



WPP

2009 Interim Results London

August 2009



WPP

1

2009 Interim Results

2

Key Priorities, Objectives and Strategy

3

Conclusions



WPP

1

2009 Interim Results



2009 Interim Results

- ✦ Billings up over 11% to £18.742 billion.
- ✦ Reported revenue up 28.4%. On a constant currency basis, revenue up 8.6%. Like-for-like revenue fell 8.3% and gross margin by less at 7.8%.
- ✦ Headline PBIT down 24.5% to £342.2m from £453.4m.
- ✦ Headline operating margins down 4.5 margin points to 8.0% on a like-for-like basis and down 3.1 margin points pre-severance and one-off costs.

2009 Interim Results

- ✿ Headline PBT down 35.2% to £252.2m from £389.1m.
- ✿ Tax rate on headline profits improved 2.1 percentage points to 24.8% from 26.9%.
- ✿ Diluted headline EPS down 40.8% to 12.9p from 21.8p.
- ✿ Interim dividend maintained at 5.19p per share.
- ✿ Estimated net new business billings of £1.208 billion (\$1.872 billion).

2009 Interim Results

% growth vs prior period

	Revenue	Headline ² PBIT	Headline ² EPS
Like-for-like	-8.3	n/a	n/a
Acquisitions	16.9	n/a	n/a
Constant currency	8.6	-35.1	-51.0
Foreign exchange	19.8	10.6	10.2
Reportable sterling	28.4	-24.5	-40.8
Reportable US dollars¹	-2.9	-42.1	-54.0

¹ Translated into US\$, using among other currencies, average exchange rates of US\$ /£ for H1 2009 of \$1.493, compared to \$1.974 for H1 2008.

²Figures before goodwill and intangibles charges, investment gains and write-downs, share of exceptional gains of associates, revaluation of ⁶ financial instruments and gains on termination of TNS hedges.

2009 Interim Results

Unaudited Headline¹ IFRS Income Statement

	Six months to 30 June		Change %	Constant Currency %
	2009 £m	2008 £m		
Revenue	4,288.7	3,339.1	28.4	8.6
Headline operating profit	322.7	432.7	-25.4	-35.8
Income from associates	19.5	20.7	-5.8	-20.8
PBIT	342.2	453.4	-24.5	-35.1
Net finance costs	(90.0)	(64.3)	-40.0	-34.0
Profit before tax	252.2	389.1	-35.2	-45.1
Tax at 24.8% (2008 26.9%)	(62.5)	(104.8)	40.4	46.6
Profit after tax	189.7	284.3	-33.3	-44.5
Headline diluted EPS	12.9p	21.8p	-40.8	-51.0
Headline operating margin	8.0%	13.6%	-5.6 ²	
Headline EBITDA	455.7	531.9	-14.3	-26.7

¹ Figures before goodwill and intangibles charges, investment gains and write-downs, share of exceptional gains of associates, revaluation of financial instruments and gains on termination of TNS hedges

² Margin points

2009 Interim Results

Unaudited IFRS Income Statement

Six months to 30 June

	2009 £m	2008 £m	Change %	Constant Currency %
Revenue	4,288.7	3,339.1	28.4	8.6
Operating Profit pre-goodwill/ intangibles	322.7	432.7	-25.4	-35.8
Goodwill/ intangibles charges, FA gains	(124.0)	(54.9)	-125.9	-108.0
Operating Profit	198.7	377.8	-47.4	-55.6
Income from associates	19.8	20.7	-4.3	-19.4
PBIT	218.5	398.5	-45.2	-53.7
Net finance costs	(39.2)	(60.0)	34.7	40.4
Profit before tax	179.3	338.5	-47.0	-55.8
Tax	(41.0)	(101.2)	59.5	64.8
Profit after tax	138.3	237.3	-41.7	-52.2
Standard diluted EPS	8.8p	17.8p	-50.6	-60.1

2009 Interim Results

Operating Expenses

(like-for-like Sterling ¹ £'m)	Six months 2009	to 30 th June 2008	% B/(W)
Revenue	4,289	4,687	(8.3)
Gross Margin	3,955	4,292	(7.8)
Staff Cost	2,663	2,751	3.2
Establishment	350	318	(10.1)
Other G&A	620	674	8.2
Total Operating Expenses	3,633	3,743	2.9

- Property impacted by one-off double rent in New York and short-term inelasticity
- 8% saved on other G&A with a higher saving rate in Q2

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

2009 Interim Results

Severance

- ✦ Charge of £66m (\$100m) in H1 or ca 1.5% of revenue, or 1.0% margin points more than in H1 2008

Trends in Revenue and Staffing (%)

	Organic Revenue	Avg Staff	Staff v Dec 08
March 09	(5.8)	(0.6)	(3.1)
June 09	(8.3)	(2.8)	(5.2)
July 09	-	(3.5)	(6.3)

- ✦ Our average payment in the first half is estimated at 5 months of salary which, based on a company cost of 125%, has a 4 month payback
- ✦ Continuation of attrition should also support savings for H2 2009 and full year 2010

2009 Interim Results

Revenue by Discipline

	2009 £m	2008 £m	% Change		
			Reported	Constant Currency	Like-for- like
Advertising, Media Investment Management	1,644.4	1,521.3	8.1	-7.5	-7.8
Consumer Insight	1,123.8	486.5	131.0	97.4	-10.3 ¹
Public Relations & Public Affairs	403.4	356.1	13.3	-6.9	-8.2
Branding & Identity, Healthcare and Specialist Communications	1,117.1	975.2	14.5	-4.5	-6.9
Total	4,288.7	3,339.1	28.4	8.6	-8.3²

¹ Gross margin -7.9%

² Gross margin -7.8%

2009 Interim Results

Revenue by Region

	2009 £m	2008 £m	% Change		
			Reported	Constant Currency	Like-for- like
North America	1,542.2	1,189.7	29.6	-1.2	-10.1
UK	509.3	450.2	13.1	13.1	-5.3
Western Continental Europe	1,131.3	832.4	35.9	19.7	-10.5
Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe	1,105.9	866.8	27.6	11.5	-4.7
Total	4,288.7	3,339.1	28.4	8.6	-8.3¹

¹ Gross margin -7.8%

2009 Interim Results

Headline PBIT¹ and Margin¹ by Discipline

	Headline PBIT		Headline Margin	
	2009	2008	2009	2008
	£m	£m	%	%
Advertising, Media Investment Management	167.2	242.6	10.2	15.9
Consumer Insight	68.6	49.3	6.1	10.1
Public Relations & Public Affairs	46.6	57.2	11.6	16.1
Branding & Identity, Healthcare and Specialist Communications	59.8	104.3	5.4	10.7
Total	342.2	453.4	8.0	13.6

¹ Headline PBIT/margin: profit before finance income/costs, taxation, goodwill and intangibles charges, investment gains and write-downs, and share of exceptional gains of associates

2009 Interim Results

Headline PBIT¹ and Margin¹ by Region

	Headline PBIT		Headline Margin	
	2009	2008	2009	2008
	£m	£m	%	%
North America	148.0	187.4	9.6	15.8
UK	50.1	58.2	9.8	12.9
Western Continental Europe	61.1	106.5	5.4	12.8
Asia Pacific, Latin America, Africa & Middle East, Central & Eastern Europe	83.0	101.3	7.5	11.7
Total	342.2	453.4	8.0	13.6

¹Headline PBIT/ margin: profit before finance income/ costs, taxation, goodwill and intangibles charges, investment gains and write-downs, and share of exceptional gains of associates

2009 Interim Results

Growth by Country

Revenue Growth¹

Above 0%

Countries

Argentina, Brazil, Poland, Russia, South Africa

0 to -5%

Mainland China, France, India, Mexico

> -5%

Australia, Belgium, Canada, Denmark, Dubai, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Singapore, Spain, Sweden, UK, US

¹ Like-for-like

2009 Interim Results

Growth by Category

Revenue Growth¹

Categories

Above 0%

Computers, Electronics, Entertainment

0 to -5%

Drinks, Food, Government, Oil, Personal Care & Drugs

> -5%

Automotive, Financial Services, Retail,
Telecommunications, Travel & Airline

¹ Like-for-like

2009 Interim Results

Effects of Sterling Weakness

- ✿ Currency movements accounted for a 19.8% increase in revenue, reflecting the weakness of the £ sterling against the US dollar, the euro and the Japanese yen.
- ✿ Sterling was weaker on average in the first half of 2009 than in 2008 by 24.4% against the dollar, 13.3% weaker against the euro, and 31.2% weaker against the Japanese yen.
- ✿ Headline PBT¹ of £252m would have been £210m had sterling remained at the same levels as 2008.

¹ Figures before goodwill and intangibles charges, investment gains and write-downs, share of exceptional gains of associates, and revaluation of financial instruments

2009 Interim Results

Trade Estimates of Major New Business Wins

Agency	Account	Office	Billings (\$m)
<u>mec</u>	<u>Activision Blizzard</u>	<u>mec</u>	<u>225</u>
<u>Wunderman</u>	<u>Microsoft</u>	<u>Worldwide</u>	<u>200</u>
<u>Grey</u>	<u>NFL</u>	<u>USA</u>	<u>160</u>
<u>Mindshare</u>	<u>Zurich</u>	<u>Worldwide</u>	<u>150</u>
Wunderman	Nokia	Worldwide	Not disclosed
mec	Sony	Latam	150
<u>JWT</u>	<u>Microsoft</u>	<u>Worldwide</u>	<u>100</u>
<u>JWT/ Mindshare</u>	<u>Egyptian Tourist Authority</u>	<u>EMEA</u>	<u>100</u>

Underlined figures are Q2 wins

2009 Interim Results

Trade Estimates of Major New Business Wins

Agency	Account	Office	Billings (\$m)
Mindshare	Intercontinental Hotels Group	USA	80
<u>TNS</u>	<u>European Commission</u>	<u>Europe</u>	<u>80</u>
WPP	Vodafone Global Strategy	Worldwide	50
MAXUS	Yili Dairy	China	50
MediaCom	LVMH	UK	47
Y&R	Hotels.com	USA	40
<u>Grey</u>	<u>TJ Maxx</u>	<u>USA</u>	<u>35</u>
Ogilvy	United Healthcare	USA	30
<u>JWT</u>	<u>China Telecom</u>	<u>China</u>	<u>30</u>
<u>Maxus</u>	<u>Jetstar</u>	<u>Asia</u>	<u>30</u>

Underlined figures are Q2 wins

2009 Interim Results

Trade Estimates of Major New Business Losses

<u>Agency</u>	<u>Account</u>	<u>Office</u>	<u>Billings (\$m)</u>
<u>Mindshare</u>	<u>Bristol-Myers Squibb</u>	<u>Worldwide</u>	<u>420</u>
<u>MediaCom</u>	<u>Nokia</u>	<u>Worldwide</u>	<u>260</u>
<u>Mindshare</u>	<u>Wrigley</u>	<u>USA</u>	<u>250</u>
<u>MediaCom</u>	<u>LVMH</u>	<u>USA</u>	<u>180</u>
<u>Ogilvy</u>	<u>Kraft</u>	<u>USA</u>	<u>80</u>
mec	Canon	EMEA	75
<u>Maxus</u>	<u>Red Bull</u>	<u>Asia</u>	<u>71</u>
mec	Long John Silvers	USA	35
United	Silk Soya Milk	USA	30
JWT	Vodafone	Germany	30

2009 Interim Results

Internal Estimates of Net New Business Wins

Billings (\$m)	Creative	Media	Total
Advertising	540	908	1,448
Other Businesses	424	-	424
Total First Half 2009	964	908	1,872

2009 Interim Results

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

	Agency	Account	Office	Billings (\$m)
WINS	mec	Mercedes Benz	Germany	200
	JWT	Microsoft	Worldwide	100
LOSSES	JWT	B&Q	UK	60
	MediaCom	China Unicom	China	51

2009 Interim Results

Cash Flow

	2009	2008
	£m	£m
Operating profit	199	378
Non-cash compensation	31	30
Depreciation, amortisation & impairment	242	125
Net interest paid & similar charges	(105)	(67)
Tax paid	(95)	(84)
Net cash generation	272	382

2009 Interim Results

Uses of Cash Flow

	2009	2008
	£m	£m
Net cash generation	272	382
Capital expenditure	(129)	(74)
Acquisition payments:		
– Net initial payments ¹	(55)	(143)
– Earnout payments	(38)	(30)
– Loan note redemptions	-	(3)
	(93)	(176)
Share repurchases	(9)	(112)
Other	(11)	11
Net cash inflow before NWC changes	30	31

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

2009 Interim Results

Net Finance Costs/ (Income)

£m	2009	2008	B/(W)
Net debt interest	84.0	64.7	(19.3)
Investment income	(5.0)	(5.0)	-
IAS 19 (Pensions)	8.6	4.3	(4.3)
Earnout interest	1.3	0.4	(0.9)
IAS 32 (Convertibles)	1.1	(0.1)	(1.2)
	6.0	(0.4)	(6.4)
Headline finance costs	90.0	64.3	(25.7)
IAS 39 (Financial Instruments)	(25.6)	(4.3)	21.3
Gains on hedge terminations on TNS debt	(25.2)	-	25.2
Net finance costs	39.2	60.0	20.8

2009 Interim Results

Net Debt - 30 June 2009

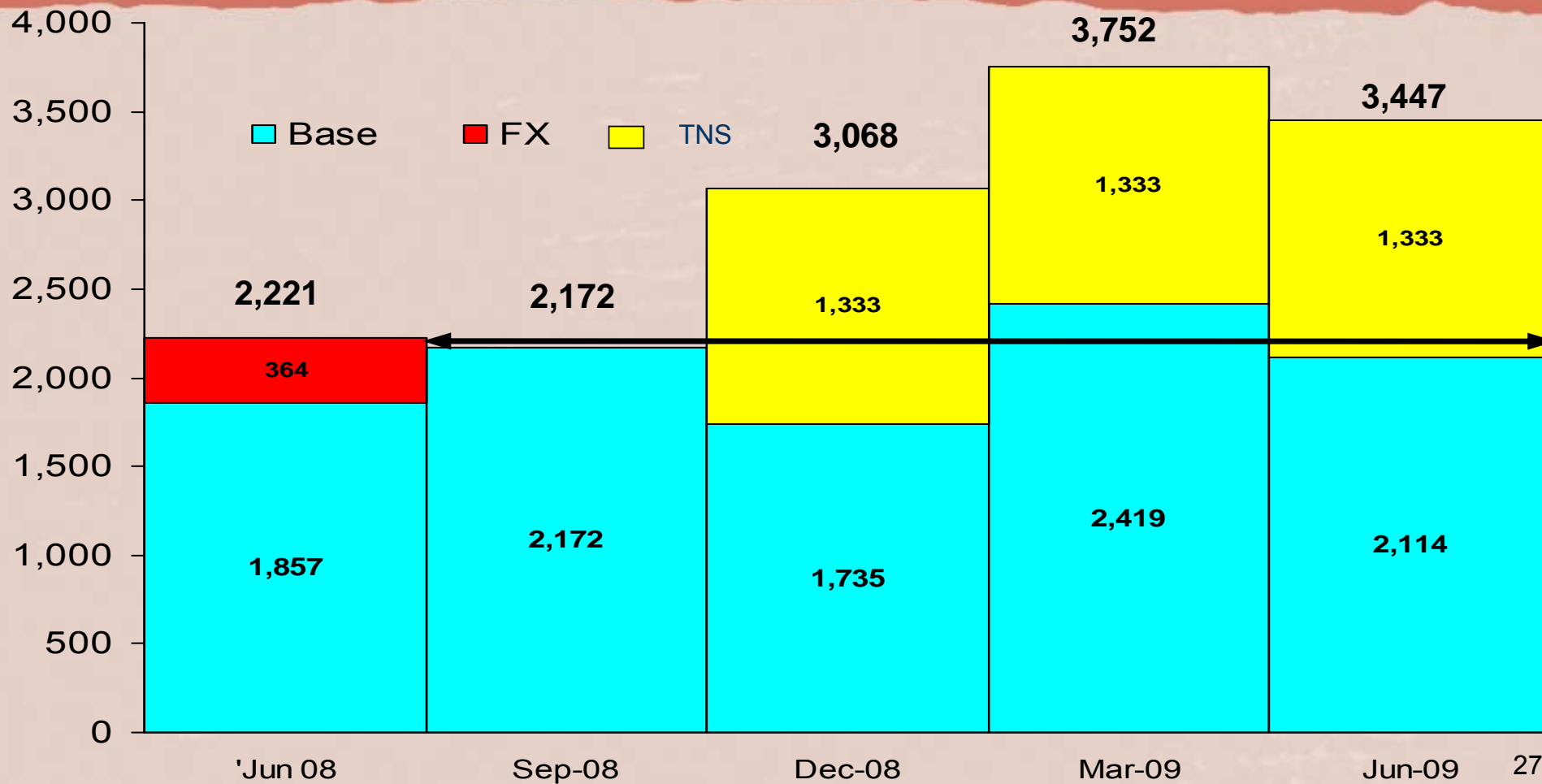
	2009 £m	2008 £m	%
Net debt at 30 June	(3,447)	(1,857)	(86)
YTD average net debt on constant currency basis	(3,507)	(2,256)	(55)
YTD average net debt on reportable currency basis	(3,507)	(1,873)	(87)
Headline finance costs	(90)	(64)	(41)
Interest cover on Headline PBIT ¹	3.8x	7.1x	

¹ Headline PBIT: profit before finance income/ costs, taxation, goodwill and intangibles charges, investment gains and write-downs, and share of exceptional gains of associates

2009 Interim Results

Impact of FX on debt year to June 2009

£ millions



2009 Interim Results

Debt Maturity Profile £m

As at 30 June 2009

	Total Credit	Total Drawn	Maturity											
			2009	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)	640	640									640			
Eurobonds €500m (5.25% '15)	427	427							427					
£ convertible £450m (5.75% '14)	450	450							450					
US bond \$650m (5.875% '14)	395	395							395					
US bond \$600m (8% '14)	364	364							364					
Eurobonds €600m (4.375% '13)	512	512					512							
Bank revolver ¹ \$1,600m	972	499				499								
TNS notes retained ¹ \$55m	33	33				18		15						
TNS acquisition revolver ^{1,2} £600m	600	236		36	200									
Debt facilities	4,993	4,156	-	36	200	517	512	1,224	427	640	400	.	200	
Net cash & overdrafts		(709)												
Net debt		3,447												

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

2009 Interim Results

Banking Covenants

- No covenants or ratings triggers on public bonds other than the US\$600m 2014¹ bond
- Bank Revolver and new TNS facility subject to the following covenants:
 - Net Debt/EBITDA \leq 3.5 measured half yearly
 - EBITDA/Net Interest \geq 5.0 measured half yearly
 - The covenant definitions for EBITDA and net interest exclude non-cash and non-operating items

	12 months to 30.6.09	12 months to 31.12.08
Net debt/EBITDA:		
Reported	x 2.8	x 2.4
Bank	x 2.7	x 2.3
EBITDA/Interest:		
Reported	x 6.9	x 8.6
Bank	x 8.2	x 9.5

¹ Sub investment grade triggers a 50 bpp, or \$3m, increase in coupon

2009 Interim Results

Credit Rating Agencies

Standard & Poor's

BBB negative outlook

Adjusted Average Debt to EBITDA:

12 months to December 08: x 3.2

12 months to June 09: x 3.7

Rating boundary x 3.5

Moody's

Baa2 negative outlook

Adjusted Average Debt to EBITDAR:

12 months to 31.12.08: x 3.2

12 months to 30.6.09: x 3.8

Rating boundary x 3.75

Moody's

"...ratings maintenance requires amongst other things:

- i. Leverage not to exceed a ratio of 3.75x on a sustained basis
- ii. A focus on cost control and operating margin protection
- iii. The use of discretionary cash flows towards debt reduction
- iv. Successful and timely integration of TNS with realisation of synergies in line with company expectations
- v. The company to manage liquidity pro-actively and discretionary outflows tightly..."

2009 Interim Results

Use of Free Cash Flow

<u>Category</u>	<u>Target</u>	<u>H1</u>
New acquisitions	Up to £100m	£55m
Share buy back	Up to 1%	0.2% or £10m
Dividends	Growth up to 15%	Flat

Net cash generated of £272m despite downturn

2008 Interim Results

Ordinary Shares - Basic

	June 2009 Actual	June 2008 Actual	
No. of Shares (million)			
1 January	1,255	1,192	
Share buy-back	-	(19) ¹	
Option exercise	-	1	
30 June	1,255	1,174	-6.9%
Weighted Average	1,255	1,179	
ESOP/Treasury shares	(34)	(35)	
Average Basic	1,221	1,144	-6.7%

¹ Buy-back for cancellation

2008 Interim Results

Ordinary Shares – Diluted

	June 2009 Actual	June 2008 Actual	
No. of Shares (millions)			
Average Basic	1,221	1,144	-6.7%
Share Option Dilution	2	7	
Other Potentially Issuable Shares	13	14	
Sub-Total	1,236	1,165	
Convertibles: Grey \$150m ¹	n/a	9	
£450m	a/d ²	n/a	
Fully Diluted Shares	1,236	1,174	-5.3%
Full Diluted Shares: Full Year estimate	1,240		

¹ Income adjustment attributable to Grey convertibles is £1.1m pa

² a/d = convert is anti-dilutive

2009 Interim Results

TNS Integration

✦ Consumer insight revenue growth hit by recession as elsewhere

✦ Revenue performance in line with peers

	Kantar	GFK	IPSOS	Synovate
Q1	(6.9)	(4.6)	(5.1)	(9.0)
Q2	(13.5)	(12.0)	n/a	n/a
H1	(10.4)	(8.5)	n/a	n/a

✦ GM decline is lower than revenue decline at 7.8%

✦ July showed an improvement in trend and pipe line

2009 Interim Results TNS Integration

- ✿ Business reorganised into new divisions TNS/RI, Kantar Health, Kantar Media, Kantar Retail and Kantar Worldpanel
- ✿ Some delay on severance actions due to European regulations
- ✿ Synergy programme on track with workstreams indicating synergy benefits in excess of £60m
- ✿ Combined product and client offering more competitive than forecast
- ✿ Strength in technology and automotive has impacted H1 performance



WPP

2

Key Priorities, Objectives and Strategy

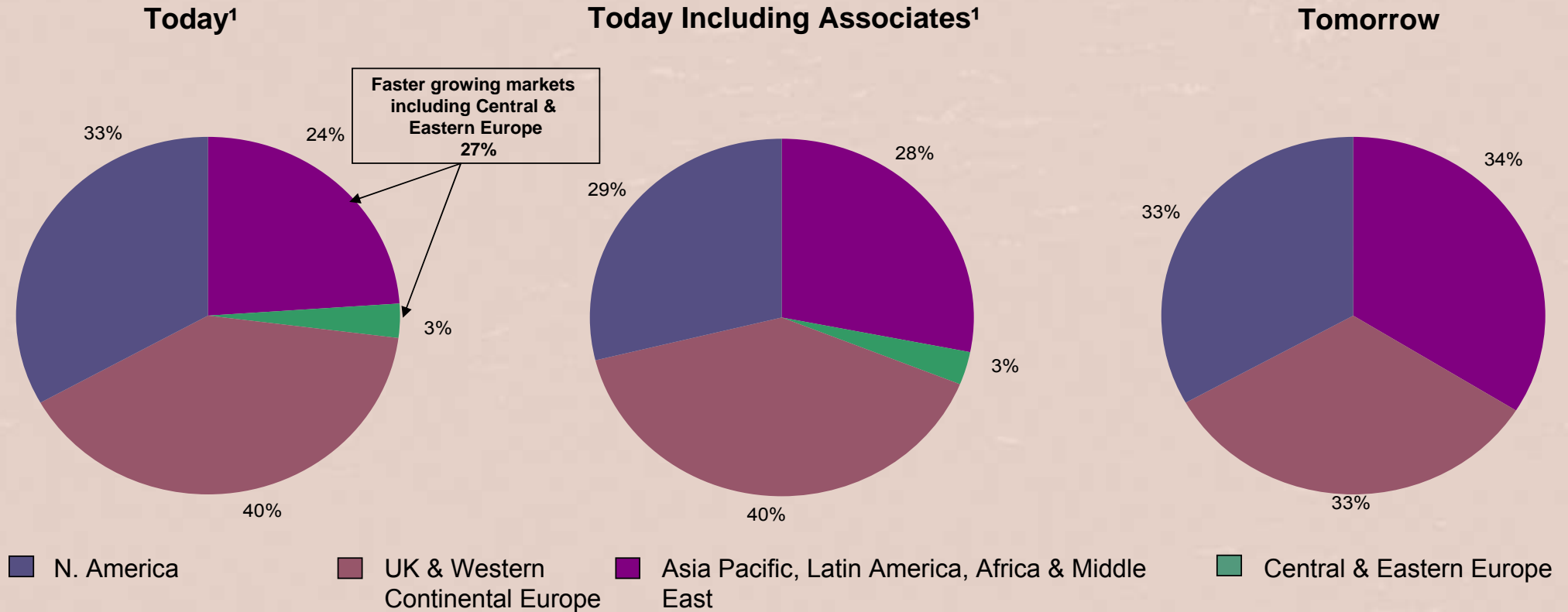


Key Priorities, Objectives and Strategy

- ✿ 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.

Key Priorities, Objectives and Strategy

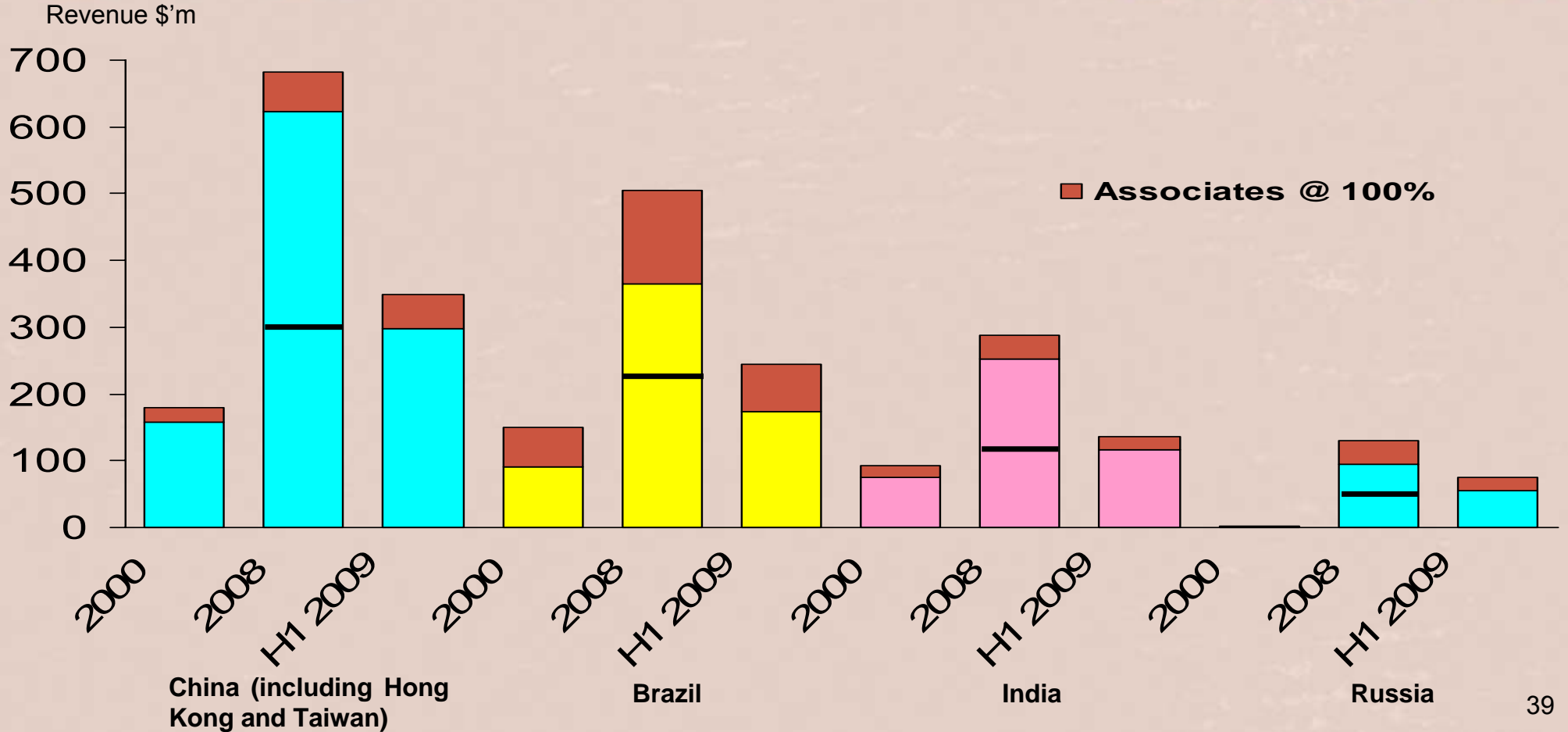
Faster Growing Markets to be One Third of Total Group



¹ Based on full year 2008 reported revenue adjusted to include TNS for a full year.

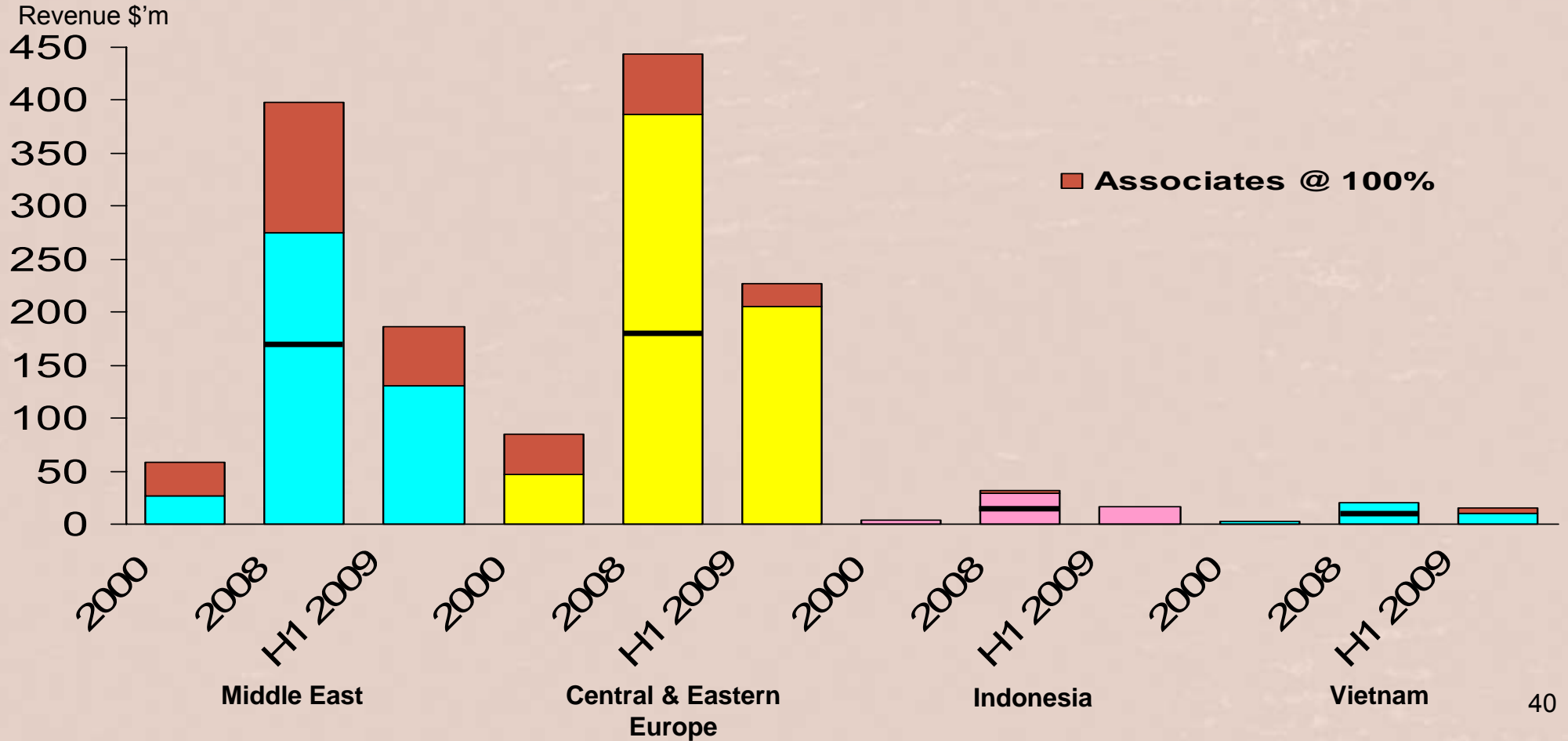
Key Priorities, Objectives and Strategy

WPP's Performance Strong in BRIC Markets



Key Priorities, Objectives and Strategy

WPP's Performance in Other Faster Growing Markets



Key Priorities, Objectives and Strategy

WPP in Faster Growing Markets

Region	Market	Billings ¹ \$bn	% Share ¹	Rank ¹	12 month ² Revenue \$bn	People ² '000
Asia	Greater China ³	4.1	38%	1	0.7	11.1
	India	1.2	40%	1	0.3	8.5
	Thailand	0.3	36%	1	0.1	1.3
LatAm	Brazil ⁵	1.1	25%	1	0.5	9.2
	Mexico	0.9	25%	2	0.1	1.7
	Argentina	0.2	18%	3	0.1	1.5
Other	Africa/Middle East ⁴	1.5	30%	1	0.6	22.0
	Poland	0.7	28%	2	0.1	1.2
	Russia	1.5	23%	1	0.2	1.8

¹ Source RECMA 2008 Definitive share of networks as issued July 2009.

² Year to 30 June 2009 including associates, people at 30 June 2009.

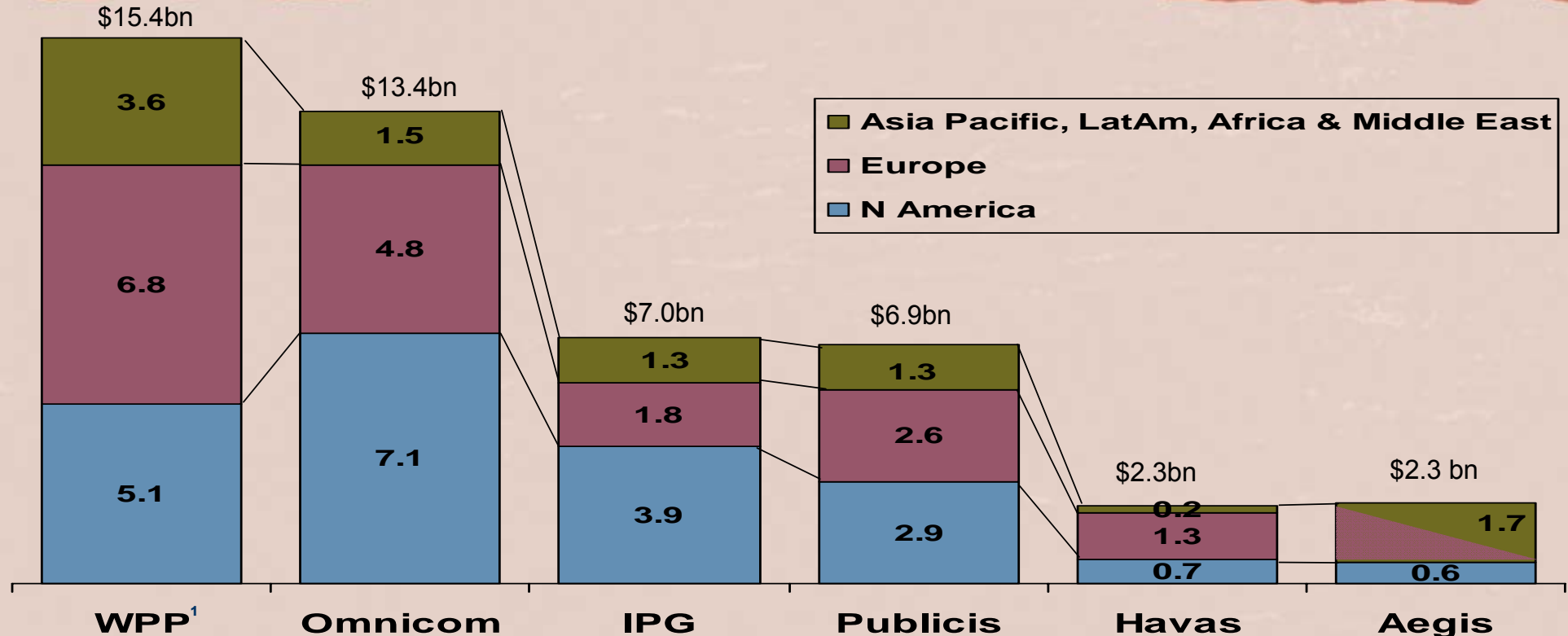
³ Greater China is China, Hong Kong and Taiwan.

⁴ Includes South Africa & Middle East only.

⁵ WPP estimate.

Key Priorities, Objective and Strategy

Revenue by Geography



¹ Source: WPP - sterling revenues converted @ \$1.85= £1 based on the average for 2008, adjusted to include a full year of TNS. Omnicom, Publicis and Havas - company presentations for 2008.

² FX. Havas and Publicis assumes \$1=€0.68 based on the average for 2008.

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.

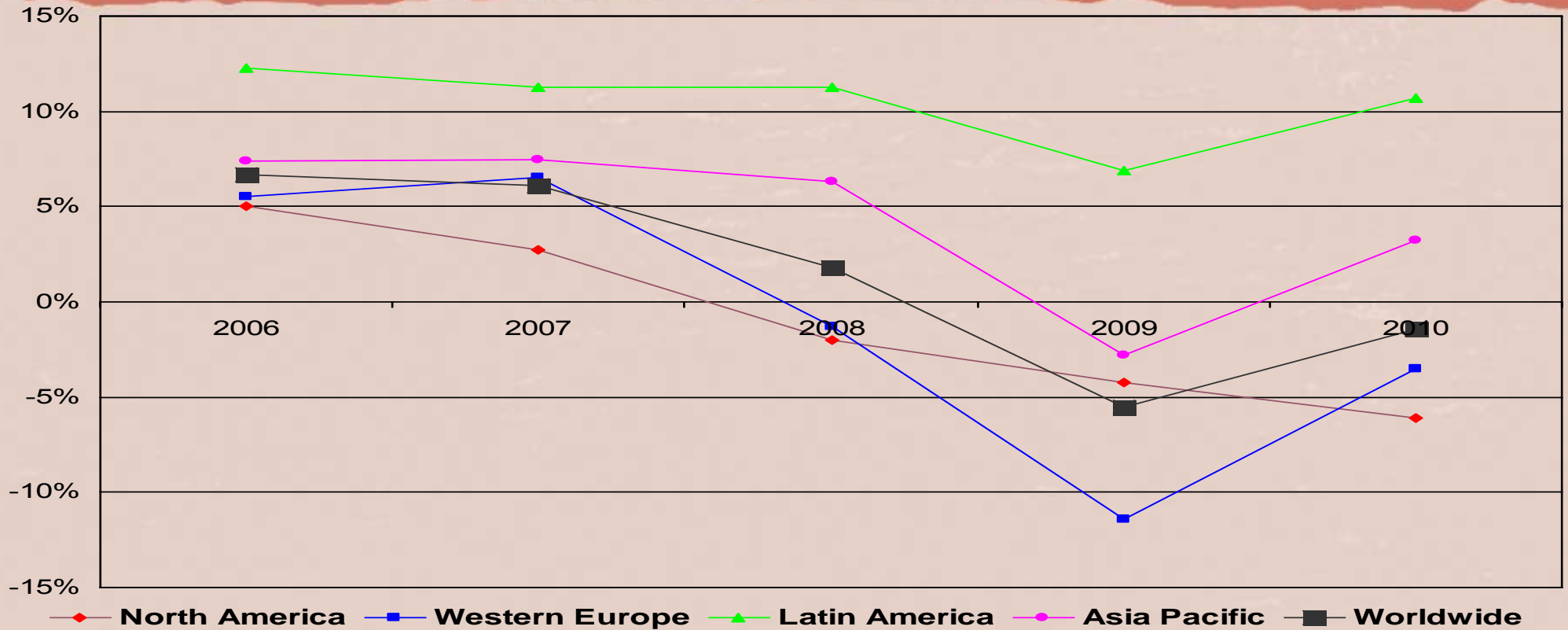
⁴ IPG. Assumes Canada is ca 1.5% of revenue.

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

⁶ Aegis. EMEA and Asia = \$1.7 bn

Key Priorities, Objectives and Strategy

Slowdown in Advertising Growth 2008-2009

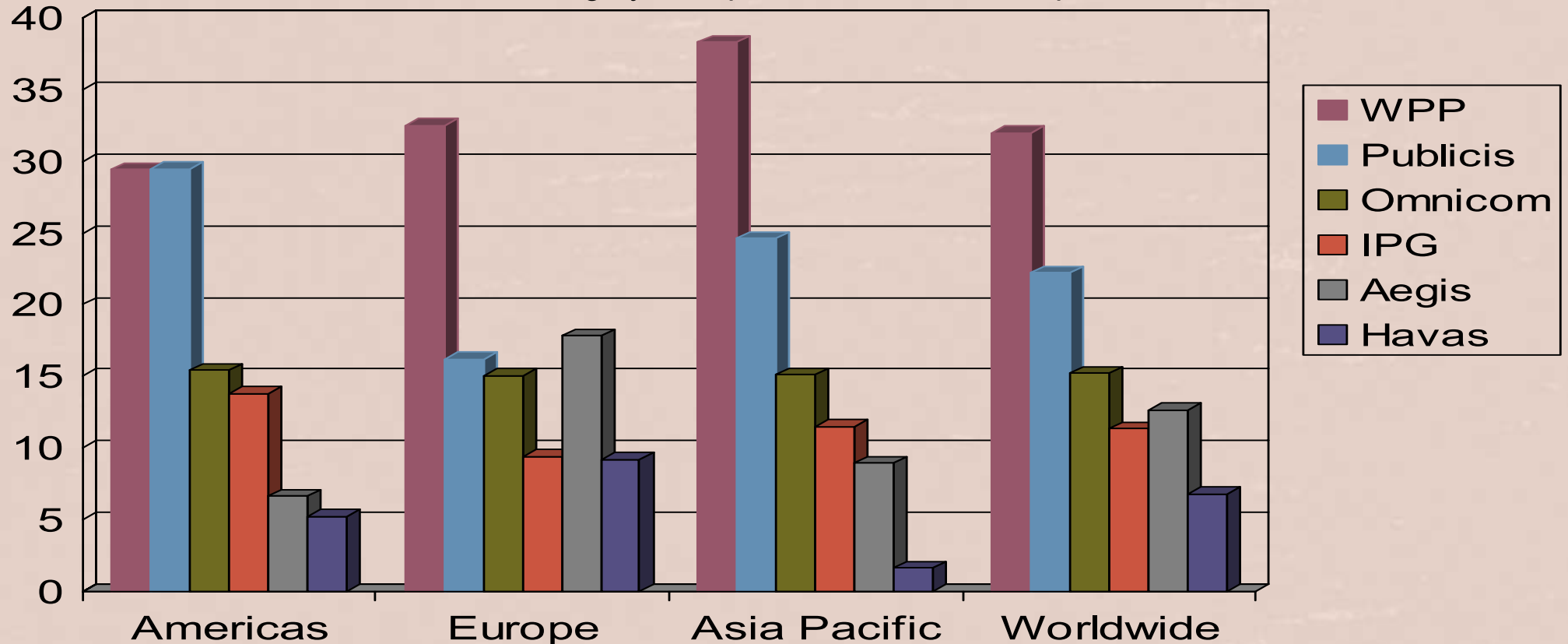


1. Source: Summer 2009 GroupM media forecast growth projections; 2006, 2007 and 2008 are actual growth rates, 2009 are forecast growth rates.
2. Worldwide 2009 forecast decline of 5.5% (2008 – 2% growth).
3. Latin America forecast to grow by 7% in 2009.
4. China and India forecast to grow by 3% in 2009.

Key Priorities, Objectives and Strategy

Media Billings by Geography

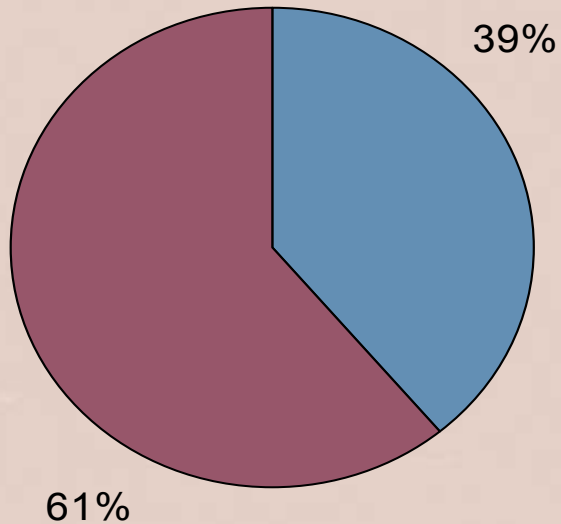
Worldwide ranking by Group as % of the Six Groups



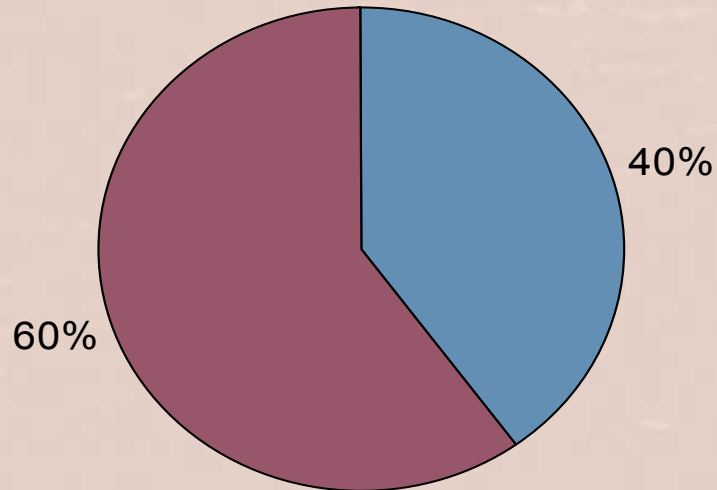
Key Priorities, Objectives and Strategy

Marketing Services to be Two Thirds of Total Group

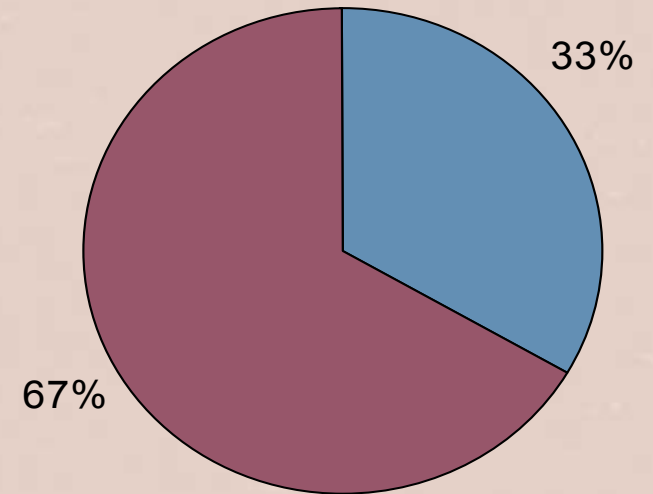
Today¹



Today including associates¹



Tomorrow



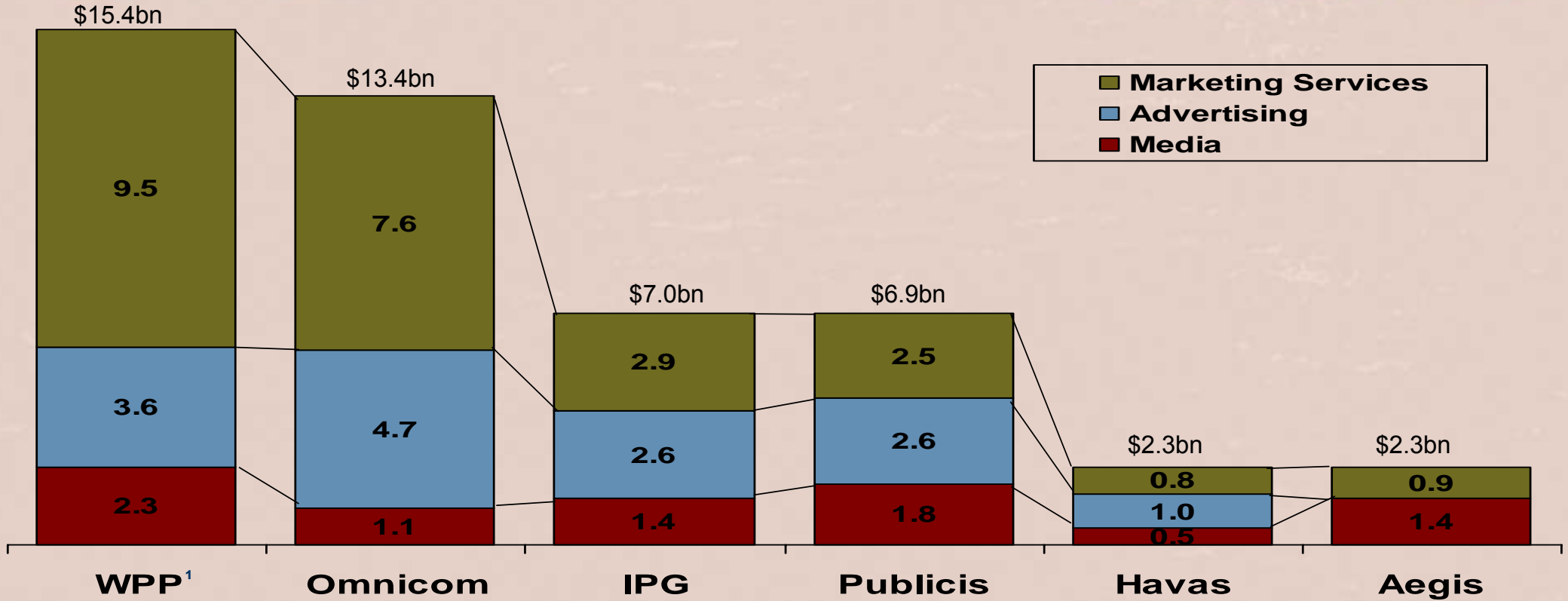
Marketing Services

Advertising & Media Investment Management

¹ Based on full year 2008 reported revenue adjusted to include a full year of TNS.

Key Priorities, Objective and Strategy

Revenue by Discipline



Source: ¹ WPP sterling revenue converted at \$1.85=£1 based on the average for 2008, adjusted to include a full year of TNS.

² 2008 Company Presentations; Aegis consensus estimate.

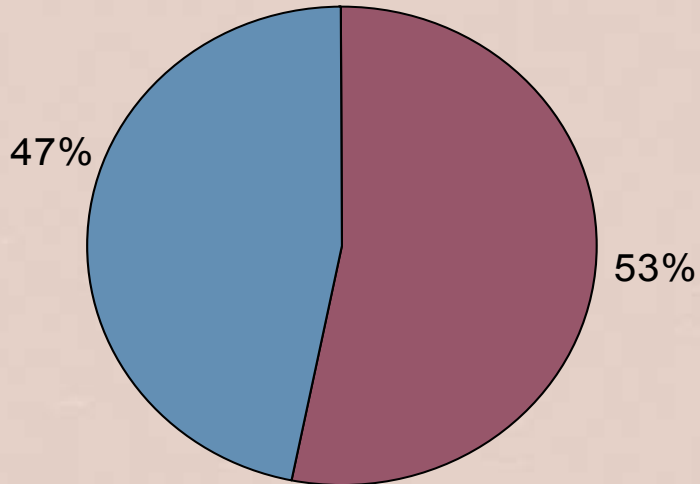
³ Media split based on Deutsche Bank estimates.

⁴ FX. Havas and Publicis assumes \$1=€0.68 based on the average for 2008.

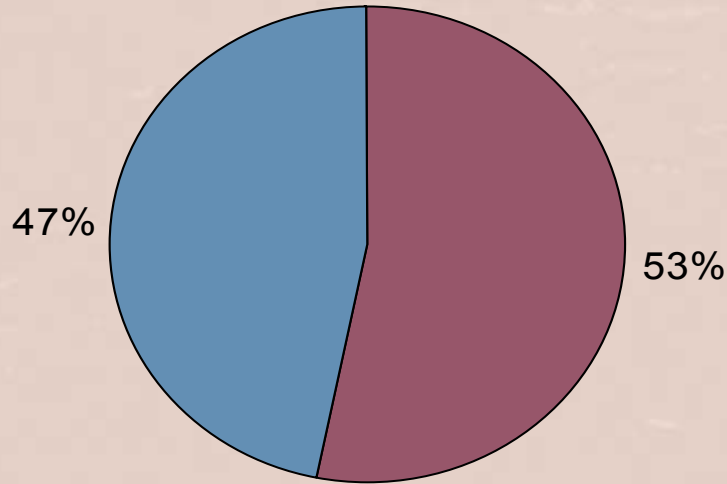
Key Priorities, Objectives and Strategy

Quantitative Disciplines to be One Half of Total Group

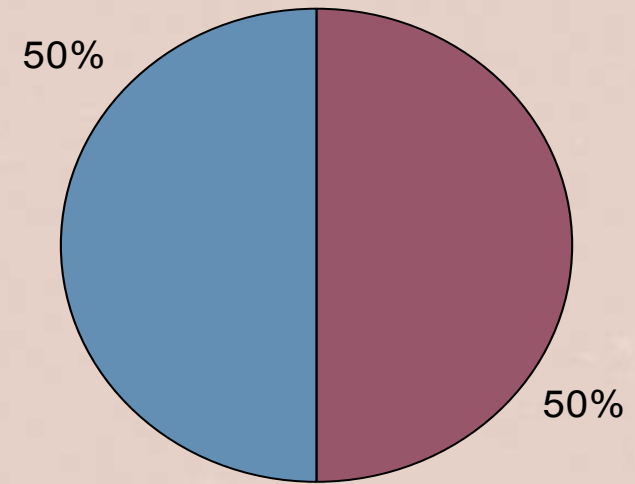
Today ¹





Today including associates ¹



Tomorrow



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

¹ Based on full year 2008 reported revenue, adjusted to include a full year of TNS.

Key Priorities, Objectives and Strategy

WPP Position in Direct, Internet and Interactive

First Half 2009 \$ millions	Wide ¹ Definition
Digital, Internet and Interactive Networks (OgilvyOne, Wunderman, rmg:connect, G2 and WPP Digital)	1,012
<i>% of Group revenues</i>	15%
Specialist Digital, Internet and Interactive resources:	
- Consumer Insight (Millward Brown, TNS/RI and Lightspeed)	378
- Other	281
Total 2009 H1	1,670
<i>% of Group revenues</i>	25%
Total 2008 H1	1,463
<i>% of Group revenues</i>	25%

¹ Includes total revenue from Direct, Digital and Interactive Networks from all sources.

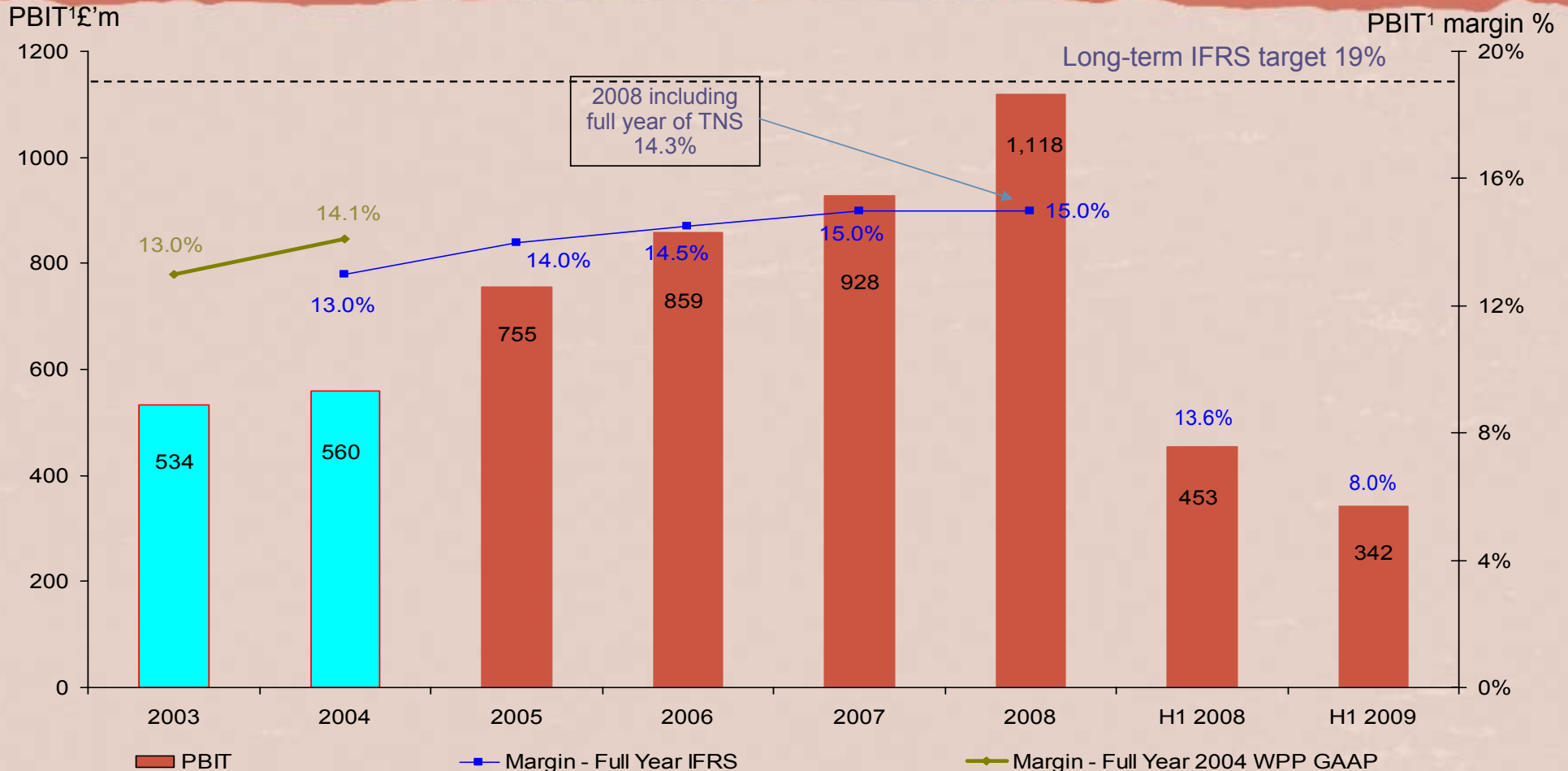
Key Priorities, Objectives and Strategy

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 goodwill and intangibles charges, write offs of fixed asset investments and share of exceptional gains of associates. For 2004 onwards, Headline PBIT has been prepared under IFRS. 2003 and prior periods are in accordance with previous UK GAAP.

Key Priorities, Objectives and Strategy

Flexibility in the cost base
Change in variable costs



Key Priorities, Objectives and Strategy

Using Free Cash Flow to Enhance Share Owner Value
Dividends and Share Repurchases

✿ 2009 first interim dividend maintained at 5.19p per share.

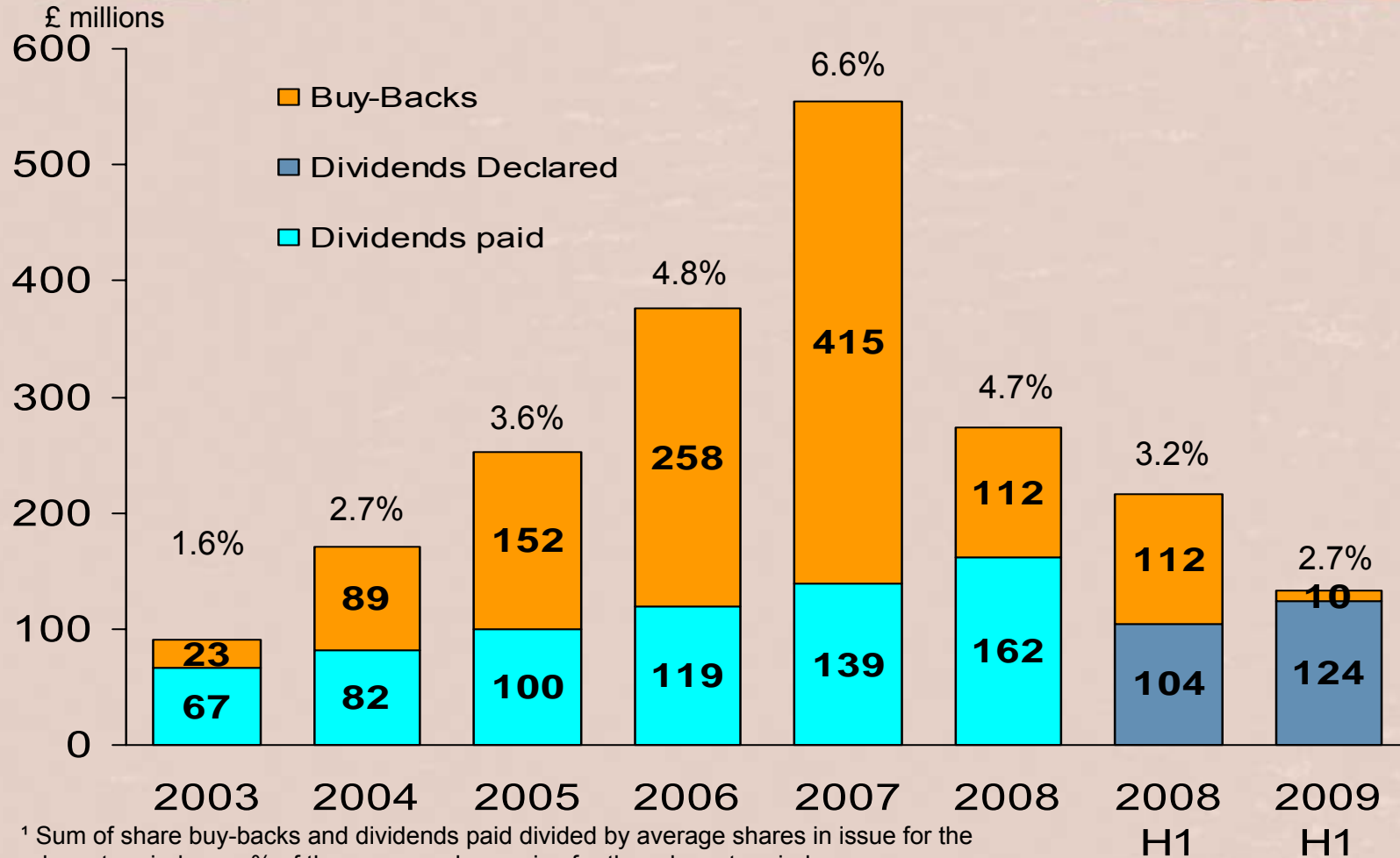
✿ Distributions to share owners:

	<u>Dividends Paid</u>	<u>Share Repurchases</u>	
		<u>Amount</u>	<u>% of Share Base</u>
2000	£25.6m	£94.1m	1.3%
2001	£44.4m	£103.3m	1.4%
2002	£55.6m	£75.9m	1.1%
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 H1	-	£9.5m	0.2%
Total 2000-2009 H1	£794.1m	£1,332.2m	

¹ Of which 4.6% relates to share cancellations.

Key Priorities, Objectives and Strategy

Using Free Cashflow to Enhance Share Owner Value
Distributions to Share owners¹



¹ Sum of share buy-backs 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, internet & interactive and consumer insight.
- ✿ During 2009, 10 small and mid size acquisitions were completed in executing this strategy.
- ✿ Acquisitions in advertising are used to address specific client or local agency needs.
- ✿ We continue to find opportunities at earnings enhancing multiples, particularly outside the USA.

2009 Interim Results

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&A³ (Vietnam)

Advertising
Hogarth (UK)

Quantitative and Digital

Danone CRM (France)
H-art (Italy)
INDEX VENTURES² (UK)
Omniture² (USA)
Red Dot Square (UK, USA)
Video Egg Series E² (USA)

Healthcare
Lob Conseils (France)

¹ Excludes equity step ups

² Investment

³ July 2009 acquisitions

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



Conclusion Outlook

- ✿ The financial crisis and credit tightening has triggered recession across the globe.
- ✿ The sharp deceleration in Q1 revenue and an even greater decline in Q2 and consequent severance has depressed H1 margin.
- ✿ Number of people in the business and revenue more aligned at end of first half.
- ✿ Our goal for the balance of year is maintenance of prior years second half margins.
- ✿ For 2010 the actions taken should allow the company to improve year on year margin given a “stable” revenue environment.

Conclusions

- ✦ New markets new media and consumer insights, the group's three areas of strategic focus, will become even more important as the recession abates.
- ✦ The Group continues to be well placed to benefit from these key industry trends.
- ✦ The TNS acquisition represents a major competitive advantage for our consumer insight business and the Group, as well as a source of future margin improvement.
- ✦ In the long term the Group will continue to concentrate on positioning its top line in the highest growth functional and geographic sectors and improving the effectiveness of its cost structure.
- ✦ The Group will manage cashflow to return average net debt/EBITDA ratio to below 2x in the medium term with the goal of maintaining its investment grade rating.



WPP

2009 Interim Results London

August 2009

