

WPP

Results for 2009
London

March 2010



WPP

1	Results for 2009
2	Key Priorities, Objectives and Strategy
3	Conclusions
4	Other Financial Information (Hard Copy Only)
5	Structure and Competitive Position (Hard Copy Only)



WPP

1

Results for 2009



Results for 2009

- ✿ Billings up 2.7% to £37.9 billion.
- ✿ Reported revenue up 16.1%. On a constant currency basis, revenue up 4.9%. Like-for-like revenue down 8.1%, with like-for-like gross margin down 7.9%.
- ✿ Headline PBIT down 9% to £1,017m from £1,118m.
- ✿ Headline operating margin of 11.7%, reflecting 15.4% in second half, in line with target.

Results for 2009

- ✿ Headline PBT down 16.1% to £812m from £968m.
- ✿ Diluted headline EPS down 20% to 44.4p from 55.5p.
- ✿ Second interim dividend flat at 10.28p per share, making total for year of 15.47p, the same as 2008. Payment date for second interim dividend 1 April.
- ✿ Estimated net new business billings of almost £3.127 billion (\$4.847 billion).

Results for 2009

Unaudited IFRS Income Statement

Year to 31 December

	2009 £m	2008 £m	Change %
Revenue	8,684.3	7,476.9	16.1
Operating Profit pre-goodwill/ intangibles	958.6	1,071.7	-10.6
Goodwill/ intangibles charges, FA gains	(196.9)	(195.7)	-0.6
Operating Profit	761.7	876.0	-13.0
Income from associates	57.0	46.0	23.9
PBIT	818.7	922.0	-11.2
Net finance costs	(156.1)	(175.2)	10.9
Profit before tax	662.6	746.8	-11.3
Tax	(155.7)	(232.9)	33.1
Profit after tax	506.9	513.9	-1.4
Reported diluted EPS	35.3p	37.6p	-6.1

Results for 2009

% Growth vs Prior Year

	Revenue	Headline ² PBIT	Headline ² EPS
Like-for-like	-8.1	n/a	n/a
Acquisitions	13.0	n/a	n/a
Constant currency	4.9	-16.7	-28.5
Foreign exchange	11.2	7.7	8.5
Reportable sterling	16.1	-9.0	-20.0
Reportable US dollars¹	-	-18.2	-27.1

¹ Translated into US\$, using among other currencies, average exchange rates of US\$ /£ for FY 2009 of \$1.567, compared to \$1.852 for FY 2008.

² Figures before goodwill and intangibles charges, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments.

Results for 2009

Headline¹ Performance Versus Consensus

	Median Consensus	Actual Results	+ / (-)
Revenue	£8,729m	£8,684m	£(45)m
PBIT	£1,017m	£1,017m	-
Net finance costs	£(195m)	£(205)m	£(10)m
PBT	£822m	£812m	£(10)m
Fully Diluted EPS	43.6p	44.4p	0.8p
PBIT Margin	11.7%	11.7%	-
Fully Diluted Shares	1,240m	1,238m	(2)m

¹ Figures before goodwill and intangibles charges, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments.

Results for 2009

Unaudited Headline¹ IFRS Income Statement

	Year to 31 December		Change %	Constant Currency %
	2009 £m	2008 £m		
Revenue	8,684.3	7,476.9	16.1	4.9
Headline operating profit	958.6	1,071.7	-10.6	-17.8
Income from associates	58.6	46.5		
PBIT	1,017.2	1,118.2	-9.0	-16.7
Net finance costs	(205.0)	(149.8)		
Profit before tax	812.2	968.4	-16.1	-24.2
Tax at 23.8% (2008 25.3%)	(193.0)	(245.3)		
Profit after tax	619.2	723.1	-14.4	-23.9
Headline diluted EPS	44.4p	55.5p	-20.0	-28.5
Headline operating margin	11.7%	15.0%	-3.3	
Headline EBITDA	1,243.0	1,291.2	-3.7	-12.0

¹ Figures before goodwill and intangibles charges, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments.

Results for 2009

Unaudited Headline¹ IFRS Income Statement

	First Half			Second Half		
	2009 £m	2008 £m	Change %	2009 £m	2008 £m	Change %
Revenue	4,288.7	3,339.1	28.4	4,395.6	4,137.8	6.2
Headline operating profit	322.7	432.7	-25.4	635.9	639.0	-0.5
Income from associates	19.5	20.7		39.1	25.8	
PBIT	342.2	453.4	-24.5	675.0	664.8	1.5
Net finance costs	(90.0)	(64.3)		(115.0)	(85.5)	
Profit before tax	252.2	389.1	-35.2	560.0	579.3	-3.3
Tax	(62.5)	(104.8)		(130.5)	(140.5)	
Profit after tax	189.7	284.3	-33.3	429.5	438.8	-2.1
Headline diluted EPS	12.9p	21.8p	-40.8	31.5p	33.7p	-6.5
Headline operating margin	8.0%	13.6%	-5.6	15.4%	16.1% ²	-0.7
Headline EBITDA	455.7	531.9	-14.3	787.3	759.3	3.7

¹ Figures before goodwill and intangibles charges, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments.

² 2008 second half margin including TNS on proforma basis was 15.4%.

Results for 2009

Full Year Operating Expenses

(like-for-like Sterling ¹ £'m)	2009	2008	% B/(W)
Revenue	8,684	9,449	-8.1
Gross Margin	7,981	8,666	-7.9
Staff Cost	5,117	5,444	6.0
Establishment	692	637	-8.7
Other G&A	1,213	1,333	9.0
Total Operating Expenses	7,022	7,414	5.3

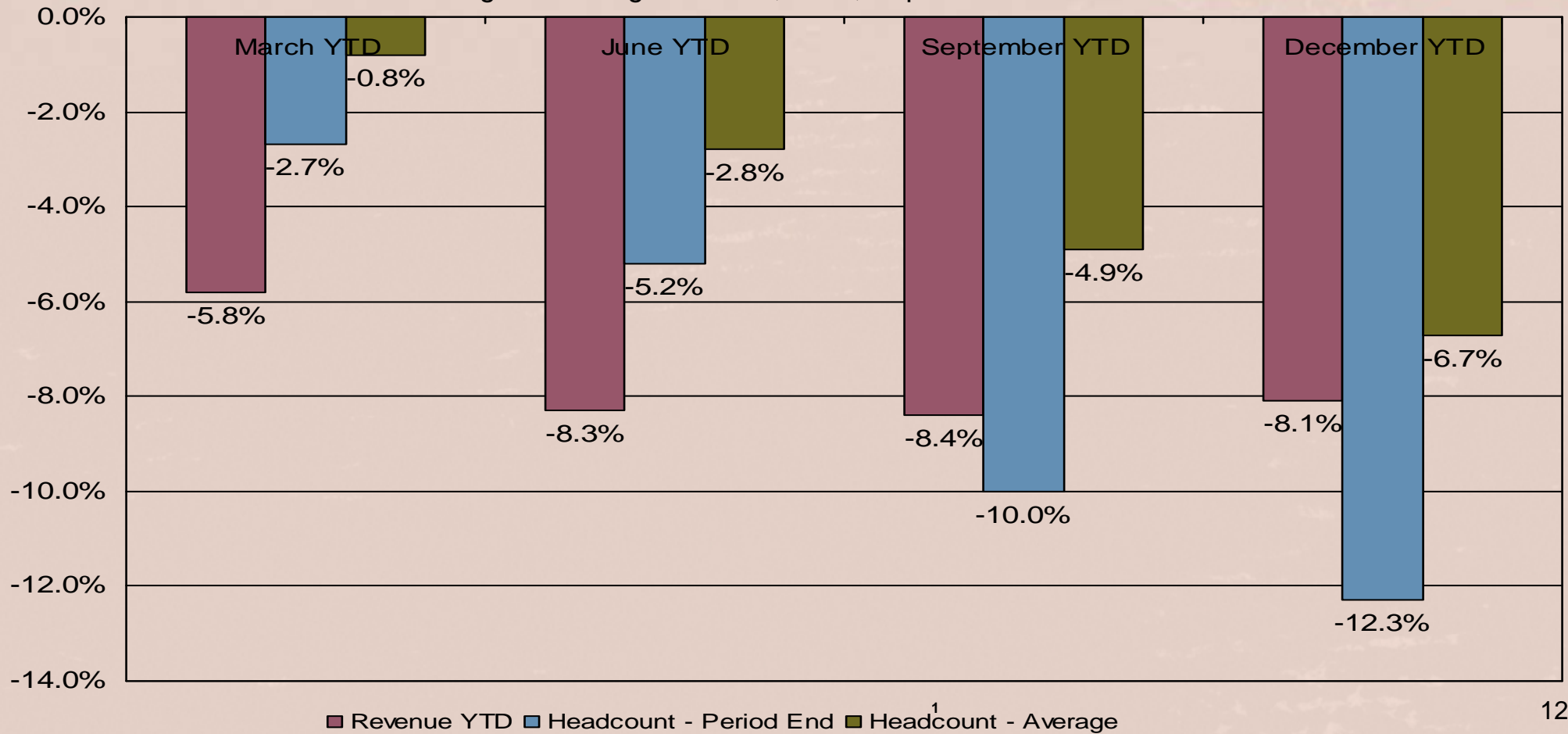
- Property impacted by one-off double rent in New York and short-term inelasticity
- Severance charge of £125m (\$186m) for the year or ca 1.4% of revenue, 0.7 margin points more than in 2008

¹ Based on WPP proforma reporting – 2008 adjusted for acquisitions and FX

Results for 2009

Revenue and Headcount now more balanced

Cumulative Organic Change – March, June, September and December 2009



¹Headcount period end is end of quarter versus 31 December 2008

Results for 2009

Revenue by Discipline

	2009 £m	2008 £m	% Change		
			Reported	Constant Currency	Like-for- like
Advertising, Media Investment Management	3,358.9	3,329.5	0.9	-8.6	-8.5
Consumer Insight	2,297.1	1,301.8	76.5	62.9	-9.5
Public Relations & Public Affairs	795.7	752.3	5.8	-6.5	-7.4
Branding & Identity, Healthcare and Specialist Communications	2,232.6	2,093.3	6.7	-4.5	-6.2
Total	8,684.3	7,476.9	16.1	4.9	-8.1¹

¹ Gross Margin -7.9%

Results for 2009

Organic Revenue Growth Trends by Sector

2008-2009 Quarter by Quarter



Results for 2009

Revenue by Region

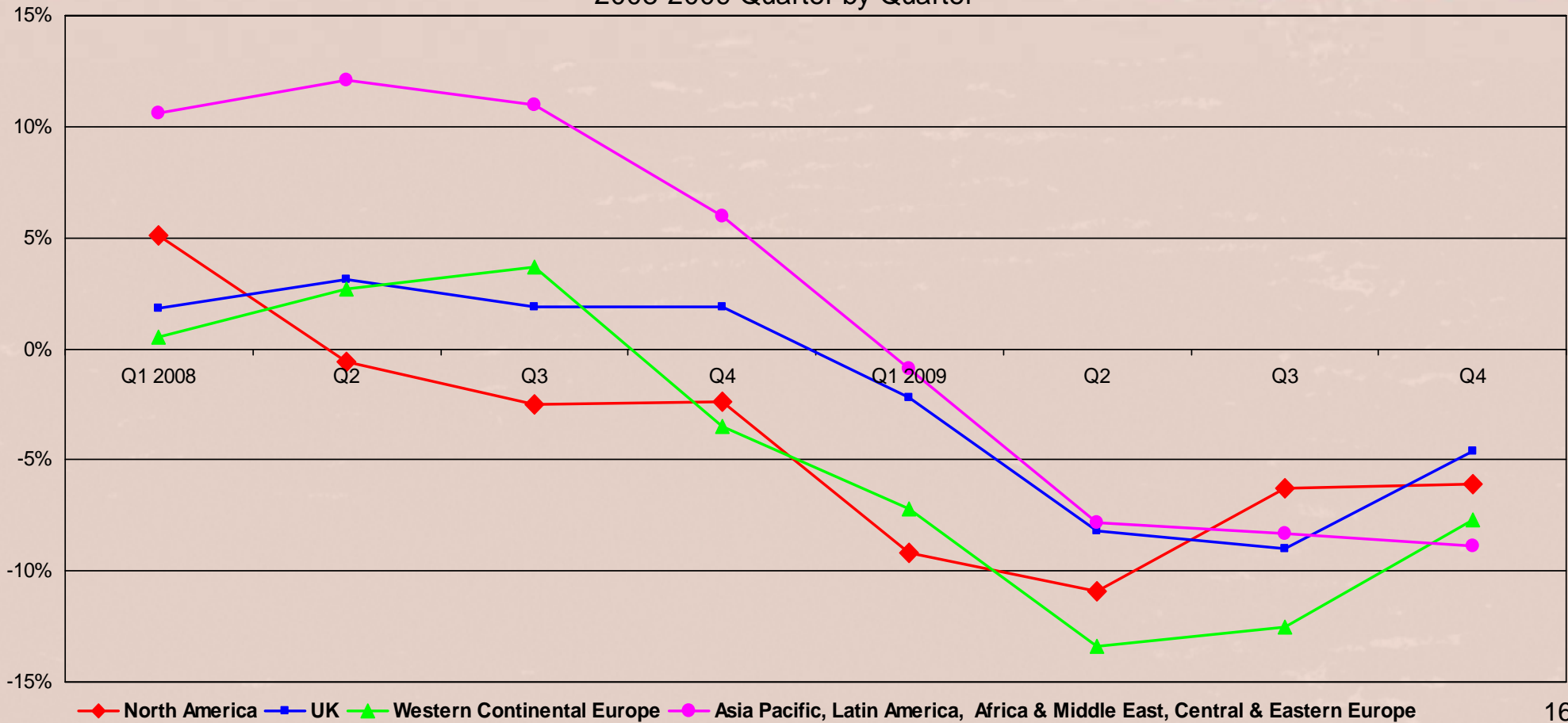
	2009 £m	2008 £m	% Change		
			Reported	Constant Currency	Like-for- like
North America	3,010.0	2,603.2	15.6	-0.7	-8.1
UK	1,029.0	954.2	7.8	7.8	-6.0
Western Continental Europe	2,327.8	1,879.1	23.9	12.8	-10.2
Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe	2,317.5	2,040.4	13.6	4.3	-6.8
Total	8,684.3	7,476.9	16.1	4.9	-8.1

¹ Gross Margin -7.9%

Results for 2009

Organic Revenue Growth Trends by Region

2008-2009 Quarter by Quarter



Results for 2009

Headline PBIT¹ and Margin¹ by Discipline

	Headline PBIT		Headline Margin	
	2009	2008	2009	2008
	£m	£m	%	%
Advertising, Media Investment Management	472.8	581.3	14.1	17.5
Consumer Insight	196.9	147.6	8.6 ²	11.3 ²
Public Relations & Public Affairs	122.1	124.9	15.3	16.6
Branding & Identity, Healthcare and Specialist Communications	225.4	264.4	10.1	12.6
Total	1,017.2	1,118.2	11.7	15.0

¹ Headline PBIT/margin: profit before finance income/costs and revaluation of financial instruments, taxation, goodwill and intangibles charges, investment gains/losses and share of exceptional gains/losses of associates.

² Headline PBIT/margin to gross margin of 11.8% for 2009 and 16.3% for 2008.

Results for 2009

Headline PBIT¹ and Margin¹ by Region

	Headline PBIT		Headline Margin	
	2008		2008	
	£m		%	
North America	397.9	438.3	13.2	16.8
UK	131.5	124.1	12.8	13.0
Western Continental Europe	193.4	247.0	8.3	13.1
Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe	294.4	308.8	12.7	15.1
Total	1,017.2	1,118.2	11.7	15.0

¹ Headline PBIT/margin: profit before finance income/costs and revaluation of financial instruments, taxation, goodwill and intangibles charges, investment gains/losses and share of exceptional gains/losses of associates.

Results for 2009

Revenue growth by Country

Revenue Growth ¹	Countries
Above 0%	Argentina, India, Poland
0% to -5%	Brazil, Russia, Singapore, South Africa
-5% to -10%	Canada, Denmark, France, Germany, Greater China, Italy, UK, US
> -10%	Australia, Japan, Netherlands, Spain, Sweden

¹ Like-for-like growth

Results for 2009

Revenue Growth by Category

Revenue Growth¹

Categories

0% to 5%

Computers

0% to -5%

Drinks, Electronics, Entertainment, Government,
Personal Care & Drugs

-5% to -10%

Food, Retail, Telecommunications

> -10%

Automotive, Financial Services, Oil, Travel & Airline

¹ Like-for-like growth

Results for 2009

Effects of Sterling Weakness

✦ Currency movements accounted for a 11.2% increase in revenue, reflecting the weakness of the £ sterling against the US dollar, the euro and the Japanese yen.

✦ Sterling weaker on average as follows:

	2009	2008	Sterling weaker
US\$	1.567	1.852	-15%
€	1.123	1.258	-11%
¥	146.4	192.3	-24%

✦ Headline PBT¹ of £812m would have been £741m had sterling remained at the same levels as 2008.

¹ Figures before goodwill and intangibles charges, investment gains/losses, share of exceptional gains/losses of associates and revaluation of financial instruments.

Results for 2009

Trade Estimates of Major New Business Wins

Agency	Account	Office	Billings (\$m)
<u>Grey</u>	<u>Allianz</u>	<u>Worldwide</u>	<u>300</u>
mec	Activision Blizzard	USA	225
<u>Mindshare</u>	<u>Boehringer-Ingelheim</u>	<u>USA</u>	<u>225</u>
<u>Mindshare</u>	<u>Abbott Labs</u>	<u>Worldwide</u>	<u>205</u>
mec	Mercedes Benz	Germany	200
Wunderman	Microsoft	Worldwide	200
<u>Ogilvy</u>	<u>UPS</u>	<u>Worldwide</u>	<u>200</u>
<u>Maxus</u>	<u>UPS</u>	<u>Worldwide</u>	<u>200</u>
<u>GroupM</u>	<u>Global Food & Drinks</u>	<u>Czech, Mexico & Russia</u>	<u>165</u>
Grey	NFL	USA	160
Mindshare	Zurich	Worldwide	150
mec	Sony	Latam	150
mec	Lloyds	UK	130
Wunderman	Nokia	Worldwide	Not disclosed

Underlined figures are Q4 wins

Results for 2009

Trade Estimates of Major New Business Wins

Agency	Account	Office	Billings (\$m)
<u>OgilvyOne</u>	<u>LVMH</u>	<u>Europe</u>	<u>100</u>
JWT	Microsoft	Worldwide	100
JWT/ Mindshare	Egyptian Tourist Authority	EMEA	100
Grey	ANGA	USA	80
<u>Mindshare</u>	<u>Boehringer-Ingelheim</u>	<u>Worldwide</u>	<u>80</u>
<u>MediaCom</u>	<u>Universal Music</u>	<u>Europe</u>	<u>80</u>
<u>Mindshare</u>	<u>Randstad</u>	<u>Worldwide</u>	<u>80</u>
Mindshare	Intercontinental Hotels Group	USA	80
TNS	European Commission	Europe	80

Underlined figures are Q4 wins

Results for 2009

Trade Estimates of Major New Business Losses

Agency	Account	Office	Billings (\$m)
Mindshare	Bristol-Myers Squibb	Worldwide	420
MediaCom	Nokia	Worldwide	260
Mindshare	Wrigley	USA	250
<u>Mindshare</u>	<u>Unilever</u>	<u>China</u>	<u>225</u>
MediaCom	LVMH	USA	180
mec	Monster.com	Worldwide	150
<u>JWT</u>	<u>Kellogg</u>	<u>Europe & Latam</u>	<u>150</u>
Ogilvy	Kraft	USA	80

Underlined figures are Q4 losses

Results for 2009

Internal Estimates of Net New Business Wins in 2009

Billings (\$m)	Creative	Media	Total
Advertising	1,214	2,857	4,071
Other Businesses	776	-	776
Total	1,990	2,857	4,847

✿ The Group came first in two of the three leading industry new business tables for 2009.

Results for 2009

Trade Estimates of Major New Business Wins & Losses Since 1 January

	Agency	Account	Office	Billings (\$m)
WINS	GroupM	Bayer	Worldwide	600
	M4C (GroupM/MediaCom)	COI	UK	375
	Team Bayer	Bayer	Worldwide	200
	GroupM	Amway Artistry	China	200
	mec	Bacardi	Worldwide	200
	Maxus	BT	UK	120
	MediaCom	Revlon	USA	100

Results for 2009

Cash Flow

	2009	2008
	£m	£m
Headline Operating profit	959	1,072
Non-cash compensation	55	62
Depreciation & amortisation charges	226	173
Net interest paid & similar charges	(148)	(134)
Tax paid	(217)	(182)
Net cash generation	875	991

Results for 2009

Uses of Cash Flow

	2009		2008
	£m		£m
Net cash generation	<u>875</u>		<u>991</u>
Capital expenditure			
- IT	(85)	(104)	
- Property	<u>(168)</u>	<u>(117)</u>	(221)
Acquisition payments:			
- Net initial payments ¹			
TNS	-	(736)	
Other	<u>(63)</u>	<u>(242)</u>	(978)
- Earnout payments/loan note redemptions		(82)	(71)
	(145)		(1,049)
Share repurchases	(9)		(112)
Other	(4)		7
Net cash inflow/(outflow) before dividend	<u>464</u>		<u>(384)</u>
Dividend	<u>(190)</u>		<u>(162)</u>
Net cash inflow/(outflow) before NWC changes	<u>274</u>		<u>(546)</u>

¹ Net initial payments are net of cash acquired and disposal proceeds, and includes other investments including associates

Results for 2009

Net Finance Costs / (Income)

£m	2009	2008	B/(W)
Interest on net debt	189.0	155.9	(33.1)
Investment income	(10.2)	(9.7)	0.5
IAS 19 (Pensions)	18.7	9.2	(9.5)
Earnout interest	2.0	0.5	(1.5)
IAS 32 (Convertibles)	5.5	(6.1)	(11.6)
	16.0	(6.1)	(22.1)
Headline finance costs	205.0	149.8	(55.2)
IAS 39 (Financial Instruments)	(48.9)	25.4	74.3
Net finance costs	156.1	175.2	19.1

Results for 2009

Net Debt - 31 December 2009

	2009 £m	2008 £m	% Variance
YTD average net debt on constant currency basis	(3,448)	(2,448)	-41%
YTD average net debt on reportable currency basis	(3,448)	(2,206)	-56%
Net debt at 31 December	(2,640)	(3,068)	14%
YTD average net debt for first 7 weeks of 2010 on a constant currency basis	(2,675)	(2,970)	10%
Headline finance costs	(205)	(150)	
Interest cover on Headline PBIT ¹	5.0x	7.5x	

¹ Headline PBIT/margin: profit before finance income/costs and revaluation of financial instruments, taxation, goodwill and intangibles charges, investment gains/losses and share of exceptional gains/losses of associates.

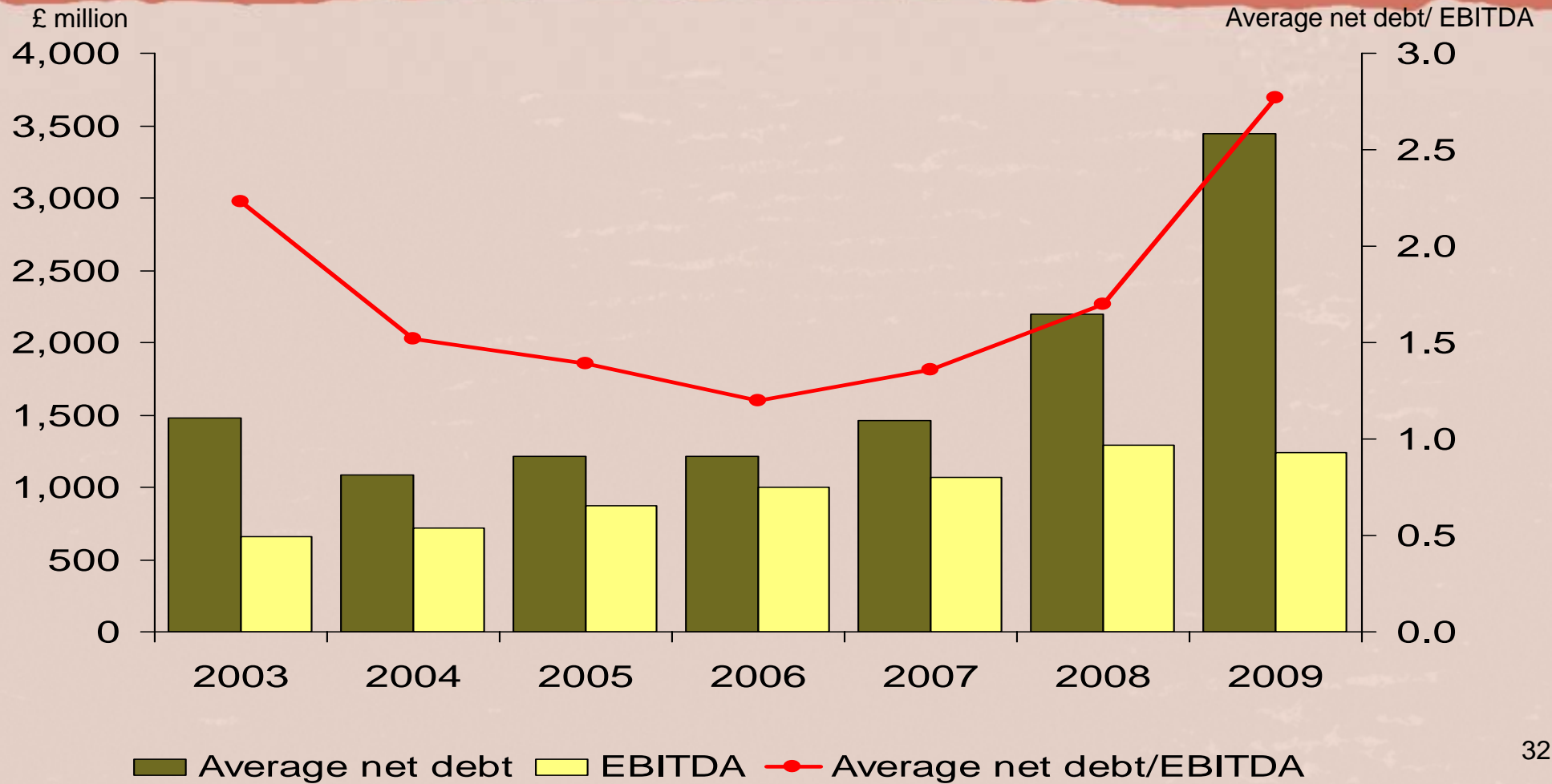
Results for 2009

Use of Free Cash Flow

<u>Category</u>	<u>Target</u>	<u>Actual</u>
New acquisitions	Up to £100m	£63m
Share buy back	Up to 1%	0.2% or £9m
Dividends	Growth up to 15%	Flat
Headroom	Undrawn facilities and surplus cash	£2.2 bn at 31/12/09

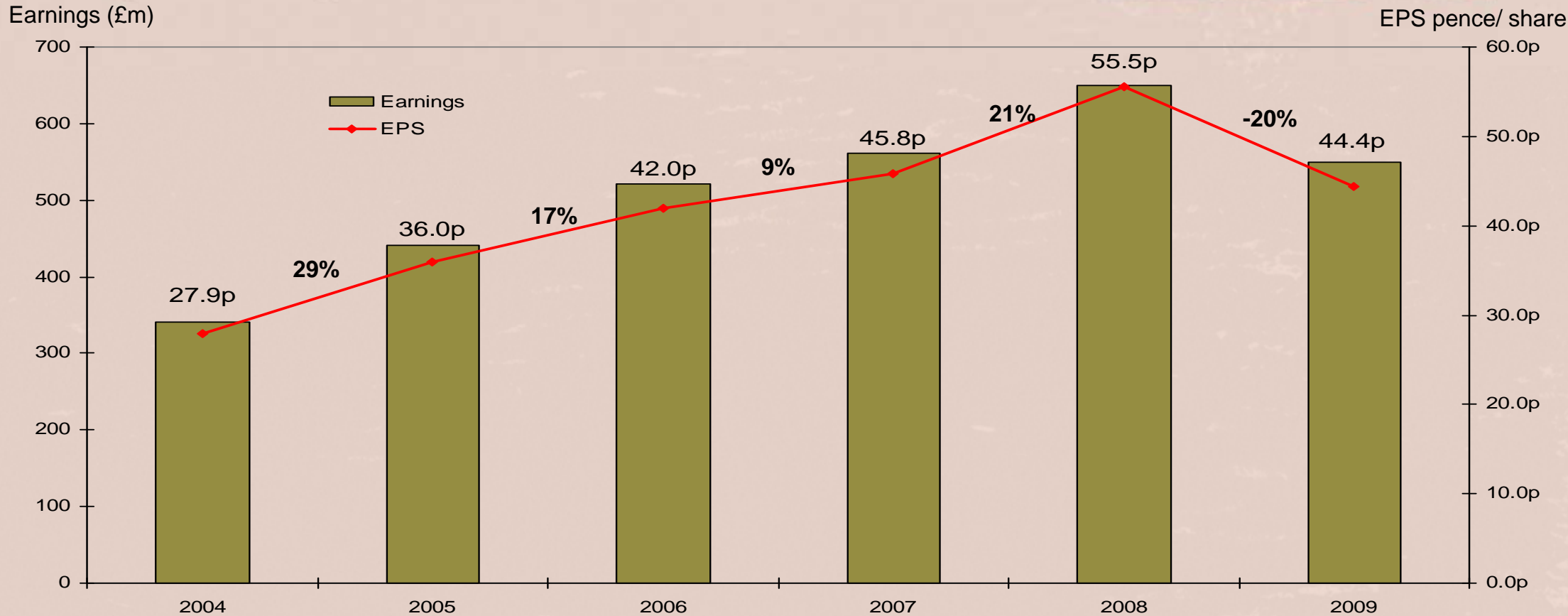
Results for 2009

Historic Average Net Debt/EBITDA



Results for 2009

Earnings and EPS¹



¹ Diluted Headline Earnings and Diluted Headline EPS



WPP

2

Key Priorities, Objectives and Strategy



Key Priorities, Objectives and Strategy

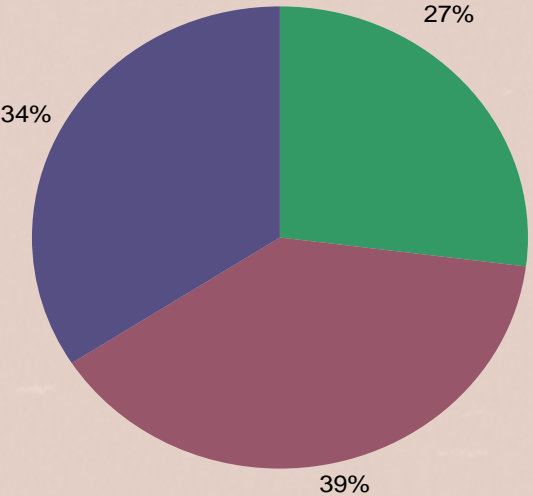
New markets, new media and consumer insight

- ✦ Faster growing markets to be one third of total Group.
- ✦ Marketing services including new media to be two thirds of total Group.
- ✦ Quantitative disciplines including consumer insight to be one half of total Group, with focus on digital and consumer insight.

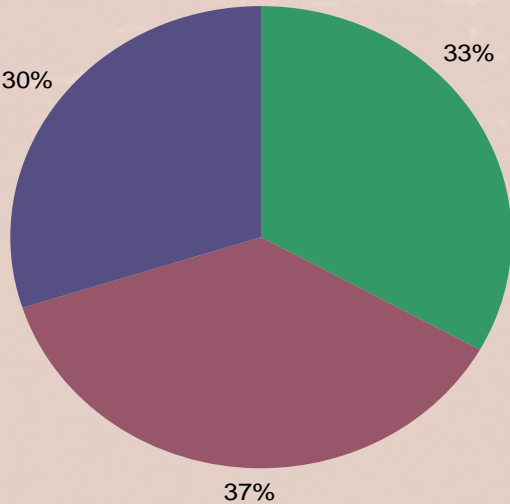
Key Priorities, Objectives and Strategy

Faster Growing Markets to be One Third of Total Group

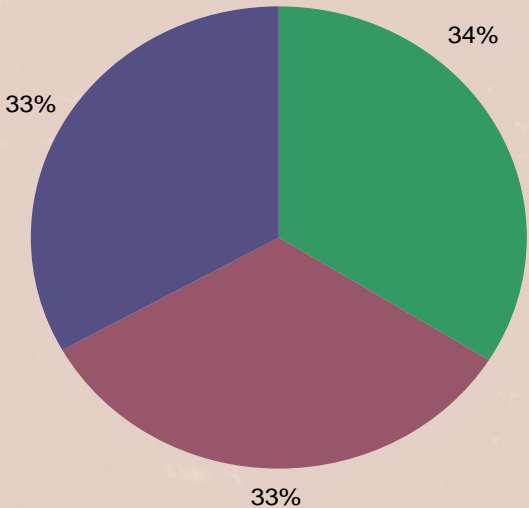
Today



Today Including Associates



Tomorrow



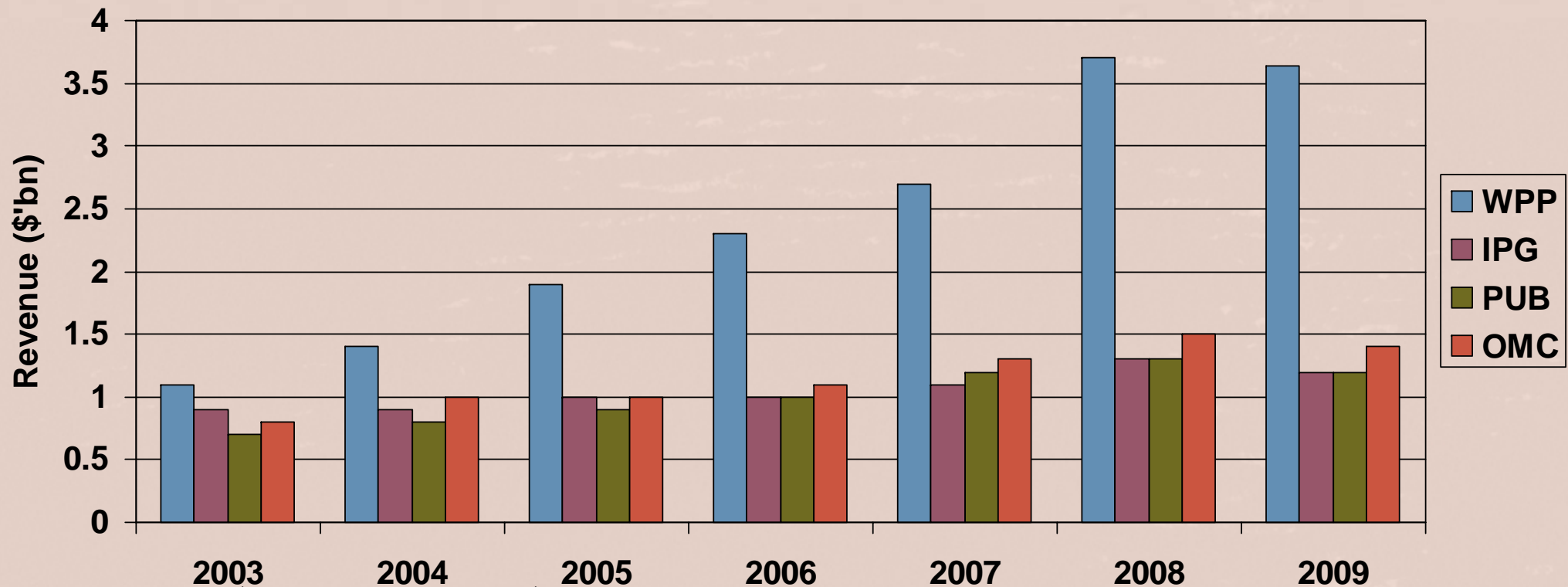
North America

UK & Western Continental Europe

Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe

Key Priorities, Objectives and Strategy

Revenues in Faster Growing Markets 2003-2009



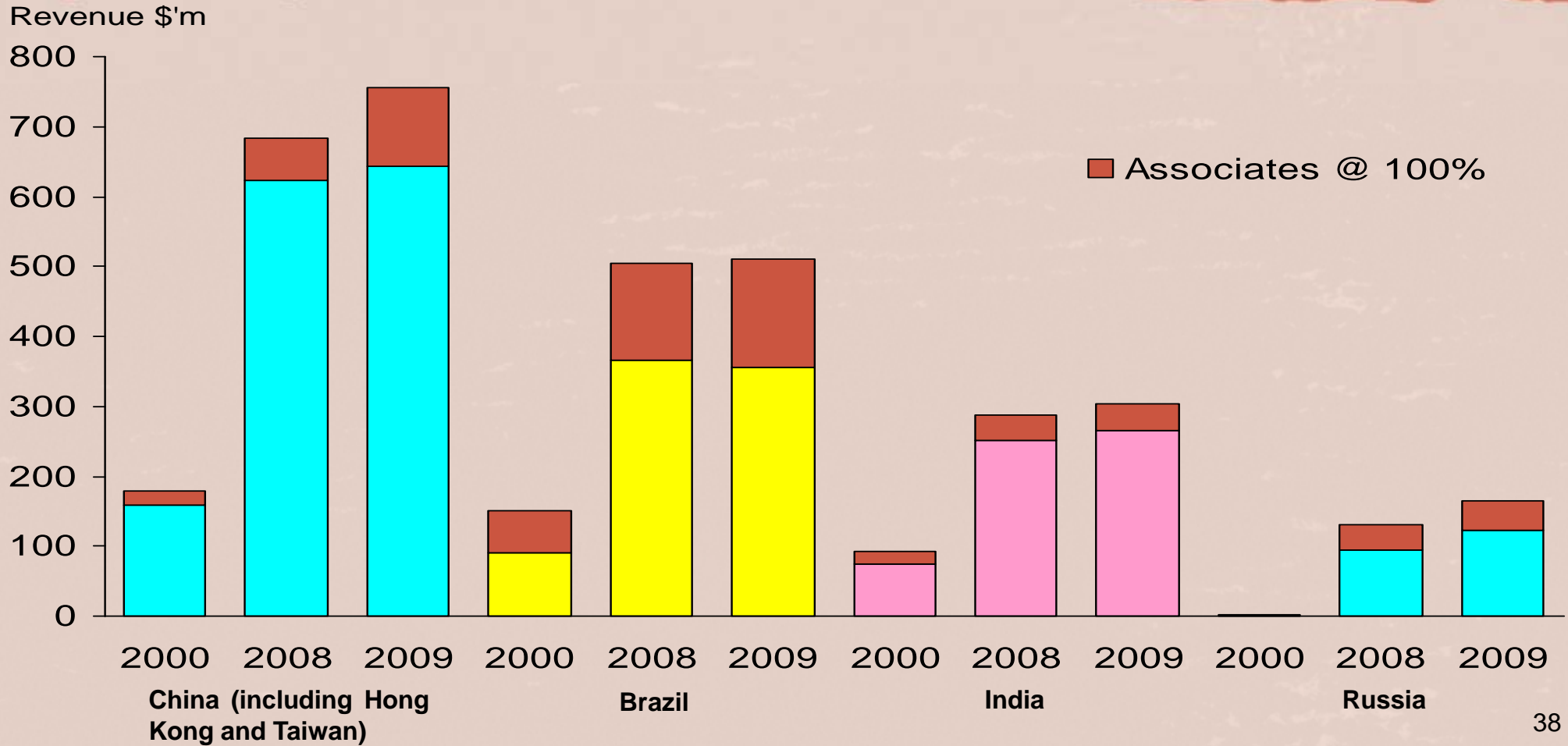
1. WPP reportable US \$'s per WPP results and peer \$ revenues as shown in annual results presentations

2. Peer data sourced from annual results translated at average exchange rate for the year (IPG, Publicis and Omnicom)

3. OMC Assumes "non-Euro currency" Europe, ie Switzerland, Turkey, Norway, Denmark, Sweden and Eastern Europe are 3% of revenue and Canada 1.5%

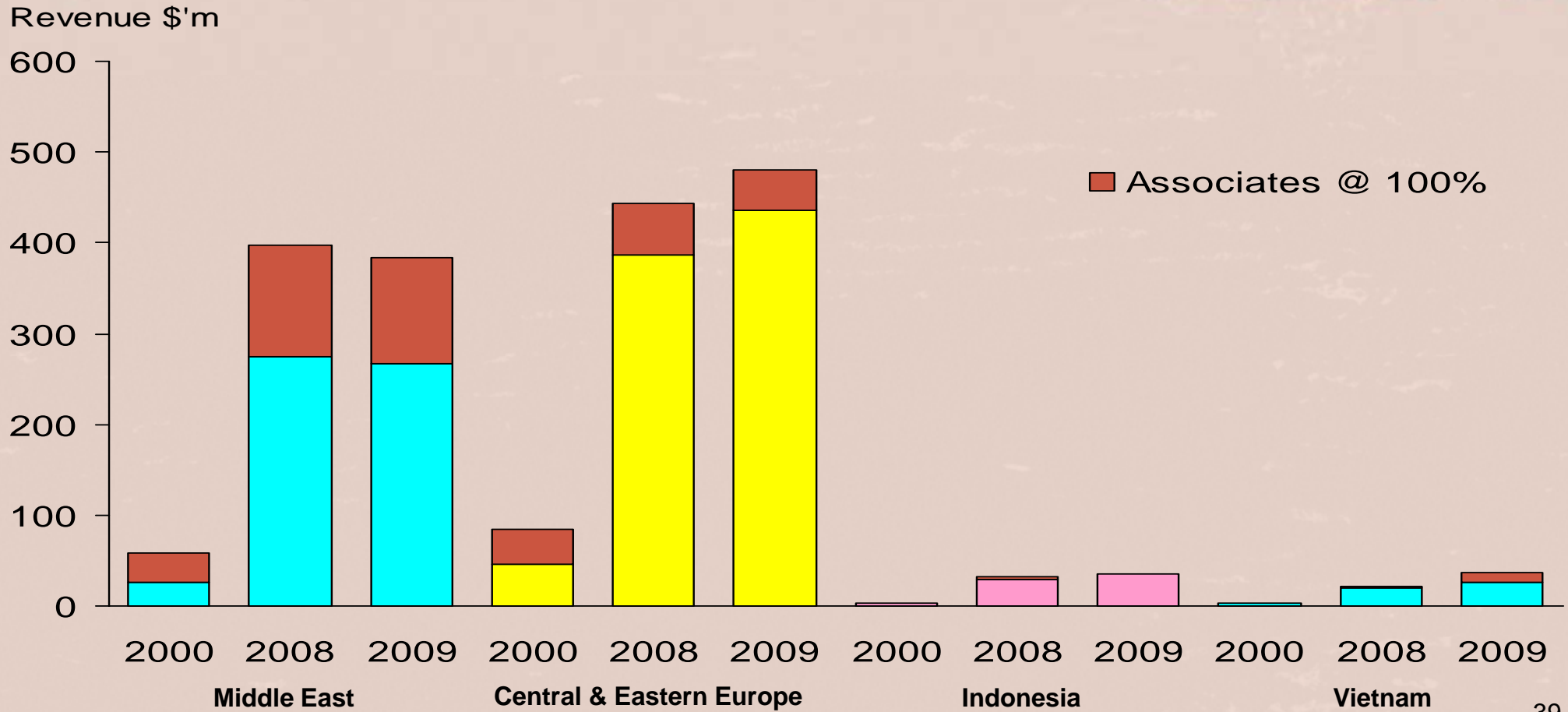
Key Priorities, Objectives and Strategy

WPP's Performance Strong in BRIC Markets



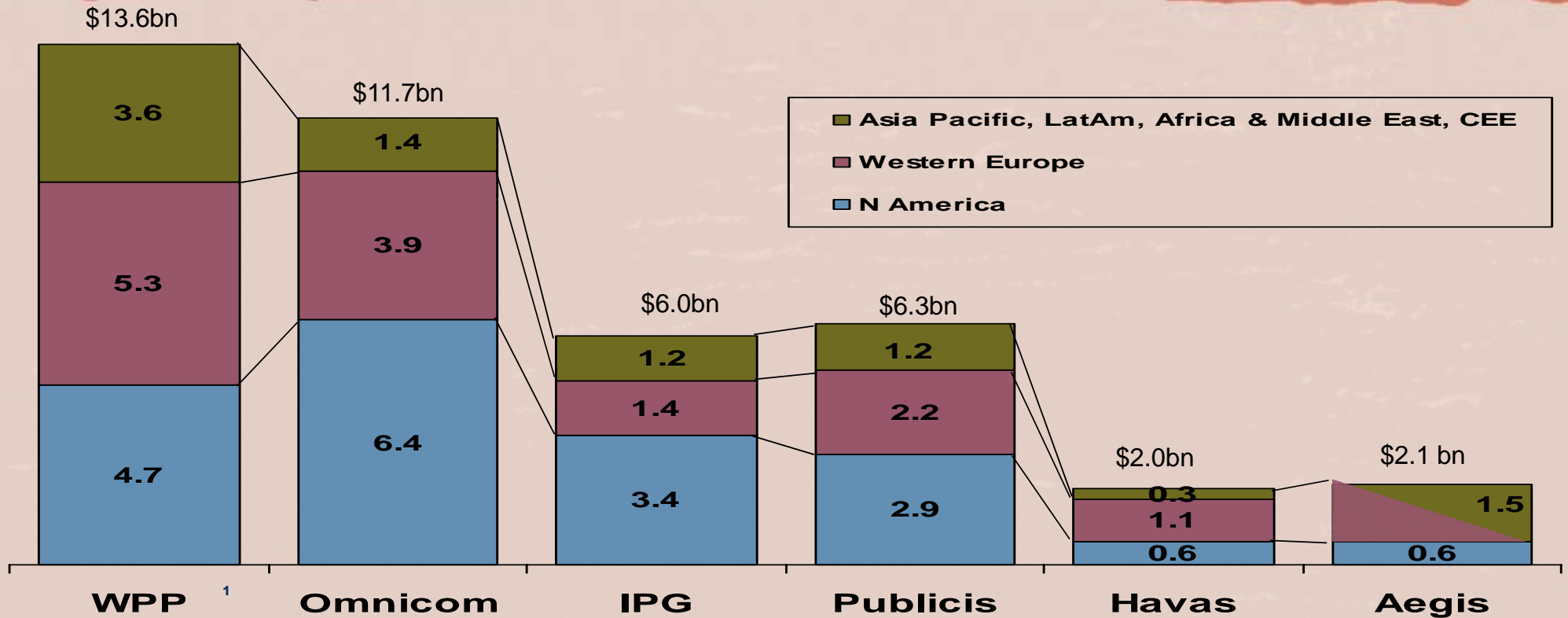
Key Priorities, Objectives and Strategy

WPP's Performance in Other Faster Growing Markets



Key Priorities, Objective and Strategy

2009 Revenue by geography



¹ Source: WPP – reportable US \$'s per WPP preliminary results. Omnicom, IPG, Publicis and Havas - company presentations for 2009 with CEE estimated at 3%.

² FX. Havas and Publicis assumes \$1=€0.68 based on the average for 2009.

³ OMC. Assumes “non Euro currency” Europe, ie Switzerland, Turkey, Norway, Denmark, Sweden and Eastern Europe are ca 3% of revenue and Canada is 1.5% of revenue.

⁴ IPG. Assumes Canada is ca 1.5% of revenue.

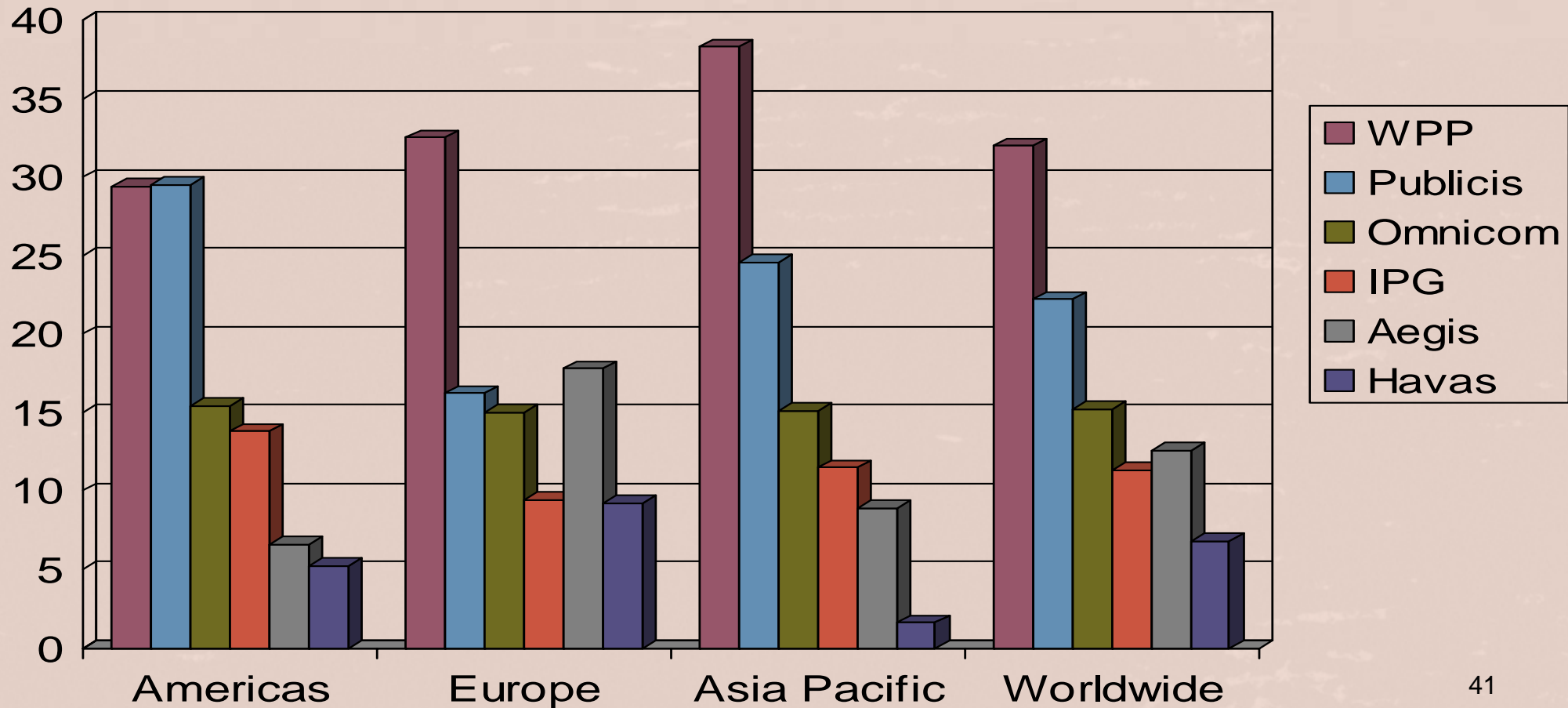
⁵ Rest of World. Asia Pacific, Latin America, Middle East and Africa.

⁶ Aegis. EMEA and Asia = \$1.6 bn.

Key Priorities, Objectives and Strategy

Media Billings by Geography

Worldwide ranking by Group as % of the Six Groups

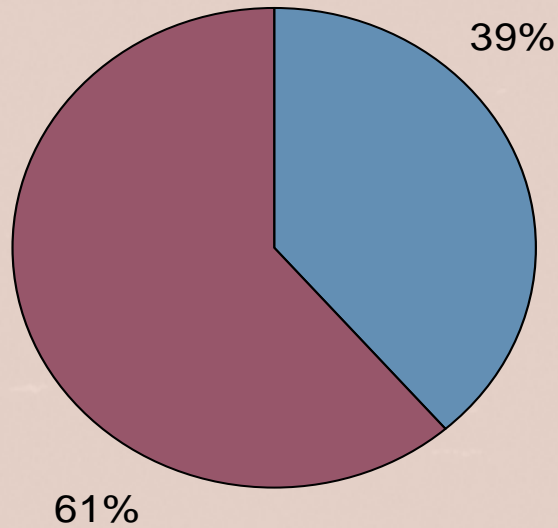


Source: RECMA July 2009 billings report, based on 2008 data.

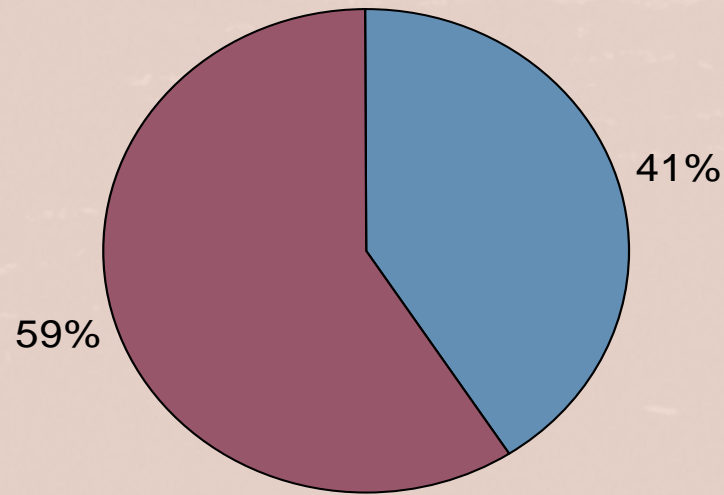
Key Priorities, Objectives and Strategy

Marketing Services to be Two Thirds of Total Group

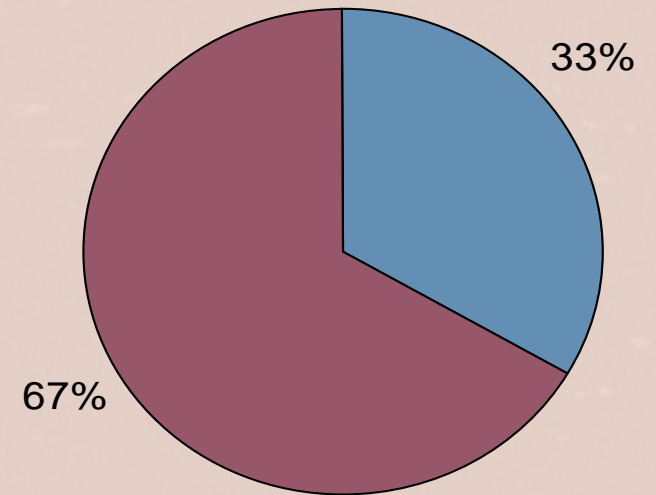
Today



Today including associates



Tomorrow

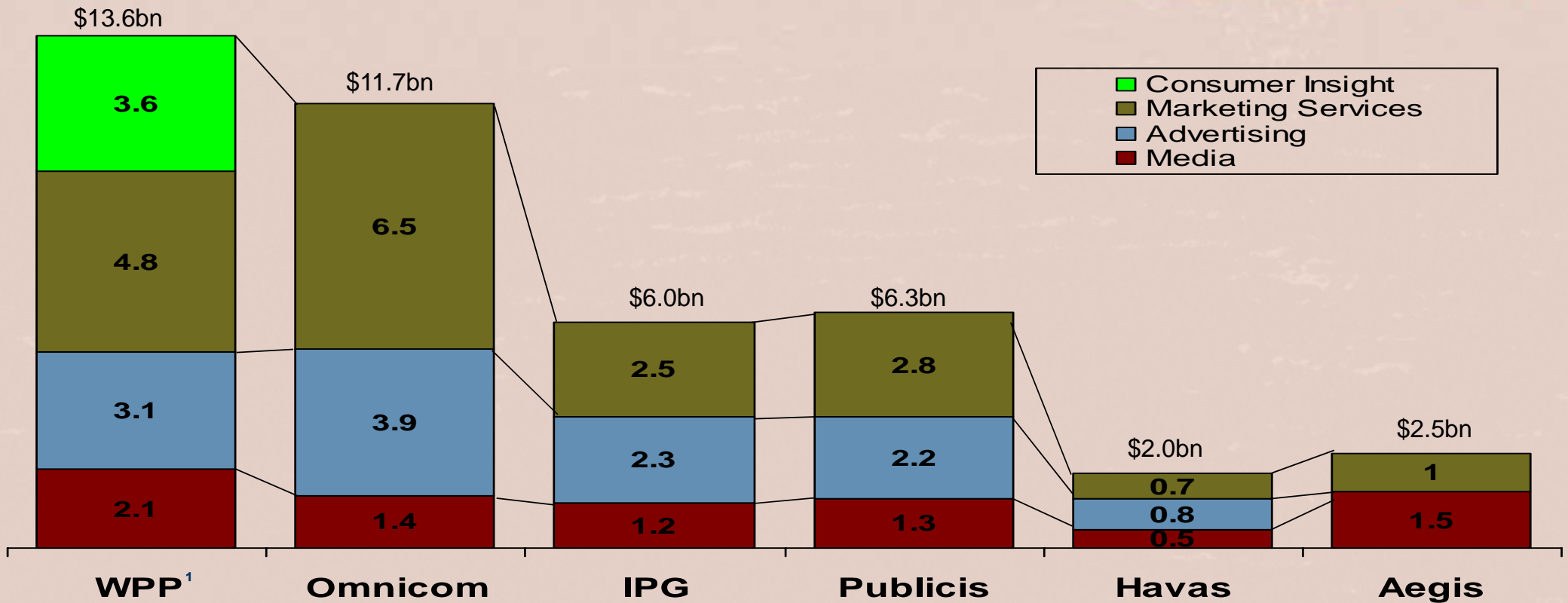


■ Marketing Services

■ Advertising & Media Investment Management

Key Priorities, Objective and Strategy

2009 Revenue by Discipline



Source: ¹ WPP reportable US \$'s per WPP preliminary results.

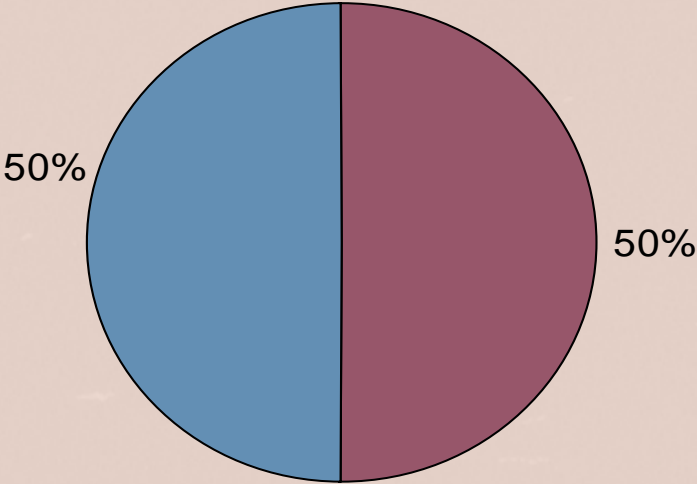
² 2009 company disclosures except: Aegis '09 consensus estimate revenue at '08 splits, Havas, and IPG media splits analyst estimates.

⁴ FX. Havas and Publicis assumes \$1=€0.72 based on the average for 2009.

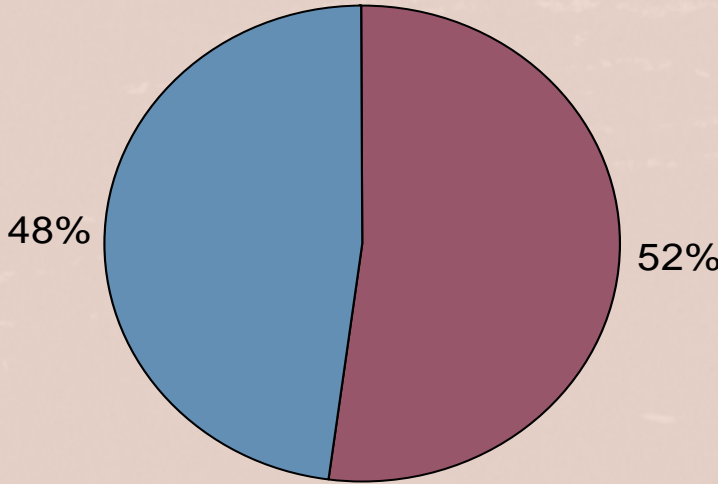
Key Priorities, Objectives and Strategy

Quantitative Disciplines to be One Half of Total Group

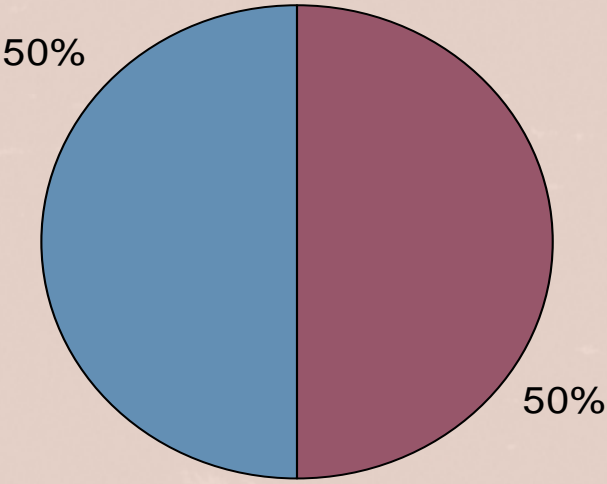
Today



Today including associates



Tomorrow



- Consumer Insight and Direct, Digital & Interactive
- Advertising, Media Investment Management & Other Marketing Services

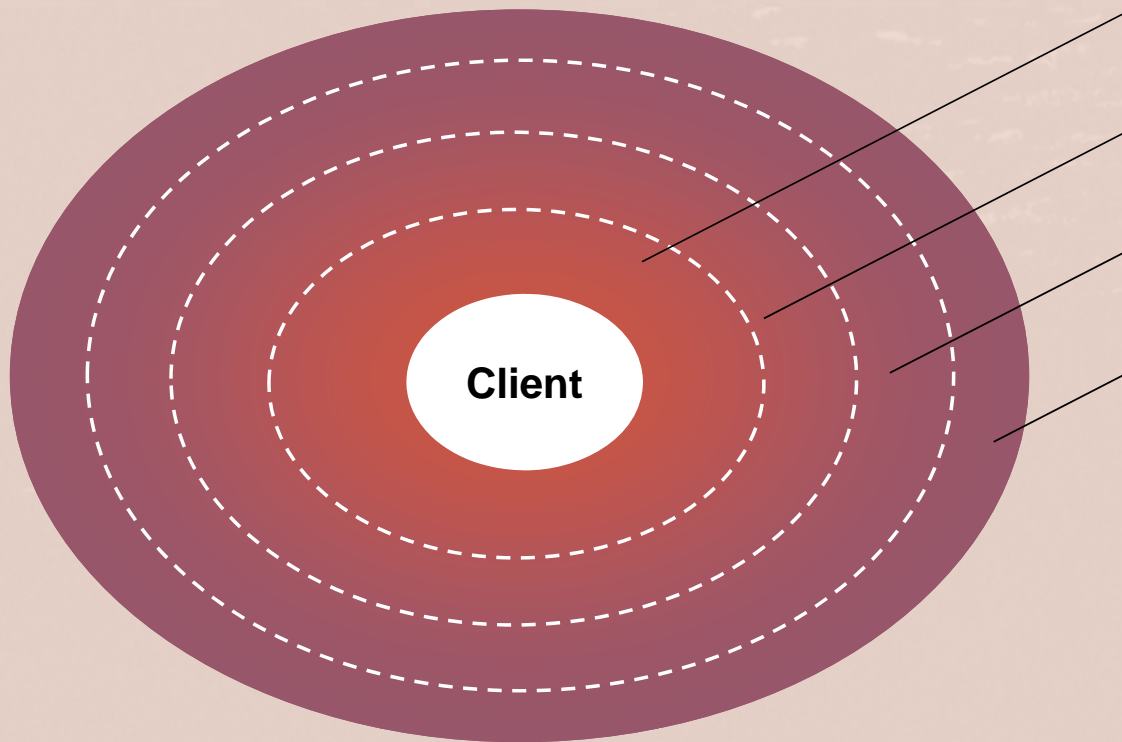
Key Priorities, Objectives and Strategy

WPP Position in Direct, Digital and Interactive

	\$'m
Direct, Digital and Interactive Networks (OgilvyOne, Wunderman, G2 and WPP Digital)	2,112
<i>% of Group revenues</i>	15%
Specialist Direct, Digital and Interactive resources:	
- Consumer Insight (Millward Brown, TNS/RI and Lightspeed)	798
- GroupM	349
- Other	385
Total 2009	3,644
<i>% of Group revenues</i>	27%
Total 2008	3,743
<i>% of Group revenues</i>	26%

¹ Revenues are converted into US\$ at 2009 constant rates. 2008 revenue has been adjusted to include a full year of TNS.

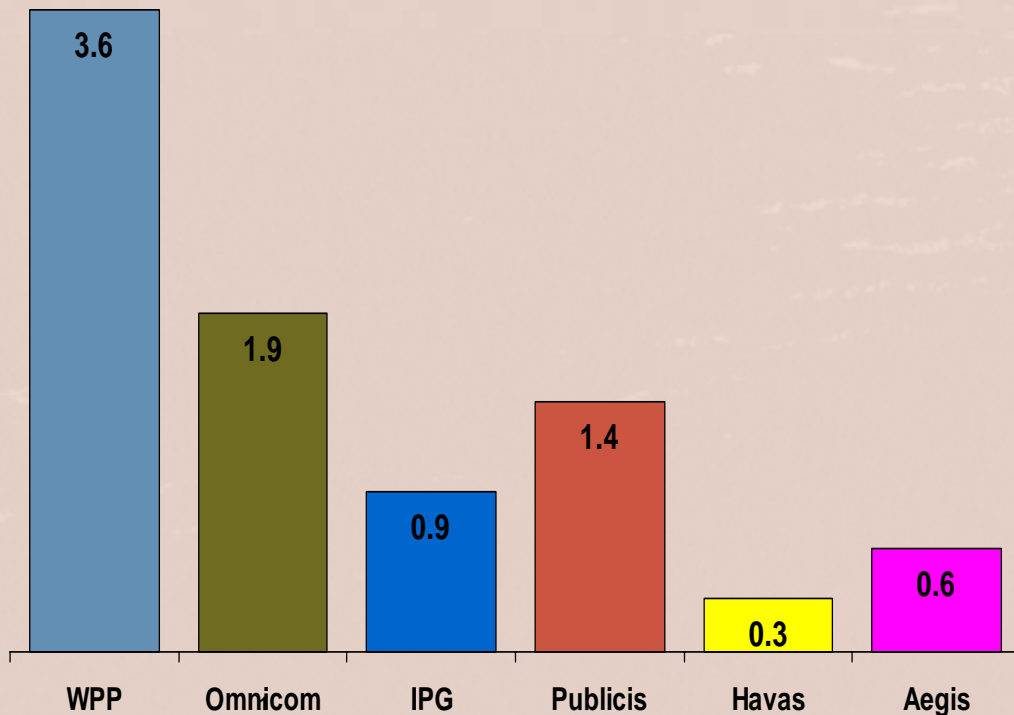
WPP's digital Strategy: Creativity, Media and Technology



1. Digital in all our businesses
2. Specialist digital expertise and resource
3. Global integrated technology platforms – a competitive advantage for clients and WPP
4. Technology Investments and Partnerships: open approach to industry partnerships, eg Google, Yahoo!, Microsoft, Facebook, MySpace and Omniture

Digital in all our businesses Global scale and quality

Revenues \$'billion



- Most significant resource in peer group (geographic spread, strength of brands and size)
- Only Group with more than one “Leader” in Forrester’s Interactive Agency Report – and we had **three** (Ogilvy, Wunderman, VML)
- GroupM is No. 1 search and digital media buyer
- Strong Kantar digital businesses – eg Compete, Cymfony, Dynamic Logic, Lightspeed

¹ Peer digital revenue according to Ad Age %’s applied to FY US\$ revenue.

² Publicis adjusted to include Razorfish for a full year.

WPP Digital Specialist and Network Resources

Global reach and strong local brands



Technology Changing Marketing

Hundreds of Companies Clutter the Market



Integrated Technology

Proprietary tools order the digital ecosystem

Networks



Publishers



Data Providers

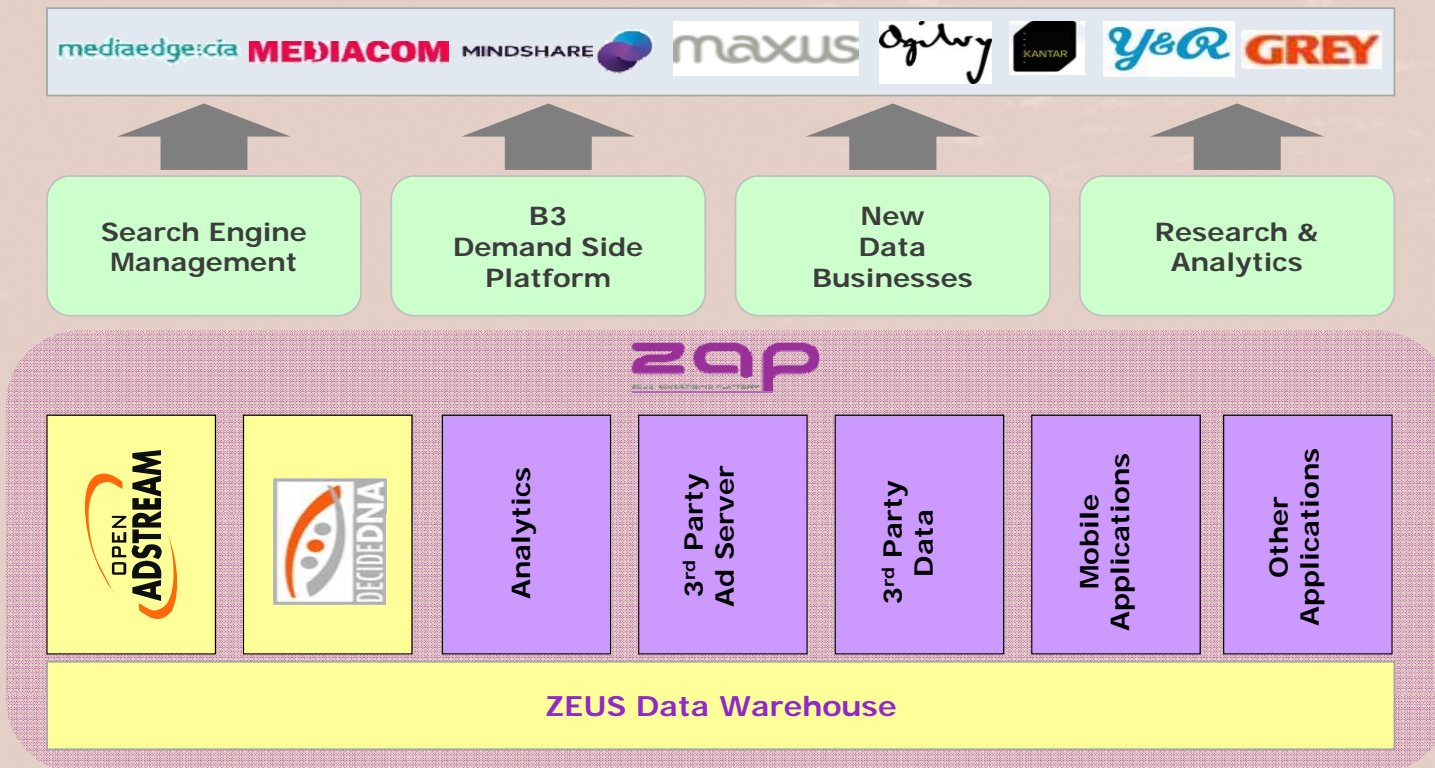


Technology Vendors



Integrated Technology

Proprietary technology drives new business opportunities



The ZEUS Advertising Platform (ZAP) integrates providers of:

- Technology
- Data
- Inventory

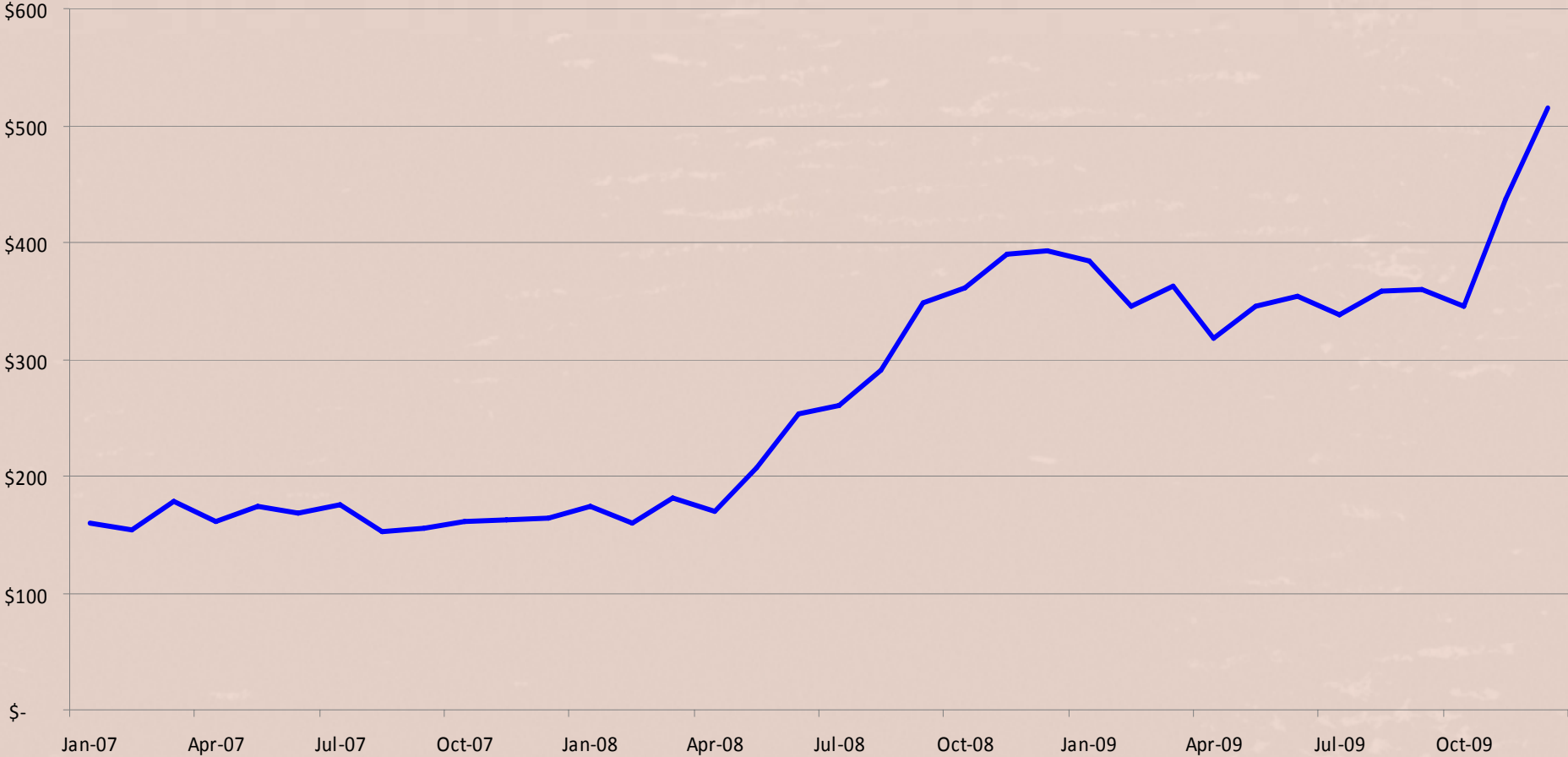
Unified agency interface with external technology companies.

Maximises advertising campaign performance

Proprietary Technology Drives Client Success

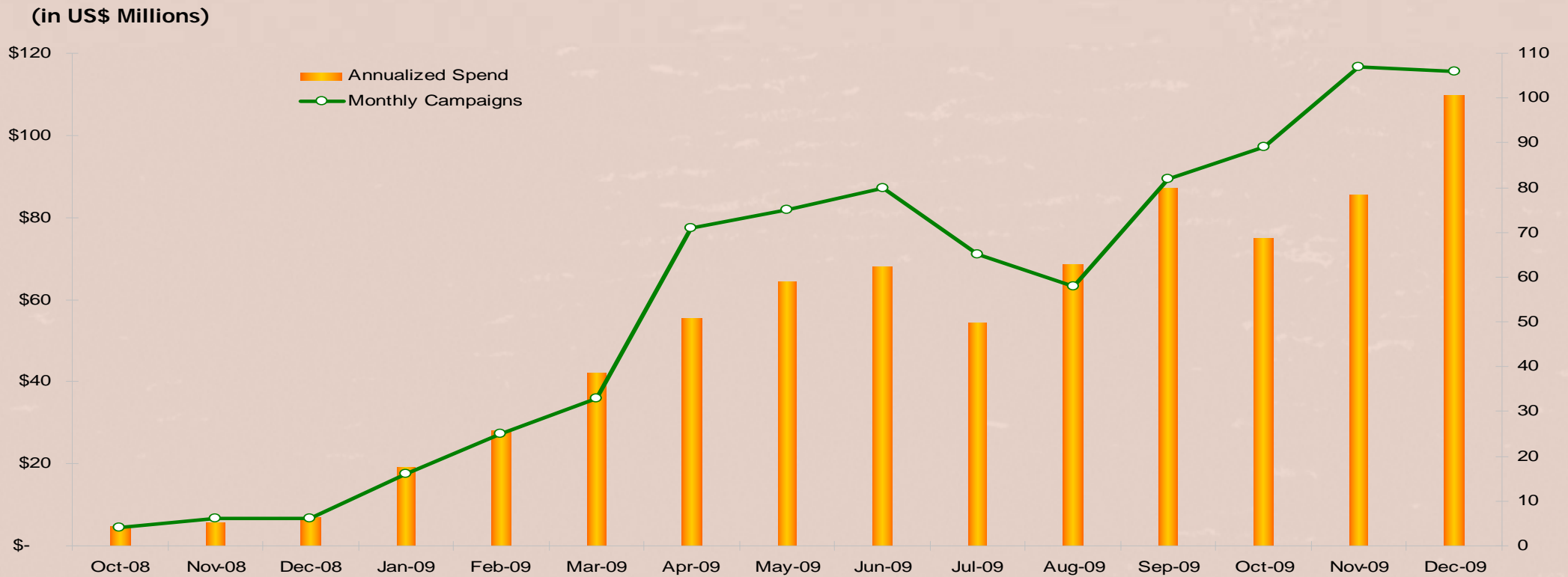
Search spend under management exceeds \$500m run rate

(in US\$ Millions)



Proprietary Technology Drives Client Success

B3 is most successful DSP launch



Key Priorities, Objectives and Strategy

Proven at Scale



➔ 3B impressions per month; 70+ campaigns



➔ 2,400 campaigns; 3.9M survey respondents



➔ 3m websites, 16m search terms each month



➔ Managing \$520m annualised search billings at end of '09



➔ 80+ clients; hundreds of campaigns



➔ 160m unique visitors: No7 Comscore US network



➔ 150 clients, 40% from WPP

Key Priorities, Objectives and Strategy

Digital Strategy

- ✱ \$3.6bn in digitally driven revenues – strongest position in interactive agency space
- ✱ Proprietary technology combined with industry partnerships improves client campaign effectiveness:
 - \$680m in digital spend on WPP platforms
 - Ability to use data across third party and internal platforms
 - Access across partners to a common data warehouse
- ✱ A Platform better equips WPP to manage changing industry landscape

On 23 April 2010 WPP will hold a specific Digital Day to share more detail on the approach

Key Priorities, Objectives and Strategy

TNS Integration

- ✿ TNS has been integrated with Kantar during 2009 with TNS Custom business merged with RI.
- ✿ Other TNS businesses merged with other Kantar businesses to form Kantar Media, Kantar Worldpanel, Kantar Retail and Kantar Health.
- ✿ At December 2009 the annualised synergy benefit exceeds £40m; project on track to deliver revised merger benefits target of annualised £60m or more in 2011 (original commitment £52m).

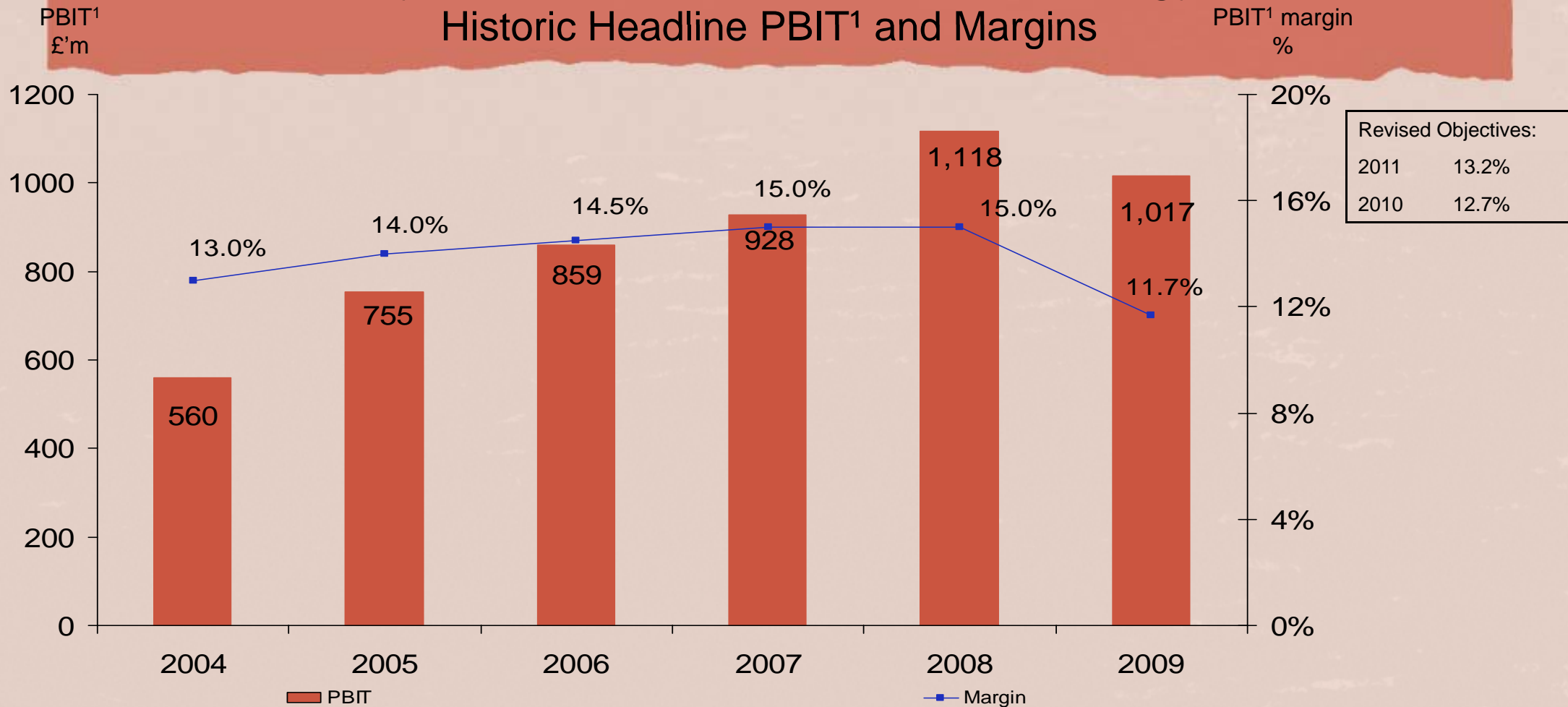
Key Priorities, Objectives and Strategy

We continue to focus on our key objectives

- ✦ Improving operating margins.
- ✦ Increasing flexibility in the cost base.
- ✦ Using free cash flow to enhance share owner value, and improve return on capital employed.
- ✦ Developing the role of the parent company.
- ✦ Emphasising revenue growth more as margins improve.
- ✦ Improving the creative capabilities and reputation of all our businesses.

Key Priorities, Objectives and Strategy

Historic Headline PBIT¹ and Margins

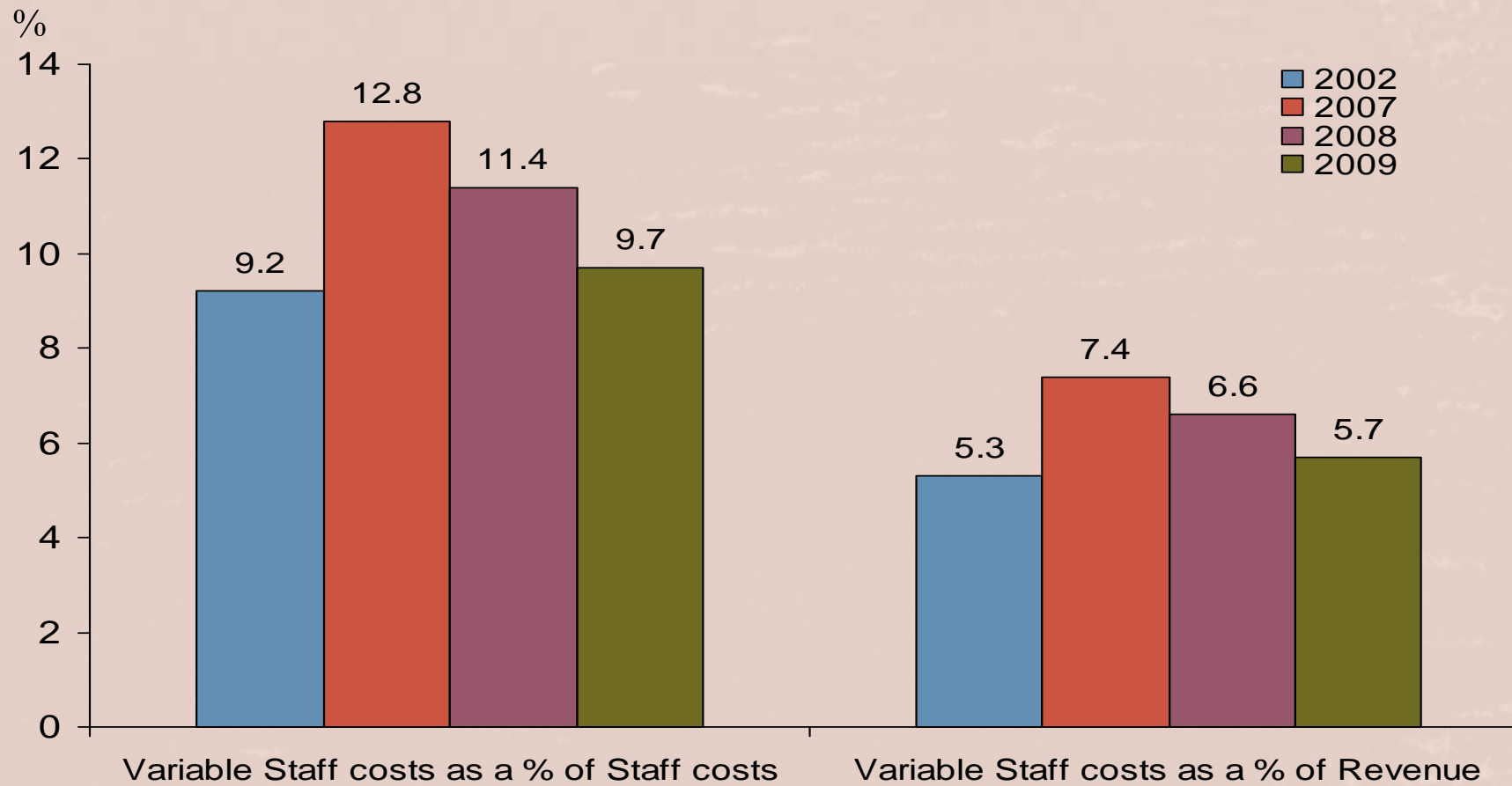


1. Headline PBIT excludes finance income/ costs and revaluation of financial instruments, taxation, goodwill and intangibles charges, investment gains/losses, and share of exceptional gains/losses of associates.

Key Priorities, Objectives and Strategy

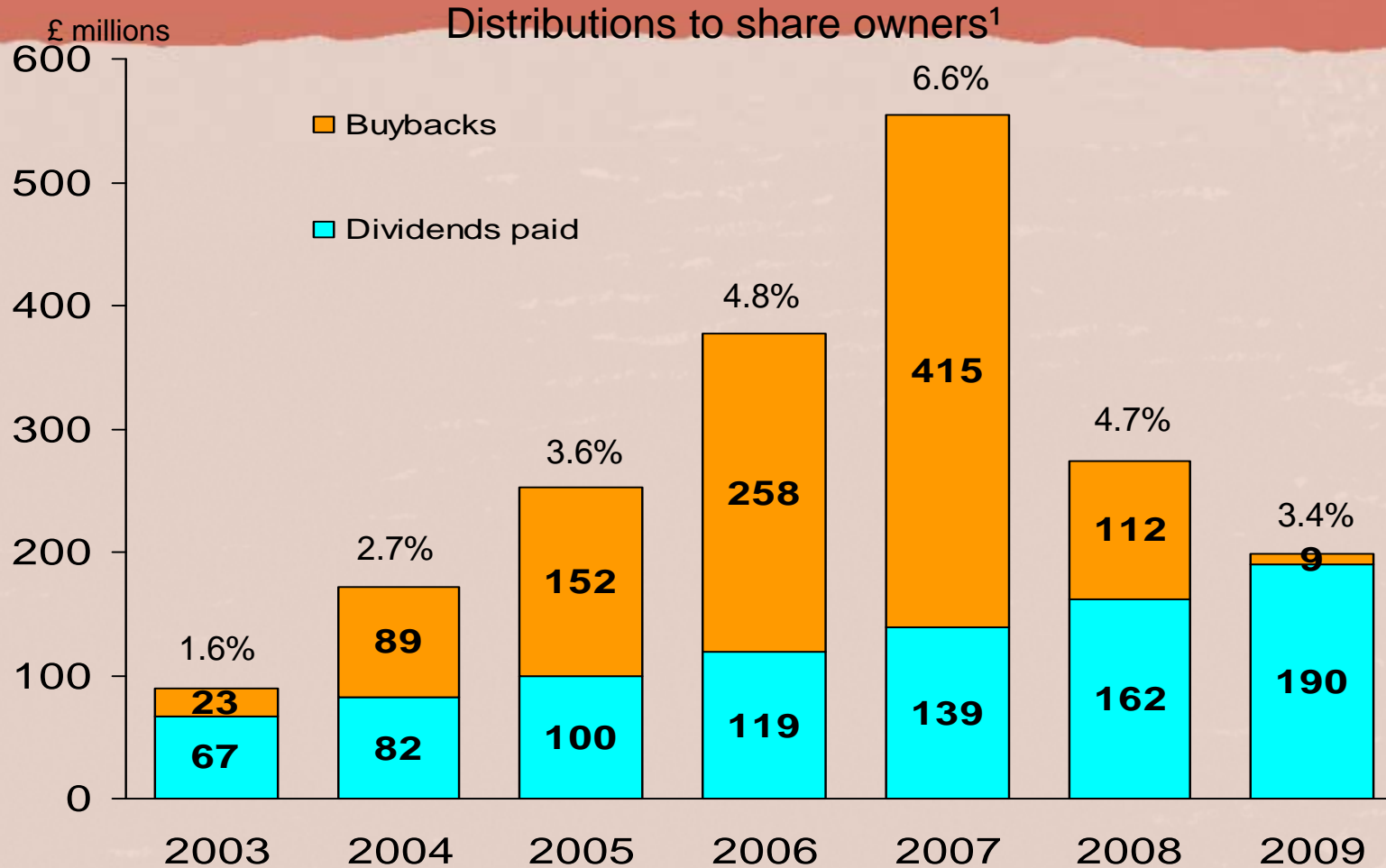
Increasing flexibility in the cost base

Change in variable costs



Key Priorities, Objectives and Strategy

Using Free Cashflow to Enhance Share Owner Value



¹ Sum of share buybacks and dividends paid divided by average shares in issue for the relevant period, as a % of the average share price for the relevant period

Key Priorities, Objectives and Strategy

Using Free Cashflow to Enhance Share Owner Value

Acquisitions

- ✿ Continue to focus on the faster growing geographical areas and marketing services, particularly direct, digital & interactive and consumer insight.
- ✿ During 2009, 13 small and mid size acquisitions were completed in executing this strategy.
- ✿ Acquisitions in advertising used to address specific client or local agency needs.
- ✿ We continue to find opportunities at earnings enhancing multiples, particularly outside the USA.

Key Priorities, Objectives and Strategy

Acquisitions¹ and Investments

Faster Growing Markets

H&K Feedback (Poland)
Jupiter Drawing Room (S. Africa)
MDS (China)
Smart Media (Vietnam)
Smollan Group (S. Africa)
T&A (Vietnam)

CBC² (China)
M-INTERACTION (Thailand)
Saffron Hill (Singapore)

Quantitative and Digital

Danone CRM (France)
H-art (Italy)
Index Ventures² (UK)
Omniture² (USA)
Red Dot Square (UK, USA)
Video Egg Series E² (USA)
Hogarth (UK)

Healthcare

Lob Conseils (France)

¹ Excludes equity step ups

² Investment

Key Priorities, Objectives and Strategy

Improving the Creative Capabilities and Reputation of all our Businesses

- ✿ By placing greater emphasis on recruitment.
- ✿ By recognising creative success tangibly and intangibly.
- ✿ By acquiring highly regarded creative businesses.
- ✿ By placing greater emphasis on awards.
- ✿ 2nd as a Group at Cannes for the second year in succession, narrowing the gap to first place.



WPP

3

Conclusions



Conclusions

2009 Summary

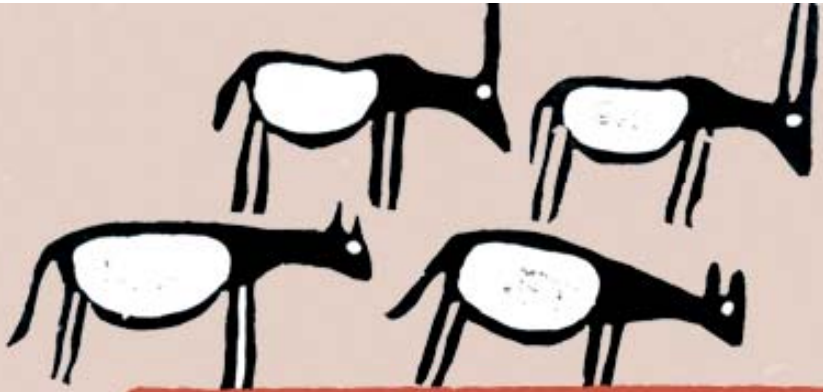
- ✱ Businesses reacted too slowly to the rapid Q2 revenue deceleration to -10.5% in Q2 from -5.8% in Q1.
- ✱ In H2 headcount reductions and cuts in discretionary spend exceeded the revenue decline and costs came into line.
- ✱ H2 2009 margin, including the cost of severance, was flat with H2 2008 margin despite 7.9% like for like revenue decline.
- ✱ Cash flow strongly positive and balance sheet shows £2.2bn of cash and secured credit facilities at year end.
- ✱ Strong net new business in 2009.

Conclusions Outlook

- ✿ Industry has moved from decline during 2009 to stabilisation for 2010.
- ✿ GroupM forecasts global advertising will rise 0.8% in 2010 (fall of 6.6% in 2009) and marketing spending will fall 2% (fall of 8% in 2009).
- ✿ WPP Group January like-for-like revenue growth almost flat.
- ✿ 2010 budget indicates flat revenue outlook with target of 1.0 margin point improvement.
- ✿ Budgets indicate slightly weaker H1, with stronger H2. Q2 first positive like-for-like growth since Q4 2008.
- ✿ Margin improvement driven by 2010 impact of 2009 actions and lower severance moderated by budgeted salary increases and bonus.
- ✿ Very strong new business inflow in first two months of 2010.

Conclusions

- ✿ The Group is well placed by region and discipline to benefit from industry trends.
- ✿ Digital structure and tools will enable Group to help clients optimise activity in the digital ecosystem and build unique advantage.
- ✿ 2009 cost reductions and H1 2010 planned actions leave the Group ready to leverage revenue growth to enhance margins and grow EPS.
- ✿ As the world exits the financial crisis, the Group's strategic focus on new markets, new media, consumer insight and the application of technology will prove to be even more effective.



WPP

4

Other Financial Information (Hard Copy Only)



Results for 2009

Second Half Operating Expenses

(like-for-like Sterling ¹ £'m)	2009	2008	% B/(W)
Revenue	4,395	4,762	-7.7
Gross Margin	4,026	4,374	-8.0
Staff Cost	2,454	2,693	8.9
Establishment	342	319	-7.2
Other G&A	595	661	10.0
Total Operating Expenses	3,391	3,673	7.4

Severance charge of £59m (\$87m) for the second half or ca 1.3% of revenue, 0.4 margin points more than in 2008

¹ Based on WPP proforma reporting – 2008 adjusted for acquisitions and FX

Results for 2009

Pensions Deficit

£m	<u>2009</u>	<u>2008</u>
Deficit B/F	(272)	(135)
Service cost	(22)	(17)
Deficit interest charge	(46)	(39)
Funding	48	44
Investment returns (net)	22	(50)
Acquisitions (TNS)	-	(16)
Other movements	(4)	(4)
Movements in the year excluding FX	(2)	(82)
Foreign exchange impact	22	(55)
Deficit C/F	<u>(252)</u>	<u>(272)</u>

Results for 2009

Earnout Accrual

<u>2009 Rollforward</u>	£m	<u>Expected Payments</u>	£m
31 Dec 08	376	2010	122
Earnouts paid	(82)	2011	93
Revised estimates	(11)	2012	40
New acquisitions	8	2013	5
Reduction excluding FX	(85)	2014	2
Foreign exchange impact	(29)		
31 Dec 09	262	Total	262

Results for 2009

Ordinary Shares - Basic

	December	December	
	2009	2008	
No. of Shares (million)	Actual	Actual	
1 January	1,255	1,191	
Share buybacks ¹	-	(19)	
Option exercise	1	2	
TNS	-	81	
31 December	1,256	1,255	-0.0%
Weighted Average	1,256	1,187	
ESOP, Treasury & Other	(37)	(43)	
Average Basic	1,219	1,144	-6.6%

¹ Buyback for cancellation

Results for 2009

Ordinary Shares – Diluted

	December	December	
	2009	2008	
No. of Shares (millions)	Actual	Actual	
Average Basic	1,219	1,144	-6.6%
Share Option Dilution	2	3	
Other Potentially Issuable Shares	17	16	
Sub-Total	1,238	1,163	
Convertibles: Grey \$150m ¹	-	7	
Fully Diluted Shares	1,238	1,170	-5.8%

¹ Prorata for 2008.

Results for 2009

Debt Maturity Profile £m

As at 31 December 2009

	Total Credit	Total Drawn	2010	2011	2012	2013	2014	2015	2016	2017	2020
£ bonds £200m (6.375% '20)	200	200									200
£ bonds £400m (6% '17)	400	400								400	
Eurobonds €750m (6.625% '16)	665	665							665		
Eurobonds €500m (5.25% '15)	444	444						444			
£ convertible £450m (5.75% '14)	450	450					450				
US bond \$650m (5.875% '14)	403	403					403				
US bond \$600m (8% '14)	372	372					372				
Eurobonds €600m (4.375% '13)	532	532				532					
Bank revolver ¹ \$1,600m	991	56			56						
TNS notes retained ¹ \$55m	34	34			19		15				
TNS acquisition revolver ^{1,2} £400m	400	0									
Debt facilities	4,891	3,556	-	-	75	532	1,240	444	665	400	200
Net cash & overdrafts		(916)									
Net debt		2,640									

¹ These instruments are subject to financial covenants ² Amortising facility – maximum available £400m

Key Priorities, Objectives and Strategy

Using Free Cash Flow to Enhance Share Owner Value

Dividends and Share Repurchases

⚙️ 2009 second interim dividend unchanged at 10.28p per share.

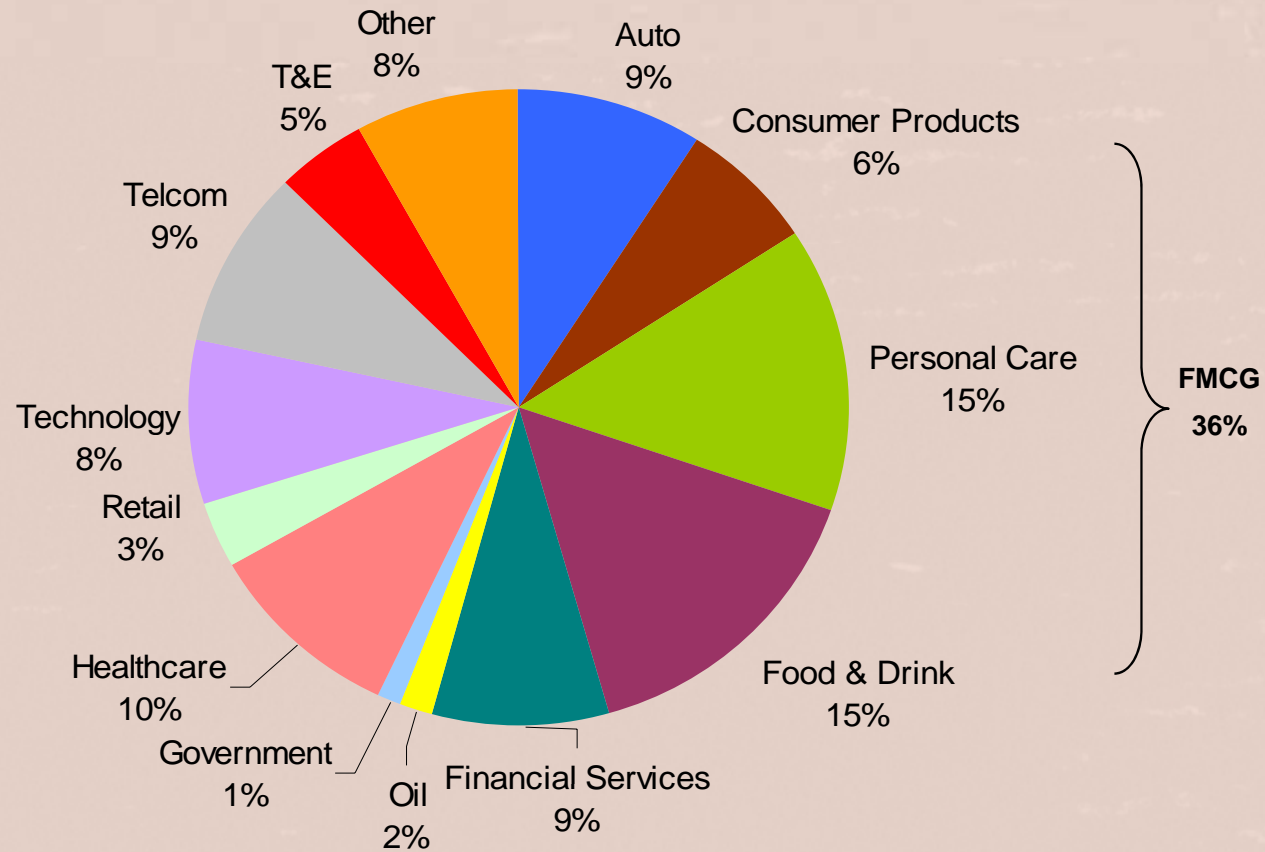
⚙️ Distributions to share owners:

	<u>Dividends Paid</u>	<u>Share Repurchases</u>	
		<u>Amount</u>	<u>% of Share Base</u>
2003	£67.0m	£23.1m	0.5%
2004	£81.7m	£88.7m	1.4%
2005	£100.2m	£152.3m	2.1%
2006	£118.9m	£257.7m	3.1%
2007	£138.9m	£415.4m	4.7% ¹
2008	£161.8m	£112.2m	1.6%
2009	£189.8m	£9.5m	0.2%

¹ Of which 4.6% relates to share cancellations.

Results for 2009

Revenue by Industry



Charts represent the amount of revenue attributed to each industry expressed as a percentage of the total revenue from WPP's designated clients (1,700 approx) for the period ended 31 December 2009.



WPP

5

Structure and Competitive Position (Hard Copy Only)



WPP Today

- ✿ WPP is the world's largest communication services group with over 138,000 people (including associates) in over 2,400 offices in 107 countries worldwide.
- ✿ 354 of the Fortune Global 500, 28 of the Dow Jones 30, 60 of the Nasdaq 100 and 33 of the Fortune e-50 as clients. 443 clients in all four disciplines and over 327 clients in six or more countries.
- ✿ Quoted in London and on Nasdaq, with market capitalisation of around £7.8 billion.
- ✿ 35th in FTSE 100 Index, 4th in FT Top UK companies by turnover, 128th in Euro FT 300, 428th in Business Week Global 1200 and 483rd in Forbes Global 2000.
- ✿ The Group includes many of the best known brands in the industry.

WPP Today

WPP has many of the best known brands in the industry
Ranked 1 or 2 in all sectors in which it competes

Ogilvy & Mather Worldwide
JWT
Y&R Advertising
United / Red Cell
Grey

Mindshare
Mediaedge:cia
MediaCom
KR Media ¹
Maxus

Hill & Knowlton
Burson-Marsteller
Ogilvy Public Relations Worldwide
Cohn & Wolfe
Specialist Public Relations

TNS/ Research International
Millward Brown
BrandAsset Valuator and BRANDZ

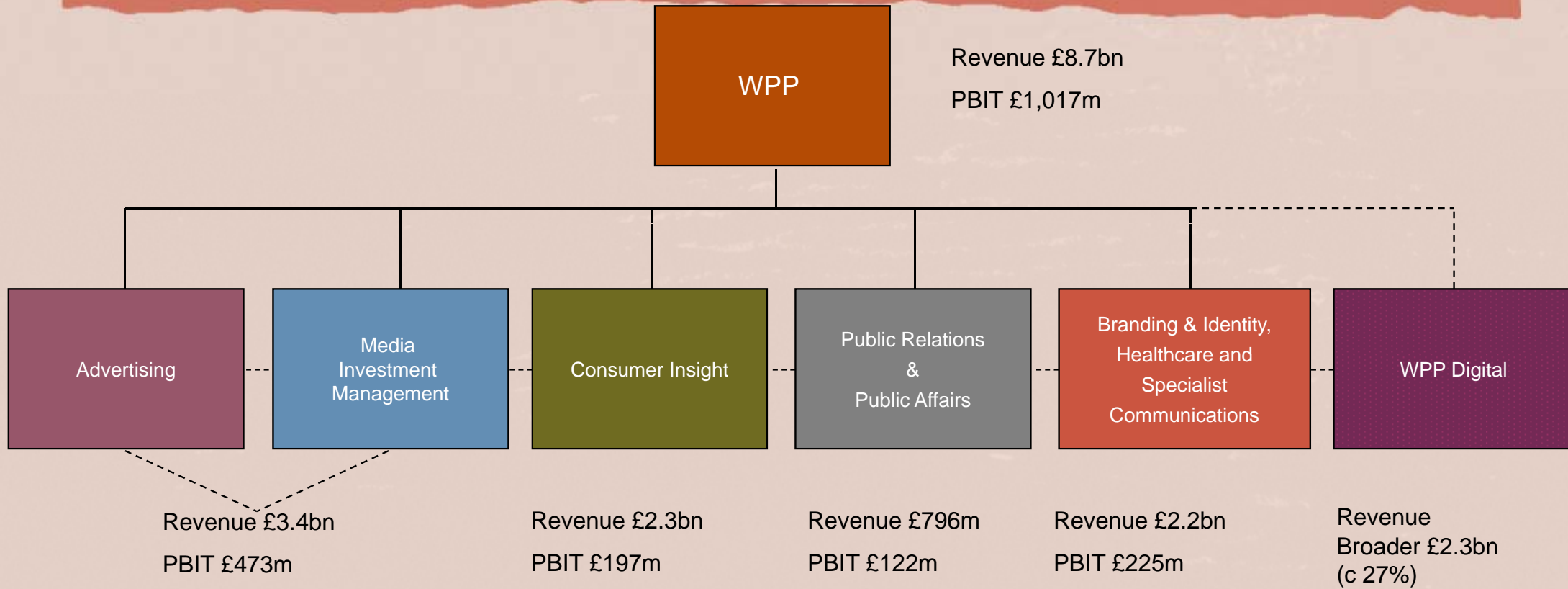
OgilvyOne
Wunderman
141 Worldwide
G2
24/7 Real Media

CommonHealth
Sudler & Hennessey
Ogilvy Healthworld
Grey Healthcare Group

The Brand Union
Landor Associates
Fitch

¹ Associate

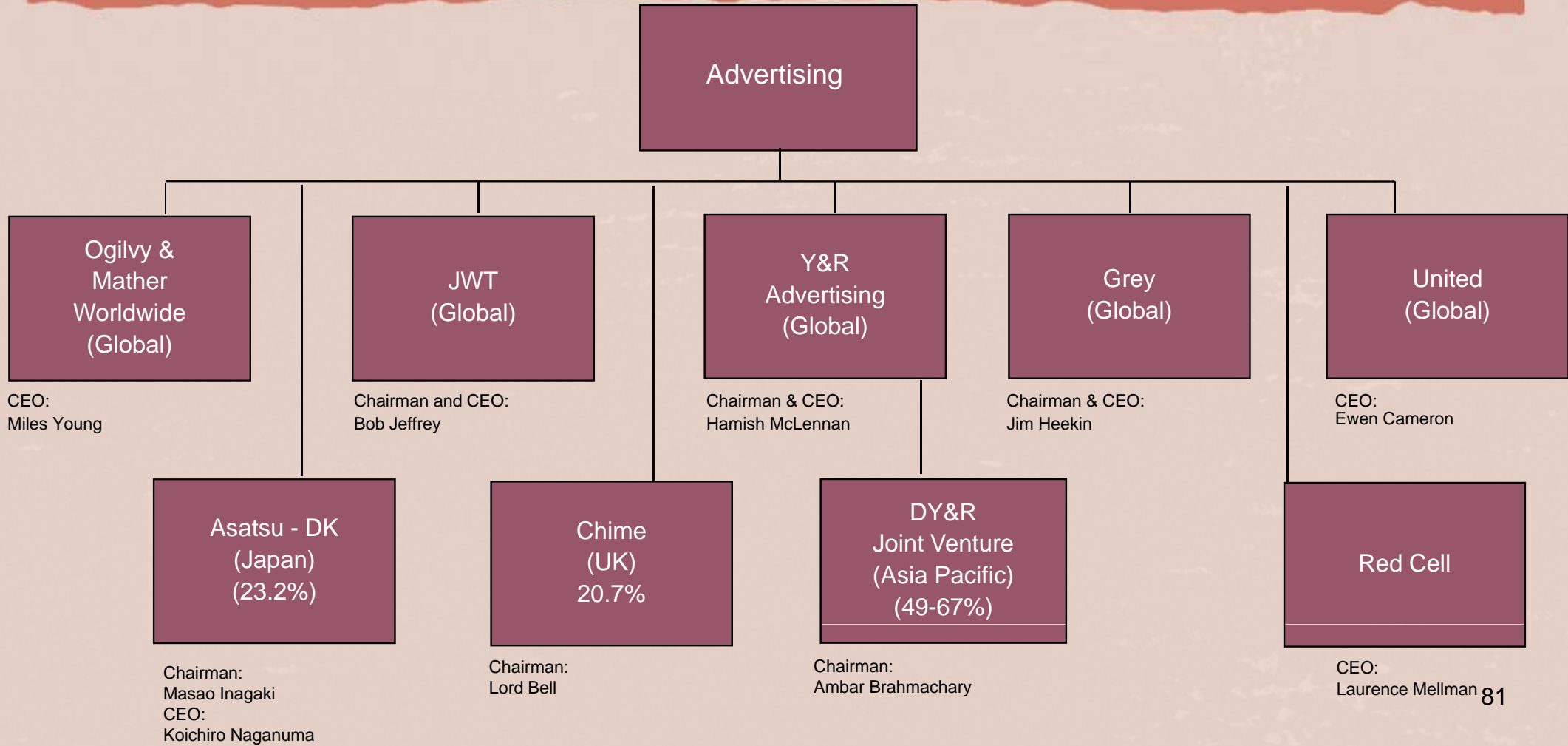
WPP Today



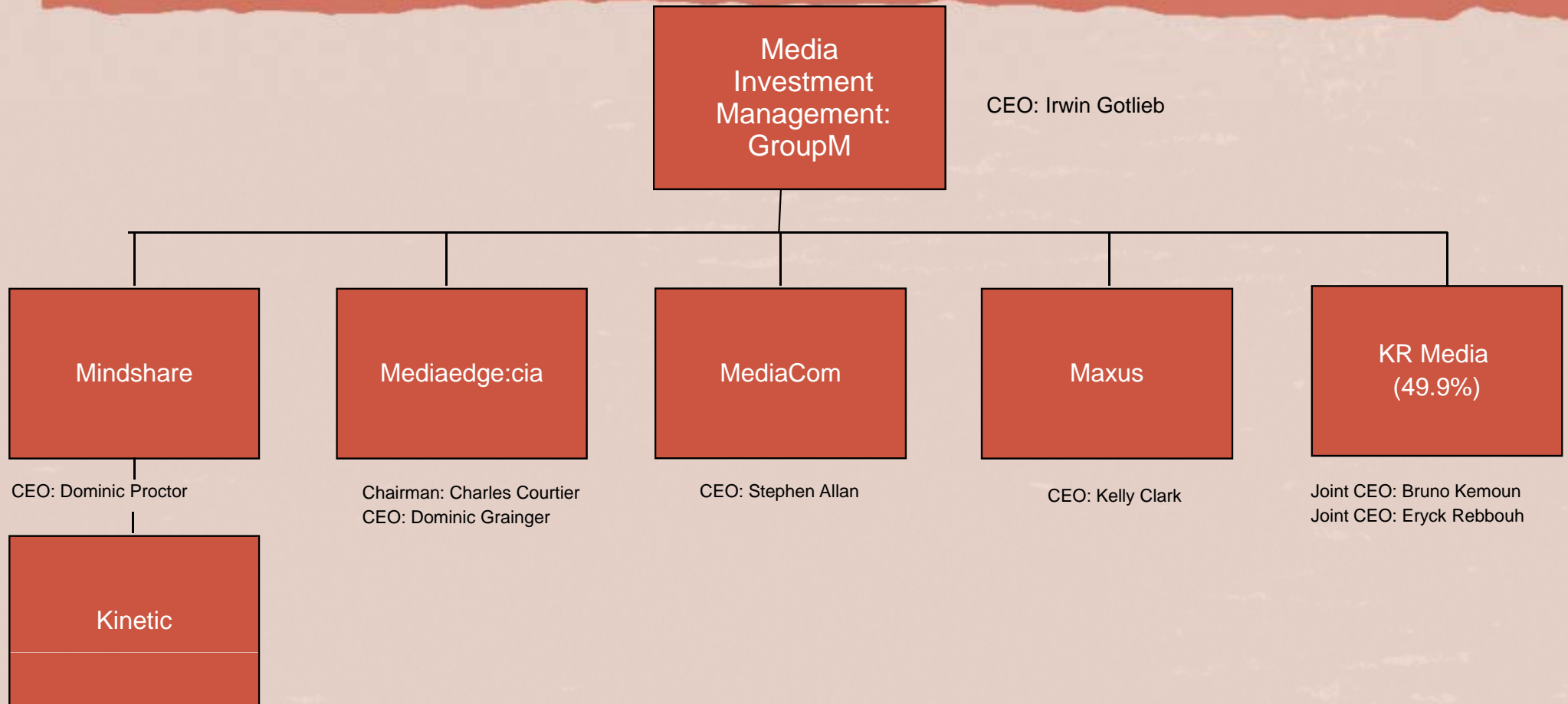
Revenue and PBIT figures are 2009 reported sterling actuals.

PBIT is stated before goodwill and intangibles charges, investment gains/losses and share of exceptional gains/losses of associates.

WPP Today



WPP Today



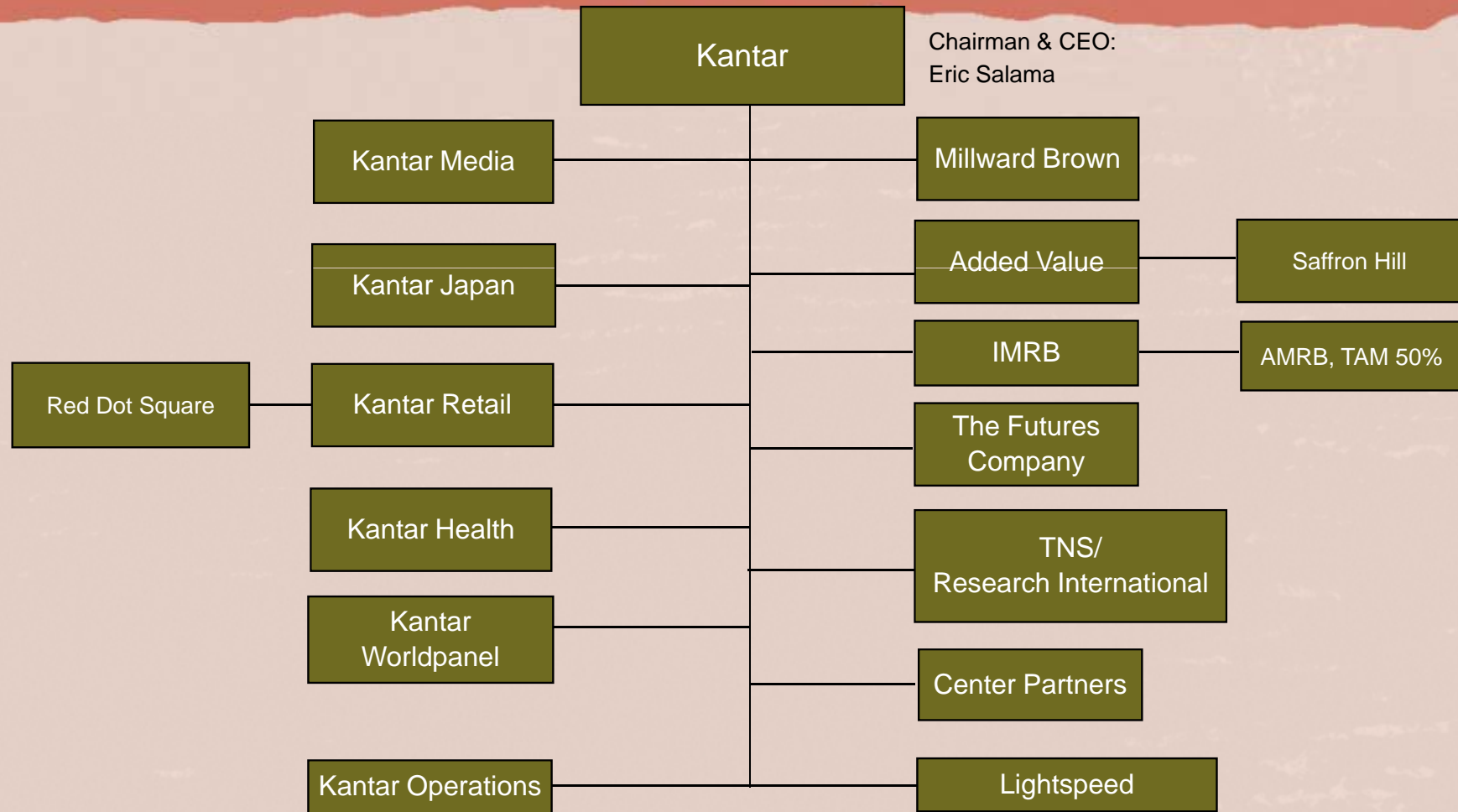
WPP Today

Media Investment Management - Competitive Worldwide Ranking

	<u>Americas</u>	<u>EMEA</u>	<u>Asia Pacific</u>	<u>Worldwide</u>
Mindshare	5	4	1	4
Mediaedge:cia	4	2	7	7
MediaCom	6	3	6	6
Maxus	12	13	10	13
GroupM	2	1	1	1

Source: RECMA Billings & Rankings 2008 Actual, published July 2009.

WPP Today

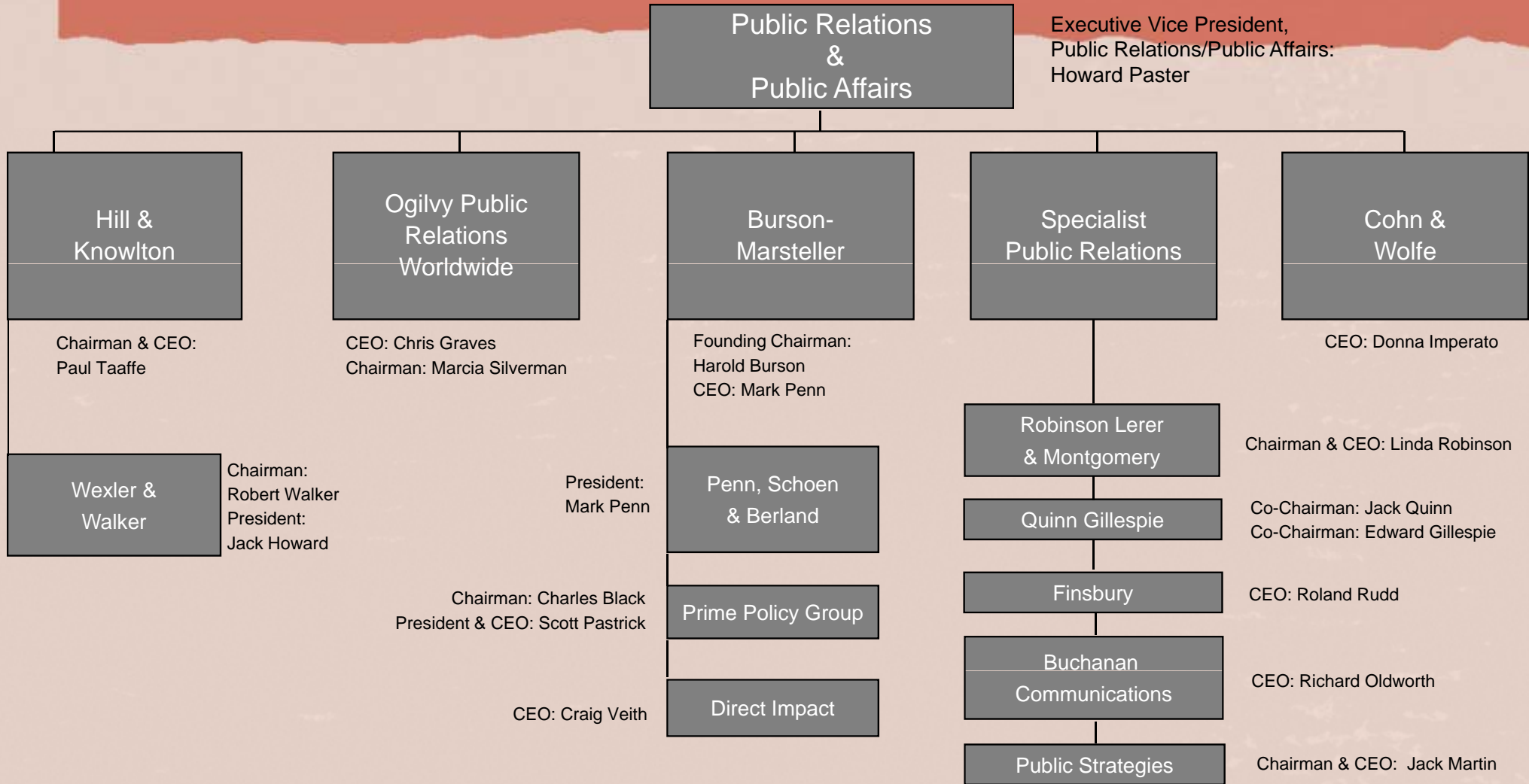


WPP Today

Consumer Insight – Worldwide Competitive Ranking

1. The Nielsen Company
2. Kantar
3. IMS
4. GfK
5. Ipsos
6. Synovate
7. IRI

WPP Today



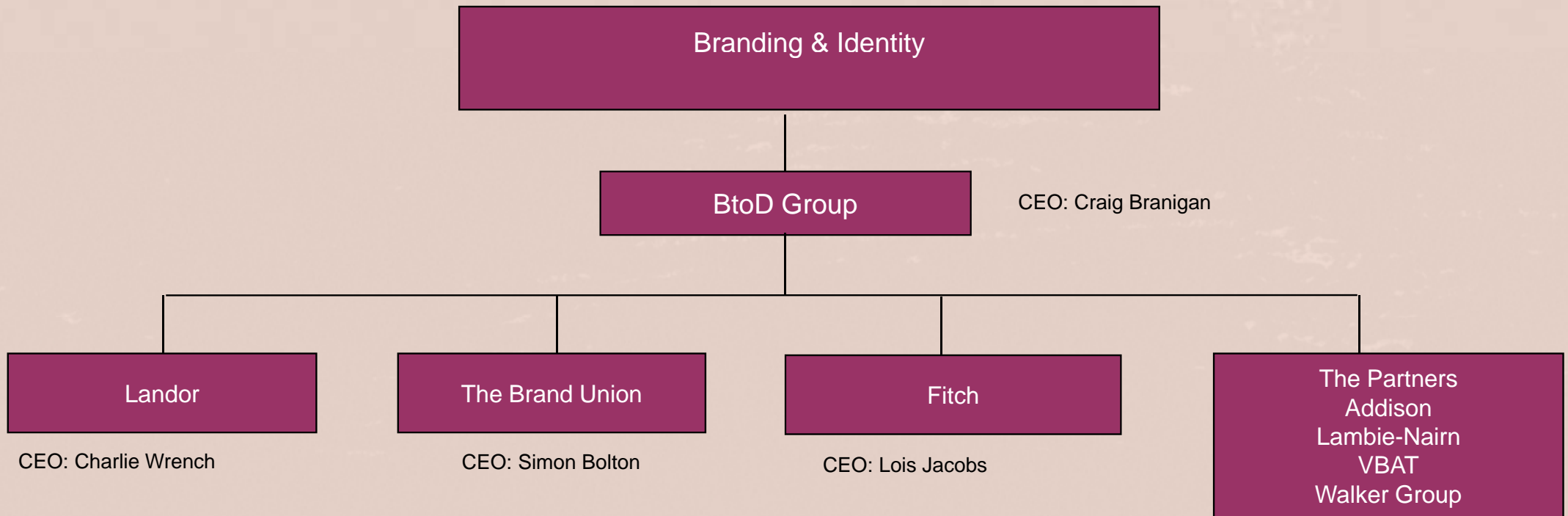
WPP Today

Public Relations & Public Affairs - Competitive Worldwide Ranking

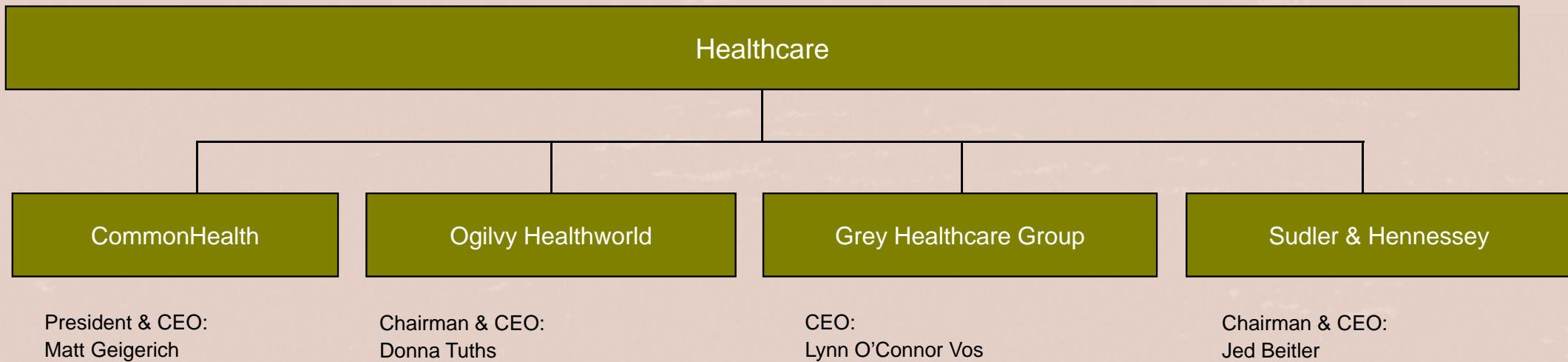
	<u>Worldwide</u>
Hill & Knowlton	3
Burson-Marsteller	4
GCI	9
Ogilvy Public Relations Worldwide	10

Source: Advertising Age, April 2002.

WPP Today

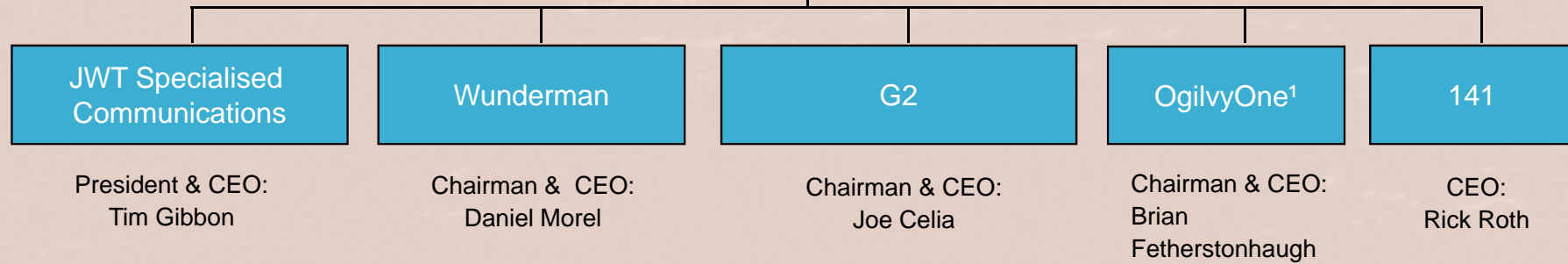


WPP Today



WPP Today

Direct, Digital and Interactive - Networks



¹ Includes Neo@Ogilvy

WPP Today

Specialist Communications

Sports
Marketing

Demographic
Marketing

Relationship
Marketing and
Promotion

Industry Sector
Marketing

Media, Technology
& Production
Services

WPP Today

Specialist Communications

Relationship
Marketing & Promotion

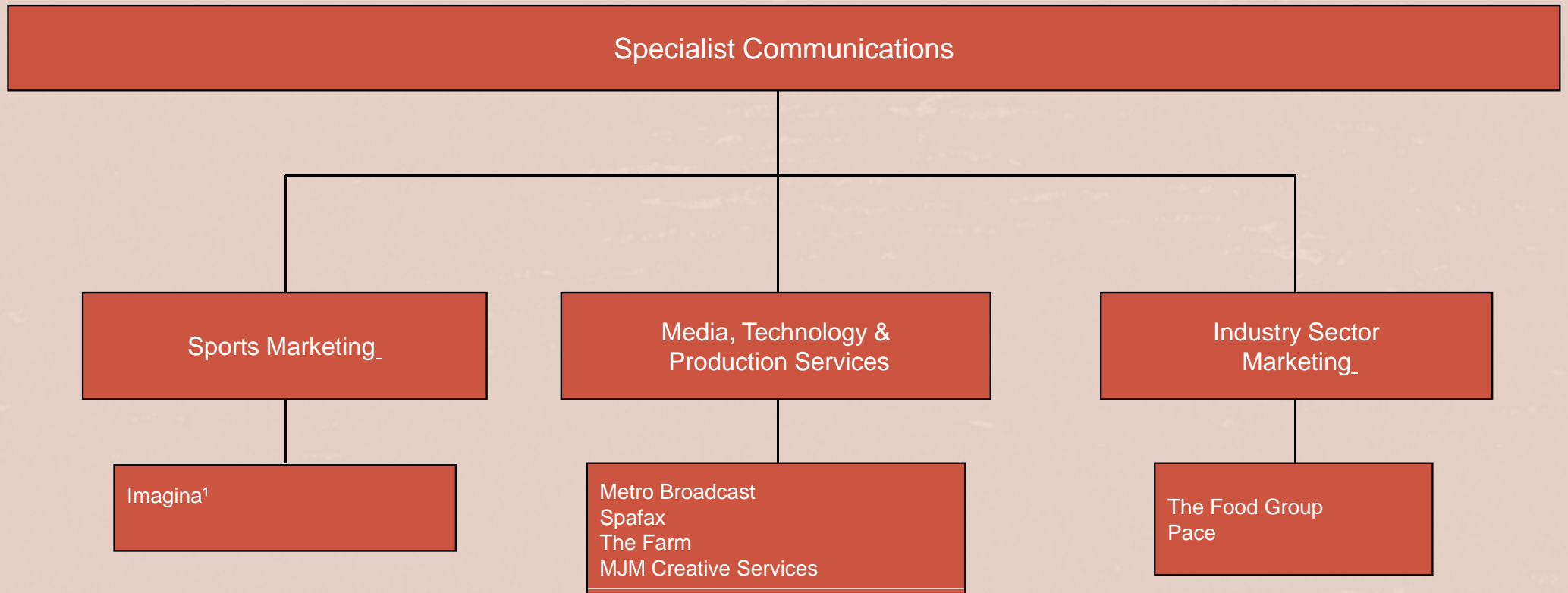
EWA
Forward Group
Mando Brand Assurance
Brierley & Partners¹
Grass Roots¹

Demographic
Marketing

The Geppetto Group
Uniworld Group¹

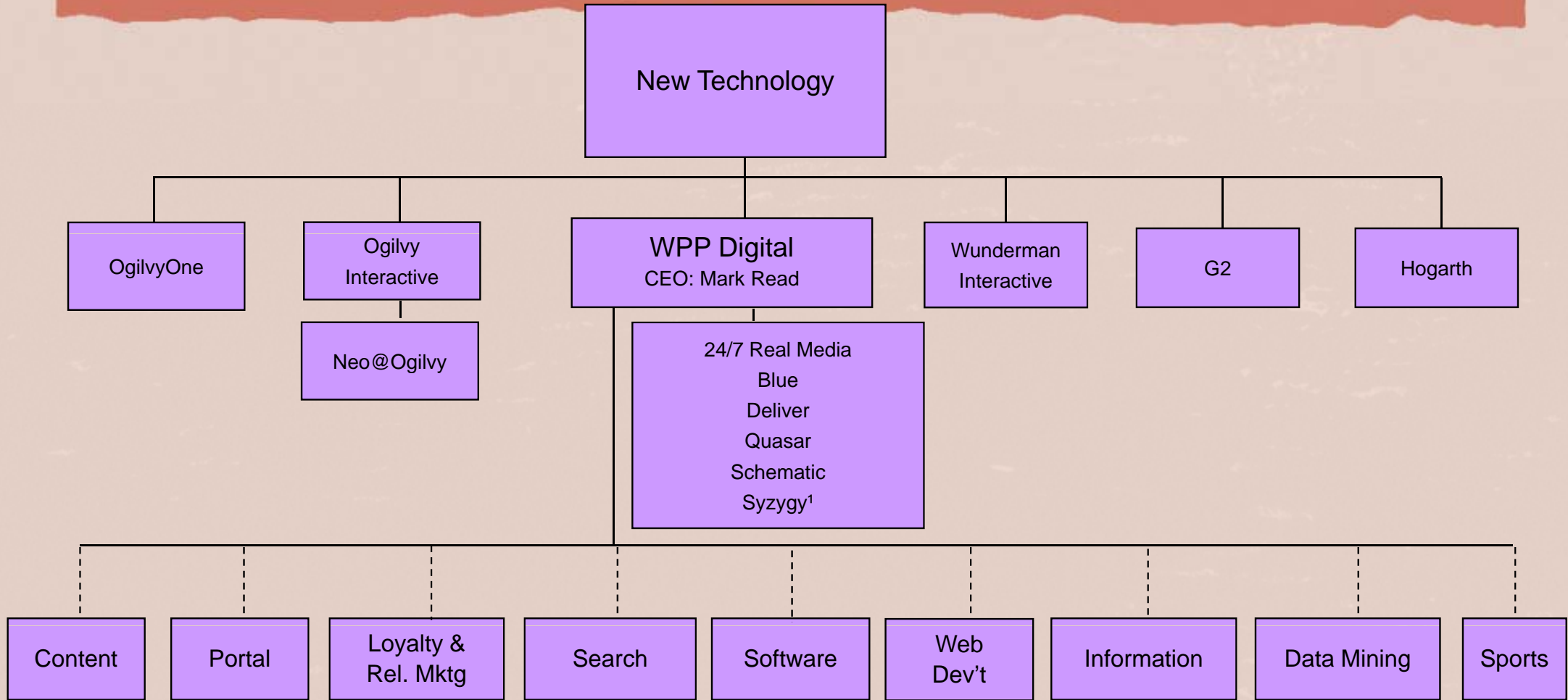
¹ Associate companies

WPP Today

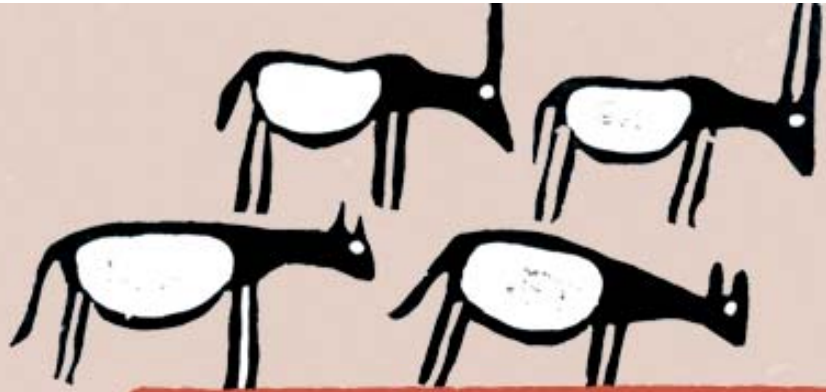


¹ Investment

WPP Today New Technology



¹ Associate company.



WPP

Results for 2009
London

March 2010

