asia Pacific business is an attractive prospect.

A functional review of all of the activities of the Combined Group will be undertaken following implementation of the Scheme. Aegis does not have any definitive plans in relation to the employees in the Mitchell business and it would not be envisaging any material changes in the near term.

It is intended that Mr Harold Mitchell continue in his role as Executive Chairman of the Mitchell business and also lead the combined Aegis Media Pacific business. Having Mr Harold Mitchell as a significant shareholder in the combined group and being Chairman of the combined Aegis Media Pacific business will be a significant benefit to the Combined Group going forward given his strong network of client relationships and his vision for the businesses.

(b) Strategy and direction of the Combined Group

The development strategy for Aegis focuses on providing a comprehensive service range in the top 20 markets globally, of which Australia is ranked number 8, to provide revenue opportunities for international clients and service range extension from national and international clients.

The combined business will provide a broader service range and thus cross-sell opportunities, better staff attraction and retention and a greater image and profile dynamic.

The current service range of Mitchell agencies are significantly in symmetry with Aegis strategy which Aegis believes should enable rapid and effective integration. Across the clients of both Carat and Mitchell there are few conflicts and Aegis expects that those that exist can be easily managed within the existing brand portfolio.

The proposed transaction will provide the ability to further internationalise existing Aegis clients by providing more competitive products in Australia and New Zealand and also sizably boosting the Aegis Group's regional weight in Asia Pacific, a common regional denomination by international clients who frequently appoint on a regional basis.

The size, experience and high calibre of the Mitchell people will remain a significant strength and will be bolstered by the support of an international network. With shared traditional, digital and diversified specialities, Aegis considers that the strong local Mitchell brands align strategically to Aegis's global brands.

By joining forces with Aegis, Mitchell will extend the Aegis Group's reach beyond the markets in which it currently operates to take a stronger position in Asia Pacific. With more brands, there will be greater ability to pursue new clients and grow the combined business. For clients, there are numerous benefits including access to the tools, resources and experience of Aegis's partner brands and Aegis's network's presence in many global locations. This transaction will also allow the Combined Group to further extend its relationships with suppliers and media.

Aegis does not currently envisage any significant change to the way in which Mitchell does business, given the high degree to which the Mitchell business complements that of the Aegis Group. Aegis will undertake a review of the business operations of the combined Australian business after completion of the acquisition.

8 Combined Group pro forma financial information

8.1 Introduction and Basis of Preparation

This section 8 contains pro forma financial information for the Combined Group consisting of an unaudited pro forma consolidated balance sheet as at 30 June 2010 and unaudited pro forma consolidated income statements for the six months ended 30 June 2010 and for the year ended 31 December 2009 (collectively the **Pro Forma Statements**).

The Pro Forma Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**), for illustrative purposes only, to show the effect of the Scheme as at the date of this Scheme Booklet and as if the Scheme had been implemented as at 30 June 2010 for the purposes of the pro forma consolidated balance sheet and as at 1 January 2009 for the purposes of the pro forma consolidated income statements.

The Pro Forma Statements have been prepared using the following information:

- (a) unaudited statutory interim consolidated financial statements of Aegis as at and for the six months ended 30 June 2010 (these financial statements were subject to a review by Aegis's independent external auditor in accordance with International Standards on Review Engagements (UK and Ireland) 2410 (**ISRE 2410**));
- (b) audited statutory consolidated financial statements of Aegis as at and for the year ended 31 December 2009 (these financial statements were audited by Aegis's independent external auditor in accordance with International Standards on Auditing (UK and Ireland) (**ISA+**));
- (c) unaudited interim statutory consolidated financial statements of Mitchell as at and for the six months ended 31 December 2008 and 31 December 2009 (these financial statements were subject to a review by Mitchell's independent external auditor in accordance with Australian Auditing Standards on Review Engagements 2410 (**ASRE 2410**));
- (d) audited statutory consolidated financial statements of Mitchell as at and for the year ended 30 June 2009 (these financial statements were audited by Mitchell's independent external auditor in accordance with Australian Auditing Standards) and unaudited statutory consolidated financial statements of Mitchell as at and for the year ended 30 June 2010 (these financial statements were lodged with the ASX on 18 August 2010 and are in the process of being audited by Mitchell's independent external auditor as at the date of this document); and
- (e) such other supplementary information as was considered necessary to reflect the Scheme in the Pro Forma Statements.

The information relating to Mitchell included in the Pro Forma Statements was derived primarily from publicly available documents supplemented by information provided by Mitchell. The financial reporting year end dates are different for Mitchell and Aegis. Accordingly the financial information pertaining to Mitchell included in the Pro forma Statements has been recompiled from Mitchell's consolidated results for the six months ended 31 December 2008 and 31 December 2009 and for the years ended 30 June 2009 and 30 June 2010.

Under IFRS, the identified acquirer is required to account for a business combination and present consolidated financial statements. The identified acquirer in relation to the Scheme is Aegis and, as such, consolidated financial information for the Combined Group will be presented by Aegis in accordance with IFRS for future statutory financial reporting purposes.

For the purposes of the Pro Forma Statements, the purchase method of accounting has been used to account for the Scheme. Accordingly, the excess of the purchase price over the estimated fair value of the net assets acquired has been allocated to goodwill. The Pro Forma Statements do not include anticipated financial benefits from such items as revenue synergies or cost savings arising from the Scheme.

Certain elements of the Mitchell financial statements have been aligned with the balance sheet presentation used by Aegis. Mitchell's historical financial information was prepared in accordance with Australian equivalents to IFRS, as adopted in Australia. Aegis prepares its financial statements in accordance with IFRS as adopted by the European Union. There are no material differences between the two jurisdictions that would require amendments to the Pro Forma Statements.

In preparing the Pro Forma Statements, a review was undertaken to identify accounting policy differences where the impact was potentially material to the Combined Group and could be reliably estimated. No such material differences have been identified, however further accounting policy differences may be identified after the implementation of the Scheme.

The Pro Forma Statements are not intended to reflect the results of operations or the financial position that would have actually resulted had the Scheme been affected on the dates indicated, or the results that may be obtained in the future. If the transaction had occurred in the past, the Combined Group's financial position and earnings would likely have been different from that presented in the Pro Forma Statements. Due to the nature of Pro Forma Statements, it may not give a true picture of the Combined Group's financial position and earnings and may not be indicative of the future financial performance of the Combined Group.

The purchase price allocation is based upon Mitchell's preliminary estimate of fair value of the tangible assets acquired and liabilities assumed and the amounts may differ significantly based upon an independent valuation.

The Pro Forma Statements should be read in conjunction with the rest of this Scheme Booklet, the consolidated financial statements and related notes of Aegis and Mitchell referenced above and other information that Aegis and Mitchell have filed with the London Stock Exchange and Companies House and ASX and ASIC, respectively.

Deloitte Touche Tohmatsu has prepared an Investigating Accountant's Report in relation to the Mitchell historical financial information contained in section 8.2 and 8.3 of this Scheme Booklet, the Aegis historical financial information contained in section 6.11 of this Scheme Booklet and the Pro Forma Statements contained in section 8.2 and 8.3 of this Scheme Booklet. A copy of the report is included in section 14 of this Scheme Booklet.

8.2 Combined Group unaudited pro forma consolidated balance sheet

As at 30 June 2010

	Mitchell	Mitchell	Aegis	Pro Forma Scheme Adjust- ments	Note ref	Pro Forma Combined Group	
	A\$m	£m	£m	£m		£m	A\$m
ASSETS							
Non-Current Assets							
Goodwill	227.5	129.3	1,028.9	(129.3)	8.4(g)	1,293.4	2,274.7
				264.5	8.4(g)		
Intangible assets	12.3	7.0	74.2	(7.0)	8.4(g)	74.2	130.5
Property, plant and equipment	8.7	5.0	57.2	-		62.2	109.3
Interests in associates and joint ventures	-	-	48.6	-		48.6	85.5
Deferred tax assets	-	-	28.6	-		28.6	50.3
Available for sale financial assets	-	-	14.2	-		14.2	25.0
Derivative financial assets	-	-	14.1	-		14.1	24.8
Other financial assets	-	-	0.6	-		0.6	1.1
Total Non-Current Assets	248.5	141.3	1,266.4	128.2		1,535.9	2,701.2
Current Assets							
Work in progress	-	-	19.3	-		19.3	33.9
Trade and other receivables	158.7	90.2	1,983.0	-		2,073.2	3,646.2
Current tax assets	2.7	1.5	5.8	-		7.3	12.9
Derivative financial assets	-	-	2.5	-		2.5	4.4
Cash and cash equivalents	112.5	64.0	333.3	(8.6)	8.4(d)	313.5	551.2
				(75.2)	8.4(c)		
Total Current Assets	273.9	155.7	2,343.9	(83.8)		2,415.8	4,248.6
TOTAL ASSETS	522.4	297.0	3,610.3	44.4		3,951.7	6,949.8

	Mitchell	Mitchell	Aegis	Pro Forma Scheme Adjust- ments	Note ref	Pro Forma Combined Group	
	A\$m	£m	£m	£m		£m	A\$m
LIABILITIES							
Current Liabilities							
Trade and other payables	264.4	150.3	2,314.6	-		2,464.9	4,335.1
Borrowings	-	-	38.8	-		38.8	68.2
Derivative financial liabilities	-	-	12.8	-		12.8	22.5
Other financial liabilities	1.1	0.6	-	-		0.6	1.1
Provisions	0.6	0.3	0.8	-		1.1	2.0
Current tax liabilities	1.3	0.7	-	-		0.7	1.3
Other current liabilities	4.8	2.8	-	-		2.8	4.8
Total Current Liabilities	272.2	154.7	2,367.0			2,521.7	4,435.0
Non-Current Liabilities							
Borrowings	70.0	39.8	692.9	-		732.7	1,288.6
Other non-current liabilities	17.1	9.8	28.3	-		38.1	66.9
Derivative financial liabilities	-	-	21.2	-		21.2	37.3
Provisions	-	-	1.2	-		1.2	2.1
Deferred tax liabilities	1.8	1.0	35.9	-		36.9	64.9
Total Non-Current Liabilities	88.9	50.6	779.5	-		830.1	1,459.8
TOTAL LIABILITIES	361.1	205.3	3,146.5	-		3,351.8	5,894.8
NET ASSETS	161.3	91.7	463.8	44.4		599.9	1,055.0
EQUITY							
Share Capital	139.5	79.3	58.3	(79.3)	8.4(h)	194.3	341.7
				136.0	8.4(c)		
Retained earnings	21.6	12.3	126.3	(8.6)	8.4(d)	126.4	222.3
				(3.5)	8.4(h)		
				(0.1)	8.4(g)		
Other reserves	0.2	0.1	313.9	(0.1)	8.4(h)	313.9	552.1
Potential acquisition of minority interests	-	-	(47.8)	-		(47.8)	(84.1)
Equity attributable to equity holders of the parent	161.3	91.7	450.7	44.4		586.8	1,032.0
Minority interests	-	-	13.1	-		13.1	23.0
TOTAL EQUITY	161.3	91.7	463.8	44.4		599.9	1,055.0

8.3 Combined Group unaudited pro forma consolidated income statement

For the 12 months ended 31 December 2009

	Recom- piled Mitchell	Mitchell	Aegis	Pro Forma Scheme Adjust- ments	Note ref	Pro Forma Combined Group	
	A\$m	£m	£m ⁽¹⁾	£m		£m	A\$m
Revenue	237.2	119.8	1,346.5	-		1,466.3	2,904.9
Cost of Sales	(125.8)	(63.5)	(199.5)	-		(263.0)	(521.0)
Gross profit	111.4	56.3	1,147.0	-		1,203.3	2,383.9
Operating expenses before restructuring charges	(82.5)	(41.7)	(1,001.9)	-		(1,043.6)	(2,067.5)
Restructuring charges	-	-	(30.5)	-		(30.5)	(60.4)
Operating expenses	(82.5)	(41.7)	(1,032.4)	-		(1,074.1)	(2,127.9)
Operating profit	28.9	14.6	114.6	-		129.2	256.0
Share of results of associates	-	-	0.2	-		0.2	0.4
Profit before interest and tax	28.9	14.6	114.8	-		129.4	256.4
Investment income	0.7	0.4	7.9	-		8.3	16.4
Finance costs	(2.0)	(1.0)	(31.5)	-		(32.5)	(64.4)
Net financial costs	1.3	(0.6)	(23.6)	-		(24.2)	(48.0)
Profit before tax	27.6	14.0	91.2	-		105.2	208.4
Tax	(8.1)	(4.1)	(27.0)	-		(31.1)	(61.6)
Profit for the financial year	19.5	9.9	64.2	-		74.1	146.8

Notes

1. Aegis income statement information based on statutory reported results

For the 6 months ended 30 June 2010

	Recom- piled Mitchell	Mitchell	Aegis	Pro Forma Scheme Adjust- ments	Note ref	Pro Forma Combined Group	
	A\$m	£m	£m ⁽¹⁾	£m		£m	A\$m
Revenue	138.3	81.1	663.3	-		744.4	1,269.6
Cost of Sales	(75.7)	(44.4)	(95.9)	-		(140.3)	(239.3)
Gross profit	62.6	36.7	567.4	-		604.1	1,030.3
Operating expenses	(45.7)	(26.8)	(529.6)	-		(556.4)	(949.0)
Operating profit	16.9	9.9	37.8	-		47.7	81.3
Share of results of associates	-	-	3.6	-		3.6	6.1
Profit before interest and tax	16.9	9.9	41.4	-		51.3	87.4
Investment income	0.3	0.2	3.5	-		3.7	6.3
Finance costs	(1.3)	(0.8)	(19.6)	-		(20.4)	(34.7)
Net financial costs	(1.0)	(0.6)	(16.1)	-		(16.7)	(28.4)
Profit before tax	15.9	9.3	25.3	-		34.6	59.0
Tax	(4.8)	(2.8)	(10.3)	-		(13.1)	(22.4)
Profit for the period	11.1	6.5	15.0	-		21.5	36.6

Notes

1. Aegis income statement information based on statutory reported results

8.4 Notes and assumptions to the unaudited Pro Forma Statements

All amounts in these notes are in GBP (£) unless otherwise stated. The description of the amounts payable as Scheme Consideration below have been set out using GBP due to the fact that the pro forma accounts for the Combined Group have been prepared in GBP. The Cash Consideration payable under the Scheme is denominated in Australian dollars and any Cash Consideration will be paid in Australian dollars.

(a) Under the Scheme, Mitchell Shareholders (other than Ineligible Foreign Mitchell Shareholders) can elect to receive one of five Scheme Consideration alternatives as detailed in section 2.4 of this Scheme Booklet. Eligible Mitchell Shareholders may elect their preferred alternative from the following:

- (i) 100% Cash Consideration;
- (ii) 75% Cash Consideration and 25% Share Consideration;
- (iii) 50% Cash Consideration and 50% Share Consideration;
- (iv) 25% Cash Consideration and 75% Share Consideration; or
- (v) 100% Share Consideration.

The Share Consideration is subject to the aggregate number of New Aegis Shares issued not exceeding 116,672,646 shares. The Pro Forma Statements have been presented assuming this maximum number of New Aegis Shares are issued as part of the consideration.

(b) The exchange rates used in the Pro Forma Statements are set out in the table below:

Description	Exchange rate
AUD to GBP exchange rate used to convert information as of 30 June 2010	0.5686
Average AUD to GBP exchange rate used to convert information for the year ended 31 December 2009	0.5047
Average AUD to GBP exchange rate used to convert information for the six months ended 30 June 2010	0.5863

(c) The Pro Forma Statements have been prepared based on the assumption that the aggregate Elections by Mitchell Shareholders will result in the issue of the maximum number of Aegis Shares. As a result aggregate Scheme Consideration is assumed at £211.2 million, comprising:

- New Aegis Shares are assumed to be issued, at an ascribed price of £1.166 per share with a value of £136.0 million; and
- aggregate Cash Consideration of £75.2 million would be paid to acquire the outstanding Mitchell Shares.

For the purposes of the Pro Forma Statements, transaction costs have been excluded, as they are not considered material.

The Cash Consideration is to be funded by available internal resources of Aegis.

For comparative purposes, assuming all Mitchell Shareholders, excluding Mr Harold Mitchell's approximate 30% interest, elect the 100% Cash Consideration alternative, 55.4 million Aegis Shares would be issued, reducing total shareholders' equity and cash reserves by £71.4 million as at 30 June 2010.

(d) Mitchell also intends to pay a fully franked, final dividend of A\$0.05 per Mitchell Share as at the Record Date for a total of £8.6 million. This amount has been included in the Pro Forma Statements as a direct payment out of cash reserves.

(e) The Pro Forma Statements have been based on the following assumptions:

- 301,761,208 Mitchell Shares will be acquired by Aegis under the Scheme;
- 364,602 outstanding Options will either be exercised and converted into Mitchell Shares which will be acquired by Aegis under the Scheme or cancelled pursuant to Option Cancellation Deeds for net consideration of \$1.20 per Option less the associated exercise price per Option;
- 1,602,441 Performance Rights will either vest and convert into Mitchell Shares which will be acquired by Aegis under the Scheme or cancelled pursuant to Performance Rights Cancellation Deeds for consideration of \$1.20; and
- 300,000 outstanding Options will be cancelled pursuant to a cancellation deed for no consideration.

(f) For purposes of calculating the purchase consideration used in the Pro Forma Statements, the price of Aegis Shares to be issued is assumed to be £1.166, which represents the volume weighted average share price of Aegis Shares on the London Stock Exchange over the five days prior to the public announcement on 29 July 2010, and an Australian dollar to GBP exchange rate of 0.5800, which represents the average of the closing quoted rate in Australia over the five days prior to the announcement on 29 July 2010.

(g) For the purposes of the Pro Forma Statements, the Scheme is accounted for using the purchase method of accounting. The purchase price is allocated to tangible assets and liabilities acquired based on their book value, which for the purpose of the Scheme Booklet has been deemed to be fair value. The preliminary purchase price allocation may differ significantly based upon the results of an independent valuation to be completed in the ordinary course of Aegis' financial reporting framework. The excess of the total purchase consideration over the estimated fair value of the net assets acquired is allocated to goodwill. Separately identified intangible assets may also be recognised upon the finalisation of the transaction.

The following acquisition adjustments, have been made:

- the elimination of Mitchell's existing goodwill and intangibles of £136.3 million;
- recognition of the Pre-Implementation Dividends of £8.6 million;
- on early vesting of the Performance Rights, a £0.1 million expense will be incurred.

	£m
Total Purchase Consideration	
- Cash consideration for Mitchell Shares	75.2
- Aegis Shares	136.0
Total Purchase Consideration	211.2
Net Balance Sheet Assets Acquired	
- Carrying value of Mitchell's net balance sheet assets prior to implementation of the Scheme	91.7
- Pre-Implementation Dividends paid	(8.6)
- Expense incurred on early vesting of Performance Rights	(0.1)
- Elimination of Mitchell's existing goodwill and intangibles	(136.3)
Estimated fair value of net balance sheet assets acquired	(53.3)
Goodwill on acquisition	264.5

The estimated fair market value of Mitchell's assets acquired and liabilities assumed was primarily based on publicly available information supplemented by information provided by Mitchell. The actual adjustments will depend on a number of factors, including differences in accounting policies and practices, the results of an independent valuation at the Implementation Date and changes in the financial position and market value of net balance sheet assets and operating results of Mitchell between 30 June 2010 and the Implementation Date. All such adjustments at the Implementation Date will be included in the final purchase price allocation. The adjustments will likely affect the value of assets, liabilities and goodwill and any such adjustments may be material.

For the purposes of the Pro Forma Statements, transaction costs have been excluded, as they are not considered material. Details on Mitchell adviser's fees are contained in section 11.10 of this Scheme Booklet.

Estimated integration costs to be incurred by Aegis and Mitchell to combine the two companies have also not yet been determined. Any identified integration costs will be recorded as an expense in the consolidated income statement of Aegis following the implementation of the Scheme. The impacts of this are excluded from the Combined Group unaudited pro forma consolidated income statements.

- (h) The Mitchell Shareholders' equity, comprised of share capital, retained earnings and reserves, have been eliminated to reflect the effect of the Scheme.

9 Information about Aegis Shares

The information in this section 9 of the Scheme Booklet has been provided by Aegis and Aegis is responsible for its accuracy.

9.1 Aegis capital structure

(a) Issued share capital

As at the close of trading on the London Stock Exchange on 16 September 2010, (the latest practicable date prior to the publication of this Scheme Booklet) Aegis had in issue 1,166,745,395 ordinary shares with par value 5p.

Of this total issued share capital, 28,574,564 shares were held by the Aegis Group Employee Share Trust to satisfy future share options and share awards under the Aegis Group's share-based payment schemes.

(b) Options

As at close of trading on the London Stock Exchange on 16 September 2010, (the latest practicable date prior to the publication of this Scheme Booklet) there were 11,539,850 options over Aegis Shares in issue. These options were issued under the Aegis Group's legacy Employee Share Option Schemes (see 9.2 below).

(c) Guaranteed Convertible Bonds

On 20 April 2010, Aegis Group Capital (Jersey) Limited (a wholly owned subsidiary of Aegis) issued £190.6m of 2.50% guaranteed convertible bonds due 2015, convertible into ordinary shares in the capital of Aegis Group plc. These bonds have a five year term and the conversion option may be exercised at any time between 30 May 2010 and 10 April 2015 at an exchange price of £1.6444 per Aegis Group plc ordinary share.

If all bondholders were to exercise the conversion option, 115,908,538 ordinary shares would be issued by Aegis Group plc to the bondholders.

9.2 Share plans

The Aegis Group operates a number of share-based incentive schemes for senior employees. All of the schemes require as a minimum that the individual remains in the Aegis Group's employment throughout the vesting period.

In addition to the schemes summarised below, the Aegis Group operated Employee Share Option Schemes in previous years. No new grants were made under these schemes in 2010 and there are no plans for future option grants thereunder.

(a) Performance Share Plan

Under the Performance Share Plan (**PSP**), the Aegis Group awards conditional shares to executives which vest three years after the grant date. The extent to which the awards vest is determined partly by reference to the Aegis Group's Total Shareholder Return (**TSR**) performance relative to a group of similar businesses and partly by reference to the Aegis Group's underlying Earnings Per Share (**EPS**) growth relative to the UK Retail Price Index (**RPI**).

TSR performance relative to peer group	Proportion of award vesting
Median or below	Nil
1st or 2nd	50%
For intermediate performance	Nil to 50% (pro-rata on a straight line basis)
Average annual EPS growth in excess of RPI	Proportion of award vesting
3% or less	Nil
15% or greater	50%
3% to 15%	Nil to 50% (pro-rata on a straight line basis)

The PSP is open to senior Aegis Group management only.

(b) Performance Restricted Stock Plan

The Performance Restricted Stock Plan (**PRSP**) is a wider incentive scheme open to key management personnel across the Aegis Group. Under the PRSP, the Aegis Group awards conditional shares to employees which vest three years after the grant date as long as the Aegis Group's average annual EPS growth over those three years is in excess of RPI growth by at least 3%.

(c) Restricted Stock Plan

The Aegis Restricted Stock Plan (**RSP**) is a one year scheme put in place in 2010. Under the RSP, the Aegis Group awards conditional shares to employees which vest after one year as long as the individual remains in the Aegis Group's employment up to that date. There are no additional performance conditions under this scheme.

9.3 Substantial shareholders

As at the close of trading on the London Stock Exchange on 16 September 2010 (the latest practicable date prior to the publication of this Scheme Booklet), Aegis had been notified of the following persons, other than directors of Aegis, who were interested in 3% or more of the voting rights attached to Aegis's share capital:

Bolloré Group	344,276,446	29.51%
Fidelity International	57,562,000	4.93%
AXA Investment Managers	55,000,086	4.71%
Legal & General Group	46,239,051	3.96%
Norges Bank	35,074,418	3.01%

9.4 Interests of Aegis Directors

(a) Interests in Aegis Shares and options

As at the date of this Scheme Booklet, Aegis Directors have the following beneficial interests in Aegis securities (for further information regarding the schemes pursuant to which conditional shares are held, refer to section 9.2):

Director	Class of security	Number
John Brady	Ordinary shares	20,000
	Options	Nil
	Conditional shares	Nil
Jerry Buhlmann	Ordinary shares	265,580
	Options	96,033 with an exercise price of 119.75p and an expiry date of 22 March 2011 (vested) 43,995 with an exercise price of 94.00p per option and an expiry date of 17 June 2012 (vested) 300,000 with an exercise price of 101.75p and an expiry date of 30 March 2015 (vested) 293,154 with an exercise price of 134.00p and an expiry date of 19 March 2016 (vested) 271,646 with an exercise price of 147.50p and an expiry date of 22 March 2017 (vested)
	Conditional shares	567,935 (PSP) vesting on 3 June 2011 96,920 (PSP) vesting on 1 September 2011 925,657 (PSP) vesting on 21 April 2012 1,918,159 (PSP) vesting on 28 May 2013

Director	Class of security	Number
Simon Laffin	Ordinary shares	10,000
	Options	Nil
	Conditional shares	Nil
John Napier	Ordinary shares	100,000
	Options	Nil
	Conditional shares	Nil
Robert Philpott	Ordinary shares	186,244
	Options	266,000 with an exercise price of 101.75p and an expiry date of 30 March 2015 (vested) 215,000 with an exercise price of 1.34p and an expiry date of 19 March 2016 (vested) 195,585 with an exercise price of 1.475p and an expiry date of 22 March 2017 (vested)
	Conditional shares	417,027 (PSP) vesting on 3 June 2011 618,362 (PSP) vesting on 21 April 2012 500,000 (PRSP) vesting on 1 September 2012 808,751 (PSP) vesting on 28 May 2013
Nick Priday	Ordinary shares	2,029
	Options	Nil
	Conditional shares	40,160 (PRSP) vesting on 23 May 2011 85,714 (PRSP) vesting on 21 April 2012 250,000 (PRSP) vesting on 29 August 2012 511,509 (PSP) vesting on 28 May 2013
Martin Read	Ordinary shares	Nil
	Options	Nil
	Conditional shares	Nil
Charles Strauss	Ordinary shares	40,000
	Options	Nil
	Conditional shares	Nil
Lorraine Trainer	Ordinary shares	33,200
	Options	Nil
	Conditional shares	Nil

(b) Interests in Mitchell Securities

At the date of this booklet, no Aegis Director had any relevant interests in any Mitchell securities.

(c) Interests of Aegis Directors in any material contracts entered into by Aegis

As at the date of this booklet, no Aegis Director had any material interest, either direct or indirect, in any material contracts entered into by Aegis within Aegis's three most recent completed financial years or during its current financial year.

9.5 Relevant interests in Mitchell securities

As at 16 September 2010, Aegis had a relevant interest in:

- 60,050,480 Mitchell Shares, giving Aegis voting power of approximately 19.9% in Mitchell; and
- nil Options.

Aegis acquired its relevant interest in the 60,050,480 Mitchell Shares pursuant to an Option Deed between Harold Mitchell and Aegis. Further details on the Option Deed are set out in section 11.5 of this Scheme Booklet.

In the event that option is exercised, Aegis will own the Option Shares but will not be permitted to vote these shares in favour of the Scheme.

9.6 Rights and liabilities attached to the Aegis Shares

The following summarises certain provisions of the Articles of Association of Aegis (the **Articles**) and certain aspects of English law which may be relevant to holders of Aegis Shares. This summary does not purport to be complete and is intended as a general guide only. Mitchell Shareholders should consult with their own financial, legal or other professional adviser if they require further information.

(a) Meeting of shareholders

(i) Annual general meetings

English law provides that:

- the Aegis Board has the power to call a general meeting; and
- every public company must hold a general meeting as its annual general meeting within the period of six months beginning with the day following its accounting reference date.

(ii) Notice of meetings

Under the Articles and English law, an annual general meeting must be called by at least 21 clear days notice, and all other general meetings must be called by at least 14 clear days notice. A notice of meeting must specify the time, date and place of the meeting, inform members of their right to appoint proxies, specify the general nature of the business to be transacted at the meeting, include the text of any special resolutions and the intention to propose a resolution as a special resolution.

(iii) Quorum of shareholders

The Articles provide that the quorum for any general meeting shall be two persons who are entitled to vote, such persons being either members who are personally present, or proxies of members or a combination of both.

(iv) Voting Rights

Subject to any rights or restrictions attached to any class of shares by or in accordance with the Articles, English law provides that:

- members will be entitled to vote at a general meeting either on a show of hands or a poll;
- on a vote on a show of hands, each member present in person has one vote;
- on a vote on a show of hands each proxy appointed by a member has one vote. However, where a proxy is appointed, in relation to the same general meeting, by more than one member and all the members who have appointed him instruct him to vote in the same way, he is only able to vote once, "for" or "against" as applicable. If, however, these members give different instructions to the proxy (so one or more "for" and one or more "against" on a resolution being voted on a show of hands) the proxy is able to reflect both types of instruction and have up to one vote "for" and one vote "against" on a show of hands;

- on a poll vote every member present in person or by proxy shall have one vote for every share he holds; and
- a member may appoint a corporate representative or multiple corporate representatives. Where a member appoints more than one corporate representative in respect of its shareholding, but in respect of different shares, those corporate representatives can act independently of each other and validly vote in different ways.

(v) Resolutions at general meetings

Under English law, ordinary resolutions are passed on a show of hands by a simple majority of members and proxies who vote at the meeting, or on a poll, by members representing a simple majority of the total voting rights of those voting in person or by proxy on the resolution.

(vi) Special resolutions

Under English law, a special resolution is passed on a show of hands by a majority of not less than 75% of members and proxies who vote at the meeting or, on a poll, by members representing not less than 75% of the total voting rights of those voting in person or by proxy on the resolution.

A special resolution is required for a company to, amongst other things:

- amend its articles;
- change its name (although English law and the Articles also allow for Aegis to change its name by resolution of the Aegis Board);
- make an off-market purchase of its own shares;
- re-register from being a public company to a private company;
- disapply pre-emption rights on an allotment of shares; or
- reduce its share capital.

(vii) Shareholders' rights to bring resolution before a meeting

Under English law, members holding at least 5% of the paid-up voting share capital of a company or simply of voting rights where a company has no share capital (excluding any paid-up capital held as treasury shares) may request a general meeting of the company.

The directors have a duty to call a general meeting within 21 days from the date they received the request, such general meeting to be held not more than 28 days after the date of the notice convening the meeting.

Where the directors of the company have not called a general meeting within 21 days of being requested to do so, the requesting members holding not less than half of the total voting rights of the original requesting members may call a general meeting at the company's expense. The meeting must be called for a date not more than 3 months after the date on which the directors became subject to the requirement to call a general meeting.

The members' request for a general meeting may include the text of a resolution intended to be moved by the members at the general meeting. Where the request includes a resolution, the notice of the meeting must include notice of the resolution.

(b) Directors

(i) Directors' management of the business of the company

Under English law, subject to the Articles and subject to any direction given by Aegis in a general meeting by special resolution, the business of Aegis shall be managed by the Aegis Board, which can exercise all of the powers of Aegis.

(ii) Number and election of directors

Under the Articles, there must be not less than two and not more than sixteen directors, (disregarding alternate directors). The members may change this restriction in the Articles by passing an ordinary resolution.

Under the Articles and subject to English law, Aegis may by ordinary resolution appoint a person as director.

A person can only be appointed as a director at a general meeting if he:

- is a director retiring at that meeting;
- has been recommended by the directors; or
- has been nominated by a member entitled to vote at the meeting who has provided to the company between 7 and 42 days' notice that he intends to nominate another person as a director and a written confirmation from the nominated person that he is willing to be appointed as director.

The Aegis Board may appoint any person as a director, provided that such director must retire from office at the first annual general meeting after his appointment (such director being eligible for re-appointment).

(iii) Removal of directors

Under English law, Aegis may by ordinary resolution (and not by written resolution so as to ensure a director's right to be heard) remove any director. Special notice is required of a resolution to remove a director and there is nothing preventing a company from including in its articles an additional removal process, such as one not requiring special notice.

Under the Articles, Aegis must pass a special resolution to remove a director from office before the expiration of that director's term of office, and can (subject to the Articles) appoint a person to replace the director who has been removed by passing an ordinary resolution.

(iv) Duties of directors

Under English law, directors have certain fiduciary duties. A separate statutory regime for directors' duties contained in the Companies Act overlays the common law duties of care. The statutory duties upon directors are:

- to act within their powers;
- to promote the success of the company;
- to exercise independent judgement;
- to exercise reasonable skill, care and diligence;
- to avoid conflicts of interest;
- not to accept benefits from third parties; and
- to disclose interests in existing and proposed transactions or arrangements.

(v) Director's indemnity

English law allows a company to purchase insurance for its directors, and those of an associated company, against any liability attaching to them in connection with any negligence, default, breach of duty or breach of trust by them in relation to the company of which they are a director.

Under English law, any provision by which a company directly or indirectly provides an indemnity (to any extent) for a director of the company, or of an associated company, against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to the company of which he is a director will be void.

Similarly, any provision that purports to exempt a director of a company (to any extent) from any liability that would otherwise attach to that director in connection with any negligence, default, breach of duty or breach of trust in relation to a company is void.

However, English law allows directors to be indemnified against liability incurred to a person other than the company or an associated company, provided that the indemnity does not cover any liability:

- to pay a fine in criminal proceedings or a penalty to any regulatory authority; or
- incurred in defending criminal proceedings in which that director is convicted or in defending civil proceedings by the company in which judgement is given against that director, or in connection with an application for relief that is not granted.

The Articles provide that subject to and so far as may be permitted by English law, Aegis:

- can indemnify any director or former director of Aegis or of any associated company; and
- purchase and maintain insurance against any liability for any director or former director of Aegis or of any associated company.

(c) Amendments to Articles

Under English law, the Articles may be amended by special resolution.

(d) Issue of shares

Subject to the provisions of the Companies Act and without prejudice to any rights attached to existing shares, any share may be issued with such rights or restrictions as Aegis may by ordinary resolution determine or as determined by the directors if no such resolution has been passed and so long as there is no conflict with any resolution passed by the shareholders.

Subject to the Articles and to the provisions of the Companies Act and the receipt of the necessary shareholder approvals, Aegis may issue any shares which can be redeemed, which includes shares which can be redeemed if the shareholders want to do so, as well as shares which the company insists on redeeming. The directors can decide on the terms and conditions and the manner of redemption of any redeemable share.

Under the Articles, the directors have authority to decide how to deal with any shares in the company and can offer the shares for sale, grant options to acquire the shares, allot shares or dispose of the shares in any other way. The directors are free to decide who they deal with, when they deal with the shares and the terms on which they deal with the shares, however in making their decision, the directors must take account of:

- any provisions in English law relating to authority, pre-emption rights and other matters;
- the provisions of the Articles; and
- any resolution passed by the shareholders; and any rights attaching to existing shares.

Subject to the Articles and resolutions passed from time to time, shareholders have the rights of pre-emption conferred on them by the Companies Act.

(e) Restricted Shares

If any member, or any other person appearing to the directors to be interested in any shares in the capital of Aegis held by such member, has been duly served with a notice under section 793 of the Companies Act (being a notice to disclose certain information about the member's interest in shares) (a **Statutory Notice**) and is in default for the period of 14 days from the date of receipt of the Statutory Notice in supplying to Aegis the information thereby required, then Aegis may (at the absolute discretion of the directors) at any time thereafter by notice (a **Restriction Notice**) to such member direct that, in respect of the shares in relation to which the default occurred and any other shares held at the date of the Restriction Notice by the member, or such of them as the directors may determine from time to time (the **Restricted Shares** which expression shall include any further shares which are issued in respect of any Restricted Shares), the member shall not, nor shall any transferee to which any of such shares are transferred, be entitled to be present or to vote on any question, either in person or by proxy, at any general meeting of Aegis or separate general meeting of the holders of any class of shares of Aegis, or to be reckoned in a quorum.

Where the Restricted Shares represent at least 0.25 per cent. (in amount or number) of the existing shares of the same class (excluding shares held in treasury) as the Restricted Shares, then the Restriction Notice may also direct that:

- (i) any dividend (including a scrip dividend) or any part thereof or other moneys which would otherwise be payable on or in respect of the Restricted Shares:
 - shall be withheld by Aegis; and
 - shall not bear interest against Aegis; and/or
- (ii) no transfer of any of the shares held by such member shall be recognised or registered by the directors unless the transfer is a permitted transfer (such permitted transfer being an outright sale to an independent third party).

Aegis shall send a copy of the Statutory Notice to the person who holds the shares the subject of such notice, but the failure or omission by Aegis to do so shall not invalidate such Statutory Notice.

Any Restriction Notice shall have effect in accordance with its terms until a maximum of seven days after the directors are satisfied that the default in respect of which the Restriction Notice was issued no longer continues or shall cease to have effect in relation to any shares which are transferred by such member by means of a permitted transfer above a maximum of seven days from receipt by Aegis of notice that a transfer as aforesaid has been made. Aegis may (at the absolute discretion of the directors) at any time give notice to the member cancelling, or suspending for a stated period the operation of, a Restriction Notice in whole or in part.

For the purposes of the paragraphs above, an outright sale to an independent third party will be a sale through a recognised investment exchange or any other stock exchange outside the UK or by way of acceptance of a takeover offer.

The independent third party must not be connected with the transferring member or with any other person appearing to be interested in such shares. For these purposes any associate (as that term is defined in section 435 of the Insolvency Act 1986) of the member is included in the class of persons who are connected with the member or any person appearing to be interested in the shares.

(f) Variation of rights

Under the Articles, if at any time the Aegis share capital is divided into different classes of shares, the rights attached to any class or any of such rights may, subject to the provisions of English law, be changed, either with the consent in writing of the holders of at least three quarters of the issued shares of that class by amount (excluding any shares of that class held as treasury shares), or by a special resolution passed at a separate meeting of the relevant class of shares.

(g) Liens and forfeiture

The directors of Aegis can call on shareholders to pay any money which has not yet been paid to Aegis for their shares as specified in the Articles. A call is treated as having been made as soon as the directors have passed a resolution authorising it. If any member fails to pay any call or instalment in full on or before the day appointed for payment thereof, the directors may, at any time thereafter, serve a notice on him, or on a person entitled by transmission to the shares in respect of which the call was made, requiring him to pay so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by Aegis by reason of such non-payment.

The notice shall name a further day (not earlier than the expiration of 14 clear days from the date of the notice) on or before which, and the place where, such call or instalment and such interest and expenses are to be paid. The notice shall also state that in the event of non-payment by the time and at the place appointed, the company can forfeit the shares in respect of which such call or instalment is outstanding.

If the requirements of any such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect. Such forfeiture shall extend to all dividends declared and other moneys payable in respect of the shares so forfeited and not actually paid before such forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the directors. The directors may accept a surrender of any share liable to be forfeited.

When any Aegis share has been forfeited notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share, or any person entitled to the share by transmission, but no forfeiture or surrender shall be invalidated by any failure to give such notice.

The directors can cancel the forfeiture of a share after a share has been forfeited, but only before such share has been sold or disposed of. The directors have discretion to decide on the terms of cancellation of the forfeiture.

Any person whose Aegis shares have been forfeited or surrendered shall cease to be a member in respect of those shares and shall surrender to Aegis for cancellation the certificate for the forfeited or surrendered shares, but shall, notwithstanding such forfeiture or surrender, remain liable to pay to Aegis all moneys which, at the date of the forfeiture or surrender, were presently payable by him to Aegis in respect of the shares, together with interest thereon at such rate, not exceeding the Bank of England base rate by more than five per cent, as the directors may determine from the time of forfeiture or surrender until the time of payment. Aegis may enforce payment of such moneys without being under any obligation to make any allowance for the value of the shares forfeited or surrendered or for any consideration received on their disposal unless the directors decide to allow such an allowance for all or any of that value.

Aegis has a first and paramount lien on all partly paid shares for all moneys owed to Aegis in respect of such partly paid shares. The directors may at any time waive any lien which has arisen and may also decide to suspend any lien which would otherwise apply to particular shares.

Where a shareholder fails to pay Aegis any amount outstanding on its partly paid shares, the directors can enforce the company's lien, in such manner as the directors think fit, subject to the following conditions:

- the amount owed by the shareholder must be immediately payable;
- the directors must have given notice in writing to the shareholder stating the amount due, demanding payment for the amount and stating that the shareholders' shares may be sold if such amount is not paid;
- the notice must have been served on the shareholder or on any person who is entitled to the shares by law; and
- the amount has not been paid by at least 14 clear days following the service of the notice demanding payment.

(h) Transfer of shares

General

Subject to the Articles:

- any shareholder who holds Aegis Shares in certificated form (that is, paper form) can transfer some or all of those shares to another person; and
- any shareholder who holds Aegis Shares in uncertificated form (that is through CREST, the settlement system as defined in the UK's Uncertificated Securities Regulations 2001 (SI 2001/3755) (the **USRs**) which is used on the London and Irish Stock Exchanges for the electronic settlement of dematerialised securities) can also transfer some or all of those shares to another person.

All transfers of certificated shares must be effected by an instrument in writing, commonly a stock transfer form or in any other form which the directors may approve. The shareholder transferring certificated shares will provide the share certificate(s) to the new shareholder so these can be given to the company for destruction. New share certificates can be issued in the name of the new shareholders.

All transfers of CREST shares must be through CREST and must comply with the USRs and the CREST Rules. No fee is payable to Aegis for transferring shares or registering changes relating to the ownership of shares.

Restrictions on transfer

In relation to certificated shares, the directors may decline to recognise any instrument of transfer

- (i)** unless the share transfer form is properly stamped to show payment of any applicable stamp duty or certified or otherwise shown to the satisfaction of the directors to be exempt from stamp duty and is delivered to the office, or any other place decided on by the directors and the transfer form is accompanied by the share certificate relating to the shares being transferred, unless the transfer is being made by a person to whom the company was not required to, and did not send, a certificate. The directors can also ask (acting reasonably) for any other evidence to show that the person wishing to transfer the share is entitled to do so and, if the share transfer form is signed by another person on behalf of the person making the transfer, evidence of the authority of that person to do so; and
- (ii)** where, whether fully paid or not, the share transfer is in favour of more than four persons jointly; or
- (iii)** where the instrument of transfer is in respect of more than one class of share.

In relation to uncertificated shares, the directors may refuse to register a transfer of CREST shares in the circumstances set out in the USRs or where transfers are in favour of more than four joint holders. The directors may also refuse to register the transfer of any shares which are not fully paid.

Under English law, shares which are issued in uncertificated form are not to be regarded as being in a different class to shares which have the same rights but are in certificated form. Pursuant to the USRs, a company may permit the holding of shares in a class in uncertificated form and the transfer of any such shares by means of CREST provided the company's articles are in all respects consistent with (i) the holding of shares in that class in uncertificated form, (ii) the transfer of title to shares in that class by means of CREST, and (iii) the Uncertificated Securities Regulations.

Under the Articles, it is for the board, rather than the shareholders in general meeting, to decide to permit the holding of uncertificated shares and the transfer of such shares through CREST. Aegis's board has decided to permit this to occur and accordingly ordinary shares in Aegis can be held in uncertificated form.

The board may also determine to remove shares from CREST and to withdraw an entire class of shares from participation in CREST as long as the board complies with the USRs.

Transfer of Aegis Shares by shareholders located outside the United Kingdom

Holders of New Aegis Shares wishing to dispose of all or some of their shares should contact a stockbroker in the UK.

To transfer certificated shares, a shareholder will need to complete a stock transfer form and return the completed stock transfer form and relevant share certificate to Aegis's registrar, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ. For a copy of a stock transfer form and guidance on completing the stock transfer form please contact Computershare Investor Services PLC.

There may be fees payable if a share certificate has been lost or destroyed and an indemnity may be required.

On receipt of a validly completed stock transfer form and the relevant share certificate, Computershare Investor Services PLC will update the Aegis register of members and send the new share certificate to the transferee at the address quoted and any balance share certificate back to the transferor.

Stamp duty is payable if the consideration in respect of the transferred shares exceeds £1,000 (in value). Stamp duty is for the account of the transferee of shares. However, the transaction may be exempt from stamp duty in certain circumstances.

If you would like any further information about how to transfer your shares held in certificated form and further if you would like any information on how to dematerialise any of your shares held in certificated form, please contact Aegis's registrar, Computershare Investor Services PLC on (+44) (0) 870 889 3174 or by writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ.

(i) Buy-back of shares

Under English law, a limited company may purchase its own shares subject to any restrictions in the company's constitution, and provided that the shares are paid for out of the distributable profits or the proceeds of a fresh issue of shares made for the purpose of financing the purchase.

Market purchases by a public company must first be authorised by an ordinary resolution of the company in a general meeting, specifying the maximum number of shares authorised to be acquired, the maximum and minimum prices that can be paid, and the date of expiry of the authority which must not be later than 18 months after the date of the resolution.

Off-market purchases by a public company must be authorised by a special resolution of the company in a general meeting, specifying the date of expiry of the authority which must not be later than 18 months after the date of the resolution.

(j) Derivative actions

Under English law, a derivative claim may be brought in respect of a cause of action vested in the company (seeking relief on behalf of the company) against a director or other person in respect of an actual or proposed act or omission involving negligence, default, breach of duty or breach of trust by a director of a company. A claimant does not have to have been a member at the time of the action in question.

Application must be made to court for permission to continue such a claim, subject to a prima facie case being shown. The court must take into account certain factors, including:

- whether the member is acting in good faith;
- whether the act or omission could be or would be likely to be authorised or ratified by the company;
- whether the company has decided not to pursue the claim;
- whether the act or omission gives rise to a cause of action that the member could pursue in its own right; and
- the importance that a person acting as a director would attach to continuing the claim.

(k) Relief from oppression

Under English law, a member of a company may apply to the court for an order that the company's affairs are being conducted in a manner that is unfairly prejudicial to the interests of members generally or of some part of the members, or that an actual or proposed act or omission of the company (including an act or omission on its behalf) is or would be so prejudicial.

(l) Inspection of books

Under English law, certain company records (including registers of directors, secretaries, members, interests in shares, and records of shareholders meetings and decisions) must be open to the inspection of any member or any other person.

(m) Takeovers

The City Code on Takeovers and Mergers issued by the UK Takeover Panel applies, inter alia, to all public companies having their registered office in the UK or which are considered by the Panel to have their place of central management and control in the UK and any of their securities are admitted to trading on a regulated market in the UK. The City Code contains timetable and disclosure requirements regulating takeover offers, and applies to Aegis.

The City Code is designed:

- to ensure that all shareholders are afforded equal treatment;
- to protect other shareholders where a person acquires control of a company;
- to ensure that all shareholders have sufficient time and information to enable them to reach a properly informed decision on a takeover offer;
- to ensure that the directors of offeree companies must act in the interests of the company as a whole and must not deny shareholders an opportunity to decide on the merits of a takeover offer;
- to ensure that an offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a takeover bid; and
- that false markets are not created in the securities of offeree companies.

Except with the consent of the Panel, when any person:

- acquires shares which carry 30% or more of the voting rights of a company; or
- is already interested in shares which carry more than 30% but less than 50% of the voting rights of a company and acquires further shares which increase the percentage of shares carrying voting rights in which that person is interested,

that person is required to extend offers to acquire all other shares in the company.

(n) Winding-up rights

English law provides that a company may be wound up voluntarily:

- by its members, where the company is solvent and the directors of the company are willing to swear a declaration of solvency and the members of the company resolve by special resolution that the company be wound up voluntarily; or
- by the company's creditors, where the directors are unwilling to swear a declaration of solvency, and the members of the company resolve by special resolution that the company be wound up voluntarily because it cannot by reason of its liabilities continue its business and that it is advisable to wind up.

On a winding-up of Aegis and subject to the Articles, the rights of Aegis's shareholders to participate in the distribution of the assets of Aegis available for distribution shall rank *pari passu* amongst themselves.

9.7 Dividends and ranking

(a) Source and payment of dividends

Under the Articles, Aegis may declare dividends by passing an ordinary resolution. However, no such dividends may exceed amounts recommended by the Aegis Board. Where the Aegis Board considers that the financial position of Aegis justifies so doing, the Aegis Board may pay fixed dividends on any class of shares on the dates prescribed for payment of dividends, and may pay interim dividends on shares of any class of any amounts and on any dates and for any periods which they decide.

Any dividend can be paid by way of cheque, warrant or similar financial instrument payable to the shareholder entitled to it, or can be made payable to another person on written instruction from the shareholder. Alternatively, payment can be made by way of electronic transfer (including through CREST) directly to an account with a bank or other financial institution in the United Kingdom.

Alternatively, Aegis can pass an ordinary resolution for a dividend to be paid other than in cash (for example, in shares or debentures issued by another company). Where authorised by ordinary resolution, the Aegis Board may offer holders of ordinary shares the right to choose to receive extra ordinary shares instead of all or some of their cash dividend.

Under English law, a company may only pay a dividend if it has sufficient distributable profits available for that purpose (that is to say, out of its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made).

(b) Dividend history

Details of Aegis dividends declared for the financial periods ended 30 June 2010, 31 December 2009 and 31 December 2008 are as follows:

Dividend history (dividends declared)			
	6 months ended 30 June 2010	12 months ended 31 December 2009	12 months ended 31 December 2008
	(unaudited)	(audited)	(audited)
	£m	£m	£m
Interim dividend	12.0	11.1	10.9
Final dividend	-	17.9	17.8
Total dividend	12.0	29.0	28.7
Dividend rate per share for the period (pence)			
Interim dividend	1.025	0.96	0.96
Final dividend	-	1.54	1.54
Total dividend	1.025	2.5	2.5

(c) Ranking of Aegis shares provided as Scheme Consideration

Fully paid-up shares provided as Scheme Consideration will rank *pari passu* with all other fully paid-up Aegis shares on issue as at the Implementation Date.

9.8 Share registry and quotation information

(a) Share registry

Aegis's registrar is Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ.

(b) Form of Aegis shares

Aegis's issued share capital as at 16 September 2010 (the latest practicable date prior to the publication of this Scheme Booklet) was £58,337,270 comprising 1,166,745,395 ordinary shares of £0.05 each, each credited as fully paid. The principal governing legislation for the shares is the Companies Act.

Aegis's shares are in registered form and shares have been issued in both certificated and uncertificated form.

(c) Quotation

Aegis Shares currently in issue are listed on the Official List of the United Kingdom Listing Authority and are admitted to trading on the Regulated Market of the London Stock Exchange. The ISIN number for Aegis Shares is GB0009657569. Information relating to Aegis Shares and the past performance and volatility of Aegis Shares can be obtained at www.aegisplc.com/ags/investors/shareperformance/shareprice/.

The Aegis Share price as at 16 September 2010, (the latest practicable date prior to the publication of this Scheme Booklet) was 120.60p. The last recorded sale price of Aegis Shares prior to the announcement of the Scheme was 117.0p. The highest and lowest recorded sale price for Aegis Shares during the 3 months immediately before such announcement were respectively 134.1p on 27 April 2010 and 103.1p on 1 July 2010.

9.9 Issue and quotation of New Aegis Shares

(a) Allotment and issue

On the Implementation Date, Aegis will allot and issue to each Scheme Participant who has validly elected to receive Share Consideration the relevant New Aegis Shares to which the Scheme Participant is entitled in accordance with the terms of the Scheme, by causing the name and registered address of each such Scheme Participant to be entered in the Aegis register of members as the holder of the relevant number of New Aegis Shares.

Subject to section 9.9(d) below, the New Aegis Shares will be issued in certificated form (that is, paper form).

The New Aegis Shares issued under the Scheme will be validly issued, fully paid and will rank equally in all respects with all other Aegis ordinary shares then in issue.

(b) Quotation

Application will be made for the New Aegis Shares to be admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Main Market for listed securities.

It is expected that admission will become effective and dealings in the New Aegis Shares on the London Stock Exchange's Main Market for listed securities will commence on the Implementation Date.

(c) Dispatch of share certificates

Subject to section 9.9(d), Aegis will procure that no later than 5 Business Days from the Implementation Date a share certificate is dispatched to each Scheme Participant who has been issued with New Aegis Shares under the Scheme.

Share certificates will be sent by post in prepaid envelopes addressed to the persons entitled to receive them at their registered address as appearing in Mitchell's Register as at the Record Date (or, in the case of joint holders, at the registered address of the first named joint holder in Mitchell's Register at that time). None of Aegis or its officers, employees or agents will be responsible for any loss or delay in the transmission or delivery of any share certificate, which will be sent at the addressee's risk.

(d) Receipt of uncertificated shares through CREST

A Scheme Participant may be able to receive New Aegis Shares in uncertificated form (that is through CREST, the settlement system as defined in the UK's Uncertificated Securities Regulations 2001 (SI 2001/3755)) if that Scheme Participant:

- has confirmed to Aegis's satisfaction that the Scheme Participant is entitled to receive its New Aegis Shares in uncertificated form through CREST; and
- has provided all relevant CREST settlement details to Computershare Investor Services PLC,

in each case before 5.00pm on the Election Date.

Scheme Participants who believe they are eligible will need to contact the Mitchell Share Registry to obtain further details and appropriate documentation. Unless eligibility and valid CREST settlement details can be confirmed Scheme Participants will receive New Aegis Shares in certificated form.

It is anticipated that this will in practice be limited to certain institutional shareholders only.

10 Risks

10.1 Introduction

(a) Issued share capital

If the Scheme proceeds, New Aegis Shares will be issued to Scheme Participants who validly elect to receive their Scheme Consideration as Share Consideration (subject to the scale back mechanism described in section 2.4(d)). There are many factors that may influence the price of Aegis Shares and future dividends paid on Aegis Shares. Many of these factors will remain beyond the control of the Aegis Group.

Generally, the market price of Aegis Shares will be affected by factors that impact on the market price of all LSE listed shares (such as economic policy or international market, economic or political conditions). Accordingly, the market price of Aegis Shares may rise or fall over any given period due to these factors.

This section describes key, but not all, risks associated with an investment in Aegis. Some of the risks are related to media services companies generally and others to Aegis specifically.

This section does not take into account the investment objectives, financial situation, taxation position nor particular needs of Mitchell Shareholders and is not exhaustive. Additional risks and uncertainties not currently known to Aegis or Mitchell, or which Aegis and Mitchell consider to be immaterial, may also have an adverse effect on the value of the Aegis Shares. The information set out below does not purport to be, nor should it be construed as representing, an exhaustive summary of all possible risks.

Prior to deciding how to vote in the Scheme, or in making an Election, Mitchell Shareholders should carefully consider the risk factors discussed in this section, as well as other information contained in this Scheme Booklet and seek independent professional advice.

10.2 General risks

There are general risks currently associated with an investment in Mitchell which will continue to be relevant to Mitchell Shareholders who validly elect to receive Share Consideration and become a shareholder of Aegis. However, as the Mitchell Group is smaller than the Aegis Group, the exposure to risks common to the Mitchell Group and the Aegis Group may affect the two businesses in different ways.

Factors such as, but not limited to:

- political changes, taxation changes and changes in government policy;
- changes in interest rates, exchange rates, inflation levels or general share market conditions; and
- industrial disruption, changes in employment levels and labour costs,

may all have an adverse impact on the Aegis Group's revenue, operating costs, profit margins and share price.

Scheme Participants who elect to receive Share Consideration should also consider the risk that the value of the Share Consideration may vary between the date of this Scheme Booklet and the Implementation Date. The Independent Expert's Report set out in section 12 of this Scheme Booklet contains further detail on the valuation of the Share Consideration.

10.3 Specific risks

Change of investment profile and risk

Mitchell Shareholders currently have an investment in Mitchell. If the Scheme is approved and implemented, Scheme Participants can elect to receive their consideration as cash, Aegis Shares or a combination of both.

This will change the nature of the investments held by Scheme Participants. If Scheme Participants elect to receive Cash Consideration, they will no longer hold an interest in Mitchell. If Scheme Participants elect to receive Share Consideration, they will hold an interest in Aegis.

Some significant differences between an interest in Mitchell and Aegis are:

- Mitchell generates the majority of its revenues and profitability from operations in Australia (and to a lesser extent New Zealand). Aegis generates the majority of its revenues and profitability from the UK and Europe, the Middle East and Africa.

- As the majority of Aegis's revenues are derived from the UK and Europe, the Middle East and Africa, the performance of Aegis has a significant exposure to exchange rates. Therefore, an investment in Aegis will result in an increased exposure to the different exchange rates applicable to the currencies across the relevant jurisdictions.
- The dividend payout ratios on Aegis Shares are lower (excluding franking credits) than have been provided to Mitchell Shareholders over the last two years. Mitchell Shareholders who invested in Mitchell Shares as a result of the dividend payout ratio may be disadvantaged if Aegis maintains its previous dividend payout ratio.
- Australian resident Mitchell Shareholders historically received franked dividends from Mitchell. If the Scheme is approved and implemented, Scheme Participants who elect to receive Share Consideration will not receive the benefit of franking credits from future Aegis dividends.
- Aegis dividends are paid in pounds sterling whereas Mitchell dividends are paid in Australian dollars. Scheme Participants based in Australia who elect to receive Share Consideration will therefore be exposed to foreign exchange risk in respect of the payment of Aegis dividends.

Credit risks and counterparty relationships

Aegis is exposed to credit risk through its counterparties in the event of non-performance.

These risks include, but are not limited to, loss of income from clients in financial distress and potential media buying liabilities arising in markets where Aegis acts as principal. Aegis has also continued to face the risk of credit insurers withdrawing previously available cover and the continued viability risk of its domestic and overseas banking partners.

It is Aegis policy to undertake credit enquiries on new clients and for written contracts to be in place before starting any significant work. To minimise the impact of the overall risk of default, Aegis implements strategies such as requesting pre-payment, imposing credit limits and taking out credit insurance, broadening cover in markets where it remains available. Aegis has also closely monitored its exposure to relationships with its banking partners, ensuring that deposits held with any one banking group do not exceed £30 million.

However, negative credit experience with its counterparties or customers could have a material adverse effect on Aegis's financial results, business prospects and financial conditions.

Liquidity and working capital and credit availability

Aegis media buying activities, in particular, require robust cash management processes. To help manage its cash, Aegis receives daily cash reporting from its operations. Aegis's larger businesses take part in cash pooling arrangements with its relationship banks, with which Aegis also has its debt facilities.

Aegis actively manages its banking covenant headroom and liquidity to accommodate both general and specific contingencies.

Aegis's principal borrowing arrangement, a five-year revolving credit facility of £450m with a syndicate of banks was recently extended until 2015 and Aegis has an active programme of regular communication with its relationship banks and bondholders, who are long-standing and supportive, and continue to have a good understanding of its business performance and prospects.

However, if Aegis did not manage the significant cash flows relating principally to the media buying business in a robust manner, then the level of headroom available on central facilities could be reduced and limit Aegis's ability to manage any potential contingent liabilities if and as they arise. If this were to occur, Aegis's financial results, business prospects and financial condition could be adversely affected.

Further, general economic and business conditions that impact the debt or equity markets, such as the recent global financial crisis, could impact the availability of, and the cost of credit for Aegis. Any economic event that limits Aegis's access to capital or that precipitates a significant rise in interest rates could have a material adverse effect on Aegis's financial results, business prospects and financial condition.

Whilst Aegis believes that its cash equivalents and short term investments combined with cash flow generated from operations will be sufficient to meet the Aegis Group's financial needs, no assurance can be given that additional capital will not be required. If Aegis is unable to generate enough cash through operating cash flow, Aegis may be required to issue additional equity or incur additional indebtedness. The issue of additional equity would be dilutive to existing shareholders at the time and any additional indebtedness would increase Aegis's debt payment obligations, and may negatively impact its results or operations.

Client relationships

Although the winning and retaining of clients is at the core of Aegis's business, particularly in the volatile economic climate the market has endured over the last two years, there is a risk that Aegis's clients' investment in advertising and research will decrease, causing an impact on its revenues.

While Aegis's diversified range of services help to mitigate this risk, Aegis also makes sure that it has dedicated client relationship teams in place.

Aegis has worked with some of its larger clients over a number of years, some in excess of 20 years. Aegis has a broad portfolio of some of the world's most prestigious multinational and national clients across 80 countries worldwide with revenue generated by no single client exceeding 3% of total revenues.

Despite the breadth and depth of its client relationships, Aegis is exposed to the risk that existing clients will reduce the amount of business they do with Aegis or will move to competitor organisations. Such developments could have a material adverse effect on Aegis's financial results, business prospects and financial conditions.

Acquisitions and successful integration

As well as client service, new products and services are a key driver of the Aegis's business performance.

Acquisitions and joint ventures remain a key feature of Aegis's long-term strategy. However, such acquisitions may change the scale of Aegis's business and operations, and may expose Aegis to new geographic, industry, regulatory, operating, financial and other risks. Aegis's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition and integrate the acquired operations successfully with its own. All Aegis's acquisitions require approval and independent due diligence and Aegis measures the price paid by reference to an internal hurdle rate of return which exceeds its internal cost of capital. However, there is a risk that an investment in an acquisition is based on incorrect assumptions and does not have the long-term future on which Aegis based its investment case, resulting in overpayment. There is also a risk that the integration plans for any specific acquisition are not successful, particularly if the acquired company operates a business model that Aegis is not already familiar with. These risks and difficulties, if they materialise, could disrupt Aegis's ongoing business, increase expenses and adversely affect Aegis's financial results, business prospects and financial condition.

Competition and competitors

The risk of competition exists in all of the Aegis Group businesses. Current technology potentially allows Aegis's current and prospective clients to be reached by suppliers from anywhere in the world. For some services, aggressive pricing from competitors in countries where costs are lower could cause a reduction in Aegis's own revenue and margins.

Parts of the industry Aegis operate in have relatively low barriers to entry, increasing the risk of new competitors striving to take a part of its market share. As competition increases, there is a risk that Aegis's financial results, business prospects and financial condition could be adversely affected.

Security of data

Aegis retains confidential information in relation to its clients' new product pipelines and advertising strategies. Aegis also hosts client databases and other applications on its own servers. Unauthorised access to, or inappropriate use of, any of this information could have a detrimental impact on Aegis's reputation and adversely affect its businesses.

External access to such information is protected by Aegis's IT security framework and regular audits. These audits also review internal access rights to client data. Aegis also takes precautions to protect its clients' data by using confidentiality clauses in its employees' contracts. Despite these precautions, there remains a risk that the security of confidential data could be compromised. Any such breach could result in general reputational damage or damage to particular client relationships, which may effect Aegis's financial results, business prospects and financial condition.

Talent management and dependence on key personnel

As a services business, Aegis's people are a key asset. Consequently, the performance of Aegis depends on the continued contribution of certain executives and other key personnel. Aegis is proud of its teams, but recognises the risk that it could lose some of its talent, either to competitors or to set up their own competitive business. Talent management is one of Aegis's key priorities and something it takes very seriously. Aegis aims to be able to offer market competitive incentive plans to attract and retain quality staff. Aegis also aims to promote from within so that staff can develop an enduring career with the Aegis Group. Aegis listens to its employees via its Employee Opinion Surveys, and produces follow-up plans based on the results.

Aegis's people are important in its client relations and the wealth of knowledge they hold. Their departure could have an impact on client retention, key decision making and the overall success of the Aegis Group.

Foreign exchange

As Aegis is a foreign company there is a risk of foreign exchange movements and Mitchell Shareholders who elect to receive the Share Consideration will own an investment in a company whose shares trade, and whose dividends will be paid, in pounds sterling and not in Australian dollars. This change may be a disadvantage to current Mitchell Shareholders who wish to hold investments in Australian listed entities.

10.4 Risks specific to the transaction

(a) Regulatory approval

The Scheme is subject to a number of conditions precedent, including conditions relating to ACCC and FIRB approval. See section 4.3(a) of this Scheme Booklet and the full copy of the Merger Implementation Agreement contained in section 15 of this Scheme Booklet for details regarding these conditions precedent.

Aegis has informed the ACCC about the Scheme and its intention to acquire all of the shares in Mitchell. The ACCC has advised that, based on the information provided by Aegis (and other material the ACCC has before it), it does not propose to undertake a public review of the proposed acquisition pursuant to section 50 of the *Trade Practices Act 1974* (Cth).

Aegis submitted an application to FIRB on 5 August 2010 seeking confirmation that the Treasurer does not object to the acquisition of the shares in Mitchell by Aegis under the Scheme.

(b) Integration risks

The acquisition of Mitchell by Aegis pursuant to the Scheme involves the integration of businesses that have previously operated independently. The integration of Mitchell within the Aegis Group may involve unanticipated liabilities and costs, operational interruptions and the possible loss of key employees, customers or suppliers associated with the business. The integration of Mitchell may not be achieved in an orderly fashion and within a reasonable period or, even if completed on a timely basis, may not realise the full benefits expected. Detailed planning for a smooth integration of the businesses is taking place to reduce the risk of these issues occurring. However, a risk remains that issues of the nature described above may arise. Any failure to achieve the targeted synergies could impact the financial performance and position of Aegis.

(c) Change of control implications

Mitchell and its Subsidiaries are party to various material customer contracts for the provision of media and marketing services. Some of these contracts confer on the other party the right to terminate the relevant agreement on a change of control of Mitchell, which may be triggered by the implementation of the Scheme.

Mitchell has not sought the consent of the contracting parties to a change of control and is therefore unaware how they may treat the change of control under the Scheme.

However, given the size and scale of the Aegis Group's business, the exercise of termination rights in relation to any material customer contract as a result of the Scheme is not considered to be significant in the context of the Aegis Group.

(d) Transaction and integration costs

Aegis will incur transaction, integration and restructuring costs in connection with the Scheme. Both Aegis and Mitchell will pay transaction fees and other expenses in relation to the Scheme, including financial advisers' fees, filing fees, legal and accounting fees, regulatory fees and mailing costs.

Mitchell anticipates that it will incur approximately \$1.1 million in transaction costs in the event that the Scheme is approved and implemented.

Although Aegis expects that the elimination of duplicative costs, as well as the realisation of other efficiencies related to the integration of the businesses, can offset incremental transaction, integration and restructuring costs over time, Aegis cannot give any assurance that this net benefit will be achieved in the near term, or even at all.

11 Additional Information

This section sets out the additional information required by section 412(1) of the Corporations Act and Part 3 of Schedule 8 of the Corporations Regulations, as well as some additional information that may be of interest to Mitchell Shareholders.

11.1 Substantial Shareholders

As at the close of trading on 16 September 2010, the substantial shareholders of Mitchell were as follows:

Substantial shareholder	Number of Shares	% of Shares
Harold Mitchell AC	90,967,431	30.15
Aegis Group plc	60,050,480	19.9
Allen & Co LLC Group	17,000,000	5.63
Deutsche Bank Group	15,142,919	5.02

11.2 Marketable Securities of Mitchell held by or on behalf of Directors

The following table shows the relevant interest of each Mitchell Director in Shares as at the date of this Scheme Booklet:

Name of Director	Position	Shares in which the Director has a relevant interest
Harold Mitchell AC	Executive Chairman	90,967,431
Stuart Mitchell	Executive Director	9,414,063
Garry Hounsell	Director	1,704,236
Rod Lamplugh	Director	1,043,181
Rob Stewart	Director	366,471
Stephen Cameron	Director	78,499
Naseema Sparks	Director	nil

Except as stated in this section 11 of the Scheme Booklet:

- (i) there are no marketable securities of Mitchell held by or on behalf of Mitchell Directors as at the date of this Scheme Booklet;
- (ii) none of the Mitchell Directors holds, or has any interest in, marketable securities of Aegis; and
- (iii) there has been no dealing by any Mitchell Director in any marketable securities of Mitchell or Aegis in the four months preceding the date of this Scheme Booklet.

Garry Hounsell sold 64,772 ordinary shares in Mitchell on 19 August 2010.

(b) Payments or other benefits to Directors, secretaries or executive officers of Mitchell

Except as set out below or otherwise disclosed in this section 11:

- (i) no Mitchell Director has any other interests in a contract entered into by Aegis;
- (ii) there are no contracts or arrangements between a Mitchell Director and any person in connection with or conditional upon the outcome of the Scheme; and
- (iii) no Mitchell Director has a material interest in relation to the Scheme.

11.3 Mitchell interests in Aegis Shares

Mitchell has no interests, including any relevant interest, in Aegis Shares.

11.4 Payments or benefits to Mitchell Directors, secretaries or executive officers

There are no payments or benefits proposed to be made or given to any Director, secretary or executive officer of Mitchell, or of any Related Body Corporate as compensation for loss of, or as consideration for or in connection with his or her retirement from, office as a Director, secretary or executive officer of Mitchell, or of a Related Body Corporate, as the case may be, as a result of the Scheme.

11.5 Option Deed and other arrangements

Harold Mitchell and Aegis entered into the Option Deed on 29 July 2010 pursuant to which Harold Mitchell granted Aegis an option to acquire the Option Shares.

The exercise price of the option is at the same ratio as the Share Consideration offered under the Scheme, being 40 Aegis Shares for every 67 Option Shares acquired by Aegis under the Option Deed. Any Aegis Shares issued pursuant to the terms of the Option Deed will be counted towards the maximum number of 116,672,646 Aegis Shares (subject to rounding) to be issued in payment of the Share Consideration to satisfy the entitlements determined for all Scheme Participants, and will be subject to the same scale back mechanism as described in section 2.4(d).

The option period ends on 29 April 2011.

The option may be exercised by Aegis at any time during the option period if a public announcement:

- (a) of a Competing Transaction has been made; or
- (b) regarding an intention or proposal to undertake a Competing Transaction has been made.

Harold Mitchell is entitled to all dividends and other distributions and entitlements declared, paid or made by Mitchell which arise or accrue prior to the end of the option period.

Aegis also irrevocably grants to Harold Mitchell an option to purchase the Call Option Shares acquired by Aegis (**Call Option**). The Call Option may be exercised at any time after the transfer of the Option Shares to Aegis if an Aegis Insolvency Event occurs, and for the 5 business day period following 29 April 2011.

The Call Option will lapse if:

- (a) the Scheme becomes Effective before the end of the option period; and
- (b) the transfer of the Option Shares has occurred.

Harold Mitchell agrees not to deal with the Option Shares until the option is exercised or the option period has lapsed.

In the event that Option is exercised, Aegis will own the Option Shares but will not be permitted to vote these shares in favour of the Scheme.

Harold Mitchell has also agreed not to dispose of 85% of any interest in Aegis Shares acquired as Scheme Consideration or, as consideration for Aegis exercising its option over the Option Shares (in the manner set out above), for a period of 2 years.

11.6 Creditors of Mitchell

The Scheme will not affect the interests of creditors of Mitchell. No new liability will be incurred by Mitchell other than the costs incurred in the implementation of the Scheme.

Mitchell has paid and is paying all its creditors within normal terms of trade. It is solvent and is trading in an ordinary commercial manner.

11.7 No unacceptable circumstances

The Mitchell Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any member of Mitchell that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

11.8 ASIC relief and ASX waivers

(a) ASIC exemptions as to disclosure matters

Subregulation 5.1.01 of the Corporations Regulations requires that, unless ASIC otherwise allows, the explanatory statement contain the matters set out in Part 3 of Schedule 8 to the Corporations Regulations. ASIC has granted the following relief from certain of those disclosure requirements:

- (i) Payments or benefits proposed to be made or given to Directors and officers - Regulation 8302(d) of Part 3 of Schedule 8 to the Corporations Regulations requires the Scheme Booklet to disclose particulars of any payment or benefit that is proposed to be made or given to any director, secretary or executive officer of Mitchell or any Related Body Corporate of Mitchell (each a **Relevant Person**) as compensation for loss of office, or as consideration for or in connection with his or her retirement from office.

ASIC has allowed Mitchell to depart from certain of the requirements of regulation 8302(d) of Part 3 of Schedule 8 to the Corporations Regulations.

- (ii) Material change in financial position - Clause 8302(h) of Part 3 of Schedule 8 to the Corporations Regulations requires that the Scheme Booklet include a statement whether, within the knowledge of the Directors, the financial position of Mitchell has materially changed since the date of the last balance sheet laid before Mitchell Shareholders in general meeting or sent to Mitchell Shareholders in accordance with section 314 or 317 of the Corporations Act and, if so, full particulars of any change.

ASIC has allowed Mitchell to depart from the disclosure requirement of paragraph 8302(h) of the Corporations Regulations, on the basis that full year accounts for the period ended 30 June 2010 were released to the ASX announcements platform on 18 August 2010 and it is anticipated that the financial reports will be provided to shareholders in accordance with section 314 of the Corporations Act soon after publication of the Scheme Booklet. Mitchell will disclose any material changes to its financial position that occur after the date of this Scheme Booklet but prior to the Scheme being approved by the Court. This relief was provided on the basis that any material changes in the financial position of Mitchell since the date of the full-year accounts for the period ended 30 June 2010 are disclosed in this Scheme Booklet.

(b) ASX waivers

ASX has granted Mitchell a waiver from Listing Rule 6.23.2 to the extent necessary to cancel for consideration and without Mitchell Shareholder approval, up to 364,602 Options and 1,602, 441 Performance Rights. Cancellation of the Options and Performance Rights is conditional upon Mitchell Shareholders and the Court approving the Scheme.

ASX has granted Mitchell a waiver from ASX Listing Rule 6.23.3 to the extent necessary to allow Mitchell to waive the pro rata vesting conditions and thereby accelerate the vesting of the Performance Rights without obtaining Mitchell Shareholder approval on the basis that Mitchell Shareholders and the Court have approved the Scheme and full details of the amended terms of the Performance Rights are clearly set out in this Scheme Booklet.

ASX has granted Mitchell a waiver from ASX Listing Rule 6.23.4 to the extent necessary to permit Mitchell to amend the terms of the Performance Rights so that the vesting period in the event of a scheme of arrangement commences after the Second Court Date; on the basis that Mitchell Shareholders and the Court have approved the Scheme and full details of the amended terms of the Performance Rights are clearly set out in this Scheme Booklet.

As at the date of this Scheme Booklet, it is not anticipated that any other ASX or ASIC consents or approvals are necessary to implement the Schemes.

11.9 Material changes in financial position of Mitchell

The latest published financial statements of Mitchell are the Appendix 4E preliminary unaudited final financial statements for the year ended 30 June 2010 that were released to ASX on 18 August 2010. To the knowledge of the Mitchell Directors, there have been no material changes to the financial position of Mitchell since 18 August 2010.

11.10 Consents

(a) Interests of advisers

Other than as set out in this Scheme Booklet, no person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet holds, or held at any time during the last two years before the date of this Scheme Booklet, any interest in:

- the formation or promotion of Mitchell;
- any property acquired or proposed to be acquired by Mitchell in connection with its formation or promotion or in connection with the Scheme; or
- the issue or transfer of Aegis Shares under the terms of the Scheme.

Other than as set out in this Scheme Booklet, no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to any of these persons for services rendered by them in connection with the preparation of this Scheme Booklet or in connection with the formation or promotion of Mitchell or in connection with the Scheme.

(b) Mitchell advisers' fees

The persons named in this Scheme Booklet as performing a function in a professional or advisory capacity in connection with the Scheme and with the preparation of this Scheme Booklet on behalf of Mitchell are Mallesons Stephen Jaques as legal adviser, ANZ - Mergers & Acquisitions as financial adviser, Ernst & Young Transaction Advisory Services Ltd as Independent Expert, Ernst & Young as taxation advisor, Deloitte Touche Tohmatsu as Investigating Accountant and Computershare Investor Services Pty Limited as Mitchell Share Registry.

Each adviser will be entitled to receive professional fees charged in accordance with their normal basis of charging, together with a success fee for ANZ – Mergers & Acquisitions if the Scheme proceeds. The fee paid to Ernst & Young Transaction Advisory Services Ltd which has provided the Independent Expert's Report, is \$180,000 plus GST.

(c) Consents and disclaimers

The following parties have given and have not, before the time of registration of this Scheme Booklet by ASIC, withdrawn their written consent to be named in this Scheme Booklet in the form and context in which they are named:

- Mallesons Stephen Jaques as legal adviser to Mitchell;
- ANZ – Mergers & Acquisitions as financial adviser to Mitchell;
- Ernst & Young Transaction Advisory Services Ltd as Independent Expert;
- Ernst & Young as taxation expert;
- Deloitte Touche Tohmatsu as Investigating Accountant; and
- Computershare Investor Services Pty Limited as the Mitchell Share Registry.

Ernst & Young Transaction Advisory Services Ltd has also given and has not, before the time of registration of this Scheme Booklet by ASIC, withdrawn its written consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to that report in the form and context in which they appear.

Ernst & Young has also given and has not, before the time of registration of this Scheme Booklet by ASIC, withdrawn its written consent to the inclusion of its Taxation Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to that report in the form and context in which they appear.

Deloitte Touche Tohmatsu has also given and has not, before the time of registration of this Scheme Booklet by ASIC, withdrawn its written consent to the inclusion of its Investigating Accountant's Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to that report in the form and context in which they appear.

Aegis has given, and has not withdrawn before the time of registration of this Scheme Booklet by ASIC, its consent to be named in this Scheme Booklet in the form and context in which it is named and its consent to the inclusion of the Aegis Information, on the basis set out in the Responsibility for Information statement in the section entitled "Important Notices" and as set out at the Merger Implementation Agreement as set out at section 15.

11.11 Disclaimers

Each person referred to in section 11.10:

- (a)** does not make, or purport to make, any statement in this Scheme Booklet other than those statements made in the capacity and to the extent the person has provided its consent, as referred to above; and
- (b)** to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet other than as described in this section with that person's consent.

11.12 Other information material to the making of a decision in relation to the Scheme

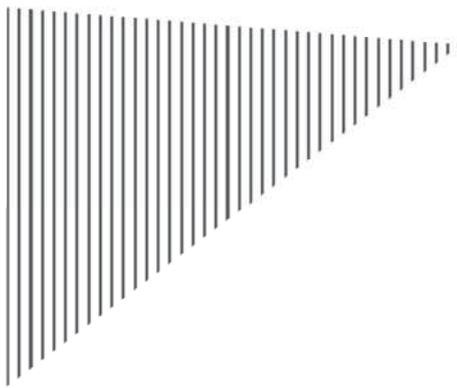
Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme being information that is within the knowledge of any Director or any director of a Related Body Corporate of Mitchell that has not previously been disclosed to Mitchell Shareholders.

11.13 Date of Scheme Booklet

This Scheme Booklet is dated 17 September 2010.

Part C:

Additional Material and Documents



Independent Expert's Report and Financial Services Guide in relation to a proposed Scheme of Arrangement between Mitchell Communication Group Limited and Aegis Group plc

16 September 2010

 **ERNST & YOUNG**



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16 September 2010

PART 1 - INDEPENDENT EXPERT'S REPORT

The Directors
Mitchell Communication Group Limited
Level 4, 111 Cecil Street
South Melbourne VIC 3205

Dear Directors,

Independent Expert's Report - Scheme of Arrangement with Aegis Group plc

On 29 July 2010 Mitchell Communications Group Limited (Mitchell) and Aegis Group plc (Aegis) announced that they had entered into a Merger Implementation Agreement under which Aegis would acquire all of the issued capital in Mitchell by way of a scheme of arrangement (the Scheme).

The Board of Mitchell has unanimously recommended that shareholders of Mitchell (Mitchell Shareholders) vote in favour of the Scheme in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of Mitchell Shareholders.

Mr Harold Mitchell (a substantial shareholder, director and Executive Chairman of Mitchell) has also entered into an option deed (the Option Deed) with Aegis, pursuant to which, under certain circumstances, Aegis can acquire from Mr Mitchell 19.9% of Mitchell Shares currently owned or controlled by him in return for Aegis Shares on the same terms as the Share Consideration provided in the Scheme.

There is no statutory requirement for Mitchell to commission an independent expert's report. However, the directors of Mitchell have appointed Ernst & Young Transaction Advisory Services Limited (Ernst & Young Transaction Advisory Services, we or us) to prepare an independent expert's report in relation to the Scheme and provide an opinion as to whether the Scheme is in the best interests of Mitchell Shareholders.

In preparing our report we have had regard to Australian Securities and Investments Commission (ASIC) Regulatory Guide 111 (RG111), *Content of expert reports*. As the acquisition by Aegis of the shares in Mitchell represents a control transaction as discussed in RG111, we have first considered whether the proposal is "fair and reasonable". RG111.17 indicates that "if an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company."

RG111.10 provides that "an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer". RG111.62 provides that an expert should usually give a range of values for the securities the subject of the offer. In this independent expert's report, we consider that, if the value of the consideration offered falls within the range of values of the securities the subject of the offer, the offer is fair.

Under RG111.11 "an offer is 'reasonable' if it is fair". It might also be reasonable if, despite being 'not fair', there are sufficient reasons for security holders to accept the offer in the absence of any superior proposal.

Ernst & Young Transaction Advisory Services Pty Limited, ABN 87 003 599 844
Australian Financial Services Licence No. 240585

Ernst & Young 

Opinion

In forming our opinion, we have considered:

- ▶ Whether the value of a Mitchell Share (on a control basis) is higher or lower than the consideration being offered for Mitchell Shares under the Scheme (the Scheme Consideration)
- ▶ Whether a premium for control is being offered, and whether this is appropriate in the circumstances
- ▶ Other qualitative factors which we believe to be relevant in the assessment of the Scheme
- ▶ The likelihood of an alternative superior offer being made to Mitchell Shareholders
- ▶ The alternatives available to Mitchell Shareholders.

Conclusion

As our assessed value of both the Cash Consideration and the Share Consideration is within the range of the assessed value of a Mitchell Share we consider the terms of the Offer to be fair.

Under the guidance provided by RG111, as we consider the terms to be fair, we also consider them to be reasonable. As we are able to conclude that the terms of the Scheme are fair and reasonable we also consider them to be in the best interests of Mitchell Shareholders.

Fairness of the Scheme

We have compared the value of a Mitchell Share on a controlling basis (as outlined in section 6.10) with the value of the Scheme Consideration that will be received by Mitchell Shareholders in the event that the Scheme is approved and implemented (as outlined in section 8.2.1). As the Scheme Consideration may take the form of either cash (Cash Consideration), Aegis Shares (Share Consideration) or a combination of cash and Aegis Shares, we have compared the value of a Mitchell Share to both the Cash Consideration and the Share Consideration. This is presented as follows:

<i>Currency: \$</i>	Low	High
Valuation of Mitchell Shares		
Equity value per Mitchell Share (excluding the \$0.05 per Mitchell Share final dividend)	1.09	1.25
Scheme Consideration offered		
Value of Cash Consideration	1.20	1.20
Value of Share Consideration	1.15	1.20

As shown in the above table, the value of both the Cash Consideration and the Share Consideration is within the range of the assessed value of a Mitchell Share.

In addition to the valuation comparison outlined above, we also note the following factors relevant to Mitchell Shareholders and our assessment of the Scheme (refer to section 8.4 of this report for further discussion in relation to these matters).

Mitchell Shareholders are receiving a premium to the share price of Mitchell prior to the announcement of the Scheme

The Cash Consideration of \$1.20 per Mitchell Share offered to Mitchell Shareholders represents a significant premium to the share price of Mitchell Shares prior to the announcement of the Scheme. The Cash Consideration represents a 15.4% premium to the closing price of \$1.04 per Mitchell Share on 28 July 2010, being the last trading day prior to the announcement of the Scheme.



Further, the 5 day volume weighted average price (VWAP) of Mitchell Shares prior to the announcement of the Scheme on 29 July 2010 was \$1.005, the one month VWAP was \$0.98 and the three month VWAP was \$0.92. The Cash Consideration therefore represents a premium to the trading price of Mitchell Shares, prior to the announcement of the Scheme of between 15% and 30%. We note that there may have been some premium for control included in the Mitchell trading prices during part of the month leading to the announcement of the Scheme due to media speculation of a potential takeover of Mitchell by WPP on 16 July 2010.

Factors relevant to both the Cash and Share Consideration

Increased final dividend for FY10

If the Scheme is approved and implemented, any Scheme Participant that holds Mitchell Shares on 26 October 2010 (being the ex-dividend date) and continues to hold them on the Mitchell share register (Register) until the dividend record date of 1 November 2010, will receive a \$0.05 per share fully franked final dividend for the period ended 30 June 2010. In the absence of the Scheme being approved, the final dividend for the year ended 30 June 2010 would be a lesser amount.

Transaction costs

The Scheme Booklet indicates that Mitchell will incur approximately \$1.1 million in transaction costs in the event that the Scheme is approved and implemented. A large part of these costs will have been incurred before the Second Court Date. In addition Mitchell has agreed in certain circumstances to pay Aegis \$2.7 million. These include circumstances where Mitchell or its representatives materially breach terms of the Merger Implementation Agreement.

Factors relevant to Cash Consideration

Liquidity and Certainty

Cash Consideration received by Mitchell Shareholders in the event that the Scheme is approved and implemented will provide immediate liquidity and certainty in the amount to be realised by Mitchell Shareholders. This may be considered an advantage in volatile markets. Further, Mitchell Shareholders will, if the Scheme is approved and implemented, no longer be exposed to external risks such as Mitchell Share price volatility and, to a lesser extent exchange rate risk.

Shareholders will no longer participate in possible future increases in the value of Mitchell

Our valuation reflects assumptions in relation to potential future growth opportunities presently available to Mitchell and Aegis. To the extent that the companies exceed these expectations, in the event that the Scheme is approved and implemented and Mitchell Shareholders elect to receive Cash Consideration, they will not benefit from such potential upside.

Tax

Scheme Participants who elect to receive Cash Consideration will not be entitled to CGT rollover relief.

If the Scheme is approved and implemented there will be tax consequences for Mitchell Shareholders which may include tax payable on any gain on disposal of Mitchell Shares. Further information on the relevant tax consequences for Australian residents is contained in the Tax Report in section 13 of the Scheme Booklet. However, the Tax Report does not amount to specific taxation advice and Mitchell Shareholders should seek their own professional advice regarding the individual tax consequences.

Further information on the relevant tax consequences for Australian residents is contained in the Tax Report in section 13 of the Scheme Booklet.

Factors relevant to Share Consideration

The Share Consideration value may change between the date of this report and the Scheme implementation

The value of the Share Consideration may change between the date of this report and the date that the Scheme is implemented and Mitchell Shareholders are first able to trade their Aegis Shares.

In the event that Mitchell Shareholders accept Share Consideration, the value of this consideration may vary from our assessed Share Consideration, dependent upon Aegis Share price movements and exchange rate movements. In section 8.4.3.1 of this report we provide sensitivity analysis of our assessed range of values of the Share Consideration to movements in the Aegis Share price and exchange rates.

Change in investment profile and risk

Mitchell Shareholders currently have an investment in Mitchell. If the Scheme is approved and implemented Mitchell Shareholders electing to receive Share Consideration will in effect be exchanging all or part of their investment in Mitchell Shares for Aegis Shares. This will change the nature of the investments held by Scheme Participants.

A brief description of Aegis is provided in section 4.1 of this report and more comprehensive information is included in the Scheme Booklet. The market capitalisation of Mitchell on 28 July 2010 the day prior to the announcement of the Scheme of \$313.8 million, was approximately 11.6% of the combined market capitalisation of Mitchell and Aegis on that date. Mitchell Shareholders who receive Share Consideration will therefore be more exposed to the international operations of Aegis than the traditional Mitchell business. They will also have a greater exposure to exchange rate variations holding Aegis Shares compared to holding Mitchell Shares.

Mitchell Shareholders should consider their own investment profiles in relation to the above matters. Mitchell Shareholders who do not believe that the risk profile of Aegis fits with their own preferences and investment profiles may either vote against the Scheme, elect to receive Cash Consideration rather than Share Consideration or sell any Aegis Shares they receive as Share Consideration after the implementation of the Scheme; if it is approved and implemented.

Dividend policies and franking

Mitchell and Aegis have historically had different dividend policies, with the dividend payout ratio on Mitchell Shares being greater than the dividend payout ratio on Aegis Shares over the previous three years. Mitchell Shareholders who invested in Mitchell Shares as a result of the dividend payout ratio may be disadvantaged if Aegis maintains its previous dividend payout ratio. In addition, Australian resident Mitchell Shareholders have historically received fully franked dividends from Mitchell. If the Scheme is approved and implemented, Mitchell Shareholders who elect to receive Share Consideration will not receive the benefit of franking credits from future Aegis dividends.

Value of Aegis Shares

Our valuation of Aegis Shares set out in section 7 is principally based on trading prices of Aegis Shares on the London Stock Exchange (LSE) leading up to and after the announcement of the Scheme. While it is not possible to quantify potential impacts of the Scheme on the future value of Aegis, there are a number of factors associated with the Scheme that have the potential to affect the future value of the Aegis Shares other than the performance of the existing Aegis and Mitchell businesses. These include:

▶ **Potential for synergies**

While strategic benefits and synergies have not been quantified in the Scheme Booklet or other announcements, as a result of the implementation of the Scheme, it is possible that some may be realised.

▶ **Greater market capitalisation**

The acquisition of Mitchell may increase the market capitalisation of Aegis on the LSE. An increased market capitalisation is likely to increase the weighting of Aegis in relevant LSE indices which has the potential to increase demand for its shares particularly with those institutional funds who seek to track market levels of performance. We note however that the acquisition of Mitchell may increase

the number of Aegis Shares on issue by a maximum of 9.9% which will limit the extent of any increase in market capitalisation.

The valuation of Aegis as set out above does not include any potential benefit of such increased demand.

► **Integration risks**

The acquisition of Mitchell by Aegis pursuant to the Scheme involves the integration of businesses that have previously operated independently. The integration of Mitchell within Aegis may involve unanticipated liabilities and costs, operational interruptions and the possible loss of key employees, customers or suppliers associated with the business. The integration of Mitchell may not be achieved in an orderly fashion and within a reasonable period or, even if completed on a timely basis, may not realise the full benefits expected.

Foreign exchange risk

Aegis is a foreign company with most of its operations outside of Australia and its shares quoted on the LSE and traded in Pounds Sterling (£). Mitchell Shareholders who elect to receive Share Consideration will therefore be exposed to greater exchange rate risk than they did in respect of their Mitchell Shares.

Change of control implications

Mitchell and its subsidiaries are party to various material customer contracts for the provision of media and market communications services. Some of these contracts confer on the other party the right to terminate the relevant agreement on a change of control of Mitchell, which may be triggered by the implementation of the Scheme.

Mitchell has not sought the consent of the contracting parties to a change of control and is therefore unaware of the implications of the change of control under the Scheme.

Mitchell Shareholders who elect to receive the Share Consideration may be impacted by the change of control conditions if they are triggered by current Mitchell clients. The Board of Mitchell has stated that they believe that *"given the size and scale of the Aegis Group's business, the exercise of termination rights in relation to any material customer contract as a result of the Scheme is not considered to be significant in the context of the Aegis Group"*.

Tax

If the Scheme is approved and implemented, those Mitchell Shareholders who validly elect to receive Share Consideration may benefit from Capital Gains Tax Rollover Relief, provided that they qualify. Further discussion of the possibility of Mitchell Shareholders receiving rollover relief is provided in the Tax Report attached to the Scheme Booklet in section 13.

In addition, if the Scheme is approved and implemented there will be tax consequences for Mitchell Shareholders which may include tax payable on any gain on disposal of Mitchell Shares. Further information on the relevant tax consequences for Australian residents is contained in the Tax Report in section 13 of the Scheme Booklet. However, the Tax Report does not amount to specific taxation advice and Mitchell Shareholders should seek their own professional advice regarding the individual tax consequences.

Shareholder exit costs

We note that Mitchell Shareholders who receive Aegis Shares as a consequence of the Scheme and sell these Aegis Shares at a later date may incur brokerage costs in excess of those that they may incur in selling their Mitchell Shares on market due to the overseas nature of the Aegis Shares. The quantum of those brokerage and related charges will be dependent upon the brokerage charges levied by the broker that they elect to use.

Potential for alternative proposals to emerge

While it is possible that an alternative proposal involving Mitchell may emerge, we note that:

- ▶ The Option Deed providing Aegis with a beneficial interest in Mitchell Shares may act as a deterrent to another party making an offer
- ▶ The directors of Mitchell have advised that since their receipt of the Merger Implementation Agreement no other party has made an offer to acquire Mitchell and they are not aware of any potential superior alternative proposal likely to emerge
- ▶ The terms of the Merger Implementation Agreement prevent Mitchell and its representatives from actively seeking alternative acquirers or from negotiating or otherwise co-operating with them in the formulation of a proposal

These factors reduce the likelihood of an alternative proposal being received.

In the absence of the Offer the Mitchell share price would likely fall below current trading levels

While we are unable to ascertain with any degree of certainty how Mitchell Shares may trade if the Scheme is not approved and implemented, in the absence of an alternative proposal, it is likely that the Mitchell Share price would trade below its current price. This may reflect that a significant proportion of the premium that appears to be currently reflected in Mitchell's share price would cease to be priced into Mitchell's share price, causing it to decline, perhaps significantly. We note that on 28 July 2010, the day prior to the announcement of the Scheme, Mitchell's share price was \$1.04.

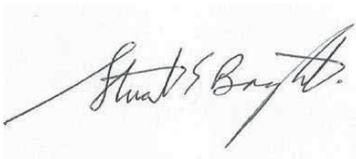
Other Matters

This independent expert's report has been prepared specifically for the Mitchell Directors and Mitchell Shareholders. Neither Ernst & Young, Ernst & Young Transaction Advisory Services nor any member or employee thereof undertakes any responsibility to any person, other than the Mitchell Directors and Mitchell Shareholders, in respect of this independent expert's report, including any errors or omissions howsoever caused.

This independent expert's report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of Mitchell Shareholders. The decision as to whether to vote in favour or against the Scheme is a matter for individual Mitchell Shareholders. Mitchell Shareholders should have regard to the Scheme Booklet prepared by the directors and management of Mitchell in relation to the Scheme. Mitchell Shareholders should also consider the taxation implications in relation to the Scheme. The Scheme Booklet contains general information in relation to the taxation implications of the Scheme. Mitchell Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional advisers.

Our opinion is made as at the date of this letter and reflects circumstances and conditions as at that date. This letter must be read in conjunction with the full independent expert's report as attached.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited



Stuart Bright
Director and Representative



Ishwar Madhyastha
Director and Representative



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1. Introduction

1.1 Background

On 29 July 2010 Mitchell and Aegis announced that they had entered into a Merger Implementation Agreement under which Aegis would acquire all of the issued capital in Mitchell by way of the Scheme.

The Board of Mitchell has unanimously recommended that Mitchell Shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an independent expert concluding that the Scheme is in the best interests of Mitchell Shareholders.

Mr Harold Mitchell (a substantial shareholder, director and Executive Chairman of Mitchell) has also entered into an option deed (the Option Deed) with Aegis, pursuant to which, under certain circumstances, Aegis can acquire from Mr Mitchell 19.9% of Mitchell Shares currently owned or controlled by him in return for Aegis Shares on the same terms as the Share Consideration provided in the Scheme.

Mr Harold Mitchell who with his family interests holds approximately 40% of the shares in Mitchell has stated that they intend to vote their interests in favour of the Scheme in the absence of a superior proposal and the independent expert concluding that the Scheme is in the best interests of Mitchell Shareholders. The option period ends on 29 April 2011.

The Option Deed may be exercised by Aegis at any time during the option period if a public announcement:

- ▶ Of a Competing Transaction has been made
- ▶ Regarding an intention or proposal to undertake a Competing Transaction has been made

1.2 Terms of the Scheme

The terms of the Scheme and matters relating to the implementation of the Scheme are set out in the Scheme Booklet. The key terms of the Scheme that are relevant to our report are as follows.

1.2.1 Scheme Consideration

If approved and implemented Mitchell Shareholders will receive either cash consideration of \$1.20 (the Cash Consideration) per Mitchell Share or 40 Aegis Shares for every 67 Mitchell Shares they own (the Share Consideration) or a combination of the two.

Mitchell Shareholders can elect to receive the Scheme Consideration in one of the following combinations:

- ▶ 100% Cash Consideration
- ▶ 50% Cash Consideration and 50% Share Consideration
- ▶ 75% Cash Consideration and 25% Share Consideration
- ▶ 25% Cash Consideration and 75% Share Consideration
- ▶ 100% Share Consideration

subject to a cap on the overall quantum of Aegis Shares to be issued as Share Consideration limited to approximately 9.9% of the share capital of Aegis.

If Mitchell Shareholders elect to receive more than approximately 9.9% of the share capital of Aegis as Share Consideration if the Scheme is approved and implemented, the provision of the Share Consideration to individual Mitchell Shareholders will be scaled back on a pro rata basis.

If the Scheme is approved and implemented Mitchell Shareholders will also receive a fully franked dividend of \$0.05 per Mitchell Share in respect of the year ended 30 June 2010.

1.2.2 Conditions

A number of conditions precedent for the Scheme have been provided, as follows:

- ▶ Receipt of Foreign Investment Review Board, Australian Competition and Consumer Commission (if required) and other government agency approvals necessary or desirable to implement the Scheme
- ▶ Court approval
- ▶ Mitchell Shareholder approval
- ▶ No Mitchell Prescribed Event or Aegis Prescribed Event occurring prior to 8:00am on the day of the Second Court Hearing
- ▶ No event or events occurring that results in, or would be likely to result in a Mitchell Material Adverse Change or Aegis Material Adverse Change
- ▶ The Aegis Shares to be issued pursuant to the proposed scheme being listed on the Official List of the United Kingdom Listing Authority
- ▶ The share price of the Aegis Shares having not been (for three or more consecutive trading days) 20% less than the 5 day VWAP of the Aegis Shares up to the date of the Agreement (on the basis that the relevant Aegis daily price has been normalised for movements in the FTSE 250 index over the period between the date of the Agreement and the testing day)
- ▶ All options and performance rights held in respect of Mitchell shares having been exercised, cancelled or transferred in accordance with the Merger Implementation Agreement.

In addition to the above, Mitchell's Australian Securities Exchange (ASX) announcement on 29 July 2010 advised that the approval of the Mitchell Board to vote in favour of the Scheme was given in the absence of a superior proposal and subject to an independent expert concluding the Scheme is in the best interests of Mitchell Shareholders.

1.2.3 Other relevant matters

Other relevant matters contained in the ASX announcement of 29 July 2010 and the Scheme include:

- ▶ During the period between the signing of the Merger Implementation Agreement and the earlier of its termination and 12 December 2010 (or any date as agreed by Aegis and Mitchell), Mitchell (and its representatives and related bodies corporate) have agreed to various 'no talk' and 'no shop' exclusivity arrangements (as detailed in the Merger Implementation Agreement).
- ▶ Under various conditions, either Mitchell or Aegis are obliged to pay to the other a reimbursement of costs of \$2.7 million. Examples of the conditions requiring the payment of the reimbursement of costs include the occurrence of a Mitchell or Aegis Material Adverse Change or Proscribed Event, any member of the Mitchell Board failing to recommend the Scheme or a breach of the Merger Implementation Agreement by either party.

Full details of the conditions requiring the payment of reimbursed costs is contained within the Scheme Booklet.

2. Scope of the independent expert's report

2.1 Purpose of the independent expert's report

Section 411 of the Corporations Act 2001 (the Corporations Act) regulates schemes of arrangement between companies and their security holders. Part 3 of Schedule 8 of the Corporations Regulations 2001 (Cwlth) (Corporations Regulations) prescribes the information to be sent to the security holders in relation to schemes of arrangement pursuant to Section 411. Specifically, Part 3 of Schedule 8 of the Corporations Regulations requires an independent expert's report be prepared in relation to a scheme when a party to that scheme has a prescribed shareholding in the company subject to the scheme, or where any directors are also directors of the company subject to the scheme.

We note that there is no legal requirement for Mitchell to commission an independent expert's report in respect of the proposed Scheme as there are no common directors between Aegis and Mitchell, nor does Aegis hold at least 30% of the shares in Mitchell. However, the directors of Mitchell have requested that an independent expert's report be prepared to assist Mitchell Shareholders in assessing the merits of the Scheme.

Schedule 8 requires that an independent expert's report must state whether, in the opinion of the independent expert, the scheme of arrangement is "in the best interests" of members and should set out the reasons for forming that opinion.

2.2 Basis of evaluation

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions.

There is no legal definition of the expression "in the best interests". ASIC has issued RG111 *Content of expert reports*, which provides some guidance as to how "in the best interests" should be interpreted in a range of circumstances.

RG111.15 to 111.20 deals with "Control Transactions By Way of a Scheme of Arrangement" and indicates that "*Schemes of arrangement can be used as an alternative to a Ch 6 takeover bid to achieve substantially the same outcome. In these circumstances, we expect the form of analysis to be substantially the same as for a takeover bid, even though the wording of the opinion will also be whether the proposed scheme is 'in the best interests of the members of the company'. This reflects that the legislative test for schemes of arrangement differs from that applicable to a Ch 6 takeover bid.*"

The proposed acquisition by Aegis of Mitchell represents a control transaction as intended under RG111 and therefore paragraphs 111.15 to 111.20 are relevant for the purposes of our report.

RG111.17 indicates that "*if an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company.*"

The meaning of "fair and reasonable" in the context of takeover bids is outlined in RG111 paragraphs 111.9 to 111.14. This guidance makes it clear that, in the context of a takeover bid, "fair" and "reasonable" are two distinct concepts. Under this approach:

- ▶ An offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. The comparison is to be made assuming 100% ownership of the target and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or 'portfolio' parcel of shares."

RG111.62 provides that an expert should usually give a range of values for the securities the subject of the offer. In this independent expert's report, we consider that, if the value of the consideration offered falls within the range of values of the securities the subject of the offer, the offer is fair.

- ▶ An offer is 'reasonable' if it is fair. It might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG111.12 lists a number of items which experts may consider when assessing the reasonableness of an offer. We have considered these in the preparation of this report.

In light of the above factors we have considered:

- ▶ Whether the value of a Mitchell Share is higher or lower than the value of the consideration being offered by Aegis under the Scheme
- ▶ Whether a premium for control is being offered, and whether this is appropriate in the circumstance
- ▶ Other qualitative factors which we believe to be relevant in the assessment of the Scheme
- ▶ The likelihood of an alternative superior offer being made to Mitchell Shareholders

All amounts in this report are expressed in Australian dollars (\$) unless otherwise stated.

2.3 Definition of fair market value

We have assessed the underlying value of Mitchell on a fair market value basis. Business valuers typically define fair market value as:

"The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length."

Fair market value does not incorporate any special value. Special value is the additional value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

2.4 Shareholders' decisions

This independent expert's report has been prepared specifically for the directors of Mitchell and Mitchell Shareholders. Neither Ernst & Young, Ernst & Young Transaction Advisory Services nor any member or employee thereof undertakes responsibility to any person, other than the Mitchell Shareholders, in respect of this independent expert's report, including any errors or omissions howsoever caused.

This independent expert's report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of Mitchell Shareholders. The decision to accept or reject the Scheme is a matter for individual Mitchell Shareholders. Mitchell Shareholders should consider the advice in the context of their own circumstances, preferences and risk profiles. Mitchell Shareholders should have regard to the Scheme Booklet prepared by the directors and management of Mitchell in relation to the Scheme.

Mitchell Shareholders should also consider the taxation implications in relation to the Scheme. The Scheme Booklet contains general information in relation to the taxation implications of the Scheme.

Mitchell Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional adviser.

We have prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is included as Part 2 of this report.

2.5 Limitations and reliance of information

We have considered a number of sources of information in preparing the independent expert's report and arriving at our opinion. These sources of information are detailed in appendix 2.

Our opinion is based on economic, market and other conditions prevailing at the date of this independent expert's report. These conditions can change significantly over relatively short periods of time.

This independent expert's report is also based upon financial and other information provided by Mitchell and Aegis in relation to the Scheme. We have considered and relied upon this information. The information provided to us has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to whether the Scheme is in the best interests of Mitchell Shareholders. However, we do not warrant that our enquiries have identified all of the matters that an audit, an extensive examination or 'due diligence' and/or tax investigation might disclose.

Preparation of this report does not imply that we have, in any way, audited the accounts or records of Mitchell. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles and including Australian equivalents to International Financial Reporting Standards as applicable.

In forming our opinion we have also assumed that:

- ▶ Matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed.
- ▶ The information set out in the Scheme Booklet and accompanying documents sent by Mitchell to Mitchell Shareholders is complete, accurate and fairly presented in all material respects.
- ▶ The publicly available information relied upon by us in our analysis was accurate and not misleading.
- ▶ The Scheme will be implemented in accordance with its terms.
- ▶ The legal mechanisms to implement the Scheme are correct and will be effective.

To the extent that there are legal issues relating to assets, properties or business interests or issues relating to compliance with applicable laws, regulations and policies, we assume no responsibility and offer no legal opinion or interpretation on any issue.

The statements and opinions given in this independent expert's report are given in good faith and in the belief that such statements and opinions are not false or misleading.

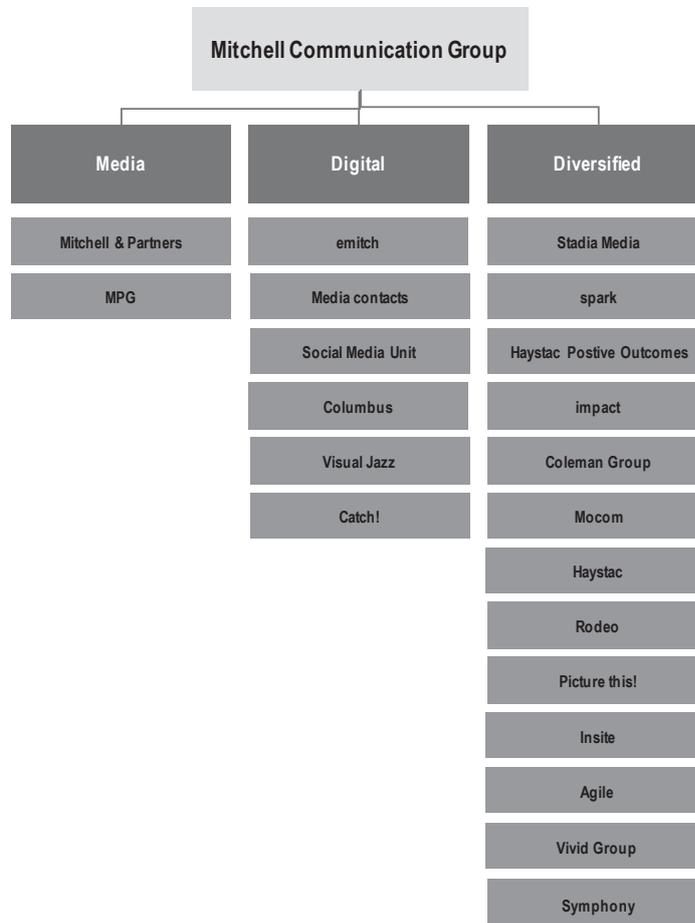
We provided draft copies of this independent expert's report to the directors and management of Mitchell for their comments as to factual accuracy, as opposed to opinions, which are the responsibility of Ernst & Young Transaction Advisory Services alone. Changes made to this independent expert's report as a result of this review by the directors and management of Mitchell and Aegis have not changed the methodology or conclusions reached by us.

We consent to the issue of this report in the form and context in which it is included in the Scheme Booklet to be sent to Mitchell Shareholders.

3. Overview of Mitchell Communication Group

3.1 Description of the business

Mitchell is an Australian based integrated and diversified media communications group with service offerings in three key divisions: Media, Digital and Diversified as illustrated in the structure diagram below. The company currently operates twenty one businesses across areas including media planning & buying, strategy, digital media and marketing, branded entertainment, public relations (PR), brand experience, sponsorship management, sportsground advertising, direct marketing, corporate social responsibility and digital publishing. The majority of Mitchell’s earnings are generated from its media and digital strategy, planning and buying activities.



Each of the three divisions is discussed further below.

3.1.1 Media

The Media division is involved in the provision of media planning and buying, media communications strategy, consumer insights research, specialist strategic advice and branded content solutions. In FY10, the Media division was Mitchell’s second largest division and contributed approximately 28% of operating EBITDA.

The table below lists the brands within the media division and the services they provide.

Brand	Description and services
Mitchell & Partners	<ul style="list-style-type: none"> ▶ Media planning ▶ Media buying ▶ Competitive analysis ▶ Research ▶ Post campaign reporting
MPG (Joint Venture between Mitchell and Havas)	<ul style="list-style-type: none"> ▶ Strategic communication development ▶ Media planning and buying ▶ Market research ▶ Interactive and online advertising

3.1.2 Digital

The Digital division is primarily involved in the provision of digital media strategy, planning and buying, search engine marketing and creative services. In FY10, the Digital division was Mitchell's largest division (by EBITDA) and contributed approximately 57% of operating EBITDA.

The table below lists the brands within the digital division and the services they provide.

Brand	Description and services
emitch	<ul style="list-style-type: none"> ▶ Digital media strategy ▶ Media buying and planning ▶ Return on investment planning and tracking ▶ Marketing data collection and management ▶ Creative design (rich media and video) ▶ Electronic direct mail
Media contacts	<ul style="list-style-type: none"> ▶ Multiple market and business category expertise ▶ Understanding of brand development ▶ Customer acquisition and retention marketing strategies ▶ Integrated multiple-media planning ▶ Analysis and attribution technology
SMU (Social Media Unit)	<ul style="list-style-type: none"> ▶ Integrated media service ▶ Online content generation ▶ Facilitating online conversations and collaboration ▶ Search engine optimisation ▶ Social media monitoring
Columbus	<ul style="list-style-type: none"> ▶ Search marketing ▶ Search engine optimisation
Visual Jazz	<ul style="list-style-type: none"> ▶ Creative strategy, design and development of web sites, digital marketing, multimedia, games and print
Catch!	<ul style="list-style-type: none"> ▶ Measurement tools ▶ Planning models ▶ Media independence ▶ Campaign consulting ▶ Creative production, testing and optimisation

3.1.3 Diversified

The principal activities of the Diversified division are the provision of marketing services and brand communication, branding, digital media and application development, automated ad agency templating, consumer research and marketing analytics, including the following areas: PR, corporate social responsibility, brand experience, sponsorship management, mobile marketing, printing and signage, sportsground advertising, talent management, event and broadcast services, provision of Web development, Microsoft business software and Web hosting solutions for advertisers and other commercial purposes and both qualitative and quantitative research. In FY10, the Diversified division contributed approximately 15% of operating EBITDA.

The table below lists the brands within the diversified division and the services they provide.

Brand	Description and services
Stadia Media	<ul style="list-style-type: none"> ▶ Stadium advertising ▶ Signage solutions
spark	<ul style="list-style-type: none"> ▶ Public relations ▶ Marketing communications consultancy
Haystac Positive Outcomes	<ul style="list-style-type: none"> ▶ Corporate social responsibility advisory
Impact	<ul style="list-style-type: none"> ▶ Experiential marketing and brand activation agency
Coleman Group	<ul style="list-style-type: none"> ▶ Design, manufacturing and installation of signage to large corporate clients in the sporting and exhibition industries
Mocom	<ul style="list-style-type: none"> ▶ Mobile marketing ▶ Strategy and planning
Haystac	<ul style="list-style-type: none"> ▶ Marketing communications services offering services in public affairs, social marketing, brand position, healthcare , sport and tourism
Rodeo	<ul style="list-style-type: none"> ▶ Boutique creative design agency offering a range of creative services including brand development, logos, advertising material, website design, print design and publishing
Picture this!	<ul style="list-style-type: none"> ▶ Media, event and broadcast solutions specialising in large scale events for TV production as well as free standing public and corporate events
Insite	<ul style="list-style-type: none"> ▶ Integrated marketing, events, in-program content, PR, sponsorship management and leveraging, digital publishing, talent management.
Agile	<ul style="list-style-type: none"> ▶ Marketing and advertising automated solutions
Vivid Group	<ul style="list-style-type: none"> ▶ Technology services supporting digital communication solutions including website design, enterprise content management, ecommerce applications and web hosting
Symphony	<ul style="list-style-type: none"> ▶ Quantitative and qualitative marketing research and analytics

3.2 Company history

Below is a summary of the key events in Mitchell's history:

- ▶ 1976: Harold Mitchell AC founds Mitchell & Partners Pty Limited in Melbourne. The company is an independent media agency which undertakes its own research, analysis and media buying activities on behalf of its clients.
- ▶ 1976 - 2006: Through expansion and a number of acquisitions, the Mitchell Group evolves from a traditional media buying and planning agency into a diversified marketing communications group with a significant presence in Australia and New Zealand. Expansion strategies include the establishment of Mitchell & Partners operations in Sydney, Queensland and Auckland.
- ▶ June 1999: emitch Limited (emitch) is incorporated to undertake internet media buying activities.
- ▶ January 2000: emitch acquires another media buying business and signs a 10-year alliance deed with the Mitchell Group, whereby the Mitchell Group agrees to purchase all its online advertising space exclusively from emitch.
- ▶ 10 March 2000 - emitch is listed on the ASX.
- ▶ November 2006: Mitchell Group negotiates the first cross platform deals in Australia for major clients with ten media companies. These deals covered approximately \$700 million of advertising expenditure in 2007 by clients that included: Optus, Bunnings, Woolworths, Sanitarium Australia, ANZ Bank and the Victorian Government.
- ▶ 19 December 2006 - emitch announces that it will acquire the entities comprising the Mitchell Group and will change its registered name to Mitchell Communication Group Limited. The Mitchell Family initially had a combined interest in emitch of approximately 43%.
- ▶ 2007 - present: Mitchell undertakes a number of acquisitions in order to diversify its media communications offering. These businesses include service offerings in PR, sign production, digital creative, video and event production, automated ad agency templating, branding, digital media and application development.



The table below provides a summary of the corporate activity of Mitchell in acquiring the various businesses and subsidiaries it currently holds.

Date	Event
1976	Mitchell & Partners Pty Ltd founded by Harold Mitchell in Melbourne
1987	Mitchell & Partners (NSW) Pty Ltd established
1992	Mitchell & Partners (Qld) Pty Ltd established via acquisition of Total Media
1997	Kiwispace Ltd established
1998	Mitchell & Partners Limited (Auckland, New Zealand) established
1999	emitch incorporated to undertake media buying activities
2000	emitch listed on the ASX on 10 March 2000
2000	emitch acquires Chrome Global and the media buying business division of WSA online Pty Ltd
2000	emitch signs a 10 year Alliance Deed with the Mitchell Group
2001	Drive Communications Pty Ltd established
2002	Stadia Media Pty Ltd established
2004	emitch enters a joint venture with private investors in Final5 (a recruitment company)
2005	Media Partners Group joint venture established with a subsidiary of Havas (a French media company)
2006	emitch acquires The Internet Bureau (New Zealand) and Onemail (Australia) Cross platform deal established between Mitchell Group and ten media companies. emitch acquires the entities comprising the Mitchell Group and changes its registered name to Mitchell Communication Group Limited (Mitchell)
2007	Mitchell acquires a group of companies from Mitchell & Partners
2008	Mitchell acquires a 51% interest in Mitchell & Partners (WA) Pty Limited the Perth based offline planning and buying business of Mitchell & Partners Mitchell acquires the sign production company Coleman Group Pty Limited Mitchell acquires the digital creative company Visual Jazz Pty Limited Mitchell acquires Co Media Oz which specialises in off line planning & buying Mitchell acquires The Media Shop an offline planning & buying company Mitchell acquires the public relations company Haystac Public Affairs Pty Limited
2009	Mitchell acquires the remaining 49% interest in Mitchell & Partners (WA) Pty Limited Mitchell acquires Vivid Holdings Australia Pty Limited Mitchell acquires Agile Automated Advertising Pty Limited Mitchell acquires the video & event production company Picture This! Productions Pty Limited Mitchell acquires Perth office of media communications agency Starcom Mitchell acquires integrated marketing and communications agency Insite Organisation

3.3 Financial information

3.3.1 Financial performance

The table below summarises Mitchell's consolidated financial performance from FY08 to FY10.

<i>Currency: \$ 000</i>	FY08A	FY09A ¹	FY10A ²
Billings	1,175,200	1,158,400	1,339,200
Operating revenue	187,843	225,183	261,136
Total revenue	187,843	225,183	261,136
Cost of sales	(95,869)	(117,614)	(143,731)
Gross profit	91,974	107,569	117,405
Employees, director and contractor expense	(44,409)	(55,697)	(62,873)
Occupancy expense	(3,585)	(5,070)	(5,880)
Media research expense	(2,744)	(2,735)	(3,145)
Travel and accommodation expense	(2,803)	(2,254)	(2,836)
Software and infrastructure maintenance expense	(1,009)	(1,168)	(1,583)
Communication expense	(943)	(1,097)	(1,103)
Accounting, legal and consultant's expense	(1,822)	(1,563)	(1,092)
Insurance expense	(820)	(831)	(835)
Other operating expense	(2,899)	(2,948)	(3,287)
Total overheads	(61,034)	(73,363)	(82,634)
Share of net losses of joint venture (equity method)	(13)	-	-
EBITDA	30,927	34,206	34,771
Gross margin	49.0%	47.8%	45.0%
EBITDA margin	16.5%	15.2%	13.3%

¹ FY09A results include only eight months of earnings attributable to Picture This! Production as it was acquired on 1 Nov 08

² FY10A results include only eight months of earnings attributable to Insite Organisation as it was acquired on 1 Nov 09

Source: Mitchell Appendix 4E FY10 Preliminary Financial Report, FY09 Annual Report

In relation to Mitchell's reported statutory financial performance for the year ended 30 June 2009, we note the following:

- ▶ Operating revenue increased significantly by \$37.3 million (19.9%) to \$225.2 million in FY09A driven by strong organic growth and four acquisitions; Vivid Holdings Australia Pty Limited, Agile Automated Advertising Pty Limited, Picture This! Productions Pty Limited and the remaining 49% interest in Mitchell & Partners (WA) Pty Limited.
- ▶ Gross billings for FY09A were \$1,158.4 million, in line with the prior corresponding period
- ▶ Cost of sales increased by \$21.7 million (22.7%) to \$117.6 million primarily driven by a growth in digital billings during FY09A of 18.9%, as well as an increase in Diversified sales as a result of acquisitions (discussed in revenue commentary above).
- ▶ Total overheads primarily comprising employee expenses (approximately 75%) increased by \$12.3 million (20.2%) to \$73.4 million in FY09A as a result of acquisitions (discussed in revenue commentary above) and growth of the underlying Digital and Media divisions which required investment in staff.
- ▶ EBITDA increased by \$3.3 million (10.6%) to \$34.2 million in FY09A however the EBITDA margin decreased by 1.3% to 15.2% driven by the corresponding decrease in gross margin of 2.5% due to the increase in cost of sales.

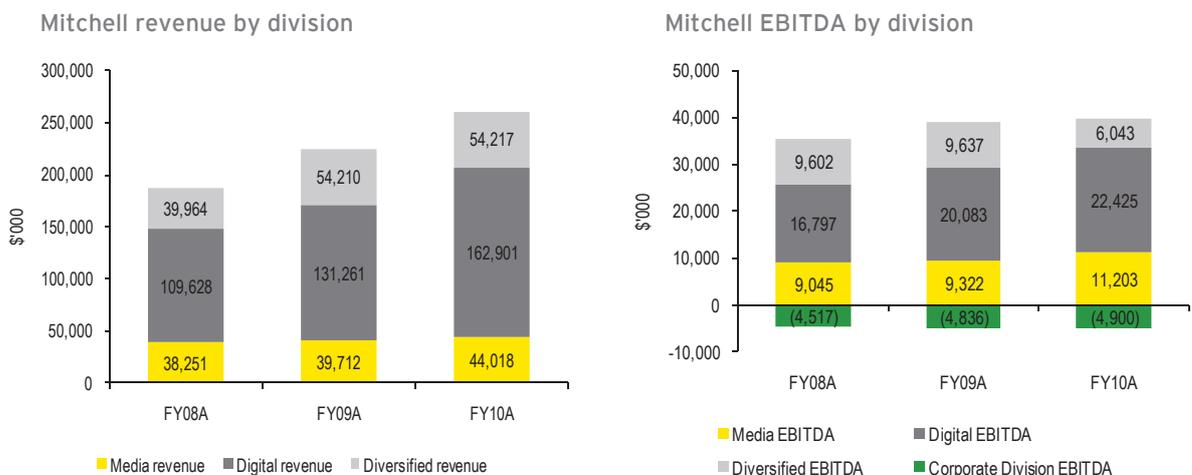


In relation to Mitchell's reported statutory financial performance for the full year ended 30 June 2010, we note the following:

- ▶ Operating revenue increased significantly by \$36.0 million (16.0%) to \$261.1 million in FY10A driven by a number of new business wins, the growth of underlying business, as well as contributions associated with the recent acquisitions of the businesses of Starcom Worldwide (WA) and Insite Organisation.
- ▶ Gross billings increased by \$180.8 million (15.6%) to \$1,339.2 million in FY10A. In particular billings attributable to the Digital division in Australia increased by 27%, more than twice that of the online advertising market in Australia which increased by 13%¹.
- ▶ Cost of sales increased by \$26.1 million (22.2%) to \$143.7 million in FY10A primarily driven by increases in Digital division billings.
- ▶ Total overheads increased by \$9.3 million (12.6%) to \$82.6 million in FY10A as a result of the continued investment in building operational capacity (in particular staff) to support the growth in revenues, combined with the effect of acquisitions completed during FY10A (discussed in the revenue commentary above).
- ▶ EBITDA increased marginally by \$0.6 million (1.7%) to \$34.8 million in FY10A however the EBITDA margin decreased by 1.9% to 13.3% due to the underperformance of the Diversified division compared to the prior corresponding period cost of sales and overheads increasing at a greater rate than revenues as a consequence of an investment in building operational capacity (in particular staff).
- ▶ Management also note that during the year the Diversified division launched the operations of Haystac New Zealand and Haystac Singapore enabling MCU to leverage off trans-Tasman market synergies and enter the Asian public relations market.

We note that the above financial information has been sourced from the statutory accounts and includes part year impacts of businesses acquired during the relevant periods.

The following bar charts illustrate Mitchell's revenue (excluding the corporate division) and EBITDA (including the corporate division) split by division for FY08A, FY09A and FY10A.



¹ PricewaterhouseCoopers - IAB Online Advertising Expenditure Report - June 2010

In relation to the divisional breakdown of Mitchell's revenue and EBITDA we note:

- ▶ Revenues from the Media division have declined as a proportion of total revenue from 20.4% in FY08A to 16.9% in FY10A. Conversely Media's percentage of operating EBITDA has increased from 25.5% in FY08A to 28.2% in FY10A primarily driven by the proportional drop in the Diversified division's EBITDA.
- ▶ Mitchell's growth in revenue and EBITDA between FY08A and FY09A is primarily attributed to the Digital division (we note that the Diversified division contributed to the increase in revenue but not EBITDA). Digital revenue increased from \$109.6 million in FY08A to \$162.9 million in FY10A (CAGR of 21.9%) and Digital EBITDA from \$16.8 million in FY08A to \$22.4 million in FY10A (CAGR of 15.5%). The increase in revenue from the Digital division was driven by a significant increase in billings during FY08A and FY09A.
- ▶ Revenue from the Diversified division increased significantly between FY08A and FY09A primarily driven by the acquisitions of Vivid, Agile and Picture this!. However in FY10A EBITDA of the Diversified division declined by \$3.6 million to \$6.0 million primarily as a result of maintaining its investment in labour which Management advice is necessary to grow the business, particularly in the technology and research business units.

3.3.2 Financial position

The consolidated financial position of Mitchell as at 30 June 2009 and 30 June 2010 is presented in the following table.

<i>Currency: \$ 000</i>	30 Jun 09	30 Jun 10
Cash and cash equivalents	76,112	112,518
Trade and other receivables	127,458	151,535
Other assets	9,139	7,171
Deferred tax assets	2,395	2,706
Current assets	215,104	273,930
Property and equipment	9,999	8,703
Intangible assets	215,739	239,763
Non-current assets	225,738	248,466
Total assets	440,842	522,396
Trade and other payables	205,408	264,390
Provisions	3,299	5,450
Other financial liabilities	1,630	1,076
Current tax liabilities	2,475	1,269
Current liabilities	212,812	272,185
Borrowings	73,000	70,000
Provisions	1,191	551
Other financial liabilities	-	16,604
Deferred tax liabilities	2,260	1,771
Non-current liabilities	76,451	88,926
Total liabilities	289,263	361,111
Net assets	151,579	161,285

Source: Mitchell Appendix 4E FY10 Preliminary Financial Report



We note the following in relation to the financial position of Mitchell:

- ▶ The cash and cash equivalents balance increased significantly by \$36.5 million (47.8%) to \$112.5 million primarily driven by the timing of client payments (including some prepayments) and continuous improvement in cash collections.
- ▶ Trade and other receivables totalled \$151.5 million as at 30 June 2010, an increase of 18.9% from 30 June 2009. The number of debtor turns however (revenue / average debtors) increased from FY09 to FY10 from 1.64 times to 1.87 times.
- ▶ Intangibles have increased by \$24.0 million (11.1%) to \$239.8 as at 30 June 2010 primarily related to goodwill of \$25.0 million associated with the acquisitions of Starcom and Insite. Amortisation charged during the year was \$2.2 million.
- ▶ Trade and other payables totalled \$264.4 million as at 30 June 2010, an increase of 28.7% from 30 June 2009. The number of creditor turns however (cost of sales / average creditors) improved slightly from FY09 to FY10 from 0.56 times to 0.61 times.
- ▶ Other financial liabilities relate to deferred and contingent consideration for the acquisition of Starcom Worldwide (WA) and Insite Organisation discussed further in section 6.7.
- ▶ Borrowings totalled \$70.0 million as at 30 June 2010 compared to \$73.0 million as at 30 June 2009.

3.4 Capital structure and shareholders

3.4.1 Ordinary shares

As at the date of this report, Mitchell's capital comprised 301,761,208 ordinary securities.

The Mitchell family was the only substantial shareholder as at 28 April 2010 with a beneficial interest of approximately 40%.

The following table indicates Mitchell's top twenty registered security holders as at 25 August 2010.

Name of shareholder	Share holding	% of shares held
Mr Harold Charles Mitchell	52,740,248	17.48%
Harold Charles Mitchell (No2) Pty Limited	19,614,395	6.50%
HSBC Custody Nominees (Australia) Limited - GSCO ECA	19,528,717	6.47%
Tora Bran Nominees Pty Limited	17,322,122	5.74%
Ms Amanda Jean Mitchell	13,414,062	4.45%
National Nominees Limited	12,259,655	4.06%
Brisport Nominees Pty Limited (House Head Nominee No 1 a/c)	9,712,551	3.22%
ANZ Nominees Limited (Cash Income a/c)	9,557,475	3.17%
Stuart Mitchell	9,414,063	3.12%
I7 Pty Limited	8,442,508	2.80%
Pan Australian Nominees Pty Limited	8,186,730	2.71%
CS Fourth Nominees Pty Limited (Unpaid a/c)	6,699,049	2.22%
Neweconomy Com Au Nominees Pty Limited (900 a/c)	6,000,000	1.99%
Ms Beverley Joan Mitchell	5,862,470	1.94%
Cogent Nominees Pty Limited	4,725,400	1.57%
J T Campbell & Co Private	4,676,506	1.55%
HSBC Custody Nominees (Australia) Limited	4,431,268	1.47%
Citicorp Nominees Pty Limited	4,425,848	1.47%
Amcil Limited	3,578,597	1.19%
RBC Dexia Investor Services Australia Nominees Pty Limited (BK Cust a/c)	3,432,709	1.14%
Total for top 20 shareholders	224,024,373	74.24%
Balance	77,736,835	25.76%
Total share capital	301,761,208	100.00%

Source: Mitchell Management

3.4.2 Distribution of Mitchell securities

The following table illustrates the distribution of Mitchell securities as at 25 August 2010.

Holding size	Shareholders	Option holders	Performance right holders
1 - 1,000	864	-	-
1,001 - 5,000	1,412	-	-
10,001 - 100,000	657	-	-
5,001 - 10,000	1,032	9	18
100,001 and over	134	1	3
Total	4,099	10	21

Source: Mitchell Management

3.4.3 Share options and performance rights

As at 30 June 2010 Mitchell had 664,602 share options and 1,602,441 performance rights outstanding.

Of the share options, 364,602 are in-the-money at the cash offer price of \$1.20 and are assumed to be exercised prior to the Scheme Meeting. The exercise price for the 364,602 in-the-money Mitchell share options is either \$0.60, \$0.70 or \$0.80. If all of the in-the-money Mitchell Share options are exercised cash of \$225,000 will be payable to Mitchell.

The remaining 300,000 Mitchell Share Options have an exercise price of \$1.60 and it has been assumed that these will be cancelled by the Share Option holder prior to the Scheme Meeting.

Management have further advised that the 1,602,441 Mitchell performance rights will be vested and exercised prior to the Scheme Meeting.

3.4.4 Total expanded Mitchell Shares

As a result of the exercise of Mitchell Share options and Mitchell performance rights, the number of Mitchell Shares outstanding as at the date of the Scheme will be as follows:

	Mitchell Shares
Mitchell Shares	301,761,208
Mitchell Share options to be exercised	364,602
Mitchell performance rights to be granted	1,602,441
Total expanded Mitchell Shares subject to the Scheme	303,728,251

Source: Mitchell Management

3.5 Capital raising history

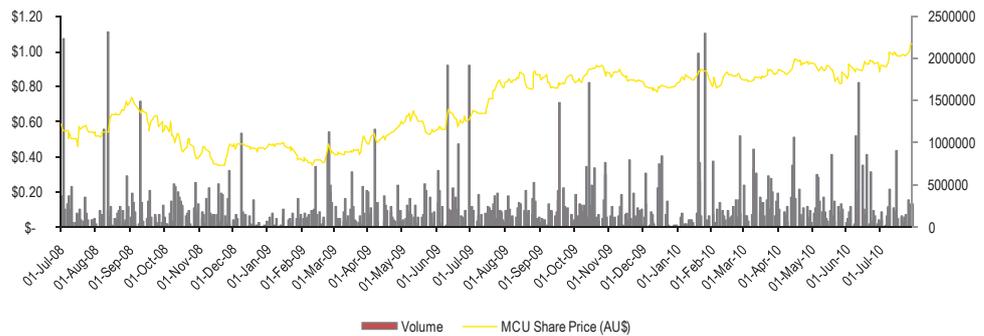
Mitchell has undertaken 3 capital raisings and one on-market buyback since listing in March 2000. The following table outlines the details of each issue.

<i>Date</i>	Issued/ (Cancelled)	Capital raised (\$'000's)	Price of issue (per share)	Discount on prior day closing price	Description
06/03/2008- 20/06/2008	(1,382,025)	(901,437)	0.65	n/a	On-Market Buy Back Scheme - Appendix 3C lodged 22 Jan 2008
30/10/2007	6,334,532	6,904,640	1.09	11.0%	Share placement to provide additional working capital
13/09/2007	30,000,000	33,000,000	1.10	2.7%	Share placement to provide additional working capital
14/05/2007	41,600,886	43,680,930	1.05	21.0%	2 for 9 renounceable issue

Source: DatAnalysis

3.6 Recent share price performance

The following graph depicts the trading volume and closing price of Mitchell securities for the period 1 July 2008 to 28 July 2010. We have analysed Mitchell’s performance vis-a-vis its security price movements and trading volumes.



Mitchell’s security price trended positively during FY09 and FY10 from AU\$0.59 on 1 July 2008 to AU\$0.64 on 30 June 2009 and \$0.89 on 30 June 2010. During the same period Mitchell’s security price hit a low of AU\$0.35 on 20 November 2008 and a high of AU\$0.96 on 16 April 2010. As at 28 July 2010 Mitchell security price was \$1.04.

After the announcement of the Scheme Mitchell Shares increased by \$0.19 from their close on 28 July 2010 of \$1.04 to close at \$1.235 on 29 July 2010.

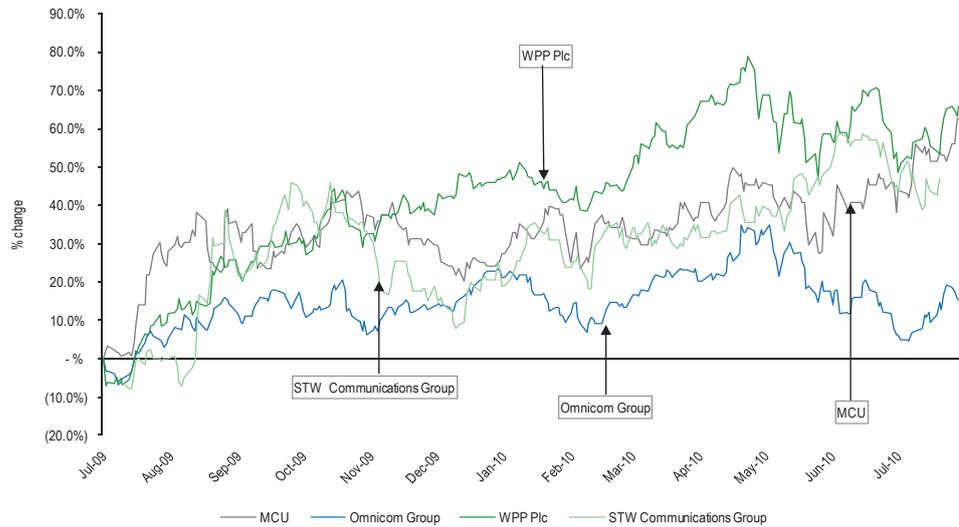
The table below indicates the key company announcements during FY09 and FY10.

<i>Date</i>	<i>ASX Company announcement</i>	<i>Volume traded</i>	<i>Share price (prior day close)</i>	<i>Share price (close)</i>	<i>Share price Movement (%)</i>
30-Jul-10	Proposed scheme of arrangement announced on 29 July 2010	34,637,426	1.040	1.235	18.8%
25-Feb-10	MCU's half yearly results were announced on 24 February 2010. MCU reported NPAT up 4% to \$8.38m for the half year ended 31 December 2009. Revenue from ordinary activities was \$12.45, up 11% from the PCP. The interim dividend declared was 2.3 cents fully franked compared with 1.9 cents PCP.	1,087,083	0.875	0.870	(0.6%)
2-Dec-09	Acquisition of Insite Organisation	121,815	0.830	0.825	(0.6%)
24-Sep-09	Annual report to shareholders	187,441	0.830	0.835	0.6%
7-Sep-09	MCU announced the acquisition of a Western Australian media buying agency. The group expects the acquisition to add \$70m to its billings. The acquisition did not involve any borrowings.	24,838	0.850	0.865	1.8%
4-Sep-09	Acquisition of Perth Media Agency	78,934	0.850	0.850	- %
26-Aug-09	FY09 Results announcement	526,845	0.790	0.875	10.8%
25-Feb-09	Half yearly report and accounts	413,231	0.470	0.450	(4.3%)
30-Sep-08	FY08 full year Statutory Accounts and Annual Report	263,332	0.600	0.545	(9.2%)
27-Aug-08	FY08 Results announcement	83,356	0.660	0.675	2.3%
1-Jul-08	Completion of Mitchell and Partners WA acquisition	148,900	0.610	0.590	(3.3%)

Source: Factiva & ASX

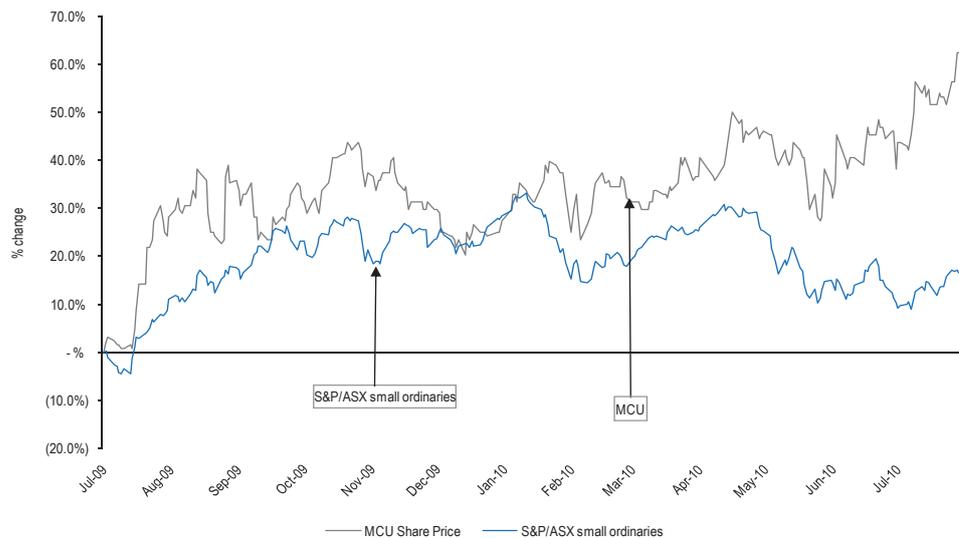
3.6.1 Mitchell security price movements versus trading comparables

The graph below indicates Mitchell's security price performance compared to some of its Australian and international peers between 1 July 2009 and 28 July 2010.



3.6.2 Mitchell security price movements versus ASX indices

The graph below indicates Mitchell's security price performance compared to its most relevant market index the S&P/ASX Small ordinaries between 1 July 2009 and 28 July 2010.



We note that Mitchell outperformed the S&P/ASX small ordinaries index by approximately 46% during the period. We note that Mitchell's share price increased by approximately 62.5% over the period whilst the small ordinaries index only increased by approximately 16.7%.

3.6.3 Trading volumes

Mitchell's securities have historically traded with relatively low volumes as illustrated below.

<i>Number of trades per day (‘000)</i>	FY07	FY08	FY09	FY10	YTD11
Low	14	7	3	1	22
Mean	328	310	238	265	205
Median	172	197	153	176	143
High	7,398	2,210	2,314	2,296	902
Shares as at 30 June XX	246,177	288,019	297,447	301,655	301,761
% of shares traded per day (mean)	0.1%	0.1%	0.1%	0.1%	0.1%
% of shares traded per year (mean)	48.6%	39.3%	29.3%	32.1%	24.8%

Source: Factiva

3.7 Distribution history

The following table provides a profile of interim and final distributions made by Mitchell since its inception in March 2000. Mitchell paid an interim distribution of \$0.023 per Mitchell security on 16 April 2010 for the half year ended 31 December 2009.

<i>Balance date</i>	<i>Dividend</i>	<i>Cents per share</i>	<i>Currency</i>	<i>Franked</i>
31-Dec-09	Interim	2.30	AUD	100.0%
30-Jun-09	Final	2.10	AUD	100.0%
31-Dec-08	Interim	1.90	AUD	100.0%
30-Jun-08	Final	2.10	AUD	100.0%
31-Dec-07	Interim	1.80	AUD	100.0%
30-Jun-07	Final	1.20	AUD	100.0%
31-Dec-06	Interim	0.80	AUD	75.0%
30-Jun-06	Final	1.30	AUD	- %
30-Jun-05	Final	1.00	AUD	- %
30-Jun-04	Final	0.50	AUD	- %

Source: DatAnalysis

4. Overview of Aegis Group Plc

4.1 Description of business

4.1.1 Overview

Aegis is a United Kingdom based marketing communications company operating under two businesses, Aegis Media and Synovate. The company's services include market insight and communications strategy, digital creative execution, website design and build, media planning and buying, brand tracking and marketing analytics.

- ▶ Aegis Media is an independent media communications network operating under four marketing and communications brands, Carat, Vizeum, Isobar and Posterscope.
 - ▶ Carat is an independent media planning and buying agency. Carat's services include traditional to digital media buying and planning, providing innovative and integrated advice and consultancy as well as media buying services.
 - ▶ Vizeum was established in 2003 as an alternative brand to Carat within the Aegis Media network. Vizeum is currently in the process of building on its European base to penetrate the North American and Asia-Pacific regions.
 - ▶ Isobar provides its clients with local and international digital services, including strategy and consulting, online advertising and media, website build, paid and organic search, social and viral marketing.
 - ▶ Posterscope specialises in outdoor media for the Aegis Group. The business targets the out of home segment, centred on the medium of building wraps and digital displays. It operates through 48 offices worldwide and had billings of over US\$2 billion in CY09.
- ▶ Synovate is in the business of researching and generating consumer insights that drive marketing solutions. Synovate was launched as a new global research brand in 2003 and now accounts for approximately 40% of Aegis' revenues. Synovate's client base includes 61 of the Fortune 100 companies and over 4,000 clients worldwide.

4.2 Financial performance

4.2.1 Financial performance

The table below summarises Aegis' consolidated financial performance for CY08 and CY09.

<i>Currency: £m</i>	CY08A ¹	CY09A
Billings	10,414	9,685
Aegis Media revenue	823.8	825.2
Synovate revenue	518.2	521.3
Revenue	1,342.0	1,346.5
Cost of sales	(189.0)	(199.5)
Gross profit	1,153.0	1,147.0
Operating expenses before restructuring charges	(950.3)	(946.0)
Depreciation and amortisation	(47.3)	(55.9)
Restructuring charges	(27.4)	(30.5)
Operating expenses	(1,025.0)	(1,032.4)
Operating profit	128.0	114.6
add back:		
Restructuring costs	27.4	30.5
Amortisation of purchased intangibles	17.2	24.2
Disposal of subsidiaries and associates	4.4	1.0
Underlying operating profit	177.0	170.3
<i>Revenue growth (constant currency)</i>	<i>n/a</i>	<i>(8.7%)</i>
<i>Underlying operating profit growth (constant currency)</i>	<i>n/a</i>	<i>(14.9%)</i>
<i>Underlying profit margin</i>	<i>13.2%</i>	<i>12.6%</i>

¹ FY08 results are restated for the reclassification of financing-related exchange gains and losses

Source: Aegis Annual Report 2009

In relation to Aegis' reported statutory financial performance for the year ended 31 December 2009, we note the following:

- ▶ Revenue increased by £4.5 million (0.3%) to £1,346.5 million at reported exchange rates largely due to fluctuations in currency rates. However we note that revenue growth on a constant currency basis decreased by 8.7% reflecting challenging market conditions. Management note that the decrease in organic revenue, excluding the impact of prior year acquisitions, was approximately 9.7% on a constant currency basis.
- ▶ Aegis Media and Synovate represent 61.3% and 38.7% of total revenue respectively.
- ▶ Underlying operating profit decreased by £6.7 million (3.8%) in 2009 to £170.3 million from £177.0 million at reported exchange rates, or 14.9% at constant currency. The decrease was due to a decline in Aegis Group revenues of 8.7% and a decline in gross profit of 9.9% at constant currency, which was not wholly offset by an 8.9% reduction in Aegis Group operating expenses (excluding depreciation and amortisation) to £976.7 million in 2009.
- ▶ The EBITDA margin decreased from 13.3% to 12.7% in FY09A. However Management note that a cost reduction programme, initiated in 2008, has led to some margin containment and they expected further benefits to eventuate in 2010. Staff related costs savings for FY09A equated to £55.6 million, a year-on-year saving of 7.6%.

The above financial information has been sourced from the statutory accounts and includes part year impacts of businesses acquired during the relevant periods.

4.2.2 Financial position

The consolidated financial position of Aegis as at 31 December 2009 and 31 December 2008 is presented in the following table.

<i>Currency: £000</i>	31 Dec 08	31 Dec 09
Cash and cash equivalents	413	391
Work in progress	23	15
Trade and other receivables	2,324	2,006
Derivative financial assets	6	0
Other financial assets	3	-
Current assets	2,768	2,413
PP&E	74	60
Interests in associates and joint ventures	27	3
Deferred tax assets	24	26
Available for sale financial assets	0	15
Other financial assets	2	1
Intangible assets	105	86
Goodwill	1,115	1,011
Non-current assets	1,346	1,201
Total assets	4,114	3,613
Trade and other payables	2,699	2,365
Borrowings	53	43
Derivative financial liabilities	5	4
Provisions	2	2
Current tax liabilities	14	5
Current liabilities	2,773	2,419
Borrowings	658	605
Derivative financial liabilities	142	53
Other financial liabilities	48	55
Provisions	2	1
Deferred tax liabilities	31	36
Non-current liabilities	881	750
Total liabilities	3,654	3,169
Net assets	460	445

Source: Aegis Annual Report 2009 & EY Assumption

We note the following in relation to the financial position of Aegis.

- ▶ Cash and cash equivalents decreased by £22 million (5.2%) to £391 million primarily driven by exchange rate movements of £20 million.
- ▶ Trade and other receivables totalled £2,006 million as at 31 December 2009. The average credit period taken for trade receivables during 2009 was 43 days, versus 55 days in 2008. As at 31 December 2009 trade receivables of £393 million were overdue but not impaired, of this only £60 million was over three months past due.
- ▶ During 2009 it was determined that Aegis' investment in Qin Jia Yuan Advertising (QJY), a company listed in Hong Kong, no longer met the definition of an associate due to a decrease in Aegis' influence over the company following a dilution to its equity holding. Therefore QJY was reclassified from *Interests in associates and joint ventures* to *Available for sale financial assets*.

- ▶ Goodwill of £1,011 as at 31 December 2009 has arisen from a large number of individually small acquisitions which Aegis has made over time. The decrease in goodwill of £104 million (9.3%) is a result of an adjustment to prior period estimates of deferred consideration of £67 million and exchange differences of £53 million. These were partly offset by additions and other acquisition adjustments totalling £16 million.
- ▶ Trade and other payables totalled £2,365 million as at 31 December 2009. The average credit period taken for trade payables during 2009 was 50 days, compared to 62 days in 2008.
- ▶ Short and long term borrowings totalled £648 million as at 31 December 2009 compared to £710 million as at 31 December 2008.

4.3 Capital structure and shareholders

4.3.1 Aegis capital structure as at 31 December 2009 and 1 July 2010

As at 31 December 2009, Aegis's capital comprised 1,161,268,910 ordinary securities. Bolloré SA was the only substantial shareholder as at 1 July 2010 with a beneficial interest of 29.51%.

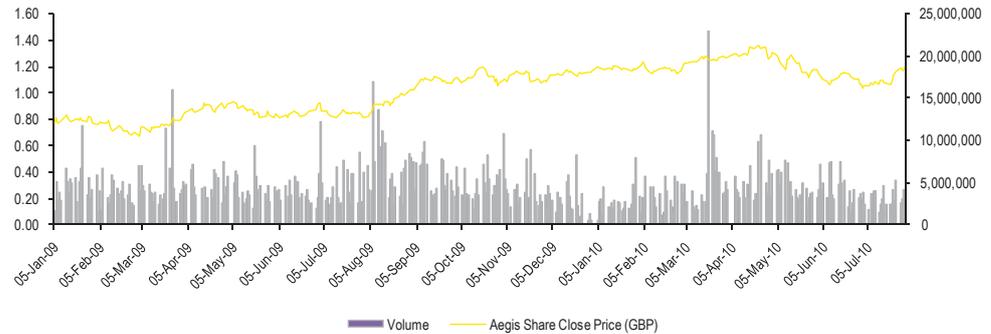
The following table provides Aegis's top twenty registered security holders as at 1 July 2010.

<i>Name of shareholder</i>	Shareholding (' 000)	% of shares held
Bolloré SA	344,276	29.51%
TCS Capital Management LLC	54,872	4.70%
FIL Investments International Ltd.	54,062	4.63%
Legal & General Investment Management Ltd.	46,239	3.96%
AXA Rosenberg Investment Management Ltd. (UK)	42,399	3.63%
Standard Life Investments Ltd.	40,247	3.45%
Aviva Investors Global Services Ltd.	34,573	2.96%
Norges Bank Investment Management	28,869	2.48%
Aegis Group Employee Share Trust	28,664	2.46%
Goldman Sachs (US) /Market-Maker/	26,402	2.26%
BAE Systems Pension Funds Investment Management Ltd.	16,082	1.38%
BlackRock Investment Management (UK) Ltd.	15,342	1.32%
JPMorgan Asset Management (UK) Ltd.	14,412	1.24%
Credit Suisse First Boston (Market-Maker)	14,221	1.22%
Scottish Widows Investment Partnership Ltd.	13,313	1.14%
Artemis Investment Management Ltd.	12,561	1.08%
Fidelity International Investment Advisors (Bermuda)	12,542	1.08%
BNP Paribas Asset Management (France) SAS	12,395	1.06%
Eurizon Capital SGR SpA	12,130	1.04%
Morgan Stanley Investment Management (UK)	10,955	0.94%
Total for top 20 shareholders	834,556	71.54%

Source: FactSet

4.4 Recent share price performance

The following graph depicts the trading volume and closing price of Aegis securities for the period 2 January 2009 to 29 July 2010.



Aegis's security price has experienced a steady increase between 2 January 2009 and 29 July 2010. Aegis security price hit a low of £0.675 on 2 March 2009 and a high of £1.358 on 20 April 2010.

After the announcement of the Scheme on 29 July 2010 Aegis Shares increased by £0.025 to £1.195.

The table below indicates the key company announcements during 2009 and 2010.

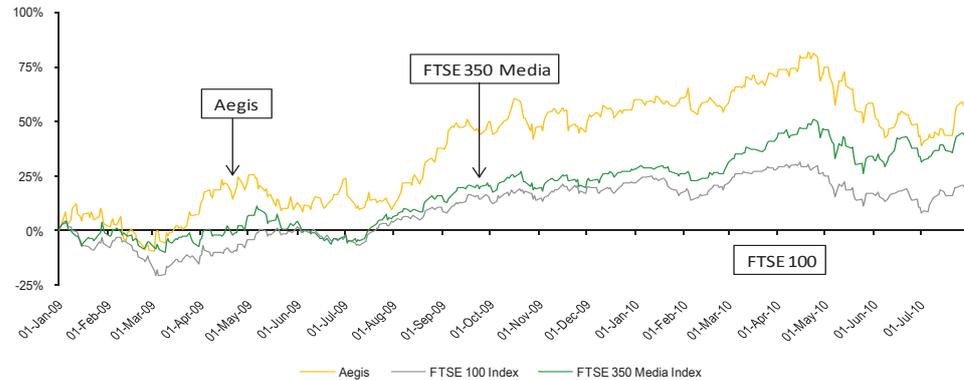
<i>Date</i>	<i>Regulatory company announcement</i>	<i>Volume traded ('000)</i>	<i>Share price (prior day close)</i>	<i>Share price (close)</i>	<i>Share price Movement (%)</i>
29-Jul-10	Offer for Mitchell Communication Group	3,735	1.170	1.195	2.1%
22-Apr-10	Annual Financial Report	9,822	1.358	1.354	(0.3%)
19-Mar-10	No announcement however abnormally high volumes traded	22,974	1.276	1.259	(1.3%)
18-Mar-10	Final results announcement and Convertible Bond Offering & Pricing	6,100	1.275	1.276	0.1%
28-Aug-09	Interim results announcement	7,645	0.984	0.981	(0.3%)
6-Aug-09	No announcement however abnormally high volumes traded	16,995	0.856	0.878	2.6%
21-Apr-09	Annual Financial Report	6,603	0.875	0.855	(2.3%)
24-Mar-09	No announcement however abnormally high volumes traded	15,946	0.763	0.810	6.2%
19-Mar-09	Final results announcement	11,506	0.753	0.758	0.7%

Source: FactSet

4.4.2 Aegis security price movements versus FTSE indices

The graph on the following page indicates Aegis' security price performance compared to the FTSE 350 Media index and FTSE 100 index between 1 January 2009 and 29 July 2010.

Aegis' security price increased by approximately 60.4% over the period whilst the FTSE 350 Media index increased by approximately 45.7% and FTSE 100 index increased by approximately 19.8%. We note Aegis represents approximately 3.1% of the FTSE 350 Media index.²



4.4.3 Trading volumes

Aegis' securities have historically traded with relatively high volumes as illustrated below.

<i>Number of trades per day</i> (<i>'000</i>)	FY08	FY09	FY10	YTD11
Low	593	526	498	1,253
Mean	8,544	5,784	4,605	2,892
Median	6,732	4,792	3,890	2,878
High	53,273	30,116	22,974	5,327
Shares as at 31 December XX and 1 July 2010 for YTD11	1,153,519	1,158,801	1,161,269	1,166,607
% of shares traded per day (mean)	0.74%	0.50%	0.40%	0.25%
% of shares traded per year (mean)	271.10%	182.19%	144.75%	90.47%

Source: FactSet

4.5 Distribution history

The following table provides a profile of interim and final distributions made by Aegis to Aegis security holders between FY04 and FY09.

<i>Balance date</i>	<i>Dividend type</i>	<i>Pence per share</i>	<i>Currency</i>
31-Dec-09	Final	1.54	GBP
30-Jun-09	Interim	0.96	GBP
31-Dec-08	Final	1.54	GBP
30-Jun-08	Interim	0.96	GBP
31-Dec-07	Final	1.46	GBP
30-Jun-07	Interim	0.84	GBP
31-Dec-06	Final	1.18	GBP
30-Jun-06	Interim	0.73	GBP
31-Dec-05	Final	1.00	GBP
30-Jun-05	Interim	0.65	GBP
31-Dec-04	Final	0.88	GBP
30-Jun-04	Interim	0.58	GBP

Source: FactSet

² Source: Bloomberg

5. Industry overview

5.1 Overview

The advertising services industry assists clients in the creation and placement of advertising material in a wide range of media including television, magazines, outdoor advertising and the internet. Participants in the industry also provide a range of other services to support client needs. These include public relations, promotions, direct mail, market research, digital advertising and website development.

The industry can be categorised into three segments being Production, Media bookings and placement and Other. These are discussed below.

5.1.1 Segmentation

Media booking or placement

The Media booking or placement segment involves the booking of advertising time and space from media operators and the placement of their clients' advertisements into those spaces. Media buyers book large volumes of advertising space in both traditional media (TV, newspapers and radio) and digital media and placing the advertisements of their clients into the advertising spaces booked. Media buyers charge placement fees for the services offered. The benefit to clients of media buyers is that they are able to access advertising time and space that may not be available to them as a sole purchaser of the time or space and the reduced rates able to be negotiated by media buyers.

Production

The Production segment includes the creation of media campaigns including strategy planning, graphic and creative design and production. In recent years this segment has also begun to offer more 'new media' offerings including website design and interactive application development across many media platforms including computers, smart phones and iPods. The major growth within this sector has been driven from the digital section of this offering.

Other

The Other segment includes services offered outside of the above two segments including outdoor advertising, direct mail, promotional goods and in-store promotions.

5.2 Market participants

The segmentation of the industry is generally between larger industry participants who seek to provide a wide range of services and smaller specialist agencies which might provides single or small range of services.

Below is a table which lists the top 20 media buying agencies in Australia by agency billings for the 2008 and 2009 calendar years.

<i>Estimated Media Agency Billings (\$m)</i>	2008	2009	Parent
Mitchell & Partners	930	900	Mitchell
OMD	750	690	Omnicom
MediaCom	730	620	WPP Plc
Starcom MediaVest	680	560	Publicis Groupe SA
Universal McCann	520	530	Interpublic Group of Companies Inc
ZenithOptimedia	440	410	Publicis Groupe SA
Initiative	310	310	Interpublic Group of Companies Inc
Carat	290	280	Aegis Group Plc
Mindshare	280	260	WPP Plc
Mediaedge:cia	280	230	WPP Plc
Maxus	200	190	WPP Plc
Ikon Communications	140	180	STW Communications Group
PHD	170	110	Omnicom
Marketforce	100	80	Omnicom
Adcorp	90	70	-
TMS	90	70	-
Russell Curtis & Janes	70	70	-
Nunn Media	50	60	-
Pearman Media	50	50	-
Paykel Media Company	50	50	-

Source: The Nielsen Company

Descriptions of the parent entities of the above media buying agencies as well as other major participants in the Advertising Services industry, including Photon are provided in appendix 4.

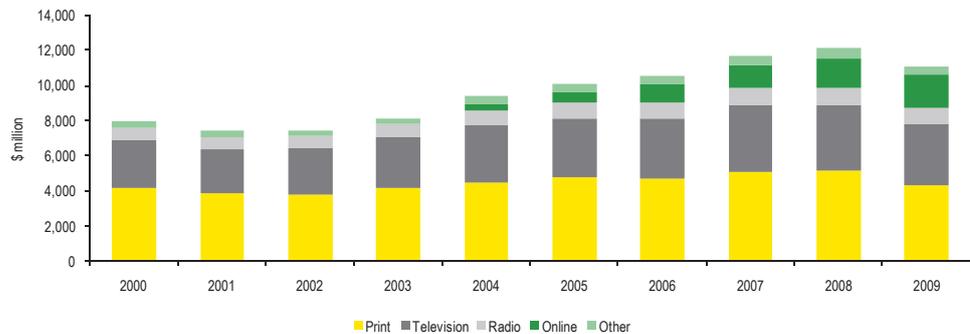
5.3 Market performance

Mitchell provides a wide range of services to its clients but does not create advertising material and campaigns in traditional media. While Mitchell's origins were in the media buying segment which remains a large part of its business it now has a substantial digital media business and a wide range of other services in its diversified division.

As advertising expenditure tends to be discretionary in nature it tends to be more constrained in more difficult economic circumstances. In relation to the media booking or placement segment, CEASA reported that in the year ended 31 December 2009, total media billings of approximately \$11.1 billion (excluding classified directories), which was down from the \$12.1 billion reported in the year ended 31 December 2008.

The following graph shows the advertising revenue (excluding classified directories) revenue for the period from 1 January 2000 to 31 December 2009 and split between the major advertising revenue sources.

Advertising revenue (billings), excluding classified directories



Source: Advertising Expenditure in Main Media, Year ended 31 December 2009 "The Ceasa Report"

As shown above, online advertising billing has only been measured from FY04 but has gradually increased its share of advertising billings from 4.1% in FY04 to 16.8% in FY09. Conversely, print advertising billings have increased by a total of \$133 million from FY00 to FY10 but have fallen as a percentage of total advertising billings from 52.6% in FY00 to 39.0% in FY09. Television and radio advertising billings as a percentage of total advertising billings have remained relatively constant over the past 10 years.

5.4 Key drivers

Overall demand for the services provided by the advertising services industry is primarily derived from the advertising, promotional and PR budgets and services of the corporate and government sector. The following are some of the key trends facing the industry and factors affecting future performance.

5.4.1 Fragmentation and Consolidation

Traditionally, advertising clients directed a large majority of their media expenditure towards the mass media such as television, print and radio. In recent times however, the industry has seen a shift from traditional media advertising more towards digital media, promotional and PR initiatives. This shift has been driven by a combination of the relatively high cost of traditional media advertising and the fragmentation of consumers' media viewing habits.

The fragmentation of the media industry has been largely driven by the emergence of new media and digital media. This includes the advent of internet-enabled mobile phones, faster and cheaper internet, iPods and podcasts, subscription TV, new (digital) free-to-air channels and social and networking sites such as Facebook, MySpace, YouTube and Twitter.

According to IBISWorld, website advertising is one of the fastest growing markets for the industry. Similarly, subscription television services is a growing area for advertising due to its increasing penetration and audience size in comparison to traditional free-to-air TV.

In response to this phenomenon, many advertising houses have consolidated their businesses through the acquisition of complementary businesses which deliver a wider range of services, particularly to the new and emerging media forms.

Mitchell has been an active participant in industry consolidation with the traditional media buying business in effect merging with the emitch digital media businesses in 2006 and the many acquisitions discussed in section 3 above. The international advertising businesses such as those discussed in Appendix 4 have adopted similar strategies and other Australian advertising consolidators such as Photon and STW have also emerged to be significant participants in the industry.

5.4.2 Real GDP growth

Demand for industry services is highly sensitive to changes in macroeconomic conditions which directly (and very quickly) impact the overall level of advertising and promotional expenditure undertaken by clients. Due to the discretionary nature of advertising expenditure, media budgets are often one of the first areas to be evaluated by management in times of economic downturn. It has been observed historically that advertising expenditure has consistently moved with the economic cycle, declining in economic downturns and growing in economic upturns.

5.4.3 Business and consumer sentiment

Two key drivers of advertising expenditure are changes in business and consumer sentiment. Business sentiment is of crucial importance to the advertising industry as business confidence dictates the amount corporations are willing to invest in advertising. Similarly, advertising demand is particularly sensitive to consumer confidence and expenditure in areas such as retail, housing, cars and travel as these goods require high levels of advertising expenditure to inform and persuade consumers to purchase.

5.4.4 Downstream demand from media

The demand for traditional media advertising (such as newspapers and television) remains a key driver of the industry, particularly from car retailers, housing and travel operators.

5.5 Key success factors

The advertising services industry is made up of both diversified agencies offering a wide range of services and niche entities offering a single or small range of services. The key success factors for the industry include:

- ▶ **Effective communication and negotiation skills** - Agencies need to be able to set themselves apart from their competitors through either high level strategic thinking or relationships with media companies with which advertisements are placed.
- ▶ **Relationships with media advertising sellers** - For larger, diversified agencies, the ability to book large amounts of advertising time on a wide range of media is essential, particularly to media buyers to enable them to offer clients the best results and the highest value for their marketing spend.
- ▶ **Differentiated products** - the ability to offer a differentiated product (either as a result of a niche agency or product or the ability to offer a 'one-stop-shop' enables agencies to differentiate themselves from their peers and either win new clients or maintain existing clients.
- ▶ **Monitoring of competition** - agencies need to be aware of trends within the industry to ensure that the services they are offering are those at the leading edge of market developments. In addition a knowledge of those clients who are dissatisfied with their current agency or tendering for a new agency is required to win new business.



- ▶ **Loyal customer base** - a significant portion of fees for advertising services firms is derived from repeat work. Therefore the maintenance of relationships with large and key clients is essential.
- ▶ **Workforce** - a highly skilled workforce will enable agencies to offer a higher quality service to their clients which may increase the retention of existing clients or the ability to secure new clients.
- ▶ **Access to major and niche markets** - Diversified agencies need to be able to offer clients a 'one-stop-shop' for their marketing needs, requiring either an in-house ability to offer all services (traditional media and online) that may be required by a client or relationships with niche market participants where a diversified agency does not have the requisite skills or resources to assist a client.
- ▶ **Cost control** - with the current economic climate, agencies need to be able to offer clients cost effective marketing strategies to maintain relationships and client satisfaction.

5.6 Barriers to entry

Barriers to entry into the advertising services industry are considered by us to be medium.

Increasingly the industry is being serviced by large, multinational one-stop-shop agencies who are able to provide clients with all of their marketing needs. However, smaller niche agencies are still able to operate within their area of speciality.

Other barriers to entry include access to skilled staff, and a knowledge of media and other advertising related regulations.

6. Valuation of Mitchell Shares

6.1 Mitchell valuation methodology

We have outlined a number of commonly used valuation methodologies in appendix 3. In valuing Mitchell, we applied the capitalisation of earnings methodology as our primary method. We have then cross-checked our range of values to the share price of Mitchell prior to the announcement of the Scheme.

We have adopted this approach for the following key reasons:

- ▶ The Mitchell business has a track record of profitability
- ▶ There are a number of entities which are sufficiently similar to Mitchell and transactions involving companies in the advertising services sector such that trading and transaction multiples are able to be drawn from the market to be applied to an assessment of Mitchell's earnings
- ▶ No long term forecasts for Mitchell are available

When applying the capitalisation of earnings methodology to derive the fair market value of 100% of the issued shares of Mitchell we have:

- ▶ Made an assessment of the normalised pro forma EBITDA of Mitchell. We have adopted EBITDA as the appropriate earnings basis for our analysis as:
 - ▶ The depreciation policies adopted by comparable companies may be inconsistent
 - ▶ Amortisation expense, which is driven by intangible assets recognised in the statement of financial position, can be significantly different across companies
 - ▶ Differing gearing levels and working capital requirements of comparable companies impact on the interest expense of these comparable companies
- ▶ Assessed an appropriate earnings multiple to apply to the normalised pro forma EBITDA, having regard to comparable listed companies, relevant comparable transactions and other factors specific to Mitchell.
- ▶ Assessed the pro forma normalised net debt attributable to Mitchell.
- ▶ Assessed movements in the net debt attributable to Mitchell as a result of the exercise of Mitchell Share options, payment of any deferred consideration and payment of the final dividend for FY10 that will be paid in the event that the Scheme is approved and implemented.
- ▶ Considered any other assets, liabilities and contingent liabilities that are not reflected in the value determined by the capitalised normalised pro forma EBITDA.

Prior to finalising our valuation conclusion, we considered the reasonableness of our valuation range established using the capitalisation of earnings methodology by comparing the valuation range to the historical share price of Mitchell prior to the announcement of the Scheme.

6.2 Control premium

In valuing a Mitchell Share, we have assumed 100% of the shares are available for sale and we have therefore incorporated a premium for control. This is consistent with the requirements of RG111.

6.3 Normalised pro forma EBITDA

As provided in section 3.3.1 above, the following table shows the billings, revenue and EBITDA for Mitchell for the three years ended 30 June 2010.

<i>Currency: \$ 000</i>	FY08A	FY09A ¹	FY10A
Billings	1,175,200	1,158,400	1,339,200
Total revenue	187,843	225,183	261,136
EBITDA	30,927	34,206	34,771
<i>EBITDA margin</i>	<i>16.5%</i>	<i>15.2%</i>	<i>13.3%</i>

¹ FY09A results include only eight months of earnings attributable to Picture This! Production Pty Limited as it was acquired on 1 November 2008

² FY10A results include only eight months of earnings attributable to Insite Organisation as it was acquired on 1 Nov 09

Source: MCU Appendix 4E FY10 Preliminary Financial Report, FY09 Annual Report

In addition to the above we note that analyst consensus forecasts for Mitchell FY11F EBITDA as at the date of this independent expert's report is \$42 million. After considering historical levels of EBITDA, analyst forecasts for FY11 and discussions and enquiries with management, we have selected normalised pro forma FY10 EBITDA of \$35 million as a base for our fair market valuation of Mitchell. This EBITDA has been capitalised at a multiple that we consider reasonably reflects the growth prospects of Mitchell. This is discussed further in section 6.4.3 below.

6.4 Earnings multiples

6.4.1 Trading multiples

There are few companies that are directly comparable to Mitchell. Consequently in our analysis we have considered a number of other companies who also provide services within the media buying or advertising services industry in Australia and globally.

The following table summarises the trading multiples of comparable companies to Mitchell as at 10 September 2010.

	Country headquarters	Enterprise value (AUD)	EBITDA (FY10) Multiple	EBITDA (FY11F) Multiple
<i>Currency: AU\$ million</i>				
Australian comparables				
Mitchell Communication Group Limited	Australia	327	9.4x	7.9x
STW Communications Group Ltd.	Australia	462	6.0x	5.5x
Photon Group Limited	Australia	601	8.0x	6.7x
International comparables				
WPP plc	Ireland	20,180	8.8x	8.2x
Omnicom Group Inc.	United States	14,685	8.0x	7.4x
Publicis Groupe SA	France	10,010	7.7x	7.1x
Interpublic Group of Companies, Inc.	United States	5,863	7.4x	6.5x
Havas	France	2,303	7.4x	6.9x
Aegis Group plc	United Kingdom	2,986	8.8x	8.0x
Low		327	6.0x	5.5x
Mean		6,380	7.9x	7.1x
Median		2,986	8.0x	7.1x
High		20,180	9.4x	8.2x

Source: Bloomberg, Capital IQ and Company Reports

Note: The enterprise value of Mitchell has been calculated using the VWAP 1 month prior to 29 July 2010 of \$0.98 as a proxy for share price. This has been undertaken to minimise the impact of media rumours in relation to potential acquisitions by WPP and Aegis over the course of the month leading up to the announcement of the Scheme. The net debt used is the midpoint of the calculation provided in sections 6.6 and 6.7 below.

Where the above companies have deferred consideration liabilities, these have been included in the company's net debt used to calculate enterprise value.

These multiples are minority interest multiples and therefore do not include a premium for control.

Descriptions of the comparable companies presented in the table above are provided in appendix 4 - Comparable companies.

6.4.2 Transaction multiples

The following table summarises the multiples implied from recent transactions where the target operates within the media and advertising services industries:

Announcement date	Target	Acquirer	% acquired	Curr	Implied EV	EBITDA (H)	EBITDA multiple
28-Jun-10	Delaney Lund Knox Warren & Partners	Interpublic Group of Companies	100.0%	GBP	24,652	2,268	10.9x
24-Jun-10*	Alloy Inc	ZelnickMedia Corporation	100.0%	USD	102,890	9,907	10.4x
10-May-10	Integrated Media Solutions	MDC Partners Inc	75.0%	USD	25,544	9,713	2.6x
22-Sep-09	Essentially Group	Chime Communications	100.0%	GBP	21,352	2,798	7.6x
01-Oct-09	Dark Blue Sea	Photon Group Limited	69.5%	AUD	37,020	1,832	20.2x
06-Oct-08	SPG Media Group	Progressive Capital Limited	100.0%	GBP	6,861	1,021	6.7x
09-Jul-08	Taylor Nelson Sofres	WPP Plc	100.0%	GBP	1,481,500	140,500	10.5x
15-May-08	CNET Networks	CBS Corp	100.0%	USD	1,717,143	60,552	28.4x
Low					6,861	1,021	2.6x
Mean					427,120	28,574	12.2x
Median					31,282	6,256	10.5x
High					1,717,143	140,500	28.4x

* yet to complete

Source: Bloomberg, Capital IQ and Company Reports

Descriptions of the above transactions are provided in appendix 5 - Comparable transactions.

6.4.3 Assessment of earnings multiples

In assessing appropriate earnings multiples to apply in respect of the valuation of Mitchell, we have had regard to the following key points:

- ▶ In addition to Mitchell, we consider Aegis to be the most comparable company to Mitchell with regard to its operations. We note however that Mitchell is significantly smaller than Aegis.
- ▶ Mitchell is the market leader in media buying in Australia.
- ▶ Consensus analyst forecasts for Mitchell's FY11 EBITDA provide a higher level of EBITDA growth than for many of the comparable companies listed above. This is reflected in the fact that Mitchell has the highest historic FY10 EBITDA multiple and close to the highest FY11 prospective multiple set out in section 6.4.1.
- ▶ The trading multiples in section 6.4.1 above are based on the market price for minority or portfolio holding of shares and do not include a premium for control. A premium for control is applicable when the acquisition of control of a company or business would give rise to benefits such as:
 - ▶ The ability to realise synergistic benefits, for example by merging the target company's operations with those of the acquiring entity
 - ▶ Access to cash flows
 - ▶ Access to tax benefits
 - ▶ Control of the board of directors and the direction of the company

Evidence from studies indicates that control premiums on successful takeovers have frequently been in the range of 20% to 40% and that the premium will vary significantly from circumstance to circumstance.

RG111 requires the independent expert to value 100% of a company and therefore incorporate a premium for control. In considering control premiums in relation to Mitchell we have considered the nature of a possible acquirer of Mitchell and note that they could include parties such as:

- ▶ Other participants in the Australian media buying and advertising services industry.
- ▶ Other participants in the media buying and advertising services market internationally. Should such a party seek to acquire Mitchell, depending upon their own circumstances they may be able to derive some operating synergies through global arrangements and expertise and through the elimination of the public company listing and some corporate costs in Australia.

As a consequence of the above factors and the requirements of RG111 we believe it appropriate to reflect a premium for control into our valuation of a 100% interest in Mitchell. However, given the limited number and the nature of potential purchasers and the inclusion of some level of control premium already within the Mitchell Share price in the month leading up to 29 July 2010 we would consider it most appropriate to consider a premium at a lower end of the range noted above in the order of 20% to 30%. We note that the transaction multiples shown above are inclusive of control.

Based on the foregoing we have adopted FY10 earnings multiples on a control basis of 11.0x to 12.0x normalised FY10 EBITDA. We believe this range of multiples takes into account the relatively high analysts growth forecasts for Mitchell and the control nature of the Scheme.

6.5 Exercise of Mitchell Share options

As discussed in section 3.4.3 above, as at 30 June 2010 Mitchell had 664,602 share options outstanding of which 364,602 were in-the-money with exercise prices of either \$0.60, \$0.70 or \$0.80 per option. Management has advised that prior to the Scheme all of the in-the-money Mitchell Share options will be exercised, thereby increasing the capital base of Mitchell and increasing the cash position by an amount of \$225,000 (being the number of Mitchell Share options to be exercised multiplied by the exercise price). For the purposes of our valuation we have added this cash receivable to our enterprise valuation.

6.6 Pro forma net debt

In order to arrive at the equity value, it is necessary to deduct the pro forma net debt from the enterprise value calculated for Mitchell. Management have advised us that the net debt/(cash) position of Mitchell varies significantly during the month due to the payment terms that apply for debtors and creditors of Mitchell. The majority of Mitchell's debtors will pay their accounts prior to the time at which Mitchell must pay its media creditors. Consequently immediately before the payment of media creditors Mitchell can have a very substantial net cash balance. However, after those payments are made Mitchell will return to having a net debt position.

We have discussed this position with Management and have been provided with some analysis of daily cash balances over recent years. For the purposes of our valuation we have assumed that on average the net debt position of Mitchell is between \$15 million and \$20 million.

6.7 Earn out liabilities

As at 30 June 2010 Mitchell recognised a contingent liability of \$17.661 million for deferred consideration of acquisitions. The following table provides details of the entity acquired and the deferred consideration recognised in the accounts:

<i>Currency: \$ 000</i>	<i>Date payable</i>	<i>30 June 10</i>
Current deferred consideration		
Cash consideration - Starcom Worldwide (WA)	30-Jun-10	957
Equity consideration - Starcom Worldwide (WA)	30-Jun-10	100
Total current deferred consideration		1,057
Equity consideration - Starcom Worldwide (WA)	30-Jun-11	91
Contingent consideration (cash/equity) - Insite Organisation	31-Mar-13	13,349
Contingent consideration (cash/equity) - Insite Organisation	31-Mar-14	3,165
Total non current deferred consideration		16,605
Total deferred consideration		17,662

Source: MCU FY10 Appendix 4E, Preliminary final report

Management have advised that the current deferred consideration amount of \$100,000 equity in Mitchell has been issued to Starcom Worldwide (WA), leaving \$17.562 million in deferred consideration potentially payable subject to the future financial performance of the businesses.

As the amounts payable will ultimately be based on the future performance of the businesses the subject of the deferred consideration, after discussion with management we have used a range of \$10 million to \$17.5 million for the deferred consideration payable. This range of deferred considerations has been deducted from the enterprise value of Mitchell as determined above to calculate our equity value of Mitchell.

6.8 Dividend

Mitchell has advised that if the Scheme is approved and implemented it will pay a fully franked dividend to Mitchell Shareholders in respect of the year 30 June 2010 of \$0.05 per share. For the purpose of our valuation we have calculated the expected dividend payment to be \$15.1 million and deducted it from the enterprise value of Mitchell.

6.9 Assets/liabilities not included in enterprise valuation

Management of Mitchell have advised that as at the date of this report Mitchell did not have any surplus assets or liabilities not included in the enterprise valuation.

6.10 Summary of valuation analysis

We summarise our fair market valuation of 100% of the issued shares in Mitchell as follows:

<i>Currency: \$ 000</i>	Ref	Low	High
FY10A EBITDA	6.3	35,000	35,000
EBITDA multiple	6.4	11.0x	12.0x
Enterprise value		385,000	420,000
add: Cash received from exercise of Mitchell Share options	6.5	255	255
less: Pro forma net debt	6.6	(20,000)	(15,000)
less: Deferred consideration	6.7	(17,500)	(10,000)
less: Dividend	6.8	(15,186)	(15,186)
Equity value		332,569	380,069
Shares on issue (inc. Mitchell Share options and performance rights) ('000)	3.4.4	303,728	303,728
Equity value per MCU share (\$)		1.09	1.25

Source: EY

The above valuation reflects the value of 100% of Mitchell Shares inclusive of a premium for control. This is in accordance with the requirements of RG111. As noted in section 8.6.1, in the absence of a higher offer or the expectation of a higher offer, Mitchell Shares would be expected to trade without a premium for control in the event that the Scheme is not approved and implemented.

6.11 Valuation cross check

We have considered the reasonableness of our valuation derived using the capitalisation of earnings approach using recent share price trading.

Set out below is a summary of the prices at which Mitchell has recently traded on the ASX. As these reflect trading prices of minority interests, we have added to these amounts control premiums of 20% to 30% as discussed in section 6.4.3. The resulting ranges in all cases overlap with our valuation range. While the more recent trading prices and VWAPs tend to imply higher values it is over this period that the Mitchell share price had been increasing amidst media speculation of a potential takeover of Mitchell by WPP emerging on 16 July 2010. Accordingly some level of control premium may already be reflected in the trading prices subsequent to this date. In addition, the Mitchell Share price was also effectively trading cum dividend. Our valuation range excludes the final dividend which was effectively incorporated in these prices.

<i>Currency: \$</i>	Share Price	With 20% control premium	With 30% control premium
Trading one day prior to announcement of the Scheme	1.04	1.25	1.35
VWAP 5 days prior to announcement of the Scheme	1.00	1.21	1.31
VWAP 1 month prior to announcement of the Scheme	0.98	1.17	1.27
VWAP 3 months prior to announcement of the Scheme	0.92	1.11	1.20

Source: Factiva

Based on the above, we consider the historical share prices and the above factors indicate that our valuation range is reasonable for the purposes of this report.

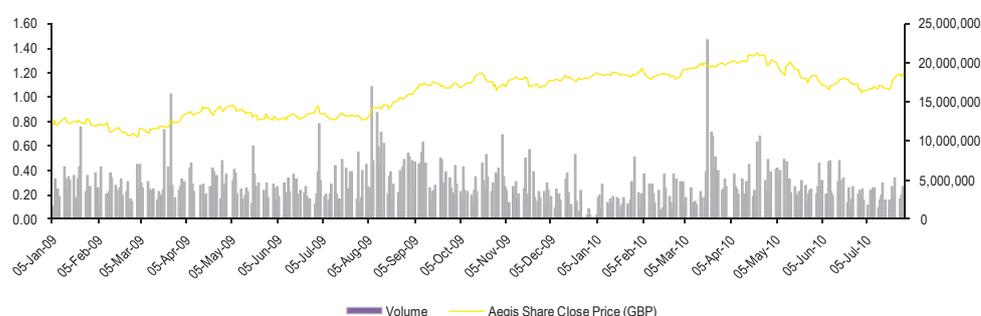
7. Value of Aegis Shares offered as Consideration

7.1 Valuation approach

In assessing the value of Aegis we have applied a market based approach relying on observed share market trading values in Aegis' shares. We have adopted this approach after noting that Aegis' shares are relatively well traded.

7.2 Value of Aegis based on its share price

As indicated in the following chart Aegis' share price has increased significantly over the last twelve months, rising from £0.84 on 29 July 2009 to £1.17 as at 28 July 2010, being the day prior to announcement of the Scheme.



The following table also shows the prices at which Aegis has recently traded on the LSE, noting these prices reflect non-controlling minority values.

Date	Last price (£ per share)	Volume
1-Sep-10	1.15	5,563,907
2-Sep-10	1.16	3,635,102
3-Sep-10	1.16	3,617,153
6-Sep-10	1.17	2,032,321
7-Sep-10	1.15	2,356,929
8-Sep-10	1.17	4,062,003
9-Sep-10	1.18	3,227,914
10-Sep-10	1.19	2,719,785
Min	1.15	1,253,035
Max	1.19	7,997,187

Source: Factiva

In view of the liquidity of Aegis Shares we consider the share price range over a relatively short period prior to 10 September 2010 as being most appropriate, being between approximately £1.15 and £1.20. We note that the VWAP for Aegis Shares for the five days prior to 10 September 2010 was £1.17 and the VWAP one month prior to 10 September 2010 was £1.15.

7.2.1 Liquidity analysis

Aegis' shares appear to be well traded with a strong institutional shareholder base. As such, the shares are likely to be readily marketable. In addition, the market appears well informed as to the company's performance and prospects and therefore its traded price in a liquid market is likely to be reflective of market value. Our analysis is supported by:

- ▶ Shares are traded on a daily basis, with average monthly volumes equivalent to approximately 12% of its total shares on issue over the last twelve months.
- ▶ Over the last twelve months 1.4 times the total number of shares on issue were traded.
- ▶ Aegis is a member of a number of indices including the FTSE 350 Media and FTSE All Media.
- ▶ The majority of Aegis' current top twenty shareholders are institutional investors.
- ▶ The market appears well informed about the company and its operations, with the company being followed by a wide range of analysts.

As a result of the liquidity of Aegis' shares, and given institutional investors may need to maintain or increase their exposure to Aegis in line with its weighting on relevant indices, should some Mitchell Shareholders who elect to receive Share Consideration wish to sell their Aegis securities received as a result of the implementation of the Scheme, it is likely these would be able to be absorbed by the market without significantly affecting price.

As a result of the above factors, we consider the price at which Aegis Shares have been recently trading represents an appropriate estimate of the value of an Aegis Share on a minority basis.

7.3 Aegis Share price

The Scheme was announced on 29 July 2010. Immediately prior to the announcement Aegis' Share price was trading at £1.17 and increased to £1.20 upon the announcement. We note that, since the announcement, Aegis' securities have traded within the range £1.10 to £1.21 to date. Our assessed range of values for an Aegis Share on a minority basis of £1.15 and £1.20 is within this range.

7.4 Premium for control

In assessing the value of Share Consideration being offered to Mitchell Shareholders, we have not applied a premium for control to the value of Aegis Shares. This reflects the fact that Mitchell Shareholders taking Share Consideration are receiving minority interests in Aegis.

Mitchell Shareholders accepting Share Consideration will not be likely to be able to realise a control premium above this minority interest value unless Aegis is itself the subject of a takeover at some time in the future.

7.5 Value of consideration offered to Mitchell Shareholders

Based on our analysis, the value of a share in Aegis is between £1.15 and £1.20. As Scheme Participants will receive 40 Aegis Shares for every 67 Mitchell Shares, the Consideration equates to \$1.15 to \$1.20 per Mitchell Share using the exchange rate as at 10 September 2010, as illustrated below.

Assessed value of the Share Consideration	Low	High
Aegis security price in £	1.15	1.20
Exchange rate as at 10 September 2010 (AUD:GBP)	0.5987	0.5987
Aegis security price in \$	1.92	2.00
Exchange ratio (40 Aegis shares for 67 Mitchell shares)	0.597	0.597
Assesed value of Share Consideration per Mitchell share (\$)	1.15	1.20

Source: EY, Factiva, www.oanda.com

7.6 Sensitivity analysis

As provided above, we have assessed the value of an Aegis Share for the purposes of this report to be between £1.15 and £1.20, providing an assessed range of values of the Share Consideration per Mitchell Share of between \$1.15 and \$1.20. Investors who accept Scheme Consideration for all or part of their Scheme Consideration, with the intention of selling their Aegis Shares after they receive them may receive a different value of Share Consideration, dependent upon the sale price they achieve for their Aegis Shares.

The table below provides a range of values for the Share Consideration under different Aegis Share price and exchange rates assumptions. Investors who are intending to accept a level of Share Consideration should consider the potential volatility of Aegis Share price movements.

The table below sets out the Australian dollar amount (before any selling costs) that would be received by Mitchell Shareholders who receive Share Consideration based upon a range of different Aegis Share prices and exchange rates.

<i>AUD:GBP exchange rate</i>	Aegis Share price (£)				
	1.05	1.10	1.15	1.20	1.25
0.609	1.03	1.08	1.13	1.18	1.23
0.604	1.04	1.09	1.14	1.19	1.24
0.599	1.05	1.10	1.15	1.20	1.25
0.594	1.06	1.11	1.16	1.21	1.26
0.589	1.06	1.12	1.17	1.22	1.27

Source: EY, www.oanda.com

8. Evaluation of the Scheme

8.1 Approach

In forming our opinion in relation to the Scheme, we have considered:

1. Whether the value of a Mitchell Share (on a control basis) is higher or lower than the Scheme Consideration. In considering value we have also had regard to other terms of the Scheme that may affect the amount or structure of the Scheme Consideration.
2. Whether a premium for control is being offered, and whether this is appropriate in the circumstances.
3. Other qualitative factors which we believe to be relevant to the considerations of Mitchell Shareholders.
4. The likelihood of an alternative superior offer being made to Mitchell Shareholders.
5. The implications if the Scheme does not proceed.

We consider 1. and 2. and other matters relating to the consideration to be paid as matters relating to “fairness” and all other matters as matters relating to “reasonableness” or other factors that we believe to be relevant to the considerations of Mitchell Shareholders.

8.2 Fairness

8.2.1 Valuation comparison

We have compared the value of a Mitchell Share on a controlling basis (as outlined in section 6.10) with the value of the Scheme Consideration. This is presented as follows:

<i>Currency: \$</i>	Low	High
Valuation of Mitchell Shares		
Equity value per Mitchell Share (excluding the \$0.05 per Mitchell Share final dividend)	1.09	1.25
Scheme Consideration offered		
Value of Cash Consideration	1.20	1.20
Value of Share Consideration	1.15	1.20

Source: EY

Mitchell Shareholders may elect to receive either Cash or Share Consideration or a combination of both if the Scheme is approved and implemented. As such, we have undertaken our valuation comparison for both the Cash and Share Consideration as provided in the table above.

8.2.2 Control premium

The Offer provides Mitchell Shareholders with the opportunity to realise value for their Mitchell Shares in excess of the price at which they traded prior to the announcement of the Offer on 28 July 2010.

The Cash Consideration of \$1.20 per share offered to Mitchell Shareholders represents a premium to the share price of Mitchell prior to the announcement of the Scheme. The Cash Consideration represents a 15.4% premium to the closing price of \$1.04 per Mitchell Share. Further, the 5 day volume weighted average price (VWAP) of Mitchell Shares prior to the

announcement of the Scheme on 29 July 2010 was \$1.00, the one month VWAP was \$0.98 and the three month VWAP was \$0.92. The Scheme Consideration therefore represents a premium to the trading price of Mitchell Shares, prior to the announcement of the Scheme of between 15% and 30%. We note that there may have been some premium for control included in the Mitchell trading prices during part of the month leading to the announcement of the Scheme due to media speculation of a potential takeover of Mitchell by WPP on 16 July 2010.

8.2.3 Conclusion - Fairness

As shown in the above table, the value of both the Cash Consideration and the Share Consideration is within the range of the assessed value of a Mitchell Share. Accordingly we consider the terms of the Offer to be fair.

8.3 Reasonableness

In accordance with RG111.11, as we have concluded that the terms of the Scheme are fair, we also consider them to be reasonable.

8.4 Other factors

Other factors that Mitchell Shareholders should consider in forming their views as to whether or not to vote in favour of the Scheme are provided separately for two scenarios being either Cash Consideration or Share Consideration. These are set out below:

8.4.1 Both Cash and Share Consideration

8.4.1.1 Increased final dividend for FY10

If the Scheme is approved, any Scheme Participant that holds Mitchell Shares on 26 October 2010 (being the ex-dividend date) and continued to hold them on the Register until the dividend record date of 1 November 2010, will receive the \$0.05 per Mitchell Share, fully franked, final dividend for the period ended 30 June 2010.

In the absence of the Scheme being approved, the final dividend for the year ended 30 June 2010 would be a lesser amount.

In the event that the Scheme is not approved the payment of a lower dividend will provide Mitchell with a greater working capital balance to continue its operations which would not be required if the Scheme is approved (and working capital can be provided from Aegis).

8.4.1.2 Transaction costs

The Scheme Booklet indicates that Mitchell will incur approximately \$1.1 million in transaction costs in the event that the Scheme is approved and implemented. A large part of these costs will have been incurred before the Second Court Date.

In addition Mitchell has agreed in certain circumstances to pay Aegis the amount of \$2.7 million in circumstances where Mitchell or its representatives materially breach the Merger Implementation Agreement.

8.4.2 Cash Consideration

8.4.2.1 Liquidity and Certainty

Cash Consideration received by Mitchell Shareholders in the event that the Scheme is approved and implemented will provide immediate liquidity and certainty in the amount to be realised by Mitchell Shareholders. This may be considered an advantage in volatile markets. Further, Mitchell Shareholders will, if the Scheme is approved and implemented, no longer be exposed to external risks such as Mitchell Share price volatility and, to a lesser extent exchange rate risk.

8.4.2.2 Shareholders will no longer participate in possible future increases in value of Mitchell

By accepting the Cash Consideration, Mitchell Shareholders would not retain any ownership of either Mitchell or Aegis and therefore would not benefit from any future capital or dividend growth of Aegis. Conversely, accepting Cash Consideration provides protection to a current Mitchell Shareholder in the event that the Scheme is approved and implemented and the share price of Aegis decreases over time.

Our valuation reflects assumptions in relation to potential future growth opportunities presently available to Mitchell and Aegis. To the extent that the companies exceed these expectations, in the event that the Scheme is approved and implemented and Mitchell Shareholders elect to receive Cash Consideration, they will not benefit from such potential upside.

8.4.2.3 Tax

Scheme Participants who elect to receive Cash Consideration will not be entitled to CGT rollover relief. Further information on the relevant tax consequences for Australian residents is contained in the Tax Report in section 13 of the Scheme Booklet. However, the Tax Report does not amount to specific taxation advice and Mitchell Shareholders should seek their own professional advice regarding the individual tax consequences.

8.4.3 Share Consideration only

8.4.3.1 The Share Consideration value may change between the date of this report and the date the Scheme is implemented and Mitchell Shareholders are first able to trade their Aegis Shares

In the event that Mitchell Shareholders accept the Share Consideration, the value of this consideration may vary from our assessed value dependent upon Aegis Share price movements and exchange rate movements. The table below sets out the Australian dollar amount (before any selling costs) that would be received by Mitchell Shareholders who receive Share Consideration based upon a range of different Aegis Share prices and exchange rates.

AUD:GBP exchange rate	Aegis Share price (£)				
	1.05	1.10	1.15	1.20	1.25
0.609	1.03	1.08	1.13	1.18	1.23
0.604	1.04	1.09	1.14	1.19	1.24
0.599	1.05	1.10	1.15	1.20	1.25
0.594	1.06	1.11	1.16	1.21	1.26
0.589	1.06	1.12	1.17	1.22	1.27

Source: EY, www.oanda.com

The above table uses a range of exchange rates (with the midpoint of the range of exchange rates being the exchange rate as at 10 September 2010) to calculate the value of the Share Consideration to be received for each Mitchell Share under various Aegis Share prices and exchange rates. As shown, the assessed value of the Share Consideration is above the low end of our Mitchell Share range (of \$1.09) for all of the unshaded outcomes.

8.4.3.2 Change of investment profile and risk

Mitchell Shareholders currently have an investment in Mitchell. If the Scheme is approved and implemented Scheme Participants can opt to receive either cash, Aegis Shares (which will include ownership of Mitchell) or a combination of both.

This will change the nature of the investments held by Scheme Participants. Key differences include:

- ▶ If Scheme Participants elect to receive Cash Consideration, they will no longer hold an interest in Mitchell.
- ▶ If Mitchell Shareholders elect to receive Share Consideration, they will hold an interest in Aegis.
 - ▶ Mitchell generates the majority of its revenues and profitability from operations in Australia (and to a lesser extent New Zealand). Aegis generates the majority of its revenues and profitability from the UK and Europe.
 - ▶ The majority of Aegis' revenues are derived from the UK or Europe resulting in the performance of Aegis having a significant exposure to exchange rates. Mitchell generates the majority of its revenues in Australian dollars. Therefore an investment in Aegis will result in an increased exposure to the UK and European exchange rates.

Mitchell Shareholders should consider their own investment profiles in relation to the above matters. Mitchell Shareholders who do not believe that the risk profile of Aegis fits with their own preferences and investment profiles may either vote against the Scheme, elect to receive Cash Consideration rather than Share Consideration or sell any Aegis Shares they receive as Share Consideration after the implementation of the Scheme if it is approved and implemented.

8.4.3.3 Dividend policies and franking

Mitchell and Aegis have historically had different dividend policies as shown in the following table:

Mitchell dividend payout ratio

<i>Balance date</i>	<i>Type</i>	<i>Amount</i>	<i>Total dividend per financial year</i>	<i>EPS</i>	<i>Payout ratio</i>
30-Jun-09	Final	2.10	4.00	6.6	60.6%
31-Dec-08	Interim	1.90			
30-Jun-08	Final	2.10	3.90	6.3	61.9%
31-Dec-07	Interim	1.80			
30-Jun-07	Final	1.20	2.00	4.5	44.4%
31-Dec-06	Interim	0.80			

Source: DatAnalysis, Bloomberg, EY

Aegis dividend payout ratio

<i>Balance date</i>	<i>Type</i>	<i>Amount</i>	<i>Total dividend per financial year</i>	<i>EPS</i>	<i>Payout ratio</i>
31-Dec-09	Final	1.54	2.50	9.50	26.3%
30-Jun-09	Interim	0.96			
31-Dec-08	Final	1.54	2.50	10.30	24.3%
30-Jun-08	Interim	0.96			
31-Dec-07	Final	1.46	2.30	7.80	29.5%
30-Jun-07	Interim	0.84			

Source: DatAnalysis, Bloomberg, EY

As shown above, the dividend payout ratio on Aegis Shares have been lower (excluding franking credits) than has been provided to Mitchell Shareholders over the previous three years. Mitchell shareholders who invested in Mitchell Shares as a result of the dividend payout ratio may be disadvantaged if Aegis maintains a lower dividend payout ratio.

In addition, Australian resident Mitchell Shareholders historically received franked dividends from Mitchell. If the Scheme is approved and implemented, shareholders who elect to receive Share Consideration will not receive the benefit of franking credits from future Aegis dividends.

8.4.3.4 Potential for synergies

As noted in section 7.1 above, the valuation of Aegis Shares has not included any synergies that may be realised as a consequence of the acquisition of Mitchell.

While strategic benefits and synergies have not been quantified in the Scheme Booklet or other announcements, it is likely that some of these will be realised. The earnings upon which the valuations contained in this report are based do not include any synergies that may ultimately be realised.

The above synergies may be an advantage to Mitchell Shareholders who elect to receive Share Consideration.

8.4.3.5 Greater market capitalisation

The acquisition of Mitchell may increase its market capitalisation of Aegis on the LSE. An increased market capitalisation is likely to increase the weighting of Aegis in relevant LSE indices which has the potential to increase demand for its shares particularly with those institutional funds who seek to track market levels of performance. We note however that the acquisition of Mitchell may increase the number of Aegis Shares on issue by a maximum of 9.9% which will limit the extent of any increase in market capitalisation.

The valuation of Aegis as set out above does not include any potential benefit of such increased demand.

8.4.3.6 Integration risks

The acquisition of Mitchell by Aegis pursuant to the Scheme involves the integration of businesses that have previously operated independently. The integration of Mitchell within the Aegis Group may involve unanticipated liabilities and costs, operational interruptions and the possible loss of key employees, customers or suppliers associated with the business. The integration of Mitchell may not be achieved in an orderly fashion and within a reasonable period or, even if completed on a timely basis, may not realise the full benefits as currently anticipated. Any integration risk associated with the acquisition of Mitchell is however, unlikely to be material with regard to the size of the Aegis Group.

The above integration risks may be a disadvantage to Mitchell Shareholders who elect to receive Share Consideration,

8.4.3.7 Foreign exchange risk

Aegis is a foreign company with most of its operations outside of Australia and its shares quoted on the LSE and traded in Pound Sterling (£). Mitchell Shareholders who elect to receive Share Consideration will therefore be exposed to greater exchange rate risk that they did in respect of their Mitchell Shares.

8.4.3.8 Change of control implications

Mitchell and its subsidiaries are party to various material customer contracts for the provision of media and market communications services. Some of these contracts confer on the other party the right to terminate the relevant agreement on a change of control of Mitchell, which may be triggered by the implementation of the Scheme.

Mitchell has not sought the consent of the contracting parties to a change of control and is therefore unaware how they may treat the change of control under the Scheme.

Mitchell Shareholders who elect to receive the Share Consideration may be impacted by the change of control conditions if they are triggered by current Mitchell clients. The Board of Mitchell has stated however that they believe that *"given the size and scale of the Aegis Group's business, the exercise of termination rights in relation to any material customer contract as a result of the Scheme is not considered to be significant in the context of the Aegis Group"*.

8.4.3.9 Shareholder exit costs

We note that Mitchell Shareholders who receive Aegis Shares as a consequence of the Scheme and sell these Aegis Shares at a later date may incur brokerage costs in excess of those that they may incur in selling their Mitchell Shares on market due to the overseas nature of the Aegis Shares. The amount of those brokerage and related charges will be dependent upon the brokerage charges levied by the broker that they elect to use.

8.4.3.10 Tax

If the Scheme is approved and implemented, those Mitchell Shareholders who validly elect to receive Share Consideration may benefit from Capital Gains Tax Rollover Relief, provided that they qualify. Further discussion of the availability of Mitchell Shareholders to receive rollover relief is provided in the Tax Report attached to the Scheme Booklet in section 13.

In addition, if the Scheme is approved and implemented there will be tax consequences for Mitchell Shareholders which may include tax payable on any gain on disposal of Mitchell Shares. Further information on the relevant tax consequences for Australian residents is contained in the Tax Report in section 13 of the Scheme Booklet. However, the Tax Report does not amount to specific taxation advice and Mitchell Shareholders should seek their own professional advice regarding the individual tax consequences.

8.5 Potential for alternative proposals to emerge

It is possible that an alternative proposal involving Mitchell may materialise in the future. We note, however, the following key points that may reduce the likelihood of such a proposal emerging:

- ▶ On 29 July 2010 Harold Mitchell and Aegis entered into the Option Deed to sell 19.9% of the shares currently owned or controlled by him to Aegis at the same Aegis Share consideration as the proposed Scheme (40 Aegis Shares per 67 Mitchell Shares). Aegis' beneficial interest in Mitchell as a result of the Option Deed if the Scheme does not proceed may act as a deterrent to another party seeking to acquire Mitchell as an interest of this level can prevent another party from acquiring 100% of a target through compulsory acquisition. This is often the objective of an acquirer.
- ▶ The terms of the Merger Implementation Agreement prevent Mitchell and its representatives from actively seeking alternative acquirers or from negotiating or otherwise co-operating with them in the formulation of a proposal.

8.6 If the Scheme does not proceed

In the event that the Scheme does not proceed, unless another alternative emerges and is implemented, Mitchell will continue to operate in its existing form and its shares will continue to be listed on the ASX.

Points to note in relation to this circumstance include:

- ▶ Under the terms of the Merger Implementation Agreement, in some circumstances Mitchell may be liable to pay a \$2.7 million fee to Aegis under certain circumstances.
- ▶ As noted below, we believe that, at least initially, in the event that the Scheme does not proceed the Mitchell Share price may trade at below current levels, potentially significantly.



8.6.1 Share price in the absence of the Scheme

The Mitchell Share price was positively impacted when the Scheme was announced, increasing by \$0.19 to \$1.235 on 29 July 2010 being the day that the Scheme was announced.

In the event that the Scheme is not approved and implemented there will be uncertainty with respect to whether an alternative proposal will emerge from Aegis or another party and also with respect to whether Aegis will exercise and/or continue to hold its interest in Mitchell through the Option Deed. In these circumstances we would expect that a significant proportion of the premium that appears to have been attached to the Mitchell Share price since the announcement of the Scheme would cease to be priced into the Mitchell Share price, causing it to decline, perhaps significantly.

8.7 Conclusion

Having considered the various matters outlined in this independent expert's report, in our opinion, the Scheme is in the best interests of Mitchell Shareholders.

This opinion reflects RG111.17 which indicates that, with respect to a control transaction, if an independent expert would conclude that the terms of a transaction would be fair and reasonable if it was in the form of a takeover transaction then it would also be in the best interests of shareholders.



Appendix 1 - Statement of qualifications and declarations

Ernst & Young Transaction Advisory Services, which is wholly owned by Ernst & Young, holds an Australian Financial Services Licence under the Corporations Act and its Representatives are qualified to provide this report. The directors of Ernst & Young Transaction Advisory Services responsible for this report have not provided financial advice to either Mitchell or Aegis.

Prior to accepting this engagement we considered our independence with respect to Mitchell and Aegis with reference to ASIC Regulatory Guide 112 Independence of Experts. In our opinion we are independent of Mitchell and Aegis. Ernst & Young Transaction Advisory Services Limited and Ernst & Young have provided professional services to Mitchell and Aegis. We have not however provided any services in relation to the Scheme except for the preparation of this report and the Tax Report appended to the Scheme Booklet.

This report has been prepared specifically for Mitchell Shareholders. Neither Ernst & Young Transaction Advisory Services Limited, Ernst & Young, nor any member or employee thereof undertakes responsibility to any person, other than a Mitchell Shareholder, in respect of this report, including any errors or omissions howsoever caused.

The statements and opinions given in this report are given in good faith and the belief that such statements and opinions are not false or misleading. In the preparation of this report we have relied upon and considered information believed after due inquiry to be reliable and accurate. We have no reason to believe that any information supplied to us was false or that any material information has been withheld from us. We have evaluated the information provided to us by Mitchell as well as other parties, through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. We do not imply and it should not be construed that we have audited or in any way verified any of the information provided to us, or that our inquiries could have verified any matter which a more extensive examination might disclose.

Mitchell has provided an indemnity to us for any claims arising out of any misstatement or omission in any material or information provided to us in the preparation of this report.

We provided draft copies of this report to the independent directors and management of Mitchell for their comments as to factual accuracy, as opposed to opinions, which are our responsibility alone. Changes made to this report as a result of this review by the independent directors and management of Mitchell have not changed the methodology or conclusions reached by us.

We will receive a professional fee based on time spent in the preparation of this report, estimated at approximately \$180,000. We will not be entitled to any other pecuniary or other benefit whether direct or indirect, in connection with the making of this report.

Stuart Bright, a director of Ernst & Young Transaction Advisory Services Limited and a partner of Ernst & Young, has assumed overall responsibility for this report. He has 18 years experience in providing financial advice and valuation advice and has professional qualifications appropriate to the advice being offered.

Ishwar Madhyastha, a director of Ernst & Young Transaction Advisory Services Limited and a partner of Ernst & Young, has also been involved in the preparation of this report. He has 17 years experience in providing financial advice and valuation advice and has professional qualifications appropriate to the advice being offered.



The preparation of this report has had regard to relevant ASIC Regulatory Guides. It is not intended that the report should be used for any other purpose other than to accompany the Scheme Booklet sent to Mitchell Shareholders. In particular, it is not intended that this report should be used for any other purpose other than as an expression of its opinion as to whether or not the Scheme is in the best interests of Mitchell Shareholders.

The financial forecasts used in the preparation of this report reflect the judgement of Mitchell Directors and management based on present circumstances, as to both the most likely set of conditions and the course of action it is most likely to take. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period will almost always differ from the forecast and such differences may be material. To the extent that our conclusions are based on forecasts, we express no opinion on the achievability of those forecasts.

We consent to the issue of this report in the form and context in which it is included in the Scheme Booklet to be sent to Mitchell Shareholders.



Appendix 2 - Sources of information

In preparing this report, we have had regard to the following sources of information:

- ▶ Bloomberg
- ▶ DatAnalysis
- ▶ Factiva
- ▶ Datastream
- ▶ Reuters
- ▶ IBISWorld industry reports
- ▶ *Advertising Expenditure in Main Media, year ended 31 December 2010 - The CEASA Report*, Commercial Economic Advisory Service of Australia
- ▶ Mitchell company website
- ▶ Aegis company website
- ▶ Mitchell annual reports for the years ended 30 June 2008 and 2009 and Aegis annual reports for the years ended 31 December 2008 and 2009
- ▶ Mitchell and Aegis results presentations
- ▶ Financial data provided by Mitchell and Aegis
- ▶ Discussions with Mitchell and Aegis management
- ▶ Draft Scheme Booklet provided by Mitchell
- ▶ Various ASX announcements for Mitchell and Aegis
- ▶ The Merger Implementation Agreement
- ▶ Various analyst reports for Mitchell, Aegis and comparable companies

Appendix 3 – Common valuation approaches

Most valuation approaches can be categorised under one or more of the following broad approaches:

- ▶ The income approach under which an asset is valued as the present value of the future net economic benefits that are expected to accrue to the owner from the use or sale of the asset
- ▶ The market approach under which an asset is valued by reference to evidence (if any) of prices obtained in sales of interests in the asset that is the subject of the valuation, or by reference to the value of comparable assets related to some common variable such as earnings, cash flow or revenue
- ▶ The cost approach under which an asset is valued by reference to its historical cost or replacement cost.

Each of these approaches is appropriate in certain circumstances. The decision as to which approach and methodology to utilise generally depends on the availability of appropriate information and type of business.

Income approach

The most common methodology within the income approach is the DCF methodology. The DCF methodology involves calculating the net present value of cash flows that are expected to be derived from future activities. The forecast cash flows are discounted by a rate that reflects the time value of money and the risk inherent in the cash flows.

This methodology is particularly appropriate in valuing projects, businesses and companies that are in a start up phase and are expecting considerable volatility and/or growth in earnings during the growth phase, as well as businesses with a finite life. The utilisation of this methodology generally requires management to be able to provide long term cash flows for the company, asset or business.

Market approach

The main methodology within the market approach is the capitalisation of earnings methodology. This involves capitalising the earnings of a business at an appropriate multiple, which reflects the risks underlying the earnings together with growth prospects. This methodology requires consideration of the following factors:

- ▶ Estimation of normalised earnings having regard to historical and forecast operating results, abnormal or non-recurring items of income and expenditure and other factors. The normalised earnings are generally based on net profit after tax, EBIT, EBITA or EBITDA.
- ▶ Determination of an appropriate earnings multiple reflecting the risks inherent in the business, growth prospects and other factors. Multiples may be derived from quoted comparable trading companies and well as implied from recent acquisitions of similar companies.
- ▶ Earnings multiples applied to net profit after tax are known as price earnings multiple and are commonly used in relation to listed public companies. Earnings multiples applied to EBIT, EBITA or EBITDA are known, respectively, as EBIT, EBITA or EBITDA multiples, and are commonly used in respect of companies comprising a number of businesses where debt cannot be precisely allocated or in acquisition scenarios where the purchaser is likely to control gearing.



- ▶ An adjustment for financial debt, in the event that maintainable earnings are based on EBIT, EBITA or EBITDA.
- ▶ An assessment of any surplus assets and liabilities, being those which are not essential to the generation of the future maintainable earnings.

This methodology is appropriate where a company or business is expected to generate a relatively stable record of earnings.

Cost approach

The main method within the cost approach is the net realisable value of assets methodology. This involves the determination of the net realisable value of the assets of a business or company, assuming an orderly realisation of those assets. This value includes a discount to allow for the time value of money and for reasonable costs of undertaking the realisation. It is not a valuation on the basis of a forced sale, where assets may be sold at values materially different to their fair market value.

This methodology is appropriate for asset intensive businesses, or where a business does not generate an adequate return on its assets.

Appendix 4 - Comparable companies

The following is a descriptive summary of entities considered comparable to Mitchell as discussed in the body of the report.

STW Communications Group Limited

STW Communications Group Limited is a diversified marketing communications company which engages in advertising and diversified communications operations in Australasia through its subsidiaries. It offers email and sports marketing, advertising, direct marketing, Website design, data management, memorabilia, production, media buying, research, events organization, social marketing, political campaigning, consulting, automated marketing, and branded content production services; PR, public affairs, and government relations services; and market research and insight services, such as mystery shopping research and online research.

The company also provides branding and event promotion, sales promotion, media planning, retail marketing, sports sponsorship and management, brand and corporate design, business strategy, corporate and employee communication, and multicultural communication services; brand identification and brand visualization services; and digital, promotion, and relationship marketing services, such as database mining, Website creation, viral marketing, social networking, and grassroots marketing. In addition, it offers communications services, including training, facilitation, business strategy, and sports sponsorship and marketing, as well as advice and solutions to clients in the areas of staff engagement to representation of sporting codes and the brands that sponsor them; and engages in the production and management of print jobs.

WPP Plc

WPP Plc along with its subsidiaries, offers various communications services worldwide. It provides global, national, and specialist advertising services, "above" and "below-the-line" media planning & buying and specialist sponsorship and branded entertainment services. The company also specialises in brand, consumer, media and marketplace insight. Additionally it offers consumer, corporate and employee branding and design services. WPP also provides a range of specialist services comprising custom media and multicultural marketing, event, sports, youth, and entertainment marketing and media, technology, and production services. Further, the company offers a CPM-based media network representing inventory from over 950 publishers; a publisher-side advertising management platform; online marketing and measurement, search solutions and email marketing.

Omnicom Group Inc

Omnicom Group Inc (with its subsidiaries) provides advertising, marketing, and corporate communications services. It offers services in traditional media advertising, customer relationship management, public relations and specialty communications groups. The company's services include: advertising, brand consultancy, corporate social responsibility consulting, crisis communications, custom publishing, database management, digital and interactive marketing, direct marketing, directory advertising, entertainment marketing, environmental design, experiential marketing, field marketing, financial/corporate business-to-business advertising, graphic arts, healthcare communications and in-store design. The company also offers investor relations, marketing research, media planning and buying, mobile marketing services, multi-cultural marketing, non-profit marketing, organizational communications, package design, product placement, promotional marketing, public affairs, public relations, recruitment communications, reputation consulting, retail marketing, search engine marketing and sports and event marketing services.

Publicis Groupe SA

Publicis Groupe SA provides traditional advertising services, specialised agency and marketing services and media services worldwide. The company's traditional advertising services largely involve the creation of advertising for products, services, and brands. These services also include strategic planning (involving the analysis of a product, service, or brand compared to its competitors through market research), consumer behaviour studies, sociological and psychological studies and creative insight. The company's specialised agencies and marketing services include direct marketing, customer relationship management, sales promotion, point-of-sale marketing, healthcare communications, multicultural and ethnic communications, and corporate and financial communications. The company's media services comprise media planning and consulting services and media and advertising space purchasing services. It also sells advertising space in the press, cinema, billboards and on radio. The company also offers digital communication and direct marketing services through its subsidiaries.

Interpublic Group of Companies Inc

The Interpublic Group of Companies Inc provides advertising and marketing services worldwide through its subsidiaries. It delivers various services across marketing disciplines and specialties including: advertising, direct marketing, media buying and planning, public relations, events marketing, Internet and search engine marketing, social media marketing, and mobile marketing. The company also offers various diversified services, such as meeting and event production, sports and entertainment marketing, corporate and brand identity, and strategic marketing consulting

Photon Group Limited

Photon Group provides marketing and communications services in Australia, New Zealand, Asia, the UK, North America and other European countries. It operates in five divisions: Field Marketing, Internet and E-Commerce, Specialised Communications, Strategic Intelligence, Integrated Communications and Digital. The Field Marketing division provides outsourced field marketing support; shelf maintenance, display building, point-of-sale implementation and in-store advertising programs. The Internet and E-Commerce division offers website management and online publishing services; product development in e-commerce marketing; online social media marketing and online performance marketing services. The Specialised Communications division offers public relation and public affairs consultancy. The Strategic Intelligence division provides qualitative and quantitative market research, communications strategy advice and marketing solutions. The Integrated Communications and Digital division offers advertising agency services, and campaigns across traditional and new mediums, as well as promotional marketing campaigns, including integrated campaigns, consumer and trade promotions, events, and displays.

On 7 June 2010 Photon was suspended from trading on the ASX to enable the company to restructure its capital structure, particularly in relation to its debt position and the earn-out payments owing to vendors of businesses previously acquired by Photon. Prior to the announcement of its trading suspension Photon had a market capitalisation of approximately \$190 million. On 18 August 2010 Photon announced that it had closed a placement and institutional shareholder offer and would receive proceeds of approximately \$76 million in addition to proceeds from a retail shareholder offer which would be, at a minimum \$26 million. The trading halt on Photon shares was lifted on 18 August 2010 with an implied market capitalisation (after the issue of additional shares as a result of the various placements and offers) of approximately \$196 million.

Appendix 5 - Transactions

The above table summarises multiples implied from recent transactions where the target operates within the media/advertising industry:

<i>Announcement date</i>	<i>Target</i>	<i>Acquirer</i>	<i>% acquired</i>	<i>Curr</i>	<i>Implied EV</i>	<i>EBITDA (H)</i>	<i>EBITDA multiple</i>
28-Jun-10	Delaney Lund Knox Warren & Partners	Interpublic Group of Companies	100.0%	GBP	24,652	2,268	10.9x
24-Jun-10*	Alloy Inc	ZelnickMedia Corporation	100.0%	USD	102,890	9,907	10.4x
10-May-10	Integrated Media Solutions	MDC Partners Inc	75.0%	USD	25,544	9,713	2.6x
22-Sep-09	Essentially Group	Chime Communications	100.0%	GBP	21,352	2,798	7.6x
01-Oct-09	Dark Blue Sea	Photon Group Limited	69.5%	AUD	37,020	1,832	20.2x
06-Oct-08	SPG Media Group	Progressive Capital Limited	100.0%	GBP	6,861	1,021	6.7x
09-Jul-08	Taylor Nelson Sofres	WPP Plc	100.0%	GBP	1,481,500	140,500	10.5x
15-May-08	CNET Networks	CBS Corp	100.0%	USD	1,717,143	60,552	28.4x
Low					6,861	1,021	2.6x
Mean					427,120	28,574	12.2x
Median					31,282	6,256	10.5x
High					1,717,143	140,500	28.4x

* yet to complete

Source: Bloomberg, Capital IQ and Company Reports

- ▶ In June 2010, the management of Delaney Lund Knox Warren & Partners Limited agreed to acquire the company in a management buy out transaction backed by The Interpublic Group of Companies, for a cash consideration of £28.0 million. Delaney Lund is a UK based advertising and communications group. As at 31 March 2010, the company had no debt and a cash balance of £3.3 million. This implied an enterprise value of £24.7 million.
- ▶ In June 2010, an investor group, led by ZelnickMedia Corporation along with members of Alloy Inc's senior management, acquired Alloy Inc, a US based media and marketing services company for a consideration of approximately \$US126.5 million. The purchase price reflected a premium of approximately 27% over the average closing share price for the 30 days ending 23 June 2010. As at April 30 2010, Alloy Inc had no debt and a cash balance of \$US23.6 million. This implied an enterprise value of \$US102.9 million. The acquisition is intended to build the Alloy entertainment and media brand.
- ▶ In May 2010, MDC Partners Inc acquired a 75% equity interest in Integrated Media Solutions LLC, a US based advertising agency, for a consideration of \$US32.7 million. This implied an equity value of approximately \$US43.6 million. The purchase price of the company consisted of \$US20 million in cash paid at closing, plus additional non-contingent payments to the seller totalling \$US12.7 million to be paid annually for three years (\$US10 million of which bears interest at 6% per annum). As at 31 December 2009, the company had no debt and a cash balance of \$US18.0 million. This implied an enterprise value of \$US25.5 million.

- ▶ In December 2009, Chime Communications Plc acquired Essentially Group Plc, a UK based sports marketing, media, management and services agency for a consideration of £19.2 million. As at 30 June 2009, Essentially Group had net debt of £3.1 million. This implied an enterprise value of £22.4 million. The transaction enabled Chime to expand its sports marketing and communications through Essentially's offices in India, South Africa, Australia and New Zealand. The acquisition also enabled Essentially to combine its business with Fast Track, Chime's sports marketing agency business and also enabled Essentially access to greater financial resources.
- ▶ In October 2009, Photon Group Limited acquired the remaining 69.45% of Dark Blue Sea Limited that it did not already own. Dark Blue Sea is an Australia based internet software development and marketing company. Photon acquired the stake for a consideration of \$28.1 million which implied an equity value of \$40.5 million. As at 30 June 2009, Dark Blue Sea had no debt and a cash balance of \$3.5 million. This implied an enterprise value of \$37.0 million.
- ▶ In November 2008, Progressive Capital Limited completed the acquisition of SPG Media Group Plc, a UK based international business-to-business media company for a total consideration of approximately £11.85 million. As at 31 March 2008, SPG had no debt and a cash balance of £3.6 million. This implied an enterprise value of £8.2 million.
- ▶ In October 2008, WPP Plc acquired Taylor Nelson Sofres Plc, a UK based market information and insight company for a consideration of £1,025.0 million. As at 30 June 2008, Taylor Nelson had net debt of £456.5 million. This implied an enterprise value of £1,481.5 million.
- ▶ In June 2008, CBS Corp acquired CNET Networks Inc, a US based online interactive media company that builds brands, for a consideration of \$US 1,752.0 million. As at 31 March 2008, CNET had net debt of \$US(34.8) million. This implied an enterprise value of \$US1.717.1 million. Through combining CNET with CBS's existing Internet brands and leveraging off CBS's existing relationships, CBS expected to better position itself competitively in the interactive marketplace.

Appendix 6 - Glossary

Term	Meaning
\$	Australian dollars
Aegis	Aegis plc (Company Number 1403668)
Aegis Group	Aegis and its Subsidiaries
Aegis Material Adverse Change	<p>One or more Specified Events which, individually or when aggregated with all such events, has resulted in or would be likely to result in:</p> <ul style="list-style-type: none"> ▶ A diminution in the value of consolidated net assets of the Aegis Group (determined on the basis of the same accounting methodology as was applied in preparing the Aegis Group's most recently published annual financial statements) of at least £44 million; or ▶ A diminution in consolidated EBITDA of the Aegis Group for the financial year ending 31 December 2010 (determined on the basis of the same accounting methodology as was applied in preparing the Aegis Group's most recently published annual financial statements) of at least £23 million, <p>but does not include:</p> <ul style="list-style-type: none"> ▶ Any matter fully and fairly disclosed to Mitchell or its Representatives on or before the date of the Merger Implementation Agreement (including as a result of disclosures made under the Disclosure Rules); ▶ Any matter, event or circumstance arising from changes in economic or business conditions in the markets in which Aegis operates; ▶ Anything done with the prior written consent of Mitchell; ▶ Any mandatory change in accounting policy applicable to Aegis; or ▶ Any change occurring directly or indirectly as a result of any matter, event or circumstance required by the Merger Implementation Agreement, the Scheme or the transactions contemplated by them.
Aegis Prescribed Event	Except to the extent contemplated by the Merger Implementation Agreement or the Scheme, any of the events listed in schedule 1 of the Merger Implementation Agreement provided that an Aegis Prescribed Event listed in schedule 1 will not occur where Aegis has first consulted with Mitchell in relation to the event and Mitchell has approved the proposed event
Aegis Share	A fully paid ordinary share in the capital of Aegis
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the financial products market Australian Securities Exchange, as the context requires
Business Day	A business day as defined in the ASX Listing Rules
Cash Consideration	The amount of cash (if any) which a Scheme Participant is entitled to receive as part of the Scheme Consideration being \$1.20 for each Mitchell Share

CEASA	Commercial Economic Advisory Service of Australia
CGT	Australian capital gains tax
Competing Transaction	A transaction which, if completed, would mean a person (other than Aegis or its Related Bodies Corporate or Representatives) would: <ul style="list-style-type: none"> ▶ Directly or indirectly, acquire an interest or relevant interest in or become the holder of: <ul style="list-style-type: none"> ▶ 20% or more of the Mitchell Shares; or ▶ All or a substantial part or a material part of the business conducted by the Mitchell Group, including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of shares or joint venture, but not as a custodian, nominee or bare trustee; ▶ Acquire control of Mitchell, within the meaning of section 50AA of the Corporations Act; or ▶ Otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with Mitchell.
Corporations Act	Corporations Act 2001 (Cwlth)
Corporations Regulations	Corporations Regulations 2001 (Cwlth)
Disclosure Rules	The disclosure rules of the United Kingdom Listing Authority
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Ernst & Young Transaction Advisory Services, we or us	Ernst & Young Transaction Advisory Services Limited
First Court Hearing	The hearing of the application made to the Court for orders pursuant to section 411(1) of the Corporations Act to convene the Scheme Meeting and approving the Scheme Booklet
Independent Expert's Report	This report
LSE	London Stock Exchange plc
Merger Implementation Agreement	Merger implementation agreement dated 29 July 2010 between Mitchell and Aegis relating to the implementation of the Scheme, as set out in section 15 of the Scheme Booklet
Mitchell	Mitchell Communication Group Limited (ACN 088 110 141).
Mitchell Board	The board of directors of Mitchell
Mitchell Directors	The directors of Mitchell
Mitchell Employee Option Plan	The "emitch Employee Option Plan" dated 26 July 2000
Mitchell Group	Mitchell and its Subsidiaries

Mitchell Material Adverse Change

One or more Specified Events which, individually or when aggregated with all such events, has resulted in or would be likely to result in:

- ▶ A diminution in the value of consolidated net assets of the Mitchell Group (determined on the basis of the same accounting methodology as was applied in preparing the Mitchell Group's most recently published annual financial statements) of at least \$15 million; or
- ▶ A diminution in consolidated EBITDA of the Mitchell Group for the financial year ending 30 June 2011 (determined on the basis of the same accounting methodology as was applied in preparing the Mitchell Group's most recently published annual financial statements) of at least \$3.5 million,

but does not include:

- ▶ Any matter fully and fairly disclosed to Aegis or its Representatives on or before the date of the Merger Implementation Agreement (including as a result of disclosures made to ASX);
- ▶ Any matter, event or circumstance arising from changes in economic or business conditions in the markets in which the Mitchell Group operates;
- ▶ Anything done with the prior written consent of Aegis;
- ▶ Any change in accounting policy required by law; or
- ▶ Any change occurring directly or indirectly as a result of any matter, event or circumstance required by the Merger Implementation Agreement, the Scheme or the transactions contemplated by them.

Mitchell Performance Rights Plan	The "Executive Performance Rights Plan" 2009
Mitchell Prescribed Event	Except to the extent contemplated by the Merger Implementation Agreement or the Scheme, any of the events listed in schedule 2 of the Merger Implementation Agreement provided that a Mitchell Prescribed Event listed in items 1 to 12 of schedule 2 will not occur where Mitchell has first consulted with Aegis in relation to the event and Aegis has approved the proposed event
Mitchell Share	A fully paid ordinary share in Mitchell
Mitchell Shareholder	Each person registered as a holder of Mitchell Shares in the Register
Option	An option to acquire a Mitchell Share issued under the Mitchell Employee Option Plan
Option Deed	The option deed entered into between Harold Mitchell and Aegis dated 29 July 2010
Performance Right	A performance right issued under the Mitchell Performance Rights Plan
Photon	Photon Group Limited
PR	Public relations
Record Date	7:00pm (Sydney time) on the sixth Business Day following the Effective Date or such other date as Mitchell and Aegis agree
Register	The register of shareholders maintained by Mitchell in accordance with the Corporations Act

Representative	Any person acting for or on behalf of a party including any director, officer, employee, agent, contractor or professional advisor of a party
Scheme	The scheme of arrangement between Mitchell and the Scheme Participants as described in clause 4 of the Merger Implementation Agreement and set out in section 16 of the Scheme Booklet
Scheme Booklet	Means the booklet to which this Independent Expert's Report is appended
Scheme Consideration	The consideration payable by Aegis for the Mitchell Shares under the Scheme
Scheme Meeting	The meeting to be convened by the Court pursuant to the Scheme
Scheme Participants	Each person who is registered in the Register as the holder of a Mitchell Share as at the Record Date
Second Court Date	The first day of hearing of an application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Scheme
Second Court Hearing	The hearing of the application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Scheme
Share Consideration	The number of Aegis Shares (if any) which a Scheme Participant is entitled to receive as part of the Scheme Consideration calculated in accordance with the ratio of 40 Aegis Shares for every 67 Mitchell Shares, subject to the scale back mechanism contained in section 2.4(d) of the Scheme
Subsidiaries	The meaning it has in the Corporations Act
STW	STW Communications Group Limited
Superior Proposal	A publicly announced Competing Transaction which the Mitchell Board, acting in good faith, and after taking advice from its legal advisers, determines is: <ul style="list-style-type: none"> ▶ Reasonably capable of being completed on a timely basis taking into account all aspects of the Competing Transaction; and ▶ More favourable to Mitchell Shareholders than the Scheme, taking into account all terms and conditions of the Competing Transaction.
Tax Report	The report prepared by Ernst & Young on the Australian taxation implications of the Scheme as set out in section 13 of the Scheme Booklet
VWAP	Volume weighted average share price
WPP	WPP Holdings (Australia) Pty Limited



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**THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE
INDEPENDENT REPORT**

PART 2 - FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited (“Ernst & Young Transaction Advisory Services” or “we,” or “us” or “our”) has been engaged to provide general financial product advice in the form of an Independent Expert’s Report (“Report”) in connection with a financial product of another person. The Report is set out in Part 1.

2. Financial Services Guide

This Financial Services Guide (“FSG”) provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. The estimated fees for the preparation of the report to which this FSG is attached are estimated at \$180,000. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Ernst & Young Transaction Advisory Services Pty Limited, ABN 87 003 599 844
Australian Financial Services Licence No. 240585



Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits referred to above, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services, if any, is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

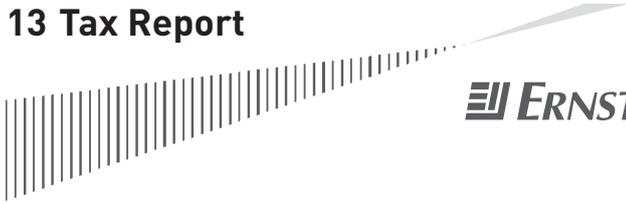
9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

<p>Contacting Ernst & Young Transaction Advisory Services</p> <p>AFS Compliance Manager Ernst & Young 680 George Street Sydney NSW 2000</p> <p>Telephone: (02) 9248 5555</p>	<p>Contacting the Independent Dispute Resolution Scheme:</p> <p>Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08</p>
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This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

TAS FSG 31 August 2010



17 September 2010

The Directors
Mitchell Communication Group Limited
4 / 111 Cecil Street
SOUTH MELBOURNE VIC 3205

Mitchell Communication Group Limited Australian Tax Implications of the Scheme of Arrangement

Dear Directors

We have been requested to provide a tax opinion for inclusion in the Scheme Booklet in relation to the proposed acquisition of the issued shares of Mitchell Communication Group Limited (**Mitchell**) by Aegis Group plc (**Aegis**) which is to be effected by way of a Scheme of Arrangement (**Scheme**).

1. Introduction

This tax opinion provides a summary of the Australian income tax, Goods and Services Tax (**GST**) and stamp duty consequences for Mitchell Shareholders as a result of the Scheme.

This tax opinion is not intended to provide an exhaustive or definitive statement as to all the possible tax outcomes for Mitchell Shareholders. Specifically, this tax opinion summarises the likely Australian tax implications for Mitchell Shareholders who:

- ▶ receive the Mitchell Dividend; and
- ▶ participate in the Scheme and dispose of their Mitchell Shares to Aegis.

The information contained in this tax opinion is provided in relation to Australian resident and foreign resident Mitchell shareholders who hold their Mitchell Shares on capital account for income tax purposes.

This tax opinion does not consider the Australian tax consequences for Mitchell Shareholders:

- ▶ who hold their Mitchell Shares on revenue account or as trading stock;
- ▶ who are Australian tax residents though hold their Mitchell Shares as part of an enterprise carried on, at, or through a permanent establishment in a foreign country;
- ▶ that are financial institutions, insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- ▶ who acquired their Mitchell Shares through an employee share scheme.

The information contained in this opinion is based on the *Income Tax Assessment Act 1936* (Cth) (the 1936 Act), the *Income Tax Assessment Act 1997* (Cth) (the 1997 Act), the *New Tax System (Goods and Services Tax) Act 1999* (Cth) (the GST Act), applicable case law and published Australian Taxation Office

(ATO) rulings, determinations and administrative practices at the date of this opinion. The information does not consider or anticipate changes to the tax law and does not consider any tax law of countries other than Australia. The tax consequences outlined in this opinion may change if there is a change to the tax law or interpretation of the tax law subsequent to the date of this opinion.

The information contained in this opinion is general in nature and should not be relied upon by Mitchell Shareholders as tax advice. This opinion is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of every Mitchell Shareholder. Mitchell Shareholders should obtain their own independent professional advice on the tax consequences of receiving the Mitchell Dividend and disposing of their Mitchell Shares under the Scheme.

This tax opinion should be read with the remainder of the Scheme Booklet. Terms in bold text as used in this opinion have the same defined meaning as in the Scheme Booklet, unless indicated otherwise.

2. Summary of Scheme

Under the Scheme, each Mitchell Shareholder will transfer their Mitchell Shares to Aegis, a non-resident of Australia, and in return may elect to receive:

- a. cash consideration of \$1.20 for each Mitchell Share held (**Cash Consideration**);
- b. share consideration equating to 40 Aegis Shares per 67 Mitchell Shares held (**Share Consideration**); or
- c. Cash and Share Consideration in one of the following combinations:
 - i. 50% Cash Consideration and 50% Share Consideration;
 - ii. 75% Cash Consideration and 25% Share Consideration; or
 - iii. 25% Cash Consideration and 75% Share Consideration.

The Share Consideration is subject to a cap on the overall quantum of Aegis Shares to be issued as Share Consideration, and is being limited to 9.9% of the share capital of Aegis.

In the event that the Scheme is approved, Mitchell Shareholders will also receive a A\$0.05 per share, fully franked, final dividend in respect of the year ended 30 June 2010 (**Mitchell Dividend**).

3. ATO Class Ruling

Mitchell has lodged a Class Ruling request with the ATO seeking the Commissioner of Taxation's (**Commissioner**) views on specific income tax issues for the Mitchell Shareholders in relation to the Mitchell Dividend and the disposal of the Mitchell Shares to Aegis.

Where any of our conclusions contained in this opinion are the subject of the Class Ruling request, we have indicated this where relevant.

However, we anticipate that the Commissioner's views to be expressed in the Class Ruling should be consistent with the commentary in this opinion. However, it is possible that the Commissioner may conclude differently, and it is therefore important for this opinion to be read in conjunction with the final Class Ruling issued by the ATO.

The Class Ruling has not been issued by the ATO as at the date of this Scheme Booklet. When issued, the final Class Ruling will be available on the ATO website at www.ato.gov.au. Mitchell will also lodge the Class Ruling with the Australian Securities Exchange.

4. Australian Income Tax Implications

4.1 Receipt of Mitchell Dividend - Australian Tax Residents

Mitchell Shareholders who are Australian tax residents, and are entitled to receive the Mitchell Dividend, should include the amount of the dividend as assessable income in their tax return for the income year in which the dividend payment is received. This should be confirmed by the Class Ruling.

As the Mitchell Dividend will be fully franked, Mitchell Shareholders who receive the dividend may also receive the attached franking credits. The associated franking credits are also to be included in the assessable income of the Mitchell Shareholder and may be claimed as a tax offset where the "holding period" rule is satisfied by the Mitchell Shareholder. The holding period rule requires that the Mitchell Shareholder holds their Mitchell Shares "at risk" for a continuous period of at least 45 days during a prescribed period.

Mitchell Shareholders who are individuals should be exempt from applying the holding period rule where their total franking credit tax offset entitlement does not exceed \$5,000 for the year of income in which the Mitchell Dividend is paid.

Any Mitchell Shareholder (except for Mitchell Shareholders who are individuals referred to above) that acquires their Mitchell Shares after 24 September 2010 will not be entitled to a tax offset for the franking credits.

The Class Ruling request will confirm whether:

- (a) the Mitchell Shareholders will satisfy the relevant holding period rule with respect to the Mitchell Dividend if the Mitchell Shareholders acquired their Mitchell Shares on or before 24 September 2010 and held the Mitchell Shares at risk until the Scheme Record Date of 9 November 2010; and
- (b) the Commissioner will not seek to apply any integrity provisions so as to prevent the Mitchell Shareholders from receiving the benefit of the franking credits.

Accordingly, Mitchell Shareholders must include both the Mitchell Dividend received and the attached franking credit in their assessable income in the income year in which the dividends are received.

The franking credit attached to the Mitchell Dividend may be used to offset the income tax otherwise payable by the Mitchell Shareholder. We consider that the integrity provisions should not apply to deny or limit the availability of those credits to Mitchell Shareholders who are entitled to receive the Mitchell Dividend. This should be confirmed by the Class Ruling.

Further, the extent to which the Mitchell Shareholders will be able to access the franking credit tax offset will depend on their status and specific circumstances, as outlined below.

The discussion below assumes that the Mitchell Shareholders will satisfy the holding period rule as outlined above in respect of the Mitchell Dividend.

4.1.1 Individuals and complying superannuation funds

Mitchell Shareholders that are individuals and complying superannuation funds should be entitled to a tax offset equal to the amount of the franking credits attached to the dividends. Individuals and complying superannuation funds that have franking credits in excess of their tax liability in respect of the income may be entitled to a refund for franking credits that exceed their tax liability.

4.1.2 Companies

Mitchell Shareholders that are companies should be entitled to a tax offset equal to the amount of the franking credits and, as a result, should not pay any additional income tax on the dividends. Mitchell Shareholders that are companies should also receive a credit to their franking account equal to the amount of the franking credits.

4.1.3 Trusts

Where there are no beneficiaries that are presently entitled to the income of a trust, the trustee will bear the tax liability in respect of the Mitchell Dividend and should be entitled to a tax offset equal to the franking credit attached to the dividends.

Where beneficiaries are presently entitled to the income of a trust, the Mitchell Dividend and attached franking credit benefits should flow through to those beneficiaries. The tax treatment of the Mitchell Dividend and any franking credits in the hands of those beneficiaries will depend upon the tax status of the beneficiaries.

4.2 Receipt of Mitchell Dividend - Foreign Residents

Mitchell Shareholders that are foreign residents for tax purposes should not be subject to tax in Australia in respect of the Mitchell Dividend (provided they do not hold the shares through an Australian permanent establishment). As the Mitchell Dividend will be fully franked, the Mitchell Shareholders who are foreign residents for tax purposes should not be subject to dividend withholding tax.

4.3 Disposal of Mitchell Shares - Australian Tax Residents

In the event the Scheme is approved, Aegis will acquire 100% of the issued capital of Mitchell for consideration of Cash, Shares or a combination of both Cash and Shares.

The Australian income tax implications relevant for Mitchell Shareholders who dispose of their Mitchell Shares under the Scheme and that are Australian residents for tax purposes are outlined below.

4.3.1 Capital gains tax (CGT) event

CGT event A1 should occur for Mitchell Shareholders when they dispose of their Mitchell Shares to Aegis under the Scheme. The CGT event should happen on the Implementation Date, being the time when Mitchell Shareholders exchange their Mitchell Shares for the consideration payable by Aegis. The Class Ruling should confirm that CGT event A1 will occur on the Implementation Date.

Subject to the availability of CGT roll-over relief (discussed below), Mitchell Shareholders should make a capital gain from the CGT event if the capital proceeds from the disposal of their Mitchell Shares exceed their cost base. Alternatively, Mitchell Shareholders should make a capital loss if those capital proceeds received are less than the reduced cost base of the shares.

The capital proceeds received on the disposal of the Mitchell Shares should be:

- ▶ the amount of cash received in exchange for the Mitchell Shares; and
- ▶ the market value of property received in the form of Aegis Shares in exchange for the Mitchell Shares.

As the Mitchell Dividend is to be paid at the discretion of Mitchell and is not paid as a term of the Scheme, the capital proceeds should not include the amount of the Mitchell Dividend. This should be confirmed by the Class Ruling.

The cost base of the Mitchell Shares disposed should generally be the amount paid to acquire the Mitchell Shares plus incidental costs of ownership (i.e. acquisition costs and other costs relating to the holding and disposal of the Mitchell Shares provided the costs have not previously been claimed as a tax deduction). The reduced cost base of the Mitchell Shares will be determined in a similar, though not identical, manner.

The cost base and reduced cost base of each Mitchell Share will depend on the individual circumstances of each Mitchell Shareholder.

The amount of cash and the number of Aegis Shares that Mitchell Shareholders will receive under the Scheme may differ depending on whether the Mitchell Shareholder elects to receive Cash Consideration, Share Consideration, or a combination of both Cash and Share Consideration. This election may affect the extent to which CGT roll-over (discussed below) is available to Mitchell Shareholders for the disposal of their Mitchell Shares.

4.3.2 CGT discount

Mitchell Shareholders who are individuals, trusts or complying superannuation funds should be able to apply the CGT discount where they have held their Mitchell Shares for at least 12 months (excluding the date of acquisition and disposal) before their disposal under the Scheme.

The CGT discount rules will, broadly, enable the Mitchell Shareholders to reduce their capital gain (after the application of any current year or prior year capital losses) by 50% for individuals and trusts and 33 1/3% for complying superannuation funds.

The CGT discount is not available to Mitchell Shareholders that are companies.

4.3.3 Capital losses

Capital losses may be used to offset capital gains derived by the Mitchell Shareholders in the current year or may be carried forward and offset against capital gains derived in future income years. Specific loss recoupment rules apply to companies that may restrict their ability to utilise capital losses in future years. Mitchell Shareholders should seek their own independent tax advice in relation to the operation of these rules.

4.4 Disposal of Mitchell Shares – Foreign Residents

The Australian income tax consequences relevant for Mitchell Shareholders who dispose of their Mitchell Shares under the Scheme and that are foreign residents for tax purposes are outlined below.

Mitchell Shareholders who are foreign residents for income tax purposes and who do not carry on business in Australia at or through a permanent establishment should be exempt from CGT on the disposal of their Mitchell Shares.

Foreign resident Mitchell Shareholders should obtain their own independent tax advice regarding the tax implications of the Scheme in Australia and in their country of residence.

4.5 Scrip for Scrip Roll-Over Relief

Mitchell Shareholders who would otherwise make a capital gain in respect of the disposal of their Mitchell Shares may choose to obtain scrip for scrip roll-over relief (if eligible) to the extent their Mitchell Shares are exchanged for Aegis Shares.

The Class Ruling has requested confirmation that Mitchell Shareholders are eligible to choose scrip for scrip roll-over relief and, if so, the income tax consequences of choosing scrip for scrip roll-over.

4.5.1 Income tax consequences of choosing scrip for scrip roll-over

The income tax consequences of choosing scrip for scrip roll-over include capital gains and cost base consequences, as discussed below. The discussion below assumes that the Mitchell Shareholders are eligible to choose scrip for scrip roll-over.

(a) Capital gains consequences

A choice to obtain scrip for scrip roll-over allows the Mitchell Shareholder to disregard a capital gain made on the disposal of a Mitchell Share under the Scheme to the extent that an Aegis Share is received in exchange for a Mitchell Share.

To the extent a Mitchell Shareholder receives only Share Consideration and chooses scrip for scrip roll-over, any capital gain arising should be fully disregarded.

To the extent a Mitchell Shareholder receives only Cash Consideration, scrip for scrip roll-over is not available for a capital gain derived. The capital gain should not be disregarded to the extent Cash Consideration is received for the disposal of the Mitchell Shares.

To the extent a Mitchell Shareholder receives a combination of Share Consideration and Cash Consideration, any capital gain arising in respect of the Share Consideration should be fully disregarded where scrip for scrip roll-over is chosen. The capital gain attributable to the Cash Consideration should be quantified and may be calculated as follows:

Value of Cash Consideration Received less Cost Base Attributable to the Cash Consideration

The cost base of the Mitchell Share attributable to the Cash Consideration may be calculated as follows:

$$\frac{\text{Cost Base / Reduced Cost Base of the Mitchell Shares}}{\text{Value of Share Consideration plus Cash Consideration}} \times \text{Value of Cash Consideration}$$

No roll-over relief is available where the disposal of Mitchell Shares results in a capital loss.

(b) Cost base or reduced cost base consequences

Where scrip for scrip roll-over has been obtained there are specific rules regarding the cost base and reduced cost base of Aegis Shares received in exchange for Mitchell Shares.

To the extent a Mitchell Shareholder receives only Share Consideration and chooses scrip for scrip roll-over, the first element of the cost base or reduced cost base of the replacement Aegis Shares received should be equal to the cost base or reduced cost base of the original Mitchell Shares exchanged (calculated as a proportion of the total shares received).

To the extent a Mitchell Shareholder receives only Cash Consideration, the scrip for scrip roll-over cost base and reduced cost base rules are not relevant.

To the extent a Mitchell Shareholder receives a combination of Share Consideration and Cash Consideration, the first element of the cost base or reduced cost base of each replacement Aegis Share received should be determined by reasonably attributing to it the cost base or reduced cost base of the Mitchell Share for which it was exchanged. The cost base of the Mitchell Share should be reduced by the amount taken into account in determining the Mitchell Shareholder's capital gain relating to the Cash Consideration.

The cost base of the Mitchell Share that is reasonably attributable to the Cash Consideration may be determined based on the formula at section 4.5.1(a) above.

The cost base or reduced cost base of the replacement Aegis Shares may be determined as follows:

$$\frac{\text{Cost Base / Reduced Cost Base of the Mitchell Shares Less Cost Base / Reduced Cost Base Attributable to the Cash Consideration}}{\text{Number of Shares}}$$

4.5.2 Income Tax Consequences of not choosing scrip for scrip roll-over

Mitchell Shareholders who are Australian residents and are not eligible to choose scrip for scrip roll-over, or do not elect to choose scrip for scrip roll-over, should calculate a capital gain or loss from the disposal of their Mitchell Shares as outlined in Section 4.3 above. That is, Mitchell Shareholders should make a capital gain if the capital proceeds from the disposal of their Mitchell Shares exceed their cost base. This capital gain should be treated as assessable. If the capital proceeds are less than the reduced cost base of the Mitchell Shares, they should make a capital loss.

The first element of the cost base, and reduced cost base, of the replacement Aegis Shares received as consideration for the disposal of the Mitchell Shares should be equal to the market value of the Mitchell Shares exchanged as at the Implementation Date (reduced for any Cash Consideration received).

5. Stamp Duty

No stamp duty should be payable by the Mitchell Shareholders in respect of the disposal of their Mitchell Shares or on the acquisition of Aegis Shares under the Scheme.

6. GST

No GST should be payable by Mitchell Shareholders in respect of the disposal of their Mitchell Shares or on the acquisition of Aegis Shares under the Scheme, regardless as to whether the Mitchell Shareholder is registered for GST. In the event the Mitchell Shareholder is registered for GST, the disposal of the Mitchell Shares should be considered a GST-free financial supply.

In addition, no GST should be payable by the Mitchell Shareholders in respect of the Mitchell Dividend, as such transactions are considered outside the scope of GST.

The Mitchell Shareholders may incur GST on costs (such as third party brokerage and advisor fees) that relate to their participation in the Scheme. The Mitchell Shareholders that are registered, or required to be registered, for GST may be entitled to full input tax credits for any GST payable on such costs, although this will depend on each Mitchell Shareholder's individual circumstances.

Mitchell Shareholders should seek their own independent tax advice in relation to the GST implications of their participation in the Scheme.

7. Implications to Australian Tax Residents of Holding Aegis Shares

Australian tax residents are generally required to include as assessable income for the relevant year income derived from all sources within and outside of Australia. The Australian income tax consequences relevant for Mitchell Shareholders who are Australian tax residents and who hold Aegis Shares are outlined below.

7.1 Receipt of dividends

Dividends paid from profits of Aegis should be included in the assessable income of the Australian tax resident shareholder for the income year in which the dividend payment was received. Specific rules apply to corporate shareholders who hold voting shares of 10% or more. These rules are not considered applicable, and are not outlined in this opinion.

In accordance with the current United Kingdom (UK) law, no UK dividend withholding tax should apply to the dividends.

7.2 Disposal of shares

The disposal of Aegis Shares by an Australian tax resident that holds the shares on capital account should be subject to Australian CGT.

Shareholders should make a capital gain where the capital proceeds received from the disposal of the Aegis Shares exceed their cost base. Shareholders should make a capital loss where the capital proceeds received are less than the reduced cost base of the shares. The calculation of the cost base or reduced cost base should be determined in accordance with Section 4.5 above.

Net capital gains made by the Australian tax resident should be treated as assessable income, and the tax payable will be dependent on the nature of the shareholder.

7.3 Foreign Accumulation Fund (FAF) rules

The FAF provisions are currently in draft but, if legislated, are expected to be of application for income years commencing on or after 1 July 2010. The provisions may apply to ensure that Australian tax residents cannot defer a liability in respect of income held in FAFs. Based on the draft law and current income profile of Aegis, it is not expected that the FAF provisions will be of application to the holding by Australian tax residents of Aegis Shares. However, if this law is enacted, shareholders should seek advice on the application of the final law.

8. Disclaimer

Our advice is general in nature and the individual circumstances of each shareholder may affect the taxation implications of the investment for that shareholder. Shareholders should seek appropriate independent professional advice that considers the taxation implications in respect of their own specific circumstances. We disclaim all liability to any shareholder or other party for all costs, loss, damage and liability that the shareholder or other party may suffer or incur arising from or relating to or in any way connected with the contents of our opinion or the provision of our opinion to the shareholder or other party or the reliance on our opinion by the shareholder or other party.

Taxation is only one of the matters that must be considered when making a decision on whether to participate in the Scheme and what election they should choose under the Scheme. Ernst & Young is not licensed to provide financial product advice under the *Corporations Act 2001* (Cth). Under the *Corporations Act*, this advice is not required to be provided to you by the holder of an Australian Financial Services Licence. You should consider taking advice from the holder of an Australian Financial Services Licence before making a decision in relation to the Scheme.



This opinion does not constitute an endorsement of the Scheme Booklet or a recommendation as to whether Mitchell Shareholders should vote in favour of the Scheme. Ernst & Young expresses no opinion and gives no assurance or guarantee in respect of the Scheme Booklet.

Yours faithfully

Ernst & Young

14 Investigating Accountant's Report

Deloitte.

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17 September 2010

The Directors
Mitchell Communication Group Ltd
Level 4, 111 Cecil Street
SOUTH MELBOURNE VIC 3205

Dear Sirs,

Investigating Accountant's Report

Proposed Scheme of Arrangement for the acquisition of Mitchell Communication Group Ltd by Aegis Group plc.

1. Introduction

At the request of the Directors of Mitchell Communication Group Ltd (Mitchell) this report has been prepared for inclusion in the Scheme Booklet to be dated on 17 September 2010 in connection with the proposed Scheme of Arrangement for the acquisition of Mitchell by Aegis Group plc. (or by a wholly-owned subsidiary) (Aegis) (together, the Combined Group).

This report relates to certain Mitchell and Aegis summary historical financial information and Combined Group pro forma financial information to be disclosed in the Scheme Booklet.

A number of defined words and terms used in this report have the same meaning as set out in the Glossary contained in the Scheme Booklet.

2. Financial Information

2.1 Mitchell Historical Financial Information

The summary historical financial information of Mitchell, as set out in Section 8.2 and 8.3 of the Scheme Booklet, comprises:

- Consolidated income statements of Mitchell for the twelve months ended 31 December 2009 and for the six months ended 30 June 2010; and
- Consolidated balance sheet of Mitchell as at 30 June 2010,

(together, Mitchell Historical Financial Information).

Member of
Deloitte Touche Tohmatsu

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The Mitchell Historical Financial Information is included in the determination of the Combined Group pro-forma financial information. As Mitchell's financial reporting year end is different from that of Aegis, the financial information pertaining to Mitchell has been extracted and recompiled to present the financial results as if Mitchell had a 31 December financial year end.

Accordingly, the Mitchell Historical Financial Information has been extracted from the audited financial statements of Mitchell for the financial year ended 30 June 2009 and the unaudited Appendix 4E preliminary final report for the financial year ended 30 June 2010 lodged with the Australian Securities Exchange (ASX) on 18 August 2010 which have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (A-IFRS) and the reviewed interim financial statements of Mitchell for the half years ended 31 December 2008 and 2009 which have been prepared in accordance with AASB 134 *Interim Financial Reporting*. The amounts reported in those financial reports have then been recompiled to present income statements for the twelve months ended 31 December 2009 and the six months ended 30 June 2010 to align with the Aegis year end reporting for the purpose of presenting the Combined Group Pro forma Financial Information as set out in Section 8 of the Scheme Booklet.

The financial statements for the financial year ended 30 June 2009 were audited by Mitchell's external auditor in accordance with Australian Auditing Standards and the related independent auditor's report to the members of Mitchell was unqualified. The unaudited Appendix 4E preliminary final report for the year ended 30 June 2010 lodged with the ASX on 18 August 2010 is in the process of being audited as at the date of this report. The interim financial statements for the half years ended 31 December 2008 and 2009 were reviewed by Mitchell's external auditor in accordance with Australian Auditing Standards applicable to review engagements and the related independent auditor's review report to the members of Mitchell were unqualified.

The Mitchell Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports prepared in accordance with the Corporations Act 2001 (Corporations Act). In addition, certain elements of the Mitchell Historical Financial Information have been reclassified to conform to the presentation of the Aegis Historical Financial Information as set out in Section 6.11 of the Scheme Booklet.

2.2 Aegis Historical Financial Information

The summary historical financial information of Aegis, as set out in Section 6.11 of the Scheme Booklet, comprises:

- Consolidated income statements of Aegis for the years ended 31 December 2008, 31 December 2009 and the six months ended 30 June 2010; and
- Consolidated balance sheets of Aegis as at 31 December 2008, 31 December 2009 and 30 June 2010,
(together, Aegis Historical Financial Information).

The Aegis Historical Financial Information has been extracted from the audited financial statements of Aegis for the years ended 31 December 2008 and 31 December 2009 and the reviewed financial statements for the six months ended 30 June 2010 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the

European Union. The financial statements for the financial year ended 31 December 2008 and 31 December 2009 were audited by Aegis's external auditor in accordance with International Standards on Auditing (UK and Ireland) (ISA+) and the related independent auditor's reports to the shareholders of Aegis were unqualified. The interim financial statements for the six months ended 30 June 2010 were reviewed by Aegis's external auditor in accordance with International Standards on Review Engagements (UK and Ireland) 2410 (ISRE 2410) applicable to review engagements and the related independent auditor's review report to the shareholders of Aegis was unqualified.

The Aegis Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by IFRS applicable to financial reports prepared by reporting issuers in the UK.

2.3 Combined Group Pro forma Financial Information

The summary pro forma financial information, as set out in Section 8 of the Scheme Booklet, comprises:

- Combined Group unaudited pro forma consolidated balance sheet as at 30 June 2010, which reflects the impact of the Scheme of Arrangement;
- Combined Group unaudited pro forma consolidated income statements for the twelve months ended 31 December 2009 and for the six months ended 30 June 2010; and
- Selected notes thereto,
(together, the Combined Group Pro forma Financial Information).

The Combined Group Pro forma Financial Information is presented to illustrate the financial performance and financial position of the Combined Group as though the Scheme of Arrangement occurred on 30 June 2010 for the purposes of the Combined Group unaudited pro forma consolidated balance sheet and as at 1 January 2009 for the purposes of the Combined Group unaudited pro forma consolidated income statements.

The Combined Group Pro forma Financial Information has been prepared by Mitchell in accordance with the measurement and recognition principles of IFRS on the basis of preparation set out in Section 8.1 of the Scheme Booklet. The preliminary purchase price is allocated to tangible assets and liabilities acquired based on their book value which, for the purpose of the Scheme Booklet, has been deemed to be fair value and the amounts may differ significantly when finalised.

Mitchell is responsible for the preparation and presentation of the Combined Group Pro forma Financial Information, including the determination of the pro forma scheme adjustments, on the basis set out in the Notes to the unaudited Pro Forma Statements at Section 8.4 of the Scheme Booklet. The Combined Group Pro forma Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by IFRS applicable to annual financial reports prepared by reporting issuers in the UK and Australia.

3. Scope

The Directors of Mitchell are responsible for the Mitchell Historical Financial Information and the Combined Group Pro forma Financial Information. The Directors of Aegis are responsible for the Aegis Historical Financial Information.

We disclaim any responsibility for any reliance on this report or on the financial information to which it relates for any purposes other than for which it was prepared. This report should only be read in conjunction with the Scheme Booklet.

3.1 Review of the accuracy of the extraction and recompilation of Mitchell Historical Financial Information

We have reviewed the accuracy of the extraction and the recompilation of the Mitchell Historical Financial Information in order to report whether anything has come to our attention that would cause us to believe that the Mitchell Historical Financial Information has not been accurately extracted and recompiled from publicly available historical financial information.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to enquiries of Mitchell management personnel, analytical procedures applied to the financial data and certain limited verification procedures. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit.

3.2 Review of the accuracy of the extraction of Aegis Historical Financial Information

We have reviewed the accuracy of the extraction of the Aegis Historical Financial Information in order to report whether anything has come to our attention that would cause us to believe that the Aegis Historical Financial Information has not been accurately extracted from publicly available historical financial information.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements and has been limited to enquiries of Aegis management personnel, analytical procedures applied to the financial data and certain limited verification procedures. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit.

3.3 Review of the compilation of the Combined Group Pro forma Financial Information

We have reviewed the compilation of the Combined Group Pro forma Financial Information in order to report whether anything has come to our attention that would cause us to believe that:

- The Combined Group Pro forma Financial Information, as set out in Section 8.2 and 8.3 of the Scheme Booklet, has not been properly compiled on the basis of the relevant:
 - Mitchell Historical Financial Information;
 - Aegis Historical Financial Information; and
 - The pro forma scheme adjustments described in Section 8.4 of the Scheme Booklet.
- The pro forma scheme adjustments described in Section 8.4 of the Scheme Booklet do not form a reasonable basis for the Combined Group Pro forma Financial Information, and are not in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of IFRS as if the Scheme of Arrangement had occurred at the dates assumed in Section 8.1 of the Scheme Booklet.

Our review of the Combined Group Pro forma Financial Information has been conducted in accordance with Australian Auditing Standards applicable to review engagements. We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- Review of work papers, accounting records and other documents;
- A review of the pro forma transactions and/or adjustments made to the historical financial information;
- Analytical procedures applied to the financial data;
- Comparison of applicable accounting policies between Mitchell and Aegis; and
- Enquiry of Directors, management and others.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit.

4. Review Statements on Financial Information

4.1 Mitchell Historical Financial Information

Based on our review of the accuracy of the extraction and recompilation of the Mitchell Historical Financial Information, nothing has come to our attention which causes us to believe that the Mitchell Historical Financial Information as set out in Section 8.2 and 8.3 of the Scheme Booklet has not been accurately extracted and recompiled from publicly available historical financial information.

4.2 Aegis Historical Financial Information

Based on our review of the accuracy of the extraction of the Aegis Historical Financial Information, nothing has come to our attention which causes us to believe that the Aegis Historical Financial Information as set out in Section 6.11 of the Scheme Booklet has not been accurately extracted from publicly available historical financial information.

4.3 Combined Group Pro forma Financial Information

Based on our review of the compilation of the Combined Group Pro forma Financial Information, nothing has come to our attention which causes us to believe that:

- The Combined Group Pro forma Financial Information, as set out in Section 8.2 and 8.3 of the Scheme Booklet, has not been properly compiled on the basis of the relevant:
 - Mitchell Historical Financial Information;
 - Aegis Historical Financial Information; and
 - The pro forma scheme adjustments described in Section 8.4 of the Scheme Booklet.
- The pro forma scheme adjustments described in Section 8.4 of the Scheme Booklet do not form a reasonable basis for the Combined Group Pro-forma Financial Information, and are not in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of IFRS as if the Scheme of Arrangement had occurred at the dates assumed in Section 8.1 of the Scheme Booklet.

5. Subsequent Events

Subsequent to 30 June 2010 and up to the date of this report, nothing has come to our attention that would cause us to believe material transactions or events outside the ordinary course of business of Mitchell or Aegis have occurred, other than the matters dealt with in this report or the Scheme Booklet, which would require comment on, or adjustment to, the information contained in this report, or which would cause such information to be misleading or deceptive.

6. Independence and Disclosure of Interests

Deloitte Touche Tohmatsu (Deloitte) does not have any interest in the outcome of this Scheme of Arrangement other than the preparation of this Investigating Accountant's Report and other services in relation to the Scheme of Arrangement for which normal professional fees will be received. Deloitte LLP, Chartered Accountants and Statutory Auditors of London, United Kingdom is the auditor of Aegis and from time to time it also provides certain other professional services to Aegis, for which normal professional fees are received.

7. Responsibility

Deloitte has consented to the inclusion of this Investigating Accountant's Report in the Scheme Booklet in the form and context in which it is so included, but has not authorised the issue of the Scheme Booklet. Accordingly, Deloitte makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Scheme Booklet.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



G J McLean
Partner

Merger Implementation Agreement

Dated 29 JULY 2010

Mallesons Stephen Jaques

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Merger Implementation Agreement

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Merger Implementation Agreement

Implementation Agreement

Details

Parties		AEGIS and MITCHELL
Aegis	Name	Aegis Group plc
	Company number	1403668
	Address	180 Great Portland Street, London W1W 5Q2
	Telephone	+44 20 70 70 7700
	Fax	+ 44 20 70 70 7800
	Attention	Mr Jerry Buhlmann
	Mitchell	Name
ABN		59 088 110 141
Incorporated in		Commonwealth of Australia
Address		Level 4, 111 Cecil Street, South Melbourne, Victoria, Australia, 3205
Telephone		+61 3 9690 5544
Fax		+61 3 9690 9318
Attention		Mr Harold Mitchell AC
Recitals	A	Mitchell and Aegis have agreed to merge by means of a members' scheme of arrangement under Part 5.1 of the Corporations Act.
	B	Mitchell and Aegis have agreed that Mitchell will propose the Scheme and issue the Scheme Booklet.
	C	Mitchell and Aegis have agreed to implement the Scheme on the terms and conditions of this agreement.
Governing law	Victoria, Australia	
Date of agreement	See Signing page	

Merger Implementation Agreement

General terms

1 Definitions and interpretation

1.1 Definitions

These meanings apply unless the contrary intention appears.

ACCC means the Australian Competition and Consumer Commission.

Aegis means Aegis Group PLC (Company Number 1403668).

Aegis Board means the board of directors of Aegis.

Aegis Group means Aegis and its Subsidiaries.

Aegis Indemnified Parties means Aegis, its officers, employees and advisers, its Related Bodies Corporate and the officers, employees and advisers of each of its Related Bodies Corporate.

Aegis Information means the information regarding Aegis as is required to be included in the Scheme Booklet under the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 or 142 or any other relevant policy or guidelines. For the avoidance of doubt, Aegis Information does not include information about the Mitchell Group (except to the extent that information is included in financial statements prepared by Aegis (but excluding financial information provided to Aegis by Mitchell) or relates to any statement of intention relating to the Mitchell Group following the Effective Date).

Aegis Material Adverse Change means one or more Specified Events which, individually or when aggregated with all such events, has resulted in or would be likely to result in:

- (a) a diminution in the value of consolidated net assets of the Aegis Group (determined on the basis of the same accounting methodology as was applied in preparing the Aegis Group's most recently published annual financial statements) of at least £44 million; or
- (b) a diminution in consolidated EBITDA of the Aegis Group for the financial year ending 31 December 2010 (determined on the basis of the same accounting methodology as was applied in preparing the Aegis Group's most recently published annual financial statements) of at least £23 million,

but does not include:

- (c) any matter fully and fairly disclosed to Mitchell or its Representatives on or before the date of this agreement (including as a result of disclosures made under the Disclosure Rules);
- (d) any matter, event or circumstance arising from changes in economic or business conditions in the markets in which Aegis operates;

- (e) anything done with the prior written consent of Mitchell;
- (f) any mandatory change in accounting policy applicable to Aegis; or
- (g) any change occurring directly or indirectly as a result of any matter, event or circumstance required by this agreement, the Scheme or the transactions contemplated by them.

Aegis Prescribed Event means, except to the extent contemplated by this agreement or the Scheme, any of the events listed in schedule 1 provided that a Aegis Prescribed Event listed in schedule 1 will not occur where Aegis has first consulted with Mitchell in relation to the event and Mitchell has approved the proposed event.

Aegis Shares mean fully paid ordinary shares in the capital of Aegis.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited or Australian Securities Exchange, as appropriate.

Authorised Officer means, in respect of a party, a director or secretary of the party or any other person appointed by a party to act as an Authorised Officer under this agreement.

Business Day means a business day as defined in the Listing Rules.

Cash Consideration means the amount of cash (if any) which a Scheme Participant is entitled to receive as part of the Share Scheme Consideration in accordance with clause 4, being \$1.20 for each Mitchell Share.

Competing Transaction means a transaction which, if completed, would mean a person (other than Aegis or its Related Bodies Corporate or Representatives) would:

- (a) directly or indirectly, acquire an interest or relevant interest in or become the holder of:
 - (i) 20% or more of the Mitchell Shares; or
 - (ii) all or a substantial part or a material part of the business conducted by the Mitchell Group,

including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of shares or joint venture, but not as a custodian, nominee or bare trustee;

- (b) acquire control of Mitchell, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with Mitchell.

Conditions Precedent means the conditions precedent set out in schedule 3.

Confidentiality Deed means the Confidentiality Deed between the parties dated 21 June 2010.

Confidential Information means Aegis Confidential Information or Mitchell Confidential Information.

Control Transaction means a transaction which, if completed, would mean a person (other than Aegis or its Related Bodies Corporate or Representatives) would, including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of shares or joint venture, but not as a custodian, nominee or bare trustee acquire control of Mitchell, within the meaning of section 50AA of the Corporations Act.

Controller has the meaning it has in the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cwlth).

Corporations Regulations means the Corporations Regulations 2001 (Cwlth).

Court means a court of competent jurisdiction under the Corporations Act.

Deed Poll means a deed poll provided by Aegis substantially in the form of Annexure C to this agreement.

Details means the section of this agreement headed "Details".

Disclosure Rules means the disclosure rules of the United Kingdom Listing Authority.

Effective, when used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Election means an election or deemed election by a Scheme Participant in accordance with clause 4.2.

Election Date means 5.00pm on the date that is 3 Business Days after the Scheme Meeting in respect of the Share Scheme or such other date as Mitchell and Aegis agree in writing.

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, Claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

End Date means 12 December 2010 or such other date as is agreed by Aegis and Mitchell.

Excluded Information means Confidential Information which:

- (a) is in or becomes part of the public domain other than through breach of this agreement or an obligation of confidence owed to the party providing the Confidential Information; or
- (b) the recipient of the Confidential Information can prove by contemporaneous written documentation was already known to it at the time of disclosure by the party providing the Confidential Information

(unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality); or

- (c) the recipient of the Confidential Information acquires from a source other than the party providing the Confidential Information or any Related Body Corporate or Representative of the party providing the Confidential Information where such source is entitled to disclose it.

Exclusivity Period means the period from and including the date of this agreement to the earlier of:

- (a) the termination of this agreement in accordance with its terms; and
- (b) the End Date.

First Court Date means the first day on which an application made to the Court, in accordance with item 9 of schedule 5, for orders under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard.

GST means a goods and services or similar tax imposed in Australia.

GST Act means the A New Tax System (Goods and Services Tax) Act 1999 (Cwlth).

Implementation Date means the seventh Business Day following the Record Date.

Independent Expert means the independent expert appointed by Mitchell under item 3 of schedule 5.

Ineligible Foreign Shareholder means a Mitchell Shareholder whose address shown in the Register is a place outside Australia and its external territories or who is acting on behalf of such a person, except where:

- (a) such Mitchell Shareholder has given the confirmations as to compliance with legal and regulatory requirements (including place and means of making an Election) set out in the Scheme Booklet and accompanying form of election; and
- (b) Mitchell and Aegis are satisfied, acting reasonably, that the invitation to make an Election or the issue of new Aegis Shares to that Scheme Participant as Share Scheme Consideration is lawful and not unduly onerous or impracticable in that place.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to any part of its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case,

other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement); or

- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 14 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this agreement reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Input Tax Credit has the meaning it has in the GST Act.

Listing Rules means the Listing Rules of ASX.

Losses means all claims, demands, damages, losses, costs, expenses and liabilities.

Merger means the combination of Mitchell and Aegis through the implementation of the Scheme.

Mitchell means Mitchell Communication Group Limited ABN 59 088 110 141.

Mitchell Board means the board of directors of Mitchell.

Mitchell Constitution means the constitution of Mitchell.

Mitchell Employee Option Plan means the “emitch Employee Option Plan” dated 26 July 2000.

Mitchell Group means Mitchell and its Subsidiaries.

Mitchell Indemnified Parties means Mitchell, its officers, employees, and advisers and its Related Bodies Corporate and the officers, employees and advisers of each of its Related Bodies Corporate.

Mitchell Information means all information as is required to be included in the Scheme Booklet under the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 or 142 or any other relevant policy or guidelines (other than the Aegis Information and the Independent Expert’s report).

Mitchell Material Adverse Change means one or more Specified Events which, individually or when aggregated with all such events, has resulted in or would be likely to result in:

- (a) a diminution in the value of consolidated net assets of the Mitchell Group (determined on the basis of the same accounting methodology as

was applied in preparing the Mitchell Group's most recently published annual financial statements) of at least \$15 million; or

- (b) a diminution in consolidated EBITDA of the Mitchell Group for the financial year ended 30 June 2011 (determined on the basis of the same accounting methodology as was applied in preparing the Mitchell Group's most recently published annual financial statements) of at least \$3.5 million,

but does not include:

- (a) any matter fully and fairly disclosed to Aegis or its Representatives on or before the date of this agreement (including as a result of disclosures made to ASX);
- (b) any matter, event or circumstance arising from changes in economic or business conditions in the markets in which the Mitchell Group operates;
- (c) anything done with the prior written consent of Aegis;
- (d) any change in accounting policy required by law; or
- (e) any change occurring directly or indirectly as a result of any matter, event or circumstance required by this agreement, the Scheme or the transactions contemplated by them.

Mitchell Performance Rights Plan means the "Executive Performance Rights Plan" 2009.

Mitchell Prescribed Event means, except to the extent contemplated by this agreement or the Scheme, any of the events listed in schedule 2 provided that a Mitchell Prescribed Event listed in items 1 to 12 of schedule 2 will not occur where Mitchell has first consulted with Aegis in relation to the event and Aegis has approved the proposed event.

Mitchell Share means an ordinary fully paid share in the capital of Mitchell.

Mitchell Shareholder means each person registered in the Register as a holder of Mitchell Shares.

New Aegis Shares means fully paid ordinary shares in the capital of Aegis to be issued under the Scheme.

Option means an option to acquire a Mitchell Share issued under the Mitchell Employee Option Plan.

Option Consideration has the meaning set out in clause 4.9.

Option Deed means the option deed between Aegis and Harold Mitchell, dated on or about the date of this agreement.

Optionholder Deed means a deed (in the form agreed by the Optionholder, Aegis and Mitchell) executed by each Optionholder, Aegis and Mitchell pursuant to which the Optionholder agrees, subject to the Scheme becoming Effective, to the cancellation or transfer to Aegis of each Option held by him or her in return for the Option Consideration.

Optionholders means each person who is registered in the register of Optionholders as an holder of an Option.

Performance Right means an a performance right issued under the Mitchell Performance Rights Plan.

Performance Right Consideration has the meaning set out in clause 4.10.

Performance Rights Deed means a deed (in the form agreed by the Performance Right Holder, Aegis and Mitchell) executed by each Performance Right Holder, Aegis and Mitchell pursuant to which the Performance Right Holder agrees, subject to the Scheme becoming Effective, to the cancellation or transfer of each Performance Right held by him or her in return for the Performance Right Consideration.

Performance Right Holder means each person who is registered in the register of Performance Rights as a holder of a Performance Right.

Record Date means 5.00pm on the fifth Business Day following the Effective Date or such other date as Mitchell and Aegis agree.

Register means the share register of Mitchell and **Registry** has a corresponding meaning.

Regulator's Draft means the draft of the Scheme Booklet in a form acceptable to both parties which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.

Regulatory Approval means any approval of a Regulatory Authority to the Merger or any aspect of it which is necessary or desirable to implement the Merger.

Regulatory Authority includes:

- (a) ASX, ACCC, ASIC;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

Regulatory Review Period means the period from the date on which the Regulator's Draft is submitted to ASIC to the date on which ASIC confirms that it does not intend to make any submissions at the Court hearing on the First Court Date or otherwise object to the Scheme.

Related Body Corporate has the meaning it has in the Corporations Act.

Relevant Interest has the same meaning as given by sections 608 and 609 of the Corporations Act.

Representative means any person acting for or on behalf of a party including any director, officer, employee, agent, contractor or professional advisor of a party.

Scheme means the Share Scheme.

Scheme Booklet means, in respect of the Scheme, the information booklet to be approved by the Court and despatched to Mitchell Shareholders which must:

- (a) include the Scheme, an explanatory statement complying with the requirements of the Corporations Act and notice(s) of meeting and proxy form(s); and
- (b) comply with the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 and 142 and the Listing Rules.

Scheme Meeting means the meeting to be convened by the Court at which Mitchell Shareholders will vote on the Share Scheme.

Scheme Participants means each person who is a Mitchell Shareholder at the Record Date.

Scheme Share means a Mitchell Share held by a Scheme Participant as at the Record Date.

Second Court Date means the day on which the Court makes an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme .

Share Consideration means the number of Aegis Shares (if any) which a Scheme Participant is entitled to receive as part of the Scheme Consideration in accordance with clause 4, calculated in accordance with the ratio of 40 Aegis Shares for every 67 Mitchell Shares.

Share Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act under which all the Mitchell Shares will be transferred to Aegis substantially in the form of Annexure B together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.

Share Scheme Consideration means the consideration payable by Aegis for the Mitchell Shares under the Share Scheme and in accordance with clause 4.

Specified Events means an event, occurrence or matter that:

- (a) occurs after the date of this agreement;
- (b) occurs before the date of this agreement but is only announced or publicly disclosed after the date of this agreement; or
- (c) will or is likely to occur after the date of this agreement and which has not been publicly announced prior to the date of this agreement.

Subsidiaries has the meaning it has in the Corporations Act.

Superior Proposal means a publicly announced Competing Transaction which the Mitchell Board, acting in good faith, and after taking advice from its legal advisers, determines is:

- (a) reasonably capable of being completed on a timely basis taking into account all aspects of the Competing Transaction; and

- (b) more favourable to Mitchell Shareholders than the Scheme, taking into account all terms and conditions of the Competing Transaction.

Tax Invoice has the meaning it has in the GST Act.

Timetable means the timetable set out in schedule 4.

Treasurer means the Treasurer of the Commonwealth of Australia.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in this agreement to:

- (a) **(variations or replacement)** a document (including this agreement) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this agreement;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word “person” includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Regulatory Authority;
- (g) **(executors, administrators, successors)** a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (i) **(dollars)** Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (j) **(pounds)** pounds or £ is a reference to the lawful currency of the United Kingdom;
- (k) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (l) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

- (m) **(accounting terms)** an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;
- (n) **(meaning not limited)** the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind; and
- (o) **(time of day)** time is a reference to Melbourne time.

1.3 Next Business Day

If an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

1.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this agreement.

1.5 Inconsistent agreements

If a provision of this agreement is inconsistent with a provision of the Confidentiality Deed the provision of this agreement prevails.

2 Agreement to propose and implement Scheme

2.1 Mitchell to propose Scheme

Mitchell agrees to propose the Scheme on and subject to the terms and conditions of this agreement.

2.2 Agreement to implement Merger

The parties agree to implement the Merger on the terms and conditions of this agreement.

2.3 Acquiring entity

The parties agree that the entity to which Scheme Shares will be transferred under the Scheme may be any wholly owned Subsidiary of Aegis, to be nominated by Aegis prior to the Scheme Meeting.

3 Conditions precedent

3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective and the obligations of Aegis under clause 4 are conditional on the satisfaction or waiver of each of the Conditions Precedent contained in schedule 3 to the extent and in the manner set out in clauses 3.2 and 3.4.

3.2 Benefit of certain Conditions Precedent

A Condition Precedent may only be waived in writing by a party entitled to the benefit of that Condition Precedent as noted in the table set out in schedule 3 and will be effective only to the extent specifically set out in that waiver.

A party entitled to waive the breach or non-fulfilment of a Condition Precedent under this clause 3.2 may do so in its absolute discretion.

3.3 Waiver of Conditions Precedent

If either Mitchell or Aegis waives the breach or non-fulfilment of a Condition Precedent in accordance with this clause, then:

- (a) subject to subclause 3.3(b), that waiver precludes that party from suing the other for any breach of this agreement arising as a result of the breach or non-fulfilment of that Condition Precedent; but
- (b) if the waiver of the Condition Precedent is itself conditional and the other party:
 - (i) accepts the condition, the terms of that condition apply notwithstanding any inconsistency with subclause 3.3(a); or
 - (ii) does not accept the condition, the Condition Precedent has not been waived.

3.4 Reasonable endeavours

Each of Mitchell and Aegis agree to use reasonable endeavours to procure that:

- (a) each of the Conditions Precedent:
 - (i) is satisfied as soon as practicable after the date of this agreement; and
 - (ii) continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and
- (b) there is no occurrence that would prevent the Conditions Precedent being satisfied.

3.5 Regulatory matters

Without limiting clause 3.4, each party:

- (a) **(Regulatory Approvals)** must promptly apply for all relevant Regulatory Approvals and take all steps it is responsible for as part of the approval process, including responding to requests for information at the earliest practicable time;
- (b) **(representation)** has the right to be represented and make submissions at any proposed meeting with any Regulatory Authority relating to any Regulatory Approval; and
- (c) **(consultation)** must consult with the other party in advance in relation to all communications (whether written or oral, and whether direct or via a

Representative) with any Regulatory Authority relating to any Regulatory Approval (“Communications”) and, without limitation:

- (i) provide the other party with drafts of any material written Communications to be sent to a Regulatory Authority and make such amendments as the other party reasonably requires; and
- (ii) provide copies of any material written Communications sent to or received from a Regulatory Authority to the other party promptly upon despatch or receipt (as the case may be),

in each case to the extent it is reasonable to do so.

3.6 Notices in relation to Conditions Precedent

Each party must:

- (a) **(notice of satisfaction)** promptly notify the other of satisfaction of a Condition Precedent and must keep the other informed of any material development of which it becomes aware that may lead to the breach or non-fulfilment of a Condition Precedent;
- (b) **(notice of failure)** immediately give written notice to the other of a breach or non-fulfilment of a Condition Precedent, or of any event which will prevent a Condition Precedent being satisfied; and
- (c) **(notice of waiver)** upon receipt of a notice given under paragraph (b), give written notice to the other party as soon as possible (and in any event before 5.00pm on the Business Day before the Second Court Date) as to whether or not it waives the breach or non-fulfilment of any Condition Precedent resulting from the occurrence of that event, specifying the Condition Precedent in question.

3.7 Effect of waiver or non-fulfilment

A waiver of such breach or non-fulfilment in respect of one Condition Precedent does not constitute:

- (a) a waiver of the breach or non-fulfilment of any other Condition Precedent resulting from the same event; or
- (b) a waiver of the breach or non-fulfilment of that Condition Precedent resulting from any other event.

3.8 Consultation on failure of Conditions Precedent

If:

- (a) there is a breach or non-fulfilment of a Condition Precedent which is not waived in accordance with this agreement by the time or date specified in this agreement for the satisfaction of the Condition Precedent;
- (b) there is an act, failure to act or occurrence which will prevent a Condition Precedent being satisfied by the time or date specified in this agreement for the satisfaction of the Condition Precedent (and the breach or non-fulfilment which would otherwise occur has not already been waived in accordance with this agreement); or

- (c) if the Scheme has not become Effective by the End Date,
- then the parties must consult in good faith with a view to determining whether:
- (d) the Scheme may proceed by way of alternative means or methods;
 - (e) to extend the relevant time for satisfaction of the Condition Precedent or to adjourn or change the date of an application to the Court; or
 - (f) to extend the End Date.

3.9 Failure to agree

If the parties are unable to reach agreement under clause 3.8 within 5 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date):

- (a) subject to subclause 3.9(b), either party may terminate this agreement (and such termination will be in accordance with clause 13.1(g)(i)); or
- (b) if a Condition Precedent may be waived and exists for the benefit of one party only, that party only may waive that Condition Precedent or terminate this agreement (and such termination will be in accordance with clause 13.1(g)(ii)),

in each case before 8.00am on the Second Court Date. A party will not be entitled to terminate this agreement pursuant to this clause 3.9 if the relevant Condition Precedent has not been satisfied or agreement cannot be reached as a result of:

- (c) a breach of this agreement by that party; or
- (d) a deliberate act or omission of that party.

3.10 Regulatory Approval

A Regulatory Approval will be regarded as having been obtained notwithstanding that a condition or conditions may have been attached to that Regulatory Approval if the conditions are reasonably satisfactory to Mitchell and Aegis.

4 Scheme Consideration

4.1 Consideration

- (a) Subject to the Share Scheme becoming Effective, Aegis agrees in favour of Mitchell that, in consideration of the transfer to Aegis of each Scheme Share under the Share Scheme, Aegis will accept such transfer, and will (subject to the scale back provisions in clause 4.5) provide to each Scheme Participant the Share Scheme Consideration for each Scheme Share held by them, in accordance with the Election of the Scheme Participant as contemplated by clause 4.2, this clause 4 and the terms of the Share Scheme.
- (b) Subject to the Share Scheme becoming Effective, and subject to the scale back provisions in clause 4.5, Aegis will:

- (i) pay to each Scheme Participant the Cash Consideration to which they are entitled, as determined in accordance with this clause 4, in respect of each Scheme Share held by that Scheme Participant at the Record Date; and
- (ii) issue to each Scheme Participant the Share Consideration to which they are entitled, as determined in accordance with this clause 4 in respect of each Scheme Share held by that Scheme Participant at the Record Date .

4.2 Election mechanism

- (a) Mitchell must ensure that the Scheme Booklet sent to Mitchell Shareholders is accompanied by a form of election which provides for the matters set out in clause 4.2(b) under which each Mitchell Shareholder is requested to elect one of the following:
 - (i) 100% Cash Consideration; or
 - (ii) 75% Cash Consideration and 25% Share Consideration;
 - (iii) 50% Cash Consideration and 50% Share Consideration;
 - (iv) 25% Cash Consideration and 75% Share Consideration; or
 - (v) 100% Share Consideration.
- (b) The form of election shall provide that:
 - (i) subject to clause 4.2(b)(vi) a Mitchell Shareholder may make only one Election in relation to a particular holding, and not two or more of them;
 - (ii) subject to clause 4.2(b)(vi), any valid Election by a Mitchell Shareholder will apply to that number of the Scheme Shares in the relevant holding of the Mitchell Shareholder as at the Record Date; and
 - (iii) a valid Election may be made by a Mitchell Shareholder by:
 - (A) completing the election form in accordance with the instructions specified on the form or set out in the Scheme Booklet; and
 - (B) returning the completed election form in accordance with the instructions on it so that it is received by no later than the Election Date;
 - (iv) once made, a valid Election by a Mitchell Shareholder may be varied before the Election Date (provided that any variation that purports to make an Election which is invalid will not be effective);
 - (v) if a valid Election is not made by a Mitchell Shareholder prior to the Election Date in respect of Scheme Shares held by that Mitchell Shareholder as at the Record Date, then that Mitchell Shareholder will be deemed to have made a valid Election to

receive 100% Cash Consideration in respect of those Scheme Shares;

- (vi) in the manner to be agreed between the parties (acting reasonably), a Mitchell Shareholder that holds one or more parcels of Mitchell Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of Mitchell Shares (and, for the purpose of calculating the Share Scheme Consideration to which the Mitchell Shareholder is entitled, including the application of clause 4.5, each such parcel of Mitchell Shares (to the extent that they are Scheme Shares) will be treated as though it were held by a separate Scheme Participant); and

and must otherwise be in a form agreed between the parties.

- (c) Notwithstanding any other provision of this agreement or any form of election purported to be made by an Ineligible Foreign Shareholder, each Ineligible Foreign Shareholder will be deemed to have made a valid Election to receive the 100% Cash Consideration in respect of all Scheme Shares held by that Ineligible Foreign Shareholder.
- (d) Mitchell must ensure that, to the extent reasonably practicable, Mitchell Shareholders that have acquired Mitchell Shares after the date of the despatch of the Scheme Booklet can receive an election form on request to Mitchell.
- (e) In order to facilitate the provision of the Share Scheme Consideration, Mitchell must, upon the written request of Aegis, provide, or procure the provision, to Aegis or a nominee of Aegis, of:
 - (i) a weekly update of the Elections that have been received;
 - (ii) details of the final Elections made by each Mitchell Shareholder on the Mitchell register, within three Business Days after the Election Date; and
 - (iii) a complete copy of the Mitchell register as at the Record Date, within three Business Days after the Record Date

and such other information as Aegis may reasonably required to provide the Share Scheme Consideration in accordance with this agreement and the terms of the Share Scheme.

4.3 Election for 100% Cash Consideration

If a Scheme Participant makes an Election, or is deemed to have made an Election, to receive the 100% Cash Consideration, then subject to the Share Scheme becoming Effective and clause 4.6, the Scheme Participant will be entitled to receive, for each Scheme Share held by that Scheme Participant in the relevant holding as at the Record Date - the Cash Consideration.

4.4 Other Elections

If a Scheme Participant makes a valid Election **other than** an Election (or deemed Election) to receive 100% Share Consideration, then subject to the Share

Scheme becoming Effective and clause 4.6, the Scheme Participant will be entitled to receive, for each Scheme Share held by that Scheme Participant in the relevant holding as at the Record Date:

- (a) the relevant percentage of the Cash Consideration, as per the Scheme Participant's Election; and
- (b) the relevant percentage of the Share Consideration, as per the Scheme Participant's Election,

unless clause 4.5 applies in which case the amount of Cash Consideration and the amount of Share Consideration paid to the relevant Scheme Participant will be determined in accordance with that clause.

4.5 Scale back

- (a) This clause 4.5 applies if the Elections (or deemed Elections) made by Scheme Participants are such that the aggregate number of Aegis Shares that would be required to be issued by Aegis in payment of the Share Consideration to satisfy the entitlements determined under clause 4.4 exceeds 116,672,646.
- (b) For the purposes of this clause 4.5 if an Option has been exercised under the Option Deed before the Election Date, the relevant Option Shares will be treated as if they were Scheme Shares in respect of which an Election has been made to receive 100% Share Consideration.
- (c) Where this clause applies the aggregate Share Consideration to which each Scheme Participant is entitled will be scaled back in accordance with the following formula:

$$tSC = \frac{SCcap}{SCtotal} \times pSC$$

Where:

tSC is the aggregate number of Aegis Shares the relevant Scheme Participant is entitled to receive as part of the Scheme Consideration for all Scheme Shares held by that Scheme Participant in the relevant holding as at the Record Date;

pSC is the aggregate number of Aegis Shares the relevant Scheme Participant would have received as part of the Scheme Consideration for all Scheme Shares held by that Scheme Participant in the relevant holding as at the Record Date determined under clause 4.4 (but for this clause 4.5);

SCcap is 116,672,646;

SC total is the aggregate number of Aegis Shares that would be required to be issued by Aegis in payment of the Share Consideration to satisfy the entitlements determined under clause 4.4 for all Scheme Participants (but for this clause 4.5).

For the avoidance of doubt, in no circumstances shall the sum of the aggregate number of Aegis Shares issued as Share Consideration and the Aegis Shares issued under the Option Deed exceed 116,672,646.

- (d) For the avoidance of doubt, to the extent that the application of this clause 4.5 results in an aggregate entitlement of a Scheme Participant to Aegis Shares that is less than would have applied but for this clause 4.5, the Scheme Participant will be entitled to Cash Consideration in the alternative.

4.6 Fractional entitlements and share splitting or division

- (a) If the number of Scheme Shares held by a Scheme Participant at the Record Date (or, if applicable, the result of the application of clause 4.5) is such that the aggregate entitlement of the Scheme Participant to Share Scheme Consideration:
 - (i) comprising Aegis Shares is such that a fractional entitlement to an Aegis Share arises; or
 - (ii) comprising cash is such that a fractional entitlement to a cent arises,then the fractional entitlement will be rounded:
 - (iii) in the case of Aegis Shares, down to the nearest whole number of Aegis shares; and
 - (iv) in the case of cash, up or down to the nearest cent (with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole cent, and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole cent.
- (b) If Aegis and Mitchell are of the opinion (acting reasonably) that two or more Scheme Participants (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 4.6(a)) have, before the Scheme Record Date for the Share Scheme, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, Mitchell may give notice to those Scheme Participants:
 - (i) setting out their names and registered addresses as shown in the Mitchell Share Register;
 - (ii) stating that opinion;
 - (iii) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them; and
 - (iv) attributing to one of them specifically identified in the notice which Election made by or on behalf them applies to all of them,

and, after such notice has been given, the Scheme Participant specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the provisions of the Share Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Participants whose names and registered addresses are set out in the notice will, for the purposes of the provisions of the Share Scheme, be taken to hold no Scheme Shares. Aegis in complying with the provisions of the Share Scheme relating to it in respect of the Scheme Participant specifically identified in the notice as the deemed holder of all the

specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Participants named in the notice under the terms of the Share Scheme.

4.7 Aegis Shares

Aegis covenants in favour of Mitchell (in its own right and on behalf of each Scheme Participant) that:

- (a) the Aegis Shares issued as Share Scheme Consideration will, on their issue, rank equally in all respects with all other Aegis Shares (except for any dividends or entitlements with a record date before the date of issue);
- (b) it will use best endeavours to ensure that admission of the Aegis Shares issued as Share Scheme Consideration to the Official List of the United Kingdom Listing Authority becomes effective no later than the first Business Day after the Implementation Date; and
- (c) on issue, each Aegis Share will be fully paid and, to the extent within the control of Aegis, free from any Encumbrance.

4.8 Options and Performance Rights

Mitchell must use reasonable endeavours to ensure that, as soon as reasonably practicable after the date of this agreement:

- (a) each Optionholder:
 - (i) exercises their Options; or
 - (ii) enters into an Optionholder Deed in a form reasonably acceptable to Aegis under which they agree to cancel (or at Aegis' direction transfer to Aegis) each of their Options, with effect from the Effective Date, for the consideration set out in clause 4.9; and
- (b) each Performance Rights Holder:
 - (i) exercises their Performance Rights; or
 - (ii) enters into a Performance Rights Deed in a form reasonably acceptable to Aegis under which they agree to cancel (or at Aegis' direction transfer to Aegis) each of their Performance Rights, with effect from the Effective Date, for the consideration set out in clause 4.10.

4.9 Optionholder Consideration

Aegis covenants in favour of Mitchell (in its own right and on behalf of each Optionholder) that if it is necessary to cancel or transfer to Aegis any Options held by an Optionholder, Aegis will, on the Implementation Date, pay to each such Optionholder who has entered into an Option Deed before the Effective Date an amount to be agreed between Mitchell and Aegis for each Option held at the Record Date.

4.10 Performance Rights Consideration

Aegis covenants in favour of Mitchell (in its own right and on behalf of each Performance Rights Holder) that if it is necessary to cancel or transfer to Aegis any Performance Rights held by a Performance Rights Holder, Aegis will, on the Implementation Date, pay to each such Performance Rights Holder who has entered into a Performance Rights Deed before the Effective Date \$1.20 for each Performance Right held at the Record Date (or any other amount as may be agreed between Mitchell and Aegis).

4.11 Payments

To the extent that any material amount is to be paid by Mitchell to an Optionholder or Performance Right Holder, Mitchell agrees not to agree to make any such payment without the prior consent of Aegis (such consent not to be unreasonably withheld or delayed).

5 Co-operation and timing

5.1 General obligations

Mitchell and Aegis must each:

- (a) use all reasonable endeavours and commit necessary resources (including management and corporate relations resources and the resources of external advisers); and
- (b) procure that its officers and advisers work in good faith and in a timely and co-operative fashion with the other party (including by attending meetings and by providing information),

to produce the Scheme Booklet and implement the Scheme as soon as reasonable practicable and in accordance with the Timetable.

5.2 Aegis' right to separate representation

Aegis is entitled to separate representation at all Court proceedings relating to the Scheme. Nothing in this agreement is to be taken to give Mitchell any right or power to make or give undertakings to the Court for or on behalf of Aegis.

6 Implementation obligations of the parties

6.1 Mitchell's obligations

Mitchell must comply with the obligations of Mitchell set out in schedule 5 and take all reasonable steps to implement the Scheme as soon as is reasonably practicable and in accordance with the Timetable.

6.2 Aegis' obligations

Aegis must comply with the obligations of Aegis set out in schedule 6 and take all reasonable steps to assist Mitchell to implement the Scheme as soon as reasonably practicable and in any event prior to the End Date.

6.3 Appointment/retirement of Mitchell directors

Mitchell must, as soon as practicable:

- (a) on the Implementation Date, ensure that all directors on the Mitchell Board resign and, subject to clause 8.2, release Mitchell from any claims they may have against Mitchell; and
- (b) on the Implementation Date:
 - (i) ensure that all directors on the boards of each member of the Mitchell Group resign and release the relevant entity from any claims they may have against that entity or Mitchell; and
 - (ii) cause the appointment of nominees of Aegis to those boards of each member of the Mitchell Group.

7 Scheme Booklet

7.1 Preparation

Without limiting clauses 6.1 or 6.2:

- (a) **(preparation)**: Mitchell is generally responsible for the preparation of the Scheme Booklet but will provide drafts to and consult with Aegis in accordance with clause 7.2;
- (b) **(compliance)** Aegis (in respect of the Aegis Information) and Mitchell (in respect of the Mitchell Information) must take all necessary steps to endeavour to ensure that the Scheme Booklet:
 - (i) complies with the requirements of:
 - (A) the Corporations Act;
 - (B) ASIC Regulatory Guide 60;
 - (C) ASIC Regulatory Guide 142;
 - (D) the Listing Rules; and
 - (ii) is not, having regard to applicable disclosure requirements, misleading or deceptive in any material respect (including because of any material omission).

7.2 Content of Scheme Booklet

Mitchell must:

- (a) **(consult Aegis)**:
 - (i) prepare the Scheme Booklet in regular consultation with Aegis as to the content and presentation of the Scheme Booklet;
 - (ii) provide to Aegis successive drafts of the Scheme Booklet for the purpose of enabling Aegis to review and comment on those draft documents;

- (iii) take the comments made by Aegis into account in good faith when producing a revised draft of the Scheme Booklet; and
 - (iv) provide to Aegis a revised draft of the Scheme Booklet within a reasonable time before the Regulator's Draft is finalised and to enable Aegis to review the Regulator's Draft at least 5 Business Days before its submission;
- (b) **(amend Scheme Booklet)** implement such changes to those parts of the Scheme Booklet relating to Aegis which are provided in accordance with clause 7.2(a) as reasonably requested by Aegis and prior to finalising the Regulator's Draft;
- (c) **(Regulatory Review Period)** during the Regulatory Review Period:
- (i) promptly provide to Aegis, and include in a revised draft of the Scheme Booklet, any new information not included in the Regulator's Draft which is required by the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 or 142 or the Listing Rules to be included in the Scheme Booklet; and
 - (ii) keep Aegis informed of any matters raised by ASIC in relation to the Scheme Booklet and use all reasonable endeavours, in co-operation with Aegis, to resolve any such matters;
- (d) **(Aegis Information)** obtain approval from Aegis for the form and context in which the Aegis Information appears in the Scheme Booklet which approval must not be unreasonably delayed or withheld.

Aegis must consult with Mitchell as to the content of the Aegis Information.

7.3 Aegis Information

- (a) Aegis consents to the inclusion of the Aegis Information in the Scheme Booklet and acknowledges that:
- (i) it is responsible for ensuring that the Aegis Information is not misleading or deceptive in any material respect (whether by omission or otherwise) and that Mitchell will not verify or edit that information in the Scheme Booklet; and
 - (ii) the Scheme Booklet will state that Aegis is responsible for the Aegis Information.
- (b) Following a request in writing by Aegis to the Chief Operating Officer of Mitchell, Mitchell must provide, and must cause each member of the Mitchell Group to provide, Aegis and its authorised Representatives (including any investigating accountant) with reasonable access (at times mutually agreeable to the parties) to Mitchell's auditors, accountants, books and records for the purpose of enabling the preparation of financial statements to be included in the Scheme Booklet (including for the merged Mitchell-Aegis entity, if any) and any investigating accountant's report for inclusion in the Scheme Booklet.

7.4 Mitchell Information

Mitchell acknowledges that:

- (a) it is responsible for ensuring that the Mitchell Information is not misleading or deceptive in any material respect (whether by omission or otherwise) and that Aegis will not verify or edit that information in the Scheme Booklet; and
- (b) the Scheme Booklet will state that Mitchell is responsible for the Mitchell Information.

7.5 Disagreement on content

If Aegis and Mitchell disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet. If complete agreement is not reached after reasonable consultation, then:

- (a) if the disagreement relates to the form or content of the Aegis Information contained in the Scheme Booklet, Mitchell will make such amendments as Aegis reasonably requires; and
- (b) if the disagreement relates to the form or content of any other part of the Scheme Booklet, the Mitchell Board will, acting in good faith, decide the final form or content of the disputed part of the Scheme Booklet.

7.6 Verification

Each party must undertake appropriate verification processes for the information supplied by that party for the Scheme Booklet.

8 Conduct of business

8.1 Conduct of business

From the date of this agreement up to and including the Implementation Date, Mitchell must conduct (and must ensure that each member of the Mitchell Group conducts) its business in the ordinary and proper course and in substantially the same manner as previously conducted, other than with the prior approval of Aegis (which approval must not be withheld or delayed).

8.2 Deeds of access, indemnity and insurance

- (a) Subject to the Implementation Date occurring Aegis must procure that Mitchell and each member of the Mitchell Group preserve the indemnities and other rights under the deeds of indemnity access and insurance made by them in favour of their respective directors and officers from time to time.
- (b) The undertakings contained in this clause 8.2 are subject to any restriction under the Corporations Act or any other applicable legislation and will be read down accordingly. Mitchell receives and holds the benefit of this clause 8.2, to the extent it relates to the directors and officers of Mitchell and other members of the Mitchell Group, as trustee for them.
- (c) The undertakings contained in this clause 8.2 are given until the earlier of:

- (i) Mitchell (or the relevant member of the Mitchell Group) ceasing to be part of the Aegis Group; or
 - (ii) Mitchell (or the relevant member of the Mitchell Group) becoming Insolvent.
- (d) For the avoidance of doubt, nothing in this agreement effects the operation of any deeds of indemnity access and insurance made in favour of Mitchell's directors and officers in existence as at the date of this agreement.

8.3 Integration

From the date of this agreement up to and including the Implementation Date, following a request in writing by Aegis to the Chief Operating Officer of Mitchell, Mitchell must, and must cause each member of the Mitchell Group to, afford to Aegis and its Representatives reasonable access to information (subject to any legal restrictions or existing confidentiality obligations owed to third parties), premises or such senior executives of any member of the Mitchell Group as reasonably requested by Aegis at mutually convenient times and afford Aegis and its Representatives reasonable co-operation for the purpose of:

- (a) implementation of the Scheme;
- (b) Aegis obtaining an understanding of the operations of Mitchell's business, financial position, prospects and affairs in order to allow and facilitate the development and the implementation of the plans of Aegis for the business following implementation of the Scheme; and
- (c) any other purpose agreed between the parties,

provided that such requests by Aegis do not result in unreasonable disruptions to the Mitchell Group's business.

9 Exclusivity

9.1 No-talk

Subject to the exceptions contained in clause 9.3, during the Exclusivity Period, Mitchell must not, and must ensure that none of its Representatives or its Related Bodies Corporate (including for the avoidance of doubt any financial advisors):

- (a) directly or indirectly participate in or continue any discussions or negotiations with a third party;
- (b) provide or make available any information to a third party for the purpose of conducting due diligence;
- (c) enter into any agreement, arrangement or understanding with a third party; or
- (d) communicate to a third party, during the Exclusivity Period, any intention to do any of these things,

in relation to, or which may reasonably be expected to lead to, a Competing Transaction.

9.2 No-shop

Subject to the exceptions contained in clause 9.3 (as applicable), during the Exclusivity Period, Mitchell must not, and must ensure that none of its Representatives and Related Bodies Corporate (including for the avoidance of doubt any financial advisors):

- (a) solicit or invite, directly or indirectly, enquiries, discussions or proposals with a view to obtaining any offer, proposal or expression of interest from any person in relation to a Competing Transaction; or
- (b) communicate to any person during the Exclusivity Period an intention to do any of the things referred to in paragraph 9.2(a)

9.3 Exceptions

- (a) Nothing in the No Talk or No Shop restrictions contained in clause 9.1 or clause 9.2 above prevent Mitchell from continuing to make normal presentations to and respond to enquiries from brokers, portfolio investors and analysts in the ordinary course.
- (b) The No Talk restrictions contained in clause 9.1 do not apply to the extent that they restrict Mitchell, its Related Bodies Corporate and their Representatives from taking or refusing to take any action with respect to a bona fide Competing Transaction (which was not solicited or invited by it in breach of its No-shop obligations under clause 9.2) provided that the Board of Mitchell, acting in good faith, determines after having taken advice from its legal advisors that failing to respond or taking or refusing to take that action would be reasonably likely to involve a breach of the fiduciary or statutory duties or obligations owed by any Mitchell director or would otherwise be unlawful.

9.4 Notification of approaches and opportunity to match

- (a) Mitchell must not during the Exclusivity Period recommend any Competing Transaction, or enter into any agreement, arrangement or understanding to undertake a Competing Transaction, unless it has first:
 - (i) notified Aegis in writing of the material terms of the Competing Transaction and the person or persons proposing the Competing Transaction; and
 - (ii) given Aegis at least 72 hours after provision of that information in which to provide a matching or superior deal to the relevant Competing Transaction.
- (b) During the Exclusivity Period, Mitchell must promptly notify Aegis in writing if it, or any of its Related Bodies Corporate or any of their Representatives becomes aware of any:
 - (i) negotiations or discussions, approach or proposal with respect to a Competing Transaction including details of the party making the expression of interest, offer or proposal and any updates to the expression of interest, offer or proposal; and

- (ii) provision by Mitchell, Related Bodies Corporate or Representatives of any information relating to Mitchell or any of its Related Bodies Corporate or any of their businesses or operations to any person in relation to, or which may reasonably be expected to lead to, a Competing Transaction; and
- (iii) action by Mitchell, or any intention of it to take any action, in reliance on the No Talk exception in clause 9.3(b), prior to undertaking the relevant action.

9.5 Provision of information

- (a) Prior to providing any information to any Third Party in reliance on clause 9.3(b), Mitchell must not enter into any confidentiality deed with such Third Party which restricts Mitchell from complying with the terms of this agreement.
- (b) Mitchell must, and must cause each of its subsidiaries to, within 2 Business Days provide Aegis with any information or due diligence materials (including responses to requests for further information) provided to any Third Party in reliance on clause 9.3(b).

9.6 Compliance with law

If it is finally determined by the court, or the Takeovers Panel, that the agreement by Mitchell under this clause 9 or any part of it:

- (a) constituted, or constitutes, or would constitute, unacceptable circumstances within the meaning of the Corporations Act; or
- (b) was, or is, or would be, unlawful for any other reason,

then, to that extent (and only to that extent) Mitchell will not be obliged to comply with that provision of this agreement.

9.7 Warranty and representation

Mitchell represents and warrants to Aegis that, as at the date of this agreement, no agreement, arrangement or understanding exists in relation to any Competing Transaction.

10 Reimbursement of costs

10.1 Background

This clause 10 has been agreed in circumstances where:

- (a) Aegis and Mitchell believe that the Merger will provide significant benefits to Aegis, Mitchell and their respective shareholders, and Aegis and Mitchell acknowledge that, if they enter into this agreement and the Share Scheme is subsequently not implemented, each of Aegis and Mitchell will incur significant costs (including internal and external costs and opportunity costs);

- (b) Aegis requested that provision be made for the payments outlined in clause 10.2, without which Aegis would not have entered into this agreement;
- (c) Mitchell requested that provision be made for the payments outlined in clause 10.3, without which Mitchell would not have entered into this agreement;
- (d) both the Aegis Board and Mitchell Board believe that it is appropriate for both parties to agree to the payments referred to in this clause 10 to secure Aegis' and Mitchell's participation in the Merger; and
- (e) both parties have received legal advice on this agreement and the operation of this clause 10.

10.2 Payment by Mitchell to Aegis

Subject to clause 10.8, Mitchell agrees to pay to Aegis \$2,700,000, without set-off or withholding, if on or before the End Date:

- (a) **(Transaction)** a Control Transaction completes or is recommended by the Mitchell Board and has been the subject of a public announcement, or a person (other than Aegis or its Related Bodies Corporate or Representatives) acquires a Relevant Interest in 30% or more of the Mitchell Shares and this agreement has been terminated;
- (b) **(change of recommendation)** any member of the Mitchell Board fails to recommend the Scheme, withdraws or adversely modifies his or her recommendation that Mitchell Shareholders vote in favour of the Scheme, or makes a public statement indicating that he or she no longer supports the Scheme (or that he or she supports a Competing Transaction) and this agreement has been terminated;
- (c) **(breach of exclusivity)** Mitchell is in breach of its obligations under clause 9 and this agreement has been terminated;
- (d) **(material breach)** Aegis is entitled to terminate, and terminates, this agreement under clause 13.1(b)(ii);
- (e) **(MAC)** a Mitchell Material Adverse Change occurs (other than as a result of Specified Events outside the control of the Mitchell Group) and this agreement has been terminated;
- (f) **(Prescribed Event)** a Mitchell Prescribed Event occurs (other than a Mitchell Prescribed Event the occurrence of which is outside the control of the Mitchell Group) and this agreement has been terminated;
- (g) **(termination)** if Mitchell has terminated the agreement in accordance with clause 13.1(h) in circumstances where clause 10.2(b) does not apply.

10.3 Payment by Aegis to Mitchell

Subject to clause 10.8, Aegis agrees to pay to Mitchell \$2,700,000, without set-off or withholding, if on or before the End Date:

- (a) **(material breach)** Mitchell is entitled to terminate, and has terminated, this agreement under clause 13.1(b)(ii);
- (b) **(MAC)** an Aegis Material Adverse Change occurs (other than as a result of Specified Events outside the control of the Aegis Group) and this agreement has been terminated;
- (c) **(Prescribed Event)** an Aegis Prescribed Event occurs (other than an Aegis Prescribed Event the occurrence of which is outside the control of the Aegis Group) and this agreement has been terminated.

10.4 No amount payable if Scheme becomes Effective

Notwithstanding the occurrence of any event under clause 10.2 or clause 10.3, no amount is payable under clause 10.2 or clause 10.3 if the Share Scheme becomes Effective.

10.5 Timing of payment

- (a) Mitchell must pay Aegis the amount referred to in clause 10.2 within 10 Business Days of receipt by Mitchell of a demand for payment from Aegis. The demand may only be made after the occurrence of an event referred to in clause 10.2.
- (b) Aegis must pay Mitchell the amount referred to in clause 10.3 within 10 Business Days of receipt by Aegis of a demand for payment from Mitchell. The demand may only be made after the occurrence of an event referred to in clause 10.3.

10.6 Nature of payment

The amount payable by Mitchell to Aegis under clause 10.2, or by Aegis to Mitchell under clause 10.3 is an amount to compensate the payee for:

- (a) advisory costs (including costs of advisers other than success fees);
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses; and
- (d) reasonable opportunity costs incurred by the payee in pursuing the Merger or in not pursuing other alternative acquisitions or strategic initiatives which the payee could have developed to further its business and objectives.

10.7 Exclusive remedy

- (a) The parties agree that, notwithstanding any other provision of this agreement, if the amount referred to in clause 10.2 is paid by Mitchell in respect of any act or event, that payment constitutes Aegis' sole and exclusive remedy for any liability arising under this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by Mitchell in connection with this agreement.
- (b) The parties agree that, notwithstanding any other provision of this agreement, if the amount referred to in clause 10.3 is paid by Aegis in respect of any act or event, that payment constitutes Mitchell's sole and

exclusive remedy for any liability arising under this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by Aegis in connection with this agreement.

10.8 Compliance with law

- (a) Subject to clause 10.8(f), to the extent that a Court, arbitral tribunal or the Takeovers Panel determines that any part of the agreement by a party under this clause 10:
- (i) constitutes, or would, if performed constitute, unacceptable circumstances within the meaning of the Corporations Act; or
 - (ii) is, or would if performed be, unlawful for any other reason,
- then, provided that that party has complied with its other obligations under this clause 10, that party will not be obliged to comply with that part of the agreement to the relevant extent (but will be obliged to comply with all other parts of the agreement).
- (b) Subject to clause 10.8(f), if the Takeovers Panel or a Court makes a determination contemplated by clause 10.8(a), in respect of all or any part of a payment made under this clause 10, the party who received the payment must immediately refund all or such applicable part of it.
- (c) Subject to clause 10.8(f), if in such Takeovers Panel proceedings, the Takeovers Panel indicates to Aegis or Mitchell that in the absence of a written undertaking pursuant to section 201A of the Australian Securities and Investments Commission Act 2001 it will make a declaration of unacceptable circumstances, each of Aegis and Mitchell (as the case may be) may give that undertaking on their own behalf and must give reasonable consideration to giving that undertaking if requested by the other party. Where such undertakings are given, this clause 10 will operate in a manner consistent with the terms of such undertakings.
- (d) Subject to clause 10.8(f), neither party must make, nor may it cause or permit to be made, any application to a Court, arbitral tribunal or the Takeovers Panel for or in relation to a determination referred to in clause 10.8(a).
- (e) If any third party makes any application to a Court, arbitral tribunal or the Takeovers Panel for or in relation to a determination referred to in clause 10.8(a), then each party must make submissions in the course of those proceedings supporting to the fullest extent reasonably practicable the position that no such determination should be made.
- (f) Nothing in this clause 10.8 precludes either party from bringing or requires either party to bring appeal or review proceedings in relation to any determination referred to in clause 10.8(a). If either party brings such proceedings:
- (i) the other must make submissions in the course of those proceedings supporting to the fullest extent reasonably practicable the review application made by the first party; and
 - (ii) for the purposes of this clause 10 the determination the subject of the appeal or review proceeding will be deemed not to have

been made and clause 10.8(a), (b) and (c) will have effect only in relation to any determination made in the appeal or review proceedings.

10.9 Survival

Any accrued obligations under this clause survive termination of this agreement.

11 Representations and warranties

11.1 Mitchell's representations and warranties

Mitchell represents and warrants to Aegis (on its own behalf and separately as trustee or nominee for each of the Aegis Indemnified Parties) that each of the statements set out in schedule 7 is true and correct in all material respects as at the date of this agreement and as at 5.00pm on the Business Day immediately prior to the Second Court Date.

11.2 Mitchell's indemnity

Mitchell indemnifies the Aegis Indemnified Parties against all Losses incurred directly or indirectly as a result of any of the representations and warranties in clause 11.1 not being true and correct.

11.3 Aegis' representations and warranties

Aegis represents and warrants to Mitchell (on its own behalf and separately as trustee or nominee for each of the Mitchell Indemnified Parties) that each of the statements set out in schedule 8 is true and correct in all material respects as at the date of this agreement and as at 5.00pm on the Business Day immediately prior to the Second Court Date.

11.4 Aegis' indemnity

Aegis indemnifies the Mitchell Indemnified Parties against all Losses incurred directly or indirectly as a result of any of the representations and warranties in clause 11.3 not being true and correct.

12 Court proceedings

12.1 Appeal process

If the Court refuses to make orders convening the Scheme Meeting or approving the Share Scheme, Aegis and Mitchell must appeal the Court's decision to the fullest extent possible except to the extent that:

- (a) the parties agree otherwise; or
- (b) Queen's Counsel or Senior Counsel representing each party in relation to the Share Scheme agree that, in their opinion, an appeal would likely have less than a 50% prospect of success; or
- (c) there is, in the bona-fide view of the Mitchell Board a Superior Proposal which should be recommended in preference to the Scheme,

in which case either party may terminate this agreement in accordance with clause 13.1(g)(iii).

12.2 Defence of proceedings

Each of Aegis and Mitchell must vigorously defend, or must cause to be vigorously defended, any lawsuits or other legal proceeding brought against it (or any of its Subsidiaries) challenging this agreement or the completion of the Merger. Neither Aegis nor Mitchell will settle or compromise (or permit any of its Subsidiaries to settle or compromise) any claim brought in connection with this agreement without the prior written consent of the other, such consent not to be unreasonably withheld.

12.3 Costs

Any costs incurred as a result of the operation of this clause 12 will be borne equally by each party.

13 Termination

13.1 Termination events

Without limiting any other provision of this agreement (including clauses 3.9 and 12.1), this agreement may be terminated:

- (a) **(End Date)** by either party, if the Scheme has not become Effective on or before the End Date; or
- (b) **(lack of support or breach)** at any time prior to 8.00am on the Second Court Date:
 - (i) by Aegis if any member of the Mitchell Board fails to recommend the Scheme, changes his or her recommendation to Mitchell Shareholders that they vote in favour of the resolution to approve the Scheme (including any adverse modification to his or her recommendation), or otherwise makes a public statement indicating that he or she no longer supports the Merger (or that he or she supports a Competing Transaction); or
 - (ii) by either Aegis or Mitchell if the other is in material breach of any clause of this agreement (including a warranty), taken in the context of the Merger as a whole, provided that either Aegis or Mitchell, as the case may be, has, if practicable, given notice to the other setting out the relevant circumstances and stating an intention to terminate and, the relevant circumstances continue to exist 5 Business Days (or any shorter period ending at 5:00 pm on the day before the Second Court Date) after the time such notice is given. For the avoidance of doubt, any breach of the warranty at paragraph 11 of Schedule 7 shall constitute a material breach of this agreement;
- (c) **(breach of exclusivity)** by Aegis if Mitchell is in breach of its obligations under clause 9;
- (d) **(not approved)** by either party if the resolution submitted to the Scheme Meeting is not approved by the requisite majority;

- (e) **(competing interest)** by Aegis, if, after the date of this agreement, a person (other than Aegis or its associates) acquires a Relevant Interest in more than 20% of the Mitchell Shares;
- (f) **(restraint)** by either party if a Court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Merger;
- (g) **(consultation or appeal failure)** in accordance with and pursuant to:
 - (i) clause 3.9(a);
 - (ii) clause 3.9(b); or
 - (iii) clause 12.1;
- (h) **(Independent Expert)** by either party if the Independent Expert opines that the Share Scheme is not in the best interests of Mitchell Shareholders;
- (i) **(Insolvency)** by either party if the other party or any of their Related Bodies Corporate becomes Insolvent; or
- (j) **(agreement)** if agreed to in writing by Aegis and Mitchell.

13.2 Termination

Where a party has a right to terminate this agreement, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this agreement.

13.3 Effect of Termination

In the event that a party terminates this agreement, or if this agreement otherwise terminates in accordance with its terms, then in either case all further obligations of the parties under this agreement, other than the obligations set out in clauses 12.1, 15 and 17 will immediately cease to be of further force and effect without further liability of any party to the other, provided that nothing in this clause releases any party from liability for any pre-termination breach of this agreement.

13.4 Damages

In addition to the right of termination under clause 13.1 where there is no appropriate remedy for the breach in the agreement (other than termination), the non-defaulting party is entitled to damages for Losses suffered by it and expenses incurred by it as a result of the breach of the terms of this agreement.

14 Public announcements

14.1 Public announcement of Scheme

Immediately after signing this agreement, Mitchell and Aegis will issue a joint public announcement of the proposed Merger in the form contained in Annexure A.

14.2 Required disclosure

Where a party is required by law, the Listing Rules or a memorandum of understanding with a Regulatory Authority to make any announcement or make any disclosure relating to a matter the subject of the Merger, it may do so only after it has given the other party as much notice as possible and has consulted to the fullest extent possible in the circumstances with the other party and its legal advisers.

14.3 Other announcements

Subject to clauses 14.1 and 14.2, no party may make any public announcement or disclosure in connection with the Merger (including disclosure to a Regulatory Authority) other than in a form approved by each party (acting reasonably). Each party will use all reasonable endeavours to provide such approval as soon as practicable.

15 Confidential Information

Each party acknowledges and agrees that it continues to be bound by the Confidentiality Deed in respect of all information received by it from the other party on, before or after the date of this agreement.

16 Notices and other communications

16.1 Form - all communications

Unless expressly stated otherwise in this agreement, all notices, certificates, consents, approvals, waivers and other communications in connection with this agreement must be:

- (a) in writing;
- (b) in English;
- (c) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (d) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

16.2 Delivery

Communications must be:

- (a) left at the address set out or referred to in the Details;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
- (c) sent by fax to the fax number set out or referred to in the Details;
- (d) given in any other way permitted by law.

However, if the intended recipient has notified a changed address or fax number, then communications must be to that address, fax number or email address.

16.3 When effective

Communications take effect from the time they are received or taken to be received under clause 16.4 (whichever happens first) unless a later time is specified.

16.4 When taken to be received

Communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or
- (b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent.

16.5 Receipt outside business hours

Despite clauses 16.3 and 16.4, if communications are received or taken to be received under clause 16.4 after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

17 Goods and services tax (GST)

17.1 Consideration does not include GST

The consideration specified in this agreement does not include any amount for GST.

17.2 Recovery of GST

If a supply under this agreement is subject to GST, the recipient must pay to the supplier an additional amount equal to the Amount of the Consideration multiplied by the applicable GST rate.

17.3 Time of payment

The additional amount is payable at the same time as the consideration for the supply is payable or is to be provided. However, the additional amount need not be paid until the supplier gives the recipient a Tax Invoice.

17.4 Adjustment of additional amount

If the additional amount differs from the amount of GST payable by the supplier, the parties must adjust the additional amount.

17.5 Reimbursement

If a party is entitled to be reimbursed or indemnified under this agreement, the amount to be reimbursed or indemnified does not include any amount for GST for which the party is entitled to an Input Tax Credit.

17.6 Survival

This clause will survive termination of this agreement.

18 Miscellaneous

18.1 Discretion in exercising rights

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this agreement expressly states otherwise.

18.2 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

18.3 No liability for loss

A party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this agreement.

18.4 Approvals and consents

By giving its approval or consent a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

18.5 Conflict of interest

The parties' rights and remedies under this agreement may be exercised even if it involves a conflict of duty or a party has a personal interest in their exercise.

18.6 Remedies cumulative

The rights and remedies in this agreement are in addition to other rights and remedies given by law independently of this agreement.

18.7 Variation and waiver

A provision of this agreement or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

18.8 No merger

The warranties, undertakings and indemnities in this agreement do not merge on the Implementation Date.

18.9 Indemnities

The indemnities in this agreement are continuing obligations, independent from the other obligations of the parties under this agreement and continue after this agreement ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this agreement.

18.10 Enforceability

For the purpose of this agreement:

- (a) Mitchell is taken to be acting as agent and trustee on behalf of and for the benefit of all Mitchell Indemnified Parties; and
- (b) Aegis is taken to be acting as agent and trustee on behalf of and for the benefit of all Aegis Indemnified Parties,

and all of those persons are to this extent taken to be parties to this agreement.

18.11 Further steps

Each party agrees, at its own expense, to do anything the other party asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind the party and any other person intended to be bound under this agreement; or
- (b) to show whether the party is complying with this agreement.

18.12 Construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this agreement or any part of it.

18.13 Costs

Subject to clause 10, the parties agree to pay their own legal and other costs and expenses in connection with the preparation, execution and completion of this agreement and other related documentation except for stamp duty.

18.14 Stamp duty

Aegis agrees to pay all stamp duty (including fines and penalties) payable and assessed by legislation or by any revenue office on this agreement or the Scheme and in respect of a transaction evidenced by this agreement or the Scheme.

18.15 Entire agreement

Except for the Confidentiality Deed, this agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

18.16 Assignment

A party may not assign or otherwise deal with its rights under this agreement or allow any interest in them to arise or be varied in each case, without the consent of the other party.

18.17 No representation or reliance

Each party acknowledges that:

- (a) no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement;
- (b) it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement; and
- (c) paragraphs 18.17(a) and 18.17(b) above do not prejudice any rights a party may have in relation to information which had been filed by the other party with ASIC or ASX.

18.18 Governing law

This agreement is governed by the law in force in the place specified in the Details. Each party submits to the non-exclusive jurisdiction of the courts of that place.

18.19 Counterparts

This agreement may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

EXECUTED as an agreement

Merger Implementation Agreement

Schedule 1 - Aegis Prescribed Events

For the purposes of this Schedule 1:

- Aegis Share Incentive Plans** means the following Aegis plans:
- 1995 Executive Share Option Scheme
 - 1995 No 2 Executive Share Option Scheme
 - 2003 Executive Share Option Scheme
 - 2003 Performance Share Plan
 - 2005 Performance Restricted Share Plan
 - 2010 Restricted Stock Plan
- Convertible Bond** means the Aegis Group Capital (Jersey) Limited 2.50 per cent. guaranteed convertible bonds due 2015.
- Financing** means:
- (a) any financing or refinancing transaction (whether through incurrence of financial indebtedness or the issue of equity or non-equity securities) as a result of which the aggregate gross borrowings available to Aegis and its subsidiaries following the transaction will not increase, compared with the facilities and borrowings available (whether drawn or undrawn) at the date of this agreement, by more than £100,000,000; and/or
 - (b) any financing arranged for the purposes of a Permitted Acquisition.
- Listing Rules** means the Listing Rules of the United Kingdom Listing Authority.
- Permitted Acquisition** means any acquisition of any business, assets or person not requiring the approval of shareholders of Aegis under the Listing Rules.
- 1 **(Conversion)** Aegis converts all or any of its shares into a larger or smaller number of shares.
 - 2 **(Reduction of share capital)** Aegis resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares.
 - 3 **(Buy-back)** Aegis:
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
 - 4 **(Distribution)** Aegis makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) except for payment of Aegis' interim dividend in the ordinary course. .

- 5 **(Issuing or granting shares or options)** Aegis or any of its Subsidiaries:
- (a) issues shares;
 - (b) grants an option over its shares; or
 - (c) agrees to make such an issue or grant such an option,
- in each case to a person outside the Aegis Group, other than:
- (d) as disclosed by Aegis to Mitchell before the date of this agreement;
 - (e) pursuant to any Aegis Share Incentive Plan;
 - (f) pursuant to the exercise of rights under the terms of the Convertible Bond; or
 - (g) in connection with an earn-out or deferred consideration obligation entered into as part of a Permitted Acquisition.
- 6 **(Securities or other instruments)** Aegis or any of its Subsidiaries:
- (a) issues securities or other instruments convertible into shares or debt securities; or
 - (b) agrees to issue securities or other instruments convertible into shares or debt securities,
- in each case to a person outside the Aegis Group, other than:
- (c) as disclosed by Aegis to Mitchell before the date of this agreement;
 - (d) pursuant to the exercise of rights under the terms of the Convertible Bond; or
 - (e) in connection with a Financing.
- 7 **(Constitution)** Aegis adopts a new constitution or modifies or repeals its existing constitution or a provision of it.
- 8 **(Disposals)** Aegis or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of the Aegis Group's business or property, other than any disposal not requiring the approval of shareholders of Aegis under the Listing Rules.
- 9 **(Encumbrances)** other than in the ordinary course of business and consistent with past practice Aegis or any of its Subsidiaries creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property.
- 10 **(Commitments and settlements)** other than in the ordinary course of business and consistent with past practice, and other than any Permitted Acquisition or Financing, Aegis or any of its Subsidiaries:
- (a) enters into any contract or commitment involving revenue or expenditure of more than £10 million over the term of the contract or commitment;

- (b) terminates or amends in a material manner any contract material to the conduct of the Aegis Group's business or which involves revenue or expenditure of more than £10 million over the term of the contract;
 - (c) waives any material third party default; or
 - (d) accepts as a settlement or compromise of a material matter (relating to an amount in excess of £10 million) less than the full compensation due to Aegis or a Subsidiary of Aegis.
- 11 **(Insolvency)** Aegis or any of its Related Bodies Corporate becomes Insolvent.

Merger Implementation Agreement

Schedule 2 - Mitchell Prescribed Events

- 1 **(Conversion)** Mitchell converts all or any of its shares into a larger or smaller number of shares.
- 2 **(Reduction of share capital)** Mitchell resolves to reduce its share capital in any way or reclassifies, combines, splits or redeems or repurchases directly or indirectly any of its shares.
- 3 **(Buy-back)** Mitchell:
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
- 4 **(Distribution)** Mitchell makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) except for a final dividend for the financial year ending 30 June 2010 which does not exceed \$0.05 per Mitchell Share.
- 5 **(Issuing or granting shares or options)** Mitchell or any of its Subsidiaries:
 - (a) issues shares;
 - (b) grants an option over its shares; or
 - (c) agrees to make such an issue or grant such an option,

in each case to a person outside Mitchell Group other than the issue of shares in accordance with the Option Plan or the Performance Right Plan (on the exercise of an Option or Performance Right on issue at the date of this agreement) or as otherwise disclosed by Mitchell to Aegis before the date of this agreement.
- 6 **(Securities or other instruments)** Mitchell or any of its Subsidiaries:
 - (a) issues securities or other instruments convertible into shares or debt securities; or
 - (b) agrees to issue securities or other instruments convertible into shares or debt securities,

in each case to a person outside the Mitchell Group other than as disclosed by Mitchell to Aegis before the date of this agreement.
- 7 **(Constitution)** Mitchell adopts a new constitution or modifies or repeals its constitution or a provision of it.
- 8 **(Disposals)** Mitchell or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of the Mitchell Group's business or property.

- 9 **(Encumbrances)** other than in the ordinary course of business and consistent with past practice Mitchell or any of its Subsidiaries creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property.
- 10 **(Employment arrangements)** other as disclosed to Aegis prior to the date of this agreement or in the ordinary course of business and consistent with past practice Mitchell or any of its Subsidiaries:
- (a) increases the remuneration of, or otherwise varies the employment arrangements with, any of its directors or employees;
 - (b) accelerates the rights of any of its directors or employees to compensation or benefits or any kind (other than the acceleration of rights under the Mitchell Employee Option Plan or the Mitchell Performance Rights Plan);
 - (c) pays any of its directors or employees a termination or retention payment (otherwise than in accordance with an existing contract in place at the date of this agreement); or
 - (d) enters into, or makes any amendment to, any deed of indemnity access and insurance (or similar arrangement) in favour of a director or officer.
- 11 **(Commitments and settlements)** other than in the ordinary course of business and consistent with past practice, Mitchell or any of its Subsidiaries:
- (a) enters into any contract or commitment involving revenue or expenditure of more than \$5 million over the term of the contract or commitment;
 - (b) terminates or amends in a material manner any contract material to the conduct of the Mitchell Group's business or which involves revenue or expenditure of more than \$5 million over the term of the contract;
 - (c) waives any material third party default; or
 - (d) accepts as a settlement or compromise of a material matter (relating to an amount in excess of \$5 million) less than the full compensation due to Mitchell or a Subsidiary of Mitchell.
- 12 **(Insolvency)** Mitchell or any of its Related Bodies Corporate becomes Insolvent.

Merger Implementation Agreement

Schedule 3 - Conditions Precedent (clause 3.1)

Condition	Party entitled to benefit
<p>1. Regulatory Approvals</p> <p>Before 8.00am on the Second Court Date:</p> <p>(a) (ASIC and ASX) ASIC and ASX have issued or provided such consents or approvals or have done such other acts which the parties agree are reasonably necessary or desirable to implement the Merger;</p> <p>(b) (FIRB approval) prior to the Second Court Date, either:</p> <p>(i) the Treasurer (or his delegate) has provided written advice (either without conditions or subject to conditions that are acceptable to Aegis, acting reasonably) under the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth) that there are no objections under Australia's foreign investment policy to the proposed Merger; or</p> <p>(ii) following notice of the proposed Merger having been given by Aegis to the Treasurer under the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cwlth), the Treasurer has ceased to be empowered to make any order under Part II of that Act in respect of the Merger because of lapse of time.</p>	<p>Both</p> <p>Cannot be waived</p>
<p>(c) (Trade Practices Act) if an application in respect of the Merger has been made to the ACCC, the ACCC has advised Aegis in writing that (or to the effect that):</p> <p>(i) it does not intend to oppose</p>	<p>Aegis</p>

Condition	Party entitled to benefit
<p>or seek to prevent the proposed Merger; or</p> <p>(ii) it does not seek to impose conditions or require undertakings from any member of the Aegis Group in relation to the proposed Merger, other than conditions or undertakings that are acceptable to Aegis;</p>	
<p>and that advice has not been withdrawn, revoked or amended.</p>	
<p>(d) (Regulatory Authority) all other approvals of a Regulatory Authority which Aegis and Mitchell agree are necessary or desirable to implement the Merger are obtained;</p>	Both
<p>(e) (Court orders) no Court or Regulatory Authority has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Merger and no such order, decree, ruling, other action or refusal is in effect.</p>	Both
<p>2. Share Scheme approval</p> <p>Mitchell Shareholders approve the Share Scheme by the requisite majorities in accordance with the Corporations Act.</p>	Cannot be waived
<p>3. Court approval</p> <p>The Court approves the Share Scheme in accordance with section 411(4)(b) of the Corporations Act.</p>	Cannot be waived
<p>4. Options and Performance Rights</p> <p>As at 8.00am on the Second Court Date all Optionholders and all holders of Performance Rights have either:</p> <p>(a) exercised their Options or</p>	Aegis

Condition	Party entitled to benefit
Performance Rights; or	
(b) duly executed and delivered Option Deeds or Performance Rights Deeds (as the case may be) and such deeds remain in full force and effect.	
5. No Mitchell Prescribed Event	
No Mitchell Prescribed Event occurs between the date of this agreement and 8.00am on the Second Court Date.	Aegis
6. No Mitchell Material Adverse Change	
No Mitchell Material Adverse Change occurs or becomes apparent between the date of this agreement and 8.00am on the Second Court Date.	Aegis
7. No Aegis Prescribed Event	
No Aegis Prescribed Event occurs between the date of this agreement and 8.00am on the Second Court Date.	Mitchell
8. No Aegis Material Adverse Change	
No Aegis Material Adverse Change occurs or becomes apparent between the date of this agreement and 8.00am on the Second Court Date.	Mitchell
9. Quotation	
The Aegis Shares to be issued pursuant to the Scheme have, before 8.00 am on the Second Court Date, been approved for official quotation on the Official List of the United Kingdom Listing Authority (which approval may be subject to customary conditions).	Mitchell
10. Aegis Share Price	
Between the date of this agreement and 8.00 am on the Second Court Date the price of Aegis Shares in pounds at close of trading on the London Stock Exchange has not been below the relevant Daily Assessment Price (as defined below) for 3 or more consecutive trading days.	Mitchell
For the purposes of this condition, the Daily Assessment Price on any given trading day is	

Condition**Party entitled to benefit**

the price in pounds calculated as follows:

$$SP \times \left[\left(\frac{DI}{SI} \right) - 0.2 \right]$$

Where:

DI is the FTSE 250 index at close of trading on the London Stock Exchange relevant day

SP is £1.17, being the volume weighted average closing price of Aegis Shares on the London Stock Exchange (in pounds) over the 5 trading days ending on the day prior to the date of this agreement

SI 10,072, being the average of the FTSE 250 index at close of trading on the London Stock Exchange over the 5 trading days ending on the day prior to the date of this agreement

11. No termination

This agreement has not been terminated in accordance with clause 13.

Both

12. Deed Poll

Between the date of this agreement and the date of sending the Scheme Booklet, Aegis signs and delivers the Deed Poll.

Mitchell

Merger Implementation Agreement

Schedule 4 - Timetable (clause 5.1)

Event	Date
Lodge Scheme Booklet with ASIC and ASX	Tuesday 31 August 2010
Application in respect of the Court hearing to be held on the First Court Date, filed with the Court, served on ASIC and delivered to ASX	Wednesday 1 September 2010
First Court Date	Friday 17 September 2010
Printing and despatch of Scheme Booklet	Friday 24 September 2010
Scheme Meeting held	Monday 25 October 2010
Second Court Date	Friday 29 October 2010
Lodge Court order with ASIC (Effective Date)	Monday 1 November 2010
Record Date (5.00pm on the date which is the Second Court Date plus 5 Business Days or such other date as Mitchell and Aegis agree)	Monday 8 November 2010
Implementation Date (Record Date plus 7 Business Days)	Wednesday, 17 November 2010

Merger Implementation Agreement

Schedule 5 - Mitchell's Obligations (clause 6.1)

- 1 **(Mitchell Information)** ensure that the Mitchell Information included in the Scheme Booklet complies with applicable law, the Listing Rules and applicable ASIC Regulatory Guides.
- 2 **(Further Mitchell Information)** provide to Aegis and Scheme Participants such further or new Mitchell Information as may arise after the Scheme Booklet has been sent until the date of the Scheme Meeting as may be necessary to ensure that the Mitchell Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission).
- 3 **(Independent Expert)** promptly appoint the Independent Expert and provide any assistance and information reasonably requested by the Independent Expert to enable it to prepare its report for the Scheme Booklet.
- 4 **(Provide a copy of the report)** on receipt, provide Aegis with a copy of any draft or final report received from the Independent Expert.
- 5 **(Directors' recommendation)** state in the Scheme Booklet and the public announcement contemplated by clause 14.1 (on the basis of statements made to Mitchell by each member of the Mitchell Board) that each of the directors of the Mitchell Board considers the Share Scheme to be in the best interests of Mitchell Shareholders and recommends to Mitchell Shareholders that the Scheme be approved in the absence of a Superior Proposal and subject to the Independent Expert opining that the Scheme is in the best interest of Mitchell Shareholders.
- 6 **(Directors' voting):**
 - (a) state in the Scheme Booklet and the public announcement contemplated by clause 14.1 that each of the directors of the Mitchell Board who has any Relevant Interest in Mitchell Shares intends to vote those shares (or procure that those shares are voted) in favour of the Scheme; and
 - (b) use its reasonable endeavours to procure that:
 - (i) each member of the Mitchell Board votes (or procures the voting of) any Mitchell Shares in which they have a Relevant Interest in favour of the Scheme and any other resolution submitted to Mitchell Shareholders for their approval in connection with the Scheme; and
 - (ii) each member of the Mitchell Board does not change that voting intention,

in each case unless a Superior Proposal arises and subject to the Independent Expert opining that the Scheme is in the best interests of Mitchell Shareholders.
- 7 **(Registry details)** subject to the terms of the Scheme:

- (a) provide all necessary information about the Scheme Participants to Aegis which Aegis requires in order to assist Aegis to solicit votes at the Scheme Meeting and facilitate the issue by Aegis of New Aegis Shares as consideration for the Share Scheme; and
 - (b) provide all necessary directions to the Registry to promptly provide any information that Aegis reasonably requests in relation to the Register, including any sub-register, and, where requested by Aegis Mitchell must procure such information to be provided to Aegis in such electronic form as is reasonably requested by Aegis.
- 8 **(Section 411(17)(b) statement)** apply to ASIC for the production of a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme.
- 9 **(Court application)** apply to the Court for an order under section 411(1) of the Corporations Act directing Mitchell to convene the Scheme Meeting.
- 10 **(Registration of explanatory statement)** request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act.
- 11 **(Send Scheme Booklet)** send the Scheme Booklet to Mitchell Shareholders as soon as practicable after the Court orders Mitchell to convene the Scheme Meeting.
- 12 **(Scheme Meeting)** convene the Scheme Meeting in accordance with any such orders made by the Court and seek the approval of Mitchell Shareholders for the Scheme and, for this purpose, the directors of Mitchell must participate in reasonable efforts to promote the merits of the Scheme, including meeting with key Scheme Participants at the reasonable request of Aegis.
- 13 **(Court order)** apply to the Court for an order approving the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act.
- 14 **(Lodge)** lodge with ASIC an office copy of any such Court order approving the Scheme as approved by the Mitchell Shareholders at the Scheme Meeting in accordance with section 411(10) of the Corporations Act.
- 15 **(Registration)** register all transfers of Mitchell Shares to Aegis on the Implementation Date.
- 16 **(Listing)** take all reasonable steps to maintain Mitchell's listing on ASX, notwithstanding any suspension of the quotation of Mitchell Shares, up to and including the Implementation Date, including making appropriate applications to ASX and ASIC.
- 17 **(Other steps)** do all other things necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

Merger Implementation Agreement

Schedule 6 - Aegis' Obligations (clause 6.2)

- 1 **(Aegis Information)** provide to Mitchell for inclusion in the Scheme Booklet such Aegis Information as Mitchell reasonably requires to prepare and issue the Scheme Booklet (including any information required under the Corporations Act, Corporations Regulations, or ASIC Regulatory Guide 60 or 142).
- 2 **(Further Aegis Information)** provide to Mitchell such further or new Aegis Information as may arise after the Scheme Booklet has been sent until the date of the Scheme Meeting as may be necessary to ensure that the Aegis Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission).
- 3 **(Independent Expert information)** provide any assistance or information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's report to be included in the Scheme Booklet.
- 4 **(Representation)** procure that it is represented by counsel at the court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which, through its counsel Aegis must undertake (if requested by the court) to do all such things and take all such steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this agreement and the Scheme.
- 5 **(Deed Poll)** prior to the Scheme Booklet being sent, sign and deliver the Deed Poll.
- 6 **(Other steps)** do all other things necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

Merger Implementation Agreement

Schedule 7 - Mitchell's representations and warranties (clause 11.1)

- 1 **(Incorporation)** it is a valid existing corporation registered under the laws of its place of incorporation.
- 2 **(Execution)** the execution and delivery of this agreement has been properly authorised by all necessary corporate action of Mitchell.
- 3 **(Corporate power)** it has full corporate power and lawful authority to execute and deliver this agreement and to consummate and perform or cause to be performed its obligations under this agreement in accordance with its terms.
- 4 **(Binding obligations)** (subject to laws generally affecting creditors' rights and the principles of equity) this agreement constitutes legal, valid and binding obligations on it.
- 5 **(Mitchell Information)** the Mitchell Information provided in accordance with this agreement and included in the Scheme Booklet, as at the date of the Scheme Booklet, will comply in all material respects with the requirements of the Corporations Act, the Listing Rules and all relevant regulatory guides, practice notes and other guidelines and requirements of ASIC.
- 6 **(Reliance)** the Mitchell Information contained in the Scheme Booklet will be included in good faith and on the understanding that Aegis and its directors will rely on that information for the purposes of considering and approving the Aegis Information in the Scheme Booklet before it is despatched, approving the entry into the Deed Poll and implementing the Scheme.
- 7 **(Provision of information to Independent Expert)** all information provided by or on behalf of Mitchell to the Independent Expert to enable the Independent Expert's report to be included in the Scheme Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's report.
- 8 **(Securities)** Mitchell's issued securities as at the date of this agreement are:
 - 301,761,208 Mitchell Shares
 - 664,602 Options
 - 1,602,441 Performance Rights

and it has not issued or agreed to issue any other securities or instruments which are still outstanding and which may convert into Mitchell Shares other than rights arising under the Mitchell Performance Rights Plan or the Mitchell Employee Option Plan. The exercise prices under the Options and Performance Rights are as disclosed to Aegis in writing before the date of this agreement.

- 9 **(Disclosure obligations):** Mitchell has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and, other than in respect of the Merger, it is not relying on the carve-out in Listing Rule 3.1 to withhold any material information from public disclosure.
- 10 **(Compliance):** each member of the Mitchell Group has complied in all material respects with applicable material legal and regulatory requirements, and the terms of any material approvals, licences, consents, authorities or permits held by the relevant entity.
11. **(Clients):** between the date of this agreement and 8am on the Second Count Date, the Mitchell Group companies have not received notice (whether in writing or otherwise) from clients that, as a result of a change of control of Mitchell, they will, or intend to, cease doing business with, or materially reduce their business with, the Mitchell Group such that the amount in aggregate billed by Mitchell Group companies to those clients for the financial year ending 30 June 2011 is reasonably likely to be reduced by more than \$100 million from what they were billed by Mitchell Group companies for the financial year ended 30 June 2010.

Merger Implementation Agreement

Schedule 8 - Aegis' representations and warranties (clause 11.3)

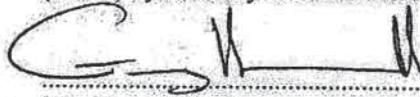
- 1 **(Incorporation)** it is a valid existing corporation registered under the laws of its place of incorporation.
- 2 **(Execution)** the execution and delivery of this agreement has been properly authorised by all necessary corporate action of Aegis.
- 3 **(Corporate power)** it has full corporate power and lawful authority to execute and deliver this agreement and to consummate and perform or cause to be performed its obligations under this agreement in accordance with its terms.
- 4 **(Binding obligations)** (subject to laws generally affecting creditors' rights and the principles of equity) this agreement constitutes legal, valid and binding obligations on it.
- 5 **(Reliance)** the Aegis Information provided to Mitchell for inclusion in the Scheme Booklet will be provided in good faith and on the understanding that Mitchell and its directors will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Share Scheme in accordance with the Corporations Act.
- 6 **(Aegis Information)** the Aegis Information provided in accordance with this agreement and included in the Scheme Booklet, as at the date of the Scheme Booklet, will not contain any material statement which is misleading or deceptive nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the Corporations Act, the Listing Rules and all relevant regulatory guides, practice notes and other guidelines and requirements of ASIC.
- 7 **(Provision of information to Independent Expert)** all information provided by or on behalf of Aegis to the Independent Expert to enable the Independent Expert's report to be included in the Scheme Booklet to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's report.
- 8 **(Aegis shares)** the New Aegis Shares will be duly authorised and validly issued, fully paid and non-assessable, free of all security interests and third party rights and will rank equally with all other Aegis Shares then on issue.
- 9 **(Disclosure obligations)** :Aegis has complied in all material respects with its disclosure obligations under the Disclosure Rules.
- 10 **(Compliance)**: Aegis is not at the date of this agreement aware of any breach of the warranty at item 10 of Schedule 7.

Merger Implementation Agreement

Signing page

DATED: 29 JULY 2010

EXECUTED by MITCHELL
COMMUNICATION GROUP
LIMITED accordance with section
127(1) of the Corporations Act 2001
(Cwlth) by authority of its directors:



Signature of director

GARRY ARTHUR HOUNSELL

Name of director (block letters)



Signature of director/company
secretary*

*delete whichever is not applicable

Stuart James Mitchell

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

EXECUTED by AEGIS GROUP
PLC by authority of its directors:

Signature of director

Name of director (block letters)

Signature of witness

Name of witness (block letters)

Merger Implementation Agreement

Signing page

DATED: 29 JULY 2010

EXECUTED by MITCHELL
COMMUNICATION GROUP
LIMITED accordance with section
127(1) of the Corporations Act 2001
(Cwlth) by authority of its directors:

.....
Signature of director

.....
Name of director (block letters)

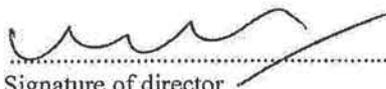
.....
Signature of director/company
secretary*

*delete whichever is not applicable

.....
Name of director/company secretary*
(block letters)

*delete whichever is not applicable

EXECUTED by AEGIS GROUP
PLC by authority of its directors:


.....
Signature of director

N.C. PRIDAY
.....
Name of director (block letters)


.....
Signature of witness

SIMON ZINGER
.....
Name of witness(block letters)

Merger Implementation Agreement

Annexure A - Announcement (clause 14.1)

A E G I S

mitchell
COMMUNICATION GROUP

ASX/RIS Release

Joint Statement from Aegis and Mitchell

29 July 2010

PROPOSED A\$363 MILLION ACQUISITION OF MITCHELL COMMUNICATION GROUP BY AEGIS GROUP PLC

- **Aegis Group plc (“Aegis”) to acquire Mitchell Communication Group (“Mitchell”) for approximately A\$363 million (based on the cash consideration of A\$1.20 per Mitchell share). This equates to around £207 million, as per the A\$:£ exchange rate on 28 July 2010**
- **Mitchell shareholders can elect to receive consideration in cash, or Aegis shares, or a combination of both**
- **In addition, subject to approval of the transaction, Mitchell shareholders will receive the benefit of a fully franked Mitchell dividend in respect of the year ended 30 June 2010 of A\$0.05 per share**
- **Acquisition of Mitchell, Australia’s leading marketing communications group, accelerates transformation of Aegis’ Asia-Pacific operations**
- **Mitchell people and clients to benefit from strong cultural fit and Aegis’ well-positioned global network**
- **Board of Mitchell unanimously recommends Mitchell shareholders vote in favour of the transaction in the absence of a superior proposal and subject to an Independent Expert concluding the scheme is in the best interests of Mitchell shareholders**
- **If the merger is approved, Harold Mitchell, founder and Chairman of Mitchell, intends to become a significant shareholder in Aegis and continue leading the combined Aegis Media Pacific business**

Aegis Group plc and Mitchell Communication Group today announce that they have entered into a Merger Implementation Agreement (“MIA”) under which it is proposed that Aegis will acquire all of the issued capital in Mitchell for approximately A\$363 million (based on the cash consideration of A\$1.20 per Mitchell share). Mitchell shareholders may elect to receive their consideration in cash, or Aegis shares, or a combination of both. This equates to a total of approximately £207 million, as per the A\$:£ exchange rate on 28 July 2010 of A\$1.75:£1. In addition, subject to approval of the transaction, Mitchell shareholders will receive the benefit of a fully franked Mitchell dividend in respect of the year ended 30 June 2010 of A\$0.05 per share. The Mitchell Board has also resolved to suspend the Mitchell Dividend Reinvestment Plan.

The acquisition will be implemented by way of a Scheme of Arrangement (“Scheme”) under which Mitchell shareholders can elect to receive either A\$1.20 cash per Mitchell share, or Aegis shares, or a combination of the two. The scrip component of the offer will be based on the ratio of 40 Aegis shares for 67 Mitchell shares, with a cap on the overall quantum of Aegis scrip to be offered of up to 9.9% of Aegis’ share capital. Full details of the cash and scrip election mechanism will be set out in the Explanatory Memorandum for the Scheme, scheduled for distribution in September.

The offer represents a premium of:

- 15.4% to the last closing price of Mitchell shares prior to this announcement on 28 July 2010;
- 30.7% to the three-month Volume Weighted Average Price (“VWAP”) of Mitchell up to the close of trade on 28 July 2010; and 33.8% to the six-month VWAP of Mitchell up to the close of trade on 28 July 2010.

Aegis Group plc is one of the world's leading marketing communications groups, operating in 82 countries around the world, and in the year to 31 December 2009 made underlying operating profit of £170.3 million on revenue of £1.35 billion. Mitchell is Australia's largest marketing communications group and in the year to 30 June 2009 reported profit before tax of A\$27.4 million on revenue of A\$225.2 million. As at 31 December 2009 Mitchell had gross assets of A\$508.3 million.

The Board of Directors of Mitchell unanimously recommends shareholders accept and vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert concluding that the Scheme is in the best interests of Mitchell shareholders. Harold Mitchell, founder and Executive Chairman of Mitchell, and his immediate family (together being 40% shareholders in Mitchell) along with each of the other Directors of Mitchell, intend to vote or cause to be voted all of their direct and indirect interests in Mitchell in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert concluding that the Scheme is in the best interests of Mitchell shareholders.

In addition, if the Scheme is implemented, Mr Mitchell, being a 30% shareholder, intends to take his consideration in Aegis shares, becoming a significant shareholder in Aegis. He has further undertaken not to dispose of 85% of the shares he receives in relation to this transaction for a period of 24 months after the date that they are issued to him. Mr Mitchell also intends to lead the combined Aegis Media Pacific business as Chairman.

Aegis has reached agreement with Mr. Mitchell under which Aegis has an option to acquire from him 19.9% of the issued share capital of Mitchell – part of his 30% shareholding - for Aegis shares, at the same ratio as proposed to be offered under the Scheme. Any Aegis shares issued will form part of the Aegis shares otherwise available under the Scheme. Details of this agreement will be disclosed in a substantial holder notice to be lodged by Aegis with ASX.

The proposed acquisition will be earnings accretive for Aegis and enhancing to return on invested capital in the first full year post combination.

Jerry Buhlmann, Aegis Group Chief Executive Officer, said:

"We are pleased to announce that we have reached agreement to buy Mitchell, which is a hugely successful company with a strong track record of profitable growth driven by its market-leading positions in both traditional and digital media.

"Mitchell is the leading brand in Australia, the eighth largest ad spend market in the world, and this acquisition is a further step in transforming Aegis' operations in the Asia-Pacific region. Our businesses are a strong strategic and cultural fit. Combining Mitchell with our existing business in Australia will create a formidable business for the benefit of all our clients and position us for continued strong growth in the most dynamic region in the world."

Harold Mitchell, Mitchell Communication Group Executive Chairman, said:

"I am delighted that we have reached agreement with Aegis over a deal which I believe is in the best interests of our people, our clients and our shareholders.

"Aegis is the best placed of the global agency groups for the convergent future, with a strong focus on digital and media. We are convinced they have enormous growth ahead of them and having Mitchell as part of their global network will be an important part of achieving that. That is why I intend to become a significant shareholder in Aegis if the transaction is approved."

Details of the Agreement

Under the Scheme, Mitchell shareholders will receive total consideration of A\$1.20 cash for each Mitchell share held, or 40 Aegis shares for 67 Mitchell shares, or a combination of both. In addition, subject to approval of the transaction, Mitchell shareholders will receive the benefit of a fully franked Mitchell dividend in respect of the year ended 30 June 2010 of A\$0.05 per share. Mitchell will announce further details of the timing of dividend payments with the announcement of its full year financial results for the year to 30 June 2010.

Mitchell shareholders can elect to receive either cash, or Aegis shares, or a combination of the two. The scrip component of the offer will be based on the ratio of 40 Aegis shares for 67 Mitchell shares, with a cap on the overall quantum of Aegis scrip to be offered (whether under the Scheme or under the option agreement with Harold Mitchell) of up to 9.9% of Aegis share capital. Full details of the cash and scrip election mechanism will be set out in the Explanatory Memorandum for the Scheme.

The transaction is subject to a number of conditions, including court approval and Mitchell shareholder approval. The key terms and conditions of the Merger Implementation Agreement are summarised later in this announcement.

The cash component of the acquisition will be funded by Aegis from internal resources.

An Explanatory Memorandum with full details of the transaction, including an Independent Expert's Report, is expected to be dispatched to Mitchell shareholders in September 2010. The shareholder meeting to approve the Scheme is expected to be held in October 2010. A more detailed timetable for the approval and implementation of the transaction will be announced in due course.

Aegis was advised by Greenhill, Slaughter and May and Freehills. Mitchell was advised by ANZ and Mallesons Stephen Jaques.

For further information contact:

Aegis:

Aegis Group plc +44 20 7070 7700
Jerry Buhlmann, Chief Executive Officer
Nick Priday, Chief Financial Officer
Rob Gurner, Head of Investor Relations

Tulchan Communications +44 20 7353 4200
Susanna Voyle
Anastasia Shiach

Nightingale Communications +61 3 9614 6930
Kate Inverarity

Mitchell:

Mitchell Communication Group + 61 3 9690 5544
Harold Mitchell, Executive Chairman
Luke Littlefield, Chief Operating Officer

Notes to editors:

About Aegis Group plc

Aegis Group plc is one of the world's fastest growing marketing communications groups. It operates in media communications with Aegis Media, which includes Carat, Vizeum, Posterscope, isobar and i-prospect, and in market research with Synovate. Aegis is listed on the London Stock Exchange. More information can be found at www.aegispplc.com

About Aegis Media

Aegis Media's five major brands are world-leading marketing and communications businesses:

- o Carat is the world's largest independent media communications specialist present in 82 countries across the world
- o isobar is the world's largest global digital network, dedicated to creating time for consumers to spend with brands
- o i-prospect, one of the world's leading specialist on-line search and performance marketing business
- o Posterscope is the out-of-home sector leader, and the only truly global network, constantly pushing the technological boundaries
- o Vizeum, our challenger media brand, has a pioneering approach to communications

About Mitchell Communications Group

Mitchell is Australia's largest independent communications group and was founded by Harold Mitchell who currently serves as Chairman and will continue this important role in the business going forward. The company offers its clients services including media planning & buying, strategy, digital media & marketing, branded entertainment, public relations, brand experience, sponsorship, sportsground marketing, direct marketing and corporate social responsibility. More information can be found at www.mitchells.com.au

Appendix A – Merger Implementation Agreement – Summary of key terms

Aegis Group plc (“Aegis”) and Mitchell Communication Group Limited (“Mitchell”) entered into a Merger Implementation Agreement (“MIA”) on 29 July 2010. The MIA sets out the obligations of the parties to implement the proposed scheme of arrangement in respect of Mitchell shares (“Scheme”).

An outline of the key terms of the MIA is set out below.

Conditions

The MIA contains a number of ‘conditions precedent’ in respect of which the implementation of the Scheme is conditional. These conditions include the following:

- receipt of Foreign Investment Review Board, ACCC if required and other government agency approvals necessary or desirable to implement the Scheme;
- court approval;
- Mitchell shareholder approval;
- no Mitchell Prescribed Event or Aegis Prescribed Event occurring prior to 8:00am on the day of the second court hearing;
- no event or events occurring that results in, or would be likely to result in a Mitchell Material Adverse Change or Aegis Material Adverse Change;
- the Aegis shares to be issued pursuant to the proposed scheme being approved for quotation on the Official List of the United Kingdom Listing Authority;
- the share price of the Aegis shares having not been (for three or more consecutive trading days) 20% less than the 5 day VWAP of the Aegis shares up to the date of the Agreement (on the basis that the relevant Aegis daily price has been normalised for movements in the FTSE 250 index over the period between the date of the Agreement and the testing day); and
- all options and performance rights held in respect of Mitchell shares having been exercised, cancelled or transferred in accordance with the MIA.

Each of Aegis and Mitchell is obliged to use reasonable endeavours to procure that the conditions precedent to the implementation of the Scheme are satisfied as soon as practicable, including by taking all steps it is responsible for as part of any regulatory approval process.

Implementation

The MIA also contains specific provisions dealing with implementation and transition issues, including in respect to the conduct of Mitchell’s business prior to implementation of the Scheme and the resignation and appointment of Mitchell directors.

Exclusivity

During the period between the signing of the MIA and the earlier of its termination and 12 December 2010 (or any other date as agreed by Aegis and Mitchell), Mitchell (and its representatives and related bodies corporate) have agreed to the following exclusivity arrangements:

- **no talk**

Mitchell must ensure that it does not directly or indirectly participate in or continue any discussions or negotiations, enter into any agreement with any third party or provide any information to a third party for the purposes of conducting due diligence, in relation to or which may reasonably be expected to lead to a Competing Transaction to the Scheme.

- **no shop**

Mitchell must ensure that it does not directly or indirectly solicit or encourage any Competing Transaction.

This restriction does not prevent Mitchell from continuing to make normal presentations to, or responding to enquiries from, brokers, portfolio investors and analysts in the ordinary course.

The no-talk restrictions do not apply in respect of a bona fide Competing Transaction provided that the Mitchell board determines in good faith (after obtaining advice from its legal advisers) that failing to respond to the Competing Transaction would be reasonably likely to involve a breach of the fiduciary or statutory duties or obligations owed by the Mitchell directors or would otherwise be unlawful.

Mitchell must not accept or recommend a Competing Transaction to its shareholders unless it has notified Aegis of the terms of the Competing Transaction and has given Aegis 72 hours after the provision of that information in which to provide a matching or superior deal to the relevant Competing Transaction.

Reimbursement of costs

Under the terms of the MIA, Mitchell is obliged to pay Aegis A\$2.7m if, on or before 12 December 2010:

- a transaction that would result in a person (other than Aegis or its related bodies corporate or representatives) taking control of Mitchell completes or is recommended by the Mitchell board and has been the subject of a public announcement, or such a person acquires a relevant interest in 30% or more of the Mitchell shares and the MIA is terminated;
- any member of the Mitchell board fails to recommend the Scheme, withdraws or adversely modifies his or her recommendation that Mitchell shareholders vote in favour of the Scheme, or makes a public statement indicating that he or she no longer supports the Scheme (or that he or she supports a Competing Transaction) and the MIA is terminated;
- Mitchell is in breach of its 'no shop or no talk' obligations and the MIA is terminated;
- Aegis is entitled to terminate, and terminates, the MIA due to a material breach of the MIA by Mitchell;
- a Mitchell Material Adverse Change occurs (other than as a result of events outside the control of the Mitchell group) and the MIA is terminated;
- a Mitchell Prescribed Event occurs (other than a Prescribed Event the occurrence of which is outside the control of the Mitchell group) and the MIA is terminated; or
- if Mitchell has terminated the agreement on the grounds that the independent expert has opined that the Scheme is not in the best interests of Mitchell shareholders and the MIA is terminated.

Aegis is obliged to pay Mitchell A\$2.7m if, on or before 12 December 2010:

- Mitchell is entitled to terminate, and terminates, the MIA due to a material breach of the MIA by Aegis;
- an Aegis Material Adverse Change occurs (other than as a result of events outside the control of the Aegis group) and the MIA is terminated; or

- an Aegis Prescribed Event occurs (other than a Prescribed Event the occurrence of which is outside the control of the Aegis group) and the MIA is terminated.

Representations and warranties

Each of Aegis and Mitchell have given representations and warranties which are normal for a transaction of this nature, including representations and warranties in respect of the information provided to the independent expert and compliance with disclosure obligations.

Termination

The MIA may be terminated by either party in various circumstances, including the following:

- if the Scheme has not become effective on or before 12 December 2010;
- at any time prior to 8.00am on the Second Court Date if the other party is in material breach of any clause of this agreement (including a warranty), taken in the context of the proposed merger as a whole, provided that either Aegis or Mitchell, as the case may be, has, if practicable, given notice to the other setting out the relevant circumstances and stating an intention to terminate and, the relevant circumstances continue to exist 5 business days (or any shorter period ending at 5:00 pm on the day before the second court date) after the time such notice is given;
- if the resolution submitted to the Scheme meeting is not approved by the requisite majority;
- if a Court or other regulatory authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the proposed merger; and
- if the Independent Expert opines that the Share Scheme is not in the best interests of Mitchell shareholders (other than because of the existence of an actual or potential Competing Transaction).

The MIA also may be terminated by Aegis in various circumstances, including the following:

- at any time prior to 8.00am on the second court date if any member of the Mitchell board fails to recommend the Scheme, changes his or her recommendation to Mitchell shareholders that they vote in favour of the resolution to approve the Scheme (including any adverse modification to his or her recommendation), or otherwise makes a public statement indicating that he or she no longer supports the Scheme (or that he or she supports a Competing Transaction);
- if Mitchell is in breach of its 'no shop or no talk' obligations; and
- if, after the date of the MIA, a person (other than Aegis or its associates) acquires a relevant interest in more than 20% of the Mitchell shares.

Summary of key definitions

An **Aegis Material Adverse Change** will occur if one or more event, occurrence or matters which (whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind) has had or is likely to have the effect of a diminution of at least £44 million in consolidated net assets or £23 million in consolidated EBITDA for the financial year ending 31 December 2010.

This will not include events, occurrences or matters disclosed to Mitchell or its representatives on or before the date of the MIA, or arising from changes in economic or business conditions in markets in which Aegis operates or changes in accounting policy required by law; or that took place directly or indirectly as a result of any matter, event or circumstance required by the MIA, the Scheme or any transactions contemplated by them.

An **Aegis Prescribed Event** includes Aegis dealing with its shares, acquiring or disposing of the whole or substantial part of its business or property, entering into a contract or commitment involving revenue or expenditure of more than £10 million or any of its related bodies corporate becomes insolvent.

A **Competing Transaction** is a transaction that if completed, would mean a person other than Aegis or its related bodies corporate would:

- directly or indirectly acquire an interest or relevant interest in or become the holder of 20% or more of the Mitchell shares or all or a substantial part of the business conducted by the Mitchell group (including by way of a takeover bid or scheme of arrangement);
- acquire control of Mitchell (within the meaning of section 50AA of the Corporations Act); or
- otherwise acquire or merge (including by reverse takeover bid or dual listed company structure) with Mitchell.

A **Mitchell Material Adverse Change** will occur if one or more event, occurrence or matters which (whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind) has had or is likely to have the effect of a diminution a diminution of at least \$15 million in consolidated net assets or \$3.5 million in consolidated EBITDA for the financial year ending 30 June 2011.

This will not include events, occurrences or matters disclosed to Aegis or its representatives on or before the date of the MIA arising from changes in economic or business conditions in markets in which Mitchell operates or changes in accounting policy required by law, which took place with the prior written consent of Aegis, or that took place directly or indirectly as a result of any matter, event or circumstance required by the MIA, the Scheme or any transactions contemplated by them.

A **Mitchell Prescribed Event** includes Mitchell dealing with its shares, acquiring or disposing of the whole or substantial part of its Mitchell group business or property, materially altering terms of employment or paying termination or retention payments, and entering into a contract or commitment involving revenue or expenditure of more than \$5 million.

Merger Implementation Agreement

Annexure B - Share Scheme

(not provided)

Merger Implementation Agreement

Annexure C - Deed Poll

(not provided)

Scheme of arrangement

pursuant to section 411 of the Corporations Act

between

Mitchell Communication Group Limited (ABN 59 088 110 141)

and

Each person registered as a holder of fully paid ordinary shares in Mitchell Communication Group Limited as at 7.00pm on the Record Date

1 Definitions and interpretation

1.1 Definitions

In this Scheme:

ACCC means the Australian Competition and Consumer Commission.

Aegis means Aegis Group plc (Company Number 1403668).

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange as appropriate.

Constitution means the Aegis Constitution as amended from time to time.

Business Day means a business day as defined in the Listing Rules.

Cash Consideration means the amount of cash (if any) which a Scheme Participant is entitled to receive as part of the Scheme Consideration in accordance with clause 5, being \$1.20 for each Mitchell Share.

Corporations Act means the Corporations Act 2001 (Cwlth).

Court means a court of competent jurisdiction under the Corporations Act.

Deed Poll means the deed poll dated 13 September 2010 executed by Aegis in favour of Scheme Participants.

End Date means 12 December 2010 or such other date as is agreed by Aegis and Mitchell.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Election means an election or deemed election by a Scheme Participant in accordance with clause 5.1.

Election Date means the last date for receipt of Election Forms for choice of Scheme Consideration, currently anticipated to be the Record Date or such other date as Mitchell and Aegis agree in writing.

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, Claim, covenant, profit a prendre, easement or any other security arrangement or any other arrangement having the same effect.

Immediately Available Funds means a bank cheque or other form of cleared funds acceptable to Mitchell.

Implementation Date means the sixth Business Day following the Record Date or such other date as Mitchell and Aegis agree in writing.

Ineligible Foreign Shareholder means a Mitchell Shareholder whose address shown in the Register is a place outside Australia and its external territories, New Zealand, the United Kingdom or the United States of America or who is acting on behalf of such a person, except where:

- (a) such Mitchell Shareholder has given the confirmations as to compliance with legal and regulatory requirements (including place and means of making an Election) set out in the Scheme Booklet and accompanying form of election; and
- (b) Mitchell and Aegis are satisfied, acting reasonably, that the invitation to make an Election or the issue of new Aegis Shares to that Scheme Participant as Scheme Consideration is lawful and not unduly onerous or impracticable in that place.

Listing Rules means the Listing Rules of ASX.

Merger Implementation Agreement means the merger implementation agreement dated 29 July 2010 between Mitchell and Aegis.

Mitchell means Mitchell Communication Group Limited ABN 59 088 110 141.

Mitchell Employee Option Plan means the “emitch Employee Option Plan” dated 26 July 2000.

Mitchell Performance Rights Plan means the “Executive Performance Rights Plan” 2009.

Mitchell Share means an ordinary fully paid share in the capital of Mitchell.

Mitchell Shareholder means each person registered in the Register as a holder of Mitchell Shares.

New Aegis Shares means fully paid ordinary shares in the capital of Aegis to be issued under this Scheme.

Option means an option to acquire a Mitchell Share issued under the Mitchell Employee Option Plan.

Option Deed means the option deed between Aegis and Harold Mitchell, dated on or about the date of the Merger Implementation Agreement.

Performance Right means a performance right issued under the Mitchell Performance Rights Plan.

Record Date means the sixth Business Day following the Effective Date or such other date as Mitchell and Aegis agree.

Register means the register of shareholders maintained by Mitchell in accordance with the Corporations Act.

Registered Address means, in relation to a Mitchell Shareholder, the address shown in the Register.

Regulatory Authority includes:

- (a) ASX, ACCC, ASIC;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

Scheme means this scheme of arrangement together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.

Scheme Consideration means the consideration payable by Aegis for the Mitchell Shares under the Scheme and in accordance with clause 4 of the Merger Implementation Agreement.

Scheme Meeting means the meeting to be convened by the Court at which Mitchell Shareholders will vote on the Scheme.

Scheme Participant means each person who is a Mitchell Shareholder as at 7.00pm on the Record Date other than, in the event that Aegis exercises the option in the Option Deed, Aegis.

Scheme Share means a Mitchell Share held by a Scheme Participant as at 7.00pm on the Record Date.

Scheme Transfer means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

Second Court Date means the first day of hearing of an application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Scheme.

Share Consideration means the number of Aegis Shares (if any) which a Scheme Participant is entitled to receive as part of the Scheme Consideration in accordance with clause 5, calculated in accordance with the ratio of 40 Aegis Shares for every 67 Mitchell Shares.

1.2 Reference to certain general terms

Unless the contrary intention appears, a reference in this Scheme to:

- (a) **(variations or replacement)** a document (including this agreement) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this agreement;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word “person” includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Regulatory Authority;
- (g) **(executors, administrators, successors)** a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) **(dollars)** Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (i) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (j) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (k) **(meaning not limited)** the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind; and
- (l) **(time of day)** time is a reference to Melbourne time.

1.3 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Scheme.

2 Preliminary

2.1 Preliminary

- (a) Mitchell is a public company incorporated in Australia and registered in Victoria and is a company limited by shares.
- (b) Mitchell is admitted to the official list of ASX and Mitchell Shares are officially quoted on the stock market conducted by ASX.
- (c) As at 31 August 2010 Mitchell's issued securities are:
 - (i) Mitchell Shares: 301,761,208
 - (ii) Options: 664,602; and
 - (iii) Performance Rights: 1,602,441.
- (d) Aegis is a company incorporated in the United Kingdom and is a company limited by shares.
- (e) If the Scheme becomes Effective:
 - (i) in consideration of the transfer of each Scheme Share to Aegis, Mitchell will procure Aegis to provide the Scheme Consideration in accordance with the terms of this Scheme;
 - (ii) all Scheme Shares will be transferred to Aegis on the Implementation Date; and
 - (iii) Mitchell will enter the name of Aegis in the Register in respect of all Scheme Shares transferred to Aegis in accordance with the terms of this Scheme.

2.2 Merger Implementation Agreement and Deed Poll

- (a) Mitchell and Aegis have agreed by executing the Merger Implementation Agreement to implement the terms of this Scheme.
- (b) Aegis has executed the Deed Poll by which it has covenanted to perform its obligations under this Scheme, including to provide the Scheme Consideration.

3 Conditions

3.1 Conditions precedent

The Scheme is conditional on all the conditions precedent in schedule 3 of the Merger Implementation Agreement having been satisfied or waived (other than the conditions precedent in items 1(b), 2 and 3 which must be satisfied and cannot be waived) in accordance with the terms of the Merger Implementation Agreement.

3.2 Conditions precedent and operation of clause 4

The satisfaction or waiver of each condition referred to in clause 3.1 is a condition precedent to the operation of clause 4.

3.3 Certificate

Mitchell and Aegis must provide to the Court on the Second Court Date a certificate confirming whether or not all conditions precedent to this Scheme (other than the condition precedent relating to Court approval) have been satisfied or waived as at 8.00am on the Second Court Date.

3.4 End Date

The Scheme will lapse and be of no further force or effect if the Effective Date does not occur on or before the End Date.

4 The Scheme

4.1 Lodgement of Court orders with ASIC

Mitchell must lodge with ASIC an office copy of the Court order approving the Scheme by 5.00pm on the first Business Day after the day on which the Court approves the Scheme.

4.2 Transfer and registration of Mitchell Shares

On the Implementation Date, subject to the provision of the Scheme Consideration in accordance with clauses 5.2 to 5.6:

- (a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Aegis without the need for any further act by any Scheme Participant (other than acts performed by Mitchell as attorney and agent for Scheme Participants under clause 7.1) by:
 - (i) Mitchell delivering to Aegis a duly completed and executed Scheme Transfer for registration; and
 - (ii) Aegis duly executing the Scheme Transfer and delivering it to Mitchell for registration; and
- (b) immediately after receipt of the duly executed Scheme Transfer, Mitchell must enter the name of Aegis in the Register in respect of all Scheme Shares transferred to Aegis in accordance with the terms of this Scheme.

4.3 Title and rights in Mitchell Shares

On and from the Implementation Date, Aegis will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by Mitchell of Aegis in the Register as the holder of the Scheme Shares.

4.4 Scheme Participants' agreements

The Scheme Participants agree to the transfer of their Scheme Shares in accordance with the Scheme.

The Scheme Participants who elect to receive Share Consideration accept the New Aegis Shares issued by way of Scheme Consideration subject to the Aegis Constitution and agree to be bound by the Aegis Constitution.

4.5 Status of Scheme Shares

Each Scheme Participant warrants to Aegis that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Aegis under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Aegis under the Scheme.

4.6 Appointment of Aegis as sole proxy

From the Effective Date until Mitchell registers Aegis as the holder of all of the Mitchell Shares in the Register, each Scheme Participant:

- (a) appoints Mitchell as attorney and agent (and directs Mitchell in such capacity) to appoint Aegis and each of its directors from time to time (jointly and each of them individually) as its sole proxy and where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to Mitchell Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 4.6(a)); and
- (b) must take all other actions in the capacity of the registered holder of Mitchell Shares as Aegis directs.

5 Scheme Consideration

5.1 Election

- (a) A Scheme Participant may make an Election to receive one of the following:
 - (i) 100% Cash Consideration;
 - (ii) 75% Cash Consideration and 25% Share Consideration;

- (iii) 50% Cash Consideration and 50% Share Consideration;
- (iv) 25% Cash Consideration and 75% Share Consideration; or
- (v) 100% Share Consideration,

by completing the election form which accompanies the Scheme Booklet and returning it to the address specified in the election form so that it is received by no later than 7.00 pm on the Election Date;

- (b) Any Scheme Participant who has not made a valid Election in accordance with clause 5.1(a) is, for the purpose of the Scheme, taken to have validly elected to receive 100% Cash Consideration.
- (c) Notwithstanding any other provision of this Scheme or any form of election purported to be made by an Ineligible Foreign Shareholder, each Ineligible Foreign Shareholder will be deemed, for the purpose of this Scheme, to have validly elected to receive 100% Cash Consideration.
- (d) Any Scheme Participant that holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels of Scheme Shares (and, for the purpose of calculating the Share Scheme Consideration to which the Scheme Participant is entitled, including the application of clause 5.6, each such parcel of Scheme Shares (to the extent that they are Scheme Shares) will be treated as though it were held by a separate Scheme Participant).
- (e) If a Scheme Participant makes an Election, or is deemed to have made an Election, to receive 100% Cash Consideration, then subject to clause 5.7, the Scheme Participant will be entitled to receive, for each Scheme Share held by that Scheme Participant in the relevant holding as at 7.00pm on the Record Date - the Cash Consideration.
- (f) If a Scheme Participant makes a valid Election **other than** an Election (or deemed Election) to receive 100% Cash Consideration, then subject to clause 5.7, the Scheme Participant will be entitled to receive, for each Scheme Share held by that Scheme Participant in the relevant holding as at 7.00pm on the Record Date:
 - (i) the relevant percentage of the Cash Consideration, as per the Scheme Participant's Election; and
 - (ii) the relevant percentage of the Share Consideration, as per the Scheme Participant's Election,

unless clause 5.6 applies in which case the amount of Cash Consideration and the amount of Share Consideration paid to the relevant Scheme Participant will be determined in accordance with that clause.

5.2 Consideration under the Scheme

On the Implementation Date, Mitchell must procure Aegis to:

- (a) pay to each Scheme Participant who elected (or was deemed to have elected) to receive Cash Consideration, the Cash Consideration to which

they are entitled in accordance with clause 5.1 in respect of each Scheme Share held by that Scheme Shareholder at 7.00pm on the Record Date; and

- (b) issue to each Scheme Participant who elected to receive Share Consideration, the New Aegis Shares to which they are entitled in accordance with clause 5.1 in respect of each Scheme Share held by that Scheme Shareholder at 7.00pm on the Record Date,

in accordance with clauses 5.3, 5.4 and 5.5.

5.3 Satisfaction of obligations - Cash Consideration

The obligation of Mitchell to procure payment of the Cash Consideration component of the Scheme Consideration pursuant to clause 5.2 will be satisfied by Mitchell procuring Aegis, no later than two Business Days before the Implementation Date, to deposit in Immediately Available Funds the aggregate amount of the Cash Consideration component of the Scheme Consideration payable to all Scheme Participants who have made an Election (or who have been deemed to have made an Election) to receive Cash Consideration in a trust account operated by Mitchell to be held on trust for the purpose of paying the Cash Consideration component of the Scheme Consideration to those Scheme Participants in accordance with clause 5.4 (except that the amount of any interest on the amount deposited will be to Aegis' account).

5.4 Payment of Cash Consideration

On the Implementation Date, subject to receipt of the Scheme Consideration from Aegis in accordance with clause 5.3, Mitchell must pay to each Scheme Participant who has made an Election (or who have been deemed to have made an Election) to receive Cash Consideration, the Cash Consideration component of the Scheme Consideration to which that Scheme Participant is entitled (in accordance with clause 5.1) for each Scheme Share transferred to Aegis on the Implementation Date by that Scheme Participant.

The amounts referred to in this clause 5.4 must be paid by direct credit or sending a cheque drawn on an Australian bank in Australian currency on the Implementation Date to each Scheme Participant by pre-paid ordinary post (or, if the address of the Scheme Participant in the Register is outside Australia, by pre-paid airmail post) to their address recorded in the Register at 7.00pm on the Record Date.

5.5 Provision of New Aegis Shares as Scheme Consideration

Subject to clauses 5.6 and 5.7, the obligation of Aegis to issue the New Aegis Shares pursuant to clause 5.2 will be satisfied by Aegis

- (a) on the Implementation Date, entering the name of each Scheme Participant in the Aegis share register in respect of the New Aegis Shares which that Scheme Participant is entitled to receive under the Scheme; and
- (b) within 5 Business Days after the Implementation Date, sending or procuring the dispatch by pre-paid ordinary post (or, if the address of the Scheme Participant recorded in the Register at 7.00pm on the Record Date is outside the United Kingdom, by pre-paid airmail post) to each Scheme Participant at their address recorded in the Register at 7.00pm on

the Record Date, a share certificate for the New Aegis Shares issued to that Scheme Participant,

provided that 5.5(b) above will not apply to the extent that a Scheme Participant has confirmed to Aegis's satisfaction that the Scheme Participant is entitled to receive its New Aegis Shares in uncertificated form through CREST, the United Kingdom's securities settlement system, and has provided all relevant CREST settlement details to Aegis (in each case before 7.00pm on the Election Date).

5.6 Scale back

- (a) This clause 5.6 applies if the Elections (or deemed Elections) made by Scheme Participants are such that the aggregate number of New Aegis Shares that would be required to be issued by Aegis in payment of the Share Consideration exceeds 116,672,646.
- (b) For the purposes of this clause 5.6 if an option has been exercised under the Option Deed before the Election Date, the relevant Option Shares (as defined in the Option Deed) will be treated as if they were Scheme Shares in respect of which an Election has been made to receive 100% Share Consideration.
- (c) Where this clause applies, the aggregate Share Consideration to which each Scheme Participant is entitled will be scaled back in accordance with the following formula:

$$tSC = \frac{SCcap}{SCtotal} \times pSC$$

Where:

tSC is the aggregate number of Aegis Shares the relevant Scheme Participant is entitled to receive as part of the Scheme Consideration for all Scheme Shares held by that Scheme Participant in the relevant holding as at 7.00pm on the Record Date;

pSC is the aggregate number of Aegis Shares the relevant Scheme Participant would have received as part of the Scheme Consideration for all Scheme Shares held by that Scheme Participant in the relevant holding as at 7.00pm on the Record Date determined under clause 5.1 (but for this clause 5.6);

SCcap is 116,672,646;

SC total is the aggregate number of Aegis Shares that would be required to be issued by Aegis in payment of the Share Consideration to satisfy the entitlements determined under clause 5.1 for all Scheme Participants (but for this clause 5.6).

For the avoidance of doubt, in no circumstances shall the sum of the aggregate number of Aegis Shares issued as Share Consideration and the Aegis Shares issued under the Option Deed exceed 116,672,646.

- (d) For the avoidance of doubt, to the extent that the application of this clause 5.6 results in an aggregate entitlement of a Scheme Participant to

Aegis Shares that is less than would have applied but for this clause 5.6, the Scheme Participant will be entitled to Cash Consideration in the alternative.

5.7 Fractional entitlements and share splitting or division

(a) If the number of Scheme Shares held by a Scheme Participant at 7.00pm on the Record Date (or, if applicable, the result of the application of clause 5.6) is such that the aggregate entitlement of the Scheme Participant to Scheme Consideration:

- (i) comprising Aegis Shares is such that a fractional entitlement to an Aegis Share arises; or
- (ii) comprising cash is such that a fractional entitlement to a cent arises,

then the fractional entitlement will be rounded:

- (iii) in the case of Aegis Shares, down to the nearest whole number of Aegis shares; and
- (iv) in the case of cash, up or down to the nearest cent (with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole cent, and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole cent).

(b) If Aegis and Mitchell are of the opinion (acting reasonably) that two or more Scheme Participants (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 5.7(a)) have, before 7.00pm on the Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, Mitchell may give notice to those Scheme Participants:

- (i) setting out their names and registered addresses as shown in the Mitchell Share Register;
- (ii) stating that opinion;
- (iii) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them; and
- (iv) attributing to one of them specifically identified in the notice which Election made by or on behalf them applies to all of them,

and, after such notice has been given, the Scheme Participant specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the provisions of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Participants whose names and registered addresses are set out in the notice will, for the purposes of the provisions of this Scheme, be taken to hold no Scheme Shares. Aegis in complying with the provisions of this Scheme relating to it in respect of the Scheme Participant specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Participants named in the notice under the terms of the Share Scheme.

5.8 New Aegis Shares to rank equally

- (a) New Aegis Shares issued to Scheme Participants will rank equally in all respect with all existing Aegis Shares (except for any dividends or entitlements with a record date before the date of issue).
- (b) On issue, each New Aegis Share issued to Scheme Participants will be fully paid and free from any Encumbrance.

5.9 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any bank cheque required to be paid to Scheme Participants by Mitchell must be payable to the joint holders and be forwarded to the holder whose name appears first in the Register as at 7.00pm on the Record Date; and
- (b) (to the extent share certificates are required to be issued under clause 5.5(b)) share certificates for New Aegis Shares issued to Scheme Participants must be issued in the names of the joint holders and sent to the holder whose name appears first in the Register as at 7.00pm on the Record Date.

6 Dealings in Scheme Shares

6.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before 7.00pm on the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 7.00pm on the Record Date at the place where the Register is kept.

6.2 Register

- (a) Mitchell must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 6.1(b) on or before 7.00pm on the Record Date.
- (b) If the Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Effective Date.
- (c) Mitchell will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after 7.00pm on the Record Date (except a transfer to Aegis pursuant to this Scheme and any subsequent transfer by Aegis or its successors in title).

- (d) For the purpose of determining entitlements to the Scheme Consideration, Mitchell will maintain the Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been paid to the Scheme Participants. The Register in this form will solely determine entitlements to the Scheme Consideration.
- (e) Any statements of holding in respect of Scheme Shares will cease to have effect after 7.00pm on the Record Date as documents of title in respect of those shares (other than statements of holding in favour of Aegis and its successors in title). After 7.00pm on the Record Date, each entry current on the Register as at 7.00pm on the Record Date (other than entries in respect of Aegis or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.
- (f) Within three Business Days after the Record Date Mitchell will ensure that details of:
 - (i) the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register at 7.00pm on the Record Date; and
 - (ii) details of the final Elections made by each Mitchell Shareholder on the Mitchell register,are available to Aegis in such form as Aegis reasonably requires.

6.3 Quotation of Mitchell Shares

- (a) Suspension of trading on ASX in Mitchell Shares will occur from the close of trading on ASX on the Effective Date.
- (b) After the Scheme has been fully implemented, Mitchell will apply:
 - (i) for termination of the official quotation of Mitchell Shares on ASX; and
 - (ii) to have itself removed from the official list of the ASX.

6.4 Quotation of New Aegis Shares

Aegis will apply for admission of the New Aegis Shares to the Official List of the United Kingdom Listing Authority and will use its best endeavours to ensure that such admission becomes effective no later than the first Business Day after the Implementation Date.

7 General Scheme provisions

7.1 Power of attorney

Upon the Scheme becoming Effective, each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints Mitchell and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of executing any document necessary or expedient to give effect to this Scheme including the Scheme Transfer.

7.2 Variations, alterations and conditions

Mitchell may, with the consent of Aegis (which cannot be unreasonably withheld), by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to the Scheme which the Court thinks fit to impose.

7.3 Further action by Mitchell

Mitchell will execute all documents and do all things necessary or expedient to implement, and perform its obligations under, this Scheme.

7.4 Authority and acknowledgement

Each of the Scheme Participants:

- (a) consents to Mitchell doing all things necessary or expedient for or incidental to the implementation of this Scheme; and
- (b) acknowledges that this Scheme binds Mitchell and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Meeting).

7.5 Stamp duty

Aegis will pay all stamp duty payable in connection with the Scheme.

7.6 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Mitchell, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Mitchell's registered office or at the office of the registrar of Mitchell Shares.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Shareholder shall not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

7.7 Governing law

This Scheme is governed by the law in force in Victoria. Each party submits to the non-exclusive jurisdiction of the courts of that place.

MALLESONS STEPHEN JAQUES

Deed Poll

Dated

Given by Aegis Group plc ("**Aegis**")

In favour of each holder of ordinary shares in Mitchell Communication Group Limited (ACN 088 110 141) ("**Mitchell**") as at 7.00 pm on the Record Date ("**Scheme Participants**")

Mallesons Stephen Jaques

Level 50
Bourke Place
600 Bourke Street
Melbourne Vic 3000
Australia
T +61 3 9643 4000
F +61 3 9643 5999
DX 101 Melbourne
www.mallesons.com

Deed Poll

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Deed Poll

Details

Parties	Aegis	
Aegis	Name	Aegis Group plc
	Company number	1403668
	Address	180 Great Portland Street, London W1W 5Q2
	Telephone	+44 20 70 70 7700
	Fax	+44 20 70 70 7800
	Attention	Mr Jerry Buhlmann

Recitals	A	The directors of Mitchell have resolved that Mitchell should propose the Scheme.
	B	The effect of the Scheme will be that all Scheme Shares will be transferred to Aegis.
	C	Mitchell and Aegis have entered into the Merger Implementation Agreement.
	D	In the Merger Implementation Agreement, Aegis agreed (amongst other things) to provide the Scheme Consideration to the Scheme Participants, subject to the satisfaction of certain conditions.
	E	Aegis is entering into this deed poll for the purpose of covenanting in favour of Scheme Participants to perform its obligations under the Merger Implementation Agreement and the Scheme.

Governing law	Victoria
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Date of agreement	See Signing page
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Deed Poll

General terms

1 Definitions and interpretation

1.1 Definitions

In this deed poll (unless the context otherwise requires):

- (a) **Authorised Officer** means, in respect of a party, a director or secretary of the party or any other person appointed by a party to act as an Authorised Officer under this deed poll;
- (b) **Scheme** means the proposed scheme of arrangement between Mitchell and Scheme Participants substantially in the form of Annexure A to this deed poll together with any amendment or modification made pursuant to section 411(6) of the Corporations Act;
- (c) **Mitchell** means Mitchell Communication Group Limited (ACN 088 110 141) and
- (d) words and phrases used in this deed poll have the same meaning as given to them in the Scheme.

1.2 Interpretation

Clause 1.2 of the Scheme applies to the interpretation of this deed poll except that references to “this Scheme” in that clause are to be read as references to “this deed poll”.

1.3 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this deed poll.

1.4 Nature of deed poll

Aegis acknowledges that this deed poll may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it.

2 Conditions

2.1 Conditions

Aegis’s obligations under clause 4 are subject to the Scheme becoming Effective.

2.2 Termination

Aegis’s obligations under this deed poll automatically terminate if:

- (a) the Scheme has not become Effective on or before the End Date; or

- (b) the Merger Implementation Agreement is terminated.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) Aegis is released from its obligations to further perform this deed poll except those obligations contained in clause 8.1 and any other obligations which by their nature survive termination; and
- (b) each Scheme Participant retains the rights, powers or remedies they have against Aegis in respect of any breach of this deed poll which occurs before it is terminated.

3 Performance of obligations generally

Aegis must comply with its obligations under the Merger Implementation Agreement and do all things necessary or desirable on its part to give full effect to the Merger Implementation Agreement.

4 Scheme Consideration

4.1 Consideration under the Scheme

Subject to clause 2, Aegis undertakes in favour of each Scheme Participant to:

- (a) pay to each Scheme Participant who elected (or was deemed to have elected) to receive Cash Consideration, the Cash Consideration to which they are entitled in accordance with clause 5.1 of the Scheme in respect of each Scheme Share held by that Scheme Shareholder at the Record Date; and
- (b) issue to each Scheme Participant who elected to receive Share Consideration, the New Aegis Shares to which they are entitled in accordance with clause 5.1 of the Scheme in respect of each Scheme Share held by that Scheme Shareholder at the Record Date,

in accordance with the Scheme.

4.2 Manner of payment

Aegis's obligation to provide the Cash Consideration component of the Scheme Consideration to each Scheme Participant entitled to receive Cash Consideration is satisfied by Aegis, no later than two Business Days before the Implementation Date, depositing in Immediately Available Funds the aggregate amount of the Cash Consideration component of the Scheme Consideration payable to all Scheme Participants who have made an Election (or who have been deemed to have made an Election) to receive Cash Consideration in a trust account operated by Mitchell to be held on trust for the purpose of paying the cash component of the Scheme Consideration to the Scheme Participants in accordance with the Scheme (except that the amount of any interest on the amount deposited will be to Aegis's account).

4.3 Provision of New Aegis Shares as Scheme Consideration

Subject to clauses 5.6 and 5.7 of the Scheme, Aegis must:

- (a) on the Implementation Date, issue the New Aegis Shares to the Scheme Participants entitled to receive Share Consideration in accordance with the Scheme;
- (b) on the Implementation Date, enter the name of each Scheme Participant in the Aegis share register in respect of the New Aegis Shares which that Scheme Participant is entitled to receive under the Scheme; and
- (c) within 5 Business Days after the Implementation Date, send or procure the dispatch by pre-paid ordinary post (or, if the address of the Scheme Participant recorded in the Register at 7.00pm on the Record Date is outside the United Kingdom, by pre-paid airmail post) to each relevant Scheme Participant at their address recorded in the Register at 7.00pm on the Record Date, a share certificate for the New Aegis Shares issued to that Scheme Participant,

provided that (c) above will not apply to the extent that a Scheme Participant has confirmed to Aegis's satisfaction that the Scheme Participant is entitled to receive its New Aegis Shares in uncertificated form through CREST, the United Kingdom's securities settlement system, and has provided all relevant CREST settlement details to Aegis's share registry (in each case before 5.00pm on the Election Date).

4.4 Foreign Mitchell Shareholders

Each Ineligible Foreign Shareholder will be entitled to receive 100% Cash Consideration.

4.5 Joint holders

In the case of Scheme Shares held in joint names (and to the extent share certificates are required to be issued under clause 4.3(c)), share certificates for New Aegis Shares issued to Scheme Participants must be issued in the names of the joint holders and sent to the holder whose name appears first in the Register as at 7.00pm on the Record Date.

5 Warranties

Aegis represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of registration;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll; and

- (d) this deed poll is valid and binding upon Aegis and enforceable against Aegis in accordance with its terms.

6 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Aegis has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

7 Notices

7.1 Form

All notices or other communication to Aegis in respect of this deed poll must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (c) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

7.2 Delivery

Communications must be:

- (a) left at the address set out or referred to in the Details;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
- (c) sent by fax to the fax number set out or referred to in the Details; or
- (d) given in any other way permitted by law.

However, if the intended recipient has notified a changed address or fax number, then communications must be to that address or fax number.

7.3 When effective

Communications take effect from the time they are received or taken to be received under clause 7.4 (whichever happens first) unless a later time is specified.

7.4 When taken to be received

Communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or

- (b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent.

7.5 Receipt outside business hours

Despite clauses 7.3 and 7.4, if communications are received or taken to be received under clause 7.4 after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

8 General

8.1 Stamp duty

Aegis must:

- (a) pay all stamp duty (including fines and penalties) payable and assessed on this deed poll, any instruments entered into under this deed poll and in respect of a transaction effected by or made under the Scheme and this deed poll;
- (b) pay other costs in respect of the Scheme (including, in connection with the transfer of Mitchell Shares to Aegis in accordance with the terms of the Scheme); and
- (c) indemnify on demand each Scheme Participant against any liability arising from failure to comply with clauses 8.1(a) or 8.1(b).

8.2 Waiver

- (a) A waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon default under this deed poll must be in writing and signed by the party giving the waiver.
- (b) A failure or delay in exercise, or partial exercise, of:
 - (i) a right arising from a breach of this deed poll; or
 - (ii) a right, power, authority, discretion or remedy created or arising upon default under this deed poll,

does not result in a waiver of that right, power, authority, discretion or remedy.

- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A party may not rely on any conduct of another party as a defence to exercise of a right, power, authority, discretion or remedy by that other party.

8.3 Variation

A provision of this deed poll or any right created under it may not be varied, altered or otherwise amended unless the variation is agreed to by Mitchell and Aegis in writing and the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme, in which event Aegis must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

8.4 Remedies cumulative

The rights and remedies of Aegis and the Scheme Participants under this deed poll are in addition to other rights and remedies given by law independently of this deed poll.

8.5 Assignment

The rights and obligations of Aegis and each Scheme Participant under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.

8.6 Governing law and jurisdiction

This deed poll is governed by the law in force in Victoria. Aegis submits to the non-exclusive jurisdiction of the courts of that place.

8.7 Further action

Aegis must execute all documents and do all things necessary or expedient to give effect to this deed poll.

EXECUTED as a deed poll

Deed Poll

Signing page

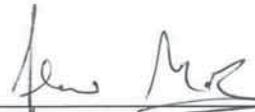
DATED: 13 September 2010

EXECUTED AS A DEED by AEGIS
GROUP PLC by:



Signature of director

NICHOLAS CHARLES FRIDA
Full name



Signature of ~~director~~ secretary

ANDREW JOHN MORLEY
Full name

Deed Poll

Annexure A - Scheme

(not provided)

18 Notice of Scheme Meeting

MITCHELL COMMUNICATION GROUP LIMITED
ACN 088 110 141

NOTICE OF COURT ORDERED MEETING OF MITCHELL COMMUNICATION GROUP LIMITED SHAREHOLDERS

Notice is given that, by an Order of the Supreme Court of Victoria (**Court**) made on Friday, 17 September 2010 under section 411(1) of the Corporations Act 2001 (Cth) (**Corporations Act**), the Court has directed that a meeting of the holders of fully paid ordinary shares in Mitchell Communication Group Limited (**Mitchell**) be held at The Langham Hotel, 1 Southgate Avenue, Southbank, Victoria on Monday, 25 October 2010 commencing at 10.00am (Melbourne time).

The Court has also directed that Mr Harold Mitchell, or, if he is unable or unwilling to attend, Mr Garry Hounsell act as Chairman of the meeting.

PURPOSE OF THE MEETING

The purpose of the meeting is to consider and, if thought fit, to agree (with or without any modification or conditions required by the Court to which Mitchell and Aegis Group plc agree) to a scheme of arrangement proposed to be made between Mitchell and the holders of its ordinary shares (**Scheme**).

A copy of the Scheme and a copy of the Explanatory Statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet of which this notice forms part.

RESOLUTION

The meeting will be asked to consider and, if thought fit, pass the following resolution:

'That pursuant to and in accordance with the provisions of section 411 of the Corporations Act, the members are in favour of the arrangement proposed between Mitchell Communication Group Limited and the holders of its fully paid ordinary shares, designated the 'Scheme', as contained in and more particularly described in the Scheme Booklet accompanying the notice convening this meeting (with or without any modifications or conditions required by the Court to which Mitchell Communication Group Limited and Aegis Group plc agree) and, subject to approval of the Scheme by the Court, the Board of Directors of Mitchell Communication Group Limited is authorised to implement the Scheme with any such modifications or conditions.'

DATED 17 September 2010

BY ORDER OF THE COURT



Mr Dion Cust
Company Secretary

EXPLANATORY NOTES FOR THE SCHEME MEETING

GENERAL

- Capitalised words and phrases contained in this Notice of Meeting (including the proposed resolution) have the same meaning as set out in the Glossary in Part D of this Scheme Booklet, of which this notice forms part.
- This notice should be read in conjunction with the entire Scheme Booklet of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the proposed resolution. The Scheme Booklet includes a copy of the Scheme (refer section 16) and a copy of the Explanatory Statement required by section 412 of the Corporations Act in relation to the Scheme of Arrangement (the Explanatory Statement being all Sections of this Scheme Booklet).

VOTING ENTITLEMENTS

- The Court has ordered that, for the purposes of the Scheme Meeting, each person registered in the Mitchell Share Register as the holder of Mitchell Shares at 10.00am Melbourne time on 23 October 2010 is entitled to attend and vote at the Scheme Meeting, either in person, by proxy or attorney or, in the case of a corporate Mitchell Shareholder, by a personal representative.

VOTING INTENTIONS

- The Directors of Mitchell unanimously recommend that, in the absence of a Superior Proposal, Mitchell Shareholders vote in favour of the Scheme at the Scheme Meeting. Each Mitchell Director will vote or cause to be voted all their direct and interest interests in Mitchell in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal.

REQUIRED VOTING MAJORITY

- The resolution to approve the Scheme is subject to approval by the majorities required under section 411(4)(a)(ii) of the Corporations Act. The resolution to approve the Scheme must be approved by:
 - unless the Court orders otherwise, a majority in number (more than 50%) of Mitchell Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, attorney or, in the case of corporate Mitchell Shareholders, by corporate representative); and
 - Mitchell Shareholders whose Mitchell Shares in aggregate account for at least 75% of the votes cast on the resolution.
- The vote will be conducted by poll.

COURT APPROVAL

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without any modification required by the Court to which Mitchell and Aegis Group plc agree) must also be approved by an order of the Court. If all conditions to the Scheme are satisfied or waived (as applicable), Mitchell intends to apply to the Court for orders to give effect to the Scheme.

HOW TO VOTE

Mitchell Shareholders entitled to vote at the Scheme Meeting may vote:

- by attending the meeting and voting in person; or
- by appointing an attorney to attend the meeting and vote on their behalf or, in the case of corporate shareholders or proxies, a corporate representative to attend the meeting and vote on its behalf; or
- by appointing a proxy to attend and vote on their behalf, using the proxy form accompanying this Notice. A proxy may be an individual or a body corporate.

VOTING IN PERSON (OR BY ATTORNEY)

- Mitchell Shareholders or their proxies, attorneys or representatives (including representatives of corporate proxies) wishing to vote in person should attend the Scheme Meeting and bring a form of personal identification (such as their driver's licence).
- To vote by attorney at this meeting, the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed must be received by the Mitchell Share Registry before 10.00am (Melbourne time) on 23 October 2010 in any of the following ways:

Online at: www.investorvote.com.au

Mail to: **Computershare Investor Services Pty Limited, GPO Box 242,
Melbourne VIC 3001**

Deliver to: **Computershare Investor Services Pty Limited, Yarra Falls,
452 Johnston Street, Abbotsford, Victoria, 3067**

Fax to: **1800 783 447(within Australia) or +61 3 9473 2555 (outside Australia)**

To vote in person, you or your proxy, attorney, representative or corporate proxy representative must attend the Scheme Meeting to be held at The Langham Hotel, 1 Southgate Avenue, Southbank, Victoria on 25 October 2010 commencing at 10.00am (Melbourne time).

- A vote cast in accordance with the appointment of a proxy or power of attorney is valid even if before the vote was cast the appointor:
 - died;
 - became mentally incapacitated;
 - revoked the proxy or power; or
 - transferred the Mitchell Shares in respect of which the vote was cast;

unless Mitchell received written notification of the death, mental incapacity, revocation or transfer at least 48 hours before the meeting or, if applicable, any adjourned meeting.

VOTING BY PROXY

Mitchell Shareholders wishing to appoint a proxy to vote for them at this meeting must:

- complete and sign or validly authenticate the proxy form, which is provided with this Scheme Booklet; and
- deliver the signed and completed proxy form to Mitchell so it is received by 10.00am (Melbourne time) on 23 October 2010 in accordance with the instructions below.

Submitting proxy votes

- Mitchell Shareholders wishing to submit proxy votes for the Scheme Meeting must return the provided proxy form to Mitchell in any of the following ways:

Online at: www.investorvote.com.au

Mail to: **Computershare Investor Services Pty Limited, GPO Box 242,
Melbourne VIC 3001**

Deliver to: **Computershare Investor Services Pty Limited, Yarra Falls,
452 Johnston Street, Abbotsford, Victoria, 3067**

Fax to: **1800 783 447(within Australia) or +61 3 9473 2555 (outside Australia)**

Notes for proxy appointments

- A Mitchell Shareholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote at the meeting on that Mitchell Shareholder's behalf.
- A proxy need not be a Mitchell Shareholder.
- If a Mitchell Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Mitchell Shareholder's votes each proxy may exercise, each proxy may exercise half the votes.
- A proxy may vote or abstain as he or she chooses except where the appointment of the proxy directs the way the proxy is to vote on the Scheme Resolution. If an appointment directs the way the proxy is to vote on the Scheme Resolution:
 - if the proxy is the chair - the proxy must vote in the way directed; and
 - if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote in the way directed.
- If a proxy appointment is signed by the Mitchell Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors.
- If:
 - a Mitchell Shareholder nominates the Chairman of the meeting as the Mitchell Shareholder's proxy; or
 - the Chairman is otherwise appointed to act as proxy,

then the person acting as Chairman in respect of an item of business at the meeting must act as proxy under the appointment in respect of that item of business. The Chairman intends to vote undirected proxy votes of which she is appointed as proxy in favour of the resolution to approve the Scheme (in the absence of a Superior Proposal from another party prior to the date of the Scheme Meeting).

VOTING BY CORPORATE REPRESENTATIVES

- To vote in person at the Scheme Meeting, a Mitchell Shareholder or proxy which is a body corporate may appoint an individual to act as its representative.
- To vote by corporate representative at the meeting, a corporate Mitchell Shareholder or proxy should obtain an Appointment of Corporate Representative Form from the Mitchell Share Registry, complete and sign the form in accordance with the instructions on it. The completed appointment form should be lodged at the registration desk on the day of the meeting.
- The appointment of a representative may set out restrictions on the representative's powers.
- The Appointment of Corporate Representative Form, a certified copy of the Appointment of Corporate Representative Form, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.

Part D: Glossary

Glossary

The following defined terms used throughout this Scheme Booklet have the meaning set out below unless the context otherwise requires.

ACCC	means the Australian Competition and Consumer Commission.
Admission	means the admission of New Aegis Shares to the Official List in accordance with the Listing Rules and to trading on the London Stock Exchange market for listed securities.
Aegis	means Aegis Group plc (Company Number 1403668).
Aegis Board	means the board of directors of Aegis.
Aegis Directors	means the directors of Aegis.
Aegis Group	means Aegis and its Subsidiaries.
Aegis Information	means the information regarding Aegis as is required to be included in this Scheme Booklet under the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 or 142 or any other relevant policy or guidelines. For the avoidance of doubt, Aegis Information does not include information about the Mitchell Group (except to the extent that information is included in financial statements prepared by Aegis (but excluding financial information provided to Aegis by Mitchell) or relates to any statement of intention relating to the Mitchell Group following the Effective Date).
Aegis Insolvency Event	<p>means the occurrence of any of the following between the date of the Option Deed and the date 9 months after the date of the Option Deed or such other date agreed by Aegis and Harold Mitchell:</p> <ul style="list-style-type: none"> (a) Aegis resolving that it be wound up or the making of an order for the winding up or dissolution of Aegis other than where the order is set aside within 14 days; (b) an insolvency official being appointed to Aegis; (c) a court making an order for the winding up of Aegis; (d) Aegis ceases, or threatens to cease to, carry on substantially all the business conducted by the Aegis Group as at the date of the Option Deed; (e) Aegis is or becomes unable to pay its debts when they fall due within the meaning of legislation of its place of incorporation; (f) Aegis executing a deed of company arrangement; or (g) Aegis being deregistered as a company or otherwise dissolved.

Aegis Material Adverse Change	<p>means one or more Specified Events which, individually or when aggregated with all such events, has resulted in or would be likely to result in:</p> <p>(a) a diminution in the value of consolidated net assets of the Aegis Group (determined on the basis of the same accounting methodology as was applied in preparing the Aegis Group's most recently published annual financial statements) of at least £44 million; or</p> <p>(b) a diminution in consolidated EBITDA of the Aegis Group for the financial year ending 31 December 2010 (determined on the basis of the same accounting methodology as was applied in preparing the Aegis Group's most recently published annual financial statements) of at least £23 million,</p> <p>but does not include:</p> <p>(c) any matter fully and fairly disclosed to Mitchell or its Representatives on or before the date of the Merger Implementation Agreement (including as a result of disclosures made under the Disclosure Rules);</p> <p>(d) any matter, event or circumstance arising from changes in economic or business conditions in the markets in which Aegis operates;</p> <p>(e) anything done with the prior written consent of Mitchell;</p> <p>(f) any mandatory change in accounting policy applicable to Aegis; or</p> <p>(g) any change occurring directly or indirectly as a result of any matter, event or circumstance required by the Merger Implementation Agreement, the Scheme or the transactions contemplated by them.</p>
Aegis Prescribed Event	<p>means, except to the extent contemplated by the Merger Implementation Agreement or the Scheme, any of the events listed in schedule 1 of the Merger Implementation Agreement provided that an Aegis Prescribed Event listed in schedule 1 will not occur where Aegis has first consulted with Mitchell in relation to the event and Mitchell has approved the proposed event.</p>
Aegis Share	<p>means a fully paid ordinary share in the capital of Aegis.</p>
AIFRS	<p>means Australian equivalents of International Financial Reporting Standards.</p>
ANZ - Mergers & Acquisitions	<p>means Australia and New Zealand Banking Group Limited (ACN 005 357 522) operating through its Mergers & Acquisitions division.</p>
ASIC	<p>means Australian Securities and Investments Commission.</p>
ASX	<p>means ASX Limited or the financial products market, Australian Securities Exchange, as the context requires.</p>
Business Day	<p>means a business day as defined in the ASX Listing Rules.</p>
Cash Consideration	<p>means the amount of cash (if any) which a Scheme Participant is entitled to receive as part of the Scheme Consideration being \$1.20 for each Mitchell Share.</p>
Call Option Shares	<p>means all Option Shares (if any) that have been transferred to Aegis by the Shareholder under the Option Deed.</p>
Combined Group	<p>means Aegis and each of its controlled entities after implementation of the Scheme (which will include Mitchell as a wholly owned Subsidiary).</p>
Companies Act	<p>means the Companies Act 2006 (UK).</p>

Competing Transaction	<p>means a transaction which, if completed, would mean a person (other than Aegis or its Related Bodies Corporate or Representatives) would:</p> <p>(a) directly or indirectly, acquire an interest or relevant interest in or become the holder of:</p> <p>(i) 20% or more of the Mitchell Shares; or</p> <p>(ii) all or a substantial part or a material part of the business conducted by the Mitchell Group,</p> <p>including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of shares or joint venture, but not as a custodian, nominee or bare trustee;</p> <p>(b) acquire control of Mitchell, within the meaning of section 50AA of the Corporations Act; or</p> <p>(c) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with Mitchell.</p>
Corporations Act	means the Corporations Act 2001 (Cwlth).
Corporations Regulations	means the Corporations Regulations 2001 (Cwlth).
Court	means a court of competent jurisdiction under the Corporations Act.
Deed Poll	means the deed poll dated 13 September executed by Aegis whereby, among other things, Aegis covenants to carry out its obligations under the Scheme, as set out in section 17 of this Scheme Booklet.
Disclosure Rules	means the disclosure rules of the United Kingdom Listing Authority.
EBITDA	means earnings before interest, tax, depreciation and amortisation.
Effective	when used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under sections 411(4)(b) and 411(6) in relation to the Scheme.
Effective Date	when used in relation to the Scheme, means the date on which the Scheme becomes Effective.
Election	means an election or deemed election by a Scheme Participant in accordance with section 2.4(c).
Election Date	means the last date for receipt of Election Forms for choice of Scheme Consideration, currently anticipated to be 5:00pm on the Record Date or such other date as Mitchell and Aegis agree in writing.
Election Form	means the form of Election under which each Scheme Participant is requested to elect to receive either 100% Cash Consideration, 100% Share Consideration or various combinations of both as set out in section 2.4(c) of this Scheme Booklet, in respect of all their Mitchell Shares and which sets out the Election process.
End Date	means 12 December 2010 or such later date as Mitchell and Aegis may agree in writing.
FIRB	means the Foreign Investment Review Board.
First Court Hearing	means the hearing of the application made to the Court for orders pursuant to section 411(1) of the Corporations Act to convene the Scheme Meeting and approving this Scheme Booklet.
FSA	means the UK Financial Services Authority.

FSMA	means the Financial Services and Markets Act 2000 of the UK as amended.
GBP	means British pounds sterling.
Governmental Agency	means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state.
IFRS	means International Financial Reporting Standards.
Immediately Available Funds	means a bank cheque or other form of cleared funds acceptable to Mitchell.
Implementation Date	means the sixth business day following the Record Date, currently anticipated to be Wednesday 17 November 2010 or such other date as Mitchell and Aegis agree in writing.
Independent Expert	means Ernst & Young Transaction Advisory Services Limited.
Independent Expert's Report	means the report of the Independent Expert as set out in section 12 of this Scheme Booklet.
Ineligible Foreign Shareholders	means a Mitchell Shareholder whose address shown in the Register is a place outside Australia and its external territories, New Zealand, the United Kingdom or the United States of America, or who is acting on behalf of such a person, except where: <ul style="list-style-type: none"> (a) such Mitchell Shareholder has given the confirmations as to compliance with legal and regulatory requirements (including place and means of making an Election) set out in the Scheme Booklet; and (b) Mitchell and Aegis are satisfied, acting reasonably, that the invitation to make an Election or the issue of New Aegis Shares to that Scheme Participant as Share Consideration is lawful and not unduly onerous or impracticable in that place.
London Stock Exchange or LSE	means the London Stock Exchange plc.
Merger Implementation Agreement	means the merger implementation agreement dated 29 July 2010 between Mitchell and Aegis relating to the implementation of the Scheme, as set out in section 15 of this Scheme Booklet.
Mitchell	Mitchell Communication Group Limited (ACN 088 110 141).
Mitchell Board	means the board of directors of Mitchell.
Mitchell Directors	means the directors of Mitchell.
Mitchell Employee Option Plan	means the "emitch Employee Option Plan" dated 26 July 2000.
Mitchell Group	means Mitchell and its Subsidiaries.
Mitchell Information	means all information as is required to be included in this Scheme Booklet under the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 or 142 or any other relevant policy or guidelines (other than the Aegis Information and the Independent Expert's Report, the Tax Report and the Investigating Accountant Report).

Mitchell Material Adverse Change	<p>means one or more Specified Events which, individually or when aggregated with all such events, has resulted in or would be likely to result in:</p> <p>(a) a diminution in the value of consolidated net assets of the Mitchell Group (determined on the basis of the same accounting methodology as was applied in preparing the Mitchell Group's most recently published annual financial statements) of at least \$15 million; or</p> <p>(b) a diminution in consolidated EBITDA of the Mitchell Group for the financial year ending 30 June 2011 (determined on the basis of the same accounting methodology as was applied in preparing the Mitchell Group's most recently published annual financial statements) of at least \$3.5 million,</p> <p>but does not include:</p> <p>(c) any matter fully and fairly disclosed to Aegis or its Representatives on or before the date of the Merger Implementation Agreement (including as a result of disclosures made to ASX);</p> <p>(d) any matter, event or circumstance arising from changes in economic or business conditions in the markets in which the Mitchell Group operates;</p> <p>(e) anything done with the prior written consent of Aegis;</p> <p>(f) any change in accounting policy required by law; or</p> <p>(g) any change occurring directly or indirectly as a result of any matter, event or circumstance required by the Merger Implementation Agreement, the Scheme or the transactions contemplated by them.</p>
Mitchell Prescribed Event	<p>means, except to the extent contemplated by the Merger Implementation Agreement or the Scheme, any of the events listed in schedule 2 of the Merger Implementation Agreement provided that a Mitchell Prescribed Event listed in items 1 to 12 of schedule 2 will not occur where Mitchell has first consulted with Aegis in relation to the event and Aegis has approved the proposed event.</p>
Mitchell Performance Rights Plan	<p>means the "Executive Performance Rights Plan" 2009.</p>
Mitchell Share	<p>means a fully paid ordinary share in Mitchell.</p>
Mitchell Share Registry	<p>means Computershare Investor Services Pty Limited (ABN 48 078 279 277).</p>
Mitchell Shareholder or Shareholder	<p>means each person registered as a holder of Mitchell Shares in the Register.</p>
New Aegis Shares	<p>means fully paid ordinary shares in the capital of Aegis to be issued under the Scheme.</p>
Official List	<p>means the official list maintained by the UK Listing Authority.</p>
Option	<p>means an option to acquire a Mitchell Share issued under the Mitchell Employee Option Plan.</p>
Option Cancellation Deed	<p>means the cancellation deed entered into between an Option holder and Mitchell to provide for the cancellation of the unexercised Options.</p>
Option Deed	<p>means the option deed entered into between Harold Mitchell and Aegis dated 29 July 2010.</p>
Option Shares	<p>means 60,050,480 Mitchell Shares (approximately 19.9%) held by Harold Mitchell of the issued share capital in Mitchell.</p>
Performance Right	<p>means a performance right issued under the Mitchell Performance Rights Plan.</p>
Performance Right Cancellation Deed	<p>means the cancellation deed entered into between a Performance Rights holder and Mitchell to provide for the cancellation of the unexercised Performance Rights.</p>

Proxy Form	means the form of appointment of proxy for the Scheme Meeting enclosed with this Scheme Booklet.
Record Date	means 7:00pm (Sydney time) on the sixth Business Day following the Effective Date or such other date as Mitchell and Aegis agree.
Register	means the register of shareholders maintained by Mitchell in accordance with the Corporations Act.
Regulatory Authority	includes a Governmental Agency, any regulatory organisation established under statute and ASX.
Related Body Corporate	has the meaning given to it in the Corporations Act.
Representative	means any person acting for or on behalf of a party including any director, officer, employee, agent, contractor or professional advisor of a party.
Requisite Majority	means in relation to the resolution to be put to the Scheme Meeting, the resolution being passed by a majority in number (more than 50 per cent) of Mitchell Shareholders, who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative (unless the Court orders otherwise) and passed by at least 75 per cent of the votes cast on the resolution.
Scheme	means the scheme of arrangement between Mitchell and the Scheme Participants as described in clause 4 of the Merger Implementation Agreement and set out in section 16 of this Scheme Booklet.
Scheme Booklet	means this booklet.
Scheme Consideration	means the consideration payable by Aegis for the Mitchell Shares under the Scheme.
Scheme Meeting	means the meeting to be convened by the Court pursuant to the Scheme.
Scheme Participants	means each person who is registered in the Register as the holder of a Mitchell Share as at the Record Date, other than, in the event that Aegis exercises the option in the Option Deed, Aegis.
Scheme Share	means a Mitchell Share held by a Scheme Participant.
Second Court Date	means the first day of hearing of an application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Scheme.
Second Court Hearing	means the hearing of the application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Scheme.
Share Consideration	means the number of Aegis Shares (if any) which a Scheme Participant is entitled to receive as part of the Scheme Consideration calculated in accordance with the ratio of 40 Aegis Shares for every 67 Mitchell Shares, subject to the scale back mechanism contained in section 2.4(d) of the Scheme.
Shareholder or Mitchell Shareholder	means each person registered as a holder of Mitchell Shares in the Register.
Specified Event	means an event, occurrence or matter that: <ul style="list-style-type: none"> (a) occurs after the date of this agreement; (b) occurs before the date of this agreement but is only announced or publicly disclosed after the date of this agreement; or (c) will or is likely to occur after the date of this agreement and which has not been publicly announced prior to the date of this agreement.

Subsidiaries	has the meaning it has in the Corporations Act.
Superior Proposal	means a publicly announced Competing Transaction which the Mitchell Board, acting in good faith, and after taking advice from its legal advisers, determines is: <ul style="list-style-type: none"> (a) reasonably capable of being completed on a timely basis taking into account all aspects of the Competing Transaction; and (b) more favourable to Mitchell Shareholders than the Scheme, taking into account all terms and conditions of the Competing Transaction.
Tax Report	means the report prepared by Ernst & Young on the Australian taxation implications of the Scheme as set out in section 13 of this Scheme Booklet.
UK Listing Rules	means the listing rules of the UK Listing Authority.
USRs	means the Uncertificated Securities Regulations 2001 (SI 2001/3755).
UKLA or UK Listing Authority	means the FSA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA.
VWAP	means the volume weighted average price.



MEDIA PLANNING AND BUYING (OFFLINE AND ONLINE)

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PR AND BRAND EXPERIENCE

DIGITAL CREATIVE AND TECHNOLOGY

VIDEO PRODUCTION

SPORTS GROUND MEDIA

CORPORATE SOCIAL RESPONSIBILITY

RESEARCH AND ANALYTICS