

WPP

Trading Statement for the First Quarter 2009

28 April 2009



First Quarter 2009

Summary

- ✿ Currency movements increased revenue growth by 24.8%, resulting in reported revenue growth of 35.9%.
- ✿ Like-for-like revenue down 5.8%, with acquisitions, principally TNS, adding 16.9% to give constant currency growth of 11.1%.
- ✿ Geographically, on a like-for-like basis most regions affected by the economic downturn;
 - Latin America, Africa and Eastern Continental Europe grew revenues
 - Continental Europe continued to move at two speeds, with Western Continental Europe down over 7% and Eastern Continental Europe up over 2%
 - North America worst affected with revenue down over 9%
- ✿ Functionally, advertising and media investment management showed the slowest rate of decline at just under 4%, with media investment management better.

First Quarter 2009

Summary – Revenue Growth

	%
Like-for-like	-5.8
Acquisitions	16.9
Constant currency	<hr/> 11.1
Foreign exchange	24.8 ¹
Reported	<hr/> <hr/> 35.9

¹ Average Q1 2009 exchange rate for US\$/ £ was \$1.435 (Q1 2008 \$1.978), €/£ was €1.101 (Q1 2008 €1.321) and Japanese Yen/£ was Y134.4 (Q1 2008 Y208.4).

First Quarter 2009

Revenue by Discipline

	2009 £m	2008 £m	% Change		
			Reported	Constant Currency	Like-for- like
Advertising, Media Investment Management	812.1	695.1	16.8	-3.5	-3.9
Information, Insight & Consultancy	552.0	227.1	143.1	101.5	-6.4
Public Relations & Public Affairs	201.6	167.2	20.6	-4.3	-6.1
Branding & Identity, Healthcare and Specialist Communications	550.9	468.6	17.6	-5.1	-7.9
Total	2,116.6	1,558.0	35.9	11.1	-5.8

First Quarter 2009

Advertising, Media Investment Management

- * Constant currency revenue down over 3%. Like-for-like revenue down almost 4%.
- * On a like-for-like basis advertising particularly affected by the downturn, but media investment management better, with strong growth in Asia Pacific, the United Kingdom, Latin America and Africa.
- * Acquisitions in South Africa and Portugal completed in the quarter.

First Quarter 2009

Information, Insight and Consultancy

- * Constant currency revenue growth up over 100% reflecting the impact of TNS in the first quarter, with like-for-like revenue down over 6%.
- * Strong organic growth from TNS Worldpanel, iTRAM, IMRB, Center Partners and MRB Group, with Lightspeed also showing positive growth.
- * Geographically, on a like-for-like basis, North America and Continental Europe had revenue decline, but the United Kingdom, Latin America and Africa grew.
- * Acquisition in the United Kingdom completed in the quarter.

First Quarter 2009

Public Relations & Public Affairs

- * Constant currency revenue down over 4%, with like-for-like revenue down over 6%.
- * Geographically, North America and the United Kingdom most affected, but strong growth in Latin America and the Middle East with Continental Europe flat.
- * Acquisition in Poland completed in the quarter.

First Quarter 2009

Branding & Identity, Healthcare and Specialist Communications

- * Constant currency revenue down over 5%. Like-for-like growth down almost 8%.
- * Strong performances at 24/7 Real Media, Schematic, Bridge, Spafax, Addison, The Partners and CommonHealth.
- * Continuing pressure at some of the Group's specialist communications businesses, particularly in the USA and the UK. Improving momentum at the Group's healthcare businesses, as a result of new business account consolidations.
- * Geographically, strong like-for-like growth in direct, internet and interactive in Latin America and the Middle East.
- * Acquisitions in the United States, France and Italy completed in the quarter.

First Quarter 2009

Revenue by Region

	2009 £m	2008 £m	% Change		
			Reported	Constant Currency	Like-for- like
North America	784.9	580.9	35.1	-0.9	-9.2
UK	251.1	216.4	16.0	16.0	-2.2
Continental Europe	608.0	419.0	45.1	24.6	-6.3
Asia Pacific, Latin America, Africa & Middle East	472.6	341.7	38.3	15.0	-1.4
Total	2,116.6	1,558.0	35.9	11.1	-5.8

First Quarter 2009

Growth by Region

- ✿ North America most affected by economic pressure with like-for-like revenue down over 9%.
- ✿ The United Kingdom was less affected, with like-for-like revenue down just over 2%.
- ✿ Asia Pacific, Latin America, Africa and the Middle East was least affected with like-for-like revenue down just over 1%, and Latin America and Africa showing growth.
- ✿ In Continental Europe Spain, Italy and Denmark particularly affected, but others such as Russia and Poland grew.

First Quarter 2009

Growth by Country

Revenue Growth¹

Above 0%

Argentina, Brazil, Mainland China, India, Mexico, Poland, Russia, South Africa

0 to -5%

France, Germany, Hong Kong, UK

> -5%

Australia, Belgium, Canada, Denmark, Dubai, Italy, Japan, Netherlands, Norway, Singapore, Spain, Sweden, US

¹ Like-for-like

First Quarter 2009

Growth by Category

Revenue Growth¹

Categories

Above 0%

Computer, Electronics, Oil

0 to -5%

Entertainment, Food, Government, Personal Care & Drugs, Travel & Airline

> -5%

Automotive, Drinks, Financial Services, Retail, Telecommunications

¹ Like-for-like

First Quarter 2009

Effects of Strength of Sterling

- ✿ Currency movements accounted for a 24.8% increase in revenue, reflecting the weakness of the £ sterling against the US dollar, the euro and the Japanese yen.
- ✿ The average US dollar exchange rate for the First Quarter of 2009 was \$1.435/£1 compared to \$1.978/£1 for the same period last year, a change of over 27%. The average euro exchange rate for the First Quarter was €1.101/£1 compared to €1.321/£1 for the same period last year, a change of almost 17%.

First Quarter 2009

Uses of Cashflow

- ✿ Average net debt in the first three months up £1.340 billion to £3.421 billion, compared to £2.081 billion in 2008, at 2009 exchange rates. This increase was less than the £1.6 billion incurred in the course of the TNS and other acquisitions.
- ✿ Net debt at 31 March 2009 up £1.159 billion to £3.752 billion, compared to £2.593 billion last year, at 2009 exchange rates. At 2008 exchange rates, net debt up £918 million to £3.070 billion compared to £2.152 billion last year.
- ✿ Operating cash flow in the last 12 months was £939 million. In the same period, cash outflow on capital expenditure, acquisitions, share repurchases and dividends was £1.430 billion.
- ✿ In the first three months 2.4 million ordinary shares, equivalent to 0.2% of the share capital, were purchased at an average price of £3.92 per share and total cost of £9.5 million.

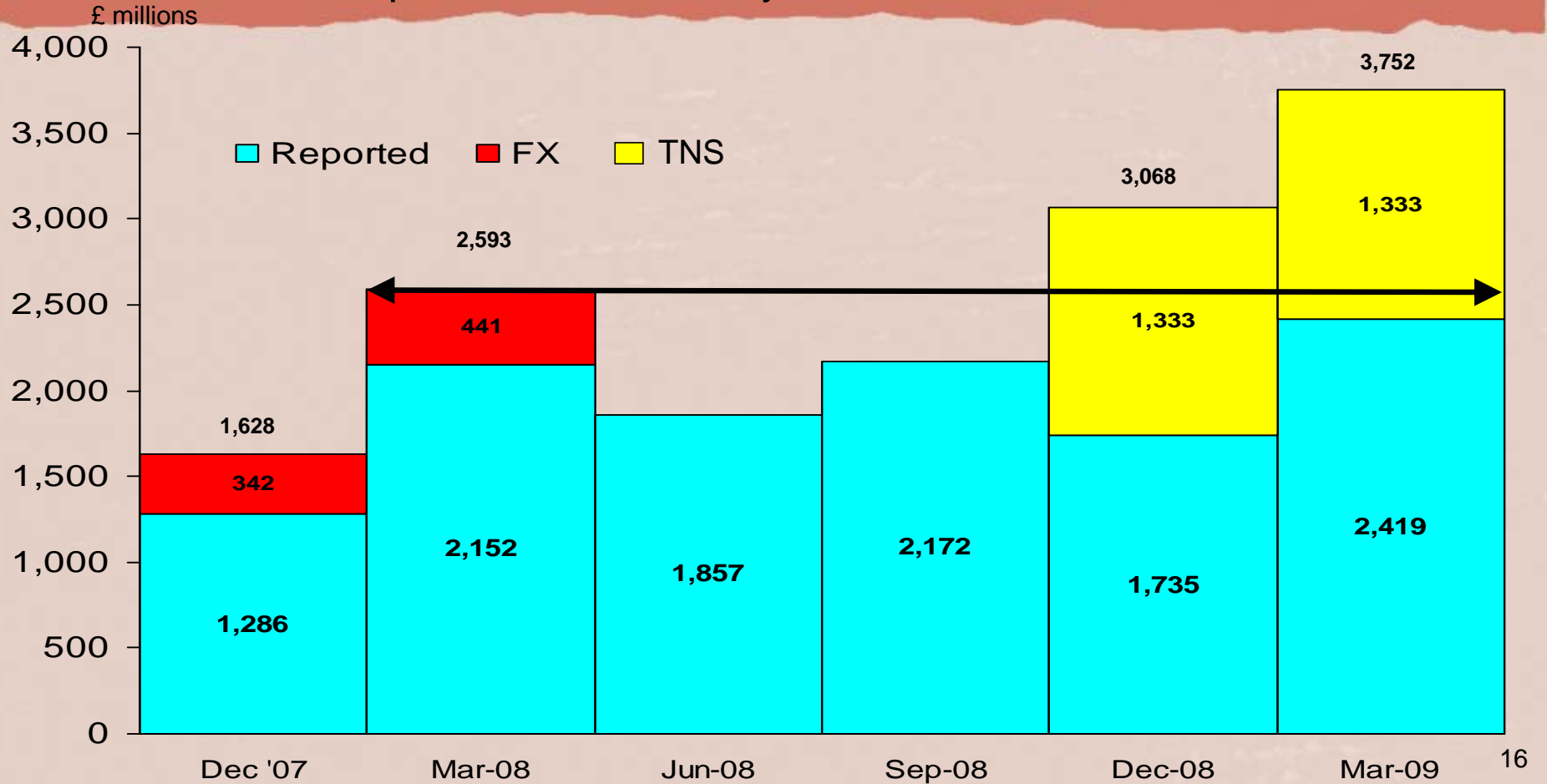
First Quarter 2009

Net Debt

	2009 £m	2008 £m (As reported)	% Variance
YTD average net debt	(3,421)	(1,669)	-105.0%
Rolling 12 month average net debt	(2,637)	(1,616)	-63.2%
Net Debt at 31 March:	(3,752)	(2,152)	-74.3%

First Quarter 2009

Impact of FX on debt year to March 2009



First Quarter 2009

Debt Maturity Profile £m

As at 31 March 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)	694	694										694	
Eurobonds €500m (5.25% '15)	463	463								463			
US bond \$650m (5.875% '14)	455	455							455				
Eurobonds €600m (4.375% '13)	555	555						555					
Bank revolver ¹ \$1,600m	1,119	809				809							
TNS acquisition revolver ¹ £600m	600	576	176	200	200								
TNS acquisition bridge ¹ £650m	650	650		650									
TNS private placements ¹ \$55m	38	38				21		17					
Debt facilities	5,174	4,840	176	850	200	830	555	472	463	694	400	.	200
Net cash & overdrafts		(1,088)											
Net debt		3,752											

¹ These instruments are subject to financial covenants

First Quarter 2009

Trade Estimates of Major New Business Wins – Year to Date

Agency	Account	Office	Billings (\$m)
<u>Wunderman</u>	<u>Microsoft</u>	<u>Worldwide</u>	<u>200</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>
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
Ogilvy	United Healthcare	USA	30

Underlined figures are Q2 wins to date

First Quarter 2009

Trade Estimates of Major New Business Losses – Year to Date

Agency	Account	Office	Billings (\$m)
mec	Canon	EMEA	75
KR Media	LVMH	UK	47
mec	Long John Silvers	USA	35
United	Silk Soya Milk	USA	30
JWT	Vodafone	Germany	30

First Quarter 2009

Internal Estimates of Net New Business Wins¹

Billings (\$m)	Creative	Media	Total
Advertising	328	871	1,199
Other Businesses	290	-	290
Total	618	871	1,489

¹ Same quarter last year \$1.1 billion

First Quarter 2009

Acquisitions¹ and Investments

Faster Growing Markets

H&K Feedback (Poland)
Jupiter Drawing Room (S. Africa)
Smart Media (Vietnam)

Quantitative and Digital

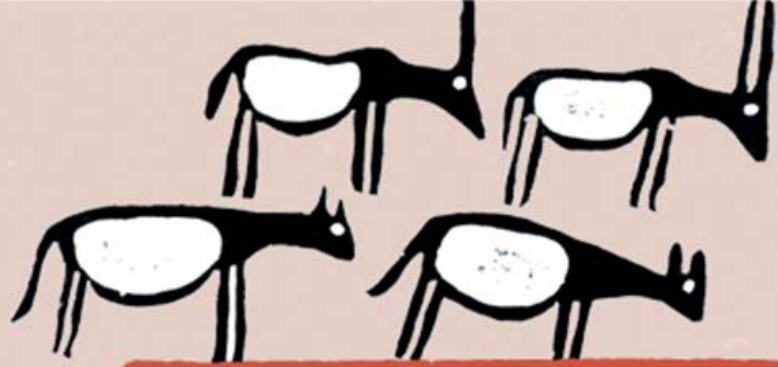
Danone CRM (France)
H-art (Italy)
Omniture² (USA)
Red Dot Square (UK, USA)
Video Egg Series E² (USA)

Healthcare

Lob Conseils (France)

¹ Excludes equity step ups

² Investment



WPP

Trading Statement for the First Quarter 2009

28 April 2009

