



## MEMORANDUM

To: Leo Burnett US SVP's & EVP's & GLC

From: Tom Bernardin

Date: January 6, 2009

Today, Leo Burnett USA entered into an agreement with the United States Department of Justice to settle a civil case related to Leo Burnett USA's work for the United States Army from 2000 to 2006. The issues being resolved relate to how Leo Burnett USA and its client, the United States Army, administered the contract, which was subject to complicated Department of Defense contracting provisions and Federal Acquisition Regulations.

Leo Burnett strongly denies the claims in this civil proceeding and believes the government's claims have no merit. In fact, we seriously considered fully litigating the matter. But litigation can be a long, expensive and uncertain process and the time devoted to the lawsuit would be better spent serving our clients and managing our own growth.

As a result of our decision to get this case behind us quickly, we are agreeing to disagree, and will be paying an amount which had been fully reserved, and is a fraction of the total value of the work we performed for the United States Army. In no way does this civil case affect any other client, or any of our affiliates, or any other part of our business.

Leo Burnett USA is extremely proud of the results we achieved for the United States Army. We had a great team of people working on this project and they provided the Army with outstanding service and an exceptional product, as we do for all our clients. It is worth noting that, even after the filing of the lawsuit in June, 2004, the Army elected to maintain its relationship with us by extending the contract through March 2006.

Finally, I am very proud of how our team handled this matter. We have been forthright and accessible to all the government officials and we have assisted them in every way possible.

Our response demonstrates the kind of leadership, integrity and professionalism that we demand of ourselves every day. Now, we are pleased to have this matter concluded and remain focused squarely on our clients' needs and on our future.

A handwritten signature in black ink, appearing to read "Tom Bernardin". The signature is fluid and cursive, with a prominent initial "T" and a long, sweeping underline.

Tom Bernardin  
Chairman & CEO