



ASX Release

Revised proposal from WPP plc to acquire WPP AUNZ shares for A\$0.70 per share

Sydney, Australia – 17 December 2020

On 30 November 2020, WPP AUNZ Ltd ("**WPP AUNZ**" or the "**Company**") announced the receipt of 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 ("**Original Proposal**").

Subsequent to further discussions with WPP plc, the Independent Board Committee ("**IBC**") today advises that it has received a revised proposal from WPP plc to acquire all of the ordinary shares in WPP AUNZ that it does not already own at a price of A\$0.70 per share in cash ("**Revised Proposal**").

The Revised Proposal of A\$0.70 per share values WPP AUNZ at an implied enterprise value of A\$717 million¹ and compares to the undisturbed share price of A\$0.41 per share.²

The IBC have determined that it is in the best interests of WPP AUNZ minority shareholders to seek to enter into a binding scheme implementation agreement ("**Implementation Agreement**") in relation to the Revised Proposal and to convene a scheme meeting and recommend the Revised Proposal to shareholders, subject to an independent expert affirming that the transaction is in the best interests of minority shareholders and in the absence of any superior proposal being received. This determination has considered, amongst other things, the trading outlook statement for FY20 and FY21 provided to the market today and other fundamental valuation considerations.

Summary of Revised Proposal

With the exception of the increased offer price, all other terms of the Revised Proposal remain the same as the Original Proposal released to the market on 30 November 2020.

The Revised Proposal does not require any financing or due diligence conditions; and remains subject only to entering into an Implementation Agreement and any regulatory approvals required to implement the transaction.

Capacity for WPP AUNZ to declare ordinary and special dividends

The Revised Proposal price of A\$0.70 per share will be reduced by the cash amount per share of any ordinary dividend or special dividend declared prior to the completion of the transaction.

As referenced in the FY20 and FY21 outlook statement released to the market today, the WPP AUNZ Board expects to return to paying dividends in the 2021 year, commencing with

¹ Enterprise value assumes 852.2m ordinary shares, estimated net debt of \$110m as at 31 December 2020 and non-controlling interest of \$11m as at 31 October 2020

² Undisturbed share prior to announcement of WPP plc Original Proposal, being closing price at 27 November 2020

the expectation of a dividend to be declared in conjunction with the FY20 results in late February 2021.

WPP plc has agreed to WPP AUNZ declaring and paying total ordinary and special dividends of up to A\$0.15 per share prior to completion – subject to WPP AUNZ board determination, tax and accounting considerations, an ATO ruling and bank consent.

Total dividends up to A\$0.15 per share comprised of a mix of ordinary and special dividends would have the effect of delivering shareholders up to A\$0.06 per share of additional value beyond the cash value of the dividend depending on their ability to utilise any franking credits attaching to these dividends.

There is no certainty that these dividends will be declared and paid, and declaration will be subject to further tax advice and the outlook at the time of declaring dividends.

Conclusion

The Revised Proposal is non-binding, and therefore WPP AUNZ shareholders do not need to take any action in relation to the Revised Proposal at this time.

While the IBC have agreed to negotiate in good faith an Implementation Agreement with respect to the Revised Proposal, there is no guarantee that an Implementation Agreement will be entered into. Furthermore, there is no guarantee firstly that an independent expert will conclude that the proposal is in the best interest of minority shareholders, and secondly, that the required 75% of minority shareholders will vote in favour of the proposal for the scheme to be approved.

Subject to entering into an Implementation Agreement, it is contemplated that the proposal would be put to WPP AUNZ shareholders at a scheme meeting to be held in the first half of 2021.

The IBC will continue to update shareholders as required under its continuous disclosure obligations.

WPP AUNZ has appointed UBS AG, Australia Branch as its financial adviser and Herbert Smith Freehills as its legal adviser.

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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