

Omnicom

ANNUAL REPORT

99

Omnicom

COMPARATIVE HIGHLIGHTS

	1999 ^(a)	1998 ^(a)	% CHANGE
(Amounts in Thousands Except Per Share Amounts)			
Domestic billings	\$17,155,115	\$14,155,920	21%
International billings	18,522,158	15,800,072	17%
Worldwide billings*	35,677,273	29,955,992	19%
Domestic commissions and fees	2,532,917	2,098,220	21%
International commissions and fees	2,597,628	2,192,726	18%
Worldwide commissions and fees**	5,130,545	4,290,946	20%
Common stock data:			
Net income per share —Basic	2.07	1.61	29%
—Diluted	2.01	1.57	28%
Dividends declared per share	0.625	0.525	19%
Weighted average number of common shares and common equivalent shares outstanding during the year—Basic	175,286	173,105	1%
—Diluted	189,885	183,560	3%
Shares outstanding at year end	177,488	177,957	—

*The term "billings" is commonly used in the industry to describe the volume of advertising purchased on behalf of clients. In this report, billings were computed by multiplying all income from commissions and fees by 6.67—the reciprocal of the customary 15 percent commission which media historically granted advertising agencies. For calculating billings for majority-owned subsidiaries, total subsidiary commissions and fees are used. For calculating billings for minority-owned affiliates, Omnicom's percent of ownership in total affiliate commissions and fees is used. Billing structures today include predominantly fee for service arrangements as well as commission structures. Furthermore, commission structures when used are not uniform and are negotiated individually with clients. Billings amounts are unaudited.

**Commissions and fees of majority-owned subsidiaries only are included.

^(a)On February 10, 1999 Omnicom completed the acquisition of Abbott Mead Vickers Group Limited (AMV). The AMV acquisition was accounted for under the pooling-of-interests method of accounting. Accordingly, all amounts have been restated to include the financial results of AMV for all periods presented.

DEAR FELLOW SHAREHOLDERS:

A host of forces, including the rapid adoption of digital technologies and the Internet, has changed forever the way business is conducted. Increased computing power, high-speed distribution and digital access to everything makes brand building a crucial business priority — without regard to industry, nationality or geography. Omnicom Group is already capitalizing on the opportunities created by these changes.

Throughout the past decade, we executed a strategy to benefit from media fragmentation, industry consolidation and the convergence of marketing disciplines. We moved early and quickly to build significant positions in over 20 companies involved in digital interactive marketing. These holdings now represent substantial shareholder value.

As a result, our company enjoys a well-earned reputation for innovation and market leadership. We have aligned our assets and focus with today's economy and our investments and initiatives with tomorrow's.

Omnicom is a company with a relentless focus on shareholder value. Over the last decade, Omnicom Group delivered a 10-year total annualized return to its shareholders of 34.7 percent. This exceptional performance made Omnicom the 32nd best-performer among all companies in the S&P 500 index.

Last year, as you will see on the following pages, our company posted the best financial performance in its history. It was our 13th consecutive record-breaking year. The fourth quarter was the 34th consecutive quarter of year-over-year growth in revenues and earnings.

Non-advertising marketing services now represent 53 percent of our consolidated revenue, up from 30 percent at the beginning of the decade. Advertising and media buying services now represent 47 percent of consolidated revenues, down from 70 percent in 1990. Geographically, our consolidated revenues are about evenly split between the United States and International markets and no single client is responsible for more than five percent of our consolidated revenues.

This balance dramatically reduces our exposure to any single industry, client or geographic economic cycle while at the same time enabling us to profit from the powerful forces that are reshaping our industry.

1999 FINANCIAL REVIEW

Total revenues from commissions and fees increased 20 percent to \$5.1 billion in 1999, from \$4.3 billion in 1998. Net income increased 30 percent to \$362.9 million in 1999, from \$278.8 million in

1998, and fully diluted earnings per share rose 28 percent to \$2.01 per share, from \$1.57 per share. At the same time, our operating margins widened to 14.1 percent from 13.1 percent, amongst the best in our industry.

The reported amounts have been restated to include the results of the February 10, 1999 acquisition of Abbott Mead Vickers Group Limited (AMV), which was accounted for as a pooling of interests.

Every major operating unit of our company contributed to our strong financial performance. Increased spending by both established and new clients fueled across-the-board gains. In 1999, our operating companies won net new business of more than \$3 billion for the first time in our history.

As a reflection of this strong performance, on December 7, 1999, our Board of Directors increased the cash dividend on Omnicom Group common stock by 16.7 percent from 15 cents to 17.5 cents per share per quarter.

During 1999, Omnicom's performance also attracted important industry and financial community recognition:

- Our general media agencies BBDO Worldwide, DDB Worldwide, TBWA Worldwide and Goodby Silverstein & Partners again dominated the International Advertising Agency Festival at Cannes. At the industry's most prestigious creative awards show, Omnicom's agency networks won 78 Lion awards, 64 more than our closest competitor.
- *Fortune Magazine* ranked Omnicom Number One in its list of America's Most Admired Companies in our industry. *Fortune* cited "Eight Attributes" as the basis of their rankings; Omnicom ranked Number One in "Quality of Products and Services" and Number Three in "Quality of Management" considering *all* companies in *all* industries.
- *Business Week* ranked Omnicom 32nd in its annual review of the best performing companies in the S&P 500.
- *The Wall Street Journal's* Shareholder Scoreboard (a ranking of 1,000 major U.S. public companies) ranked Omnicom Number One in its peer group for our ten-year average annual total return to shareholders.

All of these honors are a credit to the enormous dedication, entrepreneurial talent and management skill that resides within our operating companies.

1999 OPERATING REVIEW

Advertising and Media Agency Brands

Omnicom Group's three global advertising networks – BBDO Worldwide, DDB Worldwide and TBWA Worldwide all took the top slots in the 1999 ranking of the most creative agency networks, according to *The Gunn Report*.

BBDO Worldwide expanded its business with key clients, including Gillette, PepsiCo, FedEx, Charles Schwab, Henkel, Dell and DaimlerChrysler while adding the New York Stock Exchange, the New York Yankees, and interactive assignments from Visa, General Electric, the Financial Times and Realestate.com.

BBDO continues to win acclaim for its creative excellence, receiving twice as many awards for print and television than any other agency at the London International Advertising Festival, and capturing the American Association of Advertising Agencies' highest honor for creative excellence, the O'Toole Award, for the second time in three years. *TV Guide* ranked four BBDO commercials among the top 10 Super Bowl ads of all time.

The agency opened several new offices last year, bringing its network to 298 offices in 74 countries. During the year, BBDO merged existing agencies to create Myres BBDO in Norway, NOS BBDO in Poland, Sancho BBDO in Colombia and DLV BBDO in Italy. BBDO also took equity positions in Pages BBDO in the Dominican Republic and increased its equity ownership of Swamy BBDO in India and I&S BBDO in Japan.

BBDO also established a digital interactive division, @tmosphere Interactive, as part of an expansion of its integrated marketing services. Sixteen of the 25 companies added to the network in 1999 practice non-advertising disciplines.

With 206 offices in 98 countries, DDB Worldwide continued to expand its integrated marketing capabilities while cementing its reputation as a creative leader in traditional advertising.

Last year, the agency and its subsidiary Griffin Bacal launched Kid Think Inc. in 16 countries on five continents, making it the first global kid-marketing consultancy. DDB Worldwide also expanded its Beyond DDB integrated marketing unit in the U.S. and overseas. In the UK, DDB entered into a joint venture with DAS through Claydon Heeley to form Jones Mason Direct Marketing Group. DDB also established DDB Matrix, a consulting unit specializing in the development and use of statistical models to determine advertising effectiveness.

DDB dominated 49 U.S. and international award shows, including the International Advertising Festival at Cannes and the Effies. At the Clios it was

named global agency network of the year. *The Gunn Report* recognized DDB as the award winningest agency network in the world. Three of DDB's 1999 Super Bowl commercials for Anheuser-Busch were ranked in the Top Ten on *USA Today's* Super Bowl Ad Meter.

New business wins for the agency included the consolidated Clorox Co. account as well as Starwood and its subsidiary Sheraton Hotels, Coty, Exxon Mobil, Credit Suisse, DHL, Henkel, Dial, Scott Garden Products, and FTD.

DDB Digital, which was founded in 1998, continued to expand its capabilities and client list in the burgeoning digital interactive marketing services area.

TBWA Worldwide delivered a top-level performance in 1999, bringing in significant new business and capturing many awards for creative excellence. Major new clients include the International Olympic Committee, Fila, USA Films, WebStreet and Circuit City.

The agency further solidified its reputation for creating advertising that works as TBWA Chiat/Day in Los Angeles won the Grand Effie for its Taco Bell work. In addition, TBWA GGT Simons Palmer in London captured the Grand Prix for Print and Poster at the International Advertising Festival in Cannes for its Sony Playstation work.

TBWA continued its international expansion through acquisitions, which included Zimmerman and Partners in the U.S., Austria 3/Mediaplan in Austria, and Bossa Nova SA in France. In Italy, the agency acquired Pro Ad Services, a sales promotion, direct response and interactive marketing agency. TBWA also created the Digerati Program, dedicated to raising employee awareness, comfort and competency with the Internet and digital technology. The program, initiated in Los Angeles in October 1999, will be implemented throughout the network in 2000.

GSD&M was named *Adweek's* Southwest Agency of the Year for its creative work and client wins, including Dreamworks SKG and SBC Communications. GSD&M was also listed among *Advertising Age's* top national agencies.

Martin Williams received creative award recognition for its work for Coleman, Catholic Charities, Rubbermaid and Target.

Goodby Silverstein & Partners significantly expanded its client roster with, among others, Discover Card, E*Trade, Polaroid Kids and travelscape.com. The agency also increased its business with Hewlett Packard and Dreyer's Ice Cream.

Notable advertising from the agency included work for Cracker Jack, E*Trade, Pacific Bell and

Discover Card. *USA Today* selected the agency's "Lizards" campaign for Budweiser as the Super Bowl's best commercial of all-time.

Early in 2000, we established a new subsidiary, Omnicom Media Group (OMG), to manage our many media services assets. OMG has since aligned our media planning and buying companies into two international media-service networks, one called OMD, and the other PhD.

At OMD, which was already a major international force, the change meant expanding into the U.S. market by combining the domestic programming research and broadcast media buying activities of our global advertising networks into OMD USA. OMD is now a truly global media-services company, with about \$14 billion in media billings.

PhD is an entirely new network that combines Omnicom's independent media specialist companies, including Advanswers and Creative Media in the United States; HYPN in Canada and New PhD in the UK (which was named UK media agency of the year). The new network will enable us to accommodate a very broad array of clients. PhD handles nearly \$3 billion in media billings.

Clients, increasingly, are consolidating their media buying at companies that specialize in media services only. Our new structure is a key strategic initiative that anticipates further development of this trend. We offer clients the choice of two high-caliber international media networks, each with its own distinct character of service. OMD was built on the heritage and global scale of our advertising agencies, and the PhD network is a culture of independent and entrepreneurial media specialists.

Marketing Services and Specialty Communications Brands

With over 100 separately branded companies under its umbrella, Diversified Agency Services (DAS) is the largest component of Omnicom Group. DAS has experienced significant growth since it was founded in 1986, with operations across 28 marketing services and specialty communications categories and over 13,000 employees.

To support its growth, DAS made several management changes in 1999. Reporting to DAS Chairman-CEO Thomas L. Harrison is Michael Birkin, Worldwide President of DAS, who has relocated to New York from London. Anthony Wreford, who for 10 years has been a consultant to Omnicom and DAS as well as companies such as McKinsey, Lehman Brothers and Nike, was named President and Chief Executive of DAS Europe. In addition, Carmen Baez was named President of Latin America where DAS public relations, direct response and branding companies now have 69 offices in 17 countries.

In 1999, Mercedes-Benz of North America entered into a strategic marketing alliance with DAS covering the full range of marketing communications for Mercedes-Benz in the U.S. Merkle Newman Harty was named the lead agency on the account. Other DAS agencies involved include Alcone Marketing Group, the Designory, Footsteps, GMR Marketing, Kaleidoscope Creative and Rapp Collins Worldwide.

Merkley Newman Harty (MNH) also formed an alliance with direct-to-consumer healthcare agency Consumer Healthworks (CHW) calling for the merger of CHW's operations with MNH this year. This unit will capitalize on the explosive growth in client spending for direct-to-consumer marketing services in the healthcare industry.

Omnicom has established the leading global healthcare franchise. In the United States, we own 10 healthcare ad agencies, three of which are in the top 20 as ranked by *Medical Advertising News*. As a group, our agencies work for more than 40 of the top 50 pharmaceutical manufacturers. In 1999, DAS acquired a minority position in SCIREX, a contract research organization. This acquisition was the first of its kind in our industry and will provide earlier entrée by DAS agencies in the brand development and commercialization process.

Public relations has become the largest business component of DAS, with three of the top seven worldwide public relations networks – Fleishman-Hillard, Ketchum and Porter Novelli International. Fleishman-Hillard, the largest agency in the United States in terms of revenues, was also named Agency of the Decade by *Inside PR*. Fleishman-Hillard acquired UpStart Communications and Lois Paul, both companies primarily focused on high-technology marketing and public relations. Ketchum began implementing an internal digital business initiative to transform how its professionals work with one another, deliver client service and engage in the practice of public relations in the digital economy. Through Copithorne & Bellows and Porter Novelli, DAS formed the Porter Novelli Convergence Group, which focuses on technology-based public relations business.

The DAS public relations portfolio also includes Brodeur Worldwide, Clark & Weinstock, Gavin Anderson and GPC International. In addition, in 1999, DAS acquired public affairs specialists McDermott O'Neill and Cone Communications.

Rapp Collins Worldwide acquired a 50 percent equity interest in Critical Mass, a Canadian based direct response Internet services company with offices in Chicago and Stockholm. Rapp Collins also formed Rapp Digital; an interactive agency that provides clients with a range of advanced electronic

customer relationship management (e-CRM) services. Critical Mass is an integral component of Rapp Digital. The combination of the two makes Rapp Digital one of the top 20 interactive agencies.

Customer relationship management is a major component of direct marketing strategies and customer research and web-based techniques are converging. In November, DAS acquired M/A/R/C, a database driven relationship management and marketing company using interactive web-based applications. M/A/R/C is one of the largest marketing intelligence firms in North America.

Also in 1999, DAS acquired a third direct marketing company, West Coast based Direct Partners, which is emerging as a major player in direct marketing strategic consulting and electronic customer relationship management using digital, web-based technologies.

As this letter was written, DAS announced the acquisition of Washington Speakers Bureau, which provides celebrity speaker services for the lecture circuits and for corporate management and marketing events.

Promotional marketing is another facet of customer relationship management and Alcone Marketing Group and The Integer Group performed strongly through their mix of services – strategic and tactical retail executions, database-backed incentives and loyalty programs. In the area of live event marketing, GMR Marketing continued to expand its breadth of client services. In the UK, Claydon Heeley had an outstanding year.

DAS also recently strengthened its global field marketing capabilities with a 40 percent investment in MarketStar, one of the leading U.S. firms specializing in the computer and communications industries. MarketStar will complement the CPM Group, which continues to dominate field marketing in Europe.

In brand consulting, Interbrand confirmed its position as a global leader in its field, with strong performances in all regions. A particularly exciting development for the company was the launch of its BrandWizard proprietary design system software.

Digital Brands

Omnicom established Communicade three years ago to serve as a sub-holding company for our investments in interactive, e-Commerce, digital design and technology companies. In 1999, two of our initial investments, AGENCY.com and Razorfish went public, and in early 2000, Organic and L90 issued their first public shares. Since January 1, 2000, we have significantly increased our investments in this high-growth area and

we presently own significant positions in public companies AGENCY.com, Organic, L90, AnswerThink and Razorfish. We also own positions in Red Sky Interactive, DASH.com, Nuforia, Post Communications, Replay TV, RecruitSoft, WML.com, and Critical Mass.

Several of these companies are featured on the perennial lists of top interactive agency brands. For example, *Adweek* named four Omnicom-affiliated companies (AGENCY.com, Organic, Razorfish and Red Sky Interactive) to its annual Top 10 ranking of interactive agencies for 1999.

Among our internal digital initiatives, DDB Digital was launched by DDB in 1998 and BBDO formed @tmosphere Interactive in 1999. Bernard Hodes, our recruitment agency developed Career Mosaic internally, an online job search system, and Critical Mass aligned with Rapp Collins to form Rapp Digital, an interactive direct marketing company.

As our reputation for leadership in the interactive/digital markets has grown, our Communicade team has seen a dramatic increase in the number of business plans and investment proposals we receive. Omnicom is widely regarded as the strategic and financial partner of choice by the creative innovators in this fast-growing and important sector. Clearly the pace of investment in this sector will remain robust.

A Balance For Future Growth

In summary, 1999 was a great year. It proved again that Omnicom Group's mix of businesses can deliver a consistently strong performance for our shareholders. We matched our global financial and market leadership with global creative leadership. Our established brands are stronger than ever, yet our flexibility and capacity for change allows us to move quickly to capture emerging opportunities.

Our goal is nothing less than to remain the finest and most admired professional services holding company in the world. For that I will continue to rely on – and be grateful for – the entrepreneurial nature of our management teams and employees around the world and the faith and confidence shown by our shareholders.

Thank you all for being the true foundation of Omnicom Group.



John Wren

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-10551

OMNICOM GROUP INC.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)

13-1514814
(I.R.S. Employer Identification No.)

437 Madison Avenue, New York, NY
(Address of principal executive offices)

10022
(Zip Code)

Registrant's telephone number, including area code: (212) 415-3600

Securities Registered Pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.50 Par Value	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in the definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

At March 15, 2000, there were 176,930,039 shares of Common Stock, \$.50 par value, outstanding; the aggregate market value of the voting stock held by nonaffiliates at March 15, 2000 was approximately \$14,351,645,000

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the Registrant's definitive proxy statement relating to its annual meeting of shareholders scheduled to be held on May 16, 2000 are incorporated by reference into Part III of this Report.

OMNICOM GROUP INC.

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<p>The information called for by Items 10, 11, 12 and 13, to the extent not included in this document, is incorporated herein by reference to such information to be included under the captions "Election of Directors," "Common Stock Ownership of Management," "Directors' Compensation" and "Executive Compensation," in the Company's definitive proxy statement which is expected to be filed by April 11, 2000.</p>	
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PART I

Item 1. *Business*

Omnicom Group Inc., through its wholly and partially-owned companies (hereinafter collectively referred to as the “Company” or the “Omnicom Group”), provides corporate communications services to clients worldwide on a global, pan-regional, national and local basis. Operations cover the major regions of North America, the United Kingdom, Germany, France, the remainder of Continental Europe, Latin America, the Far East, Australia, the Middle East and Africa. In both 1999 and 1998, approximately 50% of the Omnicom Group’s commissions and fees came from its non-U.S. operations. The corporate communications services offered by the Company include advertising in various media such as television, radio, newspaper, magazines, outdoor and the internet, as well as public relations, specialty advertising, direct response and promotional marketing, strategic media planning and buying, and internet and digital media development.

According to the unaudited industry-wide figures published in 1999 by the trade journal *Advertising Age*, the Omnicom Group was ranked as the largest advertising agency group worldwide.

Corporate Communications Services

The Omnicom Group companies provide a variety of advertising and marketing communication services to their clients, including: the creation and production of advertising, marketing consultation, strategic media planning and buying, financial and business-to-business advertising, directory advertising, healthcare communications, managed care consultancy, recruitment communications, branding consultancy, digital communications, contract publishing, design and image consultancy, direct/database marketing, field marketing, integrated promotional marketing, public affairs, corporate and financial public relations, reputation management, sports and event marketing, telemarketing, and internet and digital media development.

Brands

The above services are provided to clients through numerous worldwide, national and regional independent agency brands. These brands include, among others, BBDO Worldwide, DDB Worldwide, TBWA Worldwide, Abbott Mead Vickers, Adelphi Group, Alcone Marketing Group, Bernard Hodes Advertising, Brodeur Worldwide, Case•Dunlap, Clark & Weinstock, Claydon Heeley, CPM International, Diversified Healthcare Communications Group, Doremus & Company, Fleishman-Hillard, Gavin Anderson & Company, GMR Marketing, Goodby, Silverstein & Partners, GPC International, Griffin Bacal, GSD&M, Health & Medical Communications Group, Integer Group, Interbrand, InterOne Marketing Group, Ketchum, Ketchum Directory Advertising, M/A/R/C Inc., Martin-Williams, Merkley Newman Harty, Moss Dragoti, Optimum Media Direction, PhD, Porter Novelli International, Porter Novelli Convergence Group, Rapp Collins Worldwide, Steve Cram & Associates, TARGIS Healthcare Communications Worldwide, The Designory, TicToc, TLP, Inc., and Zimmerman & Partners Advertising. Additionally, through its wholly-owned subsidiary Communicade, the Company has minority equity investments in several interactive marketing agencies, including: AGENCY.com, Ltd., Organic, Inc., Razorfish, Inc., Red Sky Interactive, Inc., Critical Mass and AnswerThink Consulting Group, Inc.

Markets

The Omnicom Group agency brands provide services to their clients on a global, pan-regional, national and local basis. These agencies operate throughout the major cities of the United States and through subsidiaries and affiliates in Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Colombia, Costa Rica, Croatia, Cyprus, the Czech Republic, Denmark, Dominican Republic, Egypt, El Salvador, Estonia, Finland, France, Germany, Greece, Guatemala, Honduras, Hong Kong, Hungary, India, Ireland, Israel, Italy, Japan, Kuwait, Latvia, Lebanon, Lithuania, Malaysia, Mexico, the Netherlands, New Zealand, Nicaragua, Norway, Panama, Peru, the Philippines, Poland, Portugal, Puerto Rico, Romania, Russia, Saudi Arabia, Singapore, the Slovak Republic, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, the United Arab Emirates, the United Kingdom, Uruguay, Venezuela and other countries around the world.

For financial information concerning domestic and foreign operations and segment reporting see Note 5 to the Consolidated Financial Statements.

Clients

The clients of the Omnicom Group include major consumer products, industrial, financial and service industry companies, as well as smaller, pan-regional, national and local companies.

The Omnicom Group's ten largest clients accounted for approximately 19% of 1999 commissions and fees. Twelve Omnicom Group agency brands provided services to the Company's largest client, which accounted for approximately 5% of the 1999 commissions and fees.

Commissions and Fees

In most cases, fees are generated in lieu of commissions. Several different fee arrangements are used depending on the client and individual agency. In general, fee charges relate to the cost of providing services plus a markup.

Commissions charged on media billings are not uniform and are negotiated with the client. In accordance with industry practice, the media source typically bills the agency for the time or space purchased and the Omnicom Group companies bill their clients for this amount plus the commission.

Revenues are dependent upon the marketing requirements of clients and tend to be highest in the second and fourth quarters of the calendar year.

Competitive Conditions

The Company's business is highly competitive and accounts may shift agencies, usually on 90 days' notice. Clients may also reduce advertising and marketing budgets at any time. An agency's ability to compete for new clients is affected in some instances by the policy, which many advertisers and marketers follow, of not permitting their agencies to represent competitive accounts in the same market. As a result, increasing size may limit an agency's potential for securing certain new clients. In the vast majority of cases, however, the Omnicom Group's consistent maintenance of separate, independent agency brands have enabled the Company to represent competing clients.

The Omnicom Group agency brands have sought, and will seek, new business by showing potential clients examples of advertising and marketing campaigns and by explaining the variety of related services offered. The Omnicom Group competes in the United States and internationally with a multitude of full service and special service agencies. In addition to the usual risks of the Company's business, international operations are subject to the risk of currency exchange fluctuations, exchange control restrictions and to actions of governmental authorities.

Employees

The business success of the Omnicom Group is, and will continue to be, highly dependent upon the skills and creativity of its creative, research, media and account personnel and their relationships with clients. The Company believes its agencies have established reputations for creativity and marketing expertise which attract, retain and stimulate talented personnel. There is substantial competition among advertising agencies for talented personnel and all agencies are vulnerable to adverse consequences from the loss of key individuals. Employees are generally not under employment contracts and are free to move to competitors. The Company believes that its compensation arrangements for its key employees, which in addition to base salaries and performance bonuses may include stock options, restricted stock and retirement plans, are highly competitive with those of other advertising agencies. As of December 31, 1999, the Omnicom Group, excluding unconsolidated affiliates, employed approximately 43,000 persons, of which approximately 17,700 were employed in the United States and approximately 25,300 were employed in its international offices.

Government Regulation

The Company's business is subject to government regulation, both within and outside the United States. In the United States, federal, state and local governments and their agencies and various consumer groups have directly or indirectly affected or attempted to affect the scope, content and manner of presentation of advertising. The continued activity by government and by consumer groups regarding advertising may cause further change in domestic advertising practices in the coming years. While the Company is unable to

estimate the effect of these developments on its domestic business, management believes the total volume of advertising in general media in the United States will not be materially reduced due to future legislation or regulation, even though the scope, content and manner of presentation of advertising may be modified. In addition, the Company will continue to ensure that its management and operating personnel are aware of and are responsive to the possible implications of such developments.

Item 2. *Properties*

Substantially all of the Company's offices are located in leased premises. The Company actively manages its lease obligations and, where appropriate, consolidates its leased premises. Management has obtained subleases for most of the premises vacated. Where appropriate, management has established reserves for the difference between the cost of the leased premises that were vacated and anticipated sublease income.

Domestic

The Company's corporate office occupies approximately 50,000 sq. ft. of space at 437 Madison Avenue, New York, New York under a lease expiring in the year 2010.

Offices in Atlanta, Boston, Chicago, Coral Gables, Dallas, Detroit, Houston, Irvine, Kansas City, Los Angeles, Minneapolis, New York, Palo Alto, Philadelphia, Pittsburgh, San Francisco, San Jose, Seattle, Stamford, St. Louis and Washington D.C. and at various other locations occupy approximately an aggregate of 5,645,000 sq. ft. of space under leases with varying expiration dates.

International

The Company's international subsidiaries and affiliates in Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Ireland, Italy, Japan, Latvia, Malaysia, Mexico, the Netherlands, New Zealand, Norway, the Philippines, Poland, Portugal, Puerto Rico, Romania, Singapore, the Slovak Republic, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand and the United Kingdom occupy premises under leases with various expiration dates.

Item 3. *Legal Proceedings*

The Company has no material pending legal proceedings, other than ordinary routine litigation incidental to its business.

Item 4. *Submission of Matters to a Vote of Security Holders*

No matters were submitted to a vote of security holders during the last quarter of 1999.

Supplemental Item. Executive Officers of the Registrant

The individuals named below are Executive Officers of the Company and, except as indicated below, have held their current position during the last five years:

<u>Name</u>	<u>Position</u>	<u>Age</u>
Bruce Crawford	Chairman of Omnicom Group	71
John D. Wren.....	Chief Executive Officer & President of Omnicom Group	47
Randall J. Weisenburger	Executive Vice President and Chief Financial Officer of Omnicom Group	41
Dennis E. Hewitt	Treasurer of Omnicom Group	55
Barry J. Wagner.....	Secretary & General Counsel of Omnicom Group	59
Philip J. Angelastro	Controller of Omnicom Group	35
Allen Rosenshine.....	Chairman & Chief Executive Officer of BBDO Worldwide	61
James A. Cannon.....	Vice Chairman & Chief Financial Officer of BBDO Worldwide	61
Keith L. Reinhard	Chairman & Chief Executive Officer of DDB Worldwide	65
Thomas L. Harrison.....	Chairman & Chief Executive Officer of Diversified Agency Services, a division of the Corporation	52
Michael Greenlees.....	President and Chief Executive Officer of TBWA Worldwide	53
Bernard Brochand	President, International Division of DDB Worldwide	61

John D. Wren was appointed Chief Executive Officer of the Company effective January 1, 1997, succeeding Bruce Crawford in the position. Mr. Wren was appointed President of the Company and Chairman of Diversified Agency Services in September 1995. Mr. Wren was appointed Chief Executive Officer of Diversified Agency Services in May 1993. Mr. Wren had served as President of Diversified Agency Services since February 1992, having previously served as its Executive Vice President and General Manager.

Randall J. Weisenburger joined the Company in September 1998 and became its Executive Vice President and Chief Financial Officer on January 1, 1999. Mr. Weisenburger was previously with Wasserstein Perella & Co., where he was President and Chief Executive Officer of Wasserstein Perella Management Partners, its merchant banking subsidiary.

Barry J. Wagner was promoted to Secretary and General Counsel of the Company in May 1995. Mr. Wagner was previously Assistant Secretary of the Company.

Philip J. Angelastro was promoted to Controller of the Company effective February 1, 1999. Mr. Angelastro joined the Company in June 1997 as Vice President of Finance with Diversified Agency Services after being a Partner at Coopers & Lybrand LLP.

Thomas L. Harrison has served as Chairman and Chief Executive Officer of the Diversified Agency Services division of the Corporation since May 1998, having previously served as its President since February 1997. He also has served as Chairman of the Diversified Healthcare Communications Group since its formation in 1994. From 1987 to 1994, Mr. Harrison served as Chairman and Chief Executive Officer of the Harrison & Star Business Group.

Michael Greenlees has served as President and Chief Executive Officer of TBWA Worldwide since March 1998. Prior thereto, he was Chairman and Chief Executive Officer of GGT Group plc, which was acquired by the Company in February 1998.

Similar information with respect to the remaining Executive Officers of the Company, who are all directors of the Company, can be found in the Company's definitive proxy statement expected to be filed April 11, 2000.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Price Range of Common Stock and Dividend History

The Company's common stock is listed on the New York Stock Exchange under the symbol "OMC". The table below shows the range of quarterly high and low sale prices reported on the New York Stock Exchange Composite Tape for the Company's common stock for the periods indicated and the dividends paid per share on the common stock for such periods; the reported last sales price on March 15, 2000 was \$81³/₄.

	<u>High</u>	<u>Low</u>	<u>Dividends Paid Per Share of Common Stock</u>
1998			
First Quarter	47 ¹ / ₁₆	37 ⁷ / ₈	.125
Second Quarter.....	49 ⁷ / ₈	45 ¹ / ₂	.125
Third Quarter	57 ¹ / ₄	45	.125
Fourth Quarter	58	38 ⁹ / ₁₆	.15
1999			
First Quarter	79 ¹⁵ / ₁₆	56 ¹ / ₂	.15
Second Quarter.....	85 ¹ / ₈	67	.15
Third Quarter	80 ¹¹ / ₁₆	67 ¹ / ₁₆	.15
Fourth Quarter	107 ¹ / ₈	71 ⁵ / ₈	.175

The Company is not aware of any restrictions on its present or future ability to pay dividends. However, in connection with certain borrowing facilities entered into by the Company and its subsidiaries (see Note 7 to the Consolidated Financial Statements), the Company is subject to certain restrictions on the ratio of debt to cash flow, the ratio of total consolidated indebtedness to total consolidated capitalization and its ability to make investments in and loans to affiliates and unconsolidated subsidiaries.

On January 31, 2000 the Board of Directors declared a regular quarterly dividend of \$0.175 per share of common stock, payable April 6, 2000 to holders of record on March 10, 2000.

Approximate Number of Equity Security Holders

<u>Title of Class</u>	<u>Approximate Number of Record Holders on March 15, 2000</u>
Common Stock, \$.50 par value	3,721
Preferred Stock, \$1.00 par value	None

Item 6. Selected Financial Data

The following table sets forth selected financial data of the Company and should be read in conjunction with the consolidated financial statements which begin on page F-1. All prior years information has been restated to give effect to the accounting for the acquisition of Abbott Mead Vickers Group Limited (formerly known as Abbott Mead Vickers plc) under the pooling of interests method of accounting (see Note 2 to the Consolidated Financial Statements). Per share amounts for 1995 and 1996 have been restated to give effect to the two-for-one stock split completed December 1997.

	(Dollars in Thousands Except Per Share Amounts)				
	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
For the year:					
Commissions and fees	\$5,130,545	\$4,290,946	\$3,296,224	\$2,775,873	\$2,360,688
Net income	362,882	278,845	217,300	162,076	135,196
Earnings per common share					
Basic	2.07	1.61	1.30	1.02	0.92
Diluted	2.01	1.57	1.28	0.99	0.89
Dividends declared per common share	0.625	0.525	0.45	0.375	0.33
At year end:					
Total assets	\$9,017,637	\$7,121,968	\$5,114,364	\$4,192,156	\$3,653,265
Long-term obligations:					
Long-term debt and convertible subordinated debentures	711,632	717,410	341,665	208,329	293,418
Deferred compensation and other liabilities	300,746	269,966	166,492	130,606	126,725

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

As discussed in Note 2 to the Consolidated Financial Statements, on February 10, 1999 the Company completed the acquisition of Abbott Mead Vickers Group Limited (formerly known as Abbott Mead Vickers plc) ("AMV"). The AMV acquisition was accounted for under the pooling-of-interests method of accounting. Accordingly, the Company's financial statements have been restated to include the financial results of AMV for all periods presented. The following discussion is made with respect to the restated financial statements.

In 1999, domestic revenues from commissions and fees increased 20.7 percent. The effect of acquisitions, net of divestitures, accounted for a 6.1 percent increase. The remaining 14.6 percent increase was due to the growth of existing businesses, including net new business wins and higher net spending by existing clients.

In 1998, domestic revenues from commissions and fees increased 29.8 percent. The effect of acquisitions, net of divestitures, accounted for a 12.5 percent increase. The remaining 17.3 percent increase was due to the growth of existing businesses, including net new business wins and higher net spending by existing clients.

In 1999, international revenues increased 18.4 percent. The effect of acquisitions, net of divestitures, accounted for a 10.9 percent increase in international revenues. Changes in the translation of foreign currencies to the U.S. dollar decreased international revenues by 6.0 percent. The remaining 13.5 percent increase was due to the growth of existing businesses, including net new business wins and higher net spending by existing clients.

In 1998, international revenues increased 30.6 percent. The effect of acquisitions, net of divestitures, accounted for an 18.7 percent increase in international revenues. Changes in the translation of foreign currencies to the U.S. dollar decreased international revenues by 2.5 percent. The remaining 14.4 percent increase was due to the growth of existing businesses, including net new business wins and higher net spending by existing clients.

In 1999, worldwide operating expenses increased 18.2 percent. Acquisitions, net of divestitures during the year, accounted for a 7.3 percent increase in worldwide operating expenses. Changes in the translation of foreign currencies to the U.S. dollar decreased worldwide operating expenses by 2.8 percent. The remaining 13.7 percent increase was caused by normal salary increases and growth in out-of-pocket expenditures to service the increased revenue base. Net foreign exchange transaction gains did not significantly impact operating expenses for the year.

In 1998, worldwide operating expenses increased 29.3 percent. Acquisitions, net of divestitures during the year, accounted for a 15.6 percent increase in worldwide operating expenses. Changes in the translation of foreign currencies to the U.S. dollar decreased worldwide operating expenses by 1.3 percent. The

remaining 15.0 percent increase was caused by normal salary increases and growth in out-of-pocket expenditures to service the increased revenue base. Net foreign exchange transaction gains did not significantly impact operating expenses for the year.

Net interest expense in 1999 increased \$10 million. This increase primarily reflects higher average borrowings during the year and higher interest rates.

Net interest expense in 1998 increased \$19.3 million. This increase primarily reflects higher average borrowings during the year, resulting in part from the issuance of the 2¼% Convertible Subordinated Debentures and the 5.20% French Franc Notes, partially offset by the effect of higher average amounts of cash and marketable securities invested during the year.

The 1999 effective tax rate decreased to 40.6 percent. The decrease reflects lower domestic and international effective tax rates.

The effective tax rate for 1998 decreased to 42.0 percent from 42.6 percent and primarily reflects lower effective tax rates at the Company's international subsidiaries.

In 1999, consolidated net income increased 30.1 percent. This increase was primarily the result of revenue growth and margin improvement, partially offset by a decrease in equity in affiliates and an increase in minority interest expense. In addition, in connection with the restatement of the prior year amounts, certain costs were recorded by AMV, including transaction costs associated with the merger. Operating margin, which excludes net interest expense, increased to 14.1 percent in 1999 from 13.1 percent in 1998, primarily as a result of greater growth in commission and fee revenue compared to the growth in operating expenses. Changes in the translation of foreign currencies to the U.S. dollar decreased consolidated net income by 4.2 percent. The decrease in equity in affiliates in 1999 was primarily the result of the acquisition of increased ownership interests in certain affiliates that resulted in their consolidation in the December 31, 1999 financial statements, as well as lower aggregate profits by companies accounted for under the equity method. The increase in minority interest expense in 1999 was caused by higher earnings from companies in which minority interests exist and an increase, as a result of acquisitions, in the number of consolidated companies with a minority interest, including the conversion of certain affiliates into subsidiaries.

In 1998, consolidated net income increased 28.3 percent. This increase was the result of revenue growth and margin improvement, partially offset by a decrease in equity in affiliates and an increase in minority interest expense. Operating margin, which excludes net interest expense, increased to 13.1 percent in 1998 from 12.5 percent in 1997 as a result of greater growth in commission and fee revenue than the growth in operating expenses. Changes in the translation of foreign currencies to the U.S. dollar decreased consolidated net income by 1.9 percent. The decrease in equity in affiliates was primarily the result of the acquisition of increased ownership interests in certain affiliates that resulted in their consolidation in the December 31, 1998 financial statements, as well as lower aggregate profits by companies accounted for under the equity method. The increase in minority interest expense was caused by higher earnings from companies in which minority interests exist and an increase as a result of acquisitions during the year in the number of consolidated companies with a minority interest, including the conversion of certain affiliates into subsidiaries.

At December 31, 1999, accounts receivable, net of allowance for doubtful accounts, increased by \$667.0 million from December 31, 1998. At December 31, 1999, accounts payable increased by \$746.9 million from December 31, 1998. These increases were primarily due to an increased volume of activity resulting from business growth and acquisitions during the year and, for accounts payable, differences in the timing of payments to media and other suppliers in 1999 as compared to 1998.

The Company is subject to the risk of currency exchange rate fluctuations related to its international operations. This risk is generally limited to the net income of the operations as the revenues and expenses of the operations are generally denominated in the same currency. The Company or its international operations may in some cases enter into hedging transactions to minimize the risk of adverse currency exchange rate fluctuations. The Company's major international markets are Brazil, Canada, the Euro currency countries, Japan and the United Kingdom.

As part of managing the Company's exposures to currency exchange and market interest rates, the Company periodically enters into derivative financial instruments. Derivative financial instruments are subject to market and counterparty risk. Market risk is the potential for loss resulting from changes in market

conditions. The Company periodically determines the potential loss from market risk by performing a value-at-risk computation. Value-at-risk uses a statistical model that utilizes historic currency exchange and interest rate data to measure the potential impact on future earnings of the Company's existing portfolio of derivative financial instruments. The value-at-risk analysis performed on the Company's December 31, 1999 portfolio of derivative financial instruments indicated that the risk of loss was immaterial. Counterparty risk arises from the inability of a counterparty to meet its obligations. To minimize counterparty risk, the Company only enters into derivative contracts with major well-known financial institutions that have credit ratings equal to or better than the Company's.

The Company's derivative activities are limited in volume and confined to risk management activities related to the Company's worldwide operations. A reporting system is in place which evaluates the impact on the Company's earnings resulting from changes in interest rates, currency exchange rates and other relevant market risks. This system is structured to enable senior management to initiate prompt remedial action, if appropriate, and results are periodically reviewed with the Audit Committee.

At December 31, 1999 and 1998, the Company had forward foreign exchange contracts outstanding with an aggregate notional principal amount of \$893 million and \$865 million, respectively, most of which were denominated in the Company's major international market currencies. These contracts predominantly hedge certain intercompany receivables and payables which are not recorded in the respective company's functional currency. The terms of these contracts are generally three months or less.

At December 31, 1999, the Company had Japanese yen 16.3 billion aggregate notional principal amount of cross currency interest rate swaps. The swaps convert a portion of the Company's U.S. dollar floating rate debt into fixed rate Japanese yen debt and effectively hedge the Company's net investment in Japanese yen denominated assets.

At December 31, 1999 and 1998, the Company had no other derivative contracts outstanding.

Year 2000 Issue

The Company did not experience any significant disruption to its operations related to computer system programming failures or errors associated with the year 2000. The out-of-pocket costs incurred in 1999 for its Year 2000 remediation program were not material to the consolidated results of operations for the year ended December 31, 1999. These costs, substantially all of which were expensed, include third party consultants and the replacement and remediation of existing computer software and hardware. Such costs do not include internal management time, the effects of which were not material to the Company's results of operations or financial condition.

Capital Resources and Liquidity

Cash and cash equivalents decreased \$72.4 million during 1999 to \$576.4 million at December 31, 1999. The Company's positive net cash flow provided by operating activities was maintained. After annual cash outlays for dividends paid to shareholders and minority interests and the repurchase of the Company's common stock, primarily for employee programs, the balance of the cash flow, together with the proceeds from the issuance of debt obligations, was used to fund acquisitions, make capital expenditures and repay debt obligations.

The Company maintains two revolving credit facilities with a consortium of banks. One facility, for \$500 million, expires June 30, 2003 and the other, for \$750 million, expires April 28, 2000 (commitments have been delivered to extend this facility until April 28, 2001). Under the terms of these facilities the Company may either borrow directly or issue commercial paper. During the year approximately \$6,663 million of commercial paper was issued and \$6,584 million was redeemed. The average term of the commercial paper was 21 days. At December 31, 1999, approximately \$79 million of commercial paper was outstanding at interest rates ranging from 6.35% to 6.48%.

On June 24, 1998, the Company issued French Franc 1 billion (approximately \$164 million at the June 24, 1998 exchange rate) of 5.20% Notes with a scheduled maturity in 2005.

On March 4, 1998, the Company issued 4,000,000 shares of common stock for aggregate proceeds before expenses of \$171 million.

On January 6, 1998, the Company issued \$230 million of 2¼% Convertible Subordinated Debentures with a scheduled maturity in 2013. The debentures are convertible into common stock of the Company at a conversion price of \$49.83 per share subject to adjustment in certain events. Debenture holders have the right to require the Company to redeem the debentures on January 6, 2004 at a price of 118.968%, or upon the occurrence of a Fundamental Change, as defined in the indenture agreement, at the prevailing redemption price. The Company may redeem the debentures, as a whole or in part, on or after December 31, 2001 initially at 112.841% and at increasing prices thereafter to 118.968% until January 6, 2004, and 100% thereafter. Unless the debentures are redeemed, repaid, or converted prior thereto, the debentures will mature on January 6, 2013 at their principal amount.

On January 3, 1997, the Company issued \$218.5 million of 4¼% Convertible Subordinated Debentures with a scheduled maturity in 2007. The debentures are convertible into common stock of the Company at a conversion price of \$31.50 per share subject to adjustment in certain events. Debenture holders have the right to require the Company to redeem the debentures on January 3, 2003 at a price of 112.418%, or upon the occurrence of a Fundamental Change, as defined in the indenture agreement, at the prevailing redemption price. The Company may redeem the debentures, as a whole or in part, on or after December 29, 2000 initially at 108.324% and at increasing prices thereafter to 112.418% until January 2, 2003, and 100% thereafter. Unless the debentures are redeemed, repaid or converted prior thereto, the debentures will mature on January 3, 2007 at their principal amount.

On March 1, 1996, the Company issued Deutsche Mark 100 million Floating Rate Bonds due March 1, 1999. The bonds matured on March 1, 1999 and were repaid at par. The bonds were unsecured, unsubordinated obligations of the Company and bore interest at a per annum rate equal to Deutsche Mark three month LIBOR plus 0.375%.

The Company maintains relationships with a number of banks worldwide, which have committed to lines of credit in amounts sufficient to meet the Company's cash needs. At December 31, 1999, the Company had \$1,420.9 million in such committed lines of credit, comprised of a \$750 million unsecured revolving credit agreement expiring on April 28, 2000 and a \$500 million unsecured revolving credit agreement expiring June 30, 2003, as discussed above, and \$170.9 million in lines of credit, principally outside of the United States. Of the \$1,420.9 million in committed lines, \$127.1 million were drawn at December 31, 1999. Management believes that the Company's operating cash flow combined with its available lines of credit (including the expected renewal of the \$750 million revolving line of credit) are sufficient to support its foreseeable cash requirements including dividends, capital expenditures, acquisitions and maintenance of working capital.

Forward Looking Statements

This report contains disclosures which are forward-looking statements. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as "may," "will," "expect," "project," "estimate," "anticipate," "envisage," "plan" or "continue." These forward-looking statements are based upon the Company's current plans or expectations and are subject to a number of uncertainties and risks that could significantly affect current plans and anticipated actions and the Company's future financial condition and results. The uncertainties and risks include, but are not limited to, general economic and business conditions; loss of significant customers; changes in levels of client advertising; the impact of competition; risks relating to acquisition activities; and the complexity of integrated computer systems. As a consequence, current plans, anticipated actions and future financial condition and results may differ from those expressed in any forward-looking statements made by or on behalf of the Company.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

Information with respect to quantitative and qualitative disclosure about market risk is set forth under Item 7 in Part II of this Form 10-K.

Item 8. *Financial Statements and Supplementary Data*

The financial statements and supplementary data required by this item appear beginning on page F-1.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

PART III

Item 10. *Directors and Executive Officers of the Registrant*

Information with respect to the directors of the Company and compliance with Section 16 rules is incorporated by reference to the Company's definitive proxy statement expected to be filed by April 11, 2000. Information regarding the Company's executive officers is set forth under the Supplemental Item in Part I of this Form 10-K.

Item 11. *Executive Compensation*

Incorporated by reference to the Company's definitive proxy statement expected to be filed by April 11, 2000.

Item 12. *Security Ownership of Certain Beneficial Owners and Management*

Incorporated by reference to the Company's definitive proxy statement expected to be filed by April 11, 2000.

Item 13. *Certain Relationships and Related Transactions*

Incorporated by reference to the Company's definitive proxy statement expected to be filed by April 11, 2000.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a)1. Financial Statements:	<u>Page</u>
Report of Management	F-1
Report of Independent Public Accountants	F-2
Consolidated Statements of Income for the three years ended December 31, 1999.....	F-3
Consolidated Balance Sheets at December 31, 1999 and 1998	F-4
Consolidated Statements of Shareholders' Equity for the three years ended December 31, 1999	F-5
Consolidated Statements of Cash Flows for the three years ended December 31, 1999	F-6
Notes to Consolidated Financial Statements	F-7
Quarterly Results of Operations (Unaudited)	F-22
2. Financial Statement Schedules:	
Schedule II — Valuation and Qualifying Accounts (for the three years ended December 31, 1999).....	S-1
All other schedules are omitted because they are not applicable.	

3. Exhibits:

<u>Exhibit Number</u>	<u>Description</u>
(3)(i)	Certificate of Incorporation (as amended on December 4, 1997 and as restated for filing purposes), filed as Exhibit 4.1 to Omnicom Group Inc.'s Registration Statement No. 333-46303, are incorporated herein by reference.
(ii)	By-laws. Incorporated by reference to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1987.
(4)	Instruments Defining the Rights of Security Holders, Including Indentures.
4.1	Subscription Agreement dated December 14, 1994 by and among the Registrant, BBDO Canada Inc. and Morgan Stanley GmbH and the other Managers listed therein, in connection with the issuance of DM 200,000,000 Floating Rate Bonds of 1995 due January 5, 2000 of BBDO Canada Inc., including form of Guaranty by Registrant, filed as Exhibit 4.2 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1994, is incorporated herein by reference.
4.2	Paying Agency Agreement dated January 4, 1995 by and among the Registrant, BBDO Canada Inc. and Morgan Stanley GmbH in connection with the issuance of DM 200,000,000 Floating Rate Bonds of 1995 due January 5, 2000 of BBDO Canada Inc. filed as Exhibit 4.3 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1994, is incorporated herein by reference.
4.3	Subscription Agreement dated February 27, 1996 by and among the Registrant, Morgan Stanley Bank AG and Morgan Stanley & Co. International in connection with the issuance of DM 100,000,000 Floating Rate Bonds of 1996 due March 1, 1999 filed as Exhibit 4.4 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1995, is incorporated herein by reference.
4.4	Paying Agency Agreement dated March 1, 1996 by and among the Registrant, Morgan Stanley Bank AG and Morgan Stanley & Co. International in connection with the issuance of DM 100,000,000 Floating Rate Bonds of 1996 due March 1, 1999 filed as Exhibit 4.5 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1995, is incorporated herein by reference.

- 4.5 Indenture dated January 3, 1997 between the Registrant and The Chase Manhattan Bank, as trustee, in connection with the issuance of 4¼% Convertible Subordinated Debentures due 2007 filed as Exhibit 4.2 to Omnicom Group Inc.'s Form S-3 Registration Statement No. 333-22589, is incorporated herein by reference.
- 4.6 Form of Debentures (included in Exhibit 4.5 above) filed as Exhibit 4.3 to Omnicom Group Inc.'s Form S-3 Registration Statement No. 333-22589, is incorporated herein by reference.
- 4.7 Registration Rights Agreement dated January 3, 1997 between the Registrant and Morgan Stanley & Co. Incorporated related to the Registrant's 4¼% Convertible Subordinated Debentures due 2007 filed as Exhibit 4.4 to Omnicom Group Inc.'s Form S-3 Registration No. 333-22589, is incorporated herein by reference.
- 4.8 Indenture dated January 6, 1998, between Registrant and The Chase Manhattan Bank, as trustee, in connection with the issuance of 2¼% Convertible Subordinated Debentures due 2013 filed as Exhibit 4.1 to Omnicom Group Inc.'s Report on Form 8-K dated January 20, 1998, is incorporated herein by reference.
- 4.9 Form of Debentures (included in Exhibit 4.8 above) filed as Exhibit 4.2 to Omnicom Group Inc.'s Report on Form 8-K dated January 20, 1998, is incorporated herein by reference.
- 4.10 Registration Rights Agreement dated January 6, 1998, between the Registrant and Morgan Stanley & Co. Incorporated related to the Registrant's 2¼% Convertible Subordinated Debentures due 2013 filed as Exhibit 4.3 to Omnicom Group Inc.'s Report on Form 8-K dated January 20, 1998, is incorporated herein by reference.
- 4.11 Fiscal Agency Agreement dated June 24, 1998, in connection with the issuance of FRF 1,000,000,000 5.20% Notes due 2005 filed as Exhibit 4.1 to Omnicom Group Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 1998, is incorporated herein by reference.
- 4.12 Subscription Agreement dated June 22, 1998 by and among Omnicom Group Inc., Morgan Stanley S.A. and Others, in connection with the issuance of FRF 1,000,000,000 5.20% Notes due 2005 filed as Exhibit 4.2 to Omnicom Group Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 1998, is incorporated herein by reference.
- 4.13 Deed of the Covenant dated June 24, 1998, in connection with the issuance of FRF 1,000,000,000 5.20% Notes due 2005 filed as Exhibit 4.3 to Omnicom Group Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 1998, is incorporated herein by reference.
- (10) Material Contracts.
Management Contracts, Compensatory Plans, Contracts or Arrangements.
- 10.1 Registrant's 1987 Stock Plan, filed as Exhibit 10.26 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1987, is incorporated herein by reference.
- 10.2 Amendments to Registrant's 1987 Stock Plan, filed as Exhibit 10.2 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1994, is incorporated herein by reference.
- 10.3 Standard Form of the Registrant's 1998 Executive Salary Continuation Plan Agreement, filed as Exhibit 10.24 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1989, is incorporated herein by reference.
- 10.4 Standard Form of the Registrant's Indemnification Agreement with members of Registrant's Board of Directors, filed as Exhibit 10.25 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1989, is incorporated herein by reference.
- 10.5 Severance Agreement dated July 6, 1993, between Keith Reinhard and DDB Worldwide Communications Group, Inc. (then known as DDB Needham Worldwide, Inc.), filed as Exhibit 10.11 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1993, is incorporated herein by reference.

- 10.6 Employment Agreement dated May 26, 1993, between William G. Tragos and TBWA International B.V., filed as Exhibit 10.13 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1993, is incorporated herein by reference.
- 10.7 Deferred Compensation Agreement dated October 12, 1984, between William G. Tragos and TBWA Chiat/Day Inc. (then known as TBWA Advertising Inc.), filed as Exhibit 10.14 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1993, is incorporated herein by reference.
- 10.8 Standard Form of Severance Compensation Agreement incorporated by reference to BBDO International Inc.'s Form S-1 Registration Statement filed with the Securities and Exchange Commission on September 28, 1973, is incorporated herein by reference.
- 10.9 Omnicom Group Inc. 1998 Incentive Compensation Plan, filed as Exhibit A to Omnicom Group Inc.'s Proxy Statement dated April 6, 1998, is incorporated herein by reference.
- 10.10 Omnicom Group Inc. Restricted Stock Plan for Non-employee Directors.
Other Material Contracts.
- 10.11 \$500,000,000 Amended and Restated Credit Agreement, dated as of May 10, 1996 amended and restated as of February 20, 1998, between Omnicom Finance Inc., Omnicom Finance Limited, ABN AMRO Bank N.V., Chase Securities Inc. and the financial institutions party thereto, filed as Exhibit 10.16 to Omnicom Group Inc.'s Annual Report on Form 10-K for the year ended December 31, 1997, is incorporated herein by reference.
- 10.12 364-Day Credit Agreement, dated as of April 30, 1999, among Omnicom Finance Inc., Omnicom Finance Limited, the financial institutions party thereto, Citibank, N.A., as Administrative Agent, The Bank of Nova Scotia, as Documentation Agent, and Istituto Bancario San Paolo Di Torino Istituto Mobiliare Italiano S.p.A., as Syndication Agent (the "Credit Agreement"), filed as Exhibit 10.1 to Omnicom Group Inc.'s quarterly report on Form 10-Q for the quarter ended March 31, 1999, is incorporated herein by reference.
- 10.13 List of Contents of Exhibits to the Credit Agreement, filed as Exhibit 10.2 to Omnicom Group Inc.'s quarterly report on Form 10-Q for the quarter ended March 31, 1999, is incorporated herein by reference.
- 10.14 Guaranty, dated as of April 30, 1999, made by Omnicom Group Inc., filed as Exhibit 10.3 to Omnicom Group Inc.'s quarterly report on Form 10-Q for the quarter ended March 31, 1999, is incorporated herein by reference.
- (21) Subsidiaries of the Registrant
- (23) Consents of Experts and Counsel.
- 23.1 Consent of Arthur Andersen LLP.
- (24) Powers of Attorney from Bernard Brochand, Robert J. Callander, James A. Cannon, Leonard S. Coleman, Jr., Bruce Crawford, Susan S. Denison, Peter Foy, Thomas L. Harrison, John R. Murphy, John R. Purcell, Keith L. Reinhard, Allen Rosenshine, Gary L. Roubos, Quentin I. Smith, Jr. and Egon P.S. Zehnder.
- (27) Financial Data Schedule (filed in electronic format only).

(b) Reports on Form 8-K:

No reports on Form 8-K were filed during the fourth quarter of the year ended December 31, 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 29, 2000

OMNICOM GROUP INC.

By: /s/ RANDALL J. WEISENBURGER
Randall J. Weisenburger
Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ BRUCE CRAWFORD* (Bruce Crawford)	Chairman and Director	March 29, 2000
/s/ JOHN D. WREN (John D. Wren)	Chief Executive Officer and President and Director	March 29, 2000
/s/ RANDALL J. WEISENBURGER (Randall J. Weisenburger)	Executive Vice President and Chief Financial Officer	March 29, 2000
/s/ PHILIP J. ANGELASTRO (Philip J. Angelastro)	Controller (Principal Accounting Officer)	March 29, 2000
/s/ BERNARD BROCHAND* (Bernard Brochand)	Director	March 29, 2000
/s/ ROBERT J. CALLANDER* (Robert J. Callander)	Director	March 29, 2000
/s/ JAMES A. CANNON* (James A. Cannon)	Director	March 29, 2000
/s/ LEONARD S. COLEMAN, JR.* (Leonard S. Coleman, Jr.)	Director	March 29, 2000
/s/ SUSAN S. DENISON* (Susan S. Denison)	Director	March 29, 2000
/s/ PETER FOY* (Peter Foy)	Director	March 29, 2000
/s/ THOMAS L. HARRISON* (Thomas L. Harrison)	Director	March 29, 2000
/s/ JOHN R. MURPHY* (John R. Murphy)	Director	March 29, 2000
/s/ JOHN R. PURCELL * (John R. Purcell)	Director	March 29, 2000
/s/ KEITH L. REINHARD* (Keith L. Reinhard)	Director	March 29, 2000
/s/ ALLEN ROSENSHINE* (Allen Rosenshine)	Director	March 29, 2000
/s/ GARY L. ROUBOS* (Gary L. Roubos)	Director	March 29, 2000
/s/ QUENTIN I. SMITH, JR.* (Quentin I. Smith, Jr.)	Director	March 29, 2000
/s/ EGON P.S. ZEHNDER* (Egon P.S. Zehnder)	Director	March 29, 2000

*By /s/ BARRY J. WAGNER
Barry J. Wagner
Attorney-in-fact

REPORT OF MANAGEMENT

The management of Omnicom Group Inc. is responsible for the integrity of the financial data reported by the Company and its subsidiaries. Management uses its best judgment to ensure that the financial statements present fairly, in all material respects, the consolidated financial position and results of operations of Omnicom Group Inc. and subsidiaries. These financial statements have been prepared in accordance with generally accepted accounting principles.

The system of internal controls of the Company, augmented by a program of internal audits, is designed to provide reasonable assurance that assets are safeguarded and records are maintained to substantiate the preparation of accurate financial information. Underlying this concept of reasonable assurance is the premise that the cost of control should not exceed the benefits derived therefrom.

The financial statements have been audited by independent public accountants. Their report expresses an independent informed judgment as to the fairness of management's reported operating results, cash flows and financial position. This judgment is based on the procedures described in the second paragraph of their report.

The Audit Committee meets periodically with representatives of financial management, internal audit and the independent public accountants to assure that each is properly discharging their responsibilities. Additionally, the Audit Committee met periodically to review progress against the Company's Year 2000 readiness plan. In order to ensure complete independence, the Audit Committee communicates directly and separately with the independent public accountants, internal audit and financial management to discuss the results of their audits, the adequacy of internal accounting controls and the quality of financial reporting.

JOHN D. WREN

John D. Wren
Chief Executive Officer and President

RANDALL J. WEISENBURGER

Randall J. Weisenburger
Executive Vice President and Chief Financial Officer

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and
Shareholders of Omnicom Group Inc.:

We have audited the accompanying consolidated balance sheets of Omnicom Group Inc. (a New York corporation) and subsidiaries as of December 31, 1999 and 1998, and related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1999. These consolidated financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Omnicom Group Inc. and subsidiaries as of December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule on page S-1 is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

New York, New York
February 17, 2000

OMNICOM GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31, (Dollars in Thousands Except Per Share Data)		
	1999	1998	1997
COMMISSIONS AND FEES	\$5,130,545	\$4,290,946	\$3,296,224
OPERATING EXPENSES:			
Salaries and Related Costs	3,054,018	2,558,694	1,955,586
Office and General Expenses	1,352,397	1,170,045	928,954
	4,406,415	3,728,739	2,884,540
OPERATING PROFIT	724,130	562,207	411,684
NET INTEREST EXPENSE:			
Interest and Dividend Income	(34,486)	(34,072)	(23,677)
Interest Paid or Accrued	84,908	74,482	44,783
	50,422	40,410	21,106
INCOME BEFORE INCOME TAXES	673,708	521,797	390,578
INCOME TAXES	273,247	219,092	166,539
	400,461	302,705	224,039
INCOME AFTER INCOME TAXES	400,461	302,705	224,039
EQUITY IN AFFILIATES	15,368	20,506	25,742
MINORITY INTERESTS	(52,947)	(44,366)	(32,481)
NET INCOME	\$ 362,882	\$ 278,845	\$ 217,300
NET INCOME PER COMMON SHARE:			
Basic	\$ 2.07	\$ 1.61	\$ 1.30
Diluted	\$ 2.01	\$ 1.57	\$ 1.28

The accompanying notes to consolidated financial statements are an integral part of these statements.

OMNICOM GROUP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

A S S E T S

	December 31, (Dollars in Thousands)	
	1999	1998
CURRENT ASSETS:		
Cash and cash equivalents	\$ 576,427	\$ 648,781
Short-term investments at market, which approximates cost	24,522	68,610
Accounts receivable, less allowance for doubtful accounts of \$53,720 and \$55,764 (Schedule II).....	3,358,304	2,691,340
Billable production orders in process, at cost	299,209	255,294
Prepaid expenses and other current assets.....	453,862	448,496
Total Current Assets	<u>4,712,324</u>	<u>4,112,521</u>
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, at cost, less accumulated depreciation and amortization of \$522,294 and \$444,670.....		
	444,722	376,541
INVESTMENTS IN AFFILIATES	386,549	257,394
INTANGIBLES, less accumulated amortization of \$352,081 and \$284,663	2,428,385	2,073,037
DEFERRED TAX BENEFITS	120,346	98,154
LONG-TERM INVESTMENTS	785,406	4,998
DEFERRED CHARGES AND OTHER ASSETS	139,905	199,323
	<u>\$9,017,637</u>	<u>\$7,121,968</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$4,112,777	\$3,365,844
Current portion of long-term debt	82,621	83,454
Bank loans	47,748	56,440
Advance billings	417,044	270,312
Accrued taxes on income	77,584	50,454
Other accrued taxes	154,825	136,902
Other accrued liabilities	1,085,323	1,006,826
Dividends payable	31,141	25,450
Total Current Liabilities	<u>6,009,063</u>	<u>4,995,682</u>
LONG-TERM DEBT	263,149	268,913
CONVERTIBLE SUBORDINATED DEBENTURES	448,483	448,497
DEFERRED COMPENSATION AND OTHER LIABILITIES	300,746	269,966
DEFERRED INCOME TAXES ON UNREALIZED GAINS	320,176	2,622
MINORITY INTERESTS	123,122	90,778
COMMITMENTS AND CONTINGENT LIABILITIES (NOTE 10)		
SHAREHOLDERS' EQUITY:		
Preferred stock, \$1.00 par value, 7,500,000 shares authorized, none issued	—	—
Common stock, \$.50 par value, 300,000,000 shares authorized, 187,086,161 and 186,654,985 shares issued in 1999 and 1998, respectively	93,543	93,328
Additional paid-in capital	808,154	720,343
Retained earnings	882,051	628,742
Unamortized restricted stock	(85,919)	(58,060)
Accumulated other comprehensive income	285,234	(94,781)
Treasury stock, at cost, 9,598,602 and 8,698,365 shares in 1999 and 1998, respectively	(430,165)	(244,062)
Total Shareholders' Equity	<u>1,552,898</u>	<u>1,045,510</u>
	<u>\$9,017,637</u>	<u>\$7,121,968</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

OMNICOM GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Three Years Ended December 31, 1999
(Dollars in Thousands)

	Comprehensive Income	Common Stock		Additional Paid-in Capital	Retained Earnings	Unamortized Restricted Stock	Accumulated Other Comprehensive Income	Treasury Stock	Total Shareholders' Equity
		Shares	Par Value						
Balance December 31, 1996, as restated		180,039,367	\$90,021	\$561,976	\$315,756	\$(39,445)	\$ 2,901	\$(180,094)	\$ 751,115
Pooling of interests adjustment.....		1,088,974	544	(492)	(14,735)				(14,683)
Balance January 1, 1997, as restated		181,128,341	90,565	561,484	301,021	(39,445)	2,901	(180,094)	736,432
Comprehensive income:									
Net income	217,300				217,300				217,300
Translation adjustments, net of taxes of \$37,300..	(50,259)						(50,259)		(50,259)
Comprehensive income.....	<u>167,041</u>								
Dividends declared					(77,869)				(77,869)
Amortization of restricted shares						17,311			17,311
Shares transactions under employee stock plans		21,480	11	16,540		(24,611)		35,606	27,546
Shares issued for acquisitions		107,358	53	3,690				313	4,056
Purchase of treasury shares..								(69,762)	(69,762)
Balance December 31, 1997, as restated		181,257,179	90,629	581,714	440,452	(46,745)	(47,358)	(213,937)	804,755
Pooling of interests adjustments		3,550,366	1,776	(26,285)	(2,455)				(26,964)
Balance January 1, 1998, as restated		184,807,545	92,405	555,429	437,997	(46,745)	(47,358)	(213,937)	777,791
Comprehensive income:									
Net income	278,845				278,845				278,845
Translation adjustments, net of taxes of \$34,340..	(47,423)						(47,423)		(47,423)
Comprehensive income ..	<u>231,422</u>								
Dividends declared					(88,100)				(88,100)
Amortization of restricted shares						21,489			21,489
Shares transactions under employee stock plans		2,750	1	40,788		(32,804)		43,012	50,997
Shares issued for acquisitions		2,002,187	1,001	34,403				2,088	37,492
Issuance of new shares				96,962				74,122	171,084
Purchase of treasury shares..								(149,347)	(149,347)
Cancellation of shares		(157,497)	(79)	(7,239)					(7,318)
Balance December 31, 1998 as restated		186,654,985	93,328	720,343	628,742	(58,060)	(94,781)	(244,062)	1,045,510
Comprehensive income:									
Net income	362,882				362,882				362,882
Unrealized gain on									
investments, net of income taxes of \$290,233	417,653						417,653		417,653
Translation adjustments, net of taxes of \$25,726	(37,638)						(37,638)		(37,638)
Comprehensive income.....	<u>742,897</u>								
Dividends declared					(109,573)				(109,573)
Amortization of restricted shares						27,812			27,812
Shares transactions under employee stock plans		306,381	152	58,197		(55,671)		100,037	102,715
Shares issued for acquisitions		127,069	64	7,136					7,200
Conversion of 4.25% debentures.....				(5)				19	14
Purchase of treasury shares..								(286,159)	(286,159)
Cancellation of shares		(2,274)	(1)	(177)					(178)
Gain on initial public offering of common stock of affiliates				22,660					22,660
Balance December 31, 1999		<u>187,086,161</u>	<u>\$93,543</u>	<u>\$808,154</u>	<u>\$882,051</u>	<u>\$(85,919)</u>	<u>\$285,234</u>	<u>\$(430,165)</u>	<u>\$1,552,898</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

OMNICOM GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31, (Dollars in Thousands)		
	1999	1998	1997
Cash flows from Operating Activities:			
Net income	\$ 362,882	\$ 278,845	\$ 217,300
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of tangible assets	97,080	84,210	70,928
Amortization of intangible assets	70,823	58,248	39,731
Minority interests	52,947	44,366	32,481
Earnings of affiliates in excess of dividends received	(8,333)	(6,869)	(10,840)
(Increase) decrease in deferred tax benefits	(33,064)	22,520	21,342
Provisions for losses on accounts receivable	14,399	15,586	10,491
Amortization of restricted shares	27,812	21,489	17,311
Increase in accounts receivable	(645,093)	(238,174)	(379,958)
Increase in billable production orders in process	(13,246)	(35,113)	(27,983)
Decrease (increase) in prepaid expenses and other current assets	9,889	(64,044)	(46,795)
Increase in accounts payable	786,071	330,413	560,425
Increase in other accrued liabilities	205,214	88,989	171,200
(Decrease) increase in accrued taxes on income	(793)	(49,887)	13,441
Increase in advances to affiliates	(36,283)	(13,520)	(26,748)
(Increase) decrease in deferred charges and other assets	(2,753)	25,254	(49,605)
Other	13,472	(87,329)	(16,975)
Net Cash Provided by Operating Activities	<u>901,024</u>	<u>474,984</u>	<u>595,746</u>
Cash Flows From Investing Activities:			
Capital expenditures	(129,871)	(114,522)	(114,814)
Purchases of equity interests in subsidiaries and affiliates, net of cash acquired	(691,392)	(586,016)	(371,823)
Sales of equity interests in subsidiaries and affiliates	14,380	80,325	6,705
Purchases of investments available-for-sale and other investments	(58,069)	(65,007)	(112,037)
Sales of investments available-for-sale and other investments	96,891	101,735	41,798
Net Cash Used in Investing Activities	<u>(768,061)</u>	<u>(583,485)</u>	<u>(550,171)</u>
Cash Flows From Financing Activities:			
Proceeds from issuance of shares	—	171,084	—
Net (repayments) borrowings under lines of credit	(15,748)	12,786	2,130
Proceeds from issuances of debt obligations	83,924	411,605	254,652
Repayment of principal of debt obligations	(75,642)	(134,606)	(81,389)
Shares transactions under employee stock plans	102,715	50,997	27,546
Dividends and loans from (to) affiliates and minority stockholders	93,105	(46,431)	(39,061)
Dividends paid	(103,882)	(88,623)	(72,753)
Purchase of treasury shares	(286,159)	(149,347)	(69,762)
Net Cash (Used In) Provided by Financing Activities	<u>(201,687)</u>	<u>227,465</u>	<u>21,363</u>
Effect of exchange rate changes on cash and cash equivalents	(3,630)	(35,321)	(30,924)
Net Increase in Cash and Cash Equivalents	<u>(72,354)</u>	<u>83,643</u>	<u>36,014</u>
Cash and Cash Equivalents at Beginning of Period	<u>648,781</u>	<u>565,138</u>	<u>529,124</u>
Cash and Cash Equivalents at End of Period	<u>\$ 576,427</u>	<u>\$ 648,781</u>	<u>\$ 565,138</u>
Supplemental Disclosures:			
Income taxes paid	<u>\$ 235,256</u>	<u>\$ 223,921</u>	<u>\$ 134,763</u>
Interest paid	<u>\$ 78,835</u>	<u>\$ 60,784</u>	<u>\$ 36,590</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

OMNICOM GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business and Summary of Significant Accounting Policies

Business. Omnicom Group Inc., through its wholly and partially-owned companies (hereinafter collectively referred to as the “Company” or the “Omnicom Group”), provides corporate communications services to clients worldwide on a global, pan-regional, national and local basis. Operations cover the major regions of North America, the United Kingdom, Germany, France, the remainder of Continental Europe, Latin America, the Far East, Australia, the Middle East and Africa. In both 1999 and 1998, approximately 50% of the Omnicom Group’s commissions and fees came from its non-U.S. operations. The communications services offered by the Company include advertising in various media such as television, radio, newspaper, magazines, outdoor and the internet, as well as public relations, specialty advertising, direct response and promotional marketing, strategic media planning and buying, and internet and digital media development.

Recognition of Commission and Fee Revenue. Substantially all revenues are derived from fees for manpower and for production of advertisements. Additionally, revenues are derived from commissions for placement of advertisements in various media. Revenue is realized when the service is performed, in accordance with the terms of the contractual arrangement, and collection is reasonably assured. Billings are generally rendered upon completion of the earnings process, including: upon presentation date for media, when manpower is used, when costs are incurred for radio and television production and when print production is completed.

Principles of Consolidation. The accompanying consolidated financial statements include the accounts of Omnicom Group Inc. and its domestic and international subsidiaries (the “Company”). All significant intercompany balances and transactions have been eliminated.

Restatement and Reclassifications. As discussed in Note 2, on February 10, 1999 the Company completed the acquisition of Abbott Mead Vickers Group Limited (formerly known as Abbott Mead Vickers plc) (“AMV”). The AMV acquisition was accounted for as a pooling-of-interests. All prior year amounts have been restated to include the accounts of AMV. In addition, certain prior year amounts have been reclassified to conform with the 1999 presentation.

Investments Available-For-Sale. Substantially all of the Company’s investments are classified as available-for-sale. Investments available-for-sale, that consist principally of short-term investments and time deposits with financial institutions with original maturity dates between 3 months and one year, are classified as current assets. Strategic investments available-for-sale, which consist principally of publicly traded securities in interactive marketing agencies, are classified as long-term investments.

Billable Production. Billable production orders in process consist principally of costs incurred in providing corporate communications services to clients. Such amounts are generally billed to clients when manpower is used, when costs are incurred for radio and television production and when print production is completed.

Common Stock. Wholly-owned subsidiaries of the Company have issued securities which are exchangeable into common stock of the Company at the holders’ option. Shares of common stock issuable on the exchange of these securities are included in common stock issued at December 31, 1999.

Treasury Stock. The Company accounts for treasury share purchases at cost. The reissuance of treasury shares is accounted for at the average cost. Gains or losses on the reissuance of treasury shares are accounted for as additional paid-in capital.

Foreign Currency Translation. The Company’s financial statements were prepared in accordance with the requirements of Statement of Financial Accounting Standards (“SFAS”) No. 52, “Foreign Currency Translation.” Under this method, net transaction gains of \$9.9 million, \$15.2 million and \$3.6 million are included in 1999, 1998 and 1997 net income, respectively.

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Earnings Per Common Share. Basic earnings per share is based upon the weighted average number of common shares outstanding during each year. Diluted earnings per share is based on the above, plus, if dilutive, common share equivalents which include outstanding options and restricted shares, and if dilutive, adjusted for the assumed conversion of the Company's 2¼% and 4¼% Convertible Subordinated Debentures (assumed to be converted for the full year) and the assumed increase in net income for the after tax interest cost of these debentures. For purposes of computing diluted earnings per share for the years ended December 31, 1999, 1998 and 1997, respectively, 3,046,904, 3,518,600 and 3,174,000 shares were assumed to have been outstanding related to common share equivalents and 11,551,936, and 6,936,500 shares in 1999 and 1998, respectively were assumed to have been converted related to the Company's convertible subordinated debentures. Additionally, the assumed increase in net income used in the computations was \$17,968,000, \$9,627,900 and \$318,300 for the years ended December 31, 1999, 1998 and 1997, respectively. The number of shares used in the computations were as follows:

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Basic EPS computation.....	175,285,932	173,104,700	166,857,300
Diluted EPS computation	189,884,772	183,559,800	170,031,300

For purposes of computing diluted earnings per share for the year ended December 31, 1998, the Company's 2¼% Convertible Subordinated Debentures and for the year ended December 31, 1997 the 4¼% Convertible Subordinated Debentures, were not reflected in the computation as inclusion would have been anti-dilutive.

Gains and Losses on Issuance of Stock in Affiliates and Subsidiaries. Gains and losses on the issuance of stock in equity method affiliates and consolidated subsidiaries are recognized directly in the Company's shareholder's equity through an increase or decrease to additional paid-in capital, in the period in which the sale occurs.

Severance Agreements. Arrangements with certain present and former employees provide for continuing payments for periods up to 10 years after cessation of their full-time employment in consideration for agreements by the employees not to compete and to render consulting services in the post employment period. Such payments, which are determined, subject to certain conditions and limitations, by earnings in subsequent periods, are expensed in such periods.

Depreciation of Furniture and Equipment and Amortization of Leasehold Improvements. Depreciation charges are computed on a straight-line basis or declining balance method over the estimated useful lives of furniture and equipment, up to 10 years. Leasehold improvements are amortized on a straight-line basis over the lesser of the terms of the related lease or the useful life of these assets.

Intangibles. Intangibles represent acquisition costs in excess of the fair value of tangible net assets of purchased subsidiaries. The intangible values associated with the Company's business consist predominantly of two types: the value of the worldwide agency networks and agency brands and the value of ongoing client relationships. The Company's worldwide agency networks have been operating for an average of over 60 years and intangibles associated with enhancing network value are intended to enhance the long-term value of the networks. Client relationships in the corporate communications services industry are typically long-term in nature and the Company's largest clients have on average been clients for more than 25 years. As such, intangibles are amortized on a straight-line basis principally over a period of 40 years. Each year, the intangibles are written down if, and to the extent, they are determined to be impaired. Intangibles are considered to be impaired if the future anticipated undiscounted cash flows arising from the use of the intangibles is less than the net unamortized cost of the intangibles.

Deferred Taxes. Deferred tax liabilities and tax benefits relate to the recognition of certain revenues and expenses in different years for financial statement and tax purposes and to differences between the tax and book basis of assets and liabilities recorded in connection with acquisitions, unrealized gains and losses on investments available for sale and the issuance of stock of affiliates.

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Cash Flows. The Company's cash equivalents are primarily comprised of investments in overnight interest-bearing deposits, commercial paper and money market instruments with original maturity dates of three months or less.

The following supplemental schedule summarizes the fair value of non-cash assets acquired, cash paid, common shares issued (valued at the then market value of the shares and excluding shares related to the AMV acquisition) and the liabilities assumed in connection with the acquisition of equity interests in subsidiaries and affiliates, for each of the three years ended December 31:

	<u>1999</u>	<u>(Dollars in thousands)</u> <u>1998</u>	<u>1997</u>
Fair value of non-cash assets acquired	\$1,059,443	\$1,586,331	\$473,800
Cash paid, net of cash acquired.....	(691,392)	(586,016)	(371,823)
Common shares issued	<u>(7,200)</u>	<u>(175,180)</u>	<u>(7,214)</u>
Liabilities assumed	<u>\$ 360,851</u>	<u>\$ 825,135</u>	<u>\$ 94,763</u>

Concentration of Credit Risk. The Company provides corporate communications services to a wide range of clients who operate in many industry sectors around the world. The Company grants credit to all qualified clients, but does not believe it is exposed to any undue concentration of credit risk to any significant degree.

Derivative Financial Instruments. Derivative financial instruments consist principally of forward foreign exchange contracts and interest rate swaps. For derivative financial instruments to qualify for hedge accounting the following criteria must be met: (a) the hedging instrument must be designated as a hedge; (b) the hedged exposure must be specifically identifiable and expose the Company to risk; and (c) it must be highly probable that a change in fair value of the derivative financial instrument and an opposite change in the fair value of the hedged exposure will have a high degree of correlation. The majority of the Company's derivative activity relates to forward foreign exchange contracts. The Company executes these contracts in the same currency as the hedged exposure, whereby 100% correlation is achieved. Gains and losses on derivative financial instruments which are hedges of existing assets or liabilities are included in the carrying amount of those assets or liabilities and are ultimately recognized in income as part of those carrying amounts. Interest received and/or paid arising from swap agreements which qualify as hedges are recognized in income when the interest is receivable or payable. Derivative financial instruments which do not qualify as hedges are revalued to the current market rate and any gains or losses are recorded in income in the current period.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Acquisitions

On February 10, 1999, the Company completed the acquisition of AMV. AMV provides corporate communications services to clients principally in the United Kingdom. The Company issued approximately 9.6 million shares of new common stock in exchange for the 92.3% of AMV ordinary shares not already owned by the Company, at a fixed exchange ratio of .1347 common shares of the Company per AMV ordinary share. The transaction was accounted for under the pooling-of-interests method of accounting. Accordingly, the Company's financial statements have been restated to include the operating results of AMV for all periods presented.

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Selected financial information for the combining entities included in the consolidated statements of income for the years ended December 31, 1998 and 1997 are as follows (in thousands):

	<u>1998</u>	<u>1997</u>
Commissions and fees		
Previously reported	\$4,092,042	\$3,124,813
AMV	<u>198,904</u>	<u>171,411</u>
Restated	\$4,290,946	\$3,296,224
Net income		
Previously reported	\$ 285,068	\$ 222,415
AMV	<u>(6,223)</u>	<u>(5,115)</u>
Restated	<u>\$ 278,845</u>	<u>\$ 217,300</u>

The restated results reflect the impact of including the operating results of AMV, net of adjustments to eliminate inter-company transactions between AMV and the Company, and to conform AMV accounting methods to those used by the Company.

During 1999, the Company made several other acquisitions whose aggregate cost, in cash or by issuance of the Company's common stock, totaled \$748.6 million for net assets, which included intangible assets of \$489.3 million. Due to the nature of corporate communications services companies, the companies acquired by the Company generally have tangible net liabilities or minimal tangible net assets. Valuations of these companies are based on a number of factors, including the competitive position of each company's agency networks and agency brands. Included in both figures are payments of \$137.0 million made in 1999 related to acquisitions completed in prior years.

Certain acquisitions completed in 1999 and prior years require payments in future years if certain results are achieved by the companies that were acquired. Formulas for these contingent future payments vary from acquisition to acquisition. Contingent future payments are not expected to be material to the Company's results of operations or financial position.

In January 1998, the Company completed the acquisitions of Fleishman-Hillard, Inc., GPC International Holdings Inc. and Palmer Jarvis Inc. These acquisitions were accounted for under the pooling-of-interests method of accounting and, accordingly, the results of operations of Fleishman-Hillard Inc., GPC International Holdings Inc. and Palmer Jarvis Inc. have been included in the consolidated financial statements since January 1, 1998. Prior year consolidated financial statements were not restated as the impact on such years was not material. The number of shares of common stock issued by the Company in connection with these acquisitions was 3,550,366.

In February 1997, the Company completed the acquisitions of Cline Davis & Mann, Inc. and Gavin Anderson & Company (Japan), Inc. Both of these acquisitions were accounted for under the pooling-of-interests method of accounting and, accordingly, the results of operations of Cline Davis & Mann, Inc. and Gavin Anderson & Company (Japan), Inc. have been included in the consolidated financial statements since January 1, 1997. Prior year consolidated financial statements were not restated as the impact on such years was not material. A total of 1,088,974 shares of common stock were issued in connection with these acquisitions.

In May 1996, the Company completed the acquisition of Ketchum Communications Holdings, Inc. ("Ketchum"). The acquisition was accounted for under the pooling-of-interests method of accounting and, accordingly, the results of operations of Ketchum have been included in the consolidated financial statements since January 1, 1996. Prior year consolidated financial statements were not restated as the impact on such years was not material. A total of 2,413,706 shares of common stock were issued in connection with this acquisition.

3. Bank Loans and Lines of Credit

Bank loans of \$47.7 million and \$56.4 million at December 31, 1999 and 1998, respectively, are primarily comprised of bank overdrafts of international subsidiaries, which are treated as unsecured loans pursuant to bank agreements. The weighted average interest rate on the borrowings outstanding as of

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

December 31, 1999 and 1998 was 6.37% and 6.62%, respectively. At December 31, 1999 and 1998, the Company had unsecured committed lines of credit aggregating \$1,420.9 million and \$742.7 million, respectively. The unused portion of credit lines was \$1,293.8 million and \$686.4 million at December 31, 1999 and 1998, respectively. The lines of credit, including the credit facilities discussed below, are generally extended at lending rates that the banks grant to their most creditworthy borrowers.

On April 30, 1999, the Company entered into a \$750 million revolving credit agreement (the “\$750 million credit facility”), with a consortium of banks expiring on April 28, 2000.

The \$750 million credit facility is used primarily to support the issuance of commercial paper. The Company had \$79.4 million of commercial paper borrowings outstanding with interest rates ranging from 6.35% to 6.48% as of December 31, 1999, which matured on January 27, 2000. The gross amount of commercial paper issued and redeemed, under this facility, during the year ended December 31, 1999 was \$4,617 million and \$4,538 million, respectively. Commercial paper is included in long-term debt in the consolidated balance sheet, as it is the Company’s intention to refinance these borrowings on a long-term basis through continued commercial paper borrowings supported by available bank facilities (see Note 7).

On February 20, 1998, the Company established a \$500 million revolving credit agreement (the “\$500 million credit facility”), expiring on June 30, 2003. There were no borrowings under this credit facility at December 31, 1999 and 1998.

The \$500 million credit facility also allows for the issuance of commercial paper backed by a bank letter of credit issued under the terms of the credit facility. The Company had no commercial paper outstanding under this agreement as of December 31, 1999 and 1998. The gross amount of commercial paper issued and redeemed, during the year under this facility was \$2,046 million, \$4,231 million and \$2,017 million in 1999, 1998 and 1997, respectively.

4. Employee Stock Plans

Stock Options and Restricted Stock. Under the terms of the Company’s 1998 Incentive Compensation Plan (the “1998 Plan”), 4,958,074 shares of common stock of the Company have been reserved as of December 31, 1999 for restricted stock awards and non-qualified stock options to key employees of the Company. The maximum number of shares of common stock of the Company that may be granted in any calendar year, under the 1998 Plan, is 1.5% of the total number of shares of common stock issued and outstanding on the first day of that calendar year. Any remaining reserved shares of common stock may be carried over to subsequent years. The remaining number of such reserved shares was 747,653 at December 31, 1999. Awards under the Company’s 1987 Stock Plan, as amended (the “1987 Plan”), ceased to be made when the Company adopted the 1998 Plan.

As permitted by SFAS No. 123, “Accounting for Stock Based Compensation,” the Company intends to continue to apply the accounting provisions of APB Opinion No. 25, “Accounting for Stock Issued to Employees,” and to make annual pro forma disclosures of the effect of adopting the fair value method of accounting for employee stock options and similar instruments. During the initial periods of disclosure, the effects on net income may not be representative of the effects in future years due to the transitional provisions included in SFAS No. 123.

Pursuant to the 1987 Plan and 1998 Plan (the “Plans”), the price of options awarded may not be less than 100% of the market value of the stock at the date of the grant. Options become exercisable 30% on each of the first two anniversary dates of the grant date with the final 40% becoming exercisable three years from the grant date.

ESPP. Effective September 1, 1999 the Company adopted the Omnicom Group Inc. Employee Stock Purchase Plan (the “ESPP”). The ESPP enables substantially all domestic employees to purchase full or fractional shares of the Company’s common stock through payroll deductions of up to 10% of eligible compensation. The price an employee pays is 85% of the fair market value on the purchase date of that plan quarter. During 1999 employees purchased 63,408 shares, all of which were treasury shares, for which \$4.8 million was paid to the Company. Under the ESPP 2,936,592 shares remain reserved at December 31, 1999.

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

A summary of the status of the Company's stock option plan for the three years ended December 31, 1999 is as follows:

	1999		1998		1997	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Shares under option, beginning of year	7,190,800	\$23.16	6,867,800	\$16.21	6,757,800	\$13.16
Options granted	3,467,234	74.65	1,700,000	42.62	1,440,000	24.28
Options exercised	(2,304,647)	16.44	(1,377,000)	12.52	(1,330,000)	9.45
Options forfeited	(54,000)	46.91	—	—	—	—
Shares under option, end of year ..	<u>8,299,387</u>	<u>46.37</u>	<u>7,190,800</u>	<u>23.16</u>	<u>6,867,800</u>	<u>16.21</u>
Options exercisable at year-end	<u>3,270,887</u>		<u>3,730,800</u>		<u>3,447,800</u>	

The following table summarizes information about options outstanding and options exercisable at December 31, 1999:

Range of Exercise Prices (in dollars)	Options Outstanding			Options Exercisable	
	Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Options Exercisable	Weighted Average Exercise Price
5.81	40,000	1 year	\$ 5.81	40,000	\$ 5.81
8.77	120,000	3 years	8.77	120,000	8.77
10.02	213,800	4 years	10.02	213,800	10.02
12.11 to 26.27	288,194	5 years	12.51	288,194	12.51
12.94 to 16.20	620,000	6 years	13.15	620,000	13.15
19.72	820,000	7 years	19.72	820,000	19.72
24.28	1,170,000	8 years	24.28	594,000	24.28
39.75 to 66.40	1,717,128	9 years	44.05	562,128	46.98
44.62 to 91.22	<u>3,310,265</u>	10 years	75.35	<u>12,765</u>	46.44
	<u>8,299,387</u>			<u>3,270,887</u>	

Pro forma. The weighted average fair value of options granted during 1999, 1998 and 1997 was \$20.91, \$11.45 and \$6.27 per option, respectively. The fair value of each option grant has been estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	1999	1998	1997
Expected option lives	5 years	5 years	5 years
Risk free interest rate	4.77% - 6.31%	4.66% - 5.75%	6.15%
Expected volatility	18.25% - 21.2%	18.36% - 20.15%	19.7%
Dividend yield.....	0.7% - 0.8%	0.9% - 1.0%	1.5%

Using compensation cost for grants of the Company's stock options and shares issued under the ESPP, determined based on the estimated fair value at the grant or issuance date in 1999, 1998 and 1997, consistent with the provisions of SFAS No. 123, the effect on the Company's net income and income per share would have been as follows:

	Dollars in Thousands Except Per Share Data		
	1999	1998	1997
Net income, as reported.....	\$362,882	\$278,845	\$217,300
Net income, pro forma.....	347,643	271,031	212,145
Basic income per share, as reported	2.07	1.61	1.30
Basic income per share, pro forma	1.98	1.57	1.27
Diluted income per share, as reported.....	2.01	1.57	1.28
Diluted income per share, pro forma.....	1.93	1.53	1.26

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Restricted Shares. A summary of changes in outstanding shares of restricted stock for the three years ended December 31, 1999 is as follows:

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Beginning balance	2,703,612	3,137,350	3,315,516
Amount granted	935,263	783,419	1,105,838
Amount vested	(983,251)	(1,111,808)	(1,123,882)
Amount forfeited	(53,343)	(105,349)	(160,122)
Ending balance	<u>2,602,281</u>	<u>2,703,612</u>	<u>3,137,350</u>

All restricted shares granted under the Plans were sold at a price per share equal to their par value. The difference between par value and market value on the date of the sale is charged to shareholders' equity and then amortized to expense over the period of restriction. Under the Plans, the restricted shares become transferable to the employee in 20% annual increments provided the employee remains in the employ of the Company.

Restricted shares may not be sold, transferred, pledged or otherwise encumbered until the restrictions lapse. Under most circumstances, the employee must resell the shares to the Company at par value if the employee ceases employment prior to the end of the period of restriction.

The charge to operations in connection with these restricted stock awards for the years ended December 31, 1999, 1998 and 1997 amounted to \$27.8 million, \$21.5 million and \$17.3 million, respectively.

5. Segment Reporting

The Company's wholly-owned and partially-owned businesses operate within the corporate communications services operating segment. These businesses provide a variety of communications services to clients through several worldwide, national and regional independent agency brands. The businesses exhibit similar economic characteristics driven from their consistent efforts to create customer driven marketing communications services that build their clients businesses. A summary of the Company's operations by geographic area as of December 31, 1999, 1998 and 1997, and for the years then ended is presented below:

	(Dollars in Thousands)						
	<u>United States</u>	<u>United Kingdom</u>	<u>Germany</u>	<u>France</u>	<u>Other Europe</u>	<u>Other International</u>	<u>Consolidated</u>
<i>1999</i>							
Commissions and Fees	\$2,532,917	\$720,047	\$431,739	\$359,042	\$554,767	\$532,033	\$5,130,545
Long-Lived Assets	219,590	101,989	10,883	16,951	38,661	56,648	444,722
<i>1998</i>							
Commissions and Fees	\$2,098,220	\$659,658	\$358,441	\$306,734	\$468,878	\$399,015	\$4,290,946
Long-Lived Assets	156,092	100,242	11,916	17,245	38,446	52,600	376,541
<i>1997</i>							
Commissions and Fees	\$1,616,768	\$501,738	\$284,544	\$172,395	\$374,303	\$346,476	\$3,296,224
Long-Lived Assets	128,563	72,430	9,125	8,712	26,336	26,903	272,069

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Investments in Affiliates

The Company has in excess of 65 unconsolidated affiliates accounted for under the equity method. The equity method is used when the Company has an ownership of less than 50% and exercises significant influence over the operating and financial policies of the affiliate. The following table summarizes the balance sheets and income statements of the Company's unconsolidated affiliates, primarily in the United States, Europe and Australia, as of December 31, 1999, 1998 and 1997, and for the years then ended:

	(Dollars in Thousands)		
	1999	1998	1997
Current assets	\$912,791	\$773,661	\$442,023
Non-current assets	241,385	156,459	75,072
Current liabilities	692,927	657,247	348,753
Non-current liabilities	65,978	87,258	26,741
Minority interests	1,002	2,327	3,219
Gross revenue.....	522,103	510,730	374,196
Costs and expenses	467,745	444,453	305,144
Net income	23,662	33,183	46,834

The Company's equity in the net income of these affiliates amounted to \$15.4 million, \$20.6 million and \$25.7 million for 1999, 1998 and 1997, respectively. The Company's equity in the net tangible assets of these affiliated companies was approximately \$174.0 million, \$110.5 million and \$83.1 million at December 31, 1999, 1998 and 1997, respectively. Included in the Company's investments in affiliates is the excess of acquisition costs over the fair value of tangible net assets acquired. These excess acquisition costs are being amortized on a straight-line basis principally over a period of forty years. In 1999 and 1998, the Company disposed of shares held in certain affiliates. The resulting impact of these sales was not material to the 1999 and 1998 consolidated results of operations or financial position.

In April 1999, Razorfish, Inc. (Razorfish), an affiliate of the Company, issued shares of its common stock in an initial public offering. The Company, through a wholly-owned subsidiary, owned 32.4% of Razorfish's equity immediately following the initial public offering. Consistent with the Company's accounting policy and based on an offering price of \$16 per share, an after tax gain of \$5.1 million was recognized by the Company in shareholders' equity as a direct increase to additional paid-in capital. During the fourth quarter of 1999, the Company's ownership interest in Razorfish was diluted below 20% and as a result the Company discontinued accounting for its investment under the equity method. The Company's investment in Razorfish is carried at market value. Substantially all of the Company's long-term investments on the consolidated Balance Sheet at December 31, 1999 are comprised of shares in Razorfish. Unrealized gains resulting from an increase in the market value of the Company's common stock shareholdings of Razorfish were recorded in comprehensive income since the date the equity method of accounting was discontinued.

In December 1999, AGENCY.com Ltd (AGENCY), an affiliate of the Company, issued shares of its common stock in an initial public offering. The Company, through a wholly-owned subsidiary, owns 36% of AGENCY's equity. Based on an offering price of \$26 per share, an after tax gain of \$17.6 million was recognized by the Company in shareholders' equity as a direct increase to additional paid-in capital. The Company accounts for its investment in AGENCY under the equity method. At December 31, 1999, the fair market value of the Company's investment in AGENCY was \$944 million, which amount substantially exceeded its carrying value.

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Long-Term Debt and Convertible Subordinated Debentures

Long-term debt and convertible subordinated debentures outstanding as of December 31, 1999 and 1998 consisted of the following:

	<u>(Dollars in Thousands)</u>	
	<u>1999</u>	<u>1998</u>
U.S. Dollar Commercial Paper with an average interest rate of 6.41%	\$79,402	—
Deutsche Mark Floating Rate Bonds, with a scheduled maturity in 2000, interest at DM three month LIBOR, plus 0.65%	57,185	\$66,522
Deutsche Mark Floating Rate Bonds, with a scheduled maturity in 1999, interest at DM three month LIBOR plus 0.375%	—	59,930
French Franc 5.20% Notes, with a scheduled maturity in 2005	153,394	178,600
Floating Rate Loan Notes, with a scheduled maturity in 2001	1,982	2,033
Sundry notes and loans payable to banks and others at rates from 4.1% to 26%, maturing at various dates through 2018	53,807	45,282
	<u>345,770</u>	<u>352,367</u>
Less current portion	<u>82,621</u>	<u>83,454</u>
Total long-term debt	\$263,149	\$268,913
4 ¹ / ₄ % Convertible Subordinated Debentures with a scheduled maturity in 2007	\$218,483	\$218,497
2 ¹ / ₄ % Convertible Subordinated Debentures with a scheduled maturity in 2013	<u>230,000</u>	<u>230,000</u>
Total convertible subordinated debentures	<u>\$448,483</u>	<u>\$448,497</u>

On April 30, 1999, the Company entered into a \$750 million revolving credit agreement with a consortium of banks expiring on April 28, 2000. This credit agreement supports the facility for issuing commercial paper. The remaining borrowing capacity under this agreement at December 31, 1999 was \$670.6 million.

On June 24, 1998, the Company issued French Franc 1 billion of 5.20% Notes. The Notes are unsecured, unsubordinated obligations of the Company. The Notes are subject to redemption in whole at their principal amount at the option of the Company at any time in the event of certain changes affecting taxation in the United States. Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on June 24, 2005.

In March 1998, the Company issued floating rate Loan Notes in connection with the acquisition of the GGT Group plc. The Loan Notes are unsecured obligations and bear interest at a yearly rate offered in the London Inter-Bank Market for six month deposits of sterling. The Loan Notes are redeemable, at the option of the holder, in whole or in part at their nominal amount, together with accrued interest on any interest payment date after December 31, 1998. Under certain conditions, the Company may redeem the Loan Notes, at their nominal amount plus accrued interest on any interest payment date. Unless previously repaid, redeemed or purchased and cancelled, the Loan Notes will be repaid on June 30, 2001 at par.

On February 20, 1998, the Company established a \$500 million revolving credit agreement (the "\$500 million credit facility"). This \$500 million credit facility is with a consortium of banks expiring on June 30, 2003. This credit facility includes a facility for issuing commercial paper backed by a bank letter of credit. Because the Company has the ability and intent to refinance commercial paper on a long-term basis under the \$500 million credit facility, commercial paper borrowings at December 31, 1999 has been classified as long-term. The credit facility contains certain financial covenants regarding the ratio of total consolidated indebtedness to total consolidated capitalization, the ratio of debt to cash flow, and a limitation on investments in and loans to affiliates and unconsolidated subsidiaries. At December 31, 1999 the Company was in compliance with these covenants.

On January 6, 1998, the Company issued \$230 million of 2¹/₄% Convertible Subordinated Debentures with a scheduled maturity in 2013. The debentures are convertible into common stock of the Company at a conversion price of \$49.83 per share subject to adjustment in certain events. Debenture holders have the right

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

to require the Company to redeem the debentures on January 6, 2004 at a price of 118.968%, or upon the occurrence of a Fundamental Change, as defined in the indenture agreement, at the prevailing redemption price. The Company may redeem the debentures, as a whole or in part, on or after December 31, 2001 initially at 112.841% and at increasing prices thereafter to 118.968% until January 6, 2004, and 100% thereafter. Unless the debentures are redeemed, repaid or converted prior thereto, the debentures will mature on January 6, 2013 at their principal amount.

On January 3, 1997, the Company issued \$218.5 million of 4¹/₄% Convertible Subordinated Debentures with a scheduled maturity in 2007. The debentures are convertible into common stock of the Company at a conversion price of \$31.50 per share subject to adjustment in certain events. Debenture holders have the right to require the Company to redeem the debentures on January 3, 2003 at a price of 112.418%, or upon the occurrence of a Fundamental Change, as defined in the indenture agreement, at the prevailing redemption price. The Company may redeem the debentures, as a whole or in part, on or after December 29, 2000 initially at 108.324% and at increasing prices thereafter to 112.418% until January 2, 2003, and 100% thereafter. Unless the debentures are redeemed, repaid or converted prior thereto, the debentures will mature on January 3, 2007 at their principal amount.

On March 1, 1996, the Company issued Deutsche Mark 100 million Floating Rate Bonds. The bonds are unsecured, unsubordinated obligations of the Company and bear interest at a per annum rate equal to Deutsche Mark three month LIBOR plus 0.375%. The bonds matured on March 1, 1999 and were repaid at par.

On January 4, 1995, an indirect wholly-owned subsidiary of the Company issued Deutsche Mark 200 million Floating Rate Bonds. The bonds are unsecured, subordinated obligations of the issuer and are unconditionally and irrevocably guaranteed by the Company. The bonds bear interest at a rate equal to Deutsche Mark three month LIBOR plus 0.65% and, subsequent to January 5, 1997 may be redeemed at the option of the issuer on any interest payment date at their principal amount plus any accrued but unpaid interest. On August 18, 1997 and October 1, 1997, Deutsche Mark 69 million and Deutsche Mark 20 million, respectively, of the Deutsche Mark 200 million Floating Rate Bonds were repurchased. The remaining bonds matured on January 5, 2000 and were repaid at par.

Aggregate maturities on long-term debt and convertible subordinated debentures in the next five years are as follows:

	(Dollars in Thousands)
2000	\$ 82,621
2001	6,086
2002	2,254
2003	83,254
2004	1,925
Thereafter.....	618,113

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Income Taxes

Income before income taxes and the provision for taxes on income consisted of the amounts shown below:

	Years Ended December 31, (Dollars in Thousands)		
	<u>1999</u>	<u>1998</u>	<u>1997</u>
Income before incomes taxes:			
Domestic	\$314,338	\$263,058	\$182,608
International	<u>359,370</u>	<u>258,739</u>	<u>207,970</u>
Total	<u>\$673,708</u>	<u>\$521,797</u>	<u>\$390,578</u>
Provision for taxes on income:			
Current:			
Federal	\$ 80,401	\$ 65,180	\$ 47,145
State and local	30,577	21,292	17,221
International	<u>144,228</u>	<u>121,367</u>	<u>88,725</u>
	<u>255,206</u>	<u>207,839</u>	<u>153,091</u>
Deferred:			
Federal	9,499	7,943	7,712
State and local	381	1,853	541
International	<u>8,161</u>	<u>1,457</u>	<u>5,195</u>
	<u>18,041</u>	<u>11,253</u>	<u>13,448</u>
Total	<u>\$273,247</u>	<u>\$219,092</u>	<u>\$166,539</u>

The Company's effective income tax rate varied from the statutory federal income tax rate as a result of the following factors:

	<u>1999</u>	<u>1998</u>	<u>1997</u>
Statutory federal income tax rate	35.0%	35.0%	35.0%
State and local taxes on income, net of federal income tax benefit	3.0	2.9	3.0
International subsidiaries' tax rate differentials	1.3	2.2	2.8
Non-deductible amortization of goodwill	3.2	3.4	3.0
Other	<u>(1.9)</u>	<u>(1.5)</u>	<u>(1.2)</u>
Effective rate	<u>40.6%</u>	<u>42.0%</u>	<u>42.6%</u>

Deferred income taxes are provided for the temporary difference between the financial reporting basis and tax basis of the Company's assets and liabilities. Deferred tax benefits result principally from recording certain expenses in the financial statements which are not currently deductible for tax purposes and from differences between the tax and book basis of assets and liabilities recorded in connection with acquisitions. Deferred tax liabilities result principally from non-cash, unrealized financial statement gains associated with investments and capital transactions related to initial public offerings of common stock by affiliates, and expenses which are currently deductible for tax purposes, but have not yet been expensed in the financial statements.

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Deferred tax (liabilities) benefits as of December 31, 1999 and 1998 consisted of the amounts shown below (dollars in millions):

	<u>1999</u>	<u>1998</u>
Unrealized gains on investments in and capital transactions of, affiliates	\$(320.2)	\$(2.6)
Compensation and severance reserves	52.7	42.9
Acquisition liabilities	43.1	20.6
Deductible intangibles	37.1	39.1
Lease reserves	4.9	11.3
Financial instruments	7.3	14.2
Other, net	<u>5.2</u>	<u>6.4</u>
	<u>\$(169.9)</u>	<u>\$131.9</u>

Current deferred tax benefits as of December 31, 1999 and 1998 were \$30.0 million and \$36.3 million, respectively, and were included in prepaid expenses and other current assets. Non-current deferred tax benefits as of December 31, 1999 and 1998 were \$120.3 million and \$98.2 million, respectively. The Company has concluded that it is probable that it will be able to realize these deferred tax benefits in future periods.

A provision has been made for additional income and withholding taxes on the earnings of international subsidiaries and affiliates that will be distributed.

9. Employee Retirement Plans

The Company's international and domestic subsidiaries provide retirement benefits for their employees primarily through defined contribution plans. Company contributions to the plans, which are determined by the board of directors of the subsidiaries, have been in amounts up to 15% (the maximum amount deductible for federal income tax purposes) of total eligible compensation of participating employees. Expenses related to the Company's contributions to these plans amounted to \$77.2 million, \$72.7 million and \$59.2 million in 1999, 1998 and 1997, respectively.

The Company's pension plans are primarily international. These plans are not required to report to governmental agencies pursuant to the Employee Retirement Income Security Act of 1974 ("ERISA"). Substantially all of these plans are funded by fixed premium payments to insurance companies which undertake legal obligations to provide specific benefits to the individuals covered. Pension expense amounted to \$8.5 million, \$5.2 million and \$5.3 million in 1999, 1998 and 1997, respectively.

Certain subsidiaries of the Company have executive retirement programs under which benefits will be paid to participants or to their beneficiaries over 15 years beginning at age 65 or death. In addition, other subsidiaries have individual deferred compensation arrangements with certain executives which provide for payments over varying terms upon retirement, cessation of employment or death. Some of the Company's domestic subsidiaries provide life insurance and medical benefits for retired employees. Eligibility requirements vary by subsidiary, but generally include attainment of a specified combined age plus years of service factor. The costs related to these benefits were not material to the 1999, 1998 and 1997 consolidated results of operations or financial position.

10. Commitments and Contingent Liabilities

At December 31, 1999, the Company was committed under operating leases, principally for office space. Certain leases are subject to rent reviews and require payment of expenses under escalation clauses. Rent expense was \$341.6 million in 1999, \$311.5 million in 1998 and \$242.7 million in 1997 after reduction for rents received from subleases of \$17.4 million, \$14.7 million and \$12.8 million, respectively.

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Future minimum base rents under terms of noncancellable operating leases, reduced by rents to be received from existing noncancellable subleases, are as follows:

	<u>Gross Rent</u>	<u>(Dollars in Thousands)</u> <u>Sublease Rent</u>	<u>Net Rent</u>
2000	\$267,719	\$14,534	\$253,185
2001	251,577	11,713	239,864
2002	229,331	9,358	219,973
2003	205,559	8,107	197,452
2004	192,817	7,448	185,369
Thereafter	1,096,480	20,539	1,075,941

The present value of the gross future minimum base rents under noncancellable operating leases is \$1,338.2 million.

Where appropriate, management has established reserves for the difference between the cost of leased premises that were vacated and anticipated sublease income.

The Company is involved in various routine legal proceedings incidental to the ordinary course of its business. The Company believes that the outcome of all pending legal proceedings and unasserted claims in the aggregate will not have a material adverse effect on its results of operations, consolidated financial position or liquidity.

11. Fair Value of Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 1999 and 1998. Amounts in parentheses represent liabilities.

	<u>1999</u>		<u>1998</u>	
	<u>(Dollars in Thousands)</u> <u>Carrying</u> <u>Amount</u>	<u>Fair</u> <u>Value</u>	<u>(Dollars in Thousands)</u> <u>Carrying</u> <u>Amount</u>	<u>Fair</u> <u>Value</u>
Cash, cash equivalents and short-term investments	\$600,949	\$600,949	\$717,391	\$717,391
Long-term investments	785,406	785,406	4,998	11,316
Other investments	6,419	6,419	10,562	10,562
Long-term debt and convertible subordinated debentures	(794,253)	(1,509,076)	(800,864)	(1,088,322)
Financial Commitments				
Cross currency interest rate swaps	—	(47,038)	—	(27,669)
Forward foreign exchange contracts	—	(1,596)	—	2,514
Guarantees	—	(47,861)	—	(6,417)
Letters of credit	—	(14,002)	—	(922)

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Short-term investments:

Short-term investments which consist primarily of short-term investments and investments in short-term interest bearing instruments with original maturity dates between three months and one year are carried at cost which approximates fair value.

Long-term investments:

Long-term investments consist of available-for-sale securities, primarily in the Company's holdings in interactive marketing agencies that are publicly traded. The investments are carried at market value and the unrealized gains and losses on these securities are included in Shareholders' Equity.

Other investments:

Included in deferred charges and other assets are other long-term investments carried at cost, which approximates estimated fair value.

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Long-term debt:

A portion of the Company's long-term debt included floating rate debt, the carrying value of which approximates fair value. The Company's long-term debt also included convertible subordinated debentures and fixed rate senior debt. The fair value of these instruments was determined by reference to quotations available in markets where these issues were traded. The quotations for the subordinated debentures primarily reflected the conversion value of the debentures into the Company's common stock.

Financial Commitments:

The estimated fair values of derivative positions are based upon quotations received from independent, third party banks and represent the net amount required to terminate the position, taking into consideration market rates and counterparty credit risk. The fair values of guarantees principally related to affiliated companies, and letters of credit were based upon the face value of the underlying instruments.

12. Financial Instruments and Market Risk

The Company utilizes derivative financial instruments predominantly to reduce certain market risks to which the Company is exposed. These market risks primarily consist of the impact of changes in currency exchange rates on assets and liabilities of non-U.S. operations and the impact of changes in interest rates on debt. The Company's derivative activities are limited in volume and confined to risk management activities. Senior management at the Company actively participates in the quantification, monitoring and control of all significant risks. A reporting system is in place which evaluates the impact on the Company's earnings resulting from changes in interest rates, currency exchange rates and other relevant market risks. This system is structured to enable senior management to initiate prompt remedial action, if appropriate. Additionally, senior management reports periodically to the Audit Committee of the Board of Directors concerning derivative activities. In 1993, the Audit Committee established limitations on derivative activities which are reviewed annually.

At December 31, 1999 and 1998, the Company had Japanese yen 16.3 billion aggregate notional principal amount of cross currency interest rate swaps. The swaps convert a portion of the Company's U.S. dollar floating rate debt into fixed rate Japanese yen debt and effectively hedge the Company's net investment in Japanese yen denominated assets.

The Company enters into forward foreign exchange contracts predominately to hedge intercompany receivables and payables which are recorded in a currency different from that in which they will settle. Gains and losses on these positions are deferred and included in the basis of the transaction upon settlement. The terms of these contracts are generally three months or less. At December 31, 1999 and 1998, the aggregate amount of intercompany receivables and payables subject to this hedge program was \$773 million and \$628 million, respectively. The table below summarizes by major currency the notional principal amounts of the Company's forward foreign exchange contracts outstanding at December 31, 1999 and 1998. The "buy" amounts represent the U.S. dollar equivalent of commitments to purchase the respective currency, and the "sell" amounts represent the U.S. dollar equivalent of commitments to sell the respective currency.

OMNICOM GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Currency	(Dollars in thousands)			
	Notional Principal Amount			
	1999		1998	
	Company Buys	Company Sells	Company Buys	Company Sells
U.S. Dollar	\$140,704	\$ 90,416	\$215,157	\$ 45,010
Euro	261,228	246,599	204,249	302,667
Canadian Dollar	52,296	60,485	13,077	3,574
Swedish Krona	4,027	1,463	1,621	2,432
Hong Kong Dollar	3,870	2,669	1,485	5,978
Australian Dollar	1,485	124	310	—
Swiss Franc	618	3,902	1,810	1,489
Singapore Dollar	1,088	4,930	1,031	4,669
Greek Drachma	22	3,088	—	6,183
Norwegian Krone	—	9,453	—	8,120
Danish Krone	—	4,177	1,851	3,958
Czech Republic Koruna	—	68	—	—
Japanese Yen	—	—	20,365	20,272
Total	\$465,338	\$427,374	\$460,956	\$404,352

Comparatives have been restated to reflect the rationalization of the 11 eurozone currencies as a result of the introduction of the euro.

The derivative financial instrument existing during the years ended December 31, 1999 and 1998 were entered into for the purpose of hedging certain specific currency and interest rate risks. As a result of these financial instruments, the Company reduced financial risk in exchange for foregoing any gain (reward) which might have occurred if the markets moved favorably. In using derivative financial instruments, management exchanged the risks of the financial markets for counterparty risk. To minimize counterparty risk the Company only enters into derivative contracts with major well-known banks that have credit ratings equal to or better than the Company's.

13. Adoption of New Accounting Pronouncements

In June 1998, the Financial Accounting Standard Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" which the Company is required to adopt effective January 1, 2001. SFAS No. 133 cannot be applied retroactively. SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting. Once implemented, SFAS No. 133 must be applied to (a) derivative instruments and (b) certain derivative instruments embedded in hybrid contracts that were issued, acquired, or substantively modified after December 31, 1997.

The Company intends to adopt SFAS No. 133 for its fiscal year ending December 31, 2001. The impact of SFAS No. 133 on the Company's financial statements will depend on a variety of factors, including future interpretative guidance from the FASB, the future level forecasted and actual foreign currency transactions, the extent of the Company's hedging activities, the types of hedging instruments used and the effectiveness of such instruments. However, the Company does not believe the effect of adopting SFAS No. 133 will be material to its financial position.

OMNICOM GROUP INC. AND SUBSIDIARIES
Quarterly Results of Operations (Unaudited)

The following table sets forth a summary of the unaudited quarterly results of operations for the two years ended December 31, 1999 and 1998, in thousands of dollars except for per share amounts. All prior years information has been restated to give effect to the accounting for the acquisition of Abbott Mead Vickers Group Limited under the pooling of interest method (see Note 2 to the Consolidated Financial Statements).

	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>
Commissions & Fees				
1999	\$1,146,877	\$1,270,369	\$1,210,880	\$1,502,419
1998	905,799	1,094,160	1,032,985	1,258,002
Income Before Income Taxes				
1999	123,323	198,699	131,254	220,432
1998	94,360	167,268	106,589	153,580
Income Taxes				
1999	50,515	80,573	53,851	88,308
1998	39,381	71,570	46,104	62,037
Income After Income Taxes				
1999	72,808	118,126	77,403	132,124
1998	54,979	95,698	60,485	91,543
Equity in Affiliates				
1999	929	2,849	(202)	11,792
1998	4,086	4,313	4,960	7,147
Minority Interests				
1999	(8,175)	(13,833)	(6,916)	(24,023)
1998	(7,741)	(13,755)	(9,465)	(13,405)
Net Income				
1999	65,562	107,142	70,285	119,893
1998	51,324	86,256	55,980	85,285
Basic Earnings Per Share				
1999	0.37	0.61	0.40	0.69
1998	0.30	0.50	0.32	0.49
Diluted Earnings per Share				
1999	0.37	0.59	0.39	0.66
1998	0.29	0.48	0.32	0.48

OMNICOM GROUP INC. AND SUBSIDIARIES
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

For the Three Years Ended December 31, 1999

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period
		Charged to Costs and Expenses	Removal of Uncollectible Receivables(1) Translation Adjustments	

(Dollars in Thousands)

Valuation accounts deducted from assets to which they apply — allowance for doubtful accounts:

December 31, 1999.....	\$55,764	\$14,399	\$16,007	\$ 436	\$53,720
December 31, 1998.....	30,475	15,586	(8,573)	(1,130)	55,764
December 31, 1997.....	23,166	10,491	1,609	1,573	30,475

(1) Net of acquisition date balances in allowance for doubtful accounts of companies acquired of \$6.1 million, \$13.1 million and \$2.0 million in 1999, 1998 and 1997, respectively.

SUBSIDIARIES OF THE REGISTRANT

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Omnicom Group Inc.	New York	—	—
Cline Davis & Mann, Inc.	New York	Registrant	100%
Omnicom International Inc.	Delaware	Registrant	100%
Omnicom Management Inc.	Delaware	Registrant	100%
Omnicom Finance Inc.	Delaware	Registrant	100%
Omnicom International Holdings Inc.	Delaware	Registrant	100%
Communicade Inc.	Delaware	Registrant	100%
C-D Acquisitions Inc.	Delaware	Registrant	100%
Eagle River Interactive Inc.	Delaware	Registrant	100%
Strategic Alliance Services Inc.	Delaware	Registrant	100%
Goodby, Silverstein & Partners Holdings Inc.	California	Registrant	100%
Goodby, Silverstein & Partners Inc.	California	Goodby, Silverstein & Partners Holdings Inc.	100%
I&S Corporation	Japan	Registrant	40%
Manning Gottlieb Media Limited	United Kingdom	Omnicom UK Ltd.	50%
		Simons Palmer Clemmow Johnson (Holdings) Limited	32%
The Allmond Partnership Limited.....	United Kingdom	Manning Gottlieb Media Limited	62%
Omnicom Finance Plc	United Kingdom	Omnicom Europe Limited	100%
BBDO Worldwide Inc.	New York	Registrant	100%
BBDO Atlanta, Inc.	Georgia	BBDO Worldwide Inc.	100%
BBDO Chicago, Inc.	Delaware	BBDO Worldwide Inc.	100%
BBDO Detroit, Inc.	Delaware	BBDO Worldwide Inc.	100%
BBDO Atmosphere	Delaware	BBDO Worldwide Inc.	90%
BBDO International Inc.	Delaware	Omnicom International Inc.	100%
Baker Lovick, L.L.C.	Delaware	BBDO Canada Inc.	99%
		Omnicom Finance Plc	1%
InterOne Marketing Group Inc.	Michigan	Registrant	100%
RR Realty, Inc.	Michigan	InterOne Marketing Group Inc.	100%
RATTO/BBDO S.A.	Argentina	BBDO Worldwide Inc.	40%
Clemenger BBDO Ltd.	Australia	BBDO Worldwide Inc.	47%
Diversified Marketing Services Pty. Ltd.	Australia	Clemenger BBDO Ltd.	47%
Clemenger Direct Pty. Ltd. (Sydney)	Australia	Diversified Marketing Services Pty. Ltd.	47%
Quantum Market Research Pty. Ltd.	Australia	Diversified Marketing Services Pty. Ltd.	28%
Sales Success (Aust) Pty. Ltd.	Australia	Diversified Marketing Services Pty. Ltd.	24%
Multinet Systems	Australia	Diversified Marketing Services Pty. Ltd.	33%
Porter Novelli Australia (Melbourne) Pty. Ltd.	Australia	Diversified Marketing Services Pty. Ltd.	26%
Porter Novelli Australia Pty. Ltd.	Australia	Diversified Marketing Services Pty. Ltd.	26%
Curtis Jones & Brown (Sydney)	Australia	Diversified Marketing Services Pty. Ltd.	26%
Port Productions Pty. Ltd. (Melbourne)	Australia	Diversified Marketing Services Pty. Ltd.	35%
Total Advt & Communications	Australia	Diversified Marketing Services Pty. Ltd.	37%
Emory Vincent design	Australia	Diversified Marketing Services Pty. Ltd.	40%
Turnbull Porter Novelli (Melbourne)	Australia	Porter Novelli Australia Pty. Ltd.	26%
Turnbull Porter Novelli (Sydney)	Australia	Porter Novelli Australia Pty. Ltd.	26%
Vectus Pty. Ltd.	Australia	Diversified Marketing Services Pty. Ltd.	35%
Hardie Grant Magazines Pty. Ltd.	Australia	Diversified Marketing Services Pty. Ltd.	12%
CorPol Alliances Pty. Ltd.	Australia	Diversified Marketing Services Pty. Ltd.	28%
MM Communications Pty. Ltd.	Australia	Diversified Marketing Services Pty. Ltd.	33%
Clemenger BBDO (Melbourne) Pty. Ltd.	Australia	Clemenger BBDO Ltd.	47%
Clemenger BBDO (Sydney) Pty. Ltd.	Australia	Clemenger BBDO Ltd.	47%
Clemenger BBDO (Tasmania) Pty. Ltd.	Australia	Clemenger BBDO Ltd.	47%
Clemenger BBDO Concept Pty. Ltd.	Australia	Clemenger BBDO Ltd.	47%
Clemenger BBDO (Adelaide) Pty Ltd.	Australia	Clemenger BBDO Ltd.	47%
BBDO Holding	Austria	BBDO Worldwide Inc.	71%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Palla, Koblinger & Partner Relationship Marketing.....	Austria	BBDO Holding	56%
MSB & K.....	Austria	BBDO Holding	35%
Palla, Koblinger & Spreitzer Interactive Media	Austria	BBDO Holding	55%
On Duty Event Marketing	Austria	BBDO Holding	21%
Master Management	Austria	BBDO Holding	71%
BBDO Austria GmbH	Austria	BBDO Holding	71%
BBDO Austria GmbH & Co KG Strategic Brand Comm.....	Austria	BBDO Austria GmbH	65%
Optimum Media Direction	Austria	BBDO Austria GmbH & Co KG Strategic Brand Comm.	32%
		DDB Heye & Partner GmbH	50%
BBDO Belgium S.A.	Belgium	BBDO Worldwide Inc.	92%
Sponsoring & Event Marketing S.A.	Belgium	BBDO Belgium S.A.	92%
Omnimedia S.A.	Belgium	BBDO Belgium S.A.	46%
		DDB Worldwide S.A.	46%
Morael & Partners S.A.	Belgium	BBDO Belgium S.A.	74%
VVL/BBDO S.A.	Belgium	BBDO Belgium S.A.	74%
Moors Bloomsbury	Belgium	BBDO Belgium S.A.	74%
N'Lil S.A.	Belgium	BBDO Belgium S.A.	47%
Optimum Media Direction	Belgium	BBDO Belgium S.A.	46%
		DDB Worldwide S.A.	46%
Optimum Media Team	Belgium	BBDO Belgium S.A.	46%
		DDB Worldwide S.A.	46%
Topolino S.A.	Belgium	BBDO Belgium S.A.	47%
BBDO/Business Communications S.A.	Belgium	BBDO Belgium S.A.	74%
DMC	Belgium	BBDO Belgium S.A.	46%
No Media Comunicacao Ltda.	Brazil	ALMAP/BBDO Comunicacoes Ltda.	80%
ALMAP/BBDO Comunicacoes Ltda.	Brazil	BBDO Publicidade, Ltda.	80%
BBDO Publicidade, Ltda.	Brazil	BBDO Worldwide Inc.	100%
BBDO Canada Inc.	Canada	BBDO Worldwide Inc.	100%
McKim Communications Ltd.	Canada	BBDO Canada Inc.	49%
Generator Corp.	Canada	BBDO Canada Inc.	70%
Lanyon Phillips Communications Inc.	Canada	BBDO Canada Inc.	17%
	Canada	Omnicom Canada Inc.	60%
Bazooka Information Design Inc.	Canada	Lanyon Phillips Communications Inc.	17%
Blue Suede Studio Inc.	Canada	Lanyon Phillips Communications Inc.	17%
PNMD, Inc.	Canada	Omnicom Canada Inc.	49%
InterOne Marketing Group Ltd.	Canada	InterOne Marketing Group Inc.	100%
BBDO Chile, S.A.	Chile	BBDO Worldwide Inc.	63%
IMAX Design	Chile	BBDO Chile, S.A.	32%
Publicistas & Clientes	Chile	BBDO Chile, S.A.	32%
180 degrees	Chile	BBDO Chile, S.A.	16%
Media Direction.....	Chile	BBDO Chile, S.A.	63%
BBDO Investigacion	Chile	BBDO Chile, S.A.	63%
Axis Direct.....	Chile	BBDO Chile, S.A.	32%
BBDO Publicidad	Chile	BBDO Chile, S.A.	63%
Multinet	Chile	BBDO Chile, S.A.	19%
Market In	Chile	BBDO Chile, S.A.	38%
Test.....	Chile	BBDO Chile, S.A.	28%
Finish	Chile	BBDO Chile, S.A.	44%
BBDO/CNUAC Advertising Co. Ltd.	China	BBDO Asia Pacific Ltd.	51%
Garnier/BBDO S.A.	Costa Rica	BBDO Worldwide Inc.	20%
BBDO Zagreb	Croatia	BBDO Worldwide Inc.	60%
Media Direction.....	Croatia	BBDO Zagreb	60%
Impact/BBDO International Ltd.	Cyprus	BBDO Worldwide Inc.	44%
Impact/BBDO Group Partnership.....	Cyprus	Impact/BBDO International Ltd.	44%
		Impact/ BBDO Advertising & Marketing Ltd.	1%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Impact/ BBDO Advertising & Marketing Ltd.	Cyprus	Impact/BBDO International Ltd.	44%
Mark/BBDO a.s.	Czech Republic	BBDO Worldwide Europe GmbH	80%
Media Direction a.s.	Czech Republic	BBDO Worldwide Europe GmbH	80%
Media Service AS	Czech Republic	BBDO Worldwide Inc.	75%
BBDO Group sro.....	Czech Republic	BBDO Worldwide Inc.	80%
Advis sro	Czech Republic	BBDO Worldwide Inc.	25%
BBDO Danmark A/S.....	Denmark	BBDO Worldwide Inc.	75%
BBDO A/S	Denmark	BBDO Danmark A/S	75%
BBDO Business Communications A/S.....	Denmark	BBDO Danmark A/S	30%
Sepia A/S	Denmark	BBDO Danmark A/S	19%
Sleeping Beauty A/S	Denmark	BBDO Business Communications A/S	7%
		BBDO Danmark A/S	19%
		Sepia A/S	5%
Interactive Partnership.....	Denmark	Sleeping Beauty A/S	21%
Impact Advertising Ltd.	Egypt	Impact/BBDO Group Partnership	44%
Strategies Advertising Limited	Egypt	Impact/BBDO Group Partnership	44%
The Firm Factory.....	Egypt	Impact/BBDO Group Partnership	44%
OMD Ltd.	Egypt	OMD ME Ltd.	44%
Apex Publicidad, S.A.	El Salvador	Garnier/BBDO S.A.	15%
BBDO Helsinki OY.....	Finland	BBDO Worldwide Europe GmbH	86%
BBDO Paris S.A.	France	BBDO Worldwide Europe GmbH	90%
BBDO Marketing Services S.A.	France	BBDO Paris S.A.	46%
Robinson S.A.	France	BBDO Paris S.A.	46%
West End SARL	France	BBDO Paris S.A.	48%
Capital BBDO S.A.	France	BBDO Paris S.A.	90%
Cyber Networks S.A.	France	BBDO Paris S.A.	63%
Deslegan S.A.	France	BBDO Paris S.A.	89%
Marketing Valley S.A.	France	BBDO Paris S.A.	63%
B2L Looping	France	BBDO Paris S.A.	79%
CLM/BBDO S.A.	France	BBDO Paris S.A.	89%
Around Midnight SARL	France	BBDO Paris S.A.	90%
BBDO Corporate SARL	France	BBDO Paris S.A.	63%
Creapress S.A.	France	BBDO Paris S.A.	72%
Client First SARL	France	Deslegan S.A.	35%
Expertises SARL	France	Deslegan S.A.	85%
Realites & Communications S.A.	France	BBDO Corporate SARL	62%
Epsilon SNC	France	West End SARL	48%
Blue Moon	France	BBDO Marketing Services S.A.	23%
Proximity BBDO S.A.	France	BBDO Marketing Services S.A.	30%
Anaconda S.A.	France	Proximity BBDO S.A.	30%
ATM SARL	France	Proximity BBDO S.A.	30%
BBDO Worldwide Europe GmbH	Germany	BBDO Worldwide Inc.	100%
BBDO GmbH	Germany	BBDO Worldwide Europe GmbH	91%
BBDO Interactive GmbH	Germany	BBDO GmbH	68%
KNSK/BBDO Slagman Holding GmbH	Germany	BBDO GmbH	63%
The Media Partnership GmbH	Germany	BBDO GmbH	23%
		Communication Management GmbH Dusseldorf	25%
Stein Holding GmbH.....	Germany	BBDO GmbH	63%
Art & Production Advertising Services GmbH	Germany	BBDO GmbH	91%
Sponsor Partners GmbH	Germany	BBDO GmbH	77%
Media Direction GmbH.....	Germany	BBDO GmbH	68%
BBDO Consulting GmbH	Germany	BBDO GmbH	73%
Optimum Media Direction Germany GmbH	Germany	BBDO GmbH	45%
HM1 Ges. f. Direkt marketing und Werbelogistik mbH	Germany	BBDO GmbH	59%
BBDO Dusseldorf GmbH	Germany	BBDO GmbH	91%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
MSBK, TEAM Dialog-Marketing GmbH	Germany	BBDO GmbH	41%
		MSBK International AG	31%
BBDO Dusseldorf GmbH Werbeagentur	Germany	BBDO GmbH	91%
SELLBYTEL Call- & Communication Center GmbH	Germany	BBDO GmbH	71%
BBDO Media Team GmbH.....	Germany	BBDO GmbH	68%
M-I-D Marketinformationsdienst GmbH	Germany	BBDO GmbH	45%
European Communications Consultants (ECCO) GmbH	Germany	BBDO GmbH	45%
Economia Holding GmbH	Germany	BBDO GmbH	60%
Kofner & Partner Werbeagentur GmbH	Germany	BBDO GmbH	36%
Leonhardt & Kern Werbung GmbH	Germany	BBDO GmbH	70%
Luders/BBDO Werbeagentur GmbH	Germany	BBDO GmbH	44%
BBDO Dusseldorf GmbH Advertising	Germany	BBDO GmbH	91%
GFMO, OMD Gesellschaft fur Media-Optim. mbH	Germany	BBDO GmbH	84%
MM & B Media Agentur GmbH.....	Germany	BBDO Media Team GmbH	20%
Redwood Brand Publishing GmbH.....	Germany	BBDO GmbH	46%
Peter Schmidt, Claus Koch Holding GmbH.....	Germany	BBDO GmbH	29%
Art & Production pre-press center GmbH	Germany	Art & Production Advertising Services GmbH	91%
G.P.O. Gesellschaft fur Plakat-Optimierung mbH	Germany	GFMO, OMD Gesellschaft fur Media-Optim. mbH	84%
GFMS, OMD Gesellschaft fur Media Sonderwerbformen mbH	Germany	GFMO, OMD Gesellschaft fur Media-Optim. mbH	84%
Compas Media-Agentur GmbH	Germany	GFMO, OMD Gesellschaft fur Media-Optim. mbH	84%
promediapart/G.F.M.O. Gesellschaft fur Media-Opt. mbH	Germany	GFMO, OMD Gesellschaft fur Media-Optim. mbH	75%
Leonhardt & Kern Alpha GmbH Werbeagentur	Germany	Leonhardt & Kern Werbung GmbH	70%
Leonhardt & Kern Beta GmbH Werbeagentur	Germany	Leonhardt & Kern Werbung GmbH	53%
Leonhardt & Kern Gamma GmbH Werbeagentur	Germany	Leonhardt & Kern Werbung GmbH	63%
Design und Grafikstudio "An der Alster" GmbH.....	Germany	Economia Holding GmbH	60%
Manfred Baumann GmbH	Germany	Economia Holding GmbH	60%
Economia Ges. f. Marketing and Werb. mbH & Co KG	Germany	Economia Holding GmbH	60%
Brodersen, Stampe und Partner Werbeagentur GmbH	Germany	Economia Holding GmbH	60%
DIALOGISTIK Service-Center Direktmarketing GmbH	Germany	HM1 Ges. f. Direkt marketing und Werbelogistik mbH	59%
MD Factory Marketing Datenmanagement GmbH	Germany	HM1 Ges. f. Direkt marketing und Werbelogistik mbH	38%
DCS Atelier fur Direct Communication GmbH Werbe-Service	Germany	HM1 Ges. f. Direkt marketing und Werbelogistik mbH	59%
HM1 Heuser, Mayer & Partner Direktmark GmbH.....	Germany	HM1 Ges. f. Direkt marketing und Werbelogistik mbH	59%
Kohtes & Klewes Dusseldorf GmbH	Germany	European Communications Consultants (ECCO) GmbH	45%
Kohtes & Klewes Dresden GmbH	Germany	European Communications Consultants (ECCO) GmbH	32%
Kohtes & Klewes Frankfurt GmbH	Germany	European Communications Consultants (ECCO) GmbH	42%
Viamedia Medienagentur fur Radio & TV GmbH	Germany	European Communications Consultants (ECCO) GmbH	34%
Kohtes, Klewes Bonn GmbH	Germany	European Communications Consultants (ECCO) GmbH	41%
Kohtes & Klewes Hamburg GmbH	Germany	European Communications Consultants (ECCO) GmbH	38%
Kohtes & Klewes communication medical GmbH	Germany	European Communications Consultants (ECCO) GmbH	39%
Brodeur Kohtes & Klewes Kommunikation GmbH.....	Germany	European Communications Consultants (ECCO) GmbH	41%
Michael Vagedes Gesellschaft fur Eventkomm. mbH	Germany	European Communications Consultants (ECCO) GmbH	18%
Kohtes & Klewes Berlin GmbH	Germany	European Communications Consultants (ECCO) GmbH	43%
Deekeling Kommunikation GmbH	Germany	European Communications Consultants (ECCO) GmbH	32%
Kohtes & Klewes Munchen GmbH	Germany	European Communications Consultants (ECCO) GmbH	39%
Corps, Corporate Publishing Center GmbH	Germany	European Communications Consultants (ECCO) GmbH	23%
Porter Novelli Germany GmbH	Germany	European Communications Consultants (ECCO) GmbH	45%
Online Relations Consulting GmbH	Germany	European Communications Consultants (ECCO) GmbH	45%
Promotion Dynamics GmbH.....	Germany	Stein Holding GmbH	44%
Stein Promotions GmbH	Germany	Stein Holding GmbH	63%
Stein Promotions Hamburg GmbH.....	Germany	Stein Holding GmbH	63%
MSBK Team Consulting GmbH	Germany	MSBK, Team Dialog-Marketing GmbH	22%
a.s.a.p. Final Art Service GmbH	Germany	MSBK, Team Dialog-Marketing GmbH	37%
P.S. Produktions-Service GmbH	Germany	MSBK International AG	46%
SMP Werbeservice GmbH.....	Germany	MSBK International AG	36%
Knauer/Rump/Partner Werbeagentur GmbH	Germany	MSBK International AG	49%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
SELL/DIALOG Werbeagentur GmbH	Germany	Knauer/Rump/Partner Werbeagentur GmbH	49%
Claus Koch Corp. Communications GmbH	Germany	Peter Schmidt, Claus Koch Holding GmbH	28%
Peter Schmidt Studios GmbH	Germany	Peter Schmidt, Claus Koch Holding GmbH	28%
Final Artwork Grafik und Werbegestaltung GmbH	Germany	Peter Schmidt, Claus Koch Holding GmbH	28%
KNSK Slagman Werbeagentur GmbH	Germany	KNSK/BBDO Slagman Holding GmbH	70%
Slagman's Werberagentur GmbH & Co. KG	Germany	KNSK/BBDO Slagman Holding GmbH	70%
Slagman's Direkt GmbH & Co. KG	Germany	KNSK/BBDO Slagman Holding GmbH	70%
BBDO Advertising S.A.	Greece	BBDO Worldwide Europe GmbH	80%
		BBDO Worldwide Inc.	20%
Infomercial Direct S.A.	Greece	BBDO Advertising S.A.	100%
Team/Athens S.A.	Greece	BBDO Advertising S.A.	67%
Arrow II Advertising S.A.	Greece	BBDO Advertising S.A.	35%
SPO S.A.	Greece	BBDO Advertising S.A.	50%
The Media Corp S.A.	Greece	BBDO Advertising S.A.	100%
Cinemax S.A.	Greece	BBDO Advertising S.A.	100%
Media Direction Hellas S.A.	Greece	BBDO Advertising S.A.	100%
BBDO Business Communications S.A.	Greece	BBDO Advertising S.A.	100%
IKON S.A./Porter Novelli	Greece	BBDO Advertising S.A.	100%
Point Zero S.A.	Greece	BBDO Advertising S.A.	27%
Grafis S.A.	Greece	BBDO Advertising S.A.	80%
Lamda Alpha S.A.	Greece	BBDO Advertising S.A.	26%
BBDO/Guatemala S.A.	Guatemala	Garnier/BBDO S.A.	30%
Zeus/BBDO	Honduras	Garnier/BBDO S.A.	23%
BBDO Asia Pacific Ltd.	Hong Kong	BBDO Worldwide Inc.	100%
BBDO Hong Kong Ltd.	Hong Kong	BBDO Asia Pacific Ltd.	100%
ADCOM BBDO Direct Ltd.	Hong Kong	BBDO Hong Kong Ltd.	100%
The Orchard Group Ltd.	Hong Kong	BBDO Asia Pacific Ltd.	100%
Orchard Intergrated Ltd.	Hong Kong	The Orchard Group Limited	100%
BBDO Budapest	Hungary	BBDO Worldwide Europe GmbH	95%
The Media Partnership	Hungary	BBDO Budapest	24%
Hungarian Promotional Services.....	Hungary	BBDO Budapest	52%
Media Direction	Hungary	BBDO Budapest	95%
Optima Media Direction	Hungary	BBDO Budapest	42%
RK Swamy/BBDO Advertising Ltd.	India	BBDO Asia Pacific Ltd.	50%
The Candover Company	Ireland	BBDO Investment	50%
		AMV (Investments) Ltd.	50%
Tramway Investments Ltd.	Ireland	The Candover Company	100%
Irish International	Ireland	Tramway Investments Ltd.	100%
Gitam/BBDO Ltd.	Israel	BBDO Worldwide Inc.	49%
Data Pro Ltd.	Israel	Gitam/BBDO Ltd.	15%
Y.SAAR Ltd.	Israel	Gitam/BBDO Ltd.	15%
Video Dada Ltd.	Israel	Gitam/BBDO Ltd.	49%
Multi Sedar Ltd.	Israel	Gitam/BBDO Ltd.	49%
Motiv Plus S.A.	Israel	Gitam/BBDO Ltd.	49%
Gitam International S.A.	Israel	Motiv Plus S.A.	22%
BBDO Italy SpA	Italy	BBDO Worldwide Inc.	100%
D'Adda Lorenzini Vigorelli SpA	Italy	BBDO Worldwide Inc.	5%
		BBDO Italy Ltd.	35%
OMD ME Ltd.	Jersey	Impact/BBDO Group Partnership	44%
Freelance Ltd.	Jersey	Impact/BBDO Group Partnership	35%
Impact/BBDO SAL	Lebanon	Impact/BBDO Group Partnership	35%
Strategies ME	Lebanon	Impact/BBDO Group Partnership	33%
OMD SA	Lebanon	OMD ME Ltd	44%
Link Creations Limited	Malaysia	BBDO Asia Pacific Ltd.	49%
L & M Promotions.....	Malaysia	BBDO Asia Pacific Ltd.	49%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
BBDO Mexico, S.A. de C.V.	Mexico	BBDO Worldwide Inc.	90%
OFI Finance B.V.	Netherlands	Registrant	66%
		BBDO Canada Inc.	34%
BBDO Nederland B.V.	Netherlands	BBDO Worldwide Inc.	50%
FHV/BBDO Creative Marketing Agency N.V.	Netherlands	BBDO Nederland B.V.	50%
Bennis Porter Novelli	Netherlands	BBDO Nederland B.V.	50%
Signum Informationieprojecten B.V.	Netherlands	BBDO Nederland B.V.	50%
Signum Nieve	Netherlands	Signum Informationieprojecten B.V.	25%
Signum Beishuizen	Netherlands	Signum Informationieprojecten B.V.	25%
BVI/One2One	Netherlands	BBDO Nederland B.V.	50%
BBDO Business Communications B.V.	Netherlands	BBDO Nederland B.V.	50%
D.M. Het ReklameTeam B.V.	Netherlands	FHV/BBDO Creative Marketing Agency N.V.	35%
Liberty Films B.V.	Netherlands	FHV/BBDO Creative Marketing Agency N.V.	50%
Mediacenter B.V.	Netherlands	FHV/BBDO Creative Marketing Agency N.V.	13%
Media Direction Nederland B.V.	Netherlands	FHV/BBDO Creative Marketing Agency N.V.	38%
Diversified Marketing Services Ltd. (N.Z.)	New Zealand	Clemenger BBDO Ltd.	47%
Clemenger BBDO Ltd. (N.Z.).....	New Zealand	Clemenger BBDO Ltd.	47%
Aim Direct	New Zealand	Diversified Marketing Services Ltd. (N.Z.)	47%
Porter Novelli New Zealand Ltd.	New Zealand	Diversified Marketing Services Ltd. (N.Z.)	46%
Total Media	New Zealand	Diversified Marketing Services Ltd. (N.Z.)	19%
Mailshop Ltd.	New Zealand	Diversified Marketing Services Ltd. (N.Z.)	28%
Crossman Porter Novelli	New Zealand	Porter Novelli New Zealand Ltd.	43%
Logos Porter Novelli (Wellington)	New Zealand	Porter Novelli New Zealand Ltd.	38%
Colenso BBDO Ltd.	New Zealand	Clemenger BBDO Ltd. (N.Z.)	47%
HKM Advertising Ltd.	New Zealand	Colenso BBDO Ltd.	47%
Agency Management Systems	New Zealand	Clemenger BBDO Ltd.	47%
Optimum Media Direction	New Zealand	Clemenger BBDO Ltd. (N.Z.)	23%
		DDB New Zealand Ltd.	30%
BBDO/Nicaragua S.A.	Nicaragua	Garnier/BBDO S.A.	25%
BBDO Oslo A/S	Norway	BBDO Worldwide Europe GmbH	80%
BBDO Myres AS.....	Norway	BBDO Worldwide Europe GmbH	60%
Media Direction A/S	Norway	BBDO Myres AS	60%
Schroder Production A/S.....	Norway	BBDO Myres AS	60%
Sepia A/S	Norway	BBDO Myres AS	60%
Atmosphere	Norway	BBDO Myres AS	60%
Garnier/BBDO Inc. S.A.	Panama	BBDO Worldwide Inc.	50%
BBDO Panama	Panama	Garnier/BBDO Inc. S.A.	26%
BBDO Peru S.A.	Peru	BBDO Worldwide Inc.	51%
Gold Pencil Co. Inc.	Philippines	BBDO Asia Pacific Ltd.	34%
BBDO Guerrero Oriega Inc.	Philippines	BBDO Asia Pacific Ltd.	30%
		Gold Pencil Co. Inc.	20%
NOS/BBDO Sp. Zo.o.	Poland	BBDO Worldwide Inc.	80%
Spin Communications	Poland	NoS/BBDO Sp. Zo.o.	80%
Media Direction.....	Poland	NoS/BBDO Sp. Zo.o.	80%
BBDO Portugal Agencia de Publicidade, Lda.	Portugal	BBDO Worldwide Europe GmbH	95%
Media Direction.....	Portugal	BBDO Portugal Agencia de Publicidade, Lda.	95%
Media Partnership	Portugal	BBDO Portugal Agencia de Publicidade, Lda.	24%
		Guerriero DDB Publicidade, Ltda.	17%
BBDO Puerto Rico Inc.	Puerto Rico	BBDO Worldwide Inc.	100%
Headline Public Relations & Promotions, Inc.	Puerto Rico	BBDO Puerto Rico Inc.	85%
Graffiti/BBDO	Romania	BBDO Worldwide Inc.	20%
Prospero	Romania	BBDO Worldwide Inc.	20%
Carlos Productions.....	Romania	Graffiti/BBDO	13%
BBDO Marketing	Russia	BBDO Worldwide Europe GmbH	100%
Arabian Central Establishment	Saudi Arabia	Impact/BBDO Group Partnership	44%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
BBDO Singapore Pte Ltd.	Singapore	BBDO Asia Pacific Ltd.	100%
Mark BBDO s.a.	Slovak Republic	BBDO Worldwide Europe GmbH	80%
Mark/BBDO Ltd.	Slovak Republic	Mark/BBDO s.a.	38%
Berry Bush/BBDO (Proprietary) Limited.....	South Africa	BBDO Worldwide Inc.	20%
BBDO Espana S.A.	Spain	BBDO Worldwide Inc.	90%
Tiempo/BBDO Madrid S.A.	Spain	BBDO Espana S.A.	55%
Tiempo/BBDO S.A.	Spain	BBDO Espana S.A.	72%
Contrapunto S.A.	Spain	BBDO Espana S.A.	69%
CD Data S.A.	Spain	Contrapunto S.A.	53%
C.P. Comunicacion Argentina	Spain	Contrapunto S.A.	69%
C.P. Comunicacion Barcelona S.A.	Spain	Contrapunto S.A.	34%
		Tiempo/BBDO S.A.	26%
C.P. Comunicacion S.A.	Spain	Contrapunto S.A.	61%
Media Direction Madrid S.A.	Spain	Tiempo/BBDO Madrid S.A.	55%
DEC S.A.	Spain	Tiempo/BBDO S.A.	61%
Media Direction S.A.	Spain	Tiempo/BBDO S.A.	72%
Orbital Comunicacion S.A.	Spain	Tiempo/BBDO S.A.	43%
Orbital Comunicacion S.A.	Spain	Tiempo/BBDO Madrid S.A.	16%
MSBK International AG	Switzerland	BBDO Worldwide Inc.	61%
Ehrenstrahle International A.B.	Sweden	BBDO Worldwide Europe GmbH	76%
HLR/BBDO Reklambyra A.B.	Sweden	BBDO Worldwide Europe GmbH	100%
Ehrenstrahle & Co. in Stockholm A.B.	Sweden	Ehrenstrahle International A.B.	76%
Media Communications Services Sverige AB.	Sweden	HLR/BBDO Reklambyra A.B.	20%
BBDO Taiwan Advertising Company Ltd.	Taiwan	BBDO Asia Pacific Ltd.	55%
Damask/BBDO Limited	Thailand	BBDO Asia Pacific Ltd.	100%
Alice BBDO	Turkey	BBDO Worldwide Europe GmbH	30%
MEDIA +	Turkey	Alice BBDO	27%
FOCUS 4	Turkey	Alice BBDO	27%
BBDO Direct Marketing and PR Services	Turkey	Alice BBDO	30%
Impact/BBDO	United Arab Emirates	Impact/BBDO International Ltd.	44%
OMD LLC	United Arab Emirates	OMD ME Ltd.	26%
Abbott Mead Vickers Group Limited	United Kingdom	BBDO Worldwide Inc.	100%
BBDO Investment	United Kingdom	BBDO Worldwide Inc.	100%
BBDO Italy Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
Abbott Mead Vickers BBDO Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
Freud Communications	United Kingdom	Abbott Mead Vickers Group Limited	100%
Redwood Publishing Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
AMV Advance Ltd.	United Kingdom	Abbott Mead Vickers BBDO Ltd	100%
Redwood International	United Kingdom	Abbott Mead Vickers Group Limited	100%
Barraclough Hall Woolston Gray Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
Momentum Integrated Communications Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
Clarke Hooper Consulting Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
Clarke Hooper Momentum Limited	United Kingdom	Clarke Hooper Consulting Ltd.	100%
Frew, MacMaster Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
Craik Jones Watson Mitchell Voelkel Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
BBDO Ltd.	United Kingdom	Abbott Mead Vickers BBDO Ltd.	100%
New PHD Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	80%
		Abbott Mead Vickers BBDO Ltd.	20%
AMV (Investments) Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
Telecom Express Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
Fishburn Hedges Boys Williams Holdings Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
McBain, Noel-Johnson & Co Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
Leagas Delaney Group Ltd.	United Kingdom	Abbott Mead Vickers Group Limited	100%
Aurelia Public Relations Ltd.	United Kingdom	Freud Communications	100%
Traffic Interactive Ltd.	United Kingdom	Freud Communications	33%
		Clarke Hooper Consulting Ltd.	67%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Brand Asset Management Licnesing Ltd.	United Kingdom	Freud Communications	20%
Prager & Partners Ltd.	United Kingdom	Barraclough Hall Woolston Gray Ltd.	75%
Prager List Broking Ltd.	United Kingdom	Prager & Partners Ltd.	38%
Counting House Ltd.	United Kingdom	Barraclough Hall Woolston Gray Ltd.	100%
Pulse Interactive Ltd.	United Kingdom	Barraclough Hall Woolston Gray Ltd.	100%
The O'Connell Partnership Ltd.	United Kingdom	Momentum Integrated Communications Ltd.	100%
Touchdown Events Promotion Ltd.	United Kingdom	Clarke Hooper Consulting Ltd.	100%
Ross Roy Ltd.	United Kingdom	Clarke Hooper Consulting Ltd.	100%
PHD Compass Ltd.	United Kingdom	New PHD Ltd.	50%
MSc Communications Ltd.	United Kingdom	New PHD Ltd.	50%
Outdoor Connection Ltd.	United Kingdom	New PHD Ltd.	33%
Drum PHD Ltd.	United Kingdom	New PHD Ltd.	47%
		Abbott Mead Vickers BBDO Ltd.	53%
Brand Science Ltd.	United Kingdom	New PHD Ltd.	50%
Media Vantage Ltd.	United Kingdom	New PHD Ltd.	50%
Grandmall Ltd.	United Kingdom	Telecom Express Ltd.	50%
Fishburn Hedges Boys Williams Ltd.	United Kingdom	Fishburn Hedges Boys Williams Holdings Ltd.	100%
FH Trustees Ltd.	United Kingdom	Fishburn Hedges Boys Williams Holdings Ltd.	100%
Electronic Studio TM Ltd.	United Kingdom	McBain, Noel-Johnson & Co Ltd.	100%
Electronic Solutions Ltd.	United Kingdom	McBain, Noel-Johnson & Co Ltd.	100%
Open Agency	United Kingdom	McBain, Noel-Johnson & Co Ltd.	100%
The Leagas Delaney Partnership Ltd.	United Kingdom	Leagas Delaney Group Ltd.	100%
Leagas Delaney International Ltd.	United Kingdom	Leagas Delaney Group Ltd.	100%
Media Direction Ltd.	United Kingdom	Leagas Delaney Group Ltd.	100%
BBDO Europe Ltd.	United Kingdom	Prism International Ltd.	100%
Ratto/BBDO Y Asociados S.A.	Uruguay	RATTO/BBDO S.A.	40%
BBDO/Venezuela C.A.	Venezuela	BBDO Worldwide Inc.	50%
DDB Chicago Inc.	Delaware	DDB Worldwide Communications Group, Inc.	100%
DDB International Inc.	Delaware	Omnicom International Inc.	100%
DDB Worldwide Partners Inc.	New York	DDB Worldwide Communications Group, Inc.	100%
DDB Worldwide Communications Group, Inc.	New York	Registrant	100%
Griffin Bacal Inc.	New York	DDB Chicago Inc.	100%
DDB Dallas Inc.	Texas	DDB Worldwide Communications Group, Inc.	100%
Tracy-Locke, Inc.	Texas	DDB Dallas Inc.	100%
PGC Advertising, Inc.	Texas	Registrant	100%
DDB Seattle Inc.	Washington	DDB Worldwide Communications Group, Inc.	100%
The Focus Agency Inc.	Washington	Registrant	100%
DDB Argentina S.A.	Argentina	DM9 Holding Inc.	100%
DDB Worldwide Pty. Ltd. (Australia)	Australia	DDB Worldwide Partners Inc.	100%
DDB Brisbane Pty. Ltd.	Australia	DDB Worldwide Pty. Ltd. (Australia)	100%
Diversified Communications Group Pty. Ltd.	Australia	DDB Worldwide Pty. Ltd. (Australia)	100%
Optimum Media Pty. Ltd.	Australia	DDB Worldwide Pty. Ltd. (Australia)	100%
DDB Sydney Pty. Ltd.	Australia	DDB Worldwide Pty. Ltd. (Australia)	100%
Production 32 Pty. Ltd.	Australia	DDB Worldwide Pty. Ltd. (Australia)	100%
DDB Melbourne Pty. Ltd.	Australia	DDB Worldwide Pty. Ltd. (Australia)	100%
Pulse Productions Pty. Ltd.	Australia	DDB Worldwide Pty. Ltd. (Australia)	100%
DDB Finance Pty. Ltd.	Australia	DDB Worldwide Pty. Ltd. (Australia)	100%
Rapp Collins Australia Pty. Ltd.	Australia	DDB Worldwide Pty. Ltd. (Australia)	100%
Salesforce Australia Pty. Ltd.	Australia	Diversified Communications Group Pty. Ltd.	100%
Doyle Dane Bernbach Pty. Ltd.	Australia	Registrant	100%
CCP. Heye Werbeagentur GmbH Vienna	Austria	Heye & Partner GmbH	20%
DDB Heye & Partner GmbH	Austria	DDB Holding Europe S.C.A.	86%
DDB Worldwide S.A.	Belgium	DDB Holding Europe S.C.A.	79%
Marketing Power Rapp & Collins S.A.	Belgium	DDB Worldwide S.A.	52%
DM9 DDB Publicidad	Brazil	DM9 Holding Inc.	76%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Ghirrotti & Co.	Brazil	DDB Worldwide Communications Group Inc.	20%
Olympic DDB Bulgaria.....	Bulgaria	Olympic DDB S.A.	61%
Omnicom Canada Inc.....	Canada	Registrant	100%
Griffin Bacal Canada.....	Canada	Griffin Bacal Inc.	100%
Griffin Bacal Volny	Canada	Griffin Bacal Canada	100%
Palmer Jarvis Inc.	Canada	Registrant	100%
Area 51 Interactive Inc.	Canada	Palmer Jarvis Inc.	100%
Seabreeze Investment (1983) Ltd.	Canada	Palmer Jarvis Inc.	100%
Palmer Jarvis & Associates (Canada) Advertising Corp.	Canada	Seabreeze Investments (1983) Ltd.	100%
Palmer Jarvis Retail Advertising Ltd.	Canada	Palmer Jarvis & Associates (Canada) Advertising Corp.	100%
Kaizen Media Services Inc.	Canada	Palmer Jarvis Retail Advertising Ltd.	100%
The Malahat Group Inc.	Canada	Palmer Jarvis Retail Advertising Ltd.	50%
Palmer Jarvis & Associates Advertising (Manitoba) Ltd.	Canada	Palmer Jarvis Retail Advertising Ltd.	50%
Palmer Jarvis Advertising Saskatchewan Ltd.	Canada	Palmer Jarvis & Associates (Canada) Advertising Corp.	50%
DM9 Holding Inc.	Cayman Islands	Palmer Jarvis Retail Advertising Ltd.	50%
Zegers DDB S.A.	Chile	DDB Worldwide Partners Inc.	100%
Beijing DDB Advertising Co. Ltd.	China	DM9 Holding	40%
Guangzhou DDB Advertising Ltd.	China	DDB Worldwide Ltd.	51%
DDB Worldwide Colombia Ltda.	Colombia	DDB (China) Investment Ltd.	100%
Adcom DDB S.A.	Costa Rica	DDB Worldwide Partners Inc.	24%
Futura DDB Croatia	Croatia	Adcom/DDB Centroamerica, S.A.	36%
OMD Croatia	Croatia	Olympic DDB S.A.	31%
Pyramis DDB.....	Cyprus	Futura DDB Croatia	16%
DDB A.S.	Czech Republic	BBDO Zagreb	30%
DDB Denmark A/S	Denmark	Olympic DDB S.A.	43%
Rapp & Collins DDB A/S	Denmark	DDB Holding Europe S.C.A.	97%
E-SCAPE Interactive A/S	Denmark	DDB Worldwide Partners, Inc.	70%
ADministration ApS	Denmark	DDB Denmark A/S	49%
		DDB Denmark A/S	53%
		Rapp & Collins DDB A/S	5%
		DDB Denmark A/S	9%
		TBWA Reklamebureau A/S	11%
		Rapp & Collins DDBN A/S	6%
		BBDO A/S	9%
		BBDO Business Communications A/S	4%
		Sepia A/S	2%
Agitator Reklamebureau	Denmark	DDB Holding Europe S.C.A.	39%
Bernbach Consult A/S	Denmark	DDB Denmark A/S	70%
Andco A/S	Denmark	DDB Denmark A/S	70%
Pierre P Production A/S.....	Denmark	DDB Denmark A/S	70%
Optimum Media Direction	Denmark	DDB Denmark A/S	35%
		BBDO Danmark A/S	37%
RCM/DDB	El Salvador	Adcom/DDB Centroamerica, S.A.	13%
Brand Sellers DDB EESTI A.S.	Estonia	DDB Worldwide Helsinki Oy	57%
Halo Interactive DDB	Estonia	Brand Sellers DDB EESTI A.S.	31%
DDB & Co.	Estonia	Brand Sellers DDB EESTI A.S.	57%
Rapp Collins	Estonia	Brand Sellers DDB EESTI A.S.	57%
Datum Optimum Media Tallinn	Estonia	Datum Optimum Media Direction Oy	36%
DDB Worldwide Helsinki Oy	Finland	DDB Holding Europe S.C.A.	67%
Brand Sellers DDB Oy	Finland	DDB Worldwide Helsinki Oy	67%
Datum Optimum Media Direction Oy	Finland	DDB Worldwide Helsinki Oy	36%
		DDB Worldwide Partners, Inc.	29%
Sarajarvi & Hellen Oy.....	Finland	DDB Worldwide Helsinki Oy	36%
Diritto Rapp & Collins Oy	Finland	DDB Worldwide Helsinki Oy	54%
Micro Media Oy	Finland	DDB Worldwide Helsinki Oy	54%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
DDB Holding Europe S.C.A.	France	Registrant	86%
DDB Communication France S.A.	France	DDB Holding Europe S.C.A.	86%
DDB Interactive SARL	France	DDB Communication France S.A.	63%
DDB Lille SNC	France	DDB Communication France S.A.	86%
DDB The Way S.A.	France	DDB Communication France S.A.	69%
DDB Atlantique S.A.	France	DDB Communication France S.A.	63%
Optimum Media Direction SCS	France	DDB Communication France S.A.	26%
		Groupe BDDP France S.A.	33%
		BBDO Paris S.A.	27%
La Marque Media SNC	France	Optimum Media Direction SCS	87%
Optimum Media SNC	France	Optimum Media Direction SCS	87%
Media Direction SNC	France	Optimum Media Direction SCS	87%
SEO Achat D'espace SNC	France	Optimum Media Direction SCS	87%
SDMS S.A.	France	DDB Communication France S.A.	85%
Productions 32 SNC	France	DDB Communication France S.A.	57%
		SDMS S.A.	29%
DDB Worldwide Europe S.A.	France	DDB Communication France S.A.	86%
Directing/Rapp & Collins SNC.....	France	DDB Communication France S.A.	60%
Marketic Conseil S.A.	France	DDB Communication France S.A.	46%
Piment SNC	France	DDB Communication France S.A.	53%
SFV-Perre Contact S.A.	France	SDMS S.A.	51%
		DDB Communication France S.A.	34%
Louis XIV S.A.	France	DDB Communication France S.A.	44%
OP & A S.A.	France	DDB Communication France S.A.	44%
Printer SNC	France	DDB Communication France S.A.	44%
		SDMS S.A.	42%
Gutenberg On Line Regions S.A.	France	SDMS S.A.	42%
		DDB Communication France S.A.	44%
Interimage Rhone Alpes SNC	France	SDMS S.A.	42%
		DDB Communication France S.A.	44%
Interimage	France	SDMS S.A.	29%
		DDB Communication France S.A.	57%
Groupe 32 SNC	France	DDB Communication France S.A.	48%
		SDMS S.A.	38%
Rapp & Collins SNC	France	Directing/Rapp & Collins SNC	60%
Customing S.A.	France	Directing/Rapp & Collins SNC	60%
DDB CIE SNC	France	DDB Communication France S.A.	85%
DDB SCA	France	DDB Communication France S.A.	86%
BCRC SA	France	DDB Communication France S.A.	86%
DDB Nouveau Monde S.A.	France	DDB Communication France S.A.	61%
40emes Rugissants S.A.	France	DDB Communication France S.A.	38%
		SDMS S.A.	19%
DDB Marketmind S.A.	France	DDB Communication France S.A.	38%
		SDMS S.A.	19%
Adam Graphic	France	DDB Marketmind S.A.	57%
Studio 603 SNC.....	France	Piment SNC	52%
Mise A Jour Production SNC	France	Directing/Rapp & Collins SNC	59%
La Place S.A.	France	DDB Communication France S.A.	52%
RC2 S.A.	France	DDB Communication France S.A.	86%
DDB & Co. Hintzy Heymann S.A.	France	DDB Communication France S.A.	62%
Tagaro! DDB and Co. S.A.	France	DDB & Co. Hintzy Heymann S.A.	47%
Communication Management GmbH Dusseldorf	Germany	Registrant	99%
Hoffmann, Reiser, Schalt Frankfurt	Germany	Communication Management GmbH Dusseldorf	48%
Optimum Sponsoring Dusseldorf	Germany	Optimum Media Dusseldorf	89%
Optimum Media Dusseldorf	Germany	Communication Management GmbH Dusseldorf	89%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Production 32 Dusseldorf	Germany	Communication Management GmbH Dusseldorf	99%
Jahns Rapp Collins	Germany	Communication Management GmbH Dusseldorf	50%
		Heye & Partner GmbH	16%
Selby & Co. Hamburg	Germany	Communication Management GmbH Dusseldorf	30%
Production Service Ludwigsburg	Germany	DDB GmbH Dusseldorf	99%
Screen GmbH	Germany	Communication Management GmbH Dusseldorf	97%
InterScreen Dusseldorf	Germany	Screen GmbH	50%
Interscreen Prag (TCH)	Germany	InterScreen Dusseldorf	50%
DDB Beteiligungsgesellschaft GmbH	Germany	Communication Management GmbH Dusseldorf	99%
DDB GmbH Dusseldorf	Germany	Communication Management GmbH Dusseldorf	99%
Fritsch Heine Rapp Collins Hamburg	Germany	Communication Management GmbH Dusseldorf	85%
Heye Media GmbH	Germany	Heye & Partner GmbH	44%
Heye & Partner GmbH	Germany	DDB Holding Europe S.C.A.	45%
Heye Management Service GmbH	Germany	Heye & Partner GmbH	23%
Print Munchen GmbH	Germany	Heye & Partner GmbH	45%
Optimum Media Direction Germany GmbH	Germany	Heye & Partner GmbH	11%
		BBDO GmbH	20%
		Optimum Media Dusseldorf	49%
Buhler, Flettner & Partner	Germany	DDB Beteiligungsgesellschaft GmbH	99%
DDB & Co. GmbH	Germany	Buhler, Flettner & Partner	99%
Rapp Collins Consulting	Germany	Fritsch Heine Rapp Collins Hamburg	85%
Olympic DDB S.A.	Greece	DDB Worldwide Partners Inc.	61%
Tempo Optimum Media Hellas S.A.	Greece	Olympic DDB S.A.	37%
		TBWA Athens S.A.	15%
Rapp Collins Hellas S.A.	Greece	Olympic DDB S.A.	41%
DDB S.C.E.	Greece	Olympic DDB S.A.	61%
Publinac/DDB Guatemala [C.A.]	Guatemala	Adcom/DDB Centroamerica, S.A.	11%
Adcom/DDB	Honduras	Adcom/DDB Centroamerica, S.A.	20%
DDB Asia Pacific Ltd.	Hong Kong	DDB Worldwide Partners, Inc.	100%
DDB (China) Investment Ltd.	Hong Kong	DDB Asia Pacific Ltd.	100%
DDB Worldwide Ltd.	Hong Kong	DDB (China) Investment Ltd.	100%
DDB Nexus Ltd.	Hong Kong	DDB Worldwide Ltd.	51%
DDB China Ltd.	Hong Kong	DDB Asia Pacific Ltd.	100%
DDB Advertising Co. (Budapest)	Hungary	DDB Heye & Partner GmbH	40%
		DDB Holding Europe S.C.A.	52%
Lexington Kft.	Hungary	DDB Advertising Co. (Budapest)	28%
Madison Publishing Kft.	Hungary	DDB Advertising Co. (Budapest)	92%
DDB Agency Kft.	Hungary	DDB Advertising Co. (Budapest)	92%
DDB Communication S.R.L.	Italy	DDB Holding Europe S.C.A.	90%
Optimum Media Direction S.R.L.	Italy	DDB Communication S.R.L.	36%
		BBDO Italy SpA	40%
Verba DDB S.R.L.	Italy	DDB Communication S.R.L.	90%
Verba S.R.L.	Italy	DDB Communication S.R.L.	90%
Grafika S.R.L.	Italy	DDB Communication S.R.L.	90%
Nadler S.R.L.	Italy	DDB Communication S.R.L.	90%
TMP Italy S.R.L.	Italy	DDB Communication S.R.L.	23%
		BBDO Italy SpA	25%
Rapp Collins S.R.L.	Italy	DDB Communication S.R.L.	72%
DDB Japan Inc.	Japan	DDB Worldwide Communications Group Inc.	100%
Lee & DDB Inc.	Korea	DDB Worldwide Partners Inc.	54%
SIA DDB Worldwide Latvia	Latvia	DDB Worldwide Helsinki Oy	44%
SIA Brand Sellers DDB Baltic	Latvia	SIA DDB Worldwide Latvia	44%
Rapp Collins	Latvia	SIA DDB Worldwide Latvia	37%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
DDB & Co. SIA	Latvia	SIA DDB Worldwide Latvia	30%
Datum Optimum Media Latvia	Latvia	Datum Optimum Media Direction Oy	22%
Brand Sellers DDB Vilinius	Lithuania	DDB Worldwide Helsinki Oy	48%
Datum Optimum Media Lithuania	Lithuania	Datum Optimum Media Direction Oy	36%
Naga DDB SDN BHD	Malaysia	DDB Asia Pacific Ltd.	30%
Gibert DDB	Mexico	Latin Advertising Venture LLC	60%
DDB Worldwide S.A. de C.V.	Mexico	Registrant	100%
B.V. Result DDB	Netherlands	DDB Holding Europe S.C.A.	85%
Interactive Works B.V.	Netherlands	B.V. Result DDB	65%
Medion B.V.	Netherlands	Rapp and Collins B.V.	79%
Mediacenter Holding B.V.	Netherlands	B.V. Result DDB	11%
Rapp and Collins B.V.	Netherlands	B.V. Result DDB	79%
Eigen Fabrikkat B.V.	Netherlands	B.V. Result DDB	49%
DDB Holding B.V.	Netherlands	DDB Holding Europe S.C.A.	100%
OMD	Netherlands	B.V. Result DDB	43%
		TBWA-OMD C.V.	35%
DDB New Zealand Ltd.	New Zealand	DDB Worldwide Ltd.	64%
DDB Worldwide Ltd.	New Zealand	DDB Worldwide Pty. Ltd. (Australia)	100%
Beyond DDB Ltd.	New Zealand	DDB New Zealand Ltd.	64%
The WOW Factor Ltd.	New Zealand	Beyond DDB Ltd.	54%
Rapp Collins Worldwide Ltd.	New Zealand	Beyond DDB Ltd.	64%
Salesforce New Zealand Ltd.	New Zealand	Beyond DDB Ltd.	25%
		Salesforce Australia Pty. Ltd.	60%
Imagination Identity Consultants Ltd.	New Zealand	Beyond DDB Ltd.	44%
DDB Norway A/S	Norway	DDB Holding Europe S.C.A.	100%
New Deal DDB A/S	Norway	DDB Norway A/S	98%
		DDB Holding B.V.	2%
Optimum Media A/S	Norway	New Deal DDB A/S	100%
Big Deal Film A/S	Norway	New Deal DDB A/S	100%
Real Deal DDB A/S.....	Norway	New Deal DDB A/S	50%
Business Deal DDB A/S	Norway	New Deal DDB A/S	100%
Macaroni A/S.....	Norway	New Deal DDB A/S	50%
Pro Deal A/S	Norway	New Deal DDB A/S	100%
Inferno A/S	Norway	DDB Norway A/S	35%
Retail Deal DDB A/S	Norway	New Deal DDB A/S	69%
New Deal DDB Interactive A/S	Norway	New Deal DDB A/S	50%
Adcom/DDB Centroamerica, S.A.	Panama	DDB Worldwide Partners Inc.	50%
AMA-DDB Worldwide Inc.	Philippines	DDB Asia Pacific Ltd.	51%
Corporate Profiles DDB Sp. ZO.O.	Poland	DDB Worldwide Partners Inc.	49%
Optimum Media Sp. ZO.O.....	Poland	Corporate Profiles DDB Sp. ZO.O.	34%
Twin Advertising Sp. ZO.O.	Poland	Corporate Profiles DDB Sp. ZO.O.	49%
Tempo Media Agencia de Melos, Publicidade S.A.	Portugal	Guerriero DDB Publicidade, Ltda.	28%
		BBDO Portugal Agencia de Publicidad, Lda	38%
DDB Publicidade International (Portugal) Sociedade Unipessoal Lda.	Portugal	Guerriero DDB Publicidade, Ltda.	70%
		BBDO Portugal Agencia de Publicidad, Lda	24%
Guerriero DDB Publicidade, Ltda.	Portugal	DDB Holding Europe S.C.A.	70%
Olympic DDB Romania SRL	Romania	Olympic DDB S.A.	61%
DDB Worldwide GAF Pte. Ltd.	Singapore	DDB Asia Pacific Ltd.	90%
DDB A.S. Bratislava	Slovak Republic	DDB Worldwide Partners Inc.	80%
Tandem DDB, S.A.	Spain	DDB Holding Europe S.C.A.	7%
		Registrant	81%
Tandem Campmany Guasch DDB, S.A.	Spain	Registrant	2%
		Tandem DDB, S.A.	86%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Optimum Media S.A.	Spain	Tandem Campmany Guasch DDB, S.A.	81%
Instrumens/Rapp & Collins S.A.	Spain	Tandem DDB, S.A.	88%
Screen SA (Barcelona)	Spain	Screen GmbH	99%
A Toda Copia S.A.	Spain	Tandem DDB, S.A.	88%
The Media Partnership S.A.	Spain	Tandem DDB, S.A.	19%
		BBDO Espana S.A.	27%
DDB Interactive S.A.	Spain	Tandem DDB, S.A.	70%
Bomberos A.B.	Sweden	Paradisat DDB A.B.	51%
Mercator Trade Marketing A.B.	Sweden	Paradisat DDB A.B.	51%
Paradisat DDB A.B.	Sweden	DDB Worldwide Sweden A.B.	100%
DDB Worldwide Sweden A.B.	Sweden	DDB Holding Europe S.C.A.	100%
DDB Werbeagentur AG.	Switzerland	DDB Holding AG	100%
Seiler Com Holding.....	Switzerland	DDB Holding AG	30%
DDB Holding AG	Switzerland	DDB Holding Europe S.C.A.	100%
DDB Worldwide Ltd.	Taiwan	DDB Asia Pacific Ltd.	90%
DDB (Thailand) Limited.....	Thailand	DDB Worldwide Partners Inc.	100%
DDB Bangkok.....	Thailand	DDB Worldwide Communications Group Inc.	100%
Medina/Turgul DDB.....	Turkey	DDB Holding Europe S.C.A.	30%
Slogan DDB.....	Uruguay	DDB Worldwide Partners Inc.	40%
BMP DDB Limited.....	United Kingdom	Omnicom UK Limited	100%
Billco Limited.....	United Kingdom	BMP DDB Limited	100%
Optimum Media Direction Limited.....	United Kingdom	BMP DDB Limited	100%
Optimum Media Limited.....	United Kingdom	BMP DDB Limited	100%
Outdoor Connection Limited.....	United Kingdom	BMP DDB Limited	33%
Solutions in Media Limited.....	United Kingdom	Omnicom UK Limited	100%
Griffin Bacal Limited.....	United Kingdom	Prism International Limited	100%
Target DDB Publicidad C.A.	Venezuela	DDB Worldwide Partners Inc.	49%
Acuity Healthgroup, Inc.	California	Registrant	100%
Alcone Marketing Group, Inc.	California	Registrant	100%
Baxter, Gurian & Mazzei, Inc.	California	Health & Medical Communications, Inc.	100%
Goddard*Claussen Porter Novelli Inc.	California	Porter Novelli Inc.	100%
Harrison Wilson & Associates Inc.	California	Harrison Wilson & Associates Inc.	100%
The Designory, Inc.	California	Registrant	100%
Upstart Communications, Inc.....	California	Fleishman-Hillard Inc.	100%
Integer Group, L.L.C.	Colorado	C-D Acquisitions Inc.	100%
Karsh & Hagan, Inc.	Colorado	Integer Group, L.L.C.	100%
ACCEL Healthcare L.L.C.	Delaware	DAS Holdings Inc.	60%
Bayless & Partners, Inc.	Delaware	Registrant	100%
Beaupre & Co. Public Relations Inc.	Delaware	Brodeur & Partners, Inc.	100%
Bernard Hodes Group Inc.	Delaware	Registrant	100%
Brodeur/Park Place, Inc.	Delaware	Brodeur & Partners, Inc.	100%
C&B/Interactive Public Relations Inc.	Delaware	Copithorne & Bellows Public Relations Inc.	100%
CareerMosaic Inc.	Delaware	Bernard Hodes Group Inc.	100%
Clark & Weinstock Inc.	Delaware	Registrant	100%
Copithorne & Bellows Public Relations Inc.	Delaware	Registrant	100%
DAS GP L.L.C.	Delaware	CD Acquisitions Inc.	100%
DAS Holdings Inc.	Delaware	Registrant	100%
Direct Partners Inc.	Delaware	Registrant	100%
Doremus & Company.....	Delaware	BBDO Worldwide Inc.	100%
Doremus Printing Corp.	Delaware	Doremus & Company	100%
EBS PN, a Porter Novelli Company.....	Delaware	Porter Novelli Inc.	100%
Featherlite/GMR Sports Group, L.L.C.	Delaware	Gary M. Reynolds and Associates, Inc.	50%
Fleishman-Hillard Inc.	Delaware	Registrant	100%
Focus Agency L.P.	Delaware	DAS GP L.L.C.	1%
		CD Acquisitions Inc.	99%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Gavin Anderson & Company Worldwide Inc.	Delaware	Registrant	100%
GPC America Inc.	Delaware	Registrant	100%
Harrison Wilson & Associates Inc.	Delaware	Registrant	100%
Ketchum Directory Advertising Inc.	Delaware	Registrant	100%
Ketchum Inc.	Delaware	Registrant	100%
Ketchum International, Inc.	Delaware	Registrant	100%
Ketchum New York Advertising Holdings, Inc.	Delaware	Ketchum Communications Holdings, Inc.	100%
Kragie Newell Advertising L.L.C.	Delaware	Integer Group, L.L.C.	100%
Lois Paul & Partners Inc. A Fleishman Hillard Company	Delaware	Fleishman-Hillard Inc.	100%
Meridian Technology Marketing Inc.	Delaware	Registrant	100%
Merkley Newman Harty, Inc.	Delaware	Registrant	100%
Millsport L.L.C.	Delaware	DAS Holdings Inc.	60%
NCG/Porter Novelli Inc.	Delaware	Registrant	100%
Optima Direct, Inc.	Delaware	Registrant	100%
Porter Novelli Inc.	Delaware	Doremus & Company	100%
Pro ED COMMUNICATIONS Inc.	Delaware	Registrant	100%
QED Technologies Inc.	Delaware	Registrant	100%
Quantum Plus Corp.	Delaware	Registrant	100%
Rapp Collins Worldwide GP L.L.C.	Delaware	Rapp Partnership Holdings Inc.	100%
Rapp Collins Worldwide Holdings L.L.C.	Delaware	Rapp Partnership Holdings Inc.	100%
Rapp Collins Worldwide Inc. (DE).....	Delaware	Rapp Collins Worldwide Holdings L.L.C.	100%
Rapp Collins Worldwide Limited Partnership	Delaware	Rapp Collins Worldwide Holdings L.L.C.	99%
		Rapp Collins Worldwide GP L.L.C.	1%
Rapp Digital Direct Inc.	Delaware	Registrant	100%
Rapp Partnership Holdings Inc.	Delaware	Registrant	100%
Scirex Corporation.....	Delaware	Registrant	20%
Sheppard Associates Inc.	Delaware	Registrant	100%
Team South	Delaware	Registrant	100%
The Marketing Arm Inc.	Delaware	Registrant	100%
Tic Toc, The Imagination Company L.L.C.	Delaware	DAS Holdings Inc.	75%
TLP East L.L.C.	Delaware	TLP, Inc.	100%
Watt/Fleishman-Hilliard Inc.	Delaware	Fleishman-Hillard Inc.	100%
Worldwide Marketing Resources	Delaware	Registrant	100%
R Duffy Wall & Associates, Inc.	District of Columbia	Fleishman-Hillard Inc.	100%
Martec CI Group, Inc.	Florida	Diversified Agency Services Holding	51%
Frank J. Corbett, Inc.	Illinois	Health & Medical Communications, Inc.	100%
HRC Illinois Inc.	Illinois	Rapp Collins Worldwide Holdings L.L.C.	100%
JAC Investments, Inc.	Illinois	Case Dunlap Enterprises Inc.	80%
The Russ Reid Company Incorporated	Illinois	DAS Holdings Inc.	50%
Brodeur & Partners Inc.	Massachusetts	Registrant	100%
Cone Inc.	Massachusetts	Registrant	100%
Fleishman-Hillard Missouri Poll, Inc.	Missouri	Fleishman-Hillard Inc.	100%
Adelphi USA Inc.	New Jersey	Adelphi Group Limited	100%
AMM-Adelphi LLC	New Jersey	Adelphi Group Limited	50%
CPR Worldwide USA L.L.C.	New York	CPR Worldwide, Ltd.	67%
Della Femina/Jeary and Partners.....	New York	Ketchum New York Advertising Holdings, Inc.	49%
Gavin Anderson & Company (Japan), Inc.	New York	Registrant	100%
Gavin Anderson & Company Inc.	New York	Gavin Anderson & Company Worldwide Inc.	100%
Gerstman + Meyers Inc.	New York	Interbrand Corporation	100%
Harrison & Star, Inc.	New York	Registrant	100%
Harrison Star Public Relations, Inc.	New York	Registrant	100%
Health & Medical Communications, Inc.	New York	BBDO Worldwide Inc.	100%
Health Science Communications Inc.	New York	Registrant	100%
Interbrand Corporation	New York	Registrant	100%
Kaleidoscope Creative, Inc.	New York	Registrant	100%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Kallir, Philips, Ross, Inc.	New York	Registrant	100%
Lyons/Lavey/Nickel/Swift, Inc.	New York	Health & Medical Communications, Inc.	100%
Rapp & Collins USA Inc.	New York	Registrant	100%
RC Communications, Inc.	New York	Registrant	99%
Shain Colavito Pensabene Direct, Inc.	New York	Registrant	100%
Stern Advertising Inc.	Ohio	Registrant	100%
GMR Group Inc.	Pennsylvania	Registrant	73%
Ketchum Communications Holdings, Inc.	Pennsylvania	Registrant	100%
Case Dunlap Enterprises, Inc.	Texas	Registrant	100%
M/A/R/C Inc.	Texas	Registrant	100%
TLP, Inc.	Texas	Registrant	100%
Marketstar Corporation	Utah	Registrant	40%
Steve Cram & Associates, Inc.	Virginia	Registrant	100%
Gary M. Reynolds and Associates, Inc.	Wisconsin	Registrant	100%
Interbrand Avalos & Bourse	Argentina	Diversified Agency Services Holding	30%
Porter Novelli Argentina S.R.L.	Argentina	Diversified Agency Services Holding	25%
Rapp Collins Argentina	Argentina	Diversified Agency Services Holding	100%
Canberra Liaison	Australia	Gavin Anderson & Company Pty Ltd.	70%
Gavin Anderson & Company Pty Ltd.	Australia	Gavin Anderson & Company Worldwide Inc.	100%
Interbrand Australia Pty Ltd.	Australia	Interbrand Corporation	100%
Alcone Marketing Group Asia Pacific	Australia	Alcone Marketing Group, Inc.	100%
Fleishman-Hillard Brussels	Belgium	Fleishman-Hillard Inc.	100%
Communications International Group SA.....	Belgium	Diversified Agency Services Limited	100%
GPC Government Policy Consultants SA.....	Belgium	GPC Group Limited	42%
		GPC Tennoc Limited	58%
Promotess Holdings SA.....	Belgium	Diversified Agency Services Limited	100%
CPM Belgium SA	Belgium	Promotess Holdings SA	100%
Ellips Communications Management & Services SA	Belgium	Promotess Holdings SA	100%
DM Company S.A. de C.V.....	Brazil	Diversified Agency Services Holding	80%
Doremus & Company LTDA.	Brazil	Doremus & Company	90%
Rapp Collins Brazil	Brazil	Registrant	70%
Concordia Communication ET Affaires Publiques Inc.	Canada	GPC Canada Inc.	85%
Critical Mass Inc.	Canada	Rapp Digital Canada Inc.	50%
D.R. Harley Consultants Limited	Canada	GPC Canada Inc.	85%
Fleishman-Hillard Canada, Inc.	Canada	Fleishman-Hillard Inc.	100%
GPC Canada Inc.	Canada	GPC International Holdings Inc.	87%
GPC International Holdings Inc.	Canada	Registrant	100%
Langdon Starr Ketchum	Canada	Omnicom Canada Inc.	20%
Rapp Digital Canada Inc.	Canada	Registrant	100%
Specialized Communications Inc.	Canada	GPC International Holdings Inc.	85%
Diversified Agency Services Holding.....	Cayman Islands	Registrant	100%
Sales Rapp Collins.....	Chile	Diversified Agency Services Holding	30%
Fleishman-Hillard Link, Ltd.	China	Fleishman-Hillard Missouri Poll, Inc.	65%
Pathways Marketing Consultants (Shanghai) Co. Ltd.	China	Sinowin Industrial Ltd.	100%
Sinowin Industrial Ltd.	China	Registrant	75%
Analyse Informatique des Donnees SA	France	DAS France Limited	60%
Andree Richard Porter Novelli SARL	France	Le Desk International SARL	100%
Arsenal S.A.	France	DAS France Limited	75%
Bernard Hodes Advertising S.A.	France	DAS France Limited	80%
CPM - Event S.A.	France	CPM Field Marketing SARL	100%
CPM Field Marketing SARL	France	CPM France S.A.	100%
CPM France S.A.	France	GIE Groupe CPM France	100%
CPM salesforce SARL	France	CPM France S.A.	100%
CPM Satisfaction & Surveys SARL.....	France	CPM Field Marketing SARL	100%
CPM Services SNC.....	France	Groupe CPM France S.A.	100%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
CPM Show SARL	France	CPM - Event S.A.	98%
CPM Telemarketing SARL	France	CPM Field Marketing SARL	100%
Data Business et Marketing SARL	France	Analyse Informatique des Donnees SA	49%
Fleishman-Hillard France	France	Fleishman-Hillard Inc.	99%
Gavin Anderson & Company (France) S.A.	France	Gavin Anderson & Company Worldwide Inc.	100%
Groupe CPM France S.A.	France	DAS France Limited	100%
GIE Groupe CPM France	France	CPM France S.A.	75%
Healthcare Connection SARL.....	France	DAS France Limited	50%
Institute Opinion Patient SA	France	Adelphi Group Limited	50%
Ketchum Advertising France.....	France	Ketchum International, Inc.	62%
KPRW Paris.....	France	Ketchum Inc.	79%
Le Desk International SARL.....	France	Parmenide Porter Novelli SA	70%
Parmenide Porter Novelli SA	France	DAS France Limited	70%
Pro Valorem	France	Gavin Anderson & Company (France) S.A.	100%
Promotrade 3 SARL	France	DAS France Limited	100%
Sophie Renard Relations Publiques SA	France	Groupe CPM France S.A.	35%
SRRP One SARL	France	GROUPE CPM France S.A.	23%
The Media Partnership Europe SA	France	Omnicom UK Limited	48%
Advantage GmbH	Germany	Doremus & Co.	35%
CCS Handelsservice GmbH	Germany	Omnicom Germany GmbH	40%
CPM International GmbH.....	Germany	Omnicom Germany GmbH	98%
Omnicom Germany GmbH	Germany	Registrant	100%
Fleishman-Hillard Germany GmbH	Germany	Fleishman-Hillard Inc.	70%
Food Consult GmbH	Germany	Ketchum Public Relations GmbH	100%
Interbrand Zintzmeyer & Lux GmbH.....	Germany	Interbrand Zintzmeyer & Lux A.G.	100%
Ketchum Public Relations GmbH.....	Germany	Ketchum Inc.	100%
Planet Communications.....	Germany	Ketchum International, Inc.	65%
Plus Promotion Verkaufsforderungs mbh	Germany	PPD Marketing Services GmbH & Co. KG	21%
PPD Management GmbH	Germany	Omnicom Germany GmbH	100%
PPD Sales Services GmbH & Co. KG	Germany	CPM International GmbH	96%
		PPD Management GmbH	4%
PPD Personal Service GmbH	Germany	PPD Sales Services GmbH & Co. KG	100%
PPD Marketing Services GmbH & Co. KG	Germany	CPM International GmbH	96%
		PPD Management GmbH	4%
TARGIS Healthcare Communication Germany GmbH	Germany	Omnicom Germany GmbH	85%
BC Staff Options Co. Ltd.....	Hong Kong	DDB Asia Pacific Ltd.	33%
		Diversified Agency Services Ltd.	35%
Bentley Communications Ltd.	Hong Kong	DDB Asia Pacific Ltd.	28%
		Diversified Agency Services Ltd.	30%
BPR Advertising Co., Ltd.	Hong Kong	DDB Asia Pacific Ltd.	28%
		Diversified Agency Services Ltd.	30%
BPR Staff Options Co. Ltd.	Hong Kong	DDB Asia Pacific Ltd.	33%
		Diversified Agency Services Ltd.	35%
Brilliant Shine Development Ltd.	Hong Kong	Bentley Communications Ltd.	100%
Diversified Agency Services Ltd.	Hong Kong	Registrant	100%
Doremus Hong Kong Ltd.	Hong Kong	Diversified Agency Services Ltd.	100%
Fleishman-Hillard Hong Kong	Hong Kong	Fleishman-Hillard Inc.	100%
Gavin Anderson & Company (H.K.) Ltd.	Hong Kong	Diversified Agency Services Ltd.	100%
Ketchum NEWSCAN Public Relations Ltd.	Hong Kong	Ketchum Inc.	30%
Rapp Collins Worldwide (Hong Kong) Ltd.	Hong Kong	Diversified Agency Services Ltd.	100%
Fleishman-Hillard Saunders Limited	Ireland	Fleishman-Hillard Inc.	41%
Westland Entertainment.....	Ireland	Fleishman-Hillard Saunders Limited	41%
Counter Products Marketing (Ireland) Limited	Ireland	CPM United Kingdom Limited	90%
Fleishman-Hillard Italia SpA	Italy	Fleishman-Hillard Inc.	90%
Brodeur Image Time Srl.....	Italy	Omnicom UK Ltd.	30%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Ketchum Public Relations SRL	Italy	Ketchum Inc.	41%
Interbrand Italia Srl	Italy	Omnicom UK Limited	67%
CPM Italia Srl	Italy	Interbrand Italia Srl	99%
Inventa Srl	Italy	Interbrand Italia Srl	60%
		Omnicom UK Limited	27%
Fleishman-Hillard Japan K.K.	Japan	Fleishman-Hillard Inc.	90%
PRAP Japan Inc.	Japan	Ketchum Inc.	15%
Rapp Collins K.K.	Japan	DAS Holdings Inc.	80%
Targis K.K.	Japan	Registrant	67%
Kabushiki Kaisha Interbrand Japan	Japan	Diversified Agency Services B.V.	26%
		Interbrand Group Limited	74%
Interbrand Korea, Inc.	Korea	Interbrand Group Limited	100%
Fleishman-Hillard Communications SDN,BHD	Malaysia	Fleishman-Hillard Pte Ltd.	80%
DAS Mexico S.A. DE C.V.	Mexico	Registrant	100%
Fleishman-Hillard Mexico, S.A. de C.V.	Mexico	Fleishman-Hillard Inc.	100%
Interbrand Mexico S.A. DE.....	Mexico	DAS Mexico S.A. DE C.V.	100%
Martec S.A. DE C.V.	Mexico	Diversified Agency Services Holding	51%
Rapp Collins Mexico, S.A. de C.V.	Mexico	Rapp Collins Worldwide Limited Partnership	100%
CPM Nederland Field Marketing BV	Netherlands	Omnicom UK Limited	100%
Diversified Agency Services B.V.	Netherlands	Interbrand Group Ltd.	100%
Interbrand Newell and Sorrell BV.	Netherlands	Interbrand Newell and Sorrell Limited	100%
Jeronimus/Wolf BV	Netherlands	Schoep & van der Toorn BV	40%
Meridian Technology Marketing Europe BV	Netherlands	Schoep & van der Toorn BV	100%
MSP BV	Netherlands	M/A/R/C Inc.	25%
Schoep & van der Toorn BV	Netherlands	Diversified Agency Services B.V.	65%
Targetbase Europe BV	Netherlands	M/A/R/C Inc.	100%
Swinth BV	Netherlands	Schoep & van der Toorn BV	35%
Fleishman-Hillard - Puerto Rico	Puerto Rico	Fleishman-Hillard Inc.	100%
Bentley Porter Novelli Technology Pte Ltd.	Singapore	Diversified Agency Services Ltd.	57%
Bernard Hodes Advertising (pte) Ltd.	Singapore	DDB Worldwide GAF Pte.Ltd.	100%
Fleishman-Hillard Pte Ltd.	Singapore	Fleishman-Hillard Inc.	80%
Gavin Anderson & Company (Singapore) Pte. Ltd.	Singapore	Gavin Anderson & Company Worldwide Inc.	60%
Interbrand Pte. Ltd.	Singapore	Registrant	100%
FH Vallen Wilkins	South Africa	Fleishman-Hillard Inc.	51%
SEIS Madrid	Spain	Ketchum Inc.	30%
	Spain	Diversified Agency Services B.V.	40%
Adding Omnicom SL	Spain	Diversified Agency Services Limited	51%
CPM Targis SA	Spain	Adding Omnicom SL	40%
		Marketing Aplicado SA	60%
Comunicacion Empresarial SL	Spain	Diversified Agency Services Limited	25%
Eikona Comunicacion SA	Spain	Comunicacion Empresarial SL	100%
Global Enterprise SL	Spain	Comunicacion Empresarial SL	50%
Image on Line SL	Spain	Comunicacion Empresarial SL	100%
XYZ Comunicacion SL	Spain	Comunicacion Empresarial SL	100%
Marketing Aplicado SA	Spain	Omnicom UK Limited	49%
Promotion Center CPM AG	Switzerland	CPM Nederland Field Marketing BV	48%
Interbrand Zintzmeyer & Lux AG	Switzerland	Omnicom UK Limited	100%
FH Saunders (NI) Ltd. (Belfast)	United Kingdom	Fleishman-Hillard Saunders Limited	41%
Adelphi Communications Limited	United Kingdom	Adelphi Group Limited	100%
Adelphi Group Limited	United Kingdom	Diversified Agency Services Limited	100%
Adelphi International Research Limited	United Kingdom	Adelphi Group Limited	100%
Affinity Consulting Limited	United Kingdom	Countrywide Porter Novelli Limited	100%
Alcone Marketing Group Limited.....	United Kingdom	Omnicom UK Limited	100%
Bernard Hodes Advertising Limited	United Kingdom	Bernard Hodes Limited	100%
Bernard Hodes Limited	United Kingdom	Prism International Limited	100%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
BMP Interaction Limited.....	United Kingdom	BMP DDB Limited	100%
Brodeur Worldwide Limited	United Kingdom	Diversified Agency Services Limited	82%
		Omnicom UK Limited	18%
Claydon Heeley International Limited	United Kingdom	Diversified Agency Services Limited	100%
CMB Limited.....	United Kingdom	WWAV Rapp Collins Group Limited	25%
Copithorne & Bellows Public Relations Limited	United Kingdom	Diversified Agency Services Limited	100%
Countrywide Communications (London) Limited	United Kingdom	Countrywide Porter Novelli Limited	100%
Countrywide Communications (Scotland) Limited	United Kingdom	Countrywide Porter Novelli Limited	100%
Countrywide Porter Novelli Limited	United Kingdom	Diversified Agency Services Limited	100%
Coupon Information Limited	United Kingdom	Alcone Marketing Group Limited	50%
CPM Field Marketing Limited	United Kingdom	Omnicom UK Limited	100%
CPM International Group Limited	United Kingdom	Prism International Limited	100%
CPM United Kingdom Limited.....	United Kingdom	Omnicom UK Limited	100%
CPR Worldwide Limited.....	United Kingdom	Fleishman-Hillard Holdings Limited	100%
DAS Financial Services Limited.....	United Kingdom	Diversified Agency Services Limited	75%
DAS France Limited	United Kingdom	Omnicom UK Limited	100%
DAS Property Development Limited	United Kingdom	Omnicom UK Limited	100%
Data Warehouse Limited.....	United Kingdom	WWAV Rapp Collins Group Limited	100%
Designtech Consultants Limited	United Kingdom	IDH Group Limited	100%
Diversified Agency Services Limited	United Kingdom	Omnicom Europe Limited	100%
Doremus & Company Limited	United Kingdom	Diversified Agency Services Limited	100%
Field Marketing Solutions Limited.....	United Kingdom	Diversified Agency Services Limited	100%
Financial Database Marketing Limited.....	United Kingdom	WWAV Rapp Collins North Limited	14%
Fleishman-Hillard Holdings Limited	United Kingdom	Omnicom Europe Limited	100%
Fleishman-Hillard UK Limited	United Kingdom	Fleishman-Hillard Holdings Limited	100%
GA Design UK Limited.....	United Kingdom	Gavin Anderson (UK) Limited	20%
Gavin Anderson (UK) Limited	United Kingdom	Diversified Agency Services Limited	100%
Generator Limited	United Kingdom	IDH Group Limited	100%
Government Policy Consultants Limited	United Kingdom	GPC Group Limited	100%
GPC Group Limited	United Kingdom	Diversified Agency Services Limited	85%
GPC Scotland Limited.....	United Kingdom	Government Policy Consultants Limited	100%
GPC Tennoc Limited.....	United Kingdom	GPC Group Limited	100%
Health Science TARGIS Limited	United Kingdom	Diversified Agency Services Limited	100%
HLB Limited	United Kingdom	WWAV Rapp Collins Group Limited	100%
IDH Group Limited.....	United Kingdom	Diversified Agency Services Limited	100%
IDH Trustees Limited	United Kingdom	IDH Group Limited	100%
Interbrand Group Limited	United Kingdom	Omnicom UK Limited	100%
Interbrand Newell and Sorrell Limited.....	United Kingdom	Interbrand Group Limited	100%
Interbrand U.K. Limited	United Kingdom	Interbrand Group Limited	100%
Jones Mason Barton Antenen Limited	United Kingdom	Diversified Agency Services Limited	50%
		BMP DDB Limited	50%
Ketchum Group Limited	United Kingdom	Omnicom UK Limited	100%
Ketchum Limited.....	United Kingdom	Ketchum Group Limited	85%
		Omnicom UK Limited	15%
Ketchum Sponsorship Limited	United Kingdom	Ketchum Group Limited	85%
		Omnicom UK Limited	15%
Lynne Franks Limited	United Kingdom	Ketchum Group Limited	100%
Macmillian Davies Hodes Consultants Limited	United Kingdom	Bernard Hodes Limited	100%
Mapi Values Limited	United Kingdom	Adelphi Group Limited	48%
Markforce Associates Limited	United Kingdom	Interbrand Group Limited	100%
Marketstar CPM Limited.....	United Kingdom	CPM International Group Limited	100%
Medi Cine International Limited.....	United Kingdom	Diversified Agency Services Limited	100%
Media Direction Europe Limited	United Kingdom	Diversified Agency Services Limited	100%
Medi-Cine Productions Limited	United Kingdom	Medi Cine International Limited	100%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Newell & Sorell Inc.	United Kingdom	Interbrand Newell and Sorrell Limited	100%
Omnicom Europe Limited.....	United Kingdom	Registrant	100%
Omnicom Finance Plc.....	United Kingdom	Omnicom Europe Limited	100%
Omnicom UK Limited.....	United Kingdom	Diversified Agency Services Limited	100%
Optimum Media Direction Limited	United Kingdom	Omnicom UK Limited	100%
Outdoor Connection Limited	United Kingdom	BMP DDB Limited	33%
Paling Walters Targis Limited	United Kingdom	Omnicom UK Limited	100%
Pauffley Limited	United Kingdom	IDH Group Limited	100%
Perception Design Limited	United Kingdom	Ketchum Group Limited	51%
		Omnicom UK Limited	49%
Porter Novelli Limited.....	United Kingdom	Omnicom UK Limited	100%
Premier Media Partners Limited	United Kingdom	Omnicom UK Limited	100%
Prima Europe Limited	United Kingdom	Government Policy Consultants Limited	100%
Publishing Resources Limited.....	United Kingdom	IDH Group Limited	100%
Rapp Collins Europe Limited	United Kingdom	Diversified Agency Services Limited	100%
Ruoloc Limited	United Kingdom	Omnicom UK Limited	100%
Smythe Dorward Lambert Limited.....	United Kingdom	Omnicom UK Limited	100%
Solutions in Media Limited.....	United Kingdom	Omnicom UK Limited	100%
Specialist Publications (UK) Limited	United Kingdom	Omnicom UK Limited	100%
Synapse Public Relations Limited	United Kingdom	CPR Worldwide Limited	76%
Targetbase Business Solutions Ltd.....	United Kingdom	M/A/R/C Inc.	100%
The Computing Group Limited.....	United Kingdom	WWAV Rapp Collins Group Limited	100%
WWAV Rapp Collins Group Limited	United Kingdom	Diversified Agency Services Limited	100%
WWAV Rapp Collins Limited.....	United Kingdom	WWAV Rapp Collins Group Limited	100%
WWAV Rapp Collins Media Limited	United Kingdom	WWAV Rapp Collins Group Limited	100%
WWAV Rapp Collins North Limited	United Kingdom	WWAV Rapp Collins Group Limited	100%
WWAV Rapp Collins Scotland Limited	United Kingdom	WWAV Rapp Collins Group Limited	100%
WWAV Rapp Collins West Limited	United Kingdom	WWAV Rapp Collins Group Limited	100%
TBWA Worldwide Inc.	New York	Registrant	100%
TBWA Chiat/Day Inc.	Delaware	TBWA Worldwide Inc.	100%
Ketchum Advertising Inc.	Delaware	Registrant	100%
Advertising US Holdings Inc.	Delaware	TBWA Worldwide Inc.	100%
Zimmerman Holdings Group Inc.	Delaware	Registrant	100%
Informed Communications Systems Inc.	Delaware	Zimmerman Holdings Group Inc.	100%
National Theft Deterrent Systems Inc.	Delaware	Zimmerman Holdings Group Inc.	100%
Gold Greenlees Trott US Holdings Inc.	Delaware	TBWA UK Group Limited	100%
GGT USA / South Inc.	Delaware	Gold Greenlees Trott US Holdings Inc.	100%
Zimmerman & Partners Advertising Inc.	Florida	Zimmerman Holdings Group Inc.	100%
Martin-Williams Inc.	Minnesota	Gold Greenlees Trott US Holdings Inc.	100%
G&S Associates Inc.	Texas	Gold Greenlees Trott US Holdings Inc.	100%
Savaglio TBWA y Asociados S.A.	Argentina	Registrant	30%
TBWA Holdings Australasia Pty Ltd.	Australia	Registrant	100%
Whybin TBWA & Partners Pty. Ltd.	Australia	TBWA Holdings Australasia Pty Ltd	60%
Whybin Lawrence TBWA	Australia	TBWA Holdings Australasia Pty Ltd	51%
TBWA/TELL Werbeagentur G.m.b.H.	Austria	Registrant	70%
Austria 3 / TBWA	Austria	TBWA Worldwide Inc.	98%
Media Plan	Austria	TBWA Worldwide Inc.	100%
TBWA/GV Group S.A.	Belgium	TBWA International B.V.	70%
TBWA S.A. (Brussels).....	Belgium	TBWA/GV Group S.A.	70%
GV Company S.A.	Belgium	TBWA/GV Group S.A.	70%
Motu Nui S.A.	Belgium	TBWA/GV Group S.A.	70%
Media KnowHow S.A.	Belgium	TBWA/GV Group S.A.	70%
4ReAL S.A.	Belgium	TBWA/GV Group S.A.	56%
Marketing & Entertainment S.A.	Belgium	TBWA/GV Group S.A.	70%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Concept@TBWA	Belgium	TBWA S.A. (Brussels)	70%
TBWA Propaganda Limitada	Brazil	Registrant	70%
TBWA Sofia o.o.d.	Bulgaria	Registrant	55%
Stringer Veroni Ketchum.....	Canada	Omnicom Canada Inc.	67%
		Ketchum International, Inc.	33%
Frederick & Valenzuela TBWA Diseñadores Asociados S.A. ..	Chile	Registrant	30%
Shanghai TBWA Lee Davis Advertising Ltd.	China	TBWA Hong Kong Ltd.	40%
TBWA Publicidad	Costa Rica	Registrant	25%
TBWA Zagreb d.o.o.	Croatia	Registrant	90%
TBWA Praha s.r.o.	Czech Republic	Registrant	30%
Hager Praha s.r.o.	Czech Republic	Registrant	60%
MAX TBWA s.r.o.	Czech Republic	Registrant	62%
TBWA Reklamebureau A/S.....	Denmark	Registrant	85%
Eliasson & Jesting/TBWA Dialog.....	Denmark	TBWA Reklamebureau A/S	43%
Paltemaa Huttunen Santala TBWA Oy	Finland	Registrant	34%
Groupe BDDP France SA	France	TBWA Worldwide Inc.	96%
		Registrant	4%
Holding Manager BDDP Corporate S.A.	France	Groupe BDDP France SA	31%
TBWA Worldwide S.A.	France	Groupe BDDP France SA	100%
BDDP @ TBWA S.A.	France	Groupe BDDP France SA	100%
TBWA N S.A.	France	BDDP @ TBWA S.A.	100%
BDDP & Fils S.A.	France	Groupe BDDP France SA	70%
Question d'Édition S.A.	France	Groupe BDDP France SA	82%
		Holding Manager BDDP Corporate S.A.	1%
Jump S.A.	France	Groupe BDDP France SA	79%
Ananas S.A.R.L.	France	Jump S.A.	79%
Jump Operations S.A.	France	Jump S.A.	78%
Groupe Jump S.A.	France	Jump S.A.	71%
Bossa Nova S.A.	France	Jump S.A.	77%
Nouvelle Vague S.A.	France	Groupe BDDP France SA	77%
Nickel S.A.	France	Groupe BDDP France SA	87%
ALS BDDP S.A.	France	Groupe BDDP France SA	70%
BDDP Corporate S.A.	France	Groupe BDDP France SA	95%
		Holding Manager BDDP Corporate S.A.	2%
Agence BDDP Corporate S.A.	France	BDDP Corporate S.A.	97%
Allo Carrieres SARL.....	France	Agence BDDP Corporate S.A.	97%
Compagnie Corporate Gestion Delegee S.A.	France	Agence BDDP Corporate S.A.	97%
Auditore S.A.	France	BDDP Corporate S.A.	97%
Auditore Voyages SNC	France	Auditore S.A.	97%
Textuel S.A.	France	BDDP Corporate S.A.	97%
Les Editions Textuel S.A.	France	BDDP Corporate S.A.	28%
		Textuel S.A.	5%
BDDP & Tequila Interactive S.A.	France	BDDP Corporate S.A.	48%
		Tequila France S.A.	48%
CPM Rhone - Alpes SARL	France	BDDP Corporate S.A.	48%
TBWA Corporate SARL	France	BDDP Corporate S.A.	97%
La Mode En Images S.A.	France	BDDP Corporate S.A.	77%
Medias & Supports S.A.	France	BDDP Corporate S.A.	97%
Tequila France S.A.	France	Groupe BDDP France SA	95%
The Brand Company S.A.	France	Groupe BDDP France SA	88%
The Media Partnership France S.A.	France	Groupe BDDP France SA	17%
The Media Partnership Research S.A.	France	The Media Partnership France S.A.	17%
TBWA (Deutschland) Holding GmbH	Germany	TBWA International B.V.	100%
TBWA Werbeagentur GmbH.....	Germany	TBWA (Deutschland) Holding GmbH	100%
TBWA Dusseldorf GmbH	Germany	TBWA Werbeagentur GmbH	100%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
BDDP Communications GmbH	Germany	Groupe BDDP France SA	95%
		BDDP & Partners B.V.	5%
Godenrath Preiswerk/BDDP Werbeagentur GmbH	Germany	BDDP Communications GmbH	85%
Wundrich Meissen Creativ Consulting GmbH	Germany	Godenrath Preiswerk/BDDP Werbeagentur GmbH	85%
Production Company Stuttgart GmbH	Germany	Godenrath Preiswerk/BDDP Werbeagentur GmbH	85%
Planet Communications Germany	Germany	Ketchum International Inc.	70%
TBWA Athens S.A.	Greece	Registrant	51%
TBWA Thompson Ltd.	Hong Kong	Registrant	100%
TBWA Hong Kong Ltd.	Hong Kong	TBWA Thompson Ltd.	55%
		Registrant	34%
TBWA Budapest Reklam Mugynokseg Kft	Hungary	Registrant	80%
TBWA - Planet Kft	Hungary	Registrant	100%
TBWA Anthem Private Limited	India	Registrant	51%
Radeus Advertising Private Limited	India	TBWA Anthem Private Limited	51%
Yehoshua TBWA Advertising & Marketing Ltd.	Israel	TBWA International B.V.	25%
TBWA/BDDP S.P.A.	Italy	TBWA International B.V.	100%
June Advertising S.P.A.	Italy	Groupe BDDP France SA	100%
Tequila Pro Ad S.r.l	Italy	Tequila International Holdings Limited	51%
Activa S.r.l	Italy	Tequila Pro Ad S.r.l	51%
TBWA Nippo	Japan	TBWA Worldwide Inc.	82%
e Graphics	Japan	TBWA Worldwide Inc.	67%
TBWA Korea	Korea	TBWA Worldwide Inc.	70%
Teran TBWA Publicidad	Mexico	Registrant	30%
TBWA International B.V.	Netherlands	Registrant	100%
Data Company & Services Company B.V.	Netherlands	TBWA International B.V.	100%
Wavv Van Rooij B.V.	Netherlands	Data Company & Services Company B.V.	65%
TBWA Campaign Company B.V.	Netherlands	TBWA International B.V.	70%
Dresme Van Dijk Partners B.V.	Netherlands	TBWA International B.V.	88%
Direct Company B.V.	Netherlands	Dresme Van Dijk Partners B.V.	70%
Designers Orange Company B.V.	Netherlands	Dresme Van Dijk Partners B.V.	70%
PR Company B.V.	Netherlands	Dresme Van Dijk Partners B.V.	70%
Sponsor Company B.V.	Netherlands	Dresme Van Dijk Partners B.V.	70%
E-Company B.V.	Netherlands	Dresme Van Dijk Partners B.V.	70%
Job Advertising Company B.V.	Netherlands	Dresme Van Dijk Partners B.V.	70%
TBWA/H Europe B.V.	Netherlands	TBWA International B.V.	50%
TBWA Reklame & Marketing B.V.	Netherlands	TBWA International B.V.	100%
Grant Tandy B.V.	Netherlands	TBWA International B.V.	100%
BDDP & Partners B.V.	Netherlands	TBWA International B.V.	100%
Navar Direct B.V.	Netherlands	TBWA International B.V.	88%
BDDP Nederland B.V.	Netherlands	Navar Direct B.V.	88%
ARA/BDDP Groep B.V.	Netherlands	BDDP Nederland B.V.	70%
Navar BDDP B.V.	Netherlands	ARA/BDDP Groep B.V.	70%
ARA/BDDP B.V.	Netherlands	Navar Direct B.V.	70%
Bovil B.V.	Netherlands	Navar Direct B.V.	61%
HVR/Bruns van der Wijk B.V.	Netherlands	Navar Direct B.V.	61%
Mako/Bovaco B.V.	Netherlands	Navar Direct B.V.	61%
Multicom Direct Marketing & Advertising B.V.	Netherlands	Navar Direct B.V.	70%
TBWA-OMD C.V.	Netherlands	TBWA Campaign Company B.V.	22%
		Direct Company B.V.	20%
		Job Advertising Company B.V.	6%
		HVR/Bruns van der Wijk B.V.	6%
		ARA/BDDP B.V.	12%
		Navar BDDP B.V.	4%
Whybin TBWA Limited	New Zealand	TBWA Worldwide Inc.	51%
TBWA Reklamebyra A.S.	Norway	TBWA International B.V.	100%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
Bold TBWA Reklamebyra A.S.	Norway	TBWA International B.V.	32%
Immo Polska Sp. zo.o.	Poland	Registrant	76%
Hager Polska Sp. zo.o.	Poland	Registrant	76%
TBWA Warszawa Sp. zo.o.	Poland	Registrant	73%
Tequila Poland Sp. zo.o.	Poland	Registrant	100%
TBWA-EPG Publicidade, Ltd.	Portugal	Registrant	74%
TBWA Bucharest s.r.l.	Romania	Registrant	90%
TBWA Singapore Pte Ltd.	Singapore	Registrant	82%
		TBWA Worldwide Inc.	18%
Tequila Asia Pacific (Singapore) Pte Ltd.	Singapore	Tequila UK Limited	90%
TBWA Bratislava spol s.r.o.	Slovakia	Registrant	90%
TBWA Ljubljana	Slovenia	Registrant	100%
Hunt Lascaris TBWA Holdings (Pty) Limited	South Africa	TBWA International B.V.	20%
		Registrant	80%
TBWA Hunt Lascaris Johannesburg (Pty) Limited.....	South Africa	Hunt Lascaris TBWA Holdings (Pty) Limited	80%
Hunt Lascaris TBWA Cape (Pty) Limited	South Africa	Hunt Lascaris TBWA Holdings (Pty) Limited	75%
Hunt Lascaris TBWA (Durban) (Pty) Limited	South Africa	Hunt Lascaris TBWA Holdings (Pty) Limited	80%
Paroden Inv Holdings (Pty) Limited.....	South Africa	TBWA International B.V.	100%
Schalit Shipley Nethwork	South Africa	Registrant	20%
		Paroden Inv Holdings (Pty) Limited	40%
Nethwork Cape	South Africa	Schalit Shipley Nethwork	45%
Diversified Advertising Services (SA) (Pty) Ltd.	South Africa	Registrant	51%
Ad Active S.A. (Pty) Limited	South Africa	Diversified Advertising Services (SA) (Pty) Ltd	51%
Rapp Collins S.A. (Pty) Limited.....	South Africa	Diversified Advertising Services (SA) (Pty) Ltd	41%
Tool S.A. (Pty) Limited.....	South Africa	Diversified Advertising Services (SA) (Pty) Ltd	31%
South Africa Advertising Investments (Pty) Limited.....	South Africa	Registrant	100%
Gavin Reddy Hawn (Pty) Limited	South Africa	South Africa Advertising Investments (Pty) Limited	65%
Media Direcion S.A. (Proprietary) Limited.....	South Africa	Registrant	51%
TBWA Espana S.A.	Spain	TBWA International B.V.	95%
TBWA Sweden A.B.	Sweden	Registrant	100%
TBWA Reklambyra K.B.	Sweden	TBWA Sweden A.B.	51%
Impuls TBWA A.G.	Switzerland	BDDP & Partners B.V.	70%
TBWA Services A.G.	Switzerland	Impuls TBWA A.G.	70%
Print-Pool A.G.	Switzerland	Impuls TBWA A.G.	70%
Editor Multimedia A.G.....	Switzerland	Impuls TBWA A.G.	70%
Publik A.G. fuer Unternehmenskommunikation	Switzerland	Impuls TBWA A.G.	70%
Impuls Direct A.G.	Switzerland	Impuls TBWA A.G.	53%
TBWA Next & Triplet Advertising Co. Limited.....	Thailand	Registrant	61%
TBWA Istanbul	Turkey	TBWA Worldwide Inc.	67%
TBWA UK Group Limited	United Kingdom	Omnicom Europe Limited	100%
Tequila International Holdings Limited	United Kingdom	TBWA UK Group Limited	100%
Blau Tequila Limited.....	United Kingdom	Tequila International Holdings Limited	50%
Summertime Communications Limited	United Kingdom	TBWA UK Group Limited	100%
BDDP.GGT Limited	United Kingdom	Summertime Communications Limited	100%
Floral Street Holdings Limited	United Kingdom	BDDP.GGT Limited	100%
TBWA GGT Simons Palmer Limited.....	United Kingdom	Floral Street Holdings Limited	100%
FSC Group Limited.....	United Kingdom	TBWA GGT Simons Palmer Limited	100%
Simons Palmer Clemmow Johnson (Holdings) Limited	United Kingdom	TBWA GGT Simons Palmer Limited	100%
Maher Bird Associates Limited.....	United Kingdom	Simons Palmer Clemmow Johnson (Holdings) Limited	84%
B.D.H. Communications Group Limited	United Kingdom	TBWA UK Group Limited	100%
BDH TBWA Limited.....	United Kingdom	B.D.H. Communications Group Limited	100%
Corporate Business Advisers Limited.....	United Kingdom	TBWA UK Group Limited	100%
Mortimer Whittaker O'Sullivan Limited	United Kingdom	Corporate Business Advisers Limited	100%
R. M. Communications Limited	United Kingdom	GGT Advertising Limited	100%

<u>Company</u>	<u>Jurisdiction of Incorporation</u>	<u>Owning Entity</u>	<u>Percentage of Voting Securities Owned by Registrant</u>
GGT Direct Advertising Limited	United Kingdom	TBWA UK Group Limited	100%
Happy Dog Limited.....	United Kingdom	TBWA UK Group Limited	100%
Option One Group Limited	United Kingdom	TBWA UK Group Limited	100%
Option One Limited.....	United Kingdom	Option One Group Limited	100%
Prism International Limited.....	United Kingdom	Option One Limited	100%
Tequila Payne Stracey Limited	United Kingdom	Prism International Limited	96%
Tequila UK Limited.....	United Kingdom	Tequila Payne Stracey Limited	100%

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report dated February 17, 2000 included in Form 10-K into the previously filed Registration Statement File Nos. 333-41717, 333-70091, 333-74591, 333-74727, 333-74879, 333-84349 and 333-90931 on Form S-8 of Omnicom Group Inc. and into the previously filed Registration Statement File Nos. 333-22589, 333-43883, 333-44481, 333-44483, 333-46303 and 333-47047 on Form S-3 of Omnicom Group Inc.

ARTHUR ANDERSEN LLP

New York, New York
March 29, 2000

Omnicom

BOARD OF DIRECTORS

BRUCE CRAWFORD

Chairman
Omnicom Group

JOHN D. WREN

Chief Executive Officer and President
Omnicom Group

BERNARD BROCHAND

President, International Division
DDB Worldwide

ROBERT J. CALLANDER

Executive-in-Residence,
Columbia School of Business,
Columbia University;
Retired Vice Chairman
Chemical Banking Corporation

JAMES A. CANNON

Vice Chairman and
Chief Financial Officer
BBDO Worldwide

LEONARD S. COLEMAN, JR.

Senior Advisor
Major League Baseball

SUSAN S. DENISON

Partner, The Cheyenne Group

PETER FOY

Corporate Director

THOMAS L. HARRISON

Chairman and Chief Executive Officer
Diversified Agency Services

JOHN R. MURPHY

Vice Chairman
National Geographic Society

JOHN R. PURCELL

Chairman and Chief Executive Officer
Grenadier Associates Ltd.

KEITH L. REINHARD

Chairman and Chief Executive Officer
DDB Worldwide

ALLEN ROSENSHINE

Chairman and Chief Executive Officer
BBDO Worldwide

GARY L. ROUBOS

Chairman
Dover Corporation

QUENTIN I. SMITH, JR.

Corporate Director;
Retired Chairman and
Chief Executive Officer
Towers, Perrin, Forster & Crosby

EGON P.S. ZEHNDER

Chairman
Egon Zehnder International

COMMITTEES OF THE BOARD

AUDIT

Robert J. Callander, Chairman
Leonard S. Coleman, Jr.
John R. Murphy
Quentin I. Smith, Jr.

COMPENSATION

Quentin I. Smith, Jr., Chairman
Robert J. Callander
Gary L. Roubos
Egon P.S. Zehnder

NOMINATING

Gary L. Roubos, Chairman
Susan Denison
John R. Purcell
Egon P.S. Zehnder

OMNICOM OFFICERS

BRUCE CRAWFORD

Chairman

JOHN D. WREN

Chief Executive Officer and President

RANDALL J. WEISENBURGER

Executive Vice President and Chief Financial
Officer

FRED J. MEYER

Vice Chairman

BRUCE REDDITT

Executive Vice President

THOMAS W. WATSON

Executive Vice President

BARRY J. WAGNER

Secretary and General Counsel

DENNIS E. HEWITT

Treasurer

PHILIP J. ANGELASTRO

Controller

KEVIN R. CONZELMANN

Tax Counsel

FRANK J. HOLZMANN

Tax Director

MAEVE C. ROBINSON

Assistant Treasurer

Omnicom

CORPORATE INFORMATION

WORLD HEADQUARTERS

Omnicom Group Inc.
437 Madison Avenue
New York, New York 10022
(212) 415-3600
www.omnicomgroup.com

ANNUAL MEETING

The Annual Meeting of Stockholders will be held on Tuesday, May 16, 2000, at 10:00 a.m. at BBDO Worldwide Inc. 7th Floor Meeting Room 1285 Avenue of the Americas New York, New York 10019

TRANSFER AGENT & REGISTRAR

ChaseMellon Shareholder Services
450 West 33rd Street
New York, New York 10001
www.chasemellon.com

STOCK LISTING

Omnicom Group Inc.'s common stock is traded on the New York Stock Exchange. The ticker symbol is OMC.

STOCK TRANSFER MATTERS/CHANGE OF ADDRESS

To assist you in handling matters relating to stock transfer or change of address, please write to our transfer agent:

ChaseMellon Shareholder Services, L.L.C.
Shareholder Relations Dept.
P.O. Box 3315

South Hackensack, New Jersey 07606-1915
Or call:

ChaseMellon Shareholder Services
(800) 851-9677

INDEPENDENT PUBLIC ACCOUNTANTS

Arthur Andersen LLP
1345 Avenue of the Americas
New York, New York 10105

