



ASX Release

Receipt of unsolicited proposal from WPP plc

WPP AUNZ recommends shareholders take no action

Sydney, Australia – 30 November 2020

WPP AUNZ Ltd ("**WPP AUNZ**" or the "**Company**") advises that it has received an unsolicited proposal from its majority shareholder WPP plc ("**WPP plc**") to acquire all of the ordinary shares in WPP AUNZ that it does not already own at a price of A\$0.55 per share in cash ("**Proposal**"). WPP plc has reserved the right to withdraw the Proposal at any time prior to execution of an implementation agreement in relation to the Proposal. WPP plc currently own 61.5% of the issued capital in WPP AUNZ.

The Independent Directors of WPP AUNZ, along with its advisers, are considering the Proposal and shareholders are advised to take no action in relation to WPP plc's Proposal until they receive the Independent Directors' formal recommendation.

WPP AUNZ will update shareholders, in accordance with the Company's continuous disclosure obligations, in due course.

WPP AUNZ has appointed UBS as its financial adviser and Herbert Smith Freehills as its legal adviser.

A copy of the Proposal is attached to this announcement.

This release has been approved by the Company's Independent Board Committee and Disclosure Committee.

Ends

About WPP AUNZ:

WPP AUNZ is Australasia's leading creative transformation company. You can read more at wppaunz.com or follow us @WPP_AUNZ

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Stricly Private and Confidential

28 November 2020

Robert Mactier
Chairman
WPP AUNZ Limited
1 Kent Street, Millers Point
NSW 2000, Australia

Dear Rob,

Proposal for the acquisition of shares in WPP AUNZ Limited

Further to our recent discussions, I am writing to you on behalf of WPP plc (**WPP** or **we**) to submit this proposal ("**Proposal**") for the acquisition of all of the issued shares in WPP AUNZ Limited (**WPP AUNZ**) held by the minority shareholders of WPP AUNZ ("**Minority Shareholders**"), being all of the shares in WPP AUNZ other than those held by WPP's wholly owned subsidiary Cavendish Square Holding BV ("**Cavendish**") ("**Shares**").

The Proposal, if implemented, would result in WPP (via Cavendish) moving to 100% ownership of WPP AUNZ.

1. Proposal

Under this Proposal, WPP is proposing to acquire all of the Shares for \$0.55 per Share in cash ("**Offer Price**"). Based on the closing price of WPP AUNZ shares on 27 November 2020, the Offer Price represents:

- a premium of 34.1% to the \$0.41 closing price of WPP AUNZ shares on 27 November 2020;
- a premium of 36.3% to the \$0.40 one month VWAP¹;
- a premium of 47.4% to the \$0.37 three month VWAP²;
- a premium of 69.3% to the \$0.32 six month VWAP³; and
- a premium of 62.7% to the \$0.34 12 month VWAP⁴.

We believe the Proposal represents a compelling proposition for the Minority Shareholders given:

- the Proposal offers Minority Shareholders the certainty of receiving a fixed cash payment rather than remaining exposed to a fluctuating share price and uncertainty over future dividends in the current challenging operating environment;

¹ Based on market volumes of WPP AUNZ shares traded on the ASX from 28 October 2020 to 27 November 2020.

² Based on market volumes of WPP AUNZ shares traded on the ASX from 28 August 2020 to 27 November 2020.

³ Based on market volumes of WPP AUNZ shares traded on the ASX from 28 May 2020 to 27 November 2020.

⁴ Based on market volumes of WPP AUNZ shares traded on the ASX from 28 November 2019 to 27 November 2020.

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- the Offer Price represents a substantial premium to the recent market prices of WPP AUNZ shares;
- a sale to WPP would eliminate the current limitations on WPP's ability to provide the full support and resources of its global network;
- the potential release of franking credits in WPP AUNZ which otherwise may not be fully realized for a long period of time (if at all); and
- the Proposal is subject to limited conditionality.

2. Rationale

WPP AUNZ has a portfolio of leading brands in the Australasian region but we remain cautious of the environment and agree with the sentiment of WPP AUNZ CEO Jens Monsees regarding the current level of economic uncertainty in the regions in which WPP AUNZ operates and we are mindful of the weak trading conditions currently impacting WPP AUNZ.

As a 61.5% majority shareholder and a partner in many of WPP AUNZ's businesses, we remain committed to WPP AUNZ, however, our ability to deploy resources and assist the business is limited by the current shareholding structure. We believe that we are best able to support WPP AUNZ in maximising its potential by moving to 100% ownership.

3. Transaction structure

WPP is assessing whether to implement the Proposal via a takeover bid or a scheme of arrangement made under Part 5.1 of the *Corporations Act 2001* (Cth) (**scheme of arrangement**) having regard to clause 5 of the Governance Deed Poll entered into between WPP AUNZ and Cavendish Square Holding B.V. on or around April 2016 (**Governance Deed Poll**).

WPP is prepared to proceed with the Proposal via a takeover bid, however WPP is open to discussing implementing the Proposal via a scheme of arrangement if pursued expeditiously.

In any case, WPP would like to enter into a binding implementation agreement with WPP AUNZ setting out the terms and conditions on which the parties agree to implement the Proposal (**Implementation Agreement**).

We note the franking credit balance of WPP AUNZ and we are open to facilitating the declaration by WPP AUNZ of a fully franked special dividend that would be paid to scheme shareholders upon implementation of the Proposal if WPP AUNZ is legally entitled to declare and pay such a dividend. The Offer Price would be reduced for the cash amount of any such special dividend paid by WPP AUNZ.

4. Funding

WPP has substantial resources available to it to fund implementation of the Proposal and confirms that it does not require any external funding. As at 30 September 2020, WPP held cash and cash equivalents of approximately GBP2.9bn.

5. Conditions

The Proposal will only be subject to any regulatory approvals required to implement the acquisition of Shares contemplated by the Proposal. Otherwise, the Implementation Agreement is expected to contain only customary conditions (such as shareholder and court approval assuming a scheme process is pursued).

6. Due diligence

WPP is familiar with the corporate structure and business of WPP AUNZ and its subsidiaries and is not seeking to undertake, and does not require, any confirmatory due diligence to implement the Proposal.

7. Internal approvals

This Proposal has been issued with the approval of the board of directors of WPP who support the proposed acquisition of Shares from the Minority Shareholders as set out in this Proposal.

8. Advisers

WPP has retained Goldman Sachs as financial adviser and MinterEllison as legal adviser in relation to this Proposal.

9. Timing and next steps

From a planning perspective, WPP is seeking to enter into a binding implementation agreement prior to 31 December 2020. Based on this timing, we expect completion of the acquisition and payment to Minority Shareholders by March 2021. WPP reserves the right to withdraw this Proposal at any time prior to execution of the Implementation Agreement.

We believe it is in the interests of all stakeholders including WPP AUNZ shareholders to progress this Proposal in an expedient manner and are committed to working with WPP AUNZ's independent directors and management team to do so.

We look forward to discussing this Proposal with you at your earliest convenience.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'A. Scott', with a stylized flourish at the end.

Andrew Scott
Chief Operating Officer, WPP Plc